

ANNUAL REPORT

2018

THE PEOPLE ISSUE

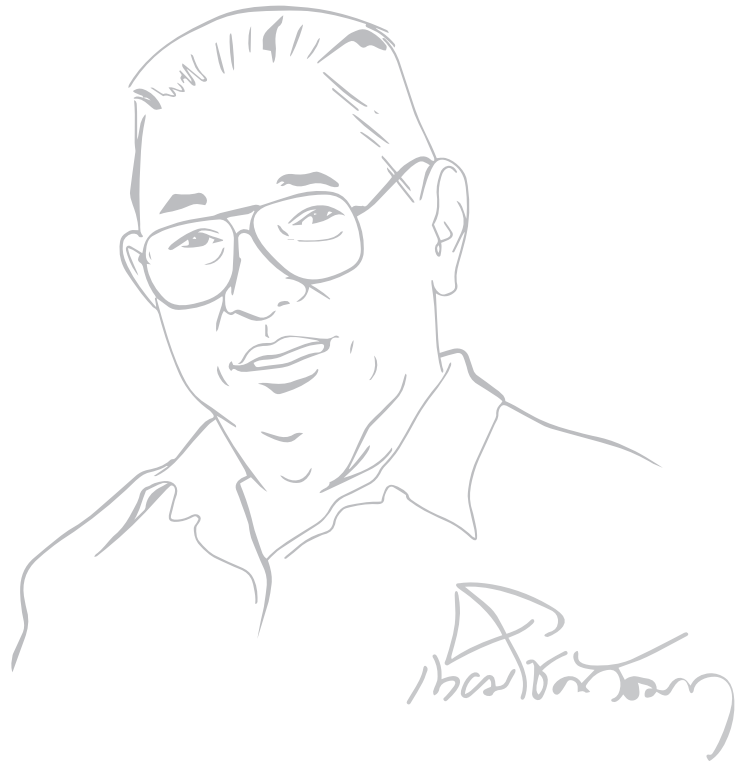
THANULUX

PUBLIC COMPANY LIMITED





THE PEOPLE ISSUE



“
Humans are invaluable resources
that require time and patience
to foster and nurture.”



D A K S



Guy Laroche



Guy Laroche



Men
in OLYMP

OLYMP

TAKEO
KIKUCHI





MIX-SELF



Guy Laroche
PARIS





THANULUX

PUBLIC COMPANY LIMITED

**MENSWEAR
WOMENSWEAR
CHILDRENSWEAR
LEATHER GOODS**

Guy Laroche
P A R I S

ARROW
EXCELLENCY

**TAKEO
KIKUCHI**

GUY
Guy Laroche

ARROW
USA • 1851

era-won

Guy Laroche
I N N E R W E A R

ARROW
GETAWAY

OLYMP

icon


HORNBILL
INTERNATIONAL

POSITIF+
THE FASTER WE LIVE

DAKS

BARONESS

LOUIS FONTAINE

bsc

MIX-SELF

JEAN-LOUIS SCHERRER
PARIS

bsc
ex

ozone
LADY FASHION

COCO
MANIA

bsc
cool
metropolis

absorba.
PARIS

CADEAU
PARIS

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Investors may access more information of the Company details per the Annual Registration Statement (Form 56-1) displayed at www.set.or.th or www.thanulux.com

จุดเด่นในรอบปี / Highlights of the year
บริษัท ธนูลักษณ์ จำกัด (มหาชน) และบริษัทย่อย
Thanulux Public Company Limited and Subsidiaries

ข้อมูลสำคัญ	SELECTED DATA	2018	2017	2016
ฐานะการเงินและผลการดำเนินงาน (หน่วย: ล้านบาท)	FINANCIAL POSITION AND OPERATING RESULTS (Million Baht)			
สินทรัพย์รวม	Total Assets	4,328	4,373	4,119
หนี้สินรวม	Total Liabilities	570	614	607
ส่วนของผู้ถือหุ้นของบริษัทใหญ่	Equity Attributable to Parent Company	3,757	3,757	3,505
รายได้จากการขาย	Sales	1,779	1,859	2,009
รายได้รวม	Total Revenues	1,972	2,001	2,133
กำไรขั้นต้น	Gross Profit	526	539	612
กำไรส่วนที่เป็นของบริษัทใหญ่	Profit Attributable to Owners of The Parent Company	196	152	205
ข้อมูลต่อหุ้น (บาท)	Per Share Data (Baht)			
มูลค่าที่ตราไว้	Par Value	1.00	1.00	1.00
มูลค่าหุ้นตามบัญชี	Book Value	31.31	31.31	29.21
กำไรสุทธิ	Net Earnings	1.63	1.27	1.71
ราคาตลาด	Market Price	18.80	22.00	24.00
เงินปันผล	Dividend	0.75	0.70	0.85
อัตราส่วนทางการเงิน	Financial Ratios			
ความสามารถในการทำกำไร (%)	Profitability Ratios (%)			
อัตรากำไรสุทธิ	Percentage of Net Profit	9.92	7.60	9.62
อัตราผลตอบแทนผู้ถือหุ้น	Return on Equity	5.20	4.19	6.02
ความเจริญเติบโตของกิจการ (%)	Growth Rates (%)			
อัตราการเพิ่ม (ลด) ของยอดขายสุทธิ	Percentage Increase (Decrease) of Sales	(4.30)	(7.47)	(3.21)
อัตราการเพิ่ม (ลด) ของกำไรสุทธิ	Percentage Increase (Decrease) of Net Profit	28.54	(25.91)	18.54
อัตราการเพิ่ม (ลด) ของสินทรัพย์รวม	Percentage Increase (Decrease) of Total Assets	(1.03)	6.17	5.50
อัตราการเพิ่ม (ลด) ของส่วนของผู้ถือหุ้นของบริษัทใหญ่	Percentage Increase (Decrease) of Equity-Attributable to The Parent Company	0.00	7.18	5.63
สภาพคล่อง (เท่า)	Liquidity Ratios (Times)			
อัตราส่วนสภาพคล่อง	Current Ratio	6.70	6.20	5.94
อัตราส่วนสภาพคล่องหมุนเร็ว	Quick Ratio	4.70	4.40	4.15
อัตราส่วนสภาพคล่องกระแสเงินสด	Liquidity of Cash Flow from Operation	0.44	0.54	0.93
ประสิทธิภาพในการดำเนินงาน (%)	Efficiency Ratios (%)			
อัตราผลตอบแทนจากสินทรัพย์	Return on Total Assets	4.49	3.58	5.12
อัตราผลตอบแทนจากสินทรัพย์ถาวร	Return on Fix Assets	45.48	40.14	52.46
วิเคราะห์นโยบายทางการเงิน (เท่า)	Financial Policy Ratios (Times)			
อัตราส่วนหนี้สินต่อส่วนของผู้ถือหุ้น	Debt-Equity Ratio	0.15	0.16	0.17
อัตราส่วนความสามารถชำระดอกเบี้ย	Time Interest Earned	386.92	1,003.43	626.29
อัตราส่วนความสามารถชำระภาระผูกพัน	Leverage Ratio	0.20	0.33	0.61
อัตราการจ่ายเงินปันผล (%)	Payout Ratio (%)	46.03	55.22	49.68

** ที่ประชุมคณะกรรมการบริษัท ครั้งที่ 1 / 2562 มีมติให้นำเสนอต่อที่ประชุมสามัญผู้ถือหุ้น ซึ่งกำหนดให้มีขึ้นในวันที่ 23 เมษายน 2562 เพื่ออนุมัติการจ่ายเงินปันผลหุ้นละ 0.75 บาท

** The Board of Directors' Meeting No. 1/2019 has resolved to submit the agenda of dividend payment Baht 0.75 per share for approval at the General Shareholders' Meeting to be held on April 23, 2019

Report of the Board of Directors



The Thai economy in 2018 expanded by 4.1 percent, the highest growth rate in 6 years. The main reason came from household consumption (4.6%) and private investment (3.9%) which grew at unprecedented pace, and also included export growth (7.7%) and government investment (3.3%)

In the year 2019, the Thai economic growth will slow down to 3.5% to 4%. The main reason is the global economic slowdown, especially the United States and China. It is expected that the tourism industry and household consumption will grow lower than the year 2018. But there are some good news that private investment will continue to rise from 2018 as a result of the increasing number of investment promotion cards in 2017-2018 and the government investment will also be higher than the year 2018. Anyway the global and Thai economy still have the major risks affect to, include the trade war between the United States and China, fluctuations in the global financial market cause by uncertainty about Brexit as well as fluctuations in various currencies. The rapidly strengthened of Thai Baht during the first two months of 2019 resulted to the export-import business operators that must plan to manage exchange rate risks seriously.

The consolidated operating results in 2018 for the Company and subsidiaries had the ratio of Local and Export sale 67.78% and 32.22% respectively, total revenue of Baht 1,778.72 million, a decrease of 4.30% from the previous year as a result of changing consumer behaviour, with a net profit of Baht 195.52 million, an increase of 28.54% from the previous year, and was in a position to continue paying dividends to shareholders. The financial standing and overall liquidity are satisfactory and stable.

The Company has a strong determination to conduct business with ethics and opposes corruption in any form. The company always considers the stakeholders, society and environment. Therefore, corporate culture and values are fostered with the aim to create collective corporate behavior and working styles, to gain trust from the stakeholders, to ensure constant standard environmental management, and to develop sustainable environment and social responsibility.

The company achieved “Very Good” score from Corporate Governance Report of Thai listed company 2018 from Thai Institute of Directors Association (IOD) and received the awards and honour certificate of Industrial Promotion Program for Sustainable Social and Community Responsibility (CSR-DIW Continuous Awards 2018) from the Ministry of Industry for the fourth consecutive year

On behalf of the Board of Directors

A handwritten signature in black ink, appearing to be 'Mrs. Varindr Leelanuwatana'.

(Mrs. Varindr Leelanuwatana)

Chairman of the Board of Directors

Audit Committee's Report



The Audit Committee has independently carried out their duties which assign from Board of Directors, in according to the scope as stated in the Audit Committee's Charter and accordance with the good working guideline set by the Securities Exchange Commission. The Committee also assist the board of directors to oversee, review and promote good corporate governance principles, adequate risk management and internal control systems and have an efficient and effective internal audit for the purpose of being a transparent and trustworthy as well as to bring utmost benefits to shareholders and stakeholder

During the year 2018 the Audit Committee held in total 12 meetings which the all three member attended regularly. Moreover there were 4 meetings with the Management in order to discuss about the company's business operations. Additionally the meetings with external auditors, without participation from management team, were also organized to freely discuss over about the operation, inspection and review adequacy of internal control systems in accounting, finance and information as well as the independence of the auditor in reviewing and auditing financial statements. The report of the Audit Committee's performance has been reported to the Board of Directors for acknowledgment and consideration on a quarterly basis with summarized as follows:

1. Review Financial Statement: The Audit Committee reviewed the key information of the quarterly and annually financial statements for the year 2018 of the company and its subsidiaries. This was to ensure that the financial statements of the company and its subsidiaries were correctly prepared in conformity with the laws and the enforcement of the current accounting standards with complete and sufficient disclosure of information and reliable.
2. Review the adequacy and suitability of the Internal Control Systems of the company and its subsidiaries. This was to ensure that the operation of the company had a good adequate and suitable internal control system. By considering from the internal audit report every month to evaluate the internal control system, risk management and the reliability of financial reports, including the follow-up of corrective actions on significant issues according to the internal audit report and the report suggested by the auditor. The Audit committee also considered approving of the annual internal audit plan which has been prepared in accordance with the strategy and risk of the organization.
3. The Office of Internal Audit had reported to the Board of Directors and the Audit Committee for every 3 months about the works in accordance with the Securities and Exchange Act including the regulations of the Stock Exchange of Thailand and the Office of the Securities Exchange Commission (SEC) as well as all the relevant laws. It was found that the company carried out their works according to the laws and regulations without any impact to the company's business.
4. The Executive Committee and the management had focused on risk management. The Risk Management Committee had duty to assess the risks to cover all aspects both internal and external factors, and prepared the risk management plan, for purpose to prevent or reduce the impact that may occur to the business operation at an acceptable level. The

performance report of the Risk Management Committee had been reported to the Board of Directors on a quarterly basis.

5. Reviewed the related transactions and/or transactions which might cause conflict of interests between the company and its subsidiaries as well as the relevant parties occurred during the year 2018. It was found that transactions were carried out according to the normal business, provided the highest benefit to the company and also complied with the laws and regulations of the Stock Exchange of Thailand and the announcement of the Capital Market Supervisory Board. There were report to the Audit Committee every month before reporting to the company's board of director every quarter.

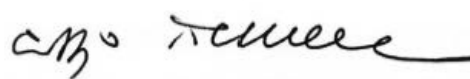
6. The company had established a corporate governance policy. This policy was in accordance with corporate governance practices for the Board of Directors, executives and employees including compliance with laws, rules, regulations and ethics of the company. This was to enhance the confidence of the shareholders and the stakeholders. The Corporate Governance Committee was appointed by the company to ensure the effectiveness and efficiency of the good governance process. They were also asked to report the operating results to the company's board of directors every quarter.

7. The Audit Committee reviewed and conducted self-assessment evaluation both collective and individually in accordance with the guidelines and the Audit Committee's Charter, to ensure the Audit Committee effectively carried out their duty under the boundary of the scope and responsibility as stated in the Audit Committee's Charter.

8. The Audit Committee considered the appointment of the external auditors and had the same opinion with the management that the auditors from the ASV & Associates Limited worked in conformity with the accounting standards. They were independent, skillful, and knowledgeable and have appropriate experience. Therefore it was agreed to propose to the company's Board of Directors for further approval at the General Meeting of shareholders the appointment of Mr. Anusorn Kiatgungwalgri, a certified public accountant number 2109 or Mrs. Kwunjai Kiatgungwalgri, a certified public accountant number 5875 or Mr. Satis Kiatgungwalgri Certified Public Accountant No. 9760 or Mr. Prasitporn Kesama Certified Public Accountant No. 9910 of the ASV & Associates Limited as the external auditors for the year 2019 at the fee of 996,500 baht which was considered reasonable.

In consequence, Audit Committee reckoned that board of directors, executive committee and management team determined to achieve the company goal with effectiveness, efficiency and transparency. There were also implemented adequate internal control system, risk management, good governance policy, and regulatory law compliance.

On behalf of the Audit Committee



(Mr. Padoong Techasarintr)

Chairman of the Audit Committee

Nominating Committee's Report



Thanulux Public Company Limited has appointed 3 member of Nominating Committee in accordance with good governance principles to perform the task of supporting the Board of Directors in selecting Company Directors and Top Management.

In 2018, the Nominating Committee held 2 meetings, which the all 3 member attended regularly, had fulfilled its assigned duties as provided in the Nominating Committee Charter. The Nominating Committee had the duty of selecting suitably qualified persons from a variety of professions in accordance with selection rules, Company Articles and relevant laws, to take the position of Company Director. In any event, the Company has given an opportunity for shareholders to nominate persons for selection as Company Directors prior to the Annual General Meeting of Shareholders in 2018 since December 1 - 30, 2017. No shareholder, however, nominated any person for selection as Company Director.

In the Annual General Meeting of Shareholders in 2018, there were three Directors completing their term, namely Mrs. Varindr Leelanuwatana, Mr. Thamarat Chokwatana and Assoc.Prof. Nares Kesaparakorn. The selections were made upon consideration of individual qualifications, knowledge, competence, expertise and performances of the Directors completing terms and reached the opinion that they should be nominated for reappointment as Company Directors for another term.

The Nominating Committee further considered the structure of committees, the allocation of functions to Directors and sub committees, in order to promote good governance and efficient management in line with changing circumstances. The Nominating Committee has performed its assigned duties prudently and reasonably.

On behalf of the Nominating Committee

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

(Mr. Manu Leelanuwatana)

Chairman of the Nominating Committee

Remuneration Committee's Report




Thanulux Public Company Limited has appointed 3 member of Remuneration Committee in accordance with good governance principles to assist the Board of Directors in the determination of limits and rules for allocating remuneration to Company Directors.

In the year 2018, the Remuneration Committee held 2 meetings, which the all 3 member attended completely, had performed duties to follow and consider important matters entrusted by the Board of Directors as assignment within the scope of the Remuneration Committee Charter, the Remuneration Committee has the duty of determining the remuneration limit and rules for allocating remuneration to Company Directors with a view to achieving an appropriate distribution capable of creating an incentive for working efficiency and to retain knowledgeable and proficient personnel in the Company. In addition, the Committee has reviewed the Charter of the Remuneration Committee and found that it is appropriate for the current situation.

The Remuneration Committee has determined the appropriate remuneration limit for Company Directors based on comparisons with other companies in the same industry, the remuneration limit approved by the shareholders' meeting in the preceding year and the amount of remuneration had been paid. As for the allocation of remuneration to Company Directors and members of sub committees, due consideration was given to the powers, duties, responsibilities, performance and the growth rate and performance of the Company, within the limit approved by the shareholders.

The remunerations of Company Directors and members of company committees have been disclosed in the Annual Report. The Remuneration Committee finds the remunerations appropriate and commensurate with duties, responsibilities and Company policies.

On behalf of the Remuneration Committee

A handwritten signature in black ink, appearing to read 'Thamarat Chokwatana'.

(Mr. Thamarat Chokwatana)

Chairman of the Remuneration Committee

Risk Management Committee's Report



Being fully aware of how important risk management is, the Board of Directors of Thanulux PCL. had appointed 6 member of Risk Management Committee with the mission not only for supervising, monitoring and assessing the risk level of internal system but also propose a solution, an action plan and an assessment plan to mitigate risk, all was to ensure that company strategic goal was achieved. Risk Management committee comprised both external experts and internal chief executives.

In 2018, the Risk Management Committee held 4 meetings, which the all 6 member attended regularly, to monitor and review risk assessments of each department within The Company, which could be summarized as follows:

1. Reviewing the Risk Management Committee charter to ensure comprehensiveness and coverage of all areas, to align with the Company strategies and business plan, and to response to intense competitions and changing circumstances.
2. Monitoring risk assessments, proposing the action plan to mitigate risks, overseeing the implementation of action plan, and reviewing risk management strategies in order to make sure that risk management and regulation were concrete and practical.
3. Giving advice and idea to create annual risk management report 2018 by complying with company vision, strategic business plan and corporate objective.
4. Reporting the outcome of risk management plan to board of directors every quarter.

Hence, the Risk Management Committee confidently assured that the Company has continually and effectively managed risk. The operations were in line with a good corporate governance guideline. Internal control systems were also sufficient and suitable to the business. The Company fully complied with relevant laws and regulations, which served as the Company preventive measure for the indeterminable future.

