

ANNUAL REPORT 2018

THAI WACOAL PUBLIC COMPANY LIMITED

รายงานประจำปี 2561
บริษัท ไทยวาโก้ จำกัด (มหาชน)



วิสัยทัศน์

มุ่งมั่นสู่ความเป็นผู้เชี่ยวชาญการค้าธุรกิจชุดชั้นในสตรี
ครบวงจรระดับชั้นนำของโลก

Vision

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

พันธกิจ

ไทยวาโก้ จะมุ่งมั่นยกระดับขีดความสามารถในการแข่งขัน
ขององค์กรอย่างต่อเนื่อง เพื่อการเติบโตอย่างยั่งยืน
บนพื้นฐานของคุณธรรม จริยธรรม รวมทั้งความเชื่อมั่น
และความไว้วางใจซึ่งกันและกันของผู้มีส่วนได้เสียทุกกลุ่ม

เราจะนำเสนอผลิตภัณฑ์และบริการที่ตอบสนองความ
คาดหวังของลูกค้า ด้วยความใส่ใจอย่างพิถีพิถัน
ถึงคุณภาพ และการสร้างสรรค์นวัตกรรมใหม่อย่าง
ต่อเนื่อง พัฒนางค์กรให้พร้อมต่อการเปลี่ยนแปลงอย่าง
รวดเร็ว โดยนำเทคโนโลยีสารสนเทศเข้ามามีบทบาท
สำคัญ ผลานกับทรัพยากรบุคคลที่เป็นมืออาชีพ ตลอดจน
มีความรับผิดชอบต่อสังคมและสิ่งแวดล้อม

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
continuous innovation, organization development
to be ready for rapid change in which information
technology plays an important role, professional
human resources and responsibilities toward the
society and the 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

Contents

2	The Board of Directors' Report
3	The Audit Committee's Report
5	Financial Overview
6	The Board of Directors
8	Company Products
12	Corporate Business Policy and Business Overview
21	Corporate Business Nature
29	The Risk Management Committee Report
30	Risk Factors
33	General Information and Other Significant Details
38	Information on Company Securities and Shareholders
40	Dividend Payments Policy
41	The Nominating Committee's Report
42	The Remuneration Committee's Report
43	The Executive Board's Report
45	Management Structure
57	The Corporate Governance Committee's Report
59	Corporate Governance
106	Internal Control and Risk Management
111	Inter-Transaction
117	The Board of Directors' Responsibility Report towards Financial Statements
118	Financial Statements
197	Management Discussion and Analysis (MD&A)
210	Personal Information of Company Directors and Management Members
228	Sustainability Development Report

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

Cover photo from Praew Magazine Website

The Board of Directors' Report

Mr. Manu Leelanuwatana

Chairman



As the world is progressing towards into the Fourth Industrial Revolution, with digital technology acting as the core driver of change, customer behavior on a global scale has radically shifted, creating the urgency for businesses in every industry to respond in order to thrive and avoid disruption.

In the past year, the Company has strengthened its organization in various aspects to enhance efficiency in business management and respond to rapidly-changing customer needs. It has also looked into Big Data, which could be applied to business operations in the future, and continuously integrated its supply chain management to create competitive advantage and sustainability in the long-term. The Company focused on creating new product and service innovations to achieve maximum customer satisfaction, as reflected in the Innovative Organization Certification for the year 2018 which the Company received from the National Innovation Agency (Public Organization) and the Stock Exchange of Thailand.

In summary, the Company and its subsidiaries achieved, in its business operations, total sales revenue of Baht 4,606.05 million and net profit of Baht 355.76 million, a 5.58% and 9.58% increase, respectively, from the previous year. Based on the financial position and operating results, the Board of Directors deemed it appropriate to propose to the Annual General Meeting No. 50 the payment of dividends for the year 2018 of Baht 1.80 per share, reflecting dividend payout ratio of 60.72%, to be paid on May 21, 2019 for approval, which would constitute the Company's 46th consecutive year of dividend payment.

The Company is fully committed to operating its business in correspondence with good corporate governance principles, coupled with responsibility and care to all stakeholders to strengthen the efficiency of the Company's management system and foster its sustainable growth. As such, the Company received **"Excellent"** CG rating from the 2018 Survey of Good Corporate Governance practices for listed companies for the 4th consecutive year, together with receiving the "Thailand Outstanding Company Award for Safety, Occupational Health and Work Environment" for 2018 for the 4th consecutive year. Additionally, the Company held "Power of the People Against Breast Cancer for Communities" program on a continuous basis, and held for the 7th year the "7th Wacoal Braday Valuable Bra...Creates Employment, Saves the Environment" and joined the "Happy PVD Company" program to promote sufficient funds available after retirement for employees.

On behalf of the Board of Directors, I would like to express my gratitude towards executives and employees in dedicating their utmost effort in driving the Company forward, meeting and exceeding corporate goals. I'd also like to thank our customers, partners, shareholders, and all related parties who have always been a crucial part in supporting the Company, and I hope that the Company will continue to receive your ongoing support in the future.



(Mr. Manu Leelanuwatana)

Chairman

The Audit Committee's Report

Dr. Kulpatra Sirodom

Chairman of the Audit Committee



The Audit Committee of Thai Wacoal Public Company Limited (“the Company”) comprises of three Independent Directors who are fully qualified as required by the Securities and Exchange Commission and the Stock Exchange of Thailand. Members of the Audit Committee are Dr. Kulpatra Sirodom as Chairman of the Audit Committee, Mrs. Punnee Worawuthichongsathit as Audit Committee Member, and Miss Waraporn Kulsawatpakdee as Audit Committee Member. In the year 2018, the Audit Committee has fully and independently performed its duties in accordance with the Audit Committee Charter to ensure transparency, honesty, and equitability in the Company’s business operations for the greatest benefit of the stakeholders. The Audit Committee held 12 meetings throughout the year with full attendance from all Audit Committee members, with the following significant activities.

1. Review of Financial Reports The Audit Committee reviewed financial reports of the Company and its subsidiaries every quarter for the year 2018, which have been reviewed and audited by the external auditor, to ensure that financial statements have been prepared accurately, completely, sufficiently, and in accordance with laws and Thai Financial Reporting Standards. The Audit Committee also monitored the Company’s operating performance on a monthly basis and held meetings with the external auditor without the presence of management to discuss and acknowledge Key Audit Matters and changes in Thai Standards on Auditing and Thai Financial Reporting Standards and independence, whereby the Audit Committee sees that financial statements of the Company and its subsidiaries are presented fairly, in all material respects, in accordance with Thai Accounting Standards and Thai Financial Reporting Standards, consistent with the International Financial Reporting Standards. In addition, disclosure in financial statements and notes to financial statements are complete, sufficient, timely, and reliable.

2. Review of Internal Control System The Audit Committee reviewed the adequacy of the Company’s internal control system to ensure effectiveness and that anti-corruption measures are put in place in functions. The Audit Committee acknowledged internal auditor reports on a monthly basis, advised improvements to operations to enhance efficiency and effectiveness, ensured appropriate internal control systems and good corporate governance, and followed-up on the progress of action taken to improve on various activities as recommended, whereby the Audit Committee sees that the Company’s internal control system is appropriate and sufficient.

3. Review of Good Corporate Governance The Audit Committee reviewed compliance to good corporate governance policies, laws, and regulations, as well as acknowledged reports on compliance to anti-corruption measures and notifications of complaints and leads. The Audit Committee also assigned the internal auditor the inclusion of audits on compliance of anti-corruption measures into audit plans for the year. The Audit Committee sees that the Company’s business operations are in accordance with regulations and stipulations of the Stock Exchange of Thailand and other related laws, anti-corruption measures have been followed and extended to subsidiaries, and communication and awareness to management and employees to prevent and thwart corruption have been conducted through continuous training and broadcast through various channels.

4. Review of Related Party Transactions The Audit Committee reviewed related party transactions or transactions which may pose conflicts of interest for their appropriateness and greatest benefit for business operations and shareholders, whereby the Audit Committee sees that the Company's related party transactions or transactions which may pose conflicts of interest have been conducted in transparency, equitability, and in normal business practice with accurate and complete disclosures in accordance with the Notification of Capital Market Supervisory Board.

5. Risk Management Monitoring The Audit Committee monitored that the Company's risk management procedures are carried out in a systematic manner so as to cover various risks factors which impact the Company's business operations by acknowledging the Risk Management Committee's report on a regular basis each quarter. The Audit Committee sees that the Company's risk management measures are appropriate and sufficient for the current business environment.

6. Oversight of Internal Audit Activities The Audit Committee approved audit plans prepared in accordance with key risks of the Company and followed-up on the progress of activities through regular acknowledgements of internal audit reports and meetings with the Head of Internal Audit without the presence of management on performance of tasks, access to information, and independence. Moreover, the Audit Committee ensures that the internal auditor receives training to enhance the quality of internal audits and knowledge and capabilities of the internal auditor. The Internal Audit Office Charter was reviewed and reports on the Audit Committee's performance of duties were reported to the Board of Directors each quarter, whereby the Audit Committee sees the development and independence of internal audit with regards to personnel and procedures.

7. Maintaining the Quality of the Audit Committee The Audit Committee reviewed the Audit Committee Charter on a regular basis each year to ensure appropriateness and compliance to the Notification of the Stock Exchange of Thailand in accordance with good practice of the Audit Committee. Moreover, to ensure efficiency and effectiveness of the performance of duties, evaluation on the Audit Committee as a whole was conducted with results indicating overall performance to be "Very Good".

8. Consideration and Proposal of Names of External Auditors for Appointment and Determination of Audit Fees for the Year 2019 The Audit Committee considered the capabilities, experience, and independence of the external auditor and resolved the proposal of Mr. Manoon Manusook and/or Mr. Choopong Surachutikarn and/or Ms. Wimolporn Boonyusthian from Deloitte Touche Tohmatsu Jaiyos Audit Company Limited as external auditor of the Company and its subsidiaries for the year 2019 with audit fees of THB 5.03 million.

In summary, the Audit Committee has fully performed its duties in accordance with the Audit Committee Charter sufficiently utilizing its members' knowledge, capabilities, caution, and independence. The Audit Committee is of the opinion that the Company has good corporate governance in its management and operations, risk management and internal control is appropriate and sufficient, audit measures are efficient and independent, financial reports are accurate in all material aspects, timely, reliable, and in compliance with generally accepted accounting principles, and disclosures are sufficient and in accordance with rules and regulations related to business operations, to which the Audit Committee sees no significant shortfall or abnormality.



(Dr. Kulpatra Sirodom)

Chairman of the Audit Committee

ข้อมูลสำคัญทางการเงิน

Financial Overview

ปี | Year

งบการเงินรวม	CONSOLIDATED	2561 2018	2560 2017	2559 2016
ฐานะทางการเงินและ ผลการดำเนินงาน (ล้านบาท)	Financial Position and Operating Results (Million Baht)			
สินทรัพย์รวม	Total Assets	7,218	7,068	6,687
หนี้สินรวม	Total Liabilities	1,407	1,303	1,248
ส่วนของผู้ถือหุ้น	Shareholders' Equity	5,811	5,765	5,440
รายได้จากการขายและบริการ	Sales	4,606	4,363	4,138
รายได้รวม	Total Revenues	4,780	4,547	4,313
กำไรขั้นต้น	Gross Profit	1,207	1,021	968
กำไรสุทธิ	Net Profit	356	325	311
ข้อมูลต่อหุ้น (บาท)	Per Share Data (Baht)			
มูลค่าที่ตราไว้	Par Value	1.00	1.00	1.00
มูลค่าตามบัญชี	Book Value	48.43	48.04	45.33
กำไรสุทธิ	Net Earnings	2.96	2.71	2.59
ราคาตลาด	Market Price	47.00	46.75	48.00
เงินปันผล	Dividend	1.80*	1.50	1.30
อัตราส่วนทางการเงิน	Financial Ratio			
ความสามารถในการทำกำไร (%)	Profitability Ratio (%)			
อัตรากำไรสุทธิต่อรายได้รวม	Return on Total Revenues	7.44	7.14	7.21
อัตราผลตอบแทนผู้ถือหุ้น	Return on Equity	6.15	5.80	5.86
สภาพคล่อง (เท่า)	Liquidity Ratio (Times)			
อัตราส่วนสภาพคล่อง	Current Ratio	3.29	3.45	3.20
อัตราส่วนสภาพคล่องหมุนเร็ว	Quick Ratio	1.63	1.70	1.32
อัตราส่วนสภาพคล่องกระแสเงินสด	Liquidity of Cash Flow from Operation	0.27	0.58	0.46
ประสิทธิภาพในการดำเนินงาน (%)	Efficiency Ratio (%)			
อัตราผลตอบแทนจากสินทรัพย์	Return on Assets	4.98	4.72	4.68
อัตราผลตอบแทนจากสินทรัพย์ถาวร	Return on Fixed Assets	23.01	21.18	20.48
วิเคราะห์นโยบายทางการเงิน (เท่า)	Financial Policy Ratio (Times)			
อัตราส่วนหนี้สินต่อส่วนของผู้ถือหุ้น	Debt to Equity Ratio	0.24	0.23	0.23
อัตราส่วนความสามารถชำระดอกเบี้ย	Interest Coverage Ratio	3,219.03	1,610.78	93.84
อัตราการจ่ายเงินปันผล (%)	Payout Ratio (%)	60.72*	55.44	50.17

* ที่ประชุมคณะกรรมการบริษัท มีมติให้จ่ายเงินปันผลหุ้นละ 1.80 บาท แล้วนำเสนอต่อที่ประชุมสามัญผู้ถือหุ้น ซึ่งกำหนดให้มีขึ้นในวันที่ 22 เมษายน 2562

* The Board of Directors resolved to set dividend payment rate at Baht 1.80 per share, for further proposal to the shareholders' general meeting for approval, on April 22, 2019.

The Board of Directors

Mr. Krish Follett

Independent Director
Chairman of The Risk Management
Committee

Miss Waraporn Kulsawatpakdee

Independent Director
The Audit Committee Member

Mr. Nozomu Otsuka

Deputy Managing Director

Mr. Boondee Amnuayskul

Chief Executive Officer
and Managing Director

Dr. Kulpatra Sirodom

Independent Director
Chairman of The Audit Committee
Chairman of The Corporate
Governance Committee

Mrs. Onanong Saengpumpong

Director



Mr. Masaya Wakabayashi

Vice Chairman

Mr. Yoshikata Tsukamoto

Advising Director

Mr. Thamarat Chokwatana
Director

Mrs. Punnee Worawuthichongsathit
Independent Director
The Audit Committee Member

Mr. Mitsuru Sekiguchi
Director

Mr. Poolsak Boonchoo
Independent Director
The Risk Management
Committee Member

Mr. Kazuhiro Shibahara
Director

Miss Karunee Surai
Director



Mr. Boonsithi Chokwatana
Advisor to The Board of Directors

Mr. Manu Leelanuwatana
Chairman

Company Products

Ladies' Lingerie



Wacoal



**CURVE
DIVA**



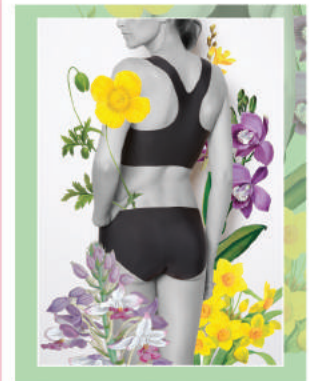
Glam
High Art for Your Body



BRABERRY



Shape
lingerie



**Oh my
NUDES!**



Mood



MOTION



bloom



Beauty Inside

ผู้หญิง...สวยที่สุดจากข้างใน



www.wacoal.co.th



wacoal.th



Wacoal



Gold



maternity



WIENNA
Solutions for Your Secrets



B'me
BY Wacoal



สวย สบาย ทรงดี ไม่มีโครง

Children Wear



 www.enfant.co.th

 EnfantFactory



Ladies' Outerwear



WACOAL BLOUSE



Corporate Business Policy and 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 children wear, 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 Public Company Limited 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

Vision



**“To strive towards establishing
itself as a Leading
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 continuous innovation, organization development to be ready for rapid change in which information technology plays an important role, professional human resources and responsibilities toward the society and the environments.

Values

W

**Work in Team
& Be Professional**

A

**Achievement
& Positive Attitude**

C

**Creative
& Initiative**

O

**Open to
Experience**

A

**Active & Dynamic
to Change**

L

**Love
& Mutual Trust**

Significant changes and developments

The Anniversary of Thai Wacoal 48 Years Establishment is on October 1, 2018. Over the years, Wacoal is determined to do studies and research to improve physiology, raw materials, design, sewing consistently and to develop quality products, comfortable to wear and suitable for the shape, beauty and confidence of women from 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. 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.
- 1975 • 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)

The Second Decade 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.



- 1980 ● Changed the company logo from ~~Wacoal~~ to the  due to the 10th Year Anniversary of its establishment on October 1, 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.
- 1984 ● 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.
- 1987 ● Increased the registered capital to 40 million Baht.

Third Decade: Proof of Organization Strength (1990 - 1999)

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.

- 1990 ● Introduced highly precise equipment to analyze physiological features such as Silhouette Analyzer, Moire and Sketched Outlines.
- 1991 ● Established the Product Research & Development Center to research, test and analyze the quality of textile materials.
- 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 by organizing “Sahagroup Export & Trade”.
- 1998 ● Established the Call Center, Customers Relations Center.
- 1999 ● The company issued 500 million Baht debentures to reduce the loan from banks.



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

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.



- 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.
- 2008 ● The company adjust the product image to premium grade, cut the borderline between underwear and casual wear by developing “Diamond Intimacy” with Swarovski crystal on underwear as first launch.

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

- 2010 ● Due to the 40th 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 elderly women.
- 2011 ● Develop new marketing channel 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.



- 2013 ● Established Pattaya Myanmar Co.,Ltd. to expand production base in CLMV.
- 2014 ● Adjust the Brand Concept under the concept “Beauty Inside”.
● Join with Science and Sports Technology College, Mahidol University to carry out the Project to survey Thai women’s body shape throughout the country.
● Organize the Wacoal Body Clinic to provide service and consultancy to customer who has problem with body shape.
- 2015 ● Joint venture with Wacoal Corp., Japan to establish Myanmar Wacoal Co., Ltd.
- 2016 ● Joint venture with Wacoal Corp., Japan and Saha Pathana Inter-Holding Public Company Limited, to startup A Tech Textile Co., Ltd. and G Tech Material Co., Ltd.
- 2017 ● Increased investment in Pattaya Manufacturing Co., Ltd. and became an associated company.
- 2018 ● Adjust business model structure, establish Merchandising Division, Marketing Division and Digital Business Division to support business environment in Digital Era.



• Equivalent Standard to International Standard



2014 : Receives ISO 50001:2011 Energy Management System Certification from Bureau Veritas Certification (Thailand) Ltd.



2018 : Receives ISO 9001:2015 Certificate from Bureau Veritas Certification (Thailand) Ltd. for "Design and Manufacturing of Ladies' Foundation Garment (Brassiere).



: Receives ISO 14001:2015 Environmental Management System Certification from Bureau Veritas Certification (Thailand) Ltd.



2005 : Received Product Certification as "Non-Toxic Brassiere" based on the standard label Oeko-Tex Standard 100 (Class 2) from TESTTEX Swiss Textile-Testing Institute.

: Textiles Test Certification based on the Wacoal Corporation Standard.

2016 : Received Oeko-Tex Standard 100 (Class 1) Certification for brand "ENFANT" Children wear for the age 0-36 months from Hohenstein Textile Testing Institute GmbH & Co.KG.

2017 : Expanded Oeko-Tex Standard 100 (Class 1) Certification for brand "ENFANT" Children wear for the age 0-36 months from Hohenstein Textile Testing Institute GmbH & Co.KG.



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 2346-2007 from the Thai Industrial Standards Institute, Ministry of Industry for ladies' 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 ladies' lingerie products regarding safety from harmful substances and are environmental friendly.

2012 and 2015 : 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 Certification for ladies' lingerie for example, Cool Bra and Cool shape.

2015 and 2017 : Expanded CoolMode Certification for uniform under brand Racé.



2011 : Carbon Footprint Label Certification from Thailand Greenhouse Gas Management Organization (Public Organization), in collaboration with Thailand Textile Institute and Thai Industrial Standards Institute.

2013 : Expanded Carbon Footprint Label Certification for ladies' lingerie and baby diapers.

2014 : Received Carbon Footprint Label Certification from Thailand Greenhouse Gas Management Organization (Public Organization), in collaboration with Thailand Textile Institute and Thai Industrial Standards Institute.



2016 : Received WRAP : Worldwide Responsibility Accredited Production Certification (Golden Certificate of Compliance) representing an international social responsibility for labor.



2017 : Received Eco Factory Certification from the Federation of Thai Industries.

2018 : Received the Green Industry Level 4 Award from Department of Industrial Works.

Shareholding structure for companies under Thai Wacoal group

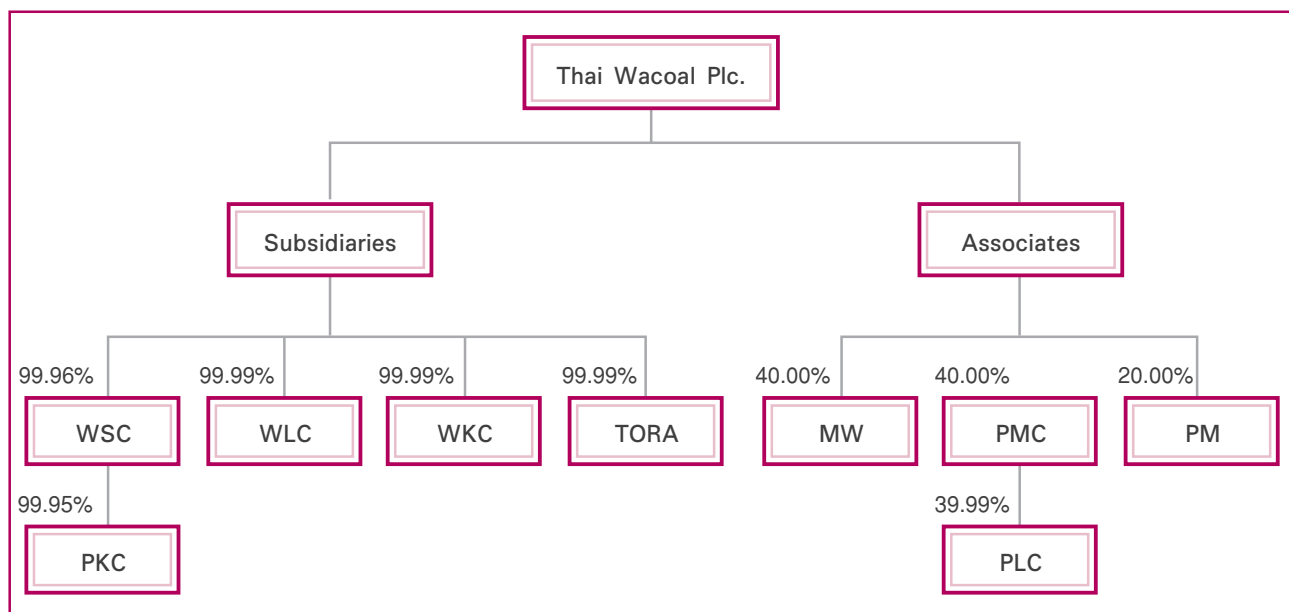
Business interests allotment policy for companies within the group

The company Being responsible for key operational areas of, products design, research & developments, merchandising, materials procurement, 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. These 4 subsidiary companies are the company's major production base. They are established in the promoted industrial zone in order to receive the tax benefits and lower labor cost. In addition, the company set up another subsidiary company to engage in the procurement and distribution of product and dyeing business.

Associate companies Referred to companies engaged in joint investments and business activities with the company and contributing to their common business interests, by utilizing their respective know-how 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

WSC	=	Wacoal Siracha Co., Ltd.
PKC	=	Pattaya Kabinburi Co., Ltd.
WLC	=	Wacoal Lamphun Co., Ltd.
WKC	=	Wacoal Kabinburi Co., Ltd.
TORA	=	Tora 1010 Co., Ltd.
MW	=	Myanmar Wacoal Co., Ltd.
PMC	=	Pattaya Manufacturing Co., Ltd.
PLC	=	Pattaya Lamphun Co., Ltd.
		(The company has already registered its dissolution and has been in the liquidation process.)
PM	=	Pattaya Myanmar Co., Ltd.

Cross-shareholding as of December 31, 2018

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 39/2016 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
1. In the case of over 50% shareholding		
(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.	99.99	-
4. Wacoal Siracha Co., Ltd. (WSC)	99.96	-
5. Pattaya Kabinburi Co., Ltd. (Equity held by WSC = 99.99%)	99.95	-
(C) The company holding over 50% shares in 2 other companies and over Cross-shareholding between other such companies is not allowed.	-	-
2. In the case of over 25% shareholding, but not exceeding 50% shareholding		
(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.		
1. Myanmar Wacoal Co., Ltd.	40.00	-
2. Pattaya Manufacturing Co., Ltd. (PMC)	40.00	0.07
3. Pattaya Lamphun Co., Ltd.** (Equity held by PMC = 99.99%)	39.99	-

Company name	Shareholding	Percentage
	Shareholding by the company	Shareholding in the company
3. In the case of not exceeding 25% shareholding*		
(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.	0.69	22.75
2. I.C.C. International Plc.	3.82	5.09
3. Bangkok Bank Plc.	0.01	3.90
4. Thanulux Plc.	0.83	1.39

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

** The company has already registered its dissolution and has been in the liquidation process.

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. The company exported its products 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. Most joint activities were normal business transactions 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, WIENNA, B'me and CW-X
2. Ladies' outerwear under the registered brands of 5.up, Racé, in nine, Sgarlet, Presea and WACOAL BLOUSE
3. Children wear under the registered brands of ENFANT, De bon, Amusant, Little Wacoal, ELLE PETITE and ELLE POUPON

Revenue structure

For 2018, the company's group could achieve total sales turnover being classified into domestic and export sales at the ratio 73% and 27% respectively.

Classified upon product categories

Unit : Million Baht								
Product	Company	Shareholding Percentage	2018		2017		2016	
			Income	%	Income	%	Income	%
Domestic income								
Ladies' lingerie	Thai Wacoal Plc.	-	2,991.09	64.94	2,780.62	63.74	2,614.79	63.19
	Wacoal Siracha Co., Ltd.	99.96	37.93	0.82	49.06	1.12	55.09	1.33
	Wacoal Lamphun Co., Ltd.	99.99	6.45	0.14	13.62	0.31	1.36	0.03
	Wacoal Kabinburi Co., Ltd.	99.99	0.51	0.01	0.08	0.00	0.05	0.00
	Pattaya Kabinburi Co., Ltd.	99.95	13.79	0.30	9.92	0.23	7.91	0.19
Ladies' outerwear	Thai Wacoal Plc.	-	127.44	2.77	95.84	2.20	98.06	2.37
Children wear	Thai Wacoal Plc.	-	177.79	3.86	180.44	4.14	183.63	4.44
Other	Tora 1010 Co., Ltd.	99.99	3.53	0.08	-	-	-	-
Total			3,358.53	72.92	3,129.58	71.74	2,960.89	71.55
Export income								
Ladies' lingerie	Thai Wacoal Plc.	-	1,213.38	26.34	1,202.04	27.55	1,157.07	27.95
Children wear	Thai Wacoal Plc.	-	34.14	0.74	30.92	0.71	20.50	0.50
Total			1,247.52	27.08	1,232.96	28.26	1,177.57	28.45
Total Income								
Ladies' lingerie			4,263.15	92.55	4,055.34	92.96	3,836.27	92.70
Ladies' outerwear			127.44	2.77	95.84	2.20	98.06	2.37
Children wear			211.93	4.60	211.36	4.84	204.13	4.93
Others			3.53	0.08	-	-	-	-
Total Income			4,606.05	100.00	4,362.54	100.00	4,138.46	100.00

Significant developments during the past year

Research & Development Activities

The company has developed innovation in terms of materials and products to meet the needs of customers at the highest level of satisfaction by creating quality products, together with continuously maintaining sustainable environment. As for the year 2018, the company engaged in materials and products developments which could be summarized as follows:

JACQUARD 3D

It is a knitted fabric innovation; Power Net Jacquard, Body cool Nylon fabric, with its cross section in the shape similar to no.8. This has given it good moistness absorbing, ventilation and quick drying properties. The fabric is blended with 30% of Lycra, interweaved to have textile design in pattern garment jacquard. This made it to have 3 different levels of well-fitting according to the different levels of fabric thickness to provide different efficiencies. It can be tailored for the desired positions and well-fitting seamlessly, which makes the clothes thoroughly delicate. All these properties can be found in the product of BODY BASE TRIPLE EFFECT

FILAGEN FIBER

The Rayon Fabric Innovation with the combination of fish scale extract or "Collagen" in the fabric has made it outstanding with properties for moistness absorbing and maintaining skin moisture. It thus gives the soft and comfortable feeling for skin, and reduces musty smell. The fabric is well-ventilating, with cool surface and anti-UV property. All these properties can be found in camisole products.

NANO ZINC

It is the innovation of fabric in combination of Polyester and Nano Zinc, which characteristically have bacteriostatic effect that otherwise can cause undesirable odor. It is also non-elution Nano Technology that is ingrained inside the fabric. It thus has the properties of effective life-long bacteriostatic effect, which assures wearers that the sleeping suits will have the life-long bacteriostatic effect.

EASY CLEAN

It is the innovative fabric coated with Soil Release substance. It is made of Nylon combined with Spandex, which makes it elastic and comfortable to wear. It is also added with a special property for Anti-static. Furthermore, it helps remove stains easier, worry-free for resistant marks. It is easy to take care of while maintaining soft and smooth touch, well moisture absorbing and ventilating. This fabric can be found in underwear products.

TWOWAY TRICOT MICRO FREE-CUT

It is the fabric blend with tiny fiber of Nylon with the fineness of Microfiber (40/34 D.), which is 100 times smaller than a hair; it thus gives a smooth and tender touch. It is also added with 30% Spandex, so the fabric is well-fitted and elastic. It also has the weaving structure of Two-way Tricot, which has given it not unraveled, runs or curling up. Wearers can feel the free movement with the Free Cut. Experience this soft and tender touch of the Shape wear products.

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, the international standard manufacturing process, accompanied by its firm commitment dedicated to lessening environmental impacts.

Such quality standards compliance covered a broad range of scope, ranging from ISO 9001:2015-the quality system management standard, ISO 14001:2015-the environmental management standard, ISO 50001 : 2011 energy management system, ISO/IEC 17025:2005-the laboratory certification standard, the compliance with Wacoal Corp. testing 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.

In 2018, the company received the Green Industry Level 4 Award, as well as received Innovative Organization 2018 certification from National Innovation Agency (Public Organization) and The Stock Exchange of Thailand.

Ladies' lingerie

Product nature

Ladies' lingerie products represented the main product category being manufactured and distributed by the company, whose sales figures accounting for 93% 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. For 2018, the company launched new collections which are as follows:

TRAVEL BRA (Function & Fashion)

The company has built on developing the Travel Bra products by launching the new product; Travel Bra Cool Innovation. It has been developed for the Punching Bonding Mold to help ventilating and drying sweat both at its cups and the rear part. It is suitable to wear in the summer. Moreover, there is the launch of special collection ; Mood X OH+Futon, by which OH+Futon, the famous artist who is admired for his unique lined pattern design has joined the design given the product to be more splendid gorgeous. With the intention to produce the Travel Bra product as the product for function and fashion to meet the need of customers, in the late of 2018, the company has launched the New Travel Bra Free cut, with its fabric in the rear part is well-fitting to the body in Free cut style. It is also made of seamlessly soft and tender textile. With this bra, wearers look good in any style of clothes.

Wireless Bra

The wireless bra is designed with the innovations that based upon different concepts in each product. There are 4 concepts as follows;

- **Wireless Silicone** provides a sense of comfort and seductive breast lifting by the innovation of Silicon support inside the bra cup. This makes it to be elastic, and lift the breasts to look full-figured and seductive. It is comfortable to wear for all day long.
- **Molding Sponge** provides a beautiful well-fitted shape through the innovation of sponge molding in a well set shape, even wireless it gives the beautiful full-figured velvety look. It is comfortable to wear for all day long.

- **Para Rubber Pad** provides sense of comfortable and beautiful full-figured shape in your own cups though the wireless bra innovation supported with the Para Rubber Pad that helps the full and well-fitted breast in shape. Its Variety of Push up Levels according to the cup sizes helps pushing up to be seductive full - figured in your own cup size.
- **Bust Line** is a wireless well-shape and soft bra with the innovation of Bust Line sewing at its shape base, yet it gives a soft and tender touch while maintains well-fitted shape like the wire bra.

Shape Beautifier - New Body Base

With the innovation of Triple Effect, weaved in 3 levels to help leveling down belly to be flattened, tightening hips and thighs, lifting up buttocks. It is comfortable to wear with the special technique of 3 Steps Fabric, which is the Pattern Jacquard technique that is delicate, and seamless using Raschel to provide gaps for ventilating by well Air flow, preventing foul-smelling and reducing suture. The tailor through the 3 Steps Fabric are as follows;

- **Hard** : at the part of abdominal surface, it is weaved with the thick and tight textile to give less elasticity, in order to keep the belly tight and flattened.
- **Medium** : at the part of hips and inner thighs, it is weaved with checked pattern textile to give medium elasticity in order to keep the thighs well-fitted and lift the hips and buttocks.
- **Soft** : at the part of buttocks and outer thighs, it is weaved with sheer textile with high elasticity to keep the buttocks in good curve and round shape and to be relaxed in all movements.

Minimizer Bra

With the innovative bra for large cup girls, it is a wire bra and its cups are made of Spacer textile with the sheer, light and well-ventilating property. It looks smooth and delicate through the inner Mold and the Side fit pad in the cups to increase well-fitting and looks naturally slim shape. Even the large cup girls will look beautiful. Moreover, its Height back makes the body to be delicate and smooth.

FILAGEN

The panties that is “the softest, with comfortable touch”, it is the innovative fabric made of Filagen fibre that is rich with the Collagen Peptides. It provides good absorption and thoroughly diffuse moistness, thus it keeps skin to always be soft, tender and moist. It also has the properties to get rid of undesirable smelly sweat, thus it gives the sense of soft, tender, and the touch of comfortable each time of wearing.

Oh my NUDES!

It is the seamless pantie that is super smooth through the Micro Fiber textile as well as the weaving in Body size style and the press of rubber rim instead of sewing. These can assure for pressing redness-free from tight wearing, sheer and comfortable to wear. It suits for all styles of clothes.

Cool Shape Wear

With the weaving technique of Pattern Jacquard Knitted, which is the textile weaving to make patterns on fabric at the determined body parts. It also has the property for being well-fitted and elastic at the desired positions; it thus makes the product well-fitted with the body and displays pretty patterns at the hips and buttocks. It helps lifting and well-fitting the body to have a nice curve look. Moreover, at its elastic leg bands, the special weaving technique is used; seamless joint less and irritation free. It is blended with the sheer, well-ventilating, cool and comfortable fabric.

Market and competitive situations

Ladies' lingerie market in Thailand is continuously a very-high competitive market in terms of quality of products and services, design, pricing, distribution channels, and promotional activities in order to meet the diverse needs of consumers and maximize customers' satisfaction. Meanwhile, the change in information technology has contributed to the changing behavior of today's consumers. As a result, entrepreneurs increasingly turned to focus on selling products through online channel since it can be convenient and quickly meet the needs of consumers and allows the consumers to make a decision for a wide range of products and services that meet their needs. As the company has become aware of the importance of such change, it thus give precedence to the Online, both Social Media Marketing and Online Marketing, which the trend of yearly increasing growth to expand market opportunities and sales in accordance with the consumers' behavior.

Moreover, the company has transformed into a Supply Chain Management Hub for Wacoal Brands products worldwide by joint venture with Wacoal Corp., Japan, and establishing the companies to produce raw materials for ladies' lingerie. This is an important part for pushing the company to be more competitive. Additionally, the lingerie factory was established in The Republic of the Union of Myanmar to expand market opportunity and support the lingerie market in the ASEAN Economic Community and around the world.

The company has still continuously focused on the policy "Creating Value and Satisfaction for Consumers" by inventing, researching, developing and presenting new innovation for the market as the leader, as well as kept studying in-depth behaviors and needs of consumers in order to produce quality products that meet the needs and reach the internationally standardized products which are safe from poisonous substances and environmental friendly, including the development of logistics and warehousing systems to be more efficient and faster to meet the needs of customers. This can ensure the consumers' trust and confidence in choosing the products and can result in the sustainable competitive situation in the market for the company.

Ladies' Outerwear

Product nature

The company acted as the manufacturer and distributor for ladies' outerwear products, whose sales revenue accounted for about 3% of its total sales turnover. During 2018, there were significant developments regarding ladies' outerwear products as follows:

- WACOAL BLOUSE brand has been more attentive for environmental reservation through the development of raw materials and the launch of Cool Collection products and the "No.5 clothes" which helps saving electricity; comfortable to wear and no need for ironing.
- 5.up brand has launched the group products of Size Plus to widely serve larger groups of customers.

Market and competitive situations

In 2018, the ladies' outerwear products market has become more highly intense in competition, since there have been the increasing imports globally and regionally famous brand of ready-made clothes for domestic distribution according to the direction of product needs of consumers, together with the consumers' behaviors that tend to have more interest to buy ladies' outerwear products through with the lower prices than through the Offline channel. This has geared the ladies' outerwear products to differentiate and develop higher potentiality.

For WACOAL BLOUSE and 5.up products, there have been the developments of innovative raw materials in order to create quality products in higher value and prices; meanwhile they are in need of customers. There has also been the creation of the Product group: Easy Price in order that consumers can easier access to the products and to focus on the brand growth beyond competitors through the continuous marketing communication in all channels both Offline and Online.

For the Uniform market, the company has conducted personnel development and working system development to support larger organizational clients. This has provided the company for higher potentiality in the competition on uniform market.

Children wear

Product nature

The company acted as the manufacturer of premium-quality of children wear products, for distribution to the domestic market through its major distributor, while directly exporting its products to overseas destinations. Yearly children wear sales turnover accounted for about 4% of the company's total sales revenue. For 2018, some significant developments regarding children wear products were as follows:

- The company has increased the product line for newborns under the brand “Little Wacoal”, distributed in the Modern Trade channel.
- Children wear product ENFANT has added export market abroad focusing on Asia and countries in the ASEAN Economic Community (AEC). In 2018, the company has more distributors in Vietnam.

Market and competitive situations

In the face of intensifying competition in the traditional selling channel of department stores, brought on by the surge in children wear 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. As can be seen from ENFANT product was certified by the Oeko-Tex 100 Product Class I (for baby), a label certified that ENFANT children wear is safe from toxic chemicals that can harm the health of consumers and environment. Additionally, the company dedicated its effort to developing children wear items compatible to both hot and cool weather. The company also developed children wear products that are suitable for Thailand's hot and humid climate, under ENFANT GREEN Label such as children wear product made of Cotton Jute fiber, Organic Cotton fiber, Bamboo fiber, etc.

Future industrial developments and competition trends

In 2018, the overall global economic trends have been likely to have slightly expansion decrease. It also confronted with the fluctuations of currency and the trade war between the United States of America and China. However, Thai economic still enjoys the continuous expansion, contributed by both external factors; export and foreign tourists and internal factors; government's investment. These have contributed to the ladies' lingerie industry in Thailand that still remains in good potential as well as the availability of qualified and skillful workers, together with the complete supply chain system that contribute Thailand to be one of the major sources of ladies' lingerie production in the world.

The direction of 2019 for middle to upper class of ladies' lingerie industry in Thailand, it is anticipated for the continuous growth, since Thai economic trends still have continually expansion. From 2018, there have been global leading ladies' lingerie entrepreneurs that have envisioned the potentiality of Thailand, they then decided to do the marketing in Thailand. This has provided consumers for more shopping choices. It is thus anticipated that the trends of future competition will be much more intensive and technology will take a significant role towards the business growth, especially in the fast-growing E-commerce channel. This results in businesses turning to develop online commerce and using social media to develop more marketing channels and sales.

The company is determined to be a fully integrated regional center for ladies' lingerie industry by cooperating with Wacoal Corp., Japan and companies in Saha Group to enhance the supply chain and logistics systems, including finding new sales opportunities to connect with the ASEAN market and world market and leading Thailand towards becoming the center of the ladies' lingerie industry in the world.

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 48 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 Wacoal Siracha 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 the procurement and distribution of product and dyeing business. Factory details for the company and its subsidiary companies as of December 31, 2018 are as follows:

Company Name	Location	Employee Number (Person)	Factory Building (Number)	Space Total (SQ.M.)
Thai Wacoal Plc.	Bangkok	2,664	7	42,745
	Phra Pradaeng, Samut Prakan	42	1	4,734
Wacoal Siracha Co., Ltd.	Siracha, Chonburi	967	1	8,292
Wacoal Lamphun Co., Ltd.	Muanglamphun, Lamphun	523	2	10,152
Wacoal Kabinburi Co., Ltd.	Kabinburi, Prachinburi	312	2	6,840
Pattaya Kabinburi Co., Ltd.	Kabinburi, Prachinburi	455	2	6,656
Tora 1010 Co., Ltd.	Bangkok	1	-	12
	Siracha, Chonburi	26	1	1,500
Total		4,990	16	80,931

Consolidated production capacity and output total

Unit : Piece			
Production Capacity Classified Per Product Category	2018	2017	2016
Full production capacity			
Ladies' lingerie	20,000,000	20,000,000	20,000,000
Ladies' outerwear	200,000	200,000	200,000
Children wear	2,000,000	2,000,000	2,000,000
Total	22,200,000	22,200,000	22,200,000
Actual production			
Ladies' lingerie	19,429,079	19,289,830	18,441,675
Ladies' outerwear	183,936	82,502	165,143
Children wear	1,678,773	1,671,611	1,876,086
Total	21,291,788	21,043,943	20,482,904
Capacity utilization rate	95.91%	94.79%	92.27%
Output this year vs the year earlier	101.18%	102.74%	102.02%

The Risk Management Committee Report

Mr. Krish Follett

Chairman of the Risk Management Committee



The Board of Directors of Thai Wacoal Public Company Limited places emphasis on sustainable risk management practices to create value for related parties. As a result, the Risk Management Committee was established, comprising of Mr. Krish Follett as Chairman of the Risk Management Committee, Mr. Poolsak Boonchoo as Risk Management Committee Member, and Mr. Manus Ongsaranakom as Risk Management Committee Member, to oversee risk management and support the Company's efficient and effective risk assessment practices consistent with the vision, mission, strategies, and goals of the organization, and in accordance with good corporate governance principles.

In 2018, the Risk Management Committee performed its duties as assigned by the Board of Directors and in accordance with the Risk Management Committee Charter, holding 12 meetings throughout the year with full attendance by all Risk Management Committee members, with executives invited to join meetings as appropriate to discuss and exchange opinions. Summary of significant activities undertaken by the Risk Management Committee are as follows.

1. Review of Key Risk Factors The Risk Management Committee reviewed key risk factors, both internal and external, and those with regards to the economy, society, and technological innovation which affect consumer behavior and way of life. These include strategic risk, operational risk, compliance risk, financial risk, security risk, cyber threats, natural disasters, and risk of fraud and corruption.

2. Risk Management The Risk Management Committee held meetings with risk owners and executives from related departments to mutually assess, lay out risk management plans, and advise so as to support the preparation of operating procedures well-covered for risk factors in each department. Doing so enabled the Company to strengthen its position and its competitiveness, resulting in efficient business operations coupled with continuous and sustainable growth.

3. Oversight The Risk Management Committee closely and continuously monitored the execution of risk management activities in order to stay informed of the outcome and provided additional guidance to further improve the efficiency of the Company's risk management practices. The Risk Management Committee also acknowledged corruption risk review and assessment, internationally-practiced internal control measures, and fraud risk review and assessment.

4. The Risk Management Committee Charter The Risk Management Committee reviewed the Risk Management Committee Charter on a regular basis each year to ensure coverage of the scope of duties and responsibilities. To ensure efficiency and effectiveness, evaluation on the Risk Management Committee as a whole was conducted with results indicating overall performance to be "Very Good".

5. Risk Management Committee Report The Risk Management Committee reported its performance and results to the Board of Directors each quarter.

The Risk Management Committee has fully performed its duties in accordance with the Risk Management Committee Charter, fully utilizing its members' knowledge and capabilities in overseeing and monitoring the Company's risk management practices in an efficient and effective manner. The Risk Management Committee is of the opinion that executives place importance in managing the Company's risk factors, with pooled efforts from all personnel, and ensured that risks are at a level acceptable to the Company. As a result, the Company is able to establish sustainable growth and confidence in shareholders, reflecting ethical business practice in accordance with good corporate governance principles.

A handwritten signature in black ink, appearing to read "Krish Follett".

(Mr. Krish Follett)

Chairman of the Risk Management Committee

Risk Factors

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

The Risk Management Committee has determined the following risk management policies:

1. To enable the company to manage any probable risks in an efficient manner, through various risk management practices and procedures being implemented in a sound and systematic manner.
2. To promote preventive risk management procedures to be undertaken in a swift, transparent, accurate, and comprehensive manner as well as on a systematic and consistent basis.
3. To encourage and develop all employees and management members, at all levels, to have a thorough understanding and recognition of the significance of risk management practices and procedures, while also promoting active participation in the established risk management system throughout the organization.
4. To facilitate risk management practices and procedures to be implemented in an appropriate manner and in full accordance with the company's mission and policies.

As such, the Risk Management Committee has undertaken an evaluation and analysis of those risks that could possibly affect the organization, through covering both internal and external risk factors, setting priorities for the risk management plans, as well as undertaking regular follow-up on the implementation of associated established plans. At the same time, the Committee has provided, on a quarterly basis, regular updates to the Board of Directors on the progress and ongoing development of these plans.

Those risk factors that will likely have an impact on the company's business operations can be summarized as follows:

Risks stemming from the products distribution structure that rely on a few players

Domestic Market

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, for which the annual order volume accounts for over 50% of the company's total yearly turnover. Up to the present, this key distributor has achieved consistent and positive results, primarily due to its existing close relationships with major retailing department stores sales channels. At the same time, the company has enjoyed a good business relationship with this distributor, and, therefore, is quite confident of this distribution company's sound business operations, and of the fact that the company's products is a major contributor for this distributor's annual total turnover.

However, in the event that this major distributor is affected by any serious adverse business related factors - such as: the overall economic situation, political instability, intense market competition, or any other negative factors - that would then result in a substantial decline in products sales, the company could then expand its other sales channels - such as: e-commerce, TV direct shopping, which will help generate additional sales for the company.

Overseas Markets

The company primarily exports its products to various overseas countries, through using the existing sales channels of various companies belonging to the Wacoal Group that are mainly located in Japan, the U.S. and the ASEAN region. While the company may be susceptible to possible risks of order cancellations by these distributor group of companies, nevertheless, taking into consideration other relevant factors such risk appear to be quite unlikely. Given that this distribution group of companies is a major shareholder of the company that actively engages in the manufacture of ladies' lingerie products with an extensive distribution network in overseas markets, together with the company's ability to manufacture these ladies' lingerie products in an efficient and competitive manner for the international markets, such products distribution arrangements through the Wacoal Group can be seen as a significant positive contributing factor to the mutual business interests of both parties.

Risks stemming from the use of a licensed trademark

The company is mainly engaged in the manufacture of products under a trademark licensing rights granted by Wacoal Corporation with such products contributing up to more than 80% of the company's total turnover. As such, its total revenues could become seriously affected on a long-term basis, should the company lose this trademark licensing rights for its core products.

Nevertheless, in view of the current existing favorable factors - namely: Wacoal Corporation holding 33.61% of the total shares of the company, the long-standing close business relationship between the two parties, and the company's continuing domestic market leadership - together with its positive business performances to date, the possible extreme adverse scenario of the trademark licensing rights being revoked or the trademark licensing agreement being terminated would appear unlikely, since especially given the fact that the company has been granted an extension of the trademark licensing rights for an additional the 10-year term at present (compared to the previous 5-year term).

Risk stemming from the establishment of the ASEAN Economic Community (AEC)

Ladies' lingerie products are highly competitive in pricing, product design and promotion in order to expand customer base and increase market share. The integration of the ASEAN Economic Community (AEC) has resulted in the liberalization of trade, services, investment, capital and skilled labor. Products in all ASEAN countries can freely enter Thailand. With the advantage of lower production costs, the price competition has intensified.

Nevertheless, based on its vast knowhow and extensive experiences accumulated over the years, the company targets to be the world's leading specialist in lingerie business. The company has undertaken various activities in preparation for coping with such ongoing new challenges. The preparation plan includes the innovation and development of raw materials and products on a continuous basis, the upgrading in quality of service to customers. Joint venture in Myanmar Wacoal Co., Ltd. aims to build a comprehensive industrial network. Also, the company continues to develop skills, knowledge, competencies of human resources. The company benefits from the lower import duty on lace raw materials from ASEAN countries.

Risk stemming from changing consumer behavior

Currently, the decision making behavior of consumers is increasingly changing, due to both the internet and e-commerce are playing very important roles in their daily lives. This has resulted in online purchases of goods and services via the e-commerce becoming increasingly popular and showing increasing growth trends, since online purchases and sales are easy, convenient and speedy as well as can be done 24-hours. As such, the company recognizes this risk factor and has determined key strategies that focus on creating new innovative products, coupled with continuous research about the female body and shape as well as regular ongoing studies and analyses of consumer behaviors and needs. Furthermore, an Online, Omni Channel to sell our products has been established with the aim of addressing and increasingly meeting the consumer's current lifestyle and satisfaction.

Foreign exchange risks

The company imports raw materials and exports finished goods in foreign currencies, which incurs the risk of foreign exchange rates fluctuations. The company has in place measures to managing and reduce such risks of foreign exchange rates fluctuations through a Natural Hedging process; whereby sales revenues in foreign currencies are used to pay for imports of goods that are in the same foreign currency, together with paying overseas business partners, who are simultaneously our creditors and debtors, by a Netting off process of payable and receivable amounts due. Furthermore, the company has also undertaken currency forward contracts to minimize potential impacts from such foreign exchange related risks.

Risks relating to being fully compliant with the applicable laws, rules and regulatory requirements

Operating a business in country as well as overseas is always subject to various laws, rules, regulatory requirements; whereby if they are breached or not strictly adhered to, it will have serious adverse affects for the operations and reputation of the company. As such, the company places much importance to operating in full compliance with all such applicable laws, rules and regulations for the company's business operations as well as to any new laws that are announced.

In 2018, the company undertook an assessment of the legal risks and established a Compliance Unit, responsible for overseeing full compliance and monitoring announcements of any new laws that are applicable for and could impact the company, as well as for disseminating and informing people within the company so they have a full understanding of these laws.

Risk stemming from corruption

The company recognizes that corruption is major obstacle to the ongoing development of the country and also to conducting business. As such, throughout the past the company has adhered to operating our businesses in an honest and transparent manner within the principles of good corporate governance, as well as have joined as a member of Private Sector Collective Action Coalition against Corruption (CAC). Furthermore, the company has also determined an Anti-Corruption Policy and associated operating regulations; and has established an Anti-Corruption Working Group together with a channel of communications to receive information relating to corruption and associated procedures to protect informants (or whistle-blowers). As such, a handbook has been published on operating procedures based on the established Anti-Corruption Policy, that has been disseminated to all company directors, the management and employees via the company's intranet channel of communications for their information and awareness. The company has also assessed risks relating to corruption together with determining various associated measures to prevent corruption occurring in a comprehensive and adequate manner.

