



Wacoal®
Beauty Inside
ผู้หญิง...สวยที่สุดจากข้างใน

ANNUAL REPORT 2019

THAI WACOAL PUBLIC COMPANY LIMITED

รายงานประจำปี 2562
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

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The Board of Directors' Report

Mr. Manu Leelanuwatana

Chairman



Thailand's economy for the year 2019 went through a slowdown and faced various challenges including trade war between the United States of America and China which affected the global economy, appreciation of the Thai Baht which suppressed exports, coupled with the era where digital technology plays a prominent role in driving businesses and causes dynamic changes in consumer behavior. As such, the business sector in every industry has to adapt to keep up with such shifts.

In the past year, the Company restructured its business model to create conciseness, agility, and speed, and increased direct marketing to consumers to truly understand and respond to consumer needs. The Company developed its personnel to ready them for changes and equip them to open up to new business opportunities. At the same time, the Company continuously invented and innovated products and services, as indicated by the Company being awarded Best Innovative Company Awards from its innovation of Wacoal Mood Travel Bra in the SET Awards 2019 and Asian Service Award 2019 from its innovation of Wacoal Body Clinic from Asian Network for Quality (ANQ).

In terms of operating performance for the year 2019, the Company and its subsidiaries generated Baht 4,881.15 million in sales, reflecting a 5.97% increase, and Baht 336.08 million in net profits, reflecting a 5.53% decrease. Having considered the financial position and operating performance, the Board of Directors deemed it appropriate and resolved to propose to the Annual General Meeting of Shareholders No. 51 the payment of dividends for the year 2019 of Baht 1.90 per share, reflecting dividend payout ratio of 67.84%, to be paid on May 21, 2020 for approval, which would constitute the Company's 47th consecutive year of dividend payment.

Apart from its ability to compete in the business, the Company continues to adhere to its intention to operate the business with transparency and verifiability under good corporate governance principles, together with responsibility towards the society and environment. As such, the Company received “**Excellent**” CG rating from the 2019 Survey of Good Corporate Governance practices for listed companies for the 5th consecutive year and was granted re-certification by the Private Sector Collective Action Against Corruption (CAC). Moreover, the Company was awarded Excellent Business Establishment for Safety, Occupational Health, and Working Environment for the year 2019 on a national scale for the 5th consecutive year as well as Bronze Award from the “Happy PVD Company” project from the Securities and Exchange Commission (SEC) which honors employers who promote awareness of the importance of saving through provident fund for employees to have sufficient funds after retirement.

On behalf of the Board of Directors, I would like to express my gratitude towards executives, employees, and all stakeholders who played a part in driving the organization in achieving its success in the past year, and I hope that the Company will continue to receive your ongoing support to operate and grow its business securely and sustainably going forward.



(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 knowledgeable experts with experience in accounting, finance, and law and 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 Mr. Poolsak Boonchoo as Audit Committee Member.

In the year 2019, the Audit Committee has fully and independently performed its duties in accordance with the Audit Committee Charter, which was approved by the Board of Directors, and the Notification of the Stock Exchange of Thailand. The Audit Committee held 13 meetings throughout the year with full attendance from all Audit Committee members with executives, related parties, chief of audit office, and external auditor attending the meetings in relation to respective agenda, which can be summarized as follows.

1. Review of Financial Reports The Audit Committee reviewed quarterly financial reports and financial reports for the year 2019 of the Company and its subsidiaries, which have been prepared in accordance with Thai Accounting Standards and Thai Financial Reporting Standards. The Audit Committee reviewed key matters, disclosure of information in the notes to financial statements, along with Key Audit Matters (KAM), and received sufficient explanation from the external auditor and executives, whereby the external auditor issued unqualified opinion. The Audit Committee is of the opinion that financial statements of the Company and its subsidiaries present fairly, in all material respects, in accordance with Thai Accounting Standards and Thai Financial Reporting Standards. In addition, disclosure in financial statements and notes to financial statements are complete, sufficient, and reliable.

Moreover, the Audit Committee conducted meetings with the external auditor present without the presence of executives to discuss audit plans, independence in the performance of duties, and the expression of opinion by the external auditor, whereby the external auditor received good cooperation from executives and was independent in the performance of duties.

2. Review of Internal Control System The Audit Committee reviewed the Company's internal control system for appropriateness, adequacy, and that anti-corruption and risk prevention measures are put in place in the operating system. The Audit Committee acknowledged internal auditor reports and internal audit assessment results from the chief of internal audit office, advised improvements to enhance efficiency and good governance in the operating system, and followed-up on the progress of improvements as recommended for efficiency in the Company's internal control system, whereby the Audit Committee sees that the Company's internal control is sufficient and appropriate to its operations.

3. Review of Good Corporate Governance The Audit Committee promoted management and good governance through the review of compliance to laws, regulations, and measures of the Stock Exchange of Thailand, along with other laws related to the operations of the Company's business. The Company has a Corporate Governance Committee responsible for overseeing that the operations of the Company are in accordance with good corporate governance principles, with transparent management practices. The Audit Committee sees that the Company has conducted itself in compliance with rules and good practices in operating the business, instilling confidence for all stakeholders.

4. Review Compliance to Anti-Corruption Measures The Audit Committee reviewed the self-assessment form with regards to anti-corruption measures, and the Company was granted re-certification by the Private Sector Collective Action Against Corruption (CAC). The Audit Committee also reviewed compliance to anti-corruption policies, stipulated practices, and measures in different operating systems of each division, whereby the Audit Committee is of the opinion that the Company has fully and continuously implemented and operated in compliance with such measures.

5. Review of Related Party Transactions The Audit Committee considered 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 with transparency, equitability, and in normal business practice with accurate and complete disclosures of information in accordance with the Notification of Capital Market Supervisory Board.

6. Risk Management Monitoring The Audit Committee monitored that the Company's risk management procedures are carried out in a systematic and standardized manner so as to cover economic aspects, social aspects, and technological innovation aspects to achieve the organization's objectives as well as manage new risks emerging from internal and external factors which may pose an impact to the Company's business operations in the future. The Audit Committee acknowledged the risk management report presented by the Risk Management Committee on a regular basis each quarter, and is of the opinion that the Company's risk management measures are appropriate and sufficient for its business operations.

7. 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 audit as planned through regular acknowledgements of internal audit reports and meetings with the executive in charge of internal audit without the presence of executives to stay informed on performance of tasks, access to information, and independence in the performance of duties. Moreover, the Audit Committee promoted the improvement of internal audit quality, oversaw that the internal auditor is knowledgeable and capable, and receives appropriate training, and reviewed the Internal Audit Office Charter. The Audit Committee sees continuous improvements to the internal audit quality with respect to personnel and performance of audit tasks, and the independence of the internal auditor.

8. Charter and Report on Performance of Duties 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, and reported the Audit Committee's performance of duties to the Board of Directors every quarter. Moreover, to ensure efficiency and completeness in accordance with the scope of duties and responsibilities and to enhance effectiveness of the Audit Committee's performance of duties, evaluation on the Audit Committee was conducted with results indicating performance to be "Very Good".

9. Consideration and Proposal of Names of External Auditors for Appointment and Determination of Audit Fees for the Year 2020 The Audit Committee considered the capabilities, experience, and independence in the performance of duties of the external auditor and resolved the proposal to the shareholder's meeting of Mr. Manoon Manusook and/or Mr. Choopong Surachutikarn and/or Miss Kornthong Luangvilai from Deloitte Touche Tohmatsu Jaiyos Audit Company Limited as external auditor of the Company and its subsidiaries for the year 2020 with audit fees of Baht 5.16 million.

In summary, the Audit Committee has fully performed its duties in accordance with the Audit Committee Charter sufficiently utilizing knowledge, capabilities, 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, anti-corruption measures are implemented and complied to, internal audit systems are efficient and independent, financial reports are accurate in all material respects, reliable, and in compliance with Thai Accounting Standards and Thai Financial Reporting Standards, disclosures are sufficient, and proceedings are 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	2562 2019	2561 2018	2560 2017
ฐานะทางการเงินและ ผลการดำเนินงาน (ล้านบาท)	Financial Position and Operating Results (Million Baht)			
สินทรัพย์รวม	Total Assets	7,468	7,270	7,068
หนี้สินรวม	Total Liabilities	1,710	1,459	1,303
ส่วนของผู้ถือหุ้น	Shareholders' Equity	5,758	5,811	5,765
รายได้จากการขายและบริการ	Sales	4,881	4,606	4,363
รายได้รวม	Total Revenues	5,141	4,780	4,547
กำไรขั้นต้น	Gross Profit	1,703	1,207	1,021
กำไรสุทธิ	Net Profit	336	356	325
ข้อมูลต่อหุ้น (บาท)	Per Share Data (Baht)			
มูลค่าที่ตราไว้	Par Value	1.00	1.00	1.00
มูลค่าตามบัญชี	Book Value	47.99	48.43	48.04
กำไรสุทธิ	Net Earnings	2.80	2.96	2.71
ราคาตลาด	Market Price	47.00	47.00	46.75
เงินปันผล	Dividend	1.90*	1.80	1.50
อัตราส่วนทางการเงิน	Financial Ratio			
ความสามารถในการทำกำไร (%)	Profitability Ratio (%)			
อัตรากำไรสุทธิต่อรายได้รวม	Return on Total Revenues	6.54	7.44	7.14
อัตราผลตอบแทนผู้ถือหุ้น	Return on Equity	5.81	6.15	5.80
สภาพคล่อง (เท่า)	Liquidity Ratio (Times)			
อัตราส่วนสภาพคล่อง	Current Ratio	3.57	3.15	3.45
อัตราส่วนสภาพคล่องหมุนเร็ว	Quick Ratio	1.54	1.53	1.70
อัตราส่วนสภาพคล่องกระแสเงินสด	Liquidity of Cash Flow from Operation	0.05	0.26	0.58
ประสิทธิภาพในการดำเนินงาน (%)	Efficiency Ratio (%)			
อัตราผลตอบแทนจากสินทรัพย์	Return on Assets	4.56	4.96	4.72
อัตราผลตอบแทนจากสินทรัพย์ถาวร	Return on Fixed Assets	26.65	23.01	21.18
วิเคราะห์นโยบายทางการเงิน (เท่า)	Financial Policy Ratio (Times)			
อัตราส่วนหนี้สินต่อส่วนของผู้ถือหุ้น	Debt to Equity Ratio	0.30	0.25	0.23
อัตราส่วนความสามารถชำระดอกเบี้ย	Interest Coverage Ratio	4,949.28	3,219.03	1,610.78
อัตราการจ่ายเงินปันผล (%)	Payout Ratio (%)	67.84*	60.72	55.44

* ที่ประชุมคณะกรรมการบริษัท มีมติให้จ่ายเงินปันผลหุ้นละ 1.90 บาท แล้วนำเสนอต่อที่ประชุมสามัญผู้ถือหุ้น ซึ่งกำหนดให้มีขึ้นในวันที่ 22 เมษายน 2563

* The Board of Directors resolved to set dividend payment rate at Baht 1.90 per share, for further proposal to the shareholders' general meeting for approval, on April 22, 2020.

The Board of Directors

Mr. Boonsithi Chokwatana

Advisor to The Board of Directors



The Board of Directors



Mr. Yoshikata Tsukamoto

Advising Director



Mr. Manu Leelanuwatana

Chairman



Mr. Hironobu Yasuhara

Vice Chairman



Mr. Boondee Amnuayskul

Chief Executive Officer
and Managing Director



Mr. Nozomu Otsuka

Deputy Managing Director



Mr. Thamarat Chokwatana

Director



Miss Karunee Surai
Director



**Mrs. Onanong
Saengpumpong**
Director



**Mr. Kazuhiro
Shibahara**
Director



Mr. Mitsuru Sekiguchi
Director



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



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



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



**Miss Waraporn
Kulsawatpakdee**
Independent Director and
The Risk Management
Committee Member



Mr. Poolsak Boonchoo
Independent Director,
The Audit Committee Member
and The Risk Management
Committee Member

Company Products



วาโก้ บลูม
บราตัวแรกของหนู

bloom



BORN TO BE ... BRABERRY
ชุดชั้นในดีไซน์ต่าง
หนึ่งเดียวกับความเป็นคุณ

BRABERRY



DO IT YOUR MOOD

Mood



สวยทุก MOTION
มันทุก MOVE

Motion Move




บราสำหรับสาวคัพไซส์ใหญ่
เผยส่วนโค้งทั้งดวงใจในตัวคุณ

CURVE DIVA



ทางทรงรีปิ่น ปุ่ม เย็บน แบนเนื้อ

my HUES!



ที่สุดแห่งความสบาย
เพื่อวัยที่เปลี่ยนแปลง

Gold



ศิลปะชั้นสูงบนเรือนร่าง

Glam



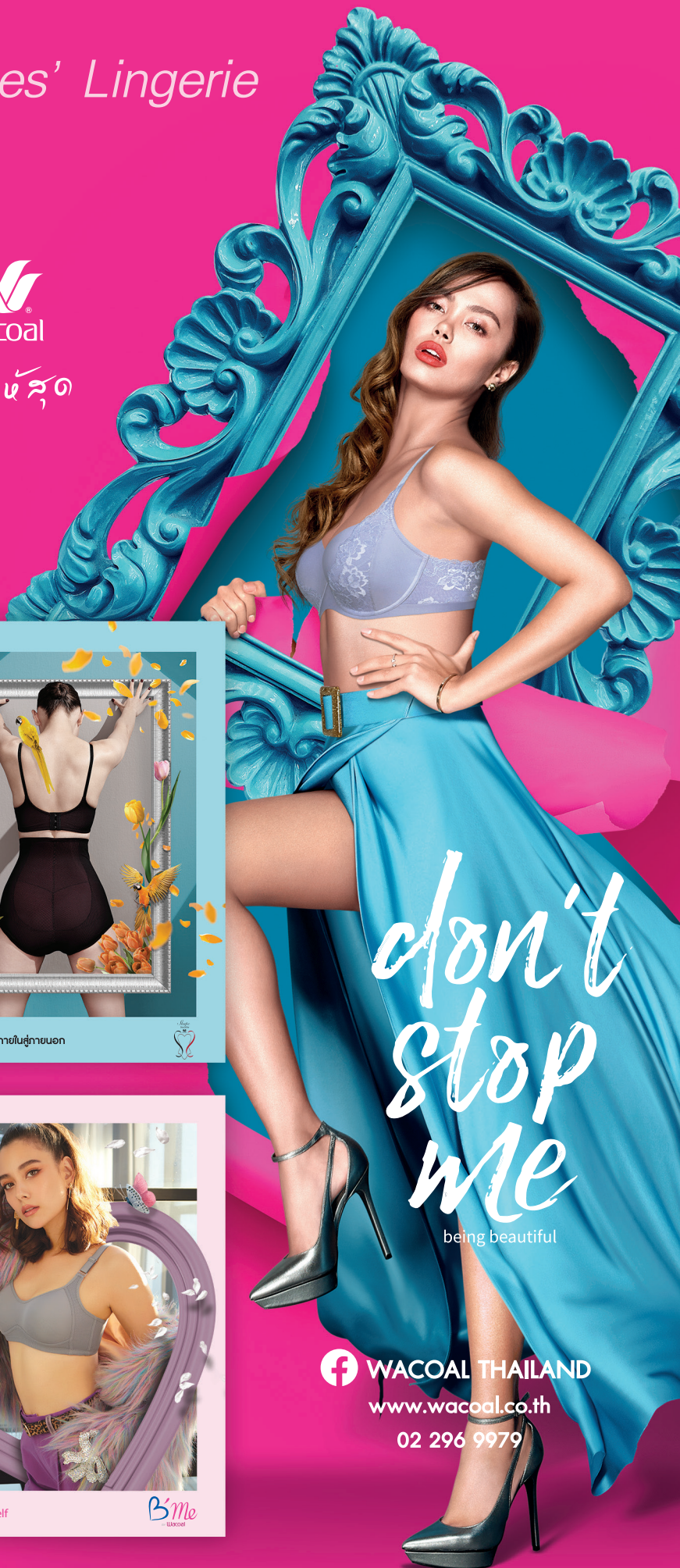
วาโก้
ผู้หญิงสวยที่สุดจากข้างใน

Wacoal

Ladies' Lingerie



Wacoal
สวฮีแซด



f WACOAL THAILAND
www.wacoal.co.th
02 296 9979

Children Wear



AmuSant
By ENFANT



ENFANT
CF



ELLE kids



Little
Wacoal

www.enfant.co.th
www.enfantfamily.com

[f enfant.momclub](https://www.facebook.com/enfant.momclub)

Ladies' Outerwear



WACOAL BLOUSE



Racé WORKWEAR
BY WACOAL



5.up
We are lady pants.

✉ mkt_outer@wacoal.co.th

Corporate Business Policy and Business Overview

Business Overview

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

Today, the company is engaged in the manufacturing and selling of 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 is the company's major customer. Whereas for its export business operations, the company exports its products to affiliated companies under Wacoal Corporation, to major country destinations such as Japan, the U.S., and ASEAN countries.

Corporate Vision, Mission, and Values

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



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.



CORPORATE VALUES

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

Significant changes and developments

The Anniversary of Thai Wacoal 49 Years Establishment is on October 1, 2019. 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 Baht 4 million to Baht 8 million.
1974	Started production for children wear to distribute locally.
1979	Increased the registered capital to Baht 20 million.

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 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.

The Second Decade: Exponential Growth (1980 - 1989)



1980

Changed the company logo from Wacoal to  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 Baht 40 million.

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 Baht 120 million.

1997

Starting the Thailand Best Project by organizing "Sahagroup Export & Trade".

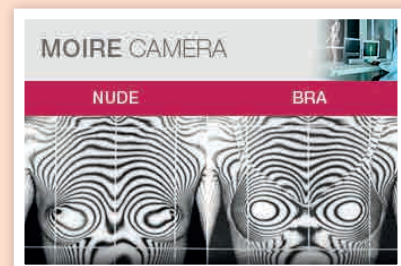
1998

Established the Call Center, Customers Relations Center.

1999

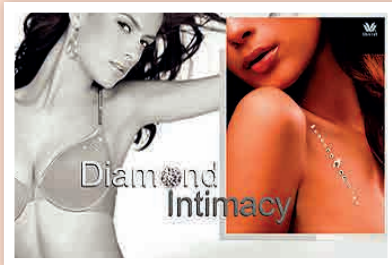
The company issued Baht 500 million debentures to reduce the loan from banks.

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



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

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



2000

Started the “Wacoal Pink Ribbon Fight Against Breast Cancer Project” campaign to Thai women, so that they become aware to take care of themselves and prevent against breast cancer.

2005

Introduce the customers' demand analysis system: Quality Function Deployment and Kansei Engineering to design products.

2006

Develop new innovation service “Balancing Bra Service”, provide tailoring service to women who have lost their breasts.

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.

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 ASEAN.

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



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.



2019

Adjust business model structure, establish Wacoal Sales Management Division and Vienna Sales Division.



• Equivalent Standard to International

	<p>2014 : Receives ISO 50001:2011 Energy Management System Certification from Bureau Veritas Certification (Thailand) Ltd.</p> <p>2018 : Receives ISO 9001: 2015 Certificate from Bureau Veritas Certification (Thailand) Ltd. for "Design and Manufacturing of Ladies' Foundation Garment (Brassiere).</p> <p>: Receives ISO 14001:2015 Environmental Management System Certification from Bureau Veritas Certification (Thailand) Ltd.</p>
	<p>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.</p> <p>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.</p>
	<p>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.</p> <p>2010 : Expanded the Laboratory International Standard Certification: ISO/IEC 17025 : 2005 to cover product usage.</p>
	<p>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.</p>
	<p>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.</p> <p>2012 : Expanded the "Green Label" Product Quality Certification to all Wacoal innerwear products.</p>
	<p>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.</p> <p>2012 : Expanded the CoolMode Certification for ladies' lingerie for example, Cool Bra and Cool shape.</p> <p>2015 and 2017 : Expanded CoolMode Certification for uniform under brand Race'.</p>
	<p>2011 : Carbon Footprint Label Certification from Thailand Greenhouse Gas Management Organization (Public Organization), in collaboration with Thailand Textile Institute and Thai Industrial Standards Institute.</p> <p>2017 : Received Carbon Footprint Label Certification from Thailand Greenhouse Gas Management Organization (Public Organization).</p>
	<p>2013 : Expanded Carbon Footprint Label Certification for ladies' lingerie and baby diapers.</p> <p>2019 : Received Carbon Footprint Label Certification 5 Products from Thailand Greenhouse Gas Management Organization (Public Organization).</p>
	<p>2016 : Received WRAP : Worldwide Responsibility Accredited Production Certification (Golden Certificate of Compliance) representing an international social responsibility for labor.</p>
	<p>2017 : Received Eco Factory Certification from the Federation of Thai Industries.</p> <p>2018 : Received the Green Industry Level 4 Award from Department of Industrial Works.</p>

Shareholding structure for companies under Thai Wacoal group

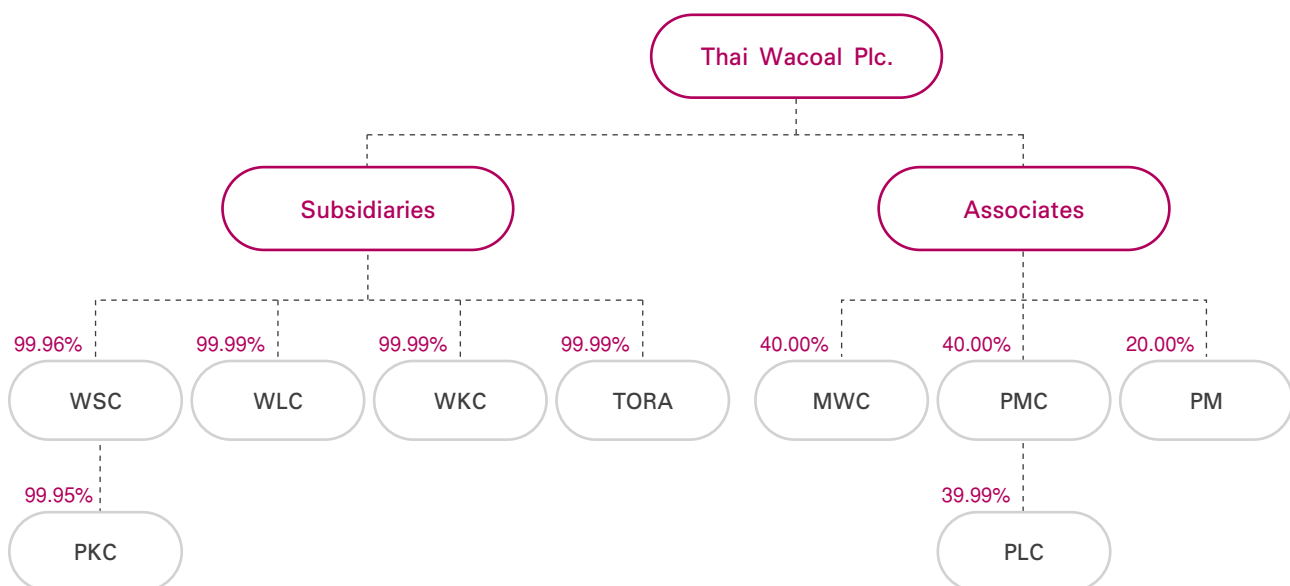
Business interests allotment policy for companies within the group

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 supervises 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 is 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 do 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, one subsidiary company is engaged 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 knowhow and expertise in supporting their mutual business operations and interests.

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



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

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.
MWC	=	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, 2019

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	23.04
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 is 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 exports 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 is 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, Sgarlet, Presea and CW-X
2. Ladies' outerwear - under the registered brands of 5.up, Racé 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 2019, the company's group could achieve total sales turnover being classified into domestic and export sales at the ratio 74% and 26% respectively.

Classified upon product categories

Unit : Million Baht								
Product	Company	Shareholding Percentage	2019		2018		2017	
			Income	%	Income	%	Income	%
Domestic income								
Ladies' lingerie	Thai Wacoal Plc.	-	3,300.30	67.61	2,991.09	64.94	2,780.62	63.74
	Wacoal Siracha Co., Ltd.	99.96	27.39	0.56	37.93	0.82	49.06	1.12
	Wacoal Lamphun Co., Ltd.	99.99	0.65	0.01	6.45	0.14	13.62	0.31
	Wacoal Kabinburi Co., Ltd.	99.99	0.83	0.02	0.51	0.01	0.08	0.00
	Pattaya Kabinburi Co., Ltd.	99.95	12.54	0.26	13.79	0.30	9.92	0.23
Ladies' outerwear	Thai Wacoal Plc.	-	112.97	2.32	127.44	2.77	95.84	2.20
Children wear	Thai Wacoal Plc.	-	154.43	3.16	177.79	3.86	180.44	4.14
Other	Tora 1010 Co., Ltd.	99.99	22.73	0.47	3.53	0.08	-	-
Total			3,631.84	74.41	3,358.53	72.92	3,129.58	71.74
Export income								
Ladies' lingerie	Thai Wacoal Plc.	-	1,218.59	24.96	1,213.38	26.34	1,202.04	27.55
Children wear	Thai Wacoal Plc.	-	30.72	0.63	34.14	0.74	30.92	0.71
Total			1,249.31	25.59	1,247.52	27.08	1,232.96	28.26
Total Income								
Ladies' lingerie			4,560.30	93.42	4,263.15	92.55	4,055.34	92.96
Ladies' outerwear			112.97	2.32	127.44	2.77	95.84	2.20
Children wear			185.15	3.79	211.93	4.60	211.36	4.84
Others			22.73	0.47	3.53	0.08	-	-
Total Income			4,881.15	100.00	4,606.05	100.00	4,362.54	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 2019, the company engaged in materials and products developments which could be summarized as follows:

Twoway Jacquard 2D

The twoway Jacquard 2D innovation has been used to create unique fitting forces, increase smoothness and provide patterns on fabric, mostly found in Curve Diva products.

Rubber Support Pads

Rubber Support Pads with 0.6 - 0.8 mm thickness are punched to support the breasts for sport bra. Rubber Support Pads are so flexible that they can hold the breasts firmly and the breasts will not be hurt while moving the body. They can be found in the product "Motion Wear".

Rubber Back Support

Punched Rubber Back Support with 1.0 mm thickness helps to provide back support and good ventilation. In addition, it is strong to withstand bending. It is designed to suit the body, support the back and relieve back pain due to pregnancy and health problems. This can be found in maternity and health products.

Twoway Laser Cut (Punching)

Twoway laminated fabric with two layers is thick but soft, tight and stable. It is punched using the laser technique of Micro Perforation for better ventilation. Patterns are designed on the fabric. This can be found in Motion Wear and Mood products.

Body Seamless 44 Gauge

Body size knitting enables fabric to be specially smooth. Tape Bonding Technique is applied to the seam along the leg instead of sewing. With a seamless compression, the micro fiber and high-precision knitting machine (44 needles per inch) provides a smooth, soft and comfortable fabric surface. This can be found in Panty product.

Circular Mesh Freecut

The fabric composition of nylon 88% and elastane 12% makes the texture fine, soft, smooth and flexible. Additionally, the objective of circular knitting in the mesh structure, combined with special features of elastane yarn (Smart Fix), which can be partially melt, is to adhere to the structure without pilling or running. The elastane mesh structure usually has well-ventilated holes. The fabric is coated with substances that make the fabric absorb water well and dry quickly. It is found in the Panty product.

Product quality standard developments

The company was regularly engaged in such development activities seeking to maintain and upgrade the quality standards for its products on a consistent basis, in terms of the products safety, free from dyestuff and other chemical hazards, 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 addition, 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.

In 2019, the company received the Best Innovative Company Awards as an outstanding company in terms of both innovation and innovative management strategies from the Stock Exchange of Thailand. Additionally, the company received Asian Service Award 2019 related to Wacoal Body Clinic from Asian Network for Quality (ANQ).

Ladies' lingerie

Product nature

Ladies' lingerie products represented the main product category of 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 2019, the company launched new collections which are as follows:

Curve Diva

Bras that fit comfortably help you feel confident. They are still designed with fashion for a sexy look to satisfy women with large cups but normal and large bodies. There are two types:

- **Sexy Diva** : Bras for women who want to be sexy and more fashionable. With breasts cutting technique and the L-shaped wire, bras can support your lateral breasts tissue, lift your boobs and bump up your cleavage for a sexy look.
- **Smart Diva** : Bras for women who desire to look sexy but feminine. The seamless 4/5 cups decorated with sweet and sexy laces as well as lift sheet at the body side to ensure Diva girls to be confident while moving.

Fit 24 hours

Wacoal Motion, sports bras are your mate for all activities of modern women. They are not only suitable for workout but can be also mixed & matched to in to out clothes to suit various lifestyles in everyday life. With innovation developed to serve all types of motion, there are three functions:

- **Latex Miracle** The rubber sheet innovation can help to support your breasts during all movements.
- **High Side Design** makes the body side large and tighten the back but flexible while exercising.
- **Rubber knitted on the lower edge** helps to hold your body not to slip while working out. It is easy to wear and secure in every movement.

Athleisure Collection

Wacoal Motion, sports bras extended from a good function of collection “Fit 24 hours” has developed Latex Miracle to be softer. Thanks to Sport Fit Support innovation, it keeps your lateral breasts to be in good shape. A ventilated bra that keeps you sweat-free is well-fitted for all movements. A wide variety of designs are offered to meet all lifestyles of confident women regardless of heavy or light sports.

Secret Support

- **H-Fit** : the next step for underwear innovation helps flatten your belly. Using the V-line Technology cutting technique, underpants are reinforced by Powernet on the front to ensure the right fit and slim down your tummy to make it smoother and flatter. It is comfortable to wear and confident in all lifestyle dressings.
- **S-Fit** : Innovative high-waisted panties based on the S-line Technology reinforced by Powernet can slim your waistline and lateral line of your body, as well as give you a beautiful S-shaped waist confidently and elegant look in all styles.

New Gen Wacoal Go Girl Bra

New generation bras are easy to select sizes. One size can be worn with many cups. Along with the innovation of bonding soft fabric without seams, they are made of special fibers, which are elastic, soft, well-ventilated, and comfortable to wear all day long. With 3D cup models without wires and bent along the shape, they push up the breasts and fit well in all sizes. In addition, Extra 3D Airflow Pads are used to strengthen the sponge that is punched to ventilate. This makes you feel dry and less damp.

New Travel Bra that can actually rolls

The first and only one innovation in Thailand that applied “rubber”, a natural material to replace a wire frame. Because of this, these bras make you feel comfortable and unhurt while wearing. The Magic Mold innovation and Non-Stretch side support using compressed thin sponges help to push and support lateral breasts so that it looks round and natural. A woven fabric strip is used at the back with Cross-hugging Wing, which is well-fitted along the body. These bras are foldable without damaging their shapes. It is easy to carry for all travels and space-saving.

Smooth Bra 2019

Smooth Bra has been blended with the four following innovations:

- **Soft Mold** that is extra soft with a realistic surface and uplift the breasts shape to be naturally perfect.
- **New Free Cut & High Curve Wireless Bra** are comfortable to wear without pain. They also tighten the lateral breasts.
- **New High Cut Bra** with thin mold have magic lines to keep the lateral breasts to look naturally beautiful.
- **Natural Mold Wire** with new mold innovation are suitable for women with all cup sizes. It is comfortable to wear thanks to magic line that helps tighten the lateral breasts.

Wireless Fix “Close and Tight Breasts”

Innovative lingerie using X-Power sheet to hold the breasts to be close and push up the chest. Steps are offered to push up sponges according to cups. The soft touch surface lifts up the chest to be full and naturally beautiful. Using a special stitching technique under the breasts, this helps to keep the breasts in good shape.

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 including more import of women's lingerie from foreign countries 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, consumers increasingly turned to focus on purchasing products through online channel since it can be convenient and quickly meet their needs and allows the consumers to make a decision for a wide range of products and services that meet their needs. As a result, the global trade landscape changed. Business operators had to adjust their business models to keep up with rapidly changing market conditions. 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.

Furthermore, 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 2% of its total sales turnover. During 2019, there were significant developments regarding ladies' outerwear products as follows:

- 5.up brand products emphasize the outstanding strength concerning development of raw materials and beautiful fitting patterns. Product catalogues are offered to build wider awareness.
- Racé brand products have expanded the uniform product business into the workwear group by starting from the development of nursing gowns using nursery fabric, which is a new innovation from the factory that is the company's supply chain network.

Market and competitive situations

In 2019, the ladies' outerwear products market has become highly intense in competition continuously. In addition, due to consumers' behaviors of lower purchasing goods at department stores, ladies' outerwear had to be differentiated and developed to distribute to more selling channels.

As for 5.up products, there have been the developments of innovative raw materials in order to create quality products in higher value and prices and to focus on the brand growth beyond competitors through the continuous marketing communication in all channels both Offline and Online.

For the employees' uniform market, the company has developed the pre- and after-sales services for customers. Consequently, the company has been entrusted with continuous manufacturing of uniforms. This year the Pop Up team has been developed by the company to directly sell uniforms to customers, e.g. innovative nurse uniforms made of nursy fabric that is soft, light, flexible, comfortable and different from general nursing gowns.

Children wear

Product nature

The company acted as the manufacturer for ladies' outerwear products, whose sales revenue accounted for about 2% of its total sales turnover.

- Children wear products have expanded the E-Commerce market under the brand "Amusant".
- De Bon brand has increased organic products to be sold at discount stores.
- Concerning Little Wacoal products, new product groups are created to satisfy the current children's demand. Products are divided into two groups: 1. Babies and young children: hygienic products focusing on organic and green materials to ensure children's safety and to be environmentally friendly and 2. Grown children: lifestyle products suitable for digital children with various activities.
- Children wear product ENFANT has added export market abroad focusing on Asia and countries in the ASEAN Economic Community (AEC). In 2019, the company added export market for children wear in Pakistan.

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

Ladies' lingerie industry in Thailand has good potential market because of 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 overall growth of ladies' lingerie market is still in a good direction despite the Thai economic slowdown, and as a result, consumers are more careful in spending. However, ladies' lingerie products are still popular because they can meet both the utilization and beautiful fashion. Currently, the lingerie buying behavior of women focuses on a wide variety of brands, quality and more reasonable prices. Additionally, as the online purchase is more popular, a lot of house brand lingerie products emerge in this market.

For future trends, the business model must be adjusted to suit the consumers' behavior. Big data has been applied to develop their products and services. The Omni-Channel Strategy has been also used to develop sales channels and design business models and new sales channels in accordance with the consumers' behaviors in the digital age in order to approach directly to customers and integrate supply chains to meet their demand. Additionally, business operators should take into consideration environmental responsibility and value creation to society when running their business to enable it to grow steadily in the future.

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 49 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 and seller 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 addition, one subsidiary company, namely Tora 1010 Co., Ltd., is engaged in the procurement and distribution of product and dyeing business. Factory details for the company and its subsidiary companies as of December 31, 2019 are as follows:

Company Name	Location	Employee Number (Person)	Factory Building (Number)	Space Total (SQ.M.)
Thai Wacoal Plc.	Bangkok	3,809	9	45,304
	Phra Pradaeng, Samut Prakan	42	1	4,734
Wacoal Siracha Co., Ltd.	Siracha, Chonburi	897	1	8,292
Wacoal Lamphun Co., Ltd.	Muanglamphun, Lamphun	471	2	10,152
Wacoal Kabinburi Co., Ltd.	Kabinburi, Prachinburi	297	2	6,840
Pattaya Kabinburi Co., Ltd.	Kabinburi, Prachinburi	471	2	6,656
Tora 1010 Co., Ltd.	Bangkok	1	-	12
	Siracha, Chonburi	26	1	1,500
Total		6,017	18	83,490

Consolidated production capacity and output total

			Unit : Piece
Production Capacity Classified Per Product Category	2019	2018	2017
Full production capacity			
Ladies' lingerie	20,000,000	20,000,000	20,000,000
Ladies' outerwear	200,000	200,000	200,000
Children wear	1,800,000	2,000,000	2,000,000
Total	22,000,000	22,200,000	22,200,000
Actual production			
Ladies' lingerie	18,974,767	19,429,079	19,289,830
Ladies' outerwear	124,635	183,936	82,502
Children wear	1,401,174	1,678,773	1,671,611
Total	20,500,576	21,291,788	21,043,943
Capacity utilization rate	93.18%	95.91%	94.79%
Output this year vs the year earlier	96.28%	101.18%	102.74%

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 importance on risk management to foster sustainable growth for the business and create added value for shareholders and stakeholders. As a result, the Risk Management Committee was established, comprising 3 members including Mr. Krish Follett as Chairman of the Risk Management Committee, Miss Waraporn Kulsawatpakdee as Risk Management Committee Member, and Mr. Poolsak Boonchoo as Risk Management Committee Member, to oversee risk management in accordance with the organization's strategy and business plans under good corporate governance principles.

In 2019, 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 with executives from various departments attending the meetings. The result of the performance of duties by the Risk Management Committee can be summarized as follows.

1. Risk Management Policy and Scope of Risk Management The Risk Management Committee has specified the scope of risk management and reviewed the risk management policy on a regular basis each year to reinforce and integrate risk management for efficient, systematic, and standardized practices which include economic aspects, social aspects, and technological innovation aspects to achieve the organization's objectives as well as manage new risks emerging from internal and external factors which may pose an impact the Company's business operations in the future.

2. Risk Management The Risk Management Committee saw to it that key risks relating to various aspects which affect the Company's operations are comprehensively managed, including strategic risk, operational risk, financial risk, regulatory risk, information technology risk, and risk from natural disasters. The Risk Management Committee held meetings with executives from departments identified as risk owners to consider risk assessment and risk management plans, as well as advise on additional measures to counter risk so as to improve the efficiency of risk management practices.

3. Oversight The Risk Management Committee oversaw risk management by continuously monitoring the progress of execution of risk management plans by related departments identified as risk owners in order to achieve systematic risk management and enable the management of key risks at an acceptable level. The Risk Management Committee also arranged for corruption risk assessment on the public sector, including internal control measures, on which an internal auditing firm reviewed the completeness and adequacy, and the Company was granted re-certification by the Private Sector Collective Action Against Corruption (CAC).

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 proposed to the Board of Directors for approval. The Risk Management Committee also conducted overall committee performance evaluation to ensure that the performance of duties by the Risk Management Committee is efficient, complete in accordance with duties and responsibilities, and to improve the effectiveness in accordance with good corporate governance principles. The results of the evaluation on the Risk Management Committee indicated overall performance to be "Very Good".

5. Risk Management Report The Risk Management Committee presented its risk management report to the Board of Directors on a regular basis each quarter.

The Risk Management Committee has fully performed its duties in accordance with the Risk Management Committee Charter, utilizing knowledge and capabilities in overseeing and managing the Company's risk management practices, assessing risks, and monitoring risk management plans in an efficient and effective manner. The Risk Management Committee is of the opinion that the Company has appropriate, adequate, and efficient risk management processes in accordance with good corporate governance principles.



