

Beauty Inside

ผู้หญิง...สวยที่สุดจากข้างใน



ANNUAL
REPORT
2020

THAI WACOAL
PUBLIC COMPANY LIMITED



รายงานประจำปี 2563
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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Investors may access further information details per the Annual Registration Statement (Form 56-1) displayed by the company at www.sec.or.th or at the company website www.wacoal.co.th

The Board of Directors Report

Mr. Manu Leelanuwatana

Chairman



The world in 2020 faced a crisis from the Coronavirus 2019 (COVID-19) pandemic situation, a newly-emerged disease which spread rapidly and aggressively, raging damage to the global economy including Thailand, which suffered from negative rate of economic growth from lockdown, border closure, and stringent disease control measures, leading to a sharp reduction in the number of tourists and halts in economic activity. Meanwhile, every company around the world made accelerated significant adjustments to the operating process and service format in accordance with changes to customer behavior, moving towards the new normal.

Thai Wacoal Public Company Limited was also inevitably impacted by such crisis, which tested the strength of the organization which has been in business for 50 years. As a result, the Company had to adjust and reconsider numerous matters to overcome the crisis, including organizational downsizing for compactness and agility, organizational restructuring for enhanced efficiency, increased focus on online sales channels, and alterations to the production line from ladies' lingerie to sanitary face masks, which posed a challenge and served as a major step towards building the New Wacoal.

In terms of operating performance for the year 2020, the Company and its subsidiaries generated THB 2,956.21 million in sales and incurred a net loss of THB 341.88 million, reflecting a 39.44% and 193.69% decrease, respectively. 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. 52 the payment of dividends for the year 2020 of THB 0.50 per share to be paid on May 25, 2021, which would constitute the Company's 48th consecutive year of dividend payment.

In addition, the Company placed importance in continuously raising the standards of good corporate governance to build on corporate value for sustainable growth. As such, the Company received "Excellent" CG rating from the 2020 Survey of Good Corporate Governance practices for listed companies for the 6th consecutive year and was selected for inclusion on the list of Thailand Sustainability Investment: THIS for the year 2020 as a listed company distinguished in operating a sustainable business with continuous consideration towards the environment, society, and corporate governance or ESG (Environmental, Social and Governance). The Company was also selected as 1 of 100 listed companies distinguished in environment, social, and governance factors (ESG 100) for the year 2020.

On behalf of the Board of Directors, I would like to express my gratitude towards the executive team and all employees who devoted their efforts to overcoming hardships throughout the past year, and to customers, business partners, shareholders, and all stakeholders who placed their confidence and trust in the Company in supporting good business operations.



(Mr. Manu Leelanuwatana)

Chairman

The Audit Committee Report

Dr. Kulpatra Sirodom

Chairman of the Audit Committee



The Audit Committee of Thai Wacoal Public Company Limited, appointed by the Board of Directors, comprises 3 Independent Directors who are knowledgeable experts with experience in Accounting, Finance, and Law, with Dr. Kulpatra Sirodom as Chairman of the Audit Committee, and Mrs. Punnee Worawuthichongsathit and Mr. Poolsak Boonchoo as Audit Committee Members.

The Audit Committee has performed its duties as delegated by the Board of Directors and in accordance with the Audit Committee Charter, consistent with the Notification of the Stock Exchange of Thailand. In 2020, the Audit Committee held 13 meetings, with the following key matters.

1. Review of Financial Reports

The Audit Committee reviewed separate and consolidated financial statements for each quarter and for the year 2020 as well as disclosure of the notes to financial statements in accordance with the Financial Reporting Standards through the conduct of meetings with attendance by the external auditor and Accounting and Finance executives, whereby the external auditor issued unqualified opinion. The Audit Committee is of the opinion that financial statements of the Company and its subsidiaries are accurate, in all material respects, in accordance with Financial Reporting Standards.

In addition, the Audit Committee conducted meetings with the external auditor without the presence of management to independently discuss obtention to information, independence in the performance of duties of the external auditor, audit of information significant to the preparation of financial statements, and Key Audit Matters. For the year 2020, the external auditor had no significant observation and found no questionable proceeding.

2. Review of Internal Control System

The Audit Committee reviewed the Company's internal control system for adequacy, good governance, and prevention of fraud and systematic risks, as well as the Company's compliance to anti-corruption measures. The Audit Committee acknowledged audit results from the Internal Audit Office and follow-up assessment results on compliance with audit recommendations, as well as advised for enhanced efficiency in the internal control system beneficial for the business condition. The Audit Committee is of the opinion that the Company's internal control is sufficient and appropriate to its business operations.

3. Review of Good Corporate Governance

The Audit Committee promoted management practices to achieve good corporate governance, transparency, and reliability through the review of operations in accordance with specified workflows, compliance with laws, regulations, and measures of the Stock Exchange of Thailand along with other laws related to the operations of the Company's business, and whistleblowing procedures including processing of complaint, for conformity to good corporate governance principles. The Audit Committee is of the opinion that the Company has conducted itself in compliance with rules and good practices in operating the business, instilling confidence for all related parties.

4. Consideration of Related Party Transactions

The Audit Committee reviewed related party transactions or transactions which may pose conflicts of interest for their accuracy and compliance with notice, regulations, and measures of the Stock Exchange of Thailand. The Audit Committee is of the opinion that transactions with businesses or related persons, which represent commercial transactions in line with normal business practice, hold commercial terms and proceedings which are appropriate, fair, for the utmost benefit of the Company and shareholders. Such transactions have been sufficiently disclosed in accordance with the terms and criteria of the Stock Exchange of Thailand and the Securities and Exchange Commission.

5. Risk Management Monitoring

The Audit Committee monitored to ensure that the Company has systematic risk management procedures with coverage on internal and external factors affecting the organization's business, and continuously following and monitoring actions based on risk management reports. The Audit Committee is of the opinion that the Company's risk management system is appropriate and efficient, and corresponds to changing environment and situations.

6. Oversight of Internal Audit Activities

The Audit Committee approved internal audit plans for the year and monitored undertakings in accordance with such plans, reviewed the Internal Audit Office Charter, and oversaw the performance of tasks undertaken by the internal audit division, independence in the conduct of internal audit, and development and adequacy of personnel, for efficiency and effectiveness in operations. The Audit Committee also held meetings with Internal Audit executives without the presence of management to acknowledge performance of tasks in terms of access to information and independence in the performance of duties, whereby the Audit Committee sees continuous improvements to the quality of audit with respect to personnel and performance of audit tasks, systematic audit procedures, and independence in conduct.

7. Charter and Report on Performance of Duties

The Audit Committee reviewed the Audit Committee Charter corresponding to current duties and responsibilities in compliance with specifications on qualifications and responsibilities of the Audit Committee stipulated by the Stock Exchange of Thailand, and reported the Audit Committee's performance of duties to the Board of Directors for acknowledgment every quarter. In addition, to ensure completeness in the performance of duties with respect to the scope of responsibilities and to enhance effectiveness in the Audit Committee's performance of duties, evaluation on the Audit Committee was conducted with results indicating performance to be "Very Good".

8. Consideration and Proposal of Names of External Auditors for Appointment and Determination of Audit Fees for the Year 2021

The Audit Committee considered appointment of external auditors and the determination of audit fees, taking into account knowledge and capabilities, experience, and independence in the performance of duties, and deemed it appropriate that the Board of Directors propose to the shareholders' meeting for approval the appointment of Mr. Manoon Manusook and/or Mr. Choopong Surachutikarn and/or Miss Kornthong Luangvilai from Deloitte Touche Tohmatsu Jaiyos Audit Company Limited as external auditors of the Company and its subsidiaries for the year 2021 with audit fees of THB 2,146,000 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, management of key risks affecting the organization and internal control are appropriate and sufficient, internal audit systems are efficient and independent, anti-corruption measures are complied with, financial reports are accurate in all material respects, reliable, and in accordance with Generally Accepted Accounting Standards and Financial Reporting Standards, disclosure of information is adequate, and operations are in compliance with laws and regulations related to the business, to which the Audit Committee sees no significant shortfall or abnormality.



(Dr. Kulpatra Sirodom)

Chairman of the Audit Committee

Financial Overview

| | | ปี Year | | |
|-------------------------------------------------------|--------------------------------------------------------------------|--------------|--------------|--------------|
| งบการเงินรวม | CONSOLIDATED | 2563 2020 | 2562 2019 | 2561 2018 |
| ฐานะทางการเงินและ ผลการดำเนินงาน (ล้านบาท) | Financial Position and Operating Results (Million Baht) | | | |
| สินทรัพย์รวม | Total Assets | 6,667 | 7,468 | 7,270 |
| หนี้สินรวม | Total Liabilities | 1,319 | 1,710 | 1,459 |
| ส่วนของผู้ถือหุ้น | Shareholders' Equity | 5,348 | 5,758 | 5,811 |
| รายได้จากการขายและบริการ | Sales | 2,956 | 4,881 | 4,606 |
| รายได้รวม | Total Revenues | 3,265 | 5,141 | 4,780 |
| กำไรขั้นต้น | Gross Profit | 727 | 1,703 | 1,207 |
| กำไรสุทธิ | Net Profit | (315) | 336 | 356 |
| ข้อมูลต่อหุ้น (บาท) | Per Share Data (Baht) | | | |
| มูลค่าที่ตราไว้ | Par Value | 1.00 | 1.00 | 1.00 |
| มูลค่าตามบัญชี | Book Value | 44.57 | 47.99 | 48.43 |
| กำไรสุทธิ | Net Earnings | (2.62) | 2.80 | 2.96 |
| ราคาตลาด | Market Price | 44.75 | 47.00 | 47.00 |
| เงินปันผล | Dividend | 0.50* | 1.90 | 1.80 |
| อัตราส่วนทางการเงิน | Financial Ratio | | | |
| ความสามารถในการทำกำไร (%) | Profitability Ratio (%) | | | |
| อัตรากำไรสุทธิต่อรายได้รวม | Return on Total Revenues | (9.65) | 6.54 | 7.44 |
| อัตราผลตอบแทนผู้ถือหุ้น | Return on Equity | (5.67) | 5.81 | 6.15 |
| สภาพคล่อง (เท่า) | Liquidity Ratio (Times) | | | |
| อัตราส่วนสภาพคล่อง | Current Ratio | 3.45 | 3.57 | 3.15 |
| อัตราส่วนสภาพคล่องหมุนเร็ว | Quick Ratio | 1.17 | 1.54 | 1.53 |
| อัตราส่วนสภาพคล่องกระแสเงินสด | Liquidity of Cash Flow from Operation | (0.65) | 0.08 | 0.26 |
| ประสิทธิภาพในการดำเนินงาน (%) | Efficiency Ratio (%) | | | |
| อัตราผลตอบแทนจากสินทรัพย์ | Return on Assets | (4.46) | 4.56 | 4.96 |
| อัตราผลตอบแทนจากสินทรัพย์ถาวร | Return on Fixed Assets | (15.67) | 26.65 | 23.01 |
| วิเคราะห์นโยบายทางการเงิน (เท่า) | Financial Policy Ratio (Times) | | | |
| อัตราส่วนหนี้สินต่อส่วนของผู้ถือหุ้น | Debt to Equity Ratio | 0.25 | 0.30 | 0.25 |
| อัตราส่วนความสามารถชำระดอกเบี้ย | Interest Coverage Ratio | (416.59) | 6,548.63 | 3,219.03 |
| อัตราการจ่ายเงินปันผล (%) | Payout Ratio (%) | N/A | 67.84 | 60.72 |

* ที่ประชุมคณะกรรมการบริษัท มีมติให้จ่ายเงินปันผลหุ้นละ 0.50 บาท แล้วนำเสนอต่อที่ประชุมสามัญผู้ถือหุ้น ซึ่งกำหนดให้มีขึ้นในวันที่ 26 เมษายน 2564

* The Board of Directors resolved to set dividend payment rate at Baht 0.50 per share, for further proposal to the shareholders' general meeting for approval, on April 26, 2021.

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. Takuya Miura

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

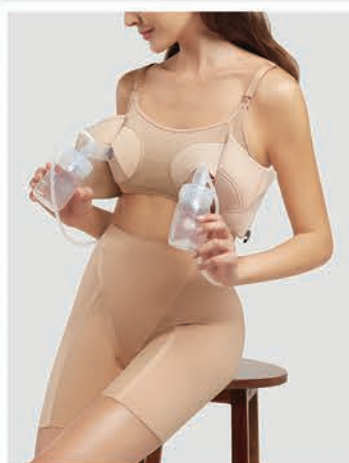
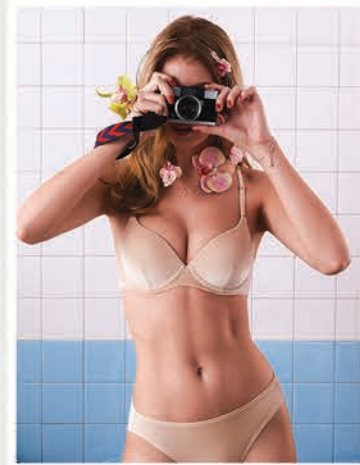


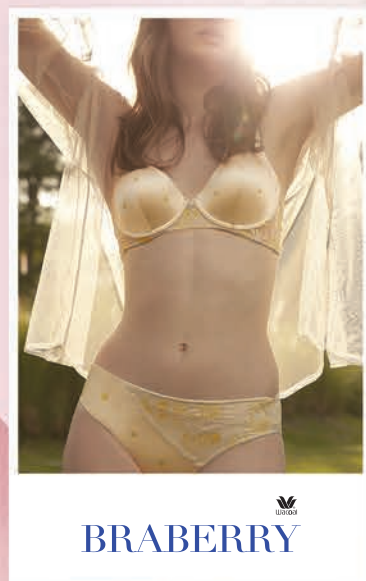
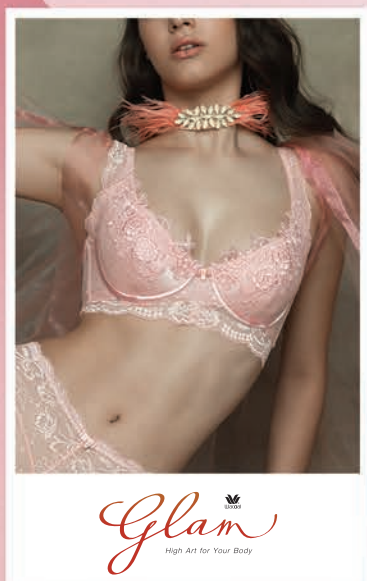
Mr. Poolsak Boonchoo
Independent Director,
The Audit Committee Member
and The Risk Management
Committee Member

Company Products



Ladies' Lingerie





Beauty**Inside**



Children wear

 www.enfant.co.th

 Facebook | **Shopee** : Enfant Factory



LADIES' OUTERWEAR

✉ mkt_outer@wacoal.co.th

📞 02-289-3100 Ext.251, 266

Racé
UNIFORM



5.up
We are lady pants.



UNIFORMS & WORKWEAR
ERAWAN

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:



Vision

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

Mission

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

We intend to present products and services fully satisfying customer needs and expectations, through its complete dedication to quality, together with continuous innovation, organization development to be ready for rapid change in which information technology plays an important role, professional human resources and responsibilities toward the society and the environments.



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

• Equivalent Standard to International


| | |
|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | 2014 : Receives ISO 50001:2011 Energy Management System Certification from Bureau Veritas Certification (Thailand) Ltd. |
| | 2018 : Receives ISO 9001: 2015 Certificate from Bureau Veritas Certification (Thailand) Ltd. for "Design and Manufacturing of Ladies' Foundation Garment (Brassiere). |
| | : Receives ISO 14001:2015 Environmental Management System Certification from Bureau Veritas Certification (Thailand) Ltd. |
| | 2016 : Received Oeko-Tex Standard 100 (Class 1) Certification for brand "ENFANT" Children wear for the age 0-36 months from Hohenstein Textile Testing Institute GmbH & Co.KG. |
| | 2017 : Expanded Oeko-Tex Standard 100 (Class 1) Certification for brand "ENFANT" Children wear for the age 0-36 months from Hohenstein Textile Testing Institute GmbH & Co.KG. |
| | 2007 : Laboratory Standard Certification ISO/IEC 17025 from the Thai Industrial Standards Institute, Ministry of Industry and expanded the scope of certification from Year 2009. |
| | 2010 : Expanded the Laboratory International Standard Certification: ISO/IEC 17025 : 2005 to cover product usage. |
| | 2008 : The first company in Thailand to receive the Thai Industrial Standards Certification 2346-2007 from the Thai Industrial Standards Institute, Ministry of Industry for ladies' lingerie products concerning safety from harmful dyestuffs and chemical substances. |
| | 2009 : The first "Green Label" Product Quality Certification in Thailand from the Thai Industrial Standards Institute, Ministry of Industry, and Thailand Environmental Institute for ladies' lingerie products regarding safety from harmful substances and are environmental friendly. |
| | 2012 : Expanded the "Green Label" Product Quality Certification to all Wacoal innerwear products. |
| | 2009 : Received the CoolMode sign for ladies nightwear and outerwear from Thailand Greenhouse Gas Management Organization (Public Organization) and Thailand Textile Institute as a company which produces garment and help to reduce global warming. |
| | 2012 : Expanded the CoolMode Certification for ladies' lingerie for example, Cool Bra and Cool shape. |
| | 2015 and 2017 : Expanded CoolMode Certification for uniform under brand Race'. |
| | 2011 : Carbon Footprint Label Certification from Thailand Greenhouse Gas Management Organization (Public Organization), in collaboration with Thailand Textile Institute and Thai Industrial Standards Institute. |
| | 2017 : Received Carbon Footprint Label Certification from Thailand Greenhouse Gas Management Organization (Public Organization). |
| | 2013 : Expanded Carbon Footprint Label Certification for ladies' lingerie and baby diapers. |
| | 2019 : Received Carbon Footprint Label Certification 5 Products from Thailand Greenhouse Gas Management Organization (Public Organization). |
| | 2016 : Received WRAP : Worldwide Responsibility Accredited Production Certification (Golden Certificate of Compliance) representing an international social responsibility for labor. |
| | 2017 : Received Eco Factory Certification from the Federation of Thai Industries. |
| | 2018 : Received the Green Industry Level 4 Award from Department of Industrial Works. |

Significant changes and developments

1

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

Pioneer in the underwear market and building brand awareness. Developed from the foundation until becoming the market leader in Thailand

Business Established. 
Thai-Japanese joint venture
Started to produce lingerie



1970



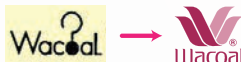
1971

Expanded the production to cover girdle, underwear, short bodysuit, petticoat and nightwear products.

2

The Second Decade: Exponential Growth (1980 - 1989)

Increase organizational potential amidst the increasingly competitive environment


Changed the company logo

1980

Listed on the Stock Exchange of Thailand

1983



Survey of the body shape of Thai women and children



Wacoal Computer Service

The company also launched "Wacoal Computer Service" to provide the proportion measurement service to customers with advanced computer program

1984

3

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

Pass through the economic crisis.
Developing products and understanding of customer needs

Excellent Factory of the Year

1990



Introduced highly precise equipment to analyze physiological features such as Silhouette Analyzer, Moire and Sketched Outlines.



Established the Product Research & Development Center to research, test and analyze the quality of textile materials.

1991

Balancing Bra Service



4

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

Proactive marketing, adjust the image of the product, and make a difference with innovation



2000

Started the "Wacoal Pink Ribbon Fight Against Breast Cancer Project"

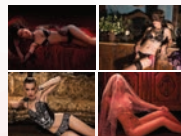


2006

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

2005

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



2010

Acquired ISO 50001 certification

2011

Build the B'me brand

2012

Started the project "Wacoal Braday" donating old bras to be burned properly.



Established Pattaya Myanmar Co.,Ltd to expand production base in ASEAN.

5

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

Integrated textile integration.
Becoming the world's leading lingerie business leader.

Princess Collection

Has exhibited fashion show Princess Collection in Her Royal Highness Princess Sirirattana Nariyattanakanya on the occasion of the 40th anniversary of Thai Wacoal to bring income to fund the construction of a breast cancer center

Collaborate with business partners organize "School of Deep Textile" Project which helps develop textile and garment specialists.



2013



Developed an efficient shipping system

1972

The company started to export to overseas market.

1974

Started production for children wear to distribute locally.



1973

Increased the registered capital from Baht 4 million to Baht 8 million.

1979

Increased the registered capital to Baht 20 million.

1985



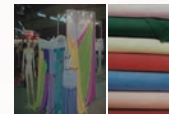
Wacoal Body Clinic

Established the Wacoal Body Clinic at Sogo Department Store, Ratchaprasong to provide special lingerie tailoring service to individuals and persons with special

Expand business

1987

Began to advertise underwear on television.



Joint venture with a raw material producer

1986



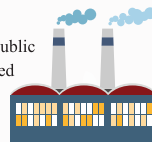
Changed the mini computer system to mainframe system.

Add personalized medical garment sewing service.
Heal and relieve scars caused by fire or scald.

1992

1994

Converted to public company limited



1998

Established the Call Center, Customers Relations Center.

1993

Popular product award from Asia Pacific Award



1997

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



1999

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

2009

First time
- The first lingerie in Thailand to receive a green label
- Receive Cool Mode label for products of pajamas and outerwear for women



Started to produce and distribute Wacoal Gold, lingerie products for elderly women.



Wacoal Cool products for the tropical region

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.



Introduced the SAP system in the garment industry.

Adjust the Brand Concept under the concept "Beauty Inside".

2014

Omni Channel brings the concept of Omni Channel marketing to connect various marketing channels.



ESG 100 companies with outstanding performance in environment, social and governance



Member of Thailand's Private Sector Collective Action Against Corruption (CAC)



2016

- Joint venture to startup A Tech Textile Co., Ltd. and G Tech Material Co., Ltd.
- Best Content 2016 From Lazada



2018

Thai Wacoal received Innovation Organization certification

ECO FACTORY GREEN INDUSTRY 4.0



2020



Thai Wacoal is selected as one of the 2020 Thailand Sustainability Investment (THSI) list



Wacoal the No.1 popular lingerie brand consecutively awarded for the ninth year No.1 Brand Thailand.

2017

Increased investment in Pattaya Manufacturing Co., Ltd. and became an associated company.



Best Innovative Company Awards from SET Awards

2019



Shareholding structure for companies under Thai Wacoal group

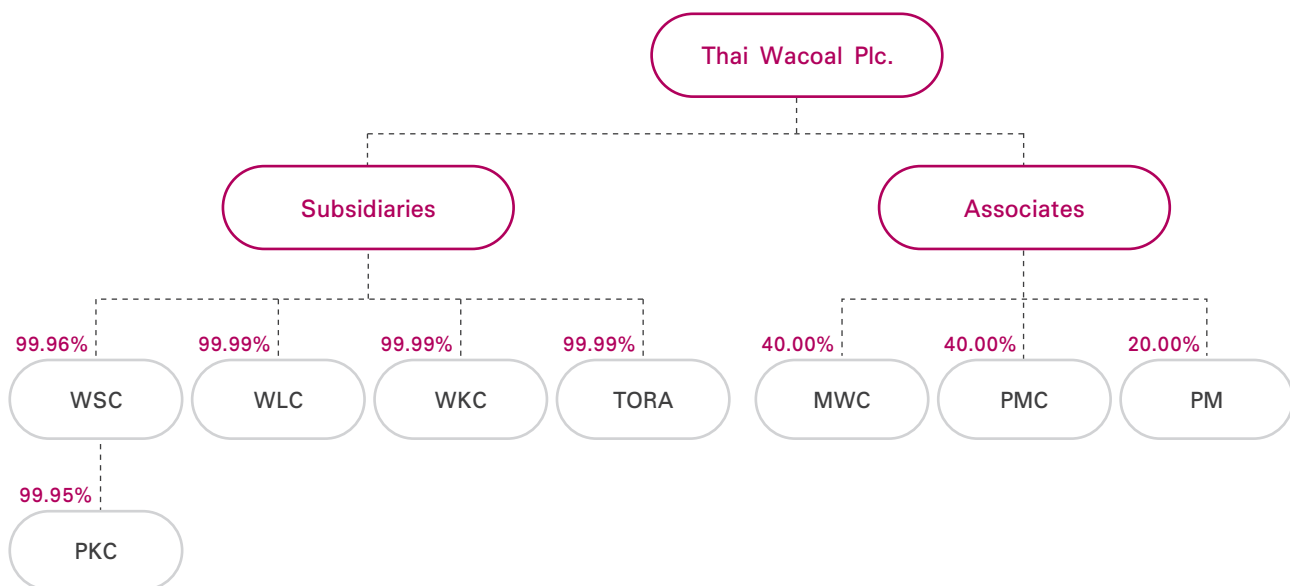
Business interests allotment policy for companies within the group

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. |
| PM | = | Pattaya Myanmar Co., Ltd. |

Cross-shareholding as of December 31, 2020

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 |

| 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 | 23.06 |
| 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.

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 ERAWAN UNIFORMS & WORKWEAR
3. Children wear - under the registered brands of ENFANT, De bon, Amusant, Little Wacoal, ELLE PETITE and ELLE POUPON

Revenue structure

For 2020, the company's group could achieve total sales turnover being classified into domestic and export sales at the ratio 68% and 32% respectively.

Classified upon product categories

| Unit : Million Baht | | | | | | | | |
|---------------------|-----------------------------|----------------------------|----------|--------|----------|--------|----------|--------|
| Product | Company | Shareholding Percentage | 2020 | | 2019 | | 2018 | |
| | | | Income | % | Income | % | Income | % |
| Domestic income | | | | | | | | |
| Ladies' lingerie | Thai Wacoal Plc. | - | 1,711.85 | 57.91 | 3,300.30 | 67.61 | 2,991.09 | 64.94 |
| | Wacoal Siracha Co., Ltd. | 99.96 | 29.88 | 1.01 | 27.39 | 0.56 | 37.93 | 0.82 |
| | Wacoal Lamphun Co., Ltd. | 99.99 | 0.17 | 0.01 | 0.65 | 0.01 | 6.45 | 0.14 |
| | Wacoal Kabinburi Co., Ltd. | 99.99 | 0.22 | 0.01 | 0.83 | 0.02 | 0.51 | 0.01 |
| | Pattaya Kabinburi Co., Ltd. | 99.95 | 6.34 | 0.21 | 12.54 | 0.26 | 13.79 | 0.30 |
| Ladies' outerwear | Thai Wacoal Plc. | - | 100.11 | 3.39 | 112.97 | 2.32 | 127.44 | 2.77 |
| Children wear | Thai Wacoal Plc. | - | 146.94 | 4.97 | 154.43 | 3.16 | 177.79 | 3.86 |
| Other | Tora 1010 Co., Ltd. | 99.99 | 19.36 | 0.65 | 22.73 | 0.47 | 3.53 | 0.08 |
| Total | | | 2,014.87 | 68.16 | 3,631.84 | 74.41 | 3,358.53 | 72.92 |
| Export income | | | | | | | | |
| Ladies' lingerie | Thai Wacoal Plc. | - | 905.33 | 30.62 | 1,218.59 | 24.96 | 1,213.38 | 26.34 |
| Children wear | Thai Wacoal Plc. | - | 36.01 | 1.22 | 30.72 | 0.63 | 34.14 | 0.74 |
| Total | | | 941.34 | 31.84 | 1,249.31 | 25.59 | 1,247.52 | 27.08 |
| Total Income | | | | | | | | |
| Ladies' lingerie | | | 2,653.79 | 89.77 | 4,560.30 | 93.42 | 4,263.15 | 92.55 |
| Ladies' outerwear | | | 100.11 | 3.39 | 112.97 | 2.32 | 127.44 | 2.77 |
| Children wear | | | 182.95 | 6.19 | 185.15 | 3.79 | 211.93 | 4.60 |
| Others | | | 19.36 | 0.65 | 22.73 | 0.47 | 3.53 | 0.08 |
| Total Income | | | 2,956.21 | 100.00 | 4,881.15 | 100.00 | 4,606.05 | 100.00 |

Significant developments during the past year

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 maintaining sustainable environment. Moreover, 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.

• Ladies' lingerie

Product nature

Ladies' lingerie products represented the main product category of the company, whose sales figures accounting for 90% 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 2020, the company launched new collections which are as follows:

Wacoal Bloom : Airy Fill Collection

Wacoal Bloom has been designed by taking into consideration three lifestyles: basic, fashion and sport. "Airy Fill Sponge" is designed under the concept of "Every Time is Blooming Time" to create properties of ventilation, lightweight, non-yellowing and a good shape using light and flexible raw materials, which are suitable for all children activities.

Wacoal Young : Super Bra

Concerning wireless bras with an invention of Auto Adaptive Mold, breasts can be adjusted to provide firmness and comfort in any cup with the four following Mold functions:

1. **3D wireless mold** as appealing as those with wires
2. **Expandable foam** avoiding pressing against the breast
3. **Push Up 3 Steps** giving a nice boost in any cup size
4. **Non-stretch** sides getting tight breasts

Wacoal Mood : Travel Bra Spacer

Wireless bras in combination with a creation of latex sheet and spacer mold made of spacer is light, well-ventilated, quick drying and moisture resistant. Its concept is foldable, cool and comfortable to wear.

Wacoal Missy : Wacoal Cool

The creative wire bra with a 3D fiberfill sponge contributes to ventilation and does not become yellow throughout its lifetime. It increases firmness with 2-step woven yarn that gives soft and smooth touch as well as cool skin.

Innovative wireless bra without extra-large cell sponge is light, quick-drying and damp free.

Wacoal Shape Beautifier : Body Perfect Body Cool

Slimming series products made of body cool fibers have a wavy appearance. Being woven, spaces are provided between yarns, which can absorb sweat quickly and ensure ventilation and fast-drying. It is easy to wear with the luxurious and shiny feeling like silk. Due to its fine and smooth fibers, they can keep tummy flat and lateral body tissues, as well as lift buttocks to be perfectly round. Due to its seamless and uncured material, you can wear it with confidence in all occasions.

Wacoal Curve Diva : Slipless Diva

"Smooth life, bra does not slip". Groundbreaking Anti Slip Sheet is a special silicone printing to increase the adhesion of the body, so that it will not slip off. The pattern design with different sizes of spaces for varied tightness helps to build confidence during wearing.

Wacoal Motion Wear :

1. Motion Hybrid

It is a combination of design to be compatible with active lifestyle and "X Perfect Mold" brachild, which holds breasts and supports every movement during any workout. Line flow can distribute sweat and reduce humidity.

2. Smooth Motion

It has been designed to support the movement during exercise. With the "Santoni" weaving technique, it enhances smoothness, reduces friction, but still fits well. Thus, working out is more effective.

Wacoal Maternity : Mommi Bra

Breastfeeding bras can be used from early stages of pregnancy to post-delivery. With specially woven and soft thread as well as lateral support, it can increase confidence. Thanks to free cut innovation on the inner breast cloth, it can reduce the pressure on the breast. "Easy to wear, comfortable and confident". Because of many smart sizes M/L/XL offered, one size can be used for both pre-delivery and post-delivery.

Wacoal Panty : Oh My Nudes Skin

- **Holey Quick Dry** : cool and smooth sensation without limits, modern underwear from Wacoal with a design that integrates cool innovation technology with modern fabric holey free cut, which is a special textile with small ventilation holes. This enables good ventilation all day long, quick drying, comfort, moisture-wicking and seamless, offering a smooth feel on the body.
- **Free Cut Cotton** : ultra-smooth underwear with advanced free cut fabric that combines small cotton no. 100 and elastane fibers, along with anti-bacteria material, is dry, comfortable, soft and smooth for every movement.
- **Bonding Seamless** : an innovative smoother seamless underwear from Wacoal is made of soft and smooth textile with a modern design. Due to its good ventilation and fast-drying, it is comfortable to wear every day, available in both half and bikini styles.

Lingerie :

1. Seamless Bonding

A bra with soft surface, special seamless weaving and bonding techniques instead of sewing ensures comfort, smoothness and confidence. Its fabric is flexible, well-ventilated and wireless. Breasts are properly supported by wireless bras. Without hooks at the back, it looks flat and smooth. Lateral excess breast tissues can be kept. Water drop shaped sponge pushes up breasts and adds volume to a sexy bust.

2. Casual Bra Collection Multi Style

Wireless bra is comfortable to wear by using cutting techniques to create a particular design. Neat and fine lace, cut with two-way fabric with good elastic force is used. Its shine makes products luxurious that goes beyond its limits. It is fun to dress for a variety of occasions. Molds are used to push up breasts on the inside. Lateral and breast base still keep wireless fix function with support to push the breasts closer together.

Wacoal Nightwear : Wacoal X ISSUE

Wacoal collaboration pajamas under a new Issue brand tell the story of nature in a new and unique style through the paintings of a French artist, Henri Rousseau. With a new look, it is more fashionable according to the original issue combined with well-selected raw materials. Its polyester satin fabric offers a luxurious luster and good quality of tailoring, which is perfectly consistent with the pattern. "Wacoal pajamas are not only nightwear but also going out outfits, which are completely beautiful in one set".

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. Due to COVID-19 pandemic spread throughout the world, it had a direct impact on the sale volume because consumers decreased their outdoor activities and spent their time staying at home. Thus, the online product purchase played a great role in changing consumers' behaviors 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 needs 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 rapid change in 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 3% of its total sales turnover. During 2020, there were significant developments regarding ladies' outerwear products as follows:

- **5.up brand** focuses on development of raw materials, patterns and fitting to meet the consumers' demand as much as possible and to reduce the number of shops in line with economic conditions.
- **Race' brand** emphasizes the expansion of uniform customers to other businesses, e.g. banks, retail businesses, insurance business, etc. It also expanded uniform business into workwear groups. This year nursing uniforms have been produced and sold using innovative textile under the brand of ERAWAN UNIFORMS & WORKWEAR.

Market and competitive situations

In 2020, the ladies' outerwear market was affected by the COVID-19 pandemic situation. Additionally, people were cautious of spending resulting in higher competition in terms of product prices and new online sales channels.

5.up brand products were affected by the temporary closure of stores nationwide. As a result, sales did not meet the target. Therefore, adjustments were made to develop specially priced products to provide a competitive opportunity and generate sales in both offline and online channels.

As for the employee uniform market (uniform) that is an organization, competition is higher. However, the company is still entrusted by many organizations to continuously manufacture uniforms. The workwear product market has been also affected by the COVID-19 situation. Consequently, the Pop-Up Nurse Uniform team was unable to sales spaces to directly offer to customers who wear nursing clothes. Thus, the company has developed an online channel to create more marketing opportunities.

Children wear

Product nature

The company acted as the manufacturer for ladies' outerwear products, whose sales revenue accounted for about 6% of its total sales turnover.

2020 is the year of the coronavirus (COVID-19) pandemic in Thailand and around the world. Children's clothing sets have realized safety and hygiene. To cope with such crisis, ENFANT, Amusant and Little Wacoal brands have added a range of health care products, such as hand cleansing gel with 70% alcohol (hand sanitizer), alcohol spray and face masks to be distributed both domestically and internationally. For domestic distribution channels, they are distributed in a wide variety of channels, including convenience stores, various hospitals, department stores, modern trade, traditional trade and online channels.

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 ladies' lingerie market continues to grow in the future, even though the global economy, including that of Thailand as a whole, is slowing down, especially in 2020 that faced the pandemic of COVID-19. 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 more adjusted to suit the consumers' behavior. Big data has been used to analyze and applied to develop the products and services. The Applied Artificial Intelligence and Omni-Channel Strategy has been also used to develop and connect the sales channels and design business models and new sales channels, especially the online channel, 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 and sustainably 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 50 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, 2020 are as follows:

| Company Name | Location | Employee Number (Person) | Factory Building (Number) | Space Total (SQ.M.) |
|-----------------------------|-----------------------------|-----------------------------|------------------------------|------------------------|
| Thai Wacoal Plc. | Bangkok | 2,921 | 9 | 46,135 |
| | Phra Pradaeng, Samut Prakan | 21 | 1 | 3,150 |
| Wacoal Siracha Co., Ltd. | Siracha, Chonburi | 393 | 1 | 8,292 |
| Wacoal Lamphun Co., Ltd. | Muanglamphun, Lamphun | 226 | 2 | 10,152 |
| Wacoal Kabinburi Co., Ltd. | Kabinburi, Prachinburi | 180 | 2 | 6,840 |
| Pattaya Kabinburi Co., Ltd. | Kabinburi, Prachinburi | 244 | 2 | 6,656 |
| Tora 1010 Co., Ltd. | Bangkok | 1 | - | 12 |
| | Siracha, Chonburi | 26 | 1 | 1,500 |
| Total | | 4,012 | 18 | 82,737 |

Consolidated production capacity and output total

| | | | | Unit : Piece |
|-----------------------------------------------------|------------|------------|------------|--------------|
| Production Capacity Classified Per Product Category | 2020 | 2019 | 2018 | |
| Full production capacity | | | | |
| Ladies' lingerie | 15,000,000 | 20,000,000 | 20,000,000 | |
| Ladies' outerwear | 200,000 | 200,000 | 200,000 | |
| Children wear | 1,800,000 | 1,800,000 | 2,000,000 | |
| Total | 17,000,000 | 22,000,000 | 22,200,000 | |
| Actual production | | | | |
| Ladies' lingerie | 13,046,288 | 18,974,767 | 19,429,079 | |
| Ladies' outerwear | 117,117 | 124,635 | 183,936 | |
| Children wear | 1,454,986 | 1,401,174 | 1,678,773 | |
| Total | 14,618,391 | 20,500,576 | 21,291,788 | |
| Capacity utilization rate | 85.99% | 93.18% | 95.91% | |
| Output this year vs the year earlier | 71.31% | 96.28% | 101.18% | |

The Risk Management Committee Report

Mr. Krish Follett

Chairman of the Risk Management Committee



The Board of Directors of Thai Wacoal Public Company Limited appointed the Risk Management Committee comprising 3 members including Mr. Krish Follett as Chairman of the Risk Management Committee, and Miss Waraporn Kulsawatpakdee and Mr. Poolsak Boonchoo as Risk Management Committee Members to oversee effective risk management in accordance with the organization's strategy and business plans under good corporate governance principles to establish confidence and reliability for shareholders and stakeholders.

In 2020, the Risk Management Committee performed its duties as assigned by the Board of Directors and in accordance with the Risk Management Committee Charter, holding 10 meetings with attendance by executives and risk owners from various fields, having the following key matters on risk management.

- **Risk Management Policy and Charter** The Risk Management Committee reviewed the organization's risk management policy and the Risk Management Committee Charter on a regular basis to reinforce and integrate risk management for effective and standardized practices.

- **Scope of Risk Management** The Risk Management Committee reviewed the scope of risk management for appropriateness and coverage on significant risks, which include risks from strategic aspects, operational aspects, financial/exchange rate aspects, legal aspects, and information technology aspects, as well as risks from natural disasters and corruption, along with new risks emerging from external factors such as shifts in consumer behavior, aging society, and disease outbreak.

- **Risk Management and Oversight** The Risk Management Committee saw to it that risks from various departments in accordance with the organizational structure, including the business department and support department (as risk owners), are managed through the specification of a risk management plan for the year within the scope of risk, consideration of risk factors and risk management plan to ensure risk management in accordance with the organization's strategy and provision of advice with respect to response to risk, as well as continuous oversight and monitoring of risk management outcomes. The Risk Management Committee presented its risk management report to the Board of Directors on a regular basis each quarter.

In summary, the Risk Management Committee is of the opinion that the Company has systematic risk management procedures in accordance with good corporate governance principles as well as effective and appropriate management of key organizational risks in line with situational shifts, and is able to control such risks to an acceptable level.

A handwritten signature in black ink that reads "Krish Follett".

(Mr. Krish Follett)

Chairman of the Risk Management Committee

Risk Factors

With due recognition by the Board of Directors of Thai Wacoal Public Company Limited of the various risk factors posing possible threats to the company's business operations, the Board, therefore, has determined the following organization's risk management policy:

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 as well as manage new risks arising from both internal and external factors which may affect the company's business operations in the future.
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 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 2020, 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 whistle-blowers). As such, a handbook has been published on operating procedures based on the established Anti-Corruption Policy, that has been disseminated to all company directors, the management and employees via the company's intranet channel of communications for their information and awareness. The company has also assessed risks relating to corruption together with determining various associated measures to prevent corruption occurring in a comprehensive and adequate manner.

Pandemic risks

The situation of COVID-19 pandemic has triggered the global and Thai economies. Economic activities had to cease or slow down due to the government's lockdown measures and stringent measures to counter the outbreak, including the temporary closure of large crowded venues like department stores and a campaign to reduce outdoor activities in order to decrease the risk of epidemic spread. All of these have affected consumers' behaviors in this new normal. More safety and hygiene are emphasized. In addition, people have switched to buy products via online channels. This affected businesses that mainly rely on offline channels. At the same time, many businesses had to temporarily close their operations if any of their employees, partners or clients infected with this disease. This circumstance has affected their turnovers and business operations.

The company also realized the risks of this pandemic. Hence, guidelines and measures have been formulated to cope with this situation and to ensure that the company can continue its operation. In addition, the company takes care of all stakeholders, clients, partners, employees and communities in society by establishing the COVID-19 monitoring and prevention center, undertaking screening measures for outsiders and employees before entering the company, launching a campaign so that employees wear masks at all times, establishing social distancing in their workplaces, as well as supporting employees to work from home.

As for the distribution, the company has added more online sales channels to replace offline channels. Meanwhile, concerning the sale from the storefronts, the company has devised measures to prevent the COVID-19 pandemic to build confidence among customers, e.g. sales staff always wear masks and face shields, use disposable paper measuring tape, increase the cleaning frequency of fitting rooms, use UVC sterilizers to kill the germ on the products that the customers tried on in the fitting rooms.

Concerning production, the company evaluated the supply chain system to assess risks due to the interruption of trade partners or inadequate production. Thus, the company adjusted its production plans in line with situations, modified the production of goods that are in demand, such as masks, as well as closely planned its manufacturing with their partners so that products are consistently manufactured. Additionally, the company prepared an approved vendor list in accordance with the ISO 9001 standard to provide reserved trading partners in case of emergency.

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. 223, 493 | 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, 2020

| 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. 00-3720-5140-2 Fax. 0-3720-5140-2 | 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 | 499,980 | 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. 0-3720-5051-4 Fax. 0-3720-5051-4 | 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 |
| 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. 0-2291-2804 | Manufacturer of materials for ladies' lingerie | Ordinary | 10,000,000 | 1,900,000 | 19.00 |
| 3. G Tech Material Co., Ltd. 241, 243, 245, 247 Soi Charoenrat 7, Bangklo, Bangkholaem, Bangkok Tel. 0-2291-5725-6 Fax. 0-2291-5727 | Manufacturer of materials for ladies' lingerie | Ordinary | 3,000,000 | 570,000 | 19.00 |
| 4. SSDC (Tigertex) Co., Ltd. 111 Moo 5, Suwannasorn Rd., Nonsee, Kabinburi, Prachinburi Tel. 0-3720-5232 Fax. 0-3720-5231 | 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 | 20,053,600 | 3,709,972 | 18.50 |
| 6. Textile Prestige Plc. 489 Rama 3 Rd., Bangklo, Bangkholaem, Bangkok Tel. 0-2294-0071 Fax. 0-2294-2386 | Manufacturer and distributor of textile | Ordinary | 108,000,000 | 18,398,850 | 17.04 |

| Company/Address | Type of Business | Type of Shares | No. of Paid-up Shares | Shareholding by the Company | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|----------------|-----------------------|-----------------------------|-------|
| | | | | No. of Shares | % |
| 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, Bangklo, Bangkholaem, Bangkok Tel. 0-2689-8520 Fax. 0-2289-3032 | Direct Sales | Ordinary | 300,000 | 53,700 | 17.90 |
| 9. 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 |
| 10. 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 |
| 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 |
| 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 |

| Company/Address | Type of Business | Type of Shares | No. of Paid-up Shares | Shareholding by the Company | |
|------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------|-----------------------|-----------------------------|-------|
| | | | | No. of Shares | % |
| 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 Kornthong Luangvilai | Certified Public Accountant Registration No.7210 | |

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, 2020*

| Name | No. of shares | % |
|------------------------------------------------------|---------------|--------|
| 1. Wacoal Corporation | 40,331,250 | 33.61 |
| 2. Saha Pathana Inter-Holding Public Company Limited | 27,668,700 | 23.06 |
| 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 Punsak-udomsin | 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 | 2,938,940 | 2.45 |
| 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 | 104,110,660 | 86.76 |
| 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.52

Shareholding structure classified by shareholding party categories (As of December 31, 2020)

| Shareholder Category | Number | No. of shares | % |
|------------------------|--------|---------------|--------|
| Legal entity | | | |
| Thai nationality | 35 | 62,749,953 | 52.29 |
| Foreign nationality | 3 | 40,490,450 | 33.74 |
| Total legal entity | 38 | 103,240,403 | 86.03 |
| Ordinary person | | | |
| Thai nationality | 1,050 | 16,736,997 | 13.95 |
| Foreign nationality | 2 | 22,600 | 0.02 |
| Total ordinary person | 1,052 | 16,759,597 | 13.97 |
| Total | 1,090 | 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) | 2020* | 2019 | 2018 | 2017 | 2016 |
|--------------------------------|--------|-------|-------|-------|-------|
| Earnings per share (Baht) | (1.49) | 3.07 | 2.71 | 3.09 | 2.89 |
| Dividend per share (Baht) | 0.50 | 1.90 | 1.80 | 1.50 | 1.30 |
| Payout Ratio (%) | N/A | 61.91 | 66.49 | 48.57 | 44.92 |

Note : * The Board of Directors resolved to set dividend payment rate at Baht 0.50 per share, for further proposal to the shareholders' general meeting no.52 for approval, on April 26, 2021.

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 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 2020, none of the shareholders nominated any candidates to be considered as company directors.

In 2020, The Nominating Committee held 1 meeting to carry out duties as assigned as follows :

- Considered the director nomination policy to ensure that the selection of directors is transparency and in compliance with rules and good corporate governance principles.
- 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. Yoshikata Tsukamoto, Mr. Hironobu Yasuhara, Mr. Boondee Amnuayskul, Mrs. Onanong Saengpumpong, and Mr. Krish Follett to become company directors for another term at the 51st General Meeting of Shareholders.
- Nominated the new company director who was Mr. Takuya Miura to serve as company director replacing Mr. Nozomu Osuka who had resigned.
- Monitored the implementation of 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 2020 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 Report

Mr. Manu Leelanuwatana

Chairman of The Remuneration Committee



The Remuneration Committee of Thai Wacoal Public Company Limited is comprised of 4 members as follows:

| | | |
|-----------------|---------------|----------|
| 1. Mr. Manu | Leelanuwatana | Chairman |
| 2. Miss Sirikul | Dhanasarnsilp | Member |
| 3. Mr. Thamarat | Chokwatana | Member |
| 4. Mr. Boondee | Amnuayskul | 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 2020, 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', with a stylized flourish at the end.

(Mr. Manu Leelanuwatana)

Chairman of The Remuneration Committee

The Executive Committee Report

Mr. Boondee Amnuayskul

Chief Executive Officer and Managing Director



The Board of Directors has established the Executive Committee 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 Committee.

During 2020, the Executive Committee 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 Committee Members having vested interests are not allowed to participate in deciding on such matters. Thereafter, the Executive Committee 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 2020, the company received 12 innovative awards in the Saha Group Innovation Award 2020.