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	: 132 Soi Charoenrat 7, Bangklo, Bangkholaem, Bangkok 10120, Thailand
Tel.	: 0-2289-3100-9, 0-2689-8300
Fax.	: 0-2291-1788
Website	: www.wacoal.co.th

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	services@wacoal.co.th
Innerwear Business	0-2689-8705	sompong@wacoal.co.th
Children Wear Business	0-2291-8373	pojadech@wacoal.co.th
Outerwear Business	0-2289-3100-9 Ext. 399	susana.mar@wacoal.co.th
Wacoal Body Clinic (Special custom-made service)	0-2689-8484	bodyclinic@wacoal.co.th
Online Shopping Call Center	0-2296-9979	-
Human Resources and General Affairs Division	0-2289-3100-9 Ext. 202, 223	personnel@wacoal.co.th
Internal Audit Office	0-2289-3100-9 Ext. 207, 0-2291-0591	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, 2018

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	499,997	99.99
2. Wacoal Kabinburi Co., Ltd. 121-121/1 Moo 5, Suwannasorn Rd., Nonsee, Kabinburi, Prachinburi Tel. 0-3720-5140-4 Fax. 0-3720-5144	Manufacturer of finished garments	Ordinary	500,000	499,996	99.99
3. Tora 1010 Co., Ltd. 132 Soi Charoenrat 7, Bangklo, Bangkholaem, Bangkok Tel. 0-2689-8705 Fax. 0-2689-8706	Procurement and distribution of finished garments and dyeing business	Ordinary	500,000	499,970	99.99
4. Wacoal Siracha Co., Ltd. (WSC) 173/2 Moo 5, Sukabhibal 8 Rd., Boun, Siracha, Chonburi Tel. 0-3848-0666 Fax. 0-3848-0606	Manufacturer of finished garments	Ordinary	200,000	199,910	99.96
Indirect Subsidiary (Equity held by WSC = 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	Manufacturer of finished garments	Ordinary	200,000	199,907	99.95
Associates					
1. Myanmar Wacoal Co., Ltd. Lot no. B2, Thilawa SEZ Zone A, Yangon, Myanmar	Manufacturer of finished garments	Ordinary	40,000	16,000	40.00
2. Pattaya Manufacturing Co., Ltd. (PMC) 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	1,200,000	40.00

Company/Address	Type of Business	Type of Shares	No. of Paid-up Shares	Shareholding by the Company	
				No. of Shares	%
3. 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
Indirect Associates					
(Equity held by PMC = 99.99%)					
4. Pattaya Lamphun Co., Ltd.* 99/2 Moo 5, Liengmuang Rd., Paa-Sak, Muanglamphun, Lamphun Tel. 0-5358-4083 Fax. 0-5358-4084	Manufacturer of finished garments	Ordinary	200,000	79,997	39.99
Other Companies					
1. Thai Naxis Co., Ltd. 222 Moo 5, Suwannasorn Rd., Nonsee, Kabinburi, Prachinburi Tel. 0-3729-0039 Fax. 0-3720-5229	Manufacturer of woven and printed textile label	Ordinary	200,000	38,000	19.00
2. A Tech Textile Co., Ltd. 241, 243, 245, 247 Soi Charoenrat 7, Bangklo, Bangkholaem, Bangkok Tel. 0-2291-2806-7 Fax. 0-2291-2807	Manufacturer of materials for ladies' lingerie	Ordinary	10,000,000	1,900,000	19.00
3. G Tech Material Co., Ltd. 241, 243, 245, 247 Soi Charoenrat 7, Bangklo, Bangkholaem, Bangkok Tel. 0-2291-5725-6 Fax. 0-2291-5727	Manufacturer of materials for ladies' lingerie	Ordinary	3,000,000	570,000	19.00
4. SSDC (Tigertex) Co., Ltd. 111 Moo 5, Suwannasorn Rd., Nonsee, Kabinburi, Prachinburi Tel. 0-3720-5232 Fax. 0-3720-5038	Bleaching and dyeing	Ordinary	32,400,000	6,065,570	18.72
5. Saha Asia Pacific Co., Ltd. 729/4-7 Rachadapisek Rd., Bangpongpan, Yannawa, Bangkok Tel. 0-2075-9911 Fax. 0-2075-9912	Real estate rental and management business operations	Ordinary	37,567,000	6,950,000	18.50

Company/Address	Type of Business	Type of Shares	No. of Paid-up Shares	Shareholding by the Company	
				No. of Shares	%
6. Textile Prestige Plc. 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
7. International Commercial Coordination (Hong Kong) Limited Room 408, 4 th 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	50,000	9,000	18.00
8. Wien International Co., Ltd. 177, 179, 181, 183, 185 Soi Charoenrat 7, Bangklo, Bangkholaem, Bangkok Tel. 0-2689-8520 Fax. 0-2689-8520	Direct Sales	Ordinary	300,000	53,700	17.90
9. Bangkok Tokyo Socks Co., Ltd. 673 Moo 11, Sukaphibal 8 Rd., Nongkharm, Siracha, Chonburi Tel. 0-3848-0355-7 Fax. 0-3848-0358	Manufacturer of socks	Ordinary	1,617,800	245,000	15.14
10. Erawan Textile Co., Ltd. 49 Moo 3, Poochaosamingprai Rd., Samrongtai, Phrapradaeng, Samutprakarn Tel. 0-2183-3898 Fax. 0-2183-3916	Textile spinning, fabric weaving, and manufacture of various components for the finished garments	Ordinary	6,214,634	1,008,703	16.23
11. International Leather Fashion Co., Ltd. 129/1 Chongnonsri Rd., Chongnonsri, Yannawa, Bangkok Tel. 0-2295-0911 Ext. 264 Fax. 0-2294-3715	Manufacturer of leather products	Ordinary	500,000	60,000	12.00
12. Morgan De Toi (Thailand) Limited 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

Company/Address	Type of Business	Type of Shares	No. of Paid-up Shares	Shareholding by the Company	
				No. of Shares	%
13. T.U.C. Elastic Co., Ltd.* 704/1-5 Rama 3 Rd., Bangpongpan, Yannawa, Bangkok Tel. 0-2294-0071 Fax. 0-2294-0150	Manufacturer and distributor of stretch fabric and woven elastic tape	Ordinary	1,600,000	172,000	10.75
14. Champ Ace Co., Ltd. 58 Soi Charoenrat 7, Bangklo, Bangkholaem, Bangkok Tel. 0-2689-8240 Fax. 0-2289-2587	Manufacturer of finished garments	Ordinary	400,000	40,000	10.00

Note : * Such companies have already registered its dissolution and have been in the liquidation process.

1.3 Reference

Share Registrar

Thailand Securities Depository Company Limited

93 Rachadapisek Road, Dindaeng, Dindaeng, Bangkok 10400, Thailand

Call Center : 0-2009-9999

Auditor

Deloitte Touche Tohmatsu Jaiyos Audit Company Limited

AIA Sathorn Tower, 23rd - 27th Floor

11/1 South Sathorn Road, Yannawa, Sathorn,

Bangkok 10120, Thailand

Tel : 0-2034-0000 Fax : 0-2034-0100

By	Mr. Manoon	Manusook	Certified Public Accountant Registration No.4292	and/or
	Mr. Choopong	Surachutikarn	Certified Public Accountant Registration No.4325	and/or
	Dr. Kiatniyom	Kuntisook	Certified Public Accountant Registration No.4800	

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, 2018*

Name	No. of shares	%
1. Wacoal Corporation	40,331,250	33.61
2. Saha Pathana Inter-Holding Public Company Limited	27,304,800	22.75
3. Saha Pathanapibul Public Company Limited	9,641,050	8.03
4. I.C.C. International Public Company Limited	6,113,020	5.09
5. Mr. Weerapat Punsakudomsin	4,879,600	4.07
6. Bangkok Bank Public Company Limited	4,679,400	3.90
7. I.D.F. Company Limited	4,492,000	3.74
8. Sariraporn Company Limited	2,618,940	2.18
9. Bangkok Life Assurance Public Company Limited	1,696,500	1.41
10. Thanulux Public Company Limited	1,670,200	1.39
Total 10 Major Shareholders	103,426,760	86.19
Total Shareholders	120,000,000	100.00

Note : * Investors can review the latest shareholding information via company website at www.wacoal.co.th, under the heading “Investor Relations : Company Profile (Shareholding Structure)”, prior to the shareholders’ meeting no.50

Shareholding structure classified by shareholding party categories (As of December 31, 2018)

Shareholder Category	Number	No. of shares	%
Legal entity			
Thai nationality	37	62,041,723	51.70
Foreign nationality	3	40,494,250	33.74
Total legal entity	40	102,535,973	85.44
Ordinary person			
Thai nationality	1,044	17,441,427	14.54
Foreign nationality	2	22,600	0.02
Total ordinary person	1,046	17,464,027	14.56
Total	1,086	120,000,000	100.00

Shareholders' Agreement between major shareholders with possible impact on the issuance and offering of securities or on the management of the company, co-signed by the company

- None -

Issuance of other securities

- None -

Dividend Payments 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. (Separate)	2018*	2017	2016	2015	2014
Earnings per share (Baht)	2.71	3.09	2.89	2.65	2.46
Dividend per share (Baht)	1.80	1.50	1.30	1.10	2.40
Payout Ratio (%)	66.49	48.57	44.92	41.50	97.41

Note : * The Board of Directors resolved to set dividend payment rate at Baht 1.80 per share, for further proposal to the shareholders' general meeting no.50 for approval, on April 22, 2019.

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



The Nominating Committee of Thai Wacoal Public Company Limited is comprised of 3 members as follows:

- | | | |
|-----------------|---------------|----------|
| 1. Mr. Manu | Leelanuwatana | Chairman |
| 2. Miss Sirikul | Dhanasarnsilp | Member |
| 3. Mr. Boondee | Amnuayskul | Member |

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 top management.

The Nominating Committee has determined the criteria and methods for nominating which conform to the Charter and related regulations by considering the candidates' qualifications in terms of Board Diversity and qualifications that are in accordance with the strategy of the company's business operation by using the analysis of skills, experience, knowledge and expertise of the board, or Board Skill Matrix, accompanied by good leadership, sound vision, good ethics and morality, and supported by good past performances record, either as company director or member of various sub-committees for the company so far, as well as no characteristics as forbidden by laws and the Articles of Association of the company, together with considering the list of nominated persons from the Director Pool of Thai Institute of Directors Association (IOD). Furthermore, 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 2018, none of the shareholders nominated any candidates to be considered as company directors.

In 2018, The Nominating Committee held 3 meetings to carry out duties as assigned. At the 49th General Meeting of Shareholders, The Nominating Committee considered the qualifications of 4 persons who had been nominated to serve as company directors replacing the directors who retired by rotation, which were Mr. Nozomu Otsuka, Mr. Thamarat Chokwatana, Mrs. Punnee Worawuthichongsathit, and Miss Waraporn Kulsawatpakdee to become company directors for another term. Another issue for consideration was to nominate Mr. Poolsak Boonchoo to serve as company director replacing Assoc.Prof. Nares Kesaprakorn, the retiring director who wished not to seek re-nomination. The latest nominated person were Mr. Kazuhiro Shibahara and Mr. Mitsuru Sekiguchi to serve as company directors replacing Mr. Masaaki Yajima and Mr. Takuya Miura, the company directors who had resigned. In addition, 1 person with knowledge, expertise and experience that is beneficial to the company's business management was nominated for the Board of Directors to consider as Executive Directors. Moreover, the Charter of The Nominating Committee is also reviewed annually to comply with the related practice guidelines, 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



The Remuneration Committee of Thai Wacoal Public Company Limited is comprised of 3 members as follows:

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

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 top 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 remuneration policy and criteria for company directors, based on The Board of Directors' performances, authority, assigned responsibility, the performance of individual directors, operating results, as well as growth and the company's performance, business liquidity and factors which may affect the company or overall economic situation. Consideration is also given to the budget amount approved by the shareholders' meeting, the remuneration amount for the previous year and the comparison with other companies in similar businesses. The methods are in accordance with the Charter and related regulations.

In 2018, The Remuneration Committee held 2 meetings to carry out the duties as assigned and there are The Remuneration Committee and Managing Director's performance appraisals. Moreover, The Charter of The Remuneration Committee is reviewed annually for the most effective performance and clear scope of responsibilities. Furthermore, the remunerations of company directors, others various committees and the management are disclosed in this Annual Report and the Annual Registration Statement (Form 56-1). The Remuneration Committee agreed that it is appropriate for their responsibilities and in accordance with the company policy.



(Mr. Boonsithi Chokwatana)

Chairman of The Remuneration Committee

The Executive Board's Report

Mr. Boondee Amnuayskul

Chief Executive Officer and Managing Director



The Board of Directors has established the Executive Board in the capacity as a Management Committee, responsible for the overall management of the company's business operations as assigned by the Board of Directors and in accordance with the established Charter of the Executive Board.

During 2018, the Executive Board held a total of 12 meetings, in order to discharge its duties in undertaking the assigned responsibilities and activities, as summarized below:

1. Proposed, to the Board of Directors, the annual and medium-term objectives and goals together with the associated business strategies and actions plans; as well as undertook its responsibilities to manage and implement various business activities in accordance with the agreed policies, strategic directions and corporate objectives.

2. Approved the annual investments budget of the company, that are aimed at developing and expanding its business operations in the agreed strategic directions, with regards to production technology, information technology, together with other investments to support ongoing development of the potential capabilities of its human resources so that the company's employees, at all levels, are prepared to compete, in better manner and long term, in the various targeted businesses.

3. Oversaw and ensured that the various financial reports are prepared and ready for the external Auditor to review, audit and to give their opinions before these financial reports are submitted to the Audit Committee and the Board of Directors respectively. Additionally, monitored, on a regular and monthly basis, the overall business operations and activities of the company together with those of the various respective Operating Business Units, together with providing any required relevant suggestions and recommendations for the ongoing development of these business activities so as to achieve further effectiveness and efficiency.

4. Reviewed and considered, with all due care, any proposed 'connected transactions' together with proposed acquisitions or dispositions of any assets of the company, so that these transactions are undertaken in a reasonable manner, at the appropriate prices, and under the most appropriate terms and conditions, through always taking into consideration the best interests of the company and its Shareholders; whereby any Board Members having vested interests are not allowed to participate in deciding on such matters. Thereafter, the Executive Board submitted, for consideration and concurrence, by the Audit Committee and also for final consideration and approval by the Board of Directors depending upon the total value and/or degree of significant importance to the company of the proposed transactions.

5. Supported and promoted employees to undertake research and develop any potential products innovation on continuing basis, through registering new and/or renew any previously registered important patents and trademarks, together with proactively helping to push for the organization and its products to receive the appropriate quality standards acceptance and recognition from both applicable local and international quality certification authorities. In the year 2018, the company received Innovative Organization 2018 certification from National Innovation Agency (Public Organization) and The Stock Exchange of Thailand, as well as received 4 innovative awards in the Saha Group Innovation Award 2018.

6. Supervised, promoted, and supported the management and employees to understand the company's anti-corruption policy and the related regulations which could serve as practice guidelines for their business operation with transparency and fairness.

7. Reviewed the existing Charter for the Executive Board, in order that these operating guidelines in discharging its assigned duties and responsibilities, remain appropriate and relevant to the current situation or business environment; as well as set and reviewed the policy and regulations regarding internal operating procedures of the company, so that they are still relevant and applicable as well as correspond to the current and latest changes in the business operating environment.

The Executive Board is fully committed to managing and conducting the company's businesses so as to enable the company to achieve its stated Vision and Mission together with the agreed corporate objectives and business strategies; whereby this will done within the established framework of good corporate governance as well as in a fully transparent and accountable manner, coupled with taking into account its corporate social responsibility and responsibility to the environment so as to enable the company to continue to grow both in a stable manner and on a sustainable basis.



(Mr. Boondee Amnuayskul)
Chief Executive Officer and Managing Director

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	-	-	-
3. Mr. Masaya	Wakabayashi	Vice Chairman	-	-	-	-	-	-
4. Mr. Boondee	Amnuayskul	Director	-	Member	-	-	Member	CEO and Managing Director
5. Mr. Nozomu	Otsuka	Director	-	-	-	-	-	Deputy Managing Director
6. Mr. Thamarat	Chokwatana	Director	-	-	-	-	-	Member
7. Miss Karunee	Surai	Director	-	-	-	-	Member	Member
8. Mrs. Onanong	Saengpumpung	Director	-	-	-	-	Member	Member
9. Mr. Kazuhiro	Shibahara	Director	-	-	-	-	-	-
10. Mr. Mitsuru	Sekiguchi	Director	-	-	-	-	-	-
11. Dr. Kulpatra	Sirodom	Independent Director	Chairman	-	-	-	Chairman	-
12. Mrs. Punnee	Worawuthichongsathit	Independent Director	Member	-	-	-	-	-
13. Mr. Krish	Follett	Independent Director	-	-	-	Chairman	-	-
14. Miss Waraporn	Kulsawatpakdee	Independent Director	Member	-	-	-	-	-
15. Mr. Poolsak	Boonchoo	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. Mr. Boondee Amnuayskul
3. Mr. Nozomu Otsuka
4. Mr. Thamarat Chokwatana
5. Miss Karunee Surai
6. Mrs. Onanong Saengpumpong

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 2018, The Board of Directors and other committees regularly held their meetings, whose attendance record by the directors were summarized as follows:

		Unit : Times							
		Directors’ Meeting							
Name of directors and management members		The Board of Directors	The Audit Committee	The Nominating Committee	The Remuneration Committee	The Risk Management Committee	The Corporate Governance Committee	The Executive Board	General Shareholders’ Meeting
		(8 times / year)	(12 times / year)	(3 times / year)	(2 times / year)	(12 times / year)	(5 times / year)	(12 times / year)	(1 time / year)
1. Mr. Boonsithi	Chokwatana	-	-	-	2/2	-	-	-	1/1
2. Mr. Yoshikata	Tsukamoto*	1/8	-	-	-	-	-	-	0/1
3. Mr. Manu	Leelanuwatana***	7/8	-	3/3	2/2	-	-	-	1/1
4. Mr. Masaya	Wakabayashi*	1/8	-	-	-	-	-	-	0/1
5. Mr. Boondee	Amnuayskul	8/8	-	3/3	-	-	5/5	12/12	1/1
6. Mr. Nozomu	Otsuka*	8/8	-	-	-	-	-	11/12	1/1
7. Mr. Thamarat	Chokwatana**	7/8	-	-	-	-	-	5/5	1/1
		(Since Aug.)							
8. Miss Karunee	Surai	8/8	-	-	-	-	5/5	12/12	1/1
9. Mrs. Onanong	Saengpumpong	8/8	-	-	-	-	5/5	12/12	1/1
10. Mr. Masaaki	Yajima*	1/4	-	-	-	-	-	-	0/1
		(Jan.-May)							
11. Mr. Takuya	Miura*	1/4	-	-	-	-	-	-	0/1
		(Jan.-May)							
12. Mr. Kazuhiro	Shibahara*	0/4	-	-	-	-	-	-	-
		(Since May)							
13. Mr. Mitsuru	Sekiguchi*	0/4	-	-	-	-	-	-	-
		(Since May)							
14. Dr. Kulpatra	Sirodom	8/8	12/12	-	-	-	5/5	-	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 Corporate Governance Committee	The Executive Board	General Shareholders' Meeting
		(8 times / year)	(12 times / year)	(3 times / year)	(2 times / year)	(12 times / year)	(5 times / year)	(12 times / year)	(1 time / year)
15. Mrs. Punnee	Worawuthichongsathit	8/8	12/12	-	-	-	-	-	1/1
16. Mr. Krish	Follett**	7/8	-	-	-	12/12	-	-	1/1
17. Miss Waraporn	Kulsawatpakdee	8/8	12/12	-	-	-	-	-	1/1
18. Assoc.Prof. Nares	Kesaprakorn	3/3 (Jan.-Apr.)	-	-	-	4/4 (Jan.-Apr.)	-	-	1/1
19. Mr. Poolsak	Boonchoo	5/5 (Since Apr.)	-	-	-	8/8 (Since May)	-	-	-
20. Miss Sirikul	Dhanasarnsilp	-	-	3/3	2/2	-	-	-	-
21. Mr. Manus	Ongsaranakom	-	-	-	-	12/12	-	-	-
22. Mr. Suvit	Wongcharoenvutporn	-	-	-	-	-	-	12/12	1/1
23. Mrs. Nonglaks	Techaboonanek***	-	-	-	-	-	-	11/12	1/1
24. Miss Natcharinthorn	Pongsupachintapa	-	-	-	-	-	-	12/12	1/1
25. Mrs. Siriwan	Vilassakdanont*	-	-	-	-	-	-	11/12	1/1
26. Mr. Sompong	Rasameetham	-	-	-	-	-	-	12/12	1/1
27. Mr. Worathep	Assavakasem****	-	-	-	-	-	-	10/12	1/1
28. Mr. Metha	Supakorn	-	-	-	-	-	-	12/12	1/1
29. Mr. Pojadech	Ketkratuk	-	-	-	-	-	-	12/12	1/1

Remark : * Meeting leave due to overseas assignments
 ** Meeting leave due to own engagement
 *** Meeting leave due to sickness
 **** Meeting leave due to own engagement and overseas assignments

During the past year, non-executive directors of the company held 1 meeting on February 22, 2019.

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 11 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.

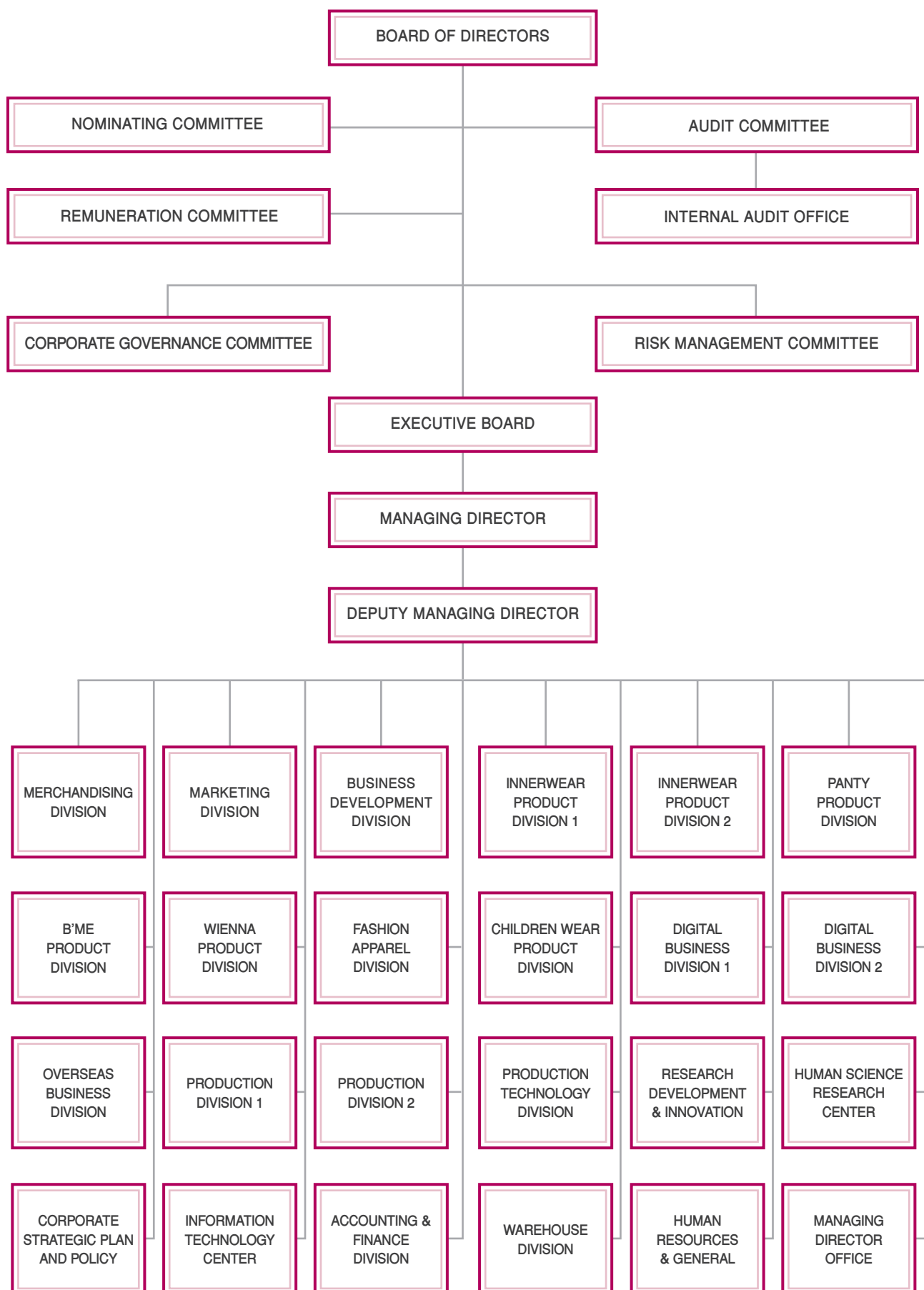
Name list of the Management as of December 31, 2018

	Name		Position
1.	Mr. Boondee	Amnuayskul	Managing Director
2.	Mr. Nozomu	Otsuka	Deputy Managing Director
3.	Mr. Thamarat	Chokwatana	Executive Director and Director of Marketing Division
4.	Miss Karunee	Surai	Executive Director and Director of Human Resources and General Affairs Division
5.	Mrs. Onanong	Saengpumpong	Executive Director and Director of Accounting and Finance Division, Chief Financial Officer
6.	Mr. Suvit	Wongcharoenvutporn	Executive Director and Director of Fashion Apparel Division
7.	Miss Natcharinthorn	Pongsupachintapa	Executive Director and Director of Human Science Research Center
8.	Mrs. Siriwan	Vilassakdanont	Executive Director and Director of Vienna Product Division
9.	Mr. Sompong	Rasameetham	Executive Director and Director of Innerwear Product Division
10.	Mr. Metha	Supakorn	Executive Director and Director of Production Technology Division
11.	Mr. Pojadech	Ketkratuk	Executive Director and Director of Children Wear Product 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, 2018



3. Company Secretary

The Board of Directors resolved to appoint Miss Chama Sungrungsan, who was duly qualified, with sound knowledge and experiences, as the Company Secretary effective from April 24, 2017, 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 company 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:
 - Company 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 company directors or executives.
8. To carry out other proceedings as prescribed by The Capital Market Supervisory Board.

Profile in brief

Name	:	Miss Chama Sungrungsan
Education Level	:	Master of Business Administration, Chulalongkorn University Bachelor of Economics, Thammasat University
Training Course	:	<ul style="list-style-type: none">- Company Secretary Program (CSP) 80/2017- Basic Laws and Regulations for Listed Companies (Thai Listed Companies Association)- Role of Company Secretary- Anti-Corruption : The Practical Guide (ACPG) 21/2015- Effective Minute Taking (EMT) 41/2018- Disclosure Guideline Based on the Updated Corporate Governance Code (CG Code)- CGR Workshop 1/2018 "Enhancing Good Corporate Governance Based on CGR Scorecard"- Training Working Paper for Anti-Corruption Measures in the Organization

- Smart Disclosure Program (SDP)
 - Rules on Connected Transactions and Rules on Entering into Material Transactions Deemed as Acquisition or Disposition of Assets
 - Social Responsibility Management for Sustainable Development
- Position in the company :**
- Company Secretary
 - Manager of Investor Relations Department
 - Secretary to The Corporate Governance Committee
 - Secretary to The Executive Board

4. Remuneration for the directors and management members

4.1 Remuneration criteria for the directors and management members

The Board of Directors set up a policy on the determination of the director's remuneration in a fair and reasonable manner and assigned The Remuneration Committee to be responsible for setting 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, the financial liquidity position, the factors posing possible impacts on both the company and overall economic situation, and performances by the directors. In addition, any director being assigned as a director of various committees would also be entitled to additional remuneration, depending on the added responsibility. The Remuneration Committee set 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 individuals' performance evaluation by said top management and management members, who would be entitled to such same remuneration criteria. The Board of Directors' meeting approved the meeting allowance for top management and management members attending in The Executive Board's meeting

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 or not. All forms of director remuneration were approved by the shareholders' meeting annually, by classifying remuneration categories as follows :

1. Directors' Remuneration

- 1.1 Annual remuneration : paid to all directors, based on the consideration by The Remuneration Committee.
- 1.2 Meeting allowance : paid to person attending the meeting.

Details of meeting allowance payments were as follows:

	2018		2017	
- Chairman	Baht	12,000 / time	Baht	12,000 / time
- Member	Baht	10,000 / time	Baht	10,000 / time

1.3 Other remuneration and benefits : - None -

2. Sub-committees' Remuneration Those committees consisted of The Audit Committee, The Nominating Committee, The Remuneration Committee, The Risk Management Committee, and The Corporate Governance Committee including any other sub-committees appointed by The Board of Directors as necessary and appropriated in the future. The remuneration was paid in the form of meeting allowances to those who attended the meeting without other remuneration and benefits.

Details of meeting allowance payments were as follows:

	2018		2017	
1. Meeting allowance				
- Chairman	Baht	10,000 / time	Baht	10,000 / time
- Member	Baht	8,000 / time	Baht	8,000 / time
2. Quarterly meeting allowance (For The Audit Committee)				
- Chairman	Baht	60,000 / time	Baht	60,000 / time
- Member	Baht	30,000 / time	Baht	30,000 / time

For the year 2018, the company authorized total meeting allowance payments of total Baht 2,048,000, and total remuneration amount of Baht 10,850,000, altogether amounting to Baht 12,898,000.-

Remuneration details for The Board of Directors and other committees

Remuneration details	Unit : Baht			
	2018		2017	
	Meeting allowance	Annual remuneration	Meeting allowance	Annual remuneration
The Board of Directors	904,000	10,850,000	1,016,000	10,130,000
The Audit Committee	688,000	-	688,000	-
The Nominating Committee	54,000	-	52,000	-
The Remuneration Committee	16,000	-	24,000	-
The Risk Management Committee	216,000	-	216,000	-
The Corporate Governance Committee	170,000	-	154,000	-
Total	2,048,000	10,850,000	2,150,000	10,130,000

The independent directors were not the independent directors of its parent company, subsidiaries, or same-level subsidiaries. Therefore, the company did not make any other remuneration payment to independent directors.

(B) Remuneration for management members : Referred to the remuneration for the 11 company's management members in accordance with the definition of the management set by The Securities and Exchange Commission, and the 2 executive directors who were non-management members, altogether totaling 13 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	2018		2017	
	Number of persons	Amount (Baht)	Number of persons	Amount (Baht)
Salary, bonus, and allowance	13	34,896,758	12	32,647,503
Meeting allowance	13	766,000	12	740,000
Total		35,662,758		33,387,503

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 and benefits for company directors

- None -

(B) Other remuneration and benefits for management members

The management members received the company's contribution to their provident funds.

Other remuneration details for management members

Other remuneration	2018		2017	
	Number of persons	Amount (Baht)	Number of persons	Amount (Baht)
Provident fund contribution	13	248,796	12	207,328
Total		248,796		207,328

5. Employee

5.1 Total number of employees by function and total remuneration

Data		2018	2017	2016
Total employee at the end of December	(persons)	4,990	4,850	4,618
- Production	(persons)	2,161	2,761	2,568
- Support Production and Administration	(persons)	2,829	2,089	2,050
Total remuneration of employees	(million baht)	1,513	1,443	1,383
Labour dispute		- None -	- None -	- None -

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

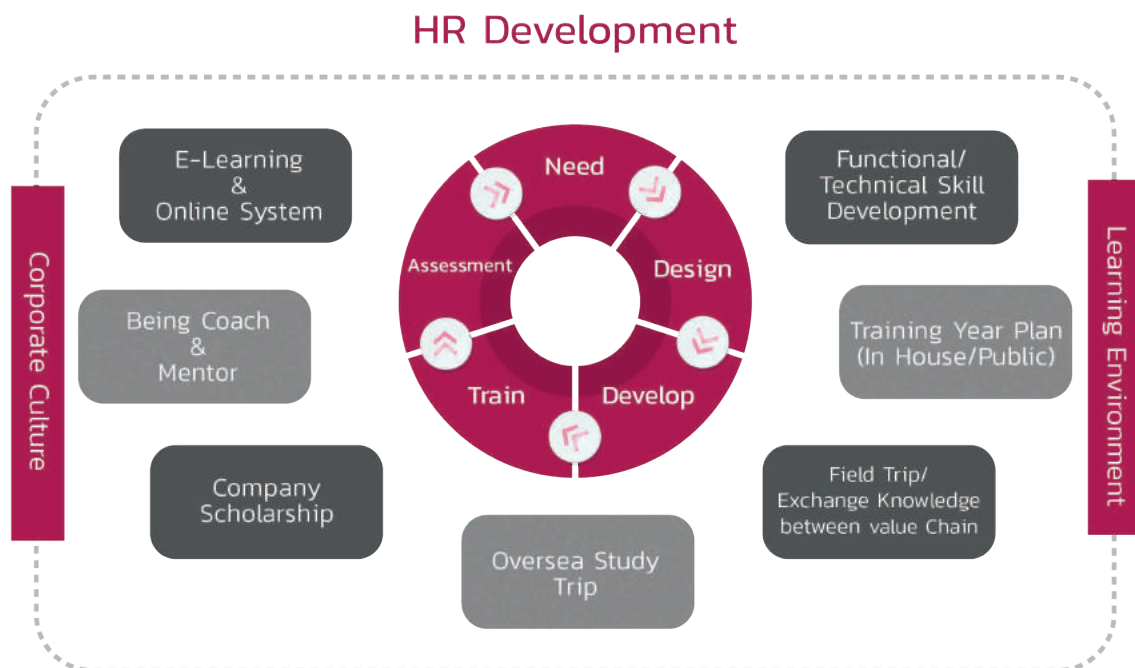
5.2 Development and Promotion of Personnel Competency

Personnel Development Policy

“Employees are deemed as valuable resources and the main factor that pushes forward the performance to achieve the intended goals. Thus, personnel development is one of essential strategies driving organization towards success. The Company has been willful to continuously develop knowledge and skills of personnel in comprehensive for all groups of employees, emphasizing on upgrading these personnel to mastery level and appropriate skills for the changing business environment and spontaneously nurturing Core Value of the organization for personnel to develop desirable working attitudes and behaviors in consistent to the visions and missions.”



The company has determined various approaches for personnel development to be in accordance to the suitability and targets of development and working natures of the in charge employees based on the nurturing of organizational values and the creating of learning environment, as follows;

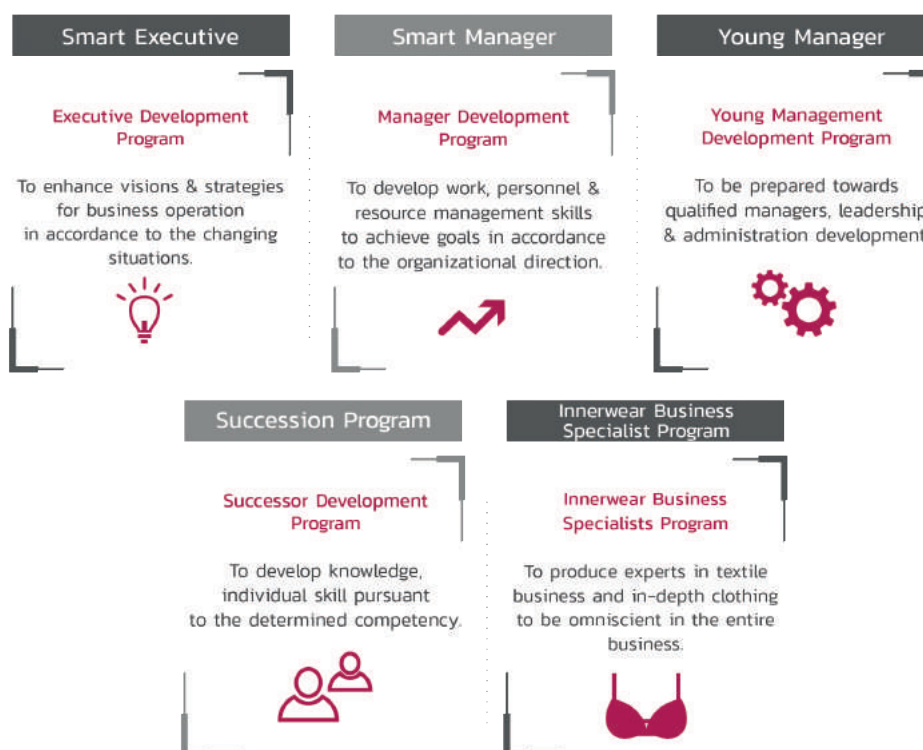


The company has given precedence to syllabus developments through the analysis and design based on the needs of the organization, or department dimensions and individual development, training and regularly following up the training assessment as well as consecutive syllabus improvement and development to heighten and develop personnel capability in accordance to the objectives as follows;

1. Functional /Technical Skill Development	<ul style="list-style-type: none"> Emphasizing on the development of each professional field to be skillful and mastery in their professions.
2. Training Year Plan	<ul style="list-style-type: none"> Emphasizing on the comprehensive development for all groups of employees and provide the syllabus required for working or in accordance to the business direction.
3. Field Trip / Exchange Knowledge between Value Chain	<ul style="list-style-type: none"> Enhancing experiences for employees to learn the working scheme of Supply Chain system with the collaboration from trading partners and business alliances.
4. Oversea Study Trip	<ul style="list-style-type: none"> Opening opportunities for employees to learn trends and study foreign markets in order to apply the knowledge for product and innovation development.
5. Company Scholarship	<ul style="list-style-type: none"> Enhancing employee potentiality development for preparation and support of business expansion.
6. Being Coach & Mentor	<ul style="list-style-type: none"> Enhancing highly skillful and mastery employees to convey the work know-how within the organization by preparing working procedures and manuals.
7. E-Learning & Online System	<ul style="list-style-type: none"> Enhancing self-learning and adjusting personnel development based on the concept of 70:20:10.

Moreover, the Company also gives precedence to skill development for executives, managers and employees who have growth potentiality since they have significant roles for implementing policies to practices in accordance to the organizational direction and goals. The development approaches are as follows;

Development of High Potential Executives and Employees

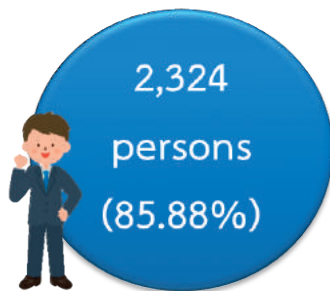


Training Programs in 2018

Number of trained employees

Number of syllabuses

Number of training hours: person: year



In 2018, it was deemed as an aggressive year for online marketing competition. The Company has reformed the business operation as the manufacturer to go forward more on marketing and sale channel development. This results in the changes of patterns and approaches for personnel development, focusing more on marketing and IT syllabus in order that personnel are well-prepared for changes and have quick response to customers' needs. (See the details under the heading "Sustainability Development Report", on Development and Promotion of Personnel Competency)

Marketing Syllabus

- 16 syllabuses
- 178 hours
- 314 persons

IT Syllabus

- 26 syllabuses
- 667 hours
- 59 persons



The Corporate Governance Committee's Report

Dr. Kulpatra Sirodom

Chairman of the Corporate Governance Committee



The Corporate Governance Committee of Thai Wacoal Public Company Limited is comprised of the following 4 Members:

1. Dr. Kulpatra	Sirodom	Chairman
2. Mr. Boondee	Amnuayskul	Member
3. Miss Karunee	Surai	Member
4. Mrs. Onanong	Saengpumpong	Member

The Corporate Governance Committee discharged its duties and responsibilities as assigned by the Board of Directors and specified in the Charter for the Corporate Governance Committee. The Committee is responsible for overseeing that the company's business operations are in full compliance with the principles of good corporate governance and that its management practices are transparent with full disclosures and accountability together with equitable treatment for all stakeholder groups, as well as for ensuring the company's continued growth on a sustainable basis.

During 2018, the Corporate Governance Committee held a total of 5 meetings in order to carry out its assigned duties and responsibilities, which activities are summarized as follows:

1. Reviewed the Charter for the Corporate Governance Committee for use as a guideline in performing its duties, remain appropriate and relevant to the good corporate governance principles and the current situation or business environment.

2. Reviewed the company's good corporate governance principles. This also included to promote and follow up the implementation of the Corporate Governance Code for listed companies 2017 as specified by the Securities and Exchange Commission by applying to suit the business context of the company.

3. Overseeing and supporting the company in complying with the principles of good governance, that resulted in the company receiving, in 2018, a **'Excellent'** CG score for the 4th consecutive year in the annual CG practices survey of Thai listed companies by the Thai Institute of Directors Association, as well as in the company being placed, for the 7th consecutive year, in the **'Top Quartile'** of those listed companies having a market capitalization value of Baht 3,000 - 9,999 million.

4. Reviewed the anti-corruption policy of the company and regulations relating to the anti-corruption, including monitored performances of the Anti-Corruption working group, in order to ensure that the company has in place good corporate governance practices together with a corporate culture in not accept all forms of corrupt practices (whether direct or indirect), as well as conducts its businesses in a fully transparent manner. It resulted in the company receiving a membership certificate of Thailand's Private Sector Collective Action Coalition against Corruption (CAC) from the CAC Council.

5. Supervised and monitored the implementation of Corporate Social Responsibility (CSR) activities in which the company has followed the plan.

6. Supervised and monitored the implementation of Sustainable Development (SD) to be in line with the economic, social, environmental and corporate governance principles.

7. Consider and approve tax policies in order for the company to have systematic approach to tax operations including the disclosure policy for the company to have guidelines for disclosure of information to shareholders and stakeholders equally as well as the supervision policy of subsidiaries and associates in order to provide a framework for supervising such operations.

8. Set the criteria and submission period for shareholders to propose meeting agenda and/or nominate candidates to be elected as directors at the 2019 Annual General Meeting of Shareholders in advance starting from 1 - 30 December, 2018.

The Corporate Governance Committee is confident that the company has conducted its business operations in full accordance with the principles of good corporate governance. The Committee is also fully committed to further developing good corporate governance practices on a continuing basis together with social and environmental responsibility, which is a key factor in supporting effective business operations of the company together with facilitating the company to receive the trust and confidence of all stakeholder groups. This, in turn, will be a firm foundation for its sustainable growth.



(Dr. Kulpatra Sirodom)

Chairman of the Corporate Governance Committee

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 and its subsidiaries' 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 Code 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 the 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. Masaya	Wakabayashi	Vice Chairman
4.	Mr. Boondee	Amnuayskul	Director
5.	Mr. Nozomu	Otsuka	Director
6.	Mr. Thamarat	Chokwatana	Director
7.	Miss Karunee	Surai	Director
8.	Mrs. Onanong	Saengpumpong	Director
9.	Mr. Kazuhiro	Shibahara	Director
10.	Mr. Mitsuru	Sekiguchi	Director
11.	Dr. Kulpatra	Sirodom	Independent Director
12.	Mrs. Punnee	Worawuthichongsathit	Independent Director
13.	Mr. Krish	Follett	Independent Director
14.	Miss Waraporn	Kulsawatpakdee	Independent Director
15.	Mr. Poolsak	Boonchoo	Independent Director
	Miss Chama	Sungrungsan	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 be 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 transactions of fixed asset, for such portion exceeding the authority of The Executive Board.
10. Approve the sales and transfer transactions of fixed assets, for such portion exceeding the authority of The Executive Board.
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, for such accounting value (historical cost) exceeding the authority of The Executive Board.
12. 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.

13. Approve the entering into such transaction not considered as normal business practice, for such portion exceeding the authority of The Executive Board.
14. 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.
15. Approve The Executive Board to set up authority manual and other operating procedures as they deem appropriate.
16. Authorize The Executive Board members, management members, managers or other persons, to act on their behalf.
17. Authorize to summon management members or employees concerned to provide explanation or opinion, to join the meeting, and to submit those documents deemed necessary.
18. Appoint and remove Company Secretary.
19. 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 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. Define policy and supervise to ensure that the company follows the anti-corruption policy.
13. Grant approval to the charter for The Board of Directors, and/or other committees.
14. Engage in those acts lying beyond The Executive Board's authority, or as deemed necessary by The Board of Directors.

During 2018, The Board of Directors convened total 8 meetings, whereby the meeting dates had been earlier decided throughout the entire year. Furthermore, additional meeting could also be summoned according to necessary circumstances. The Board of Directors' meeting schedule of the year 2018 was informed to each director for acknowledgement in advance every year within December.

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 effective from May 10, 2018 onwards. Each member of The Audit Committee did not hold any company share.

Name list of The Audit Committee

	Name		Position
1.	Dr. Kulpatra	Sirodom	Chairman
2.	Mrs. Punnee	Worawuthichongsathit	Member
3.	Miss Waraporn	Kulsawatpakdee	Member

Whereby Dr. Kulpatra Sirodom and Mrs. Punnee Worawuthichongsathit served as the qualified Audit Committee Members having 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 by reviewing the company's major accounting policies, and supervising information disclosure in such manner complying with Thai Financial Reporting Standards.
2. Review the company's internal control system to ensure that it is suitable and review fraud and corruption prevention and internal audit system to ensure that they are effective.
3. Review operational independence of the internal audit office; approve, appraise, appoint, transfer, or dismiss the chief of internal audit office or any other office responsible for internal audit operations. Supervise to ensure that chief of internal audit office has sufficient education, experiences, and training, adequate to such internal audit operations.
4. Grant approval to the Internal Audit Charter.
5. Grant approval and monitor the progress made in relation to the internal audit plan.
6. 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.
7. Review, select, nominate and dismiss 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.
8. Review connected transactions or transactions with possible conflict of interests, to ensure that they follow the laws, the regulations of The Stock Exchange of Thailand, and the Notification of The Capital Market Supervisory Board, and that they are justified and are of maximum benefits to the company.
9. 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, fraud and corruption, and the risk management 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 and the chief of internal audit office
 - 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
10. 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 and corruption, 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 operations

In 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.

11. Encourage and follow-up to ensure that the company has effective risk management system.
12. Supervise to ensure that the company has adequate channel in place to take care of complaints or tips relating to suspicious or improper items contained in the financial statements, or fraud and corruption. At the same time, provide full assurances to the information on the transparency and independence of the investigation process, together with adequate necessary follow-up on that matter.
13. Supervise to ensure that the company implement adequate management system in accordance with the good corporate governance practice.
14. Review the Audit Committee Charter for further submission to The Board of Directors for approval.
15. Implement self-appraisal review at least once a year.
16. 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 meeting of 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. In addition, The Audit Committee annually had joint meetings with the auditors and the head of Internal Audit, without the management in attendance.

3. The Nominating Committee

The Board of Directors appointed 2 company directors to serve as members of The Nominating Committee and 1 advisor to The Executive Board to serve as member of The Nominating Committee, whose term was 1 year effective from May 10, 2018 onwards.

Name list of The Nominating Committee

	Name		Position
1.	Mr. Manu	Leelanuwatana	Chairman
2.	Miss Sirikul	Dhanasarnsilp	Member
3.	Mr. Boondee	Amnuayskul	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 and top management.
2. Review the background and relevant information of the persons to be nominated as directors and top management, 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 and evaluate the candidates qualified 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. Select and evaluate the candidates qualified to take up top management positions, for further nomination to The Board of Directors' meeting for final consideration and approval.
5. Prepare and review the succession plan of the managing director and top management to propose to The Board of Directors for consideration.
6. Promote and support the directors, managing director and top management have been trained and developed to enhance their knowledge and experiences that are beneficial to their work, as well as provide the orientation course for new directors.
7. Review and revise the charter for The Nominating Committee, to be proposed to The Board of Directors for consideration and approval.
8. Engage in other acts as assigned by The Board of Directors.

During 2018, The Nominating Committee held its meeting 3 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 Directors, a company director, and an advisor to The Executive Board to serve as 3 members of The Remuneration Committee, having a 1-year term, effective from May 10, 2018 onwards.

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 policy and criteria for the company directors, top management, 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 company 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 directors, the Audit Committee members, the Nominating Committee members, the Remuneration Committee members, the Risk Management Committee members, and the Corporate Governance 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, the Risk Management Committee members, and the Corporate Governance 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 2018, 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 Board of Directors appointed 3 risk management members, with independent directors serving as the Chairman and committee member, further joined by an advisor to The Executive Board, having a 1-year term, effective from May 10, 2018 onwards.

Name list of The Risk Management Committee

	Name		Position
1.	Mr. Krish	Follett	Chairman
2.	Mr. Poolsak	Boonchoo	Member
3.	Mr. Manus	Ongsaranakom	Member

Authority of The Risk Management Committee

1. In such case deemed as necessary, The Risk Management Committee is authorized to secure the professional services of outside consultant or specialist, through the deployment of the company' fund.
2. The Risk Management Committee is authorized to request or summon various departments within the company, as well as The Executive Board members, management members, and other related staff members, to attend the joint meetings with The Risk Management Committee, as may deemed necessary.
3. The Risk Management Committee is authorized to set-up a working committee, to monitor and evaluate risk management activities throughout the overall organization.

Duty and responsibility scope of The Risk Management Committee

1. Set forth the policies, plans, and targets in relation to the implementation of the risk management plans, in a clear-cut and continuous manner, to effectively cope with significant risk factors. Consequently, compile and present achievement progress report to The Board of Directors' meeting on a quarterly basis.
2. Encourage and promote mutual cooperation among various departments within the company, to implement the risk management plans at all operational levels.
3. Supervise to ensure that the company has adequate and efficient risk management system in place, which also cover against such risks resulting from fraud and corruption practices, while providing attention and priorities to early warning signals and items showing irregularities.
4. Supervise company operations to ensure that all the departments and the company overall duly follow those laws and regulations pertaining to company operations.
5. Develop and upgrade the risk management system throughout the organization, so as to remain effective on a consistent basis.
6. Supervise the compilation of The Report by The Risk Management Committee, for disclosure in the annual report compilation by the company, whereby the Chairman of The Risk Management Committee is duly required to affix his signature in verification of said report.
7. Review and revise the charter for The Risk Management Committee, and submit to The Board of Directors for approval.
8. Engage in other acts as assigned by The Board of Directors.

During 2018, The Risk Management Committee held total 12 meetings, and subsequently reported the results to the meeting of The Board of Directors, whereby the meeting dates had been decided in advance throughout the entire year.

6. The Corporate Governance Committee

The Board of Directors appointed 4 Corporate Governance members, with independent directors serving as the Chairman, and 3 company directors serving as members of The Corporate Governance Committee, whose term was 1 year, effective from May 10, 2018 onwards.

Name list of The Corporate Governance Committee

	Name	Position
1.	Dr. Kulpatra Sirodom	Chairman
2.	Mr. Boondee Amnuayskul	Member
3.	Miss Karunee Surai	Member
4.	Mrs. Onanong Saengpumpung	Member

Authority of The Corporate Governance 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 Corporate Governance Committee

1. Formulate, review and revise the corporate governance principles, which comprises of corporate governance policies, the principles of good corporate governance, business ethics, and code of conduct for company directors, the management, and employees, as well as anti-corruption policy and regulations on compliance with the policy in order to be in line with the changes in related business, regulations, announcement, rules, and laws.
2. Set the operational guidelines in accordance with the principles of good corporate governance and anti-corruption policy, as well as monitor and provide advice and suggestions in order to enhance the company's corporate governance system.
3. Promote the principles of good corporate governance and anti-corruption policy to The Board of Directors, the management, and employees to ensure that it is complied with in all areas of the company's business operations.
4. Promote and monitor the implementation of sustainable development (SD).
5. Promote and monitor the implementation of the Corporate Social Responsibility (CSR) activities.
6. Review and revise the charter for The Corporate Governance Committee, and submit to The Board of Directors for approval.
7. Engage in other acts as assigned by The Board of Directors.

During 2018, The Corporate Governance Committee held its meeting 5 times, and subsequently reported the results to the meeting of The Board of Directors, whereby the meeting dates had been decided in advance.

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, effective from May 10, 2018 onwards.

During 2018, The Executive Board convened total 12 meetings, and subsequently reported the progress and results to the meeting of The Board of Directors, whereby the meeting dates had been decided in advance throughout the entire year.

Name list of The Executive Board

	Name		Position
1.	Mr. Boondee	Amnuayskul	Chief Executive Officer and Managing Director
2.	Mr. Nozomu	Otsuka	Deputy Managing Director
3.	Mr. Thamarat	Chokwatana	Executive Director
4.	Miss Karunee	Surai	Executive Director

	Name	Position
5.	Mrs. Onanong Saengpumpung	Executive Director
6.	Mr. Suvit Wongcharoenvutporn	Executive Director
7.	Mrs. Nonglaks Techaboonanek	Executive Director
8.	Miss Natcharinthorn Pongsupachintapa	Executive Director
9.	Mrs. Siriwan Vilassakdanont	Executive Director
10.	Mr. Sompong Rasameetham	Executive Director
11.	Mr. Worathep Assavakasem*	Executive Director
12.	Mr. Metha Supakorn	Executive Director
13.	Mr. Pojadech Ketkratuk	Executive Director

Remark : * Mr. Worathep Assavakasem has resigned from Executive Director. The resignation shall be effective from February 1, 2019. The Board of Directors' meeting no. 7/2018 on February 21, 2019 has authorized the appointment of Dr. Sukhontharat Nitthisirisakool as Executive Director to replace the vacant position. Said appointment shall be effective on March 1, 2019.

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 transactions of fixed assets, with the amount not to exceed Baht 50 million for each transaction.
11. Approve the sales and transfer transactions of fixed assets, with the amount not to exceed Baht 30 million for each transaction.
12. 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, with the accounting value (historical cost) not to exceed Baht 5 million for each disposal.

13. 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.
14. 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.
15. 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.
16. Assign management members, managers or other persons, to act on their behalf.
17. Authorize to summon management members or employees concerned to provide explanation or opinions, to join the meetings, and to submit those documents deemed necessary.
18. Issue work guidelines deemed necessary and appropriate.
19. 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. Supervise to ensure that the company implements the anti-corruption policy, as well as promote and support the management, employees and all involved parties to understand the anti-corruption policy and the related regulations.
7. Review the matters to be submitted to The Board of Directors for further acknowledgment or approval.
8. 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.
9. Review and revise the charter for The Executive Board, to be submitted to The Board of Directors for further approval.
10. 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

Criteria for the selection of directors

For nominating process of the persons to be appointed directors, the company has set the criteria as follows :

1. Qualifications of nominated directors to be diverse or what is called Board Diversity in terms of educational level, professional skills, specialization that is beneficial to the company's business, and ability to meet the requirements of the strategy of the company's business operation without discrimination such as sex, age, and race, etc.
2. Having leadership, vision, integrity and ethics, as well as transparent work experiences.
3. Being qualified and not be prohibited under the laws and regulations of the company.
4. In case of the nomination of the retiring directors to serve another term, they will be considered additionally in term of the performance as directors and various committees in the past.
5. In case of the selection of persons to be appointed independent directors, they must have the qualifications required for independent directors, in accordance with The Notification by The Capital Market Supervisory Board.

Process for the selection of directors

1. 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.

2. The Nominating Committee will use Board Skill Matrix by the analysis of skills, experience, knowledge and expertise of the board as consideration information for selecting directors in accordance with the strategy of the company's business operation.

In addition, regarding the selection of new board members, The Nominating Committee has considered more in terms of knowledge, ability and experience that can be beneficial to the performance of directors and essential to the structure of the board that is still lacking.

3. The Nominating Committee has considered the person to be nominated to serve as directors, apart from professional directors of the Thai Institute of Directors Association (IOD). At present, the company has 1 independent director recruited from the Director Pool of IOD. The company also has provided an opportunity for minor shareholders to participate in the nomination of persons to be elected as directors.

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.

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 : Shareholder Information (Shareholders' Meeting)".

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, and has leadership with the experience as a leader of the organization, 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 has laid down the supervision policy for subsidiaries and associates to maintain the benefits of the company's investment by assigning the senior management team of the joint venture company to consider the suitability of the person to be appointed as a director in subsidiaries and associates in accordance with the company's proportion of shareholding or joint venture agreement. The person who was appointed as a director in subsidiary and/or associated companies was entitled to perform the operations for the best interests of their subsidiaries or associates and 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 and associates for the company, so that it can be reviewed and collected for financial statements in due time. Additionally, the financial status and performance of the subsidiaries or associates were regularly monitored, as well as the subsidiaries were supervised to have proper and adequate internal control systems. The internal control systems of subsidiaries were monitored by the Internal Audit Office of the company annually.