(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, has determined the following risk management policies:

1. To ensure that the company has a systematic and standardized risk management to achieve the objectives of the organization by having the risk assessment as a part of the business plan and management.
2. To promote preventive risk management procedures to be undertaken in a swift, transparent on a systematic and consistent basis.
3. To support, develop and communicate the risk management knowledge to employees and the management at all levels to have knowledge, understanding and can be implemented in concrete operations
4. To organize an appropriate risk assessment process at an acceptable level and in line with the same direction.
5. To promote risk management and assessment as part of an organizational culture.
6. To strengthen and integrate risk management of Thai Wacoal Public Company Limited and its subsidiaries in an efficient and effective manner.

The Board of Directors has 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 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 risk management plans at an acceptable level. 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 and selling business of ladies' lingerie products, with product sales to I.C.C. International Public Company Limited (ICC) which is more than 50 percent of the total company's sales. ICC has a good relationship with department stores which makes the company confident in the stability of this customer. Moreover, the distribution of the company's products can be considered as the main income of ICC.

However, in the event that this major customer 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 in another channel.

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 changing rapidly and enters the digital society where various technologies 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 Hedge 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 2019, 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 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 whistleblowers). 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	: Manufacturing and selling 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	kanlaya.loh@wacoal.co.th
Children Wear Business	0-2291-8373	pojadech@wacoal.co.th
Outerwear Business	0-2289-3100-9 Ext. 399	mkt_outer@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, 2019

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. 00-3720-5041-2 Fax. 0-3720-5041-2	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. 0-2291-1788	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. 0-3720-5051-3	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. 0-2291-2390-8 Fax. 0-2292-1729	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. 0-3729-0062-3	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. 0-3729-0235	Bleaching and dyeing	Ordinary	3,240,000	606,557	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	30,053,600	5,560,000	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.* 181 Soi Charoenrat 7, Bangkok, 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	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. Champ Ace Co., Ltd. 58 Soi Charoenrat 7 Yak 29-1 (Right Side), Bangklo, Bangkholaem, Bangkok Tel. 0-2689-8240 Fax. 0-2289-2587	Manufacturer of finished garments	Ordinary	400,000	40,000	10.00
14. Saha Capital Tower Co., Ltd. 530 Soi Sathupradit 58, Bangpongpan, Yannawa, Bangkok Tel. 0-2293-0030 Fax. 0-2293-0040	Property Development	Ordinary	20,000,000	2,000,000	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
	Miss Wimolporn Boonyusthian	Certified Public Accountant Registration No.4067	

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, 2019*

	Name	No. of shares	%
1.	Wacoal Corporation	40,331,250	33.61
2.	Saha Pathana Inter-Holding Public Company Limited	27,649,400	23.04
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	2,818,940	2.35
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		103,971,360	86.64
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.51

Shareholding structure classified by shareholding party categories (As of December 31, 2019)

Shareholder Category	Number	No. of shares	%
Legal entity			
Thai nationality	37	62,609,823	52.18
Foreign nationality	3	40,494,250	33.74
Total legal entity	40	103,104,073	85.92
Ordinary person			
Thai nationality	1,030	16,873,327	14.06
Foreign nationality	2	22,600	0.02
Total ordinary person	1,032	16,895,927	14.08
Total	1,072	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)	2019*	2018	2017	2016	2015
Earnings per share (Baht)	3.07	2.71	3.09	2.89	2.65
Dividend per share (Baht)	1.90	1.80	1.50	1.30	1.10
Payout Ratio (%)	61.91	66.49	48.57	44.92	41.50

Note : * The Board of Directors resolved to set dividend payment rate at Baht 1.90 per share, for further proposal to the shareholders' general meeting no.51 for approval, on April 22, 2020.

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 2019, none of the shareholders nominated any candidates to be considered as company directors.

In 2019, The Nominating Committee held 2 meetings to carry out duties as assigned as follows :

- Considered the qualifications of 5 persons who had been nominated to serve as company directors replacing the directors who retired by rotation, which were Mr. Manu Leelanuwatana, Miss Karunee Surai, Mr. Kazuhiro Shibahara, Mr. Mitsuru Sekiguchi, and Dr. Kulpatra Sirodom to become company directors for another term at the 50th General Meeting of Shareholders.
- Nominated the new company director who was Mr. Hironobu Yasuhara to serve as company director replacing Mr. Masaya Wakabayashi who had resigned.
- Nominated the Risk Management Committee Member and the Executive Director to replace the vacant positions on the Sub-Committees by considering the qualifications and the composition of Sub-Committee, the charter of the each Sub-Committee, as well as considered their knowledge, expertise and field-specific experiences that could benefit their roles on the Risk Management Committee Member and the Executive Director.
- Considered the Succession Plan in order to prepare the recruitment and development of personnel in positions that are important to the organization, resulting in the company being able to run business continuously.
- Reviewed the Charter of The Nominating Committee annually to comply with the related regulation and practice guidelines.
- Evaluated The Nominating Committee's performance for 2019 in order to use the evaluation results to improve and develop the work of the Nominating Committee more efficiently.

The Nominating Committee has performed its duties as assigned discreetly and reasonably in order to proceed with transparency which is the greatest benefit resulted in building the organization to grow sustainably.

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. Manu Leelanuwatana

Chairman of The Remuneration Committee



The Remuneration 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. Thamarat	Chokwatana	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 2019, 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.

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

(Mr. Manu Leelanuwatana)

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 2019, 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 2019, the company had appointed the Committee of Creativity and Innovation Promotion and Management to continually support and develop innovation management systems in the organization. For this year, the company received Best Innovative Company Awards from The Stock Exchange of Thailand in the SET Awards 2019 and received Asian Service Award 2019 from The Standards and Quality Association of Thailand, as well as received 2 innovative awards in the Saha Group Innovation Award 2019.

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	Chairman	-	-	-
3. Mr. Hironobu	Yasuhara	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	-	-	Member
7. Miss Karunee	Surai	Director	-	-	-	-	Member	Member
8. Mrs. Onanong	Saengpumpong	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	-	-	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 2019, The Board of Directors and other committees regularly held their meetings, whose attendance record by the directors were summarized as follows:

Unit : Times

Name of directors and management members		Directors’ Meeting							
		The Board of Directors	The Audit Committee	The Nominating Committee	The Remuneration Committee	The Risk Management Committee	The Corporate Governance Committee	The Executive Board	Shareholders’ Meeting ¹
		(9 times / year)	(13 times / year)	(2 times / year)	(2 times / year)	(12 times / year)	(4 times / year)	(12 times / year)	(2 times / year)
1. Mr. Boonsithi	Chokwatana	-	-	-	2/2	-	-	-	1/1 (AGM)
2. Mr. Yoshikata	Tsukamoto*	1/9	-	-	-	-	-	-	0/2
3. Mr. Manu	Leelanuwatana	9/9	-	2/2	2/2	-	-	-	2/2
4. Mr. Masaya	Wakabayashi*	1/5 (Jan.-Jul.)	-	-	-	-	-	-	0/1 (AGM)
5. Mr. Hironobu	Yasuhara*	0/4 (Since Jul.)	-	-	-	-	-	-	0/1 (EGM)
6. Mr. Boondee	Amnuayskul	9/9	-	2/2	-	-	4/4	12/12	2/2
7. Mr. Nozomu	Otsuka*	9/9	-	-	-	-	-	10/12	2/2
8. Mr. Thamarat	Chokwatana****	8/9	-	-	-	-	-	9/12	2/2
9. Miss Karunee	Surai	9/9	-	-	-	-	4/4	12/12	2/2
10. Mrs. Onanong	Saengpumpong	9/9	-	-	-	-	4/4	12/12	2/2
11. Mr. Kazuhiro	Shibahara*	1/9	-	-	-	-	-	-	0/2
12. Mr. Mitsuru	Sekiguchi*	1/9	-	-	-	-	-	-	0/2
13. Dr. Kulpatra	Sirodom	9/9	13/13	-	-	-	4/4	-	2/2
14. Mrs. Punnee	Worawuthichongsathit	9/9	13/13	-	-	-	-	-	2/2
15. Mr. Krish	Follett	9/9	-	-	-	12/12	-	-	2/2
16. Miss Waraporn	Kulsawatpakdee	9/9	5/5 (Jan.-May)	-	-	8/8 (Since May)	-	-	2/2

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	Shareholders' Meeting ¹
		(9 times / year)	(13 times / year)	(2 times / year)	(2 times / year)	(12 times / year)	(4 times / year)	(12 times / year)	(2 times / year)
17. Mr. Poolsak	Boonchoo	9/9	8/8 (Since May)	-	-	4/4 (Jan.-May) 6/6 (Since Jul.)	-	-	2/2
18. Miss Sirikul	Dhanasarnsilp	-	-	2/2	2/2	-	-	-	-
19. Mr. Manus	Ongsaranakom***	-	-	-	-	3/6 (Jan.-Jul.)	-	-	-
20. Mr. Suvit	Wongcharoenutporn	-	-	-	-	-	-	12/12	2/2
21. Mrs. Nonglaks	Techaboonanek**	-	-	-	-	-	-	11/12	2/2
22. Miss Natcharinthorn	Pongsupachintapa	-	-	-	-	-	-	12/12	2/2
23. Mrs. Siriwan	Vilassakdanont**	-	-	-	-	-	-	10/12	2/2
24. Mr. Sompong	Rasameetham*	-	-	-	-	-	-	12/12	1/2
25. Mr. Worathep	Assavakasem	-	-	-	-	-	-	1/1 (Jan.-Feb.)	-
26. Mr. Metha	Supakorn	-	-	-	-	-	-	12/12	2/2
27. Mr. Pojadech	Ketkratuk	-	-	-	-	-	-	12/12	2/2
28. Dr. Sukhontharat	Nitthisirisakool*****	-	-	-	-	-	-	8/10 (Since Mar.)	2/2

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 upcountry assignments

***** Meeting leave due to own engagement and sickness

¹ For 2019, the company held the annual general meeting of shareholders (AGM) and the extraordinary general meeting of shareholders (EGM).

During the past year, non-executive directors of the company held 1 meeting on February 21, 2019.

1.4 Controller

The company does not have any controller who has the influence over the company's management policy or its operations.

2. The Management

2.1 The Management

At present, there were 13 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, 2019

	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.	Mrs. Nonglaks	Techaboonanek	Executive Director and Director of Managing Director Office
8.	Miss Natcharinthorn	Pongsupachintapa	Executive Director and Director of Human Science Research Center
9.	Mrs. Siriwan	Vilassakdanont	Executive Director and Director of Vienna Product Division
10.	Mr. Sompong	Rasameetham	Executive Director and Director of Wacoal Production Planning Division
11.	Mr. Metha	Supakorn	Executive Director and Director of Production Technology Division
12.	Mr. Pojadech	Ketkratuk	Executive Director and Director of Children Wear Product Division
13.	Dr. Sukhontharat	Nitthisirisakool	Executive Director and Director of Merchandising Division 1

2.2 Personal information of management members

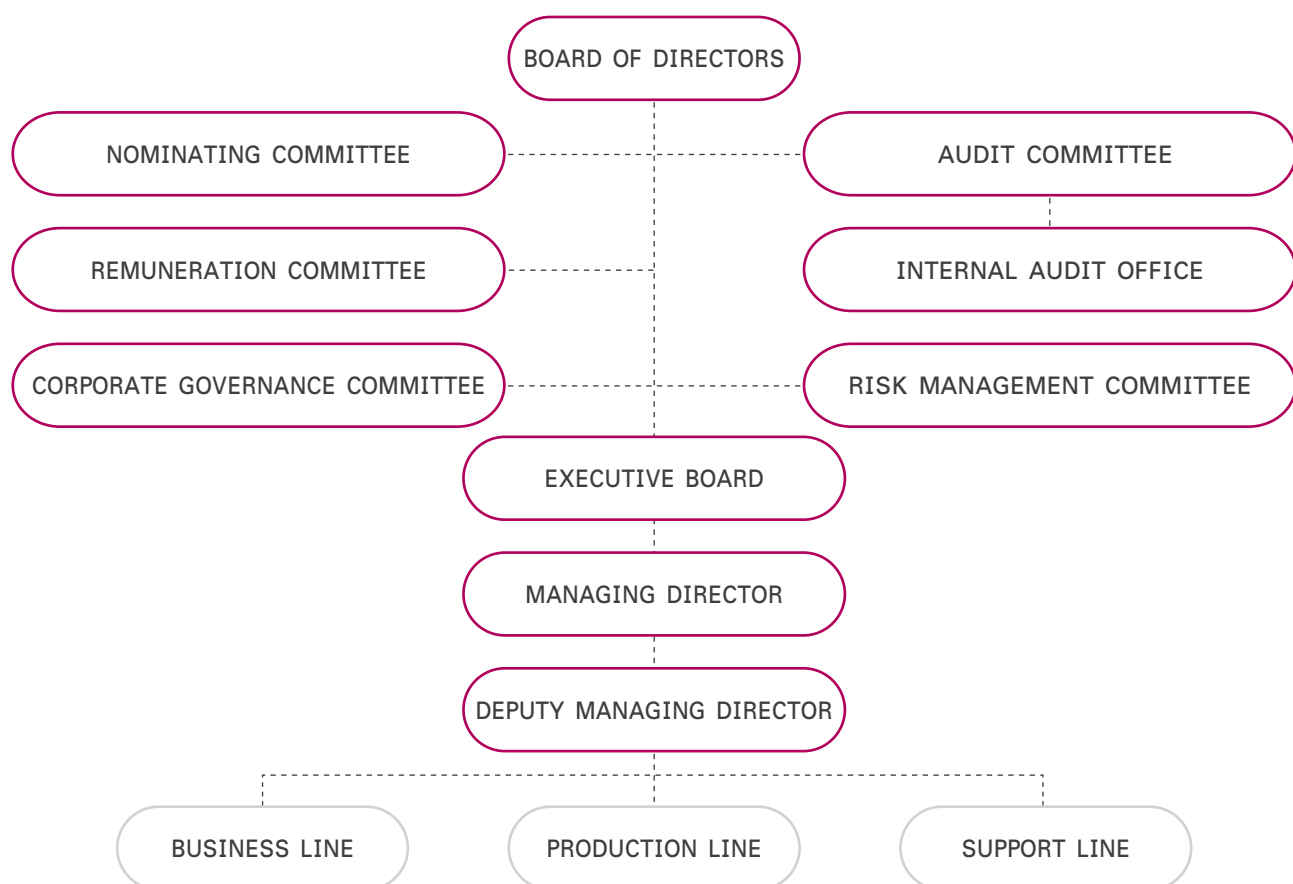
The details of personal information of management members were display per the section “Personal information of company directors and management members”.

2.3 Chief Financial Officer (CFO)

The company has assigned Mrs. Onanong Saengpumpong, Executive Director and Director of Accounting and Finance Division, to be the person taking the highest responsibility in finance and accounting, since the person has good quality of knowledge, abilities and experiences in such work. (See the details of CFO’s educational level, training course, and working experience under the heading “Personal Information of Company Directors and Management Members” and heading “Corporate Governance” (Section 5 : Responsibilities of The Board of Directors on item 5.7 “Developments for the directors and the management”))

In 2019, the Chief Financial Officer of the company received continuous training for accounting knowledge in accordance with the criteria set by The Securities and Exchange Commission.

2.4 Organization Structure as of December 31, 2019



3. Company Secretary and Person who is directly assigned to be responsible for controlling the company's accounting

3.1 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 has no the family relationship between director and management.

Duty and responsibility scope of the Company Secretary

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.

Name/Position	Education Level	Training Course
Miss Chama Sungrungsan Company Secretary, Manager of Investor Relations Department, Secretary to The Corporate Governance Committee and Secretary to The Executive Board	- Master Degree Faculty of Commerce and Accountancy, majoring in Business Administration Chulalongkorn University - Bachelor Degree Faculty of Economics, majoring in Economics Thammasat University	1. Company Secretary Program (CSP) 80/2017 2. Basic Laws and Regulations for Listed Companies (Thai Listed Companies Association) 3. Role of Company Secretary 4. Effective Minute Taking (EMT) 41/2018 5. Disclosure Guideline Based on the Updated Corporate Governance Code (CG Code) 6. CGR Workshop 2/2019 "Enhancing Good Corporate Governance based on CGR Scorecard" 7. Anti-Corruption : The Practical Guide (ACPG) 21/2015 8. Corruption Risk and Control Workshop (CRC) 3/2019 9. CAC Road to Certify 10. Smart Disclosure Program (SDP) 11. Connected Transactions of Listed Companies and Acquisition and Disposition of Assets 12. Social Responsibility Management for Sustainable Development

3.2 Person who is directly assigned to be responsible for overseeing the company's accounting

The company has assigned Miss Kulapatsorn Vichanchutiwanit, Deputy Director of Accounting and Finance Division, to be responsible directly for supervising accounting of the company since January 1, 2018. She is an accountant with qualifications and conditions of being an accountant in accordance with the regulations specified in the Notification of Department of Business Development and 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. The person who is directly assigned to be responsible for overseeing the company's accounting has no the family relationship between director and management.

Name/Position	Education Level	Training Course
Miss Kulapatsorn Vichanchutiwanit Deputy Director of Accounting and Finance Division	- Master Degree Faculty of Business Administration, majoring in Accounting Ramkhamhaeng University	1. The Effect of New Thai Financial Reporting Standards regarding Contract Revenue Made with Customers (TFRS 15) and Leases (TFRS 16) towards the Preparation of Financial Reporting of Listed Companies (Version 2) 2. Transfer Pricing Law : Know the Transfer Pricing Principles

Name/Position	Education Level	Training Course
	- Bachelor Degree Faculty of Accountancy, majoring in Accounting Dhurakij Pundit University	3. E-Tax Invoice and E-Receipt, and Tax Update for 2019 4. Financial Instruments - Important Issues in Accordance with Thai Accounting Standard No. 32 and Thai Financial Reporting Standards Issue 7 and 9 5. In-depth the New Lease Issue (TFRS 16) 6. In-depth Standard TFRS 9, TFRS 15 and TFRS 16 : Essence, Impact, Guidelines for Practice and Case Studies 7. Prepare to Deal with Transfer Pricing Law to Prevent the Transfer Pricing between Companies or Juristic Partnerships that have Relationship and the Preparation of Relevant Documents 8. Tax Update for 2019 9. Adjustment of condensed items in the financial statements of public company limited (general business)

In 2019, the person who is directly assigned to be responsible for overseeing the company's accounting has received continuous training for accounting knowledge by attending 6 hours of accounting courses and 13.30 hours of other courses organized by external organizations.

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 Executive Directors and management members attending in The Executive Board's meeting

The Board of Directors was of the opinion that the remuneration structure was appropriate to the responsibilities and able to motivate directors and management members to lead the organization to carry out both short-term and long-term goals, as well as it can be compared with the level practiced in the industry.

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:

	2019		2018	
- 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:

	2019		2018	
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 2019, the company authorized total meeting allowance payments of total Baht 2,204,000, and total remuneration amount of Baht 10,850,000, altogether amounting to Baht 13,054,000.-

Remuneration details for The Board of Directors and other committees

Unit : Baht

Remuneration details	2019		2018	
	Meeting allowance	Annual remuneration	Meeting allowance	Annual remuneration
The Board of Directors	1,038,000	10,850,000	904,000	10,850,000
The Audit Committee	714,000	-	688,000	-
The Nominating Committee	36,000	-	54,000	-
The Remuneration Committee	16,000	-	16,000	-
The Risk Management Committee	264,000	-	216,000	-
The Corporate Governance Committee	136,000	-	170,000	-
Total	2,204,000	10,850,000	2,048,000	10,850,000

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.

3. Directors' Remuneration received from subsidiaries : None

(B) Remuneration for management members : Referred to the remuneration for the 13 company's management members in accordance with the definition of the management set by The Securities and Exchange Commission. The remuneration details were classified into salary, bonus, allowance, and meeting allowance accorded their status as company employees.

Remuneration details for management members

Remuneration	2019		2018	
	Number of persons	Amount (Baht)	Number of persons	Amount (Baht)
Salary, bonus, and allowance	13	38,323,816	13	34,896,758
Meeting allowance	13	769,000	13	766,000
Total		39,092,816		35,662,75

In addition, in 2019, there were 7 management members receiving the remuneration from subsidiaries in the form of salaries, subsidies and allowances for total amount of Baht 3,698,500.-

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	2019		2018	
	Number of persons	Amount (Baht)	Number of persons	Amount (Baht)
Provident fund contribution from the company	13	265,358	13	248,796
Provident fund contribution from subsidiaries	7	-	7	-
Total		265,358		248,796

5. Employee

5.1 Total number of employees by function and total remuneration

Data		2019	2018	2017
Total employee at the end of December	(persons)	6,017	4,990	4,850
- Production	(persons)	2,734	2,161	2,761
- Support Production and Administration	(persons)	2,149	2,829	2,089
- Sale	(persons)	1,134	-	-
Total remuneration of employees	(million baht)	1,842	1,513	1,443
Labour dispute		- None -	- None -	- None -

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

For 2019, the company and its subsidiaries increased the number of employees due to the restructuring of the business model by establishing Wacoal Sales Management Division and Vienna Sales Division.

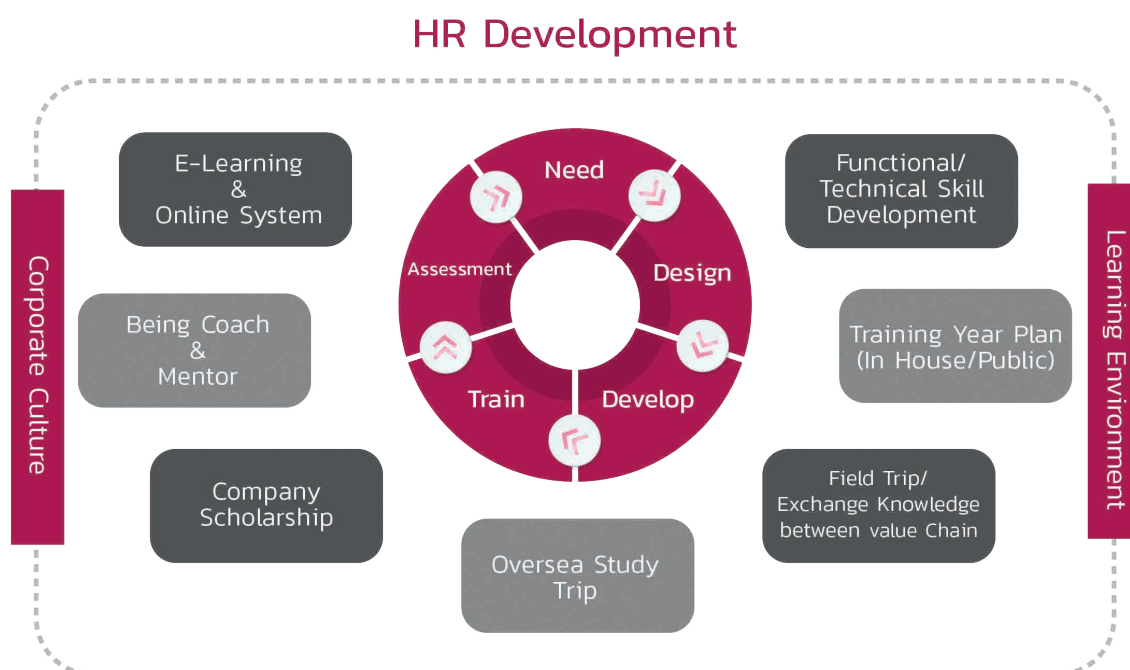
5.2 Human Resource Development and Training

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;

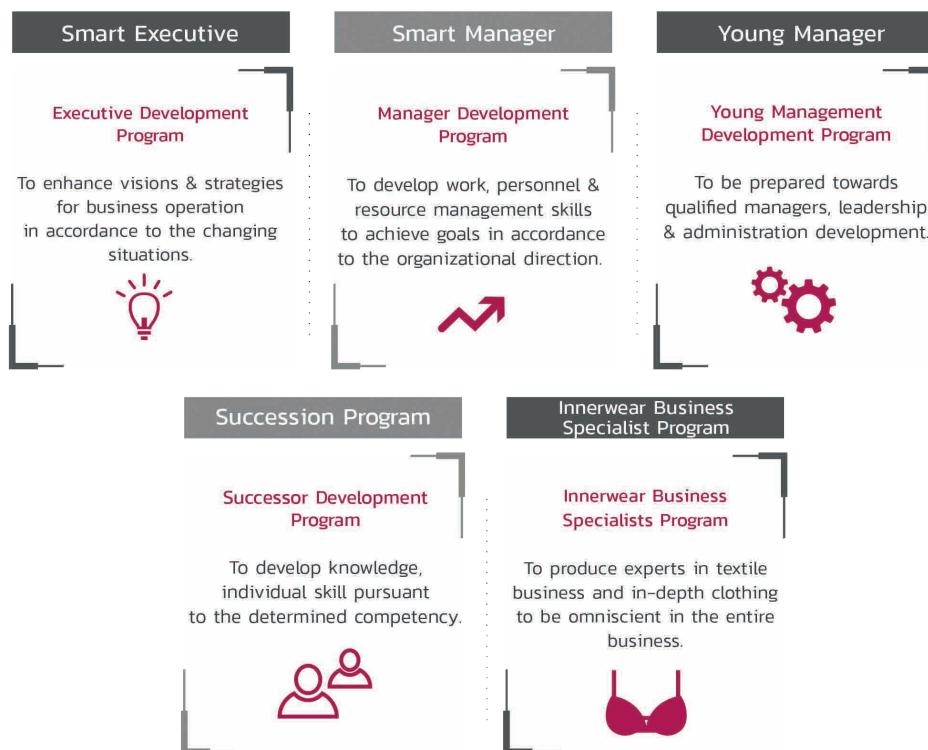


The company has given precedence to syllabus developments through the analysis and design based on the needs of the organization, or department dimensions and individual development, training and regularly following up the training assessment as well as consecutive syllabus improvement and development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

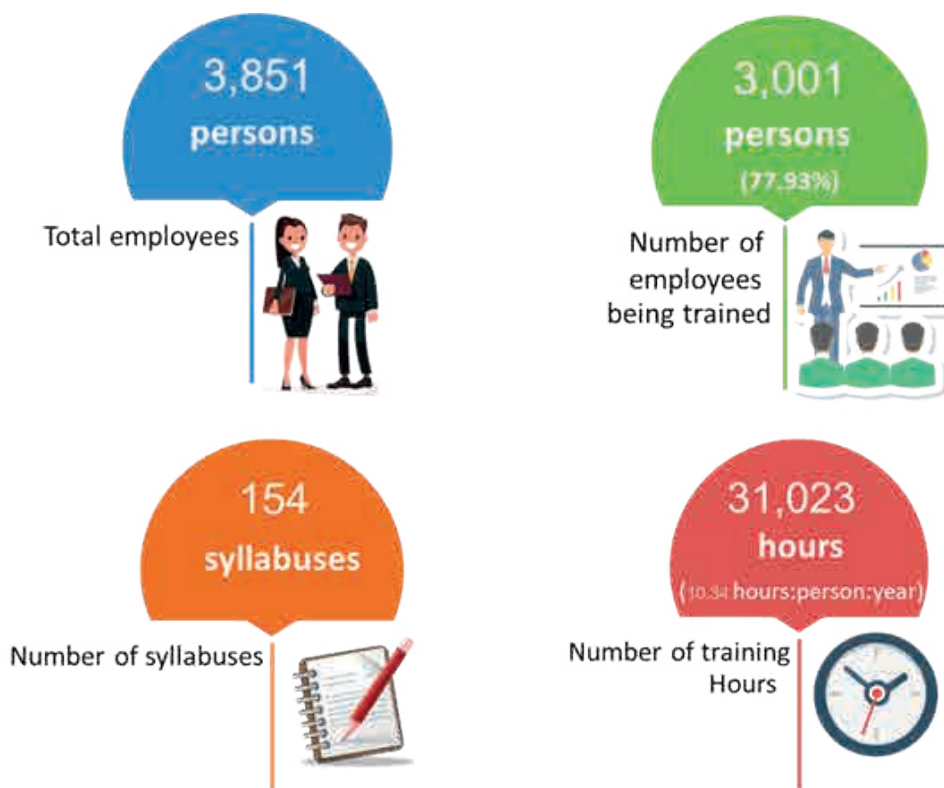
1. Functional /Technical Skill Development	• Emphasizing on the development of each professional field to be skillful and mastery in their professions.
2. Training Year Plan	• Emphasizing on the comprehensive development for all groups of employees and provide the syllabus required for working or in accordance to the business direction.
3. Field Trip / Exchange Knowledge between Value Chain	• 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	• 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	• Enhancing employee potentiality development for preparation and support of business expansion.
6. Being Coach & Mentor	• 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	• 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;

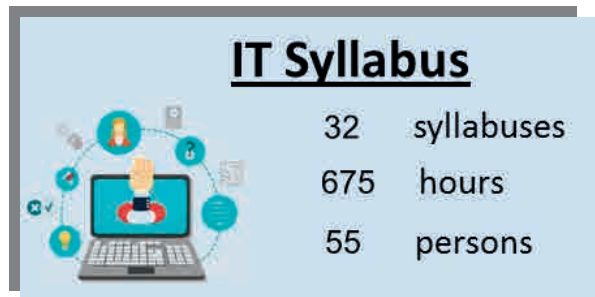
Development of High Potential Executives and Employees



Training Programs in 2019



In 2019, it was deemed as an aggressive year for online marketing competition. 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.



The Corporate Governance Committee's Report

Dr. Kulpatra Sirodorn

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 2019, the Corporate Governance Committee held a total of 4 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, as well as monitored the implementation of the good corporate governance principles of the Board of Directors and the Committees.

3. Overseeing and supporting the company in complying with the good corporate governance principles, that resulted in the company receiving, in 2019, a '**Excellent**' CG score for the 5th 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 8th 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 that the company has received a renewal of membership of Private Sector Collective Action Against Corruption (CAC) from the CAC Council in 2019.

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) in order to create balance between 3 aspects, namely the economic, social and environmental through the use of good corporate governance principles.

7. Set the criteria and submission period for shareholders to propose meeting agenda and/or nominate candidates to be elected as directors at the 2020 Annual General Meeting of Shareholders in advance starting from 1 - 30 December, 2019.

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 good 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 good 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. Hironobu	Yasuhara	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 2019, The Board of Directors convened total 9 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 2019 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 9, 2019 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.	Mr. Poolsak	Boonchoo	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 on a yearly basis 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. Each Nominating Committee member was assigned a 1-year term, effective from May 9, 2019 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 2019, The Nominating Committee held its meeting 2 times, and subsequently reported the results to The Board of Directors, whereby the meeting dates had been decided in advance throughout the entire year.

4. The Remuneration Committee

The Board of Directors appointed 2 company directors to serve as members of The Remuneration Committee and 1 advisor to The Executive Board to serve as member of The Remuneration Committee. Each Remuneration Committee member was assigned a 1-year term, effective from May 9, 2019 onwards.

Name list of The Remuneration Committee

	Name		Position
1.	Mr. Manu	Leelanuwatana	Chairman
2.	Miss Sirikul	Dhanasarnsilp	Member
3.	Mr. Thamarat	Chokwatana	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 2019, 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, whose term was 1 year, effective from May 9, 2019 onwards.

Name list of The Risk Management Committee

Name			Position
1.	Mr. Krish	Follett	Chairman
2.	Miss Waraporn	Kulsawatpakdee	Member
3.	Mr. Poolsak	Boonchoo	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. Review the risk management policy on a yearly basis and submit to The Board of Directors for approval
9. Engage in other acts as assigned by The Board of Directors.

During 2019, 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 9, 2019 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	Saengpumpong	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 2019, The Corporate Governance Committee held its meeting 4 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 13 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 9, 2019 onwards.

During 2019, 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	Saengpumpong	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. Metha	Supakorn	Executive Director
12.	Mr. Pojadech	Ketkratuk	Executive Director
13.	Dr. Sukhontharat	Nitthisirisakool	Executive Director

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. Promote and support the executive and employees to be informed of and fully understand the established anti-corruption policy and related regulations, together with being a leader and role model for employees in anti-corruption.
10. Engage in other acts as assigned by The Board of Directors, and/or The Executive Board.

The selection and appointment of the directors and chief executive officer

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

The Board of Directors has placed emphasis on the transparent selection of directors in accordance with the good corporate governance principles. Therefore, a policy for selection of directors has been determined in order for the structure of the Board of Directors consisting of directors with diverse qualifications and in line with the strategic direction of the company's business including the qualifications as specified in the Charter of Board of 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 off 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 qualified knowledge, management skill, leadership, 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 management skill, 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 2019, 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 company 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 2019, there was no company director and the management member who had the company's securities 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 2019, 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	2019	2018
Thai Wacoal Plc.	2,075,000	2,025,000
5 Subsidiary companies	2,950,000	2,786,000
Total	5,025,000	4,811,000

2. Non-audit fees


During 2019, 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 (second edition) in accordance with “Corporate Governance Code for Listed Companies 2017 : CD Code” of The Stock and Exchange Commission and has been approved by The Board of Directors’ Meeting No. 6/2019 on November 11, 2019, to take effect from December 2, 2019 onwards. The Board of Directors prescribed the good corporate governance principles as a practice guideline for company directors, the management and employees to follow it for their business operation. This contains four parts: good corporate governance policy, 8 good corporate governance principles, business ethics, and code of conduct for company directors, the management and employees, which can be viewed for more details on the company’s website (www.wacoal.co.th) under the heading “Investor Relations: About Us (Corporate Governance)”.

Furthermore, the Board of Directors recognized the role as the leader of the organization by considering and reviewing 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 had assessed the compliance of each CG Code to ensure that the process had been implemented or planned to develop to suit the business.

The consistent development of good corporate governance principles to comply with the criteria of CG Code has resulted in the company receiving an **“Excellent CG”** score  for the fifth consecutive year in the annual good corporate governance practices assessment of Thai listed companies for 2019.

Good corporate governance principles

The Board of Directors has placed much emphasis on continuously implementing the good corporate governance principles, 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 2019, the company convened the shareholders' general meeting 1 time and convened the shareholders' extraordinary meeting 1 time, according to the details of the shareholders' general meeting as follows:

- **Prior to the shareholders' general meeting**

(1) The company provided the minority shareholders with the opportunity to propose meeting agenda prior to the meeting date for 2019, during the period of December 1 - 30, 2018, by providing related conditions on company website in both Thai and English languages, together with news channel of The Stock Exchange of Thailand. Nevertheless, there were no shareholders proposing any meeting agenda during said specified period.

(2) The company informed the shareholders of the resolution to convene the shareholders' meeting 47 days prior to said meeting date, namely on March 6, 2019, 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 21, 2019 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 29, 2019 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, 13 days prior to the meeting namely during April 9 - 11, 2019.

(6) The company provided the shareholders with the opportunity to submit questions related to the agenda of the general meeting of shareholders prior to the shareholders' meeting since March 21, 2019 - April 17, 2019, 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 2019.

(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 in the electronic form accessible through QR Code, profile of the persons nominated as directors replacing those due to retire upon term completion, information memorandum on asset disposition and connected transaction, the opinions of the independent financial advisor on the connected transaction, 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 21, 2019) and the shareholders could download the annual report by scanning QR Code in the notice of the general meeting of shareholders which was sent to the shareholders by mail (March 29, 2019).



- **On the day of the shareholders' general 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 2019, the company held the shareholders' meeting on Monday, April 22, 2019, 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 2019, 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 2019, there was no 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' general 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 2019 for the quality of its shareholders' meeting for the 13th 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 2019, during the period of December 1 - 30, 2018. 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 and the company has only one type of shares, namely ordinary shares 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 2019, there were 3 shareholders holding the combined 8,570 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 2019, the company implemented dividend payments by drawing from the company's operating profits in 2018, at the rate of Baht 1.80 per share, for total dividend payments accounting for 66.49% of total net profits displayed in the separate financial statements, representing the company's dividend payments for 46 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 and the heading "Sustainability Development Report" on the human resource management).

The company provided suitable 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 2019, the company received "Happy PVD Company Award" in Bronze Level from The Securities and Exchange Commission (SEC) to honor employer's organization that has encouraged employees to recognize the importance of saving money through a provident fund in order to have sufficient funds for retirement.



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 2019, 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 as well as organized an anti-drug sporting event to encourage employees to exercise for good health and 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 2019, 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 2019” for the fifth 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 communication channels where customers could lodge complaints, comments, suggestions, or ask for information, through various channels as, Call Center (ladies’ lingerie “Wacoal”) tel no. 0-2296-9979, “Customer Relations Center” 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 2019, 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 provision specified by law. Accordingly, The Board of Directors prescribed the policies and guidelines for the company to implement 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 2019, 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 managing capital for stability and strength together with managing liquidity to make sure that the company has ability to complete debt repayment within the specified period in order to prevent the company in any payment default.

During 2019, 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 Best Corporate Social Responsibility 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. (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 good corporate governance policy 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) and was certified no. 5 energy-saving clothes in uniform product for its contribution to the global warming campaign, from Thailand Greenhouse Gas Management Organization (Public Organization), Thailand Textile Institute, and Electricity Generating Authority of Thailand (EGAT), as well as received Carbon Footprint Label Certification for 5 models of lingerie product, namely MM1243, WH9B99, WR1501, WU4937, WY1128 from Thailand Greenhouse Gas Management

Organization (Public Organization).

Furthermore, the company was granted the ISO 14001:2015 environmental management system certification and ISO 50001:2011 energy management system 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, as well as received Eco Factory Certification from the Federation of Thai Industries, 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.

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 prescribing energy conservation measures and 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 2019, important seminar sessions organized for company employees covered such topics as follows:

- Environmental Management Standards and ISO 14001 Requirement
- Zero Waste to Landfill
- Environment and Safety Law
- Risk & Opportunity of ISO 14001:2015
- ISO 14001 : 2015 Internal Auditor

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 2019 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 2019, the company organized 3 activities for communities in Bangkholaem District and in the upcountry. There were 248 participants in the event and 11 people were found with abnormalities. 3 of them were sent to check thoroughly with digital mammograms.
- The campaign “Exercise with Stretch Fabric for Breast Cancer Surgery Patients” The company together with Siriraj Hospital, Siriraj Cancer Center and Division of Head Neck and Breast Surgery, Department of Surgery cooperatively organized a project to disseminate knowledge to the public under the campaign “Breast Cancer Awareness Project with Siriraj, Solve and Overcome Breast Cancer” in order to stimulate and emphasize the people and interested parties to understand more in breast cancer in various aspects. Moreover, the exercise with stretch fabric to prevent the shoulder stiffness after surgery was demonstrated in which 230 people participated in the activity.
- 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 Chaloe 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. For 2019, the company received Best Innovative Company Awards. The award was given to the company that has excellent innovation and strategy of innovation management in an organization.