On behalf of the Risk Management Committee

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

(Mr. Krish Follett)

Chairman of the Risk Management Committee

Governance Committee's Report



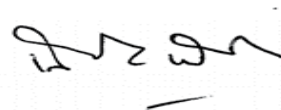
The board of Directors of Thanulux Public Company Limited recognized the importance of good governance. Therefore, 4 member of board of corporate governance committee was appointed to perform duties as assigned by the Board of Directors which had been determined in the Corporate Governance Committee Charter, carried on the duties according to the governance code. The support regarding good governance was provided to the board of directors to raise value of the company, to bolster investors' and stakeholders' confidence and to conduct long-term sustainable business.

In 2018, board of governance committee arranged 4 meetings to report and monitor assigned tasks. All 4 committees attended completely. The outcomes can be summarized as follows:

1. Review the vision, mission, corporate values In accordance with the goal and the direction of the company.
2. Review the "Corporate Governance Code for Listed Company 2017" issued by the Securities and Exchange Commission. In 2018, the Corporate Governance Committee had conducted a revision of the corporate governance principles of the company, which included corporate governance policy, business ethics and Code of Conduct for Company Directors, Executives and Employees and the Board of Directors had already approved the revised Corporate Governance Principles 2nd Edition on December 19, 2018
3. Review and assess the company's practices according to good corporate governance principles for listed companies 2017 (CG Code) and applied for the appropriate business practices to ensure that the company had the processes and operations according to the principles.
4. Overseen and encouraged the practice of the company according to corporate governance principles, result to the Company got certified as "Very Good" (Evaluate point 2018 =88%, 2017 = 86%) by CG Scorecard for listed company 2018.
5. Monitor the progress of the short-term strategic plan on a quarterly basis. Consult and gave an advice to the management in reviewing and adjusting strategies to be appropriate according to business conditions and situations, as well as providing advice on preparing the company's short-term medium-term strategic plan for the year 2019.

Based on good governance data in the operation of the company, The Corporate Governance Committee had a consensus that the company operated in accordance with the principles of good corporate governance. Management had prepared a short-term, medium-term strategic plan and operated in accordance the anti-corruption policy, law and working standards. Committed to continuous business development taking into account the society, environment and all stakeholders for long-term sustainable growth.

On behalf of the Governance Committee



(Assoc.Prof. Dr.Nipon Poapongsakorn)

Chairman of the Governance Committee

Executive Committee's Report



The Board of Directors has appointed 9 member of Executive Committee to administer the operations of the Company as provided by the Executive Committee Charter. In 2018, the Executive Committee held a total of 12 meetings to fulfill its assigned duties, a summary of which could be stated as follows:

1. Proposed the company goals, Business policy, strategy formulation, working plan and annual budget to the Board of Directors.
2. Approval of investment budgets pertaining to manufacturing technology, information technology and human potential development in order to boost the Company's competitiveness.
3. Promotion of employee continual innovations as regards products, services and work processes. The Thanulux Innovation Award Contest is held annually. Selected works are submitted to the Chairman Award Contest. Domestic and foreign trademark and patent registrations are also encouraged.
4. Ensure accurate, complete and timely financial reporting for submission to the auditor for audit and/or review prior to presentation to the Audit Committee and the Board of Directors respectively.
5. Monitoring of the financial status and overall performance, domestic and foreign market conditions and competition on a monthly basis in order to evaluate and modify strategies in response to changing circumstances.
6. Examination of connected transactions and the acquisition and disposal of assets with caution, prudence and reason in terms of price and other relevant conditions. The interests of the Company and shareholders are primarily upheld. An interested director would not participate in the decision-making process. After consideration, the matter would be referred to the Audit Committee and Board of Directors for approval in the event of a transaction within the scope requiring approval from the Board of Directors.
7. Promoted and supported an anti-corruption policy for communicated to all executives and employees and reviewed the work system, working standards to comply with business changes, laws, company regulations, working regulations and other standard..
8. Reviewed the existing Charter for the Executive Committee and the Powers, Duties and Responsibilities of the Managing Director also internal procedures, in order that all these operating guidelines remain appropriate and relevant to the current situation.

The Executive Committee was committed to performing duties in pursuance of targets under the set action plan that assign from Board of Directors with prudence, transparency, accountability, social and environmental conscience, with a view to stable and sustainable growth.

On behalf of the Executive Committee

A handwritten signature in black ink, appearing to read 'Dusadee Soontrontumrong'.

(Miss Dusadee Soontrontumrong)
Chairman of the Executive Committee

Overview of Business Operations

Thanulux Public Company Limited was founded on 23rd June 1975 under the Intention of Mr. Boonsithi Chokwatana. The initial registered capital was Baht 3 million and there were merely 75 employees. The business premises were situated near Wat Dok Mai. All shareholders were Thais, comprising natural persons and juristic persons, viz. Saha Pathana Inter-holding Public Company Limited and I.D.F. Company Limited. The company operated the business of manufacturing finished garments.

The name “Thanulux” was created to match the name ARROW, with its arrow symbol. Thanulux is associated with a red symbol of Rama God pointing an arrow towards the sky. The name expresses a deeper meaning whereby the Rama God represents Thainess, the red color symbolizes good fortune and the arrow pointing towards the sky represents fashion trends moving forward.

Vision

“Being a customer’s first choice in creating innovative and quality goods and services.”

Mission

- To strive to surpass customers’ expectation with innovative and excellent quality products and services.
- To build value for our shareholder by consistently producing superior operating result.
- To create exceptional opportunities for employees to advance and fulfill their highest potential together with well remuneration.
- To enhance good corporate governance reflected in work ethic and moral.
- To establish principles on environmentally friendly practices in business operation, instill continuous conscience of employees towards social responsibility and support of activities pertaining to the public benefits.

Core Values

SMART

S	Synergy
M	Moral & Ethics
A	Adherence to Quality
R	Responsibility for Social
T	Think Creative & Innovation

SLOGAN

Dedicated Excellence

Significant Changes and Developments

First Decade: 1975 - 1985

Laying down the business foundations

The company had been the licensee of the ARROW brand from the United States and had assigned ICC International Public Company Limited to oversee domestic sales and marketing. To enhance sales efficiency, the company had initiated the Arrow Consult (AC) who were available to advice on selecting shirt for customers and provided fitting rooms in order to give customer confidence that the proper fit had been acquired. As regards marketing, a slogan was created for the first ARROW product, “ARROW is shirt, shirt is ARROW” and Mr. Pichai Vasanasong was chosen as the brand ambassador under the slogan “ARROW: The True Gentleman Style”.

Important events

- 1975 - Company registration on 23 June 1975 with a registered capital of Baht 3 Million.
- 1983 - Increase of registered capital to Baht 6 million for business expansion.
- 1984 - Increase of registered capital to Baht 12 million for business expansion.

Being the licensee of



Second Decade: 1986 - 1995

Business Expansion

The Company entered into a joint venture with foreign companies for business expanded to leather goods, garments and upstream raw materials, building a new production facility in the Saha Group Industrial Park, Sriracha, and expanding to Saha Group Industrial Parks in Lamphun and Kabinburi and received an investment promotion from BOI.

Important events

- 1987 - Increase of registered capital to Baht 24 million and Baht 30 million
 - listed in the Stock Exchange of Thailand on 21 July 1987.
- 1988 - Registered share capital increased to Baht 45 million and issued shares were revalued to Baht 10 per share.
- 1989 - Increase of registered capital to Baht 60 million for business expansion.
- 1994 - Conversion from a limited company to a public limited company

Being the licensee of



(Re-brand from "ZAZCH")

Third Decade: 1996 - 2005

A test of the organization's strength

The national economic crisis in 1997 severely devalued the Thai Baht. The business sector experienced a loss from exchange rates. The company was also affected resulted to sales of products decreased both in domestic and export markets. In the crisis, Mr. Boonsithi Chokwatana found an opportunity, thus held the **Saha Group Export & Trade Exhibition Fair**. The aim was to expand to foreign customers. Because of the company's long

experience in exports, longstanding relationships with foreign trading partners, along with the confidence of customers in the quality of goods, the Company's exports surged to 50 percent of total sales. Hence, the Company safely navigated through the economic crisis in a secure manner.

Important events

- 1996 - Increase of registered capital to Baht 120 million for business expansion.
- 1999 - Issue of debentures in the amount of Baht 300 million to reduce reliance on bank loans.
- 2002 - Received the transfer of the trademark "LOUIS FONTAINE" from Thai Wacoal Public Company Limited.
- 2003 - The par value was changed from Baht 10 per share to Baht 1 per share on 9 May 2003

Being the licensee of



Fourth Decade: 2006 - 2015

Never-Ending Innovations

Business competition in the digital era had intensified. Numerous new strategies and Innovation had been developed, the Company then was committed to research and develop of innovations by co-ordinate with upstream industries in the Group for developing high quality raw materials, thus differentiating goods from competition and creating competitiveness.

Important events

- 2006 - Rebranding of "ZAZCH" to "HORNBILL" in order to appeal to a wider customer group.
- 2007 - Received an outstanding product innovation award for "COTTAZILK".
- 2015 - I.C.C. International Plc. (ICC), the distributor company in Saha Group, has become the licensee of ARROW trademark. Since 1 January 2015, and the company operated as manufacturer with licensor approval.

Being the licensee of



Fifth Decade: 2016 - 2025

Value-Based Economic

Thailand was entering the 4.0 era which focus on the use of technology, innovation and creativity to drive the economy. The Company was cooperate with upstream industrial allies in the development of raw materials for creating products and also promoted employees to be creative by organizing “the Thanulux Innovation Award contest” since 2007. Selected works were submitted to the Saha Group Chairman Award and encouraged registration of trademarks and patents.

Important events

- 2016 - Established a Joint venture company named “World Saha Fashion Company Limited” for the businesses relating to the distribution of apparel under the trademark “Takeo Kikuchi”.
- 2017 - Entrusted to be the licensee for distribute high-quality shirt from Germany under the trademark “Olymp”
 - Opening of Thanulux Public Company Limited, Mae-Sot Branch, Tak Province, to expand manufacturing capacity for leather goods.
- 2018 - Established a Joint venture company named “Saha Komehyo Company Limited” for investment in new business.
 - Expanded manufacturing capacity for leather goods at Lamphun branch.

Being the licensee of



High Ends Men's Wear
from Germany

Social Awards



Ministry of Labor and Social Welfare

- 2005 - Awarded a distinction for health promotion activities at the workplace.
- 2007 - Certified Silver Standard for Management of AIDS at workplace from the Department of Labour Welfare and Protection, and the Department of Disease Control.
- 2008 - Awarded a Certificate of Thai Labour Standard (TLS 8001-2003), Completion Level.
- 2009 - Awarded an ASO-T Thailand Platinum and ASO Thailand standards certificate for management and administration of AIDS and tuberculosis at the workplace from the Department of Labour Protection and Welfare, Ministry of Labour, and the Department of Disease Control, Ministry of Public Health.

- 2009 - Certified as a breast-feeding workplace.
 - Awarded with an accreditation and symbol (flag) by the Workplace Safety Center Area 1 and Area 4 for undertaking a campaign to reduce accident statistics at the workplace where risks are prevalent in the operations.
- 2012 to 2017 - Certificate of distinction as the “White Factory Scheme” for actions to prevent and combat problems pertaining to the use of narcotic drugs at the workplace.
- 2013 to 2018 - Awarded the “Outstanding Workplace on Labour Relations and Labour Welfare (National)”.
- 2015 - Awarded “Safe Workplace Honoring Her Royal Highness Princess Maha Chakri Sirindhorn, Head Office and Lamphun Branch”



Thai Red Cross Society

- 2015 - Received honors from Her Royal Highness Princess Soamsawali as an agency supporting blood donation activities for 3 consecutive years.



Ministry of Industry

- 2006 - Awarded a distinction for “Hospitable Factory in Harmonious Tribute to His Majesty” in modifying the factory’s landscape to enhance habitability and friendliness to the environment on the occasion of the 60th Anniversary Celebration of His Majesty’s Accession.
- 2012 - The Lamphun Branch of Thanulux Public Company Limited was certified as a Green Factory, First Level Green Industry.
- 2013 - Awarded an honorary shield as a workplace that is compliant with good governance principles on the environment.
- 2015 to 2018 - Received the prestigious CSR-DIW Award and CSR-DIW Continuous Award respectively.
- 2017 - Received the **Green Industry Certificate Level 4 (Green Culture)** and “Eco Factory: Eco Industrial Town in 4.0 era”.
- 2018 - Gold Medal 3Rs Awards from Project “To develop waste utilization potential”



Bangkok Metropolitan Administration

- 2004 - Awarded a certificate of distinction for “Clean, Safe and Pollution-Free Workplace”.
- 2005 - Awarded a distinction trophy for the promotion of publicly beneficial activities from the senior citizen’s club, Yannawa District.
- 2018 - Certificate “Sponsor and a precursor to the benefit of the Yannawa area”.

Products Awards

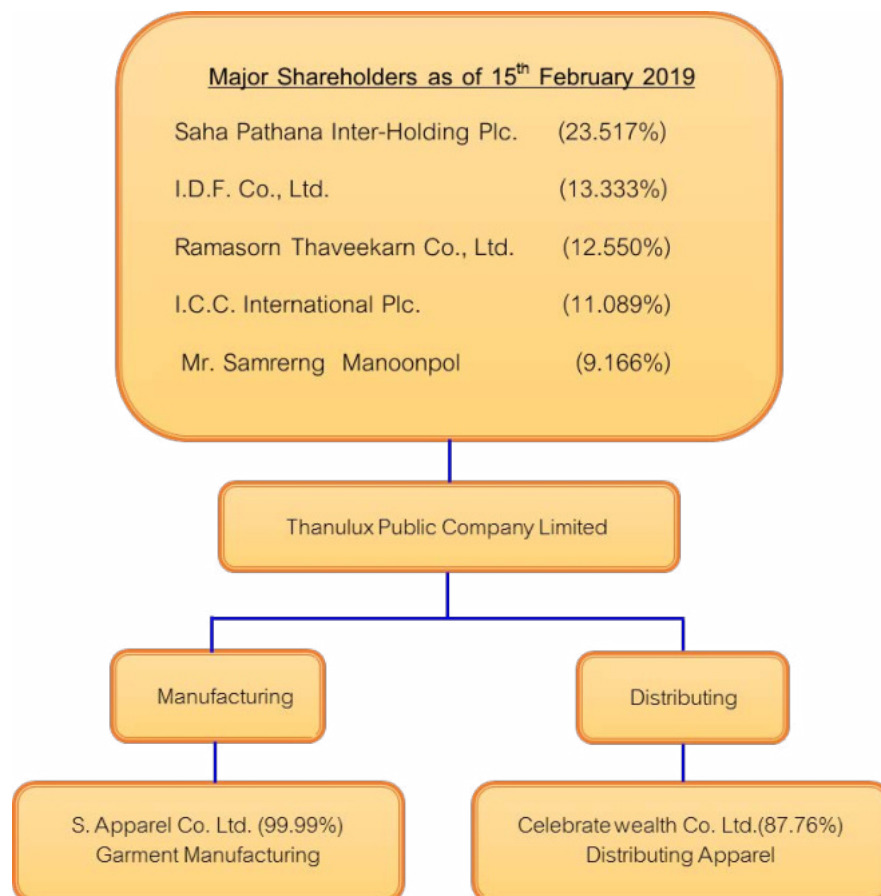
- 2011 - Received royal accreditation of Thai silk standard “Thai silk blend” for Cottazilk fabric under trademark Daks.
- 2013 - Certified a **Carbon Footprint** label for the shirt, Brand ARROW Style AY 630 from the Greenhouse Gas Management Organization (Public Organization) in collaboration with the Thai Textile Institute
 - Certified the “Smart Fabric” standard accreditation from the Thailand Textile Institute for good ventilation of moisture and sweat as well as greater comfort. The product accredited was shirt (cool innovation) under brand Guy Laroche.
- 2014 - Certified an **Environmental Footprint** label for the shirt, Brand ARROW Style AY 630, from the Thailand Textile Institute.
 - First operator to receive accreditation for the use of the “Smart Fabric” mark under the “Anti Bacteria” category, after having undergone inspection and standard accreditation procedures applied by the Thailand Textile Institute for the men’s shirt category. This proves the goods’ efficiency in eliminating more than 99.9% of odor-releasing bacteria.
- 2015 - Received royal accreditation of Thai silk standard ‘Thai silk’ for 100% silk fabric fabric under brand Daks.
- 2016 - Accreditation of Cool Mode standard for 100% Cotton Knitted TRI003 by the Greenhouse Gas Management Organization (Public Organization) in collaboration with the Thai Textile Institute.
- 2017 - Certified for the electric saving “Label No.5” for shirt from the project of Electricity Saving type shirt of Electricity Generating Authority of Thailand.

Management Standardization



- 2002 - Awarded quality accreditation ISO 9001:2000 for designs and manufacturing of garments and leather goods from Bureau Veritas Certification (Thailand) Ltd. (BVQI)
- 2010 - Awarded quality accreditation ISO 9001:2008 for design and manufacturing of garments and leather goods from Bureau Veritas Certification (Thailand) Ltd. (BVQI)
- 2015 - Awarded environmental management standard accreditation ISO 14001:2004 for design and manufacture of menswear, women’s wear, children’s wear and leather goods from Bureau Veritas Certification (Thailand) Ltd. (BVQI)
- 2017 - Certified quality accreditation ISO 9001:2015 for design and manufacturing of garments and leather goods from Bureau Veritas Certification (Thailand) Ltd. (BVQI)
- 2018 - Certified environmental management standard accreditation ISO 14001:2015 for design and manufacturing of menswear, women’s wear, children’s wear and leather goods from Bureau Veritas Certification (Thailand) Ltd. (BVQI)

Shareholding structure for companies under Thanulux Group



The Company has 2 subsidiaries, namely

S. Apparel Company Limited

- Undertakes the business of producing finished garments under customer' trademarks for export to Japan.
- The office and factory are situated at no. 4/2, Moo 8, Bangna-Trad Road, Km.18, Tambon Bangchalong, Amphoe Bangplee, Samut Prakarn Province.

Celebrate Wealth Company Limited

- Undertakes the business of distributing apparel goods, manufactured by Thanulux Public Company Limited, such as men's wear "Erawon", leather goods lollipops, children wear CADEAU.
- The office is situated at no. 129/1, Chongnonthri Road, Chongnonthri Sub-district, yannawa district, Bangkok.