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 associates.

Inside information supervision

The company placed much emphasis on the protection and supervision over inside information, by clearly specifying in the business ethics and code of conduct for company directors, the management and employees

that directors, the management and employees perform their duties with responsibility, carefulness and honesty, as well as consider the interests of the company as the most important. The company directors, the management, and employees were not allowed 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, together with disseminating those information on company's intranet system channel and company's website, to serve as guidelines for their business operations and assignments. Furthermore, the company also incorporated above information into company regulations, together with the penalty provision. The significant policies can be summarized as follows.

1. The company has in place a measure for the monitoring of its security trading transactions by prohibiting company directors, management members, and 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, together with the penalties to be imposed in the case of violation or non-compliance with said regulation.

During 2018, the company directors, management members, and employees were not found to have committed any authority abuses related to inside information.

2. The company informed company directors and management members to acknowledge of duty to report their shareholding status, as well as those by spouses and children not yet reaching legal maturity, within 3 working days from the date of the change in securities holdings. In the case of company directors and management members who were newly appointed and not yet listed in the list system of directors and executives of issuer company with The Securities and Exchange Commission, they have duty to report the holding of the company's securities within 7 working days from the day of change to The Securities and Exchange Commission according to article 59 of The Securities and Exchange Act (No.5) B.E. 2559. Furthermore, the company has set a policy for company directors, management members including their spouse and underaged children having duty to report their shareholding and the changes in holding of the company's securities to The Board of Directors at the next Board of Directors' meeting. The company has to provide the agenda to report the securities holding status by the company directors and the management including their spouse and underaged children to the Board of Directors' meeting acknowledged on a quarterly basis.

3. The company has set a policy for directors and top management to inform of the company's securities trading at least 1 working day prior to trading to the Chairman of the Board.

In 2018, the management member who had the company's securities trading strictly followed the above policy by informing the trading to the Chairman of the Board at least 7 days prior to trading.

4. The company has in place a measure for monitoring of the company director and the management's interest by requiring the interest report of company director, the management, and related persons which their interest are connected to the company's business operation.

In 2018, the company directors and the management strictly followed the above regulation.

5. The company 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	2018	2017
Thai Wacoal Plc.	2,025,000	1,965,000
5 Subsidiary companies	2,786,000	2,734,000
Total	4,811,000	4,699,000


2. Non-audit fees

During 2018, 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 Board of Directors reviews the good corporate governance principles of the company on an annual basis. The good corporate governance principles has been 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 and specifies all of them to follow the manual as the practice guidelines for their business operation, which can be viewed for more details on the company's website under the heading "Investor Relations: About Us (Corporate Governance)".

The consistent development of good corporate governance principles to comply with the criteria of ASEAN CG Scorecard, which is a more intensive criteria of survey, has resulted in the company receiving an **Excellent CG** score  for the fourth consecutive year in the annual good corporate governance practices assessment of Thai listed companies for 2018.

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

Section 1 : The Rights of Shareholders

The Board of Directors appreciates and respects the ownership rights of shareholders. No actions are taken to violate or infringe the rights of shareholders. The shareholders are entitled to fair and equitable treatment. The interests of shareholders are fairly safeguarded and the exercise of rights by all shareholder groups are supported and promoted, whether domestic or foreign, major shareholders, minority shareholders or institutional shareholders, incorporating both the basic rights of shareholders, and the other rights to determine directions for operations and decisions on matters having a significant impact on the company, as follows:

1.1 Basic rights

Referred to the right for shares transaction, the right to receive equitable profits allocation in term of dividend payment, the right to access company information in sufficient, timely, and equitable 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 has a policy to support and facilitate the shareholders, including institutional investors, to attend the shareholders' meetings by holding its annual shareholders' meeting regularly each year, within 4 months after completing its accounting year. The company held its meeting at such date, time, and venue, deemed convenient to the shareholders, to facilitate their meeting attendance. 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. For 2018, 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 minority shareholders with the opportunity to propose meeting agenda prior to the meeting date for 2018, during the period of December 1 - 30, 2017, 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 48 days prior to said meeting date, namely on March 6, 2018, to allow the shareholders sufficient time to plan their meeting attendance.

(3) The company disseminated the meeting invitation letter and attached documents such as annual report via company website, carrying the same content as the letter sent to the shareholders, in both Thai and English. This was carried out on March 22, 2018 or 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 on March 30, 2018 or 24 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, 14 days prior to the meeting namely during April 9 - 11, 2018.

(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 22, 2018 - April 17, 2018, and informed the shareholders through the company website, as well as delivered mentioned procedures, along with the meeting invitation letter. However, there was no shareholder sent questions in advance to the company prior to the meeting of shareholders in 2018.

(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 the company auditors proposed for appointment, 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, including the required documents and procedures for shareholders to appoint proxies to attend the meeting on own behalf, procedures for shareholders to post advance questions prior to the shareholders meeting, 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.

In the case of foreign shareholders or institutional investors, the company sent the meeting invitation letter and attached document in English language in order to facilitate and encourage all types of shareholders including institutional investors to attend the meeting.

With this regard, the company published the annual report within 120 days from the end of accounting period (December 31) via company website (March 22, 2018) and sent the annual report to the shareholders by mail (March 30, 2018).



- **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 2018, the company held the shareholders' meeting on Monday, April 23, 2018, at 15.00 hours, 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.

In case that shareholders appointed proxies to attend the meeting instead, the company gave the right to the proxies and treated as shareholders.

(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 2018, 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 inspector 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 2018, there was 1 shareholder presenting question and suggestion to the meeting.

(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 after finishing the meeting, 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 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 "Excellent" appraisal result in 2018 for the quality of its shareholders' meeting for the 12th 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 minority shareholders with the opportunity to nominate candidates as directors prior to holding the shareholders' meeting in 2018, during the period of December 1 - 30, 2017. 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 2018, there were 2 shareholders holding the combined 264,570 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 Treatment of conflict of interests

The company had set a policy for company directors, the management, and employees to treat 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 focused on the conflict of interest with the transparency and fairness in operation systems as well as full disclosure to achieve equality to acknowledge the information such as the company supervised the implementation of connected transactions so as to comply with the announcement by The Capital Market Supervisory Board. Additionally, the company carried out the connected transactions on a fair business practice basis, based on market prices and normal business terms (Fair and at arms' length). 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.

2.3 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 2018, the company implemented dividend payments by drawing from the company's operating profits in 2017, at the rate of Baht 1.50 per share, for total dividend payments accounting for 48.57% of total net profits displayed in the separate financial statements, representing the company's dividend payments for 45 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, which is in line with the compensation of the same industry. The company paid compensation to the employees in terms of salaries, overtime wage, bonus, as well as special pay for information technology skills and foreign language skills (English, Japanese and Chinese) according to the specified criteria. (See details under the heading "Management Structure" on employees).

The company provided necessary welfare benefits to the employees to promote better livelihood and living quality, such as, the provident fund, credit union, clinic, annual check-up, special welfare product items, work uniform, and residence loan program, and day-care center taking care of the employee's children, among others. Moreover, the company also set up The Welfare Committee, allowing employees to participate in the management of welfare-related activities, while promoting various employees' activities, such as the annual sports event and regular activities among various clubs within the company. At the same time, the company also provided communication channels for the employees, allowing them to offer suggestions or lodge complaints in relation to their daily work activities, via the company's intranet system channel.

In 2018, the company joined "Happy PVD Company" program to promote sufficient funds available after retirement for employees through saving in the provident fund system.



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 as follows:

1. The company considered safety in work to be the responsibility of all levels of employees to cooperate to ensure their safety, colleagues and company's assets.
2. The company would ensure and improve the environment and working practices with safety and hygiene including maintaining the good health of all employees.
3. All the superiors must act as a role model, instruct, train and motivate employees to work in a safe way.
4. Superiors are responsible for the safety of subordinates, machines, equipment, tools and working conditions including using the protective equipment to be safe appropriately.
5. All employees must cooperate in the safety, occupational health and working environment of the company. They have the right to offer suggestions on how to improve working conditions and how to work safely.
6. The Company will support the safety activities to stimulate the consciousness of employees such as training, motivating, public relations and competition regarding the safety.
7. All employees must take care of cleanliness and the orderliness of the workplace.
8. The company shall comply with all applicable safety regulations.
9. The company will monitor and evaluate the implementation of safety, occupational health and working environment policy in order to control the performance and efficiency.

In relation to this, a Committee was set up, together with a center supervising work safety, and monitoring specific activities relating to these areas. Furthermore, the company arranged to set-up the billboard display showing the accident statistics relating to work activities. In 2018, the company organized training sessions regarding work safety, such as “Preliminary fire-fighting and evacuation drill” course, “First-aid training” course, “Working with hazardous chemicals and measures to handle chemicals leakage” course, and “The safety officer in supervising level” course, among others. The company also regularly carried out checking on building conditions, the fire prevention and fire-fighting systems, in order to ensure maximum safety for both the inside and outside of the

building on a monthly basis. 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 review over the working environments on an annual basis, to ensure complete safety in the workplace for company employees. At the same time, the company actively promoted “Safeguarding against drugs abuse in the company’s compounds-The White Factory” campaign, to ensure that the factory was completely safe from drug hazards. 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, among others (Details about implementation of the policy are under the heading “Sustainability Development Report”).

During the year 2018, there was no working accident causing work absence, accounting for such incidents causing work absence of 0%, out of the total number of company employees.

Based on its firm commitment dedicated to safeguarding life safety, well-being, and properties of all company employees, the company received “Thailand Outstanding Company Award for Safety, Occupational Health and Working Environment 2018” for the fourth consecutive year.

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 “Sustainability Development Report”). 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.

The company has appointed WRAP standard committee (Worldwide Responsibility Accredited Production) to operate in accordance with the standards established by the company from the process of manufacturing, maintenance and delivery to the customers which helps build trust to customers that the company has systems to manage labor, working conditions, and human rights according to assigned laws and standards, as well as ensure the safety of products from manufacturers to suppliers.

In addition, the company also put the emphasis on providing useful information to the customers with clear labelling above the law requirement, such as nutrition, and product qualification labelling. Moreover, the company also provided “Customer Relations Services” where customers could lodge complaints, comments, suggestions, or ask for information, through various channels as, the direct line service at tel no. 02-689-8515-6 or e-mail address at services@wacoal.co.th, or the company website under the heading “About Us”, or at the company’s sales counters at department stores nationwide.

For 2018, 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. The company did not seek the confidential information of competitors by dishonest or inappropriate ways. The company also did not discredit competitors by alleged slander. 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's procurement process is complied with an ISO 9001:2008 quality management system in which the selection system of business partners in the Value Chain is to choose partners who conduct their business according to laws. The criteria for selecting business partners are set as follows.

Criteria for selecting business partners

1. Selecting partners from product quality based on test results and quality checks. This also cooperates with partners to develop raw material testing laboratory. The company will check the test method and the test results of each partner once a year in order to develop in accordance with Japanese International Standard.
2. Deliver goods and services on time.
3. Products and services must be environmentally friendly with the principle of "Green Purchase"

Furthermore, the procurement rule has been created as guidance for business engagement efficiency, suitability, and fairness complying with good corporate governance. (See the details about implementation of the policy under the heading "Corporate Business Nature", on the significant developments during the past year, and heading "Sustainability Development Report").

During 2018, there was no case of the company failing to abide by its outstanding agreements with business partners.

3.6 Creditors

The company is committed to undertaking business operations in a principled and disciplined manner in order to build the trust of creditors by prescribing the following policies and guidelines.

1. Treat all groups of creditors equally and fairly
2. Strictly follow contracts or conditions as earlier agreed-upon with the creditors, especially guarantee, capital management, and debt payment terms.
3. Disclose company's financial position accurately and on time
4. In case of noncompliance with any conditions, the company shall inform the creditors in advance to jointly solve the problem and prevent from damage.

In addition, the company has set the guidelines for capital management and liquidity management for stability and strength to make sure that the company has ability to complete debt repayment within the specified period.

During 2018, the company paid all creditors following previously agreed term of payment, without causing any payment default.

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.

In relation to this, the company set-up a committee to supervise its Corporate Social Responsibility (CSR) activities and set the Corporate Social Responsibility Policy as follows.

“Focus on producing quality goods for the safety of consumers, take care and responsible for the effects of the company business operation in various ways to every stakeholders, by adhering to transparency, verifiable, justice, respect human rights, benefits of Stakeholders, abide to the Law and other requirements or related international procedure so as to build sustainable social responsibility foundation on a continual basis.”

From the operation and monitoring of this particularly on a consistent basis, subsequently earning the company the CSR-DIW Continuous Certification from The Department of Industrial Works, The Ministry of Industry, for the year 2014. Said certification was awarded to such industrial enterprise having been granted the CSR-DIW certification earlier, who consistently pursued such practices dedicated to corporate social activities in a continuous and sustainable manner.

The company won the CSR Award in the contest of the SET Awards 2014 in the corporate social responsibility category, for listed companies having SET market capitalization of Baht 2,000-10,000 million range category, with the 3 awards as follows:

1. Best Corporate Social Responsibility Award
2. Outstanding Corporate Social Responsibility Award
3. CSR Recognition Award for listed companies with qualifications according to the SET Awards 2014 criteria

Above SET Awards on CSR activities were the awards bestowed by The Stock Exchange of Thailand, on the companies having outstanding record in business operations management with due dedication to social responsibilities, thus serving as good precedents for other companies. (See the details about implementation of the policy under the heading “Sustainability Development Report”).

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, including the environmental policy of the company as follows “4 Por 1 Lod” which is to comply with other laws and regulations to protect the environment, prevent pollution, continuous improvement and reduce energy and resources consumption. 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), ladies' lingerie (Cool Bra and Cool Shape) and uniform for its contribution to the global warming campaign, together with 4 models of lingerie product and 1 model of children wear product being certified as "global-warming reducing product" 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 14001:2015 certification by Bureau Veritas Certification (Thailand) Ltd., 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. Additionally, the company was granted the Green Industry Certificate in Level 4 - Green Culture from Ministry of Industry, reflecting that everyone within the organization conduct its business operations in an environment friendly manner which has become an integral part of the corporate culture.

The company continued to place significant emphasis on carrying out its business operations in compliance with environmental requirement standards, as evident by achieving Carbon Neutral Certificate from Thailand Greenhouse Gas Management Organization (Public Organization). Moreover, the company's Wacoal COOL lingerie product also received the approval from Environmental Impact Assessment (EIA Approved) by using Life Cycle Assessment resulting in a reduction of 14.7 tons $\text{CO}_2\text{eq.}$ of greenhouse gas emission comparing to regular lingerie product line. In addition, the company received a "Certificate of Recognition for Reducing Global Warming - 2015 for its manufacturing processes and use of cool mode clothing materials" (See the details about implementation of the policy under the heading "Sustainability Development Report").

3.9 Promotion of efficient energy resources utilization

Based on the company's firm recognition of the critical value generated from its energy resources utilization, so as to create the highest efficiency and benefits alongside its regular business operations, The Board of Directors therefore laid down the company's energy resources conservation policy that, "We are committed and dedicated to maximizing the benefits generated from out energy resources consumption".

In that regard, the company had set its target on energy consumption that "the company aims to achieve minimum 2% reduction in its energy consumption for each production output", with the goal to reduce energy consumption continuously every year across all of the company's operational activities. Accordingly, throughout the past several years, the company was actively engaged in providing training sessions and campaign activities seeking to promote better awareness and conscience among all the employees, in striving to achieve the maximum benefits from energy consumption for all the departments within the organization, covering all the energy sectors of power, water, paper, and other exhaustible items.

In addition, the company continuously developed the efficient use of energy under the ISO 50001 : 2011 energy management system certified by Bureau Veritas Certification (Thailand) Limited, for its efficient energy management activities, leading to lower energy consumption bills, less release of greenhouse gases, as well as lesser impacts on the overall environments. (See the details about implementation of the policy under the heading "Sustainability Development Report").

3.10 Company employees' learning and training sessions relating to environmental concern

The Board of Directors consistently encouraged company employees to recognize the critical value being associated with good environmental conditions, by seeking to promote better understanding and knowledge concerning environmental protection among company employees. Communication channels utilized by the company included the intranet system, PR information board, the in-house communication system, as well as organizing seminar sessions aimed at promoting information updates on environmental issues on a consistent basis.

During 2018, important seminar sessions organized for company employees covered such topics as "Identification and assessment of environmental issues" course, "Carbon footprint evaluation of products" course, among others.

3.11 Promotion and participation in CSR activities contributing to community developments

In due recognition of the important aspects of community development activities, the company regularly engaged itself in those activities aimed at promoting community developments for further common benefits.

Community development activities promoted by the company during 2018 could be largely classified as follows:

- The campaign "Power of the People Against Breast Cancer for Communities" The company together with The National Cancer Institute and Bangkholaem District Office provided training to educate women in various communities to know how to protect themselves from breast cancer by teaching breast self-examination techniques including primary screening for breast cancer by professional nurses for women in the community. In 2018, the company organized 5 activities for communities in Bangkholaem District and in the upcountry. There were 315 participants in the event and 13 people were found with abnormalities. 3 of them were sent to check thoroughly with digital mammograms.
- The campaign "Wacoal Spirit for Society" The company implanted new employees to co-organize social and community activities. In 2018, the company arranged "Follow your father sufficiently" activity to promote understanding words and activities of King Rama IX for elementary education at Wat Sai School, Wat Chan Nok School, Wat Lad Bua Khaw School, and Raksa Ratchawit School.
- The activity "Joy and Fun on Good Kids' Day" The company gave money and supporting items for children's day to schools and communities surrounded the company and exhibit an activity booth with Bangkholaem Rotary Club to organize Children's Day event for the community at Chaloem Phrakiat Park (Under Rama IX Bridge, Bangkok).
- The company supported the activities of Buddhism, art and culture in the campaign "Novice Ordination in Summer" at Wat Rueang Yot Suttharam, Bangkholaem District.

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 conducting the business in accordance with the law and human rights standards without discrimination on gender, nationality, religion, political ideology, or any other differences such as hiring people with disabilities in order to encourage them to acquire work. Moreover, the company also laid 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 “Sustainability Development Report”).

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

The company adhered to its policy on business operation in accordance with the law relating to intellectual property rights and also respected the intellectual property rights of others, 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 2018, 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 for verification, tracking, and risk assessment on corruption, and planned to prevent such risks by assigning the Internal Audit Office to audit and present to the meeting of The Audit Committee in order to review internal control system and monitor the results from internal audit. In the case of corruption found, the Internal Audit Office will report directly to The Audit Committee who will then report The Board of Directors. During 2018, the company duly followed said practice guidelines, and did not come across any significant irregularity as the result. (See the details about implementation of the policy under the heading “Sustainability Development Report”).

Furthermore, the company received a membership certificate of Thailand's Private Sector Collective Action Coalition against Corruption (CAC) from the CAC Council on October 14, 2016. The CAC Council certifies that the company has met the commitments to the CAC declaration on anti-corruption. The company communicated and organized training sessions about the anti-corruption policy and related regulations including disciplinary punishment to the management, supervisors and employee at all levels, as well as continuously provided training sessions for new employees in orientation.

3.15 Participation channels for the stakeholders to report clues or complaints in case of Infringed

The Board of Directors laid down a Whistle Blowing Policy to justly protect the whistle-blower including the protection from persecution when filing a report, in which the company will receive and carry out the complaints with fairness, transparency, and justification following a systematic and unbiased protection measures.

Whistleblowing channel

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 or the corruption. They could directly communicate through the channel as follows:

Agencies	Telephone Number	E-mail Address
The Audit Committee	-	auditcommittee@wacoal.co.th
Human Resources and General Affairs Division	0-2289-3100-9 Ext. 490	hr@wacoal.co.th
Internal Audit Office	0-2289-3100-9 Ext. 207, 0-2291-0591	audit@wacoal.co.th
The Anti-Corruption Working Group	0-2289-3100-9 Ext. 385	cac@wacoal.co.th
Company Secretary	0-2689-8324	secretariat@wacoal.co.th

Or send a registered mail to The Audit Committee, Director of Human Resources and General Affairs Division, Director of Internal Audit Office, Chairman of the Anti-Corruption Working Group, or Company Secretary at

Thai Wacoal Public Company Limited
132 Soi Charoenrat 7, Bangkhlo, Bangkholaem,
Bangkok 10120

Compliant handling process

When the company has received the clues or complaints, The company will appoint a committee to investigate facts for carefully examine the complaints by the rules, using mechanism that does not cause an impact on the whistleblower. However, if the complaint is true, the investigation committee proposes penalties or appropriate and fair relief methods for those who are affected by reporting to Managing Director. The results obtained through the investigation would then be reported directly to The Board of Directors.

Apart from the above complaint channels, the company has established a process to manage with employees' complaints about matters that may be misconduct or considered as corruption, 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.

In the case of the whistleblowers or complainants disclosing themselves, the company will notify the results of the investigation in writing.

Protection measures

The whistleblowers or complainants can choose not to reveal themselves in the case that they found to be insecure or may be damaged, whereby the information of the whistleblowers or complainants would be kept secret by the company, unless it is required to be disclosed by law.

At the same time, the company also had a policy to protect employees who file a complaint, thus the complainants acting in good faith 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 complainants and other details of the complaints would be kept secret by the company, unless it is required to be disclosed by law.

In this regard, the company had clearly specified the details of procedures for whistle-blowing or complaints, investigating or fact-finding, protecting the whistle-blower/ informant/ complainant, including punishment and penalties in the regulations on compliance with the anti-corruption policy, which can be viewed for more details on the company's intranet and website.

Section 4 : Information Disclosure and Transparency

The Board of Directors 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 2018, 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 prescribed and 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 mission and 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 "Sustainability Development Report").

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, accompanied by preparing in accordance with accounting standards, to serve as references for decision-making by the investors, by displaying said report together with the certified public accountant's report in the annual report publication. The financial statements for the year 2018 were unconditionally certified by the auditor. In addition, the company 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 2018, 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 had placed much emphasis on supporting the training activities seeking to promote further knowledge for the directors, the management on continuous basis. 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 Developments for the directors and the management).

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 director supervising the division, the company shall present to the Executive Board for consideration and/or approval depending on the case. After that, the company will bring the significant volume transaction 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.

In 2018, the company disclosed the quarterly performance report 1 time.

4.13 Whistle Blowing Policy : The Board of Directors gives employees and stakeholders an opportunity to give information or file a complaint on a matter which could constitute a violation of the law, dishonest or wrongful act of an employee, including irregular behavior which could cause a problem or loss to the company. The company also receives complaints on cases where the rights of an employee or stakeholder has been infringed or where they have been treated unfairly. Suitable channels and procedures have been provided by the company in this regard.

The company will hear and process all complaints impartially, transparently, fairly, and according to the procedures set forth by the company. Systematic and just measures for the protection of complainants are provided. Information provided by the complainant is kept confidential in the company, to ensure that the complainant in good faith will not be affected by such whistleblowing or complaints.

4.14 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

Miss Chama Sungrungsan
Manager of Investor Relations Department
Tel. 0-2289-3100 ext.331
E-mail : invest@wacoal.co.th

In 2018, 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 10th consecutive year, at Bangkok International Trade & Exhibition Centre on Friday June 29, 2018. The event was held as part of the 22nd Saha Group Fair. The Chief Executive Officer and Managing Directors participated in the forum discussion on vision and growth prospects of the company. The company and Saha Group companies also printed the publication compiling their profile and performance results which were distributed to analysts and investors, and the mass media attending the event. At the same time, the company developed a website that provided both financial and non-financial information for the shareholders and investors having sufficient information such as Financial Highlights, Dividend Policy and Payments, Shareholding Structure, Stock Information, SET Filing, IR News, IR Calendar, including Annual Reports, Financial Statements, Notice of the Meeting of Shareholders, Minutes of the Meeting of Shareholders which can be downloaded. Furthermore, the Center regularly provided information and answered 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 had set a policy for the Board Diversity in education and professional skills, which were beneficial to the business and to be in line with the business strategy of the company without sex, age and race discrimination. This was evident from the current structure of The Board of Directors which was composed of qualified directors with knowledge, proficiency, and various experiences in accounting, finance, engineering, management, marketing, laws and textiles. There were both Thai and foreign directors who were both male and female. 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. Manu Leelanuwatana, Mr. Masaya Wakabayashi, Mr. Kazuhiro Shibahara, and Mr. Mitsuru Sekiguchi

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 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 officer).

(4) 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 heading "Personal information of company directors and management members". At present, there is no director in The Board of Directors holding directorship positions in more than 5 listed companies.

The Board of Directors 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.

(5) The separation of the positions of Chairman from the Chief Executive Officer

Based on the different responsibility and authority scope between Chairman of The Board of Directors and the Chief Executive Officer, 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 the authority and duty scope of Chairman from those of The Managing Director.

(6) Company Secretary

The Board of Directors resolved to appoint Miss Chama Sungrungsan who had knowledge, ability and experience beneficial to the company to be 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)

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, with yearly revision, in which in 2018, The Board of Directors’ meeting no. 5/2018 on November 12, 2018 had considered and reviewed that vision was still appropriate with current business engagement. Moreover, The Board of Directors also approved 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 the implementation of the company’s strategies. The Board of Directors required the management to report the results of the operation according to the strategy set twice a year in January and July of each year in addition to the report of operation, performance and other issues to The Board of Directors’ Meeting acknowledged on a quarterly basis 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. The good corporate governance principles were prepared in three languages : Thai, English, and Japanese. The Board of Directors has evaluated the compliance and review of good corporate governance principles annually, as well as promoted and supported to implement the good corporate governance principles by revealing through the company intranet and website. The manual was distributed to directors, the management, and employees, which required that all of them comply with such manual strictly. The ethics and code of conducts also being presented in animated cartoon for easy understanding and open for employees to view regularly to create awareness of the practice. For new employees, the company included the topics of ethics and code of conducts in the employee orientation.

The Board of Directors followed the measures of good corporate governance and required supervisors at all levels to be responsible for monitoring their subordinates in compliance with business ethics and code of conduct for company directors, the management and employees to strengthen its management and business engagement transparency, and those who do not comply with such measures will be appropriately punished and might be prosecuted in the case of law violation. If the employees are in doubt and cannot comply or make decision, they shall consult with sequence supervisor. In the case of dispute, the judgment from the Managing Directors, The Executive Board and The Board of Directors will be considered as final order. (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 2017, the company had no connected transactions required approval by the shareholders and 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. 7/2018, 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.

In addition, the company had authorized the legal department to act as the Compliance Unit to oversee the operation according to the rule and the articles of association of the company.

(5) Risk management

The Board of Directors places emphasis on risk management affecting the organization’s goals by having risk management process in a systematic and in compliance with the company’s policies.

The Board of Directors appointed The Risk Management Committee to supervise the risk management to be effective and meet the standard with risk assessment and monitoring risk management plan, as well as reporting 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 scheduled the meeting for the whole year and notified the directors in advance in which the meeting will be held at least every quarter with additional meeting if necessary as specified in the Charter of Board of Directors. 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. During 2018, the joint meeting between The Board of Directors and The Executive Board held 2 meetings. In addition, Chief Financial Officer has joined The Board of Director's meeting at all times.

The Board of Directors has laid down a policy that non-executive directors arrange their own meeting, without executive directors or the management of the company, at least once a year so that non-executive 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 2018, The Board of Directors held 8 meetings altogether and non-executive directors held 1 meeting on February 22, 2018, 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 Evaluation of The Board of Directors

The evaluation of the Board of Directors performance for the year 2018 has been carry out, in which the evaluation was set to conduct yearly. Each of the directors will be given opportunity to assess the performance both individuals and the board as a whole, 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 2018, the Company Secretary sent out both whole board evaluation forms and individual's evaluation form 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.

The percentage score criteria was set as follows:

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

- Yearly Performance Evaluation of The Board of Directors**

The Board of Directors carried out the board's performance evaluation, which divided in to 3 aspects as follows:

1. Role, Duty, and Responsibility of the board
2. Independence of director
3. Relationship with the management and stakeholders

In 2018, the evaluation result was in "Excellent" criteria with the average score of 85%.

- Yearly Performance Evaluation of Individual Director**

The Board of Directors carried out the individuals' performance evaluation, which divided in to 3 aspects as follows:

1. Role, Duty, and Responsibility of director
2. Duty fulfilment of director
3. Self-development of director

In 2018, the evaluation result was in "Excellent" criteria with the average score of 84%.

- Yearly Performance Evaluation of The Various Committees**

The Board of Directors has set the evaluation of performance of every various committees in 2018 that each member of the various committees evaluated the work of his/her various committees as a whole. The result can be summarized as follows:

The Various Committees	Evaluation Result
The Audit Committee	99%
The Nominating Committee	80%
The Remuneration Committee	73%
The Risk Management Committee	95%
The Corporate Governance Committee	91%
The Executive Board	92%

- **Yearly Performance Evaluation of Managing Director**

The Board of Directors assigned the Remuneration committee to evaluate annually the performance of Managing Director in order to determine the remuneration of the Chief Executive Officer, by using evaluation form of Managing Director that divided into 4 aspects as follows:

1. Overall achievement
2. Strategic planning and plan following
3. Leadership
4. Relationship with The Board of Directors and stakeholders

The evaluation result was confidential and could not be disclosed.

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 attend training courses or seminars designed to promote their management abilities and the applied the knowledge when performing duty. During 2018, the company directors and management members attended training courses on significant operations topics, such as "Digital Marketing Basics and Trends" course, "The Consumer Goods Forum Global Summit" course, "Marketing Trend & Customer Insight 2018" course, etc.

Training and seminar attended by The Board of Directors in 2018

List of Directors		Training Course / Seminar
1. Mr. Boondee	Amnuayskul	<ul style="list-style-type: none"> • Big Data Technology Trend • Global Economic Outlook 2018 • Rules on Connected Transactions and Rules on Entering into Material Transactions Deemed as Acquisition or Disposition of Assets • Social Responsibility Management for Sustainable Development
2. Miss Karunee	Surai	<ul style="list-style-type: none"> • Director Certification Program (DCP) 262/2018 • Financial Statements for Directors (FSD) 36/2018 • Big Data Technology Trend

List of Directors		Training Course / Seminar
		<ul style="list-style-type: none"> • Global Economic Outlook 2018 : Human Resource Trend • Rules on Connected Transactions and Rules on Entering into Material Transactions Deemed as Acquisition or Disposition of Assets • Social Responsibility Management for Sustainable Development • Sustainable Growth in the Era of Information Based on Understanding of Accounting and Taxation related to Business.
3. Mrs. Onanong	Saengpumpong	<ul style="list-style-type: none"> • Director Certification Program (DCP) 262/2018 • Big Data Technology Trend • Global Economic Outlook 2018 • Rules on Connected Transactions and Rules on Entering into Material Transactions Deemed as Acquisition or Disposition of Assets • Social Responsibility Management for Sustainable Development • Sustainable Growth in the Era of Information Based on Understanding of Accounting and Taxation related to Business • Prepare for Automatic Working Processes for Digital Accountants
4. Dr. Kulpatra	Sirodom	<ul style="list-style-type: none"> • Experience Sharing : Singapore's Sustainability Journey
5. Mrs. Punnee	Worawuthichongsathit	<ul style="list-style-type: none"> • Sustainable Growth in the Era of Information Based on Understanding of Accounting and Taxation related to Business • Crossover Thailand 4.0
6. Mr. Krish	Follett	<ul style="list-style-type: none"> • Role of the Chairman Program (RCP) 43/2018
7. Miss Waraporn	Kulsawatpakdee	<ul style="list-style-type: none"> • Advanced Audit Committee Program (AACP) 29/2018
8. Mr. Poolsak	Boonchoo	<ul style="list-style-type: none"> • Legal Practice I • Director Orientation

Additionally, in the year 2018, The Risk Management Committee had visited and had a look the operation of the company's subsidiary to understand the company's business as well as bring knowledge and experience they gained to further benefit the company.

- **Orientation for new directors**

The company hosted the orientation course for new directors, to properly prepare them for director assignments and to understand the company's business operation, organizational structure and business nature. 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, 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, anti-corruption policy and other regulations. In addition to related regulations issued by concerned agencies in supervising over listed companies, to serve as their practice guidelines during the directorship term.

In the year 2018, the company arranged an orientation for new directors.

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.

5.9 The aspects the company had not started practicing

In case of the part that company had not practiced complying with good corporate governance principles for listed companies, the company would take into account to apply appropriately such as:

Non - practiced aspects	Reasons
1. The Board of Directors has specified the number of listed companies that each director hold directorship for not more than 5 places in the company's corporate governance policy.	The Board of Directors has not specified the number of listed companies that each director hold directorship for not more than 5 places, since The Board of Directors 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. At present, none of the company's directors serve as director in more than 5 listed companies.
2. The Board of Directors's policy has specified the limit of the number of years on the tenure of independent directors not exceeding 9 years.	The Board of Directors's policy does not limit the number of years on the tenure of independent directors since the company's independent directors continue to perform their duties with independence and without private interests that may conflict with the interests of the company, as well as make decisions by taking into account the best interests of the company. They are also independent from the management and major shareholders of the company.
3. The Chairman of The Board of Directors is independent director.	The Board of Directors has appointed non-executive director serving as the Chairman of The Board of Directors due to his ability and expertise in the company's business. Furthermore, despite the Chairman of The Board of Directors not being an independent director, nevertheless, the Chairman of The Board of Directors duly carried out his 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.

Non - practiced aspects	Reasons
4. The Chairman of The Nominating Committee and the Chairman of The Remuneration Committee are independent directors and The Nominating Committee and The Remuneration Committee mainly comprise independent directors.	Although the Chairman of The Nominating Committee and the Chairman of 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 have conflict of interests.

Anyhow, the part that the company had practiced in compliance with the corporate governance principles, the company continued to focus and commit for continuous improvement to raise standards of corporate governance and led business operations of the company to be full of transparency, effectiveness and sustainable growth.

Furthermore, according to the Securities and Exchange Commission had issued the Corporate Governance Code : CG Code) for listed companies in 2017 which would replace Good Corporate Governance Principles for Listed Companies B.E. 2555 of The Stock Exchange of Thailand. The Board of Directors therefore considered and reviewed the implementation of the CG Code in accordance with the business context of the company annually to create value for sustainable business.

The Board of Directors was aware of the role as the leader of the organization. The Corporate Governance Committee had studied the main principles of Corporate Governance Code (CG Code) for listed companies in 2017 with understanding the benefits and practices in implementing for sustainable value to the business.

The Board of Directors had assessed the compliance of each CG Code to ensure that the process had been implemented or planned to develop to suit the business.

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.7/2018, on February 21, 2019, The Board of Directors, including The Audit Committee Members evaluated the company's internal control system for 2018. According to the assessment of adequacy of the internal control system and the risk management practices, the result from the internal audit and the inquiry 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. Also, there are enough personnel to implement the system effectively, as well as the monitoring system to look after the operations of its subsidiaries and ensure that the company assets are protected from misappropriation of directors and executives, acting without power.

The internal control covers five key components according to the Committee of Sponsoring Organizations of the Treadway Commission (COSO) which can be summarized as follows:

1. Control Environment

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

Moreover, the company has established organizational structure with decentralization to provide operational flexibility and balanced assessment. It also has set up 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. Additionally, 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 cheating or corrupting which cause 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 according to the regulations on work and related legislation.

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 Board of Directors has assigned The Risk Management Committee 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 fraud and 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 corruption. With this regard, the company communicated to directors, executives and all employees to understand and follow the policies and guidelines on anti-corruption, also not to receive or pay a bribe for business interests as stated by the company. It also communicated and promoted the company's policies on anti-corruption to public and interested persons.

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 regulations concerning financial transaction, purchasing, and general management in writing, to prevent from authority abuse seeking to misappropriate company assets, or acting beyond mandate. 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 and the minutes of The Board of Director' meeting have also been prepared in a complete essence.

In addition, the company has drawn up financial statements in compliance with Thai Financial Reporting Standards (TFRS), by selecting accounting policy 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 appointed superior of each division to monitor and evaluate performance regularly to ensure that internal control is carried out fully and appropriately. In this 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 were sufficiently appropriated. The Audit Committee agreed with the opinions from The Board of Directors (For more information, see The Audit Committee's Report). Moreover, the auditor commented that no significant deficiency regarding the internal control system was found.

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 and also received Internal Auditing Certificate Program (IACP).

Name/ Position	Education Level	Training Course
Mrs. Nuanchan Tuangjareontip Assistant Director of Internal Audit Office, 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">- Internal control system by COSO- Anti-Corruption : The Practical Guide (ACPG) 21/2015- Worldwide Responsible Accredited Production (WRAP)- Ethical Leadership "Combating Corruption Together"- Corporate Governance Code 2017- Roles and Responsibilities of Directors regarding New Securities Law- Internal Control in the Era Thailand 4.0- Internal Audit Forum 1/2017- Fraud Risk Management- Business Management for Sustainable Development- Preparing the Working Paper to Follow CAC Assessment Form- Training Working Paper for Anti-Corruption Measures in the Organization- How to Design Working Paper to Do in the Audit Work- PWC Forensics Seminar on Employee Fraud and Labour Law in Actions- Corporate Governance Audit- Internal Auditing Certificate

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 assigned Mr. Jatuporn Rujanun, Manager of Legal Department, to act as head of Compliance Unit according to the rules of official agencies overseeing the company's business operations.

Name/ Position	Education Level	Training Course
Mr. Jatuporn Rujanun Manager of Legal Department	<ul style="list-style-type: none"> - Bachelor Degree Faculty of Law Thammasat University - Lawyer's License 	<ul style="list-style-type: none"> - Company's Lawyer - Questioning - Answering on Labour Law and Practical Issues - Self-assessment Guidelines for Anti-corruption Measures - Fraud Control Guidelines concerning Assets, Liabilities and Others - How to Practice in accordance with the new Securities and Exchange Act - Roles and Responsibilities of Directors regarding New Securities Law - Roles and Responsibilities of Directors and the Use of Insider Information : Case Study - Security Enforcer Training - Data Protection for Business : Road to GDPR Standard - Social Responsibility Management for Sustainable Development

Duties and responsibilities of Head of Compliance Unit are as follows.

1. Support the policies and objectives of the company to ensure that there are proper governance practices.
2. Supervise and monitor governance performance.
3. Communicate and publicize to directors, executives and all employees to understand and follow the rules.
4. Study and gather information about the problems related with performances according to the rules, as well as new rules being amended.

3. The Accountant

The company has assigned Miss Kulapatsorn Vichanchutiwanit, Deputy Director of Accounting and Finance Division, to act as the Company Accountant, in accordance with The Accounting Act B.E. 2543. Her responsibilities are to supervise the compilation of the financial statements and to ensure that the disclosure of the company's information is duly carried out in a comprehensive and accurate manner.

Name/ Position	Education Level	Training Course
Miss Kulapatsorn Vichanchutiwanit Deputy Director of Accounting and Finance Division	<ul style="list-style-type: none"> - Master Degree Faculty of Business Administration, majoring in Accounting Ramkhamhaeng University - Bachelor Degree Faculty of Accountancy, majoring in Accounting Dhurakij Pundit University 	<ul style="list-style-type: none"> - The Pace of Accounting Standards to be Effective in the Future - The Draft Standard for Financial Reporting no. 16 : Leasing Agreement - Focus Group : the Draft Standard for Financial Reporting No. 9 : the Financial Instruments (TFRS 9) for Insurance and Non-financial Businesses. - Compares the Financial Reporting Standards TFRS for SME to be Published in 2018 and also Compares the Differences of the Financial Reporting Standards of NPAE and TFRS for SME - Prepare for Automatic Working Processes for Digital Accountants - CVC New Investment Strategy to Spark Innovation to Keep Pace with the Business World - Comprehensive Tax Management from Doing Sale Promotion with Promotional Tax Planning - Sustainable Growth in the Era of Information Based on Understanding of Accounting and Taxation related to Business.

Inter-Transaction

Information disclosure for inter-transaction

During 2018, 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					
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	298.32
				- Sale of products/ raw materials	1,150.44
				- Royalty fees expenses	57.83
2. Saha Pathana Inter-Holding Plc.	A	0.68	22.75	- Royalty fees expenses	0.02
				- Utility charges expenses	9.25
				- Immovable property rental expenses	0.37
3. Myanmar Wacoal Co., Ltd.	B	40.00	-	- Purchase of products/ raw materials	114.90
				- Sale of products/ raw materials	63.25
				- Utility charges expenses	0.01
				- movable property rental expenses	1.74
				- Immovable property rental expenses	0.99
4. Pattaya Manufacturing Co., Ltd.	B	40.00	0.07	- Purchase of products/ raw materials	86.85
				- Sale of products/ raw materials	48.62
				- Hire of work expenses	40.18
				- Hire of work income	5.85
				- Royalty fees income	0.43
				- Utility charges expenses	0.36
				- Immovable property rental expenses	0.90
				- Immovable property rental income	2.02
				- movable property rental income	0.37
				- Information technology system services income	1.95
5. A Tech Textile Co., Ltd.	B	19.00	-	- Purchase of products/ raw materials	178.80
				- Hire of work expenses	1.10
				- Consultancy fees income	1.20
6. G Tech Material Co., Ltd.	B	19.00	-	- Purchase of products/ raw materials	370.91
				- Sale of products/ raw materials	15.36

Unit : Million Baht

Name	Relationship	Shareholding Percentage		Significant item	Inter-transaction Value
		Shareholding by the company	Shareholding in the company		
				- Hire of work income	3.01
				- Consultancy fees income	0.96
				- Immovable property rental income	0.81
				- Information technology system services income	1.84
7. I.C.C. International Plc.	B	3.82	5.09	- Purchase of products/ raw materials	1.27
				- Sale of products/ raw materials	2,745.37
				- Hire of work income	11.26
				- Utility charges expenses	0.04
				- Utility charges income	0.18
				- Inventory management income	0.14
				- Advertising & public relations expenses	5.00
				- Immovable property rental income	0.94
				- Information technology system services expenses	0.07
8. Wien International Co., Ltd.	B	17.90	-	- Purchase of products/ raw materials	0.02
				- Sale of products/ raw materials	109.57
				- Royalty fees income	0.03
				- Utility charges income	0.38
				- Immovable property rental income	2.16
				- Information technology system services income	1.80
9. SSDC (Tigertex) Co., Ltd.	B	18.72	-	- Purchase of products/ raw materials	1.06
10. International Commercial Coordination (Hong Kong) Limited	B	18.00	-	- Sale of products/ raw materials	1.08
11. Textile Prestige Plc.	B	18.15	-	- Purchase of products/ raw materials	12.72
				- Sale of products/ raw materials	0.42
12. Morgan De Toi (Thailand) Limited	B	12.00	-	- Hire of work income	0.32
				- Consultancy fees income	6.07
				- Inventory management income	0.78
				- Immovable property rental income	0.30
13. Thanulux Plc.	B	0.83	1.39	- Consultancy fees income	0.60
14. People's Garment Plc.	B	-	0.21	- Sale of products/ raw materials	0.28

Name	Relationship	Shareholding Percentage		Significant item	Inter-transaction Value
		Shareholding by the company	Shareholding in the company		
15. H & B Intertex Co., Ltd.	B	-	-	- Purchase of products/ raw materials	1.17
				- Royalty fees income	0.14
16. Thai Itokin Co., Ltd.	B	-	-	- Purchase of products/ raw materials	1.53
				- Sale of products/ raw materials	0.07
				- Hire of work expenses	0.20
17. Thai Gunze Co., Ltd.	B	-	-	- Purchase of products/ raw materials	2.24
				- Utility charges income	9.01
18. S & J International Enterprises Plc.	B	-	0.08	- Purchase of products/ raw materials	11.73
				- Royalty fees income	0.01
				- Utility charges income	0.14
				- Immovable property rental income	0.40
19. Eastern Thai Consulting 1992 Co., Ltd.	B	-	-	- Utility charges expenses	0.53
20. Carbon Magic (Thailand) Co., Ltd.	B	8.33	-	- Immovable property rental income	0.20
21. Thai Takeda Lace Co., Ltd.	B	-	-	- Purchase of products/ raw materials	38.09
22. Thai Bunka Fashion Co., Ltd.	B	8.00	-	- Training expenses	5.24
23. Pitakkij Security Guard Co., Ltd.	B	-	-	- Security fees expenses	7.45
24. Thai Secom Security Co., Ltd.	B	-	-	- Security fees and security equipments rental fees expenses	3.49
25. Erawan Textile Co., Ltd.	B	16.23	-	- Purchase of products/ raw materials	2.43
26. Kabin Patthanakij Co., Ltd.	B	-	-	- Sale of products/ raw materials	19.94
27. Fujix International Co., Ltd.	B	5.00	-	- Purchase of products/ raw materials	9.69
28. Thai President Foods Plc.	B	-	-	- Sale of ordinary shares	91.74
29. International Laboratories Corp., Ltd.	B	-	0.16	- Royalty fees income	0.52
				- Utility charges expenses	0.04
				- Immovable property rental expenses	0.78
30. SRP Nanasai Co., Ltd.	C	7.69	-	- Advertising & public relations expenses	1.00
				- Purchase of movable property	1.83
				- Immovable property rental income	0.24
				- Construction expenses	3.95
31. Royal Garment Co., Ltd.	C	9.00	-	- Hire of work expenses	22.55

Name	Relationship	Shareholding Percentage		Significant item	Inter-transaction Value
		Shareholding by the company	Shareholding in the company		
32. Exact Q Co., Ltd.	D	-	-	- Purchase of products/ raw materials	0.85
				- Purchase of movable property	15.92
33. I.D.F Co., Ltd.	E	-	3.74	- Immovable property rental expenses	0.45

Relationship Nature	A	=	The company's major shareholders
	B	=	The company's major shareholder with over 10% shareholding
	C	=	The Managing Director of such company is the company's management.
	D	=	Person relating to director is a major shareholder of such company
	E	=	Close relatives of director is a major shareholder of such company

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 (Fair and at arms' length) 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 know-how and techniques applied
- Advertising & public relations expenses	: Expenses depending on the costs incurred in the advertising materials production, and the media costs selected for dissemination purpose
- Construction expenses	: Remuneration based on the nature, difficulty level for such construction, area size, and materials selection
- 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
- Movable property price	: Price depending on the market price and negotiation
- Sale price of ordinary shares	: Price depending on the buyer making a voluntary tender offer for the entire securities

2. Transaction in providing or receiving financial assistance

Unit : Million Baht

Company name	Loan Extension				Interest Rate	Guarantee Balance As of Dec. 31, 18
	Balance As of Dec. 31, 17	Additions	Settlements	Balance As of Dec. 31, 18		
1. International Commercial Coordination (Hongkong) Ltd.	-	-	-	-	-	2.05
2. A Tech Textile Co., Ltd.*	-	-	-	-	-	36.38
3. Sahapat Real Estate Co., Ltd.*	-	-	-	-	-	45.10
Total	-	-	-	-	-	83.53

Note : * The company has provided credit guarantee to connected parties on shareholding proportion.

Loan facilities provision The company and its subsidiaries did not provided short-term loan to related parties as of December 31, 2018.

The company and its subsidiaries did not provide long-term loan to related parties as of December 31, 2018.

Financial guarantees provision As of December 31, 2018, the company and its subsidiaries posted outstanding financial guarantees to related parties in total of Baht 83.53 million. (Please refer to supplementary note to financial statement no. 34)

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 The Board of directorss

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, depending on the transaction volume. The Board of Directors considered the inter-transactions based on reasonable prices and other conditions concerned in order to maximize company benefits.

The independent directors and company directors concluded not to have any different opinions regarding inter-transactions in 2018, 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, 2018, were prepared and presented in substantial context, in an accurate and reliable manner.



(Mr. Manu Leelanuwatana)
Chairman



(Mr. Boondee Amnuayskul)
Chief Executive Officer and Managing Director

Report of The Independent Certified Public Accountants

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS

THAI WACOAL PUBLIC COMPANY LIMITED

Opinion

We have audited the consolidated financial statements of Thai Wacoal Public Company Limited and its subsidiaries ("the Group") and the separate financial statements of Thai Wacoal Public Company Limited ("the Company") which comprise the consolidated and separate statements of financial position as at December 31, 2018, and the related consolidated and separate statements of profit or loss and comprehensive income, changes in shareholders' equity, and cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying 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, 2018, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards ("TFRSs").

Basis for Opinion

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

Key Audit Matters

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

Key Audit Matters	Key Audit Responses
<p>Provision for goods returned</p> <p>As described in Note 3.17 to the financial statements regarding accounting policy for use of management's judgement.</p> <p>The Company has provision for goods returned which comprise the exercise of significant judgement by management. For assessment of the provision for goods returned, the Company considers it by analyzing historical information of goods returned and future expectations of the goods returned from customers who are allowed to return the goods within the period agreed between both parties. Therefore, there is a risk that the provision for goods returned may not be completely and accurately recorded.</p>	<p>Our key audit procedures included:</p> <ul style="list-style-type: none"> • Understanding consideration process and internal control procedures related to the provision for goods returned • Reviewing the design and implementation of the internal control procedures • Assessing the appropriateness of the methodology applied by the Company's management in evaluating the provision for goods returned and the judgements applied in determining the provision • Assessing the completeness of the Company's provision or reversals • Challenging the key assumptions utilized in the estimation of provision for goods returned with reference to historical information of goods returned • Assessing the methodology applied in determining the provision for goods returned and checking the integrity of the methodology utilized by the Company • Reviewing the adequacy of provision for goods returned and the appropriateness of significant input and assumptions used in calculation of provision for goods returned to determine if they are in compliance with the accounting standards and have been consistently applied and; • Performing analytical procedures of the historical information of goods returned to develop an expectation of provision for goods returned.
<p>Impairment of investments</p> <p>As described in Note 3.12 and Note 3.17 to the financial statements regarding accounting policies for impairment and use of management's judgement, respectively.</p> <p>The Group and the Company held other long-term investments which contains a risk that the carrying value of investment may be higher than the recoverable amount.</p> <p>The consideration of impairment in other long-term investments is depended on the Group's and the Company's management judgements and significant assumptions.</p>	<p>Our key audit procedures included:</p> <ul style="list-style-type: none"> • Understanding consideration process and internal control procedures related to the impairment of investments • Reviewing the design and implementation of the internal control procedures • Examining the supporting documents in relation to the management consideration of impairment indicators for investments and; • Assessing the appropriateness of the methodology applied by the Group's and the Company's management in calculating the impairment charges, and the judgements applied in determining recoverable.

Other Information

Management is responsible for the other information. The other information comprises information in the annual report, which is expected to be made available to us after the date of this auditor's report.