During 2019, 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 2019, the company duly followed said practice guidelines, and did not come across any irregularity as the result. (See the details about implementation of the policy under the heading "Sustainability Development Report").

Furthermore, the company received a renewal of membership of Private Sector Collective Action Against Corruption (CAC - Recertification) from the CAC Council on November 4, 2019. 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 Whistleblowing Policy to justly protect the whistleblower 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 whistleblowing or complaints, investigating or fact-finding, protecting the whistleblower/ 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 2019, 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 good corporate governance policies, good 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 "Corporate Governance" on compliance with good corporate governance principles in other matters (Section 3 : Consideration of The Roles of Stakeholders) and 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 2019 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 2019, 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.

4.13 Whistleblowing 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 2019, 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 11th consecutive year, at Bangkok International Trade & Exhibition Centre on Friday June 28, 2019. The event was held as part of the 23rd 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. Hironobu Yasuhara, 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 and person who is directly assigned to be responsible for controlling the company’s accounting, no. 3.1 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 2019, The Board of Directors’ meeting no. 6/2019 on November 11, 2019 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 good corporate governance policies, good 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 two languages : Thai and English. 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 good corporate governance policies, good corporate governance principles, 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 good corporate governance policies and business ethics, with said policy details displayed on the company website. For 2019, the company had 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. 8/2019, 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 on a quarterly basis. (See the details on risk management for each area of the company under the heading “Risk factors”).

During 2019, The Board of Directors reviewed the organization's risk management policy as proposed by The Risk Management Committee so that such policy is appropriate for the current situation.

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 twice 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 2019, the joint meeting between The Board of Directors and The Executive Board held 2 meetings. In addition, Chief Financial

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 2019, The Board of Directors held 9 meetings altogether and non-executive directors held 1 meeting on February 21, 2019, 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 2019 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 2019, 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 2019, the evaluation result was in "Excellent" criteria with the average score of 83%.

- **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 2019, the evaluation result was in "Excellent" criteria with the average score of 82%.

- **Yearly Performance Evaluation of The Various Committees**

The Board of Directors has set the evaluation of performance of every various committees in 2019 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	98%
The Nominating Committee	82%
The Remuneration Committee	74%
The Risk Management Committee	97%
The Corporate Governance Committee	92%
The Executive Board	93%

- **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 2019, the company directors and management members attended training courses on significant operations topics, such as "Transfer Pricing" course, "Corruption Risk and Control Workshop" course, "Positive Business Strategy Executives" course, "Marketing Trend & Customer Insight 2019" course, etc.

Training and seminar attended by The Board of Directors in 2019

List of Directors		Training Course / Seminar
1. Mr. Manu	Leelanuwatana	<ul style="list-style-type: none"> • Role and Responsibility of Listed Companies and Sustainable Development
2. Mr. Boondee	Amnuayskul	<ul style="list-style-type: none"> • Social Responsibility Management for Sustainable Development • Transfer Pricing
3. Mr. Thamarat	Chokwatana	<ul style="list-style-type: none"> • Role and Responsibility of Listed Companies and Sustainable Development
4. Miss Karunee	Surai	<ul style="list-style-type: none"> • Role and Responsibility of Listed Companies and Sustainable Development • Social Responsibility Management for Sustainable Development • New Labor Protection Act : Impacts on Human Resource Management
5. Mrs. Onanong	Saengpumpong	<ul style="list-style-type: none"> • Role and Responsibility of Listed Companies and Sustainable Development • Social Responsibility Management for Sustainable Development • Prepare to Deal with the Draft of TFRS 16 and Transfer Pricing and Update Tax Invoice • Prepare to Deal with Transfer Pricing Law to Prevent the Transfer Pricing between Companies or Juristic Partnerships that have Relationship and the Preparation of Relevant Documents • Transfer Pricing Law : Know the Transfer Pricing Principles • Management Accounting for Planning and Decision Making (Class 3/2019) • Tax Update for 2019
6. Dr. Kulpatra	Sirodom	<ul style="list-style-type: none"> • Role and Responsibility of Listed Companies and Sustainable Development
7. Mrs. Punnee	Worawuthichongsathit	<ul style="list-style-type: none"> • Role and Responsibility of Listed Companies and Sustainable Development
8. Miss Waraporn	Kulsawatpakdee	<ul style="list-style-type: none"> • Role and Responsibility of Listed Companies and Sustainable Development
9. Mr. Poolsak	Boonchoo	<ul style="list-style-type: none"> • Financial Risk and Regulation

- **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 good corporate governance policies, good 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.

5.8 Developments for the directors and the management

The Board of Directors has prescribed succession plans for key management positions at all levels from the position of Managing Director who is Chief Executive Officer in the organization, starting from 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. The process of creating the management to succeed to Chief Executive Officer is 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. Report on the implementation of succession plan to The Board of Directors annually.

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.

Non - practiced aspects	Reasons
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.
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.

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.8/2019, on February 18, 2020, The Board of Directors, including The Audit Committee Members evaluated the company's internal control system for 2019. 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 good corporate governance policy, 8 good corporate governance principles, 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 oversee organization's risk management in a systematic and effective manner. There was risk assessment and analysis that revealed probable risks causing from internal and external factors which could affect business operation. 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	1. Internal control system by COSO 2. Anti-Corruption : The Practical Guide (ACPG) 21/2015 3. Worldwide Responsible Accredited Production (WRAP) 4. Corporate Governance Code 2017 5. Internal Control in the Era Thailand 4.0 6. Fraud Risk Management 7. Training Working Paper for Anti-Corruption Measures in the Organization 8. How to Design Working Paper to Do in the Audit Work 9. PWC Forensics Seminar on Employee Fraud and Labour Law in Actions 10. Corporate Governance Audit 11. Internal Auditing Certificate Program (IACP) 12. Social Responsibility Management for Sustainable Development 13. CAC Road to Certify 14. Corruption Risk and Control Workshop (CRC) 2/2019 15. Transfer Pricing 16. Professional Development Risk Management & Internal Audit

Name/ Position	Education Level	Training Course
		17. Chief Audit Executive Professional Leadership Program
		18. Business Time Bomb Prevention from the Risk of IT Systems in the Factory and Warehouse

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	- Bachelor Degree	1. Company's Lawyer
	Faculty of Law Thammasat University	2. Fraud Control Guidelines concerning Assets, Liabilities and Others
	- Lawyer's License	3. How to Practice in accordance with the new Securities and Exchange Act
		4. Roles and Responsibilities of Directors regarding New Securities Law
		5. Roles and Responsibilities of Directors and the Use of Insider Information : Case Study
		6. Security Enforcer Training
		7. Data Protection for Business : Road to GDPR Standard
		8. Social Responsibility Management for Sustainable Development
		9. Ready to Deal with Transfer Pricing Law to Prevent the Transfer Pricing between Companies or Juristic Partnerships that have Relationship and the Preparation of Relevant Documents
		10. Transfer Pricing

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.

Inter-Transaction

Information disclosure for inter-transaction

During 2019, 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	338.20
				- Sale of products/ raw materials	1,143.98
				- Royalty fees expenses	66.13
2. Saha Pathana Inter-Holding Plc.	A	0.68	23.04	- Royalty fees expenses	0.02
				- Utility charges expenses	12.15
				- Immovable property rental expenses	0.36
3. Myanmar Wacoal Co., Ltd.	B	40.00	-	- Purchase of products/ raw materials	120.29
				- Sale of products/ raw materials	75.34
				- movable property rental expenses	1.65
				- Immovable property rental expenses	0.94
4. Pattaya Manufacturing Co., Ltd.	B	40.00	0.07	- Purchase of products/ raw materials	57.50
				- Sale of products/ raw materials	16.80
				- Hire of work expenses	33.72
				- Hire of work income	0.93
				- Royalty fees income	0.37
				- Utility charges expenses	0.40
				- Immovable property rental expenses	0.90
				- Immovable property rental income	2.02
				- movable property rental income	0.36
				- Information technology system services income	2.01
5. A Tech Textile Co., Ltd.	B	19.00	-	- Purchase of products/ raw materials	121.62
				- Hire of work expenses	0.67
				- Consultancy fees income	1.56
				- Information technology system services income	3.55
6. G Tech Material Co., Ltd.	B	19.00	-	- Purchase of products/ raw materials	275.80
				- Sale of products/ raw materials	15.68
				- Hire of work income	9.53

Name	Relationship	Shareholding Percentage		Significant item	Inter-transaction Value
		Shareholding by the company	Shareholding in the company		
				- Consultancy fees income	1.14
				- Immovable property rental income	0.80
				- Information technology system services income	2.01
7. I.C.C. International Plc.	B	3.82	5.09	- Purchase of products/ raw materials	0.47
				- Sale of products/ raw materials	3,073.82
				- Hire of work income	9.35
				- Utility charges expenses	0.01
				- Utility charges income	0.17
				- Advertising & public relations expenses	1.92
				- Immovable property rental income	0.94
				- Information technology system services expenses	0.09
8. Wien International Co., Ltd.*	B	17.90	-	- Purchase of products/ raw materials	11.90
				- Sale of products/ raw materials	(33.11)
				- Royalty fees income	0.00
				- Utility charges income	0.03
				- Advertising & public relations expenses	1.88
				- Purchase of movable property	3.19
				- Immovable property rental expenses	0.62
				- Immovable property rental income	0.19
				- Construction or renovation expenses	1.53
				- Information technology system services income	0.30
9. International Commercial Coordination (Hong Kong) Limited	B	18.00	-	- Sale of products/ raw materials	(0.62)
10. Textile Prestige Plc.	B	18.15	-	- Purchase of products/ raw materials	8.40
				- Sale of products/ raw materials	0.19
11. Morgan De Toi (Thailand) Limited	B	12.00	-	- Sale of products/ raw materials	0.03
				- Purchase of products/ raw materials	0.41
				- Hire of work income	0.36
				- Consultancy fees income	6.07
				- Inventory management income	0.78
				- Immovable property rental income	0.30

Unit : Million Baht

Name	Relationship	Shareholding Percentage		Significant item	Inter-transaction Value
		Shareholding by the company	Shareholding in the company		
				- Information technology system services income	0.01
12. Thanulux Plc.	B	0.83	1.39	- Hire of work expenses	1.19
				- Consultancy fees income	0.60
13. People's Garment Plc.	B	-	0.21	- Sale of products/ raw materials	0.52
14. H & B Intertex Co., Ltd.	B	-	-	- Purchase of products/ raw materials	0.59
				- Royalty fees income	0.08
15. Thai Itokin Co., Ltd.	B	-	-	- Purchase of products/ raw materials	1.65
				- Sale of products/ raw materials	0.02
16. Thai Gunze Co., Ltd.	B	-	-	- Purchase of products/ raw materials	2.04
				- Utility charges income	10.59
17. S & J International Enterprises Plc.	B	-	0.08	- Purchase of products/ raw materials	7.24
				- Royalty fees income	0.01
				- Utility charges income	0.06
				- Immovable property rental income	0.17
18. Eastern Thai Consulting 1992 Co., Ltd.	B	-	-	- Utility charges expenses	0.89
19. Carbon Magic (Thailand) Co., Ltd.	B	8.33	-	- Immovable property rental income	0.20
20. Thai Takeda Lace Co., Ltd.	B	-	-	- Purchase of products/ raw materials	31.26
21. Thai Bunka Fashion Co., Ltd.	B	8.00	-	- Training expenses	2.81
22. Pitakkij Security Guard Co., Ltd.	B	-	-	- Security fees expenses	8.71
23. Thai Secom Security Co., Ltd.	B	-	-	- Security fees and security equipments rental fees expenses	3.35
24. Erawan Textile Co., Ltd.	B	16.23	-	- Purchase of products/ raw materials	3.46
25. Best Factory Outlet Co., Ltd.	B	-	-	- Sale of products/ raw materials	19.34
26. Fujix International Co., Ltd.	B	5.00	-	- Purchase of products/ raw materials	8.55
27. Far East Fame Line DDB Plc.	B	0.08	-	- Advertising & public relations expenses	31.41
28. International Laboratories Corp., Ltd.	B	-	0.16	- Purchase of products/ raw materials	3.15
				- Royalty fees income	0.59
				- Utility charges expenses	0.02
				- Immovable property rental expenses	0.56
29. Saha Capital Tower Co., Ltd.	B	10.00	-	- Sale of immovable property	277.28

Name	Relationship	Shareholding Percentage		Significant item	Inter-transaction Value
		Shareholding by the company	Shareholding in the company		
30. SRP Nanasai Co., Ltd.	C	7.69	-	- Advertising & public relations expenses - Purchase of movable property - Immovable property rental income - Construction or renovation expenses	4.16 0.35 0.04 4.89
31. Royal Garment Co., Ltd.	C	9.00	-	- Hire of work expenses	19.75
32. Integrated Communication Co., Ltd.	C	-	-	- Advertising & public relations expenses	0.94
33. I.D.F Co., Ltd.	D	-	3.74	- Immovable property rental expenses	1.80
34. Intanin Chiangmai Co., Ltd.	D	-	-	- Advertising & public relations expenses	2.28
35. Saha Asia Pacific Co., Ltd.,	D	18.50	-	- Construction or renovation expenses	0.18
36. International Commercial Coordination Co., Ltd.	E	-	-	- Sale of movable property - Information technology system services fees - Sales management fee	0.18 2.75 11.35
37. Mr. Thamarat Chokwatana	F	-	0.07**	- Sale of immovable property with decoration and other supplies	2.40

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 director or the management.
	D = Close relatives of director is a major shareholder of such company
	E = Director is a major shareholder of such company
	F = Director

Note : * Such company has already registered its dissolution and has been in the liquidation process.

** Including shareholding by spouse and underaged children.

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 and expenditure 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
- Sales management fee	: Fees depending on the scope of work, the location, number of jobs and number of sales staff
- Information technology system services fees	: Fees depending on the number of hardware, software, and man-day in services
- Design and renovation fees	: Remuneration based on the nature, difficulty level for such services, area size, materials used, and the renovation knowhow and techniques applied
- 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 immovable property (with decoration and other supplies)	: Price depending on appraisal price of valuer and negotiation

2. Transaction in providing or receiving financial assistance

Unit : Million Baht						
Company name	Loan Extension					Guarantee*
	Balance As	Additions	Settlements	Balance As	Interest	Balance As
	of Dec. 31, 18			of Dec. 31, 19	Rate	of Dec. 31, 19
1. A Tech Textile Co., Ltd.	-	-	-	-	-	36.38
2. Sahapat Real Estate Co., Ltd.	-	-	-	-	-	39.82
Total	-	-	-	-	-	76.20

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 and long-term loan to related parties as of December 31, 2019.

Financial guarantees provision As of December 31, 2019, the company and its subsidiaries posted outstanding financial guarantees to related parties on shareholding proportion in total of Baht 76.20 million. (Please refer to supplementary note to financial statement no. 34.2)

In this regard, shareholders and/or investors can view the information of inter-transaction in the past 3 years via company website at www.wacoal.co.th, under the heading “Investor Relations : Annual & Quarterly Reports (Annual Reports)”

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 directors

For such inter-transactions considered significant, the company followed its policy in proposing such transactions to The Board of Directors' meeting, either for their approval or for further forwarding to the shareholders' meeting for their approval, 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 Audit Committee and company directors concluded not to have any different opinions regarding inter-transactions in 2019, 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, 2019, 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, 2019, 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, 2019, 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

Provision for goods returned

As described in Note 3.18 to the financial statements regarding accounting policy for use of management's judgement.

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.

Our key audit procedures included:

- 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 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 expect provision for goods returned.

Impairment of investments

As described in Note 3.5, Note 3.13 and Note 3.18 to the financial statements regarding accounting policies for impairment and use of management's judgement, respectively.

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.

The consideration of impairment in other long-term investments is depended on the Group's and the Company's management judgements and significant assumptions.

Our key audit procedures included:

- 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 of investments, 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 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 18, 2020

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

Statement of Financial Position

THAI WACOAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

AS AT DECEMBER 31, 2019

Unit : Baht

	NOTES	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2019	2018	2019	2018
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	4.1	235,423,008	167,711,136	221,644,431	126,922,652
Temporary investments	5	504,743,444	400,775,505	317,293,719	255,259,024
Trade and other current receivables	6	965,061,524	851,174,246	1,083,659,444	972,590,036
Other short-term loans	7	21,530,000	21,530,000	21,530,000	21,530,000
Inventories	8	1,410,759,704	1,302,010,562	1,257,335,151	1,087,998,476
Other current assets		27,346,458	22,372,256	20,428,452	14,284,818
Non-current assets					
classify as assets held for sales	14	430,910,730	-	430,910,730	-
Total Current Assets		3,595,774,868	2,765,573,705	3,352,801,927	2,478,585,006
NON-CURRENT ASSETS					
Deposit at bank under obligation	9	-	2,060,877	-	2,060,877
Available-for-sale investments	10	1,386,734,291	1,503,860,741	1,374,884,291	1,491,410,741
Investments in subsidiaries	11	-	-	152,048,252	152,048,252
Investments in associates	12	180,378,517	176,688,966	182,509,728	182,509,728
Other long-term investments	13	880,848,368	796,551,628	877,578,368	793,281,628
Investment property	14	80,065,915	709,980,288	81,470,176	714,513,324
Property, plant and equipment	15	1,211,296,871	1,227,763,506	1,094,433,712	1,089,001,508
Intangible assets	16	38,826,274	39,319,223	38,766,980	39,187,329
Leasehold rights	17	10,148,803	14,030,664	10,148,803	14,030,664
Other non-current assets		83,980,923	34,547,347	68,815,324	19,440,093
Total Non-current Assets		3,872,279,962	4,504,803,240	3,880,655,634	4,497,484,144
TOTAL ASSETS		7,468,054,830	7,270,376,945	7,233,457,561	6,976,069,150

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

Statement of Financial Position (Continued)

THAI WACOAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

AS AT DECEMBER 31, 2019

Unit : Baht

	NOTES	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2019	2018	2019	2018
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Trade and other current payables	18	681,545,655	683,488,191	731,789,436	707,390,058
current portion for financial lease liabilities	19	-	264,367	-	264,367
Current provisions for employee benefit	21	69,048,733	59,008,680	49,822,073	40,614,393
Accrued income tax		32,260,527	39,130,747	31,161,570	37,641,573
Other current liabilities					
Provision for goods returned		208,400,000	77,200,000	208,400,000	77,200,000
Withholding tax payable		8,143,012	7,075,361	6,966,639	5,890,318
Others		8,079,657	11,071,571	4,562,314	7,860,157
		224,622,669	95,346,932	219,928,953	90,950,475
Total Current Liabilities		1,007,477,584	877,238,917	1,032,702,032	876,860,866
NON-CURRENT LIABILITIES					
Deferred tax liabilities	20	14,705,019	72,914,239	50,865,238	104,294,636
Non-current provisions for employee benefit	21	687,461,143	509,129,588	482,880,319	328,527,571
Total Non-current Liabilities		702,166,162	582,043,827	533,745,557	432,822,207
TOTAL LIABILITIES		1,709,643,746	1,459,282,744	1,566,447,589	1,309,683,073

THAI WACOAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
AS AT DECEMBER 31, 2019

Unit : Baht

	NOTES	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2019	2018	2019	2018
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	406,172,400	389,929,979	406,172,400	389,929,979
Unappropriated		4,273,349,402	4,169,516,599	4,171,054,144	4,035,032,741
OTHER COMPONENTS OF SHAREHOLDERS'					
EQUITY		649,481,422	822,235,077	660,593,428	812,233,357
TOTAL EQUITY ATTRIBUTABLE TO					
OWNERS OF THE PARENT		5,758,193,224	5,810,871,655	5,667,009,972	5,666,386,077
NON-CONTROLLING INTERESTS		217,860	222,546	-	-
TOTAL SHAREHOLDERS' EQUITY		5,758,411,084	5,811,094,201	5,667,009,972	5,666,386,077
TOTAL LIABILITIES AND					
SHARHOLDERS' EQUITY		7,468,054,830	7,270,376,945	7,233,457,561	6,976,069,150

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, 2019

Unit : Baht

	NOTES	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2019	2018	2019	2018
Revenues from sale of goods and rendering of services	26	4,881,146,386	4,606,051,449	5,254,683,384	4,915,900,616
Cost of sale of goods and rendering of services	27	(3,178,547,805)	(3,398,581,821)	(3,744,438,424)	(3,909,514,724)
Gross Profit		1,702,598,581	1,207,469,628	1,510,244,960	1,006,385,892
Dividend income		78,762,766	78,148,639	164,267,340	146,815,297
Other income	28	180,629,880	95,991,632	207,812,523	101,242,916
Profit before expenses		1,961,991,227	1,381,609,899	1,882,324,823	1,254,444,105
Selling expenses		(808,064,125)	(266,062,661)	(803,027,662)	(261,425,982)
Administrative expenses		(714,495,992)	(671,717,240)	(623,176,252)	(588,728,618)
Management benefit expenses		(72,717,236)	(69,352,326)	(56,249,078)	(51,682,078)
Reversal (loss) on impairment of investments		25,010,456	(75,417,636)	25,010,456	(75,417,636)
Gain (loss) on sale of investment	13.2	(9,823,790)	90,493,784	(10,362,601)	89,843,260
Profit before financial cost and income tax expenses		381,900,540	389,553,820	414,519,686	367,033,051
Financial cost		(19,575)	(77,877)	(19,529)	(75,311)
Share of profit (loss) from investments in associates		3,683,543	10,705,500	-	-
Profit before income tax expenses		385,564,508	400,181,443	414,500,157	366,957,740
Income tax expense	30	(49,475,874)	(44,404,021)	(46,236,333)	(42,109,328)
NET PROFIT FOR THE YEAR		336,088,634	355,777,422	368,263,824	324,848,412
PROFIT ATTRIBUTABLE TO					
Owners of the parent		336,075,224	355,760,261	-	-
Non-controlling interests		13,410	17,161	-	-
		336,088,634	355,777,422	-	-
BASIC EARNINGS OF					
THE COMPANY PER SHARE	BAHT	2.80	2.96	3.07	2.71
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 , 2019

Unit : Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Net profit for the year	336,088,634	355,777,422	368,263,824	324,848,412
Other comprehensive income (loss)				
Items that will not be reclassified subsequently to profit or loss				
Gains (losses) on remeasurements of defined benefits plan	(103,173,246)	5,985,058	(77,064,450)	5,985,058
Income tax relating to items that will not be reclassified subsequently	20,634,650	(1,197,012)	15,412,890	(1,197,012)
Items that will be reclassified subsequently to profit or loss				
Unrealized loss on the changes in value of available-for-sale securities	(112,781,496)	(168,295,315)	(112,485,461)	(169,100,819)
Exchange differences on translating financial statements of foreign operations	6,007	54,343	-	-
Income tax relating to items that will be reclassified subsequently	22,555,098	33,648,194	22,497,092	33,820,164
Other comprehensive loss for the year, net of income tax	(172,758,987)	(129,804,732)	(151,639,929)	(130,492,609)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	163,329,647	225,972,690	216,623,895	194,355,803
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO				
Owners of the parent	163,321,569	225,955,269	-	-
Non-controlling interests	8,078	17,421	-	-
	163,329,647	225,972,690	-	-

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, 2019

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 changes in value of available-for-sale securities	Exchange differences on translating financial statements of foreign operations	Losses on remeasurements of defined benefit plans	Other components of shareholders' equity	Total
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
Dividend paid	24	-	-	-	-	(180,000,000)	-	-	-	-	(180,000,000)
General reserve	24	-	-	-	18,528,099	(18,528,099)	-	-	-	-	-
Dividend paid to non-controlling interests		-	-	-	-	-	-	-	-	-	-
Total comprehensive income		-	-	-	-	355,760,261	(134,636,513)	43,475	4,788,046	(129,804,992)	225,955,269
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
Balance as at January 1, 2019		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
Dividend paid	24	-	-	-	-	(216,000,000)	-	-	-	-	(216,000,000)
General reserve	24	-	-	-	16,242,421	(16,242,421)	-	-	-	-	-
Dividend paid to non-controlling interests		-	-	-	-	-	-	-	-	-	-
Total comprehensive income		-	-	-	-	336,075,224	(90,225,050)	4,806	(82,533,411)	(172,753,655)	163,321,569
Ending balance as at December 31, 2019		120,000,000	297,190,000	12,000,000	406,172,400	4,273,349,402	733,551,278	15,506	(84,085,362)	649,481,422	5,758,193,224
										217,860	5,758,193,224
											5,811,094,201
											(13,665)
											(12,764)
											8,078
											163,329,647
											5,758,193,224
											5,811,094,201

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

Statement of Changes in Shareholders' Equity

SEPARATE FINANCIAL STATEMENTS

THAI WACOAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2019

	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	Total Other components of shareholders' equity	
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
Balance as at January 1, 2019		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
Dividend paid	24	-	-	-	-	(216,000,000)	-	-	-	(216,000,000)
General reserve	24	-	-	-	16,242,421	(16,242,421)	-	-	-	-
Total comprehensive income		-	-	-	-	368,263,824	(89,988,369)	(61,651,560)	(151,639,929)	216,623,895
Ending balance as at December 31, 2019		120,000,000	297,190,000	12,000,000	406,172,400	4,171,054,144	731,494,610	(70,901,182)	660,593,428	5,667,009,972

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, 2019

Unit : Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2019	2018	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax	385,564,508	400,181,443	414,500,157	366,957,740
Adjustments :				
Depreciation of investment property and plant and equipment	94,178,971	93,916,749	63,410,166	60,205,244
Amortization of intangible assets and leasehold rights	10,320,607	9,061,505	10,248,007	8,933,049
Gain on sale of investment property	(81,916,995)	-	(109,234,441)	-
(Gain) loss on sale of property, plant and equipment	(4,353,894)	676,831	(4,292,270)	1,209,728
Other income for compensation claim of damaged machinery from insurance company	(1,123,644)	-	(1,123,644)	-
Gain on sale of intangible assets	(350,072)	(143)	(350,072)	-
Share of profit from investments in associates	(3,683,543)	(10,705,500)	-	-
Unrealized loss on exchange rate	250,621	22,293	250,621	22,293
Dividend income from investments	(78,762,766)	(78,148,639)	(164,267,340)	(146,815,297)
(Reversal) loss on impairment of investments	(25,010,456)	75,417,636	(25,010,456)	75,417,636
(Reversal) loss of provision from goods returned	63,000,000	(5,000,000)	63,000,000	(5,000,000)
Loss on devaluation of inventories	44,333,438	48,879,616	41,863,522	45,965,722
(Gain) loss on sale of investments	9,823,790	(90,493,784)	10,362,601	(89,843,260)
Unrealized (gain) loss on trading securities	(561,201)	314,563	(561,201)	314,563
Provision for employee benefit expense	59,850,690	44,888,328	44,217,920	32,043,103
Interest income	(8,758,683)	(8,374,435)	(8,056,093)	(7,996,179)
Interest expense	19,575	77,877	19,529	75,311
	462,820,946	480,714,340	334,977,006	341,489,653

THAI WACOAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2019

Unit : Baht

	NOTES	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2019	2018	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES					
(CONTINUED)					
Operating assets (increase) decrease					
Trade and other current receivables		(42,071,867)	(67,227,098)	(39,317,791)	(116,921,293)
Inventories		(153,082,580)	(241,395,779)	(211,200,197)	(189,194,640)
Other current assets		(4,974,202)	(2,513,796)	(6,143,634)	(1,013,786)
Operating liabilities increase (decrease)					
Trade and other current payables		(86,622,469)	99,222,346	(60,415,449)	105,801,179
Withholding tax payable		1,067,651	1,691,416	1,076,321	1,571,535
Other current liabilities		(2,991,914)	3,967,114	(3,297,843)	3,623,078
Cash paid for employee benefit		(55,393,280)	(29,188,547)	(38,462,894)	(22,316,859)
Cash received (paid) from operations		118,752,285	245,269,996	(22,784,481)	123,038,867
Cash paid for interest expense		(47)	(484)	-	-
Cash paid for income tax		(71,365,567)	(39,063,077)	(68,235,752)	(35,779,680)
Net cash provided by (used in) operating activities		47,386,671	206,206,435	(91,020,233)	87,259,187

Statement of Cash Flows (Continued)

THAI WACOAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2019

Unit : Baht

	NOTES	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2019	2018	2019	2018
CASH FLOWS FROM INVESTING ACTIVITIES					
(Increase) decrease in deposit at bank under obligation		2,017,618	(9,656)	2,017,618	(9,656)
(Increase) decrease in temporary investments		(126,719,446)	3,027,080	(85,628,982)	14,423,780
Payments for short-term loans to other companies		(20,000,000)	(20,000,000)	(20,000,000)	(20,000,000)
Proceeds from short-term loans to other companies		20,000,000	40,020,000	20,000,000	40,020,000
Payments for purchase of investments in subsidiaries		-	-	-	(20,000,000)
Payments for purchase of general investments		(51,500,000)	(7,500,000)	(51,500,000)	(7,500,000)
Proceeds from capital reduction general investments		6,990,936	139,400	6,990,936	139,400
Proceeds from sale of general investments		2,940,000	-	2,940,000	-
Proceeds from sale of available-for-sale securities - debt securities		-	9,999,756	-	9,999,756
Payments for purchase of available-for-sale securities - debt securities		-	(11,000,000)	-	(11,000,000)
Proceeds from sale of available-for-sale securities		2,113,568	91,740,000	2,113,568	91,740,000
Proceeds from long-term investments		53,568	248,689	53,568	248,689
Proceeds from redemption of held-to-maturity securities		50,000,000	50,000,000	50,000,000	50,000,000
Payments for purchase of held-to-maturity securities		(70,000,000)	(40,000,000)	(70,000,000)	(40,000,000)
Proceeds from sale of investment property		269,513,630	-	296,831,076	-
Proceeds from advance received for land		100,000,000	-	100,000,000	-
Payments for purchase of property, plant and equipment					
intangible assets and leasehold rights	4.2.1	(74,088,073)	(85,001,749)	(58,437,855)	(61,614,685)
Proceeds from sale of property, plant and equipment		9,874,761	1,594,664	6,296,553	708,004
Proceeds from sale of intangible assets		419,251	8,400	419,251	-
Cash received from dividends		75,387,136	75,242,805	160,891,710	144,130,297
Cash received from interest		8,518,898	8,376,312	7,880,106	8,052,303
(Increase) decrease in other non-current assets		31,307,376	(7,889,556)	31,365,721	2,282,699
Net cash provided by investing activities		236,829,223	108,996,145	402,233,270	201,620,587

THAI WACOAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2019

Unit : Baht

	NOTES	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2019	2018	2019	2018
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid to shareholders		(216,000,000)	(180,000,000)	(216,000,000)	(180,000,000)
Dividend paid to non-controlling interests		(12,764)	(13,666)	-	-
Payment for financial lease liabilities	4.3	(283,896)	(461,453)	(283,896)	(378,528)
Net cash used in financing activities		(216,296,660)	(180,475,119)	(216,283,896)	(180,378,528)
Effect of exchange rate changes on cash and cash equivalents		(207,362)	(8,864)	(207,362)	(8,864)
Net increase in cash and cash equivalents		67,711,872	134,718,597	94,721,779	108,492,382
Cash and cash equivalents as at January 1,		167,711,136	32,992,539	126,922,652	18,430,270
Cash and cash equivalents as at December 31,	4.1	235,423,008	167,711,136	221,644,431	126,922,652

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, 2019

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 its subsidiaries is to manufacture and sell clothes which mainly are ladies’ lingerie. Locations of the Company and its 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

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 AND PRESENTATION OF THE FINANCIAL STATEMENTS

- 2.1 The Company and its 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 subsidiaries' financial statements have been prepared in accordance with the Thai Accounting Standard (TAS) No. 1 (Revised 2018) "Presentation of Financial Statements", which was effective for financial periods beginning on or after January 1, 2019 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 year, the Company and its subsidiaries have adopted the revised and new Thai Financial Reporting Standards including the guideline on accounting issued by the Federation of Accounting Professions which become effective for the financial statements for the accounting periods beginning on or after January 1, 2019. These Thai 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 except the revenue recognition under the Thai Financial Reporting Standard No. 15 "Revenue from Contracts with Customers" that requires the Company and its subsidiaries to recognize revenue when (or as) a performance obligation is satisfied at a point in time, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. This new accounting policy superseded the previous accounting policies regarding revenue recognition. However, the adoption of these financial reporting standards does not have any significant impact on the Company's and subsidiaries' financial statements.

- 2.5 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

The Federation of Accounting Professions has issued the Notification regarding Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretation 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, 2020 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 provision of interpretations and accounting guidance to users of standards.

The Company and its subsidiaries' management will adopt such TFRSs in the preparation of the Company and its subsidiaries' financial statements when it becomes effective. The Company and its

subsidiaries' management has assessed the impact of these TFRSs and considered that the adoption of these financial reporting standards does not have any material impact on the financial statements of the Company and its subsidiaries in the period of initial application, except the financial reporting standards as follow:

Thai Accounting Standard No.28 "Investments in Associates and Joint Ventures"

This revised accounting standard clarifies about the application of TFRS 9, including its impairment requirements to long-term interests. An entity does not take into account adjustments to their carrying amount required by TAS 28 (i.e., adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with TAS 28). This accounting standard requires retrospective method for such amendment. Earlier application is permitted.

Group of Financial Instruments Standards

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 group of Standards 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 Standards will supersede the Standards and Interpretations relating to the financial instruments upon its effective date.

The Company and its subsidiaries' management is in the process to assess the impact of these Financial Instruments Standards on the financial statements of the Company and its subsidiaries in the period of initial application.

Thai Financial Reporting Standards No. 16 "Leases"

This TFRS provides a comprehensive model for the identification if lease arrangements and their treatment in the financial statements of both lessees and lessors.

This TFRS will supersede the following lease Standards and Interpretations upon its effective date, which are Thai Accounting Standard No.17 "Leases", Thai Accounting Standard Interpretation No.15 "Operating Lease - Incentives", Thai Accounting Standard Interpretation No.27 "Evaluating the Substance of Transactions involving the Legal Form of a Lease" and Thai Financial Reporting Standard Interpretation No.4 "Determining whether on Arrangement contains a Lease".

For lessee accounting, there are significant changes to lease accounting in this TFRS by removing the distinction between operating and finance leases under TAS 17 and requiring a lessee to recognize a right-of-use asset and a lease liability at commencement for all leases, except for short-term- leases and leases of low value assets. However, the lessor accounting treatment continues to require a lessor to classify a lease either as an operating lease or a finance lease, using the same concept as TAS 17.

The Company and its subsidiaries' management is in the process to assess the impact of these Financial Instruments Standards 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 control of the goods has transferred to the customer, being at the point which the goods are delivered to the customer.

Revenues from services are recognized when a performance obligation is satisfied.

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 moving-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 shareholders' 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 Non-current assets classified as held-for-sale

Assets classified as non-current assets held-for-sale are measured at the lower of assets' carrying amount and fair value less cost to sell.

3.7 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.

3.8 Property, plant and equipment

Land is stated at cost. Plant and equipment are presented at cost less accumulated depreciation, and allowance 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

Depreciation is recorded 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

3.10 Leasehold right

Leasehold right is stated at cost, less of accumulated amortization. Leasehold right is amortized by using the straight-line method over the lease periods.

3.11 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.

3.12 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 assets at the lower of fair value at the contractual date or 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.

3.13 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 or 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.

3.14 Employment benefits

3.14.1 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.

3.14.2 Post-employment benefits

The Company and its subsidiaries operate post-employment benefit 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 benefit obligations 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.

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

3.15 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.

3.16 Income tax expenses

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

3.16.1 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 current income tax expense is calculated using tax rates that have been enacted at the financial statement date.

3.16.2 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 components in equity in the same or different period, they will be recognized directly in other components of shareholders' equity.

3.17 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.

3.18 Use of management's judgement

The preparation of financial statements in conformity with TFRS also requires the Company and its subsidiaries' 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.

When a customer has a right to return products bought within a given period, the Company recognizes a refund liability for the amount of consideration received for which the entity does not expect to be entitled. The Company adjusts the valuation measurement of the refund liability as at the end of the reporting period for changing in the estimated amount of the refund amount and a corresponding adjustment to revenues from sale of goods. At the same time, the Company will recognize as right of recover the product and a corresponding adjustment to cost of sale of goods.

Impairment

The Company and its subsidiaries shall assess the assets balance at the statement of financial position date 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.

3.19 Fair value measurements

Fair value is the price that would be received from 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 as at December 31, consist of:

	Unit : Baht			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Cash on hand	1,299,756	920,520	1,054,697	715,717
Bank deposits in current and saving accounts	234,123,252	111,790,616	220,589,734	76,206,935
Bill of exchange	-	55,000,000	-	50,000,000
Total cash and cash equivalents	235,423,008	167,711,136	221,644,431	126,922,652

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

- 4.2.1 Purchase of property, plant and equipment, intangible assets and leasehold rights for the years ended December 31, are as follows:

Unit : Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Payable for purchase of property, plant and equipment, intangible assets and leasehold rights as at January 1,	1,873,311	1,129,908	1,709,120	1,097,273
Add Purchases during the year	76,717,528	85,745,152	61,202,201	62,226,532
Less Cash payments during the year	(74,088,073)	(85,001,749)	(58,437,855)	(61,614,685)
Payable for purchase of property, plant, and equipment, intangible assets and leasehold rights as at December 31,	4,502,766	1,873,311	4,473,466	1,709,120

4.2.2 Investments for the years ended December 31, are as follows:

Unit : Baht

	CONSOLIDATED FINANCIAL STATEMENTS		
	Temporary investments	Available-for-sale investments	Other long-term investments
As at January 1, 2019	400,775,505	1,503,860,741	796,551,628
Cash flows from investing activities	96,719,450	(2,167,136)	91,569,064
Non-Cash transactions			
Gain (loss) on sale of investment	2,395,902	(19,704,068)	7,484,376
Reversal loss on impairment of investment	-	21,817,636	3,192,820
Unrealized gain (loss) on changes in fair value of available-for-sale securities in equity	291,386	(113,072,882)	-
Others	4,561,201	(4,000,000)	(17,949,520)
As at December 31, 2019	504,743,444	1,386,734,291	880,848,368

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 transactions			
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

SEPARATE FINANCIAL STATEMENTS			
	Temporary investments	Available-for-sale investments	Other long-term investments
As at January 1, 2019	255,259,024	1,491,410,741	793,281,628
Cash flows from investing activities	55,628,982	(2,167,136)	91,569,064
Non-Cash transactions			
Gain (loss) on sale of investment	1,857,091	(19,704,068)	7,484,376
Reversal loss on impairment of investment	-	21,817,636	3,192,820
Unrealized loss on changes in fair value of available-for-sale securities in equity	(12,579)	(112,472,882)	-
Others	4,561,201	(4,000,000)	(17,949,520)
As at December 31, 2019	317,293,719	1,374,884,291	877,578,368

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 transactions			
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

4.2.3 For the year ended December 31, 2018, the Company has increase in unrealized gains on changes in fair value of convertible bonds to ordinary shares in 2018 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 the years ended December 31, are as follows:

Unit : Baht				
	LIABILITIES UNDER FINANCE LEASE AGREEMENTS			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2019	2018	2019	2018
As at January 1,	283,896	745,349	283,896	662,424
Cash flows items:				
Repayments	(283,896)	(461,453)	(283,896)	(378,528)
Total cash flows items	(283,896)	(461,453)	(283,896)	(378,528)
As at December 31,	-	283,896	-	283,896

The Company does not have non-cash transactions that related to short-term borrowings from financial institutions during the years ended December 31, 2019 and 2018.