Group Task Allocation Policy

The Company and subsidiaries have collaborated in the development of products. Procurement of raw materials, production planning and manufacturing orders are undertaken by the Company.

Cross-Shareholding

The Company has a cross-shareholding structure but such cross-shareholding does not create any conflict or inconsistency with the rules provided under the Notification of the Capital Market Supervisory Board No. TorChor. 28/2551 Re: “Application for and Approval of Offer for Sale of Newly Issued Shares”, clause 14.

Cross-Shareholding as at February 15th, 2019

Name of Company	Proportion of Shareholding (%)	
	The Company's Shareholding in Other Company	Other Company's Shareholding in the Company
1. Shareholdings exceeding 50%		
(A) Other company holding more than 50% of the Company's shares; the Company must not have cross-shareholding in the other company.	-	-
(B) The Company holding more than 50% of shares in other companies; the other company must not have cross-shareholding in the Company.		
1. S. Apparel Company Limited	99.998	-
2. Celebrate Wealth Co., Ltd.	87.76	-
(C) The Company holding more than 50% of shares in 2 or more other companies; such other companies must not have cross-shareholdings amongst themselves. The two subsidiary companies as (b) do not have cross-shareholding	-	-
2. Shareholdings exceeding 25% but not exceeding 50%		
(A) Other company holding > 25% but < 50% of the Company's shares; the Company's cross-shareholding in the other company must not exceed 10%.	-	-
(B) The Company holding > 25% but < 50% of other company's shares; the other company's cross-shareholding in the Company must not exceed 10%.	-	-
3. Shareholdings not exceeding 25% *		
(A) Other company holding not more than 25% of the Company's shares; the Company's cross-shareholding in the other company must not exceed 25%.		
* 1. Saha Pathana Inter-Holding Public Company Limited	0.94	23.517
2. I.C.C. International Public Company Limited	3.44	11.089
(B) The Company holding not more than 25% of other company's shares; the other company's cross-shareholding in the Company must not exceed 25%.	-	-

Remark: * Data only shown for companies with cross-shareholding

Business Relationship with the company's major shareholding parties

The company has engaged in transactions, with textile and apparel group of Saha Pathana Inter-holding Public Company Limited – major shareholder, from upstream to downstream industry, and with the distribution company also, these transactions enhance the company's business capability completely starting from procurement of raw material till distribution of goods.

Business Description

The Company is a producer and distributes of finished garments and leather products under licensed international trademarks and Company own-brands that are renowned domestically and Export.

In 2018, the proportion of domestic to foreign distributions was 68 : 32. Domestic distribution is undertaken through I.C.C. International Public Company Limited, being the major distributor to departmental stores, while international distributions are made through distributors and/or trademark owners, such as in the United States of America, Europe, Asia, ASEAN and Japan.

Company's Products

The Company's products may be classified into two categories, as follows:

Finished Garments

The Company's finished garments incorporate men, women and children customer groups, consisting of shirts, polo shirts, trousers, suits, jackets, pajamas, underwear, neckties, handkerchiefs, scarves, maternity wear, swimsuits, sportswear and socks under the trademarks ARROW, EXCELLENCY, GETAWAY, COOL, Guy Laroche, Guy Guy Laroche, DAKS, ELLE HOMME, Takeo Kikuchi, Olymp, bsc ex, HORNBILL, ICON, positif, MIX-SELF, la femme, MORGAN and BARONESS for men and women. As for children products, the Company manufactures and distributes garments for infants to 8-year olds. In addition, there are also diapers, bedding, shoes, socks, dolls and accessories for toddlers under the trademarks absorba and CADEAU.

Leather Goods

These products are manufactured for men and women, consisting of wallets, handbags and belts under the trademarks ARROW, EXCELLENCY, GETAWAY, Guy Laroche, Guy Guy Laroche, JEAN-LOUIS SCHERRER, DAKS, LOUIS FONTAINE, bsc, MORGAN and lollipop.

In addition to the manufacture and distribution of products under the abovementioned trademarks, the Company also manufactures various other products under trademarks of foreign customers for exports, and manufacture uniforms, Buddhist monk triple robes, white robes for practice of dharma.

Group Revenue Structure

Revenue of the Company and Subsidiaries

Divided by the operator			(Unit: Million Baht)					
Product	Operated By	% of Shareholding	2018	%	2017	%	2016	%
Fashion Goods	Thanulux PLC.		1,607.09	90.35	1,699.93	91.46	1,782.24	88.72
Fashion Goods	S. Apparel Co. Ltd.	99.999	8.83	0.50	7.88	0.42	44.95	2.24
Fashion Goods	Celebrate wealth Co. Ltd.	87.760	162.80	9.15	150.87	8.12	161.10	8.02
Fashion Goods	T Chamber Co., Ltd	Sold out	-	-	-	-	20.49	1.02
Total Sales Revenue			1,778.72	100.00	1,858.68	100.00	2,008.76	100.00

Divided into Sources of Revenue

Product	Sales Revenue	2018	%	2017	%	2016	%
Fashion Goods	Domestic	1,205.17	67.78	1,295.71	72.86	1,338.59	66.64
Fashion Goods	Export	573.15	32.22	562.97	31.66	670.17	33.36
Total Sales Revenue		1,778.32	100.00	1,858.68	104.52	2,008.76	100.00

Revenue Structure of the Company

(Unit : Million Baht)

Sales Revenue	2018	%	2017	%	2016	%
Finished garments	1,019.10	60.95	1,062.20	60.15	1,093.74	59.44
Leather goods	652.88	39.05	703.80	39.85	746.18	40.56
Total	1,671.98	100.00	1,766.00	100.00	1,839.92	100.00

Marketing

Marketing Strategy - Domestic Market

There was an intense competition in Thai fashion industry. Many players used pricing and marketing strategies in order to capture as much market shares as possible. However, Thanulux PCL. had a different vision to adjust business according to the market and ever-changing consumer behavior. Thus, one of the corporate key strategies was to develop products that created magnificent experience to customers, which therefore enhanced the competitiveness in the market and sustainable growth.

The Company has a marketing policy which focuses on building satisfaction for target customers, as follows:

1. Product Aspect

The Company developed innovative materials and quality products for customer's utmost satisfaction through various brands including:

Products from Arrow

Label No. 5 Shirt "Electricity Saving, Comfortable without ironing"

With the perfect combination of innovative fabric, modern design and manufacturing technique, Label No. 5 shirt was breathable and comfortable when worn. It was also certified with the "Cool Mode" standard from Thailand Textile Institute and certified with Label No. 5 from Electricity Generating Authority of Thailand (EGAT).

Arrow Fresh

Continuously developed since 2017 Arrow Fresh was an Arrow shirt with an attribute of anti-bacteria which was the source of bad smell since the first use until last. Thanks to Nano Zinc fiber which was woven to fabric, the shirt was fresh, clean, dry and UV protection when worn.

Arrow X-Dimension "Smart inside : Smart design"

Led by the consumer behavior survey conducted on a focused group, Arrow develops a new product "X-Dimension". Not only new innovative fabric was used, but the design elements such as buttons, collar, placket, and sleeves were also modernized. Arrow X-Dimension was the only shirt that suitable for many occasions, which responded to the needs of the new customers group while also attracting existing customers.

Products from Cool by BSC

Cool Metropolis Knitto Shirt

Knitted shirt innovation was outstanding for comfort, softness, breathability, and stretch-ability to response to the new generation's lifestyle of comfort and flexibility in daily activities.

Products from GETAWAY

GETAWAY offered, through modern trade channel, special products that satisfied the needs of the new generation in terms of design, fabric and price in order to capture the new group of customers.

Products from GUY LAROCHE

Nano Zinc Innovation

This product line was created in response to the modern lifestyle of busy hours or outdoor activities. Through attractive designed that compliments wearer's body and meticulous sewing, GUY LAROCHE offered a product with anti-bacteria and anti-odor. With the help of Nano Zinc in fiber, the fabric had the ability to inhibit the growth of bacteria which was the root of bad smell. Such effect also had a long durability since the first used until last despite washing.

AROMA PYJAMAS by GUY LAROCHE

Pairing up with soft comfortable breathable cotton fabric, excellent manufacturing process, and also stylishly designed pattern, the highlight of this product was the aroma spreading from fabric containing micro capsule filled with high quality perfume, which could be washed up to 10 times without adding fabric softener nor scent agent.

TWO FACE DOBBY PYJAMAS by GUY LAROCHE

This latest pajamas innovation from Guy Laroche Innerwear adapted a technique of Dobby pattern design which allowed different patterns shown on both 2 sides of fabric. Enhancing with special sewing and manufacturing process, the pajamas were not only soft but it can also be worn reversibly.

Products from ABSORBA

COLLAGEN and NATURAL SOFT & SHINE

With a strong determination to be innovative and develop products with a good care to hygiene and safety of the baby as well as environment, ABSORBA continuously improved Collagen and Natural Soft & Shine in order to ensure softer touch, durability and better moisture protection from dry skin, sun heat and air-conditioner. Aiming to keep the baby skin soft and moisture, the fiber was carefully selected, brushed and then woven into yarn, without any chemicals used. As a result, the fabric was soft, smooth, light, comfortable, chemical-free, naturally shiny despite after many times of wash, and most importantly, irritation-free which suited sensitive skin like that of baby.

2. Price Aspect

The Company applied a reasonable pricing policy which was consistent with the products' qualities and values. The Company also endeavored to expand product price based to cover several customer groups, i.e. from premium priced goods for international brands to medium-low priced goods for House brands in order to ensure customer satisfaction in products and services that were commensurate to the prices paid.

3. Distribution Aspect

The Company distributed products in various channels in order to enhance the competency and potential to expand the quality products to customers. The channels could be grouped as per below:

3.1 *Department Stores or Modern Trade*

The Company, together with the distributors, cooperated to maintain brand image through visual merchandising display that well present products and clearly convey brands message to customers.

3.2 *Online*

The Company promoted the brands through online platforms such as Clip/ Video Ads, Facebook Page, Line, Instagram or even Facebook Event, which made the brands more accessible to the customers, allowed them to update new products and added more purchasing channels.

3.3 *Factory Outlet and Community Mall*

The reasonable products in terms of price and quality were selected to this channels for customers' convenience.

3.4 *Direct sales of uniform tailoring order*

Through years of experience, the Company had been entrusted to supply uniforms to various customers. Providing one stop service with modern design and new innovation, the Company could also offer the uniform that was not only comfortable and easy to take care but also leveraged the quality of employees' life.

Our uniform could satisfy every customer's need and promoted good company image. Service provided includes:

Pattern order: with our high standard professional workmanship, our customers were from diverse industries such as private companies, financial institutes, energy and petrochemicals group of companies, educational institutions, automotive industry, health and hospitality industry, and hotel and spa industry.

Made to order: the Company proudly initiated and developed business of tailor-made uniform for police officers. It was well received from customers because of the good quality, high standard meticulousness, body-flattering shape and punctual delivery. This business was a truly successful supply chain collaboration of the companies in Saha Group: Nano Zinc technology from a company in Saha Group, professional tailoring from Thanulux PCL. and directly to the end consumer.

3.5 Direct Distributor

Apart from the above mentioned brands, in 2018, Thanalux PCL, brought in the market "OLYMP", a leading international ready to wear brand.

OLYMP was a men's shirt brand from Germany with the no. 1 sales in Europe. OLYMP was the latest brand that the Company imported and directly distributed to consumer's end. It now had 10 points of sale in Bangkok leading department stores from both Central group and The Mall group. It was also available online via Facebook and well-known online market places such as Lazada, Shopee and JD Central

4. Sales Promotion Aspect

The Company recognized the significance of digital marketing and set it as one of the corporate marketing strategies because of many reasons. Firstly, online platform also served as another sale channel. Besides, thanks to the internet which granted more accessibility to information, consumer behavior in recent years had changed and relied more on data online. Last but not least, competition regarding online marketing was getting more complex and more challenging especially in social media platform which many brands used as a core tool to reach their target group. Therefore, to boost sale and catch up with the dynamic digital trend, the Company executed digital marketing by adopting multi-channel management which included website, online advertisement, and viral video.

Marketing Strategy - Foreign Markets

1. Product Aspect

The Company set a focus on offering high quality merchandise while conducting a research before manufacture until after launch, and developing new products to respond to customer's needs and the rapidly changing fashion trend.

2. Price Aspect

The Company applied a pricing policy which maintained competitiveness in the same market level and reasonable price with the product quality.

Industrial and Competition Trends

3. Sales Promotion Aspect

The Company engages in a proactive marketing strategy by collaborating with companies in the Saha Group in holding the Saha Group Fair annually with both domestic and foreign business partners invited. In the past year, the event was visited by a large number of domestic and foreign business partners. Furthermore, the Company also participated in trade exhibitions held by the Department of Export Promotion, e.g. BIFF & BILF (Bangkok International Fashion Fair & Bangkok International Leather Fair). Additionally, the Company regularly attended international trade fairs abroad to set foot in the new market and show the potential to customers. The target Customer Group was the distributing companies and/or trademark owners in the United States of America, Europe, Asia, ASEAN and Japan.

In 2018, Thailand economy grew for 4.1%, which was lower than the target of 4.5%, due to the global economic stagnation that had been continuing since last years, in line with the growth rate of major economies such as USA, Europe, China and Japan, the decline in oil prices and the world production index, while the economy of China was impacted by the pressure from trade war with USA, this resulted in the 3rd quarter of 2018, Thai export sector also declined to the negative growth, the first time in 18 months.

Thai economy in 2019 is forecast to be 3.5% to 4% with the supporting factors of the country's constant economic growth, increasing investment of private sector, and the expansion of world economy and trading that promoted Thailand export sector despite the slowdown of world economically powerful countries. Tourism industry is expected to increase for 6.6% from the recovery of visitor.

As for the trend of textile and garment industry, domestically, textile fiber production will continue to grow since 2018 especially on synthetic fiber and synthetic fiber with special property. On the other hand, textile fabric production will decelerate because finished fabric from China can be imported at lower price. Regarding export, synthetic fiber and finished synthetic fabric with special property are expected to grow, whereas finished garment is still uncertain. The key player for this section is Vietnam. Thai entrepreneurs should rely on their strength of supply chain and product design instead of price competition.

For leather goods, in 2019, manufacture of tanned leather for exportation is estimated to be positive due to the increasing foreigners' demand on Thai leather goods and exotic leather products including snake skin, stingray skin, and crocodile skin. Shoes production tends to slow down because Thai entrepreneurs move their order to the factory in neighboring countries where the cost is lower. Nonetheless, there remains other factors that help improve the situation such as a government policy to promote Thai tourism to China and other countries, a government plan to encourage consumer expenditure, and a government welfare registration program.

Competitiveness

The Company is confident that it remains competitive after taking into account the following factors:

1. The Company has a distributor which has strengths in regard to sales, marketing and good relations with departmental stores.
2. The Company has products which are brand leaders in both the domestic and foreign markets, e.g. ARROW, Guy Laroche, DAKS, Takeo Kikuchi, Olymp, ELLE HOMME and absorba.
3. The Company has domestic and foreign business allies who will support the principal business of the Company, in regard to raw materials, manufacturing techniques and technology, information and the changing fashion trends.
4. The Company has a unit for the research and development of raw material quality and products, which enables to regular modernization and quality upgrades of products and raw materials pursuant to market needs.
5. The Company has installed the International Quality Standard ISO9001 and Environmental Management System ISO14001 to secure confidence of the Company's product quality and constantly operates in accordance with the environment standard.
6. The Company has complied with Thai labour standards, thus maintaining the workers' high morale.

Promotional Privileges

By virtue of the Investment Promotion Act, B.E. 2520, the Company has been granted some promotional privileges from the Board of Investment (BOI) as follows:-

1.	Promotional certificates No.	1628(2)/2554	1627(2)/2554	60-0122-0-00-1-0	60-1470-1-03-1-0
2.	Dates of promotional certificates	31/05/2011	31/05/2011	16/02/2015	3/07/2017
3.	The first receiving revenues dates	2/09/2011	4/05/2011	2/08/2018	1/03/2018
4.	The type of business promoted	Leather products or artificial leather	Textile or fragment	Leather products or artificial leather	Leather products or artificial leather
5.	Important privileges which are granted:-				
5.1.	Exemption from corporate income tax on net profit from promotional operations, commencing from the first receiving revenue date.	8 years (Expired on 30/10/17)	8 years (Expired on 30/11/18)	8 years	8 years
5.2.	Exemption from income tax on dividends from promoted business which was exempted from income tax in 5.1.	8 years (Expired on 30/10/17)	8 years (Expired on 30/11/18)	8 years	8 years
5.3.	Reduction of the corporate income tax on net profit from promoted business at 50% of normal rate after the end of exemption period.	5 years	5 years	5 years	5 years
5.4.	Double deduction of expenses for utilities (electricity, water and transportation) for the year.	10 years	10 years	10 years	10 years
5.5.	Exemption from corporate income tax for amounts not exceeding (Adjustable to capital investment amount excluding cost of land and working capital).	Baht 76.27 million	Baht 46.13 million	Baht 51.99 million	Baht 60.00 million

The Company had strictly comply with certain terms and conditions stipulated in the promotional certificates.

Procurement of Goods and Services

The Company procures almost goods internally. The remaining few items procured externally are under quality controls of the Company. In all events, the Company employs technology alongside manpower skills in manufacturing in order to attain quality goods, including the use of ISO 9001 quality management system.

Number of manufacturing facilities, premises of the Company and production capacity.