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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



Manoon Manusook

Certified Public Accountant (Thailand)

Registration No. 4292

BANGKOK

February 21, 2019

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

Statement of Financial Position

THAI WACOAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

AS AT DECEMBER 31, 2018

Unit : Baht

	NOTES	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2018	2017	2016	2018
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	4.1	167,711,136	32,992,539	126,922,652	18,430,270
Temporary investments	5	400,775,505	420,902,710	255,259,024	287,338,957
Trade and other current receivables	6	798,974,246	728,843,192	920,390,036	800,839,867
Other short-term loans	7	21,530,000	41,550,000	21,530,000	41,550,000
Inventories	8	1,302,010,562	1,109,494,399	1,087,998,476	944,769,558
Other current assets		22,372,256	19,858,460	14,284,818	13,271,032
Total Current Assets		2,713,373,705	2,353,641,300	2,426,385,006	2,106,199,684
NON-CURRENT ASSETS					
Deposit at bank under obligation	9	2,060,877	2,064,650	2,060,877	2,064,650
Available-for-sale investments	10	1,503,860,741	1,670,649,791	1,491,410,741	1,659,099,791
Investments in subsidiaries	11	-	-	152,048,252	132,048,252
Investments in associates	12	176,688,966	165,929,122	182,509,728	182,509,728
Other long-term investments	13	796,551,628	859,824,028	793,281,628	856,554,028
Investment property	14	709,980,288	713,565,390	714,513,324	718,272,194
Property, plant and equipment	15	1,227,763,506	1,257,308,263	1,089,001,508	1,107,809,049
Intangible assets	16	39,319,223	37,267,926	39,187,329	37,016,119
Leasehold rights	17	14,030,664	2,464,956	14,030,664	2,464,956
Other non-current assets		34,547,347	5,449,783	19,440,093	3,505,789
Total Non-Current Assets		4,504,803,240	4,714,523,909	4,497,484,144	4,701,344,556
TOTAL ASSETS		7,218,176,945	7,068,165,209	6,923,869,150	6,807,544,240

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

THAI WACOAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
AS AT DECEMBER 31, 2018

Unit : Baht

	NOTES	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2018	2017	2018	2017
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Trade and other current payables	18	683,488,191	583,522,442	707,390,058	600,977,031
Current portion of financial lease liabilities	19	264,367	384,060	264,367	303,217
Current provisions for employee benefit	21	59,008,680	39,454,010	40,614,393	30,931,609
Current income tax payable		39,130,747	16,627,049	37,641,573	15,028,697
Other current liabilities					
Provision for goods returned		25,000,000	30,000,000	25,000,000	30,000,000
Withholding tax payable		7,075,361	5,383,945	5,890,318	4,318,783
Others		11,071,571	7,104,457	7,860,157	4,237,079
		43,146,932	42,488,402	38,750,475	38,555,862
Total Current Liabilities		825,038,917	682,475,963	824,660,866	685,796,416
NON-CURRENT LIABILITIES					
Financial lease liabilities	19	-	264,367	-	264,367
Deferred tax liabilities	20	72,914,239	122,528,176	104,294,636	153,201,017
Provisions for employee benefit	21	509,129,588	497,761,527	328,527,571	316,252,166
Total Non-Current Liabilities		582,043,827	620,554,070	432,822,207	469,717,550
TOTAL LIABILITIES		1,407,082,744	1,303,030,033	1,257,483,073	1,155,513,966

Statement of Financial Position (Continued)

THAI WACOAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

AS AT DECEMBER 31, 2018

Unit : Baht

	NOTES	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2018	2017	2018	2017
LIABILITIES AND					
SHAREHOLDERS' EQUITY (CONTINUED)					
SHAREHOLDERS' EQUITY					
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
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
PREMIUM ON ORDINARY SHARES		297,190,000	297,190,000	297,190,000	297,190,000
RETAINED EARNINGS					
Appropriated					
Legal reserve	22	12,000,000	12,000,000	12,000,000	12,000,000
General reserve	24	389,929,979	371,401,880	389,929,979	371,401,880
Unappropriated		4,169,516,599	4,012,284,437	4,035,032,741	3,908,712,428
OTHER COMPONENTS OF SHAREHOLDERS'					
EQUITY		822,235,077	952,040,069	812,233,357	942,725,966
EQUITY ATTRIBUTABLE TO					
OWNERS OF THE PARENT		5,810,871,655	5,764,916,386	5,666,386,077	5,652,030,274
NON-CONTROLLING INTERESTS		222,546	218,790	-	-
TOTAL SHAREHOLDERS' EQUITY		5,811,094,201	5,765,135,176	5,666,386,077	5,652,030,274
TOTAL LIABILITIES AND					
SHAREHOLDERS' EQUITY					
		7,218,176,945	7,068,165,209	6,923,869,150	6,807,544,240

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

Statement of Profit or Loss

THAI WACOAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2018

Unit : Baht

	NOTES	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2018	2017	2018	2017
Revenues from sale of goods and rendering of services	26	4,606,051,449	4,362,536,272	4,915,900,616	4,640,581,250
Cost of sale of goods and rendering of services	27	(3,398,581,821)	(3,341,325,058)	(3,909,514,724)	(3,806,289,344)
Gross Profit		1,207,469,628	1,021,211,214	1,006,385,892	834,291,906
Dividend income		78,148,639	81,871,758	146,815,297	199,162,800
Other income	28	95,991,632	102,143,725	101,242,916	106,446,123
Profit before expenses		1,381,609,899	1,205,226,697	1,254,444,105	1,139,900,829
Selling expenses		(266,062,661)	(131,682,331)	(261,425,982)	(127,577,733)
Administrative expenses		(671,717,240)	(625,468,995)	(588,728,618)	(542,540,271)
Management benefit expenses		(69,352,326)	(64,167,770)	(51,682,078)	(46,822,749)
Loss on impairment of investments		(75,417,636)	(8,070,000)	(75,417,636)	(8,070,000)
Gain (loss) on sale of investment	13.2	90,493,784	(5,187,841)	89,843,260	(6,275,066)
Profit before financial cost and income tax expenses		389,553,820	370,649,760	367,033,051	408,615,010
Financial cost		(77,877)	(271,963)	(75,311)	(253,378)
Share of profit (loss) from investments in associates		10,705,500	(5,492,848)	-	-
Profit before income tax expenses		400,181,443	364,884,949	366,957,740	408,361,632
Income tax expense	30	(44,404,021)	(40,200,298)	(42,109,328)	(37,799,648)
NET PROFIT FOR THE YEAR		355,777,422	324,684,651	324,848,412	370,561,984
PROFIT ATTRIBUTABLE TO					
Owners of the parent		355,760,261	324,671,822	-	-
Non-controlling interests		17,161	12,829	-	-
		355,777,422	324,684,651	-	-
BASIC EARNINGS OF					
THE COMPANY PER SHARE	BAHT	2.96	2.71	2.71	3.09
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 YEAR ENDED DECEMBER 31 , 2018

Unit : Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Net profit for the year	355,777,422	324,684,651	324,848,412	370,561,984
Other comprehensive income (loss)				
Items that will not be reclassified subsequently to profit or loss				
Gains (losses) on remeasurements of defined benefit plans	5,985,058	(2,203,738)	5,985,058	(2,985,626)
Income tax relating to items that will not be reclassified subsequently	(1,197,012)	440,748	(1,197,012)	597,124
Items that will be reclassified subsequently to profit or loss				
Unrealized gain (loss) on the changes in value of available-for-sale securities	(168,295,315)	198,244,112	(169,100,819)	197,683,192
Exchange differences on translating financial statements of foreign operations	54,343	(40,968)	-	-
Income tax relating to items that will be reclassified subsequently	33,648,194	(39,640,629)	33,820,164	(39,536,638)
Other comprehensive income (loss) for the year, net of income tax	(129,804,732)	156,799,525	(130,492,609)	155,758,052
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	225,972,690	481,484,176	194,355,803	526,320,036
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO				
Owners of the parent	225,955,269	481,471,404	-	-
Non-controlling interests	17,421	12,772	-	-
	225,972,690	481,484,176	-	-

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

Statement of Changes in Shareholders' Equity

CONSOLIDATED FINANCIAL STATEMENTS

THAI WACOAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2018

Unit : Baht

	Notes	Other components of shareholders' equity											
		Retained earnings					Other comprehensive income						
		Issued and paid-up share capital	Premium on ordinary shares	Legal reserve	Appropriated General reserve	Unappropriated	Unrealized gain on the changes in value of available-for-sale securities	Exchange differences on translating financial statements of foreign operations	Losses on revaluations of defined benefit plans	Other components of shareholders' equity	Total		
Balance as at January 1, 2017		120,000,000	297,190,000	12,000,000	354,037,797	3,860,976,698	799,817,494	-	(4,577,007)	795,240,487	5,439,444,982	245,930	5,439,690,912
Dividend paid	24	-	-	-	-	(156,000,000)	-	-	-	-	(156,000,000)	-	(156,000,000)
General reserve	24	-	-	-	17,364,083	(17,364,083)	-	-	-	-	-	-	-
Dividend paid to non-controlling interests		-	-	-	-	-	-	-	-	-	-	(39,912)	(39,912)
Total comprehensive income		-	-	-	-	324,671,822	158,595,347	(32,775)	(1,762,990)	156,799,582	481,471,404	12,772	481,484,176
Ending balance as at December 31, 2017		120,000,000	297,190,000	12,000,000	371,401,880	4,012,284,437	958,412,841	(32,775)	(6,339,997)	952,040,069	5,764,916,386	218,790	5,765,135,176
Balance as at January 1, 2018		120,000,000	297,190,000	12,000,000	371,401,880	4,012,284,437	958,412,841	(32,775)	(6,339,997)	952,040,069	5,764,916,386	218,790	5,765,135,176
Dividend paid	24	-	-	-	-	(180,000,000)	-	-	-	-	(180,000,000)	-	(180,000,000)
General reserve	24	-	-	-	18,528,099	(18,528,099)	-	-	-	-	-	-	-
Dividend paid to non-controlling interests		-	-	-	-	-	-	-	-	-	-	(13,665)	(13,665)
Total comprehensive income		-	-	-	-	355,760,261	(134,636,513)	43,475	4,788,046	(129,804,992)	225,955,269	17,421	225,972,690
Ending balance as at December 31, 2018		120,000,000	297,190,000	12,000,000	389,929,979	4,169,516,599	823,776,328	10,700	(1,551,951)	822,235,077	5,810,871,655	222,546	5,811,094,201

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

Statement of Changes in Shareholders' Equity (Continued)

SEPARATE FINANCIAL STATEMENTS

THAI WACOAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Notes	Other components of shareholders' equity									Unit : Baht
		Retained earnings					Other comprehensive income				
		Issued and paid-up share capital	Premium on ordinary shares	Legal reserve	Appropriated	Unappropriated	Unrealized gain on the changes in value of available-for-sale securities	Losses on remeasurements of defined benefit plans	Other components of shareholders' equity	Total	
Balance as at January 1, 2017		120,000,000	297,190,000	12,000,000	354,037,797	3,711,514,527	798,617,080	(11,649,166)	786,967,914	5,281,710,238	
Dividend paid	24	-	-	-	-	(156,000,000)	-	-	-	(156,000,000)	
General reserve	24	-	-	-	17,364,083	(17,364,083)	-	-	-	-	
Total comprehensive income		-	-	-	-	370,561,984	158,146,554	(2,388,502)	155,758,052	526,320,036	
Ending balance as at December 31, 2017		120,000,000	297,190,000	12,000,000	371,401,880	3,908,712,428	956,763,634	(14,037,668)	942,725,966	5,652,030,274	
Balance as at January 1, 2018		120,000,000	297,190,000	12,000,000	371,401,880	3,908,712,428	956,763,634	(14,037,668)	942,725,966	5,652,030,274	
Dividend paid	24	-	-	-	-	(180,000,000)	-	-	-	(180,000,000)	
General reserve	24	-	-	-	18,528,099	(18,528,099)	-	-	-	-	
Total comprehensive income		-	-	-	-	324,848,412	(135,280,655)	4,788,046	(130,492,609)	194,355,803	
Ending balance as at December 31, 2018		120,000,000	297,190,000	12,000,000	389,929,979	4,035,032,741	821,482,979	(9,249,622)	812,233,357	5,666,386,077	

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, 2018

Unit : Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax	400,181,443	364,884,949	366,957,740	408,361,632
Adjustments :				
Depreciation of investment property and plant and equipment	93,916,749	98,812,123	60,205,244	63,453,313
Amortization of intangible assets and leasehold rights	9,061,505	7,627,759	8,933,049	7,452,522
(Gain) loss on sales of property, plant and equipment	676,831	(2,475,857)	1,209,728	(1,532,134)
Gain on sales of intangible assets	(143)	(5,489)	-	(5,489)
Gain on sale of investment property	-	(4,552,400)	-	(4,552,400)
Share of (gain) loss from investments for the equity method	(10,705,500)	5,492,848	-	-
Unrealized loss on exchange rate	22,293	628,223	22,293	628,223
Dividend income from investments	(78,148,639)	(81,871,758)	(146,815,297)	(199,162,800)
Loss on impairment of investments	75,417,636	8,070,000	75,417,636	8,070,000
Reversal of loss from goods returned	(5,000,000)	-	(5,000,000)	-
Loss on devaluation of inventories	48,879,616	50,659,662	45,965,722	48,562,454
(Gain) loss on sale of investments	(90,493,784)	5,187,841	(89,843,260)	6,275,066
Unrealized (gain) loss on trading securities	314,563	(836,437)	314,563	(836,437)
Employee benefit expense	44,888,328	73,972,914	32,043,103	39,923,737
Interest income	(8,374,435)	(8,906,907)	(7,996,179)	(8,407,079)
Interest expense	77,877	271,963	75,311	253,378
	480,714,340	516,959,434	341,489,653	368,483,986

Statement of Cash Flows (Continued)

THAI WACOAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2018

Unit : Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES				
(CONTINUED)				
Operating assets (increase) decrease				
Trade and other current receivables	(67,227,098)	(105,484,913)	(116,921,293)	(70,920,237)
Inventories	(241,395,779)	65,134,569	(189,194,640)	112,089,781
Other current assets	(2,513,796)	1,088,318	(1,013,786)	1,425,880
Operating liabilities increase (decrease)				
Trade and other payables	99,222,346	8,808,982	105,801,179	(11,599,795)
Withholding tax payable	1,691,416	(2,277,553)	1,571,535	(2,118,854)
Other current liabilities	3,967,114	1,954,549	3,623,078	2,637,287
Cash paid for employee benefit	(29,188,547)	(48,163,724)	(22,316,859)	(36,150,739)
Cash received from operations	245,269,996	438,019,662	123,038,867	363,847,309
Cash paid for interest expense	(484)	(167,715)	-	(167,715)
Cash paid for income tax	(39,063,077)	(40,252,106)	(35,779,680)	(38,301,174)
Net cash provided by operating activities	206,206,435	397,599,841	87,259,187	325,378,420

THAI WACOAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2018

Unit : Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
CASH FLOWS FROM INVESTING ACTIVITIES				
(Increase) decrease in deposit at bank under obligation	(9,656)	4,216,063	(9,656)	4,216,063
(Increase) decrease in temporary investments	3,027,080	(167,703,929)	14,423,780	(217,915,801)
Payments for short-term loans to others	(20,000,000)	-	(20,000,000)	-
Proceeds from short-term loans to others	40,020,000	10,000,000	40,020,000	10,000,000
Payment for purchase of investments in subsidiaries	-	-	(20,000,000)	(15,652)
Payment for purchase of investments in associate	-	(112,852,800)	-	(112,852,800)
Payment for purchase of general investments	(7,500,000)	(19,432,180)	(7,500,000)	(19,427,180)
Proceeds from capital reduction general investments	139,400	-	139,400	-
Proceeds from sale of general investments	-	1,952,000	-	1,952,000
Payment for purchase of available-for-sale securities - debt securities	(11,000,000)	(3,000,000)	(11,000,000)	(3,000,000)
Proceeds from sale of available-for-sale securities - debt securities	9,999,756	-	9,999,756	-
Proceeds from sale of available-for-sale securities	91,740,000	-	91,740,000	-
Proceeds from long-term investments	248,689	95,448	248,689	95,448
Proceeds from redemption of held-to-maturity securities	50,000,000	50,000,000	50,000,000	50,000,000
Payment for purchase of held-to-maturity securities	(40,000,000)	(67,033,000)	(40,000,000)	(67,033,000)
Proceeds from sale of property, plant and equipment	1,594,664	4,684,461	708,004	3,730,048
Payment for purchase of property, plant and equipment	(62,314,981)	(47,429,197)	(38,944,717)	(34,543,575)
Proceeds from sale of intangible assets	8,400	5,500	-	5,500
Proceeds from sale of investment property	-	5,741,949	-	5,741,949
Payment for purchase of intangible assets	(22,686,768)	(2,021,275)	(22,669,968)	(2,021,275)
Cash received from dividends	75,242,805	81,871,758	144,130,297	199,162,800
Cash received from interest	8,376,312	9,360,920	8,052,303	8,677,546
(Increase) decrease in other non-current assets	(7,889,556)	(159,536)	2,282,699	54,000
Net cash provided by (used in) investing activities	108,996,145	(251,703,818)	201,620,587	(173,173,929)

Statement of Cash Flows (Continued)

THAI WACOAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2018

Unit : Baht

	NOTES	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2018	2017	2018	2017
CASH FLOWS FROM FINANCING ACTIVITIES					
Payment for short-term borrowings from financial institutions	4.3	-	(18,000,000)	-	(18,000,000)
Dividends paid to shareholders		(180,000,000)	(156,000,000)	(180,000,000)	(156,000,000)
Dividend paid to non-controlling interests		(13,666)	(34,912)	-	-
Payment for financial lease liabilities	4.3	(461,453)	(577,548)	(378,528)	(378,528)
Net cash used in financing activities		(180,475,119)	(174,612,460)	(180,378,528)	(174,378,528)
Effect of exchange rate changes on cash and cash equivalents		(8,864)	(66,385)	(8,864)	(66,385)
Net increase (decrease) in cash and cash equivalents		134,718,597	(28,782,822)	108,492,382	(22,240,422)
Cash and cash equivalents as at January 1,		32,992,539	61,775,361	18,430,270	40,670,692
Cash and cash equivalents as at December 31,		167,711,136	32,992,539	126,922,652	18,430,270

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

Notes to the Consolidated and the Separate Financial Statements

THAI WACOAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2018

1. OPERATIONS OF THE COMPANY AND SUBSIDIARIES

Thai Wacoal Public Company Limited (“the Company”) was registered in The Stock Exchange of Thailand and its subsidiaries are companies that were 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:

COMPANY’S NAME	LOCATION
Thai Wacoal Public Co., Ltd.	132 Soi Charoenrat 7, Khwang Bangkhlo, Bangkholaem District, Bangkok 10120
Direct subsidiaries	
Wacoal Siracha Co., Ltd.	173/2 Moo 5, Sukaphibal 8 Road, Tambol Bung, Siracha 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.	132 Soi Charoenrat 7, Khwang Bangkhlo, Bangkholaem District, Bangkok 10120
Indirect subsidiary	
Pattaya Kabinburi Co., Ltd.	123, 123/1 Moo 5, Suwannasorn Road, Tambol Nonsee, Kabinburi District, Prachinburi 25110

On July 10, 2017 the Extraordinary Shareholders’ Meeting No. 1/2017 of SR.W. Garment Co., Ltd. which is subsidiary has passed a resolution to approve a change of the name from “SR.W. Garment Co., Ltd.” to “Wacoal Siracha Co., Ltd.”. The subsidiary has registered to change the name with Ministry of Commerce on July 17, 2017.

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 and subsidiaries maintain its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards and accounting practices generally accepted in Thailand.
- 2.2 The Company's and its subsidiaries' financial statements have been prepared in accordance with the Thai Accounting Standard (TAS) No. 1 (Revised 2017) "Presentation of Financial Statements", which was effective for financial periods beginning on or after January 1, 2018 onward, and the Regulation of The Stock Exchange of Thailand (SET) dated October 2, 2017, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2560 and the Notification of the Department of Business Development regarding "The Brief Particulars in the Financial Statements (No.2) B.E. 2559" dated October 11, 2016.
- 2.3 The financial statements have been prepared under the historical cost convention except as disclosed in the significant accounting policies.
- 2.4 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

During the period, the Company and subsidiaries have adopted the revised and new financial reporting standards and guidelines on accounting issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's and its subsidiaries' financial statements, except the following financial reporting standards:

Thai Accounting Standard No.7 (Revised 2017) "Statement of Cash Flows"

This revised accounting standard requires the disclosure of changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This accounting standard requires prospective method for such amendment.

- 2.5 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective
 - 2.5.1 Thai Financial Reporting Standards which will be effective for the financial statements with fiscal years beginning on or after January 1, 2019

New Thai Financial Reporting Standards and Thai Financial Reporting Standard Interpretation

The Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standards and Thai Financial Reporting Standard Interpretation which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2019 onwards.

Thai Financial Reporting Standards ("TFRS")

TFRS 1	First-time Adoption of International Financial Reporting Standards
TFRS 15	Revenue from Contracts with Customers

Thai Financial Reporting Standard Interpretation ("TFRIC")

TFRIC 22 Foreign Currency Transactions and Advance Consideration

There is the key change to the core principle of TFRS 15, which introduces a 5-step approach to revenue recognition, as follow:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract.

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

Under TFRS 15, an entity recognizes revenue when (or as) a performance obligation is satisfied. TFRS 15 will supersede the Standards and Interpretations relating to revenue upon its effective date.

Thai Financial Reporting Standards (TFRSs) Revised 2018

The Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standards (TFRSs) Revised 2018 which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2019 onwards. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology and reference to other TFRSs except following TFRSs, which there are revision or additional paragraph and accounting guidance.

Thai Accounting Standard No.28 (Revised 2018) "Investment in Associates and Joint Ventures" clarifies about the election of measurement an investment in an associate or a joint venture at fair value through profit or loss, and clarifies the consideration about the impairment of an investment in an associate or a joint venture. This accounting standard requires retrospective method for such amendment.

Thai Accounting Standard No.40 (Revised 2018) "Investment Property" clarifies about transfers of investment property to, or from, other accounts when, and only when, there is a change in use. This accounting standard requires prospective method for such amendment.

Thai Financial Reporting Standard No.2 (Revised 2018) "Share-based Payment" adds the requirements, which require prospective method for the amendment as follows:

- 1) The requirement about treatment of vesting and non-vesting for a cash-settled share-based payment transaction
- 2) The requirement about share-based payment transactions with a net settlement feature for withholding tax obligations
- 3) The requirement about accounting for a modification of a share-based payment transaction that changes its classification from cash-settled to equity-settled

Thai Financial Reporting Standard No.4 (Revised 2018) "Insurance Contracts" determines the option for insurance industry to temporarily exempt from applying Thai Financial Reporting Standard No.9 "Financial Instruments" ("TFRS 9"). An entity can elect to exempt from TFRS 9 for annual periods beginning before January 1, 2022 or before TFRS 17 is effective.

2.5.2 Thai Financial Reporting Standards which will be effective for the financial statements with fiscal years beginning on or after January 1, 2020

The Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standard Group of Financial Instruments which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2020 onwards, as follows:

Thai Accounting Standards ("TAS")

TAS 32 Financial Instruments: Presentation

Thai Financial Reporting Standards ("TFRS")

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Thai Financial Reporting Standard Interpretations ("TFRIC")

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These TFRSs make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost; taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model, the calculation of impairment using the expected credit loss method, and the concept of hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. These TFRSs will supersede the Standards and Interpretations relating to the financial instruments upon its effective date.

The Company's and its subsidiaries' management will adopt such TFRSs in the preparation of the Company's and its subsidiaries' financial statements when it becomes effective. The Company's and its subsidiaries' management is in the process to assess the impact of these TFRSs on the financial statements of the Company and its subsidiaries in the period of initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

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

3.1 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 from the date of acquisition, excluding deposit at bank used as collateral.

3.2 Recognition of revenues and expenses

Revenue from sales are recognized 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 income on investments is recognized as income when the dividend is declared.

Expenses are recognized on an accrual basis.

3.3 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.

3.4 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 weighted 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.

3.5 Investments

Deposit at banks having a maturity exceed 3 months but not over 12 months which presents at cost and is no collateralized.

Trading and available-for-sale investments 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.

Other long-term investments 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.

Investments in associates are 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 trading investments is recognized as unrealized gains or losses in the statement of profit or loss.

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 of investment is recognized in the statement of profit or loss.

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

3.6 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, and accumulated impairment losses (if any).

Depreciation is calculated by the straight-line method, based on the estimated useful lives of the assets of 20 - 30 years.

3.7 Property, plant and equipment

Land is stated at cost. Plant and equipment are presented at cost less accumulated depreciation, and accumulated impairment losses (if any).

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

Land improvement	5 - 30 years
Building and structures	20 - 30 years
Furniture, fixtures	5 - 10 years
Office equipment	3 - 5 years
Machinery	5 - 10 years
Equipment	5 - 10 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.

3.8 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

3.9 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.

3.10 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, realized 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. Exchange gains or losses are included as incomes or expenses in the statement of profit or loss for the year.

3.11 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 profit or loss 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 profit or loss.

3.12 Impairment

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

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

The Company and its subsidiaries recognize an impairment loss as expense in the statement of profit or loss.

Reversal of an impairment loss.

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

3.13 Employment benefits

3.13.1 Provident fund

The Company and its subsidiaries 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 subsidiaries and managed by the fund manager. The fund has been contributed by the employee and also the Company and its subsidiaries. The contributions for provident fund are recorded as expense in the statement of profit or loss for the period they incur.

3.13.2 Post-employment benefits

The Company and its subsidiaries operate post-employment benefits plans under the 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 statement of profit or loss in order to allocate such costs throughout the service period.

3.14 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 statement of profit or loss.

3.15 Income tax expenses

Income tax expenses represents the sum of the current tax and deferred tax.

3.15.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the financial statement date.

3.15.2 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.

3.16 Basic earnings per share

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

3.17 Use of management's judgement

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 statement of financial position and the reported amounts of revenue and expense of the accounting period. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

Significant judgements in applying accounting policies are as follows:

Provision for goods returned

The Company has provided a provision for 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 the allowance for diminution in value of such goods returned.

Impairment

The Company and its subsidiaries shall assess the assets balance at the statement of financial position whether there is any indication that an asset may be impaired. If any such indication exists, the Company and its subsidiaries shall estimate the recoverable amount of the asset and shall also test an intangible asset.

Employee benefit

Past service cost related to the plan amendment is recognized as an expense in the income statement when the plan amendment is effective.

3.18 Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company and its subsidiaries take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis.

In addition, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

4. SUPPLEMENTARY DISCLOSURES OF CASH FLOWS INFORMATION

4.1 Cash and cash equivalents consist of:

	Unit : Baht			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
	2018	2017	2018	2017
Cash in hand	920,520	880,768	715,717	605,417
Bank deposit in savings and current accounts	111,790,616	32,111,771	76,206,935	17,824,853
Bill of exchange	55,000,000	-	50,000,000	-
Total Cash and cash equivalents	167,711,136	32,992,539	126,922,652	18,430,270

4.2 Non-cash transactions for the years ended December 31, are as follows:

- 4.2.1 Purchase of fixed assets, intangible assets and leasehold rights as at December 31, are as follows:

Unit : Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Payable for purchase of fixed assets, intangible assets and leasehold rights as at January 1,	1,129,908	2,795,365	1,097,273	2,599,865
<u>Add</u> Purchases during the year	85,745,152	47,785,015	62,226,532	35,062,258
<u>Less</u> Cash payments during the year	(85,001,749)	(49,450,472)	(61,614,685)	(36,564,850)
Payable for purchase of fixed assets, intangible assets and leasehold rights as at December 31,	1,873,311	1,129,908	1,709,120	1,097,273

4.2.2 Investments as at December 31, are as follows:

Unit : Baht

	CONSOLIDATED FINANCIAL STATEMENTS		
	Temporary investments	Available-for-sale investments	Other long-term investments
As at January 1, 2018	420,902,710	1,670,649,791	859,824,028
Cash flows from investing activities	(53,027,080)	(90,988,445)	47,360,600
Non-Cash transaction			
Gain on sale of investment	3,254,043	87,239,741	-
Loss on impairment of investment	-	(21,817,636)	(53,600,000)
Unrealized loss on changes in fair value of available-for-sale securities in equity	(39,605)	(168,255,710)	-
Others	29,685,437	27,033,000	(57,033,000)
As at December 31, 2018	400,775,505	1,503,860,741	796,551,628

Unit : Baht

	CONSOLIDATED FINANCIAL STATEMENTS		
	Temporary investments	Available-for-sale investments	Other long-term investments
As at January 1, 2017	249,785,786	1,469,345,526	852,917,249
Cash flows from investing activities	117,703,929	2,904,552	84,513,180
Non-Cash transaction			
Gain (loss) on sale of investment	2,732,159	-	(7,920,000)
Loss on impairment of investment	-	-	(8,070,000)
Unrealized gain (loss) on changes in fair value of available-for-sale securities in equity	(155,601)	198,399,713	-
Others	50,836,437	-	(61,616,401)
As at December 31, 2017	420,902,710	1,670,649,791	859,824,028

Unit : Baht

SEPARATE FINANCIAL STATEMENTS			
	Temporary investments	Available-for-sale investments	Other long-term investments
As at January 1, 2018	287,338,957	1,659,099,791	856,554,028
Cash flows from investing activities	(64,423,780)	(90,988,445)	47,360,600
Non-Cash transaction			
Gain on sale of investment	2,603,519	87,239,741	-
Loss on impairment of investment	-	(21,817,636)	(53,600,000)
Unrealized gain (loss) on changes in fair value of available-for-sale securities in equity	54,891	(169,155,710)	-
Others	29,685,437	27,033,000	(57,033,000)
As at December 31, 2018	255,259,024	1,491,410,741	793,281,628

Unit : Baht

SEPARATE FINANCIAL STATEMENTS			
	Temporary investments	Available-for-sale investments	Other long-term investments
As at January 1, 2017	66,833,306	1,458,620,526	849,647,249
Cash flows from investing activities	167,915,801	2,904,552	84,508,180
Non-Cash transaction			
Gain (loss) on sale of investment	1,644,934	-	(7,920,000)
Loss on impairment of investment	-	-	(8,070,000)
Unrealized gain on changes in fair value of available-for-sale securities in equity	108,479	197,574,713	-
Others	50,836,437	-	(61,611,401)
As at December 31, 2017	287,338,957	1,659,099,791	856,554,028

4.2.3 As at December 31, 2018, the Company has increase in unrealized gains on changes in fair value of convertible bonds to ordinary shares of Baht 13.67 million (see Note 13).

4.3 Movements of interest-bearing liabilities from financing activities

Movements of interest-bearing liabilities arising from financing activities for years ended December 31, are as follows:

Unit : Baht

CONSOLIDATED FINANCIAL STATEMENTS			
	Short-term borrowings from financial institutions	Finance lease liabilities	Total
As at January 1, 2018	-	745,349	745,349
Cash flows items:			
Additions	-	-	-
Repayments	-	(461,453)	(461,453)
Total Cash flows items	-	(461,453)	(461,453)
As at December 31, 2018	-	283,896	283,896

Unit : Baht

CONSOLIDATED FINANCIAL STATEMENTS			
	Short-term borrowings from financial institutions	Finance lease liabilities	Total
As at January 1, 2017	18,000,000	1,322,897	19,322,897
Cash flows items:			
Additions	-	-	-
Repayments	(18,000,000)	(577,548)	(18,577,548)
Total Cash flows items	(18,000,000)	(577,548)	(18,577,548)
As at December 31, 2017	-	745,349	745,349

Unit : Baht

SEPARATE FINANCIAL STATEMENTS			
	Short-term borrowings from financial institutions	Finance lease liabilities	Total
As at January 1, 2018	-	662,424	662,424
Cash flows items:			
Additions	-	-	-
Repayments	-	(378,528)	(378,528)
Total Cash flows items	-	(378,528)	(378,528)
As at December 31, 2018	-	283,896	283,896

Unit : Baht

	SEPARATE FINANCIAL STATEMENTS		
	Short-term borrowings from financial institutions	Finance lease liabilities	Total
As at January 1, 2017	18,000,000	1,040,952	19,040,952
Cash flows items:			
Additions	-	-	-
Repayments	(18,000,000)	(378,528)	(18,378,528)
Total Cash flows items	(18,000,000)	(378,528)	(18,378,528)
As at December 31, 2017	-	662,424	662,424

The Company does not have non-cash activities that related to short-term borrowings from financial institutions for years ended December 31, 2018 and 2017.

As at December 31, the Company and subsidiaries have unsecured credit facilities as follows:

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Facilities for bank overdrafts and short-term borrowings from financial institutions	1,368.63	1,368.23	1,272.90	1,272.90

The facilities for bank overdrafts and short-term borrowing from such financial institutions bear interest rates of MOR per annum.

5. TEMPORARY INVESTMENTS

Temporary investments as at December 31, are as follows:

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Time deposits	65,000,000	-	30,000,000	-
Short-term investments in trading securities				
- equity securities	3,798,470	4,106,035	3,798,470	4,106,035
Short-term investments in trading securities				
- debt securities	11,596,093	11,423,352	11,596,093	11,423,352
Short-term investments in available-for-sale securities - debt securities	290,380,942	355,373,323	179,864,461	221,809,570
Investments in held-to-maturity securities due within 1 year	30,000,000	50,000,000	30,000,000	50,000,000
	400,775,505	420,902,710	255,259,024	287,338,957

Additional details of trading securities consist of the following:

Unit : Baht

SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS				
	Cost value/ amortized cost As at December 31, 2018	Unrealized gross profit	Unrealized gross loss	Fair value As at December 31, 2018
Trading securities				
Equity securities				
- Ordinary shares	1,704,928	90,956	(96,751)	1,699,133
- Unit trust	1,739,712	359,625	-	2,099,337
	3,444,640	450,581	(96,751)	3,798,470
Debt securities				
- Unit trust	11,107,303	488,790	-	11,596,093
	14,551,943	939,371	(96,751)	15,394,563

Unit : Baht

SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS				
	Cost value/ amortized cost As at December 31, 2017	Unrealized gross profit	Unrealized gross loss	Fair value As at December 31, 2017
Trading securities				
Equity securities				
- Ordinary shares	1,525,190	291,101	(12,332)	1,803,959
- Unit trust	1,739,712	562,364	-	2,302,076
	3,264,902	853,465	(12,332)	4,106,035
Debt securities				
- Unit trust	11,107,302	316,050	-	11,423,352
	14,372,204	1,169,515	(12,332)	15,529,387

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, 2018	Unrealized gross profit	Unrealized gross loss	Fair value As at December 31, 2018
Available-for-sale securities				
Debt securities				
- Unit trust	289,972,631	408,311	-	290,380,942
	289,972,631	408,311	-	290,380,942

Unit : Baht

CONSOLIDATED FINANCIAL STATEMENTS				
	Cost value/ amortized cost As at December 31, 2017	Unrealized gross profit	Unrealized gross loss	Fair value As at December 31, 2017
Available-for-sale securities				
Debt securities				
- Unit trust	354,925,407	447,916	-	355,373,323
	354,925,407	447,916	-	355,373,323

Unit : Baht

SEPARATE FINANCIAL STATEMENTS				
	Cost value/ amortized cost As at December 31, 2018	Unrealized gross profit	Unrealized gross loss	Fair value As at December 31, 2018
Available-for-sale securities				
Debt securities				
- Unit trust	179,700,000	164,461	-	179,864,461
	179,700,000	164,461	-	179,864,461

Unit : Baht

SEPARATE FINANCIAL STATEMENTS

	Cost value/ amortized cost As at December 31, 2017	Unrealized gross profit	Unrealized gross loss	Fair value As at December 31, 2017
Available-for-sale securities				
Debt securities				
- Unit trust	221,700,000	109,570	-	221,809,570
	221,700,000	109,570	-	221,809,570

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 December 31, 2018	Unrealized gross profit	Unrealized gross loss	Fair Value December 31, 2018
Held-to-maturity securities				
Debentures	30,000,000	308,000	-	30,308,000
	30,000,000	308,000	-	30,308,000

Unit : Baht

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

	Cost Value/ Amortized cost December 31, 2017	Unrealized gross profit	Unrealized gross loss	Fair Value December 31, 2017
Held-to-maturity securities				
Debentures	50,000,000	1,132,000	-	51,132,000
	50,000,000	1,132,000	-	51,132,000

6. TRADE AND OTHER CURRENT RECEIVABLES

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

	Unit : Baht			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
	2018	2017	2018	2017
Trade receivables - related companies (see Note 31)	687,592,757	652,701,237	814,091,953	744,064,712
Trade receivables - other companies	87,100,096	50,995,576	84,118,191	45,766,703
Total trade receivables	774,692,853	703,696,813	898,210,144	789,831,415
Other receivables - related companies	2,802,030	2,332,714	3,080,961	2,544,402
Other receivables - other companies	60,331	38,413	60,331	38,413
Prepaid expenses	7,831,934	4,997,196	7,261,385	3,777,442
Advance payment	3,239,962	339,199	3,144,613	166,335
Accrued income	9,019,003	16,108,846	7,401,044	3,194,178
Accrued interest income	1,328,133	1,330,011	1,231,558	1,287,682
Total other receivables	24,281,393	25,146,379	22,179,892	11,008,452
	798,974,246	728,843,192	920,390,036	800,839,867

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

	Unit : Baht			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
	2018	2017	2018	2017
Current	693,094,269	607,525,569	809,550,289	682,218,245
Overdue				
Within 3 months	77,667,301	72,169,739	84,872,639	83,765,076
Between 3 and 6 months	3,719,954	22,519,996	3,575,887	22,366,585
Between 6 and 12 months	211,329	1,481,509	211,329	1,481,509
More than 12 months	-	-	-	-
Total trade receivables	774,692,853	703,696,813	898,210,144	789,831,415

7. OTHER SHORT-TERM LOANS

As at December 31, 2018 and 2017, other short-term loans in the consolidated and the separate financial statements amounting to Baht 21.53 million and Baht 41.55 million, respectively, are short-term loans to other companies in the form of promissory notes at call, with interest rate at 4.00% to 6.25% per annum. There is no collateral for such loans.

8. INVENTORIES

Inventories as at December 31, are as follows:

Unit : Baht

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Finished goods	753,331,297	621,228,512	759,171,996	631,256,123
Finished goods in transit	14,330,447	-	7,300,621	-
Work in process	139,902,921	160,558,825	86,076,427	112,541,635
Raw materials	358,823,908	304,609,588	199,827,443	177,874,326
Raw materials in transit	36,797,280	24,223,829	36,797,280	24,223,829
Total inventories	1,303,185,853	1,110,620,754	1,089,173,767	945,895,913
<u>Less</u> Allowance for diminution in value of finished goods	(1,175,291)	(1,126,355)	(1,175,291)	(1,126,355)
Inventories - net	1,302,010,562	1,109,494,399	1,087,998,476	944,769,558

The costs of inventories recognized as expenses in the consolidated and separate financial statements for the year ended December 31, 2018 are Baht 3,366.11 million and Baht 3,895.98 million, respectively (2017: Baht 3,299.17 million and Baht 3,793.82 million, respectively).

The Company recognized expenses in respect of write-downs of inventory to net realizable value in the consolidated and separate financial statements for the year ended December 31, 2018 of Baht 48.88 million and Baht 45.97 million, respectively (2017 : Baht 50.66 million and Baht 48.56 million, respectively) (see Note 29).

9. DEPOSIT AT BANK UNDER OBLIGATION

Deposit at bank under obligation as at December 31, 2018 and December 31, 2017 in the consolidated and the separate financial statements are time deposit with maturity term of 6 months amounting to HKD 0.5 million which the Company used as collateral for credit facility from financial institution in favor of a related company (see Note 34).

10. AVAILABLE-FOR-SALE INVESTMENTS

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

Unit : Baht

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Available-for-sale investments				
Equity securities				
- Ordinary shares				
- Related companies	1,052,539,031	1,074,147,345	1,040,089,031	1,062,597,345
- Other companies	462,167,674	586,176,999	462,167,674	586,176,999
<u>Less</u> Allowance for impairment	(21,817,636)	-	(21,817,636)	-
	440,350,038	586,176,999	440,350,038	586,176,999
Total	1,492,889,069	1,660,324,344	1,480,439,069	1,648,774,344
Debt securities	10,971,672	10,325,447	10,971,672	10,325,447
Total	1,503,860,741	1,670,649,791	1,491,410,741	1,659,099,791

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

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			
			2018	2017	2018	2017	2018	2017	2018	2017	2018	2017		
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	270,464,130	364,538,610	18.15	18.15	64,615,035	270,464,130	364,538,610
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	472,978,405	438,787,195	3.82	3.82	134,814,849	460,528,405	427,237,195
Saha Pathana Inter-Holding Public Co., Ltd.	Holding company	The Company's major shareholder	571,515	494,034	0.68	0.69	80,350,852	53,317,867	248,749,540	0.69	0.68	80,350,852	53,317,867	248,749,540
Thanulux Public Co., Ltd.	Manufacturing clothing	The Company's major Shareholder has over 10% shareholding	120,000	120,000	0.83	0.83	27,809,160	27,809,160	20,800,000	0.83	0.83	27,809,160	27,809,160	20,800,000
Far East Famine DDB Public Co., Ltd.	Agency & Advertising	The Company's major Shareholder has over 10% shareholding	75,000	75,000	0.08	0.08	400,000	400,000	1,032,000	0.08	0.08	400,000	400,000	1,272,000
Total available- for-sale securities			317,814,896			290,781,911			1,052,539,031			1,074,147,345		
			307,989,896			280,956,911			1,040,089,031			1,062,597,345		

10.2 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	
	2018	2017	2018	2017
Beginning balance	958,412,841	799,817,494	956,763,634	798,617,080
Additions	(134,636,513)	158,595,347	(135,280,655)	158,146,554
Ending balance	823,776,328	958,412,841	821,482,979	956,763,634

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, 2018	Unrealized gross profit	Unrealized gross loss	Fair value As at December 31, 2018
Available-for-sale securities				
Equity securities				
- Ordinary shares				
- Related parties	317,814,896	744,033,295	(9,309,160)	1,052,539,031
- Other companies	145,654,910	305,303,101	(10,607,973)	440,350,038
Total	463,469,806	1,049,336,396	(19,917,133)	1,492,889,069
Debt securities				
- Debentures	11,076,673	-	(105,001)	10,971,672
Total	11,076,673	-	(105,001)	10,971,672
	474,546,479	1,049,336,396	(20,022,134)	1,503,860,741

Unit : Baht

CONSOLIDATED FINANCIAL STATEMENTS

	Cost value/ Amortized Cost As at December 31, 2017	Unrealized gross profit	Unrealized gross loss	Fair value As at December 31, 2017
Available-for-sale securities				
Equity securities				
- Ordinary shares				
- Related parties	290,781,911	790,374,594	(7,009,160)	1,074,147,345
- Other companies	171,972,546	427,554,902	(13,350,449)	586,176,999
Total	462,754,457	1,217,929,496	(20,359,609)	1,660,324,344
Debt securities				
- Government's bonds	10,325,361	1,109	(1,023)	10,325,447
Total	10,325,361	1,109	(1,023)	10,325,447
	473,079,818	1,217,930,605	(20,360,632)	1,670,649,791

Unit : Baht

SEPARATE FINANCIAL STATEMENTS

	Cost value/ Amortized Cost As at December 31, 2018	Unrealized gross profit	Unrealized gross loss	Fair value As at December 31, 2018
Available-for-sale securities				
Equity securities				
- Ordinary shares				
- Related parties	307,989,896	741,408,295	(9,309,160)	1,040,089,031
- Other companies	145,654,910	305,303,101	(10,607,973)	440,350,038
Total	453,644,806	1,046,711,396	(19,917,133)	1,480,439,069
Debt securities				
- Debentures	11,076,673	-	(105,001)	10,971,672
Total	11,076,673	-	(105,001)	10,971,672
	464,721,479	1,046,711,396	(20,022,134)	1,491,410,741

Unit : Baht

SEPARATE FINANCIAL STATEMENTS				
	Cost value/ Amortized Cost As at December 31, 2017	Unrealized gross profit	Unrealized gross loss	Fair value As at December 31, 2017
Available-for-sale securities				
Equity securities				
- Ordinary shares				
- Related parties	280,956,911	788,649,594	(7,009,160)	1,062,597,345
- Other companies	171,972,546	427,554,902	(13,350,449)	586,176,999
Total	452,929,457	1,216,204,496	(20,359,609)	1,648,774,344
Debt securities				
- Government's bonds	10,325,361	1,109	(1,023)	10,325,447
Total	10,325,361	1,109	(1,023)	10,325,447
	463,254,818	1,216,205,605	(20,360,632)	1,659,099,791

11. INVESTMENTS IN SUBSIDIARIES

Unit : Baht

						SEPARATE FINANCIAL STATEMENTS	
Company	Business Type	Paid-up capital		% of ownership		Cost method	
		December	December	December	December	December	December
		31, 2018	31, 2017	31, 2018	31, 2017	31, 2018	31, 2017
Subsidiaries							
Wacoal Siracha Co., Ltd.	Manufacturing clothing	20,000,000	20,000,000	99.96	99.96	22,051,627	22,051,627
Wacoal Kabinburi Co., Ltd.	Manufacturing clothing	50,000,000	50,000,000	99.99	99.99	49,999,802	49,999,802
Wacoal Lamphun Co., Ltd.	Manufacturing clothing	50,000,000	50,000,000	99.99	99.99	49,999,823	49,999,823
Tora 1010 Co., Ltd.	Trading clothing	30,000,000	10,000,000	99.99	99.97	29,997,000	9,997,000
Total investments in subsidiaries						152,048,252	132,048,252

On October 12, 2018, the Extraordinary Shareholders' Meeting No. 1/2018 of Tora 1010 Co., Ltd. has passed a resolution to increase its registered share capital from Baht 10 million to Baht 50 million by issuing 400,000 common shares at par value of Baht 100 each. Subsequently, on November 12, 2018, the Board of Directors' Meeting No. 5/2018 of the Company has passed a resolution to purchase total common shares as aforementioned. The Company had initially paid for the shares at par value of Baht 50 each, or Baht 20 million, on November 14, 2018.

12. INVESTMENTS IN ASSOCIATES

Investments in associates as at December 31, are as follows:

Unit : Baht							
Company	Business Type	Paid-up capital		CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2018	2017	2018	2017	2018	2017
Associates							
Pattaya Myanmar Co., Ltd.	Manufacturing						
	clothing	25,424,000	25,424,000	6,036,125	5,399,693	5,084,800	5,084,800
Myanmar Wacoal Co., Ltd.	Manufacturing						
	clothing	132,400,000	132,400,000	36,735,507	35,109,657	52,960,728	52,960,728
Pattaya Manufacturing Co., Ltd	Manufacturing						
	clothing	30,000,000	30,000,000	133,917,334	125,419,772	124,464,200	124,464,200
Total investments in associates				176,688,966	165,929,122	182,509,728	182,509,728

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.

On February 9, 2015, the Company has invested with a major shareholder to establish a company in the Republic of the Union of Myanmar, named as "Myanmar Wacoal Company Limited". The total number of authorized shares is 40,000 shares, at par value of USD 100 each. The Company has invested in such company with 40% of its registered shares.

On November 21, 2017, the Company has invested in Pattaya Manufacturing Co., Ltd. with 1,200,000 common shares at par value of Baht 103.72 each, totalling Baht 124.46 million, or 40% of its registered shares.

As at December 31, 2018 and 2017, the Company recorded investments in associates by equity method in the consolidated financial statements, using the information from the financial statements of the associate for the years ended December 31, 2018 and 2017 which were not audited and reviewed. Shares of gain (loss) from investment in such associated companies for the years ended December 31, 2018 and 2017 were Baht 10.71 million and Baht (5.49) million, respectively.

Summarized financial information in respect of the associated companies is set out below:

	As at December 31,	
	2018 Million Baht	2017 Million Baht
Total assets	957.68	945.29
Total liabilities	(373.34)	(377.74)
Net assets	584.34	567.55

	For the years ended December 31,	
	2018 Million Baht	2017 Million Baht
Total revenue	802.38	169.26
Net gain (loss) for the year	28.35	(13.83)
Share of gain (loss) of associated companies accounted for under the equity method	10.71	(5.49)

13. OTHER LONG-TERM INVESTMENTS

Other long-term investments as at December 31, are as follows:

	Unit : Baht			
	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
General investments				
Ordinary shares				
- Related companies	638,139,094	630,778,494	638,139,094	630,778,494
<u>Less</u> Allowance for impairment	(78,639,942)	(24,739,942)	(78,639,942)	(24,739,942)
	559,499,152	606,038,552	559,499,152	606,038,552
- Other companies	157,649,976	157,649,976	154,379,976	154,379,976
<u>Less</u> Allowance for impairment	(20,597,500)	(20,897,500)	(20,597,500)	(20,897,500)
	137,052,476	136,752,476	133,782,476	133,482,476
Total	696,551,628	742,791,028	693,281,628	739,521,028
Held-to-maturity securities				
Debentures	100,000,000	117,033,000	100,000,000	117,033,000
	100,000,000	117,033,000	100,000,000	117,033,000
Total	796,551,628	859,824,028	793,281,628	856,554,028

In June 2018, the Company has converted the convertible bond, which is a held-to-maturity security amounting to Baht 27.03 million, to be ordinary shares under market demand in the same amount. The Company reclassified from other long-term investments to available-for-sales investments as at December 31, 2018 (see Note 10.1).

There is an unrealized gain on changes in fair value from converting bond to ordinary shares at amount of Baht 13.67 million, which has been included in other components of shareholders' equity (see Note 4.2.3).

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

Unit : Baht

Companies	Business Type	Relationship	Paid-up capital		% of Ownership		CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS		CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
			2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
			Baht'000 Baht'000											
General investments														
SSDC (Tigertex) Co., Ltd.	Dying	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	1,213,114	2,426,228	1,213,114	2,426,228
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	-	-	-	-
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	2,685,000	-	2,685,000	-
Raja Uchino Co., Ltd.	Lining	The Company's major shareholder has over 10% shareholding	121,500	121,500	4.47	4.47	4,659,410	4,659,410	4,659,410	4,659,410	54,360	543,600	54,360	543,600
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	-	-	-	-
Thai Monster Co., Ltd.*	Garment	The Company's major shareholder has over 10% shareholding	5,000	5,000	5.00	5.00	100,000	100,000	100,000	100,000	-	-	-	-
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	4,124,980	4,660,080	4,124,980	4,660,080
Morgan De Toi (Thailand) Co., Ltd.	Distributor Brand "MORGAN"	The Company's major shareholder has over 10% shareholding	40,000	40,000	12.00	12.00	4,800,000	4,800,000	4,800,000	4,800,000	-	-	-	-
International Commercial Coordination (HK)*	Distributor	The Company's major shareholder has over 10% shareholding	21,456	21,456	18.00	18.00	1,477,180	2,277,180	1,477,180	2,277,180	-	-	-	-
PT. Indonesia Wacoal	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	277,915	315,211	277,915	315,211
Carbon Magic (Thailand) Co., Ltd.*	Manufacturer of vehicle's parts	The Company's major shareholder has over 10% shareholding	590,000	590,000	8.33	8.33	38,767,000	41,867,000	38,767,000	41,867,000	-	-	-	-
Waseda Education (Thailand) Co., Ltd.	Education Institution	The Company's major shareholder has over 10% shareholding	20,000	21,952	7.14	7.14	1,428,600	1,588,000	1,428,600	1,588,000	-	-	-	-

* Carrying value - net of allowance for impairment

13.1 Details of investments in related companies as at December 31, are as follows: (Continued) (see Note 31)

Companies	Business Type	Relationship	Paid-up capital	% of Ownership	Baht'000 Baht'000						Unit : Baht					
					2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
					Carrying value*		Carrying value*		Dividend received		Dividend received		Dividend received		Dividend received	
Thai Bunka Fashion Co., Ltd.*	Institute of Fashion Design	The Company's major shareholder has over 10% shareholding	25,000	8.00	25,000	25,000	530,000	630,000	530,000	630,000	-	-	-	-	-	-
Sun 108 Co., Ltd.	Retail	The Company's major shareholder has over 10% shareholding	450,000	5.00	300,000	450,000	22,500,000	15,000,000	22,500,000	15,000,000	10,500,000	10,500,000	10,500,000	10,500,000	10,500,000	10,500,000
Janome (Thailand) Co., Ltd.	Manufacturer of Sewing Machines	The Company's major shareholder has over 10% shareholding	97,400	7.73	97,400	97,400	19,254,283	19,254,283	19,254,283	19,254,283	1,881,590	1,881,590	1,881,590	1,881,590	1,881,590	1,881,590
Erawan Textile Co., Ltd.	Spinning Textile and Weaving	The Company's major shareholder has over 10% shareholding	621,463	16.23	621,463	621,463	119,891,874	119,891,874	119,891,874	119,891,874	-	-	-	-	-	-
Bangkok Tokyo Socks Co., Ltd.	Manufacturer and Export of Men's socks	The Company's major shareholder has over 10% shareholding	161,780	15.14	143,220	161,780	24,599,800	24,599,800	24,599,800	24,599,800	-	980,000	-	980,000	-	980,000
Fujix International Co., Ltd.*	Thread Seller	The Company's major shareholder has over 10% shareholding	100,000	5.00	100,000	100,000	2,110,000	2,010,000	2,110,000	2,010,000	-	-	-	-	-	-
A Tech Textile Co., Ltd.*	Manufacturer of Underwear for woman	The Company's major shareholder has over 10% shareholding	1,000,000	19.00	1,000,000	1,000,000	130,000,000	180,000,000	130,000,000	180,000,000	-	-	-	-	-	-
G Tech Material Co., Ltd.	Manufacturer of Underwear for woman	The Company's major shareholder has over 10% shareholding	300,000	19.00	300,000	300,000	57,000,000	57,000,000	57,000,000	57,000,000	-	-	-	-	-	-
SRP Nanasai Co., Ltd.	Design & Advertising	Co-director	16,000	7.69	16,000	16,000	1,019,300	1,019,300	1,019,300	1,019,300	36,900	-	36,900	-	36,900	-
Royal Garment Co., Ltd.	Manufacturing clothing	Co-director	1,000	9.00	1,000	1,000	388,241	388,241	388,241	388,241	72,000	72,000	72,000	72,000	72,000	72,000
Total general investments					559,499,152	606,038,552	559,499,152	606,038,552	559,499,152	606,038,552	20,845,859	21,378,709	20,845,859	21,378,709	20,845,859	21,378,709

* Carrying value - net of allowance for impairment

As at December 31, 2018, general investment in T.U.C. Elastic Co., Ltd. is on the process of liquidation. The Company has received cash in advance from such investment amounting to Baht 17.20 million (see Note 18).

As at December 31, 2018, general investment in Saha Nam Textile Co., Ltd. is on the process of liquidation. The Company has received cash in advance from such investment amounting to Baht 0.70 million.