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 Committee, 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 Committee 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 Committee |
|--------------------------------------|----------------------|------------------------|---------------------|--------------------------|----------------------------|-------------------------------|------------------------------------|-------------------------|
| 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 | - | Member | CEO and Managing Director | |
| 5. Mr. Takuya Miura | Director | - | - | - | - | - | Deputy Managing Director | |
| 6. Mr. Thamarat Chokwatana | Director | - | - | Member | - | - | Member | |
| 7. Miss Karunee Surai | Director | - | - | - | - | Member | Member | |
| 8. Mrs. Onanong Saengpumpung | Director | - | - | - | - | Member | Member | |
| 9. Mr. Kazuhiro Shibahara | Director | - | - | - | - | - | - | |
| 10. Mr. Mitsuru Sekiguchi | Director | - | - | - | - | - | - | |
| 11. Dr. Kulpatra Sirodom | Independent Director | Chairman | - | - | - | Chairman | - | |
| 12. Mrs. Punnee Worawuthichongsathit | Independent Director | Member | - | - | - | - | - | |
| 13. Mr. Krish Follett | Independent Director | - | - | - | Chairman | - | - | |
| 14. Miss Waraporn Kulsawatpakdee | Independent Director | - | - | - | Member | - | - | |
| 15. Mr. Poolsak Boonchoo | Independent Director | Member | - | - | 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. Takuya Miura
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 2020, The Board of Directors and other committees regularly held their meetings, whose attendance record by the directors were summarized as follows:

| | | Unit : Times | | | | | | | |
|---------------------------------------------|----------------------|---------------------------|------------------------|--------------------------------|----------------------------------|-------------------------------------|------------------------------------------|-------------------------------|-------------------------------------|
| | | Directors’ Meeting | | | | | | | |
| Name of directors and management members | | The Board of Directors | The Audit Committee | The Nominating Committee | The Remuneration Committee | The Risk Management Committee | The Corporate Governance Committee | The Executive Committee | General Shareholders’ Meeting |
| | | (10 times / year) | (13 times / year) | (1 time / year) | (2 times / year) | (10 times / year) | (4 times / year) | (12 times / year) | (1 time / year) |
| 1. Mr. Yoshikata | Tsukamoto* | 0/10 | - | - | - | - | - | - | 0/1 |
| 2. Mr. Manu | Leelanuwatana | 10/10 | - | 1/1 | 2/2 | - | - | - | 1/1 |
| 3. Mr. Hironobu | Yasuhara* | 0/10 | - | - | - | - | - | - | 0/1 |
| 4. Mr. Boondee | Amnuayskul | 10/10 | - | 1/1 | 0/0 | - | 4/4 | 12/12 | 1/1 |
| (Since May) | | | | | | | | | |
| 5. Mr. Nozomu | Otsuka* | 3/3 | - | - | - | - | - | 2/3 | - |
| | | (Jan.-Mar.) | | | | | | (Jan.-Mar.) | |
| 6. Mr. Takuya | Miura* | 5/5 | - | - | - | - | - | 7/7 | 0/1 |
| | | (Since May) | | | | | | (Since May) | |
| 7. Mr. Thamarat | Chokwatana**** | 9/10 | - | - | 2/2 | - | - | 10/12 | 1/1 |
| 8. Miss Karunee | Surai | 10/10 | - | - | - | - | 4/4 | 12/12 | 1/1 |
| 9. Mrs. Onanong | Saengpumpong | 10/10 | - | - | - | - | 4/4 | 12/12 | 1/1 |
| 10. Mr. Kazuhiro | Shibahara* | 0/10 | - | - | - | - | - | - | 0/1 |
| 11. Mr. Mitsuru | Sekiguchi* | 2/10 | - | - | - | - | - | - | 0/1 |
| 12. Dr. Kulpatra | Sirodom | 10/10 | 13/13 | - | - | - | 4/4 | - | 1/1 |
| 13. Mrs. Punnee | Worawuthichongsathit | 10/10 | 13/13 | - | - | - | - | - | 1/1 |
| 14. Mr. Krish | Follett*** | 9/10 | - | - | - | 9/10 | - | - | 1/1 |
| 15. Miss Waraporn | Kulsawatpakdee | 10/10 | - | - | - | 10/10 | - | - | 1/1 |
| 16. Mr. Poolsak | Boonchoo | 10/10 | 13/13 | - | - | 10/10 | - | - | 1/1 |
| 17. Miss Sirikul | Dhanasarnsilp | - | - | 1/1 | 2/2 | - | - | - | - |

| Name of directors and management members | | Directors' Meeting | | | | | | | |
|---------------------------------------------|-------------------------|----------------------|----------------------|---------------------------------|----------------------------------|-----------------------------------|----------------------------------|-----------------------------------|-------------------------------|
| | | The Board of | The Audit | The | The | The Risk | The Corporate | The | General |
| | | Directors | Committee | Nominating | Remuneration | Management | Governance | Executive | Shareholders' |
| | | (10 times / year) | (13 times / year) | Committee (1 time / year) | Committee (2 times / year) | Committee (10 times / year) | Committee (4 times / year) | Committee (12 times / year) | Meeting (1 time / year) |
| 18. Mr. Suvit | Wongcharoenwutporn***** | - | - | - | - | - | - | 10/12 | 1/1 |
| 19. Mrs. Nonglaks | Techaboonanek** | - | - | - | - | - | - | 11/12 | 1/1 |
| 20. Miss Natcharinthorn | Pongsupachintapa | - | - | - | - | - | - | 12/12 | 1/1 |
| 21. Mrs. Siriwan | Vilassakdanont | - | - | - | - | - | - | 12/12 | 1/1 |
| 22. Mr. Sompong | Rasameetham | - | - | - | - | - | - | 2/2 (Jan.-Feb.) | - |
| 23. Mr. Metha | Supakorn | - | - | - | - | - | - | 12/12 | 1/1 |
| 24. Mr. Pojadech | Ketkratuk | - | - | - | - | - | - | 12/12 | 1/1 |
| 25. Dr. Sukhontharat | Nitthisirisakool** | - | - | - | - | - | - | 11/12 | 1/1 |

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

During the past year, non-executive directors of the company held 1 meeting on February 18, 2020.

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 12 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, 2020

| | Name | | Position |
|-----|---------------------|--------------------|--------------------------------------------------------------------------------------------|
| 1. | Mr. Boondee | Amnuayskul | Managing Director |
| 2. | Mr. Takuya | Miura | 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 Uniform & Workwear |
| 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. Metha | Supakorn | Executive Director and Director of Production Technology Division |
| 11. | Mr. Pojadech | Ketkratuk | Executive Director and Director of Children Wear Product Division |
| 12. | Dr. Sukhontharat | Nitthisirisakool | Executive Director and Director of Merchandising Division 1 |

2.2 Personal information of management members

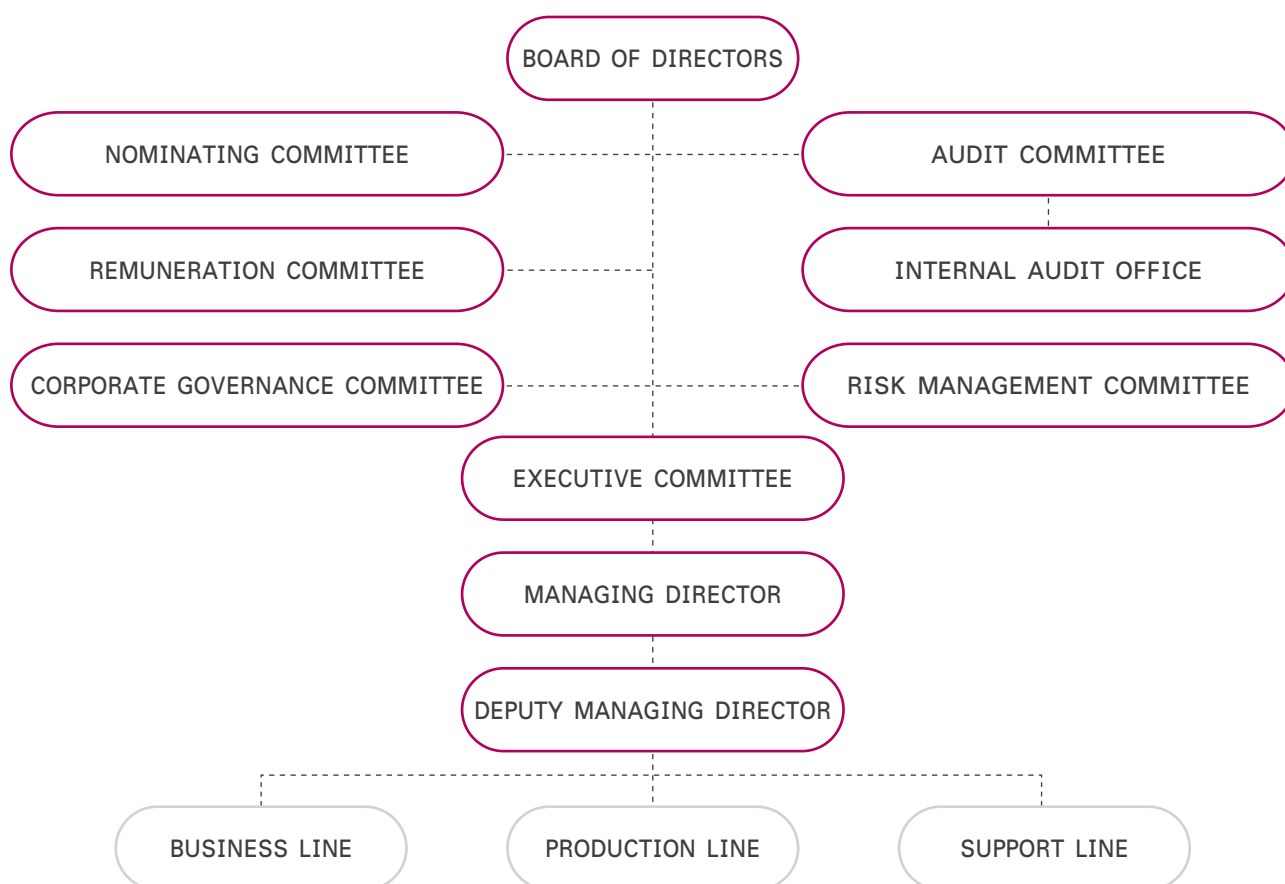
The details of personal information of management members were display per the section “Personal information of company directors and management members”.

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 2020, 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, 2020



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 Committee | - Master Degree Faculty of Commerce and Accountancy, majoring in Business Administration Chulalongkorn 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) |
| | - Bachelor Degree Faculty of Economics, majoring in Economics Thammasat University | 6. Iod Open House 1/2020 Company Secretary's Roles in Promoting Good Corporate Governance for the Organization 7. Anti-Corruption : The Practical Guide (ACPG) 21/2015 8. Corruption Risk and Control Workshop (CRC) 3/2019 9. CAC Road to Certify 10. Anti-Corruption Practice Guidelines 11. Smart Disclosure Program (SDP) 12. Connected Transactions of Listed Companies and Acquisition and Disposition of Assets 13. Social Responsibility Management for Sustainable Development 14. Build Readiness to Understand : Sustainability Assessment 2020 15. Greenhouse Gas Reduction Policy : Opportunities, Challenges, and Assessment Methods |

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 - Bachelor Degree Faculty of Accountancy, majoring in Accounting Dhurakij Pundit University | 1. Financial Instruments - Important Issues in Accordance with Thai Accounting Standard No. 32 and Thai Financial Reporting Standards Issue 7 and 9 2. In-depth the New Lease Issue (IFRS 16) 3. 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 4. Tax Update for 2020 5. Insights into the Accounting Standard Issues Announced in 2020 6. IFRS for NPAs : Important Issues and Future Direction 7. Insight into Accounting Methods and Case Studies of Fair Value Estimates for Financial Instruments in accordance with IFRS 9 8. Anti-Corruption Practice Guidelines |

In 2020, the person who is directly assigned to be responsible for overseeing the company's accounting has received continuous training for accounting knowledge by attending 20.30 hours of accounting courses and 6.30 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 Committee'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:

| | 2020 | | 2019 | |
|------------|------|---------------|------|---------------|
| - 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:

| | 2020 | | 2019 | |
|-------------------------------------------------------------|------|---------------|------|---------------|
| 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 2020, the company authorized total meeting allowance payments of total Baht 2,254,000, and total remuneration amount of Baht 10,850,000, altogether amounting to Baht 13,104,000.-

Remuneration details for The Board of Directors and other committees

Unit : Baht

| Remuneration details | 2020 | | 2019 | |
|------------------------------------|-------------------|---------------------|-------------------|---------------------|
| | Meeting allowance | Annual remuneration | Meeting allowance | Annual remuneration |
| The Board of Directors | 1,100,000 | 10,850,000 | 1,038,000 | 10,850,000 |
| The Audit Committee | 714,000 | - | 714,000 | - |
| The Nominating Committee | 18,000 | - | 36,000 | - |
| The Remuneration Committee | 36,000 | - | 16,000 | - |
| The Risk Management Committee | 250,000 | - | 264,000 | - |
| The Corporate Governance Committee | 136,000 | - | 136,000 | - |
| Total | 2,254,000 | 10,850,000 | 2,204,000 | 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 12 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 | 2020 | | 2019 | |
|------------------------------|-------------------|-------------------|-------------------|-------------------|
| | Number of persons | Amount (Baht) | Number of persons | Amount (Baht) |
| Salary, bonus, and allowance | 12 | 30,074,490 | 13 | 38,323,816 |
| Meeting allowance | 12 | 727,000 | 13 | 769,000 |
| Total | | 30,801,490 | | 39,092,816 |

In addition, in 2020, there were 6 management members receiving the remuneration from subsidiaries in the form of salaries, subsidies and allowances for total amount of Baht 2,779,256.-

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 | 2020 | | 2019 | |
|-----------------------------------------------|-------------------|----------------|-------------------|----------------|
| | Number of persons | Amount (Baht) | Number of persons | Amount (Baht) |
| Provident fund contribution from the company | 12 | 222,192 | 13 | 265,358 |
| Provident fund contribution from subsidiaries | 6 | - | 7 | - |
| Total | | 222,192 | | 265,358 |

5. Employee

5.1 Total number of employees by function and total remuneration

| Data | | 2020 | 2019 | 2018 |
|-----------------------------------------|----------------|----------|----------|----------|
| Total employee at the end of December | (persons) | 4,012 | 6,017 | 4,990 |
| - Production | (persons) | 1,364 | 2,734 | 2,161 |
| - Support Production and Administration | (persons) | 1,634 | 2,149 | 2,829 |
| - Sale | (persons) | 1,014 | 1,134 | - |
| Total remuneration of employees | (million baht) | 1,562 | 1,842 | 1,513 |
| Labour dispute | | - None - | - None - | - None - |

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

For 2020, the company and its subsidiaries reduced the number of employees due to an Early Retirement program that aims to balance the workforce to suit the business situation during the crisis.

5.2 Human Resource Management

Employees are the key factors affecting the competitiveness of the organization and sustainable growth. The company aims to develop the organization to be an organization of happiness based on virtue business ethics, strictly follow labor laws and respect human rights and equality regardless of gender, race, religion or belief in employment, appointment, transfer, career advancement, compensation, welfare, and other human resource management.

Remuneration Management

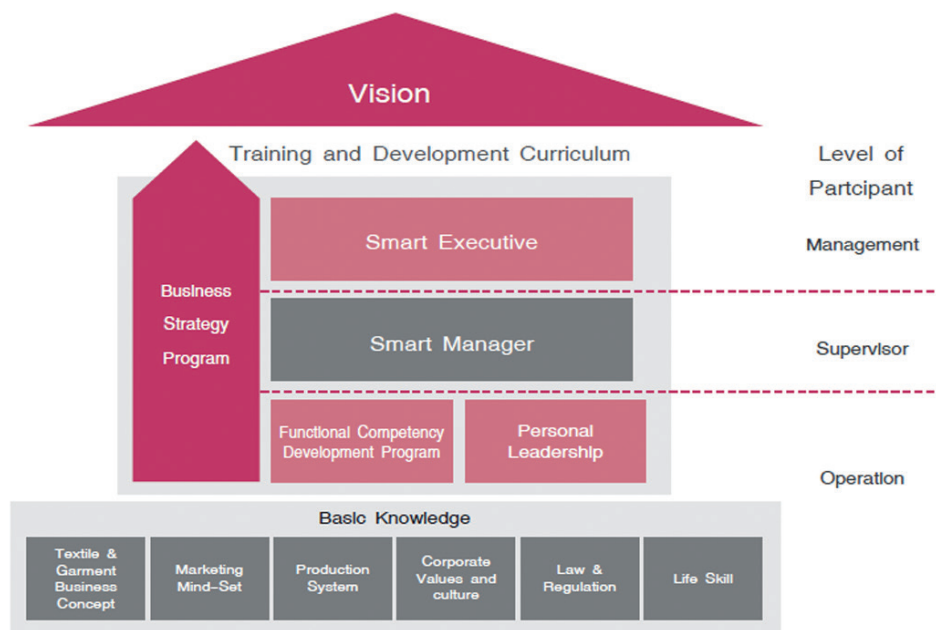
The company has arranged appropriate compensation by considering the nature of work, duty, responsibility, performance which corresponds to the economic conditions and the operating results of the company as well as providing employee welfares as follows

- 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

The company also pays attention to fostering a good working environment by organizing a variety of activities to strengthen working relationships, love and commitment to the organization, promote teamwork, give employees the opportunity to think creatively and exchange ideas as well as improve the working environment to be modern and support the new era of work, along with seriously and continuously taking care of safety, occupational health and the environment.

Human Resource Development Policy

"Human resource development creates a long-term competitive potential. All employees will be developed continuously, in terms of knowledge, skills, attitudes towards work and life appropriately, under various development patterns and a good learning environment."



Objectives of employees training at each level

| Management Level | Supervisor Level | Operation Level |
|----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Emphasize on building vision and strategy in business operation to coincide with ever changing situation | Develop knowledge, skills in management and resources, so as to reach target and conform to organizational policy and build good teamwork. | Build up knowledge, expertise in professional fields. Aware of customers' needs by focusing on Internal Training and On the Job Training based on job positions. |

In addition, the company has annual training plans and training courses according to professional groups. It has promoted a variety of learning environments such as classroom training, project base knowledge sharing, on the job training and online training for self-learning.

The creation of career path opportunity

The 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 which will be considered once a year. 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 employees 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.

Development of successors in key positions

In order to maintain continuous organizational management, the company gives precedence to the development of successors in important positions such as managing director, executive directors, division managers, that will affect to the business operation and support for future business expansion. The management guideline is the appointment of succession planning committees to supervise, analyze roles and necessary knowledge and skills, as well as recruit, make an individual employee development plan and assess their readiness for a position.

The Corporate Governance Committee Report

Dr. Kulpatra Sirodom

Chairman of the Corporate Governance Committee



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

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

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

During 2020, the Corporate Governance Committee held a total of 4 meetings in order to carry out its assigned duties and responsibilities and report its performance of duties to the Board of Directors, 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 2020, a '**Excellent**' CG score for the 6th 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 9th consecutive year, in the '**Top Quartile**' of those listed companies having a market capitalization value of Baht 3,000 - 9,999 million.

4. Supervised the company to have effective anti-corruption measures and reviewed the anti-corruption policy of the company and related regulations, 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.

5. 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. It resulted that the company is selected as one of the 2020 Thailand Sustainability Investment (THSI) list as well as the company is recognized as 1 of 2020 ESG100 list, which refers to the 100 best-performing publicly listed companies in terms of Environmental, Social and Governance (ESG).

6. Set the criteria and submission period for shareholders to propose meeting agenda and/or nominate candidates to be elected as directors at the 2021 Annual General Meeting of Shareholders in advance starting from 1 - 30 December, 2020.

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 Committee.

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. Takuya Miura | 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 Committee.
4. Approve or cancel credit facility, for such portion exceeding the authority of The Executive Committee.
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 Committee.
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 Committee.
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 Committee.
9. Approve the procurement and investment transactions of fixed asset, for such portion exceeding the authority of The Executive Committee.
10. Approve the sales and transfer transactions of fixed assets, for such portion exceeding the authority of The Executive Committee.
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 Committee.
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 Committee.

13. Approve the entering into such transaction not considered as normal business practice, for such portion exceeding the authority of The Executive Committee.
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 Committee to set up authority manual and other operating procedures as they deem appropriate.
16. Authorize The Executive Committee 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 Committee.
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 Committee's authority, or as deemed necessary by The Board of Directors.

During 2020, The Board of Directors convened total 10 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 2020 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 11, 2020 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, the executive or 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 risk management, fraud and corruption prevention and internal audit system to ensure that they are suitable and 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 and review the Internal Audit Charter on a yearly basis.
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 or dismiss company auditor, and propose remuneration by taking into account an independence, experience, and capability of the company auditor. 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 Audit Committee 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. Evaluate the Audit performance 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 Committee to serve as member of The Nominating Committee. Each Nominating Committee member was assigned a 1-year term, effective from May 11, 2020 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 2020, 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 3 company directors to serve as members of The Remuneration Committee and 1 advisor to The Executive Committee to serve as member of The Remuneration Committee. Each Remuneration Committee member was assigned a 1-year term, effective from May 11, 2020 onwards.

Name list of The Remuneration Committee

| | Name | | Position |
|----|--------------|---------------|----------|
| 1. | Mr. Manu | Leelanuwatana | Chairman |
| 2. | Miss Sirikul | Dhanasarnsilp | Member |
| 3. | Mr. Thamarat | Chokwatana | Member |
| 4. | Mr. Boondee | Amnuayskul | 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 2020, 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 11, 2020 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 Committee 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, targets, and plan for risk management in line with the strategic direction and company's business plan, including the change from internal and external factors effectively.
2. Ensure the company has a systematic risk management in accordance with the risk management framework
3. Encourage and promote mutual cooperation among various departments within the company, to implement the risk management plans at all operational levels.
4. 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.
5. Supervise company operations to ensure that all the departments and the company overall duly follow those laws and regulations pertaining to company operations.
6. Develop and upgrade the risk management system throughout the organization, so as to remain effective on a consistent basis.
7. Prepare the risk management report to The Board of Directors on a quarterly basis and disclosed the report by The Risk Management Committee in the company's annual report.
8. Review and revise the charter for The Risk Management Committee, and submit to The Board of Directors for approval.
9. Review the risk management policy on a yearly basis and submit to The Board of Directors for approval
10. Engage in other acts as assigned by The Board of Directors.

During 2020, The Risk Management Committee held total 10 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 11, 2020 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 good corporate governance policies, the 8 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 continuously.
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 support 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 2020, 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 Committee

The Executive Committee was set up to carry out management duties for the company as assigned by The Board of Directors, comprising 12 members being appointed by The Board of Directors, subsequent to the annual shareholders' meeting each year. Each Executive Committee member was assigned a 1-year term, effective from May 11, 2020 onwards.

During 2020, The Executive Committee 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 Committee

| Name | | | Position |
|------|---------------------|--------------------|-----------------------------------------------|
| 1. | Mr. Boondee | Amnuayskul | Chief Executive Officer and Managing Director |
| 2. | Mr. Takuya | Miura | Deputy Managing Director |
| 3. | Mr. Thamarat | Chokwatana | Executive Director |
| 4. | Miss Karunee | Surai | Executive Director |
| 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 |

| | Name | Position |
|-----|-----------------------------------|--------------------|
| 10. | Mr. Metha Supakorn | Executive Director |
| 11. | Mr. Pojadech Ketkratuk | Executive Director |
| 12. | Dr. Sukhontharat Nitthisirisakool | Executive Director |

Authority of The Executive Committee

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 Committee 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 Committee

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 Committee members may allocate work responsibilities among themselves, whereby they are required to report the progress of own responsible work to The Executive Committee.
9. Review and revise the charter for The Executive Committee, 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 Committee, 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 Committee.
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 Committee.
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 Committee'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 Committee.

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 2020, the company directors, management members, and employees were not found to have committee 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 2020, the management member who had the company's securities trading strictly followed the above policy by informing the trading to the Chairman of the Board at least 9 days prior to trading.

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

In 2020, 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 | 2020 | 2019 |
| Thai Wacoal Plc. | 2,146,000 | 2,075,000 |
| 5 Subsidiary companies | 3,017,000 | 2,950,000 |
| Total | 5,163,000 | 5,025,000 |

2. Non-audit fees


During 2020, 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  score for the sixth consecutive year in the annual good corporate governance practices assessment of Thai listed companies for 2020.

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 2020, the company convened the shareholders' general meeting once, without convening any shareholders' extraordinary meeting, according to the following details:

- **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 2020, during the period of December 1 - 30, 2019, 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.

However, in early 2020, Thailand encountered an epidemic of coronavirus 2019 (COVID-19). In order to reduce the likelihood of spreading disease, the company postponed the 2020 Annual General Meeting of Shareholders from April 22, 2020 to August 3, 2020.

(2) The company informed the shareholders of the resolution to convene the shareholders' meeting 52 days prior to said meeting date, namely on June 12, 2020, 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 July 3, 2020 or 31 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 July 3, 2020 or 31 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 July 21 - 23, 2020.

(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 July 2 - 27, 2020, 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 2020.

(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, 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 notification of meeting. 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 20, 2020) and published the annual report through the website of the Stock Exchange of Thailand (March 24, 2020) 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 (July 3, 2020)*.

Remark : * Due to the situation of the COVID-19 pandemic in early 2020, the company postponed the 2020 Annual General Meeting of Shareholders from April 22, 2020 to August 3, 2020.



- **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 2020, the company held the shareholders' meeting on Monday, August 3, 2020, at 10.00 hours, at AVANI+ Riverside Bangkok 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 2020, 10 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 the inspector for the accuracy of votes and the witness to the vote-counting procedure 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 2020, there was 1 shareholder presenting question and suggestion to the meeting.

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





- **Subsequent to the shareholders' 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 2020 for the quality of its shareholders' meeting for the 14th 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 2020, during the period of December 1 - 30, 2019. 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 2020, there were 16 shareholders holding the combined 6,754,520 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 2020, the company implemented dividend payments by drawing from the company's operating profits in 2019, at the rate of Baht 1.90 per share, for total dividend payments accounting for 61.91% of total net profits displayed in the separate financial statements, representing the company's dividend payments for 47 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.

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 2020, 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 “Work safety, sanitation, and work environments” 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. 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 COVID-19 precautionary measures, 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 2020, 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 2020” for the sixth 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 2020, 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 2020, 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 2020, 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 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 2020, important seminar sessions organized for company employees covered such topics as follows:

- Sustainable Waste Management
- Waste Management System and the Benefits of Information
- Energy Management in Air Conditioning Systems with Cooling Degree - days
- Environmental Management Standards and ISO 14001 Requirement
- Environmental Law and ISO 14001: 2015 Compliance Assessment Techniques

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 2020 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 2020, the company organized 2 activities for communities in Bangkholaem District. There were 124 participants in the event and 12 people were found with abnormalities. 6 of them were sent to check thoroughly with digital mammograms.
- The activity “Joy and Fun on Good Kids’ Day” : The company gave money and supporting items for children’s day to schools and communities surrounded the company and exhibit an activity booth with Bangkholaem Rotary Club to organize Children’s Day event for the community at Chaloem Phrakiat Park (Under Rama IX Bridge, Bangkok).
- The activity “Beautiful Hat...Beautiful Mind” : The company donated 500 caps and underwear for breast cancer patients (Balancing Bra) at Charoenkrung Pracharak Hospital.
- “Wacoal We Care” Project : The situation of the epidemic of COVID-19 affects the wider public. Also, all types of face masks are quite expensive and difficult to find. Therefore, the company donated masks to the communities around the company including Bangkholaem District Office and Wat Phraya Krai Police Station total 1,500 pieces to join a campaign for people to wear masks for safety and good health of the public.
- The company supported the activities of Buddhism, art and culture in the campaign “Dharma Suksa” for local youth had real experiences and was able to apply Dharma principles in daily life 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. In addition, 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 2020, 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 2020, 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 Whistle Blowing Policy to justly protect the whistle-blower including the protection from persecution when filing a report, in which the company will receive and carry out the complaints with fairness, transparency, and justification following a systematic and unbiased protection measures.

Whistleblowing channel

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

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

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

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

Compliant handling process

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

Apart from the above complaint channels, the company has established a process to manage with employees' complaints about matters that may be misconduct or considered as corruption, by allowing them to file a complaint directly to the supervisor. If employees are unable to file a complaint through the supervisor directly, they may submit such matters to the next higher level of supervisors or Human Resources and Administration supervisor, or the Executive Director.

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

Protection measures

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

At the same time, the company also had a policy to protect employees who file a complaint, thus the complainants acting in good faith will not be punished from such events, and no changes of job position, type, or any other actions that is considered to be unfair treatment to that person. The information of the complainants and other details of the complaints would be kept secret by the company, unless it is required to be disclosed by law.

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

Section 4 : Information Disclosure and Transparency

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

During 2020, 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 2020 were unqualified opinion with an emphasis of matters 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 2020, company directors and management members strictly followed said policy, by not taking part in such meeting agenda having possible conflict of interests. Moreover, the company facilitated information disclosure pertaining to any conflict of interests by company director or management member, via the letter informing the meeting's resolution to the news system of The Stock Exchange of Thailand.

4.10 Development for the directors and the management : The company had placed much emphasis on supporting the training activities seeking to promote further knowledge for the directors, the management on continuous basis. The company disclosed the development and training of directors and the management. Details are under the heading "Personal information of company directors and management members" and "Corporate governance" on compliance with good corporate governance principles in other matters (Section 5 : Responsibilities of The Board of Directors, no. 5.7 Developments for the directors and the management).

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

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

In 2020, the company disclosed the quarterly performance report 3 times.

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

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

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

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

In addition, 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. They 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 2020, The Board of Directors' meeting no. 5/2020 on September 22, 2020 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 2020, the company had no connected transactions required approval by the shareholders and the company displayed such items with possible conflict of interest under the heading “Inter-Transaction”.

(4) Supervision over internal control and audit systems

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

Accordingly, The Board of Directors instructed The Internal Audit office to directly report to The Audit Committee each month, so as to allow the Committee to review and ensures sufficient internal control practice. At The Board of Directors’ meeting no. 2/2021, 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. In addition, The Board of Directors reviewed the organization’s risk management policy on a regular basis. (See the details on risk management for each area of the company under the heading “Risk factors”).

5.4 The Board of Directors' meeting

The Board of Directors scheduled the meeting for the whole year and notified the directors in advance in which the meeting will be held at least every quarter with additional meeting if necessary as specified in the Charter of Board of Directors. For each meeting and agenda for The Board of Directors' meeting, each director was able to propose agenda, and the Chairman together with the Managing Director shall consider the matter to be brought into the meeting. After that, the Company Secretary sent out meeting invitation letter, meeting agenda, and relevant meeting documents, to the directors not less than 7 days in advance, to allow them sufficient time to review the information prior to the meeting.

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

The Board of Directors supported the joint meeting between The Board of Directors and The Executive Board at least 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 2020, the joint meeting between The Board of Directors and The Executive Committee 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 2020, The Board of Directors held 10 meetings altogether and non-executive directors held 1 meeting on February 18, 2020, 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 2020 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 2020, 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 2020, the evaluation result was in "Excellent" criteria with the average score of 82%.

• **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 2020, 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 2020 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 | 81% |
| The Remuneration Committee | 77% |
| The Risk Management Committee | 97% |
| The Corporate Governance Committee | 93% |
| The Executive Committee | 92% |

- **Yearly Performance Evaluation of Managing Director**

The Board of Directors assigned the Remuneration Committee excluding member of the Remuneration Committee having possible conflict of interests 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 2020, the company directors and management members attended training courses on significant operations topics, such as "Marketing Trend 2020" course, "Economic Situation in 2020 and the Future of Textile and Fashion Industry" course, etc.

Training and seminar attended by The Board of Directors in 2020

| List of Directors | | Training Course / Seminar |
|-------------------|------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Mr. Boondee | Amnuayskul | • Financial Statements Analysis for Executives |
| 2. Miss Karunee | Surai | <ul style="list-style-type: none"> • Financial Statements Analysis for Executives • Anti-Corruption Practice Guidelines • HR Outlook 2020 The Key Challenges Facing the Future of Work • Labour Laws that HR Should Know • Marketing Trend 2020 |

| List of Directors | | Training Course / Seminar |
|-------------------|----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3. Mrs. Onanong | Saengpumpong | <ul style="list-style-type: none"> • Insights into the Accounting Standard Issues Announced in 2020 • Insight into Accounting Methods and Case Studies of Fair Value Estimates for Financial Instruments in accordance with TFRS 9 • Tax Update for 2020 • Marketing Trend 2020 |
| 4. Mrs. Punnee | Worawuthichongsathit | <ul style="list-style-type: none"> • Strengthening Good Corporate Governance : Audit Committee and Independent Director : Experiences From Fraud Cases • Legal Story for Investors <ul style="list-style-type: none"> - The Importance of Shareholders' Rights and Duties in the General Meeting of Shareholders - Law for Investment Risk Management in the New Normal Era of the Stock Exchange - Rights of Shareholders under Personal Data Protection Act B.E. 2563 - Investing in ESG Stocks What Investors Should Know - Shareholder Rights and Class Action Guidelines • Dissemination of Knowledge about Act, the Criteria for the Preparation of Law Draft and the Evaluation of Achievement of Law B.E. 2562 |
| 5. Miss Waraporn | Kulsawatpakdee | <ul style="list-style-type: none"> • Advanced Insurance Science Program (Class 9) • Thai-Chinese Leadership Program (Class 3) |
| 6. Mr. Poolsak | Boonchoo | <ul style="list-style-type: none"> • Transnational Corporate Restructuring International Financial Regulation Private Equity |

• 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. |
| 2. The Board of Directors's policy has specified the limit of the number of years on the tenure of independent directors not exceeding 9 years. | The Board of Directors's policy does not limit the number of years on the tenure of independent directors since the company's independent directors continue to perform their duties with independence and without private interests that may conflict with the interests of the company, as well as make decisions by taking into account the best interests of the company. They are also independent from the management and major shareholders of the company. |
| 3. The Chairman of The Board of Directors is independent director. | The Board of Directors has appointed non-executive director serving as the Chairman of The Board of Directors due to his ability and expertise in the company's business. Furthermore, despite the Chairman of The Board of Directors not being an independent director, nevertheless, the Chairman of The Board of Directors duly carried out his assignments in an independent manner, and providing opportunities to all directors to act freely in expressing own opinions and suggestions contributing to the best interests of the organization. |

| Non - practiced aspects | Reasons |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4. The Chairman of The Nominating Committee and the Chairman of The Remuneration Committee are independent directors and The Nominating Committee and The Remuneration Committee mainly comprise independent directors. | Although the Chairman of The Nominating Committee, the Chairman of The Remuneration Committee, The Nomination Committee Members and The Remuneration Committee Members 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.2/2021, on February 24, 2021, with attendance by The Audit Committee Members evaluated the company's internal control system for 2020. 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 policies, objectives of business and operation that are explicit and can be evaluated by considering fairness to employees, customers, trading partners, and responsibility to shareholders, society, community and environment. It has also reviewed the target and compared actual performance with the target on a regular basis to comply with the conditions at that time.

Moreover, the company has established organizational structure by separating duties according to field of work to provide operational flexibility and balanced assessment as well as established appropriate authority and responsibility. 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 everyone in the organization as guideline to perform their duties with integrity, restrain from posing conflict of interest with the company, and cooperate to create a culture that rejects corruption. A written authority and operating manual has been developed and reviewed in accordance with the new standard. 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 company has recognized the important of the risk management. Therefore, The Board of Directors has assigned The Risk Management Committee to oversee organization's risk management in a systematic and

effective manner according to the risk framework by identifying and analysing the probable risks causing from internal and external factors which could affect business operation and including the risk of corruption. There are assessments of the risk level both in terms of the likelihood of incidents and the impact of damage. It has a clear working plan of risk management and working procedures in managing the risk, 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. Job responsibilities for each position and manuals / procedures for working in various systems of the organization have been established to ensure that the operation has an appropriate and adequate internal control system. 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, there is an internal audit unit to review the operations in accordance with the rules and regulations in which regularly evaluate and analyse the internal control system. 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 realized the importance of the information and communication systems by continuously promoting and supporting system development. It is to ensure that the information is accurate and up to date by using modern and effective information technology systems including the security of information in data collection, data processing, storing and monitoring for decision making. The information technology security policy and information usage is also specified.

In addition, 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. 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.

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 executives and superior of each division to supervise, monitor and evaluate performance regularly to ensure that internal control is carried out fully and appropriately. The Audit Committee is responsible for reviewing the internal control system through the Internal Audit Office which is responsible for continuously auditing, analyzing, evaluating internal controls, supervising and complying the rules and regulations of work system. 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.

In addition, financial accounting is audited by a certified auditor and the audit results is presented to The Audit Committee for consideration on a quarterly and annually basis.

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 | <ol style="list-style-type: none"> 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 |

| Name/ Position | Education Level | Training Course |
|----------------|-----------------|--------------------------------------------------------------------------------------------|
| | | 15. Transfer Pricing |
| | | 16. Professional Development Risk Management & Internal Audit |
| | | 17. Chief Audit Executive Professional Leadership Program |
| | | 18. Business Time Bomb Prevention from the Risk of IT Systems in the Factory and Warehouse |
| | | 19. Anti-Corruption Practice Guidelines |

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 | 2. Fraud Control Guidelines concerning Assets, Liabilities and Others |
| | Thammasat University | 3. How to Practice in accordance with the new Securities and Exchange Act |
| | - Lawyer's License | 4. Roles and Responsibilities of Directors regarding New Securities Law |
| | - License to be a person who makes the certified signature and document | 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 |
| | | 11. Attorney who makes the signature endorsement and documents |
| | | 12. Personal Data Protection Act How to practice? |
| | | 13. Anti-Corruption Practice Guidelines |

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 2020, 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 by the company | Shareholding Percentage in the company | Significant item | Inter-transaction Value |
| 1. Wacoal Corporation Group | A | - | 33.61 | - Purchase of products/ raw materials - Sale of products/ raw materials - Royalty fees expenses | 84.98 599.31 33.36 |
| 2. Saha Pathana Inter-Holding Plc. | A | 0.68 | 23.06 | - Sale of products/ raw materials - Royalty fees expenses - Utility charges expenses - Investment in debentures - Sale of ordinary shares | 0.83 0.01 8.69 5.00 12.58 |
| 3. Myanmar Wacoal Co., Ltd. | B | 40.00 | - | - Purchase of products/ raw materials - Sale of products/ raw materials - Movable property rental expenses - Immovable property rental expenses | 99.38 45.57 0.38 0.43 |
| 4. Pattaya Manufacturing Co., Ltd. | B | 40.00 | 0.07 | - Purchase of products/ raw materials - Sale of products/ raw materials - Hire of work expenses - Hire of work income - Royalty fees income - Utility charges expenses - Immovable property rental expenses - Immovable property rental income - Movable property rental income - Information technology system services income | 11.05 8.91 10.38 0.23 0.18 0.39 0.96 1.09 0.20 1.73 |
| 5. A Tech Textile Co., Ltd. | B | 19.00 | - | - Purchase of products/ raw materials - Hire of work expenses - Consultancy fees income - Information technology system services income | 67.09 0.29 1.71 3.26 |

Unit : Million Baht

| Name | Relationship | Shareholding Percentage | | Significant item | Inter-transaction Value |
|------------------------------------------|--------------|-----------------------------|-----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|
| | | Shareholding by the company | Shareholding in the company | | |
| 6. G Tech Material Co., Ltd. | B | 19.00 | - | - Purchase of products/ raw materials - Sale of products/ raw materials - Hire of work income - Consultancy fees income - Immovable property rental income - Information technology system services income | 146.95 10.26 4.49 0.98 0.80 1.68 |
| 7. I.C.C. International Plc. | B | 3.82 | 5.09 | - Purchase of products/ raw materials - Sale of products/ raw materials - Hire of work income - Utility charges income - Advertising & public relations expenses - Purchase of movable property - Immovable property rental income | 2.33 1,462.54 0.19 0.02 1.45 0.65 0.24 |
| 8. Textile Prestige Plc. | B | 17.04 | - | - Purchase of products/ raw materials - Sale of products/ raw materials | 5.50 0.14 |
| 9. Morgan De Toi (Thailand) Limited | B | 12.00 | - | - Sale of products/ raw materials - Hire of work income - Consultancy fees income - Inventory management income - Information technology system services income | 0.24 0.27 5.36 0.95 0.01 |
| 10. Thanulux Plc. | B | 0.83 | 1.39 | - Purchase of products/ raw materials - Sale of products/ raw materials - Hire of work expenses - Consultancy fees income | 4.95 1.22 1.99 0.43 |
| 11. People's Garment Plc. | B | - | 0.21 | - Sale of products/ raw materials | 0.37 |
| 12. H & B Intertex Co., Ltd. | B | - | - | - Purchase of products/ raw materials - Royalty fees income | 0.55 0.05 |
| 13. Thai Itokin Co., Ltd. | B | - | - | - Purchase of products/ raw materials | 0.31 |
| 14. Thai Gunze Co., Ltd. | B | - | - | - Purchase of products/ raw materials - Utility charges income | 0.44 4.67 |
| 15. S & J International Enterprises Plc. | B | - | 0.08 | - Purchase of products/ raw materials - Royalty fees income | 10.60 0.01 |

| Name | Relationship | Shareholding Percentage | | Significant item | Inter-transaction Value |
|--------------------------------------------|--------------|-----------------------------|-----------------------------|--------------------------------------------------------------|-------------------------|
| | | Shareholding by the company | Shareholding in the company | | |
| 16. Eastern Thai Consulting 1992 Co., Ltd. | B | - | - | - Utility charges expenses | 0.76 |
| 17. Carbon Magic (Thailand) Co., Ltd. | B | 8.33 | - | - Immovable property rental income | 0.65 |
| 18. Thai Takeda Lase Co., Ltd. | B | - | - | - Purchase of products/ raw materials | 14.67 |
| 19. Thai Bunka Fashion Co., Ltd. | B | 8.00 | - | - Training expenses | 0.15 |
| 20. Pitakkij Security Guard Co., Ltd. | B | - | - | - Security fees expenses | 8.17 |
| 21. Thai Secom Security Co., Ltd. | B | - | - | - Security fees and security equipments rental fees expenses | 3.38 |
| 22. Erawan Textile Co., Ltd. | B | 16.23 | - | - Purchase of products/ raw materials | 22.38 |
| | | | | - Information technology system services income | 0.60 |
| 23. Best Factory Outlet Co., Ltd. | B | - | - | - Sale of products/ raw materials | 12.83 |
| 24. Fujix International Co., Ltd. | B | 5.00 | - | - Purchase of products/ raw materials | 5.10 |
| 25. Far East Fame Line DDB Plc. | B | 0.08 | - | - Advertising & public relations expenses | 0.16 |
| 26. International Laboratories Corp., Ltd. | B | - | 0.16 | - Purchase of products/ raw materials | 4.79 |
| | | | | - Royalty fees income | 0.72 |
| 27. Saha Capital Tower Co., Ltd. | B | 10.00 | - | - Sale of immovable property | 647.63 |
| 28. Sahapat Real Estate Co., Ltd. | B | 4.40 | - | - Utility charges expenses | 0.28 |
| | | | | - Immovable property rental expense | 1.54 |
| 29. Tsuruha (Thailand) Co., Ltd. | B | - | - | - Sale of products/ raw materials | 0.95 |
| 30. SRP Nanasai Co., Ltd. | C | 7.69 | - | - Advertising & public relations expenses | 0.06 |
| | | | | - Purchase of movable property | 1.45 |
| | | | | - Construction expenses | 5.91 |
| | | | | - Design and renovation expenses | 9.94 |
| 31. Royal Garment Co., Ltd. | C | 9.00 | - | - Hire of work expenses | 14.76 |
| 32. Integrated Communication Co., Ltd. | C | - | - | - Advertising & public relations expenses | 0.49 |
| 33. I.D.F Co., Ltd. | D | - | 3.74 | - Immovable property rental expenses | 1.58 |
| 34. Intanin Chiangmai Co., Ltd. | D | - | - | - Advertising & public relations expenses | 1.59 |

| Name | Relationship | Shareholding Percentage | | Significant item | Inter-transaction Value |
|-----------------------------------------------------|--------------|-----------------------------|-----------------------------|-----------------------------------------------|-------------------------|
| | | Shareholding by the company | Shareholding in the company | | |
| 35. International Commercial Coordination Co., Ltd. | E | - | - | - Advertising & public relations expenses | 0.02 |
| | | | | - Purchase of movable property | 0.02 |
| | | | | - Information technology system services fees | 3.66 |
| | | | | - Sales management fee | 4.90 |

| | | |
|----------------------------|-----|------------------------------------------------------------------------------------|
| 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. |

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 |

| Item | Remuneration Policy |
|---------------------------------------|----------------------------------------------------------------------------------------------------------------|
| - 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 |
| - Selling price of immovable property | : Price depending on appraisal price of valuer and negotiation |
| - Purchase price of debentures | : Price depending on the issuer offering to the investor |
| - Selling price of ordinary shares | : Price depending on the negotiated price which derived from 12 months of Volume Weighted Average Price (VWAP) |

2. Transaction in providing or receiving financial assistance

| Unit : Million Baht | | | | | | |
|----------------------------------|---------------------------|-----------|-------------|---------------------------|---------------|---------------------------|
| Company name | Loan Extension | | | | | Guarantee* |
| | Balance As of Dec. 31, 19 | Additions | Settlements | Balance As of Dec. 31, 20 | Interest Rate | Balance As of Dec. 31, 20 |
| 1. A Tech Textile Co., Ltd. | - | - | - | - | - | 32.97 |
| 2. Sahapat Real Estate Co., Ltd. | - | - | - | - | - | 34.10 |
| Total | - | - | - | - | - | 67.07 |

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, 2020.

Financial guarantees provision As of December 31, 2020, the company and its subsidiaries posted outstanding financial guarantees to related parties on shareholding proportion in total of Baht 67.07 million. (Please refer to supplementary note to financial statement no. 36)

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 2020, 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 company has a good corporate governance practice, the risk management system, as well as the internal control system, that 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, 2020, 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, 2020, 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, 2020, 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.

Emphasis of Matters

We draw attention to the following notes to the financial statements.

1. Note 1 to the financial statements which describes the impact of the COVID-19 outbreak to the Group’s business together with management’s actions to this matter.
2. Note 2.4 to the financial statements which describes the adoptions of Thai Financial Reporting Standard (“TFRS”) No. 9 “Financial Instruments” and TFRS 16 “Leases”.

Our opinion is not modified in respect of these matters.

Key Audit Matters

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

| Key Audit Matters | Key Audit Responses |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Provision for goods returned</p> <p>As described in Note 3.23 to the financial statements regarding accounting policy for use of management's judgement.</p> <p>The Company has provision for goods returned which comprise the exercise of significant judgement by management. For assessment of the provision for goods returned, the Company considers it by analyzing historical information of goods returned and future expectations of the goods returned. Therefore, there is a risk that the provision for goods returned may not be completely and accurately recorded.</p> | <p>Our key audit procedures included:</p> <ul style="list-style-type: none"> • Understanding consideration process and internal control procedures related to the provision for goods returned • Testing 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. |
| <p>Valuation of investments in other companies</p> <p>As described in Note 3.7, Note 3.21 and Note 3.23 to the financial statements regarding accounting policies for financial instruments, fair value measurements and use of management's judgement, respectively.</p> <p>The consideration of fair value measurements of investment in other companies is depended on the Group's and the Company's management judgements and significant assumptions.</p> | <p>Our key audit procedures included:</p> <ul style="list-style-type: none"> • Understanding consideration process and internal control procedures related to the fair value measurements of investment in other companies. • Testing the design and implementation of the internal control procedures • Assessing the appropriateness of the methodology applied by the Company's management in evaluating the fair value measurements of investment in other companies and the judgements applied in determining the measurements • Challenging the key assumptions utilized in the estimation of fair value measurements of investment in other companies with reference to historical and market information and; • Assessing the correctness of fair value measurements of investment in other companies and the appropriateness of significant assumptions used in calculation of fair value measurements to determine if they are in compliance with the accounting standards and have been consistently applied. |

Other Information

Management is responsible for the other information. The other information comprises information in the annual report, but does not include the consolidated and separate financial statements and our auditor's report thereon, 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 management and those charged with governance for correction of the misstatement.

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 Group's financial reporting process.