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

Unit : Million Baht				
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Facilities for bank overdrafts and short-term borrowings from financial institutions	1,368.63	1,368.63	1,272.90	1,272.90

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

4.4 For the years ended December 31, 2019 and 2018, the Company and its subsidiaries received transferred employees from related companies and recorded as provisions for employee benefit in consolidated financial statements amounting to Baht 80.74 million and Baht 21.21 million, respectively, and in separate financial statements amounting to Baht 80.74 and Baht 18.22 million, respectively (see Note 21), which the Company would refund such amount from related companies later. The Company recognized these transactions as part of other non-current assets as at December 31, 2019 and 2018, amounting to Baht 64.85 million and Baht 15.75 million, respectively (see Note 31).

5. TEMPORARY INVESTMENTS

Temporary investments as at December 31, are as follows:

	Unit : Million Baht			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
	2019	2018	2019	2018
Time deposits	78,002,004	65,000,000	30,001,000	30,000,000
Short-term investments in trading securities				
- equity securities	4,072,563	3,798,470	4,072,563	3,798,470
Short-term investments in trading securities				
- debt securities	11,955,394	11,596,093	11,955,394	11,596,093
Short-term investments in available-for-sale securities - debt securities	410,713,483	290,380,942	271,264,762	179,864,461
Investments in held-to-maturity securities due within 1 year	-	30,000,000	-	30,000,000
	504,743,444	400,775,505	317,293,719	255,259,024

Other details of trading securities are as follows:

	Unit : Baht			
	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	Cost value/ amortized cost As at December 31, 2019	Unrealized gross profit	Unrealized gross loss	Fair value As at December 31, 2019
Trading securities				
Equity securities				
- Ordinary shares	1,777,122	94,877	(75,078)	1,796,921
- Unit trust	1,739,712	535,930	-	2,275,642
	3,516,834	630,807	(75,078)	4,072,563
Debt securities				
- Unit trust	11,107,302	848,092	-	11,955,394
	14,624,136	1,478,899	(75,078)	16,027,957

Unit : Baht

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	Cost value/ amortized cost	Unrealized gross profit	Unrealized gross loss	Fair value
	As at December 31, 2018			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

Other details of short-term available-for-sale securities are as follows:

Unit : Baht

CONSOLIDATED FINANCIAL STATEMENTS			
	Cost value/ amortized cost As at December 31, 2019	Unrealized gross profit	Fair value As at December 31, 2019
Available-for-sale securities			
Debt securities			
- Unit trust	410,013,786	699,697	410,713,483

Unit : Baht

CONSOLIDATED FINANCIAL STATEMENTS			
	Cost value/ amortized cost As at December 31, 2018	Unrealized gross profit	Fair value As at December 31, 2018
Available-for-sale securities			
Debt securities			
- Unit trust	289,972,631	408,311	290,380,942

Unit : Baht

SEPARATE FINANCIAL STATEMENTS			
	Cost value/ amortized cost As at December 31, 2019	Unrealized gross profit	Fair value As at December 31, 2019
Available-for-sale securities			
Debt securities			
- Unit trust	271,112,880	151,882	271,264,762

Unit : Baht

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

Other details of investment in held-to-maturity securities due within 1 year are as follows:

Unit : Baht

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	Cost value/ amortized cost As at December 31, 2018	Unrealized gross profit	Fair value As at December 31, 2018
Held-to-maturity securities			
- Debentures	30,000,000	308,000	30,308,000

6. TRADE AND OTHER CURRENT RECEIVABLES

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

	Unit : Baht			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Trade receivables - related companies (see Note 31)	749,273,342	687,592,757	878,192,840	814,091,953
Trade receivables - other companies	58,844,631	87,100,096	52,895,459	84,118,191
Total trade receivables	808,117,973	774,692,853	931,088,299	898,210,144
Other receivables - related companies (see Note 31)	13,956,120	2,802,030	13,102,808	3,080,961
Other receivables - other companies	2,426,887	60,331	500,887	60,331
Right to recover the product	120,400,000	52,200,000	120,400,000	52,200,000
Prepaid expenses	8,330,447	7,831,934	7,705,297	7,261,385
Advance payment	3,613,099	3,239,962	3,603,099	3,144,613
Accrued income	6,649,084	9,019,003	5,851,509	7,401,044
Accrued interest income	1,567,914	1,328,133	1,407,545	1,231,558
Total other receivables	156,943,551	76,481,393	152,571,145	74,379,892
	965,061,524	851,174,246	1,083,659,444	972,590,036

Aging trade receivables as at December 31, are as follows:

	Unit : Baht			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Current	762,266,556	693,094,269	875,052,772	809,550,289
Overdue				
Within 3 months	45,480,513	77,667,301	55,877,308	84,872,639
Between 3 and 6 months	366,676	3,719,954	153,991	3,575,887
Between 6 and 12 months	4,228	211,329	4,228	211,329
More than 12 months	-	-	-	-
Total trade receivables	808,117,973	774,692,853	931,088,299	898,210,144

7. OTHER SHORT-TERM LOANS

As at December 31, 2019 and 2018, other short-term loans in the consolidated and the separate financial statements amounting to Baht 21.53 million, 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	
	2019	2018	2019	2018
Finished goods	932,313,245	753,331,297	924,937,508	759,171,996
Finished goods in transit	12,702,572	14,330,447	9,182,928	7,300,621
Work in process	140,783,322	139,902,921	100,125,302	86,076,427
Raw materials	312,685,466	358,823,908	210,814,314	199,827,443
Raw materials in transit	13,228,902	36,797,280	13,228,902	36,797,280
Total inventories	1,411,713,507	1,303,185,853	1,258,288,954	1,089,173,767
<u>Less</u> Allowance for diminution in value of finished goods	(953,803)	(1,175,291)	(953,803)	(1,175,291)
Inventories - net	1,410,759,704	1,302,010,562	1,257,335,151	1,087,998,476

The costs of inventories recognized as expenses in the consolidated and separate financial statements for the year ended December 31, 2019 are Baht 3,146.99 million and Baht 3,732.43 million, respectively (2018: Baht 3,366.11 million and Baht 3,895.98 million, respectively).

The Company recognized expenses in respect of diminution in value of inventory to net realizable value in the consolidated and separate financial statements for the year ended December 31, 2019 of Baht 44.33 million and Baht 41.86 million, respectively (2018 : Baht 48.88 million and Baht 45.97, respectively) (see Note 29).

9. DEPOSIT AT BANK UNDER OBLIGATION

As at December 31, 2018, deposit at bank under obligation in the consolidated and the separate financial statements are time deposit with maturity term of 6 months amounting to HKD 0.5 million (equivalent to Baht 2.06 million) which the Company used as collateral for credit facility from a financial institution in favor of a related company (see Note 34.2). The Company redeemed the collateral for credit facility from such financial institution in May 2019.

10. AVAILABLE-FOR-SALE INVESTMENTS

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

Unit : Baht

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Available-for-sale investments				
Equity securities				
- Ordinary shares				
- Related companies	939,086,562	1,052,539,031	927,236,562	1,040,089,031
- Other companies	440,580,700	462,167,674	440,580,700	462,167,674
<u>Less</u> Allowance for impairment	-	(21,817,636)	-	(21,817,636)
	440,580,700	440,350,038	440,580,700	440,350,038
	1,379,667,262	1,492,889,069	1,367,817,262	1,480,439,069
Debt securities				
	7,067,029	10,971,672	7,067,029	10,971,672
	1,386,734,291	1,503,860,741	1,374,884,291	1,491,410,741

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				
			2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018		
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	195,988,500	270,464,130	18.15	18.15	64,615,035	195,988,500	270,464,130		
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	450,184,265	472,978,405	3.82	3.82	134,814,849	438,334,265	460,528,405		
Saha Pathana Inter-Holding Public Co., Ltd.	Holding company	The Company's major shareholder	571,891	571,515	0.69	0.69	80,350,852	274,790,797	289,564,496	0.69	0.69	80,350,852	274,790,797	289,564,496		
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	17,100,000	18,500,000	0.83	0.83	27,809,160	17,100,000	18,500,000		
Far East Famine DDB Public Co., Ltd.	Agency & Advertising	The Company's major Shareholder has over 10% shareholding	78,700	75,000	0.08	0.08	400,000	1,023,000	1,032,000	0.08	0.08	400,000	1,023,000	1,032,000		
Total available- for-sale securities			317,814,896			317,814,896			939,086,562			927,236,562			1,040,089,031	

10.2 Unrealized gains on changes in fair value of available-for-sale securities

Unrealized gains on changes in fair value of short-term and long-term of available-for-sale securities as at December 31, are as follows:

Unit : Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Beginning balance	823,776,328	958,412,841	821,482,979	956,763,634
Decreases	(90,225,050)	(134,636,513)	(89,988,369)	(135,280,655)
Ending balance	733,551,278	823,776,328	731,494,610	821,482,979

Other details of long-term available-for-sale securities are as follows:

Unit : Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	Cost value/ Amortized Cost As at December 31, 2019	Unrealized gross profit	Unrealized gross loss	Fair value As at December 31, 2019
Available-for-sale securities				
Equity securities				
- Ordinary shares				
- Related parties	317,814,896	631,980,826	(10,709,160)	939,086,562
- Other companies	145,654,910	306,880,601	(11,954,811)	440,580,700
	463,469,806	938,861,427	(22,663,971)	1,379,667,262
Debt securities				
- Debentures	7,023,105	43,924	-	7,067,029
	470,492,911	938,905,351	(22,663,971)	1,386,734,291

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
	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
	474,546,479	1,049,336,396	(20,022,134)	1,503,860,741

Unit : Baht

SEPARATE FINANCIAL STATEMENTS

	Cost value/ Amortized Cost As at December 31, 2019	Unrealized gross profit	Unrealized gross loss	Fair value As at December 31, 2019
Available-for-sale securities				
Equity securities				
- Ordinary shares				
- Related parties	307,989,896	629,955,826	(10,709,160)	927,236,562
- Other companies	145,654,910	306,880,601	(11,954,811)	440,580,700
	453,644,806	936,836,427	(22,663,971)	1,367,817,262
Debt securities				
- Debentures	7,023,105	43,924	-	7,067,029
	460,667,911	936,880,351	(22,663,971)	1,374,884,291

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
	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
	464,721,479	1,046,711,396	(20,022,134)	1,491,410,741

11. INVESTMENTS IN SUBSIDIARIES

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

Unit : Baht							
Company	Business Type	SEPARATE FINANCIAL STATEMENTS					
		Paid-up capital		% of ownership		Cost method	
		December	December	December	December	December	December
		31, 2019	31, 2018	31, 2019	31, 2018	31, 2019	31, 2018
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	30,000,000	99.99	99.99	29,997,000	29,997,000
Total investments in subsidiaries						152,048,252	152,048,252

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, totalling 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	
		2019	2018	2019	2018	2019	2018
Associates							
Pattaya Myanmar Co., Ltd.	Manufacturing						
	clothing	25,424,000	25,424,000	5,886,468	6,036,125	5,084,800	5,084,800
Myanmar Wacoal Co., Ltd.	Manufacturing						
	clothing	132,400,000	132,400,000	40,144,432	36,735,507	52,960,728	52,960,728
Pattaya Manufacturing Co., Ltd	Manufacturing						
	clothing	30,000,000	30,000,000	134,347,617	133,917,334	124,464,200	124,464,200
Total investments in associates				180,378,517	176,688,966	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, totalling Baht 52.96 million. 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, 2019 and 2018, the Company recorded investments in associates by equity method in the consolidated financial statements, using the information from the financial statements of the associates for the years ended December 31, 2019 and 2018 which were not audited and reviewed. Shares of profit from investment in such associated companies for the years ended December 31, 2019 and 2018 were Baht 3.68 million and Baht 10.71 million, respectively.

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

Unit : Million Baht		
	As at December 31,	
	2019	2018
Total assets	894.36	957.68
Total liabilities	(321.87)	(373.34)
Net assets	572.49	584.34

	Unit : Million Baht	
	For the years ended December 31,	
	2019	2018
Total revenue	709.79	802.38
Net profit for the year	8.84	28.35
Share of profit of associates accounted for under the equity method	3.68	10.71

13. OTHER LONG-TERM INVESTMENTS

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

	Unit : Baht			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2019	2018	2019	2018
General investments				
Ordinary shares	708,918,514	674,626,594	708,918,514	674,626,594
- Related companies	(77,417,122)	(78,639,942)	(77,417,122)	(78,639,942)
<u>Less</u> Allowance for impairment	631,501,392	595,986,652	631,501,392	595,986,652
	117,974,476	121,162,476	114,704,476	117,892,476
- Other companies	(18,627,500)	(20,597,500)	(18,627,500)	(20,597,500)
<u>Less</u> Allowance for impairment	99,346,976	100,564,976	96,076,976	97,294,976
	730,848,368	696,551,628	727,578,368	693,281,628
Held-to-maturity securities				
Debentures	150,000,000	100,000,000	150,000,000	100,000,000
	880,848,368	796,551,628	877,578,368	793,281,628

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	
			2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Baht'000 Baht'000														
General investments														
SSDC (Tigerrex) 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	1,819,671	1,213,114	1,819,671	1,213,114
T.U.C. Elastic Co., Ltd.	Manufacturing elastic	The Company's major shareholder has over 10% shareholding	-	160,000	-	10.75	-	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	5,101,500	2,685,000	5,101,500	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	54,360	54,360	54,360
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	3,460,680	4,124,980	3,460,680	4,124,980
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	-	1,477,180	-	-	-	-
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	276,639	277,915	276,639	277,915
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	41,567,000	38,767,000	41,567,000	38,767,000	-	-	-	-
Waseda Education (Thailand) Co., Ltd.	Education Institution	The Company's major shareholder has over 10% shareholding	20,000	20,000	7.14	7.14	1,428,600	1,428,600	1,428,600	1,428,600	-	-	-	-

* Carrying value - net of allowance for impairment

** As of December 31, 2019, Wien International Co., Ltd. is on the process of liquidation

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

Unit : Baht

Companies	Business Type	Relationship	Paid-up capital		% of Ownership		CONSOLIDATED FINANCIAL STATEMENTS Carrying value*		SEPARATE FINANCIAL STATEMENTS Carrying value*		CONSOLIDATED FINANCIAL STATEMENTS Dividend received		SEPARATE FINANCIAL STATEMENTS Dividend received	
			2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
			Baht*000 Baht*000											
Thai Bunka Fashion Co., Ltd.*	Institute of Fashion Design	The Company's major shareholder has over 10% shareholding	25,000	25,000	8.00	8.00	1,930,000	530,000	1,930,000	530,000	-	-	-	-
Sun 108 Co., Ltd.	Retail	The Company's major shareholder has over 10% shareholding	450,000	450,000	5.00	5.00	22,500,000	22,500,000	22,500,000	22,500,000	2,250,000	2,250,000	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	97,400	7.73	7.73	19,254,283	19,254,283	19,254,283	19,254,283	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	621,463	16.23	16.23	119,891,874	119,891,874	119,891,874	119,891,874	-	-	-	-
Bangkok Tokyo Socks Co., Ltd.	Manufacturer and Export of socks	The Company's major shareholder has over 10% shareholding	161,780	161,780	15.14	15.14	24,599,800	24,599,800	24,599,800	24,599,800	-	-	-	-
Fujix International Co., Ltd.*	Thread Seller	The Company's major shareholder has over 10% shareholding	100,000	100,000	5.00	5.00	2,110,000	2,110,000	2,110,000	2,110,000	-	-	-	-
A Tech Textile Co., Ltd.*	Manufacturer of Underwear for woman	The Company's major shareholder has over 10% shareholding	1,000,000	1,000,000	19.00	19.00	130,000,000	130,000,000	130,000,000	130,000,000	-	-	-	-
G Tech Material Co., Ltd.	Manufacturer of Underwear for woman	The Company's major shareholder has over 10% shareholding	300,000	300,000	19.00	19.00	57,000,000	57,000,000	57,000,000	57,000,000	-	-	-	-
Saha Capital Tower Co., Ltd.	Development of Investment Property	The Company's major shareholder has over 10% shareholding	500,000	-	10.00	-	50,000,000	-	50,000,000	-	-	-	-	-
Saha Asia Pacific Co., Ltd.	Rental & Operation of Investment Property	The Company's major shareholder is director's close relative	150,268	187,835	18.50	18.50	29,537,500	36,487,500	29,537,500	36,487,500	1,737,500	1,390,000	1,737,500	1,390,000
SRP Nanasai Co., Ltd.	Design & Advertising	Co-director	16,000	16,000	7.69	7.69	1,019,300	1,019,300	1,019,300	1,019,300	36,900	36,900	36,900	36,900
Royal Garment Co., Ltd.	Manufacturing clothing	Co-director	1,000	1,000	9.00	9.00	388,241	388,241	388,241	388,241	130,500	72,000	130,500	72,000
Total general investments							631,501,392	595,986,652	631,501,392	595,986,652	16,749,340	22,235,859	16,749,340	22,235,859

* Carrying value - net of allowance for impairment

As at December 31, 2018, T.U.C. Elastic Co., Ltd. is on the process of liquidation. The Company has received cash in advance from general investment in such company amounting to Baht 17.20 million (see Note 31). On September 13, 2019, T.U.C. Elastic Co., Ltd. has already completed the process of liquidation. The Company recognized gain as gain (loss) on sale of investments in the statement of profit or loss for the year ended December 31, 2019.

As at December 31, 2018, Saha Nam Textile Co., Ltd. is on the process of liquidation. The Company has received cash in advance from general investment in such company amounting to Baht 0.70 million. On July 5, 2019, Saha Nam Textile Co., Ltd. has already completed the process of liquidation. The Company recognized loss as gain (loss) on sale of investments in the statement of profit or loss for the year ended December 31, 2019.

13.2 Gain (loss) on sale of investments

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

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Gain (loss) on sale of investments				
- Trading securities	(7,418)	119,010	(7,418)	119,010
- Available-for-sale securities	(17,300,748)	90,374,774	(17,839,559)	89,724,250
- General investment	7,484,376	-	7,484,376	-
Total gain (loss) on sale of investments	(9,823,790)	90,493,784	(10,362,601)	89,843,260

13.3 Maturities of held-to-maturity securities

Maturities of held-to-maturity securities as at December 31, are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Between 1 and 5 years	150,000,000	80,000,000	150,000,000	80,000,000
Over 5 years	-	20,000,000	-	20,000,000
Total	150,000,000	100,000,000	150,000,000	100,000,000

Other details of held-to-maturity securities are as follows:

Unit : Baht

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	Cost value/ Amortized Cost December 31, 2019	Unrealized gross profit	Fair value December 31, 2019
Held-to-maturity securities			
Debentures	150,000,000	4,946,000	154,946,000

Unit : Baht

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

14. INVESTMENT PROPERTY AND NON-CURRENT ASSETS CLASSIFY AS ASSETS HELD FOR SALES

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

As at December 31, 2019

Unit : Baht

CONSOLIDATED FINANCIAL STATEMENTS						
	Balance as at January 1, 2019	Additions	Disposals	Transfer to non-current assets classify as assets held for sales	Transfer/ other	Balance as at December 31, 2019
Cost						
Land	686,041,013	-	(184,539,270)	(430,910,730)	(10,139,038)	60,451,975
Building and structures	99,216,484	-	-	-	(13,212,446)	86,004,038
Total costs	785,257,497	-	(184,539,270)	(430,910,730)	(23,351,484)	146,456,013
Accumulated depreciation						
Building and structures	(75,277,209)	(3,372,329)	-	-	12,259,440	(66,390,098)
Investment property	709,980,288					80,065,915

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 costs	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
Depreciation for the years ended December 31,					
2019				Baht	3,372,329
2018				Baht	3,585,102

As at December 31, 2019

Unit : Baht

SEPARATE FINANCIAL STATEMENTS						
	Balance as at January 1, 2019	Additions	Disposals	Transfer to non-current assets classify as assets held for sales	Transfer/ other	Balance as at December 31, 2019
Cost						
Land	687,445,274	-	(184,539,270)	(430,910,730)	(10,139,038)	61,856,236
Building and structures	124,075,684	-	(26,409,200)	-	(13,212,446)	84,454,038
Total costs	811,520,958	-	(210,948,470)	(430,910,730)	(23,351,484)	146,310,274
Accumulated depreciation						
Building and structures	(97,007,634)	(3,443,740)	23,351,836	-	12,259,440	(64,840,098)
Investment property	714,513,324					81,470,176

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 costs	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
Depreciation for the years ended December 31,					
2019				Baht	3,443,740
2018				Baht	3,758,870

On November 14, 2019, the Company entered into the land purchase and sale agreement for 4 land plots to Saha Capital Tower Co., Ltd., which is the related company, totalling Baht 924.90 million, in which the selling price was appraised by the independent appraiser. In December 2019, the Company received cash and transferred ownership for 2 plots in amount of Baht 277.27 million and recognized gain from sale of such land in amount of Baht 81.92 million as other income in the consolidated and separate statement of profit or loss and statement of comprehensive income for the year ended December 31, 2019 (see Note 28). Further, the Company received cash in advance for land in amount of Baht 100 million (see Note 18) which the remaining amount of Baht 547.63 million will be received within April 2020. Such land was classified to non-current assets classify as assets held for sales with carrying value in the amount of Baht 430.91 million.

Fair value of investment property as at December 31, are as follows:

Unit : Baht

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	CARRYING VALUE	FAIR VALUE	CARRYING VALUE	FAIR VALUE
As at December 31, 2019				
Land	60,451,975	182,833,120	61,856,236	269,096,000
Building and structures	19,613,940	96,592,900	19,613,940	85,592,900
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

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		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Rental income from investment property	3,389,288	4,396,403	6,467,288	8,759,603
Direct operating expenses arising from investment property that generated rental income during the year	5,032,496	6,053,227	5,103,908	6,429,573

15. PROPERTY, PLANT AND EQUIPMENT

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

As at December 31, 2019

Unit : Baht

CONSOLIDATED FINANCIAL STATEMENTS					
	Balance as at January 1, 2019	Additions	Disposals	Transfer/ other	Balance as at December 31, 2019
Cost					
Land	866,104,639	-	-	10,139,038	876,243,677
Land improvement	3,736,581	-	-	-	3,736,581
Building and structures	427,621,568	-	(32,456,158)	17,671,440	412,836,850
Furniture, fixtures and office equipment	804,833,912	45,770,377	(36,386,179)	7,641,685	821,859,795
Machinery and equipment	964,677,449	6,051,103	(24,774,076)	2,514,375	948,468,851
Vehicles	65,352,653	4,140,843	(8,134,983)	-	61,358,513
Total costs	3,132,326,802	55,962,323	(101,751,396)	37,966,538	3,124,504,267
Accumulated depreciation					
Land improvement	(1,594,598)	(59,361)	-	-	(1,653,959)
Building and structures	(326,500,666)	(7,097,584)	29,398,791	(12,259,440)	(316,458,899)
Furniture, fixtures and office equipment	(691,697,143)	(40,515,494)	35,515,544	(139,188)	(696,836,281)
Machinery and equipment	(842,722,565)	(37,405,281)	21,669,860	139,188	(858,318,798)
Vehicles	(43,056,372)	(5,728,922)	7,731,671	-	(41,053,623)
Total accumulated depreciation	(1,905,571,344)	(90,806,642)	94,315,866	(12,259,440)	(1,914,321,560)
Construction in progress and machinery under installation	1,008,048	14,740,229	(19,058)	(14,615,055)	1,114,164
Property, plant and equipment	1,227,763,506				1,211,296,871

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 costs	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
Depreciation for the years ended December 31,					
2019				Baht	90,806,642
2018				Baht	90,331,647

As at December 31, 2019

Unit : Baht

	SEPARATE FINANCIAL STATEMENTS				
	Balance as at January 1, 2019	Additions	Disposals	Transfer/ other	Balance as at December 31, 2019
Cost					
Land	828,250,382	-	-	10,139,038	838,389,420
Land improvement	2,237,838	-	-	-	2,237,838
Building and structures	241,466,546	-	(6,046,958)	13,212,445	248,632,033
Furniture, fixtures and office equipment	644,585,961	44,537,612	(35,673,430)	2,756,918	656,207,061
Machinery and equipment	467,982,310	4,450,842	(560,278)	866,561	472,739,435
Vehicles	52,179,493	2,532,432	(7,194,594)	-	47,517,331
Total costs	2,236,702,530	51,520,886	(49,475,260)	26,974,962	2,265,723,118
Accumulated depreciation					
Land improvement	(1,575,413)	(56,886)	-	-	(1,632,299)
Building and structures	(155,316,398)	(6,025,572)	6,046,956	(12,259,440)	(167,554,454)
Furniture, fixtures and office equipment	(540,339,914)	(34,708,065)	34,803,797	-	(540,244,182)
Machinery and equipment	(418,327,457)	(14,386,273)	556,203	-	(432,157,527)
Vehicles	(33,003,205)	(4,789,630)	7,187,666	-	(30,605,169)
Total accumulated depreciation	(1,148,562,387)	(59,966,426)	48,594,622	(12,259,440)	(1,172,193,631)
Construction in progress and machinery under installation	861,365	3,666,339	-	(3,623,479)	904,225
Property, plant and equipment	1,089,001,508				1,094,433,712

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	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 costs	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
Depreciation for the years ended December 31,					
2019				Baht	59,966,426
2018				Baht	56,446,374

Costs of plant and equipment which are fully depreciated and still in use by the Company and its subsidiaries as at December 31, 2019 and 2018 are approximately Baht 1,503.30 million and Baht 1,558.19 million, respectively (Company : Baht 936.41 million and Baht 976.22 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		SEPARATE FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Cost - capitalized finance leases	2,004,000	2,004,000	1,404,000	1,404,000
<u>Less</u> Accumulated depreciation	(2,004,000)	(1,771,119)	(1,404,000)	(1,228,981)
Net book value	-	232,881	-	175,019

16. INTANGIBLE ASSETS

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

As at December 31, 2019

Unit : Baht					
	CONSOLIDATED FINANCIAL STATEMENTS				
	Balance as at January 1, 2019	Additions	Disposals	Transfer/ other	Balance as at December 31, 2019
Cost					
Software	87,284,820	3,962,210	-	-	91,247,030
Trademark and club and golf membership fee	8,058,042	12,000	(448,598)	1,203,879	8,825,323
Total costs	95,342,862	3,974,210	(448,598)	1,203,879	100,072,353
Accumulated amortization					
Software	(58,262,094)	(5,883,231)	-	-	(64,145,325)
Trademark and club and golf membership fee	(6,413,589)	(555,516)	379,420	-	(6,589,685)
Total accumulated amortization	(64,675,683)	(6,438,747)	379,420	-	(70,735,010)
Intangible assets in transferring	8,652,044	2,040,766	-	(1,203,879)	9,488,931
Intangible assets	39,319,223				38,826,274

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 costs	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 in transferring	3,471,415	5,615,630	-	(453,001)	8,652,044
Intangible assets	37,267,926				39,319,223
Amortization for the years ended December 31,					
2019				Baht	6,438,747
2018				Baht	6,416,687

As at December 31, 2019

Unit : Baht

SEPARATE FINANCIAL STATEMENTS					
	Balance as at January 1, 2019	Additions	Disposals	Transfer/ other	Balance as at December 31, 2019
Cost					
Software	84,005,550	3,962,210	-	-	87,967,760
Trademark and club and golf membership fee	8,058,042	12,000	(448,598)	1,203,879	8,825,323
Total costs	92,063,592	3,974,210	(448,598)	1,203,879	96,793,083
Accumulated amortization					
Software	(55,114,719)	(5,810,630)	-	-	(60,925,349)
Trademark and club and golf membership fee	(6,413,588)	(555,517)	379,420	-	(6,589,685)
Total accumulated amortization	(61,528,307)	(6,366,147)	379,420	-	(67,515,034)
Intangible assets in transferring	8,652,044	2,040,766	-	(1,203,879)	9,488,931
Intangible assets	39,187,329				38,766,980

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 costs	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 in transferring	3,471,415	5,615,630	-	(435,001)	8,652,044
Intangible assets	37,016,119				39,187,329
Amortization for the years ended December 31,					
2019				Baht	6,366,147
2018				Baht	6,288,231

17. LEASEHOLD RIGHTS

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

As at December 31, 2019

Unit : Baht

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	Balance as at January 1, 2019	Additions	Disposals	Balance as at December 31, 2019
Cost	47,964,526	-	(10,000,000)	37,964,526
Accumulated amortization	(33,933,862)	(3,881,860)	9,999,999	(27,815,723)
Leasehold rights	14,030,664			10,148,803

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
Amortization for the years ended December 31,				
2019			Baht	3,881,860
2018			Baht	2,644,818

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	
	2019	2018	2019	2018
Trade payables - related companies (see Note 31)	138,898,325	192,277,411	267,146,612	318,383,179
Trade payables - other companies	163,354,412	198,459,522	123,531,810	145,266,684
Total trade payables	302,252,737	390,736,933	390,678,422	463,649,863
Other payables - related companies (see Note 31)	9,536,450	5,348,953	9,484,133	5,286,451
Other payables - other companies	35,460,435	34,906,412	32,377,522	30,768,549
Accrued bonus expense	118,596,422	138,228,713	88,521,337	98,801,882
Accrued royalty fee (see Note 31)	67,263,274	57,844,879	67,263,274	57,844,879
Accrued expense	44,404,145	36,118,828	39,745,372	31,094,198
Unearned income (see Note 13.1)	94,853	17,971,123	60,937	17,930,947
Advance received for land (see Note 14 and 31)	100,000,000	-	100,000,000	-
Guarantees received in advance	3,937,339	2,332,350	3,658,439	2,013,289
Total other payables	379,292,918	292,751,258	341,111,014	243,740,195
	681,545,655	683,488,191	731,789,436	707,390,058

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 AND SEPARATE FINANCIAL STATEMENTS	
	2019	2018
Liabilities under finance lease agreements	-	283,896
<u>Less</u> Deferred interest under finance lease agreements	-	(19,529)
Liabilities under finance lease agreements	-	264,367
Liabilities under finance lease agreements installments due within 1 year	-	264,367

20. DEFERRED TAX LIABILITIES

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

Unit : Baht				
	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Deferred tax assets				
Consignment sales	3,675,800	1,400,000	3,675,800	1,400,000
Allowance for diminution in value of finished goods	190,761	235,058	190,761	235,058
Allowance for impairment of investments	19,208,924	24,211,016	19,208,924	24,211,016
Provision for goods returned	17,600,000	5,000,000	17,600,000	5,000,000
Provisions for employee benefit	128,123,828	102,144,612	91,445,169	70,184,992
Unrealized loss on the changes in value of trading securities	-	62,912	-	62,912
	168,799,313	133,053,598	132,120,654	101,093,978
Deferred tax liabilities				
Unrealized gain on the changes in value of trading securities	(112,240)	-	(112,240)	-
Unrealized gain on the changes in value of available-for-sale securities	(183,388,215)	(205,944,515)	(182,873,652)	(205,370,745)
Gain on translating the financial statement of a foreign operation	(3,877)	(2,675)	-	-
Financial lease liabilities	-	(20,647)	-	(17,869)
	(183,504,332)	(205,967,837)	(182,985,892)	(205,388,614)
Deferred tax liabilities - net	(14,705,019)	(72,914,239)	(50,865,238)	(104,294,636)

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, 2019	Items as recognized in profit or loss (see Note 30)	Items as recognized in other comprehensive income	As at December 31, 2019
Deferred tax assets				
Consignment sales	1,400	2,276	-	3,676
Allowance for diminution in value of finished goods	235	(44)	-	191
Allowance for impairment of investments	24,211	(5,002)	-	19,209
Provision for goods returned	5,000	12,600	-	17,600
Provisions for employee benefit	102,145	5,344	20,635	128,124
Unrealized loss on the changes in value of trading securities	63	(63)	-	-
	133,054	15,111	20,635	168,800
Deferred tax liabilities				
Unrealized gain on the changes in value of trading securities	-	(112)	-	(112)
Unrealized gain on the changes in value of available-for-sale securities	(205,944)	-	22,555	(183,389)
Gain on translating the financial statement of a foreign operation	(3)	-	(1)	(4)
Financial lease liabilities	(21)	21	-	-
	(205,968)	(91)	22,554	(183,505)
Deferred tax liabilities - net	(72,914)	15,020	43,189	(14,705)

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)

SEPARATE FINANCIAL STATEMENTS

	As at January 1, 2019	Items as recognized in profit or loss (see Note 30)	Items as recognized in other comprehensive income	As at December 31, 2019
Deferred tax assets				
Consignment sales	1,400	2,276	-	3,676
Allowance for diminution in value of finished goods	235	(44)	-	191
Allowance for impairment of investments	24,211	(5,002)	-	19,209
Provision for goods returned	5,000	12,600	-	17,600
Provisions for employee benefit	70,185	5,847	15,413	91,445
Unrealized loss on the changes in value of trading securities	63	(63)	-	-
	101,094	15,614	15,413	132,121
Deferred tax liabilities				
Unrealized gain on the changes in value of trading securities	-	(112)	-	(112)
Unrealized gain on the changes in value of available-for-sale securities	(205,371)	-	22,497	(182,874)
Financial lease liabilities	(18)	18	-	-
	(205,389)	(94)	22,497	(182,986)
Deferred tax liabilities - net	(104,295)	15,520	37,910	(50,865)

	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)

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	
	2019	2018	2019	2018
Current provisions for Employee benefit	69,048,733	59,008,680	49,822,073	40,614,393
Non-current provisions for Employee benefit	687,461,143	509,129,588	482,880,319	328,527,571
Total	756,509,876	568,138,268	532,702,392	369,141,964

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	
	2019	2018	2019	2018
Current service cost	37,604,223	33,604,396	29,974,188	24,635,236
Interest cost	13,144,798	11,283,932	9,053,204	7,407,867
Past service cost	9,101,669	-	5,190,528	-
	59,850,690	44,888,328	44,217,920	32,043,103

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	
	2019	2018	2019	2018
Beginning balance of post-employment benefits obligation	568,138,268	537,215,537	369,141,964	347,183,775
<u>Add</u> Current service cost	37,604,223	33,604,396	29,974,188	24,635,236
Interest cost	13,144,798	11,283,932	9,053,204	7,407,867
Past service cost	9,101,669	-	5,190,528	-
Actuarial (gain) loss	103,173,246	(5,985,058)	77,064,450	(5,985,058)
Adjustment from transfer-in of employees (see Note 4.4)	80,740,952	21,208,008	80,740,952	18,217,003
<u>Less</u> Benefit paid	(55,393,280)	(29,188,547)	(38,462,894)	(22,316,859)
Ending balance of post-employment benefits obligation	756,509,876	568,138,268	532,702,392	369,141,964

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	
	2019	2018	2019	2018
Discount rate (p.a.)	1.29% - 1.91%	1.89% - 2.42%	1.46%	2.21%
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% - 30%	1% - 26%	1% - 30%	1% - 12%
- Daily employees	1% - 74%	1% - 46%	3% - 33%	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	
	2019	2018	2019	2018
Discount rate				
Discount rate, decrease of 1 percent	117.49	39.38	88.79	27.20
Discount rate, increase of 1 percent	(103.62)	(37.16)	(77.82)	(25.58)
Salary increase rate				
Salary increase rate, decrease of 1 percent	(54.80)	(39.02)	(41.41)	(26.68)
Salary increase rate, increase of 1 percent	57.78	40.96	43.78	28.12
Turnover rate				
Turnover rate, decrease of 1 percent	1.19	0.83	0.80	0.47
Turnover rate, increase of 1 percent	(1.11)	(0.76)	(0.75)	(0.44)

The Labor Protection Act (No. 7) B.E. 2562 has been announced in the Royal Gazette on April 5, 2019. This Labor Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of 20 years or more. Such employees are entitled to receive compensation of not less than 400 days at the employees' latest wage rate. This change is considered an amendment to post-employment benefits plan. The Company and its subsidiaries will reflect the effect of such change by recognizing past service cost as an expense in the consolidated and separate statement of profit or loss for the year ended December 31, 2019, totalling Baht 9.10 million and Baht 5.19 million, respectively.

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, 2019 and 2018, 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	2019				2018			
	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)	General reserve (Million Baht)
Thai Wacoal Public Company Limited	April 22	1.80	216.00	16.24	April 23	1.50	180.00	18.53
Wacoal Siracha Co., Ltd.	April 1	127.00	25.40	-	April 3	137.00	27.40	-
Wacoal Kabinburi Co., Ltd.	April 1	69.00	34.50	-	April 3	56.00	28.00	-
Wacoal Lamphun Co., Ltd.	April 1	40.00	20.00	-	April 3	22.50	11.25	-
Pattaya Kabinburi Co., Ltd.	April 1	112.00	22.40	-	April 3	108.00	21.60	-
Tora 1010 Co., Ltd.	April 1	20.00	6.00	-	April 3	24.00	2.40	-

Dividends in the year 2019 were the appropriation of net profit for the year 2018 and paid in May 2019.

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 2019.