13.2 Gain (loss) on sale of investments

For the years ended December 31, gain (loss) on sale of investments consists of the following:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Gain (loss) on sale of investments				
- Trading securities	119,010	104,776	119,010	104,776
- Available-for-sale securities	90,374,774	2,627,383	89,724,250	1,540,158
- General investment	-	(7,920,000)	-	(7,920,000)
Total gain (loss) on sale of investments	90,493,784	(5,187,841)	89,843,260	(6,275,066)

13.3 Maturities of held-to-maturity securities

As at December 31, 2018 and 2017, maturities of held-to-maturity securities consist of the following:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Between 1 and 5 years	80,000,000	70,000,000	80,000,000	70,000,000
Over 5 years	20,000,000	47,033,000	20,000,000	47,033,000
Total	100,000,000	117,033,000	100,000,000	117,033,000

Additional details of held-to-maturity securities consist of the following:

Unit : Baht

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	Cost value/ Amortized Cost December 31, 2018	Unrealized gross profit	Unrealized gross loss	Fair value December 31, 2018
Held-to-maturity securities				
Debentures	100,000,000	1,720,000	-	101,720,000

Unit : Baht

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	Cost value/ Amortized Cost December 31, 2017	Unrealized gross profit	Unrealized gross loss	Fair value December 31, 2017
Held-to-maturity securities				
Debentures	117,033,000	17,766,160	-	134,799,160

14. INVESTMENT PROPERTY

Investment property as at December 31, consist of the following:

As at December 31, 2018

Unit : Baht

	CONSOLIDATED FINANCIAL STATEMENTS				
	Balance as at January 1, 2018	Additions	Disposals	Transfer/ other	Balance as at December 31, 2018
Cost					
Land	686,041,013	-	-	-	686,041,013
Building and structures	99,216,484	-	-	-	99,216,484
Total investment property	785,257,497	-	-	-	785,257,497
Accumulated depreciation					
Building and structures	(71,692,107)	(3,585,102)	-	-	(75,277,209)
Investment property	713,565,390				709,980,288

As at December 31, 2017

Unit : Baht

CONSOLIDATED FINANCIAL STATEMENTS					
	Balance as at January 1, 2017	Additions	Disposals	Transfer/ other	Balance as at December 31, 2017
Cost					
Land	646,857,562	-	(1,186,912)	40,370,363	686,041,013
Building and structures	99,575,333	-	(3,848,600)	3,489,751	99,216,484
Total investment property	746,432,895	-	(5,035,512)	43,860,114	785,257,497
Accumulated depreciation					
Building and structures	(69,439,375)	(4,693,712)	3,845,963	(1,404,983)	(71,692,107)
Investment property	676,993,520				713,565,390
Depreciation for the years ended December 31,					
2018				Baht	3,585,102
2017				Baht	4,693,712

As at December 31, 2018

Unit : Baht

SEPARATE FINANCIAL STATEMENTS					
	Balance as at January 1, 2018	Additions	Disposals	Transfer/ other	Balance as at December 31, 2018
Cost					
Land	687,445,274	-	-	-	687,445,274
Building and structures	124,075,684	-	-	-	124,075,684
Total investment property	811,520,958	-	-	-	811,520,958
Accumulated depreciation					
Building and structures	(93,248,764)	(3,758,870)	-	-	(97,007,634)
Investment property	718,272,194				714,513,324

As at December 31, 2017

Unit : Baht

	SEPARATE FINANCIAL STATEMENTS				
	Balance as at January 1, 2017	Additions	Disposals	Transfer/ other	Balance as at December 31, 2017
Cost					
Land	648,261,823	-	(1,186,912)	40,370,363	687,445,274
Building and structures	124,434,533	-	(3,848,600)	3,489,751	124,075,684
Total investment property	772,696,356	-	(5,035,512)	43,860,114	811,520,958
Accumulated depreciation					
Building and structures	(90,822,264)	(4,867,480)	3,845,963	(1,404,983)	(93,248,764)
Investment property	681,874,092				718,272,194
Depreciation for the years ended December 31,					
2018				Baht	3,758,870
2017				Baht	4,867,480

Fair value of investment property as at December 31, 2018 and 2017 consists of the following:

Unit : Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	CARRYING VALUE	FAIR VALUE	CARRYING VALUE	FAIR VALUE
As at December 31, 2018				
Land	686,041,013	973,553,120	687,445,274	1,059,816,000
Building and structures	23,939,275	133,992,900	27,068,050	160,741,900
As at December 31, 2017				
Land	686,041,013	973,553,120	687,445,274	1,059,816,000
Building and structures	27,524,377	133,992,900	30,826,920	160,741,900

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, consist of the following:

Unit : Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Rental income from investment property	4,396,403	3,961,581	8,759,603	8,324,781
Direct operating expenses arising from investment property that generated rental income during the year	6,053,227	5,505,755	6,429,573	5,776,613

15. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment as at December 31, consist of the following:

As at December 31, 2018

Unit : Baht

	CONSOLIDATED FINANCIAL STATEMENTS				
	Balance as at January 1, 2018	Additions	Disposals	Transfer/ other	Balance as at December 31, 2018
Cost					
Land	866,104,639	-	-	-	866,104,639
Land improvement	3,736,581	-	-	-	3,736,581
Building and structures	427,621,568	-	-	-	427,621,568
Furniture, fixtures and office equipment	783,018,321	24,108,735	(7,188,952)	4,895,808	804,833,912
Machinery and equipment	948,074,497	18,788,615	(10,760,587)	8,574,924	964,677,449
Vehicles	60,205,731	8,425,321	(3,278,399)	-	65,352,653
Total property, plant and equipment	3,088,761,337	51,322,671	(21,227,938)	13,470,732	3,132,326,802
Accumulated depreciation					
Land improvement	(1,535,225)	(59,373)	-	-	(1,594,598)
Building and structures	(318,143,436)	(8,357,230)	-	-	(326,500,666)
Furniture, fixtures and office equipment	(661,189,094)	(35,853,918)	5,345,869	-	(691,697,143)
Machinery and equipment	(812,158,252)	(40,909,999)	10,345,686	-	(842,722,565)
Vehicles	(41,183,639)	(5,151,127)	3,278,394	-	(43,056,372)
Total accumulated depreciation	(1,834,209,646)	(90,331,647)	18,969,949	-	(1,905,571,344)
Construction in progress and machinery under installation	2,756,572	11,735,714	(13,506)	(13,470,732)	1,008,048
Property, plant and equipment	1,257,308,263				1,227,763,506

As at December 31, 2017

Unit : Baht

CONSOLIDATED FINANCIAL STATEMENTS					
	Balance as at January 1, 2017	Additions	Disposals	Transfer/ other	Balance as at December 31, 2017
Cost					
Land	908,107,773	-	(1,632,771)	(40,370,363)	866,104,639
Land improvement	3,736,581	-	-	-	3,736,581
Building and structures	432,335,358	-	(1,224,039)	(3,489,751)	427,621,568
Furniture, fixtures and office equipment	757,358,488	17,340,616	(3,635,564)	11,954,781	783,018,321
Machinery and equipment	946,777,015	8,844,878	(14,720,508)	7,173,112	948,074,497
Vehicles	61,011,901	1,035,827	(1,841,997)	-	60,205,731
Total property, plant and equipment	3,109,327,116	27,221,321	(23,054,879)	(24,732,221)	3,088,761,337
Accumulated depreciation					
Land improvement	(1,465,257)	(69,968)	-	-	(1,535,225)
Building and structures	(307,821,534)	(12,420,634)	693,749	1,404,983	(318,143,436)
Furniture, fixtures and office equipment	(629,515,962)	(35,308,529)	3,635,397	-	(661,189,094)
Machinery and equipment	(785,570,274)	(41,307,827)	14,719,849	-	(812,158,252)
Vehicles	(37,979,553)	(5,011,453)	1,807,367	-	(41,183,639)
Total accumulated depreciation	(1,762,352,580)	(94,118,411)	20,856,362	1,404,983	(1,834,209,646)
Construction in progress and machinery under installation	3,352,133	18,542,419	(10,087)	(19,127,893)	2,756,572
Property, plant and equipment	1,350,326,669				1,257,308,263
Depreciation for the years ended December 31,					
2018				Baht	90,331,647
2017				Baht	94,118,411

As at December 31, 2018

Unit : Baht

	SEPARATE FINANCIAL STATEMENTS				
	Balance as at January 1, 2018	Additions	Disposals	Transfer/ other	Balance as at December 31, 2018
Cost					
Land	828,250,382	-	-	-	828,250,382
Land improvement	2,237,838	-	-	-	2,237,838
Building and structures	241,466,546	-	-	-	241,466,546
Furniture, fixtures and office equipment	624,529,198	22,298,221	(7,130,963)	4,889,505	644,585,961
Machinery and equipment	468,289,302	1,658,588	(5,293,430)	3,327,850	467,982,310
Vehicles	48,002,759	7,448,101	(3,271,367)	-	52,179,493
Total property, plant and equipment	2,212,776,025	31,404,910	(15,695,760)	8,217,355	2,236,702,530
Accumulated depreciation					
Land improvement	(1,518,515)	(56,898)	-	-	(1,575,413)
Building and structures	(149,274,146)	(6,042,252)	-	-	(155,316,398)
Furniture, fixtures and office equipment	(514,919,264)	(30,708,616)	5,287,966	-	(540,339,914)
Machinery and equipment	(408,081,596)	(15,464,561)	5,218,700	-	(418,327,457)
Vehicles	(32,100,520)	(4,174,047)	3,271,362	-	(33,003,205)
Total accumulated depreciation	(1,105,894,041)	(56,446,374)	13,778,028	-	(1,148,562,387)
Construction in progress and machinery under installation	927,065	8,151,655	-	(8,217,355)	861,365
Property, plant and equipment	1,107,809,049				1,089,001,508

As at December 31, 2017

Unit : Baht

SEPARATE FINANCIAL STATEMENTS					
	Balance as at January 1, 2017	Additions	Disposals	Transfer/ other	Balance as at December 31, 2017
Cost					
Land	870,253,516	-	(1,632,771)	(40,370,363)	828,250,382
Land improvement	2,237,838	-	-	-	2,237,838
Building and structures	246,180,336	-	(1,224,039)	(3,489,751)	241,466,546
Furniture, fixtures and office equipment	599,927,869	16,370,535	(3,201,267)	11,432,061	624,529,198
Machinery and equipment	466,025,059	3,207,195	(4,323,926)	3,380,974	468,289,302
Vehicles	48,845,930	998,827	(1,841,998)	-	48,002,759
Total property, plant and equipment	2,233,470,548	20,576,557	(12,224,001)	(29,047,079)	2,212,776,025
Accumulated depreciation					
Land improvement	(1,451,022)	(67,493)	-	-	(1,518,515)
Building and structures	(143,342,605)	(8,030,274)	693,750	1,404,983	(149,274,146)
Furniture, fixtures and office equipment	(487,930,197)	(30,190,208)	3,201,141	-	(514,919,264)
Machinery and equipment	(395,982,962)	(16,422,463)	4,323,829	-	(408,081,596)
Vehicles	(30,032,492)	(3,875,395)	1,807,367	-	(32,100,520)
Total accumulated depreciation	(1,058,739,278)	(58,585,833)	10,026,087	1,404,983	(1,105,894,041)
Construction in progress and machinery under installation	3,275,674	12,464,426	-	(14,813,035)	927,065
Property, plant and equipment	1,178,006,944				1,107,809,049

Depreciation for the years ended December 31,

2018	Baht	56,446,374
2017	Baht	58,585,833

Costs of plant and equipment which are fully depreciated and still in use by the Company and subsidiaries as at December 31, 2018 and 2017 are approximately Baht 1,558.19 million and Baht 1,427.46 million, respectively (Company : Baht 976.22 million and Baht 916.49 million, respectively).

Leased assets included above, where the Company is a lessee under financial leases, classified in equipment as at December 31, as follows:

Unit : Baht

CONSOLIDATED FINANCIAL STATEMENTS		
	2018	2017
Cost - capitalized finance leases	2,004,000	2,004,000
<u>Less</u> Accumulated depreciation	(1,771,119)	(1,417,118)
Net book value	232,881	586,882

Unit : Baht

	SEPARATE FINANCIAL STATEMENTS	
	2018	2017
Cost - capitalized finance leases	1,404,000	1,404,000
<u>Less</u> Accumulated depreciation	(1,228,981)	(994,981)
Net book value	175,019	409,019

16. INTANGIBLE ASSETS

Intangible assets as at December 31, consist of the following:

As at December 31, 2018

Unit : Baht

	CONSOLIDATED FINANCIAL STATEMENTS				
	Balance as at January 1, 2018	Additions	Disposals	Transfer/ other	Balance as at December 31, 2018
Cost					
Software	84,326,446	2,844,374	(8,400)	122,400	87,284,820
Trademark and club and golf membership fee	7,729,204	16,237	-	312,601	8,058,042
Total	92,055,650	2,860,611	(8,400)	435,001	95,342,862
Accumulated amortization					
Software	(52,283,421)	(5,978,816)	143	-	(58,262,094)
Trademark and club and golf membership fee	(5,975,718)	(437,871)	-	-	(6,413,589)
Total accumulated amortization	(58,259,139)	(6,416,687)	143	-	(64,675,683)
Intangible assets pending transfer	3,471,415	5,615,630	-	(453,001)	8,652,044
Intangible assets	37,267,926				39,319,223

As at December 31, 2017

Unit : Baht

CONSOLIDATED FINANCIAL STATEMENTS					
	Balance as at January 1, 2017	Additions	Disposals	Transfer/ other	Balance as at December 31, 2017
Cost					
Software	83,233,956	1,148,390	(55,900)	-	84,326,446
Trademark and club and golf membership fee	7,559,335	22,000	-	147,869	7,729,204
Total	90,793,291	1,170,390	(55,900)	147,869	92,055,650
Accumulated amortization					
Software	(46,378,935)	(5,960,375)	55,889	-	(52,283,421)
Trademark and club and golf membership fee	(5,520,420)	(455,298)	-	-	(5,975,718)
Total accumulated amortization	(51,899,355)	(6,415,673)	55,889	-	(58,259,139)
Intangible assets pending transfer	2,768,399	850,885	-	(147,869)	3,471,415
Intangible assets	41,662,335				37,267,926

Amortization for the years ended December 31,

2018	Baht	6,416,687
2017	Baht	6,415,673

As at December 31, 2018

Unit : Baht

SEPARATE FINANCIAL STATEMENTS					
	Balance as at January 1, 2018	Additions	Disposals	Transfer/ other	Balance as at December 31, 2018
Cost					
Software	81,055,576	2,827,574	-	122,400	84,005,550
Trademark and club and golf membership fee	7,729,204	16,237	-	312,601	8,058,042
Total	88,784,780	2,843,811	-	435,001	92,063,592
Accumulated amortization					
Software	(49,264,359)	(5,850,360)	-	-	(55,114,719)
Trademark and club and golf membership fee	(5,975,717)	(437,871)	-	-	(6,413,588)
Total accumulated amortization	(55,240,076)	(6,288,231)	-	-	(61,528,307)
Intangible assets pending transfer	3,471,415	5,615,630	-	(435,001)	8,652,044
Intangible assets	37,016,119				39,187,329

As at December 31, 2017

Unit : Baht

SEPARATE FINANCIAL STATEMENTS					
	Balance as at January 1, 2017	Additions	Disposals	Transfer/ other	Balance as at December 31, 2017
Cost					
Software	79,963,086	1,148,390	(55,900)	-	81,055,576
Trademark and club and golf membership fee	7,559,335	22,000	-	147,869	7,729,204
Total	87,522,421	1,170,390	(55,900)	147,869	88,784,780
Accumulated amortization					
Software	(43,535,110)	(5,785,138)	55,889	-	(49,264,359)
Trademark and club and golf membership fee	(5,520,419)	(455,298)	-	-	(5,975,717)
Total accumulated amortization	(49,055,529)	(6,240,436)	55,889	-	(55,240,076)
Intangible assets pending transfer	2,768,399	850,885	-	(147,869)	3,471,415
Intangible assets	41,235,291				37,016,119
Amortization for the years ended December 31,					
2018				Baht	6,288,231
2017				Baht	6,240,436

17. LEASEHOLD RIGHTS

Leasehold rights as at December 31, consist of the following:

As at December 31, 2018

Unit : Baht

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
	Balance as at January 1, 2018	Additions	Disposals	Balance as at December 31, 2018
Leasehold rights				
Cost	33,754,000	14,210,526	-	47,964,526
Accumulated amortization	(31,289,044)	(2,644,818)	-	(33,933,862)
Leasehold rights	2,464,956			14,030,664

As at December 31, 2017

Unit : Baht

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	Balance as at January 1, 2017	Additions	Disposals	Balance as at December 31, 2017
Leasehold rights				
Cost	33,754,000	-	-	33,754,000
Accumulated amortization	(30,076,958)	(1,212,086)	-	(31,289,044)
Leasehold rights	3,677,042			2,464,956

Amortization for the years ended December 31,

2018	Baht	2,644,818
2017	Baht	1,212,086

18. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at December 31, are as follows:

Unit : Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Trade payables - related companies (see Note 31)	192,277,411	184,733,155	318,383,179	307,520,123
Trade payables - other companies	198,459,522	162,944,670	145,266,684	103,553,991
Total trade payables	390,736,933	347,677,825	463,649,863	411,074,114
Other payables - related companies	5,348,953	3,799,031	5,286,451	3,729,442
Other payables - other companies	34,906,412	12,601,894	30,768,549	8,537,754
Accrued bonus expense	138,228,713	126,964,832	98,801,882	90,540,791
Accrued royalty fee (see Note 31)	57,844,879	53,677,856	57,844,879	53,677,856
Accrued expense	36,118,828	18,096,185	31,094,198	13,071,477
Unearned income (see Note 13.1)	17,971,123	17,955,967	17,930,947	17,955,967
Guarantees received in advance	2,332,350	2,748,852	2,013,289	2,389,630
Total other payables	292,751,258	235,844,617	243,740,195	189,902,917
	683,488,191	583,522,442	707,390,058	600,977,031

19. 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 FINANCIAL STATEMENTS	
	2018	2017
Liabilities under finance lease agreements	283,896	745,349
<u>Less</u> Deferred interest under finance lease agreements	(19,529)	(96,922)
Liabilities under finance lease agreements	264,367	648,427
Installments due within 1 year	264,367	384,060
Installments due longer than 1 year but not over 5 years	-	264,367
Liabilities under finance lease agreements	264,367	648,427

Unit : Baht

	SEPARATE FINANCIAL STATEMENTS	
	2018	2017
Liabilities under finance lease agreements	283,896	662,424
<u>Less</u> Deferred interest under finance lease agreements	(19,529)	(94,840)
Liabilities under finance lease agreements	264,367	567,584
Installments due within 1 year	264,367	303,217
Installments due longer than 1 year but not over 5 years	-	264,367
Liabilities under finance lease agreements	264,367	567,584

20. DEFERRED TAX LIABILITIES

Deferred tax liabilities as at December 31, are as follows:

Unit : Baht				
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Deferred tax assets				
Consignment sales	1,400,000	1,400,000	1,400,000	1,400,000
Allowance for diminution in value of finished goods	235,058	225,271	235,058	225,271
Allowance for impairment of investments	24,211,016	9,127,488	24,211,016	9,127,488
Provision for goods returned	5,000,000	6,000,000	5,000,000	6,000,000
Provisions for employee benefit	102,144,612	100,522,192	70,184,992	69,436,755
Unrealized loss on the changes in value of trading securities	62,912	-	62,912	-
Loss on translating the financial statement of a foreign operation	-	8,194	-	-
	133,053,598	117,283,145	101,093,978	86,189,514
Deferred tax liabilities				
Unrealized gain on the changes in value of trading securities	-	(167,287)	-	(167,287)
Unrealized gain on the changes in value of available-for-sale securities	(205,944,515)	(239,603,578)	(205,370,745)	(239,190,909)
Gain on translating the financial statement of a foreign operation	(2,675)	-	-	-
Financial lease liabilities	(20,647)	(40,456)	(17,869)	(32,335)
	(205,967,837)	(239,811,321)	(205,388,614)	(239,390,531)
Deferred tax liabilities - net	(72,914,239)	(122,528,176)	(104,294,636)	(153,201,017)

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, 2018	Items as recognized in profit or loss (see Note 30)	Items as recognized in other comprehensive income	As at December 31, 2018
Deferred tax assets				
Consignment sales	1,400	-	-	1,400
Allowance for diminution in value of finished goods	225	10	-	235
Allowance for impairment of investments	9,128	15,083	-	24,211
Provision for goods returned	6,000	(1,000)	-	5,000
Provisions for employee benefit	100,522	2,820	(1,197)	102,145
Unrealized loss on the changes in value of trading securities	-	63	-	63
Loss on translating the financial statement of a foreign operation	8	-	(8)	-
	117,283	16,976	(1,205)	133,054
Deferred tax liabilities				
Unrealized gain on the changes in value of trading securities	(167)	167	-	-
Unrealized gain on the changes in value of available-for-sale securities	(239,603)	-	33,659	(205,944)
Gain on translating the financial statement of a foreign operation	-	-	(3)	(3)
Financial lease liabilities	(41)	20	-	(21)
	(239,811)	187	33,656	(205,968)
Deferred tax liabilities - net	(122,528)	17,163	32,451	(72,914)

CONSOLIDATED FINANCIAL STATEMENTS

	As at January 1, 2017	Items as recognized in profit or loss (see Note 30)	Items as recognized in other comprehensive income	As at December 31, 2017
Deferred tax assets	1,800	(400)	-	1,400
Consignment sales	240	(15)	-	225
Allowance for diminution in value of finished goods	7,514	1,614	-	9,128
Allowance for impairment of investments	6,000	-	-	6,000
Provision for goods returned	98,503	1,579	440	100,522
Provisions for employee benefit	391	(391)	-	-
Loss carried forward				
Loss on translating the financial statement of a foreign operation	-	-	8	8
	114,448	2,387	448	117,283
Deferred tax liabilities				
Unrealized gain on the changes in value of trading securities	(508)	341	-	(167)
Unrealized gain on the changes in value of available-for-sale securities	(199,955)	-	(39,648)	(239,603)
Financial lease liabilities	(46)	5	-	(41)
	(200,509)	346	(39,648)	(239,811)
Deferred tax liabilities - net	(86,061)	2,733	(39,200)	(122,528)

SEPARATE FINANCIAL STATEMENTS

	As at January 1, 2018	Items as recognized in profit or loss (see Note 30)	Items as recognized in other comprehensive income	As at December 31, 2018
Deferred tax assets				
Consignment sales	1,400	-	-	1,400
Allowance for diminution in value of finished goods	225	10	-	235
Allowance for impairment of investments	9,128	15,083	-	24,211
Provision for goods returned	6,000	(1,000)	-	5,000
Provisions for employee benefit	69,437	1,945	(1,197)	70,185
Unrealized loss on the changes in value of trading securities	-	63	-	63
	86,190	16,101	(1,197)	101,094
Deferred tax liabilities				
Unrealized gain on the changes in value of trading securities	(167)	167	-	-
Unrealized gain on the changes in value of available-for-sale securities	(239,191)	-	33,820	(205,371)
Financial lease liabilities	(33)	15	-	(18)
	(239,391)	182	33,820	(205,389)
Deferred tax liabilities - net	(153,201)	16,283	32,623	(104,295)

	SEPARATE FINANCIAL STATEMENTS			
	As at January 1, 2017	Items as recognized in profit or loss (see Note 30)	Items as recognized in other comprehensive income	As at December 31, 2017
Deferred tax assets				
Consignment sales	1,800	(400)	-	1,400
Allowance for diminution in value of finished goods	240	(15)	-	225
Allowance for impairment of investments	7,514	1,614	-	9,128
Provision for goods returned	6,000	-	-	6,000
Provisions for employee benefit	68,085	755	597	69,437
	83,639	1,954	597	86,190
Deferred tax liabilities				
Unrealized gain on the changes in value of trading securities	(509)	342	-	(167)
Unrealized gain on the changes in value of available-for-sale securities	(199,654)	-	(39,537)	(239,191)
Financial lease liabilities	(36)	3	-	(33)
	(200,199)	345	(39,537)	(239,391)
Deferred tax liabilities - net	(116,560)	2,299	(38,940)	(153,201)

21. PROVISIONS FOR EMPLOYEE BENEFIT

The Company and its subsidiaries operate retirement benefit plans under the Labor Protection Act and the Company and its subsidiaries' retirement benefit plan, which are considered as unfunded defined benefit plans.

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Current provisions for employee benefit	59,008,680	39,454,010	40,614,393	30,931,609
Provisions for employee benefit	509,129,588	497,761,527	328,527,571	316,252,166
Total	568,138,268	537,215,537	369,141,964	347,183,775

Unit : Baht

Amounts recognized in the statement of profit or loss in respect of these defined benefit plans for the years ended December 31, are as follows:

Unit : Baht				
	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Current service cost	33,604,396	61,137,118	24,635,236	31,458,339
Interest cost	11,283,932	12,835,796	7,407,867	8,465,398
	44,888,328	73,972,914	32,043,103	39,923,737

Movements in the present value of the provisions for employee benefit for the years ended December 31, are as follows:

Unit : Baht				
	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Beginning balance of post-employment benefits obligation	537,215,537	509,202,609	347,183,775	340,425,151
<u>Add</u> Current service cost	33,604,396	47,442,688	24,635,236	31,458,339
Interest cost	11,283,932	12,835,796	7,407,867	8,465,398
Adjustment from transfer-in of employees	21,208,008	13,694,430	18,217,003	-
Actuarial (gain) loss	(5,985,058)	2,203,738	(5,985,058)	2,985,626
<u>Less</u> Benefit paid	(29,188,547)	(48,163,724)	(22,316,859)	(36,150,739)
Ending balance of post-employment benefits obligation	568,138,268	537,215,537	369,141,964	347,183,775

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	
	2018	2017	2018	2017
Discount rate (p.a.)	1.89% - 2.42%	1.87% - 2.37%	2.21%	2.13%
Expected rate of salary increase (p.a.)	2.50% - 5.00%	2.50% - 5.00%	2.50% - 5.00%	2.50% - 5.00%
Voluntary resignation rate				
(Depended on employee's age) (p.a.)				
- Monthly employees	1% - 26%	1% - 26%	1% - 12%	1% - 12%
- Daily employees	1% - 46%	1% - 46%	3% - 35%	3% - 35%

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

Unit : Million Baht				
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Discount rate				
Discount rate, decrease of 1 percent	39.38	41.08	27.20	27.96
Discount rate, increase of 1 percent	(37.16)	(38.70)	(25.58)	(26.26)
Salary increase rate				
Salary increase rate, decrease of 1 percent	(39.02)	(35.52)	(26.68)	(24.12)
Salary increase rate, increase of 1 percent	40.96	38.14	28.12	25.38
Turnover rate				
Turnover rate, decrease of 1 percent	0.83	0.73	0.47	0.41
Turnover rate, increase of 1 percent	(0.76)	(0.69)	(0.44)	(0.39)

22. 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, 2018 and 2017, the Company's legal reserve has reached 10% of the registered share capital.

23. 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.

24. DIVIDENDS AND GENERAL RESERVE

The Company and its subsidiaries' shareholders meetings approved dividend payment and set aside the reserve as follows:

Companies	2018				2017		
	Date of shareholders' Meeting	Baht per share	Total amount (Million Baht)	General reserve (Million Baht)	Date of shareholders' meeting	Baht per share	Total amount (Million Baht)
Thai Wacoal Public Company Limited	April 23	1.50	180.00	18.53	April 24	1.30	156.00
Wacoal Siracha Co., Ltd.	April 3	137.00	27.40	-	April 5	254.00	50.80
Wacoal Kabinburi Co., Ltd.	April 3	56.00	28.00	-	April 5	80.00	40.00
Wacoal Lamphun Co., Ltd.	April 3	22.50	11.25	-	April 5	54.00	27.00
Pattaya Kabinburi Co., Ltd.	April 3	108.00	21.60	-	April 5	159.00	31.80
Tora 1010 Co., Ltd.	April 3	24.00	2.40	-	April 5	-	-

Dividends in the year 2017 were the appropriation of net profit for the year 2016 and paid in May 2017.

Wacoal Siracha Co., Ltd., Wacoal Kabinburi Co., Ltd., Wacoal Lamphun Co., Ltd. and Pattaya Kabinburi Co., Ltd. paid dividends in April 2017. In addition, Wacoal Lamphun Co., Ltd. paid dividends in April and May 2017 amounting to Baht 10 million and Baht 17 million, respectively.

Wacoal Siracha Co., Ltd., Wacoal Kabinburi Co., Ltd. and Wacoal Lamphun Co., Ltd. reversed general reserve in the year 2017 for dividend payment.

Dividends in the year 2018 were the appropriation of net profit for the year 2017 and paid in May 2018.

Wacoal Siracha Co., Ltd., Wacoal Kabinburi Co., Ltd., Wacoal Lamphun Co., Ltd. Pattaya Kabinburi Co., Ltd. and Tora 1010 Co., Ltd. paid dividends in April 2018.

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.

25. PROVIDENT FUNDS

The Company and subsidiaries have set up a Provident Fund which is contributory by employees and the Company and subsidiaries. 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, 2018 and 2017, the Company and subsidiaries' contributions are recorded as expenses in the amount of Baht 21.68 million and Baht 21.04 million, respectively (Company : Baht 14.02 million and Baht 13.37 million, respectively).

26. 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	
	2018	2017	2018	2017
Revenues from sale of goods	4,564,553,654	4,313,204,261	4,901,950,011	4,628,023,242
Revenues from rendering of services	41,497,795	49,332,011	13,950,605	12,558,008
Total revenues from sale of goods and rendering of services	4,606,051,449	4,362,536,272	4,915,900,616	4,640,581,250

27. COST OF SALE OF GOODS AND RENDERING OF SERVICES

Cost of 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	
	2018	2017	2018	2017
Cost of sale of goods	3,366,108,738	3,299,165,246	3,895,984,910	3,793,821,298
Cost of rendering of services	32,473,083	42,159,812	13,529,814	12,468,046
Total cost of sale of goods and rendering of services	3,398,581,821	3,341,325,058	3,909,514,724	3,806,289,344

28. OTHER INCOME

Other income for the years ended December 31, are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Interest income	8,374,435	8,906,907	7,996,179	8,407,079
Rental income and service income	10,771,129	11,563,162	16,820,272	17,684,942
Net gain on exchange rate	11,895,050	13,813,047	11,973,411	13,707,976
Gain on sales of property, plant and equipment	-	7,028,261	-	6,084,534
Unrealized gain on trading securities	-	836,437	-	836,437
Other income	64,951,018	59,995,911	64,453,054	59,725,155
	95,991,632	102,143,725	101,242,916	106,446,123

29. EXPENSES BY NATURE

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

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Changes in finished goods and work in progress	(125,728,392)	118,866,201	(108,702,350)	140,264,518
Cost of finished goods purchased	448,429,120	216,670,645	1,952,063,153	1,665,825,197
Raw materials used	1,675,565,864	1,665,443,526	1,217,564,081	1,187,439,269
Employee benefits expense	1,513,422,122	1,442,802,699	992,500,046	941,780,714
Depreciation and amortization	102,978,254	106,439,882	69,138,293	70,905,835
Loss on devaluation of inventories (see Note 8)	48,879,616	50,659,662	45,965,722	48,562,454
Royalty fee	58,748,673	54,556,983	58,748,673	54,556,983
Utilities expense	51,001,524	48,805,259	32,745,156	31,893,160
Management benefit expenses	69,352,326	64,167,770	51,682,078	46,822,749

30. 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	
	2018	2017	2018	2017
Current income tax of the current period				
Current tax expenses of the current period	(61,566,775)	(42,933,086)	(58,392,556)	(40,098,349)
Deferred income tax				
Deferred tax income and temporary differences	17,162,754	2,732,788	16,283,228	2,298,701
Total	(44,404,021)	(40,200,298)	(42,109,328)	(37,799,648)

Reconciliation of income tax expense and the results of the accounting profit multiplied by the income tax rate for the years ended December 31, are as follows:

Unit : Baht		
	CONSOLIDATED FINANCIAL STATEMENTS	
	2018	2017
Income before income tax	400,181,443	364,884,949
Tax rate	20%	20%
The result of the accounting income before income tax		
multiplied by the income tax rate - expenses	(80,036,289)	(72,976,990)
Effect of the non-taxable income and non-deductible expense	35,632,268	32,776,692
Income tax - expense	(44,404,021)	(40,200,298)

Unit : Baht		
	SEPARATE FINANCIAL STATEMENTS	
	2018	2017
Income before income tax	366,957,740	408,361,632
Tax rate	20%	20%
The result of the accounting income before income tax		
multiplied by the income tax rate - expenses	(73,391,548)	(81,672,326)
Effect of the non-taxable income and non-deductible expense	31,282,220	43,872,678
Income tax - expense	(42,109,328)	(37,799,648)

31. 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			
	Relationship	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2018	2017	2018	2017
Trade receivables					
I.C.C. International Public Co., Ltd.	The Company's major shareholder has over 10% shareholding	488	431	488	431
Wacoal America Inc.	Subsidiary of major shareholder company	32	41	32	41
Wacoal Corporation	The Company's major shareholder and ultimate shareholder	54	64	54	64
Wien International Co., Ltd.	The Company's major shareholder has over 10% shareholding	37	69	37	69
Philippine Wacoal Corporation	The Company's major shareholder has over 10% shareholding	9	1	9	1
Wacoal EMEA Ltd.	The Company's major shareholder has over 10% shareholding	15	4	15	4
International Commercial Coordination (HK)	The Company's major shareholder has over 10% shareholding	5	6	5	6
Pattaya Manufacturing Co., Ltd.	Associated company	18	15	18	13
Myanmar Wacoal Co., Ltd.	Associated company	18	14	18	14
Wacoal Siracha Co., Ltd.	Subsidiary	-	-	59	31
Wacoal Kabinburi Co., Ltd.	Subsidiary	-	-	19	19
Wacoal Lamphun Co., Ltd.	Subsidiary	-	-	31	26
Pattaya Kabinburi Co., Ltd.	Subsidiary	-	-	21	18
Others		12	8	8	7
Total trade receivables (see Note 5)		688	653	814	744

	Relationship	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2018	2017	2018	2017
Long-term investments in related companies					
- Available-for-sale securities (see Note 10.1)		1,053	1,074	1,040	1,063
- General investments (see Note 13.1)		559	606	559	606
Non-current asset					
I.C.C. International Public Co., Ltd.	The Company's major shareholder has over 10% shareholding	17	-	17	-
Trade payables					
Textile Prestige Public Co., Ltd.	The Company's major shareholder has over 10% shareholding	4	6	3	6
Thai Takeda Lace Co., Ltd.	The Company's major shareholder has over 10% shareholding	10	5	3	3
Wacoal Corporation	The Company's major shareholder and ultimate shareholder	31	32	32	32
Wacoal International Hongkong Co., Ltd.	The Company's major shareholder has over 10% shareholding	14	9	14	9
G Tech Material Co., Ltd.	The Company's major shareholder has over 10% shareholding	68	65	30	26
A Tech Textile Co., Ltd.	The Company's major shareholder has over 10% shareholding	33	41	18	26
Pattaya Manufacturing Co., Ltd.	Associated company	15	14	15	14
Myanmar Wacoal Co., Ltd.	Associated company	11	8	11	8
Wacoal Siracha Co., Ltd.	Subsidiary	-	-	81	63
Wacoal Kabinburi Co., Ltd.	Subsidiary	-	-	36	39
Wacoal Lamphun Co., Ltd.	Subsidiary	-	-	36	37
Pattaya Kabinburi Co., Ltd.	Subsidiary	-	-	37	42
Others		6	5	2	3
Total trade payables (see Note 18)		192	185	318	308
Accrued royalty fee (see Note 18)					
Wacoal Corporation	The Company's major shareholder and ultimate shareholder	58	54	58	54
Unearned Income (see Note 13.1)					
T.U.C. Elastic Co., Ltd.	The Company's major shareholder has over 10% shareholding	17	17	17	17

Significant transactions with the related companies for the years ended December 31, are as follows:

Unit : Million Baht						
		Relationship	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
			2018	2017	2018	2017
Sale of raw materials and finished goods						
I.C.C. International Public Co., Ltd.	The Company's major shareholder has over 10% shareholding	2,745	2,552	2,745	2,552	
Wacoal America Inc.	Subsidiary of major shareholder company	317	341	317	341	
Philippine Wacoal Corp.	The Company's major shareholder has over 10% shareholding	50	45	50	45	
Wacoal Corporation	The Company's major shareholder and ultimate shareholder	656	726	656	726	
Wacoal China Co., Ltd.	The Company's major shareholder has over 10% shareholding	67	38	67	38	
Wien International Co., Ltd.	The Company's major shareholder has over 10% shareholding	110	117	110	117	
Kabin Pattanakij Co., Ltd.	The Company's major shareholder has over 10% shareholding	20	25	20	25	
Wacoal EMEA Ltd.	The Company's major shareholder has over 10% shareholding	43	4	43	4	
Pattaya Manufacturing Co., Ltd.	Associated company	49	42	48	41	
Myanmar Wacoal Co., Ltd.	Associated company	63	33	63	33	
Wacoal Siracha Co., Ltd.	Subsidiary	-	-	152	117	
Wacoal Kabinburi Co., Ltd.	Subsidiary	-	-	67	68	
Wacoal Lamphun Co., Ltd.	Subsidiary	-	-	89	92	
Pattaya Kabinburi Co., Ltd.	Subsidiary	-	-	64	74	
Others		34	35	29	32	
Total sale of raw materials and finished goods		4,154	3,958	4,520	4,305	

Unit : Million Baht

	Relationship	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2018	2017	2018	2017
Purchase of raw materials and finished goods					
Textile Prestige Public Co., Ltd.	The Company's major shareholder has over 10% shareholding	13	18	7	12
Wacoal Corporation	The Company's major shareholder and ultimate shareholder	116	121	116	121
Wacoal International Hongkong Co., Ltd.	The Company's major shareholder has over 10% shareholding	178	204	178	204
Thai Takeda Lace Co., Ltd.	The Company's major shareholder has over 10% shareholding	38	39	24	27
Pattaya Lamphun Co., Ltd.	The Company's major shareholder has over 10% shareholding	-	20	-	20
G Tech Material Co., Ltd.	The Company's major shareholder has over 10% shareholding	371	282	157	124
A Tech Textile Co., Ltd.	The Company's major shareholder has over 10% shareholding	179	188	105	119
Pattaya Manufacturing Co., Ltd.	Associated company	87	69	87	69
Myanmar Wacoal Co., Ltd.	Associated company	115	54	115	54
Wacoal Siracha Co., Ltd.	Subsidiary	-	-	545	481
Wacoal Kabinburi Co., Ltd.	Subsidiary	-	-	318	307
Wacoal Lamphun Co., Ltd.	Subsidiary	-	-	329	281
Pattaya Kabinburi Co., Ltd.	Subsidiary	-	-	345	327
Tora 1010 Co., Ltd.	Subsidiary	-	-	96	49
Others		36	37	31	31
Total purchase of raw materials and finished goods		1,133	1,032	2,453	2,226

Unit : Million Baht

	Relationship	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2018	2017	2018	2017
Hire of work income and rental income					
I.C.C. International Public Co., Ltd.	The Company's major shareholder has over 10% shareholding	12	12	12	12
Thaigunze Co., Ltd.	The Company's major shareholder has over 10% shareholding	9	9	-	-
Pattaya Manufacturing Co., Ltd.	Associated company	8	9	3	3
Wacoal Siracha Co., Ltd.	Subsidiary	-	-	7	7
Others		7	12	6	4
Total hire of work income and rental income		36	42	28	26
Wage hire of work and rental expense					
Royal Garment Co., Ltd.	Co-director	23	14	23	14
Myanmar Wacoal Co., Ltd.	Associated company	3	3	3	3
Pattaya Manufacturing Co., Ltd.	Associated company	41	32	41	32
Wacoal Lamphun Co., Ltd.	Subsidiary	-	-	1	2
Others		2	4	2	4
Total wage hire of work and rental expense		69	53	70	55
Royalty fee					
Wacoal Corporation	The Company's major shareholder and ultimate shareholder	58	54	58	54
Management benefit expenses					
Short-term benefit		67	63	50	46
Retirement benefit		2	1	2	1
Total management benefit expenses		69	64	52	47

The Company and its subsidiaries sell finished goods 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 at 1% to 2%.

The Company purchases raw materials and finished goods 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 32).

The Company pays other services in accordance with conditions in the agreement.

32. TECHNOLOGY LICENSE AGREEMENT

On January 1, 1999, the Company entered into a technology license agreement with Wacoal Corporation, the company's major shareholder and ultimate shareholder (see Note 31), for the latter to grant the use of trademark and provide technical know-how for manufacturing the products set forth on the agreement. The Company has to pay royalty fee of 2% of net sales for such products. On October 15, 2003, the company renewed such agreement which was effective for a period of 5 years as from January 1, 2004 until December 31, 2008, and is renewable for 5 years. On January 1, 2009 the Company renewed such agreement until December 31, 2013. On December 31, 2013, the Company renewed such agreement until December 31, 2023.

33. DISCLOSURE OF INFORMATION ON FINANCIAL INSTRUMENTS

33.1 Credit risk

Credit risk refers to the risk that trade receivables 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 receivables are related companies. However, the Company does not have any damage incurred from non-compliance with its contractual obligations of the trade receivables-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.

33.2 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 year 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.

33.3 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 year and in future years.

The Company uses derivative financial instruments which consist of forward exchange contracts to reduce exposure to fluctuations in foreign currency exchange rates.

Forward exchange 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, 2018 and 2017 are as follows:

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
December 31, 2018

	Notional Amount due within 1 year		Fair Value
	Foreign Currency	Baht	Assets (Liabilities)
			Baht
Forward contracts			
- Sell	JPY 138,000,000	40,295,950	(377,044)

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
December 31, 2017

	Notional Amount due within 1 year		Fair Value
	Foreign Currency	Baht	Assets (Liabilities)
			Baht
Forward contracts			
- Sell	USD 780,765	25,436,116	(138,531)
- Sell	JPY 110,000,000	31,847,000	(52,452)

33.4 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:

33.4.1 Certain financial assets and financial liabilities of the Company and subsidiaries are measured at fair value in at the end of reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined.

Financial assets and financial liabilities	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS		Fair value hierarchy	Valuation technique(s) and key input(s)
	Fair value (Baht'000) as at		Fair value (Baht'000) as at			
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017		
Foreign currency forward contracts	Asset = 11 Liabilities = 388	Asset = 22 Liabilities = 213	Asset = 11 Liabilities = 388	Asset = 22 Liabilities = 213	Level 2	Discount cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.
Short-term investments in trading securities - equity securities	3,798	4,106	3,798	4,106	Level 1	Bid prices at the Stock Exchange of Thailand on the last business day of the period
Short-term investments in trading securities - debt securities	11,596	11,423	11,596	11,423	Level 2	Discounted cash flow using yield as quoted by the Thai Bond Market Association on the last business day of the period
Short-term investments in available-for-sale securities - debt securities	290,381	355,373	179,864	221,810	Level 2	Discounted cash flow using yield as quoted by the Thai Bond Market Association on the last business day of the period
Long-term investments in available-for - sale securities - equity securities	1,492,889	1,660,324	1,480,439	1,648,774	Level 1	Bid prices at the Stock Exchange of Thailand on the last business day of the period
Long-term investments in available-for-sale securities - debt securities	10,972	10,325	10,972	10,325	Level 2	Discounted cash flow using yield as quoted by the Thai Bond Market Association on the last business day of the period

33.4.2 Cash and cash equivalents, time deposits, trade and other current receivables, other short-term loans, other current assets, deposit at bank under obligation, bank overdrafts and short-term borrowings from financial institutions, trade and other current payables, current income tax payable, and other current liabilities; the fair values approximate their carrying values due to the relatively short-term maturity of these financial instruments.

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

Unit : Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS		Fair value hierarchy
	Carrying amount	Fair value	Carrying amount	Fair value	
As at December 31, 2018					
Financial assets	696,551,628	1,201,660,202	693,281,628	1,237,488,740	
General investments	130,000,000	132,028,000	130,000,000	132,028,000	Level 3
Investments in debentures					Level 2
As at December 31, 2017					
Financial assets					
General investments	742,791,028	1,240,697,565	739,521,028	1,237,488,740	Level 3
Investments in debenture	167,033,000	185,931,160	167,033,000	185,931,160	Level 2

The fair values of general investments were calculated from the book values of each investment.

The fair value of investments in debentures is determined by the last bid price by the Thai Bond Market Association on the last business day of the period.

34. CONTINGENT LIABILITIES AND COMMITMENTS

Contingent liabilities and commitments as at December 31, are as follows:

Unit : Million Baht				
	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Contingent liabilities in respect of guarantees issued on behalf of				
- Related parties (see Note 9)	83.53	67.43	83.53	67.43
Bank's letters of guarantee issued on behalf of the Company	16.59	26.27	15.31	24.59
Commitment in respect of building improvement	1.30	0.13	1.30	0.10

35. 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 or loss and reconciliation of total segment profit to profit or loss before income tax expense for the years ended December 31, are as follows:

Unit : Million Baht						
CONSOLIDATED FINANCIAL STATEMENTS						
	Domestic		Export		Total	
	2018	2017	2018	2017	2018	2017
Segment revenues from sale of goods and rendering of services	3,358.53	3,129.58	1,247.52	1,232.96	4,606.05	4,362.54
Segment profit (loss)	232.62	255.43	(32.36)	(55.81)	200.26	199.62
Unallocated expense					(75.42)	(8.07)
Dividend income					78.15	81.87
Other income					95.99	102.14
Gain (loss) on sale of investment					90.49	(5.19)
Share of profit (loss) from investments in associates					10.71	(5.49)
Net profit before income tax					400.18	364.88

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 I.C.C. International Public Co., Ltd., which is the Company's major shareholder which holds over 10% shareholding (see Note 31).

36. PROMOTIONAL PRIVILEGES

Subsidiaries have been granted promotional privileges from the Board of Investment as the following summary:

Items	Company name			
	Wacoal Siracha	Wacoal Lamphun	Wacoal Kabinburi	Pattaya Kabinburi
Project 2				
- Certificate Number	2876(2)/2555	-	-	-
- Issued Date	Dec 14, 2012	-	-	-
- Exemption from income tax	Jul. 1, 2014 - Jun. 30, 2021	-	-	-
- Income tax reduction of				
50% of normal rate for				
5 years	-	-	-	-
- Exemption from import				
duties for machineries	Dec 14, 2012 - Jun 14, 2015	-	-	-
Project 3				
- 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	-	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 four companies thus have to comply with the terms and conditions as stipulated in the promotional certificates.

37. 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 Group 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:

CONSOLIDATED FINANCIAL STATEMENTS	2018			2017		
	Promoted Business	Non-Promoted Business	Total	Promoted Business	Non-Promoted Business	Total
Income						
Income from export sales	-	1,247,519,948	1,247,519,948	-	1,232,956,505	1,232,956,505
Income from local sales	1,647,521	3,356,883,980	3,358,531,501	10,182,983	3,119,396,784	3,129,579,767
Total income from sales	1,647,521	4,604,403,928	4,606,051,449	10,182,983	4,352,353,289	4,362,536,272
Gain on exchange rate	-	11,895,050	11,895,050	-	13,813,047	13,813,047
Dividend income	-	78,148,639	78,148,639	-	81,871,758	81,871,758
Other income	189,938	83,906,644	84,096,582	184,666	88,146,013	88,330,679
Total income	1,837,459	4,778,354,261	4,780,191,720	10,367,649	4,536,184,107	4,546,551,756

Unit : Baht

The Company does not present the separate financial statements since the Company has not been granted promotional privileges from the Board of Investment.

38. 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, 2018													
Cash and cash equivalent	-	6,678	2,157,888	43,430	2,915	4,130	1,144,263	6,678	2,157,888	43,430	2,915	4,130	1,144,263
Temporary investments	-	-	-	502,371	-	-	2,060,877	-	-	502,371	-	-	2,060,877
Trade receivables	30 - 180	2,427,902	234,754,258	1,133,031	-	-	150,926,822	2,427,902	234,754,258	1,133,031	-	-	150,926,822
		2,434,580	236,912,146	1,678,832	2,915	4,130	154,131,962	2,434,580	236,912,146	1,678,832	2,915	4,130	154,131,962
Trade payables	30	1,538,105	143,179,139	-	12,646	-	93,157,987	1,322,564	143,179,139	-	12,646	-	86,128,160
As at December 31, 2017													
Cash and cash equivalent	-	5,660	2,375,886	2,570	2,440	8,831	1,009,325	5,660	2,375,886	2,570	2,440	8,831	1,009,325
Temporary investments	-	-	-	500,000	-	-	2,604,650	-	-	500,000	-	-	2,604,650
Trade receivables	30 - 180	1,891,558	222,923,214	1,541,684	-	-	131,289,809	1,891,558	222,923,214	1,541,684	-	-	131,289,809
		1,897,218	225,299,100	2,044,254	2,440	8,831	134,903,784	1,897,218	225,299,100	2,044,254	2,440	8,831	134,903,784
Trade payables	30	1,161,408	108,658,555	-	-	-	70,201,054	919,605	108,658,555	-	-	-	62,111,875

39. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved for issue by the Board of Directors on February 21, 2019.

Management Discussion and Analysis (MD&A)

1. Overview - The Company's Business Operations

In 2018, the overall Thai economy was stable and continued to expand with the main driving force from private spending that grew well both consumption and investment, while exports of goods grew at a slower rate than the previous year which was in line with the direction of the economic growth of trading partners and the amount of world trade that was affected by trade war between the United States and China.

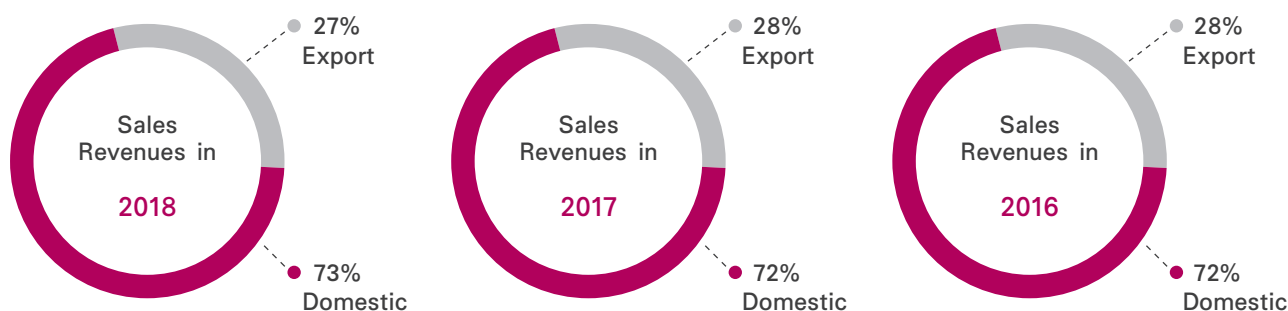
For the lingerie market in 2018, it still continued to be highly competitive market with regards to quality of products and service, design, pricing, distribution channels, and sales promotion activities in order to meet the diverse needs of consumers and to create maximum customers' satisfaction. Meanwhile, the changes in information technology have contributed to the changing behavior of consumers. As the company has become aware of the importance of such changes, it thus place emphasis on online marketing in terms of social media marketing and online marketing which tend to grow every year to expand market and sales opportunities in order to meet consumers' behaviour.

In 2018, the Company achieved total consolidated sales revenues of Baht 4,606.05 million, representing an increase of 5.58% YoY; and total Net Profit of Baht 355.76 million, representing an increase of 9.58% YoY. As at the end of 2018, total assets were Baht 7,218.18 million, an increase of 2.12% compared to the end of the previous year; while, Return on Equity was 6.15%, and Return on Assets was 4.98%. The Company has also adapted its policies and strategies to the changing economic conditions in regards to sales and marketing, raw materials, and increased expenses from the previous year as a result of rising wages and rising prices of certain commodities.

As for the sales activities, the Company has also collaborated with its key distributors with regards to the production process, as well as improved existing sales channels in expanding into various new sales and distribution channels – such as: Retail Shops, E-Commerce, TV Shopping, Catalog Sales, and the Modern Trade. It enabled the company's products to reach customers of all ages and all target groups. As for raw materials, the Company invested in establishing A Tech Textile Co., Ltd. and G Tech Material Co., Ltd. in order to produce new quality and innovative lingerie raw materials that will meet customers' demands so as to achieve competitive advantages in the long term. With regards to overhead costs and operating expenses, the Company has increasingly manufactured products at Myanmar Wacoal Co. Ltd., in order to expand its overall production base within the AEC countries where labor costs is lower so as to meet any labor shortages in Thailand.

2. Operating Results and Profitability

2.1 Analysis of Operating Results



Revenues from Sales of Products and Services

In 2018, the Company had total sales revenues and services of Baht 4,606.05 million, compared to Baht 4,362.54 million for the previous year, a net increase of Baht 243.51 million or 5.58% YoY., due to the Company having the collaboration with its key distributors in order to continually expand distribution channels and increase sales promotions.

Unit : Million Baht

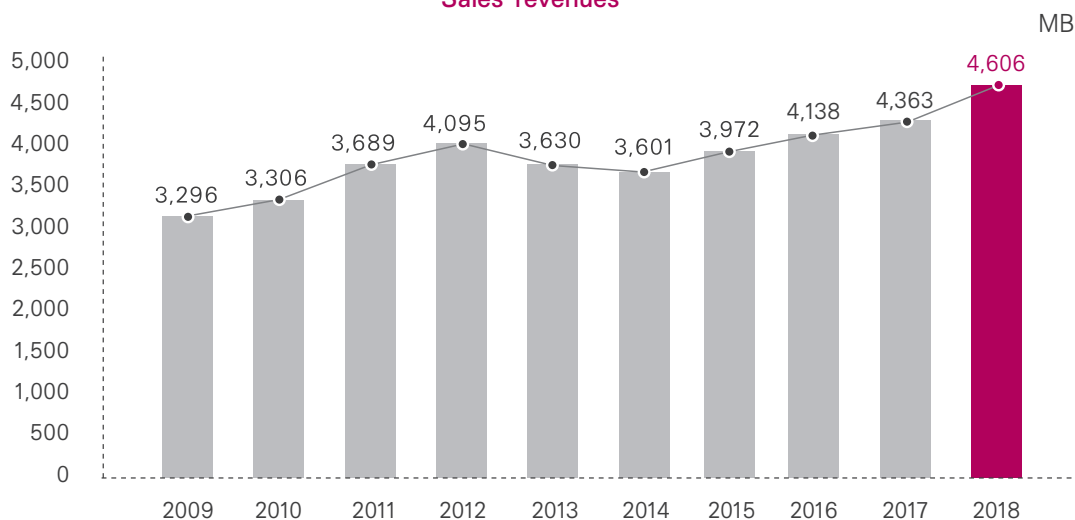
Consolidated	2018	2017	2016	%Increase (Decrease)	
				2018/2017	2017/2016
Domestic sales	3,358.53	3,129.58	2,960.89	7.32	5.70
Export sales	1,247.52	1,232.96	1,177.57	1.18	4.70
Total sales	4,606.05	4,362.54	4,138.46	5.58	5.41

As for full year 2018 sales by product categories, they are as follows: total ladies' lingerie sales of Baht 4,263.15 million, or an increase of 5.12% YoY; total ladies' outerwear sales of Baht 127.44 million, or an increase of 32.97% YoY, total children wear sales of Baht 211.93 million, or an increase of 0.27% YoY, and other sales of Baht 3.53 million.