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

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

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

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

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

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

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

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



Manoon Manusook

Certified Public Accountant (Thailand)

Registration No. 4292

BANGKOK

February 24, 2021

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

Statement of Financial Position

THAI WACOAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

AS AT DECEMBER 31, 2020

Unit : Baht

| | NOTES | CONSOLIDATED FINANCIAL STATEMENTS | | SEPARATE FINANCIAL STATEMENTS | |
|-------------------------------------|-------|--------------------------------------|---------------|----------------------------------|---------------|
| | | 2020 | 2019 | 2020 | 2019 |
| ASSETS | | | | | |
| CURRENT ASSETS | | | | | |
| Cash and cash equivalents | 4.1 | 99,332,477 | 235,423,008 | 81,622,865 | 221,644,431 |
| Temporary investments | 9 | - | 504,743,444 | - | 317,293,719 |
| Trade and other current receivables | 5 | 483,007,871 | 844,661,524 | 555,285,963 | 963,259,444 |
| Short-term loans | 6 | 51,530,000 | 21,530,000 | 51,530,000 | 21,530,000 |
| Inventories | 7 | 1,470,656,859 | 1,410,759,704 | 1,346,948,164 | 1,257,335,151 |
| Right to returned goods | 8 | 176,500,000 | 120,400,000 | 176,500,000 | 120,400,000 |
| Other current financial assets | 9 | 348,500,289 | - | 294,075,274 | - |
| Other current assets | | 53,412,587 | 27,346,458 | 46,575,882 | 20,428,452 |
| Non-current assets | | | | | |
| classify as assets held for sales | 10 | - | 430,910,730 | - | 430,910,730 |
| Total Current Assets | | 2,682,940,083 | 3,595,774,868 | 2,552,538,148 | 3,352,801,927 |
| NON-CURRENT ASSETS | | | | | |
| Available-for-sale investments | 11 | - | 1,386,734,291 | - | 1,374,884,291 |
| Other non-current financial assets | 11 | 2,394,926,667 | - | 2,377,609,667 | - |
| Investments in subsidiaries | 12 | - | - | 152,048,897 | 152,048,252 |
| Investments in associates | 13 | 161,441,015 | 180,378,517 | 182,509,728 | 182,509,728 |
| Other long-term investments | 11 | - | 880,848,368 | - | 877,578,368 |
| Long-term loans to subsidiaries | 14 | - | - | 91,000,000 | - |
| Investment property | 15 | 76,795,884 | 80,065,915 | 78,200,145 | 81,470,176 |
| Property, plant and equipment | 16 | 1,168,731,919 | 1,211,296,871 | 1,074,186,243 | 1,094,433,712 |
| Right-of-use assets | 17 | 41,770,936 | - | 37,723,631 | - |
| Intangible assets | 18 | 36,114,655 | 38,826,274 | 35,806,322 | 38,766,980 |
| Leasehold rights | 19 | - | 10,148,803 | - | 10,148,803 |
| Deferred tax assets | 22 | 42,501,989 | - | - | - |
| Other non-current assets | | 62,121,389 | 83,980,923 | 55,323,619 | 68,815,324 |
| Total Non-current Assets | | 3,984,404,454 | 3,872,279,962 | 4,084,408,252 | 3,880,655,634 |
| TOTAL ASSETS | | 6,667,344,537 | 7,468,054,830 | 6,636,946,400 | 7,233,457,561 |

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

THAI WACOAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
AS AT DECEMBER 31, 2020

Unit : Baht

| | NOTES | CONSOLIDATED FINANCIAL STATEMENTS | | SEPARATE FINANCIAL STATEMENTS | |
|---------------------------------------------|-------|--------------------------------------|---------------|----------------------------------|---------------|
| | | 2020 | 2019 | 2020 | 2019 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | | |
| CURRENT LIABILITIES | | | | | |
| Trade and other current payables | 20 | 396,932,539 | 683,176,104 | 443,594,862 | 733,419,885 |
| Current portion of lease liabilities | 21 | 20,879,800 | - | 18,519,001 | - |
| Current provisions for employee benefit | 23 | 45,355,469 | 69,048,733 | 33,512,912 | 49,822,073 |
| Accrued income tax | | 185,894 | 32,260,527 | - | 31,161,570 |
| Other current liabilities | | | | | |
| Provision for goods returned | | 303,800,000 | 208,400,000 | 303,800,000 | 208,400,000 |
| Withholding tax payable | | 7,319,207 | 8,143,012 | 6,821,967 | 6,966,639 |
| Others | | 2,741,281 | 6,449,208 | 84,590 | 2,931,865 |
| | | 313,860,488 | 222,992,220 | 310,706,557 | 218,298,504 |
| Total Current Liabilities | | 777,214,190 | 1,007,477,584 | 806,333,332 | 1,032,702,032 |
| NON-CURRENT LIABILITIES | | | | | |
| Lease liabilities | 21 | 14,459,609 | - | 12,688,521 | - |
| Deferred tax liabilities | 22 | - | 14,705,019 | 4,947,049 | 50,865,238 |
| Non-current provisions for employee benefit | 23 | 527,016,379 | 687,461,143 | 416,338,099 | 482,880,319 |
| Total Non-current Liabilities | | 541,475,988 | 702,166,162 | 433,973,669 | 533,745,557 |
| TOTAL LIABILITIES | | 1,318,690,178 | 1,709,643,746 | 1,240,307,001 | 1,566,447,589 |

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

Statement of Financial Position (Continued)

THAI WACOAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

AS AT DECEMBER 31, 2020

Unit : Baht

| | NOTES | CONSOLIDATED FINANCIAL STATEMENTS | | SEPARATE FINANCIAL STATEMENTS | |
|-----------------------------------------------------------|-------|--------------------------------------|---------------|----------------------------------|---------------|
| | | 2020 | 2019 | 2020 | 2019 |
| LIABILITIES AND SHAREHOLDERS' EQUITY (CONTIUNUED) | | | | | |
| 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 | 24 | 12,000,000 | 12,000,000 | 12,000,000 | 12,000,000 |
| General reserve | 26 | 424,585,591 | 406,172,400 | 424,585,591 | 406,172,400 |
| Unappropriated | | 3,720,955,944 | 4,273,349,402 | 3,754,148,550 | 4,171,054,144 |
| OTHER COMPONENTS OF SHAREHOLDERS' EQUITY | | | | | |
| EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT | | 5,348,467,625 | 5,758,193,224 | 5,396,639,399 | 5,667,009,972 |
| NON-CONTROLLING INTERESTS | | 186,734 | 217,860 | - | - |
| TOTAL SHAREHOLDERS' EQUITY | | | | | |
| TOTAL LIABILITIES AND SHARHOLDERS' EQUITY | | | | | |

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

Statement of Profit or Loss

THAI WACOAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2020

Unit : Baht

| | NOTES | CONSOLIDATED FINANCIAL STATEMENTS | | SEPARATE FINANCIAL STATEMENTS | |
|-------------------------------------------------------|--------|--------------------------------------|----------------------|----------------------------------|----------------------|
| | | 2020 | 2019 | 2020 | 2019 |
| Revenues from sale of goods and rendering of services | 28 | 2,956,205,130 | 4,881,146,386 | 3,133,180,798 | 5,254,683,384 |
| Cost of sale of goods and rendering of services | 29 | (2,229,188,820) | (3,178,547,805) | (2,430,401,841) | (3,744,438,424) |
| Gross Profit | | 727,016,310 | 1,702,598,581 | 702,778,957 | 1,510,244,960 |
| Dividend income | 39 | 51,784,957 | 78,762,766 | 119,202,027 | 164,267,340 |
| Other income | 30 | 256,583,271 | 180,629,880 | 254,418,048 | 207,812,523 |
| Profit before expenses | | 1,035,384,538 | 1,961,991,227 | 1,076,399,032 | 1,882,324,823 |
| Selling expenses | | (752,258,112) | (808,064,125) | (748,703,366) | (803,027,662) |
| Administrative expenses | | (610,525,813) | (724,319,782) | (540,619,347) | (633,538,853) |
| Management benefit expenses | | (57,538,710) | (72,717,236) | (44,889,972) | (56,249,078) |
| Reversal on impairment of investments | | - | 25,010,456 | - | 25,010,456 |
| Profit (loss) from operating activities | | (384,938,097) | 381,900,540 | (257,813,653) | 414,519,686 |
| Financial cost | | (1,383,022) | (19,575) | (1,208,988) | (19,529) |
| Share of profit (loss) from investments in associates | 13 | (18,896,014) | 3,683,543 | - | - |
| Profit (loss) before income tax expenses | | (405,217,133) | 385,564,508 | (259,022,641) | 414,500,157 |
| Income tax (expense) income | 32 | 90,310,730 | (49,475,874) | 80,064,965 | (46,236,333) |
| NET PROFIT (LOSS) FOR THE YEAR | | (314,906,403) | 336,088,634 | (178,957,676) | 368,263,824 |
| PROFIT (LOSS) ATTRIBUTABLE TO | | | | | |
| Owners of the parent | | (314,883,792) | 336,075,224 | - | - |
| Non-controlling interests | | (22,611) | 13,410 | - | - |
| | | (314,906,403) | 336,088,634 | - | - |
| BASIC EARNINGS (LOSS) OF THE COMPANY PER SHARE | | | | | |
| | BAHT | (2.62) | 2.80 | (1.49) | 3.07 |
| 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 ITS SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2020

Unit : Baht

| | CONSOLIDATED FINANCIAL STATEMENTS | | SEPARATE FINANCIAL STATEMENTS | |
|-----------------------------------------------------------------------------------|--------------------------------------|--------------------|----------------------------------|--------------------|
| | 2020 | 2019 | 2020 | 2019 |
| Net profit (loss) for the year | (314,906,403) | 336,088,634 | (178,957,676) | 368,263,824 |
| Other comprehensive income (loss) | | | | |
| Items that will be reclassified subsequently to profit or loss | | | | |
| Exchange differences on translating financial statements of foreign operations | (41,489) | 6,007 | - | - |
| Income tax relating to items that will be reclassified subsequently | 8,297 | (1,201) | - | - |
| Total items that will be reclassified subsequently to profit or loss | | | | |
| - net of income tax | (33,192) | 4,806 | - | - |
| Items that will not be reclassified subsequently to profit or loss | | | | |
| Gains (losses) on remeasurements of defined benefits plan | 11,930,413 | (103,173,246) | 11,871,720 | (77,064,450) |
| losses on measuring financial assets | (277,355,593) | (112,781,496) | (273,161,445) | (112,485,461) |
| Income tax relating to items that will not be reclassified subsequently | 53,085,036 | 43,190,948 | 52,257,945 | 37,909,982 |
| Total items that will not be reclassified subsequently to profit or loss | | | | |
| - net of income tax | (212,340,144) | (172,763,794) | (209,031,780) | (151,639,929) |
| Other comprehensive loss for the year, net of income tax | (212,373,336) | (172,758,988) | (209,031,780) | (151,639,929) |
| TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR | (527,279,739) | 163,329,646 | (387,989,456) | 216,623,895 |
| TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO | | | | |
| Owners of the parent | (527,257,402) | 163,321,568 | - | - |
| Non-controlling interests | (22,337) | 8,078 | - | - |
| | (527,279,739) | 163,329,646 | - | - |

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 ITS SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2020

Unit : Baht

| | Notes | Other components of shareholders' equity | | | | | | | | | | | |
|---------------------------------------------------------------------------------------------------------------------------|-------|------------------------------------------|----------------------------|----------------------------|--------------------------------|----------------------------------------|--------------------------------------------------------------------------------|--------------------------------------------------------------------------------|---------------------------------------------------|----------------------------|---------------|----------|---------------|
| | | Retained earnings | | | | | Other comprehensive income | | | | | Total | |
| | | Issued and paid-up share capital | Premium on ordinary shares | Appropriated Legal reserve | Unappropriated General reserve | (losses) on measuring financial assets | Gains on differences on translating financial statements of foreign operations | Exchange differences on translating financial statements of foreign operations | Losses on remeasurements of defined benefit plans | Other components of equity | | | |
| 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 | 222,546 | 5,811,094,201 |
| Dividend paid | 26 | - | - | - | - | (216,000,000) | - | - | - | - | (216,000,000) | - | (216,000,000) |
| General reserve | 26 | - | - | - | 16,242,421 | (16,242,421) | - | - | - | - | - | - | - |
| Dividend paid to non-controlling interests | | - | - | - | - | - | - | - | - | - | - | (12,764) | (12,764) |
| Total comprehensive income | | - | - | - | - | 336,075,224 | (90,225,050) | 4,806 | (82,533,411) | (172,753,655) | 163,321,569 | 8,078 | 163,329,647 |
| 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 | 5,758,411,084 |
| Balance as at January 1, 2020 | | | | | | | | | | | | | |
| - As previously reported | | 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 | 5,758,411,084 |
| The effects from first-time adoption of new accounting policies | 2.4 | - | - | - | - | 594,896 | 344,936,907 | - | - | 344,936,907 | 345,531,803 | - | 345,531,803 |
| Balance as at January 1, 2020 | | | | | | | | | | | | | |
| - Restated | | 120,000,000 | 297,190,000 | 12,000,000 | 406,172,400 | 4,273,944,298 | 1,078,488,185 | 15,506 | (84,085,362) | 994,418,329 | 6,103,725,027 | 217,860 | 6,103,942,887 |
| Dividend paid | 26 | - | - | - | - | (228,000,000) | - | - | - | - | (228,000,000) | - | (228,000,000) |
| General reserve | 26 | - | - | - | 18,413,191 | (18,413,191) | - | - | - | - | - | - | - |
| Dividend paid to non-controlling interests | | - | - | - | - | - | - | - | - | - | - | (8,789) | (8,789) |
| Transfer of gain on measuring financial assets upon disposal of investments in equity instruments designated as at FVTOCI | 11.1 | - | - | - | - | 8,308,629 | (8,308,629) | - | - | (8,308,629) | - | - | - |
| Total comprehensive income | | - | - | - | - | (314,883,792) | (221,884,475) | (33,192) | 9,544,057 | (212,373,610) | (527,257,402) | (22,337) | (527,279,739) |
| Ending balance as at December 31, 2020 | | 120,000,000 | 297,190,000 | 12,000,000 | 424,585,591 | 3,720,955,944 | 848,295,081 | (17,686) | (74,541,305) | 773,736,090 | 5,348,467,625 | 186,734 | 5,348,654,359 |

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 ITS SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2020

Unit : Baht

| | Note | Other components of shareholders' equity | | | | | | |
|---------------------------------------------------------------------------------------------------------------------------|------|------------------------------------------|----------------------------|---------------|----------------------------|----------------------------------------------|---------------------------------------------------|----------------------------|
| | | Retained earnings | | | Other comprehensive income | | Total | Total shareholders' equity |
| | | Issued and paid-up share capital | Premium on ordinary shares | Appropriated | Unappropriated | Gains (losses) on measuring financial assets | Losses on remeasurements of defined benefit plans | |
| | | | | Legal reserve | General reserve | | | |
| 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 | 812,233,357 |
| Dividend paid | 26 | - | - | - | - | (216,000,000) | - | - |
| General reserve | 26 | - | - | - | 16,242,421 | (16,242,421) | - | - |
| Total comprehensive income | | - | - | - | - | 368,263,824 | (89,988,369) | (151,639,929) |
| 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 | 5,667,009,972 |
| Balance as at January 1, 2020 | | 120,000,000 | 297,190,000 | 12,000,000 | 406,172,400 | 4,171,054,144 | 731,494,610 | 660,593,428 |
| - As previously reported | | 120,000,000 | 297,190,000 | 12,000,000 | 406,172,400 | 4,171,054,144 | 731,494,610 | 660,593,428 |
| The effects from first-time adoption of new accounting policies | 2.4 | - | - | - | - | 156,644 | - | 345,462,239 |
| Balance as at January 1, 2020 | | 120,000,000 | 297,190,000 | 12,000,000 | 406,172,400 | 4,171,210,788 | 1,076,956,849 | 6,012,628,855 |
| - Restated | | 120,000,000 | 297,190,000 | 12,000,000 | 406,172,400 | 4,171,210,788 | 1,076,956,849 | 6,012,628,855 |
| Dividend paid | 26 | - | - | - | - | (228,000,000) | - | (228,000,000) |
| General reserve | 26 | - | - | - | 18,413,191 | (18,413,191) | - | - |
| Transfer of gain on measuring financial assets upon disposal of investments in equity instruments designated as at FVTOCI | 11.1 | - | - | - | - | 8,308,629 | (8,308,629) | - |
| Total comprehensive income | | - | - | - | - | (178,957,676) | 9,497,376 | (387,989,456) |
| Ending balance as at December 31, 2020 | | 120,000,000 | 297,190,000 | 12,000,000 | 424,585,591 | 3,764,148,550 | 850,119,064 | 5,396,639,399 |

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

Statement of Cash Flows

THAI WACOAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2020

Unit : Baht

| | NOTES | CONSOLIDATED FINANCIAL STATEMENTS | | SEPARATE FINANCIAL STATEMENTS | |
|------------------------------------------------------------------------------------|-------|--------------------------------------|--------------|----------------------------------|---------------|
| | | 2020 | 2019 | 2020 | 2019 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Profit (loss) before income tax | | (405,217,133) | 385,564,508 | (259,022,641) | 414,500,157 |
| Adjustments : | | | | | |
| Depreciation of investment property and plant and equipment | | 86,838,471 | 94,178,971 | 64,042,189 | 63,410,166 |
| Amortization of intangible assets and leasehold rights | 18 | 6,326,919 | 10,320,607 | 6,232,559 | 10,248,007 |
| Depreciation of rights of used assets | 17 | 29,308,355 | - | 25,926,399 | - |
| Gain on sale of investment property | 30 | (193,653,585) | (81,916,995) | (193,653,585) | (81,916,995) |
| Gain on sale of property, plant and equipment | 30 | (981,619) | (4,353,894) | (889,618) | (31,609,716) |
| 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) | - | (350,072) |
| Share of (profit) loss from investments in associates | 13 | 18,896,014 | (3,683,543) | - | - |
| Unrealized (gain) loss on exchange rate | | (30,547) | 250,621 | (30,547) | 250,621 |
| Dividend income from investments | | (51,784,957) | (78,762,766) | (119,202,027) | (164,267,340) |
| Loss of provision from goods returned | | 39,300,000 | 63,000,000 | 39,300,000 | 63,000,000 |
| Loss on devaluation of inventories | 7 | 50,369,682 | 44,333,438 | 42,403,507 | 41,863,522 |
| (Gain) loss on sale of investments | 4.2.2 | (2,582,604) | 9,823,790 | (2,017,191) | 10,362,601 |
| (Reversal) loss on impairment of investments | 4.2.2 | - | (25,010,456) | - | (25,010,456) |
| (Gain) loss on measured fair value through profit or loss | 4.2.2 | 1,664,085 | (561,201) | 1,592,139 | (561,201) |
| Employee benefit expense | 23 | 205,654,453 | 59,850,690 | 128,305,690 | 44,217,920 |
| Interest income | | (10,528,786) | (8,758,683) | (10,110,437) | (8,056,093) |
| Interest expense | | 1,383,022 | 19,575 | 1,208,988 | 19,529 |
| | | (225,038,230) | 462,820,946 | (275,914,575) | 334,977,006 |

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

Statement of Cash Flows (Continued)

THAI WACOAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2020

Unit : Baht

| | NOTES | CONSOLIDATED | | SEPARATE | |
|-----------------------------------------------------|-------|----------------------|---------------|----------------------|---------------|
| | | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | | 2020 | 2019 | 2020 | 2019 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| (CONTINUED) | | | | | |
| Changes in operating assets and liabilities | | | | | |
| Operating assets (increase) decrease | | | | | |
| Trade and other current receivables | | 360,603,183 | (42,071,867) | 406,960,885 | (39,317,791) |
| Inventories | | (110,210,416) | (153,082,580) | (132,016,520) | (211,200,197) |
| Other current assets | | (26,066,129) | (4,974,202) | (26,147,430) | (6,143,634) |
| Other non-current assets | | 21,859,534 | 31,307,376 | 13,491,705 | 31,365,721 |
| Operating liabilities increase (decrease) | | | | | |
| Trade and other current payables | | (183,993,799) | (86,622,469) | (186,279,892) | (60,415,449) |
| Withholding tax payable | | (823,805) | 1,067,651 | (144,672) | 1,076,321 |
| Other current liabilities | | (3,707,926) | (2,991,914) | 2,847,275 | (3,297,843) |
| Cash paid for employee benefit | 23 | (377,901,498) | (55,393,280) | (199,324,781) | (38,462,894) |
| Cash received (paid) from operations | | (545,279,086) | 150,059,661 | (396,528,005) | 8,581,240 |
| Cash paid for interest expense | | (58) | (47) | - | - |
| Cash paid for income tax | | (32,260,527) | (71,365,567) | - | (68,235,752) |
| Net cash provided by (used in) operating activities | | (577,539,671) | 78,694,047 | (396,528,005) | (59,654,512) |

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

THAI WACOAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2020

Unit : Baht

| | NOTES | CONSOLIDATED | | SEPARATE | |
|---------------------------------------------------------|-------|----------------------|--------------------|----------------------|--------------------|
| | | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | | 2020 | 2019 | 2020 | 2019 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| (Increase) decrease in deposit at bank under obligation | | (163,500,000) | 2,017,618 | 2,492,779 | 2,017,618 |
| (Increase) decrease in other current financial assets | | 354,025,033 | (126,719,446) | 23,217,799 | (85,628,982) |
| Payments for long-term loans to subsidiaries | | - | - | (102,000,000) | - |
| Proceeds from long-term loans to subsidiaries | | - | - | 11,000,000 | - |
| Payments for short-term loans to other | | (45,000,000) | (20,000,000) | (45,000,000) | (20,000,000) |
| Proceeds from short-term loans to other | | 15,000,000 | 20,000,000 | 15,000,000 | 20,000,000 |
| Payments for purchase of investments in subsidiaries | | - | - | - | - |
| Payments for purchase of general investments | | (60,000,000) | (51,500,000) | (60,000,000) | (51,500,000) |
| Proceeds from capital reduction general investments | | 9,250,140 | 2,113,568 | 9,250,140 | 2,113,568 |
| Proceeds from sale of general investments | | 45,424,311 | 2,940,000 | 45,424,311 | 2,940,000 |
| Proceeds from sale of available-for-sale securities | | - | 6,990,936 | - | 6,990,936 |
| Proceeds from long-term investments | | - | 53,568 | - | 53,568 |
| Proceeds from debt securities | | - | 50,000,000 | - | 50,000,000 |
| Payments for purchase of debt securities | | (5,000,000) | (70,000,000) | (5,000,000) | (70,000,000) |
| Proceeds from sale of investment property | | - | 269,513,630 | - | 296,831,076 |
| Proceeds from advance received for land | | - | 100,000,000 | - | 100,000,000 |
| Proceeds from sale of land | | 524,564,315 | - | 524,564,315 | - |
| Payments for purchase of property, plant and equipment | | | | | |
| intangible assets and leasehold rights | 4.2.1 | (47,659,580) | (74,088,073) | (46,781,341) | (58,437,855) |
| Proceeds from sale of property, plant and equipment | | 6,147,655 | 9,874,761 | 5,575,418 | 6,296,553 |
| Proceeds from sale of intangible assets | | - | 419,251 | - | 419,251 |
| Cash received from dividends | | 55,160,587 | 75,387,136 | 122,577,657 | 160,891,710 |
| Cash received from interest income | | 8,086,342 | 8,518,898 | 7,747,405 | 7,880,106 |
| Net cash provided by investing activities | | 696,498,803 | 205,521,847 | 508,068,483 | 370,867,549 |

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

Statement of Cash Flows (Continued)

THAI WACOAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2020

Unit : Baht

| | NOTES | CONSOLIDATED FINANCIAL STATEMENTS | | SEPARATE FINANCIAL STATEMENTS | |
|--|-------|--------------------------------------|------|----------------------------------|------|
| | | 2020 | 2019 | 2020 | 2019 |

| | | | | | |
|--------------------------------------------------------------|-----|---------------|---------------|---------------|---------------|
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | |
| Dividends paid to shareholders | | (228,000,000) | (216,000,000) | (228,000,000) | (216,000,000) |
| Dividends paid to non-controlling interests | | (8,789) | (12,764) | - | - |
| Payment for lease liabilities | 4.3 | (27,071,421) | (283,896) | (23,592,591) | (283,896) |
| Net cash used in financing activities | | (255,080,210) | (216,296,660) | (251,592,591) | (216,283,896) |
| Effect of exchange rate changes on cash and cash equivalents | | 30,547 | (207,362) | 30,547 | (207,362) |
| Net increase (decrease) in cash and cash equivalents | | (136,090,531) | 67,711,872 | (140,021,566) | 94,721,779 |
| Cash and cash equivalents as at January 1, | | 235,423,008 | 167,711,136 | 221,644,431 | 126,922,652 |
| Cash and cash equivalents as at December 31, | 4.1 | 99,332,477 | 235,423,008 | 81,622,865 | 221,644,431 |

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, 2020

1. OPERATIONS OF THE COMPANY AND ITS 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, Bangkoklaem 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, Bangkoklaem 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.

Coronavirus Disease 2019 Pandemic

The Coronavirus disease 2019 (“COVID-19”) pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Company and its subsidiaries operate. The Company and its subsidiaries have taken actions to the pandemic as follows.

Temporary cease operation

On April 21, 2020 the subsidiaries' management, Wacoal Kabinburi Co., Ltd., Wacoal Lamphun Co., Ltd., and Pattaya Kabinburi Co., Ltd., had announced temporary cease operation during May 1, 2020 to July 29, 2020 for 90 days, and Wacoal Siracha Co., Ltd., had announced temporary cease operation during May 1, 2020 to May 31, 2020 for 31 days and on May 4, 2020 the subsidiaries' management, Tora 1010 Co., Ltd., had announced temporary cease operation during May 15, 2020 to June 14, 2020 for 31 days. Under the Labor Protection Act, and Social Security Law under COVID-19 pandemic situation, the employees as insured person will receive unemployment benefit by 62% of daily wage throughout the temporary cease operation but not over than 90 days. The temporary cease operation of the subsidiaries have no significant effect to the operation of the Company and its subsidiaries. The subsidiaries had resumed its normal operation after the end of the date of announced temporary cease operation.

Organization downsizing

On August 1, 2020 the Company and its subsidiaries' management decided to downsize organization which had announced early voluntary retirement project to conform to the reduction of workload and purchase order. The Company and its subsidiaries recognized expenses from such project in the consolidated and separate financial statements for the year ended December 31, 2020 in amount of Baht 334.77 million and Baht 170.27 million, respectively (see Note 23).

Nevertheless, the Company and its subsidiaries' management will continue monitoring the ongoing development and regularly assessing the financial impact in respect of valuation of assets, provisions and contingent liabilities.

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, 2020 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.3) B.E. 2562" dated December 26, 2019.
- 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 and guidelines on accounting issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2020. 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. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements, except the following financial reporting standards.

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 |

In the current year, the Company and its subsidiaries have initially applied the Company and its subsidiaries of Financial Instruments Standards. The Company and its subsidiaries have elected to recognize the cumulative effect of initially adopting of TFRS 9 as an adjustment to the opening balance of retained earnings and other components of shareholders' equity of the reporting period.

TFRS 9 introduced new requirements for:

- 1) The classification and measurement of financial assets and financial liabilities;
- 2) Impairment of financial assets; and
- 3) General hedge accounting.

The Company and its subsidiaries have applied TFRS 9 in accordance with the transition provisions set out in TFRS 9.

(a) Classification and measurement of financial assets

The date of initial application is on January 1, 2020. Accordingly, the Company and its subsidiaries have applied the requirements of TFRS 9 to instruments that continue to be recognized as at January 1, 2020 and have not applied the requirements to instruments that have already been derecognized as at January 1, 2020. Comparative amounts in relation to instruments that continue to be recognized as at January 1, 2020 have not been restated.

All recognized financial assets that are within the scope of TFRS 9 are required to be measured subsequently at amortized cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets specifically:

- Debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortized cost;
- All other debt investments and equity investments are measured subsequently at fair value through profit or loss (FVTPL).

The Company and its subsidiaries may take the following irrevocable election/designation at initial recognition of a financial asset;

- The Company and its subsidiaries may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination in other comprehensive income.

When a debt investment measured at FVTOCI is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. When an equity investment designated as measured at FVTOCI is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is subsequently transferred to retained earnings.

Debt instruments that are measured subsequently at amortized cost or at FVTOCI are subject to impairment.

The director of the Company reviewed and assessed the Company and its subsidiaries' existing financial assets as at January 1, 2020 based on the facts and circumstances that existed at that date and concluded that the initial application of TFRS 9 has had the following impact on the Company and its subsidiaries' financial assets as regards their classification and measurement:

- The Company and its subsidiaries' investments in equity instruments (neither held for trading nor a contingent consideration arising from a business combination) that were previously classified as investments held as available-for-sale and were measured at fair value at each reporting date under TAS 105 "Accounting for Investments in Debt and Equity Securities" have been designated as at FVTOCI. The change in fair value on these equity instruments continues to be accumulated in the investment revaluation reserve;
- There is no change in the measurement of the Company and its subsidiaries' investments in equity instruments that are held for trading; those instruments were and continue to be measured at FVTPL;
- Investments classified as held-to-maturity under TAS 105 "Accounting for Investments in Debt and Equity Securities" and loans and receivables as they are held within a business model to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding.

None of the other reclassifications of financial assets have had any impact on the Company and its subsidiaries' financial position, profit or loss, other comprehensive income or total comprehensive income in either year.

(b) Impairment of financial assets

In relation to the impairment of financial assets, TFRS 9 requires an expected credit loss model. The expected credit loss model requires the Company and its subsidiaries to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

Specifically, TFRS 9 requires the Company and its subsidiaries to recognize a loss allowance for expected credit losses on trade receivables.

(c) General hedge accounting

Consistent with prior periods, when a forward contract is used in a cash flow hedge or fair value hedge relationship, the Company and its subsidiaries have designated the change in fair value of the entire forward contract, i.e. including the forward element, as the hedging instrument as existing method.

Apart from this, the application of the TFRS 9 hedge accounting requirements has had no other impact on the results and financial position of the Company and its subsidiaries for the current year.

(d) Disclosure in relation to the initial application of TFRS 9

The table below shows information relating to financial assets that have been reclassified as a result of transition to TFRS 9.

| | | | | | Unit :Thousand Baht |
|---------------------------------------------------------------------------|-----------------------------------------|-------------------|----------------|----------------------------------------------|----------------------------------------------------------|
| Consolidated financial statements | | | | | |
| | (1) | (2) | (3) | (4)=(1)+(2)+(3) | Category |
| | Carrying amount as of December 31, 2019 | Reclassifications | Remeasurements | TFRS 9 Carrying amount as of January 1, 2020 | |
| Trade and other receivables | | | | | |
| Other receivables - other companies | 2,427 | (117) | - | 2,310 | Foreign currency forward contracts receivables |
| Temporary investments | | | | | |
| Time deposits | 78,002 | (78,002) | - | - | Time deposits |
| Short-term investments in trading securities - equity securities | 4,073 | (4,073) | - | - | Other current financial assets FVTPL - equity securities |
| Short-term investments in trading securities - debt securities | 11,955 | (11,955) | - | - | Other current financial assets FVTPL - debt securities |
| Short-term investments in available-for-sale securities - debt securities | 410,713 | (410,713) | - | - | Other current financial assets FVTPL - debt securities |
| Total | 504,743 | (504,743) | - | - | |

| Consolidated financial statements | | | | | |
|-------------------------------------------------------------------------------|--------------------------------------------------|--------------------|----------------|----------------------------------------------------------|------------------------------------------------------------------|
| | (1) | (2) | (3) | (4)=(1)+(2)+(3) | |
| | Carrying amount as of December 31, 2019 | Reclassifications | Remeasurements | TFRS 9 Carrying amount as of January 1, 2020 | Category |
| Other current financial assets | | | | | |
| Time deposits | - | 78,002 | - | 78,002 | Time deposits |
| Foreign currency forward contracts receivables | - | 117 | - | 117 | Foreign currency forward contracts receivables |
| Short-term investments in trading securities - equity securities | - | 4,073 | - | 4,073 | Other current financial assets FVTPL - equity securities |
| Short-term investments in trading securities - debt securities | - | 11,955 | - | 11,955 | Other current financial assets FVTPL - debt securities |
| Short-term investments in available- for-sale securities - debt securities | - | 410,713 | - | 410,713 | Other current financial assets FVTPL - debt securities |
| Total | - | 504,860 | - | 504,860 | |
| Available-for-sale investments | | | | | |
| Long-term available-for-sale - equity securities | 1,379,667 | (1,379,667) | - | - | Equity instruments designated as at FVTOCI |
| Long-term available-for-sale - debt securities | 7,067 | (7,067) | - | - | Other non-current financial assets FVTPL - debt securities |
| Total | 1,386,734 | (1,386,734) | - | - | |
| General investments | | | | | |
| General investments | 730,848 | (730,848) | - | - | Equity instruments designated as at FVTOCI |
| Held to maturity investments | 150,000 | (150,000) | - | - | Other non-current financial assets amortized cost |
| Total | 880,848 | (880,848) | - | - | |

| | Consolidated financial statements | | | | |
|-------------------------------------|--------------------------------------------------|-------------------|----------------|----------------------------------------------------------|--------------------------|
| | (1) | (2) | (3) | (4)=(1)+(2)+(3) | |
| | Carrying amount as of December 31, 2019 | Reclassifications | Remeasurements | TFRS 9 Carrying amount as of January 1, 2020 | Category |
| Other non-current financial assets | | | | | |
| Long-term available-for-sale | | | | | Equity instruments |
| - equity securities | - | 1,379,667 | - | 1,379,667 | designated as at FVTOCI |
| Long-term available-for-sale | | | | | Other non-current |
| - debt securities | - | 7,067 | - | 7,067 | financial assets FVTPL |
| | | | | | - debt securities |
| General investments | - | 730,848 | 431,914 | 1,162,762 | Equity instruments |
| | | | | | designated as at FVTOCI |
| Held to maturity investments | - | 150,000 | - | 150,000 | Other non-current |
| | | | | | financial assets |
| | | | | | amortized cost |
| Total | - | 2,267,582 | 431,914 | 2,699,496 | |
| Trade and other payables | | | | | |
| Other payables - other companies | 35,461 | (50) | - | 35,411 | Foreign currency forward |
| | | | | | contracts payables |
| Other current financial liabilities | | | | | |
| Foreign currency forward | | | | | Foreign currency forward |
| contracts payables | - | 50 | - | 50 | contracts payables |

| | Separate financial statements | | | | Category |
|-------------------------------------------------------------------------------|---------------------------------------------------------|--------------------------|-----------------------|-----------------------------------------------------------------------------|----------------------------------------------------------------|
| | (1) Carrying amount as of December 31, 2019 | (2) Reclassifications | (3) Remeasurements | (4)=(1)+(2)+(3) TFRS 9 Carrying amount as of January 1, 2020 | |
| Trade and other receivables | | | | | |
| Other receivables - other companies | 501 | (117) | - | 384 | Foreign currency forward contracts receivables |
| Temporary investments | | | | | |
| Time deposits | 30,001 | (30,001) | - | - | Time deposits |
| Short-term investments in trading securities - equity securities | 4,073 | (4,073) | - | - | Other current financial assets FVTPL - equity securities |
| Short-term investments in trading securities - debt securities | 11,955 | (11,955) | - | - | Other current financial assets FVTPL - debt securities |
| Short-term investments in available- for-sale securities - debt securities | 271,265 | (271,265) | - | - | Other current financial assets FVTPL - debt securities |
| Total | 317,294 | (317,294) | - | - | |
| Other current financial assets | | | | | |
| Time deposits | - | 30,001 | - | 30,001 | Time deposits |
| Foreign currency forward contracts receivables | - | 117 | - | 117 | Foreign currency forward contracts receivables |
| Short-term investments in trading securities - equity securities | - | 4,073 | - | 4,073 | Other current financial assets FVTPL - equity securities |
| Short-term investments in trading securities - debt securities | - | 11,955 | - | 11,955 | Other current financial assets FVTPL - debt securities |
| Short-term investments in available- for-sale securities - debt securities | - | 271,265 | - | 271,265 | Other current financial assets FVTPL - debt securities |
| Total | - | 317,411 | - | 317,411 | |

| Separate financial statements | | | | | Category |
|--------------------------------------------|-------------------|--------------------|----------------------------------------------|------------------|--------------------------|
| (1) | (2) | (3) | (4)=(1)+(2)+(3) | | |
| Carrying amount as of December 31, 2019 | Reclassifications | Remeasurements | TFRS 9 Carrying amount as of January 1, 2020 | | |
| Available-for-sale investments | | | | | |
| Long-term available-for-sale | | | | | Equity instruments |
| - equity securities | 1,367,817 | (1,367,817) | - | - | designated as at FVTOCI |
| Long-term available-for-sale | | | | | Other non-current |
| - debt securities | 7,067 | (7,067) | - | - | financial assets FVTPL |
| | | | | | - debt securities |
| Total | 1,374,884 | (1,374,884) | - | - | |
| General investments | | | | | |
| General investments | 727,578 | (727,578) | - | - | Equity instruments |
| | | | | | designated as at FVTOCI |
| Held to maturity investments | 150,000 | (150,000) | - | - | Other non-current |
| | | | | | financial assets |
| | | | | | amortized cost |
| Total | 877,578 | (877,578) | - | - | |
| Other non-current financial assets | | | | | |
| Long-term available-for-sale | | | | | Equity instruments |
| - equity securities | - | 1,367,817 | - | 1,367,817 | designated as at FVTOCI |
| Long-term available-for-sale | | | | | Other current financial |
| - debt securities | - | 7,067 | - | 7,067 | assets FVTPL |
| | | | | | - debt securities |
| General investments | - | 727,578 | 432,024 | 1,159,602 | Equity instruments |
| | | | | | designated as at FVTOCI |
| Held to maturity investments | - | 150,000 | - | 150,000 | Other non-current |
| | | | | | financial assets |
| | | | | | amortized cost |
| Total | - | 2,252,462 | 432,024 | 2,684,486 | |
| Trade and other payables | | | | | |
| Other payables - other companies | 32,378 | (50) | - | 32,328 | Foreign currency forward |
| | | | | | contracts payables |
| Other current financial liabilities | | | | | |
| Foreign currency forward | | | | | Foreign currency forward |
| contracts payables | - | 50 | - | 50 | contracts payables |

(e) Impact of initial application of TFRS 9 on financial position

The tables below show the amount of adjustment for each financial statement line item affected by the application of TFRS 9 for the current year.

Unit: Thousand Baht

| Impact on assets, liabilities and equity as at 1 January 2020 | Consolidated financial statements | | |
|------------------------------------------------------------------|-----------------------------------|-----------------------|------------------|
| | As previously reported | TFRS 9 adjustments | As restated |
| Investments in non-current financial assets | 2,267,582 | 431,914 | 2,699,496 |
| Deferred tax liabilities | (14,705) | (86,382) | (101,087) |
| Total effect on net assets | 2,252,877 | 345,532 | 2,598,409 |
| Retained earnings - unappropriated | 4,273,349 | 595 | 4,273,944 |
| Other comprehensive income | 733,551 | 344,937 | 1,078,488 |
| Total effect on shareholders' equity | 5,006,900 | 345,532 | 5,352,432 |

Unit: Thousand Baht

| Impact on assets, liabilities and equity as at 1 January 2020 | Separate financial statements | | |
|------------------------------------------------------------------|-------------------------------|-----------------------|------------------|
| | As previously reported | TFRS 9 adjustments | As restated |
| Investments in non-current financial assets | 2,252,462 | 432,024 | 2,684,486 |
| Deferred tax liabilities | (50,865) | (86,405) | (137,270) |
| Total effect on net assets | 2,201,597 | 345,619 | 2,547,216 |
| Retained earnings - unappropriated | 4,171,054 | 156 | 4,171,210 |
| Other comprehensive income | 731,495 | 345,463 | 1,076,958 |
| Total effect on shareholders' equity | 4,902,549 | 345,619 | 5,248,168 |

The application of TFRS 9 has had no impact on the consolidated and separate cash flows of the Company and its subsidiaries.

Thai Financial Reporting Standards No. 16 "Leases"

The Company and its subsidiaries have applied TFRS 16 using the cumulative effect and does not restate the comparative information and continue to present comparative information under TAS 17 and TFRIC 4.

a) Impact of the new definition of a lease

The change in definition of a lease mainly relates to the concept of control. TFRS 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on “risk and rewards” in TAS 17 and TFRIC 4.

The Company and its subsidiaries applies the definition of a lease and related guidance set out in TFRS 16 to all lease contracts entered into or changed on or after January 1, 2020 (whether it is a lessor or a lease in the lease contract). In preparation for the first-time application TFRS 16, the Company and its subsidiaries have carried out an implementation project. The project has shown that the new definition in TFRS 16 will not significantly change the scope of contracts that meet the definition of a lease for the Company and its subsidiaries.

b) Impact on Lessee Accounting

Former operating leases

TFRS 16 changes how the Company and its subsidiaries accounts for lease previously classified as operating leases under TAS 17, which were off balance sheet.

Applying TFRS 16, for all leases (except as noted below), the Company and its subsidiaries:

- 1) Recognizes right-of-use assets and lease liabilities in the consolidated and separate statement of financial position, initially measured at the present value of the future lease payments, with the right-of-use asset adjusted by the amount of any prepaid or accrued lease payments in accordance with TFRS 16.
- 2) Recognizes depreciation of right-of-use assets and interest on lease liabilities in the consolidated and separate statement of profit or loss.
- 3) Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities) in the consolidated and separate statement of cash flows.

Under TFRS 16, right-of-use assets are tested for impairment in accordance with TAS 36.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (which includes please insert specific assets (i.e. tablets and personal computers, small items of office furniture and telephones)), the Company and its subsidiaries have opted to recognize a lease expense on a straight-line basis as permitted by TFRS 16. This expense is presented within “expenses” in profit or loss.

Financial impact of the initial application of TFRS 16

The Company and its subsidiaries recognized lease liabilities in relation to leases, which had previously been classified as operating leases under the principles of TAS 17. The right-of-use assets were measured at amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position immediately before the date of initial application. These liabilities were measured at the present value of the remaining lease payments,

discounted using the Company and its subsidiaries' incremental borrowing rates. The weight average lessees incremental borrowing rate applied to lease liabilities recognized in the statement of financial position on January 1, 2020 is 3% per annum.

The following table shows the operating lease commitments disclosed applying TAS 17 at December 31, 2019, discounted using incremental borrowing rate at the date of initial application and the lease liabilities recognized in the statement of financial position at the date of initial application.

Impacts as at January 1, 2020 are as follows:

| | Unit: Million Baht | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|----------------------------------|
| | Consolidated financial statements | Separate financial statements |
| Operating lease commitments as at December 31, 2019 | 40.03 | 38.63 |
| Service agreements | (10.84) | (10.84) |
| Effect of discounting the above amounts | (2.50) | (2.19) |
| Present value of the lease payments due in periods covered by extension options that are included in the lease term and not previously included in operating lease commitments | 35.61 | 28.83 |
| Lease liabilities recognized as at January 1, 2020 | 62.30 | 54.43 |

The Company and its subsidiaries have recognized right-of-use assets and lease liabilities in consolidated and separate financial statement in amount of Baht 62.30 million and Baht 54.43 million as at January 1, 2020 upon transition to TFRS 16.

2.5 Thai Financial Reporting Standard No.16 "Leases"

TFRS 16 has been amended for the Rent Concessions related to COVID-19, which is effective from 1 June 2020 with earlier application permitted. The amendment permits lessees, as a practical expedient, not to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications. In addition, the revised TFRS 16 also added the requirements for the temporary exception arising from interest rate benchmark reform, which an entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. This revised TFRS 16 has been announced in the Royal Gazette on January 27, 2021.

The Company and its subsidiaries have not applied this Thai Financial Reporting Standard in the preparation of the financial statements for the year ended December 31, 2020 above

2.6 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, 2021 onwards. These financial

reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revisions to references to the Conceptual Framework in TFRSs, except for the revisions of definitions and accounting requirements as follows:

Conceptual Framework for Financial Reporting

The revised Conceptual Framework for Financial Reporting consisted of the revised definitions and recognition criteria of asset and liability as well as new guidance on measurement, derecognition of asset and liability, presentation and disclosure. In addition, this Conceptual Framework for Financial Reporting clearly clarifies management's stewardship of the entity's economic resources, prudence, and measurement uncertainty of financial information.

Definition of Business

The revised Thai Financial Reporting Standard No.3 "Business Combinations" clearly clarifies the definition of business and introduce an optional concentration test. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. This revised financial reporting standard requires prospective method for such amendment. Earlier application is permitted.

Definition of Materiality

The revised definition of materiality resulted in the amendment of Thai Accounting Standards No.1 "Presentation of Financial Statements" and Thai Accounting Standards No.8 "Accounting Policies, Changes in Accounting Estimates and Errors", including other financial reporting standards which refer to materiality. This amendment is intended to make the definition of material to comply with the Conceptual Framework which requires prospective method for such amendment. Earlier application is permitted.

The Interest Rate Reform

Due to the interest rate reform, there are the amendments of specific hedge accounting requirements in Thai Financial Reporting Standard No.9 "Financial Instruments" and Thai Financial Reporting Standard No.7 "Financial Instruments: Disclosures".

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 is in the process to assess the impact of these TFRSs on the financial statements of The Company and its subsidiaries in the period of initial application.

Accounting Treatment Guidance on "The temporary relief measures for additional accounting alternatives to alleviate the impacts from COVID-19 outbreak"

This accounting treatment guidance is the option for all entities applying Financial Reporting Standards for Publicly Accountable Entities. Since the preparation of financial statements during the period, which COVID-19 situation still be highly uncertainty as at the end of reporting period may cause the entities' management to use the critical judgment in the estimation or the measurement and recognition of accounting transactions. Objective of this accounting treatment guidance is to alleviate some of the impact of applying

certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation. The entities can apply this accounting treatment guidance for the preparation of financial statements with the reporting period ending within the period from January 1, 2020 to December 31, 2020.

As at December 31, 2020, the Company and its subsidiaries' management decided to stop using temporary relief measures as above which the Company and its subsidiaries adopt in interim financial statements for period ended March 31, 2020, June 30, 2020 and September 30, 2020 following

- Not to take into account forward-looking information when determining expected credit losses, in cases where the Company and its subsidiaries use a simplified approach to determine expected credit losses.
- To measure the fair value of investments in unquoted equity instruments using the fair value as at 1 January 2020.
- Not to account for any reduction in lease payments by lessors (if any) as a lease modification, with the lease liabilities that come due in each period reduced in proportion to the reduction and depreciation of right-of-use assets and interest on lease liabilities recognised in each period reversed in proportion to the reduction, with any differences then recognised in profit or loss.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, Impairment of Assets.
- Not to use information relating to the COVID-19 situation that may affect the estimated future taxable profit used for sufficient estimated future taxable profit to utilize the deferred tax's benefit.

3. SIGNIFICANT ACCOUNTING POLICIES

The English version of the consolidated and separate financial statements have been prepared from the Thai version of the consolidated and separate financial statements prepared by law. In the event of any conflict or different interpretation of the two different languages, the Thai version consolidated and separate financial statements in accordance with the Thai law is superseded.

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

3.1 Basis of preparation of the consolidation financial statements

The Consolidated financial statements comprise the Company and its subsidiaries' financial statements and the Company and its subsidiaries' interest in associates.

Transactions eliminated on consolidation financial statements

Significant intra-group balances and transactions have been eliminated in the preparation of the consolidated financial statements. The consolidated financial statements for the years ended December 31, 2020 and 2019 were prepared by using the financial statements of its subsidiaries and associates as of the same date.

3.2 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.

3.3 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.

Other income and expenses are recognized on an accrual basis.

Expenses are recognized on an accrual basis.

3.4 Trade and other current receivables

a) Policies applicable from January 1, 2020

Trade receivables are stated at cost net of allowance for expected credit losses.

The allowance for expected credit losses has disclosed in Note 3.7.

b) Policies applicable prior to January 1, 2020

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.

3.5 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.

In the case of manufactured inventories and work-in-progress, cost is based on the standard cost which is adjusted to the proximity of the average cost including an appropriate share of production overheads based on normal operating capacity.

3.6 Investments

Policies applicable prior to January 1, 2020

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.

3.7 Financial instruments

Policies applicable from January 1, 2020

Financial assets and financial liabilities are recognized in the Company and subsidiaries' statement of financial position when the Company and its subsidiaries become a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortized cost;

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Company and its subsidiaries may make the following irrevocable election/designation at initial recognition of a financial asset;

- The Company and its subsidiaries may irrevocable elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (ii) below);

(i) Amortized cost and effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period.

Interest income is recognized in profit or loss and is included in the “finance income - interest income” line item.

(ii) Equity instruments designated as at FVTOCI

On initial recognition, the Company and its subsidiaries may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs.

Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not be classified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss in accordance with TFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the “finance income” line item in profit or loss.

The Company and its subsidiaries have designated all investments in equity instruments that are not held for trading as at FVTOCI on initial application of TFRS 9 (see Note 2.4).

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI (see (i) to (ii) above) are measured at FVTPL specifically;

- Investments in equity instruments are classified as at FVTPL, unless the Company and its subsidiaries designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition (see (ii) above).

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship (see hedge accounting policy). The net gain or loss recognized in profit or loss includes any dividend or interest earned on the financial asset and is included in the “other gains and losses” line item. Fair value is determined in the manner described in note 2.4.

Impairment of financial assets

The Company and its subsidiaries recognize a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost or at FVTOCI, and trade receivables. The amount of expected credit losses is updated at each reporting period date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company and its subsidiaries always recognize lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company and its subsidiaries' historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

3.8 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.

3.9 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.

3.10 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.

3.11 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 |

3.12 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.

3.13 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.