Operators	Location	Category	Production capacity (unit) per year
Thanulux Public	129/1 Chongnonthri Road,	Garment	730,000
Company Limited	Chongnonthri, Yannawa, Bangkok	Leather goods	220,000
	99/3 Moo 5 Saha Group		720,000
	Industrial Park-Lamphun, Paa-sak, Muang Lamphun, Lamphun		
	125 Moo 5 Saha Group	Garment	1,470,000
	Industrial Park-Kabinburi, Suwannasorn Road, Nonthri, Kabinburi, Prachinburi		
	269/15 Moo 15 Saha Group	Leather goods	200,000
	Industrial Park-Mae Sot, Mae Kasa, Mae Sot, Tak		
S.Apparel Co., Ltd. (Subsidiary company)	4/2 Moo 8 Bangna-Trad Road Km.18, Bangchalong, Bangplee, Samutprakarn	Garment	180,000
Total			3,520,000

Production capacity and actual production separated by product category

	Subsidiary company			Thanulux Public Company Limited		
	2018	2017	2016	2018	2017	2016
Production capacity (unit)						
Finished garments	180,000	210,000	300,000	2,200,000	2,023,200	2,539,200
Leather goods	-	-	-	1,140,000	1,176,000	1,392,000
Total	180,000	210,000	300,000	3,340,000	3,199,200	3,931,200
Actual production (unit)						
Finished garments	175,069	167,814	286,094	2,064,339	1,969,609	2,064,265
Leather goods	-	-	-	937,983	1,091,437	1,129,463
Total	175,069	167,814	286,094	3,002,322	3,061,046	3,193,728
Capacity utilization (%)	97.26	79.91	95.36	89.89	95.68	81.24
Output increase (decrease) (%)	4.32	(41.34)	(15.40)	(1.92)	(4.15)	(4.97)

Procurement of raw materials and proportion of raw materials purchased

The principal raw materials used for production by the Company consist of finished woven textiles, finished knitted textiles and finished tanned leather. Secondary raw materials consist of weaving threads, buttons, zips, raw material components of finished garments, metal components in the categories of belt buckles, loops, logos, components of leather products and raw materials used in packaging, such as bags, paper labels and boxes. The proportion of procurement from domestic sources and foreign imports are 65% and 35% respectively. Imports are obtained from countries such as Italy, France, Australia, United States of America, China, Hong Kong, Japan and Korea. Domestic procurements are obtained through purchases from major producers with standard governance and production control systems. In addition, the Company has invested in upstream manufacturers in Saha Group in order to establish production facilities and develop raw materials in Thailand, e.g Erawan Textiles Company Limited, producer of threads and woven fabric, SSDC (Tigertex) Company Limited, producer of cleaned, dyed and finished fabric, Thai Gunze Company Limited, producer of stretched fabric, Textile Prestige Public Company Limited, producer of stretched fabric, and elastic bands, Thai Staflex Company Limited, producer of lining fabric, Thai Naxis Company Limited, producer of woven product labels and Fujix International Company Limited, producer of sewing threads of Japanese quality standard. These investments were made with a view to promoting competitiveness and continual product development. In all events, the Company has implemented a control and assessment system for suppliers and subcontractors pursuant to ISO 9001 in order to ensure that production and labour practices meet international standards. Furthermore, the Company chooses trading partners which operate businesses ethically, comply with the law, account for stakeholders, respect human rights, are mindful of the environment and collaborate in the fight against corruption.

As regards the risks of change in the price of raw materials, especially the global price of cotton, the year 2018 saw only minor changes. Nevertheless, upstream operators in the group have shown competence in managing the price of fabric and raw materials to normal levels. Also, the Company has comprehensive and transparent plans for purchases, thus impact was minimal. At the same time, the Company has undertaken continual research and development of raw materials, such as the development of innovative fabric, development of new raw materials as alternatives to existing raw materials, development of production techniques, and International Standard control and testing of raw material quality before application to the production process. As a consequence, procurements have been able to manage costs and control raw material inventories efficiently.

Risk Factors

The Company considered the risks as a priority. Therefore, effective and efficient risk management involved in every working process and activity in order to mitigate the consequence and reduce the possibility of the event that hindered the Company from achieving business objective. The Company managed risk through various strategies ranging from controlling, transferring, and avoiding to accepting. Risk factors could be categorized as follows:

1. Management of Distribution Channels

Domestic

The Company operated the business of manufacturing finished garments and leather goods. Purchase volumes derived from key trading partners and distributions through department stores. In the event that such trading partners were affected by economic, political, competitive conditions or other factors, the Company's sales volume could potentially decrease. An action plan was therefore formulated, as follows:

- 1) Collaboration with trading partners to increase distribution channels, such as TV Shopping and online sales. Focus was given to the development of goods, forms, quality and price in line with the demand of target groups in each channel.
- 2) House Brand products were sold directly to consumer in free standing stores and Factory Outlets. Special services were also provided for the design and production of uniforms as alternative distribution channels.

Export

The Company was aware of the potential impact of the solely relying on the sale of products to major overseas clients, despite a healthy and long relationship, may bring about disadvantageous effects in case they had slow turnover due to economic conditions.

Therefore, the Company implemented a policy to shift more sales mix to others potential clients and to search for new customers in both existing and new markets.

2. Changing consumer behavior

Current consumer behavior had changed considerably due to the new lifestyle, advanced technology, new and rapid form of communication, as well as new trend of business and services influence on consumer buying behavior. As a result, the competition in the market became intense. Thus, the following action plan was initiated.

- 1) Collaboration with trading partners in conducting consumer behavior surveys on focus groups in order to survey customer opinions, levels of satisfaction and demands. The survey was conducted before manufacture and after selling of products. The information obtained was applied to the development of new products that would satisfy customers' needs and were consistent with consumer behavior in all age groups, lifestyles, both in terms of function and fashion while not compromising good quality.

2) Customer satisfaction was vital. Hence, new innovations were created along with continual surveys of consumer behavior and needs in order to ensure that products were developed in line with consumer needs.

3. Management of Exchange Rates

The Company had a business function to export the goods as well as import materials, machines and equipment, which could be affected from currency exchange rate fluctuation. The risk management committee formulated the following exchange rate management policy:

1) Used several foreign currencies to purchase materials and sell goods in order to spread risk. In the case where the Company purchased raw materials from overseas and sold products to other countries using the same currency, a balance of receipts and payments would be managed as a natural hedge.

2) In addition, financial instruments in the future exchange were devised in order to mitigate risk. Forward contracts for the purchase or sale of foreign currency were used appropriately at a certain date. News concerning currency values are closely monitored in order to detect trends and manage such risk.

4. Investments in Financial Markets

The Company invested in financial markets, e.g. government bonds, state enterprise bonds, deposits in commercial banks or specialized financial institutions, debentures and debt instruments, including investment units in mutual funds. The objective was to manage the Company's investments to achieve the target risk-return profile. An Asset-Liability Management Committee had been established to determine the investment criteria and manage investments, as well as to oversee the Company's liquidity in accordance with the specified criteria efficiently and effectively.

5. Personnel Management and Individual Development Plan

The company recognized human resource development as a key to keep up with fast-changing world where the economy, society, and technology were continuously and vigorously evolving. Organization chart was optimized to align with company direction and corporate strategies by combining garment and leather goods department to increase agility and effectiveness along with maximizing resources. Besides, new departments were structured in response to company strategy of promoting new sale channels. Personnel specialized in sale and digital industry were recruited while the existing employees were prompted to changing business with training through course "Digital Marketing" and "Big Data", which could also be adapted to their work. A human resource development program called "Succession Plan" was executed to prep the personnel with knowledge and skill to enter to the role of chief executive. The plan to

manage risk in the aspect of human resource management could be summarized as follows:

- 1) Recruiting competent personnel to support company direction.
- 2) Enhancing executive's potential together with assigning and developing a successor.
- 3) Developing existing employees' competency and skills required to work and to adapt into the digital world. Promoting corporate values and good attitude to the Company.

6. Compliance with Regulations, Articles and Relevant Laws

The Company's domestic and foreign business operations were subject to regulations, articles and relevant laws. Any violation could have an impact on the operations and reputation. The Company, therefore, did not only attach importance to compliance with regulations, articles, and laws but also responsibility towards society and environment. In any case, the Company had a legal unit which performs the duties of overseeing and monitoring legal provisions which affected business operations and legal compliance, including the dissemination of knowledge and understanding to people in the organization on a regular basis.

7. Corruption

With the focus on conducting sustainable business under the principles of integrity, the Company attached importance to good corporate governance and strict internal control. Additionally, apart from anti-corruption policy which was regulated, the company also joined hand with anti-corruption measurement of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) and received recognition as a member of the CAC. There was also disclosure about code of conduct distributed to vendors and employees as manifest of the Company standpoint regarding corruption.

As for the anti-corruption and corruption risk management, the Company set a measure to control and closely monitor the process that corruption was likely to occur. Internal audit bureau was responsible for corruption risk assessment, random investigation for reliability and corruption prevention. Communication channel was also created for those stakeholders to share advices, clues, or complaints about the corruption.

In additional, internal complaints committee was appointed to investigate the complaints with systematic method, transparency, and inspect-ability in order to build trust and confidence of stakeholders that justice was served.

General information and Reference

General Information

Thanulux Public Company Limited Registered No. 0107537001358

Registered capital : 120 million Baht, divided into 120 million ordinary shares,
fully paid up.

Type of Business : Manufacturer of garment and leather goods

Head Office : 129/1 Chongnonthri Road, Chongnonthri, Yannawa,
Bangkok 10120

Homepage : www.thanulux.com

TEL. : 0-2295-0911-9, 0-2295-4171-80

FAX : 0-2294-5101, 0-2294-5918, 0-2294-0794

Customer Relation Center : 0-2295-0911-9, 0-2295-4171-80

E-mail :

Company Secretary and Investor Relations supachoke@thanulux.com

Internal Audit Department audit@thanulux.com

Customer Relation Center crcenter@thanulux.com

Reference

Share Registrar

Thailand Securities Depository Company Limited

No.93 Rachadaphisek Road, Dindaeng, Bangkok 10400, Thailand

TEL. : 0-2009-9000

FAX : 0-2009-9991

SET Contact Center : 0-2009-9999

Website : <http://www.set.or.th/tsd>

E-mail : SETContactCenter@set.or.th

Auditor

ASV & Associates Limited

47 Soi 53, Rama 3 Road, Bangpongpan, Yannawa, Bangkok 10120

TEL : 0-2294-8504, 02294-8587

FAX : 0-2294-2345

By Mr. Anusorn Kiatgungwalgri

Certified Public Accountant registration no. 2109, and/or

Mrs. Kwunjai Kiatgungwalgri

Certified Public Accountant registration no. 5875, and/or

Ms. Nongram Laohaareedilok

Certified Public Accountant registration no. 4334

Investments in other companies

Investments in companies which Thanulux Public Company Limited holds at 10% and over of the issued shares as follows

Company Name/Address	Type of Business	Type of Share	Issued Shares	Shares Hold	% of Shares Hold	Amount (Baht)
DISTRIBUTING COMPANIES						
1. Celebrate Wealth Co., Ltd. 129/1 Chongnonthri Rd., Chongnonthri, Yannawa, Bangkok Tel : 0-2294-9505 Fax : 0-2294-9506	Apparel	Ordinary	850,000	746,000	87.76	69,235,995.20
2. Miwaki SDN. BHD. 37B, Jalan SS22/23, Damansara Jaya, 47400 Petaling Jaya Selangor Darul Ehsan, Malaysia Tel : (03) 719-4381 Fax : (03) 719-5399	Apparel		1,000,000	190,000	19.00	2,481,039.21
3. Miwaki Philippines, Inc. 25/F Yuchengco Tower, RCBC Plaza, 6819 cor. Ayala & Sen. Gil Puyat Avenues, Makati City, Philippines 1200 Tel : (632) 753-4791-2 Fax : (632) 753-4794	Apparel	Ordinary	20,800,000	3,952,000	19.00	3,317,590.00
4. World Saha Fashion Co., Ltd. 129/1 Chongnonthri Rd., Chongnonthri, Yannawa, Bangkok Tel : 0-2294-2250 Fax : 0-2294-2251	Apparel	Ordinary	50,000	9,500	19.15	9,500,000.00
5. International Commercial Coordination (Hong Kong) Limited Room 408, 4/F., Hope Sea Industrial Centre, 26 Lam Hing Street, Kowloon Bay, Kowloon, Hong Kong Tel : (852) 2756-5622 Fax : (852) 2753-8631	Apparel	Ordinary	50,000	7,200	14.40	3,822,438.85

The Business Operations

Company Name/Address	Type of Business	Type of Share	Issued Shares	Shares Hold	% of Shares Hold	Amount (Baht)
6. Wise Winner Co., Ltd. 129/1 Chongnonthri Rd., Chongnonthri, Yannawa, Bangkok Tel : 0-2295-4171-9 Fax : 0-2294-5101	Clothing and Sporting Goods	Ordinary	100,000	18,000	18.00	1,800,000.00
7. Morgan De Toi (Thailand) Ltd. 129/1 Chongnonthri Rd., Chongnonthri, Yannawa, Bangkok Tel : 0-2295-1737, 0-2295-1730 Fax : 0-2294-1757	Apparel	Ordinary	400,000	64,000	16.00	6,400,597.59
8. Paknumpo Wattana Co., Ltd. 310/47-50 Sawanvithi Road, Paknumpo, Muang, Nakornsawan Tel : (056) 222-354, 223-683 Fax : (056) 223-683	Apparel	Ordinary	10,000	1,400	14.00	1,037,442.00
9. Intanin Chiangmai Co., Ltd. 162/2 Changklan Road, Changklan Muang, Chiangmai Tel : (053) 274-514-15, 282-598-9 Fax : (053) 282-358	Apparel	Ordinary	5,000	625	12.50	2,781,362.50
10. Koraj Wattana Co., Ltd. 3/44-47 Troksoathong, Mukamontree Road, Muang, Nakhonratsima Tel : (044) 253-772 Fax : (044) 261-556-9	Apparel	Ordinary	10,000	1,250	12.50	1,527,575.00
11. Sun & Sand Co., Ltd. 74/220-224 Phoon-pon Road, Muang, Phuket Tel : (076) 213-137, 223-984-5 Fax : (076) 213-137	Apparel	Ordinary	10,000	1,250	12.50	1,498,637.50

Company Name/Address	Type of Business	Type of Share	Issued Shares	Shares Hold	% of Shares Hold	Amount (Baht)
12. Intersouth Co., Ltd.						
229-231 Dhamnoonvithi Road, hadyai Songkhla Tel : (074) 243-850, 245-019 Fax : (074) 356-339	Apparel	Ordinary	10,000	1,250	12.50	4,285,612.50
13. Eastern I.C.C. Co., Ltd.						
90/5-6, 8 Moo 4, Pipit Road, Bangsai, Muang, Cholburi Tel : (038) 285-194 Fax : (038) 285-194	Apparel	Ordinary	10,000	1,250	12.50	2,938,062.50
14. Maharachapreuk Co., Ltd.						
470/7 Praaongdam Road, Muang, Phitsanulok Tel : (055) 212-288-90 Fax : (055) 212-288	Apparel	Ordinary	10,000	1,200	12.00	415,584.00
SERVICE COMPANIES						
1. SSDC (Tigertex) Co., Ltd.						
111 Moo 5, Nonthri, Kabinburi, Prachinburi Tel : (037) 281-930, 281-932 Fax : (037) 281-937	Bleaching, Dyeing Fabric and Yarn	Ordinary	32,400,000	6,144,600	18.96	68,634,718.97
MANUFACTURING COMPANIES						
1. S. Apparel Co., Ltd.						
4/2 Moo 8, Bangna-Trad Rd., KM.18 Bangchalong, Bangplee, Samutprakarn Tel : 0-2337-1657-8 Fax : 0-2337-1659	Garment	Ordinary	180,000	179,998	99.998	30,483,098.27
2. Total Way Image Co., Ltd.						
129/1 Chongnonthri Rd., Chongnonthri, Yannawa, Bangkok Tel : 0-2295-4171-9 Fax : 0-2294-5101	Leatherware	Ordinary	200,000	38,000	19.00	7,132,316.93

The Business Operations

Company Name/Address	Type of Business	Type of Share	Issued Shares	Shares Hold	% of Shares	Amount (Baht)
Hold						
3. Thai Monster Co., Ltd. 129/1 Chongnonthri Rd., Chongnonthri, Yannawa, Bangkok Tel : 0-2295-4171-9 Fax : 0-2294-5101	Garment	Ordinary	50,000	9,500	19.00	5,548,942.47
4. Thai Naxis Co., Ltd. 222 Moo 5, Suwannasorn Rd., Nonthri, Kabinburi, Prachinburi Tel : (037) 205-145-7 Fax : (037) 205-229	Label	Ordinary	200,000	38,000	19.00	4,700,000.00
5. International Leather Fashion Corp., Ltd. 129/1 Chongnonthri Rd., Chongnonthri, Yannawa, Bangkok Tel : 0-2295-4171-9 Fax : 0-2294-5101	Leatherware	Ordinary	500,000	90,000	18.00	8,810,100.00
6. Erawan Textile Co., Ltd. 49 Moo 3 Poochaosamingprai Rd., Samrongtai, Prapradaeng, Samutprakarn Tel : 0-2183-3898-9 Fax : 0-2183-3916	Spun yarn and fabrics manufacturing	Ordinary	6,214,634	922,468	14.84	117,726,177.91
7. Champ Ace Co., Ltd. 3885/2 Bangklo, Bangkorleam, Bangkok Tel : 0-2291-2533-4 Fax : 0-2291-2537	Garment	Ordinary	400,000	60,000	15.00	6,000,000.00
8. People's Garment Public Co., Ltd. 666 Rama 3 Rd., Bangpongpan, Yannawa, Bangkok Tel : 0-2685-6500 Fax : 0-2294-5159	Garment	Ordinary	96,000,000	13,484,000	14.05	52,683,587.15
9. Thai Takaya Co., Ltd. 129/1 Chongnonthri Rd., Chongnonthri, Yannawa, Bangkok Tel : 0-2295-4171-9 Fax : 0-2294-5101	Jeans	Ordinary	300,000	33,000	11.00	3,300,000.00

Shareholder

Registered and Paid-Up Capital

Thanulux Public Company Limited is a listed company in the Stock Exchange of Thailand (SET) with the stock symbol for Trading as “TNL”

1. **Ordinary shares**, as of 15th February 2019, Thanulux Public Company Limited had a registered capital of Baht 120 million, of which Baht 120 million had been fully paid-up. The capital is divided into 120 million ordinary shares at a par value of Baht 1 per share.

2. **Other types of share issue** with rights or conditions differing from ordinary shares, e.g. preference shares: **- none -**

The Company's 10 Major Shareholders as of 15th February 2019

	Name of shareholder	Number of shares	%
1	Saha Pathana Inter-Holding Plc.	28,220,820	23.517
2	I.D.F. Co., Ltd.	16,000,000	13.333
3	Ramasorn Thaveekarn Co., Ltd.	15,059,600	12.550
4	I.C.C. International Plc.	13,307,040	11.089
5	Mr. Samreng Manoonpol	10,999,000	9.166
6	Mr. Boonsithi Chokwatana	4,655,220	3.879
7	Watsadoramai Co., Ltd.	2,800,000	2.333
8	Miss Sirikul Dhanasarnsilp	2,272,580	1.894
9	Mrs. Sirina Pavarolarvidya	1,979,040	1.649
10	Universe Beauty Co., Ltd.	1,738,000	1.448
	Total	97,031,300	80.859

Note:- Investors may consult to the updated shareholders' information from the Company website, www.thanulux.com, prior to the 45th General Meeting of Shareholders.