Unit : Million Baht

Consolidated	2018	2017	2016	%Increase (Decrease)	
				2018/2017	2017/2016
Ladies' lingerie	4,263.15	4,055.34	3,836.26	5.12	5.71
Ladies' outerwear	127.44	95.84	98.07	32.97	(2.27)
Children wear	211.93	211.36	204.13	0.27	3.54
Others	3.53	-	-	-	-
Total sales	4,606.05	4,362.54	4,138.46	5.58	5.41

Sales revenues



Other Income

In 2018, other income totaled Baht 95.99 million - consisting mainly of interest income of Baht 8.37 million, rental income of Baht 10.77 million, service income and consultancy fees of Baht 17.95 million, gain on foreign exchange of Baht 11.90 million, compensation from goods return of Baht 34.45 million. This is compared to Baht 102.14 million for the previous year, or equal to a decrease of Baht 6.15 million or 6.02% YoY.

Unit : Million Baht					
Consolidated	2018	2017	2016	%Increase (Decrease)	
				2018/2017	2017/2016
Dividend income	78.15	81.87	80.50	(4.54)	1.70
Other income	95.99	102.14	94.46	(6.02)	8.13
Total other income	174.14	184.01	174.96	(5.36)	5.17

Cost of Sales

In 2018, the Company had total cost of sales equal to 73.79% of total sales revenues, compared to 76.59% in the previous year or representing a decrease of 2.80 percentage points YoY, due to the Company having improved production efficiency.

Unit : Million Baht								
Consolidated	2018	%	2017	%	2016	%	%Increase (Decrease)	
							2018/2017	2017/2016
Revenues from sales of products and services	4,606.05	100.00	4,362.54	100.00	4,138.46	100.00	5.58	5.41
Cost of sales	3,398.58	73.79	3,341.33	76.59	3,169.99	76.60	1.71	5.41
Gross profit	1,207.47	26.21	1,021.21	23.41	968.47	23.40	18.24	5.45

Selling and Administrative Expenses

In 2018, the Company had total selling expenses of Baht 266.06 million, representing an increase of Baht 134.38 million or 102.05% YoY, due to the Company having increased marketing and sales promotional expenses.

The Company also had total administrative expenses of Baht 671.72 million, representing an increase of Baht 46.25 million or 7.39% YoY mainly due to the adjusted increase in monthly wages, personnel training expenses, and building and equipments repairs and maintenance expenses.

Unit : Million Baht								
Consolidated	2018	%	2017	%	2016	%	%Increase (Decrease)	
							2018/2017	2017/2016
Selling expenses	266.06	5.78	131.68	3.02	100.23	2.42	102.05	31.38
Administrative expenses	671.72	14.58	625.47	14.34	588.44	14.22	7.39	6.29

Other Expenses and Income Tax Expenses

Other Expenses - consisting mainly of loss on impairment of investments of Baht 75.42 million, representing an increase of Baht 67.35 million. This resulted from the Company having an impairment on long-term investments and having gain on sale of investment of Baht 90.49 million, mainly due to gain on sale of investment of available-for-sale securities.

Income tax expenses for 2018 totaled Baht 44.44 million, representing an increase of Baht 4.20 million or 10.45% YoY, due to in 2018 the Company having increased sales revenues and profit.

Unit : Million Baht								
Consolidated	2018	%	2017	%	2016	%	%Increase (Decrease)	
							2018/2017	2017/2016
Loss on impairment of investments	75.42	1.64	8.07	0.18	4.69	0.11	834.57	72.07
Gain (loss) on sale of investment	90.49	1.96	(5.19)	(0.12)	-	-	1,843.55	(100.00)
Income Tax	44.40	0.96	40.20	0.92	36.36	0.88	10.45	10.56

Profit

Consolidated	Unit	2018	2017	2016	%Increase (Decrease)	
					2018/2017	2017/2016
Gross profit	Million Baht	1,207.47	1,021.21	968.47	18.42	5.45
Profit before financial cost and income tax expenses	Million Baht	389.55	370.65	362.75	5.10	2.18
Net profit	Million Baht	355.76	324.67	310.95	9.58	4.41
Earnings per share	Baht per share	2.96	2.71	2.59	9.23	4.63
Return on total revenues	%	7.44	7.14	7.21	4.20	(0.94)
ROE	%	6.15	5.80	5.86	6.03	(1.04)
ROA	%	4.98	4.72	4.68	5.51	0.83

Gross Profit

In 2018, the Company had Total Gross Profit of Baht 1,027.47 million, representing an increase of Baht 186.26 million or 18.24% YoY, due to the Company having increased revenues from sales of products and services in both domestic and overseas markets.

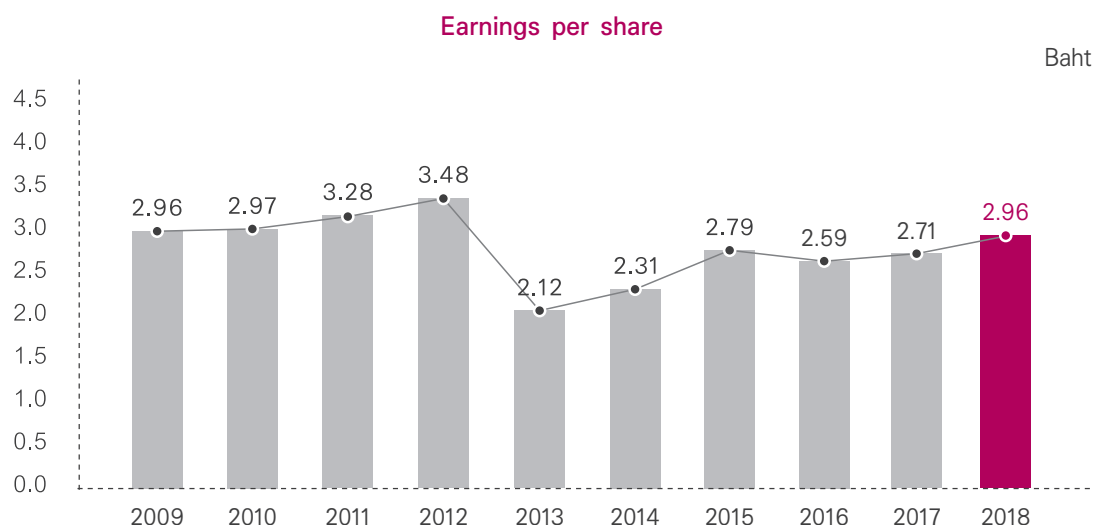
Profit before Financial Cost and Income Tax Expenses

Total Profit before Financial Cost and Income Tax Expenses was Baht 389.55 million, equal to an increase of Baht 18.90 million or 5.10% YoY, due to higher gross profit and gain on sale of investment.

Net Profit attributable to Owners of the Parent

In 2018, total achieved Net Profit was Baht 355.76 million compared to Baht 324.67 million in the previous year, representing an increase of Baht 31.09 million or 9.58% YoY. This is equal to an Earnings per Share (EPS) of Baht 2.96; and represented a Return on total revenues of 7.44%, a Return on Equity of 6.15% and a Return on Assets of 4.98%.

The quality of the Company's profit is still considered to be 'good', with a total net Cash Flow from operations of Baht 206.21 million derived from sales revenues and also from being able to collect most of the receivables within their due date.

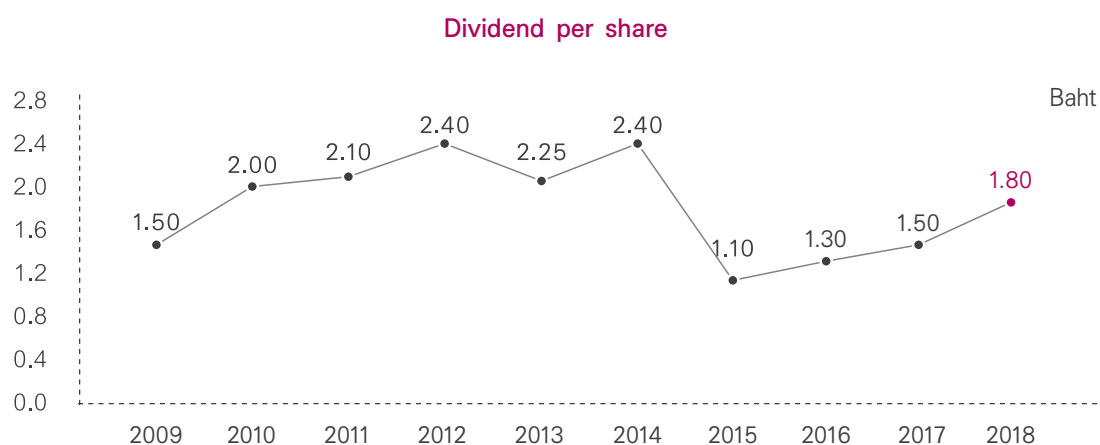


Return on Equity

In 2018, the Company achieved a Return on Equity of 6.15%, compared to 5.80% for the previous year, due to the Company having increased Net Profit. The Company has a policy to always pay a regular dividend of Baht 0.25 per share to its Shareholders; although this largely depends on the actual achieved operating performance results as well as the overall economic situation. Additionally, the Company also takes into consideration its current liquidity together with ongoing investment plans. In the past, the Company has continuously paid out dividend payments to its Shareholders for 45 consecutive years - from 1974 and up to the present.

According to its consolidated financial statements for year 2018, the Company achieved a total consolidated Net Profit of Baht 355.76 million (or equal to an EPS of Baht 2.96) and a total separate Net Profit of Baht 324.85 million (or equal to an EPS Baht 2.71); whereby at the Board of Directors Meeting No.8/2018 held on March 6, 2019, a resolution was approved to propose, to the Annual General Shareholders Meeting, a dividend payment for 2018 of Baht 1.80 per share - or totaling Baht 216 million. This proposed dividend payment is equal to 66.49% of the total separate Net Profit, with actual payment to be made on May 21, 2019.

Separate	Unit	2018	2017	2016
Net profit	Million Baht	324.85	370.56	347.28
Number of shares	Million shares	120.00	120.00	120.00
Earnings per share	Baht per share	2.71	3.09	2.89
Dividend per share	Baht per share	1.80	1.50	1.30
Total dividend payments	Million Baht	216.00	180.00	156.00
Payout Ratio	%	66.49	48.58	44.92



Remark * The Board of Directors resolved to set dividend payment rate at Baht 1.80 per share, for further proposal to the shareholders' general meeting for approval, on April 22, 2019.

2.2 Analysis of the Financial Status

As at the end of 2018, the Company had total assets of Baht 7,218.18 million, an increase of Baht 150.01 million, or 2.21%, from the end of the previous year. This consisted of various types of assets and equal to the respective ratio to total assets indicated, as follows: cash and cash equivalents at 2.32%; temporary investments at 5.55%; trade and other current receivables at 11.07%; inventories at 18.04%; available-for-sale securities investments at 20.83%; other long-term investments at 11.04%; investment property at 9.84%; property, plant and equipments at 17.01%; and other assets at 4.30%.

Unit : Million Baht

Consolidated	2018	2017	2016	%Increase (Decrease)	
				2018/2017	2017/2016
Cash and cash equivalents and Temporary investments	568.49	453.90	311.56	25.25	45.69
Trade and other current receivables	798.97	728.84	623.81	9.62	16.84
Other short-term loans	21.53	41.55	51.55	(48.18)	(19.40)
Inventories	1,302.01	1,109.49	1,225.29	17.35	(9.45)
Other current assets	22.37	19.86	20.95	12.64	(5.20)
Total current assets	2,713.37	2,353.64	2,233.16	15.28	5.40
Available-for-sale investments	1,503.86	1,670.65	1,469.35	(9.98)	13.70
Investments in associates	176.69	165.93	47.00	6.48	253.04
Other long-term investments	796.55	859.82	852.92	(7.36)	0.81
Investment property	709.98	713.57	676.99	(0.50)	5.40
Property, plant and equipment	1,227.76	1,257.31	1,350.33	(2.35)	(6.89)
Other non-current assets	89.97	47.25	57.46	90.41	(17.77)
Total non-current assets	4,504.81	4,714.53	4,454.05	(4.45)	5.85
Total Assets	7,218.18	7,068.17	6,687.21	2.12	5.70

Current Assets

As at the end of 2018, the Company had total current assets of Baht 2,713.37 million, an increase of Baht 359.73 million from the previous year, mainly consisting of an increased cash and cash equivalents and temporary investments, and higher inventories - with detail as follows:

- **Cash and cash equivalents, and temporary investments** totaled Baht 568.49 million, representing an increase of Baht 114.59 million from the previous year, due to the Company having cash received from operations and selling available-for-sale investments.
- **Trade and other current receivables** totaled Baht 798.97 million, representing an increase of Baht 70.13 million from the previous year, as a result of the Company having higher sales of goods and services, resulting in increased the balance of unpaid receivables.
- **Short-term loans** totaled Baht 21.53 million, representing a decrease of Baht 20.02 million from the previous year as a result of the Company receiving the loan return from other companies.
- **Inventories** totaled Baht 1,302.01 million, representing an increase of Baht 192.52 million from the previous year, mainly due to an increased in finished goods and raw materials in order to have sufficient inventories and raw materials for production and deliver to meet customer orders. This resulted from the policy to increase distribution channels.

Non-Current Assets

As at the end of 2018, the Company had Non-Current Assets totaling Baht 4,504.81 million, a decrease of Baht 209.72 million from the previous year, mainly due to loss on impairment of investments and decrease in unrealized gain on available-for-sale-securities investments.

- **Available-for-sale-securities investments** totaled Baht 1,503.86 million, representing a decrease of Baht 166.79 million from the previous year, due to the Company selling some available-for-sale securities investments and adjusting unrealized gains from changes in the value of available-for-sale securities according to lower market prices.
- **Investments in Associates** totaled Baht 176.69 million, representing an increase of Baht 10.76 million from the previous year, due to the Company recognizing its share of gain from its investment in associates of Baht 10.71 million.
- **Other long-term investments** totaled Baht 796.55 million, representing a decrease of Baht 63.27 million from the previous year, mainly due to provide the allowance for impairment of net investment of Baht 53.60 million.
- **Investment property** totaled Baht 709.98 million, representing a decrease of Baht 3.59 million from the previous year, due to deduct the depreciation of Baht 3.59 million.
- **Property, plant and equipments** totaled Baht 1,227.76 million, representing a decrease of Baht 29.55 million from the previous year, as a result of purchasing machinery and equipments, computers, vehicles, and durable articles, together with making improvement of plants totaling Baht 63.05 million, selling unused assets disposal of Baht 2.27 million, and deducting total depreciation of Baht 90.33 million for the year.
- **Other non-current assets** totaled Baht 89.97 million, representing an increase of Baht 42.72 million from the previous year, mainly due to the Company opening new shops by investing in leasehold rights in department stores.

Total Liabilities

As at the end of 2018, the Company had total liabilities of Baht 1,407.08 million, an increase of Baht 104.05 million, or 7.99%, compared to the end of the previous year mainly due to the Company having higher trade and other current payables of Baht 99.97 million and provisions for employee benefit of Baht 30.92 million.

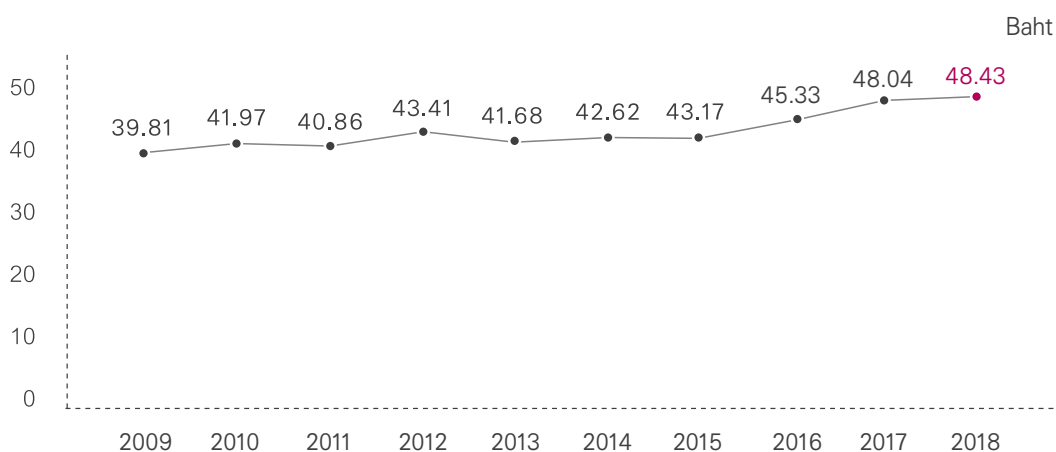
Unit : Million Baht

Consolidated	2018	2017	2016	%Increase (Decrease)	
				2018/2017	2017/2016
Current liabilities	825.04	682.48	698.73	20.89	(2.33)
Non-current liabilities	582.04	620.55	548.79	(6.21)	13.08
Total liabilities	1,407.08	1,303.03	1,247.52	7.99	4.45
Shareholders' Equity	5,811.09	5,765.14	5,439.69	0.80	5.98
Book value per share (Baht / Share)	48.43	48.04	45.33	0.81	5.98

Shareholders' Equity

As at the end of 2018, the value of the Shareholders' Equity in the Company totaled Baht 5,811.09 million, an increase of Baht 45.95 million or 0.80% YoY. This resulted from the Company having achieved total full year 2018 Net Profit of Baht 355.76 million and making dividend payments, in regards to full year 2017 performance results, totaling Baht 180 million, together with having a lower other components of Shareholders' Equity totaling Baht 129.80 million. As such, the Company's book value per share, as at the end of 2018, equaled to Baht 48.43 compared to Baht 48.04 for the previous year or a YoY increase of Baht 0.39 per share.

Book value per share



3. Asset Management Capabilities

Receivables

Trade and other current receivables totaled Baht 798.97 million, comprising of Baht 774.69 million in trade receivables and Baht 24.28 million in other current receivables. The trade receivables include accounts receivables that are not yet due totaling Baht 693.09 million (equal to 89.47% of total trade receivables); overdue trade receivables within 3 months totaling Baht 77.67 million (equal to 10.02% of total trade receivables), because the trade payables payment policy of our customers are not aligned to the payment due dates; and overdue trade receivables more than 3 months totaling Baht 3.93 million (equal to 0.51% of total trade receivables).

As such, the majority of the Company's trade receivables are of good quality, paying all their debts in full and on time.

Inventories

Inventories totaled Baht 1,302.01 million - consisting of raw materials totaling Baht 395.62 million, work in process totaling Baht 139.90 million, and finished goods totaling Baht 766.49 million. The Company has stated the amount of its inventories in the financial statements at cost or at market value, whichever was lower; whereby any goods that are of sub-standard quality or out-of-date are stated at their adjusted lower value in accordance with Thai accounting standards.

Investments

The Company had unrealized gains on changes in value of available-for-sale securities totaling Baht 823.78 million, which are included in the total Shareholders' Equity, together with an impairment of investments totaling Baht 75.42 million.

Additionally, if the book value, from an accounting viewpoint, of these investments were taken into consideration, the overall total value will be more than the cost value; whereby an annual return in the form of dividend payments at the rate of 5.34% per annum was received, with details being reported to the Board of Directors meetings in order to monitor and assess the value of these investments on a regular basis.

Property, Plant and Equipments

The current market value of property, plant and equipments is higher than the value reported in the financial statements, which is presented at cost less accumulated depreciation. Additionally, improvements and ongoing repairs have been made regularly to the office and manufacturing facilities, as necessary and appropriate; while most of the production machinery and equipments are modern and up to date to enable them to be used effectively in the manufacturing process; whereby the Company has replaced old machinery and equipments with new ones, and have maintained them on a regular basis, with the remaining value of any old and unused machinery and equipments having been sold out.

Investment Property

The Company made investments in buying land and plant, and has regularly reappraised the fair value in accordance with Thai accounting standards; whereby the fair value is more than the cost value as reported in the financial statements, with details given in the accompany 'Notes (No. 14) to the Financial Statements : Investment Property'.

4. Liquidity and Sufficiency of Funds

Source of Funds

The source of funds used by the Company for its business operations and in making further investments are mainly derived from its working capital and accumulated profits.

Investments

The Company made investments mainly in purchasing machinery and equipments, computers, and vehicles, together with improving office buildings and factory buildings totaling Baht 62.31 million, with the objective of using most of these assets in the operations of its businesses.

Adequacy of the Company's Liquidity

The Company's has good and adequate financial liquidity, as evident from its current ratio of 3.29 times for 2018, together with its quick ratio of 1.63 times. The liquidity was lower than the previous year since Company's current liabilities in 2018 had increased. Additionally, the Company still has a very low Debt to Equity (D/E) ratio of 0.24 times that underscores its financial stability and the overall adequacy of the Company's liquidity.

Consolidated	Unit	2018	2017	2018
Current ratio	Times	3.29	3.45	3.20
Quick ratio	Times	1.63	1.70	1.32
Debt to equity ratio	Times	0.24	0.23	0.23

Cash Flows

As at the end of 2018, the Company had cash and cash equivalents totaling Baht 167.71 million compared to Baht 32.99 million as at the end of the previous year, or representing an increase of Baht 134.72 million. The details of net cash flows classified by operating activities, investing activities, and financing activities were as follows:

Unit : Million Baht			
Consolidated	2018	2017	2016
Net cash provided by (used in) operating activities	206.21	397.60	361.16
Net cash provided by (used in) investing activities	109.00	(251.70)	15.76
Net cash provided by (used in) financing activities	(180.48)	(174.61)	(377.61)

The Company had a 'net cash provided by operating activities' totaling Baht 206.21 million, a decrease of Baht 191.39 million from the previous year, as a result of the Company having lower net cash received from sale while having higher net cash paid from purchase of raw materials and finished goods.

The Company had a 'net cash flows used in investing activities' totaling Baht 109 million, mainly resulting from having cash received from sales of available-for-sale securities of Baht 91.74 million, net cash received from short-term loans to others of Baht 20.02 million, dividend income of Baht 75.24 million, and cash payment for purchase of machinery and equipments, computers, vehicles, and the improvement of office buildings and factory buildings, together with the investment in intangible assets of Baht 85 million.

The Company had a 'net cash flows used in financing activities' totaling Baht 180.48 million, mainly as a result of making dividend payments to its Shareholders totaling Baht 180 million

5. Contractual obligations and off-balance sheet arrangements

Total liabilities of the Company as at December 31, 2018 was Baht 1,407.08 million - consisting of short-term liabilities totaling Baht 825.04 million and long-term liabilities totaling Baht 582.04 million.

Details of the Company's Total Long-Term Liabilities

Unit : Million Baht

Long-Term Liabilities	2018	2017	2016
Financial lease liabilities	-	0.26	0.65
Deferred tax liabilities	72.91	122.53	86.06
Retirement benefit obligation	509.13	497.76	462.08

Deferred tax liabilities totaled Baht 72.91 million, representing a decrease of Baht 49.62 million, mainly due to unrealized gains from changes in the value of securities and the impairment of investments.

Additionally, the Company has debt-related obligations that may have a significant impact on its overall financial status and business operations, details of which are stated in the accompanying 'Notes (No. 34) to the Financial Statements: Contingent Liabilities and Commitments'.

6. Factors or situations that may have an impact on the financial status or operations of the Company in the future

The Company has a policy to join with its products distributors in continuing to expand and add new sales and distribution channels, as well as to focus on marketing activities together with developing and enhancing both the value and innovation of its products in order to meet the consumers' requirements and expectations.

However, there are also various factors, which may have an impact on the future business operations of the Company as follows:

External factors

- Thai economy tends to grow at a slower rate because some exports may be affected by the global economic slowdown due to the impact of trade war between the United States and China. While domestic demand has continued to expand both private and government spending.
- ladies' lingerie market is highly competitive market, with various foreign brands entering the Thai market to satisfy consumer demands.
- Fast changing customer and consumer requirements in regards to pricing as well as sales and distribution channels that are more convenient and easily accessible for purchasing these products.

Internal factors

- The Company gives importance to the development of quality and new innovative products, through undertaking joint investments with a foreign firm that is an expert in the production of quality lingerie raw materials, so as to achieve competitive advantages in the longer term as follows :

Year of investment	Company Name	Shareholding Ratio
2016	A Tech Textile Co., Ltd.	19%
2016	G Tech Material Co., Ltd.	19%
2017	Pattaya Manufacturing Co., Ltd.	40%

- Increasing labor wages together with a shortage of labor in Thailand, resulting in increased overheads and labor costs, which has driven the Company to expand its investments into nearby AEC countries. The Company has collaborated in establishing associated companies in Myanmar, in order to expand its manufacturing base into a country with lower cost of labor.

Year of investment	Company Name	Shareholding Ratio
2013	Pattaya Myanmar Co., Ltd.	20%
2015	Myanmar Wacoal Co., Ltd.	40%

7. Expenses for Research & Development with regards to Technology and Innovation

Wacoal products have always been committed to the philosophy of “BEAUTY FROM THE INSIDE, RESULTS IN BEAUTY ON THE OUTSIDE”, which reflects the fact that the beauty of a lady’s figure always comprises of 2 key elements: the body and the mind. As such, all Wacoal products do not only stress the physical beauty but also the comfortableness in wearing our products that will then also help to give a feeling of healthiness and well-being. Therefore, the Company is committed to and has always attached much importance on research & development of new technology and innovation with regards to ladies’ lingerie products, through establishing the Human Science Research Center that is responsible for the research and development of data on the physiology relating to the physical features and figure of Thai women, together with the Research Development & Innovation Center that is responsible for the innovations relating to new raw materials and products that will result in creative and quality lingerie products as well as that are environmentally friendly. During 2018, a summary of the outputs from the research and development activities is as follows:

1. Study and research on women’s figure and shape

The Company has continued to study and undertake research on Thai women’s figure and shape for a long time, in order to make use of the research data outputs as specifications in producing our ladies’ lingerie so that they are of good quality standards and correspond to the ever changing exact ladies form and figure within various age categories. As such, last year the Company spent a total of Baht 3.97 million on these research and development activities.

2. Joint development of new raw materials together with a business partner

The important product development activities focus on research and development of product innovations with regards to raw materials that will meet customer demands. Thus, the Company gives importance to assessing and testing the quality of new raw materials for our products together with the ongoing development of production machinery and the quality of associated production technology for new products. This included undertaking a joint business with a raw materials supplier in producing quality raw materials that will also take care of the environment, details of which activity are given under the heading “Corporate Business Nature” on the significant developments during the past year. During the year, the Company spent a total of Baht 7.34 million relating to this activity.

Financial ratios compared between 2018, 2017, and 2016

Consolidated	Unit	2018	2017	2016
Liquidity Ratio				
1. Current Ratio	times	3.29	3.45	3.20
2. Quick Ratio	times	1.63	1.70	1.32
3. Liquidity of Cash Flow from Operations	times	0.27	0.58	0.46
4. Receivable Turnover	times	6.23	6.64	6.58
5. Average Collection Period	days	57.78	54.22	54.71
6. Inventory Turnover	times	4.80	4.82	4.19
7. Average Inventory Period	days	75.00	74.69	85.92
8. Account Payable Turnover	times	9.21	9.54	9.57
9. Average Payment Period	days	39.09	37.74	37.62
10. Cash Cycle	days	93.70	91.17	103.01
Profitability Ratio				
1. Gross Profit Margin	%	26.21	23.41	23.40
2. Return on Total Revenues	%	7.44	7.14	7.21
3. Return on Equity	%	6.15	5.80	5.86
Efficiency Ratio				
1. Return on Assets	%	4.98	4.72	4.68
2. Assets Turnover	times	0.67	0.66	0.65
Financial Policy Ratio				
1. Debt to Equity Ratio	times	0.24	0.23	0.23
2. Interest Coverage Ratio	times	3,219.03	1,610.78	93.84
3. Payout Ratio	%	60.72 [*]	55.44	50.17

Remark : * The Board of Directors resolved to set dividend payment rate at Baht 1.80 per share, for further proposal to the shareholders' general meeting for approval, on April 22, 2019.

Personal Information of Company Directors and Management Members

Name / Position Date of appointment	Age	Educational Level and Training Course	Shareholding Level* (%)	Working Experience	
				Period	Current Position / Organization / Company
1. Mr. Yoshikata Tsukamoto Advising Director April 21, 1986	70	Bachelor Degree Faculty of Education, majoring in Industrial Education Ashiya University, Japan	- Increase (decrease) no. of shares - None -	Other Listed Company	2 companies
				1993 - Present	Director Shinyoung Wacoal Inc.
				1984 - Present	Representative Director Wacoal Holdings Corp.
					and Chairman
<ul style="list-style-type: none"> Family Relationship between Director and Management Holding positions in other companies in the recent year had impacted on time dedication significantly. 	: - None - : - None -			Other Non-Listed Company	8 companies
				2012 - Present	Director Wacoal Europe Ltd.
				1994 - Present	Director Wacoal America, Inc.
				1991 - Present	President Commissioner PT. Indonesia Wacoal
2. Mr. Manu Leelanuwatana Chairman of The Board of Directors, Chairman of The Nominating Committee and The Remuneration Committee Member April 30, 1973	73	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	- Increase (decrease) no. of shares - None -	Other Listed Company	4 companies
				2007 - Present	Director Saha Pathana Inter-Holding Plc.
				2004 - Present	Director I.C.C. International Plc.
				1987 - Present	Director O.C.C. Plc.
<ul style="list-style-type: none"> Family Relationship between Director and Management Holding positions in other companies in the recent year had impacted on time dedication significantly. 	: - None - : - None -			1976 - Present	Chairman Textile Prestige Plc.
				Other Non-Listed Company	18 companies
				2015 - Present	Advising Director Erawan Textile Co., Ltd.
				2006 - Present	Chairman Wien International Co., Ltd.
				1999 - Present	Chairman Thai Stafflex Co., Ltd.
				1995 - Present	Chairman SSDC (Tigertex) Co., Ltd.
				1994 - Present	Chairman Thai Naxis Co., Ltd.
					Director K.T.Y. Industry Co., Ltd.
				1988 - Present	Director Thai Shikibo Co., Ltd.
				1984 - Present	Director Thai Takeda Lace Co., Ltd.
				1975 - Present	Chairman Pattaya Manufacturing Co., Ltd.

Name / Position Date of appointment	Age	Educational Level and Training Course	Shareholding Level* (%)	Working Experience		
				Period	Current Position	Organization / Company
3. Mr. Masaya Wakabayashi Vice Chairman of The Board of Directors September 15, 2014	62	Bachelor Degree Faculty of Business Administration, majoring in Business Administration Konan University, Japan	- Increase (decrease) no. of shares - None -	Other Listed Company	1	company
				2014 - Present	Director & Vice President	Wacoal Holdings Corp.
				Other Non-Listed Company	14	companies
				2016 - Present	Director	PT. Indonesia Wacoal
				2014 - Present	Director	Wacoal Malaysia Sdn. Bhd. Wacoal Europe Ltd. Wacoal America, Inc. Wacoal International Hong Kong Co., Ltd. Taiwan Wacoal Co., Ltd. Wacoal China Co., Ltd.
4. Mr. Boondee Amnuayskul Director, The Nominating Committee Member, The Corporate Governance Committee Member, Chief Executive Officer and Managing Director April 23, 1990	63	Bachelor Degree Faculty of Engineering, majoring in Industrial Engineering Khon Kaen 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	0.06% Increase (decrease) no. of shares - None -	Other Listed Company	-	company
				Other Non-Listed Company	11	companies
				2016 - Present	Managing Director	G Tech Material Co., Ltd. A Tech Textile Co., Ltd. Myanmar Wacoal Co., Ltd. Wien International Co., Ltd. Pattaya Myanmar Co., Ltd. Tora 1010 Co., Ltd. Pattaya Manufacturing Co., Ltd. Pattaya Kabinburi Co., Ltd. Wacoal Lamphun Co., Ltd. Wacoal Kabinburi Co., Ltd. Wacoal Siracha Co., Ltd.
				2015 - Present	Director	
				2013 - Present	Director	
• Family Relationship between Director and Management • Holding positions in other companies in the recent year had impacted on time dedication significantly. : - None -				2011 - Present	Chairman	
				1999 - Present	Director	
				1997 - Present	Managing Director	
				1993 - Present	Managing Director	
				1984 - Present	Managing Director	

Name / Position Date of appointment	Age	Educational Level and Training Course	Shareholding Level* (%)	Working Experience		
				Period	Current Position	Organization / Company
5. Mr. Nozomu Otsuka Director and Deputy Managing Director April 1, 2017 <ul style="list-style-type: none"> • Family Relationship between Director and Management • Holding positions in other companies in the recent year had impacted on time dedication significantly. : - None - 	58	Bachelor Degree Faculty of Commerce, majoring in Commerce Waseda University, Japan : - None - : - None -	- Increase (decrease) no. of shares - None -	Other Listed Company	-	company
				Other Non-Listed Company	11	companies
				2018 - Present	Director	Pattaya Myanmar Co., Ltd.
				2017 - Present	Managing Director	Tora 1010 Co., Ltd.
					Director	Wacoal Siracha Co., Ltd.
6. Mr. Thamarat Chokwatana Director, Executive Director and Director of Marketing Division April 23, 2001 Training by Thai Institute of Directors Association (IOD) - Director Accreditation Program (DAP) 3/2003 - Director Certification Program (DCP) 68/2005 - Company Secretary Program (CSP) 31/2009 <ul style="list-style-type: none"> • Family Relationship between Director and Management • Holding positions in other companies in the recent year had impacted on time dedication significantly. : - None - 	49	Bachelor Degree Faculty of Arts, majoring in Business English Assumption University Training by Thai Institute of Directors Association (IOD) - Director Accreditation Program (DAP) 3/2003 - Director Certification Program (DCP) 68/2005 - Company Secretary Program (CSP) 31/2009 : - None - : - None -	0.07% Increase (decrease) no. of shares - None -	Other Listed Company	3	companies
				2017 - Present	Director	Saha Pathanapibul Plc.
				2016 - Present	Director	Thanulux Plc.
				1999 - Present	President and Vice Executive Chairman	I.C.C. International Plc.
				Other Non-Listed Company	40	companies
				2002 - Present	Director	Wacoal Lamphun Co., Ltd.
					Director	Pattaya Kabinburi Co., Ltd.
				2001 - Present	Director	Wacoal Kabinburi Co., Ltd.

Name / Position Date of appointment	Age	Educational Level and Training Course	Shareholding Level* (%)	Working Experience		
				Period	Current Position	Organization / Company
7. Miss Karunee Surai Director, The Corporate Governance Committee Member, Executive Director, Director of Human Resources and General Affairs Division April 1, 2017	63	Master Degree Faculty of Education majoring in Educational and Guidance Psychology Chulalongkorn University Bachelor Degree Faculty of Arts, majoring in Psychology Thammasat University Training by Thai Institute of Directors Association (IOD) - Board and CEO Assessment 2/2003 - Anti-Corruption : The Practical Guide (ACPG) 21/2015 - Director Certification Program (DCP) 262/2018 - Financial Statements for Directors (FSD) 36/2018 : - None -	0.02%	Other Listed Company	-	company
				Other Non-Listed Company	3	companies
				2018 - Present	Director	Tora 1010 Co., Ltd.
				2016 - Present	Director	A Tech Textile Co., Ltd.
				1991 - Present	Director	Royal Garment Co., Ltd.
8. Mrs. Onanong Saengpumpung Director, The Corporate Governance Committee Member, Executive Director, Director of Accounting and Finance Division, Chief Financial Officer April 24, 2017	56	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 - Anti-Corruption : The Practical Guide (ACPG) 21/2015 - Director Certification Program (DCP) 262/2018 : - None -	0.005%	2017 - Present	Member of Accounting Profession in Tax Accounting Committee	Federation of Accounting Professions under The Royal Patronage of His Majesty The King
				Other Listed Company	-	company
				Other Non-Listed Company	3	companies
				2017 - Present	Director	Tora 1010 Co., Ltd.
				2006 - Present	Director	Wacoal Lamphun Co., Ltd.
• Family Relationship between Director and Management • Holding positions in other companies in the recent year had impacted on time dedication significantly. : - None -				2001 - Present	Director	Royal Garment Co., Ltd.

Name / Position Date of appointment	Age	Educational Level and Training Course	Shareholding Level* (%)	Working Experience		
				Period	Current Position	Organization / Company
9. Mr. Kazuhiro Shibahara Director May 10, 2018	58	Bachelor Degree Faculty of Economics, majoring in Economics Osaka Prefecture University, Japan	-	Other Listed Company	-	company
			Increase (decrease)	Other Non-Listed Company	7	companies
			no. of shares	2018 - Present	Chairman	A Tech Textile Co., Ltd.
			- None -		Chairman	G Tech Material Co., Ltd.
					Director	Wacoal International Hong Kong Co., Ltd.
10. Mr. Mitsuru Sekiguchi Director May 10, 2018	53	Bachelor Degree Faculty of Law, majoring in Law Meiji University, Japan	-	Other Listed Company	-	company
			Increase (decrease)	Other Non-Listed Company	17	companies
			no. of shares	2018 - Present	Chairman	Wacoal International Hong Kong Co., Ltd.
			- None -		Director	Wacoal America, Inc.
					Director	Wacoal Europe Ltd.
					Director	Wacoal China Co., Ltd.
					Director	A Tech Textile Co., Ltd.
					Director	PT. Indonesia Wacoal
					Director	Wacoal Malaysia Sdn. Bhd.
					Director	Myanmar Wacoal Co., Ltd.
					Director	Vietnam Wacoal Corp.
					Director	Wacoal Hong Kong Co., Ltd.
					Director	Philippine Wacoal Corp.
					Director	Guangdong Wacoal Inc.
					Director	Taiwan Wacoal Co., Ltd.
				2017 - Present	Director	Wacoal India Private Ltd.
				2016 - Present	Director	Wacoal Singapore Pte. Ltd.

- Family Relationship between Director and Management : - None -
- Holding positions in other companies in the recent year had impacted on time dedication significantly. : - None -

- Family Relationship between Director and Management : - None -
- Holding positions in other companies in the recent year had impacted on time dedication significantly. : - None -

Name / Position Date of appointment	Age	Educational Level and Training Course	Shareholding Level* (%)	Working Experience		
				Period	Current Position	Organization / Company
11. Dr. Kulpatra Sirodom Independent Director, Chairman of The Audit Committee and Chairman of The Corporate Governance Committee April 26, 2010	62	Ph.D. in Finance University of Pittsburgh, Pittsburgh, PA, USA Master Degree in Finance West Virginia University, USA Bachelor Degree Faculty of Commerce and Accountancy, majoring in Finance Thammasat University Training by Thai Institute of Directors Association (IOD) - Director Certification Program (DCP) 0/2000 - Audit Committee Program (ACP) 29/2009 : - None - : - None -	- Increase (decrease) no. of shares - None -	2018 - Present	Director and Chairman of The Audit Committee Director and treasurer	Mae Fah Luang Foundation under Royal Patronge Social Enterprise Thailand Association
				2017 - Present	Member of Public Sector Audit Evaluation Committee Director	Office of the Public Sector Development Commission Thai Listed Companies Association
				2016 - Present	Director	The Siam Commercial Foundation
				2013 - Present	Expert Member of the policy Committee on Public-Private Partnerships in State Undertakings	Ministry of Finance
				2002 - Present	Director	The Professor Sangvian Indaravijaya Foundation
				Other Listed Company 2 companies		
				2017 - Present	Independent Director and Chairman of The Audit Committee Independent Director and The Audit Committee Member	Thai President Foods Plc. The Erawan Group Plc.
				Other Non-Listed Company 2 companies		
				2016 - Present	Independent Director	Thailand Securities Depository Co., Ltd.
					Independent Director and Chairman of Risk Management Sub-committee	Thailand Clearing House Co., Ltd.

Name / Position Date of appointment	Age	Educational Level and Training Course	Shareholding Level* (%)	Working Experience		
				Period	Current Position	Organization / Company
12. Mrs. Punnee Worawuthichongsathit Independent Director and The Audit Committee Member April 26, 2010	66	Master Degree Faculty of Commerce and Accountancy, majoring in Accounting Chulalongkorn University Bachelor 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) (CPA) Registration No. 2960 The Institute of Internal Auditors of Thailand (IIAT) - 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	- Increase (decrease) no. of shares - None -	2017 - Present	The Audit Committee Member Advisor to Accounting Profession in Tax Accounting Committee The Audit Committee Member Director Advisor Audit Subcommittee The Audit Committee Member	Chulabhorn Royal Academy Federation of Accounting Professions under The Royal Patronage of His Majesty Thai Investors Association Office of the National Anti-Corruption Commission University of the Thai Chamber of Commerce
				Other Listed Company 4 companies		
				2016 - Present	Independent Director, The Audit Committee Member and Chairman of The Corporate Governance Committee Independent Director and The Audit Committee Member	WHA Utilities and Power Plc. Saha Pathana Inter-Holding Plc. Mono Technology Plc.
				2007 - Present	Independent Director, Chairman of The Audit Committee and The Nomination and Remuneration Committee Member	
				2004 - Present	Independent Director, The Audit Committee Member, Chairman of The Nominating Committee and Chairman of The Remuneration Committee	The Brooker Group Plc.
				Other Non-Listed Company 1 company		
				2016 - Present	Director	P W Consultant Co., Ltd.

Name / Position Date of appointment	Age	Educational Level and Training Course	Shareholding Level* (%)	Working Experience		
				Period	Current Position	Organization / Company
<div><ul style="list-style-type: none">- 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- Anti-Corruption for Executive Program (ACEP) 10/2014- Anti-Corruption : The Practical Guide (ACPG) 10/2014- Ethical Leadership Program (ELP) 2/2015- Driving Company Success with IT Governance (ITG) 4/2017</div> <div><ul style="list-style-type: none">• Family Relationship between Director and Management : - None -• Holding positions in other companies in the recent year had impacted on time dedication significantly. : - None -</div>						
<div>13. Mr. Krish Follett Independent Director and Chairman of The Risk Management Committee April 23, 2012</div> <div><p>69</p><p>Master Degree</p><p>Faculty of Commerce and Accountancy, majoring in Business Administration Thammasat University</p><p>Bachelor Degree</p><p>Faculty of Economics, majoring in Economics Thammasat University</p><p>Harvard Business School</p><p>- Advanced Management Program (AMP) 158/2000</p><p>Training by Thai Institute of Directors Association (IOD)</p><p>- Director Certification Program (DCP) 149/2011</p><p>- Risk Management Program for Corporate Leader (RCL) 9/2017</p><p>- Role of the Chairman Program (RCP) 43/2018</p></div> <div><ul style="list-style-type: none">• Family Relationship between Director and Management : - None -• Holding positions in other companies in the recent year had impacted on time dedication significantly. : - None -</div>				<div>Other Listed Company 2 companies</div> <div>2016 - Present Independent Director, Chairman of The Audit Committee and Chairman of The Risk Management Committee Do Day Dream Plc.</div> <div>2015 - Present Independent Director, Chairman of The Board of Directors, and Chairman of The Nominating and Remuneration Committee Chaopraya Mahanakorn Plc.</div> <div>Other Non-Listed Company 1 company</div> <div>2014 - Present Independent Director and Chairman of The Audit Committee Bank of China (Thai) Plc.</div>		

Name / Position Date of appointment	Age	Educational Level and Training Course	Shareholding Level* (%)	Working Experience		
				Period	Current Position	Organization / Company
14. Miss Waraporn Kulsawatpakdee Independent Director and The Audit Committee Member March 2, 2016	59	Master degree School of Public Administration majoring in Public and Private Management, National Institute of Development Administration	-	2017 - Present	Associate Judge	The Central Intellectual Property and International Trade Court
		Bachelor Degree Faculty of Communication Arts, majoring in Mass Communication Chulalongkorn University	Increase (decrease) no. of shares - None -	Other Listed Company 1 company		
				2014 - Present	Director and The Risk Management Committee Member	Far East Fame Line DDB Plc.
		Faculty of Commerce and Accountancy, Thammasat University - Mini MBA (Class 21)		Other Non-Listed Company 1 company		
				1994 - Present	Chief Executive Officer and Managing Director	Integrated Communication Co., Ltd.

The National Defence College of Thailand

- National Defence College, The State, Private Sector and Political Sectors Course (Class 6)

Capital Market Academy (CMA)

- Capital Market Academy Leadership Program (Class 22)

Thailand Energy Academy (TEA)

- Executive Program in Energy Literacy for a Sustainable Future (Class 11)

Commerce Academy

- Top Executive Program in Commerce and Trade (TEPCoT) (Class 5)

Name / Position Date of appointment	Age	Educational Level and Training Course	Shareholding Level* (%)	Working Experience		
				Period	Current Position	Organization / Company
<div>Training by Thai Institute of Directors Association (IOD)</div> <div>- Director Certification Program (DCP) 154/2011</div> <div>- Advanced Audit Committee Program (AACP) 29/2018</div> <div><div>• Family Relationship between Director and Management</div><div>: - None -</div></div> <div><div>• Holding positions in other companies in the recent year had impacted on time dedication significantly.</div><div>: - None -</div></div>						
15. Mr. Poolsak Boonchoo	59	Postgraduate majoring in Professional Legal Practice, The College of Law of England and Wales in partnership with the International Bar Association (IBA), London, United Kingdom Legal Term, King's College, London, United Kingdom Thai Barrister at Law The Institute of Legal Education Thai Bar Association Bachelor Degree Faculty of Laws, majoring in Laws Ramkhamhaeng University and Common Law, University of London, United Kingdom	- Increase (decrease) no. of shares - None -	2014 - Present The Audit Committee Member Other Listed Company Other Non-Listed Company 2018 - Present	The Thai Bar under The Royal Patronage company company Managing Director	Boonchoo Legal and Associates Co., Ltd.
<div>• Family Relationship between Director and Management</div> <div>: - None -</div>						
<div>Holding positions in other companies in the recent year had impacted on time dedication significantly.</div> <div>: - None -</div>						

Name / Position Date of appointment			Age	Educational Level and Training Course	Shareholding Level* (%)	Working Experience		
						Period	Current Position	Organization / Company
16. Mr. Suvit Wongcharoenwutporn Executive Director and Director of Fashion Apparel Division May 9, 2000	67	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 • Family Relationship between Director and Management : - None - • Holding positions in other companies in the recent year had impacted on time dedication significantly. : - None -			0.05%	Other Listed Company	-	company
					Increase (decrease) no. of shares - None -	Other Non-Listed Company	2	companies
						1995 - Present	Managing Director	International Commercial Coordination (Hong Kong) Limited
						1991 - Present	Chairman	Royal Garment Co., Ltd.
17. Mrs. Nonglaks Techaboonanek Executive Director May 9, 2000	64	Bachelor Degree Faculty of Communication Arts, majoring in Mass Communications 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 • Family Relationship between Director and Management : - None - • Holding positions in other companies in the recent year had impacted on time dedication significantly. : - None -			-	Other Listed Company	-	company
					Increase (decrease) no. of shares - None -	Other Non-Listed Company	3	companies
						2013 - Present	Managing Director	SRP Nanasai Co., Ltd.

Name / Position Date of appointment			Age	Educational Level and Training Course	Shareholding Level* (%)	Working Experience		
						Period	Current Position	Organization / Company
18. Miss Natcharinthorn Pongsupachintapa Executive Director and Director of Human Science Research Center May 9, 2000			66	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	0.05% Increase (decrease) no. of shares 6,560 shares	Other Listed Company	-	company
						Other Non-Listed Company	1	company
						1987 - Present	Director	Wien International Co., Ltd.
<ul style="list-style-type: none">Family Relationship between Director and Management : - None -Holding positions in other companies in the recent year had impacted on time dedication significantly. : - None -								
19. Mrs. Siriwan Vilassakdanont Executive Director and Director of Vienna Product Division November 12, 2009			64	Master Degree, majoring in Management Sasin Graduate Institute of Business Administration of Chulalongkorn University Bachelor Degree Faculty of Communication Arts, majoring in Advestisting Chulalongkorn University Training by Thai Institute of Directors Association (IOD) - Director Accreditation Program (DAP) 3/2003	0.13% Increase (decrease) no. of shares - None -	Other Listed Company	-	company
						Other Non-Listed Company	5	companies
						1997 - Present	Managing Director	Wien International Co., Ltd.
						1990 - Present	Director	Pattaya Manufacturing Co., Ltd
<ul style="list-style-type: none">Family Relationship between Director and Management : - None -Holding positions in other companies in the recent year had impacted on time dedication significantly. : - None -								
20. Mr. Sompong Rasameetham Executive Director and Director of Innerwear Division May 8, 2014			57	Bachelor Degree Faculty of Business Administration, majoring in Quality Management Suan Sunandha Rajabhat University Family Relationship between Director and Management : - None - Holding positions in other companies in the recent year had impacted on time dedication significantly. : - None -	0.001% Increase (decrease) no. of shares - None -	Other Listed Company	-	company
						Other Non-Listed Company	6	companies
						2016 - Present	Director	A Tech Textile Co., Ltd.
							Director	G Tech Material Co., Ltd.
<ul style="list-style-type: none">Family Relationship between Director and Management : - None -Holding positions in other companies in the recent year had impacted on time dedication significantly. : - None -								
							Director	Thai Naxis Co., Ltd.
							Director	Erawan Textile Co., Ltd.
							Director	Fujix International Co., Ltd.
							Director	Tora 1010 Co., Ltd.

Name / Position Date of appointment	Age	Educational Level and Training Course	Shareholding Level* (%)	Working Experience		
				Period	Current Position	Organization / Company
21. Mr. Worathep Assavakasem Executive Director May 8, 2014 <ul style="list-style-type: none"> Family Relationship between Director and Management Holding positions in other companies in the recent year had impacted on time dedication significantly. : - None - 	51	Bachelor Degree Faculty of Engineering, majoring in Electrical Engineering Hosei University, Japan : - None -	0.004% Increase (decrease) no. of shares - None -	Other Listed Company	-	company
				2018 - Present	Director	O.C.C. Plc.
				Other Non-Listed Company	6	companies
				2017 - Present	Director	Sahapat Real Estate Co., Ltd.
				2013 - Present	Director	Daiso Sangyo (Thailand) Co., Ltd.
22. Mr. Metha Supakorn Executive Director and Director of Production Technology Division April 24, 2017 <ul style="list-style-type: none"> Family Relationship between Director and Management Holding positions in other companies in the recent year had impacted on time dedication significantly. : - None - 	51	Master Degree Faculty of Commerce and Accountancy, majoring in Business Administration Thammasat University Bachelor Degree Faculty of Engineering, majoring in Industrial Engineering Kasetsart University	0.003% Increase (decrease) no. of shares - None -	Other Listed Company	-	company
				2014 - Present	Director	Wacoal Lamphun Co., Ltd.
				Other Non-Listed Company	1	company
				2017 - Present	Director	Wacoal Lamphun Co., Ltd.
				2007 - Present	Director	Thai Gunze Co., Ltd.

Name / Position Date of appointment	Age	Educational Level and Training Course	Shareholding Level* (%)	Working Experience		
				Period	Current Position	Organization / Company
23.Mr. Pojadech Ketkratuk Executive Director and Director of Children Wear Product Division April 24, 2017	52	Master Degree Faculty of Engineering, majoring in Industrial Management Engineering King Mongkut's University of Technology North Bangkok Bachelor Degree Faculty of Engineering, majoring in Materials Handling Engineering King Mongkut's University of Technology North Bangkok	0.002% Increase (decrease) no. of shares - None -	Other Listed Company	-	company
				Other Non-Listed Company	2	companies
				2017 - Present	Director	International Commercial Coordination (Hong Kong) Limited
				2010 - Present	Managing Director	Royal Garment Co., Ltd.
● Family Relationship between Director and Management : - None -						
● Holding positions in other companies in the recent year had impacted on time dedication significantly. : - None -						

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, 2018

Name	No. of shares						Shareholding in year 2018 %
	As of December 31, 2018		As of December 31, 2017		Increase (Decrease)		
	Direct	Indirect*	Total	Direct	Indirect*	Total	
1. Mr. Yoshikata	-	-	-	-	-	-	-
2. Mr. Manu	-	-	-	-	-	-	-
3. Mr. Masaya	-	-	-	-	-	-	-
4. Mr. Boondee	73,350	-	73,350	73,350	-	73,350	0.061
5. Mr. Nozomu	-	-	-	-	-	-	-
6. Mr. Thamarat	82,031	2,000	84,031	82,031	2,000	84,031	0.070
7. Miss Karunee	24,280	-	24,280	24,280	-	24,280	0.020
8. Mrs. Onanong	5,500	-	5,500	5,500	-	5,500	0.005
9. Mr. Kazuhiro	-	-	-	-	-	-	-
10. Mr. Mitsuru	-	-	-	-	-	-	-
11. Dr. Kulpatra	-	-	-	-	-	-	-
12. Mrs. Punnee	-	-	-	-	-	-	-
13. Mr. Krish	-	-	-	-	-	-	-
14. Miss Waraporn	-	-	-	-	-	-	-
15. Mr. Poolsak	-	-	-	-	-	-	-
16. Mr. Suvit	60,900	1,500	62,400	60,900	1,500	62,400	0.052
17. Mrs. Nonglaks	-	-	-	-	-	-	-
18. Miss Natcharinthorn	64,850	-	64,850	58,290	-	6,560	0.054
19. Mrs. Siriwan	130,850	28,120	158,970	130,850	28,120	158,970	0.132
20. Mr. Sompong	1,100	-	1,100	1,100	-	1,100	0.001
21. Mr. Worathep	5,000	-	5,000	5,000	-	5,000	0.004
22. Mr. Metha	3,300	-	3,300	3,300	-	3,300	0.003
23. Mr. Pojadech	2,250	-	2,250	2,250	-	2,250	0.002
Total	453,411	31,620	485,031	446,851	31,620	6,560	0.404

Note : * Shareholding by spouse and underaged children

Position assignments for the directors, management members, and controller for the subsidiary, associate, and related companies

Name	Thai Wacoal Plc.	Subsidiaries					Associates				Related companies
		Wacoal Siracha Co., Ltd.	Wacoal Lamphun Co., Ltd.	Wacoal Kabinburi Co., Ltd.	Pattaya Kabinburi Co., Ltd.	Tora 1010 Co., Ltd.	Myanmar Wacoal Co., Ltd.	Pattaya Myanmar Co., Ltd.	Pattaya Manufacturing Co., Ltd.	Pattaya Co., Ltd.*	
Mr. Yoshikata	/										XXX
Mr. Manu	XXX							XXX			
Mr. Masaya	XX										XX
Mr. Boondee	/	/	/	/	/	XXX	/	/	/		
Mr. Nozomu	/	/	/	/	/	/		/			
Mr. Thamarat	/	/	/	/	/						
Miss Karunee	/					/					
Mrs. Onanong	/	/	/			/					
Mr. Kazuhiro	/						/				
Mr. Mitsuru	/						/				
Dr. Kulpatra	/										
Mrs. Punnee	/										
Mr. Krish	/										
Miss Waraporn	/										
Mr. Poolsak	/										
Mr. Suvit											
Mrs. Nonglaks											
Miss Natchairinthorn											
Mrs. Siriwan									/		
Mr. Sompong						/					
Mr. Worathep											
Mr. Metha		/									
Mr. Pojadedch											

XXX = Chairman , XX = Vice Chairman , / = Director

Note : * The company has already registered its dissolution on December 25, 2017 and has been in the liquidation process.