Foreign entities

The assets and liabilities of foreign entities are translated to Thai Baht at the foreign exchange rates ruling at the reporting date.

The revenues and expenses of foreign entities are translated to Thai Baht at rates approximating the foreign exchange rates ruling at the dates of the transactions.

Foreign exchange differences arising on translation are recognized as other comprehensive income in the statement of other comprehensive income and presented as the foreign currency translation reserve in equity until a disposal of the investment.

3.14 Lease

The Company and its subsidiaries have applied TFRS 16 using the cumulative effect and therefore comparative information has not been restated and is presented under TAS 17. The details of accounting policies under both TAS 17 and TFRS 16 are as follows.

a) Policies applicable from January 1, 2020

The Company and its subsidiaries as lessee

The Company and its subsidiaries assess whether a contract is or contains a lease, at inception of the contract. The Company and its subsidiaries recognize a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lease, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets i.e. tablets and personal computers, small items of office furniture and telephones. For these

leases, the Company and its subsidiaries recognize the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leases assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company and its subsidiaries use its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- The amount expected to be payable by the lease under residual value guarantees;
- The exercise price of purchase options, if the lease is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated and the separate statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company and its subsidiaries remeasured the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate. The Company and its subsidiaries did not make any such adjustments during the periods presented.

The Company and its subsidiaries did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The right-of-use assets are presented as a separate line in the consolidated and the separate statement of financial position.

The Company and its subsidiaries apply TAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the "Property, Plant and Equipment" policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other expenses" in profit or loss.

As a practical expedient, TFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company and its subsidiaries have not used this practical expedient. For a contracts that contain a lease component and one or more additional lease or non-lease components, the Company and its subsidiaries allocate the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

b) Policies applicable prior to January 1, 2020

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.

3.15 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.

3.16 Employment benefits

3.16.1 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.

3.16.2 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.

3.17 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.

Policies applicable from January 1, 2020

The Company and its subsidiaries enter into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts.

Derivatives are recognized initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognized in profit or loss immediately.

A derivative with a positive fair value is recognized as a financial asset whereas a derivative with a negative fair value is recognized as a financial liability. Derivatives are not offset in the financial statements unless the Company and its subsidiaries have both legal right and intention to offset.

3.18 Financial liabilities

All financial liabilities are measured subsequently at amortized cost using the effective interest method or at FVTPL. (The adoption of new and revised Thai Financial Reporting Standards)

3.19 Income tax expenses

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognized as income or expenses in the statement of comprehensive income except to the extent that they relate to a business combination, or items recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable derived from a computation of profit or loss using tax rates enacted and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction in the consolidated financial statement that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Company and its subsidiaries take into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company and its subsidiaries believe that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company and its subsidiaries to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period when such a determination is made.

Deferred tax assets and liabilities are offset when they relate to income tax levied by the same taxation authority and the Company and its subsidiaries intend to settle its current tax assets and liabilities on a net basis.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized. The Company recognizes deferred tax liabilities for all taxable temporary differences in the consolidated and separate financial statements

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.

3.20 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.

3.21 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.

3.22 Provision

Provisions are recognized when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

3.23 Critical accounting judgements and key source of estimation uncertainty

3.23.1 Use of management's judgments

The preparation of financial statements in conformity with Thai Financial Reporting Standards (TFRSs) requires the Company and its subsidiaries' management to exercise various judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

Critical judgments in applying the Company and its subsidiaries accounting policies are as follows:

3.23.1.1 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.

3.23.1.2 Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company and its subsidiaries determine the business model to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company and its subsidiaries monitor financial assets measured at amortized cost or fair value through other comprehensive income that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company and its subsidiaries' continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

3.23.2 Key sources of estimation uncertainty

The Company and its subsidiaries have estimates with the assumptions concerning the future. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

3.23.2.1 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.

3.23.2.2 Fair value measurements and valuation processes

Some of the Company and its subsidiaries' assets and liabilities are measured at fair value for financial reporting purposes. The Board of Directors of the Company has set up a valuation committee, which is headed by the Chief Financial Officer, to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or liability, the Company and its subsidiaries use market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company and its subsidiaries use other observable information either directly or indirectly.

Information about valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 35.4.1.

4. SUPPLEMENTARY DISCLOSURES OF CASH FLOWS INFORMATION

4.1 Cash and cash equivalents as at December 31, consist of:

| | CONSOLIDATED | | SEPARATE | |
|----------------------------------------------|----------------------|-------------|----------------------|-------------|
| | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | 2020 | 2019 | 2020 | 2019 |
| Cash on hand | 737,367 | 1,299,756 | 542,926 | 1,054,697 |
| Bank deposits in current and saving accounts | 98,595,110 | 234,123,252 | 81,079,939 | 220,589,734 |
| | 99,332,477 | 235,423,008 | 81,622,865 | 221,644,431 |

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:

| | CONSOLIDATED | | SEPARATE | |
|-------------------------------------------------------------------------------------------------------------------|----------------------|--------------|----------------------|--------------|
| | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | 2020 | 2019 | 2020 | 2019 |
| Payable for purchase of property, plant and equipment, intangible assets and leasehold rights as at January 1, | 4,502,766 | 1,873,311 | 4,473,466 | 1,709,120 |
| <u>Add</u> Purchases during the year | 47,090,682 | 76,717,528 | 46,241,743 | 61,202,201 |
| <u>Less</u> Cash payments during the year | (47,659,580) | (74,088,073) | (46,781,341) | (58,437,855) |
| Payable for purchase of property, plant, and equipment, intangible assets and leasehold rights as at December 31, | 3,933,868 | 4,502,766 | 3,933,868 | 4,473,466 |

4.2.2 Significant non-cash items for the years ended December 31, are as follows:

| Type of transactions | Unit : Baht | | | |
|--------------------------------------------------------|----------------------|---------------|----------------------|---------------|
| | CONSOLIDATED | | SEPARATE | |
| | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | 2020 | 2019 | 2020 | 2019 |
| Gain (loss) on sale of investments | (2,582,604) | (9,823,790) | (2,017,191) | (10,362,601) |
| Reversal impairment of investments | - | 25,010,456 | - | 25,010,456 |
| Gain (loss) on measured fair value | | | | |
| through profit or loss | 1,664,085 | 561,201 | 1,592,139 | 561,201 |
| Loss on measured fair value of other current financial | | | | |
| assets through other comprehensive income | - | 291,386 | - | (12,579) |
| Loss on measured fair value of other non-current | | | | |
| financial assets through other comprehensive income | (277,355,593) | (113,072,882) | (273,161,445) | (112,472,882) |
| Reclassify of other non-current financial assets | | | | |
| to other current financial assets | 6,000,000 | 4,000,000 | 6,000,000 | 4,000,000 |
| Impact of initial application of TFRS 9 Gain on | | | | |
| measured fair value of other non-current financial | | | | |
| assets through other comprehensive income | | | | |
| (see Note 2.4) | 431,914,755 | - | 432,023,605 | - |
| Adjustment from transfer-in of employees | | | | |
| (see Note 23) | 39,430 | 80,740,952 | 39,430 | 80,740,952 |

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 | |
| | 2020 | 2019 | 2020 | 2019 |
| Liabilities under lease agreement as at January 1, | 64,803,202 | 283,896 | 56,622,486 | 283,896 |
| Cash flows items: | | | | |
| Decrease | (1,397,655) | - | (942,905) | - |
| Repayments | (27,071,421) | (283,896) | (23,592,591) | (283,896) |
| Total cash flows items | (28,469,076) | (283,896) | (24,535,496) | (283,896) |
| Liabilities under lease agreement as at December 31, | 36,334,126 | - | 32,086,990 | - |

The Company does not have non-cash transactions that related to short-term borrowings from financial institutions during the years ended December 31, 2020 and 2019.

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

Unit : Million Baht

| | CONSOLIDATED | | SEPARATE | |
|--------------------------------------------------------------------------------------|----------------------|----------|----------------------|----------|
| | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | 2020 | 2019 | 2020 | 2019 |
| 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.

5. 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 | |
| | 2020 | 2019 | 2020 | 2019 |
| Trade receivables - related companies (see Note 33) | 399,757,615 | 749,273,342 | 478,374,143 | 878,192,840 |
| Trade receivables - other companies | 59,899,694 | 58,844,631 | 54,146,840 | 52,895,459 |
| Total trade receivables | 459,657,309 | 808,117,973 | 532,520,983 | 931,088,299 |
| Other receivables - related companies (see Note 33) | 5,230,640 | 13,956,120 | 5,319,891 | 13,102,808 |
| Other receivables - other companies | 397,624 | 2,426,887 | 397,624 | 500,887 |
| Prepaid expenses | 8,358,822 | 8,330,447 | 7,763,086 | 7,705,297 |
| Advance payment | 1,537,936 | 3,613,099 | 1,537,936 | 3,603,099 |
| Accrued income | 3,980,999 | 6,649,084 | 3,975,866 | 5,851,509 |
| Accrued interest income | 3,844,541 | 1,567,914 | 3,770,577 | 1,407,545 |
| Total other receivables | 23,350,562 | 36,543,551 | 22,764,980 | 32,171,145 |
| | 483,007,871 | 844,661,524 | 555,285,963 | 963,259,444 |

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

Unit : Baht

| | CONSOLIDATED | | SEPARATE | |
|--------------------------------|----------------------|--------------------|----------------------|--------------------|
| | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | 2020 | 2019 | 2020 | 2019 |
| Current | 429,909,610 | 762,266,556 | 483,442,585 | 875,052,772 |
| Overdue | | | | |
| Within 3 months | 26,893,832 | 45,480,513 | 46,688,821 | 55,877,308 |
| Between 3 and 6 months | 2,475,025 | 366,676 | 2,010,735 | 153,991 |
| Between 6 and 12 months | 378,842 | 4,228 | 378,842 | 4,228 |
| Total trade receivables | 459,657,309 | 808,117,973 | 532,520,983 | 931,088,299 |

5.1 Trade Receivables

As at December 31, 2019

The Company and its subsidiaries have recognized an allowance for doubtful debts of 100% against all receivables over 365 days because historical experience has been that receivables that are past due beyond 365 days are not recoverable. Allowances for doubtful debts are recognized against trade receivables past due beyond 365 days based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

As at December 31, 2020

The Company and its subsidiaries always measure the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Company and its subsidiaries have recognized a loss allowance of 100% against all receivables over 365 days past due because historical experience has indicated that these receivables are generally not recoverable.

6. SHORT-TERM LOANS

Short-term loans as at December 31, consist of the following:

Unit : Baht

| | CONSOLIDATED | | SEPARATE | |
|------------------------------------|----------------------|------------|----------------------|------------|
| | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | 2020 | 2019 | 2020 | 2019 |
| Short-term loans - other companies | 51,530,000 | 21,530,000 | 51,530,000 | 21,530,000 |

The Company has short-term loans to other companies in the form of promissory notes at call, with interest rate at 3.60% to 6.25% per annum. There is no collateral for such loans.

7. INVENTORIES

Inventories as at December 31, are as follows:

| | Unit : Baht | | | |
|----------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|
| | CONSOLIDATED | | SEPARATE | |
| | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | 2020 | 2019 | 2020 | 2019 |
| Finished goods | 1,056,610,216 | 932,313,245 | 1,033,610,315 | 924,937,508 |
| Finished goods in transit | 1,831,713 | 12,702,572 | 1,831,713 | 9,182,928 |
| Work in process | 110,521,200 | 140,783,322 | 79,688,081 | 100,125,302 |
| Raw materials | 295,143,093 | 312,685,466 | 225,267,418 | 210,814,314 |
| Raw materials in transit | 7,720,947 | 13,228,902 | 7,720,947 | 13,228,902 |
| Total inventories | 1,471,827,169 | 1,411,713,507 | 1,348,118,474 | 1,258,288,954 |
| Less Allowance for diminution in value of finished goods | (1,170,310) | (953,803) | (1,170,310) | (953,803) |
| Inventories - net | 1,470,656,859 | 1,410,759,704 | 1,346,948,164 | 1,257,335,151 |

The costs of inventories and write-downs of inventory to net realizable value recognized as expenses in the consolidated and separate financial statements for the year ended December 31, are as follows:

| | Unit : Million Baht | | | |
|-------------------------------------------------------------|----------------------|----------|----------------------|----------|
| | CONSOLIDATED | | SEPARATE | |
| | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | 2020 | 2019 | 2020 | 2019 |
| Costs of inventories recognized as expenses | 2,210.39 | 3,146.99 | 2,427.61 | 3,732.43 |
| Write-downs of inventory to net realizable (see Note 31) | 50.37 | 44.33 | 42.40 | 41.86 |

8. RIGHT TO RETURNED GOODS

Right to returned goods as December 31, consist of the following:

| | Unit : Baht | |
|-------------------------|------------------------------------------------|-------------|
| | CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS | |
| | 2020 | 2019 |
| Right to returned goods | 176,500,000 | 120,400,000 |

The right to returned goods represents the Company's right to recover products from customers where customers exercise their right of return under the Company's return policy. The Company uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method.

9. TEMPORARY INVESTMENTS AND OTHER CURRENT FINANCIAL ASSETS

Temporary investments and other current financial assets as at December 31, are as follows:

Unit : Baht

| | CONSOLIDATED | | SEPARATE | |
|-----------------------------------------------------------------------------------------------|----------------------|--------------------|----------------------|--------------------|
| | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | 2020 | 2019 | 2020 | 2019 |
| Other current financial assets | | | | |
| Time deposits | 235,002,014 | - | 230,001,005 | - |
| Financial assets measured at amortized cost | 40,000,000 | - | 40,000,000 | - |
| Foreign currency forward contracts receivables | 61,896 | - | 61,896 | - |
| Other current financial assets measured fair value through profit or loss - equity securities | 3,867,355 | - | 3,867,355 | - |
| Other current financial assets measured fair value through profit or loss - debt securities | 69,569,024 | - | 20,145,018 | - |
| Total | 348,500,289 | - | 294,075,274 | - |
| Temporary investments | | | | |
| Time deposits | - | 78,002,004 | - | 30,001,000 |
| Short-term investments in trading securities | | | | |
| - equity securities | - | 4,072,563 | - | 4,072,563 |
| Short-term investments in trading securities | | | | |
| - debt securities | - | 11,955,394 | - | 11,955,394 |
| Short-term investments in available-for-sale securities - debt securities | - | 410,713,483 | - | 271,264,762 |
| Total | - | 504,743,444 | - | 317,293,719 |

Additional details of temporary investments and other current financial assets are as follows:

Unit : Baht

| | CONSOLIDATED FINANCIAL STATEMENTS | | | |
|----------------------------------------------------------------------------------|-----------------------------------|--------------------|-------------------|--------------------|
| | Cost value | | Fair value | |
| | 2020 | 2019 | 2020 | 2019 |
| Other current financial assets measured fair value through profit or loss | | | | |
| Equity securities | | | | |
| - Ordinary shares | 1,614,650 | - | 1,669,433 | - |
| - Unit trust | 1,739,712 | - | 2,197,922 | - |
| Total | 3,354,362 | - | 3,867,355 | - |
| Debt securities | | | | |
| - Unit trust | 11,074,494 | - | 12,123,906 | - |
| - Debentures | 57,356,388 | - | 57,445,118 | - |
| Total | 68,430,882 | - | 69,569,024 | - |
| Financial assets measured at amortized cost | | | | |
| Debt securities | | | | |
| - Debentures | 40,000,000 | - | 40,000,000 | - |
| Temporary investments | | | | |
| Trading securities | | | | |
| Equity securities | | | | |
| - Ordinary shares | - | 1,777,122 | - | 1,796,921 |
| - Unit trust | - | 1,739,712 | - | 2,275,642 |
| Total | - | 3,516,834 | - | 4,072,563 |
| Debt securities | | | | |
| - Debentures | - | 11,107,302 | - | 11,955,394 |
| Available-for-sale securities | | | | |
| Debt securities | | | | |
| - Unit trust | - | 406,000,906 | - | 406,693,823 |
| - Debentures | - | 4,012,880 | - | 4,019,660 |
| Total | - | 410,013,786 | - | 410,713,483 |

| | SEPARATE FINANCIAL STATEMENTS | | | |
|----------------------------------------------------------------------------------|-------------------------------|--------------------|-------------------|--------------------|
| | Cost value | | Fair value | |
| | 2020 | 2019 | 2020 | 2019 |
| Other current financial assets measured fair value through profit or loss | | | | |
| Equity securities | | | | |
| - Ordinary shares | 1,614,650 | - | 1,669,433 | - |
| - Unit trust | 1,739,712 | - | 2,197,922 | - |
| Total | 3,354,362 | - | 3,867,355 | - |
| Debt securities | | | | |
| - Unit trust | 11,074,494 | - | 12,123,906 | - |
| - Debentures | 8,004,327 | - | 8,021,112 | - |
| Total | 19,078,821 | - | 20,145,018 | - |
| Financial assets measured at amortized cost | | | | |
| Debt securities | | | | |
| - Debentures | 40,000,000 | - | 40,000,000 | - |
| Trading securities | | | | |
| Equity securities | | | | |
| - Ordinary shares | - | 1,777,122 | - | 1,796,921 |
| - Unit trust | - | 1,739,712 | - | 2,275,642 |
| Total | - | 3,516,834 | - | 4,072,563 |
| Debt securities | | | | |
| - Debentures | - | 11,107,302 | - | 11,955,394 |
| Available-for-sale securities | | | | |
| Debt securities | | | | |
| - Unit trust | - | 267,100,000 | - | 267,245,102 |
| - Debentures | - | 4,012,880 | - | 4,019,660 |
| Total | - | 271,112,880 | - | 271,264,762 |

10. NON-CURRENT ASSETS CLASSIFY AS ASSETS HELD FOR SALES

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. Furthermore, the Company received cash in advance

for land in amount of Baht 100 million (see Note 20) which the remaining amount of Baht 547.63 million had been received in March 2020, and recognized gain from sale of such land in amount of Baht 193.65 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, 2020 (see Note 30).

As at December 31, 2019, 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.

11. AVAILABLE-FOR-SALE INVESTMENTS, OTHER LONG-TERM INVESTMENTS AND OTHER NON-CURRENT FINANCIAL ASSETS

Available-for-sale investments, other Long-term investments and Other non-current financial assets as at December 31, are as follows:

| | Unit : Baht | | | |
|---------------------------------------------|----------------------|----------------------|----------------------|----------------------|
| | CONSOLIDATED | | SEPARATE | |
| | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | 2020 | 2019 | 2020 | 2019 |
| Other non-current financial assets | | | | |
| Fixed Deposit | 6,500,000 | - | - | - |
| Financial assets measured fair value | | | | |
| through profit or loss - debt securities | 3,026,328 | - | 3,026,328 | - |
| Equity instruments designated as at FVTOCI | 2,270,400,339 | - | 2,259,583,339 | - |
| Financial assets measured at amortized cost | 115,000,000 | - | 115,000,000 | - |
| Total | 2,394,926,667 | - | 2,377,609,667 | - |
| Available-for-sale securities | | | | |
| Equity securities | - | 1,379,667,262 | - | 1,367,817,262 |
| Debt securities | - | 7,067,029 | - | 7,067,029 |
| Total | - | 1,386,734,291 | - | 1,374,884,291 |
| Other long-term investments | | | | |
| General investments | - | 730,848,368 | - | 727,578,368 |
| Held-to-maturity securities | - | 150,000,000 | - | 150,000,000 |
| Total | - | 880,848,368 | - | 877,578,368 |

11.1 Additional details of Available-for-sale investments, Other long-term investments and Other non-current financial assets, are as follows:

| CONSOLIDATED FINANCIAL STATEMENTS | | | | |
|--------------------------------------------------------------------------------------|----------------------|--------------------|----------------------|----------------------|
| | Cost value | | Fair value | |
| | 2020 | 2019 | 2020 | 2019 |
| Other non-current financial assets measured fair value through profit or loss | | | | |
| Debt securities | | | | |
| Debentures | 3,013,379 | - | 3,026,328 | - |
| Equity instruments designated as at FVTOCI | | | | |
| Equity securities | | | | |
| Ordinary shares | | | | |
| - Related parties (see Note 11.2) | 995,531,760 | - | 1,530,848,933 | - |
| - Other companies | 214,479,751 | - | 739,551,406 | - |
| Total | 1,210,011,511 | - | 2,270,400,339 | - |
| Financial assets measured at amortized cost | | | | |
| Debt securities | | | | |
| Debentures | 115,000,000 | - | 115,000,000 | - |
| Available-for-sale securities | | | | |
| Equity securities | | | | |
| Ordinary shares | | | | |
| - Related parties (see Note 11.2) | - | 317,814,896 | - | 939,086,562 |
| - Other companies | - | 145,654,910 | - | 440,580,700 |
| Total | - | 463,469,806 | - | 1,379,667,262 |
| Debt securities | | | | |
| Debentures | - | 7,023,105 | - | 7,067,029 |
| Other long-term investments | | | | |
| General investments | | | | |
| Equity securities | | | | |
| - Related parties | - | 708,918,514 | - | - |
| Less Allowance for impairment | - | (77,417,122) | - | - |
| Total (see Note 11.2) | - | 631,501,392 | - | - |
| - Other companies | - | 117,974,476 | - | - |
| Less Allowance for impairment | - | (18,627,500) | - | - |
| Total | - | 99,346,976 | - | - |
| | - | 730,848,368 | - | - |
| Held-to-maturity securities | | | | |
| Debentures | - | 150,000,000 | - | 154,946,000 |

SEPARATE FINANCIAL STATEMENTS

Cost value

Fair value

2020

2019

2020

2019

Other non-current financial assets Financial assets
measured fair value through profit or loss

Debt securities

Debentures

3,013,379

-

3,026,328

-

Equity instruments designated as at FVTOCI

Equity securities

Ordinary shares

- Related parties (see Note 11.2)

985,706,760

-

1,522,523,933

-

- Other companies

211,227,751

-

737,059,406

-

Total

1,196,934,511

-

2,259,583,339

-

Financial assets measured at amortized cost

Debt securities

Debentures

115,000,000

-

115,000,000

-

Available-for-sale securities

Equity securities

Ordinary shares

- Related parties (see Note 11.2)

-

307,989,896

-

927,236,562

- Other companies

-

145,654,910

-

440,580,700

Total

-

453,644,806

-

1,367,817,262

Debt securities

Debentures

-

7,023,105

-

7,067,029

Other long-term investments

General investments

Equity securities

- Related parties

-

708,918,514

-

-

Less Allowance for impairment

-

(77,417,122)

-

-

Total (see Note 11.2)

-

631,501,392

-

-

- Other companies

-

114,704,476

-

-

Less Allowance for impairment

-

(18,627,500)

-

-

Total

-

96,076,976

-

-

-

727,578,368

-

-

Held-to-maturity securities

Debentures

-

150,000,000

-

154,946,000

In April 2020, the Company derecognized investment in Thai Shikibo Co., Ltd. from complete liquidation as fair value amount Baht 12.44 million, and recognized the gain on disposal of such investment, net of tax, directly to retained earnings amounting to Baht 0.81 million.

In June 2020, the Company derecognized investment in Saha Asia Pacific Co., Ltd. from capital reduction as fair value amount Baht 14.67 million, and recognized the loss on disposal of such investment, net of tax, directly to retained earnings amounting to Baht 0.46 million.

In July 2020, the Company sold investment in Singer Thailand Pcl. as fair value amount Baht 20.41 million, and recognized the gain on disposal of such investment, net of tax, directly to retained earnings amounting to Baht 1.06 million.

In November 2020, the Company sold investment in Textile Prestige Public Co., Ltd. to Saha Phatana Inter-Holding Public Co., Ltd., related party, at the amount of Baht 12.58 million, and recognized the gain on disposal of such investment, net of tax, directly to retained earnings amounting to Baht 6.90 million.

11.2 Details of investments in related companies as at December 31, are as follows: (see Note 33)

Unit : Thousand Baht

| Companies | Business Type | Relationship | CONSOLIDATED FINANCIAL STATEMENTS | | | | | | SEPARATE FINANCIAL STATEMENTS | | | | | |
|---------------------------------------------|-----------------------------------|-----------------------------------------------------------|-----------------------------------|-----------|-------|-----------------|---------|------|-------------------------------|------|---------|----------------|---------|------|
| | | | % of ownership | | | Paid-up capital | | | Fair value | | | % of ownership | | |
| | | | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Other non-current assets | | | | | | | | | | | | | | |
| Textile Prestige Public Co., Ltd. | Manufacturing Garment Distributor | The Company's major shareholder has over 10% shareholding | 108,000 | 108,000 | 17.04 | - | 60,659 | - | 174,789 | - | 174,789 | - | 60,659 | - |
| I.C.C. International Public Co., Ltd. | Holding company | The Company's major shareholder has over 10% shareholding | 290,634 | 290,634 | 3.92 | - | 144,640 | - | 316,269 | - | 307,944 | - | 134,815 | - |
| Saha Pathana Inter-Holding Public Co., Ltd. | Manufacturing clothing | The Company's major shareholder has over 10% shareholding | 571,891 | 571,891 | 0.69 | - | 80,351 | - | 271,836 | - | 271,836 | - | 80,351 | - |
| Thanulux Public Co., Ltd. | Agency & Advertising | The Company's major shareholder has over 10% shareholding | 120,000 | 120,000 | 0.83 | - | 27,809 | - | 17,000 | - | 17,000 | - | 27,809 | - |
| Far East Fameline DDB Public Co., Ltd. | Dyeing | The Company's major shareholder has over 10% shareholding | 78,700 | 78,700 | 0.08 | - | 400 | - | 912 | - | 912 | - | 400 | - |
| SSDC (Tigertex) Co., Ltd. | Direct sales | The Company's major shareholder has over 10% shareholding | 324,000 | 324,000 | 18.72 | - | 68,855 | - | 31,177 | - | 31,177 | - | 68,855 | - |
| Wien International Co., Ltd.* | Lining | The Company's major shareholder has over 10% shareholding | 30,000 | 30,000 | 17.90 | - | 14,352 | - | 6,007 | - | 6,007 | - | 14,352 | - |
| Raja Uchino Co., Ltd. | Garment | The Company's major shareholder has over 10% shareholding | 121,500 | 121,500 | 4.47 | - | 4,660 | - | 4,602 | - | 4,602 | - | 4,660 | - |
| Champ Ace Co., Ltd. | Garment | The Company's major shareholder has over 10% shareholding | 40,000 | 40,000 | 10.00 | - | 4,000 | - | 9,052 | - | 9,052 | - | 4,000 | - |
| Thai Monster Co., Ltd. | Manufacturer of Spandex fiber | The Company's major shareholder has over 10% shareholding | 5,000 | 5,000 | 5.00 | - | 100 | - | - | - | - | - | 100 | - |
| Thai Asahi Kasei Spandex Co., Ltd. | Distributor Brand "MORGAN" | The Company's major shareholder has over 10% shareholding | 1,350,000 | 1,350,000 | 2.00 | - | 27,000 | - | 51,165 | - | 51,165 | - | 27,000 | - |
| Morgan De Toi (Thailand) Co., Ltd. | Distributor | The Company's major shareholder has over 10% shareholding | 40,000 | 40,000 | 12.00 | - | 4,800 | - | 2,215 | - | 2,215 | - | 4,800 | - |
| International Commercial Coordination (HK) | | | 21,456 | 21,456 | 18.00 | - | - | - | - | - | - | - | - | - |

* As of December 31, 2020 and December 31, 2019, Wien International Co., Ltd. is on the process of liquidation.

11.2 Details of investments in related companies as at December 31, are as follows: (continued) (see Note 33)

Unit : Thousand Baht

| Companies | Business Type | Relationship | CONSOLIDATED FINANCIAL STATEMENTS | | | | | | SEPARATE FINANCIAL STATEMENTS | | | | | | | | | | | | | | | | | |
|---------------------------------------|-------------------------------------------|--------------------------------------------------------------|-----------------------------------|-----------|-------|----------------|---------|------|-------------------------------|------|---------|----------------|---------|------|------------|------|---------|------------|---------|------|-------------------|------|------|--------|--|--|
| | | | Paid-up capital | | | % of ownership | | | Fair value | | | % of ownership | | | Book value | | | Fair value | | | Dividend received | | | | | |
| | | | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | | |
| Other non-current assets (continued) | | | | | | | | | | | | | | | | | | | | | | | | | | |
| PT. Indonesia Waccol | Garment | The Company's major shareholder has over 10% shareholding | 108,678 | 108,678 | 6.00 | - | 6,508 | - | 3,043 | - | 6,508 | - | 6,508 | - | 3,043 | - | 6,508 | - | 3,043 | - | 270 | - | | | | |
| 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 | - | 41,567 | - | 5,548 | - | 41,567 | - | 41,567 | - | 5,548 | - | 41,567 | - | 5,548 | - | - | - | | | | |
| Waseda Education (Thailand) Co., Ltd. | Education Institution | The Company's major shareholder has over 10% shareholding | 20,000 | 20,000 | 7.14 | - | 1,429 | - | 4,283 | - | 1,429 | - | 1,429 | - | 4,283 | - | 1,429 | - | 4,283 | - | - | - | | | | |
| Thai Burka Fashion Co., Ltd. | Institute of Fashion Design | The Company's major shareholder has over 10% shareholding | 25,000 | 25,000 | 8.00 | - | 1,930 | - | 1,738 | - | 1,930 | - | 1,930 | - | 1,738 | - | 1,930 | - | 1,738 | - | - | - | | | | |
| Sun 108 Co., Ltd. | Retail | The Company's major shareholder has over 10% shareholding | 450,000 | 450,000 | 5.00 | - | 22,500 | - | 111,937 | - | 22,500 | - | 22,500 | - | 111,937 | - | 22,500 | - | 111,937 | - | 2,250 | - | | | | |
| Janome (Thailand) Co., Ltd. | Manufacturer of Sewing Machines | The Company's major shareholder has over 10% shareholding | 97,400 | 97,400 | 7.73 | - | 19,254 | - | 36,036 | - | 19,254 | - | 19,254 | - | 36,036 | - | 19,254 | - | 36,036 | - | 1,882 | - | | | | |
| Erawan Textile Co., Ltd. | Spinning Textile and Weaving | The Company's major shareholder has over 10% shareholding | 621,463 | 621,463 | 16.23 | - | 119,892 | - | 218,203 | - | 119,892 | - | 119,892 | - | 218,203 | - | 119,892 | - | 218,203 | - | - | - | | | | |
| 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 | - | 24,600 | - | 16,234 | - | 24,600 | - | 24,600 | - | 16,234 | - | 24,600 | - | 16,234 | - | - | - | | | | |
| Fujix International Co., Ltd. | Thread Seller | The Company's major shareholder has over 10% shareholding | 100,000 | 100,000 | 5.00 | - | 2,110 | - | 2,089 | - | 2,110 | - | 2,110 | - | 2,089 | - | 2,110 | - | 2,089 | - | - | - | | | | |
| 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 | - | 130,000 | - | 67,374 | - | 130,000 | - | 130,000 | - | 67,374 | - | 130,000 | - | 67,374 | - | - | - | | | | |
| 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 | - | 57,000 | - | 43,947 | - | 57,000 | - | 57,000 | - | 43,947 | - | 57,000 | - | 43,947 | - | - | - | | | | |
| Saha Capital Tower Co., Ltd. | Development of Investment Property | The Company's major shareholder has over 10% shareholding | 1,100,000 | 500,000 | 10.00 | - | 110,000 | - | 110,000 | - | 110,000 | - | 110,000 | - | 110,000 | - | 110,000 | - | 110,000 | - | - | - | | | | |
| Saha Asia Pacific Co., Ltd. | Rental & Operation of Investment Property | The Company's major shareholder is director's close relative | 100,268 | 150,268 | 18.50 | - | 19,709 | - | 22,520 | - | 19,709 | - | 19,709 | - | 22,520 | - | 19,709 | - | 22,520 | - | 2,446 | - | | | | |
| SRP Nanasai Co., Ltd. | Design & Advertising | Codirector | 16,000 | 16,000 | 7.69 | - | 1,019 | - | 2,616 | - | 1,019 | - | 1,019 | - | 2,616 | - | 1,019 | - | 2,616 | - | 18 | - | | | | |
| Royal Garment Co., Ltd. | Manufacturing clothing | Codirector | 1,000 | 1,000 | 9.00 | - | 388 | - | 257 | - | 388 | - | 388 | - | 257 | - | 388 | - | 257 | - | 27 | - | | | | |
| | | | 995,532 | | | - | | | 1,530,849 | | | - | | | 985,707 | | | 1,522,524 | | | - | | | 34,226 | | |

11.2 Details of investments in related companies as at December 31, are as follows: (continued) (see Note 33)

Unit : Thousand Baht

| Companies | Business Type | Relationship | Paid-up capital | CONSOLIDATED FINANCIAL STATEMENTS | | | | | | SEPARATE FINANCIAL STATEMENTS | | | | | | Dividend received |
|---------------------------------------------|-------------------------------|-----------------------------------------------------------|-----------------|-----------------------------------|---------|-------|------------|---------|---------|-------------------------------|---------|-------|------------|---------|------|-------------------|
| | | | | % of ownership | | | Fair value | | | % of ownership | | | Fair value | | | |
| | | | | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | |
| 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 | - | 64,615 | - | 195,988 | - | 18.15 | - | 64,615 | - | 14,895 |
| I.C.C. International Public Co., Ltd. | Distributor | The Company's major shareholder has over 10% shareholding | 290,634 | 290,634 | - | 3.92 | - | 144,640 | - | 450,184 | - | 3.82 | - | 134,815 | - | 13,427 |
| Saha Pathana Inter-Holding Public Co., Ltd. | Holding company | The Company's major shareholder | 571,891 | 571,891 | - | 0.69 | - | 80,351 | - | 274,791 | - | 0.69 | - | 80,351 | - | 2,758 |
| Thanulux Public Co., Ltd. | Manufacturing clothing | The Company's major shareholder has over 10% shareholding | 120,000 | 120,000 | - | 0.83 | - | 27,809 | - | 17,100 | - | 0.83 | - | 27,809 | - | 400 |
| Far East Faminele DDB Public Co., Ltd. | Agency & Advertising | The Company's major shareholder has over 10% shareholding | 78,700 | 78,700 | - | 0.08 | - | 400 | - | 1,023 | - | 0.08 | - | 400 | - | 60 |
| | | | | - | 317,815 | - | 939,086 | - | 307,990 | - | 927,236 | - | 31,540 | | | |
| General investments | | | | | | | | | | | | | | | | |
| SSDC (Tigertex) Co., Ltd. | Dying | The Company's major shareholder has over 10% shareholding | 324,000 | 324,000 | - | 18.72 | - | 68,855 | - | - | - | 18.72 | - | 68,855 | - | 1,820 |
| Wien International Co., Ltd.* | Direct sales | The Company's major shareholder has over 10% shareholding | 30,000 | 30,000 | - | 17.90 | - | 14,352 | - | - | - | 17.90 | - | 14,352 | - | 5,101 |
| Raja Uchino Co., Ltd. | Lining | The Company's major shareholder has over 10% shareholding | 121,500 | 121,500 | - | 4.47 | - | 4,659 | - | - | - | 4.47 | - | 4,659 | - | 54 |
| Champ Ace Co., Ltd. | Garment | The Company's major shareholder has over 10% shareholding | 40,000 | 40,000 | - | 10.00 | - | 4,000 | - | - | - | 10.00 | - | 4,000 | - | - |
| Thai Monster Co., Ltd. | Garment | The Company's major shareholder has over 10% shareholding | 5,000 | 5,000 | - | 5.00 | - | 100 | - | - | - | 5.00 | - | 100 | - | - |
| That 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 | - | 27,000 | - | - | - | 2.00 | - | 27,000 | - | 3,461 |
| Morgan De Toi (Thailand) Co., Ltd. | Distributor Brand "MORGAN" | The Company's major shareholder has over 10% shareholding | 40,000 | 40,000 | - | 12.00 | - | 4,800 | - | - | - | 12.00 | - | 4,800 | - | - |
| International Commercial Coordination (HK) | Distributor | The Company's major shareholder has over 10% shareholding | 21,456 | 21,456 | - | 18.00 | - | - | - | - | - | 18.00 | - | - | - | - |

* As of December 31, 2020 and December 31, 2019, Wien International Co., Ltd. is on the process of liquidation.

11.2 Details of investments in related companies as at December 31, are as follows: (continued) (see Note 33)

| | | Unit : Thousand Baht | | | | | | | | | | | | | | | | |
|---------------------------------------|-------------------------------------------|--------------------------------------------------------------|-----------------------------------|-----------|----------------|-------|------------|---------|-------------------------------|------|----------------|------|------------|------|------------|------|-------------------|--------|
| Companies | Business Type | Relationship | CONSOLIDATED FINANCIAL STATEMENTS | | | | | | SEPARATE FINANCIAL STATEMENTS | | | | | | | | | |
| | | | Paid-up capital | | % of ownership | | Book value | | Fair value | | % of ownership | | Book value | | Fair value | | Dividend received | |
| | | | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| General investments (continued) | | | | | | | | | | | | | | | | | | |
| PT. Indonesia Wacoal | Garment | The Company's major shareholder has over 10% shareholding | 108,678 | 108,678 | - | 6.00 | - | 6,508 | - | - | 6.00 | - | 6,508 | - | - | - | - | 277 |
| 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 | - | 41,567 | - | - | 8.33 | - | 41,567 | - | - | - | - | - |
| Waseda Education (Thailand) Co., Ltd. | Education Institution | The Company's major shareholder has over 10% shareholding | 20,000 | 20,000 | - | 7.14 | - | 1,429 | - | - | 7.14 | - | 1,429 | - | - | - | - | - |
| Thai Bunka Fashion Co., Ltd. | Institute of Fashion Design | The Company's major shareholder has over 10% shareholding | 25,000 | 25,000 | - | 8.00 | - | 1,930 | - | - | 8.00 | - | 1,930 | - | - | - | - | - |
| Sun 108 Co., Ltd. | Retail | The Company's major shareholder has over 10% shareholding | 450,000 | 450,000 | - | 5.00 | - | 22,500 | - | - | 5.00 | - | 22,500 | - | - | - | - | 2,250 |
| Janome (Thailand) Co., Ltd. | Manufacturer of Sewing Machines | The Company's major shareholder has over 10% shareholding | 97,400 | 97,400 | - | 7.73 | - | 19,254 | - | - | 7.73 | - | 19,254 | - | - | - | - | 1,882 |
| Erawan Textile Co., Ltd. | Spinning Textile and Weaving | The Company's major shareholder has over 10% shareholding | 621,463 | 621,463 | - | 16.23 | - | 119,892 | - | - | 16.23 | - | 119,892 | - | - | - | - | - |
| 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 | - | 24,600 | - | - | 15.14 | - | 24,600 | - | - | - | - | - |
| Fujix International Co., Ltd. | Thread Seller | The Company's major shareholder has over 10% shareholding | 100,000 | 100,000 | - | 5.00 | - | 2,110 | - | - | 5.00 | - | 2,110 | - | - | - | - | - |
| 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 | - | 130,000 | - | - | 19.00 | - | 130,000 | - | - | - | - | - |
| 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 | - | 57,000 | - | - | 19.00 | - | 57,000 | - | - | - | - | - |
| Saha Capital Tower Co., Ltd. | Development of Investment Property | The Company's major shareholder has over 10% shareholding | 1,100,000 | 500,000 | - | 10.00 | - | 50,000 | - | - | 10.00 | - | 50,000 | - | - | - | - | - |
| Saha Asia Pacific Co., Ltd. | Rental & Operation of Investment Property | The Company's major shareholder is director's close relative | 100,268 | 150,268 | - | 18.50 | - | 29,538 | - | - | 18.50 | - | 29,538 | - | - | - | - | 1,737 |
| SRP Nanasai Co., Ltd. | Design & Advertising | Co-director | 16,000 | 16,000 | - | 7.69 | - | 1,019 | - | - | 7.69 | - | 1,019 | - | - | - | - | 37 |
| Royal Garment Co., Ltd. | Manufacturing clothing | Co-director | 1,000 | 1,000 | - | 9.00 | - | 388 | - | - | 9.00 | - | 388 | - | - | - | - | 131 |
| | | | - | - | - | - | - | 631,501 | - | - | - | - | 631,501 | - | - | - | - | 16,750 |

12. INVESTMENTS IN SUBSIDIARIES

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

Unit : Baht

| Companies | Business Type | SEPARATE FINANCIAL STATEMENTS | | | | | | | |
|-----------------------------------|------------------------|-------------------------------|------------|----------------|-------|-------------|-------------|-------------------|------------|
| | | Paid-up capital | | % of ownership | | Cost method | | Dividend received | |
| | | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Subsidiaries | | | | | | | | | |
| Wacoal Siracha Co., Ltd. | Manufacturing clothing | 20,000,000 | 20,000,000 | 99.96 | 99.96 | 22,051,627 | 22,051,627 | 15,592,980 | 25,388,570 |
| Wacoal Kabinburi Co., Ltd. | Manufacturing clothing | 50,000,000 | 50,000,000 | 99.99 | 99.99 | 49,999,802 | 49,999,802 | 30,499,756 | 34,499,724 |
| Wacoal Lamphun Co., Ltd. | Manufacturing clothing | 50,000,000 | 50,000,000 | 99.99 | 99.99 | 49,999,823 | 49,999,823 | 15,999,904 | 19,999,880 |
| Tora 1010 Co., Ltd. | Trading clothing | 30,000,000 | 30,000,000 | 99.99 | 99.97 | 29,997,645 | 29,997,000 | 5,699,430 | 5,999,400 |
| Total investments in subsidiaries | | | | | | 152,048,897 | 152,048,252 | 67,792,070 | 85,887,574 |

13. INVESTMENTS IN ASSOCIATES

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

Unit : Baht

| Companies | Business Type | Paid-up capital | | CONSOLIDATED FINANCIAL STATEMENTS | | SEPARATE FINANCIAL STATEMENTS | | Dividend received | |
|--------------------------------|---------------|-----------------|-------------|-----------------------------------|-------------|-------------------------------|-------------|-------------------|-----------|
| | | | | | | | | | |
| | | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Associates | | | | | | | | | |
| Pattaya Myanmar Co., Ltd. | Manufacturing | | | | | | | | |
| | clothing | 25,424,000 | 25,424,000 | 5,457,778 | 5,886,468 | 5,084,800 | 5,084,800 | - | 239,814 |
| Myanmar Wacoal Co., Ltd. | Manufacturing | | | | | | | | |
| | clothing | 132,400,000 | 132,400,000 | 36,547,745 | 40,144,432 | 52,960,728 | 52,960,728 | - | - |
| Pattaya Manufacturing Co., Ltd | Manufacturing | | | | | | | | |
| | clothing | 30,000,000 | 30,000,000 | 119,435,492 | 134,347,617 | 124,464,200 | 124,464,200 | 2,400,000 | 4,800,000 |
| Total investment in associates | | | | 161,441,015 | 180,378,517 | 182,509,728 | 182,509,728 | 2,400,000 | 5,039,814 |

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.

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

Unit : Million Baht

| | As at December 31, | |
|-------------------|--------------------|----------|
| | 2020 | 2019 |
| Total assets | 801.81 | 894.36 |
| Total liabilities | (287.66) | (321.87) |
| Net assets | 514.15 | 572.49 |

Unit : Million Baht

| | For the years ended December 31, | |
|----------------------------------------------------------------------------|----------------------------------|--------|
| | 2020 | 2019 |
| Total revenue | 404.87 | 709.79 |
| Net profit (loss) for the year | (48.31) | 8.84 |
| Share of profit (loss) of associates accounted for under the equity method | (18.90) | 3.68 |

14. LONG-TERM LOANS TO SUBSIDIARIES

Long-term loans to subsidiaries as at December 31, consist of the following:

Unit : Baht

| | Due date | Interest rate (per annual) | | SEPARATE FINANCIAL STATEMENTS | |
|---------------------------------|--------------------|-------------------------------|------|----------------------------------|------|
| | | 2020 | 2019 | 2020 | 2019 |
| Long-term loans to subsidiaries | | | | | |
| Wacoal Siracha Co., Ltd. | September 28, 2023 | 0.50 | - | 81,000,000 | - |
| Pattaya Kabinburi Co., Ltd. | September 28, 2023 | 0.50 | - | 10,000,000 | - |
| Total | | | | 91,000,000 | - |

As at December 31, 2020 long-term loans to subsidiaries are loan without collateral.

15. INVESTMENT PROPERTY

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

As at December 31, 2020

Unit : Baht

| CONSOLIDATED FINANCIAL STATEMENTS | | | | | | |
|-----------------------------------|----------------------------------------|-------------|-----------|------------------------------------------------------------------------------------|--------------------|------------------------------------------|
| | Balance as at January 1, 2020 | Additions | Disposals | Transfer to non-current assets classify as assets held for sales | Transfer/ other | Balance as at December 31, 2020 |
| Cost | | | | | | |
| Land | 60,451,975 | - | - | - | - | 60,451,975 |
| Building and structures | 86,004,038 | - | - | - | - | 86,004,038 |
| Total costs | 146,456,013 | - | - | - | - | 146,456,013 |
| Accumulated depreciation | | | | | | |
| Building and structures | (66,390,098) | (3,270,031) | - | - | - | (69,660,129) |
| Investment property | 80,065,915 | | | | | 76,795,884 |

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 |

Depreciation for the years ended December 31,

| | | |
|------|------|-----------|
| 2020 | Baht | 3,270,031 |
| 2019 | Baht | 3,372,329 |

As at December 31, 2020

Unit : Baht

| SEPARATE FINANCIAL STATEMENTS | | | | | | |
|---------------------------------|----------------------------------------|-------------|-----------|------------------------------------------------------------------------------------|--------------------|------------------------------------------|
| | Balance as at January 1, 2020 | Additions | Disposals | Transfer to non-current assets classify as assets held for sales | Transfer/ other | Balance as at December 31, 2020 |
| Cost | | | | | | |
| Land | 61,856,236 | - | - | - | - | 61,856,236 |
| Building and structures | 84,454,038 | - | - | - | - | 84,454,038 |
| Total costs | 146,310,274 | - | - | - | - | 146,310,274 |
| Accumulated depreciation | | | | | | |
| Building and structures | (64,840,098) | (3,270,031) | - | - | - | (68,110,129) |
| Investment property | 81,470,176 | | | | | 78,200,145 |

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 |

Depreciation for the years ended December 31,

| | | |
|------|------|-----------|
| 2020 | Baht | 3,270,031 |
| 2019 | Baht | 3,443,740 |

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 (see Note 10). 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.

On March 26, 2020, the Company received the remaining net of tax and ownership transfer fee amount of Baht 524.56 million.

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

| Unit : Baht | | | | |
|--------------------------------|--------------------------------------|-------------|----------------------------------|-------------|
| | CONSOLIDATED FINANCIAL STATEMENTS | | SEPARATE FINANCIAL STATEMENTS | |
| | Carrying Value | Fair Value | Carrying Value | Fair Value |
| As at December 31, 2020 | | | | |
| Land | 60,451,975 | 182,833,120 | 61,856,236 | 269,096,000 |
| Building and structures | 16,343,909 | 96,592,900 | 16,343,909 | 85,592,900 |
| 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 |

Fair value of investment property was appraised by an independent appraiser using the Cost Approach or the Market Approach.