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 its subsidiaries have set up a Provident Fund which is contributory by employees and the Company and its 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, 2019 and 2018, the Company and its subsidiaries' contributions are recorded as expenses in the amount of Baht 25.57 million and Baht 21.68 million, respectively (Company : Baht 17.69 million and Baht 14.02 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 its subsidiaries for the years ended December 31, consist of the following:

Unit : Baht				
	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Timing of revenue recognition				
At a point in time				
Revenues from sale of goods	4,845,561,104	4,564,553,654	5,242,396,213	4,901,950,011
Revenues from rendering of services	35,585,282	41,497,795	12,287,171	13,950,605
Total revenues from sale of goods and rendering of services	4,881,146,386	4,606,051,449	5,254,683,384	4,915,900,616

27. COST OF SALE OF GOODS AND RENDERING OF SERVICES

Cost of sale of goods and rendering of services of the Company and its subsidiaries for the years ended December 31, consist of the following:

Unit : Baht				
	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Cost of sale of goods	3,146,994,959	3,366,108,738	3,732,433,782	3,895,984,910
Cost of rendering of services	31,552,846	32,473,083	12,004,642	13,529,814
Total cost of sale of goods and rendering of services	3,178,547,805	3,398,581,821	3,744,438,424	3,909,514,724

28. OTHER INCOME

Other income for the years ended December 31, consist of the following:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Interest income	8,758,683	8,374,435	8,056,093	7,996,179
Rental income and service income	7,084,968	10,771,129	10,240,910	16,820,272
Net gain on exchange rate	17,814,036	11,895,050	16,489,098	11,973,411
Gain on sales of land (see Note 14)	81,916,995	-	81,916,995	-
Gain on sales of plant and equipment	4,353,894	-	31,609,716	-
Unrealized gain on trading securities	561,201	-	561,201	-
Other income	60,140,103	64,951,018	58,938,510	64,453,054
	180,629,880	95,991,632	207,812,523	101,242,916

29. EXPENSES BY NATURE

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

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Changes in finished goods				
and work in progress decreased	(178,455,962)	(125,728,392)	(181,918,182)	(108,702,350)
Cost of finished goods purchased	435,987,731	448,429,120	1,946,961,747	1,952,063,153
Raw materials used	1,533,880,563	1,675,565,864	1,151,396,477	1,217,564,081
Employee benefits expense	1,841,741,933	1,513,422,122	1,314,936,572	992,500,046
Depreciation and amortization	104,499,578	102,978,254	73,658,173	69,138,293
Loss on diminution in value of inventories				
(see Note 8)	44,333,438	48,879,616	41,863,522	45,965,722
Royalty fee	67,766,517	58,748,673	67,766,517	58,748,673
Utilities expense	55,046,619	51,001,524	35,001,841	32,745,156
Management benefit expenses	72,717,236	69,352,326	56,249,078	51,682,078

30. CORPORATE INCOME TAX

Corporate income tax of the Company and its subsidiaries for the years ended December 31, consist of the following:

Unit : Baht				
	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Income tax of the current period				
Income tax expenses of the current period	(64,495,347)	(61,566,775)	(61,755,749)	(58,392,556)
Deferred income tax				
Deferred tax income and temporary differences	15,019,473	17,162,754	15,519,416	16,283,228
Total	(49,475,874)	(44,404,021)	(46,236,333)	(42,109,328)

Tax expense for the years ended December 31, can be reconciled to the accounting profit are as follows:

Unit : Baht				
	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Income before income tax	385,564,508	400,181,443	414,500,157	366,957,740
The result of the accounting income before income tax multiplied by the income tax rate 20% - expenses	(77,112,901)	(80,036,289)	(82,900,031)	(73,391,548)
Effect of the non-taxable income and non-deductible expense	27,637,027	35,632,268	36,663,698	31,282,220
Income tax expense	(49,475,874)	(44,404,021)	(46,236,333)	(42,109,328)

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	
			2019	2018	2019	2018
Trade receivables						
I.C.C. International Public Co., Ltd.	The Company's major shareholder has over 10% shareholding	634	488	634	488	
Wacoal America Inc.	Subsidiary of major shareholder company	20	32	20	32	
Wacoal Corporation	The Company's major shareholder and ultimate shareholder	60	54	60	54	
Wien International Co., Ltd.	The Company's major shareholder has over 10% shareholding	-	37	-	37	
Philippine Wacoal Corporation	The Company's major shareholder has over 10% shareholding	-	9	-	9	
Wacoal EMEA Ltd.	The Company's major shareholder has over 10% shareholding	11	15	11	15	
International Commercial Coordination (HK)	The Company's major shareholder has over 10% shareholding	-	5	-	5	
Pattaya Manufacturing Co., Ltd.	Associated company	1	18	1	18	
Myanmar Wacoal Co., Ltd.	Associated company	12	18	12	18	
Wacoal Siracha Co., Ltd.	Subsidiary	-	-	59	59	
Wacoal Kabinburi Co., Ltd.	Subsidiary	-	-	28	19	
Wacoal Lamphun Co., Ltd.	Subsidiary	-	-	21	31	
Pattaya Kabinburi Co., Ltd.	Subsidiary	-	-	22	21	
Others		11	12	10	8	
Total trade receivables (see Note 6)		749	688	878	814	
Other receivables						
I.C.C. International Public Co., Ltd.	The Company's major shareholder has over 10% shareholding	12	3	12	3	
Others		1	-	1	-	
Total other receivables (see Note 6)		13	3	13	3	

	Relationship	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2019	2018	2019	2018
Long-term investments in related companies					
- Available-for-sale securities (see Note 10.1)		939	1,053	927	1,040
- General investments (see Note 13.1)		631	596	631	596
		1,570	1,649	1,558	1,636
Non-current asset (see Note 4.4)					
I.C.C. International Public Co., Ltd.	The Company's major shareholder has over 10% shareholding	65	16	65	16
Trade payables					
Textile Prestige Public Co., Ltd.	The Company's major shareholder has over 10% shareholding	3	4	2	3
Thai Takeda Lace Co., Ltd.	The Company's major shareholder has over 10% shareholding	4	10	3	3
Wacoal Corporation	The Company's major shareholder and ultimate shareholder	34	32	34	32
Wacoal International Hongkong Co., Ltd.	The Company's major shareholder has over 10% shareholding	17	14	17	14
G Tech Material Co., Ltd.	The Company's major shareholder has over 10% shareholding	38	68	24	30
A Tech Textile Co., Ltd.	The Company's major shareholder has over 10% shareholding	19	33	14	18
Pattaya Manufacturing Co., Ltd.	Associated company	6	15	6	15
Myanmar Wacoal Co., Ltd.	Associated company	13	11	13	11
Wacoal Siracha Co., Ltd.	Subsidiary	-	-	60	81
Wacoal Kabinburi Co., Ltd.	Subsidiary	-	-	31	36
Wacoal Lamphun Co., Ltd.	Subsidiary	-	-	29	36
Pattaya Kabinburi Co., Ltd.	Subsidiary	-	-	31	37
Others		5	5	3	2
Total trade payables (see Note 18)		139	192	267	318
Other payables					
I.C.C. International Public Co., Ltd.	The Company's major shareholder has over 10% shareholding	2	2	2	2
SRP Nanasai Co., Ltd.	Co-director	3	3	3	3
Others		5	-	4	-
Total other payables (see Note 18)		10	5	9	5

Unit : Million Baht

	Relationship	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2019	2018	2019	2018
Accrued royalty fee (see Note 18)					
Wacoal Corporation	The Company's major shareholder and ultimate shareholder	67	58	67	58
Unearned Income (see Note 13.1)					
T.U.C. Elastic Co., Ltd.	The Company's major shareholder has over 10% shareholding	-	17	-	17
Advance received from land (see Note 18)					
Saha Capital Tower Co., Ltd.	The Company's major shareholder has over 10% shareholding	100	-	100	-

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	
			2019	2018	2019	2018
Sale (return) of raw materials and finished goods						
I.C.C. International Public Co., Ltd.	The Company's major shareholder has over 10% shareholding	3,130	2,745	3,130	2,745	
Wacoal America Inc.	Subsidiary of major shareholder company	242	317	242	317	
Philippine Wacoal Corp.	The Company's major shareholder has over 10% shareholding	34	50	34	50	
Wacoal Corporation	The Company's major shareholder and ultimate shareholder	721	656	721	656	
Wacoal China Co., Ltd.	The Company's major shareholder has over 10% shareholding	44	67	44	67	
Wien International Co., Ltd.	The Company's major shareholder has over 10% shareholding	(33)	110	(33)	110	
Best Factory Outlet Co., Ltd. (formerly Kabin Pattanakij Co., Ltd.)	The Company's major shareholder has over 10% shareholding	19	20	19	20	
Wacoal EMEA Ltd.	The Company's major shareholder has over 10% shareholding	80	43	80	43	
Pattaya Manufacturing Co., Ltd.	Associated company	17	49	17	48	
Myanmar Wacoal Co., Ltd.	Associated company	75	63	75	63	
Wacoal Siracha Co., Ltd.	Subsidiary	-	-	174	152	
Wacoal Kabinburi Co., Ltd.	Subsidiary	-	-	90	67	
Wacoal Lamphun Co., Ltd.	Subsidiary	-	-	93	89	
Pattaya Kabinburi Co., Ltd.	Subsidiary	-	-	80	64	
Others		40	34	34	29	
Total sale of raw materials and finished goods		4,369	4,154	4,800	4,520	

Unit : Million Baht

	Relationship	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2019	2018	2019	2018
Purchase of raw materials and finished goods					
Textile Prestige Public Co., Ltd.	The Company's major shareholder has over 10% shareholding	8	13	5	7
Wacoal Corporation	The Company's major shareholder and ultimate shareholder	126	116	126	116
Wacoal International Hongkong Co., Ltd.	The Company's major shareholder has over 10% shareholding	209	178	209	178
Thai Takeda Lace Co., Ltd.	The Company's major shareholder has over 10% shareholding	31	38	21	24
G Tech Material Co., Ltd.	The Company's major shareholder has over 10% shareholding	276	371	158	157
A Tech Textile Co., Ltd.	The Company's major shareholder has over 10% shareholding	122	179	80	105
Pattaya Manufacturing Co., Ltd.	Associated company	57	87	57	87
Myanmar Wacoal Co., Ltd.	Associated company	120	115	120	115
Wacoal Siracha Co., Ltd.	Subsidiary	-	-	571	545
Wacoal Kabinburi Co., Ltd.	Subsidiary	-	-	296	318
Wacoal Lamphun Co., Ltd.	Subsidiary	-	-	318	329
Pattaya Kabinburi Co., Ltd.	Subsidiary	-	-	327	345
Tora 1010 Co., Ltd.	Subsidiary	-	-	85	96
Others		44	36	39	31
Total purchase of raw materials and finished goods		993	1,133	2,412	2,453

Unit : Million Baht

	Relationship	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2019	2018	2019	2018
Hire of work income and rental income					
I.C.C. International Public Co., Ltd.	The Company's major shareholder has over 10% shareholding	10	12	10	12
Thaigunze Co., Ltd.	The Company's major shareholder has over 10% shareholding	11	9	-	-
Pattaya Manufacturing Co., Ltd.	Associated company	3	8	3	3
Wacoal Siracha Co., Ltd.	Subsidiary	-	-	4	7
Others		12	7	3	6
Total hire of work income and rental income		36	36	20	28
Wage hire of work and rental expense					
Royal Garment Co., Ltd.	Co-director	20	23	20	23
Myanmar Wacoal Co., Ltd.	Associated company	3	3	3	3
Pattaya Manufacturing Co., Ltd.	Associated company	35	41	35	41
Wacoal Lamphun Co., Ltd.	Subsidiary	-	-	2	1
Others		4	2	2	2
Total wage hire of work and rental expense		62	69	62	70
Royalty fee					
Wacoal Corporation	The Company's major shareholder and ultimate shareholder	67	58	67	58
Management benefit expenses					
Short-term benefit		69	67	52	50
Retirement benefit		4	2	4	2
Total management benefit expenses		73	69	56	52

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. 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, are as follows:

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

December 31, 2019

	Notional Amount due within 1 year			Fair Value
	Currency	Amount	Baht	Assets (Liabilities) Baht
Forward contracts				
- Buy	JPY	110,000,000	30,471,500	30,519
- Buy	USD	27,256	822,591	1,272
- Sell	USD	650,742	19,644,142	35,073

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

December 31, 2018

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

33.4 Fair value of financial instruments

The following methods and assumptions were used by the Company and its subsidiaries in estimating fair value of financial instruments as disclosed herein:

33.4.1 Certain financial assets and financial liabilities of the Company and its 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, 2019	December 31, 2018	December 31, 2019	December 31, 2018		
	Asset = 117 Liabilities = 50	Asset = 11 Liabilities = 388	Asset = 117 Liabilities = 50	Asset = 11 Liabilities = 388		
Foreign currency forward contracts					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	4,073	3,798	4,073	3,798	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	11,955	11,596	11,955	11,596	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	410,713	290,381	271,265	179,864	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	1,379,667	1,492,889	1,367,817	1,480,439	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	7,067	10,972	7,067	10,972	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, 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, 2019					
Financial assets					
General investments	730,848,368	1,186,917,547	727,578,368	1,183,756,397	Level 3
Investments in debentures	150,000,000	154,946,000	150,000,000	154,946,000	Level 2
As at December 31, 2018					
Financial assets					
General investments	696,551,628	1,201,660,202	693,281,628	1,237,488,740	Level 3
Investments in debenture	130,000,000	132,028,000	130,000,000	132,028,000	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

The Company and its subsidiaries have contingent liabilities and commitments are as follows:

34.1 Long-term lease agreement for building and vehicle rental payment for the remaining as at December 31, 2019 and 2018 consist of the following:

Rental of building and vehicle

Unit : Million Baht				
Remaining Period	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Less than 1 year	25.78	15.08	24.38	13.68
Over 1 year but not over 5 years	14.25	9.54	14.25	9.54

For the years ended December 31, the Company and its subsidiaries had rental payment for building and vehicle which had been recorded as expense in the consolidated statements of profit or loss and statement of comprehensive income as follows:

Unit : Million Baht

Remaining Period	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Rental expenses for building and vehicle	35.13	21.41	31.93	20.01

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

Unit : Million Baht

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Contingent liabilities in respect of guarantees issued on behalf of				
- Related parties (see Note 9)	76.20	83.53	76.20	83.53
Bank's letters of guarantee issued on behalf of the Company	18.76	16.59	17.94	15.31
Commitment in respect of building improvement	0.57	1.30	0.57	1.30

35. OPERATING SEGMENT INFORMATION

The principal business of the Company and its 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 its subsidiaries have no inter-segment revenue. Information of the Company and its 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	
	2019	2018	2019	2018	2019	2018
Segment revenues from sale of goods						
and rendering of services	3,631.84	3,358.53	1,249.31	1,247.52	4,881.15	4,606.05
Segment profit (loss)	193.38	232.62	(86.08)	(32.36)	107.30	200.26
Dividend income					78.76	78.15
Other income					180.63	95.99
Reversal (loss) on impairment of investments					25.01	(75.42)
Gain (loss) on sale of investment					(9.82)	90.49
Share of profit from investments in associates					3.68	10.71
Net profit before income tax					385.56	400.18

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 domestic 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	2019			2018		
	Promoted Business	Non-Promoted Business	Total	Promoted Business	Non-Promoted Business	Total
Income						
Income from export sales	-	1,249,306,729	1,249,306,729	-	1,247,519,948	1,247,519,948
Income from local sales	56,926	3,631,782,731	3,631,839,657	1,647,521	3,356,883,980	3,358,531,501
Total income from sales	56,926	4,881,089,460	4,881,146,386	1,647,521	4,604,403,928	4,606,051,449
Gain on exchange rate	-	17,814,036	17,814,036	-	11,895,050	11,895,050
Dividend income	-	78,762,766	78,762,766	-	78,148,639	78,148,639
Other income	159,347	162,656,497	162,815,844	189,938	83,906,644	84,096,582
Total income	216,273	5,140,322,759	5,140,539,032	1,837,459	4,778,354,261	4,780,191,720

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 its subsidiaries have adopted a policy to manage foreign exchange exposure of assets and liabilities in foreign currencies whereby the Company and its 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 its 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, 2019													
Cash and cash equivalent	-	6,841	18,133,166	-	3,085	-	5,245,254	6,841	18,133,166	-	3,085	-	5,245,254
Trade receivables	30 - 180	1,658,363	260,947,711	-	-	-	120,762,046	1,658,363	260,947,711	-	-	-	120,762,046
		1,665,204	279,080,877	-	3,085	-	126,007,300	1,665,204	279,080,877	-	3,085	-	126,007,300
Trade payables	30	1,766,615	144,938,226	-	28,446	-	95,078,440	1,650,575	144,938,226	-	28,446	-	91,558,796
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
Deposit at bank under obligation	-	-	-	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

39. RECLASSIFICATIONS

Certain reclassifications have been made in the financial statements for the year ended December 31, 2018, to conform to the classification used in current period's financial statements. Such reclassifications have no effect to previously reported net profit and shareholders' equity. The reclassifications are as follows:

Unit : Baht			
Account	Previous presentation	Current presentation	Amount
Right to recover of the product	Provision for goods returned	Trade and other current receivables	52,200,000

40. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved for issue by the Board of Directors of the Company on February 18, 2020.

Management Discussion and Analysis (MD&A)

1. Overview - The Company's Business Operations

In 2019, the overall Thai economy was in a slowdown from last year due to the global economic slowdown from the uncertainty of trade protection measures, the appreciation of Baht currency resulting in the decline in export value including being affected by the severe drought while private consumption and investment increased.

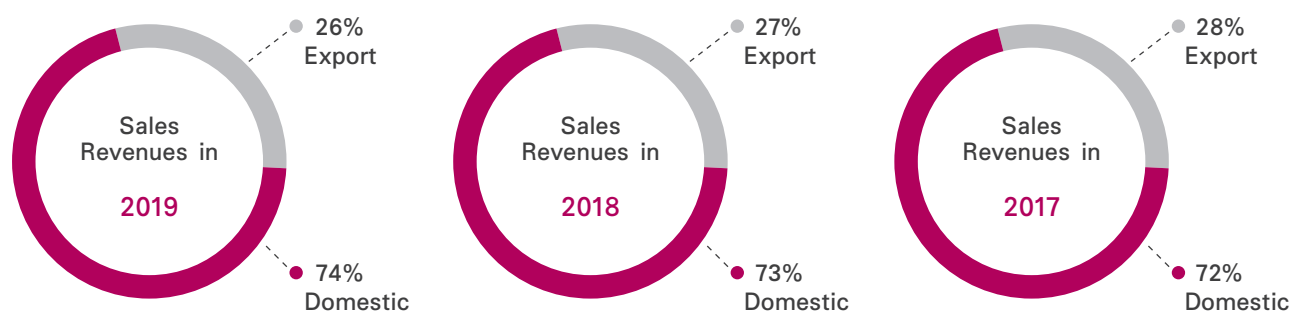
For the lingerie market in 2019, it still continued to be highly competitive market with regards to quality of products and service, design, pricing, distribution channels, and sales promotion activities including more import of women's lingerie from foreign countries in order to meet the diverse needs of consumers and to create maximum customers' satisfaction. Meanwhile, the changes in information technology have contributed to the changing behavior of consumers in which more purchasing products through online channels. 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 2019, the Company achieved total consolidated sales revenues of Baht 4,881.15 million, representing an increase of 5.97% YoY; and total Net Profit of Baht 336.08 million, representing a decrease of 5.53% YoY. As at the end of 2019, total assets were Baht 7,468.05 million, an increase of 2.72% compared to the end of the previous year; while, Return on Equity was 5.81%, and Return on Assets was 4.56%. 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: Online and Omni Channel. It enabled the company's products to reach customers of all ages and all target groups.

2. Operating Results and Profitability

2.1 Analysis of Operating Results

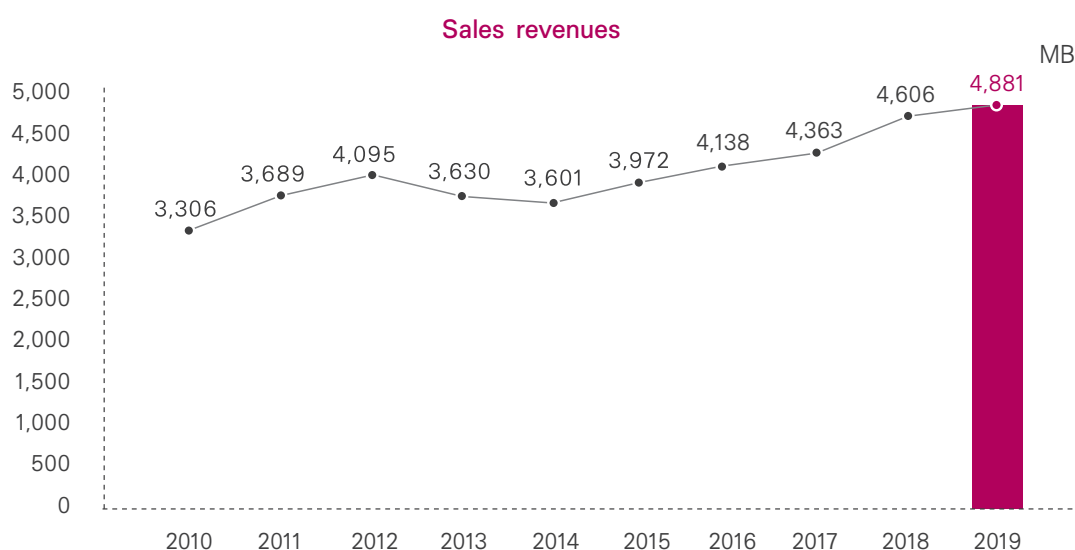


Revenues from Sales of Products and Services

In 2019, the Company had total sales revenues and services of Baht 4,881.15 million, compared to Baht 4,606.05 million for the previous year, a net increase of Baht 275.10 million or 5.97% YoY. The domestic sales and export sales increased by 8.14% and 0.14% respectively.

Unit : Million Baht

Consolidated	2019	2018	2017	%Increase (Decrease)	
				2019/2018	2018/2017
Domestic sales	3,631.84	3,358.53	3,129.58	8.14	7.32
Export sales	1,249.31	1,247.52	1,232.96	0.14	1.18
Total sales	4,881.15	4,606.05	4,362.54	5.97	5.58



As for full year 2019 sales by product categories, they are as follows: total ladies' lingerie sales of Baht 4,560.30 million, or an increase of 6.97% YoY; total ladies' outerwear sales of Baht 112.97 million, or a decrease of 11.35% YoY, total children wear sales of Baht 185.15 million, or a decrease of 12.64% YoY, and other sales of Baht 22.73 million, or an increase of 543.91% YoY.

Unit : Million Baht

Consolidated	2019	2018	2017	%Increase (Decrease)	
				2019/2018	2018/2017
Ladies' lingerie	4,560.30	4,263.15	4,055.34	6.97	5.12
Ladies' outerwear	112.97	127.44	95.84	(11.35)	32.97
Children wear	185.15	211.93	211.36	(12.64)	0.27
Others	22.73	3.53	-	543.91	-
Total sales	4,881.15	4,606.05	4,362.54	5.97	5.58

Other Income

In 2019, other income totaled Baht 180.63 million, compared to Baht 95.99 million for the previous year, or equal to an increase of Baht 84.64 million or 88.18% YoY., mainly due to profit from sale of unused land of Baht 81.92 million.

Unit : Million Baht					
Consolidated	2019	2018	2017	%Increase (Decrease)	
				2019/2018	2018/2017
Dividend income	78.76	78.15	81.87	0.78	(4.54)
Other income	180.63	95.99	102.14	88.18	(6.02)
Total other income	259.39	174.14	184.01	48.95	(5.36)

Cost of Sales

In 2019, the Company had total cost of sales equal to 65.12% of total sales revenues, compared to 73.79% in the previous year or representing a decrease of 8.67% YoY. Price structure of products sold to distributor had been adjusted; therefore, selling price has been increased. When comparing to cost of sales, the rate has been decreased.

Unit : Million Baht								
Consolidated	2019	%	2018	%	2017	%	%Increase (Decrease)	
							2019/2018	2018/2017
Revenues from sales of products and services	4,881.15	100.00	4,606.05	100.00	4,362.54	100.00	5.97	5.58
Cost of sales	3,178.55	65.12	3,398.58	73.79	3,341.33	76.59	(6.47)	1.71
Gross profit	1,702.60	34.88	1,207.47	26.21	1,021.21	23.41	41.01	18.24

Selling and Administrative Expenses

In 2019, the Company had total selling expenses of Baht 808.06 million, representing an increase of Baht 542 million or 203.71% YoY, due to the Company changing the sales management structure with distributors. The company is responsible for marketing and sales promotion in order to the speed, flexibility, and efficiency in management.

The Company also had total administrative expenses of Baht 714.50 million, representing an increase of Baht 42.78 million or 6.37% YoY mainly due to the adjusted increase in monthly wages and employee welfare.

Unit : Million Baht								
Consolidated	2019	%	2018	%	2017	%	%Increase (Decrease)	
							2019/2018	2018/2017
Selling expenses	808.06	16.55	266.06	5.78	131.68	3.02	203.71	102.05
Administrative expenses	714.50	14.64	671.72	14.58	625.47	14.34	6.37	7.39

Other Expenses and Income Tax Expenses

In 2019, the Company had reversal on impairment of investments in ordinary share of Baht 25.01 million, due to the Company selling such investments and having net loss on sale of investments of Baht 9.82 million.

Income tax expenses for 2019 totaled Baht 49.48 million, representing an increase of Baht 5.08 million or 11.44% YoY, due to in 2019 the Company having increased sales revenues and taxable profit.

Unit : Million Baht								
Consolidated	2019	%	2018	%	2017	%	%Increase (Decrease)	
							2019/2018	2018/2017
Reversal (loss) on impairment of investments	25.01	0.51	(75.42)	(1.64)	(8.07)	(0.18)	133.16	(834.57)
Gain (loss) on sale of investments	(9.82)	(0.20)	90.49	1.96	(5.19)	(0.12)	(110.86)	1,843.55
Income Tax	49.48	1.01	44.40	0.96	40.20	0.92	11.44	10.45

Profit

Consolidated	Unit	2019	2018	2017	%Increase (Decrease)	
					2019/2018	2018/2017
Gross profit	Million Baht	1,702.60	1,207.47	1,021.21	41.01	18.42
Profit before financial cost and income tax expenses	Million Baht	381.90	389.55	370.65	(1.96)	5.10
Net profit	Million Baht	336.08	355.76	324.67	(5.53)	9.58
Earnings per share	Baht per share	2.80	2.96	2.71	(5.41)	9.23
Return on total revenues	%	6.54	7.44	7.14	(12.10)	4.20
ROE	%	5.81	6.15	5.80	(5.53)	6.03
ROA	%	4.56	4.96	4.72	(8.06)	5.08

Gross Profit

In 2019, the Company had Total Gross Profit of Baht 1,702.60 million, representing an increase of Baht 495.13 million or 41.01% YoY, due to the Company having increased revenues from sales of products and services in both domestic and overseas markets.

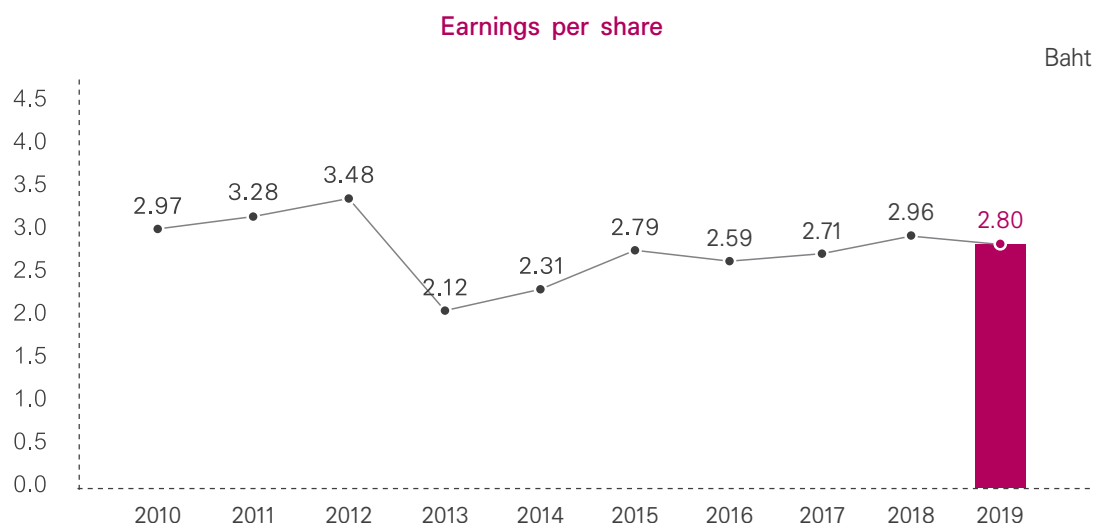
Profit before Financial Cost and Income Tax Expenses

Total Profit before Financial Cost and Income Tax Expenses was Baht 381.90 million, equal to a decrease of Baht 7.65 million or 1.96% YoY, as a result of the Company having decreased revenues from sales in overseas markets due to Baht appreciation.

Net Profit attributable to Owners of the Parent

In 2019, total achieved Net Profit was Baht 336.08 million compared to Baht 355.76 million in the previous year, representing a decrease of Baht 19.68 million or 5.53% YoY. This is equal to an Earnings per Share (EPS) of Baht 2.80; and represented a Return on total revenues of 6.54%, a Return on Equity of 5.81% and a Return on Assets of 4.56%.

The quality of the Company's profit is still considered to be 'good', with a total net Cash Flow from operations of Baht 47.39 million derived from sales revenues and also from being able to collect most of the receivables within their due date.

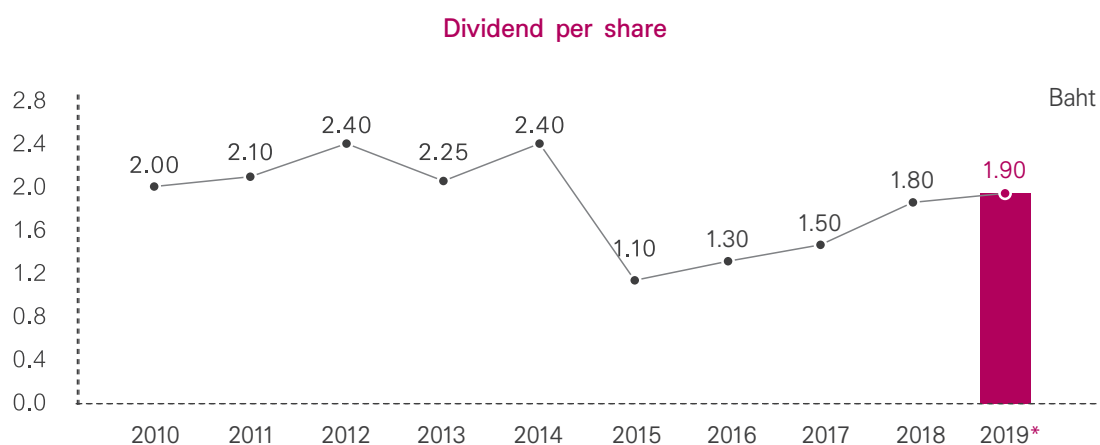


Return on Equity

In 2019, the Company achieved a Return on Equity of 5.81%, compared to 6.15% for the previous year, due to the Company having decreased 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 46 consecutive years - from 1974 and up to the present.

According to its consolidated financial statements for year 2019, the Company achieved a total consolidated Net Profit of Baht 336.08 million (or equal to an EPS of Baht 2.80) and a total separate Net Profit of Baht 368.26 million (or equal to an EPS Baht 3.07); whereby at the Board of Directors Meeting No.9/2019 held on March 3, 2020, a resolution was approved to propose, to the Annual General Meeting of Shareholders, a dividend payment for 2019 of Baht 1.90 per share - or totaling Baht 228 million. This proposed dividend payment is equal to 61.91% of the total separate Net Profit, with actual payment to be made on May 21, 2020.

Separate	Unit	2019	2018	2017
Net profit	Million Baht	368.26	324.85	370.56
Number of shares	Million shares	120.00	120.00	120.00
Earnings per share	Baht per share	3.07	2.71	3.09
Dividend per share	Baht per share	1.90	1.80	1.50
Total dividend payments	Million Baht	228.00	216.00	180.00
Payout Ratio	%	61.91	66.49	48.58



Remark * The Board of Directors resolved to set dividend payment rate at Baht 1.90 per share, for further proposal to the shareholders' general meeting for approval, on April 22, 2020.

2.2 Analysis of the Financial Status

As at the end of 2019, the Company had total assets of Baht 7,468.05 million, an increase of Baht 197.67 million, or 2.72%, 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 3.15%; temporary investments at 6.76%; trade and other current receivables at 12.92%; inventories at 18.89%; non-current assets classify as assets held for sales at 5.77%; available-for-sale securities investments at 18.57%; other long-term investments at 11.79%; investment property at 1.07%; property, plant and equipments at 16.22%; and other assets at 4.86%.

Unit : Million Baht					
Consolidated	2019	2018	2017	%Increase (Decrease)	
				2019/2018	2018/2017
Cash and cash equivalents	740.16	568.49	453.90	30.20	25.25
and Temporary investments					
Trade and other current receivables	965.06	851.17	728.84	13.38	16.78
Other short-term loans	21.53	21.53	41.55	0.00	(48.18)
Inventories	1,410.76	1,302.01	1,109.49	8.35	17.35
Other current assets	27.35	22.37	19.86	22.26	12.64
Non-current assets classify as assets held for sales	430.91	-	-	-	-
Total current assets	3,595.77	2,765.57	2,353.64	30.02	17.50
Available-for-sale investments	1,386.73	1,503.86	1,670.65	(7.79)	(9.98)
Investments in associates	180.38	176.69	165.93	2.09	6.48
Other long-term investments	880.85	796.55	859.82	10.58	(7.36)
Investment property	80.06	709.98	713.57	(88.72)	(0.50)
Property, plant and equipment	1,211.30	1,227.76	1,257.31	(1.34)	(2.35)
Other non-current assets	132.96	89.97	47.25	47.78	90.41
Total non-current assets	3,872.28	4,504.81	4,714.53	(14.04)	(4.45)
Total Assets	7,468.05	7,270.38	7,068.17	2.72	2.86

Current Assets

As at the end of 2019, the Company had total current assets of Baht 3,595.77 million, an increase of Baht 830.20 million from the previous year, mainly consisting of an increased cash and cash equivalents and temporary investments, and higher inventories, as well as non-current assets classify as assets held for sales which transferred from investment property - with detail as follows:

- **Cash and cash equivalents, and temporary investments** totaled Baht 740.16 million, representing an increase of Baht 171.67 million from the previous year, due to the Company having proceeds from sale and advance received for land in the investment property.
- **Trade and other current receivables** totaled Baht 965.06 million, representing an increase of Baht 113.89 million from the previous year, as a result of the Company having higher sales revenues and not yet due of payment.
- **Short-term loans** totaled Baht 21.53 million, representing the same amount as the previous year.
- **Inventories** totaled Baht 1,410.76 million, representing an increase of Baht 108.75 million from the previous year, due to the Company having more production than sales in which part of sales from targeted tourists also decreased.
- **Non-current assets classify as assets held for sales** totaled Baht 430.91 million. It is the land in the investment property which will be transferred ownership within April, 2020.

Non-Current Assets

As at the end of 2019, the Company had Non-Current Assets totaling Baht 3,872.28 million, a decrease of Baht 632.53 million from the previous year, due to the Company selling the land and adjusting available-for-sale securities investments according to lower market prices.

- **Available-for-sale-investments** totaled Baht 1,386.73 million, representing a decrease of Baht 117.13 million from the previous year, due to the Company selling the investments in ordinary shares and recognizing the investments in available-for-sale securities according to lower market prices.
- **Investments in Associates** totaled Baht 180.38 million, representing an increase of Baht 3.69 million from the previous year, due to the associates having higher profit.
- **Other long-term investments** totaled Baht 880.85 million, representing an increase of Baht 84.30 million from the previous year, due to the Company having increased ordinary shares and debentures investments.
- **Investment property** totaled Baht 80.06 million, representing a decrease of Baht 629.92 million from the previous year, due to deduct the depreciation of Baht 3.37 million, sell during the year of Baht 184.54 million, classify as assets held for sales of Baht 430.91 million.
- **Property, plant and equipments** totaled Baht 1,211.30 million, representing a decrease of Baht 16.46 million from the previous year, as a result of purchasing machinery and equipments, computers, vehicles, and durable articles totaling Baht 70.70 million, and deducting total depreciation of Baht 90.81 million for the year.
- **Other non-current assets** totaled Baht 132.96 million, representing an increase of Baht 42.99 million from the previous year, mainly due to increased employee benefit from employees transferred from related companies.

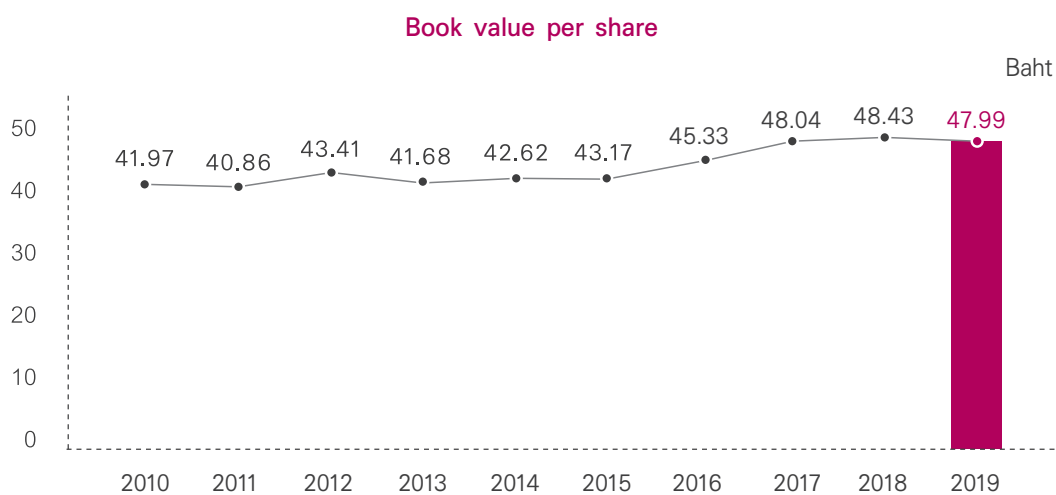
Total Liabilities

As at the end of 2019, the Company had total liabilities of Baht 1,709.64 million, an increase of Baht 250.36 million, or 17.16%, compared to the end of the previous year mainly due to the Company having provision from goods returned of Baht 131.20 million and provision for employee benefit of Baht 188.37 million.

Unit : Million Baht					
Consolidated	2019	2018	2017	%Increase (Decrease)	
				2019/2018	2018/2017
Current liabilities	1,007.48	877.24	682.48	14.85	28.54
Non-current liabilities	702.16	582.04	620.55	20.64	(6.21)
Total liabilities	1,709.64	1,459.28	1,303.03	17.16	11.99
Shareholders' Equity	5,758.41	5,811.09	5,765.14	(0.91)	0.80
Book value per share (Baht / Share)	47.99	48.43	48.04	(0.91)	0.81

Shareholders' Equity

As at the end of 2019, the value of the Shareholders' Equity in the Company totaled Baht 5,758.41 million, a decrease of Baht 52.68 million or 0.91% YoY. This resulted from the Company having achieved total full year 2019 Net Profit of Baht 336.08 million and making dividend payments, in regards to full year 2018 performance results, totaling Baht 216 million, together with having a lower other components of Shareholders' Equity totaling Baht 172.76 million. As such, the Company's book value per share, as at the end of 2019, equaled to Baht 47.99 compared to Baht 48.43 for the previous year or a YoY decrease of Baht 0.44 per share.