Name	Related companies							
	Wacoal Corporation	I.C.C. International Plc.	Wien International Co., Ltd.	International Commercial Coordination (Hong Kong) Limited	SRP Nanasai Co., Ltd.	Bangkok Tokyo Socks Co., Ltd.	G Tech Material Co., Ltd.	Royal Garment Co., Ltd.
Mr. Yoshikata	Tsukamoto							
Mr. Manu	Leelanuwatana	/	XXX	XXX		XXX		
Mr. Masaya	Wakabayashi							
Mr. Boondee	Amnuayskul		/				/	
Mr. Nozomu	Otsuka		/				/	
Mr. Thamarat	Chokwatana	/						
Miss Karunee	Surai							/
Mrs. Onanong	Saengpumpong							/
Mr. Kazuhiro	Shibahara						XXX	
Mr. Mitsuru	Sekiguchi							
Dr. Kulpatra	Sirodom							
Mrs. Punnee	Worawuthichongsathit							
Mr. Krish	Follett							
Miss Waraporn	Kulsawatpakdee							
Mr. Poolsak	Boonchoo							
Mr. Suvit	Wongcharoenvutporn			/				XXX
Mrs. Nonglaks	Techaboonanek				/			
Miss Natcharinthorn	Pongsupachintapa		/					
Mrs. Siriwan	Vilassakdanont		/					
Mr. Sompong	Rasameetham						/	
Mr. Worathep	Assavakasem							
Mr. Metha	Supakorn							
Mr. Pojadech	Ketkratuk			/				/

XXX = Chairman , XX = Vice Chairman , / = Director

Directorship details in subsidiary companies

Name		Wacoal Siracha 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	-
2. Mr. Boondee	Amnuayskul	Managing Director	Managing Director	Managing Director	Managing Director	Chairman
3. Mr. Nozomu	Otsuka	Director	Director	Director	Director	Managing Director
4. Mr. Thamarat	Chokwatana	-	Director	Director	Director	-
5. Miss Karunee	Surai	-	-	-	-	Director
6. Mrs. Onanong	Saengpumpong	-	Director	-	-	Director
7. Mr. Sompong	Rasameetham	-	-	-	-	Director
8. Mr. Metha	Supakorn	-	Director	-	-	-
9. Mr. Manus	Ongsaranakom	Assistant Managing Director	Director	Director	Director	-
10. Mr. Chaivichit	Suthipongvarakul	Director	-	Director	Director	-
11. Mr. Peerathat	Utaivivatana	Director	-	-	-	Director
12. Miss Arunee	Sahakijphinyo	Director	-	-	-	-
13. Mr. Wattana	Tongaiem	Assistant Managing Director	-	-	-	-
14. Mrs. Rungtip	Choakchaitham	Director	-	Director	Director	-
15. Mr. Chotipat	Sangsuwanlert	-	Assistant Managing Director	-	-	-
16. Miss Sineenuch	Vudhicharoenchaiporn	-	Director	-	-	-
17. Mr. Niwat	Dechampai	-	-	Assistant Managing Director	-	-
18. Miss Dollaya	Chinasirikul	-	-	-	Director	-
19. Mr. Parinya	Chadee	-	-	-	Assistant Managing Director	-
20. Mr. Punyaris	Watanajitsaree	-	-	Director	-	-

Sustainability Development Report

About this report

Thai Wacoal Public Company Limited prepared this Sustainability Development Report for the second year to reflect the company's commitment to building a sustainable society and environment, together with maintaining a high level of ethics and morality in conducting business.

Methods of preparing this report

The 2018 Sustainability Development Report is prepared according to the GRI Standards developed by the Global Reporting Initiatives (GRI), a guideline recognized worldwide. The contents of this report includes performance reports on several aspects: economic, social, and environmental, with focus on sustainability risk management strategies.

Boundaries of this report

This report covers every operations carried out by the company in Thailand from the 1st of January to the 31st of December, 2018. However it does not cover the operations conducted by the company's subsidiaries and other relevant companies

Further information

For comments, suggestions, and further information, please contact:

Sustainable Development Committee
Thai Wacoal Public Company Limited
132 Soi Charoenrat 7, Bangklo, Bangkholaem, Bangkok, 10120, Thailand
Tel. 02-2893100 ext. 216, 490
Email: sdcommittee@wacoal.co.th



Message from Chief Executive Officer and Managing Director

Mr. Boondee Amnuayskul

Chief Executive Officer and Managing Director



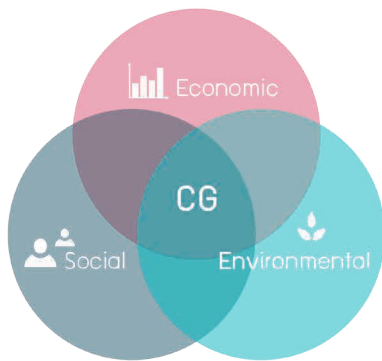
According to mission for the continuous competitiveness enhancement of the organization, “Thai Wacoal has conducted our business towards the sustainable development”, in order that the organization is adjustable to keep pace with the dynamic business environment among the utmost roles of digital technologies that have affected to lifestyles, ways of living and behaviors on product selecting of customers. The Company gives priority to the comprehensive 3 aspects, namely Economic; to emphasize on innovation development for value adding to products and services as well as developing all sale channels in order to fulfill the needs of customers which are subjected to dynamic changes, Social; the Company has consecutively operated Wacoal Pink Ribbon Against Breast Cancer Program, launching the campaign of self breast cancer prevention for females as well as supported studies and researches in collaboration with medical experts, Environment; in 2018, the Company was certified as the Eco Factory, Level4 by the Department of Industrial Works, as well as the Company's Bra Day program, collecting donated used bras for proper disposal. This not only helps mitigating environmental effects, it also nurtures awareness to reduce wastes in communities for broad impacts in society. This year, the Company has admirably got collaborations from various organizations that have granted for displaying the bra domination boxes in their premises. The Company will operate onward in accordance to the objective.

Furthermore, the Company also gives precedence to the corporate good governance to propel business operations with the accountability to society and environment towards sustainability, through the establishment of continuous risk management scheme both in the organizational and divisional levels, the encouragement for the participating working culture with honesty, ethical and moral, law compliance and anti-corruption. These have been done through the obvious policy declaration and supervisory committee appointment towards the transparency and verifiable working scheme with closely following up for situations. These will lead the organization to be well-founded and bring about confidence, reliability, effectiveness and efficacy of operation and performance, which will result in the enrichment of values for shareholders and other stakeholders in the long term.



(Mr. Boondee Amnuayskul)
Chief Executive Officer and Managing Director

1. The Sustainable Development Implementation Plan



Thai Wacoal conducts its business with firm belief in ethics and morality. It takes into consideration the benefits of all stakeholders. Therefore, Thai Wacoal implemented the Sustainability Development Framework, which conforms to a globally recognized guideline. The framework ensures balance between the company's impacts to the economy, society, and environment through the use of good corporate governance. It also promises an inclusive business environment, integrating resource management, production, inventory and logistics, sales and distribution, and customer service into one uniform system.

Sustainability Strategy : 3 Beauty

Wacoal believes that every women are born beautiful, not only by their looks, but also their "Beauty Inside"

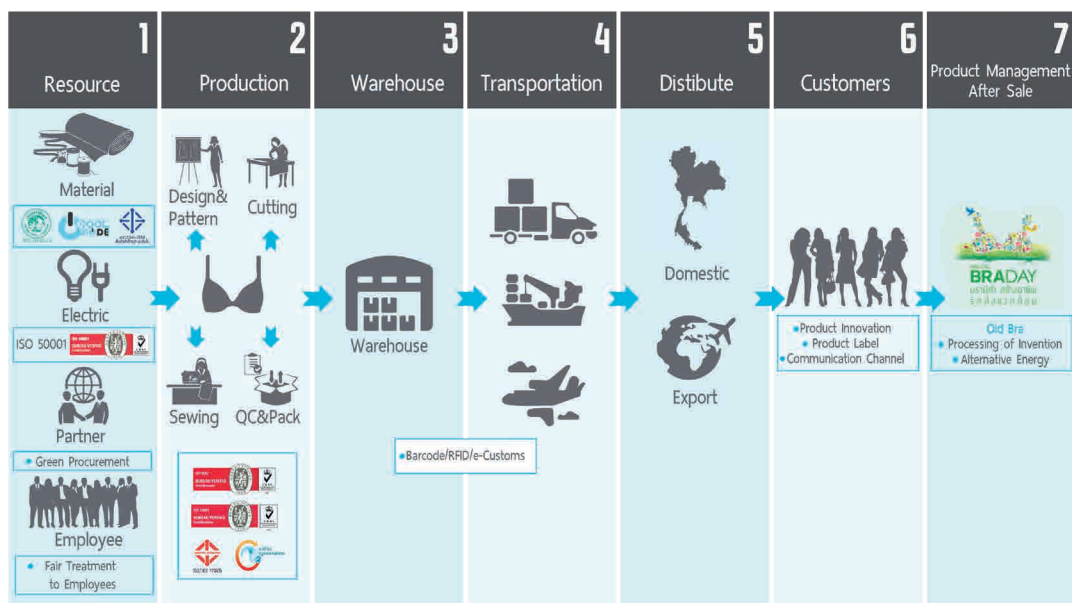


All under the Good Corporate Governance management philosophy

2. Value Chain Management

Thai Wacoal takes into consideration the social responsibility and effects to all stakeholders in **all activities** of the business chain – including the supply chain and value chain.

- **Supply Chain** : the company's main focus is on efficient use of resources, cost reduction, and better productivity.
- **Value Chain** : improving added value to the products and services to best serve the customers.



Resource Management

Raw Materials : Thai Wacoal is committed to using environment friendly materials. As a result, Wacoal undergarments received numerous environmental standards, such as the Green Label and CoolMode. Wacoal products have also been certified by the Thai Industrial Standards Institute and received the TISI 2346:2550 Standard, assuring safety from coloring and harmful chemicals. To express the company's responsibility to the environment, Wacoal products are Carbon-Labelled, disclosing their carbon footprint, and the company is working with partners to develop alternative materials to reduce the use of natural resources.

Electricity : Thai Wacoal production operations conform to the ISO 50001:2011 Energy Management Systems, ensuring efficient energy use. In 2012, the company received the Thailand Energy Award and the ASEAN Energy Award and still holds such high standard to this day.

Partners : the company firmly believes in fair trade, therefore developing a unique purchasing guideline that considers partners who demonstrates promising responsibilities to the society, environment, human rights, and lawfulness. Thai Wacoal's purchasing operations also conform to the ISO 9001:2015 and ISO 14001:2015 standards.

Employees : Thai Wacoal strictly treats its employees with fairness, with respect to human rights, indiscriminate, welfare, and the promotion of quality of life. The "Wacoal Happy 8" campaign is implemented, with compliance to the WRAP standard, to develop the employees to their full potential and ensure their safety and health at the workplace.

Production

Thai Wacoal's production operations is ISO 9001:2008 and ISO 14001:2004 compliant. Its laboratories are ISO/IEC 17025:2005 certified. Carbon monoxide emission is monitored at every stage of production under the ISO/IEC 14064-1. The company aims to be a low carbon emission industry through the vigorous implementation of the Product Life Cycle Assessment (LCA) to evaluate resource and energy use, and environmental impacts throughout the cycle. The company is EIA approved at all stages of the cycle – from sourcing materials to product disposal.

Inventory Management, Stores, and Logistics

The company developed the following inventory management systems to best serve the customers and distributors:

1. The use of sorters to sort and transport products improves the efficiency in logistics, saving costs, reducing storage space requirement, saves time, and minimizes labor use.
2. Barcodes are used to provide accurate inventory data
3. RFID (Radio Frequency Identification) is used to prepare real time sales data and reports
4. Reduction of the number of delivery trips, saving cost and energy.

Consumers

Thai Wacoal makes consumer safety, health, and health its first priority. The company only uses quality materials free from hazardous chemicals. Product information is clearly printed on labels. New innovations are constantly developed to satisfy the consumers' needs.

Product Waste Disposal

As a leading consumer and environment conscious female undergarment company, Thai Wacoal initiated a systematic disposal of product waste, reusing old bras, and recycling materials to least affect the environment. The 3Rs principle is implemented to ensure maximum use of the products and minimal waste.

1. Reduce : old, damaged bras are used to make fuel to substitute for coal in cement production. Thai Wacoal partnered with Siam City Cement's Ecocycle to effectively dispose product waste, reducing the need for landfills.

2. Reuse : Thai Wacoal is the first company to start a donation campaign for unused bras under the “Wacoal Bra Day” project. The donated bras are given to the Association for the Promotion of the Status of Women under the Royal Patronage of HRH Princess Soamsawali. The old bras are used as materials for handicrafts, providing income for women under the Association's care.

3. Recycle : metal wires and hooks from old bras are recycled to reduce waste.

3. Sustainable Risk Management

Risk management is proven to be an effective preventive measure to ensure the company's stability and readiness to adapt to the ever changing environment. Thai Wacoal formed the Risk Management Committee to set the company's risk management framework and policies, as well as proactively manage the company's risks to comply with the company's goal and strategies. Therefore reducing undesirable impacts from the uncertainties and changes in the business environment. Risks and impacts constantly assessed, analyzed, and reacted to. Risk management measures are also closely and systematically monitored.

Risks affecting the company's sustainability

1. Risk from changes in consumer behavior resulting from technological advancements.

Impact: reduced sales revenue and change in costs.

Technology and online social media have become an inseparable part of the people's lives, causing dramatic changes in the consumers' buying behavior. Traditional sales channels such as department stores and modern trades are directly affected by this trend. The following online sales channels are developed to increase sales, profitability, and market share, due to the convenient, fast, and low cost transactions:

- E-Business sales channels
 - TV Shopping channels
 - Production of innovative products to increase competitiveness
-

2. Risk from water management

Impact: wastewater released from the factory causes pollution.

Thai Wacoal has specialized officers responsible for water management in all of the company's activities, including wastewater treatment and release.

- Installing the Fixed Film Aeration Tank wastewater treatment system
 - Preparing a wastewater treatment plan.
 - Monitoring wastewater quality by external organizations.
-

4. Stakeholder Analysis

Stakeholder involvement

Thai Wacoal sees stakeholder involvement, both internal and external, as an important aspect of the company. Various communication channels are established to listen to the stakeholders' expectations.



Stakeholder engagement

Stakeholder	Communication Channels	Expectations	Actions Taken
1. Shareholders / Investors	<ul style="list-style-type: none"> • Annual Shareholders meeting • Investor Relations • Website / e-mail • Company Visit • Opportunity Day 	<ul style="list-style-type: none"> • Good return on investment • Information disclosure / transparent and accountable management 	<ul style="list-style-type: none"> • Good corporate governance • Shareholders / Investors communication channel development.
2. Customers	<ul style="list-style-type: none"> • Customer Satisfaction Survey • Website / e-mail and Social Media • Customer Service / Call Center • Whistleblowing Channel 	<ul style="list-style-type: none"> • Product safety • Good value for price • Comprehensive product information statement • Good response to feedback and complaint 	<ul style="list-style-type: none"> • Extension of product standards and certifications • New innovative products • Prompt and effective response to customer complaints
3. Employees	<ul style="list-style-type: none"> • Dialog with employees • Intranet / Social Media • Employee Satisfaction Survey • Whistleblowing Channel 	<ul style="list-style-type: none"> • Fair compensation and welfare • Good quality of life • Good career path and stability • Knowledge and skills development 	<ul style="list-style-type: none"> • Revisiting compensation package • Encourage love and commitment to the company • Building a happy organization with Happy 8 • Continuous employee training and development program
4. Sales partners	<ul style="list-style-type: none"> • Conferences • Website / e-mail / telephone • Whistleblowing Channel 	<ul style="list-style-type: none"> • Fair business operations • Sustainable economic growth 	<ul style="list-style-type: none"> • Purchasing protocol revision and improvement • Anti-corruption measures • Cooperative sourcing and product development

Stakeholder	Communication Channels	Expectations	Actions Taken
5. Community	<ul style="list-style-type: none"> • Dialog with people in the community • Meetings / company visits • CSR activities 	<ul style="list-style-type: none"> • stable jobs and income • Health, hygiene, and safety • Resource support • Community activities 	<ul style="list-style-type: none"> • Community development projects • Wacoal Pink Ribbon campaign to fight breast cancer • Wacoal Spirit
6. Society and Environment	<ul style="list-style-type: none"> • Website / Social Media • Environmental Impact Assessment 	<ul style="list-style-type: none"> • Systematic, continuous, and sustainable CSR • Effective use of resources • Minimize environmental impacts 	<ul style="list-style-type: none"> • Using the company's strengths to help the society • Systematic environment management, ISO 14001: 2004, Carbon Footprint • Use of alternative materials
7. Government and Non-profit Organizations	<ul style="list-style-type: none"> • Reports / letters • Meetings / activities 	<ul style="list-style-type: none"> • Compliant to the law and regulations • Responsible to the society and the environment • Funding social activities 	<ul style="list-style-type: none"> • Legal risk assessment • Comply with the law and relevant business regulations • CSR

Materiality Assessment

Thai Wacoal is determined to create a value-added business along with being social and environmental responsible, as well as appropriately responding to the stakeholders' expectations. The following assessments have been implemented to ensure measurable sustainability:

1. Identification and reporting boundaries

The company takes into consideration the business strategies, risks, and opportunities for sustainability management and CSR, with data collected from internal and external stakeholders through above mentioned projects and activities. All important factors are considered to cover all identification aspects.

2. Prioritization

The company assesses and prioritizes the identified categories by opportunities and impact the business, and impact to the stakeholders.

3. Audit

The Sustainable Development Committee audits the accuracy of the prioritized categories.

4. Revision and Development

The company is open for feedback from all stakeholders and make improvements to the upcoming reports accordingly.

Thai Wacoal Materiality Matrix 2018



Economic Beautiful Figures	Social Beautiful Life	Environmental Beautiful Earth	Good Corporate Governance
1. Good and Stable Operation Results	5. Human Resource Management	8. Climate Change (Greenhouse Gas)	12. Fair Business Conduct
2. Products and Innovation	6. Relationship Management with Communities and Social Accountability	9. Energy Consumption	13. Human Rights
3. Customer Relations Management	7. Work Safety, Vocational Health and Working Environment	10. Water Management	
4. Supplier Relations Management		11. Waste Management	

Based on the results of materiality assessment in 4 aspects, there are 13 issues which could be summarized the performance in each aspect as follows:

Economic Performance

Beautiful figures Economic

“Developing innovative products, continuously expanding the business,
and building sustainable value for the company”

1. Good and Stable Operation Results

Revenue

In 2018, the company had total sales revenues and services of Baht 4,915.90 million, an increase of 5.93% YoY. - consisting mainly of domestic sales of Baht 3,668.38 million, an increase of 7.65% YoY. export sales of Baht 1,247.52 million, an increase of 1.18% YoY. For sales by product categories, they were as follows: total ladies' lingerie of 92.53%, total children wear of 4.66%, total ladies' outerwear of 2.80%, and total achieved net profit was Baht 324.85 million, a decrease of 12.34% YoY. The decreased profit mainly resulted from lower dividend income of Baht 52.34 million from the previous year.

Expenses

The company had an increased operating expenses for 2018 of Baht 288.12 million mainly due to the company having higher cost of sales of Baht 103.23 million, which was consistent with the increased sales revenues. The other expenses included social, school, and community expenses of Baht 10.44 million, wages and employees benefits of Baht 992.50 million, tax payments of Baht 58.39 million due to the company recognizing tax gain, therefore having a duty to pay corporate income tax, together with having pay dividend payment of Baht 180 million to its shareholders.

In 2018, the company has announced its **tax policy** for adhere to the legal tax management guideline and practices based on law compliance, together with having a systematic approach practices of tax to create for maximize values to company and all stakeholders.

Financial Status

The company had total assets of Baht 6,923.87 million, consisting of current assets of Baht 2,426.39 million, non-current assets of Baht 4,497.48 million, and shareholders' equity of Baht 5,666.39 million. The company still had a current ratio of 2.94 times, and debt to equity ratio of 0.22 times. The ratios reflected the company having good and adequate financial liquidity and a very low debt to equity that underscores its financial stability. In the past, the company has continuously paid out dividend payments to its shareholders for 45 consecutive years - from 1974.

2. Products and Innovation

Commitment and Goals

Thai Wacoal presents its products and services to satisfy the customers' expectations with focus on quality and innovation, to best serve the different customer needs.

Management Strategies

The company continuously researches and develops its products and materials by considering the customers' needs and the health effects so as to respond to the customers' satisfaction, together with making Wacoal products perfect for Thai women's physique, safe, and environmentally friendly.

Value delivered to customers



2018 Performance

1. Research and Development

Wacoal believes that a woman's beauty comes from both the body and the mind. With this philosophy, all Wacoal products are not only beautiful, but needs to be comfortable and good for the wearer's physical health, hence the motto "Beauty from within leads to external beauty". For this reason, Wacoal partnered with Mahidol University to conduct a research on Thai women and girls' physique. The research provided a comprehensive database of the physique of Thai women between the ages of 8 to 60. This data is used as an integral part of the development of bras which are most suitable for their bodies.

Thai Women and Girls' Physique

2017 - 2018 2,000 Women Surveyed

In coordination with Mahidol University

This research has been conducted for 38 years

A database containing data of 48,000 Thai Women

The infographic is enclosed in a rounded rectangle with a purple border. On the left is a black silhouette of a woman's torso. On the right is the Mahidol University logo. The text is in various colors: purple for the title, red for the survey details, black for the university name, blue for the duration, and red for the database size.

According to the results of marketing researches, it was found that females tend to prefer wireless and comfortable lingerie, thus in 2018, the company had developed the Wireless Bra with the features of elegance, being comfort, well-shaped and wireless. It is the blend of 4 techniques to fulfill the needs of the groups of customers.



Thai Wacoal continuously develops its materials and products. In 2018, the company developed raw materials, sewing techniques and environmentally friendly products with high quality, resulting to receive 625 million baht in revenue from innovatively developed products, which accounts for 13% of total domestic sales.

2. Product Quality Development

Thai Wacoal rigorously controls its products' quality to gain customers' trust. The following are quality management standards that Thai Wacoal received.

2.1 ISO 9001:2015 Quality Management Systems – from materials sourcing, sewing, quality control, packaging. Thai Wacoal also received **ISO 14001:2015 Environmental Management System**.

2.2 ISO/IEC 17025:2005 Standard Laboratories – tested by the Japanese International Standard (JIS) and Wacoal Corporation, Japan. Thai Wacoal's products are washable without losing shape, color consistent, chemical free, and durable.

2.3 Received the **TISI 2346:2550 Standard** – ensuring that Thai Wacoal products are safe from hazardous chemicals and environmentally friendly. The coloring process does not leave behind carcinogens. By far, Wacoal's bra is the first and only brand certified with this standard.



3. The development of environmentally friendly products

The company is determined to produce products that are friendly to the environment. Thai Wacoal is the first company to receive the **Green Label** for all female undergarment products.



Thai Wacoal's pajamas, bras, shapewear, and uniforms received the **CoolMode** certification.

Thai Wacoal's 4 bras and 1 children's wear are the first Thai products to disclose the **Carbon Footprint** on their labels.



ENFANT children's wear for the age 0-36 months has been certified with **Oeko-Tex Standard 100 (Class 1)** – the highest standard for safe newborn babies' garments.

Moreover, the children wear under the ENFANT Green Trade Mark is the product with all environmental-friendly procedures; from cotton planting through free chemical and insecticide processes, using Organic Color for dying and textile printing procedures which is chemical-free to the manufacturing process that is safe for children's health and environmental-friendly.



Ladies' Outerwear under the WACOAL BLOUSE and Race/ Trademark has joined the No.5 Clothes Program of the Electricity Generating Authority of Thailand in order to develop "Comfortable blouse and no need for ironing". It helps saving electricity and mitigates global warming.



In 2018, the company launched 9 models of sport underwear "Wacoal Motion Wear", which are environmental-friendly, using textile made of 100% Regenerated Polyamide Fiber. It is the fiber transformed from sea fishnet or castnet remnant. It helps reducing the consumption of natural resources from petrochemical production, meanwhile the product quality is still maintained. Furthermore, consumers who use the products can participate in the sea environmental reservation campaign.

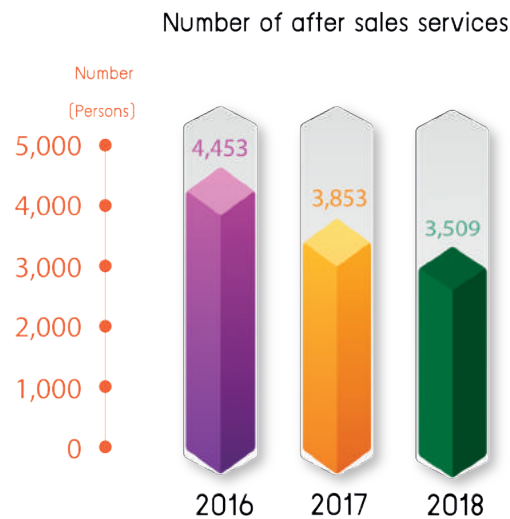
Moreover, the Mold Cup Bra underwear of Thai Wacoal in all Models use products with 10% of palm oil in replacement of crude oil from petroleum (B10), which is the consumable natural resources, thus it helps reducing the consumption of natural resources.



10% Palm oil

4. In 2018, invested 11.31 million baht in the Thai women's physique research and the research and development of materials.

5. **After sales services.** In 2018, the number of customers asking for alterations is 3,509, a 9% reduction from 2017. This is the result of using data collected from past customer services to produce products that better meet the customers' needs.



3. Customer Relations Management

Commitment and Goals

Thai Wacoal believes that quality products and services will gain the company with trust and confidence from its customers, leading to good relationships between the company and its customers. The company's goal is to increase customer satisfaction towards the company's products and services.

Management Strategies

The company is committed to building trust and confidence in the quality of the products and services, while maintaining good relationships with the customers. Communication channels are set up for customers to receive psychological counseling or product information and suggestions or send feedback or complaints to the company. Data collected through these channels are used to continuously improve the products. In addition, the sales officers have been trained to develop their knowledge and expertise in order to provide appropriate and accurate advice to customers.

2018 Performance



Opened 11 more Wacoal Shops.
A total of 77 shops opened



Opened online sales channels in
www.jd.co.th

1. Customer Research

Thai Wacoal researches its customers to provide useful data for the development of future products and innovations to best satisfy the customers' needs. The company conducts researches every year and brings the results to develop and improve the products based on the suggestions.



In 2018, the company made a customer survey and made product improvement and development based on their recommendations. This resulted in the **“Shape Beautifier: New Body Base”** Products that have been continuously developed from Model 1 to the present Model 4.

With the Triple Effect innovation that the textile is knitted in 3 steps through the special technique; Pattern Jacquard, it makes the fabric to have different types of elasticity that helps flatten belly, support hips and thighs, firm and lift up buttock as well as well ventilate in the Air flow type, musty-free, seam reduction sewing and no curling up.

Travel Bra Cool Innovation is developed from the Travel Bra Product (curlable Bra, comfortable and always in well-shape) in 2018 by adjusting the bra to serve both for Function and Fashion. It is done by developing the light Punching Mold and using the Punching Bonding Fabric in the rear part, which is highly elastic and have good support to be well-fitted, well ventilate and air flow both the cups and the rear part. Moreover, the well-known artist, OH+Futon was invited to join the bra design for beautiful and outstanding styles.



2. Customer Relations

Thai Wacoal carried out various Customer Relations Management activities, including the following:

2.1 Training for sales and external officers on “Bodies and Bras”

Sales officers are considered representatives of the company and the first to engage with customers. Training on the basics of choosing bras is necessary for these sales officers in order to provide customers with professional advice on how to choose their bras.

Number of sales and external officers received the training in 2018
590 persons

2.2 Marketing Communication and Customer Privacy

The company established a customer relations center to receive and monitor customer complaints and requests. The center also communicates product information and sales promotions to customers. The communications are conducted with the following guidelines:

1. Provide customers with accurate, adequate, and timely information on products and services. Providing exaggerated and misleading information is prohibited
2. Engage customers politely and efficiently. Providing customers with channels to file complaints about the products' quality and safety.
3. Preserve the customers' privacy. Use of customers' personal information for personal gain is strictly prohibited.
4. Provide customers with efficient and professional advice on the products' usage instructions.

Percentage of Services Provided in 2018

After sales coordination/complaint response



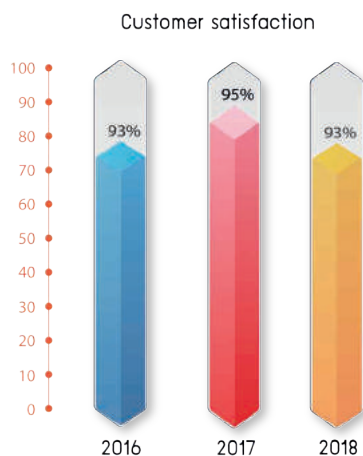
Providing product information



Number of customers serviced : 660 persons

2.3 Measuring customer satisfaction

The company measures its customers' satisfaction, both domestic and international, using an ISO 9001:2015 standardized index. Satisfaction is measured in satisfactory percentages. Customer feedback and complaints are used to improve the company's services.



4. Supplier Relations Management

Commitment and Goals

Partners are the company's greatest alliance in adding value and good image to the products. Thai Wacoal conducts its business with fairness and transparency, honoring the trade agreements made, and avoiding conflicts of interest. The company is committed to cooperating and sharing knowledge with partners, which will result in the development of quality products and cost reduction.

Management Strategies

1. Set up guidelines for partner selection, taking legal compliance, safety standards certification, and environmental friendliness into consideration. The treatment of partners is based on fairness and respect.
2. Only purchase quality, safe, and environment-friendly materials. Suppliers are evaluated before purchase according to the Green Purchase principle, and the materials are evaluated using the ISO 9001:2015 standards.
3. Compliant with the purchasing guidelines and the Wacoal Eco Product System in Eco Procurement: Green Procurement, Green Materials, and Green Design.
4. Conduct business with partners ethically and without corruption. The company's anti-corruption policy and procedures are regularly communicated to partners, including the no-gift policy and no receptions on special occasions. The company also encourages its partners to join the anti-corruption network.
5. Inform all partners of the Worldwide Responsible Accredited Production (WRAP) and instruct partners to strictly comply. WRAP is an international standard of fair treatment of labor, including no use of child labor, involuntary labor, and compliance to human rights.
6. Preserve the partners' confidential information, not using them for personal gain.
7. Build an understanding relationship. Exchanging knowledge and co-developing to add value to products and services.
8. Honor trade agreements and provide accurate information. In case of the inability to do so, partners must be promptly informed and work together to prevent damage.
9. Requests for benefits other than stated in the trade agreement is prohibited.

2018 Performance

1. Co-invented and developed new materials with partners, which are used in production and generated 17.24 million baht of revenue.
2. Co-development of materials resulted in the reduction in sourcing cost of 10 million baht.
3. Raw materials purchased from partners in Thailand totaled 744.84 million baht, accounting for 59% of the total value of raw materials purchased of the company. The company purchased raw materials from ISO 14001 certified suppliers, account for 22% of all domestic purchases.
4. The knowledge training program along with trading partner evaluation are annually and consecutively held, especially for 15 major raw material manufacturers, focusing on quality and environmental management system, product quality control, defect inspection, and chemical and physical quality inspection to be corresponding and assured on quality standards, safety and environmental awareness.
5. Suppliers are evaluated using 3 criteria:
 - Timely delivery of goods and services
 - Passes the quality control
 - Passes the ISO/IEC 17025:2005 certified laboratory testsThe average score in 2018 is 99.37%

Corporate Social Performance

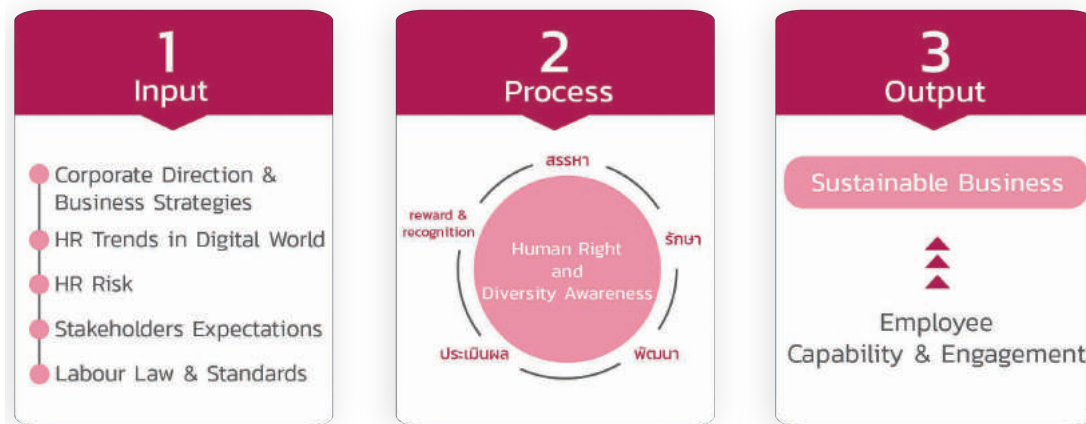
Beautiful life Social

“Caring and Responsible to the Society, Gaining Trust from All Stakeholders”

1. Human Resource Management

Employees are vital factors for business driving to achieve the goals. The company has awared of the importance in recruiting, retaining and developing employee potentiality as well as taking care of good working environment based on law compliance, human right and diversity respect, in order that the employees will be able to grow along with the organization, have work motivation towards the goals, being happy and proud to be the employees of the company.

HR Management Principle



Commitment and Goals

- The becoming of Digital Society has led to the changes of business models. The utilization of technology for management to serve the changing consumers' behaviors, has given it necessary to have skillful, knowledgeable personnel with specific mastery in the Digital era, which becomes increasingly competitive.
- The increase of labor cost and the lack of personnel who are mastery in textile.

1.1 Active Recruitment and Employee Retaining

Management Strategies



The company has awared of the importance of employees as the valuable resources and the key for the organization towards success, thus, the employment policy in accordance to the necessity and suitability of each work have been issued.

2018 Performance

The company has operated the active recruitment and employee retaining as follows;

1. Determine the personnel qualifications to be suitable for working in the Digital era, Develop public relation channels for online advertisement that can be accessible for professional fields such as Linked in, Line Job, and Facebook. Furthermore, the tests and interview manuals have been improved in order to be able to recruit the right personnel with the right qualifications and work nature and the ones who are potential for the future growth.

Number of employees recruited through various channels

Monthly 	online	Recommended by employees	Walk in	Job fair	Public relation signs	Total (person)
	72	61	8	10	5	151
Daily 	community	Recommended by employees	Walk in	Friend get friend Program	-	Total (person)
	136	85	68	29	-	318

The work positions necessary for the Digital working Era and the business expansion



Programer
35 Persons



Data Scientist
13 Persons



Online Marketing
33 Persons



Textile Engineering
71 Persons



Fashion Design
147 Persons

2. The company gives precedence to employee retaining; apart from determining wage threshold in accordance to the labor market conditions, the new employees will have an orientation session on the first day of working. Then they are set to On the Job Training process in order to educate necessary know how for working with their managers or coaches teaching the work. After the employees pass the probation, they will be trained in the Basic Knowledge program and the Wacoal Spirit program, which are the programs for nurturing and conveying the organizational culture to the newly employees.

Number of the new recruited employees joining the On Board Program



3. To conduct risk management of personnel to handle for the lack of textile personnel, which is the significant professional field for the business sustainable growth in the long term, the company has joined with the companies in Saha Group textile company chain, totally 10 companies to give scholarships to Mattayom 6 students in the areas of Bangkok, Samutprakarn, Chonburi, and Prachinburi for further study in bachelor degree (4 years) in the program of Engineering, Textile Engineering, and Chemical Textile Engineering in Ratchamongkol Technology Bangkok University. The project started in 2015, having 22 Wacoal Group scholarship students and support of scholarship totally 550,000 baht per year.

Wacoal Group Scholarship Students



Textile Engineering Program	11 Persons
Chemical Textile Engineering Program	11 Persons

Total scholarships from
2015-2018 are 2,200,000 Baht

4. The internship students have been sent by various academic institutes. In 2018, there were interned students under Cooperative Education and Summer internship totally 14 students from 4 institutes namely Kasetsart University, Thai-Nichi Institute of Technology, Ratchamongkol Technology Bangkok University and Mahasarakam University.

1.2 Development and Potentiality Enhancement for Human Resources

Management Strategies

Personnel development is one of significant strategies for driving the organization towards success. The company intends to continuously develop knowledge and skills of personnel in all levels by focusing on development and personnel potentiality enhancement towards working experts who are skillfull in accordance to the needs of the Digital era, meanwhile nurturing the organizational values to employees to enhance attitudes and behaviors that contribute to success based on determined vision and mission.

2018 Performance

The company has operated the Development and Potentiality Enhancement for Human Resources in various ways in 2018 as follows;

Management Guideline	Performance of 2018
1. Determination of Training Needs / Review / revise Training Needs / Training Road Map as the guideline for skill development of each working position, and each professional group.	<ul style="list-style-type: none"> Review / revise Training Needs / Training Road Map in the major professional groups, totally 4 positions, namely Business Officer, Purchase Officer, Designer, and Pattern Officer and Merchandiser Prepare Skill Matrixs for assessment of individual knowledge, ability and skill in the major professional groups, totally 141 persons.
2. Determine annual internal training plan in accordance to yearly goals	<ul style="list-style-type: none"> Number of training program provided, 52 programs Number of employees being trained, 1,979 persons (73.13%) Number of training hours, 9.36 hours : person Training cost, 3,763,435.92 Baht
3. Sending employees out for external training/external study visit	<ul style="list-style-type: none"> External Training <ul style="list-style-type: none"> number of training program provided, 120 programs number of employees being trained, 345 persons (12.75%) number of training hours, 14.32 hours : person training cost 3,528,523.58 Baht External study visit, 12 times Totally 246 persons, such as A tech Textile Co., Ltd., G Tech Material Co., Ltd., and Saha Seren Co., Ltd.
4. Aboard study visit	Market survey, study of warehouse management, purchasing and procuring raw materials from 12 countries, such as Japan, China, Vietnam, USA. France, with total cost of 7,980,000 Baht
5. Giving scholarships in master and doctoral degree	<ul style="list-style-type: none"> Master degree 1 scholarship, Program of Technology Business and Innovation Management, totally 352,000 Baht Doctoral degree 1 scholarship, Program of Designing, totally 885,700 Baht
6. Producing Internal instructor or working Coach	There are 9 internal instructors who were certified by trainers from Department of Skill Development and 7 instructors who are under the process of certifying.
7. Learning Development via Online	Orientation program, IT program such as Mobile App creation with Angular JS and Ionic Framework / Machine Learning, Data Science and Deep Learning with Python

Moreover, there were also the developments through the program for executives, managers and highly potential employees, duty replacement employee and new employee to be knowledgeable, mastery and skillful suitably for working, as follows;

Program	Management Guideline		Performance of 2018
1. Smart Executive Program	<ul style="list-style-type: none">• division managers• focus on enhancing vision and business operation strategies to be in accordance to the changing situations	Samples of training programs <ul style="list-style-type: none">• Sharing Vision program• Change Management program• Risk Management program	32 trainees (100%)
2. Smart Manager Program	<ul style="list-style-type: none">• department managers• focus on development of knowledge and management and resource skill to achieve goals in accordance to the organizational policies as well as enhancing good team working environment	Samples of training programs <ul style="list-style-type: none">• Managing Performance program• Empowerment & Delegation program• Coaching for Work Improvement program	130 trainees (61.03%)
3. Young Management Development Program	<ul style="list-style-type: none">• The groups of acting department assistant managers• Focusing on enhancing knowledge and skill on management to be prepared towards a manager	Samples of training programs <ul style="list-style-type: none">• Planning & Strategic Thinking program• Smart Leadership program• Personality & Presentation Technique program	11 trainees (100%)
4. Individual Development Program	<ul style="list-style-type: none">• The group of successors and high potential employees• Focusing on development of knowledge, skill both on professions and management based on the determined competency	Samples of training programs <ul style="list-style-type: none">• Self-Development program• Proactive Work program• Team Management program	Under the preparation of workshop planning and schedules
5. Innerwear Business Specialist Program	<ul style="list-style-type: none">• The group of high potential employees• Develop knowledge and skill towards experts on trading in the entire lingerie business	Samples of training programs <ul style="list-style-type: none">• Marketing Management program• Textile Technology & Material Development & Innovation program• Merchandising & Fashion Business program	14 trainees (100%)
6. Wacoal Spirit Program	<ul style="list-style-type: none">• The group of new employees whose work duration are less than 2 years• To learn about business, manufacturing procedures, working system and foster the organizational values	Samples of training programs <ul style="list-style-type: none">• Orientation• On the job training• Fundamental knowledge training• Participation in the Wacoal Spirit program	53 trainees (88.33%)



To respond to the turning into the Digital society that causes the changes of technologies, the business models, in 2018, the company gave precedence to employee development on IT, as follows;



Number of IT training program	26	programs
Number of training hours	667	hours
Number of hours per person	5.02	hours
The cost of IT training	1,135,322	Baht
Number of employees joining the project of "development towards Data Scientist"	11	persons

Moreover, in 2018, the company was awarded as the outstanding workplace on skill development enhancement by the Ministry of Labour.



1.3 The creation of career path opportunity

Management Strategies

The company has been aware that occupational progress is the significant factor for retaining employees in the organization, thus the company has determined the occupational progress structure including policies and clear regulations for promotion; with yearly review in June. It is done through informing employees for regulations, during the orientation as well as internally recruiting employees for replacement of vacancy.



The company has arranged employers to suitably work according to their ability, as well as encourage potential employees to be promoted in the career path including being trained in various programs and be able to transfer or move their jobs according to their proficiency and interest.

Furthermore, the company also has the project for giving scholarship in Master degree and Doctoral degree to employees in the Program that are necessary to the business as well as providing training programs on Innerwear Business Specialist Trader and Young management Development Program for high potential employees to prepare labor force to support for the business expansion in the future.

2018 Performance

The company has given scholarships in various levels to employees as well as provide training program to educate and provide opportunity for occupational progress as the following details;

	Number of employees awarded scholarship		
	Master degree	Doctoral degree	Certificate
2015	2	1	3
2016	2	-	2
2017	1	-	2
2018	1	1	-

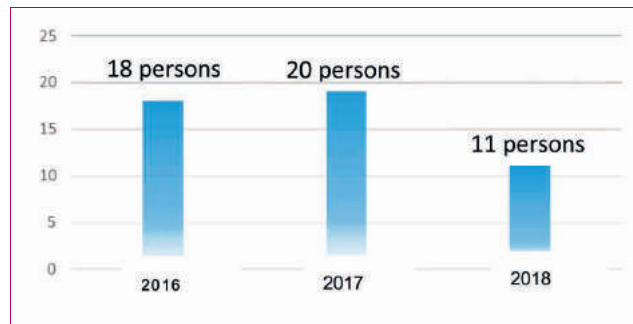
In 2018			Total
Promoted to higher position	8	65	78
Employment adjustment	1	6	7
Transfer	2	-	2

Total scholarship 518,158.75 Baht

Innerwear Business Specialist Trader



Young management Development

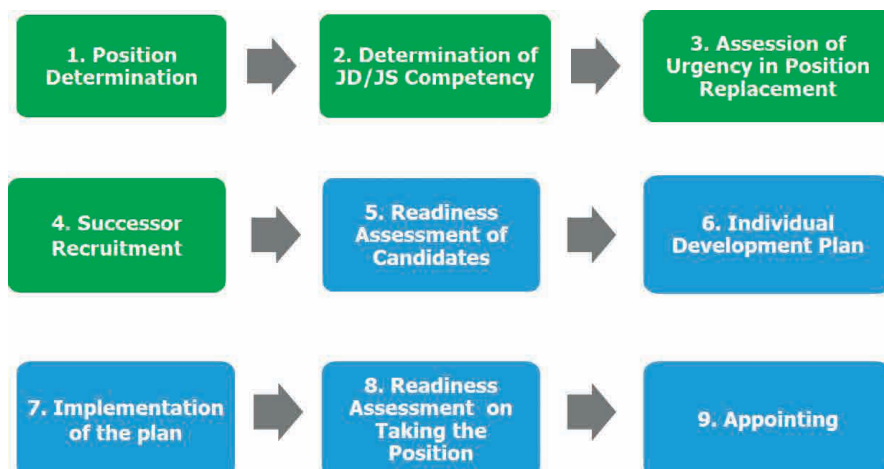


1.4 Development of successors in key positions

Management Strategies

In order to maintain continuous organizational management, the company gives precedence to the development of successors in important positions that will affect to the business operation and support for future business expansion. The management guideline is the appointment of planning committees for position succeeding to supervise under the following operational framework;

Stages and operating procedures



2018 Performance

In 2018, the committees of successor planning had considered and determined important positions, reviewed Job Description Competency, assessed urgency, recruited and assessed readiness for 8 positions of 22 candidates.

1.5 Management of Welfare, Benefits, Provident Fund

Remuneration Management

The company has operated based on the policies on wage management by setting the wage increase rate and bonus in accordance to the economic situation together with the performance of the company and then the wage increase is considered based on the performance and working ability of employees including the consideration of increase in special occasion for promoting employees who have outstanding performance. In this regards, the company always opens opportunities for managers and employees to participate in the goal setting process and then the performance assessment will be used in comparison to the goals for the review of wage and yearly bonus increase.

Number of employees being increased salary in special case by gender



88 Persons



281 Persons

22.67% of employees get the increased salary

Welfares and Benefits

The company provides equal welfares for employees without discrimination on gender, race, age, and religion with the focus on law compliance, taking care of employee to have good quality of life and sufficient for living;

- Social Security Fund
- Workman's Compensation Fund
- Provident Fund
- Saving Cooperative
- Medical fee for sickness
- Giving certifications and souvenirs for working fully 10 years, 20 years, 30 years and 40 years
- Scholarship for children
- Privilege for buying the company's products in special prices
- Yearly vocational leave
- maternity leave
- Military Service Leave
- Grant in case of employee death
- Grant in case of death of employees' father, mother, husband, or wife
- Grant-in-aid in case of disasters
- Special interest rate house loan welfare with banks
- Gifts for visiting patients in hospitals

Furthermore, the company always holds the joint meeting with the welfare committees in the workplace as the representatives of employees and applies the comments about how to improve welfares and benefits in proper ways. From 2018, the company has encouraged employees to do exercises by providing spaces or areas for exercising and installing some outdoor exercise machines and holding Aerobic and yoga activities for employees as well as the improvement of canteen according to the suggestions from the workplace welfare committees.



Provident Fund

In order to create life and future security for employees, the company registered the establishment of a Provident Fund on 5th of January 1993, pursuant to the Provident Fund Act B.E.2530. In this regards, it is the open opportunity for employee as members and make their voluntary deposit at the rate between 3% - 15%, and the company pay contributions of 3% of employees' salary into the Provident Fund.

In 2018, 1,986 employees are members from the entire 2,706 employees who are eligible to subscribe in the Provident Fund, account as 73.39%, and the contributions of the company deposited into the Provident Fund was 14,113,360 Baht. Moreover, the company also joined the intention declaration for "Happy PVD Company" Project with the Securities and Exchange Commission.

Number of employees who are members of the Provident Fund

Working duration	Male	Female	Total
>20 years	70	524	594
10 - 20 years	85	314	399
3 - 10 years	119	399	518
4 months - 3 years	94	381	475
Total	368	1,618	1,986



1.6 Organizational culture nurturing and participation of employees

Management Strategies

Upon transforming into the Digital era, the company have different generations of employees whose behaviors, lifestyles and opinions towards working are totally different, thus in order that different generations employees can work smoothly together under the same scheme, it requires to have a strong organizational culture. Therefore, the company focuses on nurturing the organizational values based on the W A C O A L value including encourages employees to generate their creativity, participate in continuous innovation development through diversity of channels as well as nurturing the superiors to be the models and integrate such values into the team working.

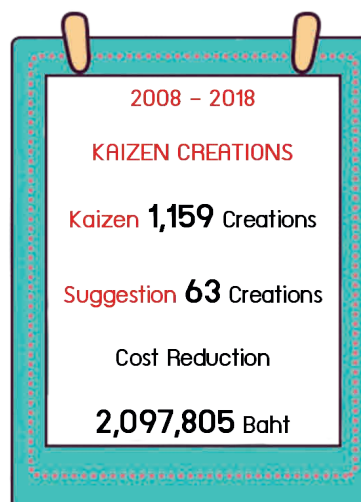


The company has the goals towards the Innovative Organization by having systematically innovation development and the encouragement scheme for employees to always use their creativity for work improvement. It is under the slogan **“Never stop or kill your Brilliant Creativity”**.

2018 Performance

In 2018, the company had joined the Innovative Organization Evaluation with the Securities Exchange of Thailand and also encouraged the implementation of Kaizen & Suggestion system within the organization as part of the routine works.





Moreover, the company has provided channels to listen to comments and opinions of employees from various channels such as the web board in the Intranet, Suggestion boxes, E-mail of executive officers and human resources division. Such suggestions would be handled in the appropriate way.

Channels	Number of suggestions / comments	Number of issues being solved
1. Web board in the Intranet	33	5
2. Comment box	12	3
3. E-mail to the executives	2	2
Total	47	10

1.7 Organizational Bond and Satisfaction of Employees

Management Strategies

Thai Wacoal is willful to have employees work happily as in their second house. The company thus plans to hold activities to promote quality of life in various aspects based on the concept, Happy 8; create happiness in workplaces, set good working environment for example, providing relax massage by vision disabilities, providing exercise areas, aerobic and yoga activities, as well as training programs that are benefit for the living of employees such as the programs of “Life Management to Eliminate Debt”, “Be Prepared Before the Retirement”, “Work Brightly with enthusiasm”, “Be Ready to Be a Mother”, in order to create the bond in working.

Massage for relaxation



Program for life management to eliminate debt



Furthermore, the company had conducted the satisfaction survey from the employees in order to encourage the participation in organization development and take such information into consideration for improvements and increase higher satisfaction of employees as well as use it as one of the success KPI of the organization in each year.

2018 Performance

In 2018, the company had conducted the satisfactory survey with 1,795 employees out of totally 2,624 employees, accounted for 68.41% of all employees. The survey emphasized on the factors of working nature, working condition, work progress, superior (manager), colleagues / teamwork, salary and welfare, stability in working with the company, organizational management and culture. The survey results revealed that **the employees had satisfaction in overall 3.75 scores out of the total 5 scores**, which was in the high level. However, the factor with the least scores was salary and welfares, which the company will take into consideration for planning of improvement.