Items recognized in profit or loss from investment property for the years ended December 31, consist of the following:

| Unit : Baht | | | | |
|---------------------------------------------------------------------------------------------------------|--------------------------------------|-----------|----------------------------------|-----------|
| | CONSOLIDATED FINANCIAL STATEMENTS | | SEPARATE FINANCIAL STATEMENTS | |
| | 2020 | 2019 | 2020 | 2019 |
| Rental income from investment property | 2,330,461 | 3,389,288 | 3,862,461 | 6,467,288 |
| Direct operating expenses arising from investment property that generated rental income during the year | 1,136,340 | 5,032,496 | 1,136,340 | 5,103,908 |

16. PROPERTY, PLANT AND EQUIPMENT

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

As at December 31, 2020

Unit : Baht

| CONSOLIDATED FINANCIAL STATEMENTS | | | | | |
|--------------------------------------------------------------|-------------------------------------|---------------------|---------------------|--------------------|---------------------------------------|
| | Balance as at January 1, 2020 | Additions | Disposals | Transfer/ other | Balance as at December 31, 2020 |
| Cost | | | | | |
| Land | 876,243,677 | - | - | - | 876,243,677 |
| Land improvement | 3,736,581 | - | - | - | 3,736,581 |
| Building and structures | 412,836,850 | - | - | - | 412,836,850 |
| Furniture, fixtures and office equipment | 821,859,795 | 34,418,330 | (6,360,041) | 2,935,370 | 852,853,454 |
| Machinery and equipment | 948,468,851 | 2,006,105 | (10,900,609) | 242,264 | 939,816,611 |
| Vehicles | 61,358,513 | 1,214,953 | (6,497,563) | - | 56,075,903 |
| Total costs | 3,124,504,267 | 37,639,388 | (23,758,213) | 3,177,634 | 3,141,563,076 |
| Accumulated depreciation | | | | | |
| Land improvement | (1,653,959) | (59,360) | - | - | (1,713,319) |
| Building and structures | (316,458,899) | (7,263,571) | - | - | (323,722,470) |
| Furniture, fixtures and office equipment | (696,836,281) | (41,522,453) | 5,160,392 | - | (733,198,342) |
| Machinery and equipment | (858,318,798) | (29,454,740) | 10,900,365 | - | (876,873,173) |
| Vehicles | (41,053,623) | (5,268,316) | 5,252,207 | - | (41,069,732) |
| Total accumulated depreciation | (1,914,321,560) | (83,568,440) | 21,312,964 | - | (1,976,577,036) |
| Construction in progress and machinery under installation | 1,114,164 | 6,681,072 | (871,723) | (3,177,634) | 3,745,879 |
| Property, plant and equipment | 1,211,296,871 | | | | 1,168,731,919 |

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 |
| Depreciation for the years ended December 31, | | | | | |
| 2020 | | | | Baht | 83,568,440 |
| 2019 | | | | Baht | 90,806,642 |

As at December 31, 2020

Unit : Baht

| SEPARATE FINANCIAL STATEMENTS | | | | | |
|--------------------------------------------------------------|-------------------------------------|---------------------|---------------------|--------------------|---------------------------------------|
| | Balance as at January 1, 2020 | Additions | Disposals | Transfer/ other | Balance as at December 31, 2020 |
| Cost | | | | | |
| Land | 838,389,420 | - | - | - | 838,389,420 |
| Land improvement | 2,237,838 | - | - | - | 2,237,838 |
| Building and structures | 248,632,033 | - | - | - | 248,632,033 |
| Furniture, fixtures and office equipment | 656,207,061 | 33,998,461 | (6,099,248) | 2,920,033 | 687,026,307 |
| Machinery and equipment | 472,739,435 | 1,947,558 | (8,916,377) | 242,264 | 466,012,880 |
| Vehicles | 47,517,331 | 1,214,953 | (6,497,563) | - | 42,234,721 |
| Total costs | 2,265,723,118 | 37,160,972 | (21,513,188) | 3,162,297 | 2,284,533,199 |
| Accumulated depreciation | | | | | |
| Land improvement | (1,632,299) | (56,886) | - | - | (1,689,185) |
| Building and structures | (167,554,454) | (6,124,686) | - | - | (173,679,140) |
| Furniture, fixtures and office equipment | (540,244,182) | (38,074,741) | 4,899,644 | - | (573,419,279) |
| Machinery and equipment | (432,157,527) | (11,968,018) | 8,916,186 | - | (435,209,359) |
| Vehicles | (30,605,169) | (4,547,827) | 5,252,206 | - | (29,900,790) |
| Total accumulated depreciation | (1,172,193,631) | (60,772,158) | 19,068,036 | - | (1,213,897,753) |
| Construction in progress and machinery under installation | 904,225 | 6,670,234 | (861,365) | (3,162,297) | 3,550,797 |
| Property, plant and equipment | 1,094,433,712 | | | | 1,074,186,243 |

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 |
| Depreciation for the years ended December 31, | | | | | |
| 2020 | | | | Baht | 60,772,158 |
| 2019 | | | | Baht | 59,966,426 |

Costs of plant and equipment which are fully depreciated and still in use by the Company and its subsidiaries as at December 31, 2020 and 2019 are approximately Baht 1,516.24 million and Baht 1,503.30 million, respectively (Company: Baht 937.35 million and Baht 936.41 million, respectively).

17. RIGHT-OF-USE ASSETS

Right-of-use assets as at December 31, were as follows:

Unit : Baht

| CONSOLIDATED FINANCIAL STATEMENTS | | | | | | |
|-----------------------------------------------------|----------------------------------------|----------------------------------------------------------------------|---------------------------------------------------------------|---------------------|---------------------|------------------------------------------|
| As at December 31, 2020 | Balance as at January 1, 2020 | Consequence from initial apply to TFRS 16 (see Note 2.4) | Reclassification from Leasehold Rights (see Note 19) | Increase | Decrease | Balance as at December 31, 2020 |
| Cost | | | | | | |
| Land | - | 2,750,917 | - | - | - | 2,750,917 |
| Buildings | - | 22,548,172 | 37,964,526 | - | (26,343,971) | 34,168,727 |
| Vehicles | - | 36,995,726 | - | 1,480,337 | (1,330,938) | 37,145,125 |
| Total cost | - | 62,294,815 | 37,964,526 | 1,480,337 | (27,674,909) | 74,064,769 |
| Accumulated depreciation | | | | | | |
| Land | - | - | - | (918,646) | - | (918,646) |
| Buildings | - | - | (27,815,723) | (12,892,017) | 24,527,220 | (16,180,520) |
| Vehicles | - | - | - | (15,497,692) | 303,025 | (15,194,667) |
| Total accumulated depreciation | - | - | (27,815,723) | (29,308,355) | 24,830,245 | (32,293,833) |
| Total right-of-use assets | - | | | | | 41,770,936 |
| Depreciation for the year ended December 31, | | | | | | |
| 2020 | | | | | Baht | 29,308,355 |

Unit : Baht

| SEPARATE FINANCIAL STATEMENTS | | | | | | |
|-------------------------------------------|----------------------------------------|----------------------------------------------------------------------|---------------------------------------------------------------|---------------------|---------------------|------------------------------------------|
| As at December 31, 2020 | Balance as at January 1, 2020 | Consequence from initial apply to TFRS 16 (see Note 2.4) | Reclassification from Leasehold Rights (see Note 19) | Increase | Decrease | Balance as at December 31, 2020 |
| Cost | | | | | | |
| Land | - | 2,750,917 | - | - | - | 2,750,917 |
| Buildings | - | 17,390,202 | 37,964,526 | - | (26,343,971) | 29,010,757 |
| Vehicles | - | 34,285,139 | - | 1,480,338 | (658,373) | 35,107,104 |
| Total cost | - | 54,426,258 | 37,964,526 | 1,480,338 | (27,002,344) | 66,868,778 |
| Accumulated depreciation | | | | | | |
| Land | - | - | - | (918,646) | - | (918,646) |
| Buildings | - | - | (27,815,723) | (11,169,556) | 24,527,220 | (14,458,059) |
| Vehicles | - | - | - | (13,838,197) | 69,755 | (13,768,442) |
| Total accumulated depreciation | - | - | (27,815,723) | (25,926,399) | 24,596,975 | (29,145,147) |
| Total right-of-use assets | - | | | | | 37,723,631 |

Depreciation for the year ended December 31,

2020

Baht 25,926,399

The expenses related to the lease are recognized in the income statement as follows:

Unit : Baht

| | As at December 31, 2020 | |
|------------------------------------------------|--------------------------------------|----------------------------------|
| | CONSOLIDATED FINANCIAL STATEMENTS | SEPARATE FINANCIAL STATEMENTS |
| Amounts recognized in profit or loss | | |
| Depreciation on right-of-use assets | 29,308,355 | 25,926,399 |
| Interest expense on lease liabilities | 1,524,364 | 1,324,661 |
| Expense relating to short-term leases | 3,659,597 | 2,124,709 |
| Expense relating to leases of low value assets | 1,011,603 | 848,900 |
| Total | 35,503,919 | 30,224,669 |

18. INTANGIBLE ASSETS

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

As at December 31, 2020

Unit : Baht

| CONSOLIDATED FINANCIAL STATEMENTS | | | | | |
|-----------------------------------------------|-------------------------------------|--------------------|-----------|--------------------|---------------------------------------|
| | Balance as at January 1, 2020 | Additions | Disposals | Transfer/ other | Balance as at December 31, 2020 |
| Cost | | | | | |
| Software | 91,247,030 | 1,516,100 | - | - | 92,763,130 |
| Trademark and club and golf membership fee | 8,825,323 | 11,500 | - | 258,811 | 9,095,634 |
| Total costs | 100,072,353 | 1,527,600 | - | 258,811 | 101,858,764 |
| Accumulated amortization | | | | | |
| Software | (64,145,325) | (5,822,332) | - | - | (69,967,657) |
| Trademark and club and golf membership fee | (6,589,685) | (504,587) | - | - | (7,094,272) |
| Total accumulated amortization | (70,735,010) | (6,326,919) | - | - | (77,061,929) |
| Intangible assets in transferring | 9,488,931 | 2,087,700 | - | (258,811) | 11,317,820 |
| Intangible assets | 38,826,274 | | | | 36,114,655 |

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 |

Amortization for the years ended December 31,

| | | |
|------|------|-----------|
| 2020 | Baht | 6,326,919 |
| 2019 | Baht | 6,438,747 |

As at December 31, 2020

Unit : Baht

| | SEPARATE FINANCIAL STATEMENTS | | | | |
|-----------------------------------------------|-------------------------------------|--------------------|-----------|--------------------|---------------------------------------|
| | Balance as at January 1, 2020 | Additions | Disposals | Transfer/ other | Balance as at December 31, 2020 |
| Cost | | | | | |
| Software | 87,967,760 | 1,172,700 | - | - | 89,140,460 |
| Trademark and club and golf membership fee | 8,825,323 | 11,500 | - | 258,811 | 9,095,634 |
| Total costs | 96,793,083 | 1,184,200 | - | 258,811 | 98,236,094 |
| Accumulated amortization | | | | | |
| Software | (60,925,349) | (5,727,971) | - | - | (66,653,320) |
| Trademark and club and golf membership fee | (6,589,685) | (504,588) | - | - | (7,094,273) |
| Total accumulated amortization | (67,515,034) | (6,232,559) | - | - | (73,747,593) |
| Intangible assets in transferring | 9,488,931 | 2,087,701 | - | (258,811) | 11,317,821 |
| Intangible assets | 38,766,980 | | | | 35,806,322 |

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 |

Amortization for the years ended December 31,

| | | |
|------|------|-----------|
| 2020 | Baht | 6,232,559 |
| 2019 | Baht | 6,366,147 |

19. LEASEHOLD RIGHTS

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

As at December 31, 2019 (2020: Nil)

| | 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 |

Amortization for the years ended December 31,

| | | |
|------|------|-----------|
| 2019 | Baht | 3,881,860 |
|------|------|-----------|

From January 1, 2020, the Company reclassified leasehold rights amount Baht 10.15 million as right-of-use assets from the initial application of TFRS 16 (see Note 17).

20. 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 | |
| | 2020 | 2019 | 2020 | 2019 |
| Trade payables - related companies (see Note 33) | 86,060,458 | 138,898,325 | 157,819,047 | 267,146,612 |
| Trade payables - other companies | 91,368,346 | 163,354,412 | 72,524,843 | 123,531,810 |
| Total trade payables | 177,428,804 | 302,252,737 | 230,343,890 | 390,678,422 |
| Other payables - related companies (see Note 33) | 72,351,930 | 9,536,450 | 72,554,121 | 9,484,133 |
| Other payables - other companies | 17,842,116 | 35,460,435 | 13,806,795 | 32,377,522 |
| Accrued bonus expense | - | 118,596,422 | - | 88,521,337 |
| Accrued royalty fee (see Note 33) | 33,357,861 | 67,263,274 | 33,357,861 | 67,263,274 |
| Accrued expense | 93,137,405 | 44,404,145 | 91,127,488 | 39,745,372 |
| Unearned income | 127,837 | 1,725,302 | 93,921 | 1,691,386 |
| Advance received for land (see Note 10 and 33) | - | 100,000,000 | - | 100,000,000 |
| Guarantees received in advance | 2,686,586 | 3,937,339 | 2,310,786 | 3,658,439 |
| Total other payables | 219,503,735 | 380,923,367 | 213,250,972 | 342,741,463 |
| | 396,932,539 | 683,176,104 | 443,594,862 | 733,419,885 |

21. LEASE LIABILITIES

The Company and its subsidiaries have entered into lease agreements for equipment under lease. Lease liabilities as at December 31, are as follows:

| Unit : Baht | | | | |
|-------------------------------------------------------|--------------------------------------|----------|----------------------------------|----------|
| | CONSOLIDATED FINANCIAL STATEMENTS | | SEPARATE FINANCIAL STATEMENTS | |
| | 2020 | 2019 | 2020 | 2019 |
| Lease liabilities | 36,334,126 | - | 32,086,990 | - |
| Less Deferred interest under finance lease agreements | (994,717) | - | (879,468) | - |
| Lease liabilities | 35,339,409 | - | 31,207,522 | - |
| Liabilities under finance lease agreements | | | | |
| installments due within 1 year | 20,879,800 | - | 18,519,001 | - |
| Lease liabilities - net | 14,459,609 | - | 12,688,521 | - |

22. DEFERRED TAX LIABILITIES

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

| Unit : Baht | | | | |
|-----------------------------------------------------|--------------------------------------|----------------------|----------------------------------|----------------------|
| | CONSOLIDATED FINANCIAL STATEMENTS | | SEPARATE FINANCIAL STATEMENTS | |
| | 2020 | 2019 | 2020 | 2019 |
| Deferred tax assets | | | | |
| Consignment sales | 2,751,800 | 3,675,800 | 2,751,800 | 3,675,800 |
| Allowance for diminution in value of finished goods | 234,062 | 190,761 | 234,062 | 190,761 |
| Allowance for impairment of investments | 19,208,924 | 19,208,924 | 19,208,924 | 19,208,924 |
| Provision for goods returned | 25,460,000 | 17,600,000 | 25,460,000 | 17,600,000 |
| Provisions for employee benefits | 93,554,994 | 128,123,828 | 77,010,901 | 91,445,169 |
| Operating Loss | 113,827,181 | - | 83,350,952 | - |
| | 255,036,961 | 168,799,313 | 208,016,639 | 132,120,654 |
| Deferred tax liabilities | | | | |
| Gain on financial assets | | | | |
| fair value through profit or loss | (332,817) | (112,240) | (318,428) | (112,240) |
| Gain on financial assets | | | | |
| fair value through other comprehensive income | (212,074,164) | (183,388,215) | (212,529,765) | (182,873,652) |
| Gain on translating the financial | | | | |
| statement of a foreign operation | 4,421 | (3,877) | - | - |
| Lease liabilities | (132,412) | - | (115,495) | - |
| | (212,534,972) | (183,504,332) | (212,936,688) | (182,985,892) |
| Deferred tax assets (liabilities) - net | 42,501,989 | (14,705,019) | (4,947,049) | (50,865,238) |

The movements of deferred tax assets and deferred tax liabilities during the year are as follows:

Unit : Thousand Baht

| CONSOLIDATED FINANCIAL STATEMENTS | | | | | | |
|-----------------------------------------------------------------------------------------------|-----------------------------|---------------------------------------------|---------------------------------------------------------------|--------------------------------------------------------------|------------------------------|-------------------------------|
| | As at January 1, 2020 | Items as recognized in profit or loss | Items as recognized in other comprehensive income | Items as recognized in directly charge to equity | Adjustment (see Note 2.4) | As at December 31, 2020 |
| Deferred tax assets | | | | | | |
| Consignment sales | 3,676 | (924) | - | - | - | 2,752 |
| Allowance for diminution in value of finished goods | 191 | 43 | - | - | - | 234 |
| Allowance for impairment of investments | 19,209 | - | - | - | - | 19,209 |
| Provision for goods returned | 17,600 | 7,860 | - | - | - | 25,460 |
| Provisions for employee benefits | 128,124 | (32,183) | (2,386) | - | - | 93,555 |
| Operating Loss | - | 113,827 | - | - | - | 113,827 |
| | 168,800 | 88,623 | (2,386) | - | - | 255,037 |
| Deferred tax liabilities | | | | | | |
| Gain on fair value of financial assets recognized through profit or loss | (112) | (72) | - | - | (149) | (333) |
| Gain on fair value of financial assets recognized through other comprehensive income | (183,389) | - | 55,471 | 2,077 | (86,233) | (212,074) |
| Gain on translating the financial statement of a foreign operation | (4) | - | 8 | - | - | 4 |
| Lease liabilities | - | (132) | - | - | - | (132) |
| | (183,505) | (204) | 55,479 | 2,077 | (86,382) | (212,535) |
| Deferred tax assets (liabilities) - net | | | | | | |
| | (14,705) | 88,419 | 53,093 | 2,077 | (86,382) | 42,502 |

CONSOLIDATED FINANCIAL STATEMENTS

| | As at January 1, 2019 | Items as recognized in profit or loss (see Note 32) | 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 benefits | 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) |

SEPARATE FINANCIAL STATEMENTS

| | As at January 1, 2020 | Items as recognized in profit or loss | Items as recognized in other comprehensive income | Items as recognized in directly charge to equity | Adjustment (see Note 2.4) | As at December 31, 2020 |
|-----------------------------------------------------------------------------------------------|-----------------------------|---------------------------------------------|---------------------------------------------------------------|--------------------------------------------------------------|------------------------------|-------------------------------|
| Deferred tax assets | | | | | | |
| Consignment sales | 3,676 | (924) | - | - | - | 2,752 |
| Allowance for diminution in value of finished goods | 191 | 43 | - | - | - | 234 |
| Allowance for impairment of investments | 19,209 | - | - | - | - | 19,209 |
| Provision for goods returned | 17,600 | 7,860 | - | - | - | 25,460 |
| Provisions for employee benefits | 91,445 | (12,060) | (2,374) | - | - | 77,011 |
| Operating Loss | - | 83,351 | - | - | - | 83,351 |
| | 132,121 | 78,270 | (2,374) | - | - | 208,017 |
| Deferred tax liabilities | | | | | | |
| Gain on fair value of financial assets recognized through profit or loss | (112) | (167) | - | - | (40) | (319) |
| Gain on fair value of financial assets recognized through other comprehensive income | (182,874) | - | 54,632 | 2,077 | (86,365) | (212,530) |
| Lease liabilities | - | (115) | - | - | - | (115) |
| | (182,986) | (282) | 54,632 | 2,077 | (86,405) | (212,964) |
| Deferred tax liabilities - net | (50,865) | 77,988 | 52,258 | 2,077 | (86,405) | (4,947) |

SEPARATE FINANCIAL STATEMENTS

| | As at January 1, 2019 | Items as recognized in profit or loss | 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 benefits | 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) |

23. 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.

Unit : Baht

| | CONSOLIDATED FINANCIAL STATEMENTS | | SEPARATE FINANCIAL STATEMENTS | |
|---------------------------------------------|--------------------------------------|--------------------|----------------------------------|--------------------|
| | 2020 | 2019 | 2020 | 2019 |
| Current provisions for Employee benefit | 45,355,469 | 69,048,733 | 33,512,912 | 49,822,073 |
| Non-current provisions for Employee benefit | 527,016,379 | 687,461,143 | 416,338,099 | 482,880,319 |
| Total | 572,371,848 | 756,509,876 | 449,851,011 | 532,702,392 |

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 | |
| | 2020 | 2019 | 2020 | 2019 |
| Current service cost | 194,849,044 | 37,604,223 | 120,608,372 | 29,974,188 |
| Interest cost | 10,805,409 | 13,144,798 | 7,697,318 | 9,053,204 |
| Past service cost | - | 9,101,669 | - | 5,190,528 |
| | 205,654,453 | 59,850,690 | 128,305,690 | 44,217,920 |

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

| Unit : Baht | | | | |
|-------------------------------------------------------------------------------------|--------------------------------------|--------------------|----------------------------------|--------------------|
| | CONSOLIDATED FINANCIAL STATEMENTS | | SEPARATE FINANCIAL STATEMENTS | |
| | 2020 | 2019 | 2020 | 2019 |
| Beginning balance of post-employment benefits obligation as at January 1, | 756,509,876 | 568,138,268 | 532,702,392 | 369,141,964 |
| <u>Add</u> Current service cost | 194,849,044 | 37,604,223 | 120,608,372 | 29,974,188 |
| Interest cost | 10,805,409 | 13,144,798 | 7,697,318 | 9,053,204 |
| Past service cost | - | 9,101,669 | - | 5,190,528 |
| Actuarial (gain) loss | (11,930,413) | 103,173,246 | (11,871,720) | 77,064,450 |
| Adjustment from transfer-in of employees (see Note 4.2.2) | 39,430 | 80,740,952 | 39,430 | 80,740,952 |
| <u>Less</u> Benefit paid | (43,130,889) | (55,393,280) | (29,057,079) | (38,462,894) |
| Early voluntary retirement paid (see Note 1) | (334,770,609) | - | (170,267,702) | - |
| Ending balance of post-employment benefits obligation as at December 31, | 572,371,848 | 756,509,876 | 449,851,011 | 532,702,392 |

During the years of 2019, the Company and its subsidiaries received transferred employees from related companies and recorded as provisions for employee benefit in consolidated and separate financial statements amounting to Baht 80.74 million, 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, 2020 and 2019 amounting to Baht 51.41 million and Baht 64.85 million, respectively (see Note 33).

The principle actuarial assumptions used to calculate the provision under the retirement benefit plans as at December 31, are as follows:

| | CONSOLIDATED | | SEPARATE | |
|-------------------------------------------------------------------|----------------------|-----------------|----------------------|------------|
| | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | 2020 | 2019 | 2020 | 2019 |
| Discount rate (p.a.) | 0.92 % - 1.59 % | 1.89 % - 2.42 % | 1.51 % | 2.04 % |
| Expected rate of salary increase (p.a.) | 3 % - 5 % | 0 % - 5 % | 4 % | 0 % - 5 % |
| Voluntary resignation rate (Depended on employee's age) (p.a.) | | | | |
| - Monthly employees | 0 % | 1 % - 30 % | 0 % | 1 % - 30 % |
| - Daily employees | 0 % | 1 % - 46 % | 0 % | 3 % - 33 % |
| Mortality rate | TMO2017 | TMO2017 | TMO2017 | TMO2017 |

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 | |
| | 2020 | 2019 | 2020 | 2019 |
| Discount rate | | | | |
| Discount rate, decrease of 1 percent | 47.98 | 117.49 | 38.84 | 88.79 |
| Discount rate, increase of 1 percent | (41.91) | (103.62) | (33.83) | (77.82) |
| Salary increase rate | | | | |
| Salary increase rate, decrease of 1 percent | (41.07) | (54.80) | (33.37) | (41.41) |
| Salary increase rate, increase of 1 percent | 45.87 | 57.78 | 37.46 | 43.78 |
| Turnover rate | | | | |
| Turnover rate, decrease of 1 percent | 1.00 | 1.19 | 0.70 | 0.80 |
| Turnover rate, increase of 1 percent | (0.92) | (1.11) | (0.65) | (0.75) |

24. 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, 2020 and 2019, the Company's legal reserve has reached 10% of the registered share capital.

25. 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.

26. DIVIDENDS AND GENERAL RESERVE

Dividends payment and set aside the reserve of the Company and its subsidiaries are as follows:

| Companies | 2020 | | | | 2019 | | | |
|------------------------------------|-------------------------------|----------------|-----------------------------|--------------------------------|-------------------------------|----------------|-----------------------------|--------------------------------|
| | 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 | August 3 | 1.90 | 228.00 | 18.41 | April 22 | 1.80 | 216.00 | 16.24 |
| Wacoal Siracha Co., Ltd. | April 1 | 78.00 | 15.60 | - | April 1 | 127.00 | 25.40 | - |
| Wacoal Kabinburi Co., Ltd. | April 1 | 61.00 | 30.50 | - | April 1 | 69.00 | 34.50 | - |
| Wacoal Lamphun Co., Ltd. | April 1 | 32.00 | 16.00 | - | April 1 | 40.00 | 20.00 | - |
| Pattaya Kabinburi Co., Ltd. | April 1 | 71.00 | 14.20 | - | April 1 | 112.00 | 22.40 | - |
| Tora 1010 Co., Ltd. | April 1 | 19.00 | 5.70 | - | April 1 | 20.00 | 6.00 | - |

On April 7, 2020 the Board of Directors' meeting had passed the resolution to postpone the Annual General Meeting of Shareholders ("AGM") no. 51 indefinitely by cancelling the date, and approve the interim dividend payment for the operating of fiscal year 2019. The Company paid for such dividend in May 2020 and on June 12, 2020 the Board of Directors' meeting had passed the resolution to held the AGM no. 51 on August 3, 2020 and passed the resolution to appropriated for the general reserve amount Baht 18.41 million.

Wacoal Siracha Co., Ltd., Wacoal Kabinburi Co., Ltd., Wacoal Lamphun Co., Ltd., Pattaya Kabinburi Co., Ltd., and Tora 1010 Co., Ltd. had been held AGM and paid such dividends in April 2020.

Dividends in the year 2019 were the appropriation of net profit for the year 2018 and paid such dividend 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 such dividends in April 2019.

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.

27. 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, 2020 and 2019, the Company and its subsidiaries' contributions are recorded as expenses in the amount of Baht 19.31 million and Baht 25.57 million, respectively (Company: Baht 15.87 million and Baht 17.69 million, respectively).

28. 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 | | SEPARATE | |
| | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | 2020 | 2019 | 2020 | 2019 |
| Timing of revenue recognition | | | | |
| At a point in time | | | | |
| Revenues from sale of goods | 2,937,580,340 | 4,845,561,104 | 3,130,128,454 | 5,242,396,213 |
| Revenues from rendering of services | 18,624,790 | 35,585,282 | 3,052,344 | 12,287,171 |
| | <u>2,956,205,130</u> | <u>4,881,146,386</u> | <u>3,133,180,798</u> | <u>5,254,683,384</u> |

29. 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 | | SEPARATE | |
| | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | 2020 | 2019 | 2020 | 2019 |
| Cost of sale of goods | 2,210,392,652 | 3,146,994,959 | 2,427,608,094 | 3,732,433,782 |
| Cost of rendering of services | 18,796,168 | 31,552,846 | 2,793,747 | 12,004,642 |
| | <u>2,229,188,820</u> | <u>3,178,547,805</u> | <u>2,430,401,841</u> | <u>3,744,438,424</u> |

30. OTHER INCOME

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

Unit : Baht

| | CONSOLIDATED FINANCIAL STATEMENTS | | SEPARATE FINANCIAL STATEMENTS | |
|---------------------------------------|--------------------------------------|--------------------|----------------------------------|--------------------|
| | 2020 | 2019 | 2020 | 2019 |
| Interest income | 10,528,786 | 8,758,683 | 10,110,437 | 8,056,093 |
| Rental income and service income | 4,589,173 | 7,084,968 | 5,057,313 | 10,240,910 |
| Net gain on exchange rate | 8,285,453 | 17,814,036 | 8,843,931 | 16,489,098 |
| Gain on sales of land (see Note 10) | 193,653,585 | 81,916,995 | 193,653,585 | 81,916,995 |
| Gain on sales of plant and equipment | 981,619 | 4,353,894 | 889,618 | 31,609,716 |
| Unrealized gain on trading securities | - | 561,201 | - | 561,201 |
| Other income | 38,544,655 | 60,140,103 | 35,863,164 | 58,938,510 |
| | 256,583,271 | 180,629,880 | 254,418,048 | 207,812,523 |

31. EXPENSES BY NATURE

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

Unit : Baht

| | CONSOLIDATED FINANCIAL STATEMENTS | | SEPARATE FINANCIAL STATEMENTS | |
|--------------------------------------------|--------------------------------------|---------------|----------------------------------|---------------|
| | 2020 | 2019 | 2020 | 2019 |
| Changes in finished goods | | | | |
| and work in progress decreased | (82,747,483) | (178,455,962) | (80,667,865) | (181,918,182) |
| Cost of finished goods purchased | 257,562,763 | 435,987,731 | 1,051,939,556 | 1,946,961,747 |
| Raw materials used | 945,848,065 | 1,533,880,563 | 750,112,825 | 1,151,396,477 |
| Employee benefits expense | 1,605,132,985 | 1,841,741,933 | 1,211,692,810 | 1,314,936,572 |
| Depreciation and amortization | 122,473,745 | 104,499,578 | 96,201,147 | 73,658,173 |
| Loss on diminution in value of inventories | | | | |
| (see Note 7) | 50,369,682 | 44,333,438 | 42,403,507 | 41,863,522 |
| Royalty fee | 33,696,743 | 67,766,517 | 33,696,743 | 67,766,517 |
| Utilities expense | 47,292,102 | 55,046,619 | 33,912,475 | 35,001,841 |
| Management benefit expenses | 57,538,710 | 72,717,236 | 44,889,972 | 56,249,078 |

32. 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 | |
| | 2020 | 2019 | 2020 | 2019 |
| Income tax of the current period | | | | |
| Income tax expenses of the current period | (185,894) | (64,495,347) | - | (61,755,749) |
| Deferred income tax | | | | |
| Movement in temporary differences | 90,496,624 | 15,019,473 | 80,064,965 | 15,519,416 |
| Total | 90,310,730 | (49,475,874) | 80,064,965 | (46,236,333) |

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 | | | |
| | 2020 | Rate (%) | 2019 | Rate (%) | 2020 | Rate (%) | 2019 | Rate (%) |
| Income (loss) before income tax | (405,217,133) | | 385,564,508 | | (259,022,641) | | 414,500,157 | |
| The result of the accounting income (loss) before income tax multiplied by the income tax rate 20% | | | | | | | | |
| - (expenses) income | 81,043,427 | 20 | (77,112,901) | 20 | 51,804,528 | 20 | (82,900,031) | 20 |
| Effect of the non-taxable income and non-deductible expense | 9,267,303 | 2 | 27,637,027 | (7) | 28,260,437 | 11 | 36,663,698 | (9) |
| Income tax (expense) income | 90,310,730 | 22 | (49,475,874) | 13 | 80,064,965 | 31 | (46,236,333) | 11 |

33. 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 | | SEPARATE | |
| | | FINANCIAL STATEMENTS | FINANCIAL STATEMENTS | FINANCIAL STATEMENTS | FINANCIAL STATEMENTS |
| | | 2020 | 2019 | 2020 | 2019 |
| Trade receivables | | | | | |
| I.C.C. International Public Co., Ltd. | The Company's major shareholder has over 10% shareholding | 335 | 634 | 335 | 634 |
| Wacoal China Co., Ltd. | The Company's major shareholder has over 10% shareholding | - | 2 | - | 2 |
| Wacoal EMEA Ltd. | The Company's major shareholder has over 10% shareholding | 5 | 11 | 5 | 11 |
| Wacoal Corporation | The Company's major shareholder and ultimate shareholder | 26 | 60 | 26 | 60 |
| Wacoal America Inc. | Subsidiary of major shareholder company | 12 | 20 | 12 | 20 |
| Myanmar Wacoal Co., Ltd. | Associated company | 10 | 12 | 10 | 12 |
| Pattaya Manufacturing Co., Ltd. | Associated company | 4 | 1 | 4 | 1 |
| Wacoal Siracha Co., Ltd. | Subsidiary | - | - | 39 | 59 |
| Wacoal Kabinburi Co., Ltd. | Subsidiary | - | - | 18 | 28 |
| Wacoal Lamphun Co., Ltd. | Subsidiary | - | - | 10 | 21 |
| Pattaya Kabinburi Co., Ltd. | Subsidiary | - | - | 12 | 22 |
| Others | | 8 | 9 | 7 | 8 |
| Total trade receivables (see Note 5) | | 400 | 749 | 478 | 878 |
| Other receivables | | | | | |
| I.C.C. International Public Co., Ltd. | The Company's major shareholder has over 10% shareholding | 5 | 12 | 5 | 12 |
| Others | | - | 1 | - | 1 |
| Total other receivables (see Note 5) | | 5 | 13 | 5 | 13 |

| | Relationship | CONSOLIDATED | | SEPARATE | |
|------------------------------------------------------------|-----------------------------------------------------------------|----------------------|------|----------------------|------|
| | | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | | 2020 | 2019 | 2020 | 2019 |
| Long-term investments in related companies (see Note 11.2) | | | | | |
| Available-for-sale securities | | - | 939 | - | 927 |
| General investments | | - | 631 | - | 631 |
| Equity instruments designated as at FVTOCI | | 1,531 | - | 1,523 | - |
| Non-current asset (see Note 23) | | | | | |
| I.C.C. International Public Co., Ltd. | The Company's major shareholder has over 10% shareholding | 51 | 65 | 51 | 65 |
| Trade payables | | | | | |
| Textile Prestige Public Co., Ltd. | The Company's major shareholder has over 10% shareholding | 1 | 3 | 1 | 2 |
| A Tech Textile Co., Ltd. | The Company's major shareholder has over 10% shareholding | 13 | 19 | 10 | 14 |
| G Tech Material Co., Ltd. | The Company's major shareholder has over 10% shareholding | 16 | 38 | 11 | 24 |
| Thai Takeda Lace Co., Ltd. | The Company's major shareholder has over 10% shareholding | 2 | 4 | 2 | 3 |
| Wacoal International Hongkong Co., Ltd. | The Company's major shareholder has over 10% shareholding | 25 | 17 | 25 | 17 |
| Wacoal Corporation | The Company's major shareholder and ultimate shareholder | 20 | 34 | 20 | 34 |
| Myanmar Wacoal Co., Ltd. | Associated company | 5 | 13 | 5 | 13 |
| Pattaya Manufacturing Co., Ltd. | Associated company | 1 | 6 | 1 | 6 |
| Wacoal Siracha Co., Ltd. | Subsidiary | - | - | 26 | 60 |
| Wacoal Kabinburi Co., Ltd. | Subsidiary | - | - | 19 | 31 |
| Wacoal Lamphun Co., Ltd. | Subsidiary | - | - | 17 | 29 |
| Pattaya Kabinburi Co., Ltd. | Subsidiary | - | - | 20 | 31 |
| Others | | 3 | 5 | 1 | 3 |
| Total trade payables (see Note 20) | | 86 | 139 | 158 | 267 |

Unit : Million Baht

| | | Relationship | CONSOLIDATED | | SEPARATE | |
|---------------------------------------|-----------------------------------------------------------|--------------|----------------------|------|----------------------|------|
| | | | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | | | 2020 | 2019 | 2020 | 2019 |
| Other payables | | | | | | |
| I.C.C. International Public Co., Ltd. | The Company's major shareholder has over 10% shareholding | 66 | 2 | 66 | 2 | |
| SRP Nanasai Co., Ltd. | Co-director | 4 | 3 | 4 | 3 | |
| Others | | 2 | 5 | 2 | 4 | |
| Total other payables (see Note 20) | | 72 | 10 | 72 | 9 | |

Accrued royalty fee (see Note 20)

| | | | | | |
|--------------------|----------------------------------------------------------|----|----|----|----|
| Wacoal Corporation | The Company's major shareholder and ultimate shareholder | 33 | 67 | 33 | 67 |
|--------------------|----------------------------------------------------------|----|----|----|----|

Advance received from land (see Note 20)

| | | | | | |
|------------------------------|-----------------------------------------------------------|---|-----|---|-----|
| 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

| | | CONSOLIDATED | | SEPARATE | |
|---------------------------------------------------|-----------------------------------------------------------|----------------------|-------|----------------------|-------|
| | | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | | 2020 | 2019 | 2020 | 2019 |
| Sale (return) of raw materials and finished goods | | | | | |
| I.C.C. International Public Co., Ltd. | The Company's major shareholder has over 10% shareholding | 1,463 | 3,130 | 1,463 | 3,130 |
| Wacoal America Inc. | Subsidiary of major shareholder company | 149 | 242 | 149 | 242 |
| Philippine Wacoal Corp. | The Company's major shareholder has over 10% shareholding | 24 | 34 | 24 | 34 |
| Wacoal Corporation | The Company's major shareholder and ultimate shareholder | 599 | 721 | 599 | 721 |
| Wacoal China Co., Ltd. | The Company's major shareholder has over 10% shareholding | 46 | 44 | 46 | 44 |

| | Relationship | CONSOLIDATED FINANCIAL STATEMENTS | | SEPARATE FINANCIAL STATEMENTS | |
|------------------------------------------------------------------------|-----------------------------------------------------------|--------------------------------------|-------|----------------------------------|-------|
| | | 2020 | 2019 | 2020 | 2019 |
| Wien International Co., Ltd. | The Company's major shareholder has over 10% shareholding | - | (33) | - | (33) |
| Best Factory Outlet Co., Ltd. (formerly Kabin Pattanakij Co., Ltd.) | The Company's major shareholder has over 10% shareholding | 13 | 19 | 13 | 19 |
| Wacoal EMEA Ltd. | The Company's major shareholder has over 10% shareholding | 30 | 80 | 30 | 80 |
| Pattaya Manufacturing Co., Ltd. | Associated company | 9 | 17 | 9 | 17 |
| Myanmar Wacoal Co., Ltd. | Associated company | 46 | 75 | 46 | 75 |
| Wacoal Siracha Co., Ltd. | Subsidiary | - | - | 93 | 174 |
| Wacoal Kabinburi Co., Ltd. | Subsidiary | - | - | 49 | 90 |
| Wacoal Lamphun Co., Ltd. | Subsidiary | - | - | 48 | 93 |
| Pattaya Kabinburi Co., Ltd. | Subsidiary | - | - | 44 | 80 |
| Others | | 29 | 40 | 26 | 34 |
| Total sale (return) of raw materials and finished goods | | 2,408 | 4,369 | 2,639 | 4,800 |

Purchase of raw materials and finished goods

| | | | | | |
|-----------------------------------------|-----------------------------------------------------------|-----|-----|-----|-----|
| Textile Prestige Public Co., Ltd. | The Company's major shareholder has over 10% shareholding | 6 | 8 | 4 | 5 |
| Wacoal Corporation | The Company's major shareholder and ultimate shareholder | 85 | 126 | 85 | 126 |
| Wacoal International Hongkong Co., Ltd. | The Company's major shareholder has over 10% shareholding | 183 | 209 | 183 | 209 |
| Thai Takeda Lace Co., Ltd. | The Company's major shareholder has over 10% shareholding | 15 | 31 | 12 | 21 |
| G Tech Material Co., Ltd. | The Company's major shareholder has over 10% shareholding | 147 | 276 | 80 | 158 |
| A Tech Textile Co., Ltd. | The Company's major shareholder has over 10% shareholding | 67 | 122 | 51 | 80 |
| Pattaya Manufacturing Co., Ltd. | Associated company | 11 | 57 | 11 | 57 |
| Myanmar Wacoal Co., Ltd. | Associated company | 99 | 120 | 99 | 120 |
| Wacoal Siracha Co., Ltd. | Subsidiary | - | - | 338 | 571 |

| | Relationship | CONSOLIDATED FINANCIAL STATEMENTS | | SEPARATE FINANCIAL STATEMENTS | |
|----------------------------------------------------|--------------|--------------------------------------|------|----------------------------------|-------|
| | | 2020 | 2019 | 2020 | 2019 |
| Wacoal Kabinburi Co., Ltd. | Subsidiary | - | - | 155 | 296 |
| Wacoal Lamphun Co., Ltd. | Subsidiary | - | - | 160 | 318 |
| Pattaya Kabinburi Co., Ltd. | Subsidiary | - | - | 155 | 327 |
| Tora 1010 Co., Ltd. | Subsidiary | - | - | 52 | 85 |
| Others | | 54 | 44 | 50 | 39 |
| Total purchase of raw materials and finished goods | | 667 | 993 | 1,435 | 2,412 |

Hire of work income and rental income

| | | | | | |
|---------------------------------------------|-----------------------------------------------------------|----|----|---|----|
| I.C.C. International Public Co., Ltd. | The Company's major shareholder has over 10% shareholding | - | 10 | - | 10 |
| Thaigunze Co., Ltd. | The Company's major shareholder has over 10% shareholding | 5 | 11 | - | - |
| Pattaya Manufacturing Co., Ltd. | Associated company | 2 | 3 | 1 | 3 |
| Wacoal Siracha Co., Ltd. | Subsidiary | - | - | 2 | 4 |
| Others | | 6 | 12 | 2 | 3 |
| Total hire of work income and rental income | | 13 | 36 | 5 | 20 |

Wage hire of work and rental expense

| | | | | | |
|--------------------------------------------|--------------------|----|----|----|----|
| Royal Garment Co., Ltd. | Co-director | 15 | 20 | 15 | 20 |
| Myanmar Wacoal Co., Ltd. | Associated company | 1 | 3 | 1 | 3 |
| Pattaya Manufacturing Co., Ltd. | Associated company | 11 | 35 | 11 | 35 |
| Wacoal Lamphun Co., Ltd. | Subsidiary | - | - | - | 2 |
| Others | | 4 | 4 | 3 | 2 |
| Total wage hire of work and rental expense | | 31 | 62 | 30 | 62 |

Royalty fee

| | | | | | |
|--------------------|----------------------------------------------------------|----|----|----|----|
| Wacoal Corporation | The Company's major shareholder and ultimate shareholder | 33 | 67 | 33 | 67 |
|--------------------|----------------------------------------------------------|----|----|----|----|

Management benefit expenses

| | | | | | |
|-----------------------------------|--|----|----|----|----|
| Short-term benefit | | 57 | 69 | 44 | 52 |
| Retirement benefit | | 1 | 4 | 1 | 4 |
| Total management benefit expenses | | 58 | 73 | 45 | 56 |

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 34).

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

34. 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 33), 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.

35. DISCLOSURE OF INFORMATION ON FINANCIAL INSTRUMENTS

35.1 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.

35.2 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.

Interest rate sensitivity analysis

The Company and its subsidiaries have the most of financial assets and liabilities bear fixed interest rates. The Company and its subsidiaries determine that there is no significant impact on the Company and its subsidiaries' profit before tax.

35.3 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 offset 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, 2020 | | | | |
| | Notional Amount due within 1 year | | | Fair Value |
| | Currency | Amount | Baht | Assets |
| | | | | Baht |
| Forward contracts | | | | |
| - Buy | JPY | 58,500,000 | 16,990,000 | 17,029,693 |
| - Buy | USD | - | - | - |
| - Sell | USD | 760,000 | 22,844,020 | 22,823,195 |

| CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS | | | | |
|------------------------------------------------|-----------------------------------|-------------|------------|------------|
| December 31, 2019 | | | | |
| | Notional Amount due within 1 year | | | Fair Value |
| | Currency | Amount | Baht | Assets |
| | | | | Baht |
| Forward contracts | | | | |
| - Buy | JPY | 110,000,000 | 30,471,500 | 30,440,981 |
| - Buy | USD | 27,256 | 822,591 | 821,319 |
| - Sell | USD | 650,742 | 19,644,142 | 19,609,069 |

35.4 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:

35.4.1 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.

| Items no. | Financial assets and financial liabilities | CONSOLIDATED FINANCIAL STATEMENTS | | SEPARATE FINANCIAL STATEMENTS | | Fair value hierarchy | Valuation technique(s) and key input(s) |
|-----------|------------------------------------------------------------------------------|-----------------------------------|---------------------------------|----------------------------------|---------------------------------|----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | Fair value (THOUSAND BAHT) as at | | Fair value (THOUSAND BAHT) as at | | | |
| | | December 31, 2020 | December 31, 2019 | December 31, 2020 | December 31, 2019 | | |
| 1 | Foreign currency forward contracts | Asset = 62 Liabilities = 81 | Asset = 117 Liabilities = 50 | Asset = 62 Liabilities = 81 | Asset = 117 Liabilities = 50 | 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. |
| 2 | Other current financial assets FVTPL - equity securities ⁽¹⁾ | 3,867 | - | 3,867 | - | Level 1 | Bid prices at the Stock Exchange of Thailand on the last business day of the period. |
| 3 | Other current financial assets FVTPL - debt securities ⁽²⁾ | 69,569 | - | 20,145 | - | Level 2 | Discounted cash flow using yield as quoted by the Thai Bond Market Association on the last business day of the period. |
| 4 | Other non-current financial assets FVTPL - debt securities ⁽³⁾ | 3,026 | - | 3,026 | - | Level 2 | Discounted cash flow using yield as quoted by the Thai Bond Market Association on the last business day of the period. |
| 5 | Equity instruments designated as at FVTOCI ⁽⁴⁾ | 1,183,027 | - | 1,174,702 | - | Level 1 | Bid prices at the Stock Exchange of Thailand on the last business day of the period. |
| 6 | Equity instruments designated as at FVTOCI | 1,087,373 | - | 1,084,881 | - | Level 3 | Discounted cash flow using yield as WACC on the last business day of the period. Dividend discount method Adjusted book value method |

| Items no. | Financial assets and financial liabilities | CONSOLIDATED FINANCIAL STATEMENTS | | SEPARATE FINANCIAL STATEMENTS | | Fair value hierarchy | Valuation technique(s) and key input(s) |
|-----------|----------------------------------------------------------------------------|-----------------------------------|-------------------|----------------------------------|-------------------|----------------------|------------------------------------------------------------------------------------------------------------------------|
| | | Fair value (THOUSAND BAHT) as at | | Fair value (THOUSAND BAHT) as at | | | |
| | | December 31, 2020 | December 31, 2019 | December 31, 2020 | December 31, 2019 | | |
| 7 | Short-term investments in trading securities - equity securities | - | 4,073 | - | 4,073 | Level 1 | Bid prices at the Stock Exchange of Thailand on the last business day of the period. |
| 8 | Short-term investments in trading securities - debt securities | - | 11,955 | - | 11,955 | Level 2 | Discounted cash flow using yield as quoted by the Thai Bond Market Association on the last business day of the period. |
| 9 | Short-term investments in available-for-sale securities - debt securities | - | 410,713 | - | 271,265 | Level 2 | Discounted cash flow using yield as quoted by the Thai Bond Market Association on the last business day of the period. |
| 10 | Long-term investments in available-for-sale securities - equity securities | - | 1,379,667 | - | 1,367,817 | Level 1 | Bid prices at the Stock Exchange of Thailand on the last business day of the period. |
| 11 | Long-term investments in available-for-sale securities - debt securities | - | 7,067 | - | 7,067 | Level 2 | Discounted cash flow using yield as quoted by the Thai Bond Market Association on the last business day of the period. |

Effect by the initial application of TFRS 9

- (1) From January 1, 2020, the Company reclassified investments item no. 7 as other current financial assets FVTPL - equity securities item no. 2.
- (2) From January 1, 2020, the Company reclassified investments item no. 8 and 9 as other current financial assets FVTPL - debt securities item no. 3.
- (3) From January 1, 2020, the Company reclassified investments item no. 11 as other non-current financial assets FVTPL - debt securities item no. 4.
- (4) From January 1, 2020, the Company reclassified investments item no. 10 as equity instruments designated as at FVTOCI item no. 5.

Fair value measurement

For the fair value disclosures, considerable judgement is necessarily required in estimation of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amount that could be realized in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value. The methods and assumptions were used by the Company and its subsidiaries in estimating fair value of financial instrument.

Financial assets and liabilities not measured at fair value

Cash and cash equivalents, trade and other current receivables, short-term loans, refundable corporate income tax, other current assets, deposit at a bank use as collateral and bank overdrafts, trade and other current payables, current portion of lease liabilities, other current liabilities, the carrying values approximate their fair values due to the relatively short period to maturity.

36. CONTINGENT LIABILITIES AND COMMITMENTS

Contingent liabilities and commitments of the Company and its subsidiaries as at December 31, are as follows:

Unit : Million Baht

| | CONSOLIDATED FINANCIAL STATEMENTS | | SEPARATE FINANCIAL STATEMENTS | |
|---------------------------------------------------------------------------------------------|--------------------------------------|-------|----------------------------------|-------|
| | 2020 | 2019 | 2020 | 2019 |
| Contingent liabilities in respect of guarantees issued on behalf of - Related parties | 67.07 | 76.20 | 67.07 | 76.20 |
| Bank's letters of guarantee issued on behalf of the Company | 20.08 | 18.76 | 18.81 | 17.94 |
| Commitment in respect of building improvement | 0.05 | 0.57 | - | 0.57 |

37. 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 | |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Segment revenues from sale of goods and rendering of services | 2,014.86 | 3,631.84 | 941.34 | 1,249.31 | 2,956.20 | 4,881.15 |
| Segment profit (loss) | (568.63) | 193.38 | (126.06) | (86.08) | (694.69) | 107.30 |
| Dividend income | | | | | 51.78 | 78.76 |
| Other income | | | | | 254.01 | 180.63 |
| Reversal on impairment of investments | | | | | - | 25.01 |
| Gain (loss) on sale of investment | | | | | 2.58 | (9.82) |
| Share of profit (loss) from investments in associates | | | | | (18.90) | 3.68 |
| Net profit (loss) before income tax | | | | | (405.22) | 385.56 |

38. PROMOTIONAL PRIVILEGES

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

| Items | Company name | | | |
|----------------------------------------------------------|------------------------------|-----------------------------|-----------------------------|-----------------------------|
| | Wacoal Siracha Co., Ltd. | Wacoal Lamphun Co., Ltd. | Wacoal Kabinburi Co., Ltd. | Pattaya Kabinburi Co., Ltd. |
| 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.