Distribution of Shareholding as at the Book Closing Date on 15th February 2019, Categorized According to Type of Shareholder

Type of Shareholders	No. of Shareholders	No. of Shares	%
Legal entity			
Thai nationality	32	81,999,150	68.33
Foreign nationality	0	0	0.00
Total legal entity	32	81,999,150	68.33
Ordinary person			
Thai nationality	653	37,797,190	31.50
Foreign nationality	4	203,660	0.17
Total ordinary person	657	38,000,850	31.67
Total	689	120,000,000	100.00

Distribution of Shareholding as at the Book Closing Date on 15th February 2019, Categorized According to Amount of Shareholding

Range of shareholding	Total Shareholders			Legal entity			Ordinary person		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
1 - 100	136	4,652	0.004	0	0	0.000	136	4,652	0.012
101 - 1,000	123	61,684	0.051	8	3,040	0.004	115	58,644	0.154
1,001 – 5,000	166	479,371	0.399	3	7,700	0.009	163	471,671	1.241
>5,000	264	119,454,293	99.55	21	81,988,410	99.99	243	37,465,883	98.59
Total	689	120,000,000	100.00	32	81,999,150	100.00	657	38,000,850	100.00

3. There is no agreement between major shareholders on matters affecting the issue and offer of securities or management of the Company

4. Issue of other securities, e.g. debentures or convertible securities: - none -

Report of Shareholdings of Directors and Executive Officers in Thanulux Public Company Limited as of 15th February 2019

unit:share

	Name		Beginning 2018		Purchase	Sale/ Transfer	ending Feb 15, 2019	% of shares hold
			Directors/ Executives	Spouse*				
1	Mrs.Varindr	Leelanuwatana	282,680	-	-	-	282,680	0.236%
2	Ms. Dusadee	Soontrontumrong	433,240	-	-	-	433,240	0.361%
3	Mr. Supotch	Pakaworawuth	13,420	-	-	-	13,420	0.011%
4	Ms. Marin	Leelanuwatana	1,117,960	-	-	-	1,117,960	0.932%
5	Mr. Thamarat	Chokwatana	152,747	-	-	-	152,747	0.127%
6	Mr. Padoong	Techasarintr	-	-	-	-	-	0.000%
7	Assoc.Prof. Nares	Kesaparakorn	-	-	-	-	-	0.000%
8	Assoc.Prof. Dr. Nipon	Poapongsakorn	-	-	-	-	-	0.000%
9	Mr. Suchart	Layluxsiri	5,000	-	-	-	5,000	0.004%
10	Ms.Yupaporn	Jearrakul	5,000	-	-	-	5,000	0.004%
	รวม		2,010,047	-	-	-	2,010,047	1.675%

* Inclusive of shares held by spouse and children who have not reached legal age.

The amount of securities hold by directors and managements (including their spouses and children under legal maturity) is 2,010,047 shares, equal to 1.675% of total registered capital 120,000,000 shares which is not exceed 25% of the company's sold shares.

Also, the company has required directors and managements to report their shareholding status including those hold by spouses and children under legal maturity within 30 days from the date of appointment as director or management. In case the directors or managements including their spouses and children under legal maturity wish to change their shareholding status, they should inform the Company Chairman 1 day in advance. And shall report to The Securities and Exchange Commission in accordance with article 59 of The Securities and Exchange Act B.E.2535 including inform the company secretary within 3 working days upon completion of the transaction.

Dividend Payment Policy

Company has a policy of paying dividends to shareholders at the rate of Baht 0.20 per share, which is equivalent to 20 percent of the par value. However, payment is principally subject to the Company's operating results and economic conditions. Dividend payments would be made from net earnings and retained earnings. Dividends would be calculated in proportion to the earnings in the Company operating results (unconsolidated statement). Details of dividend payouts are shown below:

Thanulux Plc.	2018	2017	2016	2015	2014
Earnings per share (Baht)	1.68	1.30	1.61	1.58	1.79
Dividend per share (Baht)	* 0.75	0.70	0.85	0.75	0.85
Payout ratio (%)	44.53	54.02	52.72	47.36	47.45

Note * Meeting of the Board of Directors No. 1/2019 adopted a resolution to propose to the General Meeting of shareholders, which is to be held on 23rd April 2019, the approval of dividend payment at the rate of Baht 0.75 per share.

Subsidiary Companies. The Company has a policy whereby subsidiary companies shall pay dividends from net earnings and retained earnings with due regard to the excess cash remaining from normal operations or surplus of capital investments, subject principally to forecasts of future operating results and economic conditions.

Management structure

The Company has a clear management structure which ensures accountability as well as sufficient checks and balances. The Board of Directors has appointed 5 Company Committees to scrutinize various aspects of the operation and has appointed Executive Officers to take charge of the Company's operational management. The powers, duties and responsibilities of each Company Committee, Chairman and Managing Director are clearly stated in writing in the Charters. The Company Secretary performs functions prescribed by law and as assigned by the Board of Directors.

The Board of Directors

There are 8 members of the board of directors who named in the certificate letter of Ministry of Commerce as follows;

- 4 non-executive directors constituting 50.00% which include 3 Independent Directors
- 4 executive directors constituting 50.00%

The Board of Directors oversees operations for the greatest benefit of the Company and shareholders and ensures compliance with law, objects, articles and shareholders' meeting resolutions. The Board of Directors is under an obligation to perform duties responsibly, prudently, honestly and in good faith as a reasonable operator of such business would perform under the same circumstances.

Management and Corporate Governance

In 2018, the list of Company Directors and positions held in Company Committees may be summarized as follows:

Name		The Board of Directors	The Audit Committee	The Nominating Committee	The Remuneration Committee	The Risk Management Committee	The Governance Committee	The Executive Board
1. Mrs. Varindr	Leelanuwatana	☛		/	/			
2. Ms. Dusadee	Soontrontumroon	/			/		/	☛
3. Mr. Supotch	Pakaworawuth	/				/		/
4. Ms. Marin	Leelanuwatana	/					/	/
5. Mr. Thamarat	Chokwatana	/		/	☛			
6. Mr. Padoong	Techasarintr	±	☛					
7. Assoc. Prof. Nares	Kesaparakorn	±	/					
8. Assoc. Prof. Dr. Nipon	Poapongsakorn	±	/				☛	

☛ = Chairman / = Director ± = Independent Director

Remark : Chairman of Nominating Committee is Mr. Manu Leelanuwatana, advisor of the board of directors.

Chairman of Risk Management Committee is Mr. Krish Follet.

Directors representing the Company

2 directors out of the following 4 directors must jointly sign their names, together with the affixing of Company seal, namely

- | | | | |
|-----------------|-----------------|----------------|---------------|
| 1. Mrs. Varindr | Leelanuwatana | 2. Mr. Supotch | Pakaworawuth |
| 3. Ms. Dusadee | Soontrontumrong | 4. Ms. Marin | Leelanuwatana |

Curriculum Vitae of Company Directors

Details on the curriculum vitae of Directors may be found under the heading "Curriculum Vitae of Company Directors, Executive Officers, Controller and Company Secretary".

Records of directors attending the meeting

In 2018, attendance in each Company Committee may be summarized as follows:

Unit : Time / Year

List of Directors		Attendance							
		AGM No.44	The Board of Directors	The Audit Committee	The Nominating Committee	The Remuneration Committee	The Risk Management Committee	The Governance Committee	The Executive Board
1	Mrs. Varindr	Leelanuwatana	1 / 1	7 / 7	2 / 2	2 / 2			5 / 5 ⁴
2	Mr. Manu	Leelanuwatana	1 / 1		2 / 2				
3	Ms. Dusadee	Soontrontumrong	1 / 1	7 / 7		2 / 2		4 / 4	12 / 12
4	Mr. Supotch	Pakaworawuth	1 / 1	6 / 7 ²			4 / 4		11 / 12 ²
5	Ms. Marin	Leelanuwatana	1 / 1	7 / 7				4 / 4	11 / 12 ²
6	Mr. Thamarat	Chokwatana	1 / 1	6 / 7 ³	2 / 2	2 / 2			

List of Directors		Attendance						
		AGM No.44	The Board	The Audit	The	The	The Risk	The
			of Directors	Committee	Nominating	Remuneration	Management	Governance
					Committee	Committee	Committee	Committee
								The Executive Board
7	Mr. Padoong	Techasarintr	1 / 1	7 / 7	12 / 12			
8	Assoc.Prof. Nares	Kesaparakorn	1 / 1	7 / 7	12 / 12			
9	Assoc. Prof. Dr. Nipon	Poapongsakorn	1 / 1	7 / 7	12 / 12			4 / 4
10	Mr.Krish	Follett	0 / 1				4 / 4	
11	Mr.Suchart	Layluxsiri	1 / 1				4 / 4	11 / 12 ²
12	Ms.Yupaporn	Jearrakul	1 / 1				2 / 2 ⁵	4 / 4
13	Dr.M.L.Sirapirom	Teeraprasert	1 / 1				4 / 4	11 / 12 ¹
14	Mrs.Tueanjai	Puengsiricharoen	1 / 1					12 / 12
15	Mr.Paskorn	Suphakat	1 / 1					12 / 12
16	Mr.Chayarop	Makamontri	1 / 1					12 / 12
17	Mr.Supachoke	Sirichantaradilok	1 / 1	7 / 7				12 / 12
18	Ms.Sunee	Kongsong					4 / 4	
19	Mr.Kanokchai	Mingquanpiyakul					2 / 2 ⁵	

Remark : ¹ Sick Leave

² Errand leave

³ Absence due to an unavoidable necessity.

⁴ Mrs. Varindr Leelanuwatana office term as the Chairman of Executive committee was completed and had expressed his intent to decline taking office for another term.

⁵ Board of Director Meeting No.3/2018 on 10th May 2018 appointed Ms. Yupaporn Jearrakul as a Risk Management Committee Member replace Mr. Kanokchai Mingquanpiyakul.

Board and Committee Meetings

The Board of Directors and subcommittees have arranged meeting schedule one year in advance. Additional meetings may be called upon issued, as necessary. Each meeting is accompanied by clear agendas. The secretary of each committee shall send out invitation letters together with the agenda and supplemental meeting documents to the directors not less than 7 days in advance in order to enable the directors to carry out adequate studies of the information prior to the meeting. In the meeting, the chairman shall give opportunities to all directors to fully debate and express opinions, and to the executives to give explanations and responses to questions. Minutes are recorded in writing. Minutes which have been approved by the board are systematically archived as evidence for references and ready for inspection.

Controlling Person

The Company does not have a controlling person who exercises a significant influence on the formulation of management or operational policies of the Company.

Executives

The Company Management Structure



As of 31st December 2018, the Company had 5 Executive Officers, as follows:

	Name	Position
1	Ms. Dusadee Soontrontumrong	Chief Executive Officer
2	Mr. Supotch Pakaworawuth	Managing Director
3	Ms. Marin Leelanuwatana	Deputy Managing Director
4	Mr. Suchart Layluxsiri	Deputy Managing Director
5	Ms. Yupaporn Jearrakul	Chief Finance Officer
6	Ms. somjit Sukko	Chief Accountant

The abovementioned office holders are regarded as Executive Officers under the definition of the Office of the Stock Exchange Commission.

Curriculum Vitae of Executive Officers

The curriculum vitae of Executive Officers may be found under the heading "Information on the Board of Directors, Executives, controller and company secretary".

Company Secretary

The Board of Directors adopted a resolution to appoint Mr. Supachoke Sirichantaradilok, Deputy Manager for Finance and Overseas Operations, whose qualifications are stated in “Information on the Board of Directors, Executives, controller and company secretary”, as the Company Secretary from 8th May 2008. The Company Secretary is under an obligation to perform duties prescribed under section 89/15 and section 89/16 of the Securities and Exchange Act (No. 4) 2008, which came into force on 31st August 2008. Those duties must be performed responsibly, prudently and in good faith, and also in accordance with laws, objects, Company Articles, Board of Directors resolutions, including shareholders’ meeting resolutions, as follows:

1. To provide preliminary advice to the directors on laws, regulations and articles of the Company, and to monitor proper and regular compliance, as well as to report substantive changes to the directors.
2. To coordinate between the Company directors and the management, to supervise and coordinate matters pertaining to the relevant laws and regulations, including proceedings to ensure compliance with resolutions of the Board of Directors.
3. To organize meetings of shareholders and meetings of the Board of Directors in accordance with laws, Company Articles and other directives.
4. To record minutes of meetings of shareholders and meetings of the Board of Directors as well as to monitor compliance with resolutions of meetings of shareholders and meetings of the Board of Directors.
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:
 - (a) Directors’ Register;
 - (b) notice of Board of Directors meeting, minutes of Board of Directors meeting and Annual Report of the Company;
 - (c) notice of shareholders meeting and minutes of shareholders meeting.
7. To maintain reports of interest reports filed by directors or executives.
8. To carry out other proceedings as prescribed by the Capital Market Supervisory Board.

Remuneration of Directors and Executive Officers

Criteria for remuneration of directors and executives.

Payment of remuneration to Company Directors is subject to the limits and rules set by the Remunerations Committee. Due regard is given to other companies in the same industry, the Company’s expansion, growth of the Company’s operating results, and the powers, duties, responsibilities and performance of Company Directors. Remuneration is determined as meeting allowances and an annual fee. A proposal would be made to the Board of Directors for

consideration before submission to the General Meeting of Shareholders for approval of the remuneration limit.

Payment of remuneration to Executive Officers is made in accordance with the principles prescribed by the Company after having due regard to the Company's operating result, level of responsibility assigned and performance of the Executive Officer. For the performance of the Managing Director, the Board of Directors has assigned the Chief Executive Officer to evaluate.

1. Monetary Remuneration

(a) Directors Remuneration

Shareholders' Meeting No. 44 on 24th April 2018 passed a resolution approving the remuneration limit in an amount not exceeding Baht 10 million per annum for Company Directors. This remuneration does not include compensation or welfare benefits payable to Company Directors in their capacities as officers or employees of the Company. The following compensation has been determined for performance of duties.

1) Company Director

1.1 Meeting allowance payable only to Directors present at the meeting

Chairman	10,000.-	Baht/meeting
Each Company Director	8,000.-	Baht/meeting

1.2 Annual fee (remuneration) payable to all Company Directors. The Remuneration Committee considers allocation of this amount and proposes to the Board of Directors for approval.

2) Audit Committee.

Meeting allowances are paid only to Members present at the meeting.

1.3 Monthly meeting allowance

Chairman of the Audit Committee	10,000.-	Baht/meeting
Each Audit Committee Member	8,000.-	Baht/meeting

1.4 Quarterly meeting allowance

Chairman of the Audit Committee	60,000.-	Baht/meeting
Each Audit Committee Member	30,000.-	Baht/meeting

3) Nominating Committee, Remuneration Committee and Governance Committee.

Meeting allowances are paid only to Members present at the meeting.

Chairman	10,000.-	Baht/meeting
Each Member	8,000.-	Baht/meeting

4) Risk Management Committee.

Meeting allowances are paid only to Members present at the meeting.

Chairman	6,000.-	Baht/meeting
Each Member	5,000.-	Baht/meeting

For the remuneration of other committee members appointed by the Board of Directors, the Remuneration Committee shall determine in appropriate circumstances and in accordance with the duties and responsibilities and presented to the Board for approval.

In 2018, The Company paid the meeting allowance of Baht 1,342,000 annual fee Baht 4,100,000 total Baht 5,442,000.

Monetary remuneration detail for Board of Directors and Sub-Committee (unit : Baht)

Detail	2018		2017		2016	
	Meeting Allowance	Annual Fees	Meeting Allowance	Annual Fees	Meeting Allowance	Annual Fees
Board of Directors	446,000	4,100,000	414,000	4,600,000	618,000	5,000,000
The Audit Committee	688,000		658,000		734,000	
Nominating Committee	32,000		52,000		48,000	
Remuneration Committee	52,000		32,000		52,000	
Risk Management Committee	20,000		44,000		44,000	
Governance Committee	104,000		52,000			
Total	1,342,000	4,100,000	1,252,000	4,600,000	1,496,000	5,000,000

(b) Executive Remuneration

Executive remuneration means remuneration of the Executive Officers according to the definition of the SEC total of 5 persons (excluding the chief accountant). Remuneration is paid as salaries, sponsorship, stipend, allowances and retirement fees, paid in their capacities as employees.

Remunerations	2018		2017		2016	
	Persons	Amount (Baht)	Persons	Amount (Baht)	Persons	Amount (Baht)
Salaries and others						
except Meeting allowance	5	21,508,553	9	29,142,955	7	28,419,522
Meeting allowance	5	285,000	7	390,000	7	385,000
Total		21,793,553		29,532,955		28,804,522

2. Other Remuneration

The Company does not have a policy of paying other remuneration apart from remuneration paid by the Company to Directors or employees in the ordinary course of business. There is no grant of shares, debentures or other securities.

(A) Other remuneration of Company Directors - none -

(B) Other remuneration for Executive Officers :

Other remuneration of Executive Officers according to the definition of the SEC total of 5 persons (excluding the chief accountant) who are member of provident fund will received monthly contribution at the rate of 3-5 percent of the salary.

Year 2018	5 persons	in the amount	0.23 million Baht
Year 2017	9 persons	in the amount	0.30 million Baht
Year 2016	7 persons	in the amount	0.24 million Baht

Personnel

1. Total employees of the Company as of December 31,

	2018			2017			2016		
	Administration	Production	total	Administration	Production	total	Administration	Production	total
Bangkok - Head office	308	705	1,013	324	684	1,008	333	712	1,045
Bangplee	3	10	13	31	-	31	22	-	22
Lamphun	23	501	524	23	633	656	24	701	725
Kabinburi	19	444	463	22	470	492	22	557	579
Mae Sod	3	182	185	29	-	29	-	-	-
รวม	356	1,842	2,198	429	1,787	2,216	401	1,970	2,371

2. Labour disputes over the previous 3 year period - none -

3. Remuneration of all Employees

Remuneration consists of salaries, overtime pay, bonuses, provident fund contributions, retirement fees and other incomes.

Year	2018	2017	2016
Consolidated Returns (million Baht)	567.67	579.62	577.19

4. Employee Development Policies

Details on employee development may be found in the **Social Responsibility Report** under the heading “Sustainability Development”, sub-heading “Society Aspect”.

Information on the Board of Directors, Executives, controller, company secretary

1) Mrs.Varindr Leelanuwatana (Age 72 years)
as Director started June 6, 1975

Chairman

Nominating Committee Member

Remuneration Committee Member

Authorized Director

% Share hold 0.24%

Family relationship between directors

Ms. Marin Leelanuwatana's mother.