Satisfaction Survey of Employees in 2018

Areas	Mean	Interpretation	
Working Nature	3.95	High level	1
Working Condition	3.73	High level	
Work Progress	3.51	High level	
Superior (Manager)	3.73	High level	
Colleagues / Teamwork	3.82	High level	
Salary and welfares	3.33	Medium level	2
Stability in working with the Company	3.93	High level	
Organization Management	3.87	High level	
Organizational Culture	3.82	High level	3
Mean of all areas	3.75	High level	

1.8 Labor practices, respect for human rights and promoting diversity and equal opportunity

(See the more details in the heading “Sustainability Development Report” on Corporate Governance Performance, under heading “Human Rights”)

2014 – 2018 employee data

Data	Unit	2018		2017		2016		2015		2014	
		Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Total Employees	person	2,706		2,612		2,646		2,642		2,540	
		517	2,189	514	2,098	523	2,123	501	2,141	464	2,077
By Level											
- High Level Managers	person	8	5	7	5	6	5	8	6	8	6
- Intermediate Managers		12	20	12	17	14	18	10	16	10	14
- Managers		67	145	66	120	60	123	64	114	65	116
- Monthly Employees		397	986	391	924	398	914	376	922	336	892
- Daily Employees		33	1,033	38	1,032	45	1,063	43	1,083	45	1,048
By Age											
- 18-25	person	284		292		315		308		259	
	%	10.50		11.18		11.90		11.66		10.20	
- 25-35	person	675		619		663		698		703	
	%	24.94		23.70		25.06		26.42		27.67	
- 35-45	person	882		909		934		956		947	
	%	32.59		34.80		35.30		36.18		37.28	
- 45-55	person	733		659		610		563		525	
	%	27.09		25.23		23.05		21.31		20.67	
- 55 and above	person	132		133		124		117		106	
	%	4.88		5.09		4.69		4.43		4.17	
By Age (Monthly Employees)											
- 18-25	person	133		146		144		153		130	
	%	8.10		9.47		9.36		10.10		8.98	
- 25-35	person	427		372		394		396		382	
	%	26.02		24.12		25.62		26.14		26.38	
- 35-45	person	464		445		447		443		439	
	%	28.28		28.86		29.06		29.24		30.32	
- 45-55	person	485		448		430		408		391	
	%	29.62		29.05		27.96		26.93		27.00	
- 55 and above	person	131		131		123		115		105	
	%	7.98		8.05		8.00		7.59		7.25	
By Time (years) with the Company											
- 0-5	person	603		548		557		555		481	
	%	36.75		35.54		36.22		36.63		33.22	
- 5-10	person	202		168		135		136		142	
	%	12.31		10.89		8.78		8.98		9.81	
- 10-15	person	153		166		159		141		139	
	%	9.32		10.77		10.34		9.31		9.60	
- 15-20	person	138		117		118		142		161	
	%	8.41		7.59		7.67		9.37		11.12	
- 20 and above	person	544		543		569		541		524	
	%	33.21		35.21		37.00		35.71		36.19	

Data	Unit	2018		2017		2016		2015		2014	
		Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Recruitment (Monthly Employees)											
New Employees (Monthly)	person	117		97		114		121		102	
Recruitment Rate (Monthly)	%	7.13		6.29		7.41		7.99		7.04	
Resignation (Monthly Employees)											
Resignations (Monthly)	person	112		115		92		98		164	
Resignation Rate (Monthly)	%	6.83		7.46		5.98		6.47		11.33	
By Age (Daily Employees)											
- 18-25	person	151		146		171		155		129	
	%	14.17		13.64		15.43		13.75		11.80	
- 25-35	person	248		247		269		302		321	
	%	23.26		23.08		24.28		26.80		29.37	
- 35-45	person	418		464		487		513		508	
	%	39.21		43.36		43.95		45.52		46.48	
- 45-55	person	248		211		180		155		134	
	%	23.26		19.72		16.25		13.75		12.26	
- 55 and above	person	1		2		1		2		1	
	%	0.09		0.19		0.09		0.18		0.09	
By Time (years) with Company (Daily Employees)											
- 0-5	person	507		488		533		542		466	
	%	47.56		45.61		48.10		48.09		42.63	
- 5-10	person	129		142		118		103		129	
	%	12.10		13.27		10.65		9.14		11.80	
- 10-15	person	89		94		85		96		107	
	%	8.35		8.79		7.67		8.52		9.79	
- 15-20	person	88		101		124		146		165	
	%	8.26		9.44		11.19		12.95		15.10	
- 20 and above	person	253		245		248		240		226	
	%	23.73		22.90		22.38		21.30		20.68	
Recruitment (Daily)											
New Employees (Daily)	person	180		162		189		232		208	
Recruitment Rate (Daily)	%	16.89		15.14		17.06		20.59		19.03	
Resignation (Daily Employees)											
Resignations (Daily)	person	319		286		336		320		326	
Resignation Rate (Daily)	%	29.92		26.73		30.32		28.39		29.83	

2. Relationship Management with Communities and Social Accountability

As Thai Wacoal has been aware of the roles in participating for taking care of society and community, which are the significant sectors for business contribution towards sustainable growth, the emphasis has been on life quality upgrading, enhancing strength and happiness for society and communities for the abreast growth.

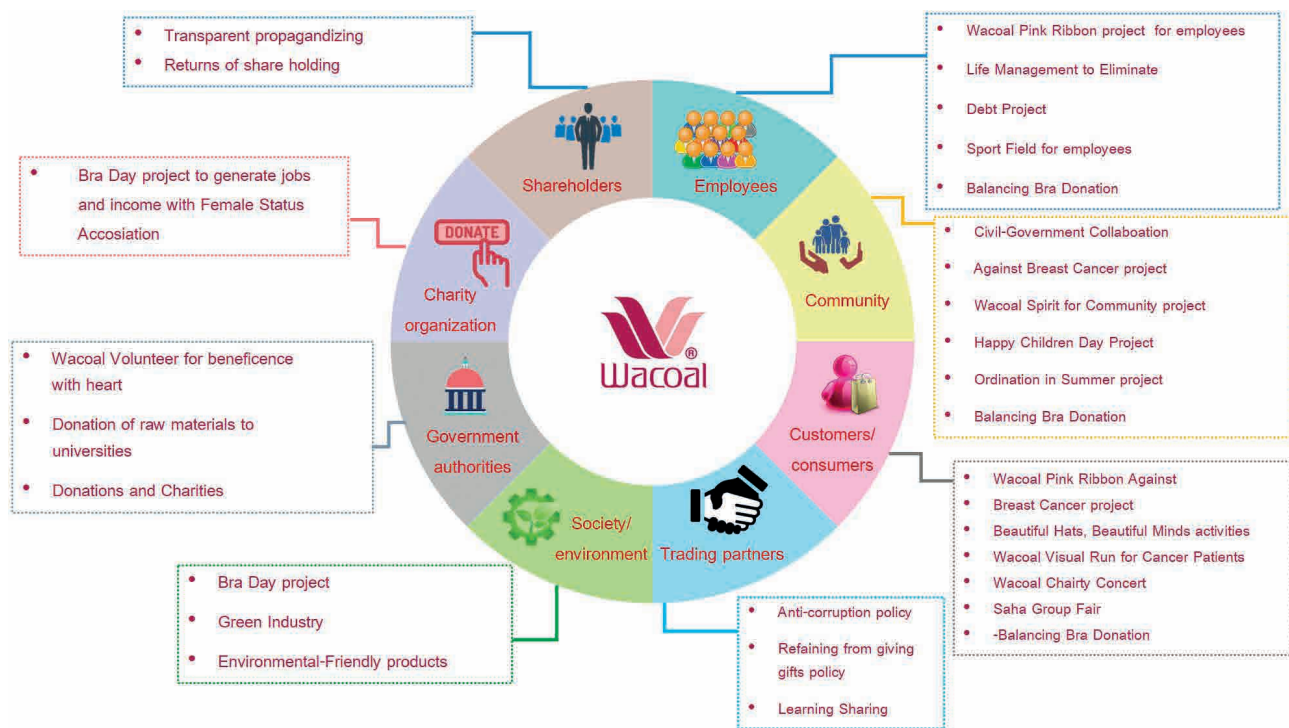
Commitment and Goals

Because of the concept “**Women...Beauty Inside**”, thus the creations of values and balance for both Body & Mind of females are emphasized. Since the healthy body and mind will lead to the happiness in living, Thai Wacoal gives precedence to the health promotion, self-prevention from breast cancer, breast cancer patients care for recovering their confidence in living and providing opportunity for medical treatment access, which have operated comprehensively both society and community levels.

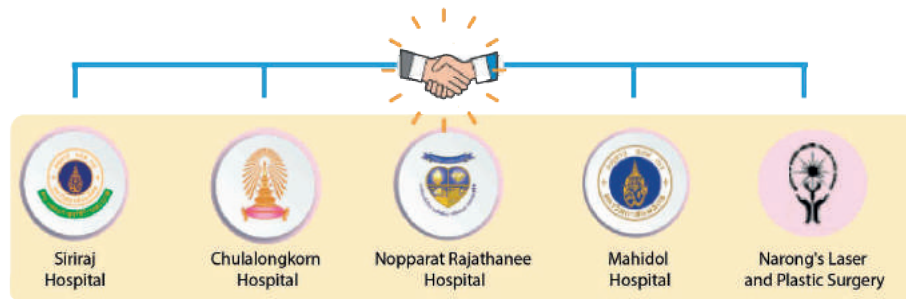


Management Strategies

Thai Wacoal has operated by taking into consideration of all groups of stakeholders to make balance in all sectors and to bring about abreast driving power.



The company has operated by taking into consideration of all groups of stakeholders to make balance in all sectors and to bring about abreast driving power.



2018 Performance

“Wacoal Pink Ribbon.....Against Breast Cancer” Project

The company has continuously conducted the “Wacoal Pink Ribbon....Against Breast Cancer” project since 2000 through the following activities;



1. Wacoal Cares for Your Breast, Mammogram Saves Your Life” Year 9th

To cooperate with the National Cancer Institute, Regional Cancer Hospitals, Department of Medical Services, Bangkok Hospital Chain, and 28 leading hospitals joining the project in countrywide. The campaign was to persuade females to check up for breast cancer screening using the Mammogram and Ultrasound devices as well as educate them for self-breast check up technique. With regular check up and early diagnosis can provide more opportunity for curing.



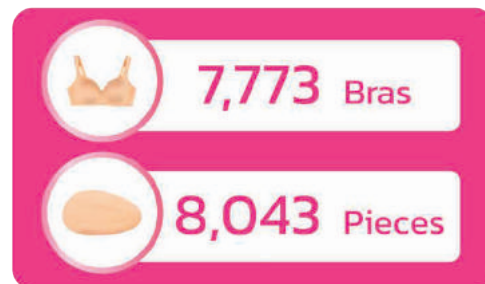
2. Balancing Bra Donation Year 10th

To give the underwear: Balancing Bra with false breast, which is the innovation developed by Thai Wacoal for females who had breast operation to recover their confidence in living. The campaign was to persuade customers jointly give and help needy patients. Customers or people who had breast operations could directly send their applicants to the company, and then the products would be sent to them without any charge. The company also gave the products through charity organizations and agencies such as President of Provincial Red Cross Chapter, private and public hospitals as well as countrywide shopping malls and stores.



Number of Balancing bras and prosthetic breasts
gives to breasts cancer survivors

2009-2018



3. The research for breast cancer screening by blood

The company had supported research scholarships to the National Cancer Institute to conduct the "Research and Development for New Method of Breast Cancer Screening through Identifying Tumor Marker in Blood" Project. This project will give more access of Thai people to the breast cancer screening services with not so expensive cost. Currently, the project is under the development. If it succeeds, it will be a significant medical innovation.



4. Civil-Government Collaboration against Breast Cancer project for Community

The company has focused on creating opportunities for neighboring communities of the company, in Bangkok and provinces that the branches are located to be educated on self-prevention from breast cancer by inviting expert physicians to educate and nursing teams to teach how to self-check and grope breast and in case of anomaly found, the company will take care by sending them to deliberately check up through the Digital Mammogram.

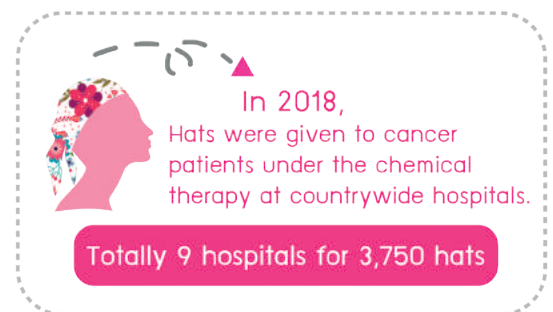


Number of Participants in from 2014 – 2018



5. Beautiful Hat...Beautiful Mind

The company has invited customers, interested people, and organizations to join the activity: “Beautiful Hat....Beautiful Mind”, to invent and decorate hats for cancer patients under the chemical therapy, who might suffer from hairfall. The company provides soft, tender, irritation-free and nontoxic fabric as raw materials and hires females in emergency housing of the Female Status Enhancement Association to do the sewing. This activity had been given good collaborations from all sectors. Apart from jointly decorating hats, there were also opportunities for hat decorators to write encouraging messages to patients receiving such hats.



Bra Generating Careers Project...to the Female groups in the Emergency Home in 7th year

The company gave raw materials that were the good condition leftovers from manufacturing to the female groups in emergency home of Association for the Promotion of the Status of Women under the Royal Patronage of HRH Princess Soamsawali to make souvenirs or commodities and sell for income to the females in the emergency home. In this regards, it has done jointly with Bunka Fashion College sending instructors to teach the design and sewing.

In 2018, the income generated for the female groups in emergency home was
993,280 Baht



Social Serving Innovation : Wacoal Body Clinic

The company applies the knowledge and expert for innovative product development to serve the needs and fulfill confidence of all groups of customers. It has been the social service innovation for customers who are in need of special care or medical clothes that can help relieving symptoms by the operation wounds. Customers can order for specific tailoring to fit their own bodies within 7 comprehensive services, namely;



Sales in 2015 - 2018 = 101.81 MB.



Demonstration and Lecture Project on Teenagers

Thai Wacoal has applied knowledge and expert in female and children figure researches, which has been consecutively conducted for 38 years to convey and publicize to countrywide Primary school students, whose figures, bodies, emotions as well as hormones are under the transformation from childhood to teenage. The purpose are to educate children to understand the changes and know how to observe by themselves as well as to properly behave in various aspects such as having friends, loves in school age etc., in order that children will have proper emotional maturity and to grow up and become good youths of the country.

Number of Elementary Students Participated in the Program

Year	School 🏫	Students 🎓
2016	52	11,440
2017	27	6,710
2018	34	6,165
Total	113	24,315

Wacoal Bra Day Project, 7th



The company has been aware of the importance for environmental reservation by management with care throughout the supply chain in the systematic way from the process of procurement for environmental-friendly raw materials, design, manufacturing, delivery of quality products to the proper management for deteriorated lingerie, in order to mitigate effects against the environment. The project of Wacoal Braday thus has been consecutively conducted for 7th year.

The company has held the campaign for customers and people to donate their old unusable lingerie in all brands by displaying the donation boxes at the counters of Wacoal products in all shopping malls.

Furthermore, the company also request for collaborations from agencies, organizations and companies to allow displaying the donation boxes, which the response and feedback were very well from such organizations, for example, Bangkok District Offices in 52 districts, Thai Airway Public Company Limited, Thai Life Insurance Public Company Limited.



In this regards, the company had transformed the donated bras to be the alternative fuel for coal, which was burnt in the closed system at 1,800 degree celsius used in cement manufacture. This could reduce the use of fuel, mitigate environmental effects, and global warming caused by the over amount of community wastes. Moreover, the leftovers of metal push up, adjusting rings and hooks were melted to be reused.



Reduction of
3.08 ton Carbon Dioxide
equivalent to planting 152 plants



Reduction of 3.6 tons of coal
by using the alternative fuel
in the cement manufacture



Reduction of 2.56 tons of community
wastes; in average 1 bra=100 grams

3. Work Safety, Vocational Health and Working Environment

Commitment and Goals

Safety is the primary concern for all occupations. Thai Wacoal's workplace safety goals are zero fatal accidents and zero major accidents causing more than 3 days of absence within 1,000 work days or 21.65 million work hours.

Management Strategies

Thai Wacoal has set up a safety risk assessment in all of the production activities. Employees are required to comply with safety operating procedures and attend workplace safety trainings. Working environment is constantly assessed for safety risks. Employees' health is taken care of by providing regular medical checkups-annual, and special checkups according to risks. The Workplace Safety, Health, and Environment Committee is established to oversee the employees' safety.

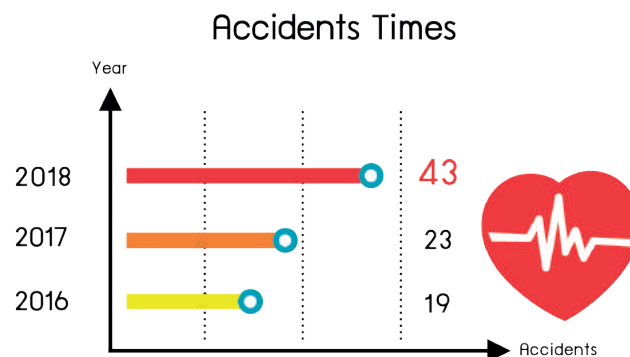
The company also made 5 emergency plans, in comprehensively for emergency events that may occurs in the company, namely; Fire prevention and Fighting, Emergency plan for Chemical leaking, Emergency plan in case of protest and rebellion, Operational emergency plan in case of threatened terrorism, and supporting plan for earthquake in order to be prepared for the emergency cases in timely and efficient manner.

2018 Performance

According to the aforesaid performance, the company was consecutively awarded in the “Project of National Outstanding Workplace Competition for Work Safety, Vocational Health and Working Environment” in the 4th year.

In 2018, there were no injured or sick employees, who asked for leave more than 3 days in the company. Thus, the rate of injury and sickness of employees that in need of over 3 day leave accounted for 0.00% of all employees; it's less than 2017 which there was 1 employee for the leave. Moreover, there were

accidents occurred in 2018 to 43 employees, accounted for 1.59% of all employees. The Company had analyzed the cause of the accidents as well as sought for prevention measures and improvement as well as regularly provided training to employees.



Moreover, in 2018, no occurrence of serious event that caused business interruption of the company.

The company has operated activities to enhance Work Safety, Vocational Health and Working Environment and is prepared for any emergency case within the organization as follows;

1. Training

The company has provided 13 training courses on Work Safety, Vocational Health and Working Environment in 2018 such as “Nurturing Safety Culture in the Organization”, “Basic Fire Fighting and rehearsal of Emergency Evacuation Rehearsal”, “ Basic First Aid”. There were 566 employees being trained, accounted for 20.92% of total employees.

Meanwhile, the company provided 11 training and rehearsal program for emergency case in 2018, having 540 employees being trained, accounted for 19.96% of all employees.

2. Analysis of working environment

The company together with Occupational Safety, Health and Environment Technology Center, under Safety and Health at Work Promotion Association (Thailand) conducted the analysis and inspection for working environment to seek for the sources of pollutions, amount of pollution and to control the environmental quality in safety level for working as the fundamental information for precaution of diseases or sickness from working. In 2018, there was no report on the risk of any working disease from any division within the company.

3. Inspection of Safety Equipment

The Company has monthly inspection for preventive equipment such as fire extinguishers, fire hose, Fire Warning System, and always surveys and improves fire escape routes to always be ready for usage.

4. Promotion of Work Safety

The company annually holds the activity of SHE-Q Day (Safety Health Environment - Quality Day) to make awareness to employees on the importance of safety in the organization as well as in Songkran Festival, there is the campaign for employees for Safety Drive and Don't Drink and Drive.

5. Drug Prevention Project

The company has set the workplace to free from liquor, drug, or other addictive substances, which will deteriorate working capability of employees and will also affect to work safety and efficiency of employees.

The company together with Bangkholaem District Office has annually conducted the random test for addictive substances twice a year to prevent drug problem occurrence in the workplace. In 2018 the Company found no addictive substances in employees.



Environmental Performance

Beautiful earth
Environmental

“Determined to preserve the environment and through the efficient use of resources for the next generation”

Thai Wacoal manages all of its operations under the “WACOAL ECO SYSTEM” to ensure safe and environment friendly operations. All business activities are conducted in compliance with this system, such as the Green Procurement, Materials Design, purchasing only high quality materials, effective production and inventory, including communicating accurate information to customers and environmental friendly waste disposal.

WACOAL ECO PRODUCT SYSTEM



1. Climate Change (Greenhouse Gas)

Commitment and Goals

Thai Wacoal identified the sources of greenhouse gas emissions in the company's activities and implemented measures to control the amount of emission. **The target is to reduce the company's greenhouse gas emissions by more than 2% per year** through energy saving campaigns, which is the greatest source 86% of greenhouse gas emissions.

Management Strategies

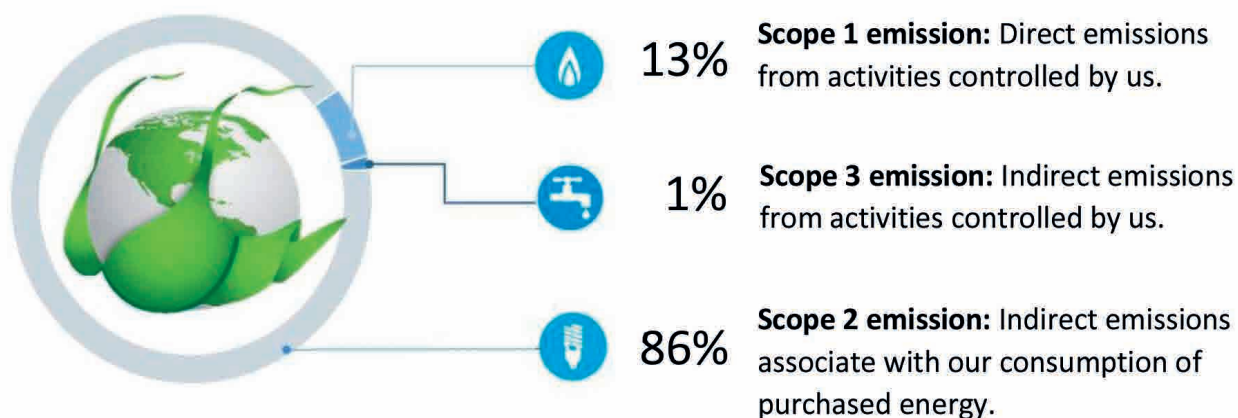
Thai Wacoal Public Company Limited is a part of the society which consumes natural resources; it thus gives precedence to the solution and prevention of pollution caused by the operation that has direct and indirect effects to the consumption of natural resources through the use of electricity and fuel. This has caused the emission of green house gas to the atmosphere. The company has been aware to participate in mitigating global warming by green house gas management that emerged through the activities within the organization in order to reduce the emission of green house gas. Therefore the evaluation of Carbon Footprint of the organization was conducted to analyse the sources of green house gas emission by activities within the organization and seek for guideline for efficient reduction of green house gas emission, which can be implemented to continuously reduce green house gas in industrial sector and will impact the reduction of green house gas emission in national level in overall.

The company has evaluated its carbon footprint – the amount of greenhouse gas emitted in tonnes of CO₂ equivalent (GtCO₂eq.) from the company's operations including fuel combustion, electricity use, waste disposal, and transportation within the following 3 scopes:

Scope I : Direct Emissions from the company's operations, including fuel combustion in machines, use of corporate vehicles, use of chemicals in water treatment, and leakages from operations.

Scope II : Energy Indirect Emissions – the purchase of energy used in the company's operations. This includes electricity, heat, and steam.

Scope III : Other Indirect Emissions: for example, employee transportation using non-corporate vehicles, field conferences or seminars, and use of office supplies.



2018 Performance

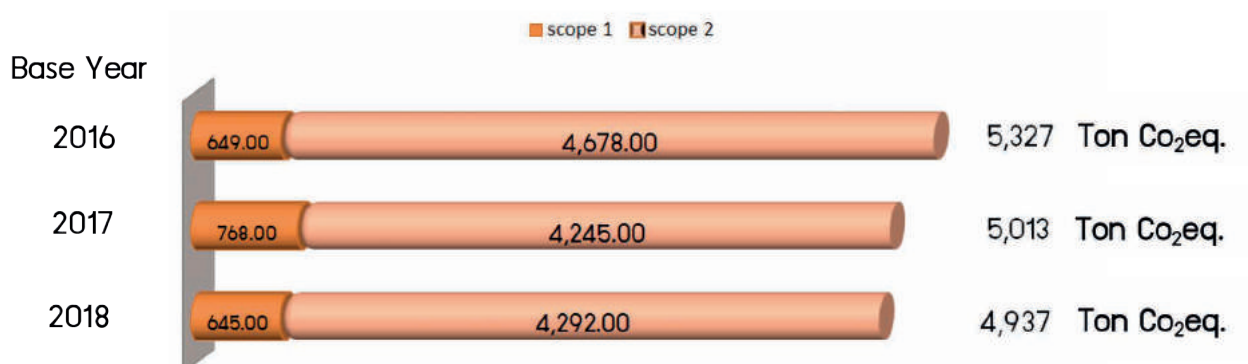
The evaluation of Carbon Footprint in 2018

The company has evaluated greenhouse gas from the organization's activities such as fuel combustion, electricity usage, waste management and transportation, using the information during January 1st to December 31st 2018, the evaluation results are shown as follows;



Evaluation results in 2018

Total Greenhouse Gas Emission : (Scope 1&2)	4,937.00	Ton Co ₂ eq./year
Direct GHG Emissions :	645.00	Ton Co ₂ eq./year
Energy Indirect GHG Emissions :	4,292.00	Ton Co ₂ eq./year
Other Indirect GHG Emissions :	54.00	Ton Co ₂ eq./year



In 2018, the result of Carbon Footprint of the organization was 4,937 Ton CO₂eq./year. In comparison to the evaluation result in 2017, it was found that it reduced for 76 Ton CO₂eq., as a result of various measures from energy conservation project and the participation of employees of the entire company.

Green House Gas Emission Offset

According to the activities : Wacoal Bra Day , under the concept “Zero Waste or Waste = 0” , that is to say, to eliminate to remain the least amount of wastes until no waste left as environmental pollution through the use of recyclable raw material as much as possible as well as the reduction of wastes to be leftover as least as possible. Wacoal has brought the deteriorated and unusable bras into the bio-degrading process to be used as an alternative fuel in replacement of coal in the burning process in the closed system at the temperature 1,800 degree celsius in the cement manufacture to reduce pollution, natural resources consumption, and greenhouse gas emission to 19.46 tons of Carbon Dioxide or equivalent. This can offset the greenhouse gas emission from the organization's activities.

Amount of greenhouse gas from the organization's activities	4,937.00	Ton Co ₂ eq.
Amount of greenhouse gas reduction from the Wacoal Bra Day activities	19.46	Ton Co ₂ eq.
Therefore, the amount of greenhouse gas emission from the organization's activities equals to	4,917.54	Ton Co ₂ eq.



2. Energy Consumption

Commitment and Goals

By the limitation of domestic energy resources and reliability on imported fossil fuel sources as the major energy sources for electricity generation that affect to the fluctuation of energy cost and it is likely to be higher every year.

Thai Wacoal has been aware and willful for the control of electric energy towards the highest efficiency in order to have worthwhile usage of natural resources, mitigate the most effects to the environment, and reduce the energy cost of the Company. The goals in 2018 were to reduce the usage of electricity per unit (Specific Energy Consumption (SEC)) no less than 2%, in comparison to 2017, as well as to operate the business in accordance to the 20 year Energy Conservation Plan (EPDP 2015) between 2015-2036 of the country with the goal to reduce energy usage for 30% within 2036.

Management Strategies

1. The Operation under rules regulations and international standards

Thai Wacoal is willful to operate the lingerie manufacture business with the least energy usage in manufacture and the least effect to environment. Apart from compliance to regulations and laws, the company also conducted the energy conservation in accordance to the guideline of the international energy management

system requirement: ISO 50001:2011. The company was certified on the standards by Bureau Veritas Certification (Thailand) Ltd., which is the practice that given the company to continuously has better energy conservation practice year by year.

2. The increase of efficient energy usage and continuous improvement

Thai Wacoal has continuously conducted works and activities on energy conservation with the control, promotion, and support measures towards the higher efficient energy usage. The precedence is given to the energy conservation project both with investment and non-investment along with the study of technology for energy saving and applying such technology for benefits of the company.

3. Fostering Awareness on energy conservation to employees in the organization

The company provides training every year. In 2018, the training courses provided were “ Awareness of energy conservation” to promote and construct of knowledge and awareness on energy conservation to employees as well as to conduct activities that contributes to the enhancement and promotion of good organization culture on energy conservation such as the activity; SHE-Q DAY 2018, the assessment activity of basic status on energy management in 6 dimensions, namely the assessment on energy management policy, the assessment on organization management, the assessment on stimulating and motivating, the assessment on energy information system, the assessment on public relation, and the assessment on energy investment. Those are the activities that promote the participation and open for suggestions on energy conservation in the organization of all employees. 1,490 employees participated in the activities, accounted for 55% of all employees.

Training and activities to promote energy conservation in the organization



4. Enhancement of personnel ability on energy conservation

Thai Wacoal gives precedence to the potentiality development and enhancement of personnel ability in order that employees will possess specific skills and body of knowledge, and can work mastery while keeping up to the era of 4.0. In 2018 the company sent the employees as the working committees on energy management for external training such as “Air conditioner system: CHILLER 4.0”, “Air conditioner system VRV, VRF”, by which VRF Air conditioner technology that can highly reduce energy consumption in comparison of the old system.

5. Preventive working

The company has set the plan for maintenance of machines, the main equipment that consume high energy like the machine for utility by focusing on Preventive Maintenance in order that the machine and equipment will be ready for usage, be maintained in good condition and be prevented from damage. Moreover, there is also the continuous conduct for control measures for efficiency or capability value of the significant machine then the most efficient machine will be set in the first order for use. This affects the ability to effectively control the work of the machine and equipment, the work safety and the reduction of energy loss and mitigation of environmental effects.

2018 Performance

The company uses the Secondary Source energy in the manufacturing process which is the Indirect Energy from the Metropolitan Electricity Authority. In 2018, the company consumed electricity for 7,373,000 kWh., which in overall, in comparison to 2017, it increases by 1.25%. Since the company had more products by 1.71% from the performance in accordance to the objectives and goals in 2018, and had caused the company to consumed less by 0.46%, meanwhile the goals for energy reduction was no less than by 2% of the energy consumption index per product unit.

2018 Energy Saving Performance



Energy saved: 33,079 KWh.

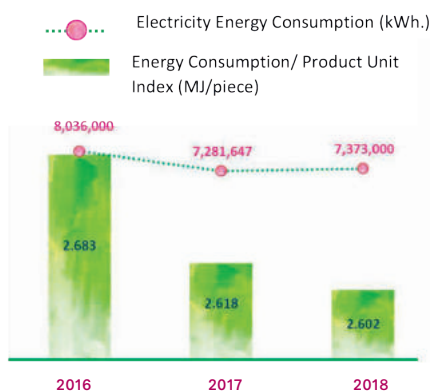


Money saved: 135,955 baht per year

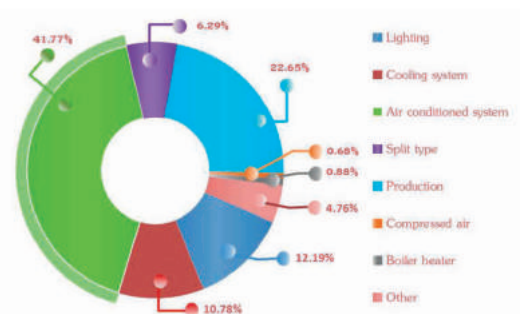


Reduced greenhouse gas emission: 19.25 GtCO₂eq.

Energy Intensity indicators



Proportion of electric city consumption



Management of energy and greenhouse gas

Energy and greenhouse gas information	Unit	2016	2017	2018
Electricity usage for the entire organization	Kilowatt-hour	8,036,000	7,281,647	7,373,000
Energy Consumption index	Megajoules per item	2.683	2.618	2.602
Reduction of energy consumption	Kilowatt-hour	229,004	182,937	33,079
Amount of greenhouse gas emission	Carbon dioxide ton equivalent	4,677.7	4,238.6	4,291.8
Amount of greenhouse gas emission reduction	Carbon dioxide ton equivalent	133.3	106.5	19.25

3. Water Management

3.1 Management of Water Supply

Commitment and Goals

Water is deemed as the valuable resource that is needed for conservation and should be used for optimal value. The company is thus attentive and gives precedence to the water management within the organization, which is the consumption of water supply by employees. The company set the goal for **“water consumption reduction by 2% in comparison to the consumption of 2017”** as well as the effective management of waste water draining outside the Company in order that the waste water has the quality meeting the standards criteria required by laws.

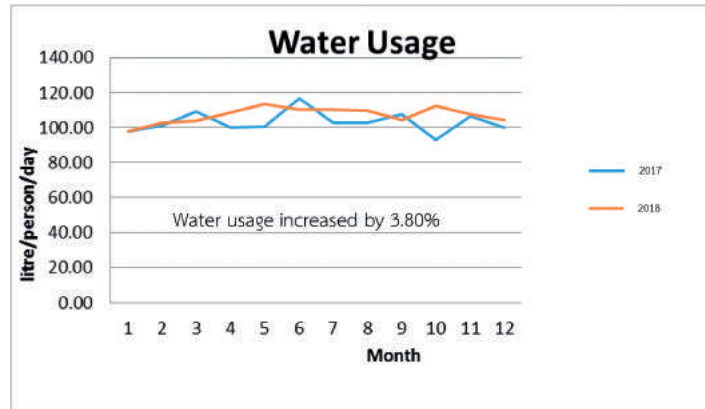
Management Strategies

The company has conducted systematic water energy conservation throughout the company by having the campaign to foster awareness of employees to make optimal use of water. There were improvement of bathrooms and toilets to use water at the appropriate amount as well as the improvement of water spare tank to be sufficient for usage.

2018 Performance

In 2018, the company used water supply for 87,110 cubic meters, the average water usage was 107.25 liters/person/day, which increased by 3.80% in comparison to the water usage in 2017. Since the activities with the highest water usage is the use of water in the cooling system for heat extractor in working areas. The amount of usage was 46,098 cubic meters, accounted for 52.92%, followed by the use of water for consumption at the amount of 38,660 cubic meters, accounted for 44.38%, with the details as follows;

Water Usage Activities in 2018	Amount (Cubic meter)	Proportion (%)
1. Condenser water / Cooling water	46,098	52.92
2. Water for consumption	38,660	44.38
3. Water used in steam boiler	871	1.00
4. others and loss water	1,481	1.70
Total	87,110	100.00



3.2 Management of Waste Water

Commitment and Goals

Thai Wacoal locates in the areas surrounded by communities, the company then has been aware of the effect of waste water draining emerged by processes and activities of the company. Before draining into public water sources, there should be water treatment to make the waste water meeting the standards as required by laws. This is the environment accountability that the company has continuously conducted with the goal “No complain for waste water draining from surrounding communities”.

Management Strategies

The company has conducted water treatment procedure before draining to outside. It starts by making the plan for measuring the quality of waste water and following up the operation of water treatment system, installing the water treatment system as well as following up and assessing the system operation for improvement and development.

2018 Performance

Because of the systematic water management, **the result of waste water quality analysis in 2018 was less than the criteria required by laws.** The amount waste water in 2018 was 37,091 cubic meters. Most of waste water came from waste water in toilets for the amount of 28,398 cubic meters, accounted for 76.56%, followed by waste water from washing and cleaning for 6,342 cubic meters, accounted for 17.10%. The Company has regularly measured the waste water quality according to the determined plan with 4 set of water treatment system in the Company installed at the front of Building 1, Building 6, beside Building 3 and behind Building 3. Furthermore, the quality of waste water has been measured (Dissolved Oxygen (DO) and PH values) with the equipment already had calibration from outsource and some sample was collected for analysis by the licensed company and legally approved laboratory. Therefore, there was **no complaining for waste water draining by surrounding communities.**

Details	Unit	2018				Legal Standard
		Point 1 In front of Building 1	Point 2 In front of Building 6	Point 3 Side of Building 3	Point 4 Side of Building 3	
1. pH	pH	7.1	7.6	6.9	7.4	5.5 – 9.0
2. Chemical Oxygen Demand (COD)	mg/l	25	73	44	56	≤ 120
3. Color in Wastewater (COL)	ADMI	49	67	49	43	< 300
4. Organic Nitrogen and Ammonia Nitrogen (TKN)	mg/l	25.95	51.15	12.65	39.49	≤ 100
5. Total Dissolved Solids (TDS)	mg/l	496	372	484	284	≤ 3,000
6. Oil & Grease	mg/l	< 2	< 2	< 2.0	< 2.0	≤ 5
7. Suspended Solids (SS)	mg/l	6	18	4	10	≤ 50
8. Biochemical Oxygen Demand (BOD)	mg/l	6.8	17	4.4	7.7	≤ 20
9. Water Temperature	°C	30.8	31.2	31.5	30.9	≤ 40

Amount of waste water in 2018	Amount (Cubic meter)	Proportion (%)
1. Waste water (bathrooms)	28,398	76.56
2. Washing and cleaning water	6,342	17.10
3. Waste water from steam boiler	870	2.35
4. Other and loss water	1,481	3.99
Total	37,091	100.00

4. Waste Management

Commitment and Goals

Thai Wacoal was certified for the environmental management standards: ISO 14001: 2015, which requires the systematic waste management inside the factory, for example, the sorting out of solid wastes from industrial waste for the convenience of disposal and worthwhile usage of resources. **The goal set for 2018 was to increase the proportion of industrial waste for reuse and recycle no less than 50%.**

Management Strategies

The company has adopted the waste management guideline using the 3Rs principle (Reduce Reuse and Recycle);

- **Reduce** : using Computer Grading technology to position the pattern papers on fabric in order to have the least fabric remnant from cutting,
- **Reuse** : reusing and recycling good condition packaging such as card boxes, plastic bags from warehouses,
- **Recycle** : making leftover and unusable of materials into usable objects such as leftover of sponge and fabric.

2018 Performance

The company had sorted out waste for 863,425 kilograms. Most of them are solid waste for 546,000 kilograms, accounted for 63.24%, followed by industrial waste for 314,409 kilogram, accounted for 36.41%. Such industrial wastes were managed adopting the 3Rs principle (Reduce Reuse and Recycle) for reuse, recycle and process at the amount of **227,272 kilograms, accounted for reused and recycled industrial wastes for 72.29%, reaching the set goal.**

Types of wastes	Amount (kg.)	Proportion (%)
1. Solid wastes	546,000	63.24
2. Industrial wastes	314,409	36.41
3. Recycled wastes	942	0.11
4. Harmful wastes	2,074	0.24
Total	863,425	100.00

Types of Industrial wastes	Amount of wastes reused and recycled (k.g.)
1. Card boxes	169,470
2. Waste paper	42,615
3. Plastic bags	7,445
4. Sponge and fabric remnants	6,000
5. Infertile oil	800
6. Others	942
Total	227,272

Good Corporate Governance

1. Fair Business Conduct

Commitment and Goals

The company's mission is to continuously raise its level of competitiveness for sustainable growth, while maintaining a high level ethics, morality, and trustworthiness among stakeholders. Thai Wacoal has a clear, written business management and stakeholder treatment policies which directors, managers, and all employees strictly hold to. The company avoids situations that would cause conflicts of interest, respecting stakeholders' rights and maximizing mutual benefits.

Fair Competition

Management Strategies

Thai Wacoal focuses on building business alliances to achieve mutual growth. It operates under fair competition regulations compliant with the purchasing protocol and the ISO 9001:2015 standard. Strict policies have been made to regulate reception parties and giving and receiving gifts to prevent personal benefits other than stated in the trade agreement. The company does not discredit its competition, does not dishonestly acquire information, does not copy or use others' intellectual properties without consent.

2018 Performance

The company has not received complaints or disputes of unfair competition.

Respect to Property Rights

Management Strategies

1. Respect shareholders' ownership. Protecting their interests, providing equal opportunities for all shareholders. Establishing investor relations unit to communicate with shareholders and investors.
2. Protecting the consumer rights by producing safe and environment friendly products, honor trade agreements, quickly respond to customer feedbacks and complaints, guaranteeing customer satisfaction and offering returns for defective products, establishing customer service and call center to closely attend to customers.
3. Respecting employees' human rights without any kinds of discrimination.
4. Ensuring a stable financial status and ability to repay debt, honoring all contracts and agreements.
5. Ensuring no violation of intellectual rights, no usage of others' products or ideas without consent, no support for violations of intellectual property, while protecting the company's own intellectual properties by applying for patents.

2018 Performance

The company has not received complaints or disputes of violations of intellectual property.

Anti-corruption Measures

Management Strategies

1. Setting up an anti-corruption guidelines and regulations to create a non-corruption culture for all employees. Showing no support for dishonest success.
2. The 6/2014 Company Board Meeting on 23 February 2015 resulted in a written anti-corruption policy. It is revised every year to reflect the current situation

Anti-corruption Policy

"The company is firmly committed to uphold such practice stipulated by laws relating to anti-corruption in Thailand, by strictly instructing all company directors, management members, and company employees, not to engage in, condone, or encourage, any act alleged as corruption practices, in any form, whether directly or indirectly, enforceable upon all business categories and all departments concerned."

The board also approved operating procedures to specify anti-corruption actions, set up a reporting system for complaints of corruption within the company, whistleblower protection, and punishment for offenders and supporters.

3. Joining voluntarily the Partnership Against Corruption for Thailand (PACT) and becoming a member of the Thailand's Private Sector Collective Action Coalition Against Corruption (CAC)

4. Establishing the Anti-corruption Committee to oversee the company's anti-corruption policy and procedures, to ensure a transparent company, building trust among stakeholders. The committee's performance report is prepared and presented to the Good Governance Board every year.

5. Establishing an efficient risk management and internal control systems for prevention of corruption. Details as follows:

5.1 Methods to assess corruption risks

Every year, The Risk Management Committee develops a plan to manage the company's operational risks including risks from corruption, which is separately assessed from other risks. Appropriate control and prevention measures are set up to respond to those risks.

5.2 Monitoring and control to prevent corruption risks

The company evaluates the adequacy of the internal control and anti-corruption systems in sales, purchasing, and accounting. It also sets up channels to report or file complaints about violations of the law or ethics, corruption, and internal control flaws. Whistleblower protection measures, investigation procedures, and punishments are also set in place. If the whistleblower can be reached, the company will report the investigation results in writing.

5.3 Monitoring anti-corruption policies

- The Anti-Corruption Committee reviews and monitors the actions taken under the anti-corruption policies on political support, donations, party receptions, and gifts. It also monitors complaints filed through all the channels. A report on the results of the anti-corruption policies is prepared and presented to the Good Governance Board, Review Board, and the Board of Directors respectively.
- The Risk Management Committee monitors and reviews the company's corruption risks and reports it to the Board of Directors.
- The internal audit unit reviews the internal control systems annually, and reports to the Review Board. If corruption is detected, the internal audit unit will report directly to the Review Board, who will report up to the Board of Directors.
- In the case that the company receives a complaint and investigation results show proof of actions that significantly affect the company's wealth or performance, unlawful, unethical, or signs of corruption, the Managing Director will report to the Review Board and the Good Governance Board, who will report to the Board of Directors.

6. The company's subsidiaries and co-companies are required to conform to the company's anti-corruption policies.

7. Communicating the company's anti-corruption policies and relevant procedures to the public and employees through various channels – corporate website, intranet, letter, bulletin boards, etc.

8. Provide training on anti-corruption policies and relevant procedures to Board of Directors, Managers, and all levels of employees. Training subjects include sponsorship, gifting, punishment, complaint channels and procedures, and whistleblower protection. All employees are required to take a test of compliance to the company's anti-corruption policies. Anti-corruption policies are also included in the orientation for new employees and new managers promoted from the Young Management Development Program.

Study visits and external trainings on anti-corruption policies are also arranged for managers and employees, e.g. "Preparing the Working Paper to Follow CAC Assessment Form" course, "Road to CAC certification process : Experience sharing" course, in order to apply knowledge for use in the organization.

9. Set up communication channels to receive complaint on corruption, providing protection for whistleblowers by keeping all information confidential. The complaints are processed with extreme care and fairness.

2018 Performance

1. Holding training for Anti-Corruption alliances to division and department managers of the company in order that they can convey the knowledge to their subordinates throughout the organization and promoted employees as managers and all new employees were trained on policies and regulations relating to the anti-corruption and took the test on the matter.

Moreover, the directors, executives and employees of 4 subsidiaries; Wacoal Sriracha Co., Ltd., Wacoal Lumphun Co., Ltd., Wacoal Kabinburi Co., Ltd. and Pattaya Kabinburi Co., Ltd. had joined the training program on company policies and regulations relating to the anti-corruption.



2. Holding activities to nurture ethic and moral mind, trained by the provost, Prarachwisuthiprachanath on the tile" Life can be happy...by purified mind" and the participation of "Thai Aware to Against Corruption" activities held by the Anti-Corruption organization.



3. Informing 298 trading partners to refrain from giving gifts in all festivals, and spontaneously made public relation to the directors, executives and employees to be acknowledged and cooperate in refraining from receiving and giving gifts.



4. There was no complaining and no notification of any clue relating to the corruption through the determined channels, meanwhile, in 2017, the company got the complaining and notifications of clues for 3 matters and all matters had been completely settled.

2. Human Rights

Commitment and Goals

Human Rights are basic rights every human shall have. They include personal freedom and social justice, respect to human dignity, and accepting differences.

Thai Wacoal encourages a happy, inclusive society by respecting the rights of all stakeholders, including the rights of all the people. Leading to diversity and freedom of ideas, speech, and actions in the society. Efficient use of resources is also encouraged to provide fair and equal access to people in the coming generations.

Management Strategies

The company stated its human rights policies in the Good corporate Governance Principles and WRAP (Worldwide Responsible Accredited Production). The policies include promoting the employees' understanding of human rights, no limitations of freedom or discrimination of ideas, gender, race, religion, or political views. A communication channel is set up for employees who are treated unfairly to file complaints, which will be fairly attended to. The company does not endorse any kind of activities that violates human rights

2018 Performance

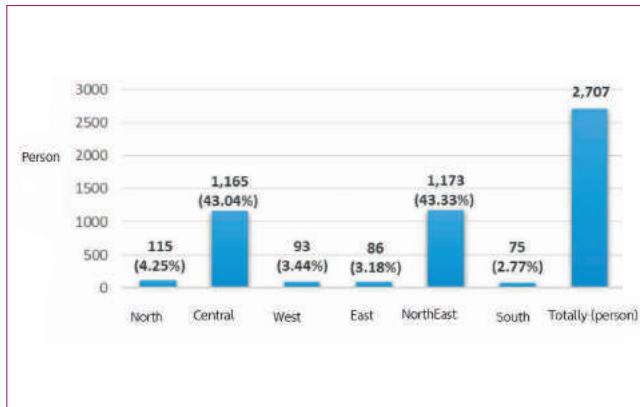
1. Open the opportunity for employees to collectively gather in groups, establish committees as the employee representatives for negotiation and recommendation in various matters. In 2018 the company held an election of workplace welfare committees and safety and vocational health and working environment committees to be in accordance to laws and to enhance the participation within the organization.

2. Implements non-discrimination employment and recruitment. Providing equal work opportunities for every gender, race, and religion. The company also provide work opportunities for persons with disabilities, hiring a total of 27 disabled persons in 2018.

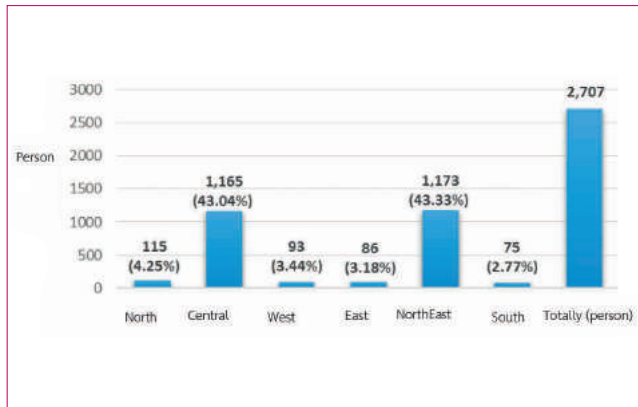
3. Monitoring that partners and subcontractors are conducting fair business without violations of human rights. Human rights compliance is stated in the company's Social Responsibilities Policy, letter stating commitment to WRAP standard, and Purchasing Policy, which are publicly announced to partners and subcontractors.

4. No complaints or disputes on human rights violations were filed against the company.

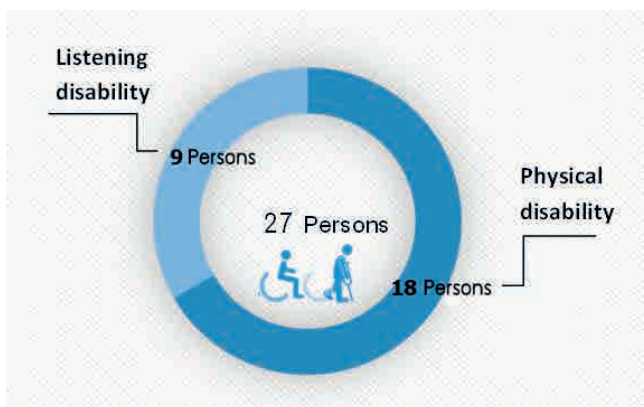
Number of employees by regions



Number of employees by religions



Employment of Disabilities



Election of Welfare Committees and Safety Committee



Honorable Award 2018

Thai Wacoal Public Company Limited was certified as Innovative Organization in 2018.



Thai Wacoal Public Company Limited was certified as Innovative Organization in 2018 by National Innovative Agency (Public Organization) and the Stock Exchange of Thailand for the Project of Innovative Capability Enhancement for entrepreneurs under the Stock Exchange of Thailand.

Thai Wacoal Public Company Limited was assessed on its corporate governance in "Excellent CG" score in the 4th consecutive year rating from the 2018 Survey of Good Corporate Governance practices for listed companies and was also ranked in the top quartile of listed companies with good corporate governance for the seventh consecutive year by Thai Institute of Directors Association (IOD) jointly with Securities and Exchange Commission and the Stock Exchange of Thailand.

Thai Wacoal Public Company Limited was assessed on its corporate governance in "Excellent CG" score consecutively in the 4th year.



Thai Wacoal Public Company Limited received the Green Industry level 4 award.



Thai Wacoal Public Company Limited was awarded as the Green Industry, level 4 in the Green Industry Forum 2018, held by the Ministry of Industry in order to give precedence to the environmental-friendly business operation, with social accountability and ability of sustainable business operation together with society and community with the collaboration of executive officers and all employees on the environmental-friendly business operation until it becomes part of the organizational culture.

1 out of 59 organizations awarded among countrywide workplaces by the Ministry of Labour as the Outstanding Workplace on Skill Development in 2018



Thai Wacoal Public Company Limited was awarded among countrywide workplaces by the Ministry of Labour as the Outstanding Workplace on Skill Development in 2018, bestowed by Police General Adul Sangsingkaew, the Minister of Labour.

Thai Wacoal Public Company Limited was awarded as the Outstanding Best Practice Workplace on Safety, Occupational Health and Working Environment in 2018

Thai Wacoal Public Company Limited was awarded as the Outstanding Best Practice Workplace



Thai Wacoal Public Company Limited had jointly made the declaration of intent on the "Happy PVD Company" project



Thai Wacoal Public Company Limited had jointly made the declaration of intent on the "Happy PVD Company" project, Project of Making Employer to Become Happy Retirement Company, operated by care and attentive employers towards "Happy Retirement" for employees through a provident fund.

GRI Content Index

Universal Standards

Disclosure	Page	Omission / Note
GRI 102: General Disclosures		
1. Organizational Profile		
102-1 Name of the organization	12	
102-2 Activities, brands, products, and services	8 - 11, 21, 23 - 26	
102-3 Location of headquarters	33	
102-4 Location of operations	28	
102-5 Ownership and legal form	38	
102-6 Markets served	12, 21	
102-7 Scale of the organization	28, 236	
102-8 Information on employees and other workers	256 - 257	
102-9 Supply chain	230 - 232	
102-10 Significant changes to the organization and its supply chain	230 - 232	No significant changes during the report year.
102-12 External initiatives	17, 243, 279 - 280	
102-13 Membership of associations	277	
2. Strategy		
102-14 Statement from senior decision-maker	229	
102-15 Key impacts, risks, and opportunities	232	
3. Ethics and Integrity		
102-16 Values, principles, standards, and norms of behavior	57 - 58, 78	
102-17 Mechanisms for advice and concerns about ethics	91 - 93, 275 - 279	
4. Governance		
102-18 Governance structure	49, 60 - 71	
102-21 Consulting stakeholders on economic, environmental, and social topics	33, 92, 95	
102-22 Composition of the highest governance body and its committees	45 - 49	
102-24 Nominating and selecting the highest governance body	72 - 75	

Disclosure	Page	Omission / Note
102-25 Conflicts of interest	76 - 77, 85	
102-26 Role of highest governance body in setting purpose, values, and strategy	61 - 63, 98 - 99	
102-27 Collective knowledge of highest governance body	102 - 103, 210 - 219	
102-28 Evaluating the highest governance body's performance	100 - 102	
102-29 Identifying and managing economic, environmental, and social impacts	30 - 32, 232	
102-30 Effectiveness of risk management processes	29 - 32	
102-35 Remuneration policies	51 - 53	
102-36 Process for determining remuneration	51 - 53, 67	
102-37 Stakeholders' involvement in remuneration	51	
5. Stakeholder Engagement		
102-40 List of stakeholder groups	233 - 234	
102-42 Identifying and selecting stakeholders	233	
102-43 Approach to stakeholder engagement	233 - 234, 242, 255	
102-44 Key topics and concerns raised	233 - 234	
6. Reporting Practice		
102-45 Entities included in the consolidated financial statements	18 - 19, 34 - 35	
102-46 Defining report content and topic Boundaries	228, 234	
102-47 List of material topics	235	
102-48 Restatements of information	233 - 235	No restatement in 2018
102-49 Changes in reporting	228, 235	
102-50 Reporting period	228	
102-51 Date of most recent report	228	
102-52 Reporting cycle	228	
102-53 Contact point for questions regarding the report	228	

	Disclosure	Page	Omission / Note
GRI 103: Management Approach			
103-1	Explanation of the material topic and its Boundary	236, 240, 242, 244, 264, 267, 269, 272 - 275, 279	
103-2	The management approach and its components	236, 240, 243 - 244, 246, 249 - 252, 254, 264, 267 - 274, 276 - 279	
103-3	Evaluation of the management approach	238 - 239, 242 - 243, 255, 268 - 269, 274 - 275	

Topic-specific Standards

	Disclosure	Page	Omission / Note
GRI 200: Economic			
GRI 201: Economic Performance			
201-1	Direct economic value generated and distributed	236	
GRI 204: Procurement Practices			
204-1	Proportion of spending on local suppliers	243	
GRI 300: Environmental			
GRI 302: Energy			
302-1	Energy consumption within the organization	271 - 272	
302-4	Reduction of energy consumption	269 - 272	
GRI 303: Water			
303-1	Water withdrawal by source	272	
GRI 305: Emissions			
305-1	Direct (Scope 1) GHG emissions	268	
305-2	Energy indirect (Scope 2) GHG emissions	268	
305-3	Other indirect (Scope 3) GHG emissions	268	
305-5	Reduction of GHG emissions	269, 272	

Disclosure	Page	Omission / Note
GRI 306: Effluents and Waste		
306-2 Waste by type and disposal method	275	
GRI 400: Social		
GRI 401: Employment		
401-1 New employee hires and employee turnover	257	
GRI 403: Occupational Health and Safety		
403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	264 - 265	
GRI 404: Training and Education		
404-1 Average hours of training per year per employee	56, 248	
404-2 Programs for upgrading employee skills and transition assistance programs	247 - 250	
GRI 405: Diversity and Equal Opportunity		
405-1 Diversity of governance bodies and employees	256 - 257	



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