39. REVENUE REPORTING OF A PROMOTED INDUSTRY

Based on the Announcement of the Board of the Investment No. Por. 14/2541 (1998) dated December 30, 1998 regarding revenue reporting of a promoted industry, the Company and its subsidiaries are 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 | 2020 | | | 2019 | | |
|--------------------------------------|----------------------|--------------------------|----------------------|----------------------|--------------------------|----------------------|
| | Promoted Business | Non-Promoted Business | Total | Promoted Business | Non-Promoted Business | Total |
| | | | | | | |
| Income | | | | | | |
| Income from export sales | - | 895,528,892 | 895,528,892 | - | 1,173,589,660 | 1,173,589,660 |
| Income from local sales | 68,399 | 2,060,607,839 | 2,060,676,238 | 56,926 | 3,707,499,800 | 3,707,556,726 |
| Total income from sales | 68,399 | 2,956,136,731 | 2,956,205,130 | 56,926 | 4,881,089,460 | 4,881,146,386 |
| Gain on exchange rate | - | 8,323,008 | 8,323,008 | - | 17,814,036 | 17,814,036 |
| Dividend income | - | 51,784,957 | 51,784,957 | - | 78,762,766 | 78,762,766 |
| Other income | 90,912 | 248,169,351 | 248,260,263 | 159,347 | 162,656,497 | 162,815,844 |
| Total income | 159,311 | 3,264,414,047 | 3,264,573,358 | 216,273 | 5,140,322,759 | 5,140,539,032 |

Unit : Baht

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

40. 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 | EURO | THB | USD | YEN | EURO | THB |
| As at December 31, 2020 | | | | | | | | | |
| Cash and cash equivalent | - | 6,626 | 6,653,097 | 3,085 | 2,219,090 | 6,626 | 6,653,097 | 3,085 | 2,219,090 |
| Trade receivables | 30 - 180 | 1,399,042 | 88,173,074 | - | 67,080,482 | 1,399,042 | 88,173,074 | - | 67,080,482 |
| | | 1,405,668 | 94,826,171 | 3,085 | 69,299,572 | 1,405,668 | 94,826,171 | 3,085 | 69,299,572 |
| Trade payables | 30 | 683,646 | 141,415,427 | 21,902 | 63,125,810 | 567,606 | 141,415,427 | 21,902 | 59,606,166 |
| 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 |

41. RECLASSIFICATIONS

Certain reclassifications have been made in the financial statements for the year ended December 31, 2019, 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 returned goods | Trade and other current | Right to returned goods | 120,400,000 |
| Unearned income | receivables | | |
| | Other current liabilities | Trade and other current payables | 1,630,449 |

Certain reclassifications has been made in the statement of profit or loss for the year ended December 31, 2019, to conform to the classification used in current period's financial statements. Such reclassifications has no effect to previously reported net profit and shareholders' equity. The reclassifications are as follows:

| Unit : Baht | | | | |
|-------------------------------------|-----------------------------|-------------------------|-----------------------------------|-------------------------------|
| Account | Previous presentation | Current presentation | Consolidated Financial statements | Separate Financial statements |
| For periods ended December 31, 2019 | | | | |
| Loss on sale of investments | Loss on sale of investments | Administrative expenses | 9,823,790 | 10,362,601 |

42. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved for issue by the Board of Directors of the Company on February 24, 2021.

Management Discussion and Analysis (MD&A)

1. Overview - The Company's Business Operations

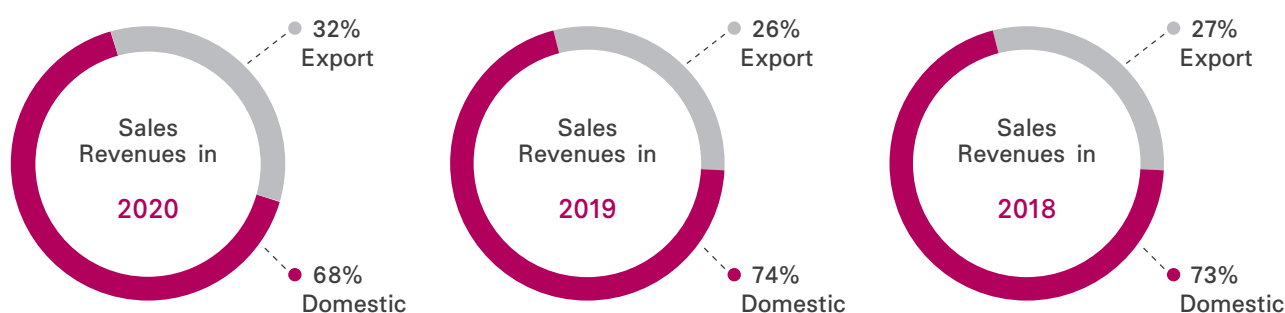
In 2020, the world faced a crisis from the Coronavirus (COVID-19) pandemic which had devastating effect on Thailand's economy due to the government's lockdown measures and stringent measures to counter the outbreak, causing economic disruption, unemployment and higher household debt.

For the lingerie market in 2020, 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 COVID-19 pandemic spread throughout the world, it had a direct impact on the sale volume because consumers decreased their outdoor activities and spent their time staying at home. Thus, the online product purchase played a great role in changing consumers' behaviours. 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 2020, the Company achieved total consolidated sales revenues of Baht 2,956.21 million, representing a decrease of 39.44% YoY; and total net loss of Baht 314.88 million, representing a decrease of 193.69% YoY. As at the end of 2020, total assets were Baht 6,667.34 million, a decrease of 10.72% compared to the end of the previous year; while, Return on Equity was -5.67%, and Return on Assets was -4.46%. This was due to the impact from the situation of the COVID-19 pandemic. However, the Company has focused on cash management during times of crisis, together with reviewing expenses and investment plans in order to maintain the Company's liquidity and financial status.

2. Operating Results and Profitability

2.1 Analysis of Operating Results

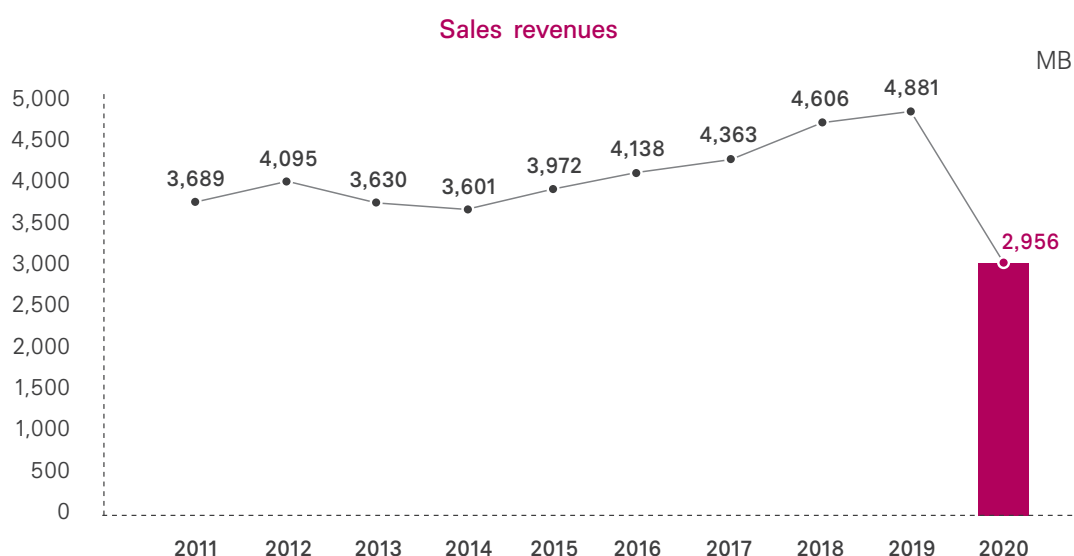


Revenues from Sales of Products and Services

In 2020, the Company had total sales revenues and services of Baht 2,956.21 million, compared to Baht 4,881.15 million for the previous year, a net decrease of Baht 1,924.94 million or 39.44% YoY. The domestic sales and export sales decreased by 44.52% and 24.65% respectively.

Unit : Million Baht

| Consolidated | 2020 | 2019 | 2018 | %Increase (Decrease) | |
|--------------------|-----------------|-----------------|-----------------|----------------------|-------------|
| | | | | 2020/2019 | 2019/2018 |
| Domestic sales | 2,014.87 | 3,631.84 | 3,358.53 | (44.52) | 8.14 |
| Export sales | 941.34 | 1,249.31 | 1,247.52 | (24.65) | 0.14 |
| Total sales | 2,956.21 | 4,881.15 | 4,606.05 | (39.44) | 5.97 |



As for full year 2020 sales by product categories, they are as follows: total ladies' lingerie sales of Baht 2,653.79 million, or a decrease of 41.81% YoY; total ladies' outerwear sales of Baht 100.11 million, or a decrease of 11.38% YoY, total children wear sales of Baht 182.95 million, or a decrease of 1.19% YoY, and other sales of Baht 19.36 million, or a decrease of 14.83% YoY.

Unit : Million Baht

| Consolidated | 2020 | 2019 | 2018 | %Increase (Decrease) | |
|--------------------|-----------------|-----------------|-----------------|----------------------|-------------|
| | | | | 2020/2019 | 2019/2018 |
| Ladies' lingerie | 2,653.79 | 4,560.30 | 4,263.15 | (41.81) | 6.97 |
| Ladies' outerwear | 100.11 | 112.97 | 127.44 | (11.38) | (11.35) |
| Children wear | 182.95 | 185.15 | 211.93 | (1.19) | (12.64) |
| Others | 19.36 | 22.73 | 3.53 | (14.83) | 543.91 |
| Total sales | 2,956.21 | 4,881.15 | 4,606.05 | (39.44) | 5.97 |

Other Income

In 2020, other income totaled Baht 256.58 million, compared to Baht 180.63 million for the previous year, or equal to an increase of Baht 75.95 million or 42.06% YoY, mainly due to profit from sale of unused land of Baht 193.65 million.

| Unit : Million Baht | | | | | |
|---------------------------|---------------|---------------|---------------|----------------------|--------------|
| Consolidated | 2020 | 2019 | 2018 | %Increase (Decrease) | |
| | | | | 2020/2019 | 2019/2018 |
| Dividend income | 51.78 | 78.76 | 78.15 | (34.26) | 0.78 |
| Other income | 256.58 | 180.63 | 95.99 | 42.06 | 88.18 |
| Total other income | 308.36 | 259.39 | 174.14 | 18.88 | 48.95 |

Cost of Sales

In 2020, the Company had total cost of Baht 2,229.29 million, representing a decrease of Baht 949.36 million or 29.87% YoY. This was because the sales revenues decreased from the previous year and the Company had more promotional discounts and fixed labor costs. Therefore, the cost ratio was higher than the previous year.

| Unit : Million Baht | | | | | | | | |
|----------------------------------------------|----------|--------|----------|--------|----------|--------|----------------------|-----------|
| Consolidated | 2020 | % | 2019 | % | 2018 | % | %Increase (Decrease) | |
| | | | | | | | 2020/2019 | 2019/2018 |
| Revenues from sales of products and services | 2,956.21 | 100.00 | 4,881.15 | 100.00 | 4,606.05 | 100.00 | (39.44) | 5.97 |
| Cost of sales | 2,229.19 | 75.41 | 3,178.55 | 65.12 | 3,398.58 | 73.79 | (29.87) | (6.47) |
| Gross profit | 727.02 | 24.59 | 1,702.60 | 34.88 | 1,207.47 | 26.21 | (57.30) | 41.01 |

Selling and Administrative Expenses

In 2020, the Company had total selling expenses of Baht 752.26 million, representing a decrease of Baht 55.80 million or 6.91% YoY, due to the situation of COVID-19 pandemic causing the Company having a policy to reduce selling expenses such as stores decoration, sales area, rental fees and store service fees, together with some case receiving a discount from the lessor. It resulted in lower selling expenses.

The Company also had total administrative expenses of Baht 610.53 million, representing a decrease of Baht 113.79 million or 15.71% YoY, mainly due to the company having cost control measures causing lower expenses.

| Unit : Million Baht | | | | | | | | |
|-------------------------|--------|-------|--------|-------|--------|-------|----------------------|-----------|
| Consolidated | 2020 | % | 2019 | % | 2018 | % | %Increase (Decrease) | |
| | | | | | | | 2020/2019 | 2019/2018 |
| Selling expenses | 752.26 | 25.45 | 808.06 | 16.55 | 266.06 | 5.78 | (6.91) | 203.71 |
| Administrative expenses | 610.53 | 20.65 | 724.32 | 14.84 | 671.72 | 14.58 | (15.71) | 7.83 |

Profit

| Consolidated | Unit | 2020 | 2019 | 2018 | %Increase (Decrease) | |
|----------------------------------------------------------------|----------------|----------|----------|----------|----------------------|-----------|
| | | | | | 2020/2019 | 2019/2018 |
| Gross profit | Million Baht | 727.02 | 1,702.60 | 1,207.47 | (57.30) | 41.01 |
| Profit (loss) before financial cost and income tax expenses | Million Baht | (384.94) | 381.90 | 389.55 | (200.80) | (1.96) |
| Net (loss) profit | Million Baht | (314.88) | 336.08 | 355.76 | (193.69) | (5.53) |
| Earnings (loss) per share | Baht per share | (2.62) | 2.80 | 2.96 | (193.57) | (5.41) |
| Return on total revenues | % | (9.65) | 6.54 | 7.44 | (247.55) | (12.10) |
| ROE | % | (5.67) | 5.81 | 6.15 | (197.59) | (5.53) |
| ROA | % | (4.46) | 4.56 | 4.96 | (197.81) | (8.06) |

Net Profit (Loss) attributable to Owners of the Parent

In 2020, total achieved net profit was Baht 314.88 million compared to Baht 336.08 million in the previous year, representing a decrease of Baht 650.96 million or 193.69% YoY. This was equal to a net loss per share of Baht 2.62; an represented a Return on total revenues of -9.65%, a Return on Equity of -5.67% and a Return on Assets of -4.46%.

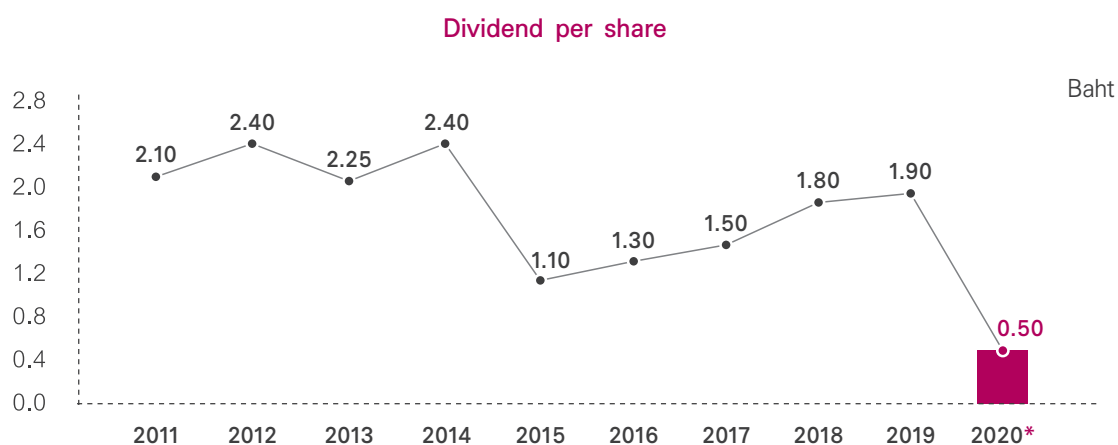
In this year, the Company had a net loss and net cash flows used in operating activities of Baht 577.54 million due to lower sales revenues.

Return on Equity

In 2020, the Company achieved a Return on Equity of -5.67%, compared to 5.81% from the previous year, due to the Company having net loss. 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 47 consecutive years - from 1974 and up to the present.

According to its consolidated financial statements for year 2020, the Company achieved a total consolidated net loss of Baht 314.88 million (or equal to a net loss per share of Baht 2.62) and a total separate net profit of Baht 178.96 million (or equal to a net loss per share of Baht 1.49); whereby at the Board of Directors' Meeting No.3/2021 held on March 3, 2021, a resolution was approved to propose, to the Annual General Meeting of Shareholders, a dividend payment for 2020 of Baht 0.50 per share or totaling Baht 60 million, with actual payment to be made on May 25, 2021.

| | Separate | Unit | 2020 | 2019 | 2018 |
|---------------------------|----------|----------------|----------|--------|--------|
| Net (loss) profit | | Million Baht | (178.96) | 368.26 | 324.85 |
| Number of shares | | Million shares | 120.00 | 120.00 | 120.00 |
| Earnings (loss) per share | | Baht per share | (1.49) | 3.07 | 2.71 |
| Dividend per share | | Baht per share | 0.50 | 1.90 | 1.80 |
| Total dividend payments | | Million Baht | 60.00 | 228.00 | 216.00 |
| Payout Ratio | | % | N/A | 61.91 | 66.49 |



Remark : * The Board of Directors resolved to set dividend payment rate at Baht 0.50 per share, for further proposal to the shareholders' general meeting for approval, on April 26, 2021.

2.2 Analysis of the Financial Status

As at the end of 2020, the Company had total assets of Baht 6,667.34 million, a decrease of Baht 800.71 million, or 10.72%, 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 1.49%; trade and other current receivables at 7.24%; inventories at 22.06%; Right to returned goods at 2.66%; Other current financial assets at 5.23%; Other non-current financial assets at 35.92%; investment property at 1.15%; property, plant and equipment at 17.53%; Right-of-use assets at 0.63%; and other assets at 6.10%.

| Consolidated | 2020 | 2019 | 2018 | %Increase (Decrease) | |
|------------------------------------------------------|-----------------|-----------------|-----------------|----------------------|----------------|
| | | | | 2020/2019 | 2019/2018 |
| Cash and cash equivalents and Temporary investments | 99.33 | 740.16 | 568.49 | (86.58) | 30.20 |
| Trade and other current receivables | 483.01 | 844.66 | 851.17 | (42.82) | (0.76) |
| Other short-term loans | 51.53 | 21.53 | 21.53 | 139.34 | 0.00 |
| Inventories | 1,470.66 | 1,410.76 | 1,302.01 | 4.25 | 8.35 |
| Right to returned goods | 176.50 | 120.40 | - | 46.59 | - |
| Other current financial assets | 348.50 | - | - | - | - |
| Other current assets | 53.41 | 27.35 | 22.37 | 95.28 | 22.26 |
| Non-current assets classify as assets held for sales | - | 430.91 | - | (100.00) | - |
| Total current assets | 2,682.94 | 3,595.77 | 2,765.57 | (25.39) | 30.02 |
| Available-for-sale investments | - | 1,386.73 | 1,503.86 | (100.00) | (7.79) |
| Other non-current financial assets | 2,394.93 | - | - | - | - |
| Investments in associates | 161.44 | 180.38 | 176.69 | (10.50) | 2.09 |
| Other long-term investments | - | 880.85 | 796.55 | (100.00) | 10.58 |
| Investment property | 76.79 | 80.06 | 709.98 | (4.08) | (88.72) |
| Property, plant and equipment | 1,168.73 | 1,211.30 | 1,227.76 | (3.51) | (1.34) |
| Right-of-use assets | 41.77 | - | - | - | - |
| Other non-current assets | 140.74 | 132.96 | 89.97 | 5.85 | 47.78 |
| Total non-current assets | 3,984.40 | 3,872.28 | 4,504.81 | 2.90 | (14.04) |
| Total Assets | 6,667.34 | 7,468.05 | 7,270.38 | (10.72) | 2.72 |

Current Assets

As at the end of 2020, the Company had total current assets of Baht 2,682.94 million, a decrease of Baht 912.83 million from the previous year, mainly consisting of cash and cash equivalents, temporary investments, and trade and other current receivables - with detail as follows:

- **Cash and cash equivalents, and temporary investments** totaled Baht 99.33 million, representing a decrease of Baht 640.83 million from the previous year, due to the Company having lower cash received from sales together with using cash in its operations.
- **Trade and other current receivables** totaled Baht 483.01 million, representing a decrease of Baht 361.65 million from the previous year, as a result of the Company having lower sales revenues.
- **Short-term loans** totaled Baht 51.53 million, representing an increase of Baht 30 million from the previous year due to the Company having interest payment on time.
- **Inventories totaled** Baht 1,470.66 million, which was similar to the previous year.
- **Non-current assets classify as assets held for sales.** The Company had land held for sales of Baht 430.91 million in the last year and sold such land in 2020

Non-Current Assets

As at the end of 2020, the Company had non-current assets totaling Baht 3,984.40 million, an increase of Baht 112.12 million from the previous year, mainly due to the value measurement in other non-current financial assets.

- **Other non-current financial assets** totaled Baht 2,394.93 million, representing an increase of Baht 127.35 million due to the Company having the value measurement in other non-current financial assets.
- **Investments in Associates** totaled Baht 161.44 million, representing a decrease of Baht 18.94 million from the previous year, due to the associates having net loss.
- **Investment property** totaled Baht 76.80 million, representing a decrease of Baht 3.27 million from the previous year, due to deduct the depreciation.
- **Property, plant and equipments** totaled Baht 1,168.73 million, representing a decrease of Baht 42.57 million from the previous year, as a result of purchasing machinery and equipments, computers, vehicles, and durable articles totaling Baht 44.32 million, selling assets of Baht 3.32 million, and deducting total depreciation of Baht 83.57 million for the year.

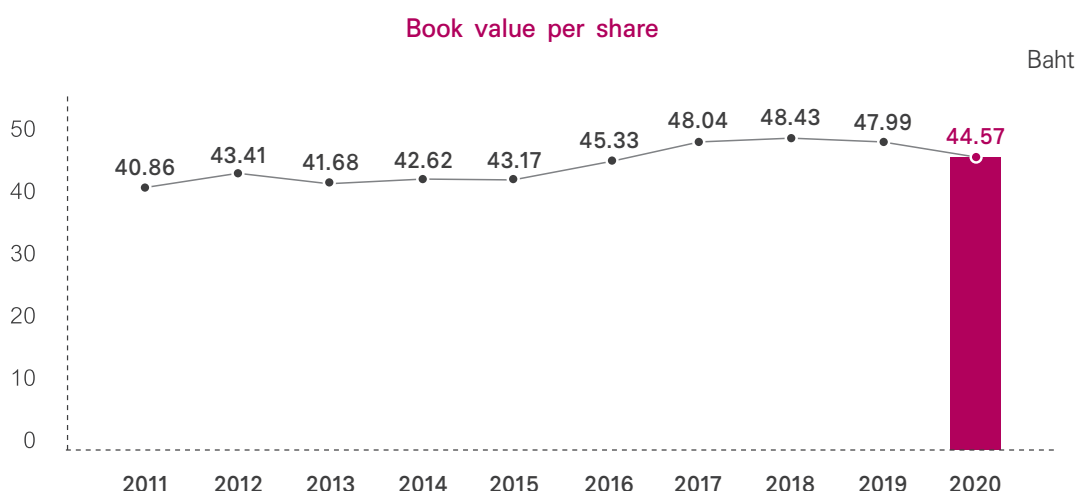
Total Liabilities

As at the end of 2020, the Company had total liabilities of Baht 1,318.69 million, a decrease of Baht 390.95 million, or 22.87%, compared to the end of the previous year mainly due to the decrease in trade and other current payables of Baht 286.25 million, and the decrease in provision for employee benefit of Baht 184.13 million.

| Consolidated | 2020 | 2019 | 2018 | Unit : Million Baht | |
|-------------------------------------|----------|----------|----------|----------------------|-----------|
| | | | | %Increase (Decrease) | |
| | | | | 2020/2019 | 2019/2018 |
| Current liabilities | 777.21 | 1,007.48 | 877.24 | (22.86) | 14.85 |
| Non-current liabilities | 541.48 | 702.16 | 582.04 | (22.88) | 20.64 |
| Total liabilities | 1,318.69 | 1,709.64 | 1,459.28 | (22.87) | 17.16 |
| Shareholders' Equity | 5,348.65 | 5,758.41 | 5,811.09 | (7.12) | (0.91) |
| Book value per share (Baht / Share) | 44.57 | 47.99 | 48.43 | (7.13) | (0.91) |

Shareholders' Equity

As at the end of 2020, the value of the shareholders' equity in the Company totaled Baht 5,348.65 million, a decrease of Baht 409.76 million or 7.12% YoY. This resulted from the Company having achieved total full year 2020 net loss of Baht 314.88 million and making dividend payments of Baht 228 million, together with having a higher other components of shareholders' equity totaling Baht 124.26 million. As such, the Company's book value per share, as at the end of 2020, equaled to Baht 44.57 compared to Baht 47.99 from the previous year or a YoY decrease of Baht 3.42 per share.



3. Asset Management Capabilities

Receivables

Trade and other current receivables totaled Baht 483.01 million, comprising of Baht 459.66 million in trade receivables and Baht 23.35 million in other current receivables. The trade receivables include accounts receivables that are not yet due totaling Baht 429.91 million (equal to 93.53% of total trade receivables); overdue trade receivables within 3 months totaling Baht 26.89 million (equal to 5.85% 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 2.86 million (equal to 0.62% 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.

The Company still has its policy of offering credit term to trade receivables for a period of 30 - 90 day depending on the trade conditions of each receivables. In 2020, the Company has average collection period of 77.25 days compared to 58.35 days from previous year, or representing an increase of 18.90 days. This was because some trade receivables requested for a waiver of debt repayment due to the situation of COVID-19 pandemic. However, the Company has sufficient working capital and liquidity.

Inventories

Inventories totaled Baht 1,470.66 million - consisting of raw materials totaling Baht 302.87 million, work in process totaling Baht 110.52 million, and finished goods totaling Baht 1,057.27 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 gains on the value measurement of financial assets totaling Baht 848.30 million which are included in the total shareholders' equity.

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 3.30% 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. 15) 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 47.66 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 3.45 times for 2020, together with its quick ratio of 1.17 times. Additionally, the Company still has a very low Debt to Equity (D/E) ratio of 0.25 times that underscores its financial stability and the overall adequacy of the Company's liquidity.

| Consolidated | Unit | 2020 | 2019 | 2018 |
|----------------------|-------|------|------|------|
| Current ratio | Times | 3.45 | 3.57 | 3.15 |
| Quick ratio | Times | 1.17 | 1.54 | 1.53 |
| Debt to equity ratio | Times | 0.25 | 0.30 | 0.25 |

Cash Flows

As at the end of 2020, the Company had cash and cash equivalents totaling Baht 99.33 million compared to Baht 235.42 million as at the end of the previous year, or representing a decrease of Baht 136.09 million. The details of net cash flows classified by operating activities, investing activities, and financing activities were as follows:

Unit : Million Baht

| Consolidated | 2020 | 2019 | 2018 |
|-----------------------------------------------------|----------|----------|----------|
| Net cash provided by (used in) operating activities | (577.54) | 78.69 | 206.21 |
| Net cash provided by (used in) investing activities | 696.50 | 205.52 | 109.00 |
| Net cash provided by (used in) financing activities | (255.08) | (216.30) | (180.48) |

The Company had a 'net cash used in operating activities' totaling Baht 577.54 million, a decrease of Baht 656.23 million from the previous year, as a result of the Company having lower sales revenues and compensating employees for Early Retirement Program.

The Company had a 'net cash flows provided by investing activities' totaling Baht 696.50 million, mainly resulting from having proceeds from sale of land of Baht 524.56 million and cash received from dividends of Baht 55.16 million.

The Company had a 'net cash flows used in financing activities' totaling Baht 255.08 million, mainly as a result of making dividend payments to its Shareholders totaling Baht 228 million.

5. Contractual obligations and off-balance sheet arrangements

Total liabilities of the Company as at December 31, 2020 was Baht 1,318.69 million - consisting of short-term liabilities totaling Baht 777.21 million and long-term liabilities totaling Baht 541.48 million.

Details of the Company's Total Long-Term Liabilities

Unit : Million Baht

| Long-Term Liabilities | 2020 | 2019 | 2018 |
|-------------------------------|--------|--------|--------|
| Financial lease liabilities | 14.46 | - | - |
| Deferred tax liabilities | - | 14.70 | 72.91 |
| Retirement benefit obligation | 527.02 | 687.46 | 509.13 |

Non-current liabilities totaled Baht 541.48 million, representing a decrease of Baht 160.68 million, mainly due to the decrease in non-current provision for employee benefit resulted from the reduction in the number of employees from Early Retirement Program.

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. 36) 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

- The situation of COVID-19 pandemic continues to spread a new wave. This will cause Thailand's economy to recover more slowly than expected. Tourism revenues will still not return to the level before COVID-19 occurred. National Lockdown measures will continue to prevent from the infection as well as consumers have lower purchasing power.
- 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.
- 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.

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 2020, 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 2.37 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 6.02 million relating to this activity.

Financial ratios compared between 2020, 2019, and 2018

| Consolidated | Unit | 2020 | 2019 | 2018 |
|-------------------------------------------|-------|----------|----------|----------|
| Liquidity Ratio | | | | |
| 1. Current Ratio | times | 3.45 | 3.57 | 3.15 |
| 2. Quick Ratio | times | 1.17 | 1.54 | 1.53 |
| 3. Liquidity of Cash Flow from Operations | times | (0.65) | 0.08 | 0.26 |
| 4. Receivable Turnover | times | 4.66 | 6.17 | 6.23 |
| 5. Average Collection Period | days | 77.25 | 58.35 | 57.78 |
| 6. Inventory Turnover | times | 2.17 | 3.65 | 4.80 |
| 7. Average Inventory Period | days | 165.90 | 98.63 | 75.00 |
| 8. Account Payable Turnover | times | 9.29 | 9.17 | 9.21 |
| 9. Average Payment Period | days | 38.75 | 39.26 | 39.09 |
| 10. Cash Cycle | days | 204.40 | 117.72 | 93.70 |
| Profitability Ratio | | | | |
| 1. Gross Profit Margin | % | 24.59 | 34.88 | 26.21 |
| 2. Return on Total Revenues | % | (9.65) | 6.54 | 7.44 |
| 3. Return on Equity | % | (5.67) | 5.81 | 6.15 |
| Efficiency Ratio | | | | |
| 1. Return on Assets | % | (4.46) | 4.56 | 4.96 |
| 2. Assets Turnover | times | 0.46 | 0.70 | 0.67 |
| Financial Policy Ratio | | | | |
| 1. Debt to Equity Ratio | times | 0.25 | 0.30 | 0.25 |
| 2. Interest Coverage Ratio | times | (416.59) | 6,548.63 | 3,219.03 |
| 3. Payout Ratio | % | N/A | 67.84 | 60.72 |

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 | 72 | 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 2 companies | | |
| <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 - | | | | 1991 - Present | President Commissioner | PT. Indonesia Wacoal |
| | | | | 1986 - Present | Director | Taiwan Wacoal Co., Ltd. |
| 2. Mr. Manu Leelanuwatana Chairman of The Board of Directors, Chairman of The Nominating Committee and Chairman of The Remuneration Committee April 30, 1973 | 75 | Bachelor Degree Faculty of Engineering, majoring in Mechanical Engineering Chiba University, Japan Training by Thai Institute of Directors Association (IOD) - Director Accreditation Program (DAP) 3/2003 - Director Certification Program (DCP) 68/2005 | - Increase (decrease) no. of shares - None - | Other Listed Company 4 companies | | |
| | | | | 2019 - Present | Chairman | Thanulux Plc. |
| | | | | 2004 - Present | Director | I.C.C. International Plc. |
| | | | | 1987 - Present | Director | O.C.C. Plc. |
| <ul style="list-style-type: none"> Family Relationship between Director and Management Holding positions in other companies in the recent year had impacted on time dedication significantly. : - None - | | | | 1976 - Present | Chairman | Textile Prestige Plc. |
| | | | | Other Non-Listed Company 17 companies | | |
| | | | | 2015 - Present | Chairman | Erawan Textile Co., Ltd. |
| | | | | 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 Lace Co., Ltd. |
| | | | | 1975 - Present | Chairman | Pattaya Manufacturing Co., Ltd. |

| Name / Position Date of appointment | Age | Educational Level and Training Course | Shareholding Level* (%) | Working Experience | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|--------------------------|----------------------------------------------------------------|---------------------------------|
| | | | | Period | Current Position | Organization / Company |
| 3. Mr. Hironobu Yasuhara Vice Chairman of The Board of Directors July 23, 2019 | 69 | Bachelor Degree Faculty of Commerce, majoring in Commercial Science Doshisha University, Japan | - Increase (decrease) no. of shares - None - | Other Listed Company | 1 | company |
| | | | | 2011 - Present | Representative Director, President and Corporate Officer | Wacoal Holdings Corp. |
| | | | | Other Non-Listed Company | 6 | companies |
| | | | | 2020 - Present | Director | Wacoal China Co., Ltd. |
| | | | | | Director | PT. Indonesia Wacoal |
| • 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. |
| | | | | 2018 - Present | Director | Wacoal America, Inc. |
| | | | | 2013 - Present | Director | Taiwan Wacoal Co., Ltd. |
| | | | | 2006 - Present | Chairman | Wacoal Corp. |
| | | | | Other Listed Company | - | company |
| 4. Mr. Boondee Amnuayskul Director, The Nominating Committee Member, The Remuneration Committee Member, The Corporate Governance Committee Member, Chief Executive Officer and Managing Director April 23, 1990 | 65 | Bachelor Degree Faculty of Engineering, majoring in Industrial Engineering Khon Kaen University Training by Thai Institute of Directors Association (IOD) - Director Accreditation Program (DAP) 3/2003 - Understanding the Fundamental of Financial Statements (UFS) 2/2006 - Finance for Non-Finance Director (FND) 31/2006 - DCP Refresher Course in Directors' Legal Liabilities (RE DCP) 1/2008 | 0.06% Increase (decrease) no. of shares 2,450 shares | Other Non-Listed Company | 11 | companies |
| | | | | 2020 - Present | Director | SSDC (Tigertex) Co., Ltd. |
| | | | | 2016 - Present | Director | G Tech Material Co., Ltd. |
| | | | | | Director | A Tech Textile Co., Ltd. |
| | | | | 2015 - Present | Director | Myanmar Wacoal Co., Ltd. |
| | | | | 2013 - Present | Director | Pattaya Myanmar Co., Ltd. |
| | | | | 2011 - Present | Chairman and Managing Director | Tora 1010 Co., Ltd. |
| | | | | 1999 - Present | Director | Pattaya Manufacturing Co., Ltd. |
| | | | | 1997 - Present | Managing Director | Pattaya Kabinburi Co., Ltd. |
| | | | | 1993 - Present | Managing Director | Wacoal Lamphun Co., Ltd. |
| • Family Relationship between Director and Management • Holding positions in other companies in the recent year had impacted on time dedication significantly. : - None - | | | | 1984 - Present | Managing Director | Wacoal Kabinburi Co., Ltd. |
| | | | | | Managing Director | Wacoal Siracha Co., Ltd. |

| Name / Position Date of appointment | Age | Educational Level and Training Course | Shareholding Level* (%) | Working Experience | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|--------------------------|----------------------------------------------------|------------------------------------|
| | | | | Period | Current Position | Organization / Company |
| 5. Mr. Takuya Miura Director and Deputy Managing Director May 11, 2020 | 58 | Bachelor Degree Faculty of Economics, majoring in Economics Hokkaido University, Japan | - Increase (decrease) no. of shares - None - | Other Listed Company | - | company |
| | | | | Other Non-Listed Company | 10 | companies |
| | | | | 2020 - Present | Director | Wacoal Siracha Co., Ltd. |
| | | | | | Director | Wacoal Lamphun 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 | Wacoal Kabinburi Co., Ltd. |
| | | | | | Director | Pattaya Kabinburi Co., Ltd. |
| | | | | | Director | Tora 1010 Co., Ltd. |
| | | | | | Director | Pattaya Myanmar Co., Ltd. |
| | | | | | Director | A Tech Textile Co., Ltd. |
| | | | | | Director | G Tech Material Co., Ltd. |
| | | | | | Director | Thai Naxis Co., Ltd. |
| | | | | | Director | Thai Asahi Kasei Spandex Co., Ltd. |
| | | | | Other Listed Company | 3 | companies |
| | | | | 2017 - Present | Director | Saha Pathanapbul Plc. |
| 6. Mr. Thamarat Chokwatana Director, The Remuneration Committee Member, Executive Director and Director of Marketing Division April 23, 2001 | 51 | 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 - | 2016 - Present | Vice Chairman | Thanulux Plc. |
| | | | | 1999 - Present | Director, President and Vice Executive Chairman | I.C.C. International Plc. |
| | | | | Other Non-Listed Company | 44 | companies |
| | | | | 2002 - Present | Director | Wacoal Lamphun Co., Ltd. |
| | | | | | Director | Pattaya Kabinburi Co., Ltd. |
| | | | | 2001 - Present | Director | Wacoal Kabinburi 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 - | | | | | | |
| | | | | | | |

| 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 | | 65 | 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 | 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. |
| <ul style="list-style-type: none">Family Relationship between Director and Management : - None -Holding positions in other companies in the recent year had impacted on time dedication significantly. : - None - | | | | | 2020 - Present | Member of Accounting Profession in Managerial Accounting Committee | Federation of Accounting Professions under The Royal Patronage of His Majesty The King |
| 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 | | 58 | 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 | 0.005% Increase (decrease) no. of shares - None - | Other Listed Company | - | company |
| | | | | | Other Non-Listed Company | 4 | companies |
| | | | | | 2020 - Present | Director | SSDC (Tigertex) Co., Ltd |
| | | | | | 2017 - Present | Director | Tora 1010 Co., Ltd. |
| | | | | | 2006 - Present | Director | Wacoal Lamphun Co., Ltd. |
| | | | | | 2001 - Present | Director | Royal Garment Co., Ltd. |
| | | | | | <ul style="list-style-type: none">Family Relationship between Director and Management : - None -Holding positions in other companies in the recent year had impacted on time dedication significantly. : - None - | | |

| 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 | 60 | 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 - | | | | | Chairman | Wacoal International |
| | | | | | | Hong Kong Co., Ltd. |
| | | | | | Chairman | Guangdong Wacoal Inc. |
| | | | | | Chairman | Dalian Wacoal Co., Ltd. |
| | | | | | Director | Myanmar Wacoal Co., Ltd. |
| 10. Mr. Mitsuru Sekiguchi Director May 10, 2018 | 55 | 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 | 19 | companies |
| | | | | 2020 - Present | Vice Chairman | Wacoal International Corp. |
| | | | | | Director | Wacoal Corp. |
| | | | | 2018 - Present | Chairman | Wacoal International |
| <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 - | | | | | | Hong Kong Co., Ltd. |
| | | | | | Director | Wacoal America, Inc. |
| | | | | | Director | Wacoal Europe Ltd. |
| | | | | | Director | Wacoal China Co., Ltd. |
| | | | | | Director | A Tech Textile Co., Ltd. |
| | | | | | Director | PT. Indonesia Wacoal |
| | | | | | Director | Wacoal Malaysia Sdn. Bhd. |
| | | | | | Director | Myanmar Wacoal Co., Ltd. |
| | | | | | Director | Vietnam Wacoal Corp. |
| | | | | | Director | Wacoal Hong Kong Co., Ltd. |
| | | | | | Director | Philippine Wacoal Corp. |
| | | | | | Director | Guangdong Wacoal Inc. |
| | | | | | Director | Wacoal Investment Co., Ltd |
| | | | | | Director | Taiwan Wacoal Co., Ltd. |
| | | | | | Director | Dalian Wacoal Co., Ltd. |
| | | | | 2017 - Present | Director | Wacoal India Private Ltd. |
| | | | | 2016 - Present | 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 | 64 | 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 The Global Association of Risk Professionals - Global Association of Risk Professionals (GARP) 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 - | 2019 - Present | Director, The Nominating and Remuneration Committee Member | Thai Institute of Directors Association |
| | | | | 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 Ministry of Finance Committee on Public-Private Partnerships in State Undertakings | Ministry of Finance |
| | | | | 2002 - Present | Director | The Professor Sangvian 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, The Nominating and Remuneration Committee Member | TISCO Financial Group Plc. |
| | | | | 2017 - Present | Independent Director and Chairman of The Audit Committee | Thai President Foods Plc. |

| Name / Position Date of appointment | Age | Educational Level and Training Course | Shareholding Level* (%) | Working Experience | | |
|------------------------------------------------------------------------------------------------------------------|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| | | | | Period | Current Position | Organization / Company |
| 12. Mrs. Punnee Worawuthichongsathit Independent Director and The Audit Committee Member April 26, 2010 | 68 | Master Degree Faculty of Commerce and Accountancy, majoring in Accounting Chulalongkorn University Bachelor Degree Faculty of Commerce and Accountancy, majoring in Accounting Chulalongkorn University Federation of Accounting Professions under The Royal Patronage of His Majesty The King - Certified Public Accountant (Thailand) (CPA) Registration No. 2960 The Institute of Internal Auditors of Thailand (IIAT) - Certified Professional Internal Auditor (CPIA) - Qualified Internal Auditor (QIA) The Institute of Internal Auditors (IIA) - Certified Internal Auditor (CIA) | - | <p>Independent Director and Chairman of The Audit Committee</p> <p>The Erawan Group Plc.</p> | | |
| | | | | <p>Other Non-Listed Company 3 companies</p> | | |
| | | | | 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. |
| | | | | 2020 - Present | Advisor to Accounting Profession in Managerial Accounting Committee and Member of Accounting Profession in Tax Accounting Committee | Federation of Accounting Professions under The Royal Patronage of His Majesty |
| | | | | 2017 - Present | The Audit Committee Member The Audit Committee Member | Chulabhorn Royal Academy Thai Investors Association |
| | | | | 2015 - Present | The Audit Committee Member | University of the Thai Chamber of Commerce |
| | | | | <p>Other Listed Company 4 companies</p> | | |
| | | | | 2016 - Present | Independent Director, The Audit Committee Member and Chairman of The Corporate Governance Committee Independent Director and The Audit Committee Member | WHA Utilities and Power Plc. |

| 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 Accreditation Program (DAP) 2/2003 - Director Certification Program (DCP) 38/2003 - Audit Committee Program (ACP) 2/2004 - Improving the Quality of Financial Reporting (QFR) 1/2006 - Monitoring the Internal Audit Function (MIA) 1/2007 - Monitoring the Quality of Financial Reporting (MFR) 5/2007 - Monitoring the System of Internal Control and Risk Management (MIR) 2/2008 - Chartered Director Class (CDC) 3/2008 - Role of the Compensation Committee (RCC) 7/2008 - Monitoring Fraud Risk Management (MFM) 1/2009 - DCP Refresher Course (RE DCP) 2/2009 - Role of the Chairman Program (RCP) 25/2011 - Role of the Nomination and Governance Committee (RNG) 1/2011 - Anti-Corruption for Executive Program (ACEP) 10/2014 - Anti-Corruption : The Practical Guide (ACPG) 10/2014 - Ethical Leadership Program (ELP) 2/2015 - IT Governance and Cyber Resilience Program (ITG) 4/2017 | | 2007 - Present | Independent Director and Chairman of The Board of Directors | Mono Next Plc. |
| | | | | 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. |
| | | | | • Family Relationship between Director and Management : - None - • Holding positions in other companies in the recent year had impacted on time dedication significantly. : - None - | | |
| 13. Mr. Krish Follett Independent Director and Chairman of The Risk Management Committee April 23, 2012 | 71 | Master Degree Faculty of Commerce and Accountancy, majoring in Business Administration Thammasat University Bachelor Degree Faculty of Economics, majoring in Economics Thammasat University Harvard Business School - Advanced Management Program (AMP) 158/2000 | - Increase (decrease) no. of shares - None - | Other Listed Company - company | | |
| | | | | 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 |
| <p>Training by Thai Institute of Directors Association (IOD)</p> <ul style="list-style-type: none">- Director Certification Program (DCP) 149/2011- Diploma Examination (EXAM) 32/2012- Risk Manangement Program for Corporate Leader (RCL) 9/2017- Role of the Chairman Program (RCP) 43/2018 <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> | | | | | | |
| <p>14. Miss Waraporn Kulsawatpakdee 61</p> <p>Independent Director and The Risk Management Committee Member March 2, 2016</p> <p>Master degree School of Public Administration majoring in Public and Private Management, National Institute of Development Administration</p> <p>Bachelor Degree Faculty of Communication Arts, majoring in Mass Communication Chulalongkorn University</p> <p>Faculty of Commerce and Accountancy, Thammasat University - Mini MBA (Class 21)</p> <p>The National Defence College of Thailand - National Defence College, The State, Private Sector and Political Sectors Course (Class 6)</p> <p>Capital Market Academy (CMA) - Capital Market Academy Leadership Program (Class 22)</p> <p>Thailand Energy Academy (TEA) - Executive Program in Energy Literacy for a Sustainable Future (Class 11)</p> | | | | <p>2017 - Present Associate Judge The Central Intellectual Property and International Trade Court</p> <p>Other Listed Company 1 company</p> <p>2014 - Present Director, The Risk Management and Anti-Corruption Committee Member, and Vice Chairman of the Executive Committee Far East Fame Line DDB Plc.</p> <p>Other Non-Listed Company 1 company</p> <p>1994 - Present Chief Executive Officer and Managing Director Integrated Communication Co., Ltd.</p> | | |

| Name / Position Date of appointment | Age | Educational Level and Training Course | Shareholding Level* (%) | Working Experience Period Current Position Organization / Company |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | <p>Commerce Academy</p> <ul style="list-style-type: none"> - Top Executive Program in Commerce and Trade (TEPCoT) (Class 5) <p>Training by Thai Institute of Directors Association (IOD)</p> <ul style="list-style-type: none"> - Director Certification Program (DCP) 154/2011 - Advanced Audit Committee Program (AAPC) 29/2018 | | |
| <ul style="list-style-type: none"> • Family Relationship between Director and Management : - None - • Holding positions in other companies in the recent year had impacted on time dedication significantly. : - None - | | | | |
| <p>15. Mr. Poolsak Boonchoo</p> <p>Independent Director, The Audit Committee Member and The Risk Management Committee Member April 23, 2018</p> | 61 | <p>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</p> <p>Legal Term, King's College, London, United Kingdom</p> <p>Thai Barrister at Law The Institute of Legal Education Thai Bar Association</p> <p>Bachelor Degree Faculty of Laws, majoring in Laws Ramkhamhaeng University and Common Law, University of London, United Kingdom</p> | <p>-</p> <p>Increase (decrease) no. of shares - None -</p> | <p>2014 - Present The Audit Committee Member The Thai Bar under The Royal Patronage</p> <p>Other Listed Company - company</p> <p>Other Non-Listed Company 1 company</p> <p>2018 - Present Managing Director Boonchoo Legal and Associates Co., Ltd.</p> |
| <ul style="list-style-type: none"> • Family Relationship between Director and Management : - None - • Holding positions in other companies in the recent year had impacted on time dedication significantly. : - None - | | | | |

| Name / Position Date of appointment | | | Age | Educational Level and Training Course | Shareholding Level* (%) | Working Experience | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|--------------------|------------------|------------------------|
| | | | | | | Period | Current Position | Organization / Company |
| 16. Mr. Suvit Wongcharoenutporn Executive Director and Director of Uniform & Workwear Division May 9, 2000 | 69 | 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 - company | | | |
| | | | | | Other Non-Listed Company 2 companies | | | |
| | | | | | 1995 - Present Managing Director International Commercial Coordination (Hong Kong) Limited | | | |
| | | | | | 1991 - Present Chairman Royal Garment Co., Ltd. | | | |
| | | | | | | | | |
| <ul style="list-style-type: none">Family Relationship between Director and Management : - None -Holding positions in other companies in the recent year had impacted on time dedication significantly. : - None - | | | | | | | | |
| 17. Mrs. Nonglaks Techaboonanek Executive Director and Director of Managing Director Office May 9, 2000 | 66 | Bachelor Degree Faculty of Communication Arts, majoring in Mass Communications Chulalongkorn University Bachelor Degree Faculty of Business Administration, majoring in Marketing Ramkhamhaeng University Training by Thai Institute of Directors Association (IOD) - Director Accreditation Program (DAP) 42/2005 | | - Increase (decrease) no. of shares - None - | Other Listed Company - company | | | |
| | | | | | Other Non-Listed Company 3 companies | | | |
| | | | | | 2013 - Present Managing Director SRP Nanasai Co., Ltd. | | | |
| | | | | | | | | |
| | | | | | | | | |
| <ul style="list-style-type: none">Family Relationship between Director and Management : - None -Holding positions in other companies in the recent year had impacted on time dedication significantly. : - None - | | | | | | | | |

| Name / Position | | | Age | Educational Level and Training Course | Shareholding Level* (%) | Working Experience | | |
|----------------------------------------------------------------------------------------------------------|--|--|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|--------------------------|------------------|---------------------------------|
| Date of appointment | | | | | | Period | Current Position | Organization / Company |
| 18. Miss Natcharinthorn Pongsupachintapa | | | 68 | Bachelor Degree Faculty of Political Science, majoring in Political Science Ramkhamhaeng University Training by Thai Institute of Directors Association (IOD) - Director Accreditation Program (DAP) 3/2003 | 0.05% Increase (decrease) no. of shares - None - | Other Listed Company | - | company |
| | | | | | | Other Non-Listed Company | - | company |
| • Family Relationship between Director and Management | | | | | | | | |
| • Holding positions in other companies in the recent year had impacted on time dedication significantly. | | | | | | | | |
| 19. Mrs. Sriwan Vilassakdanont | | | 66 | 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 | | | | | | | | |
| • Holding positions in other companies in the recent year had impacted on time dedication significantly. | | | | | | | | |

| Name / Position Date of appointment | Age | Educational Level and Training Course | Shareholding Level* (%) | Working Experience | | |
|-------------------------------------------------------------------------------------------------------------------------|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|--------------------------------------------|------------------|---------------------------------------------------------------------------------------------------------|
| | | | | Period | Current Position | Organization / Company |
| 20. Mr. Metha Supakorn Executive Director and Director of Production Technology Division April 24, 2017 | 53 | 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 2014 - Present | 1 Director | company Wacoal Lamphun Co., Ltd. |
| | | | | | | |
| 21. Mr. Pojadech Ketkratuk Executive Director and Director of Children Wear Product Division April 24, 2017 | 54 | 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 2017 - Present | 2 Director | companies 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 |
| 22.Dr. Sukhontharat Nitthisirisakool Executive Director and Director of Merchandising Division 1 March 1, 2019 | 42 | Doctoral Degree in International Studies, The University of Tokyo Master Degree Faculty of Economics, Majoring in International Economics and Finance Chulalongkorn University Bachelor Degree Faculty of Economics, majoring in Monetary and Financial Economics Chulalongkorn University | - | Other Listed Company | - | company | |
| | | | Increase (decrease) no. of shares | Other Non-Listed Company | 2 | companies | |
| | | | - None - | 2020 - Present | Director | A Tech Textile Co., Ltd. | |
| | | | - None - | 2008 - Present | Director | International Commercial Coordination (Hong Kong) Limited | |
| ● Family Relationship between Director and Management | | | : - None - | | | | |
| ● Holding positions in other companies in the recent year had impacted on time dedication significantly. | | | : - None - | | | | |