3. Asset Management Capabilities

Receivables

Trade and other current receivables totaled Baht 965.06 million, comprising of Baht 808.12 million in trade receivables and Baht 156.94 million in other current receivables. The trade receivables include accounts receivables that are not yet due totaling Baht 762.27 million (equal to 94.33% of total trade receivables); overdue trade receivables within 3 months totaling Baht 45.48 million (equal to 5.63% 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 0.37 million (equal to 0.04% 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 1,410.76 million - consisting of raw materials totaling Baht 325.91 million, work in process totaling Baht 140.78 million, and finished goods totaling Baht 944.07 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 733.55 million, which are included in the total Shareholders' Equity, together with reversal on impairment of investments totaling Baht 25.01 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 which is regarded as investment property, 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 74.09 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 3.57 times for 2019, together with its quick ratio of 1.54 times. Additionally, the Company still has a very low Debt to Equity (D/E) ratio of 0.30 times that underscores its financial stability and the overall adequacy of the Company's liquidity.

Consolidated	Unit	2019	2018	2017
Current ratio	Times	3.57	3.15	3.45
Quick ratio	Times	1.54	1.53	1.70
Debt to equity ratio	Times	0.30	0.25	0.23

Cash Flows

As at the end of 2019, the Company had cash and cash equivalents totaling Baht 235.42 million compared to Baht 167.71 million as at the end of the previous year, or representing an increase of Baht 67.71 million. The details of net cash flows classified by operating activities, investing activities, and financing activities were as follows:

Unit : Million Baht			
Consolidated	2019	2018	2017
Net cash provided by (used in) operating activities	47.39	206.21	397.60
Net cash provided by (used in) investing activities	236.83	109.00	(251.70)
Net cash provided by (used in) financing activities	(216.30)	(180.48)	(174.61)

The Company had a 'net cash provided by operating activities' totaling Baht 47.39 million, a decrease of Baht 158.82 million from the previous year, as a result of the Company having increased inventories.

The Company had a 'net cash flows used in investing activities' totaling Baht 236.83 million, mainly resulting from having proceeds from sale of land of Baht 269.51 million, proceeds from advance received for land of Baht 100 million, and cash received from dividends of Baht 75.39 million, while investing in available-for-sale debt securities of Baht 126.72 million, payments for purchase of general investments of Baht 51.50 million, and payments for purchase of machinery and equipments, computers, and vehicles, together with the investment in intangible assets and leasehold rights of Baht 74.09 million.

The Company had a 'net cash flows used in financing activities' totaling Baht 216.30 million, mainly as a result of making dividend payments to its Shareholders totaling Baht 216 million.

5. Contractual obligations and off-balance sheet arrangements

Total liabilities of the Company as at December 31, 2019 was Baht 1,709.64 million - consisting of short-term liabilities totaling Baht 1,007.48 million and long-term liabilities totaling Baht 702.16 million.

Details of the Company's Total Long-Term Liabilities

Unit : Million Baht

Long-Term Liabilities	2019	2018	2017
Financial lease liabilities	-	-	0.26
Deferred tax liabilities	14.70	72.91	122.53
Retirement benefit obligation	687.46	509.13	497.76

Deferred tax liabilities totaled Baht 14.70 million, representing a decrease of Baht 58.21 million, mainly due to unrealized lower gains from changes in the value of securities and increased provisions for employee benefit.

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.
- 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 2019, 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 2.88 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 7.20 million relating to this activity.

Financial ratios compared between 2019, 2018, and 2017

Consolidated	Unit	2019	2018	2017
Liquidity Ratio				
1. Current Ratio	times	3.57	3.15	3.45
2. Quick Ratio	times	1.54	1.53	1.70
3. Liquidity of Cash Flow from Operations	times	0.05	0.26	0.58
4. Receivable Turnover	times	6.17	6.23	6.64
5. Average Collection Period	days	58.35	57.78	54.22
6. Inventory Turnover	times	3.65	4.80	4.82
7. Average Inventory Period	days	98.63	75.00	74.69
8. Account Payable Turnover	times	9.17	9.21	9.54
9. Average Payment Period	days	39.26	39.09	37.74
10. Cash Cycle	days	117.72	93.70	91.17
Profitability Ratio				
1. Gross Profit Margin	%	34.88	26.21	23.41
2. Return on Total Revenues	%	6.54	7.44	7.14
3. Return on Equity	%	5.81	6.15	5.80
Efficiency Ratio				
1. Return on Assets	%	4.56	4.96	4.72
2. Assets Turnover	times	0.70	0.67	0.66
Financial Policy Ratio				
1. Debt to Equity Ratio	times	0.30	0.24	0.23
2. Interest Coverage Ratio	times	4,949.28	3,219.03	1,610.78
3. Payout Ratio	%	67.84*	60.72	55.44

Remark : * The Board of Directors resolved to set dividend payment rate at Baht 1.90 per share, for further proposal to the shareholders' general meeting for approval, on April 22, 2020.

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	71	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 and Chairman	Wacoal Holdings Corp.
				Other Non-Listed Company 7 companies		
				2012 - Present	Director	Wacoal Europe Ltd.
• Family Relationship between Director and Management • Holding positions in other companies in the recent year had impacted on time dedication significantly. : - None -				1994 - Present	Director	Wacoal America, Inc.
				1991 - Present	President Commissioner	PT. Indonesia Wacoal
				1986 - Present	Director	Taiwan Wacoal Co., Ltd.
				Other Listed Company 4 companies		
				2019 - Present	Chairman	Thanulux Plc.
2. Mr. Manu Leelanuwatana Chairman of The Board of Directors, Chairman of The Nominating Committee and Chairman of The Remuneration Committee April 30, 1973	74	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 -	2004 - Present	Director	I.C.C. International Plc.
				1987 - Present	Director	O.C.C. Plc.
				1976 - Present	Chairman	Textile Prestige Plc.
				Other Non-Listed Company 17 companies		
				2015 - Present	Advising Director	Erawan Textile Co., Ltd.
• Family Relationship between Director and Management • Holding positions in other companies in the recent year had impacted on time dedication significantly. : - None -				1999 - Present	Chairman	Thai Staflex Co., Ltd.
				1995 - Present	Chairman	SSDC (Tigertex) Co., Ltd.
				1994 - Present	Chairman	Thai Naxis Co., Ltd.
					Director	K.T.Y. Industry Co., Ltd.
				1984 - Present	Director	Thai Takeda Lase 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. Hironobu Yasuhara Vice Chairman of The Board of Directors July 23, 2019 • Family Relationship between Director and Management • Holding positions in other companies in the recent year had impacted on time dedication significantly. : - None -	68	Bachelor Degree Faculty of Commerce, majoring in Commercial Science Doshisha University, Japan : - None - : - None -	- Increase (decrease) no. of shares - None -	Other Listed Company	1	company
				2011 - Present	Representative Director and President	Wacoal Holdings Corp.
				Other Non-Listed Company	5	companies
				2018 - Present	Director	Wacoal America, Inc.
				2013 - Present	Director	Taiwan Wacoal 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 • Family Relationship between Director and Management • Holding positions in other companies in the recent year had impacted on time dedication significantly. : - None -	64	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 : - None - : - None -	0.06% Increase (decrease) no. of shares - None -	Other Listed Company	-	company
				2016 - Present	Director	G Tech Material Co., Ltd.
				2015 - Present	Director	A Tech Textile Co., Ltd.
				2013 - Present	Director	Myanmar Wacoal Co., Ltd.
				2011 - Present	Chairman	Pattaya Myanmar Co., Ltd.
				1999 - Present	Director	Tora 1010 Co., Ltd.
				1997 - Present	Managing Director	Pattaya Manufacturing Co., Ltd.
				1993 - Present	Managing Director	Pattaya Kabinburi Co., Ltd.
				1984 - Present	Managing Director	Wacoal Lamphun Co., Ltd.
					Managing Director	Wacoal Kabinburi Co., Ltd.
				1984 - Present	Managing Director	Wacoal Siracha Co., Ltd.
					Managing Director	
					Managing Director	
					Managing Director	
					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	59	Bachelor Degree Faculty of Commerce, majoring in Commerce Waseda University, Japan	- Increase (decrease) no. of shares - None -	Other Listed Company	-	company
				Other Non-Listed Company	10	companies
				2018 - Present	Director	Pattaya Myanmar Co., Ltd.
				2017 - Present	Managing Director	Tora 1010 Co., Ltd.
					Director	Wacoal Siracha Co., Ltd.
• Family Relationship between Director and Management • Holding positions in other companies in the recent year had impacted on time dedication significantly. : - None -					Director	Wacoal Lamphun Co., Ltd.
					Director	Wacoal Kabinburi Co., Ltd.
					Director	Pattaya Kabinburi Co., Ltd.
					Director	A Tech Textile Co., Ltd.
					Director	G Tech Material Co., Ltd.
6. Mr. Thamarat Chokwatana Director, The Remuneration Committee Member, Executive Director and Director of Marketing Division April 23, 2001	50	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	0.07% Increase (decrease) no. of shares - None -	Other Listed Company	3	companies
				2017 - Present	Director	Saha Pathanapibul Plc.
				2016 - Present	Vice Chairman	Thanulux Plc.
				1999 - Present	Director, President and Vice Executive Chairman	I.C.C. International Plc.
				Other Non-Listed Company	43	companies
• Family Relationship between Director and Management • Holding positions in other companies in the recent year had impacted on time dedication significantly. : - None -				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 and Director of Human Resources and General Affairs Division April 1, 2017	64	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 Family Relationship between Director and Management : - None - • Holding positions in other companies in the recent year had impacted on time dedication significantly. : - None -	0.02% Increase (decrease) no. of shares - None -	Other Listed Company	-	company
				Other Non-Listed Company	2	companies
				2018 - Present	Director	Tora 1010 Co., Ltd.
				2016 - Present	Director	A Tech Textile Co., Ltd.
8. Mrs. Onanong Saengpumpong Director, The Corporate Governance Committee Member, Executive Director and Director of Accounting and Finance Division, Chief Financial Officer April 24, 2017	57	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 Family Relationship between Director and Management : - None - • Holding positions in other companies in the recent year had impacted on time dedication significantly. : - None -	0.005% Increase (decrease) no. of shares - None -	2017 - Present	Member of Accounting Profession in 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.
				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	59	Bachelor Degree Faculty of Economics, majoring in Economics Osaka Prefecture University, Japan	- Increase (decrease) no. of shares - None -	Other Listed Company	-	company
				Other Non-Listed Company	8	companies
				2019 - Present	Director	Wacoal Corp.
				2018 - Present	Chairman	A Tech Textile Co., Ltd.
					Chairman	G Tech Material Co., Ltd.
<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 - 				Director		Hong Kong Co., Ltd.
				Director		Guangdong Wacoal Inc.
				Director		Dalian Wacoal Co., Ltd.
				Director		Myanmar Wacoal Co., Ltd.
				Director		Vietnam Wacoal Corp.
10. Mr. Mitsuru Sekiguchi Director May 10, 2018	54	Bachelor Degree Faculty of Law, majoring in Law Meiji University, Japan	- Increase (decrease) no. of shares - None -	Other Listed Company	-	company
				Other Non-Listed Company	17	companies
				2018 - Present	Chairman	Wacoal International
				Director		Hong Kong Co., Ltd.
				Director		Wacoal America, Inc.
<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 - 				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.
				Director		Dalian Wacoal Co., Ltd.
2017 - Present				Director		Wacoal India Private Ltd.
				Director		Wacoal Singapore Pte. Ltd.

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	63	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 Family Relationship between Director and Management : - None - Holding positions in other companies in the recent year had impacted on time dedication significantly. : - 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 Patronage Social Enterprise Thailand Association
				2017 - Present	Member of Public Sector Audit Evaluation Committee Director and Chairman of The Audit Committee	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 Sangvan Indaravijaya Foundation
				Other Listed Company 4 companies		
				2019 - Present	Independent Director, Chairman of The Audit Committee and The Corporate Governance Committee Member	Thai Group Holdings Plc.
					Independent Director, The Audit Committee Member, and The Nominating and Remuneration Committee Member	TISCO Financial Group Plc.
				2017 - Present	Independent Director and Chairman of The Audit Committee	Thai President Foods Plc.
					Independent Director and The Audit Committee Member	The Erawan Group Plc.

Name / Position		Age	Educational Level and Training Course	Shareholding Level* (%)	Working Experience		
Date of appointment					Period	Current Position	Organization / Company
					Other Non-Listed Company 3 companies		
					2019 - Present	Independent Director and The Audit Committee Member	TISCO Bank Plc.
					2016 - Present	Independent Director	Thailand Securities Depository Co., Ltd.
						Independent Director and Chairman of Risk Management Sub-committee	Thailand Clearing House Co., Ltd.
					2017 - Present	The Audit Committee Member	Chulabhorn Royal Academy
				Increase (decrease) no. of shares - None -		Advisor to Accounting Profession in Tax	Federation of Accounting Professions under The Royal Patronage of His Majesty
						Accounting Committee	Thai Investors Association
					2015 - Present	The Audit Committee Member	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	WHA Utilities and Power Plc.
						Independent Director and The Audit Committee Member	Saha Pathana Inter-Holding Plc.
					2007 - Present	Independent Director and Chairman of The Board of Directors	Mono Technology Plc.

Name / Position Date of appointment	Age	Educational Level and Training Course	Shareholding Level* (%)	Working Experience		
				Period	Current Position	Organization / Company
<p>Training by Thai Institute of Directors Association (IOD)</p> <ul style="list-style-type: none"> - 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 (MITA) 1/2007 - Monitoring the Quality of Financial Reporting (MFR) 5/2007 - Monitoring the System of Internal Control and Risk Management (MIR) 2/2008 - Chartered Director Class (CDC) 3/2008 - Role of the Compensation Committee (RCC) 7/2008 - Monitoring Fraud Risk Management (MFM) 1/2009 - DCP Refresher Course (RE DCP) 2/2009 - Role of the Chairman Program (RCP) 25/2011 - Role of the Nomination and Governance Committee (RNG) 1/2011 - 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 <p>• Family Relationship between Director and Management : - None -</p> <p>• Holding positions in other companies in the recent year had impacted on time dedication significantly. : - None -</p>				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.
<p>13. Mr. Krish Follett</p> <p>Independent Director and Chairman of The Risk Management Committee April 23, 2012</p>	70	<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>-</p> <p>Increase (decrease) no. of shares - None -</p>	Other Listed Company 1 company		
				2016 - Present	Independent Director, Chairman of The Audit Committee and Chairman of The Risk Management Committee	Do Day Dream Plc.
				Other Non-Listed Company 1 company		
				2014 - Present	Independent Director and Chairman of The Audit Committee	Bank of China (Thai) Plc.

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><div>- Director Certification Program (DCP) 149/2011</div><div>- Diploma Examination (EXAM) 32/2012</div><div>- Risk Management Program for Corporate Leader (RCL) 9/2017</div><div>- Role of the Chairman Program (RCP) 43/2018</div></div> <div>Family Relationship between Director and Management</div> <div><div>: - None</div><div>- Holding positions in other companies in the recent year had impacted on time dedication significantly. : - None</div></div>								
14. Miss Waraporn Kulsawatpakdee Independent Director and The Risk Management Committee Member March 2, 2016	60	<div>Master degree</div> <div>School of Public Administration majoring in Public and Private Management, National Institute of Development Administration</div> <div>Bachelor Degree</div> <div>Faculty of Communication Arts, majoring in Mass Communication</div> <div>Chulalongkorn University</div> <div>Faculty of Commerce and Accountancy, Thammasat University</div> <div>- Mini MBA (Class 21)</div> <div>The National Defence College of Thailand</div> <div>- National Defence College, The State, Private Sector and Political Sectors Course (Class 6)</div> <div>Capital Market Academy (CMA)</div> <div>- Capital Market Academy Leadership Program (Class 22)</div> <div>Thailand Energy Academy (TEA)</div> <div>- Executive Program in Energy Literacy for a Sustainable Future (Class 11)</div> <div>Commerce Academy</div> <div>- Top Executive Program in Commerce and Trade (TEPCoT) (Class 5)</div>	<div>-</div> <div>Increase (decrease)</div> <div>no. of shares</div> <div>- None</div>	2017 - Present	Associate Judge	The Central Intellectual Property and International Trade Court		
				Other Listed Company			1	company
				2014 - Present	Director and The Risk Management Committee Member	Far East Fame Line DDB Plc.		
				Other Non-Listed Company			1	company
				1994 - Present	Chief Executive Officer and Managing Director	Integrated Communication Co., Ltd.		

Name / Position Date of appointment		Age	Educational Level and Training Course	Shareholding Level* (%)	Working Experience		
					Period	Current Position	Organization / Company
			Training by Thai Institute of Directors Association (IOD) - Director Certification Program (DCP) 154/2011 - Advanced Audit Committee Program (AACP) 29/2018				
<ul style="list-style-type: none">Family Relationship between Director and ManagementHolding positions in other companies in the recent year had impacted on time dedication significantly. : - None -							
15. Mr. Poolsak Boonchoo		60	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 Other Listed Company Other Non-Listed Company 2018 - Present	The Audit Committee Member - 1 Managing Director	The Thai Bar under The Royal Patronage company company Boonchoo Legal and Associates Co., Ltd.
<ul style="list-style-type: none">Family Relationship between Director and ManagementHolding positions in other companies in the recent year had impacted on time dedication significantly. : - None -							
16. Mr. Suvit Wongcharoenwutporn		68	Higher Education Certificate, majoring in Industrial Technology Rajamangala University of Technology Krungthep Bangkok Technical Campus Training by Thai Institute of Directors Association (IOD) - Director Accreditation Program (DAP) 3/2003	0.05% Increase (decrease) no. of shares - None -	Other Listed Company Other Non-Listed Company 1995 - Present 1991 - Present	- 2 Managing Director Chairman	company companies International Commercial Coordination (Hong Kong) Limited Royal Garment Co., Ltd.
<ul style="list-style-type: none">Family Relationship between Director and ManagementHolding positions in other companies in the recent year had impacted on time dedication significantly. : - None -							

Name / Position			Age	Educational Level and Training Course	Shareholding Level* (%)	Working Experience		
Date of appointment						Period	Current Position	Organization / Company
17. Mrs. Nonglaks Techaboonanek			65	Bachelor Degree Faculty of Communication Arts, majoring in Mass Communications Chulalongkorn University	-	Other Listed Company	-	company
Executive Director and Director of Managing Director Office May 9, 2000					Increase (decrease) no. of shares - None -	Other Non-Listed Company	3	companies
						2013 - Present	Managing Director	SRP Nanasai Co., Ltd.
• Family Relationship between Director and Management				Training by Thai Institute of Directors Association (IOD) - Director Accreditation Program (DAP) 42/2005				
• Holding positions in other companies in the recent year had impacted on time dedication significantly.				: - None - : - None -				
18. Miss Natcharinthorn Pongsupachintapa			67	Bachelor Degree Faculty of Political Science, majoring in Political Science Ramkhamhaeng University	0.05%	Other Listed Company	-	company
Executive Director and Director of Human Science Research Center May 9, 2000					Increase (decrease) no. of shares - None -	Other Non-Listed Company	-	company
• Family Relationship between Director and Management				Training by Thai Institute of Directors Association (IOD) - Director Accreditation Program (DAP) 3/2003				
• Holding positions in other companies in the recent year had impacted on time dedication significantly.				: - None - : - None -				

Name / Position Date of appointment			Age	Educational Level and Training Course	Shareholding Level* (%)	Working Experience		
					Period	Current Position	Organization / Company	
19. Mrs. Siriwan Vilassakdanont Executive Director and Director of Wienna Product Division November 12, 2009	65	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	3	companies	
					1990 - Present	Director	Pattaya Manufacturing 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 -								
20. Mr. Sompong Rasameetham Executive Director and Director of Wacoal Production Planning Division May 8, 2014	58	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 Director Director	A Tech Textile Co., Ltd. G Tech Material Co., Ltd. Thai Naxis Co., Ltd.	
					2015 - Present 2013 - Present 2011 - Present	Director Director Director	Erawan Textile Co., Ltd. Fujix International Co., Ltd. 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. Metha Supakorn Executive Director and Director of Production Technology Division April 24, 2017	52	Master Degree Faculty of Commerce and Accountancy, majoring in Business Administration Thammasat University Bachelor Degree Faculty of Engineering, majoring in Industrial Engineering Kasetsart University • Family Relationship between Director and Management : - None - • Holding positions in other companies in the recent year had impacted on time dedication significantly. : - None -	0.003%	Other Listed Company	-	company
			Increase (decrease) no. of shares - None -	Other Non-Listed Company	1	company
			2014 - Present	Director	Wacoal Lamphun Co., Ltd.	
22. Mr. Pojadech Ketkratuk Executive Director and Director of Children Wear Product Division April 24, 2017	53	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 Training by Thai Institute of Directors Association (IOD) - Corruption Risk and Control Workshop (CRC) 3/2019 • Family Relationship between Director and Management : - None - • Holding positions in other companies in the recent year had impacted on time dedication significantly. : - None -	0.002%	Other Listed Company	-	company
			Increase (decrease) no. of shares - None -	Other Non-Listed Company	2	companies
			2017 - Present	Director	International Commercial Coordination (Hong Kong) Limited Royal Garment Co., Ltd.	

Name / Position		Age	Educational Level and Training Course	Shareholding Level* (%)	Working Experience		
Date of appointment					Period	Current Position	Organization / Company
23.Dr. Sukhontharat Nitthisirisakool		41	Doctoral Degree in International Studies, The University of Tokyo	-	Other Listed Company	-	company
Executive Director and Director of Merchandising Division 1				Increase (decrease)	Other Non-Listed Company	1	company
March 1, 2019			Master Degree Faculty of Economics, Majoring in International Economics and Finance Chulalongkorn University	no. of shares - None -	2008 - Present	Director	International Commercial Coordination (Hong Kong) Limited
			Bachelor Degree Faculty of Economics, majoring in Monetary and Financial Economics Chulalongkorn University				

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, 2019

Name	No. of shares							% Shareholding in year 2019		
	As of December 31, 2019		As of December 31, 2018		Increase (Decrease)					
	Direct	Indirect*	Total	Direct	Indirect*	Total	Direct		Indirect*	Total
1. Mr. Yoshikata	-	-	-	-	-	-	-	-	-	-
2. Mr. Manu	-	-	-	-	-	-	-	-	-	-
3. Mr. Hironobu Yasuhara	-	-	-	-	-	-	-	-	-	-
4. Mr. Boondee Amnuayskul	73,350	-	73,350	73,350	-	73,350	-	-	-	0.061
5. Mr. Nozomu Otsuka	-	-	-	-	-	-	-	-	-	-
6. Mr. Thamarat Chokwatana	82,031	2,000	84,031	82,031	2,000	84,031	-	-	-	0.070
7. Miss Karunee Surai	24,280	-	24,280	24,280	-	24,280	-	-	-	0.020
8. Mrs. Onanong Saengpumpong	5,500	-	5,500	5,500	-	5,500	-	-	-	0.005
9. Mr. Kazuhiro Shibahara	-	-	-	-	-	-	-	-	-	-
10. Mr. Mitsuru Sekiguchi	-	-	-	-	-	-	-	-	-	-
11. Dr. Kulpatra Sirodom	-	-	-	-	-	-	-	-	-	-
12. Mrs. Punnee Worawuthichongsathit	-	-	-	-	-	-	-	-	-	-
13. Mr. Krish Follett	-	-	-	-	-	-	-	-	-	-
14. Miss Waraporn Kulsawatpakdee	-	-	-	-	-	-	-	-	-	-
15. Mr. Poolsak Boonchoo	-	-	-	-	-	-	-	-	-	-
16. Mr. Suvit Wongcharoenvutporn	60,900	1,500	62,400	60,900	1,500	62,400	-	-	-	0.052
17. Mrs. Nonglaks Techaboonanek	-	-	-	-	-	-	-	-	-	-
18. Miss Natcharinthorn Pongsupachintapa	64,850	-	64,850	64,850	-	64,850	-	-	-	0.054
19. Mrs. Siriwan Vilassakdanont	130,850	28,120	158,970	130,850	28,120	158,970	-	-	-	0.132
20. Mr. Sompong Rasameetham	1,100	-	1,100	1,100	-	1,100	-	-	-	0.001
21. Mr. Metha Supakorn	3,300	-	3,300	3,300	-	3,300	-	-	-	0.003
22. Mr. Pojadech Ketkratuk	2,250	-	2,250	2,250	-	2,250	-	-	-	0.002
23. Dr. Sukhontharat Nitthisirisakool	-	-	-	-	-	-	-	-	-	-
Total	448,411	31,620	480,031	448,411	31,620	480,031	-	-	-	0.400

Note : * Shareholding by spouse and underage children

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

Name	Thai Wacoal Plc.	Subsidiaries					Associates			
		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 Lamphun Co., Ltd.*
Mr. Yoshikata	/									
Mr. Manu	XXX								XXX	
Mr. Hironobu	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 Natcharinthorn										
Mrs. Siriwan									/	
Mr. Sompong						/				
Mr. Metha			/							
Mr. Pojadech										
Dr. Sukhontharat										

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 Holdings Corp.	Wacoal Corporation	I.C.C. International Plc.	International Commercial Coordination (Hong Kong) Limited	SRP Nanasai Co., Ltd.	Bangkok Tokyo Socks Co., Ltd.	Royal Garment Co., Ltd.	Integrated Communication Co., Ltd.
Mr. Yoshikata	XXX							
Mr. Manu			/	XXX		XXX		
Mr. Hironobu	/	XXX						
Mr. Boondee								
Mr. Nozomu								
Mr. Thamarat			/					
Miss Karunee								
Mrs. Onanong							/	
Mr. Kazuhiro		/						
Mr. Mitsuru								
Dr. Kulpatra								
Mrs. Punnee								
Mrs. Worawuthichongsathit								
Mr. Krish								
Miss Waraporn								/
Mr. Poolsak								
Mr. Suvit			/				XXX	
Mrs. Nonglaks					/			
Miss Natcharinthorn								
Mrs. Siriwan								
Mr. Sompong								
Mr. Metha								
Mr. Pojadech			/				/	
Dr. Sukhontharat			/					

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	Saengpumpung	-	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	Utaivatana	Director	-	-	-	Director
12. Mr. Wattana	Tongaiem	Assistant Managing Director	-	-	-	-
13. Mrs. Rungtip	Choakchaitham	Director	-	Director	Director	-
14. Mrs. Naree	Chartchalerm	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 third 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 2019 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, 2019. 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

Over the past year, Thai Wacoal has always been engrossed to organization development towards the sustainable development in all aspects. The company take priority to the adjustment towards technologies and innovation development continuously, which are the key driving force leading the current and future business operation to keep up with novel opportunities and challenges based on the concept of “**Sustainable Development**”, serving as its business principles. They cover **the economic, social and environmental dimensions**, taking the benefits of all groups of stakeholders into accounts. The company thus conduct the business **under the Good Corporate Governance Principles** and All Dimension Risk Management Principle; to promote the participation working culture, cultivate ethics and morals, foster good consciousness, announce the obvious anti-corruption policy, refrain from breach of intelligent properties, conform to laws and human rights as well as aim for continuous developing and heightening personnel capability.



SUSTAINABLE DEVELOPMENT



ECONOMIC



SOCIAL



ENVIRONMENTAL

The implementation of Sustainable Development concept as the key principle for operations of all business processes has been reflected by the operations in dimensions as follows;

Economic Dimension : focusing on product development through innovation, as it can be obviously seen that Wacoal's products; Wacoal Mood Travel Bra, was awarded for the Best Innovative Company Awards in the SET Awards 2019 announcement event. Furthermore, there have been the developments of the digital system for products and services value added as well as the development of distribution channels, creating alternatives for life quality development and improving potentiality of customers to be ready to fulfill the needs of all groups of customers in order to deliver premium products and experiences to customers.

Social Dimension : The company takes priority to human resources since personnel are one of the key factors that driving the business to achieve the goals. The company is aware the importance of recruiting, maintaining and developing potentiality of personnel as well as creating opportunities for career progression, including taking care of good working environment, community relationship management and social accountability. The company has continuously conducted the “Wacoal Pink Ribbon....Against Breast Cancer” project as well as sponsored for researches and studies in cooperation with experts in medical profession.

Environmental Dimension : Thai Wacoal takes priority to quality, safety standards, and environmental preservation awareness through the management of products and manufacturing processes of the entire organization under the “WACOAL ECO SYSTEM”. The company starts from selecting standard quality raw material, and manufacturing process, efficient warehouse management as well as appropriate waste disposal; non-impact against environment

The company strongly believes that the aforesaid commitment and operation will be part in driving the materialistic sustainable development process, not only the sustainable development achievement but also the vigorous and stable fundamental creation for long term continuity development that will lead to reliability of shareholders and all stake holders.

(Mr. Boondee Amnuayskul)

Chief Executive Officer and Managing Director

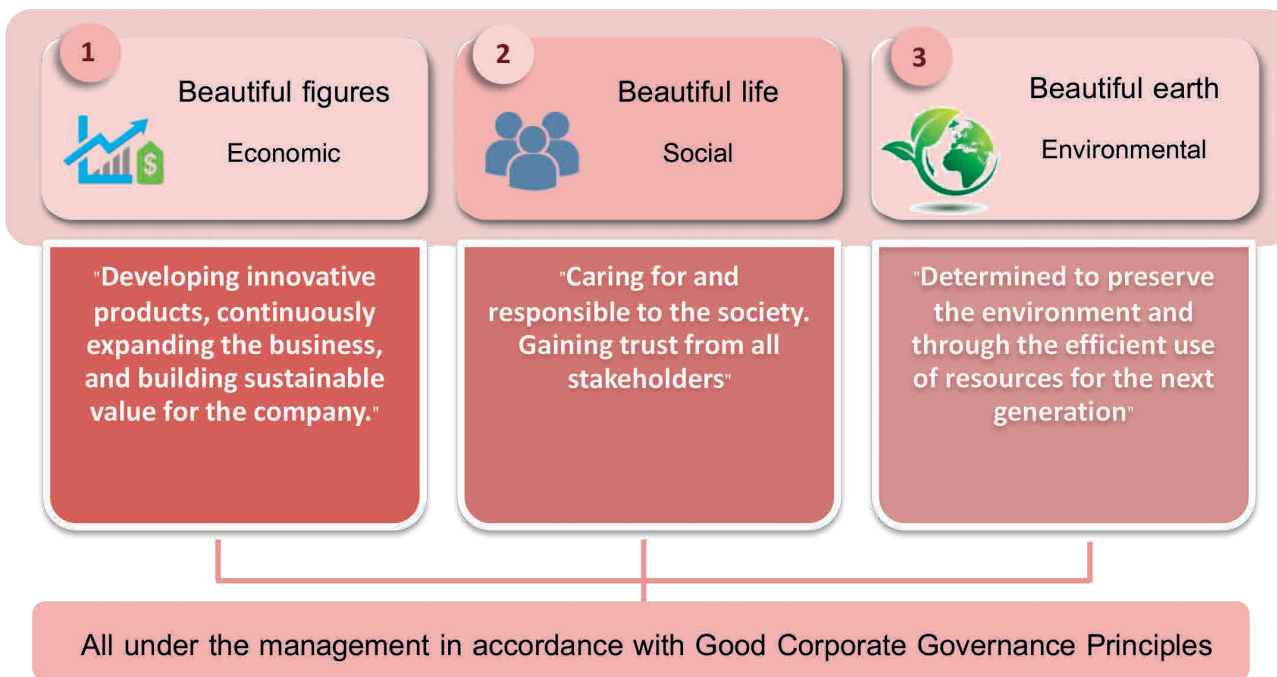
1. The Sustainable Development Implementation Plan



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

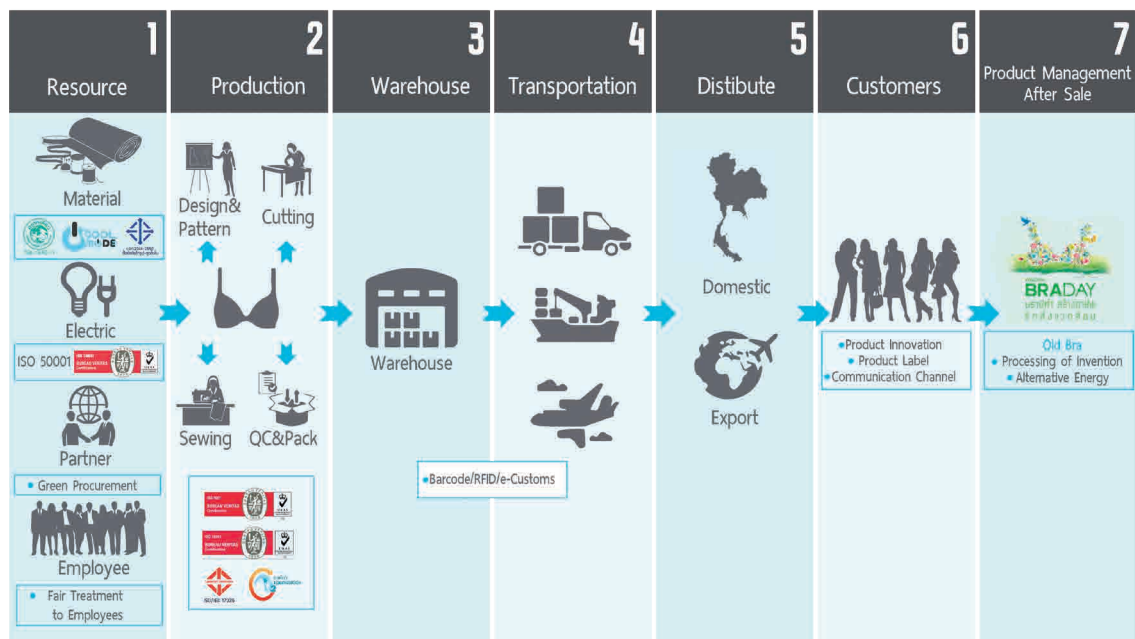
Wacoal believes that every women are born beautiful, not only by their looks, but also their "Beauty Inside".



2. Value Chain Management

Value chain management is a key strategy to deliver sustainable business success. 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. These help upgrading the quality of life and environment as well as fair business operation with accountability to all groups of stakeholders.

- **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 raw materials that reach the standards, are innovative, safe for consumers and environmental-friendly. Wacoal's lingerie have been certified as the Green Label and also been certified by the Thai Industrial Standards Institute and received the TISI 2346:2550 Standard, assuring safety from coloring and harmful chemicals. They have also been certified for standardized clothing that reduces GHG emission (CoolMode). Wacoal products are approval in carbon footprint of products (CFP), and the company is working with partners to develop alternative materials to reduce the use of natural resources.

Electricity : With the commitment to foster the organizational culture of energy preservation, 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 is aware of and give precedence to the fair and equitable business operation, 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, indiscrimination, 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

The company give precedence to each single process from product design to standardized raw material selection certified by ISO/IEC 17025:2005 testing laboratory, manufacturing process under ISO 9001:2015 and environmental management system; ISO 14001:2015, as well as the assessment of organization greenhouse gas emission (Carbon Footprint of Organization) under the workplace greenhouse reduction promotion project towards a low carbon emission industry through the vigorous implementation of the Product Life Cycle Assessment (LCA) which can be used as a guideline for sustainable environmental effect reduction. Moreover, the company has been

certified as a Green Industry Level 4, Green Culture from the Ministry of Industry and received the Eco Industrial Industry (Eco Factory) from the Federation of Thai Industries, it thus reflects that every person in the organization have always conducted the business in environmental friendly manner until it becomes part of the organizational culture.

Inventory Management, Stores, and Logistics

The company continuously developed the following inventory management systems to best serve the customers and distributors through more distribution channels as follows;

1. Develop the product sort out system through Online and Offline using Sorter device either during regular period or sale promotion campaign which speeding up product delivery in timely manner within the schedules of customers and distributors, using the same number of workers but more productivity.
2. Develop product display with cloth hangers together with the RFID system to facilitate faster front store management.
3. Provide equipment for packaging in the warehouse adhering to the Green Factory standards using only recycled materials as well as determine the sizes of packages to be suitable for usage and limit variety of packaging styles in order to use common format of packages for delivery.
4. Select the transport company with reasonable costs for delivery services in each channel as well as develop postal delivery system (Drop Off) to connect information with the Thailand Post Co., Ltd. and the delivery system with the transport company of each marketplace, which enable the accurate, fast and efficient delivery to the hands of customers.

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

Thai Wacoal initiated a systematic disposal of product waste, reusing old bras, and recycling materials to least affect the environment. Thai Wacoal as the Thai first lingerie product manufacturer who opens for used bras donation under the "Wacoal Bra Day" Project for the right disposal based on the 3Rs principles as follows;

1. Reduce : old, damaged bras are used to make fuel to substitute for coal in cement production. Thai Wacoal partnered with Insee Ecocycle, a subsidiary of Siam City Cement Public Company Limited providing waste residue disposal services, which helps reducing community waste, the needs for bury areas, use of natural resource energy and greenhouse gas emission.

2. Reuse : donated used bras in good condition were distributed to needy females and female prisoners in the prisons as well as donate fabric and lace raw materials to Association for the Promotion of the Status of Women under the Royal Patronage of HRH Princess Soamsawali Krom Muen Suddhanarinatha to make handcrafts of such raw materials to generate careers and incomes.

3. Recycle : metal wires and hooks from old bras are recycled to reduce the use of natural resources.

3. Sustainable Risk Management

The company gives precedence to the sustainable risk management to create opportunities and reduce risks that affect competitiveness, to make profits and to enable the organization survival as well as create reliability of all stakeholders in all dimensions; either economic, society or 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. Moreover, the company also reduces impacts from instability of changing business environment through the risk assessment to analyze the emerged impacts and make coping measures as well as systematically and continuously follow up the risk management.

Risks affecting the company's sustainability

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

Impact : reduced sales revenue and impacts on product costs.

The occurrence of digital disruption has led to the changes of consumers' consumption behaviors by increasingly turning into digital forms of shopping that seriously affect to the traditional selling channels of retail business such as Modern Trade department stores. Therefore, the company needs to implement technologies and digital media as the tools for the increase of work efficiency as well as the increase of business management utilizing Online sales. The significant strategies for the opportunity increase of access to consumers in order to increase sale volume, profits and market shares as follows;

- **Marketplace** : Increase of selling channels through Online market
 - **Social Media Marketing** : Do the marketing through the online media to enable the fast right access to target customers and facilitate public relation to easily create mouth of words recommendation to the public.
 - **Big Data Platform** : Adjust the Information Management of the organization, gather and analyze all forms of data to fulfil the needs of customers as well as revise the information administration strategies in a flexible, faster and safer manner.
-

2. Risk from aging society

Impact : The changing needs of existing consumers; the existing product are no longer serve their needs affecting the reduction of sale volumes.