Education

Bachelor of Economics-Money and Banking,
Thammasat University

Experiences

Listed Companies

At the moment, not being director of any other listed companies

Non Listed Companies

Being directors of 6 companies

Competitive Business related to Company's Business

2 of 6 companies

1990 - Present Director Thai Takaya Co., Ltd.
Garment manufacturing

2004 - 2017 Chairman Total Way Image Co., Ltd.
Leather's ware manufacturing

2017 - Present Director Total Way Image Co., Ltd.
Leather's ware manufacturing

Course training of

Thai Institute of Directors Association (IOD)

Director Accreditation Program (DAP) 3/2003

Director Certification Program (DCP) 68/2005

Board and CEO Assessment 2/2003

Any holding of position in an enterprise or organization

during last year which significantly affect time

devotion - None -

2) Ms. Dusadee Soontrontumrong (Age 70 years)
as Director started July 11, 1984

Director

Chairman of the Executive committee

Remuneration Committee Member

Governance Committee Member

Authorized Director

% Share hold 0.36%

Family relationship between directors - None -

Education

Higher Education Certificate in Accounting Kerk College
Mini MBA of Economics, Chulalongkorn University

Experiences

Listed Companies

At the moment, not being director of any other listed companies

Non Listed Companies

Being directors of 4 companies

Competitive Business related to Company's Business

1 of 4 companies

2005 - Present Director S.Apparel Co.,Ltd.
Garment manufacturing

Course training of

Thai Institute of Directors Association (IOD)

Director Accreditation Program (DAP) 8/2004

Director Certification Program (DCP) 42/2004

Any holding of position in an enterprise or organization

during last year which significantly affect time

devotion - None -

3) Mr. Supotch Pakaworawuth (Age 61 years)

as Director started April 23, 1990

Director

Executive committee member

Managing Director

Risk Management Committee Member

Authorized Director

% Share hold 0.01%

Family relationship between directors - None -

Education

Master of Business Administration,

The National Institute of Development Administration

Experiences

Listed Companies

At the moment, not being director of any other listed companies

Non Listed Companies

Being directors of 3 companies

Competitive Business related to Company's Business

2 of 3 companies

2005 - 2015 Director S..Apparel Co., Ltd.

Garment manufacturing

2015 - Present Chairman S..Apparel Co., Ltd.

Garment manufacturing

2010 - 2015 Director Thai Takaya Co., Ltd.

Garment manufacturing

2015 - Present Chairman Thai Takaya Co., Ltd.

Garment manufacturing

Course training of

Thai Institute of Directors Association (IOD)

Director Accreditation Program (DAP) 3/2003

Director Certification Program (DCP) 46/2004

Finance for Non-Finance Directors 12/2004

Any holding of position in an enterprise or organization

during last year which significantly affect time

devotion - None -

4) Ms. Marin Leelanuwatana (Age 45 years)

as Director started April 23, 2013

Director

Executive committee member

Deputy Managing Director

Governance Committee Member

Vice President Business Development Department

Authorized Director

% Share hold 0.93%

Family relationship between directors

Mrs.Varindr Leelanuwatana's daughter

Education

Master of Business Administration, Loyola University,

Chicago, U.S.A

Experiences

Listed Companies

At the moment, not being director of any other listed companies

Non Listed Companies

Being directors of 3 companies

Competitive Business related to Company's Business

- None -

Course training of

Thai Institute of Directors Association (IOD)

Director Certification Program (DCP) 180/2013

Any holding of position in an enterprise or organization

during last year which significantly affect time

devotion - None -

**5) Mr. Thamarat Chokwatana (Age 49 years)
as Director started July 11, 2016**

Director

Chairman of the Remuneration Committee

Nominating Committee Member

% Share hold 0.13%

Family relationship between directors - None -

Education

Bachelor of Arts, Assumption University

Experiences

Listed Companies

2017 – Present Director
Saha Pathanapibul Plc. - Commerce

2015 – Present President
Vice Executive Chairman
I.C.C. International Plc. - Fashion

2001 – Present Director
Executive committee member
Vice President Marketing Department
Thai Wacoal Plc. - Fashion

Non Listed Companies

Being directors of 40 companies

Competitive Business related to Company's Business

1 of 40 companies

2008 - Present Director Champkabin Co., Ltd.
Garment manufacturing

Course training of

Thai Institute of Directors Association (IOD)

Director Accreditation Program (DAP) 3/2003

Director Certification Program (DCP) 68/2005

**Any holding of position in an enterprise or organization
during last year which significantly affect time
devotion - None -**

**6) Mr. Padoong Techasarintr (Age 78 years)
as Director started April 18, 1994**

Independent Director

Chairman of the Audit Committee

% Share hold - None -

Family relationship between directors - None -

Education

B.A. (Accounting), B.A. (Commerce),
Thammasat University

Experiences

Listed Companies

1993 - Present Independent Director and
Chairman of Audit committee
Lanna Resources Plc. - energy & utilities

1999 - Present Independent Director and
Chairman of Audit committee
Textile Prestige Plc. - fashion

1999 - Present Independent Director and
Audit Committee member
CP All Plc. - commerce

2003 - Present Independent Director and
Audit Committee member
Kulthorn Kirby Plc.- industrial materials &
machinery

Non Listed Companies At the moment, not being director of
any other non-listed companies

Competitive Business related to Company's Business
- None -

Course training of

Thai Institute of Directors Association (IOD)

Director Accreditation Program (DAP) 4/2003

Director Certification Program (DCP) 55/2005

The Role of Chairman Program (RCP) 6/2001

Audit Committee Program (ACP) 22/2008

Monitoring the Internal Audit (MIA) 2008

Monitoring the System of Internal Control & Risk Management
(MIR) 2009

**Any holding of position in an enterprise or organization
during last year which significantly affect time
devotion - None -**

Management and Corporate Governance

7) Assoc.Prof. Nares Kesaprakorn (Age 60 years) as Director started April 23, 2007

Independent Director

Audit Committee Member

% Share hold - None -

Family relationship between directors - None -

Education

Master of Laws (Securities Regulation),
University of Georgia, U.S.A

Experiences

2009 - Present Audit Committee Member,
The Thai Chamber of Commerce,
Board of Trade of Thailand
2010 - Present Advisory Board, The Attellate
Committee's Rule of Practice on
Procedure for Consideration and
Adjudication of Appeal on the
Administrative Order of the SEC Office
2017 - Present Dean, School of Law, NIDA

Listed Companies

2006 - Present Independent Director, Risk
Management Committee Member
Thai Wacoal Plc. - fashion

Non Listed Companies

Not being director of any other non-listed companies

Competitive Business related to Company's Business

- None -

Course training of

Thai Institute of Directors Association (IOD)
Director Accreditation Program (DAP) 52/2006
Director Certification Program (DCP) 77/2006
Audit Committee Program (ACP) 12/2006
Understanding the Fundamental of Financial Statements
(UFS) 1/2006
Finance for Non-Finance Director 28/2006
Monitoring the system of Internal Control and Risk Management
(MIR) 5/2009
Chartered Director Class (CDC) 5/2009
The Board's Role on Fraud Prevention and Detection
1/2010

Any holding of position in an enterprise or organization
during last year which significantly affect time
devotion - None -

8) Assoc.Prof. Dr. Nipon Poapongsakorn (Age 70 years) as Director started April 26, 2016

Independent Director

Audit Committee Member

Chairman of the Governance Committee

% Share hold - None -

Family relationship between directors - None -

Education

Ph.D. of Economics, University of Hawaii, U.S.A

Experiences

1998 - 2002 Director - Board of Investment
2001 - 2016 Director - The General Nation Economic
and Social Development
2010 - Present Director - Thailand Productivity Institute
2010 - Present Director - Law Development of Council of State
2013 - 2017 Qualified members, Office of the University
Council, Chiang Mai University
2014 - Present Committee of Rice Policy and Management

Listed Companies

2017 - Present Independent Director, Saha Patana
Inter-Holding Plc. - Investing Company

Non Listed Companies

Not being director of any other non-listed companies

Competitive Business related to Company's Business

- None -

Course training of

Thai Institute of Directors Association (IOD)
Certificate of Director Training, IOD, 2002
Certificate of Capital Market Academy 10th

Any holding of position in an enterprise or organization
during last year which significantly affect time
devotion - None -

9) Mr. Suchart Layluxsiri (Age 53 years)

as Executive committee member started May 10, 2007

Executive committee member

Deputy Managing Director

Risk Management Committee Member

Vice president of APPAREL

% Share hold 0.004%

Family relationship between directors - None -

Education

Master of Business Administration, Bangkok University

Experiences

Listed Companies

Not being director of any other listed companies

Non Listed Companies

Being directors of 3 companies

Competitive Business related to Company's Business

- None -

Course training of

Thai Institute of Directors Association (IOD)

Director Certification Program (DCP) 154/2011

Any holding of position in an enterprise or organization during last year which significantly affect time devotion - None -

10) Ms.Yupaporn Jearrakul (Age 59 years)

as Executive committee member started May 1, 2015

Executive committee member

Governance Committee Member

Risk Management Committee Member

Chief Financial Officer

% Share hold 0.004%

Family relationship between directors - None -

Education

Master of Business Administration,

Ramkhamhaeng University

Experiences

Listed Companies

Not being director of any other listed companies

Non Listed Companies

Being directors of 3 companies

Competitive Business related to Company's Business

1 of 3 companies

1992 - Present Director Thai Monster Co., Ltd.

Garment manufacturing

Course training of

Thai Institute of Directors Association (IOD)

Director Certification Program (DCP) 150/2011

Any holding of position in an enterprise or organization during last year which significantly affect time devotion - None -

Management and Corporate Governance

11) Mr. Supachoke Sirichantaradilok (Age 59 years)
as Company Secretary started May 8, 2008

Company Secretary

Investor Relations

Deputy Manager, Financial Division

% Share hold - None -

Family relationship between directors - None -

Education

Bachelor of Accounting,

Faculty of Commerce and Accounting,

Chulalongkorn University

Master of Public and Private Management, NIDA

Experiences

Listed Companies

Not being director of any other listed companies

Non Listed Companies

Being directors of 1 Company

Competitive Business related to Company's Business

- None -

Course training of

Thai Institute of Directors Association (IOD)

Director Certification Program (DCP) 49/2004

Investor Relations 2006

Any holding of position in an enterprise or organization

during last year which significantly affect time

devotion - None -

12) Ms. Somjit Sukko (Age 53 years)

as Chief Accountant started May 11, 2018

Chief Accountant

Deputy of Accounting Section Manager

% Share hold None

Family relationship between directors - None -

Education

Bachelor of Accounting,

Srinakharinwirot University, Prasanmit

Experiences

Listed Companies

Not being director of any other listed companies

Non Listed Companies

Being directors of 1 Company

Competitive Business related to Company's Business

- None -

Course training of

Thai Institute of Directors Association (IOD)

- None -

Any holding of position in an enterprise or organization

during last year which significantly affect time

devotion - None -

Responsibilities of Company Secretary

The Company Secretary shall act as defined in Section 89/15 and 89/16 of the Securities and Exchange Act (No. 4) Act 2551 which comes into force on 31 August 2008 with responsibility, caution and honesty including the need to comply with the laws, regulations, company objectives, Board resolutions and resolutions of the shareholders' meeting. The legal duty of the Secretary of the Company is as follows.

1. To provide preliminary advice to the directors on laws, regulations and articles of the Company, and to monitor proper and regular compliance, as well as to report substantive changes to the directors.
2. To coordinate between the Company directors and the management, to supervise and coordinate matters pertaining to the relevant laws and regulations, including proceedings to ensure compliance with resolutions of the Board of Directors.
3. To organize meetings of shareholders and meetings of the Board of Directors in accordance with laws, Company Articles and other directives.
4. To record minutes of meetings of shareholders and meetings of the Board of Directors as well as to monitor compliance with resolutions of meetings of shareholders and meetings of the Board of Directors.
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:
 - (a) Directors' Register;
 - (b) Notice of Board of Directors meeting, minutes of Board of Directors meeting and Annual Report of the Company;
 - (c) Notice of shareholders meeting and minutes of shareholders meeting.
7. To maintain reports of interest reports filed by directors or executives.
8. To carry out other proceedings as prescribed by the Capital Market Supervisory Board

Corporate Governance

The Board of Directors has attached significance to the governance system to ensure that management is satisfactory, transparent, and accountable, with sufficient and appropriate internal control systems and is subject to a balance of powers. These principles run parallel to the respect for the rights and treatment of all shareholders equally. Business operations are undertaken with due regard to stakeholders in order to contribute to the country's economic growth, as well as to create long-term wealth for shareholders. The Company adheres to good corporate governance principles set by the Stock Exchange of Thailand, and also to the foundations of sufficiency economics, i.e. sufficiency, rationality and a strong immunity.

Corporate Governance Policies

The Board of Directors has prescribed corporate governance policies as operational guidelines for Company Directors, Executive Officers and employees, as follows:

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

Board of Directors and Company Committees

The Company has disseminated the corporate governance policies to employees, shareholders and the general public through the Company website www.thanulux.com under the heading About the Company → Good Corporate Governance → Corporate Governance Policies

The Company's management structure comprises the Board of Directors, Company Committees and Executive Officers. The powers and duties of each constituent have been clearly delineated in order to ensure transparency and proper checks and balances. The Board of Directors appoints the various Company Committees based on suitable knowledge and expertise to take charge of each function. Shareholders can be confident that the Company exercises prudence in operations and screening of tasks. The Company Committees appointed are the Audit Committee, Nominating Committee, Remuneration Committee, Risk Management Committee, Governance Committee and Executive Committee.

The Board of Directors has clearly stipulated the scope of authority and responsibilities of each Committee in their respective Committee Charters. The Chairman of each Company Committee performs the duties of ensuring that works are performed in accordance with the policies of the Board of Directors and reports performance results to the Board of Directors.

1. Board of Directors

The Board of Directors as evidenced by the incorporation certificate issued by the Ministry of Commerce comprises 8 Directors, consisting of

- Non-Executive Directors 4 persons (3 of whom are Independent Directors)
- Executive Directors 4 persons

The list of Directors is as follows:

	Name – Sur Name		Position
1	Mrs.Varindr	Leelanuwatana	Chairman
2	Ms. Dusadee	Soontrontumrong	Director
3	Mr. Supotch	Pakaworawuth	Director
4	Ms. Marin	Leelanuwatana	Director
5	Mr. Thamarat	Chokwatana	Director
6	Mr. Padoong	Techasarintr	Independent Director
7	Assoc.Prof. Nares	Kesaparakorn	Independent Director
8	Assoc. Prof. Dr. Nipon	Poapongsakorn	Independent Director

There are 2 advisors to the Board of Directors, namely

1. Mr. Boonsithi Chokwatana Chairman of advisor to the Board of Directors
 2. Mr. Manu Leelanuwatana Advisor to the Board of Directors
- Mr. Supachoke Sirichantaradilok holds the position of Company Secretary.

Term of Company Director

Each Company Director holds office for a term as stated in the Company Articles and Charter of the Board of Directors.

1. At every General Shareholder Meeting, one-third of the Company Directors shall retire. If the number of Company Directors cannot be divided evenly into 3 parts, the number of retiring Company Directors closest to one-third, the longest serving Company Directors shall retire and may be re-elected.

2. Company Directors retire from office at the expiration of term, or by resignation, or death, or disqualification as provided by law, or upon removal by resolution of the shareholders' meeting, or by court order.

3. A Company Director wishing to resign before the expiration of term must submit a resignation letter to the Company and may also serve notice to the registrar under the law on public limited companies. The resignation comes into effect as from the day of the Company's receipt of the resignation letter.

4. In the case where a Company Director's office becomes vacant for a cause other than the expiration of term, and the remaining term is not less than 2 months, the Board of Directors shall elect a Company Director to replace the vacant office in the subsequent meeting of the Board of Directors. The elected Company Director shall remain in office only for the remaining term of the replaced Company Director.

5. The shareholders' meeting may pass a resolution to remove a Company Director before the expiration of term by the votes of not less than three-fourths of the shareholders present and eligible to vote, and the total number of shares held must be not less than one-half of the total number of shares held by shareholders present and eligible to vote.

The meeting

In the Board of Directors meeting, there must be at least half of the directors attending the meeting, therefore will be a quorum.

Resolution of the Board of Directors Meeting to hold a majority of the directors attending the meeting.

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 the acceptance or cancellation of the credit lines, for such portion exceeding the authority of The Executive Board.

4. Approve loan extension to companies having business connection with the company, either as the shareholder or the company engaging in business transaction, or other companies, for such portion exceeding the authority of The Executive Board.

5. Approve the entering into guarantee for credit facility, for companies having business connection with the company, either as the shareholder or the company engaging in business transaction, or other companies, for such portion exceeding the authority of The Executive Board.

6. Approve the set-up, merger, or dissolution of subsidiary company.
7. Approve the investment for the purchase or sales of common shares, and/or debt securities, for such portion exceeding the authority of The Executive Board.
8. Approve the procurement and investment in fixed asset, for such portion exceeding the authority of The Executive Board.
9. Approve the sales, disposal, transfer for fixed asset, for such portion exceeding the authority of The Executive Board
10. Approve the adjustment, disposal, and write-off for fixed assets, and/or intangible assets no longer in use, or being subject to damage, loss, destruction, deterioration, out-of-date, or no longer functional for such book value exceeding the authority of The Executive Board.
11. Approve the adjustment, disposal, and write-off for deteriorate or out-of-date raw material and/or inventory which its book value become lower, for such book value exceeding the authority of The Executive Board.
12. Approve the settlement of conflicts by reconciliation or by the resolution through arbitration, petition, lawsuit, and/or court proceedings on the company's behalf, for such case not considered as normal business practice, and/or such case considered as normal business practice, for such portion exceeding the authority of The Executive Board.
13. Approve the entering into such transaction not considered as normal business practice, for such portion exceeding the authority of The Executive Board.
14. Propose the capital increase or capital decrease, or the change in par value, change or amendment to memorandum of association, articles of association, and/or objectives of the company to the shareholders for consideration.
15. Authorize the Executive Board to stipulate guideline for authorization and relevant operations as appropriate.
16. Authorize the Executive Board members, management members, managers or other persons, to act on their behalf.
17. Authorize to summon management members or employees concerned to provide explanation or opinion, to join the meeting, and to submit those documents deemed necessary.
18. Appoint and remove Company Secretary
19. The authority scope for The Board of Directors pertaining to the acquisition and disposal of assets and connected transactions, shall comply with the Notification of The Capital Market Supervisory Board.