Note : * Including shareholding by spouse and underage 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, 2020

| Name | No. of shares | | | | | | Shareholding in year 2020 % | | | |
|------------------------------------------|-------------------------|-----------|---------|-------------------------|-----------|---------|-----------------------------------|---------------------|-----------|-------|
| | As of December 31, 2020 | | | As of December 31, 2019 | | | | Increase (Decrease) | | |
| | Direct | Indirect* | Total | Direct | Indirect* | Total | | Direct | Indirect* | Total |
| 1. Mr. Yoshikata Tsukamoto | - | - | - | - | - | - | - | - | - | - |
| 2. Mr. Manu Leelanuwatana | - | - | - | - | - | - | - | - | - | - |
| 3. Mr. Hironobu Yasuhara | - | - | - | - | - | - | - | - | - | - |
| 4. Mr. Boondee Amnuayskul | 75,800 | - | 75,800 | 73,350 | - | 73,350 | 2,450 | - | 2,450 | 0.063 |
| 5. Mr. Takuya Miura | - | - | - | - | - | - | - | - | - | - |
| 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. Metha Supakorn | 3,300 | - | 3,300 | 3,300 | - | 3,300 | - | - | - | 0.003 |
| 21. Mr. Pojadech Ketkratuk | 2,250 | - | 2,250 | 2,250 | - | 2,250 | - | - | - | 0.002 |
| 22. Dr. Sukhontharat Nitthisirisakool | - | - | - | - | - | - | - | - | - | - |
| Total | 449,761 | 31,620 | 481,381 | 447,311 | 31,620 | 478,931 | 2,450 | - | 2,450 | 0.401 |

Note : * Shareholding by spouse and underaged children

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

| Name | Thai Wacoal Plc. | Subsidiaries | | | | | Associates | | |
|---------------------------------------|------------------|-------------------------|--------------------------|----------------------------|-----------------------------|---------------------|--------------------------|---------------------------|---------------------------------|
| | | 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. |
| Mr. Yoshikata | / | | | | | | | | |
| Mr. Manu | XXX | | | | | | | | XXX |
| Mr. Hironobu Yasuhara | XX | | | | | | | | |
| Mr. Boondee Amnuayskul | / | / | / | / | / | XXX | / | / | / |
| Mr. Takuya Miura | / | / | / | / | / | / | | / | |
| Mr. Thamarat Chokwatana | / | | / | / | / | | | | |
| Miss Karunee Surai | / | | | | | / | | | |
| Mrs. Onanong Saengpumpong | / | / | | | | / | | | |
| Mr. Kazuhiro Shibahara | / | | | | | | / | | |
| Mr. Mitsuru Sekiguchi | / | | | | | | / | | |
| Dr. Kulpatra Sirodom | / | | | | | | | | |
| Mrs. Punnee Worawuthichongsathit | / | | | | | | | | |
| Mr. Krish Follett | / | | | | | | | | |
| Miss Waraporn Kulsawatpakdee | / | | | | | | | | |
| Mr. Poolsak Boonchoo | / | | | | | | | | |
| Mr. Suvit Wongcharoenvutporn | | | | | | | | | |
| Mrs. Nonglaks Techaboonanek | | | | | | | | | |
| Miss Natchairinthorn Pongsupachintapa | | | | | | | | | |
| Mrs. Siriwan Vilassakdanont | | | | | | | | | / |
| Mr. Metha Supakorn | | / | | | | | | | |
| Mr. Pojadech Ketkratuk | | | | | | | | | |
| Dr. Sukhontharat Nitthisrisakool | | | | | | | | | |

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

| 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. Communication Co., Ltd. |
| Mr. Yoshikata | XXX | | | | | | |
| Mr. Manu | | | / | XXX | | XXX | |
| Mr. Hironobu | / | XXX | | | | | |
| Mr. Boondee | | | | | | | |
| Mr. Takuya | | | | | | | |
| Mr. Thamarat | | | / | | | | |
| Miss Karunee | | | | | | | |
| Mrs. Onanong | | | | | | / | |
| Mr. Kazuhiro | | / | | | | | |
| Mr. Mitsuru | | / | | | | | |
| Dr. Kulpatra | | | | | | | |
| Mrs. Punnee | | | | | | | |
| Mr. Krish | | | | | | | |
| Miss Waraporn | | | | | | | / |
| Mr. Poolsak | | | | | | | |
| Mr. Suvit | | | | / | | XXX | |
| Mrs. Nonglaks | | | | | / | | |
| Miss Natcharinthorn | | | | | | | |
| Mrs. Siriwan | | | | | | | |
| 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 and Managing Director |
| 3. Mr. Takuya | Miura | Director | Director | Director | Director | Director |
| 4. Mr. Thamarat | Chokwatana | - | Director | Director | Director | - |
| 5. Miss Karunee | Surai | - | - | - | - | Director |
| 6. Mrs. Onanong | Saengpumpong | - | Director | - | - | Director |
| 7. Mr. Metha | Supakorn | - | Director | - | - | - |
| 8. Mr. Chaivichit | Suthipongvarakul | Director | - | Director | Director | - |
| 9. Mr. Peerathat | Utaivivatana | Director | - | - | - | - |
| 10. Mr. Wattana | Tongaiem | Assistant Managing Director | - | - | - | - |
| 11. Mrs. Rungtip | Choakchaitham | Director | - | Director | Director | - |
| 12. Mrs. Naree | Chartchalerm | Director | - | - | - | - |
| 13. Mr. Chotipat | Sangsuwanlert | - | Assistant Managing Director | - | - | - |
| 14. Miss Sineenuch | Vudhicharoenchaiporn | - | Director | - | - | - |
| 15. Mr. Niwat | Dechampai | - | - | Assistant Managing Director | - | - |
| 16. Miss Dollaya | Chinasirikul | - | - | - | Director | - |
| 17. Mr. Parinya | Chadee | - | - | - | Assistant Managing Director | - |
| 18. Mr. Punyaris | Watanajitsaree | - | - | Director | - | - |
| 19. Mrs. Kanlaya | Lohawijarn | - | - | - | - | Director |
| 20. Mr. Chalush | Neiansawatchai | - | - | - | - | Director |

Sustainability Development Report

About this report

Thai Wacoal Public Company Limited prepared this Sustainability Development Report for the fourth 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 by reporting the impacts in all dimensions, including economic, social, and environmental dimensions through the use of the good corporate governance of the company.

Methods of preparing this report

The 2020 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, 2020. 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



“Thai Wacoal’s direction is **sustainable development and growth**. Apart from profits, we take into consideration economic, social and environmental aspects”.

In 2020, Thai Wacoal was selected to be included in the ‘**Thailand Sustainability Investment (THSI) List**’ by the Stock Exchange of Thailand. This represents that the company is an outstanding model that runs business in a balanced approach towards sustainable development in terms of economic, social and environmental dimensions under the Good Corporate Governance.

However, 2020 has been a very challenging year for Thai Wacoal as the company is facing the COVID-19 pandemic situation, which has inevitably had an adverse impact on the global economy, international trade and company performance. Throughout the previous year, the company had adjusted its business strategies in order to closely cope with challenges and management of risks arising in the crisis. As a result, the company could adapt itself quickly to keep up with the situation thanks to cooperative efforts among employees.

Due to the COVID-19 pandemic, medical personnel have to take care of patients leading to a risk of infection. Most people are concerned about protecting themselves from germs. Masks on the market are insufficient to meet the demand at the initial stage. Thai Wacoal has, therefore, adopted knowledge, personnel expertise, raw materials, as well as tools and equipment to accelerate the production of more than 300,000 masks to distribute to medical personnel, organizations, institutions and general public from the early stage of the outbreak until now.

In addition, Thai Wacoal has emphasized to pay attention to employees and customers by seriously implementing safety measures, e.g. measuring temperature, launching a campaign to wear masks at all times, providing working spaces to encourage social distancing, regularly cleaning areas with disinfectants, providing an ultraviolet sterilizer for products, which were tried on at shops and counters, as well as changing communication and organization of various activities in a new normal form.

Sustainable development and growth is still the major goal of Thai Wacoal focusing on the efficiency and balance in three dimensions, namely **economic** – to develop innovative products to satisfy the customers’ demand and to stress the increasing sale via online channels; **social** – The Wacoal Pink Ribbon Fights Breast Cancer Project and community development projects; **environmental** – Wacoal Bra Day for Product Management and Production under the WACOAL ECO SYSTEM to ensure quality, safety standards and environmentally friendly products. Hence, the company will continuously and actively pursue its goals in order to create value for all groups of stakeholders.

A handwritten signature in black ink, appearing to be 'Boondee' followed by a stylized flourish.

(Mr. Boondee Amnuayskul)

Chief Executive Officer and Managing Director

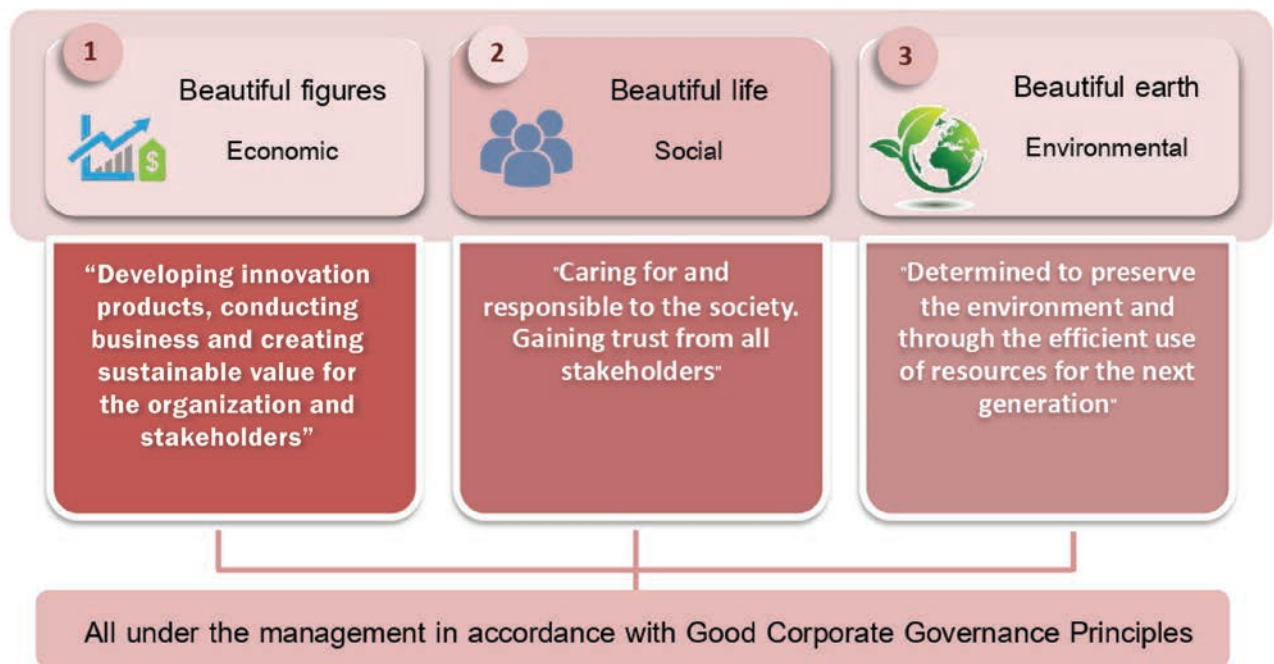
1. The Sustainable Development Implementation Plan



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

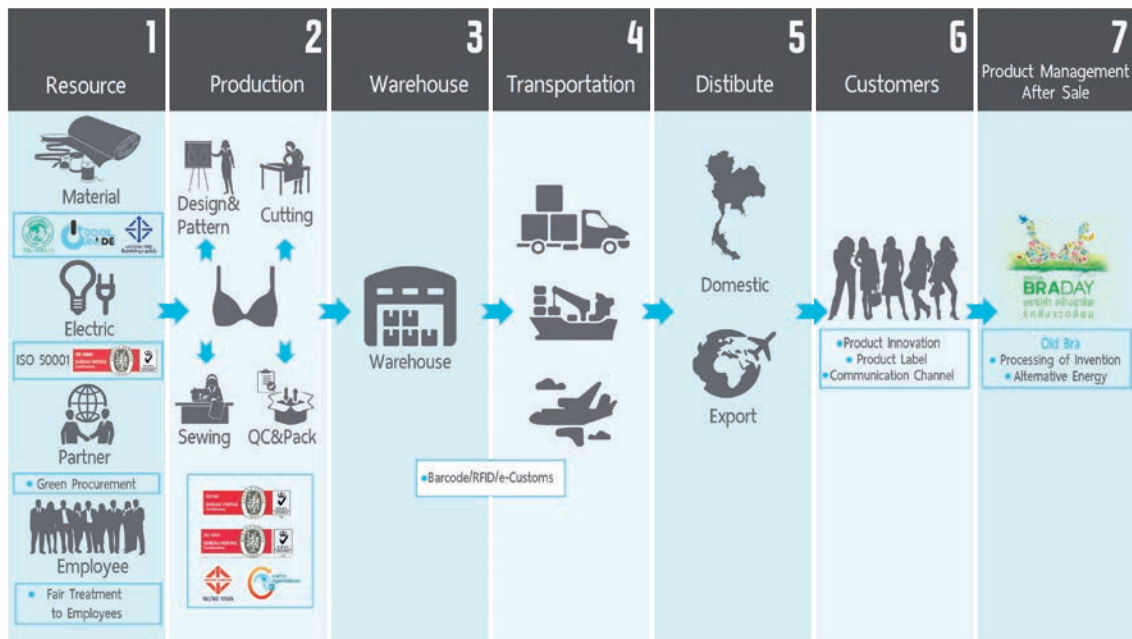
Wacoal believes that every women are born beautiful, not only by their looks, but also their "Beauty Inside".



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, indiscriminate, welfare, and the promotion of quality of life. The "Wacoal Happy 8" campaign is implemented, with compliance to the WRAP standard, to develop the employees to their full potential and ensure their safety and health at the workplace.

Production

The company gives 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 has placed the importance on consumers' safety and health by using 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 fulfill 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 inefficient resource management

Impact : Inefficient resource management may cause pollution and affect to the environment, community and society

The company has placed the importance on efficient use of resources in every production process in order to reduce the environmental impact arising from production waste causing pollution problem to the community and society. Therefore, the company has operated its business under the environmental management standard ISO 14001: 2015.

- Manage products and production processes throughout the organization under “Wacoal Eco System” from raw material selection to environmentally friendly product designs as well as the correct disposal and destruction of products which does not affect the environment under the “Wacoal Braday” project.
 - Manage energy and water resources efficiently, encourage employees to participate in resource reduction as well as raise awareness of the joint conservation of electricity and water.
 - Use guidelines for resource management and waste reduction with the principle of 3 Rs (Reduce, Reuse and Recycle).
 - Waste Water Management : Manage systematically according to ISO 14001: 2015 standard by installing efficient waste water treatment systems with regular maintenance and condition inspection of the treatment system as well as measuring waste water by the environmental staff of the company and the external agencies certifying the waste water measurement.
 - Waste Management : Separation of general garbage from industrial garbage for the convenience of accurate management and disposal and for the sake of reuse and recycle.
-

4. Pandemic risks

Impact : Reduced sales revenue, employee safety and confidence of customers and partners

The situation of COVID-19 pandemic has triggered the global and Thai economies. Economic activities had to cease or slow down due to the government's lockdown measures and stringent measures to counter the outbreak. These have affected consumers' behaviors in this new normal. At the same time, many businesses had to temporarily close their operations if any of their employees, partners or clients infected with this disease.

The company have formulated guidelines and measures to cope with this situation as follows:

- **Distribution and service** : Increase more online sales channels, adjust plans by changing regular salespeople to sell the products through social, such as product live. Customers can place orders with salespeople via online and deliver products to their homes.
 - **Measures to take care of customers at stores** : Devise measures to prevent the COVID-19 pandemic to build confidence among customers, e.g. sales staff always wear masks and face shields, use disposable paper measuring tape, install hand sanitizer service point in front of the store and payment point, increase the cleaning frequency of fitting rooms, use UVC sterilizers to kill the germ on the products that the customers tried on in the fitting rooms.
 - **Manufacturing and trading partners** : Evaluate the supply chain system to assess risks due to the interruption of trade partners or inadequate production. Thus, the company adjusted its production plans in line with situations, modified the production of goods that are in demand, such as masks, as well as closely planned its manufacturing with their partners so that products are consistently manufactured. Additionally, the company prepared an approved vendor list in accordance with the ISO 9001 standard to provide reserved trading partners in case of emergency.
 - **Keeping employees and managing their workplaces safety** : Establish the COVID-19 monitoring and prevention center, undertake screening measures for outsiders and employees before entering the company, launch a campaign so that employees wear masks at all times, established social distancing in their workplaces, as well as support employees to work from home.
-

- **Effective communication** : Establish communication channel for public relations about the situation, announcements, measures and practices continuously with the employees. The employees can report problems or send the inquiry about information or their conduct in case they suspect that they are close contact with an infected person or any other cases directly.
- **Caring for the community and society** : Manufacture facial mask along with delivering to charities, Thai Red Cross Society, hospitals, government agencies and communities to reduce the risk of the spread of COVID-19.

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 • Whistleblowing Channel | <ul style="list-style-type: none"> • Beauty comfort • Product safety • Good quality and reasonable price • Easy and convenient product access • Comprehensive product information statement • Good response to feedback and complaint | <ul style="list-style-type: none"> • New innovative products • Certified by international product standards • Production technology development • 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 skills, 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 |

| Stakeholder | Communication Channels | Expectations | Actions Taken |
|--------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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 • Civil-Government collaboration against breast cancer project for community • 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 • 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 2020, 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.

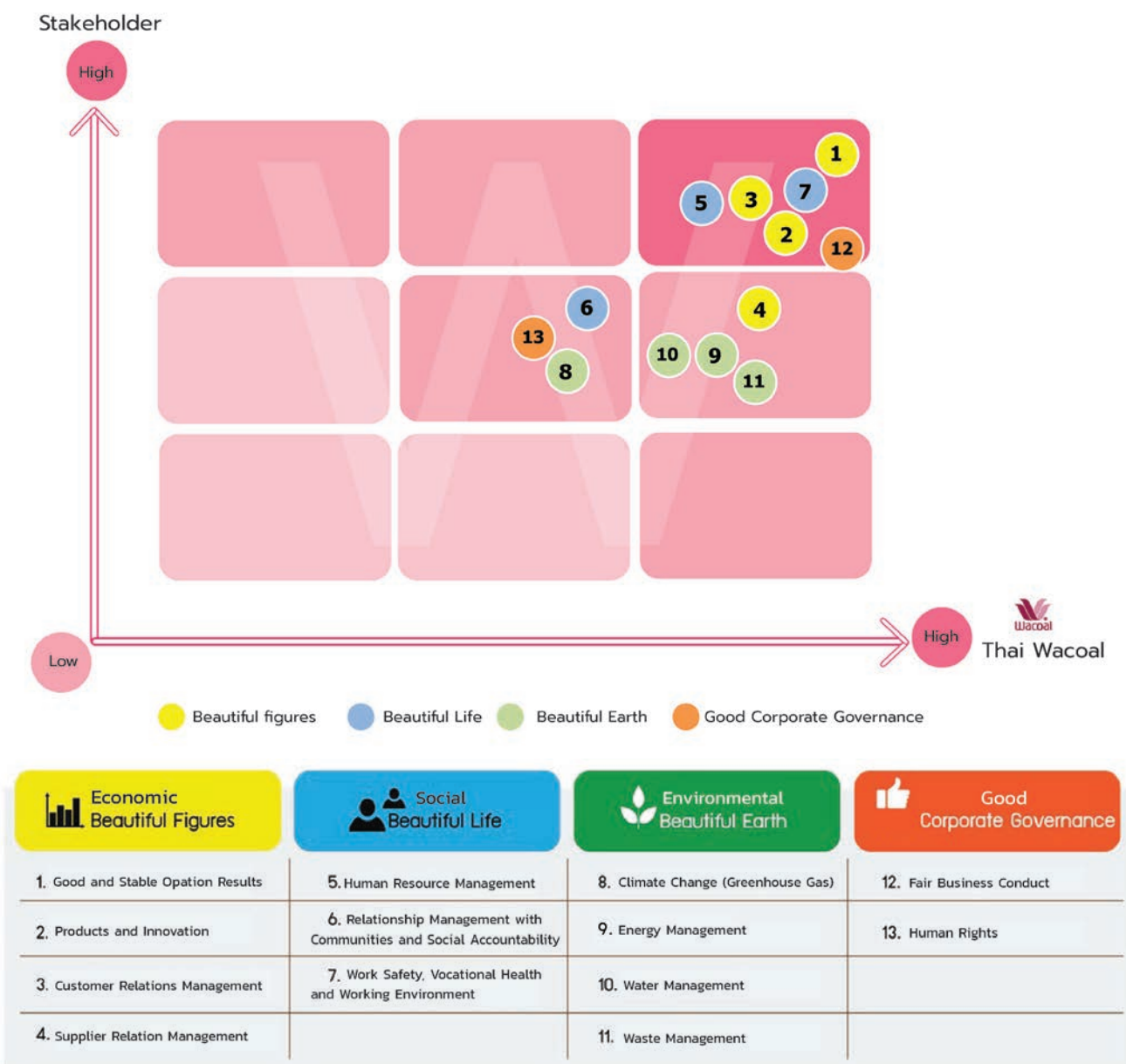
3. Audit

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 2020



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, conducting business
and creating sustainable value for the organization and stakeholders.

1. Good and Stable Operation Results

Revenue

In 2020, the company had total sales revenues and services of Baht 3,133.18 million, a decrease of 40.37% YoY. - consisting mainly of domestic sales of Baht 2,191.83 million, a decrease of 45.28% YoY and export sales of Baht 941.35 million, a decrease of 24.65% YoY. For sales by product categories, they were as follows: total ladies' lingerie of 91.04%, total children wear of 5.84%, total ladies' outerwear of 3.12%, and total achieved net loss was Baht 178.96 million, a decrease of 148.60% YoY.

Expenses

The company had a decreased operating expenses for 2020 of Baht 1,472.65 million mainly due to the company having lower cost of sales of Baht 1,314.04 million, which was consistent with the decreased sales revenues. The other expenses included social, school, and community expenses of Baht 3.15 million, wages and employees benefits of Baht 1,211.69 million, tax payments of Baht 0.50 million, together with having pay dividend payment of Baht 228 million to its shareholders.

Financial Status

The company had total assets of Baht 6,636.95 million, consisting of current assets of Baht 2,552.54 million, non-current assets of Baht 4,084.41 million, and shareholders' equity of Baht 5,396.64 million. The company still had a current ratio of 3.17 times, and debt to equity ratio of 0.23 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 47 consecutive years - from 1974.

2. Products and Innovation

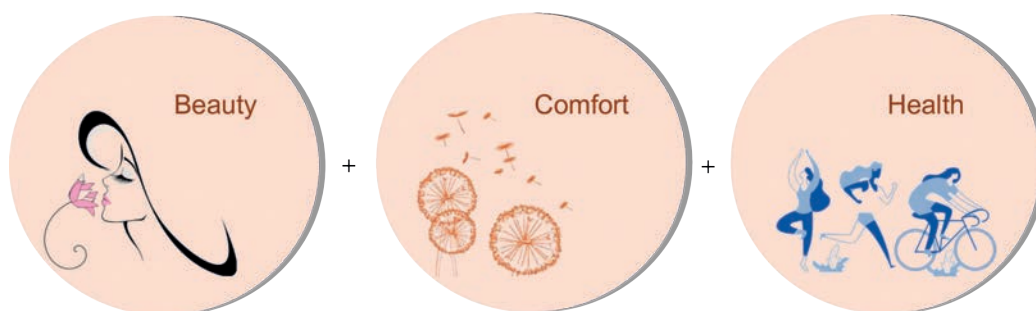
Commitment and Goals

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



In addition, the company has focused on creating the differentiation through innovation by appointing the Committee 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.

2020 Performance

1. Research and Development

Wacoal believes that a woman's beauty comes from both the body and the mind. With this philosophy, all Wacoal products are not only beautiful, but needs to be comfortable and good for the wearer's physical health, hence the motto **"Beauty from within leads to external beauty"**. For this reason, 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 2020, the company developed raw materials, sewing techniques and environmentally friendly products with high quality, resulting to receive Baht 197 million in revenue from innovatively developed products, which accounts for 10% of total domestic sales of finished good.

2. 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.

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

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

2.3 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.

2.4 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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3. The development of environmentally friendly products

3.1 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.



3.2 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.



3.3 5 models of lingerie products, namely MM1243, WH9B99, WR1501, WU4937, WY1128, all passed the Carbon Footprint product assessment.



3.4 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.



3.5 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.



3.6 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.

3.7 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 2017-2020, the company decreased the order of metal material for 902,910 pairs and used natural rubber as the substituted raw material for 15.08 tons.

4. Registration of Patent for the Mannequin design for large cup women and Petty Patent for the Bra Product; 6 patents and 1 petty patent 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.

5. In 2020, invested 8.38 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 about products and services 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.

2020 Performance



Countrywide Wacoal counters
in 2020 were totally 672



Wacoal Shop in countrywide
in 2020 were totally 83

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 2020, the company had made 10 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 Motionwear Product : MOTION Hybrid

According to the survey, it was found that the properties of the underwear for exercise which the customers needed are closely fit to the breasts, support for all motions, comfortable to wear, and good ventilation. Therefore, Wacoal improved and developed the products into the innovation of "X Perfect Mold", which holds breasts, supports every movement during any workout and has line flow to distribute sweat and reduce humidity, together with Airly Mesh that is well - ventilated and moisture resistant.



Wacoal Maternity Product : Mommi Bra

Wacoal developed bra to meet the need of mothers whose body shape rapidly change from pregnancy by designing breastfeeding bras that can be used from early stages of pregnancy to post-delivery. With specially woven and soft thread as well as lateral support, it can increase confidence. Thanks to free cut innovation on the inner breast cloth, it can reduce the pressure on the breast. Because of many smart sizes, one size can be used for both pre-delivery and post-delivery. “Easy to wear, comfortable and confident”.

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 2020

After sales coordination/Complaint Response

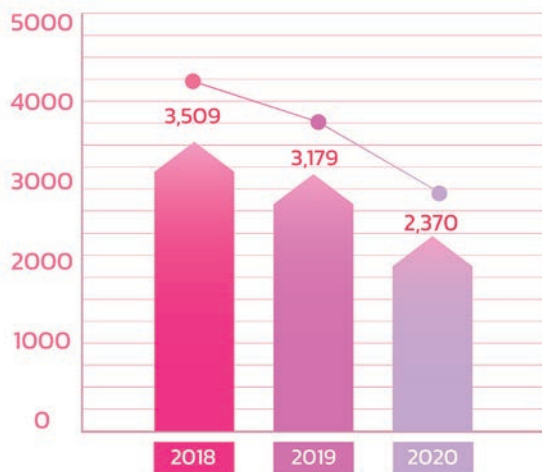


Providing product information

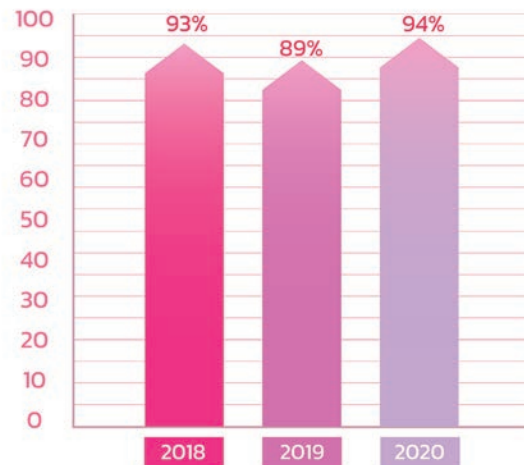


2.3 After sales services. In 2020, the number of customers asking for alterations is 2,370, a 29.19% reduction from 2019. This is the result of using data collected from past customer services to produce products that better meet the customers' needs together with Wacoal stores in Bangkok and upcountry were closed due to the Coronavirus (COVID-19) pandemic situation from late March – June, 2020. Therefore, there was no after sales services during this period.

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 2020, customers' satisfaction were 94%, increased from the previous year.

3. Confidence Building Measures “Wacoal Shop is safe. Don’t worry about shopping lingerie”

Due to the Coronavirus (COVID-19) pandemic crisis that prompted the government to strictly implement lockdown measures and stringent measure to counter the outbreak. Wacoal stores and counters had to be closed temporary during such period. After the government eased measures to reopen stores, Wacoal has formulated the stringent measures to prevent COVID-19 infection in order to increase the confidence of customers who come to use the service.



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 System in Eco Procurement: Green Procurement, Green Materials, and Green Supply Chain.
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.

2020 Performance

1. Co-invented and developed new materials with partners, which are used in production and generated Baht 75.71 million of revenue.

2. Co-development of materials resulted in the reduction in sourcing cost of Baht 6.28 million.

3. Raw materials purchased from partners in Thailand totaled Baht 388.20 million, accounting for 51% of the total value of raw materials purchased of the company. The company purchased raw materials from ISO 14001:2015 certified suppliers, account for 4% 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. In 2020-2021, Thailand has faced the crisis from the Coronavirus (COVID-19) pandemic situation. Therefore, the company has changed the form of assessment to be hand comparison or expertise test with sample specimen specified by the company.

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 2020 is 98.16%.

Corporate Social Performance



Beautiful life Social

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

1. Human Resource Management



Commitment and Goals

Employees serve as a crucial factor for business operations in achieving goals, creating competitive advantage, and promoting sustainable growth.

Amidst the fast-changing technological environment and the COVID-19 pandemic, market conditions and customer behavior shift under the new normal stimulated the organization to make rapid adjustments towards being a lean organization aimed at achieving the highest efficiency in all aspects. Thus, the Company placed importance in caring for its employees in working happily, staying motivated to fully capitalize on each individual's potential for success, and equipping them with the readiness to grow alongside the organization. Focus is placed on 3 key aspects: human resource planning and recruitment, employee training and development, and employee retention.



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 Human Resource Planning and Recruitment

As a result of reduced purchases, the Company made adjustments in various areas including changes to the organizational structure and review of workforce plan for the organization to achieve compactness and flexibility, enabling rapid changes, as well as job analysis and termination of unnecessary tasks, engagement of technology to boost efficiency, and diversification towards other models of employment for some tasks such as contracts for work, outsourcing, and part-time employment to instill flexibility and efficient management of the workforce to achieve balance with the production plan.

The Company found it necessary to downsize its manpower by 30%, and gave employees, who desired to engage in other professions in accordance with each individual expertise and interest, the opportunity to voluntarily leave work, whereby each was compensated in accordance with the law and received extra funds in support from the Company. The Company then recruited internally and considered transfer of employees to departments lacking manpower as needed. This served as an opportunity for employees to rotate, re-skill, and up-skill.

However, recruitment of new employees continued as required to support online sales channels in accordance with the Company policy, held through Facebook, the Company website, Line, and the Friend Referral Program. Recruitment was carried out on the basis of social distancing, from the completion of an online application form on the Company website, submission of an introductory video as required by the Company, as well as ability tests and interviews conducted online.

2020 Performance

| Manpower operation | |
|-----------------------------|---------------------------------------------------------|
| 1. New employee recruitment | 107 persons (e-commerce / Digital Marketing / Sales) |
| 2. Internal recruitment | 2 persons (shift from daily to monthly engagement) |
| 3. Transfers/job changes | 35 persons |
| 4. Part-time engagements | 25 persons |

| Changes to Organizational Structure (Downsizing) | | | |
|-----------------------------------------------------|-----|---|-----------------|
| Increase/Decrease | | | |
| Division | +1 | = | 28 divisions |
| Department | -9 | = | 151 departments |
| Team | -16 | = | 76 teams |

Employment of the Elderly

In preparation and support of the aging society, the Company has a policy in employing, after retirement, personnel aged 55 – 65 who are healthy and able to work in positions requiring specialized expertise and skill set, providing the opportunity to join in on coming up with new innovative projects regarding product management, design, and product sewing, as well as taking the positions as advisor, job trainer, and speaker for employees internally and within the group of companies.

2020 Performance

| Job characteristics of employment after retirement | | |
|-------------------------------------------------------------------------------------|-----------------------|-------------|
|  | 1. Product management | 27 persons |
|  | 2. Pattern Design | 5 persons |
|  | 3. Sales | 25 persons |
|  | 4. Sewing Techniques | 49 persons |
| | Total | 106 persons |



Employment of the Disabled

The Company placed importance and engaged in employment of the disabled in accordance with Article 33 of the Empowerment of Persons with Disabilities Act, B.E. 2550 and its Amendment (No. 2) B.E. 2556. In 2020, the Company employed 39 deemed disabled, categorized into employment of 10 hearing-impaired as permanent employee in accordance with Article 33 in supporting the production, and hiring of 29 in accordance with Article 35 in coordination with the Social Innovation Foundation for public benefit at hospitals and in coordination with Thailand Association of the Blind in providing relaxing massage services for employees. Thai Wacoal will continue to support the employment of the disabled going forward.

2020 Performance

| Employment of the Disabled | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| 1. Hire as permanent employee in accordance with Article 33 | 10 persons |
| 2. Hire of the disabled in accordance with Article 35 | 29 persons |
| 2.1 Provision of product sales concession | 10 persons |
| 2.2 Provision of retail space concession | 3 persons |
| 2.3 Hire for Thai massage service Thailand Association of the Blind | 6 persons |
| 2.4 Hire to work for public benefit | 10 persons |
| <ul style="list-style-type: none"> Baan Thong Lang Sub-district Health Promotion Hospital Baan Chad Sub-district Health Promotion Hospital Baan Ngua Ba Sub-district Health Promotion Hospital Baan Sua Gok Sub-district Health Promotion Hospital Baan Kham Bia Sub-district Health Promotion Hospital Hua Sai Hospital Samaggi Community Health Center Baan Sriwanalai Center for Potential and Career Development for the Disabled Regional Special Education Center 10 Saiyok Municipality Sub-district Service and Broadcasting Center | |



Mr. Chalermrit Phromjamorn

Permanent Employee at Baan Ngua Ba Sub-district Health Promotion Hospital, Maha Sarakham Province which Thai Wacoal Plc. supported the employment in accordance with Article 35

I am a mobility-disabled individual. After the accident inflicting disability, I earn income from providing general document typewriting services, whereby my income was not constant. I am currently enrolled in the Article 35 Program and work as a permanent employee at the Baan Ngua Ba Sub-district Health Promotion Hospital, Maha Sarakham Province in the position of service and screening, assisting in the record of information, facilitating visitors. I am happy and proud to have had the opportunity to be a part of an organization which encourages social interaction and promotes self-learning and development.

I would like to thank Thai Wacoal, the organization, and staff who helped support and provided me with the opportunity, truly recognizing the importance of the disabled. This does not serve only in income generation, but also in building courage and making space for the disabled in society as part of society. If I had not been given the chance that day, I would probably have stayed home and would not dare go outside. I am truly thankful.



1.2 Employee Training and Development

The rapidly-changing business environment moving towards the new normal acted as a catalyst in stimulating the organization to adjust and re-learn in all aspects. Knowledge, skills, and mindset of employees in accordance with the new working age (future skill), as well as appropriate format and learning channel all contribute as key factors in driving the achievement of set goals.

2020 Performance

The company has operated the Development and Potentiality Enhancement for Human Resources in various ways in 2020 as follows;

1. Reviewed job description and training needs from analysis and specification of new knowledge and skill set necessary for business operations in the new age for each respective line of work. Business officers, procurement officers, designers, patterners, merchandisers, and marketing officers, which serve as core areas of work of the organization are considered Phase 1.

2. Held future skill programs including technology utilization such as Google Drive and meetings held through Zoom application, as well as Design Thinking and Data Analytics programs through online self-learning channels.

3. Held online sales techniques program for salespeople and other permanent employees within the Company to expand sales channels and give employees the opportunity to learn and equip themselves with the skills of utilizing digital media in sales, as well as take part in accumulating sales through channels other than retail counters in shopping centers both during the order of closure of shopping centers and the re-opening up to present.

4. Promoted the correct mindset and life skill for employees amidst the crisis through communication for employees to recognize the crisis, accept, and adapt rapidly, to not give up in face of obstacles, and to get up quickly after a fall, such that employees are able to manage themselves in a crisis in terms of career and family.

5. Held classes through a closed Facebook group and developed internal learning media in the form of video clip, with focus on courses concerning work for on-the-job training, which served as a goal in reviewing work processes in accordance with the new working age.

6. Promoted exchanges of knowledge and knowledge management through the appointment of supervisors and skilled employees with specialized expertise as internal speakers, extracting tacit knowledge from individuals and transforming into explicit knowledge storable in the form of media and learning document for dissemination within the Company.

7. Searched for and selected courses from reliable external training organizations such as SkillLane, Thai MOOC, and Chula MOOC and specified such courses as fundamentals and supplementaries for supervisors and employees in each level.

8. Reduced the proportion of classroom training and increased online training in the development of personnel to promote self-learning, through the incorporation of self-learning format in new employee development program and specification of online training courses for each month for interested employees.

9. Developed e-learning platform and equipment used in online learning which proved efficient, ready, and facilitated learning for employees anywhere at any time.

| Category | 2020 | 2019 |
|----------------------------------------------------|-------------------|-------------------|
| 1. Total number of employees | 2,952 | 3,851 |
| 2. Number of employees trained (No repetitions) | 1,411 (47.80%) | 3,001 (77.93%) |
| 3. Classroom training | | |
| Courses | 35 | 122 |
| persons | 658 | 1,879 |
| hours | 4,943 | 27,603 |
| 4. OJT training | | |
| Courses | 28 | 31 |
| persons | 344 | 1,104 |
| hours | 1,032 | 3,312 |
| 5. Online training | | |
| Courses | 49 | 1 |
| persons | 409 | 18 |
| hours | 1,473 | 108 |
| 6. Number of hours/ person/ year | 5.28 | 10.34 |
| 7. Investment in training (MB.) | 1.18 | 5.95 |



Classroom (31%)

Courses

1. Marketing Trend 2020
2. Facebook Sales Intensive Course
3. Guidelines for Personal Data Protection Act 2019



OJT (25%)

Courses

1. 16 Steps of Product Inspection for Bras
2. How to Check for Waste (Color panel using eye comparison)
3. Sewing Process Control



Online (44%)

Courses




1. Digital Marketing
2. Storytelling for Business
3. Sales Image and Camera Live Technique



1.2.1 Promotion of Internal Innovation

The Company strived to continually develop innovation for the utmost satisfaction of customers. This was done through promotion for employees to take part in creating and developing various projects as a team, concerning the product, system and work process development, and production efficiency enhancement. Through the provision of financial support, joint efforts with business partner connections, and utilization of market research data, customer research data, and physiology research data in development, the Company gave the opportunity to propose ideas and drive towards actual practice or sales, and set up the Innovation and Creativity Promotion and Management Committee internally to proceed and drive action as planned.

In 2020, the following outstanding innovation and development projects were implemented.

| | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <p>Product 5 Projects</p> <ol style="list-style-type: none"> 1. LATEX MIRACLE 2. SURPRISE BRA - BEST BRA FOREVER 3. WACOAL BRA SMART SIZE 4. WIRELESS FIX - PERFECT FIT 5. PANTY SECRET COLLECTION BY WACOAL |  <p>System & Process 13 Projects</p> <ol style="list-style-type: none"> 1. Technology which supports sales and work processes under COVID-19 situation 2. Technology which supports sales through all channels 3. Technology which supports the supply chain 4. Digital Online Ordering Solution (DOOS) <p>etc.</p> |  <p>Production 6 Projects</p> <ol style="list-style-type: none"> 1. Sponge trimming equipment 2. Consolidation of strap attachment processes 3. Work methodology revision from ironing to sewing 4. Equipment assisting in inside-out reversal 5. Work process revision on folding the edges 6. Work process revision on back crotch fabric overlay |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Case Study

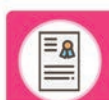
"DIGITAL ONLINE ORDERING SOLUTION (DOOS)" Innovation



An innovation on strategic management for business format with online sales channel for efficiency in data management and linkage of customer purchase order from the marketplace through the use of Application Program Interface (API) technology, achieving convenience and speed in connecting with the marketplace by rapidly managing customer purchase orders, automatically connecting work processes between departments, ultimately reducing the time it takes in work procedures and linkage with the organization's ERP



In addition, the Company pushed for the registration of design patents, as well as product and innovation petty patents in 2020.



Design Patents

6

Patents

(In the process)



Product and Innovation Petty Patents

1

Patents

(In the process)

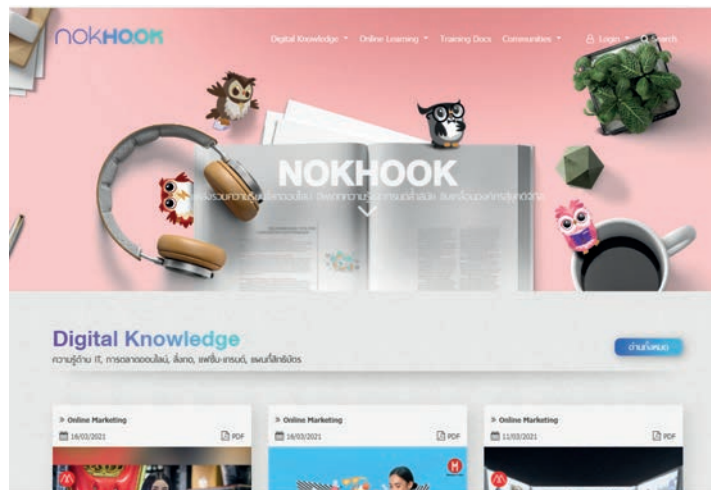
1.2.2 Organization Knowledge Management

Knowledge, which serves as the business' key capability, is crucial to the sustainable growth and development of the organization. The Company put in place procedures in aggregating and analyzing key knowledge, and promoted extension, exchanges and collaborative learning, as well as application of such knowledge in the Company.

Knowledge Storage Procedure

| Category | Method of Aggregation | Method of Transfer / Exchange |
|----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| 1. Knowledge on corporate direction, goals, and strategy | <ul style="list-style-type: none"> • Hosting of Executive Talk • Storage in Intranet system | <ul style="list-style-type: none"> • Supervisor meetings • Internal publicity media posters |
| 2. Fundamental job-related knowledge for each position | <ul style="list-style-type: none"> • Preparation of work instruction / work manual • Storage in Intranet system | <ul style="list-style-type: none"> • On-the-job training • Preparation of e-learning self-learning media |
| 3. Knowledge from internal training | <ul style="list-style-type: none"> • Storage of training file in Intranet system | <ul style="list-style-type: none"> • Employees request access password for self-learning |

In addition, the Company prepared work manual and established the “Noknook” webpage as the center in accumulating knowledge from all departments, including knowledge and news concerning the business, innovation, marketing, and sales for the benefit of employees.



1.2.3 Building on Organizational Culture

Thai Wacoal organizational culture is fundamentally based on having executives and supervisors as role models, communicating closely and regularly with employees, and treating employees with sincerity by adhering to moral and ethics comparable to treatment towards members of the same family.

The period in which an organization is faced with crisis serves as an indicator and test of strength of organizational culture through leadership, thought, and expression by employees, and presents an opportunity to build on corporate culture in line with working in the rapidly-changing digital age.

Teamwork, love, unity, sacrifice, common goal, openness to learning new things, and love in the organization and job are values deeply rooted which mold the organizational culture. Such values were evident in instances where the Company passed measures requesting cooperation from employees so that the business can overcome the crisis, such as reduction in cost and joint efforts as part of building a sales army. The Company received excellent cooperation from all employees, with no limitation or condition on department, responsibilities, rank, or having to work beyond normal working hours. 2020 served as a lesson for Thai Wacoal to ready itself for rapid changes, to get up quickly after a fall, and to always seek opportunities in a crisis.



1.3 Employee Retention

Production of a good and quality product results from quality employees who are highly-skilled and exhibit love and connection for the organization, thus requiring time in the continuous accumulation of knowledge and experience. Therefore, the Company placed importance in employee retention and undertook the following.

2020 Performance

1. Management of Compensation, Welfare, and Other Benefits

The Company has a policy in managing compensation, welfare, and various benefits with fairness, without discrimination, appropriate with economic conditions and cost of living, and in compliance with the Labor Protect Act, through the specification of compensation in accordance with roles and responsibilities, nature of work, knowledge, capabilities, and performance assessment results.

In 2020, the business was impacted from the COVID-19 pandemic situation following temporary order of closure of shopping centers. The Company still took care of its employees to prevent any impact on employee income and normal welfare, and provided additional assistance in giving out special loans with no interest to alleviate any torment. In addition, the Company helped facilitate employees in obtaining benefit from relief measures such as personal income tax reduction relief measures and relief measures from the government sector, banks, and various institutions including the Social Security Office, Provident Fund, Government Savings Bank, and Government Housing Bank in a complete and rapid manner.



2. Placing Importance on Health, Hygiene, and Safety from COVID-19

The COVID-19 pandemic posed severe impact on the way of life and caused concern of infection by employees. The Company recognized and placed importance on the health, hygiene, and safety from COVID-19 of employees and their families, and passed the following preventive measures for compliance, undertaking strict monitoring and control.

2.1 Appointed the COVID-19 Surveillance and Prevention Committee to monitor, conduct surveillance, and undertake various measures to ensure the safety of employees and prevent infection within the Company.

2.2 Educated and disseminated information concerning self-preventive care, the number of daily infections, and various surveillance and preventive measures of the Company each day through the Company's communication channels.