Thailand has been transformed into the aging society since 2005 and the proportion of aged populations has been rapidly and continuously increased. As a result, in 2019 there were more aged population than children population in Thailand. The National Economic and Social Development Board forecasted that in 2021, Thailand will become the complete aging society with the population aged 60 years old and more not less than 20% of all population and in 2040, Thailand will have one third of aged population. Thus aged people will own the significant purchasing power. The company has then created products and services that designed to meet the lifestyle of aged people who still care for their health and beauty of their bodies.

- **Wacoal Gold Product** : The lingerie product for aged people using high quality raw material with soft touch, keeping skin moisture, in combination with the special tailoring techniques of hidden seam that make it non irritation, comfortable to wear and close-fitting to the changed bodies.
 - **Presea by Wacoal** : The product for aged people with comfortable wear and fashionable styles, selling through online.
 - **Shopping Online** : Increase of sale channels to open more opportunities for the access and facilitate aged customers who have limited movement ability as well as restriction for going out shopping by themselves.
 - The personalized tailor services to meet the personal needs by which enable customers to select raw materials and design the product by their own to meet the real needs of customers.
-

3. Risk from water management

Impact : wastewater released from the factory causes pollution.

The company has systematically managed the waste disposal inside the areas of the organization as well as continuously takes systematic control and inspection in order to prevent effects emerging from waste water to communities and environment as well as other relevant parties as follows;

- Install 4 waste water system of Fixed Film Aeration Tank type which are sufficient for waste water treatment in the company.
- Environmental staff are available and in charge of consumed water management in all activities.
- Operation as well as following up plan for monitoring the waste water treatment system and the report are made.
- 3 times a year of waste water measurement is set in the schedule by the external agency that registered with the Department of Industrial Works.
- The test for work efficiency of the waste water treatment system is conducted by the environmental officer once a week by testing the amount of Dissolved Oxygen (DO) and Acid-Base value (pH).
- The inspection and maintenance of the treatment system is done 3 times a year.
- Residue sucking plan under the treatment system is prepared at least once a year.
- Solution plan for waste water problems will be determined in case the water value does not match to the standard criteria required by laws.
- The report is made to the County office (Environmental Division) on monthly basis.

4. Assessment of material matters and stakeholders

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">• Follow the principles of good corporate governance.• develop Shareholders / Investors communication channel
2. Customers	<ul style="list-style-type: none">• Customer Satisfaction Survey• Website / e-mail and Social Media• Customer Service / Call Center	<ul style="list-style-type: none">• Beauty comfort• Product safety• Good quality and reasonable price• Easy and convenient product access	<ul style="list-style-type: none">• New innovative products• Certified by international product standards• Production technology development

Stakeholder	Communication Channels	Expectations	Actions Taken
	<ul style="list-style-type: none"> Whistleblowing Channel 	<ul style="list-style-type: none"> Comprehensive product information statement Good response to feedback and complaint 	<ul style="list-style-type: none"> Develop product distribution channels Integrate communication channels with customers thoroughly and entirely 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 and work safety Good career path and stability Development of knowledge and ability to increase work potential 	<ul style="list-style-type: none"> Determine the appropriate rate of welfare remuneration Encourage love and commitment to the company Building a happy organization with Happy 8 Set career paths 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"> Conduct business with ethics and morals Cooperate in the anti-corruption campaign Cooperative sourcing and product development and logistic
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 Open the opportunity for the community participation in company's activities
6. Society	<ul style="list-style-type: none"> Website / Social Media 	<ul style="list-style-type: none"> Helping and caring for society Transparent business practices 	<ul style="list-style-type: none"> Continuously and sustainably conduct CSR activities Wacoal Pink Ribbon campaign to fight breast cancer Demonstration and lecture project on female physiology Providing knowledge and understanding in care and prevention regarding breast cancer Follow the principles of good corporate governance
7. Environment	<ul style="list-style-type: none"> Website / Social Media Environmental Impact Assessment 	<ul style="list-style-type: none"> Use natural resources in a worthwhile manner Minimize environmental impacts 	<ul style="list-style-type: none"> Systematic environment management, ISO 14001: 2015, Carbon Footprint environmentally friendly raw materials Wacoal ECO Factory Wacoal Braday
8. 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"> Comply with the law and relevant business regulations Cooperation on 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 such as opinion survey, dialogue, joint meetings, interviews and receiving complaints through various channels. All important factors are considered to cover all identification aspects. In 2019, the company did not change the scope of information disclosure.

2. Prioritization

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

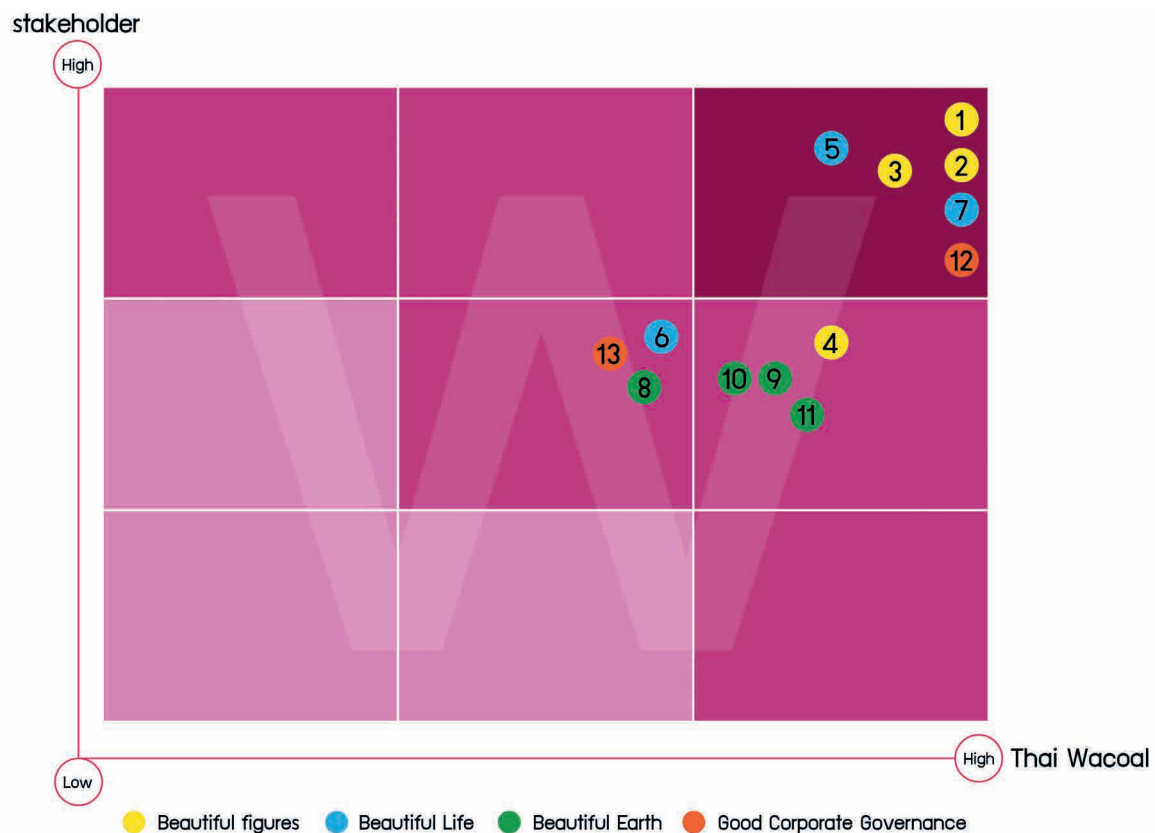
3. Audit

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 2019



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 2019, the company had total sales revenues and services of Baht 5,254.68 million, an increase of 6.89% YoY. - consisting mainly of domestic sales of Baht 4,005.38 million, an increase of 9.19% YoY and export sales of Baht 1,249.31 million, an increase of 0.14% YoY. For sales by product categories, they were as follows: total ladies' lingerie of 94.30%, total children wear of 3.54%, total ladies' outerwear of 2.16%, and total achieved net profit was Baht 368.26 million, an increase of 13.36% YoY.

Expenses

The company had an increased operating expenses for 2019 of Baht 415.54 million mainly due to the company having higher cost of sales of Baht 165.07 million, which was consistent with the increased sales revenues. The other expenses included social, school, and community expenses of Baht 9.67 million, wages and employees benefits of Baht 1,314.94 million, tax payments of Baht 61.76 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 216 million to its shareholders.

Financial Status

The company had total assets of Baht 7,233.46 million, consisting of current assets of Baht 3,352.80 million, non-current assets of Baht 3,880.66 million, and shareholders' equity of Baht 5,667.91 million. The company still had a current ratio of 3.25 times, and debt to equity ratio of 0.28 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 46 consecutive years - from 1974.

2. Products and Innovation

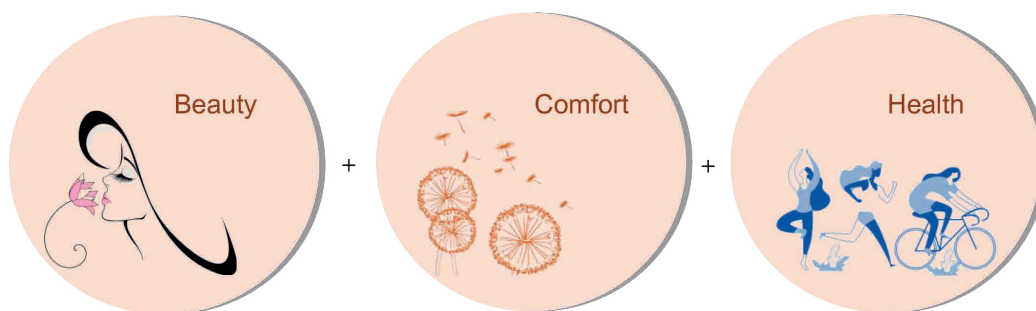
Commitment and Goals

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



2019 Performance

1. **Committee Appointment for Innovation and Creativity Enhancement and Management** in order to enhance, promote and develop the internal innovation management system in the systematic and continuous manner.

2. 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, we launched the survey research project for body sizes of girls and females in countrywide to study and analyze gathered information to develop body match products and truly meet the needs of women.

Thai Wacoal continuously develops its materials and products. In 2019, the company developed raw materials, sewing techniques and environmentally friendly products with high quality, resulting to receive Baht 351 million in revenue from innovatively developed products, which accounts for 10% of total domestic sales.

3. Quality and product standards development

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

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

3.2 **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.

3.3 **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.

3.4 **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. It is certified for the safety from hazard chemical, so it is deemed as the most safety children products.



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4. The development of environmentally friendly products

4.1 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.



4.2 Ladies' Outerwear under the WACOAL BLOUSE and Racé Uniform has received the **CoolMode certification and Label 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.



4.3 5 models of lingerie products, namely MM1243, WH9B99, WR1501, WU4937, WY1128, all passed the **Carbon Footprint product assessment**.



4.4 Product children wear under the ENFANT Green Trade Mark "**Cotton Organic**" is the product with all environmental-friendly procedures; from cotton planting through free chemical and insecticide processes, using the dying and textile printing procedures which is chemical-free to the manufacturing process that is safe for children's health and environmental-friendly and uses the mixed Regenerated fiber processed from natural materials such as Bamboo fiber, Jutecell fiber.



4.5 **Wacoal Motion Wear** sport underwear which are environmental-friendly in 5 model 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.



4.6 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

4.7 Travel Bra Innovation; foldable bra is developed by using natural rubber sheet in place of metal bra frame to increase the utilization of domestic rubber produce and decrease import of raw material from abroad as well as reduce the use of non-degradable metal which is contrary to the biodegradable and environmental-friendly natural rubber. During 2017-2019, the company decreased the order of metal material for 262,338 pairs and used natural rubber as the substituted raw material for 6.6 tons.

5. Registration of Petty Patent for the Bra products ; 2 petty patents were registered to protect the workpieces derived by creativity of the company and to prevent the violation of the intellectual property from the third persons.

6. In 2019, invested 10.08 million baht in the Thai women's physique research and the research and development of materials.

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. Customer Relation Department is 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.

2019 Performance



Opened 50 more Wacoal counters.
Countrywide Wacoal counters
in 2019 were totally 630



Opened 8 more Wacoal Shops.
Wacoal Shop in countrywide
in 2019 were totally 85

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.

For the overall picture in 2019, the company had made 21 survey research projects as well as recommendations for product improvement and development based on the comments of customer resulting in 2 groups of new products namely;

Wacoal Motion wear Product : it is the Underwear for exercise. According to the survey, it was found that apart from the need for closely fit to the breasts, and support for all motions as the key properties of the underwear for exercise, another problem of the groups of customers is wearing underwear for exercise makes their breast shape less charming; look flatten. Wacoal then improved and developed the products into the innovation from rubber sheet; "Latex Miracle" under the Collection of "Fit 24 hours" and "Athleisure" which are the underwear for exercise that helps support and fit the breast shape in all motion.



Smart Size...New Gen Bra : Wacoal has developed lingerie products to match with the lifestyle of the new generation girls to be easier for size selection; one sizes various cups with the innovative 3D frameless Mold; Fit Function that has the same curve to fit the body to provide closely fit and comfortable wear.



Smart Size

ตารางเทียบไซส์

		Size						
		cm	70	75	80	85	90	95
		inch	32	34	36	38	40	42
Cup	A	M	M	L	L	XL	XXL	
	B	M	L	L	XL	XXL	XXL	
	C	M	L	L	XL	XXL		
	D	M	L	XL	XXL	XXL		
	E	L	L	XL	XXL			

3D FIT FUNCTION

กระชับทุกคัพ สบายทุกไซส์

Extra 3D Airflow Pad

- ✓ Bonding Seamless
เนื้อมีการเชื่อมด้วยความร้อน กระชับ นุ่มนวล เรียบเนียน
- ✓ Extra 3D Airflow Pad
เพิ่มการระบายอากาศ ไม่อับชื้น Push up 15 mm.
- ✓ Soft & Breathable Fabric
ผ้าสับใยพิเศษ ซิตนุ่ม นุ่มสบาย ระบายอากาศ
- ✓ 4 Levels Adjustable Hook
ตะขอปรับระดับ ปรับได้ 4 ระดับ

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”

The company gives precedence to providing trainings to the sale assistances, especially the basic knowledge of physiology, underwear basic knowledge of the raw materials used in the product, knowledge for stepping forward as the professional salesperson in order to provide customers with professional advice on how to choose their bras.



2.2 Marketing Communication and Customer Privacy

The company established a customer relations center and call 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 Service Provided in 2019

After sales coordination/Complaint Response



Providing product information

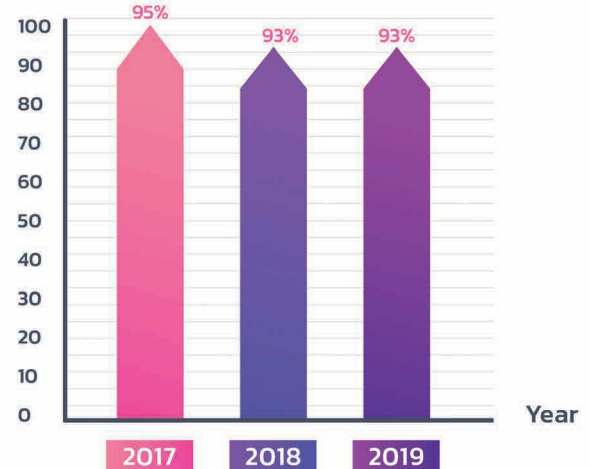


2.3 After sales services. In 2019, the number of customers asking for alterations is 3,179, a 9.40% reduction from 2018. This is the result of using data collected from past customer services to produce products that better meet the customers' needs.

Number of after sales services



Customer satisfaction



2.4 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. In 2019, customers' satisfaction were 93%, same as the previous year.

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.

2019 Performance

1. Co-invented and developed new materials with partners, which are used in production and generated Baht 50.17 million of revenue.

2. Co-development of materials resulted in the reduction in sourcing cost of Baht 13.48 million.

3. Raw materials purchased from partners in Thailand totaled Baht 641.16 million, accounting for 56% of the total value of raw materials purchased of the company. The company purchased raw materials from ISO 14001:2015 certified suppliers, account for 18% of all domestic purchases.

4. The knowledge training program along with trading partner evaluation are annually and consecutively held, especially for 16 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 tests

The average score in 2019 is 98.24%.

Corporate Social Performance

Beautiful life Social

“Caring and Responsible to the Society, Gaining Trust from All Stakeholders”

1. Human Resource Management

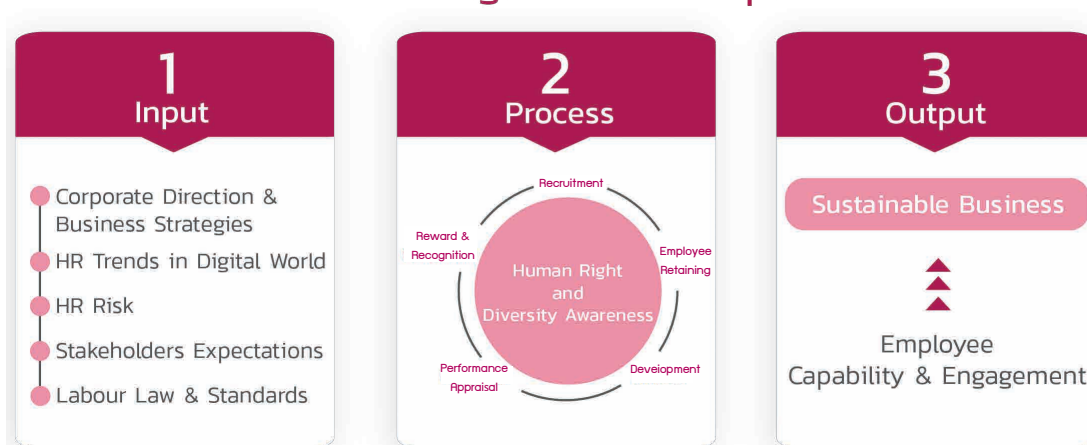
Personnel are deemed as fundamental and key for competitiveness creation and sustainable growth of the organization. The company thus gives precedence to the creation of learning organization which personnel are able to continuously develop their own potentiality and collaboratively learn in systematic manner among the environment that contributes and stimulates creativity in order that personnel can be able to be along to the growth of the organization, have work motivation and make home of happiness for all personnel.



Commitment and Goals

Among the rapid dynamic of technologies and the heavily intense of business competition according to the changing environment, that has led the organization to be well prepared for adjustment in any situation. Apart from having high potential personnel who are ready for learning and inventing innovations, accepting changes and being able to manage the changes for optimal benefits, the organization must also recruit personnel suitable for the structure and qualified to the jobs as well as being potential for future growth.

HR Management Principle



Management Strategies

The company adheres to the human resource management guideline based on the good corporate governance principles. We are aware of the importance of personnel as the precious assets to lead the organization towards success so we delicately start from recruitment, care taking and supporting all personnel to equally get opportunity for growth in the organization without discrimination on gender, race and religion. We focus on development of knowledges and skills, creation of opportunity in career path progression and preparation for coping with changes in the working environment that people respect each other and accept diversity with our objectives to provide happy working atmosphere for all personnel and increase competitiveness of the organization as well as promote the personnel to be good persons, have public mind, be willing for social services in order to create the sustainability of organization and society according to the human resource philosophy “**The Better the Employees do, the More Excellent WACOAL is**”.

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.

2019 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	Job Fair	Public relation signs	Walk in	Others	Total (person)
	55	60	3	5	-	10	133
Daily 	Online	Recommended by employees	Friend get Friend program	Public relation signs	Walk in	Others	Total (person)
	24	107	55	49	43	43	321

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.

The number of newly employees who attended the Newly Employee Care Taking Project (On Board Program) in 2019, totally 133 persons



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 - 2018, having 22 Wacoal Group scholarship students and support of scholarship totally 2,200,000 baht.

In 2019, 11 students of batch 1 scholarship graduated (6 persons major in Textile Engineering and 5 persons major in Textile Chemical Engineering) and have worked in the company since April 2019 and they have been the key man force of various divisions in the organization.

4. The internship students have been sent by various academic institutes. In 2019, there were interned students under Cooperative Education and Summer internship totally 28 students from 8 institutes.

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.

2019 Performance

The company has operated the Development and Potentiality Enhancement for Human Resources in various ways in 2019 as follows;

Management Guideline	Performance of 2019
1. Determination of 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 5 positions, namely Business Officer, Purchase Officer, Designer, Pattern Officer and Merchandiser in 3 divisions, namely B'me Production Division, Vienna Production Division and Overseas Business Division. Prepare Skill Matrixs for assessment of individual knowledge, ability and skill in the major professional groups, totally 147 persons.
2. Determine annual internal training plan in accordance to yearly goals	<ul style="list-style-type: none"> Number of training program provided, 49 programs Number of employees being trained, 2,579 persons (66.97%) Number of training hours, 7.93 hours : person Training cost, 2,036,447.92 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, 105 programs number of employees being trained, 422 persons (10.96%) number of training hours, 25.05 hours : person training cost 3,910,467.10 Baht External study visit, 12 times Totally 215 persons, such as A tech Textile Co., Ltd., G Tech Material Co., Ltd., and Saha Seren Co., Ltd., THAI SAKAE LACE Co., Ltd. (THAILAND) and UTAX F.M. Co., Ltd.
4. Aboard study visit	Market survey, study of warehouse management, purchasing and procuring raw materials from 16 countries, such as Japan, China, Vietnam, USA. France, with total cost of 11,942,826 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 197,700 Baht Doctoral degree 1 scholarship, Program of Designing, totally 177,111 Baht
6. Producing Internal instructor or working Coach	There are 13 internal instructors who were certified by trainers from Department of Skill Development
7. Learning Development via Online	Orientation program, IT program such as Performance Tuning and Optimizing SQL Databases, Config Server for Linux, Digital Trends 2020 : The 7 Elements of Digital Transformation

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 2019
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	43 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	155 trainees (64.58%)
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	6 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	16 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	55 trainees (88.71%)

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

2019 Performance

Number of employees awarded			
	Master degree	Doctoral degree	Certificate
2015	2	1	3
2016	2	-	2
2017	1	-	2
2018	1	1	-
2019	1	1	-

Total scholarship 892,969.75 Baht

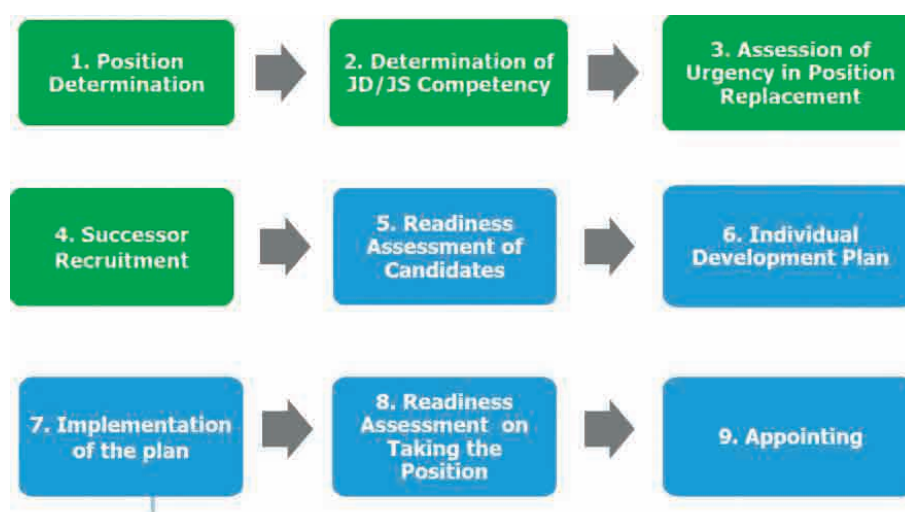
In 2019			Total
Promoted to higher position	10	104	114
Employment adjustment	-	22	22
Transfer	1	-	1

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



2019 Performance

In 2019, the committees of successor planning had considered and determined important positions, reviewed Job Description Competency, assessed urgency, recruited and assessed readiness for 6 positions of 26 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



90 Persons



250 Persons

20.62% 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 2019, 2,774 employees are members from the entire 3,084 employees who are eligible to subscribe in the Provident Fund, account as 89.94%, and the contributions of the company deposited into the Provident Fund was 18,133,895 Baht. Moreover, the company received “Happy PVD Company Award” in Bronze Level from The Securities and Exchange Commission (SEC) to honor employer’s organization that has encouraged employees to recognize the importance of saving money through a provident fund in order to have sufficient funds for retirement.

Number of employees who are members of the Provident Fund

Working duration	Male	Female	Total
> 20 years	71	603	674
10 - 20 years	87	415	502
3 - 10 years	105	623	728
4 months - 3 years	113	757	870
Total	376	2,398	2,774



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”.

2019 Performance

The company received **Best Innovative Company Awards** for Wacoal Mood Travel Bra Innovation in the SET Awards 2019. The event was organized by The Stock Exchange of Thailand. The award was given to the company that has excellent innovation and strategy of innovation management in an organization. Wacoal Mood Travel Bra is the first innovation in Thailand by blending natural material “rubber” with lingerie. The blending of rubber enables bra to be foldable and can be restored to its original shape and also received **Asian Service Award 2019** from its innovation of Wacoal Body Clinic from Asian Network for Quality (ANQ). Moreover, the company encouraged the implementation of Kaizen & Suggestion system within the organization as part of the routine works.



2019 KAIZEN CREATIONS



55 Creations

Cost Reduction

46,107 Baht

2008 - 2019 KAIZEN



Kaizen

1,214 Creations



Suggestion

63 Creations

Cost Reduction 2,143,912 Baht

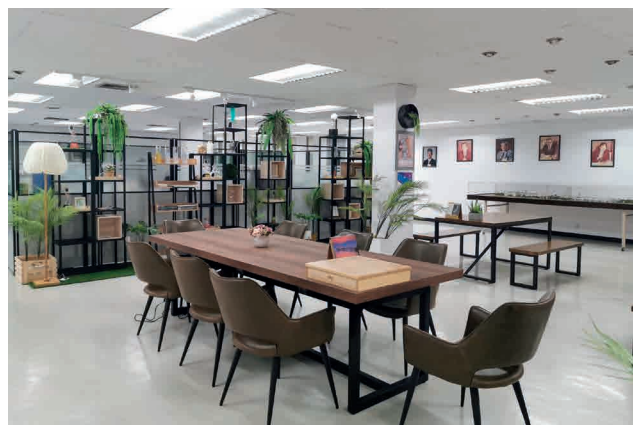
1.7 Organizational Bond and Satisfaction of Employees

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 and aerobic 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.

2019 Performance

The company renovated the working areas to create new working environment and promote creativity (Co-Working Space).



Moreover, the company conducted the fun run activity called “Don’t stop me corporate running project” for 5.3 km. long in the company’s areas and held the anti-drug sport event called “Wacoal Sport 2019” to promote personnel to take care of their health for better physical health and joyful mind as well as refraining from drug.



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”)

2016 - 2019 employee data

Data	Unit	2019		2018		2017		2016	
		Male	Female	Male	Female	Male	Female	Male	Female
Total Employees	person	552	3,299	517	2,190	514	2,098	523	2,123
		3,851		2,707		2,612		2,646	
By Level									
High Level Managers	person	7	6	8	5	7	5	6	5
Intermediate Managers	person	13	28	12	20	12	17	14	18
Managers	person	73	167	67	146	66	120	60	123
Monthly Employees	person	421	2,065	397	986	391	924	398	914
Daily Employees	person	38	1,033	33	1,033	38	1,032	45	1,063

Data	Unit	2019		2018		2017		2016	
		Male	Female	Male	Female	Male	Female	Male	Female
By Age									
18-25	person	417		284		292		315	
	%	10.83		10.49		11.18		11.90	
25-35	person	1,094		675		619		663	
	%	28.41		24.94		23.70		25.06	
35-45	person	1,204		882		909		934	
	%	31.26		32.58		34.80		35.30	
45-55	person	981		734		659		610	
	%	25.47		27.11		25.23		23.05	
55 and above	person	155		132		133		124	
	%	4.02		4.88		5.09		4.69	
By Age (Monthly Employees)									
18-25	person	257		133		146		144	
	%	9.24		8.1		9.47		9.36	
25-35	person	844		427		372		394	
	%	30.36		26.02		24.12		25.62	
35-45	person	810		464		445		447	
	%	29.14		28.28		28.86		29.06	
45-55	person	717		486		448		430	
	%	25.79		29.62		29.05		27.96	
55 and above	person	152		131		131		123	
	%	5.47		7.98		8.5		8.00	
By Age (Daily Employees)									
18-25	person	160		151		146		171	
	%	14.94		14.17		13.64		15.43	
25-35	person	250		248		247		269	
	%	23.34		23.26		23.08		24.28	
35-45	person	394		418		464		487	
	%	36.79		39.21		43.36		43.95	
45-55	person	264		248		211		180	
	%	24.65		23.26		19.72		16.25	
55 and above	person	3		1		2		1	
	%	0.28		0.09		0.19		0.09	
By Time (years) with the Company (Monthly Employees)									
0-5	person	1,038		603		548		557	
	%	37.34		36.75		35.54		36.22	
5-10	person	463		202		168		135	
	%	16.65		12.31		10.89		8.78	
10-15	person	245		153		166		159	
	%	8.81		9.32		10.77		10.34	
15-20	person	215		138		117		118	
	%	7.73		8.41		7.59		7.67	
20 and above	person	819		545		543		569	
	%	29.46		33.21		35.21		37.00	

Data	Unit	2019		2018		2017		2016	
		Male	Female	Male	Female	Male	Female	Male	Female
By Time (years) with Company									
(Daily Employees)	person	526		507		488		533	
0-5	%	49.11		47.56		45.61		48.10	
	person	160		129		142		118	
5-10	%	14.94		12.10		13.27		10.65	
	person	78		89		94		85	
10-15	%	7.28		8.35		8.79		7.67	
	person	60.00		88.00		101.00		124.00	
15-20	%	5.60		8.26		9.44		11.19	
	person	247		253		245		248	
20 and above	%	23.06		23.73		22.90		22.38	

Total number of new employees

Data	Unit	2019		2018		2017		2016	
		Male	Female	Male	Female	Male	Female	Male	Female
New Employees (Monthly)	person	1,418		249		155		155	
- New	person	264		141		148		155	
- Transfer	person	1,132		86		-		-	
- Employment adjustment	person	22		22		7		-	
Recruitment Rate (Monthly)	%	51.01		15.17		10.05		10.08	
New Employees (Daily)	person	319		318		255		319	
- New	person	319		318		255		319	
Recruitment Rate (Daily)	%	29.79		16.89		15.14		17.06	

Number of employees resigned

Data	Unit	2019		2018		2017		2016	
		Male	Female	Male	Female	Male	Female	Male	Female
Resignations (Monthly)	person	279		150		151		131	
- Resignation	person	229		112		112		89	
- Transfer	person	1		2		3		3	
- Retire	person	49		36		36		39	
Resignation Rate (Monthly)	%	10.04		9.14		9.79		8.52	
Resignations (Daily)	person	314		322		293		339	
- Resignation	person	302		319		286		336	
- Retire	person	12		3		7		3	
Resignation Rate (Daily)	%	29.32		29.92		26.73		30.32	

2. Relationship Management with Communities and Social Accountability

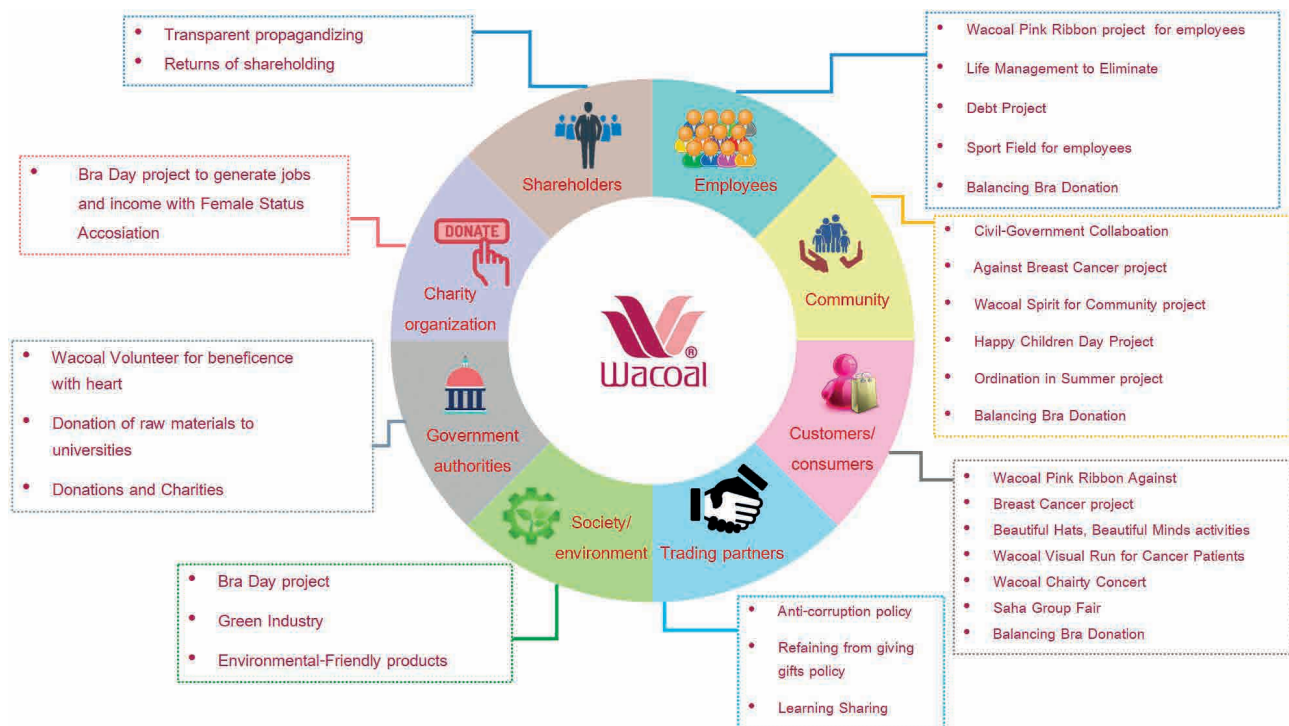
As Thai Wacoal has been aware of the roles in participating for taking care of society and community, which are the significant sectors for business contribution towards sustainable growth, the emphasis has been on life quality upgrading, enhancing strength and happiness for society and communities for the abreast growth.

Commitment and Goals

Thai Wacoal strongly commit to the sustainable happiness as the happiness from sharing and living together in society, we thus emphasize on creating value and balance of business operation and social development spontaneously. The company focuses not only on the development of internal factors but also on external factors; society, and communities for the further balance and sustainable growth.

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.



2019 Performance

“Wacoal Pink Ribbon....Against Breast Cancer” Project

The company as the leading lingerie manufacturer has given precedence to the campaign to create social awareness for the peril of breast cancer which has been in the top rank peril for women worldwide. We have actively and continuously conducted the “Wacoal Pink Ribbon....Against Breast Cancer” project for 19 years in order to stimulate and give warning to society to be aware of such peril. The activities held have covered the prevention, healing and making life balance. The project have been operated through social activities in various manner namely;

1. Wacoal Cares for Your Breast, Mammogram Saves Your Life” Year 10th

At present, there have still been the trend for the increasing number of Thai female in all ages to suffer from breast cancer. Each year, new patients are diagnosed for this cancer more than 13,000 people. However, if the cancer is diagnosed at the very early stage, there is a chance for completely cured. Therefore, the regular breast check up is a key to cope up with cancer. Wacoal has regularly launched the campaign in order that Thai females will be free from breast cancer. It is especially recommended to have regular yearly Mammogram and Ultra Sound check up for females over 35 years old or over 30 years old in case if any family member suffering from breast cancer. Currently, Mammogram check up is the most effective screening method for breast cancer admired by medical profession since the cancer mass can be found from the small size of 2 mm. which is the early stage of cancer without any symptoms or disorders.

For 10th anniversary of the activities, Wacoal Cares for Your Breast, Mammogram Saves Your Life cooperated with 29 leading hospitals joining the project in countrywide such as the National Cancer Institute, Regional Cancer Hospitals, Bangkok Hospital Chain and Samitivej Hospital Chain 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.



Woman participated in the campaign
during 2010 - 2019

1,080 Persons

2. Balancing Bra Donation Year 11th

“Breast Cancer” is a common cancer and the cause of death in the top rank for females. Around 90% of breast cancer occurs from mammary glands and Lactiferous Duct, thus there are more chances to diagnose breast cancer in both sides of breasts either in the early stage or after the diagnosis. However, the early cancer diagnose will make high success for curing. According to the current statistics that new patients are increasingly diagnosed and died from the disease for 4,000 people a year, it is even likely to be continuously increasing. The earlier the disease is diagnosed and cured with the right medical methods, the higher chance it makes for recovery. For the final stage patients, it is inevitable to cure by mastectomy together with chemical therapy. Even the disease is completely gone, they still confront with back and shoulder pain since their bodies become imbalance and they may live unconfidently and with grief for the loss of their breasts which deem as the feminine proud symbol.

Thai Wacoal then has conducted a research and invented the lingerie pattern with lining sags containing false breasts and also invented the material filled in the false breast with the same size and weight in substitute for the real breasts to provide a natural soft touch and to fulfill the balance. 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 - 2019



3. Support Medical Research



The company jointly donated to Khon Kaen hospital to officially debut the “Breast preservation Center” as the first North-East specialized entire center for diagnosis, curing and therapy of breast cancer. It will help solve the difficulty of access to public health services and heightening life quality of females in Khon Kaen province and neighboring provinces as well to be free from breast cancer.

Moreover, the company has joined the donation for the first research of the country on “Cancer genes decoding to create a cancer heredity database for Thai people” initiated by Siriraj Cancer Center, Faculty of Medicine Siriraj Hospital, Mahidol University and also donated the Balancing Bra and false breast as well as hats for needy breast cancer patients in supporting for the Thai Patient Cancer Genes Decoding Research Project.



4. Civil-Government Collaboration against Breast Cancer project for Community



Number of Participants in from 2014 - 2019



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.



People in the community have no potential and don't afford for the check up at the hospital and some even don't venture to with the worry for the high costs and some spent their whole days in the hospital just wasting their time for making a living. Thus Wacoal brought doctors and nurses to them to educate and give them check up without charge in the community. This is a good and useful project that let them be informed and know how to take care of themselves. Furthermore, when any person is diagnosed having a tumor, Wacoal will send her for diagnosis and pay for the mammogram test. That helps a lot and makes them relieve when they are supported for their burden.

Kanoksak Guangpatra
Chairman of Wat Inbanjong Community

5. Beautiful Hat...Beautiful Mind

As today, breast cancer is deemed as the topmost peril for Thai female. The treatment through chemical therapy is needed for the patients; however, the side effects of the treatment will cause hair fall so they are in need of hats or wigs to cover their heads to be more confident when going out. Yet, production of wigs takes times and costs so they are never sufficient for the need of the number of cancer patients.