Duty and responsibility scope of The Board of Directors

1. Set the direction, target, and business policy for the company.
2. Approve the annual business plan and annual budget, as well as supervising the operations by the management to well comply with the laws, policies, and plans in an efficient and effective manner.
3. Promote the establishment of corporate governance policy, business ethics, and business morality in writing, to serve as guidelines for the directors, the management, and the employees, in carrying out their business practices, while regularly following up to ensure their strict adherence and compliance accordingly.

4. Set up adequate internal control systems, so as to ensure that all transactions receive proper approval from the authorized persons, and that proper accounting review and bookkeeping practice are carried out, while proper checking systems are in place to safeguard against unauthorized exploitation of company assets.

5. Ensure that careful consideration is given to the issue of conflict of interests, and that clear practice guidelines are in place to safeguard the interests of the shareholders and the company. Also ensure that the persons having interests at stake do not take part in adopting the decision, and that all concerned parties strictly follow the procedures and regulations to disclose relevant information in a proper manner.

6. Grant approval to financial statements already audited and verified by the certified public accountant and earlier approved by The Audit Committee.

7. Being accountable to all shareholders on an equal basis, while ensuring that information are disclosed to the shareholders and investors in an accurate, reliable, and transparent manner

8. Acknowledge the corporate management report prepared by The Executive Board.

9. Set the date, time, place and agenda 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 branches 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. Grant approval to the charter for The Board of Directors, and/or other committees.

13. Engage in those acts lying beyond The Executive Board's authority, or as deemed necessary by The Board of Directors.

During 2018, The Board of Directors convened total 7 meetings, there was a review of the vision, mission, direction, goals, and business strategies. Moreover, in every Quarter, the Board also monitored performance and progress of the strategic plan. whereby the meeting dates had been earlier decided throughout the entire year. Furthermore, additional meeting could also be summoned according to necessary circumstances. The attendance of each director appeared in the form 56-1 and the annual report titled **Management Structure**.

2. Audit Committee

Board of Directors Meeting No.3/2018 on 10th May 2018 passed a resolution to appoint Independent Directors having the qualifications prescribed by the law on securities and exchange to the positions of Audit Committee Members. These Members perform the duties of supporting the Board of Directors in supervising good governance, especially pertaining to the financial reporting process, internal control system, inspection process and compliance of relevant laws and regulations. The 3 Members were as follows.

	Name – Sur Name		Position
1	Mr. Padoong	Techasarintr	Chairman of Audit Committee
2	Assoc.Prof. Nares	Kesaparakorn	Audit Committee Member
3	Assoc. Prof. Dr. Nipon	Poapongsakorn	Audit Committee Member

Mr. Woradej Puengsiricharoen holds the position of Secretary to the Audit Committee and has the qualifications stated in “Form 56-1 Part 2, Article 11.3”.

The Audit Committee holds office for a term of 1 year, in the period May 2018 to May 2019. Mr. Padoong Techasarintr is well-informed and experienced in undertaking the review of the Company’s financial standing. (See the details on his education and career background under the heading “Personal information of company directors, executives, controller and company secretary”)

All members of the Audit Committee were not the company shareholders, not engages in business relationship or provided any professional service to the company, its parent company, subsidiary, associated company or juristic person who may have conflicts of interest. Furthermore, they also did not serve as audit committee in its parent company, subsidiary, or same-level subsidiary.

Authority of the Audit Committee

1. To lay down collaborative measures with a view to achieving a harmonized understanding between the auditors, board of directors and internal audit units.
2. To consult specialists or advisors of the Company (if any), or to hire external advisors or specialists where necessary at the expense of the Company.
3. To have the power to call upon executive officers, the management or relevant employees of the Company to give statements or opinions as well as to attend meetings or send documents which are deemed as relevant, and also to have access to data at every organizational level.
4. To have the power to conduct an examination of relevant persons or relevant matters within the scope of powers and duties of the Audit Committee.

Duty and responsibility scope of The Audit Committee

1. Review the company’s financial statements to ensure that they are accurate and adequate by reviewing the company’s major accounting policies, and supervising information disclosure in such manner complying with Thai Financial Reporting Standards.
2. Review the company’s internal control system to ensure that it is suitable and review fraud and corruption prevention and internal audit system to ensure that they are effective.

3. Review operational independence of the internal audit office; approve, appraise, appoint, transfer, or dismiss the chief of internal audit office or any other office responsible for internal audit operations. Supervise to ensure that chief of internal audit office has sufficient education, experiences, and training, adequate to such internal audit operations.

4. Grant approval to the Internal Audit Charter.

5. Grant approval and monitor the progress made in relation to the internal audit plan.

6. Review to ensure that the company duly follows the laws on securities and stock exchange, the regulations of The Stock Exchange of Thailand, and the laws concerning the company's business operations.

7. Review, select, nominate and/or dismiss independent persons to serve as the company auditor, and propose related remuneration. Also take part in joint meeting with the company auditor, in the absence of the management for at least once a year.

8. Review connected transactions or transactions with possible conflict of interests, to ensure that they follow the laws, the regulations of The Stock Exchange of Thailand, and the notification of The Capital Market Supervisory Board and that they are justified and are of maximum benefits to the company.

9. Prepare the report by The Audit Committee and disclose it in the company's annual report. Said report requires the signature of the Audit Committee Chairman, and needs to contain at least the following information:

- a. Opinion regarding the accuracy, complete coverage and reliability of the company's financial statements.
- b. Opinion regarding the adequacy of the company's internal control, fraud and corruption and the risk management system.
- c. Opinion regarding the practices in compliance with the laws on securities and stock exchange, the regulations of The Stock Exchange of Thailand, or other laws concerning the company's business operations.
- d. Opinion regarding the suitability of the company auditor and the chief of internal audit office.
- e. Opinion regarding the transaction with possible conflict of interests.
- f. The number of The Audit Committee's meeting and the attendance record of each member.
- g. Overall opinion or comment provided by The Audit Committee out of its practices in accordance with the charter.
- h. Other items deemed to benefit the shareholders and general investors, in accordance with the authority and duty scope assigned by The Board of Directors.

10. During the course of its duty, should The Audit Committee come across or have any doubt relating to below transactions that they may significantly affect the company's financial position or performances, they are then required to report the matter to The Board of Directors, in order for necessary remedial actions to be taken within the timeframe decided upon by The Audit Committee.

- a. Transaction incurring conflict of interests.

- b. Significant fraud and corruption, irregularity or deficiency within the internal control system.
- c. Breach of laws concerning securities and stock exchange, the regulations of The Stock Exchange of Thailand, and other laws concerning the company's business operations.

In the case where The Board of Directors or the management fail to rectify the items within the timeframe assigned by The Audit Committee, any member of The Audit Committee may report said problems to The Securities and Exchange Commission or The Stock Exchange of Thailand.

11. Encourage and follow-up to ensure that the company has effective risk management system.

12. Supervise to ensure that the company has adequate channel 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, ensure that the company has protective confidential measurement for whistleblower, transparency and independence investigation process, and appropriate follow up.

13. Supervise to ensure that the company implements adequate management system in accordance with the good corporate governance practice.

14. Review, revise and amend the Audit Committee Charter for further submission to The Board of Directors for approval.

15. Implement self-appraisal review at least once a year.

16. Engage in other acts as assigned by The Board of Directors and deemed justified by The Audit committee in accordance with company regulations and the law.

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.

In 2018 the Audit Committee holds monthly meetings Totally 12 times. A meeting schedule has been set in advance for the entire year. Joint meetings are also held with the management to discuss and exchange opinions relating to the Company's businesses. In addition, at least one joint meeting is held with the management and company auditor each year to inquire on issues identified by the audit of Company financial statements. The Audit Committee reports its performance results to the Board of Directors regularly every quarter and reports to the shareholders as stated in the Annual Report.

3. Nominating Committee

Board of Directors Meeting No. 3/2018 on 10th May 2018 passed a resolution to appoint Nominating Committee Members to perform the duties of supporting the functioning of the Board of Directors in supervising good governance by searching and screening suitably qualified persons to assume the positions of Company Directors and high-level executive officers. This is to maintain confidence in transparency of the Company's nominating process. The 3 Members were as follows.

	Name – Sur Name		Position
1	Mr. Manu	Leelanuwatana	Chairman of the nominating Committee
2	Mrs. Varindr	Leelanuwatana	Nominating Committee Member
3	Mr. Thamarat	Chokwatana	Nominating Committee Member

The Nominating Committee holds office for a term of 1 year, in the period May 2018 to May 2019

Authority of the Nominating Committee

1. To consult specialists or advisors of the Company (if any), or to hire external advisors or specialists where necessary at the expense of the Company.
2. To have the power to summon executive officers and relevant employees of the Company for an explanation, opinion, participation in a meeting, or the submission of documents deemed as relevant and necessary.

Duties and Responsibilities of the Nominating Committee

1. To determine rules and procedures for the Nominating of Company Directors.
2. To examine the biography and other information of persons nominated for appointment as Company Directors, taking into consideration such persons' knowledge, skills, experience and diversity of professional expertise, in order to obtaining the most qualified persons in accordance with the Nominating rules, Articles of the Company and relevant laws.
3. To consider the Nominating of persons having suitable qualifications for a Company Director for nomination to the meeting of the Board of Directors for approval, except in the event of the retirement of Company Directors at the expiration of term where a submission is made to the meeting of shareholders for approval.
4. To prepare opinions or suggestions on various matters for consideration.
5. To revise and amend the Charter of the Nominating Committee and to submit such revisions or amendments to the Board of Directors for approval.
6. To carry out any other acts as assigned by the Board of Directors.

During 2018, The Nominating Committee held its meeting 2 times, and subsequently reported the results to The Board of Directors and shareholders as stated in the annual report, whereby the meeting dates had been decided in advance throughout the entire year. Furthermore, additional meeting could also be summoned according to necessary circumstances.

4. Remuneration Committee

Board of Directors Meeting No.3/2018 on 10th May 2018 passed a resolution to appoint Remuneration Committee Members, to perform the duties of supporting the functioning of the Board of Directors in supervising good governance by determining rules for disbursements and forms of remunerations for Company Directors. This is to maintain confidence in transparency and fairness of remunerations. The 3 Members were as follows.

	Name – Sur Name		Position
1	Mr. Thamarat	Chokwatana	Chairman of the Remuneration Committee
2	Mrs. Varindr	Leelanuwatana	Remuneration Committee Member
3	Ms. Dusadee	Soontrontumrong	Remuneration Committee Member

The Remuneration Committee holds office for a term of 1 year, in the period of May 2018 to May 2019.

Authority of the Remuneration Committee

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

Duty and responsibility scope of The Remuneration Committee

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

During 2018, The Remuneration Committee held its meeting 2 times, and subsequently reported the results to The Board of Directors and shareholders as stated in annual report, whereby the meeting dates had been decided in advance throughout the entire year.

5. The Risk management Committee

Board of Directors Meeting No.3/2018 on 10th May 2018 passed a resolution to appoint Risk Management Committee Members and also appointed Ms. Yupaporn Jearrakul as the

Risk management Committee member for replacement of Mr. Kanokchai Mingquanpiyakul, to perform the duties of supporting the functioning of the Board of Directors in supervising good governance by reviewing the risk factors pertinent to the entire organization, appraising risks, determining guidelines for risk management, including the assignment of personnel responsible for finding measures for controlling and managing risks within acceptable levels.

The 6 Members were as follows.

	Name – Sur Name		Position
1	Mr. Krish	Follett	Chairman of the Risk Management Committee
2	Mr. Supotch	Pakaworawuth	Risk Management Committee Member
3	Mr. Suchart	Layluxsiri	Risk Management Committee Member
4	Dr.M.L. Sirapirom	Teeraprasert	Risk Management Committee Member
5	Ms. Yupaporn	Jearrakul	Risk Management Committee Member
6	Ms. Sunee	Kongsong	Risk Management Committee Member and Secretary

The Risk management Committee holds office for a term of 1 year, in the period of May 2019 to May 2019.

Authority of the Risk Management Committee

1. The power to invite relevant employees of the Company to provide an explanation, present an opinion, participate in a meeting or submit documents deemed as necessary and relevant.
2. To consult experts or advisors of the Company (if any) or hire external advisors or experts where necessary under the Company's expense.
3. To have the power to appoint a working group to assess and monitor risks in the entire organization.

Duties and Responsibilities of the Risk Management Committee

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

The Risk Management Committee is duly required to affix his signature in verification of said report.

7. Review and revise the charter for The Risk Management Committee, and submit to The Board of Directors for approval.

8. Engage in other acts as assigned by The Board of Directors.

During 2018, The Risk management Committee held its meeting 4 times, and additional meetings to follow up and review the risk assessment of operational units, totally 8 times, on the dates which had been decided in advance throughout the entire year. The Risk management Committee subsequently reported the results to the Board of Directors and shareholders as stated in annual report.

6. The Governance Committee

Board of Directors Meeting No. 3/2018 on 10th May 2018 passed a resolution to appoint The Governance Committee Members to perform the duties of setting the criteria of the Company's guidelines to go along with good corporate governance to encourage confidence with shareholders and all stakeholders. The 4 Members were as follows.

	Name – Sur Name		Position
1	Assoc. Prof. Dr. Nipon	Poapongsakorn	Chairman of the Governance Committee
2	Ms. Dusadee	Soontrontumrong	Governance Committee Member
3	Ms. Marin	Leelanuwatana	Governance Committee Member
4	Ms. Yupaporn	Jearrakul	Governance Committee Member

The Governance Committee holds office for a term of 1 year, in the period of May 2018 to May 2019.

Authority of the Governance Committee

1. Authorized to summon relevant operation staffs, managements or employees to clarify, give an opinion, attend meetings or submit documents as seemed necessary.
2. Authorized to ask for advice from experts or Company Consultant (if any) or in case of necessity, employ external consultants or experts by the Company's expense.
3. Authorized to appoint Working Committee to implement Corporate Governance policy throughout the organization.

Duties and Responsibilities the Governance Committee

1. Stipulate, review and improve Corporate Governance policy and principles, Business Ethics, Code of Conduct for Company's directors, managements and employees, including Anti-Corruption policy and rules and regulations to conform with changes in business, related rules, announcements, regulations and law, on a continual basis.
2. Stipulate Corporate Governance guidelines including Anti-Corruption policy as well as follow up, provide advice and suggestion in order to develop good corporate governance system of the Company.
3. Promote and support Company directors, managements and employees to comply with Good Corporate Governance principles and Anti-Corruption policy.

4. Review, improve and amend the Charter of Corporate Governance Committee and present to the Company Board of Directors for approval.

5. Other duties as assigned by the Board of Directors.

During 2018, The Governance Committee held its meeting 4 times, and subsequently reported the results to The Board of Directors and shareholders as stated in annual report, whereby the meeting dates had been decided in advance throughout the entire year.

7. The Executive Committee

Board of Directors Meeting No.3/2018 on 10th May 2018 passed a resolution to appoint Executive Committee Members to perform management duties as assigned by the Board of Directors. These duties were performed responsibly, cautiously and in good faith as a prudent business operator under the same circumstances as Executive Committee Members, they enjoy-trade bargaining powers without undue influence. The 9 Members were as follows.

	Name – Sur Name		Position
1	Ms. Dusadee	Soontrontumrong	Chairman of Executive Committee
2	Mr. Supotch	Pakaworawuth	Managing Director
3	Ms. Marin	Leelanuwatana	Deputy Managing Director
4	Mr. Suchart	Layluxsiri	Deputy Managing Director
5	Ms. Yupaporn	Jearrakul	Chief Finance Officer
6	Dr.M.L. Sirapirom	Teeraprasert	Executive Director
7	Mrs. Tueanjai	Puengsiricharoen	Executive Director
8	Mr.Paskorn	Suphakat	Executive Director
9	Mr.Chayarop	Mahamontri	Executive Director

The executive Committee holds office for a term of 1 year, in the period of May 2018 to May 2019.

Powers of the Executive Committee

1. To appoint, remove, transfer, evaluate as well as to determine the remuneration and welfare benefits of employees at every levels.

2. To appoint and remove any other working committee to carry out any activity with respect to the management of the Company.

3. To consult specialists or advisors of the Company (if any), or to hire external advisors or specialists where necessary at the expense of the Company.

4. To issue rules and notifications on the performance of work, and to have the ability to delegate powers to an Executive Committee member and/or an executive-level employee as the authorized signatory for giving approval to disposals of the Company's assets.

5. To approve the acceptance or cancellation of the credit lines in an amount not exceeding Baht 60 million each time.

6. To approve the grant of loans to companies having business relationships with the Company as shareholders or companies engaged in trade with the Company or other companies in the amount not exceeding Baht 80 million per company.

7. To approve the guarantees of credit lines for companies having business relationships with the Company as shareholders or companies engaged in trade with the Company or other companies in the amount not exceeding Baht 40 million per company.

8. To approve investments and sales of investments in capital instruments and/or debt instruments in an amount not exceeding Baht 20 million each time.

9. To approve procurements and investments in fixed assets in an amount not exceeding Baht 20 million each time.

10. To approve the modification, demolition and writing off of fixed assets and/or intangible assets which are decommissioned, out of order, lost, damaged, deteriorated or outdated and no longer usable with book value not exceeding Baht 1 million per year.

11. To approve the adjustment of price and destruction of raw materials and/or outstanding stocks that have deteriorated or become outdated, which could have an effect in reducing the book value as actually occurred.

12. To approve a settlement, dispute settlement by arbitration, filing of complaint, lawsuit and/or to participate in any legal proceedings on behalf of the Company for the non-normal business of the company amounting not exceed Baht 2 million per episode and/or the normal business of the company with amounting not exceed Baht 20 million per episode.

13. To approve the dispatch of employees to foreign countries for work or study visits in an amount not exceeding Baht 1 million each time.

14. To approve transactions not part of the normal business in an amount not exceeding Baht 20 million each time.

15. To delegate authority to the executive-level employees of the Company or any other person to act on its behalf.

16. To have the power to summon executive officers and relevant employees of the Company for an explanation, opinion, participation in a meeting, or the submission of documents deemed as relevant and necessary.

17. To issue any other work regulations as deemed appropriate.

18. All powers of the Executive Committee stated above which involve the acquisition or disposal of assets and connected transactions shall be exercised in accordance with Notifications of the Capital Market Supervisory board.

Duties and Responsibilities of the Executive Committee

1. To propose the goals, policies, plan and annual budget to the Board of Directors.

2. To take responsibility for the management of the Company in accordance with the direction, goals and business policies of the Company.

3. To take charge in enhancing the competitiveness of the Company and to promote continual innovations.

4. To supervise the operations of the Company in accordance with the laws, objects, Articles of the Company, resolutions of the meeting of shareholders, resolutions of the Board of Directors, as well as relevant rules and regulations.