2.3 Undertook to have employees regularly check and assess individual risk, including those of their respective family members, disseminated information on the timeline of infected individuals in various areas for employees to stay informed, and screened, registered, and monitored employees on leave exhibiting symptoms of flu and sore throat. Should it be deemed that such employee is at risk, the Company has measures of self-quarantine to monitor symptoms or verification of infection by medical personnel, whereby the Company does not count as leave days and takes responsibility for expenses incurred in testing for the virus to instill trust in the safety of employees and the Company.

2.4 Undertook to have temperature checks before entering for work, alcohol gel availability in various areas, social distancing measures in every activity within the Company such as elevators, training, seating in the cafeteria for dining, and working space, cleaning and disinfection in various areas within the Company on a weekly basis, and giving out of cutlery, alcohol gel, and sanitary masks to employees to promote the use of own equipment to prevent infection.

2.5 Undertook to have risk screening and prevention of outsiders visiting the Company and publicized the use of other means of contact in place of physical visitation to the Company. In case where it is unavoidable, screening measures are imposed such as temperature checks, limitation of space, and limitation of time spent.

In addition to the above-mentioned surveillance and preventive measures, the Company continued to provide annual health checks and breast cancer screening with mammogram, and arranged for blood donation and doctors, nurses, and medical supplies in looking after employees as usual, on the basis of social distancing measures.



3. Work from Home and Flexible Working Hours

To retain social distance, which reduces the risk of contracting COVID-19, and to alleviate air pollution problem from dust (PM 2.5) and toxic fumes resulting from traffic during rush hour, which contributes to another key environmental issue of the country, the Company passed a policy permitting employees to work from home, and put in place a system of delegation, monitoring, and reporting on the performance of tasks. The Company sourced the necessary technology, software, equipment, and efficient communication system between teams in the effort to shift from the original working format towards goal and result-oriented approaches which build on the confidence and trust between individuals, as well as train employees on their self-leadership.

In addition, the Company adjusted working days and working hours for flexibility and suitability to the situation and workload, providing employees with 3 lapsing working hour period alternatives from which employees are able to choose as deemed appropriate with each respective individual's limitation on commute.



Work From Home
25-50%



Flexi Hours
20%

4. Improvement in Working Environment



The Company's goal is to become an organization of happiness, and thus placed emphasis on improving working space to create a working atmosphere and promote creativity (Co-working space) while retaining importance on social distancing measures and reducing crowdedness.

Moreover, the Company arranged for exercise and recreation area for employees, with various facilities, in a sufficient and appropriate manner.

5. Internal Communication

Internal communication within an organization is an important tool in instilling understanding, love, unity, and common goal, especially in the face of a crisis.

5.1 Built relationship between top executives with supervisors in each level, employees, and various committees such as Workplace Welfare Committee, Safety, Occupational Health, and Working Environment Committee, and Sustainable Development Working Team through monthly meetings and quarterly meetings to acknowledge the organization's direction and goals, as well as to jointly exchange ideas on various proceedings.

5.2 Provided channels for employees to express opinion and receive information such as articles, Executive Talk, Intranet, publicity boards, suggestion box, telephone, email, mail, and various walking campaign activities.

5.3 In 2020, the Company launched new communication channels through Facebook and Line Group "HR Jaidee" to provide information on the Company's movement and updates, as well as various benefits, enabling employees to receive information and ask questions and get answers rapidly, regardless of whether such employees are based at the Company or in other provinces.



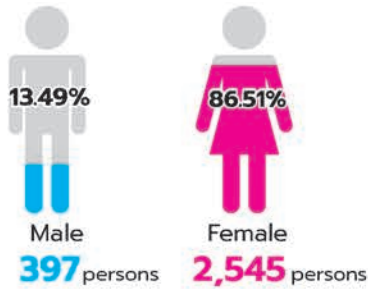
6. Promoting Participation in Management and Teamwork

The Company appointed various committees through elections and Company and employee representation to drive policy, manage, and express opinion on proceedings together to achieve the organization's goals with details as follows.

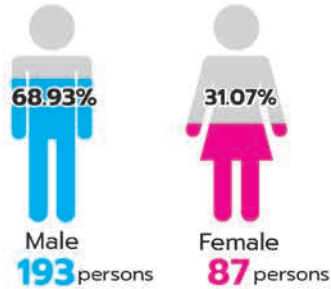


Employees Profile in 2020

Classified by Gender



Classified by Gender



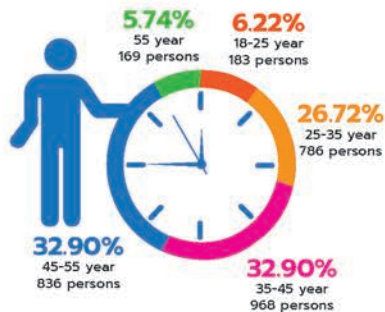
Classified by Type of Employment

78.45 %
Monthly Employees
2,308 persons

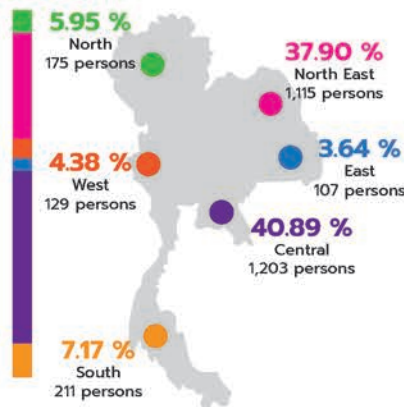


21.55 %
Daily Employees
634 persons

Classified by Age



Classified by Region



Classified by Time (years) with the company



Number of new employees



* 2019 New Employees not included Transfer Employees

Number of employees resigned



2. Relationship Management with Communities and Social

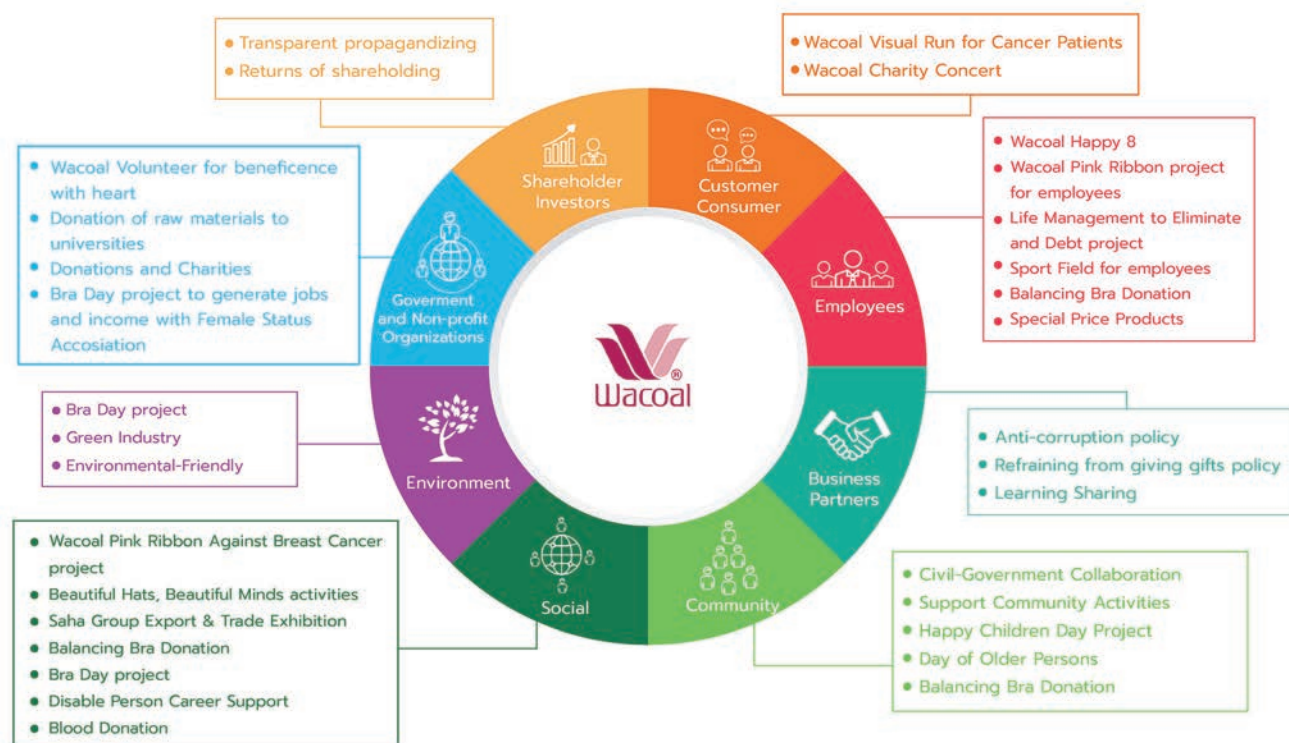
As Thai Wacoal has been aware of the roles in participating for taking care of society and community, which are the significant sectors for business contribution towards sustainable growth, the emphasis has been on life quality upgrading, enhancing strength and happiness for society and communities for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



2020 Performance

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

Thai Wacoal Public Company Limited, a company engaged in manufacturing ladies' lingerie, places great importance on women's health to keep them safe from breast cancer. Thus, the Wacoal Pink Ribbon...Against Breast Cancer Project has been carried out since 2000 through the following activities:

1. Balancing Bra Donation, 12th Year

Thai Wacoal undertook research into a brassiere with a specially constructed pockets and invented materials inserted into a prosthesis substituting the size and weight of natural breast to hold and support a natural feeling prosthesis or artificial breast. The balancing bra along with a prosthesis is an innovation invented by Thai Wacoal for women who have undergone breast surgery to rediscover confidence and life's little pleasures and to provide an opportunity for those with economically disadvantaged backgrounds to access this innovation. Thai Wacoal annually donates balancing bras to organizations and agencies.



2. Civil-Government Collaboration against Breast Cancer Project for Community




Thai Wacoal Public Company Limited has collaborated with the public sector in creating cooperation for sustainable benefits under the concept of "Civil-Government Collaboration". The Wacoal Pink Ribbon...Against Breast Cancer Project was developed as part of the activity "Civil-Government against the breast cancer for communities". The project was targeted to be organized in 28 communities in Bang Kho Laem Community District by lecturing people about "breast cancer" and demonstration of breast self-examination, as well as breast screening by doctors and professional nurses.

Results of activities from 2014-2020



1. Wat Bangkhlo Nok Community
2. Suanluang 1 Community
3. Suanluang 2 Community
4. Rong Jay community
5. Behind the old Wat Praya Krai Market Community
6. Boonprathanporn Community
7. Ruam Chai Phatthana Community
8. Rong Kaew Community
9. Bang Uthit Community
10. Wat Inbanjong Community
11. Charoen Krung 89 Community
12. DAENG SHRINE Community
13. Wat Praya Krai phase 3 Community
14. Bang Kho Laem Community


“I would like to see the doctor so that I can learn how to take of myself and examine my breast correctly. I can also teach my niece who is growing up so that she will notice herself and knows what it is wrong.

Breast cancer is the most common cancer here. If you take care of yourself initially, you don't have to worry much. Thank Wacoal and the district office for entering the area and approaching villagers so that they have an opportunity to see the doctor and nurses easily.”

Mrs. Suporn Lueangsaart

“I joined this project because I wanted to have my breast examined by the doctor and gain knowledge to take of myself. I have received a lot of knowledge and learned how to check breast on my own, to notice what is wrong, know how to do if cancer is found and what the initial treatment is. This can reduce my concern. It is a good project as it educates community people, many of whom don't have any knowledge about breast cancer. At least, they will know how to notice and take care of themselves in a simple way.”

Ms. Rangsinee Saengthong



3. Beautiful Hat...Beautiful Mind Activity

Chemotherapy is necessary for breast cancer patients. However, there are side effects, e.g., hair loss. Patients have to wear hats or wigs to cover their heads and build their confidence when they go out. Wig production takes a long time and has high costs. As a result, wigs are insufficient to meet the demand for a large number of cancer patients.

Realizing the necessity to manufacture hats to help society, Thai Wacoal has invited its clients, interested people and organizations to participate in the activity “Beautiful Hat... Beautiful Mind” to produce and decorate hats for cancer patients who are undergoing chemotherapy. The company has provided soft, non-irritating and non-toxic fabrics for producing hats. This activity has been cooperated by all sectors. In addition to hat decoration, the company let participants write some messages to give moral support to patients receiving those hats.

In 2020, Hats were given to cancer patients under the chemical therapy at countrywide hospitals.

Totally 2,500 hats



Wacoal Braday Project, 9th Year



Wacoal as the producer of ladies' lingerie cares about both consumers and the environment. The company initiated an innovation in integrated management of unused lingerie (bras). It is the first manufacturer of underwear products in Thailand, which systematically managed the unused or damaged products to meet the international standard under the concept “Zero Waste” by applying the principle of 3 Rs (Reduce, Reuse, Recycle) to systematically managing products.



The company organized a campaign to invite its customers and general public to donate all brands of unused or old lingerie and solicited cooperation from agencies, organizations and companies, such as the Thai Red Cross Society, Mahidol University, Thai Airways International Public Company Limited, etc. to place a donation box in their areas. This was well received by various organizations.

Following the project implementation in 2020, over **100,000 bras have been donated**. From 2012 to 2020, **more than 460,000 bras** were donated resulting in reducing community waste and carbon dioxide emission to substitute the use of coal. It is a project that had a complete management of unused lingerie for social and environmental benefits.



โครงการ วาก็ บราเดย์ ปีที่ **9**
บราเก่าเราขอ (พ.ศ. 2555 - 2563)

รับบริจาคขยะเสื่อมสภาพ ทุกแบรนด์
ตลอดทั้งปี ที่วาก็ซื้อและแค่นเตอร์วาก็
ทั่วประเทศ

และทางโปรเจกต์ ส่งถึงฝ่ายกิจกรรมเพื่อสังคม (CSR)
บริษัท ไทยวาก็ จำกัด (มหาชน) 132 ซอยเจริญราษฎร์ 7
แขวงบางโคล่ เขตบางคอแหลม กรุงเทพมหานคร 10120

Wacoal.
BRADAY
บราบีค่า สร้างอาชีพ
รักสิ่งแวดล้อม

Wacoal We Care Project

Since 2020 is the year that faced the COVID-19 pandemic crisis, it affected health and economy. The company has expanded the organization of activities to take care of employees, customers, communities and stakeholders to be safe from such impacts. Strict measures were formulated to monitor and prevent the spread of the epidemic within the organization. Employees have to measure their temperature before starting work. Spoons and forks were also distributed to employees for personal use to reduce sharing their utensils. In addition, strict hygiene measures with cleaning and disinfection schedules are implemented in order to mitigate the spread of germs due to the common use of workplaces and equipment.



To help and alleviate the shortage of masks in the beginning, the company formulated a policy to change the production line from underwear to masks to be distributed to employees and general public.

The company also expressed its concern over people and society as a whole by accelerating the manufacturing of 1,500 masks to distribute to people living surrounding the company and more than 200,000 masks to be donated via different organizations, e.g., hospitals to thoroughly provide to nurses, medical personnel, customers, alliance organizations and mass media.





Furthermore, the company in collaboration with the Thai Red Cross National Blood Service Center and Banpu Public Company Limited developed the **“Mask for Blood Hero”** Plus One Project to produce Blood Hero cloth masks to be donated to 12 Thai Red Cross National Blood Service Center branches and hospital branches.

Wacoal Green Project



Concerning the operation that may affect global warming, the company has realized the importance and strived to be part of the reduction of energy consumption and carbon dioxide emission. The company cooperated with the Forest Industry Organization, which is a state enterprise under the Ministry of Natural Resources and Environment in planting and maintaining forests as well as increasing green areas to absorb greenhouse gases under the activity **“Wacoal Green”**.



Wacoal Fair Project

Due to the economic recession related to the COVID-19 pandemic, people have been affected by such situation. To assist people in lowering their costs of living and expenditure, as well as allowing communities to use its products, the company organized a fair to offer up to 70% discount on products to employees and customers in surrounding areas as well as general interested customers to select good quality products, which were directly manufactured from the factory.





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 23.5 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.

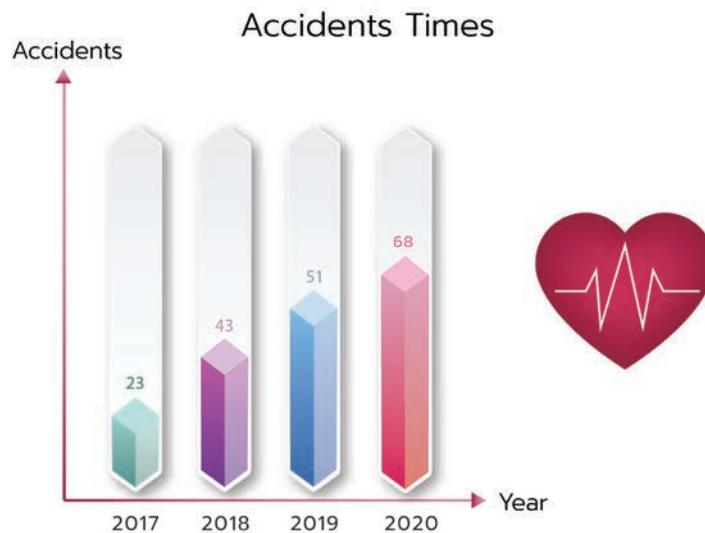
The company also made 5 emergency plans, in comprehensively for emergency events that may occurs in the company, namely; Fire prevention and Fighting, Emergency plan for Chemical leaking, Emergency plan in case of protest and rebellion, Operational emergency plan in case of threatened terrorism, and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

2020 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 6th year.

In 2020, 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 2019 and 2018. Moreover, there were accidents occurred in 2020 to 68 employees, accounted for 2.31% 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 2020, 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 6 training courses on Work Safety, Vocational Health and Working Environment in 2020 such as “Basic Fire Fighting and rehearsal of Emergency Evacuation Rehearsal”, “Basic First Aid”. There were 202 employees being trained, accounted for 6.87% of total employees.

Meanwhile, the company provided 5 training and rehearsal program for emergency case in 2020, having 195 employees being trained, accounted for 6.63% 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 2020, 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. In addition, there is the campaign for employees for Safety Drive and Don't Drink and Drive during Songkran Festival and New Year Festival.

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 2020, 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, eco-friendly product design, effective production and inventory, including communicating accurate information to customers and environmental friendly waste disposal.

WACOAL ECO PRODUCT SYSTEM



1. Climate Change (Greenhouse Gas)

Commitment and Goals

Thai Wacoal 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 87.56% of greenhouse gas emissions.

Management Strategies

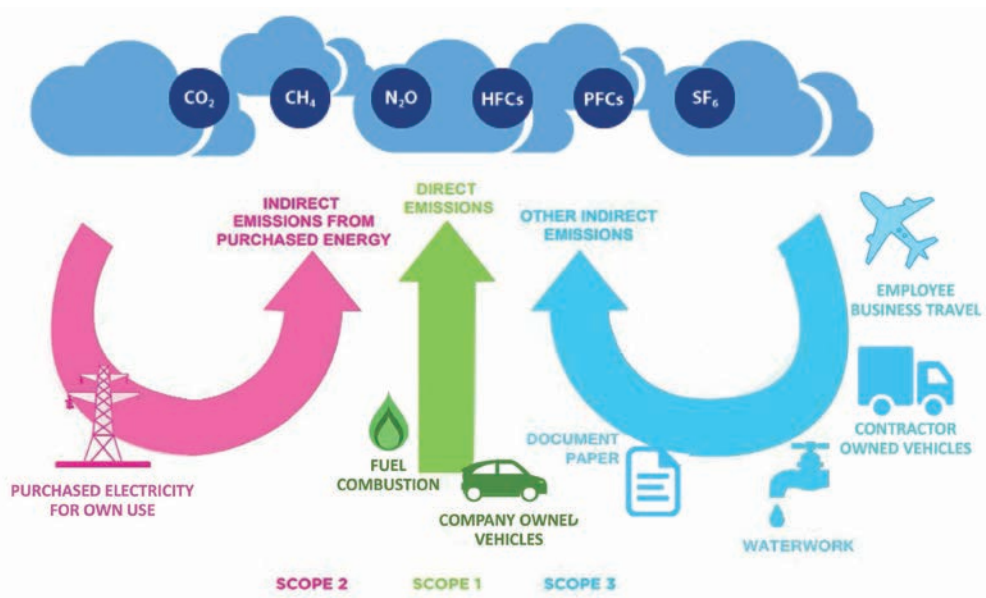
Thai Wacoal Public Company Limited is a part of the society which consumes natural resources; it thus gives precedence to the solution and prevention of pollution caused by the operation that has direct and indirect effects to the consumption of natural resources. This has caused the decreased emission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



2020 Performance

The evaluation of Carbon Footprint in 2020

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 2020, and has passed the verification by the Federal of Thai Industries every 3 years.



Evaluation results in 2020

| | | |
|------------------------------------------------|----------|------------------------------|
| Total Greenhouse Gas Emission : (Scope 1&2) | 4,615.00 | Ton Co ₂ eq./year |
| Direct GHG Emissions : | 574.00 | Ton Co ₂ eq./year |
| Energy Indirect GHG Emissions : | 4,041.00 | Ton Co ₂ eq./year |
| Other Indirect GHG Emissions : | 54.26 | Ton Co ₂ eq./year |

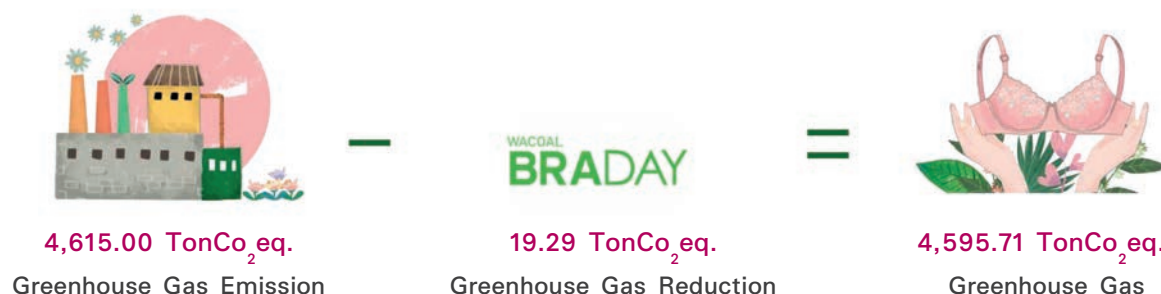
In 2020, the result of Carbon Footprint of the organization was 4,615 Ton CO₂eq. In comparison to the evaluation result in 2019, it was found that it decreased by 553.70 Ton Co₂eq., accounting for 10.71% due to the decrease in the number of employees and low production volumes.

Green House Gas Emission Offset

The company has launched the Wacoal Bra Day Project for academic technical assessment and it was found that it helped the reduction of greenhouse gas emission for 19,285.47 Kg.Co₂eq หรือ 19.29 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 | 4,615.00 | Ton Co ₂ eq. |
| Amount of greenhouse gas reduction from the Wacoal Bra Day activities | 19.29 | Ton Co ₂ eq. |
| Therefore, the amount of greenhouse gas emission from the organization's activities equals to | 4,595.71 | Ton Co ₂ eq. |



In addition, the company has realized the importance and benefits of afforestation. Therefore, afforestation has been carried out regularly since 2009. In 2020, the company, in collaboration with the Forest Industry Organization, Ministry of Natural Resources and Environment, operates the Wacoal Green Project to increase the green area outside the company by organizing an activity to plant trees for 5 rai (500 trees) in the forest conservation area, Chiang Thong Forest Park, Tak Province, which after 5 years of tree planting can be used to calculate the company's greenhouse gas emission compensation.

2. Energy Management

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 2020 were to reduce 2% of the usage of electricity per unit (Specific Energy Consumption (SEC)) in comparison to 2019, or control the energy consumption index to be less than or equal to 2.814 MJ / piece (product) which the company has set as a measure of energy performance of the organization.**

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 has appointed an ISO 50001 energy management system working group to implement the energy conservation policy by setting goals, planning, implementing plans and monitoring performance 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 have efficient energy conservation and continuously improve the energy consumption practice every 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 2020, the training courses provided were "Awareness of energy conservation" to promote and construct of knowledge and awareness on energy conservation to employees which create good organization culture on energy conservation.

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 with the situation and can be used as a guideline for implementation by applying to the company's energy management system.

5. Preventive working

The company has set the plan for maintenance of machines, the main equipment that consume high energy like the machine for utility by focusing on Preventive Maintenance in order that the machine and equipment will be ready for usage, be maintained in good condition and be prevented from damage. Moreover, there is also the continuous conduct for control measures for efficiency or capability value of the significant machine then the most efficient machine will be set in the first order for use. This affects the ability to effectively control the work of the machine and equipment, the work safety and the reduction of energy loss and mitigation of environmental effects.

2020 Performance

The company uses the secondary source energy in the manufacturing process which is the indirect energy from the Metropolitan Electricity Authority. In 2020, the company consumed electricity for 6,941,000 kWh. In comparison to the energy consumption which was equal to 7,475,000 kWh in 2019, it was found that the energy consumption was reduced by 7.14%. However, the Specific Energy Consumption (SEC) value that the company has set as a measure of the energy performance of the organization in 2020 was equal to 3.666 MJ/piece (product) which was 27.66% higher than the energy target set by the company due to lower productivity factors together with the plan for the reduction of production time adjusted to be in line with the situation of the Coronavirus (COVID-19) pandemic.

There are 3 energy conservation measures implemented in the year 2020, It is a measure to improve energy efficiency in air conditioning systems which consists of the following projects:

1. Cooling Tower Filler No. 2, 3 Replacement Project
2. Split Type Air Conditioner Replacement Project
3. Cooling Tower No.1, 2, 3 Replacement Project

2020 Energy Saving Performance



Energy saving from energy conservation measures was **95,498.41** KWh./Year



Energy costs reduced **389,209.60** Baht/Year



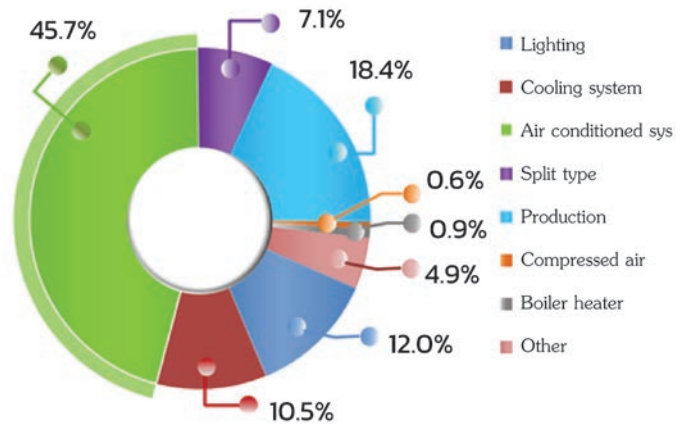
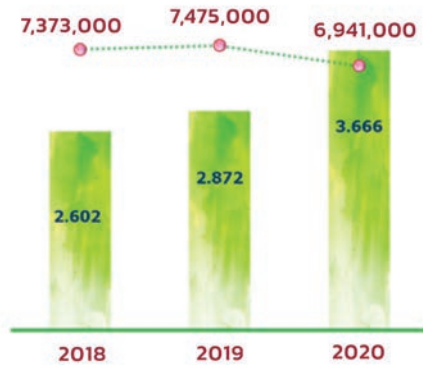
Reduced greenhouse gas emission: **55.6** GtCO₂eq.

Energy intensity

Proportion of electric city Consumption' 2020

Electricity Energy Consumption (kWh)

Energy Consumption/Product Unit Index (MJ/Piece)



Energy and Greenhouse Gas Management

| Energy and greenhouse gas information | Unit | 2018 | 2019 | 2020 |
|-----------------------------------------------|-------------------------------|-----------|-----------|-----------|
| Electricity usage for the entire organization | Kilowatt-hour | 7,373,000 | 7,475,000 | 6,941,000 |
| Energy Consumption index | Megajoules per item | 2.602 | 2.842 | 3.666 |
| Reduction of energy consumption | Kilowatt-hour | 33,079 | 107,787 | 95,498 |
| Amount of greenhouse gas emission | Carbon dioxide ton equivalent | 4,291.8 | 4,351.2 | 4,040.35 |
| Amount of greenhouse gas emission reduction | Carbon dioxide ton equivalent | 19.3 | 62.7 | 55.6 |

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 2019**” by encouraging employees to participate in reducing water in order to achieve the goal.

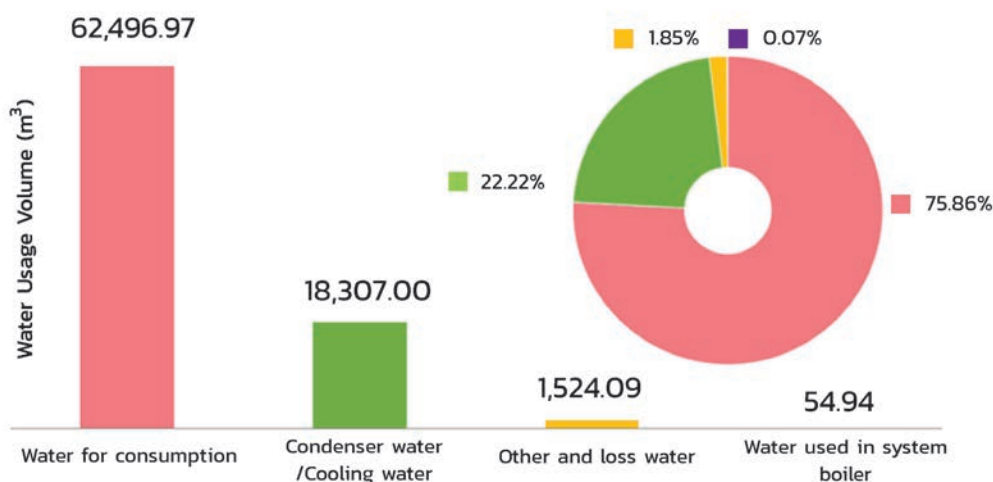
Management Strategies

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, the adjustment of floating ball level to reduce the amount of water used for flushing the toilet.

2020 Performance

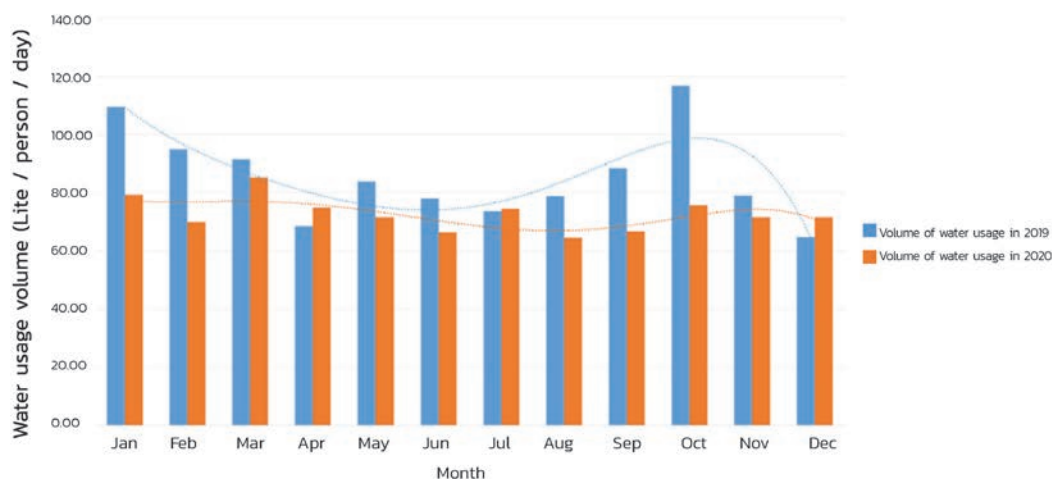
In 2020, the company used water supply for 82,383 cubic meters. The highest water usage was the use of water for consumption at the amount of 62,496 cubic meters, accounted for 75.86% followed by the use of condenser water for cooling, other water usage, wasted water and water used in steam boilers, respectively.

Volume of consumed water



In 2019, the average water usage was 85.67 liters/person/day, and in 2020, the average water usage was 72.69 liters/person/day which decreased by 15.16% in accordance with the set goal.

Water usage volume (Lite / 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”.

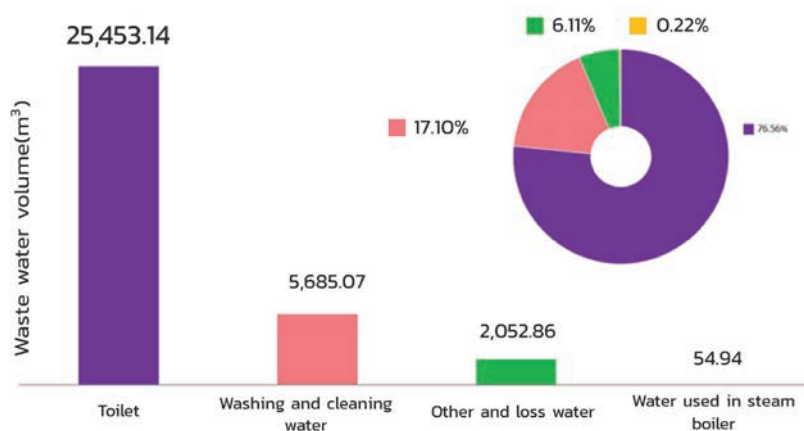
Management Strategies

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.

2020 Performance

Because of the systematic water management, the result of waste water quality analysis in 2020 adhering to the criteria required by laws. The amount waste water in 2020 was 33,246 cubic meters. Most of waste water came from waste water in toilets for the amount of 25,453 cubic meters, accounted for 76.56% followed by waste water from washing and cleaning for 5,685 cubic meters, accounted for 17.10%, waste water from other activities and loss water and waste water from steam-boiler, respectively.

Waste water volume



| Details | Unit | 2020 | | | | 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 | 7.5 | 8.0 | 5.7 | 7.6 | 5.5 – 9.0 |
| 2. Chemical Oxygen Demand (COD) | Mg/L | 40 | 40 | 54 | 86 | ≤ 120 |
| 3. Color in Wastewater (COL) | ADMI | 83.69 | 96.49 | 56.06 | 99.21 | < 300 |
| 4. Organic Nitrogen and Ammonia Nitrogen (TKN) | Mg/L | 37.50 | 75.83 | 9.70 | 54.65 | ≤ 100 |
| 5. Total Dissolved Solids (TDS) | Mg/L | 426 | 370 | 453 | 548 | ≤ 3,000 |
| 6. Oil & Grease | Mg/L | < 2.0 | < 2.0 | 2.2 | <2.0 | ≤ 5 |
| 7. Suspended Solids (SS) | Mg/L | 10 | 10 | 33 | 39 | ≤ 50 |
| 8. Biochemical Oxygen Demand (BOD) | Mg/L | 16 | 4 | 11 | 8 | ≤ 20 |
| 9. Water Temperature | °C | 27.3 | 29.5 | 29.2 | 29 | ≤ 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 2020, 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 2020 was to increase the proportion of industrial waste for reuse and recycle no less than 50%.

Management Strategies

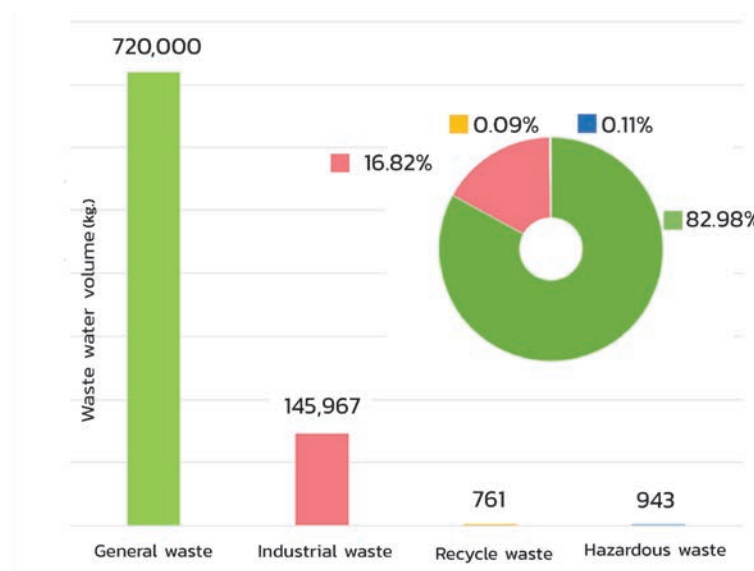
The company has adopted the waste management guideline using the 3Rs principle (Reduce Reuse and Recycle);

- **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.

2020 Performance

The company had sorted out waste for 867,671 kilograms. Most of them are solid waste for 720,000 kilograms, accounted for 82.98% followed by industrial waste for 145,967 kilograms, accounted for 16.82%. Such industrial wastes were managed adopting the 3Rs principle (Reduce Reuse and Recycle) for reuse, recycle and process at the amount of 145,402 kilograms, accounted for reused and recycled industrial wastes for 99.61%, reaching the set goal.

Waste volume



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 protocal 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.

2020 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 accountability.

2. Protecting the consumer rights by producing safe and environment friendly products, honor trade agreements, quickly respond to customer feedbacks and complaints, guaranteeing customer satisfaction and offering returns for defective products, establishing customer service and call center to closely attend to customers.

3. Respecting employees' human rights without any kinds of discrimination.

4. Ensuring a stable financial status and ability to repay debt, honoring all contracts and agreements.

5. Ensuring no violation of intellectual rights, no usage of others' products or ideas without consent, no support for violations of intellectual property, while protecting the company's own intellectual properties by applying for patents.

2020 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, executives, 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. "Anti-Corruption Practice Guidelines" course, "Open House CAC Checklist 4.0" course, "Road to Join CAC 3/2020" 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.

2020 Performance

1. Provide training to educate about policies and regulations on anti-corruption with the "Anti-Corruption Practice Guidelines" course to directors, managers, and employees together with providing the orientation to all new employees for the matters.

2. The representatives of directors, executives and employees attended the activity for Anti-Corruption Day 2020 "How to catch cheating easily with a fingertip - Power of Data" which is organized in an online format by the anti-corruption organization of Thailand to show the company's 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 2020 with 86 partners increasing, account to total of 541 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 during various festivals and occasions.



4. The company has never revived any complaining nor notification of any clue relating to the corruption through the company's whistleblowing channel. However, the company received one complaint about the violation of the working regulations which was investigated the fact and found that the complaint was not true.

5. Wacoal has been selected as one of 12 member companies to participate in the 12 Contents of Private Sector Collective Action Against Corruption (CAC) in order to disseminate the contents in social media to promote the success of the companies that have participated in the CAC project.



การดำเนินธุรกิจที่ปราศจากคอร์รัปชัน
จะช่วยลดค่าใช้จ่ายทั้งของบริษัทและลูกค้า

การทำธุรกิจที่โปร่งใส สุจริต ปราศจากคอร์รัปชัน จะให้ผลตอบแทนอย่างไร?
คุณบุญดี อำนวยผล ประธานกรรมการบริหารและกรรมการผู้จัดการ บริษัท ไทยวาโก้ จำกัด (มหาชน) หนึ่งใน
แนวร่วมของ CAC ที่มุ่งมั่นในการดำเนินธุรกิจบนหลักธรรมาภิบาล และความโปร่งใส ได้ให้ความเห็นไว้อย่าง
น่าสนใจว่า

"การเข้าร่วม CAC สร้างประโยชน์หลายด้าน เช่น
เสริมสร้างบรรทัดฐานของบริษัทฯ ให้เข้มแข็ง โดยบุคลากรทุกคนได้รับการปลูกฝังในการทำงานอย่างซื่อสัตย์
สุจริต โปร่งใส ตรวจสอบได้
เป็นการเพิ่มโอกาสทางธุรกิจ บริษัทได้รับความเชื่อมั่นจากลูกค้าและผู้ค้า ในการตัดสินใจทำธุรกิจร่วมกันได้ง่าย
และรวดเร็วขึ้น และมีต้นทุนการดำเนินงานที่ต่ำลง
ป้องกันและลดความเสี่ยงในการทำผิดกฎหมายตลอดห่วงโซ่อุปทาน (Supply Chain)
และเป็นปัจจัยสำคัญในการสร้างความยั่งยืนให้กับองค์กร"

ร่วมทีมนำองค์กรของคุณเข้าร่วมประกาศเจตนารมณ์กับ CAC
เพื่อผลักดันธุรกิจไทย เพิ่มความน่าเชื่อถือและความสามารถในการแข่งขันบนเวทีโลก
คลิก www.thai-cac.com

#CACIแฉคอร์รัปชันไทยไร้คอร์รัปชัน #กว่า1000บริษัทเข้าร่วมCAC
#กว่า400บริษัทผ่านการรับรองCAC #กว่า1000บริษัทประกาศด้านคอร์รัปชัน
#CACมีแนวร่วมกว่า1000บริษัท #กว่า400บริษัทปลอดคอร์รัปชัน #ปิดคอร์รัปชันเปิดโอกาสธุรกิจ
#ธุรกิจไทยห่างไกลคอร์รัปชัน #รวมพลังธุรกิจไทยจับคอร์รัปชัน #ธุรกิจโปร่งใสไร้คอร์รัปชัน
#ธุรกิจปลอดคอร์รัปชัน #รวมพลังธุรกิจจับคอร์รัปชันกับCAC

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

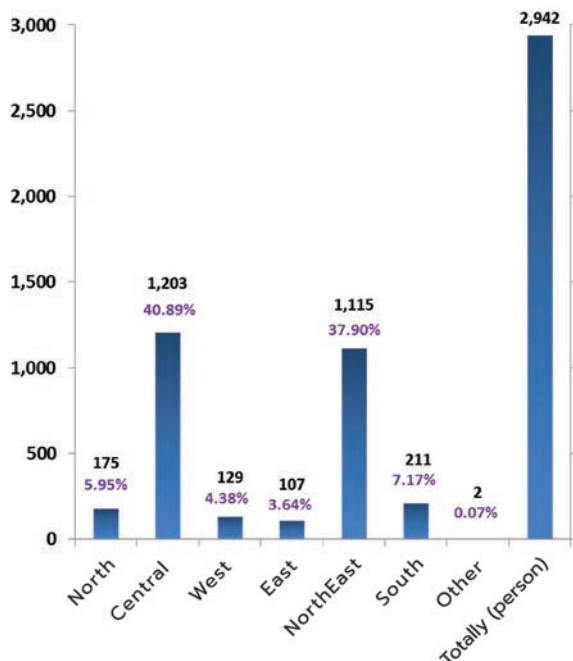
The company stated its human rights policies in the Good corporate Governance Principles and WRAP (Worldwide Responsible Accredited Production). The policies include promoting the employees' understanding of human rights, no limitations of freedom or discrimination of ideas, gender, race, religion, or 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.

2020 Performance

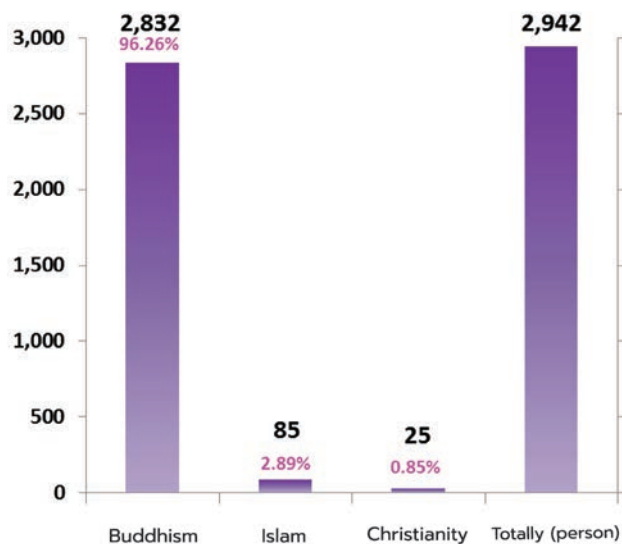
1. Open the opportunity for employees to collectively gather in groups, establish committees as the employee representatives for negotiation and recommendation in various matters such as workplace welfare committees and safety and vocational health and working environment committees.
2. Implements non-discrimination 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 39 disabled persons in 2020.
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 management 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.

Number of employees by regions



Number of employees by religions



Proportion of female employees to the total employees



Employment of disability employees



Honorable Award 2020

Thai Wacoal is selected as one of the 2020 Thailand Sustainability Investment (THSI) list in the category of consumer products



Thai Wacoal Public Company Limited was selected as one of the 2020 Thailand Sustainability Investment (THSI) list in the category of consumer products by receiving the award from Mr. Pakorn Peetathawatchai, President of The Stock Exchange of Thailand.

The award is given to listed companies with outstanding sustainability business practices by taking into account the environment, society and corporate governance or ESG (Environmental, Social and Governance) continuously.

Thai Wacoal Public Company Limited was rated as one of the companies with “Excellent CG” score for 6th consecutive year in the Corporate Governance Report of Thai Listed Companies (CGR) 2020. In addition, the company was also ranked in the top quartile of listed companies with good corporate governance for 9th consecutive year, according to the survey conducted by Thai Institute of Directors Association (IOD) in collaboration with The Securities and Exchange Commission and The Stock Exchange of Thailand.

Thai Wacoal receives “Excellent CG” score in corporate governance report 2020 for 6th consecutive year



Thai Wacoal is recognized as one of the best-performing publicly listed companies in terms of Environmental, Social and Governance (ESG)



Thai Wacoal Public Company Limited was recognized by Thaipat Institute as 1 of 2020 ESG100 list, which refers to the 100 best-performing publicly listed companies in terms of Environmental, Social and Governance (ESG) category on the Stock Exchange of Thailand (out of 803 listed companies).

Thai Wacoal Public Company Limited received ECO FACTORY / GREEN INDUSTRY Certificate Level 4.0 at ECO INNOVATION FORUM '2020. Wacoal products care about every production process which is environment friendly, safe for customers and correctly disposed to be without causing pollution.

Thai Wacoal receives ECO FACTORY / GREEN INDUSTRY Certificate, Level 4.0



Thai Wacoal receives the Certificate of Entrepreneur as a good role model in the management and reduction of domestic greenhouse gas emissions



Thai Wacoal Public Company Limited received the Certificate of Entrepreneur as a good role model in the management and reduction of domestic greenhouse gas emissions from the Greenhouse Gas Management Organization (Public Organization) or TGO.

Thai Wacoal concerns about the whole process from the selection of raw materials to assure customers that Wacoal products are safe and environmentally friendly.

Thai Wacoal Public Company Limited was awarded as the Outstanding Best Practice Workplace on Safety, Occupational Health and Working Environment in 2020.

Outstanding Best Practice Workplace Award on Safety



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



Thai Wacoal Public Company Limited received the award No.1 Brand Thailand 2019 - 2020 in the Woman Underwear category which has been the no. 1 most popular brand in the women's underwear category for the 9th consecutive year. This award was the survey results of Marketeer Research together with Kadence International (Thailand) Co., Ltd. to survey the popularity of consumer products and services nationwide.

Wacoal won Best Performances on Social Media by Platform for Best Mobile First Video on Facebook which was outstanding Social Media Contributor in Facebook platform and that launched the best Facebook video campaign for mobile at Thailand Social Awards 2020 organized by Wisesight (Thailand) Co. Ltd., the No.1 social media analytics service in Thailand

Wacoal receives the award for Best Mobile First Video on Facebook



Honorable Mention of the Red Cross Online Shop Competition 2020



Thai Wacoal Public Company Limited received the honorable mention of the Red Cross Online Shop Competition of the year 2020 under the concept of “Sustainable Giving” to provide stable energy to build a career and income for communities, society and countries with an atmosphere of friendship and caring each other.

Thai Wacoal Public Company Limited received the Best Operation Performance award at the 2020 Shopee Brand Conference. Wacoal is the brand that captures the hearts of consumers in the New Normal era.

Best Operation Performance Award in 2020 Shopee Brand Conference



Chairman Awards 2020



Thai Wacoal Public Company Limited received the awards in the Saha Group Chairman Award 2020.

1. **“DIGITAL ONLINE ORDERING SOLUTION”** for 2nd Place Outstanding Award in the System & Process Category and Best Presentation Document Award
2. **“LATEX MIRACLE”** for 3rd Place Outstanding Award in Product Category
3. **“WACOAL CURVE DIVA”** for 3rd Place Outstanding Award in Sales & Marketing Category and other 7 Awards.

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www.wacoal.co.th



Wacoal Thailand

132 ซอยเจริญราษฎร์ 7 แขวงบางโคล่ เขตบางคอแหลม กรุงเทพฯ 10120 โทรศัพท์ 0 2289 3100-9 โทรสาร 0 2291 1788
132 Soi Charoenrat 7, Bangklo, Bangkholaem, Bangkok 10120 TEL. 0 2289 3100-9 FAX: 0 2291 1788

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