The company is then aware of necessity to produce hats for social services. 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. 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.

In 2019, Hats were given to cancer patients under the chemical therapy at countrywide hospitals. Totally 13 hospitals for 5,900 hats



"Before mom was irradiated, she was so worried for hair fall. When she knew about the activity, she directly contacted requesting a hat from Wacoal which they sent her very fast. The pattern is very nice and functional for various occasions. Mom likes very much. She wears it to see the doctor, when going out and also when she sleeps in cold temperature. Our family would like to thank from our heart. Thank you for the beautiful hat from Wacoal that made our mom confident for going out."

Mr. Kittipat Wongsangjun
Private Company employee



"I was part of the team of university's activities. One of my colleague and my family member suffer from cancer, Chemo made their hair fall. So I thought what type of activity should be held to encourage cancer patients and make them happy, having courage to fight against the disease. When I heard from a professor in Saint Louis University that Wacoal had the beautiful hat activity, I then contacted for more information in order to hold an activity in the university. I'm so delight and happy that I have brought this activity to the university. There were a number of interest students, instructors, and personnel who registered for attending."

Ajarn Namthip Boontherm
Director of
Student Affair Division
Saint John University



"Patients who lose their confident by the changed appearance for mastectomy, Chemo-therapy, irradiation, "courage" is the most crucial in recovering confident of patients to live happily. Thank you Wacoal as the entity to create confidence and cheerfulness to breast cancer patients in Khon Kaen hospital"

Miss Jiraporn Klongkan
Professional Registered Nurse
Breast Care Center, Khon Kaen hospital



Wacoal Bra Day Project, 8th year

Based on the concept that a number of females seldom know how to make use of old bras or who need them or how to dispose or destroy them, traditional ways of disposal for old unusable bras will certainly affect environment and accumulate community waste or if they are destroyed by just bury them under the ground, it takes more than 100 years for degrading or by burning them will lead to emission of Carbon Dioxide into climate resulting in the Green House Effect and eventually global warming.

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 8th year.

In 2019, there were **52** organization joined the program with **460** donation boxed and **62,790** donated bras



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, The Thai Red Cross Society, Mahidol University.

In this regards, the company had transformed the donated bras to be the alternative fuel for coal, which was burnt in the closed system 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.





Bra Generating Careers Project...to the Female groups in the Emergency Home in 8th year

Bra generating career and income: “Social Enterprise” activity that helped the female group in the emergency home of Association for the Promotion of the Status of Women under the the Royal Patronage of HRH Princess Soamsawali Krom Muen Suddhanarinatha to have careers and incomes by making value added crafts from the new raw material as part of bras donated by Wacoal. These have created careers and incomes for females in the emergency home. Most of them are females and kids who are in difficulties, being physical or mental abuse.

Each year, the Workshop...Bra generating career will be held for the female group in the emergency home. In this regards, it has done jointly with Bunka Fashion College sending instructors to teach the design and sewing. During the activity, the material from parts of bras will be made into workpieces which are valuable, beautiful, worthy, functionable and can be a model for inspiring and enhancing creative skills for potentially creating workpieces and for sustainable careers and incomes.



1. Parts of leftover raw materials from the manufacturing of lingerie



2. Donate to Association for the Promotion of the Status of Women under the Royal Patronage of HRH Princess Soamsawali Krom Muen Suddhanarinatha



3. Educate sewing and handcraft techniques to females in the emergency home of the Association



4. Generate careers and incomes from the sale of products

In 2019, the income generated for the female groups in emergency home was **10,712,487 Baht**



Wacoal Bloom School Tour Project

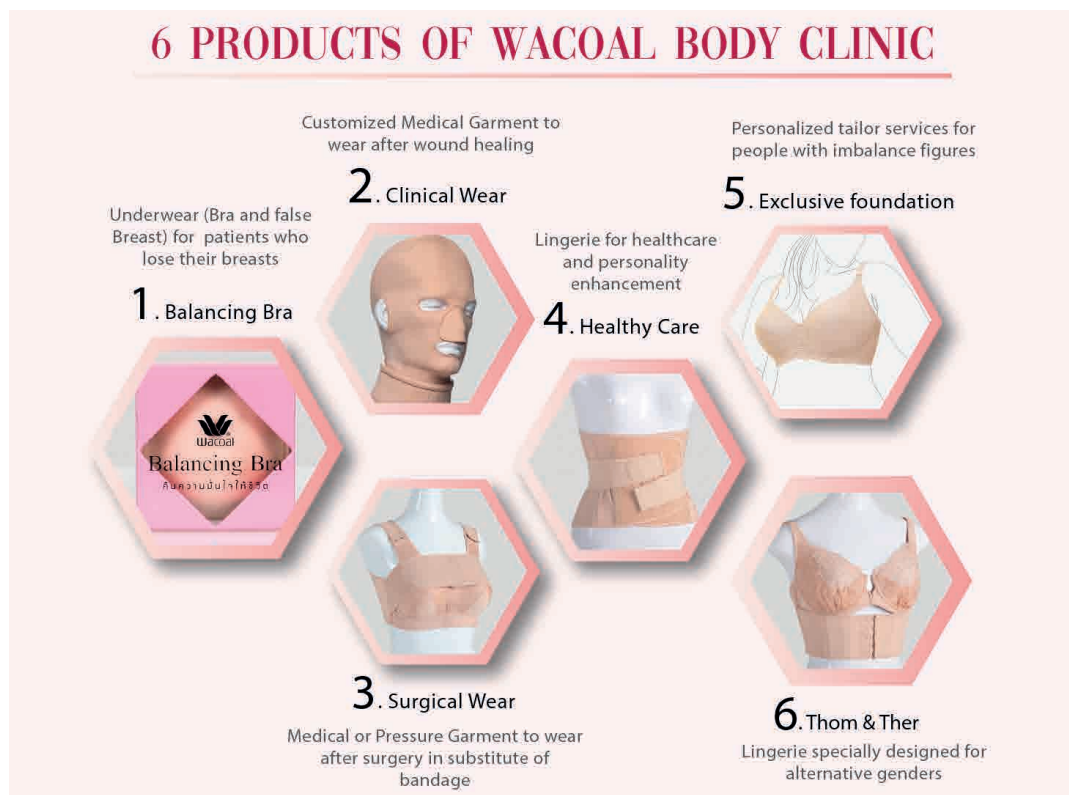
The company has continuously educated on emotional development and physical change, enhance perceptions on quality and materials of lingerie, textile properties as well as design considering the changing physical body of girls through the direct experiences such as scientific experiments, mathematic calculation, P.E. touching and wearing to girls at the ages between 11-15 years old using school activities. In 2019, the company conducted 10 activities in 8 schools.



Social Serving Innovation : Wacoal Body Clinic

Apart from product development to match females in all ages, Thai Wacoal is also aware of participation, accountability and part of social care. Thus Wacoal Body Clinic Service Center has been set up to provide happiness, beauty and confidence to females, provide alternatives for females, to fulfill their needs as much as possible for perfect quality of lives.

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 6 comprehensive services, namely;





Sales in 2015 – 2019
= 126.83 MB.

3. Work Safety, Vocational Health and Working Environment

"Employees of the organization are deemed as family members, thus workplace is deemed as second home. Therefore, Wacoal commits to comprehensively manage occupational health and working environment in order that everybody is safe and happy in this second home"

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 30.8 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.

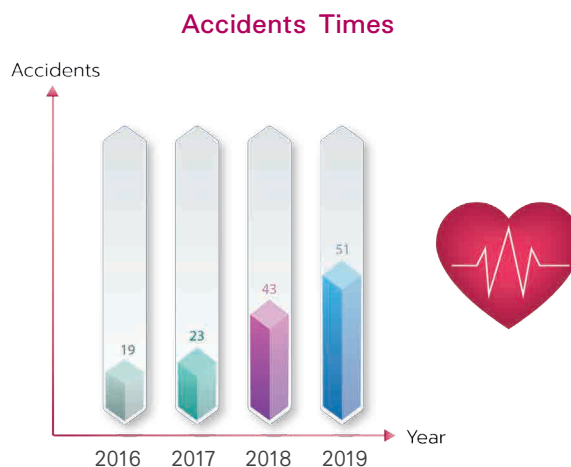
The company also made 5 emergency plans, in comprehensively for emergency events that may occurs in the company, namely; Fire prevention and Fighting, Emergency plan for Chemical leaking, Emergency plan in case of protest and rebellion, Operational emergency plan in case of threatened terrorism, and supporting plan for earthquake in order to be prepared for the emergency cases in timely and efficient manner.

2019 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 5th year.

In 2019, 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, which equals to 2018 and lower than in 2017 which there was 1 employee for the leave. Moreover, there were accidents occurred in 2019 to 51 employees, accounted for 1.32% of all employees. As a result, there has never been any employees' fatality from working. The company had analyzed the cause of the accidents as well as sought for prevention measures or continuously improved working procedures for the sake of safety and improvement as well as regularly provided training to employees.

Moreover, in 2019, 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 15 training courses on Work Safety, Vocational Health and Working Environment in 2019 such as "Nurturing Safety Culture in the Organization", "Basic Fire Fighting and rehearsal of Emergency Evacuation Rehearsal", "Basic First Aid". There were 586 employees being trained, accounted for 15.22% of total employees.

Meanwhile, the company provided 11 training and rehearsal program for emergency case in 2019, having 495 employees being trained, accounted for 12.85% 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 2019, 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.

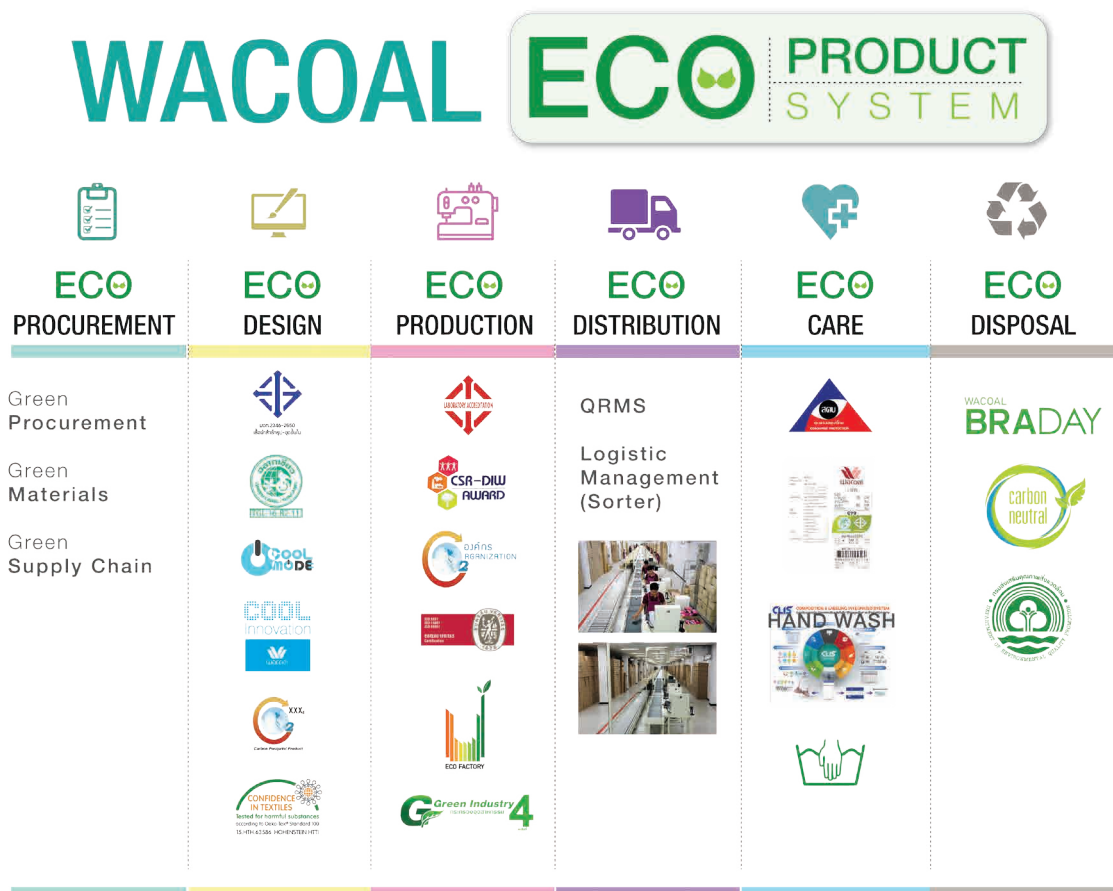
The company together with Bangkholaem District Office has annually conducted the random test for addictive substances twice a year to prevent drug problem occurrence in the workplace. In 2019 the Company found no addictive substances in employees.

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.



1. Climate Change (Greenhouse Gas)

Commitment and Goals

Thai Wacoal regularly makes the assessment the organizational carbon footprint volume every year in order to follow up the greenhouse emission reduction measure determined by the organization.

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 82.59% of greenhouse gas emissions.

Management Strategies

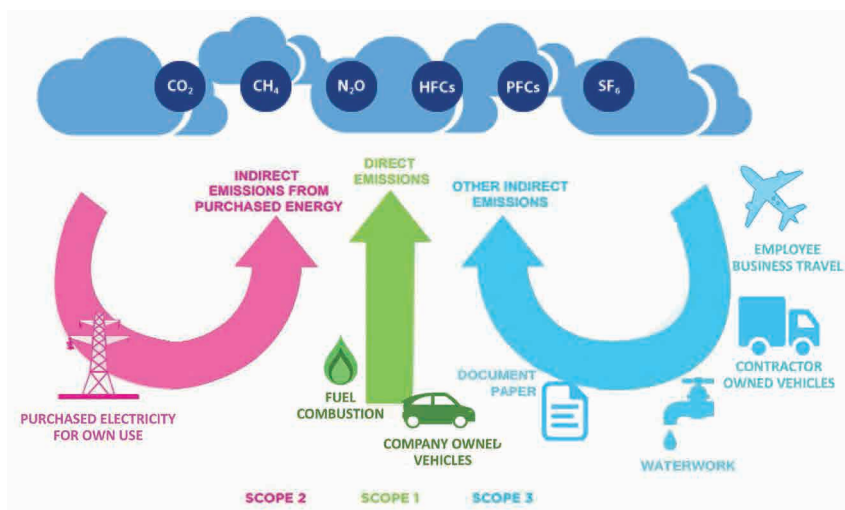
Thai Wacoal Public Company Limited is a part of the society which consumes natural resources; it thus gives precedence to the solution and prevention of pollution caused by the operation that has direct and indirect effects to the consumption of natural resources. This has caused the decreased emission of green house gas to the atmosphere. Therefore, it 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.



2019 Performance

The evaluation of Carbon Footprint in 2019

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 2019, and has passed the verification by the Federal of Thai Industries. The results reveal as follows;



5,168.70
Ton Co₂eq.

Evaluation results in 2019

Total Greenhouse Gas Emission : (Scope 1&2)	5,168.70	Ton Co ₂ eq./year
Direct GHG Emissions :	817.50	Ton Co ₂ eq./year
Energy Indirect GHG Emissions :	4,351.20	Ton Co ₂ eq./year
Other Indirect GHG Emissions :	99.49	Ton Co ₂ eq./year

In 2019, the result of Carbon Footprint of the organization was 5,168.70 Tones of CO₂eq. In comparison to the evaluation result in 2018, it was found that it increase for 231.70 Ton Co₂eq., due to the increase in the number of employees in 2019.

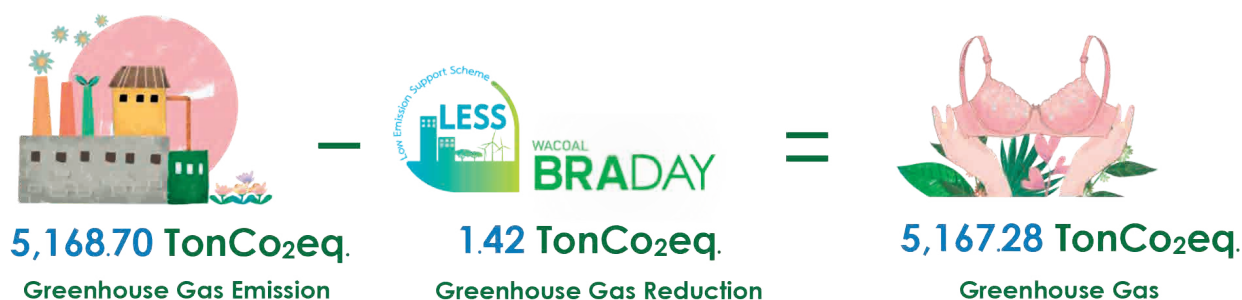
Green House Gas Emission Offset

The company has joined the project for Low Emission Support Scheme or called the LESS project of Thailand Greenhouse Gas Management Organization (Public Organization) which has commitment to develop the model for organizing activities to make the awareness of greenhouse gas emission through the academic technique assessment procedures.

The company has launched the Wacoal Bra Day Project for assessment and it was found that it helped the reduction of greenhouse gas emission for 1,418.04 Kg.Co₂eq or 1.42 Ton Co₂eq.

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 and natural resources consumption. This can offset the greenhouse gas emission from the organization's activities as follows :

Amount of greenhouse gas from the organization's activities	5,168.70	Ton Co ₂ eq.
Amount of greenhouse gas reduction from the Wacoal Bra Day activities	1.42	Ton Co ₂ eq.
Therefore, the amount of greenhouse gas emission from the organization's activities equals to	5,167.28	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 2019 were to reduce 2% of the usage of electricity per unit (Specific Energy Consumption (SEC)) in comparison to 2018**, 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

Thai Wacoal provides training every year. In 2019, 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 2019. Those are the activities that promote the participation and open for suggestions on energy conservation in the organization of all employees. 1,516 employees participated in the activities, accounted for 39% 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 2019, the company sent the employees as the working committees on energy management for external training such as "Air conditioner system: CHILLER 4.0". It can be used as a guideline for operations by applying to air conditioning systems and can reduce the electricity consumption of the company.

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.

2019 Performance

The company uses the Secondary Source energy in the manufacturing process which is the Indirect Energy from the Metropolitan Electricity Authority. In 2019, the company consumed electricity for 7,475,000 kWh., which in overall, in comparison to 2018, it increases by 1.38% and in comparison to the goal, the increase was 10.19% due to the higher ambient temperature in 2019, resulting in the increased energy usage in air conditioners accounting for 60% of the electrical energy consumption of the entire company when compared to the same month in 2018, together with the increased number of employees.

There are 4 energy conservation measures implemented in the year 2019, consisting of 3 measures in the air conditioning system and 1 lighting system, which are Cooling Tower No. 1 Filler Replacement Project, VRF Air Conditioning Replacement Project, 700 LED Replacement Project and SPLIT TYPE Air Conditioning Replacement Project. It can reduce electricity consumption by 107,787.35 kWh./years.

2019 Energy Saving Performance



Energy saved: 107,787.35 KWh.



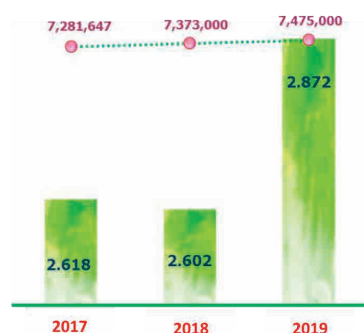
Money saved: 446,239.60 Baht per year



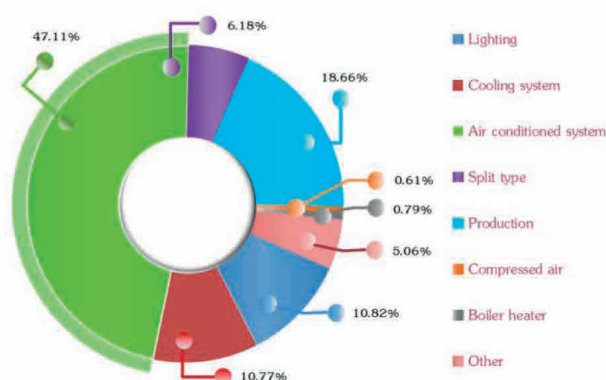
Reduced greenhouse gas emission: 62.74 GtCO₂eq.

Energy intensity

Electricity Energy Consumption (kWh)
Energy Consumption/Product Unit Index (MJ/Piece)



Proportion of electric city Consumption'2019



Energy and Greenhouse Gas Management

Energy and greenhouse gas information	Unit	2017	2018	2019
Electricity usage for the entire organization	Kilowatt-hour	7,281,647	7,373,000	7,475,000
Energy Consumption index	Megajoules per item	2.618	2.602	2.842
Reduction of energy consumption	Kilowatt-hour	182,937	33,079	107,787
Amount of greenhouse gas emission	Carbon dioxide ton equivalent	4,238.6	4,291.8	4,351.2
Amount of greenhouse gas emission reduction	Carbon dioxide ton equivalent	106.5	19.3	62.7

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 2018”** 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.

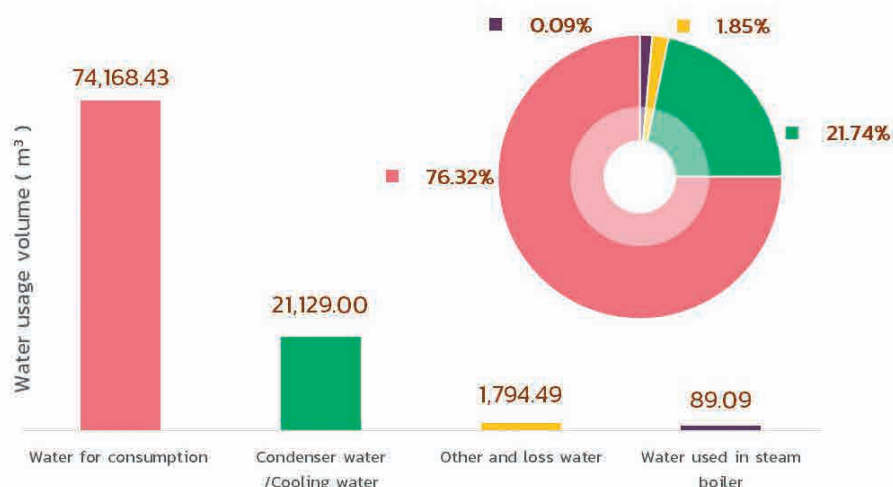
Management Strategies

The company has conducted systematic water energy conservation throughout the company by having the campaign to foster awareness of employees to use water in a worthwhile manner and for optimal benefits either the consumption in the offices and factories or the consumption for cooling in the cooling system; the maintenance plan for Chiller Air has been prepared for efficient usage, the installation of the Auto drain system of the cooling tower as well as the replacement of cooling tower working system from the bigger one into a smaller one but the same efficiency which will help the decrease of water consumption.

2019 Performance

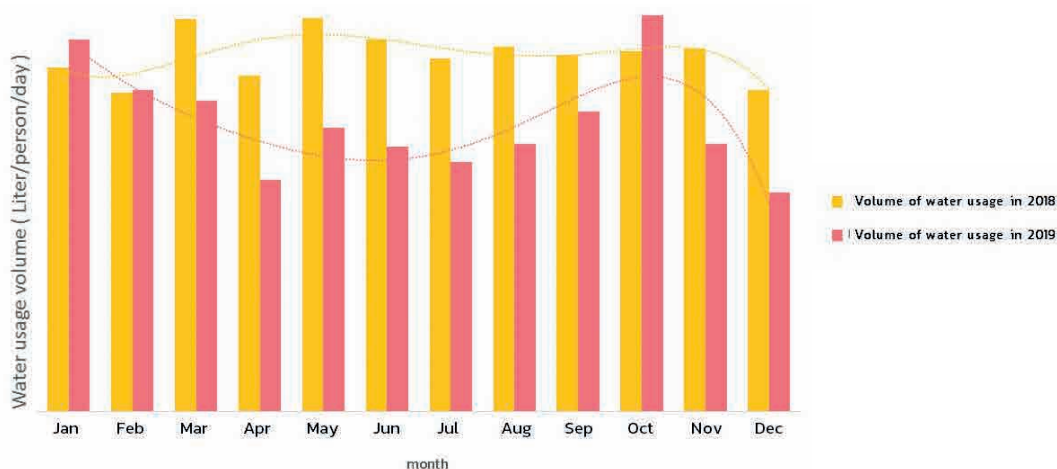
In 2019, the company used water supply for 97,181 cubic meters. The highest water usage was the use of water for consumption at the amount of 74,168 cubic meters, accounted for 76.32%, followed by the use of condenser water for cooling, other water usage, wasted water and water used in steam boilers, respectively.

Volume of consumed water



In 2018, the average water usage was 107.25 liters/person/day, and in 2019, the average water usage was 85.67 liters/person/day which decreased by 20.12% in accordance with the set goal.

Water usage volume (Liter / person / day)



3.2 Management of Waste Water

Commitment and Goals

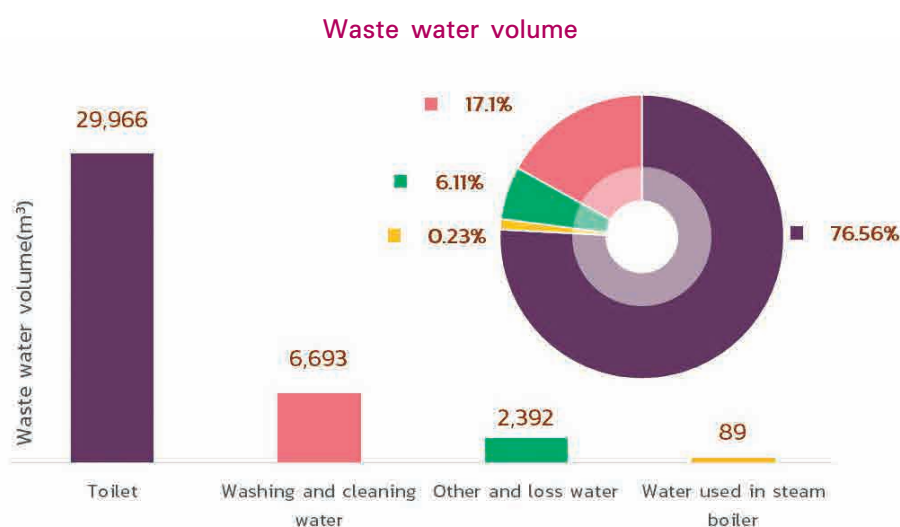
Thai Wacoal locates in the areas surrounded by communities, the company then has been aware of the effect of waste water draining emerged by processes and activities of the company. Before draining into public water sources, there should be water treatment to make the waste water meeting the standards 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 installed 4 efficient waste water treatment systems with regular maintenance and condition inspection of the treatment system as well as waste water measurement by the environmental staff of the company to inspect the working efficiency of the treatment system and there are also the external agencies certifying the waste water measurement in regular basis in order to verify the working efficiency of the treatment system to assure the irrigation of waste water to public water source that adhering to laws and have no adversary environmental impact to neighboring communities or other relating stakeholders.

2019 Performance

Because of the systematic water management, the result of waste water quality analysis in 2019 adhering to the criteria required by laws. The amount waste water in 2019 was 39,140 cubic meters. Most of waste water came from waste water in toilets for the amount of 29,966 cubic meters, accounted for 76.56% followed by waste water from washing and cleaning for 6,693 cubic meters, accounted for 17.10%, waste water from other activities and loss water and waste water from steam-boiler, respectively.



Details	Unit	2019				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	7.9	7.8	8.0	5.5 – 9.0
2. Chemical Oxygen Demand (COD)	Mg/L	40	84	55	48	≤ 120
3. Color in Wastewater (COL)	ADMI	59	63	49	65	< 300
4. Organic Nitrogen and Ammonia Nitrogen (TKN)	Mg/L	31.55	83.12	55.47	72.62	≤ 100
5. Total Dissolved Solids (TDS)	Mg/L	476	384	352	494	≤ 3,000
6. Oil & Grease	Mg/L	< 2	< 2	< 2	< 2	≤ 5
7. Suspended Solids (SS)	Mg/L	10	27	13	15	≤ 50
8. Biochemical Oxygen Demand (BOD)	Mg/L	4.7	16	18	12	≤ 20
9. Water Temperature	°C	30.1	29.7	30.2	30.9	≤ 40

According to the waste water measurement in 4 points in the company's areas, it was found that all measurement results conformed to the standards required by laws which had non adversary impact against environment and neighboring communities and in 2019, the company had no complaint concerning environmental issue from relating party.

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 namely garbage sort out from industrial garbage for the convenience of accurate management and disposal and for the sake of reuse and recycle. **The goal set for 2019 was to increase the proportion of industrial waste for reuse and recycle no less than 50%.**

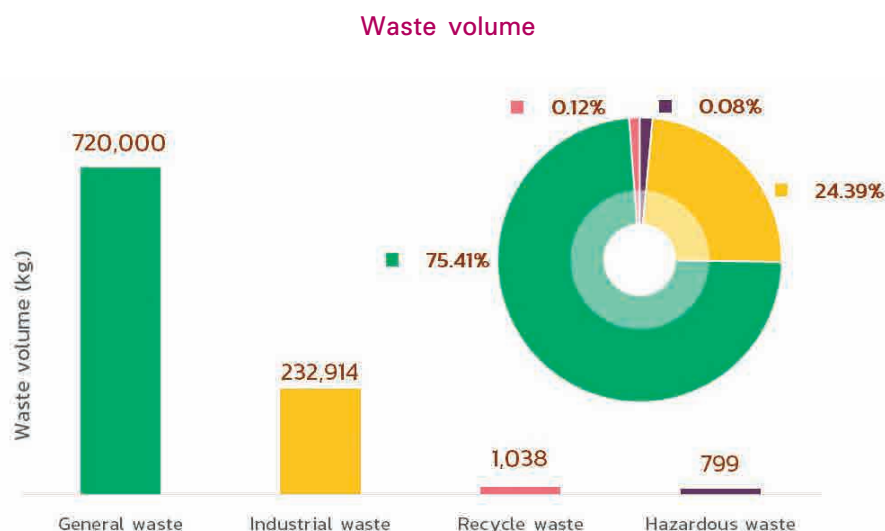
Management Strategies

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, which will lead to the use of natural resources in an optimal worthwhile manner and help decrease of unnecessary waste volume.
- **Reuse** : reusing good condition and functional packaging such as card boxes, plastic bags from warehouses, and manufacturing processes by reusing or recycling.
- **Recycle** : making leftover and unusable of materials into usable objects by selling to the dealers who make the waste recycle such as leftover of sponge and fabric.

2019 Performance

The company had sorted out waste for 954,751 kilograms. Most of them are solid waste for kilograms, accounted for 75.41% followed by industrial waste for 232,914 kilograms, accounted for 24.40%. Such industrial wastes were managed adopting the 3Rs principle (Reduce Reuse and Recycle) for reuse, recycle and process at the amount of **231,425 kilograms, accounted for reused and recycled industrial wastes for 99.36%, reaching the set goal.**



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 stakeholder along with issuing the good corporate governance policy in writing as well as obvious policies and guidelines for all groups of stakeholders for the directors, the managents and all levels of employees to adhere as the practice guideline. The company avoids situations that would cause conflicts of interest, respecting stakeholders' rights and maximizing mutual benefits.

1.1 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 protical 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.

2019 Performance

The company has not received complaints or disputes of unfair competition.

1.2 Respect to Property Rights

Management Strategies

1. Respect shareholders' ownership, protecting their interests, providing equal opportunities for all shareholders by establishing investor relations unit to communicate with shareholders and investors, including issuing information disclosure policies in order to enable all groups of shareholders and investors to equally access the information leading to the reliability that the company conduct business with honesty, transparency and accounability.

2. Protecting the consumer rights by producing safe and environment frienfly 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.

2019 Performance

The company has not received complaints or disputes of violations of intellectual property.

1.3 Anti-corruption Measures

Management Strategies

1. The company has been engrossed to conduct the business with transparency, and equity by providing the guideline for anti-corruption as well as fostering consciousness, value, attitude and cultivating them until they become the organizational culture that will encourage the company directors, managers and all levels of employees to conform to the relating laws and regulations including give non-support to work accomplishment through the corrupt manner.

2. The Board of Directors' Meeting no.6/2014, on February 12, 2015 had issued a written anti-corruption policy. Later, there was a review and revision of the anti-corruption policy in yearly basis to conform with relating provisions.

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 Private Sector Collective Action Against Corruption (CAC). Additionally, in 2019, the company was certified to renew the membership of the Private Sector Collective Action 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 Corporate Governance Committee 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 Working Group 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 Executive Board, The Corporate Governance Committee, The Audit Committee, and The Board of Directors respectively.
- The Risk Management Committee monitors and reviews the company's corruption risks and report it to The Board of Directors.
- The internal audit unit reviews the internal control systems annually, and reports to the The Audit Committee. If corruption is detected, the internal audit unit will report directly to The Audit Committee, 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 Audit Committee and The Corporate Governance Committee, 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, wire broadcasting, etc.

8. Provide training on anti-corruption policies and relevant procedures to 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, Corruption Risk and Control Workshop (CRC)" course, "CAC Road to Certify" 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.

2019 Performance

1. Provide training to educate about policies and regulations on anti-corruption with the "Relating standards, covenants and laws" Program to department managers and the ones who are promoted as managers of the company as well as hold meetings to communicate such policies and regulations to executive directors and divisional managers to convey the knowledge to their subordinates throughout the organization including provide the orientation to all new employees for the matters.



2. The representatives of directors, managers and employees attended the activity for “Voluntary join forces to fight corruption” held by the anti-corruption organization to show their commitment for anti-corruption cooperation in Thai society.



3. communicate and launch public relation for anti-corruption policy of the company to the new partners in 2019 with 182 partners increasing, account to total of 435 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. Prepare the company's “anti-corruption” mascot for use in public relations campaigns within the organization.
5. The company has never revived any complaining nor notification of any clue relating to the corruption through the company's whistleblowing channel.

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.

2019 Performance

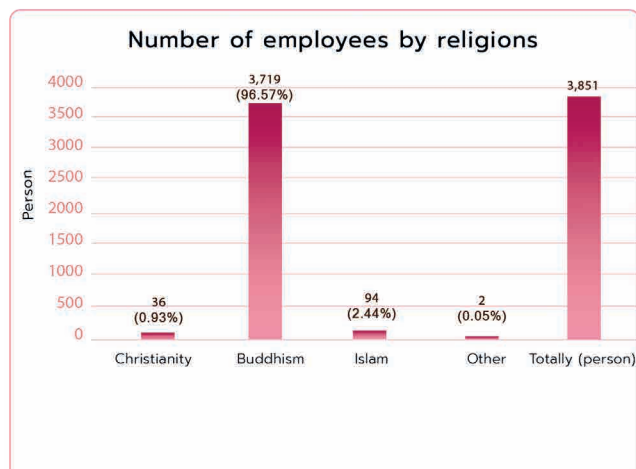
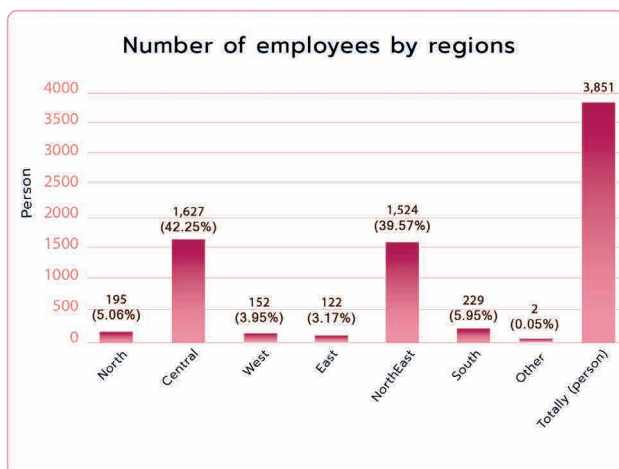
1. Open the opportunity for employees to collectively gather in groups, establish committees as the employee representatives for negotiation and recommendation in various matters such as workplace welfare committees and safety and vocational health and working environment committees.

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 2019.

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. Providing training on human right to the managers and employees to understand policies and practices of the company as well as participate in prevention of human right violation for the occurrence in the business operation of the organization.

5. No complaints or disputes on human rights violations were filed against the company.





Proportion of female employees
to the total employees



Employment of disability employees



27 persons

Thai Wacoal employed and supported employment of disability employees totally 27 persons in 2019



12 employees

working in the company's office



15 persons

working as company's concessionaires

Honorable Award 2019

Thai Wacoal wins Best Innovative Company Awards



Thai Wacoal Public Company Limited received Best Innovative Company Awards for Wacoal Mood Travel Bra Innovation in the SET Awards 2019. The award was given to the company that has excellent innovation and strategy of innovation management in an organization. Wacoal Mood Travel Bra is the first innovation in Thailand by blending natural material “rubber” with lingerie. The blending of rubber enables bra to be foldable and can be restored to its original shape.

Thai Wacoal Public Company Limited was assessed on its corporate governance in “Excellent CG” score in the 5th consecutive year rating from the 2019 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 8th consecutive year by Thai Institute of Directors Association (IOD) jointly with Securities and Exchange Commission and the Stock Exchange of Thailand.

Thai Wacoal was assessed on its corporate governance in “Excellent CG” score consecutively in the 5th year.



**Thai Wacoal received “Happy PVD Company Award”
in Bronze Level**



Thai Wacoal Public Company Limited received “Happy PVD Company Award” in Bronze Level from The Securities and Exchange Commission (SEC) to honor employer’s organization that has encouraged employees to recognize the importance of saving money through a provident fund in order to have sufficient funds for retirement.

Thai Wacoal Public Company Limited was awarded for the No.1 Brand Thailand 2018-2019, in the category of Woman Underwear by the Marketeer magazine since Wacoal has long been the no.1 popular brand in the category of woman underwear for 8 years according to the survey on product consumption behaviors and information acknowledgement of consumers in countrywide.

**“Wacoal” the No.1 popular lingerie brand consecutively
awarded for the eighth year No.1 Brand Thailand**



**Thai Wacoal was certified for
5 Carbon Footprint products**



Thai Wacoal Public Company Limited was awarded the certificate of greenhouse emission assessment for 5 lingerie products by Thailand Greenhouse Gas Management Organization (Public Organization).

Wacoal Body Clinic won Asian Service Award 2019



Thai Wacoal Public Company Limited received Asian Service Award 2019 for Wacoal Body Clinic innovation from Asian Network for Quality (ANQ).

Thai Wacoal Public Company Limited was received the Outstanding Workplace Award for the year 2019 from Social Security Office because the company has supported, developed and improved the quality of life of employees in accordance with social security law.

Outstanding Workplace Award



Outstanding Best Practice Workplace Award



Thai Wacoal Public Company Limited was awarded as the Outstanding Best Practice Workplace on Safety, Occupational Health and Working Environment in 2019.

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