5. To supervise the preparation of financial statements, this shall be submitted to the auditor for audit and/or review prior to submission to the Audit Committee and Board of Directors respectively.

6. To consider matters submitted to the Board of Directors for approval or endorsement.

7. Executive Committee members may divide the works and responsibilities amongst themselves, in which case reports on the activities within each member's supervision must be submitted to the meeting of the Executive Committee for acknowledgement.

8. To revise and amend the Charter of the Executive Committee and to submit such revision or amendment to the Board of Directors for approval.

9. To carry out any other acts as assigned by the Board of Directors.

During 2018, The Executive Board held its meeting 12 times, where by the meeting dates had been decided in advance throughout the entire year.

8. Chairman

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.

9. Managing Director

The Board of Directors, in meeting No.3/2018 on 10th May 2018, appointed Mr. Supotch Pakaworawuth as Managing Director. Powers, duties and responsibilities of the Managing Director are as defined by the charter, as follows:

Powers, Duties and Responsibility of the Managing Director

1. To have the power to administer the operations of the Company pursuant to policies, law, objectives, Articles of the Company, resolutions of the meeting of shareholders, resolutions of the Board of Directors, resolutions of the Executive Committee, as well as relevant regulations and procedures.

2. To have the power to issue orders and carry out any act as necessary and appropriate in order to satisfactorily carry out the functions under article 1. and in the case of an important matter, a report shall be made and/or notice shall be given to the Board of Directors and/or the Executive Committee.

3. To have the power to issue regulations on the Company's operations, such regulations not being inconsistent with or contrary to the policies, articles, regulations, rules, orders and resolutions of the Board of Directors and/or Executive Committee.

4. To grant and/or delegate powers to other persons to perform specific tasks on behalf of the Managing Director.

5. To promote and develop adherence to good conduct, legal compliance, ethics and culture in the Company's business operations while observing good governance principles.

6. To carry out any other act as entrusted by the Board of Directors and/or Executive Committee.

7. The above powers of the Managing Director shall not be exercised in the event of the Managing Director's having a potential personal interest in or a conflict of interests of any character with the Company.

In addition, the Executive Committee has appointed several subcommittees to enable participation of employees in certain areas of management of the Company to ensure compliance, efficiency and effectiveness of Company operations. The following subcommittees have been appointed.

1. Safety, Vocational Hygiene and Working Environment Committee
2. Workplace Welfare Committee
3. Provident fund committee
4. Energy management working group
5. Internal energy management assessment committee
6. Company's social responsible committee
7. Thai labor standard and narcotic drug prevention committee
8. Innovation award project management team
9. Anti-corruption working group
10. ISO14001 environmental management system working group
11. Environmental committee
12. ISO9001 QMR committee
13. ISO9001 monitoring team

Nominating and Appointment of Directors and Executive Officers

The Board of Directors was appointed by the shareholders' meeting. Since the Company shareholding was not structured as a joint venture, there is no need to allocate Directors according to shareholder groups.

1. Selection Procedure for Appointment of Company 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, associated company, 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, associated company, 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, associated company, major shareholders or controlling person of the company, in such manner likely to interfere with own independent judgment 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, associated company, 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, associated company, 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, associated company, 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, associated company, 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 appointed to be independent director who qualifies as stated above, such independent director may be assigned by the Board of Directors for taking part in the business decisions of the company, its parent company, its subsidiaries, its associated companies, same level subsidiaries, major shareholder or controlling person of the company on the condition that such decision must be a collective one.

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

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. Shareholders' rights to elect company directors

Minor shareholders' rights to propose candidates as company directors.

The company provided minor shareholders with the opportunity to nominate candidates to be appointed as company directors at the annual shareholders' general meeting in advance

according to the criteria specified by the company, whose further details were displayed on the company website under the heading “Investor Relations : IR News”.

Vote-casting method for director appointment

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

1. One shareholder shall have one vote per one share.
2. 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.
3. 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.

3. The selection method for the person to be appointed as Chief Executive Officer

The nominating of the management

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

The nominating of the Chief Executive Officer

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

Supervision of inside information

The company placed much emphasis on the protection and supervision over usage of inside information, as specified in the company's business ethics, prohibit directors, managements and employees who access to inside information, from any act in exploitation of such inside information, especially those information not yet disclosed to the public. Violation is considered as a disciplinary offence.

1. The company has in place a measure for the monitoring of its security trading transactions by prohibiting company directors, management members, and employees having access to inside information, from engaging in any act in exploitation of such information, particularly

those information not yet disclosed to the general public. Any violation would be deemed as a disciplinary offence of company regulations. Furthermore, for the period of 1 month prior to the disclosure of financial statements to the public, the company sent out related circular to the directors, the management, and the employee having access to inside information, instructing them to refrain from any purchase or sales transaction of company shares during said period, together with the penalties to be imposed in the case of violation or non-compliance with said regulation.

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

2. The company informed company directors, 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 30 days from the day of their appointments to become directors or management members. Furthermore, in the case of any change occurring to their shareholding status, they were required to report such change details within 3 days from the day of change to The Securities and Exchange Commission according to article 59 of The Securities and Exchange Act B.E. 2535.

Furthermore, the company has set a policy for company directors, management members including their spouse and underaged children having duty to inform of the company's securities trading to the Chairman of the Board at least 1 working day prior to trading and 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.

In 2018, the company directors and the management did not have any trading of the company's securities.

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

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

Auditor expenses

1. Audit fees

The Company and subsidiary companies have obtained approval from the meeting of shareholders to pay an audit fees to ASV and Associates Company Limited, the audit office of the auditor's affiliation. Details of the fees are as follows:

Unit : Baht		
Audit Fees	2018	2017
Thanulux Public Company Limited	996,500	949,000
Subsidiary Companies (2 Companies)	384,000	369,000
Total	1,380,500	1,318,000

2. Other Services

The Company paid other services fee for reviewing of compliance with conditions under the Investment Promotion Certificate.

Unit : Baht

Other Service Fees	2018	2017
Thanulux Public Company Limited	60,000	60,000
Subsidiary Companies (2 Companies)	-	-
Total	60,000	60,000

Supervising the operations of subsidiaries

The designated Company Directors will meet together to select a person which the Company would nominate and vote to appoint as a director of a subsidiary company. The number of persons voted by the Company for appointment would be in proportion to the Company's shareholding. The person appointed as a director of a subsidiary company would be under a duty to act in the best interest of that subsidiary company, except on matters pertaining to important policies having an impact on business operations for which the Company requires such appointed person to obtain the approval of the Board of Directors prior to voting on the resolution.

The Company has a policy of ensuring that a subsidiary has a sufficient and appropriate internal control system. The Company's internal audit office would monitor the subsidiary company's internal control system every year.

In addition, the Company instructs the person appointed by the Company to oversee the subsidiary company's compliance and disclosure of significant information pursuant to the same applicable rules as the Company, such as connected transactions, acquisition or disposal of assets or other significant transactions, including supervision of data collection and financial accounting of the subsidiary company in order to facilitate inspections and consolidation of financial statements in a timely manner.

The Company does not have any agreement with other shareholders on the management of subsidiary companies. The Company also does not have any agreement with other shareholders on the allocation of returns other than normal returns pursuant to the proportion of shareholding in the subsidiary company.

In 2018 The Company has 2 subsidiaries, the directors of each subsidiaries are as follow:

1. S.Apparel Company Limited

	Name – Sur Name		Position
1	Mr. Supotch	Pakaworawuth	Chairman
2	Ms. Siriluk	Dhanasarnsilp	Managing Director
3	Ms. Dusadee	Soontrontumrong	Director
4	Mr. Woradej	Puengsiricharoen	Director
5	Mr. Chayarop	Mahamontri	Director

2. Celebrate Wealth Company Limited

	Name – Sur Name		Position
1	Mr. Amnuay	Bumroongwongtong	Chairman and Managing Director
2	Ms. Marin	Leelanuwatana	Deputy Managing Director
3	Mr. Chairat	Wattanachotiwat	Deputy Managing Director
4	Ms. Dusadee	Soontrontumrong	Director
5	Mr. Suchart	Layluxsiri	Director
6	Ms.Yupaporn	Jearrakul	Director

Compliance with Other Aspects of Good Governance Practices

The Company has announced the application of good governance principles since the year 2002. These principles have been revised and updated by the Board of Directors every year. The Good Governance Principles (1st Revision) was approved on 19th February 2014, in line with the “Good Corporate Governance Principles for Listed Companies 2012” of the Stock Exchange of Thailand, comprising 4 sub-headings, namely:

1. Governance Policies
2. Governance Principles under 5 Chapters
3. Business Ethics
4. Codes of Conduct for Company Directors, Executive Officers and Employees.

The aforementioned improvements are part of the operational standard upgrades pursuant to the Company's good corporate governance principles which have been undertaken as preparation for entry to the ASEAN Economic Community (AEC). These principles include good practices for Company Directors, Executive Officers and employees in the performance of their duties. In order to promote and support consistent compliance, the Company has distributed these guidelines to Company Directors, Executive Officers and employees, which are also disclosed on the Company website.

Good governance principles are divided into five sections, as follows.

Section 1 : Rights of Shareholders

The Board of Directors appreciates and respects the ownership rights of shareholders. As a consequence, corporate governance principles have incorporated safeguards for shareholder rights, including the non-violation or non-infringement thereof. The Board of Directors assumes the function of overseeing the equitable benefits of shareholders, as well as supporting and promoting all shareholder groups whether foreign or domestic, major, retail or institutional shareholders to enable the exercise of their respective rights, as follows:

1. Basic rights Referred to the right for shares transaction, the right to receive profits allocation in term of dividend payment based on outstanding shares, the right to access company information in sufficient, timely, and consistent manner, the right to attend and cast votes at the shareholders' meeting, the right to elect individual company director and approve directors remuneration, the right to remove directors, 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.

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.

3. The right to attend the shareholders' meeting The Company held its annual shareholders' meeting regularly each year, within 4 months after completing its accounting year. Nevertheless, in the event of such emergency situations possible affecting the shareholders' interests, or involving amendments to the laws or company articles requiring approval by the shareholders, the company was authorized to convene the extraordinary shareholders' meeting on a case by case basis. The company held its meeting at such date, time, and venue, deemed convenient to the shareholders, to facilitate their meeting attendance. For 2018, the company convened the shareholders' general meeting once, without convening any shareholders' extraordinary meeting, according to the following details:

During the 44th General Meeting of Shareholders for 2018, the Company treated the shareholders in the following chronological order.

Proceedings Prior to the Shareholders' Meeting Day

1. The company provided the minority shareholders with the opportunity to propose meeting agenda prior to the meeting date for 2018, during the period of December 1 - 30, 2017, by providing related conditions on company website, together with news sent through the channel of The Stock Exchange of Thailand. Nevertheless, there were no shareholders proposing any meeting agenda during said specified period.

2. The company informed the shareholders of the resolution to convene the shareholders' meeting 64 days prior to the meeting date, namely on February 19th, 2018 to allow the shareholders sufficient time to plan their meeting attendance.

3. The company disseminated the meeting invitation letter via company website, carrying the same content as the letter sent to the shareholders, in both Thai and English, 35 days prior to the meeting, to provide the shareholders with necessary information in a swift, convenient, and sufficient manner in advance.

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

5. The company also posted the announcement notifying said meeting invitation to the shareholders in the newspapers for 3 consecutive days, 13 days prior to the meeting namely during 9th - 12nd April, 2018.

6. Shareholders could submit questions in advance 7 working days prior to the meeting day. The shareholders were informed of this right through the Company website and the notice of invitation to the shareholders' meeting.

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

Day of Shareholders' Meeting

1. Determination of day, time and place of meeting that is convenient and suitable, and does not pose an obstacle for attendance. In 2018, the Company held the General Meeting of Shareholders on Tuesday, April 24th, 2018, 11.00 hours, at Montien Riverside Hotel, which the transportation system is accessible and sufficient to facilitate the shareholders and the Institutional investors for easily to attend the meeting

2. Registration of shareholders attending the meeting by barcode scanning was open 2 hours prior to the meeting and remained open until the conclusion of the meeting. Registration was open from 9.00 hours. Sufficient staff was provided for meeting registration. **Duty stamps** were also provided for shareholders granting proxies to others or Independent Directors to attend the meeting on their behalves. **Voting placards and ballot papers** were distributed to shareholders for casting votes.

3. The Board of Directors attaches significance to the meeting of shareholders. Attendance at all meetings is deemed a duty, save for important engagements or illness.



At the General Meeting of Shareholders for 2018, All 8 Directors were present, including the Company Chairman and Chairman of The Audit Committee, Chairman of the nominating Committee, Chairman of the Remuneration Committee, Chairman of the Governance

Committee and Chairman of the Executive Committee. In addition, the Managing Director, Chief Financial Officer, Executive Committee Members and Company Auditor were also present and open to questions from shareholders on relevant issues.

4. Prior to the commencement of the meeting, the Company Secretary declared the number of shares and ratio attending the meeting as well as explained voting and vote counting procedures for voting of shareholders in each agenda pursuant to the law and Company Articles. In the event of a shareholder attending the meeting after the commencement of the meeting, the Company still granted the right to vote in the remaining agenda that had not yet been considered and voted upon. Such shareholder would be included in the quorum.

5. In order to ensure transparency of the meeting in accordance with laws and the Company Article, the Company invited a representative of the Company's audit office, namely ASV And Associates Company Limited, to act as a witness in the vote counting. A barcode system was used for processing of votes in each agenda, and the voting results were displayed instantly on a screen at the meeting room's anterior.

6. During the meeting, the chairman proceeded with the meeting in accordance with the agenda stated in the notice of meeting without adding any new items in the agenda or changing any significant data without giving prior notice to shareholders and gave investors opportunity to question, comment and suggest equally and thoroughly in all agendas. In the General Meeting of Shareholders for 2018, no shareholder requested for the addition of any new agenda and did not have any question.

Important agenda in the meeting of shareholders consisted of the following:

a. Dividend Payout: The Company had provided details on the appropriation of earnings, payment of dividends in the rate 0.70 Baht per Share which were in accordance with the payout policies of the Company, including comparison between the dividend payout of the current year and preceding year Also specified record date for the shareholders who are entitled to receive dividends and the closing date of the share transfer registration.

b. Appointment of Directors: The Company provided an opportunity for shareholders to elect directors individually. Preliminary information on each person nominated for election as director, together with a specification of positions held in other businesses of the nominees, clearly stating whether the nature of such companies' were identical to or in competition with the businesses of the Company, Shareholding in the Company, Meeting attendance record (In case reappointed at the expiration of term), Type of Directorial Position Nominated and Nominations were made after screening by the Nominating Committee.

c. Directors' Remuneration: The Company had provided details on the amount of remuneration proposed, which was in accordance with the policies and conditions relating to the remunerations of directors subsequent to review by the remuneration committee. The Company proposed remuneration limits for approval by the meeting of shareholders on an annual basis and disclosed remunerations of the Company Board of

Directors and remuneration of other sub committees in Form 56-1 as well as in the Annual Report.

d. Appointment of Auditor and Determination of Audit Fee: The Company had provided details on the names of auditors, along with their audit office, independence, relationship with the Company, number of years of performing duties, reasons for change of auditor (if any), and comparative data on the audit fees for the current and preceding year. This information had been reviewed by the Audit Committee. Other fees for services rendered by the audit office to which the auditor was associated with respect to both the Company and its subsidiaries were also disclosed.

Voting Summary of Shareholders in Each Agenda

Agendum	Number of shareholders (No.)	Approval			Disapproval			Abstention		
		(No.)	Shares	%	(No.)	Shares	%	(No.)	Shares	%
1	79	78	108,800,790	99.9999	-	-	-	1	100	0.0001
3	79	78	108,800,790	99.9999	-	-	-	1	100	0.0001
4	79	78	108,800,790	99.9999	-	-	-	1	100	0.0001
5.1	79	78	108,800,790	99.9999	-	-	-	1	100	0.0001
5.2	79	78	108,800,790	99.9999	-	-	-	1	100	0.0001
5.3	79	77	108,799,790	99.9990	1	1,000	0.0009	1	100	0.0001
6	80	79	108,803,790	99.9999	-	-	-	1	100	0.0001
7	80	79	108,803,790	99.9999	-	-	-	1	100	0.0001
8	80	79	108,803,790	99.9999	-	-	-	1	100	0.0001

Proceedings after the Shareholders' Meeting Day

1. The company disclosed the resolutions adopted by the shareholders' meeting, together with the voting results for each meeting agenda, also declared the details of the dividend payment to all the shareholders at the same rate, as per their rights, in both Thai and English, via the news channel of the SET, and the company website, on the following day.

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

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

As a consequence of the General Meeting of Shareholders carried out by the Company in a transparent and accountable manner, in compliance with laws and Company Articles, facilitating shareholders attending the meeting, in 2018, the Company was awarded an assessment level **"Very good"** for quality of shareholders' meeting from the Thai Investors Association.

Section 2 : Equitable Treatment of Shareholders

1. The shareholders' meeting

a) The Company granted an opportunity to shareholders to propose meeting agenda in advance, as well as to nominate suitable persons for election as Directors in the General Meeting of Shareholders for 2018. A proposal could be made between 1-30 December 2017 pursuant to the rules and procedures stipulated and published on the Company website www.thanulux.com. Notice was also given to shareholders through the Stock Exchange of Thailand information system, as well as provided the opportunities for Shareholders to submit the questions in advance before the meeting. No shareholder made any proposal for an addition to the meeting agenda and did not sent any Question in advance.

b) The right to vote at the meeting was in accordance with the number of votes held by the shareholder. Each share carried one vote. There was no share which carried a preference or limitation on the voting rights of other shareholders.

c) 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.

d) 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

Number and nature of attendance of the Annual General Meeting of Shareholders no.44 on April 24th 2018

	persons	No. of shares	% (shares)
Shareowners as listed in share registration	706	120,000,000	100.00
Total number of attendants	80	108,803,890	90.67
Attended by oneself	39	23,571,160	19.64
Proxy	41	85,232,730	71.03
Proxy to audit committee	8	1,189,680	0.99
Proxy to individual	33	84,043,050	70.04

e) 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.

f) Shareholders were given the right to pose questions in the meeting of shareholders. At the 44th meeting, MS. Praphasri Jittiphatpaiboon Proxy from Thai Investors Association had asked about the process of the nomination of directors. Mr. Varin Leelanuwatana had clarified the question until it was understood.

2. Supervision over inside information

The company has laid down the policy safeguarding against inside information abuse, by stating in writing in the business ethics manual, and the code of conduct for company directors, the management and employees, not allowing company directors, the management, and employees, to exploit the information or assets belonging to the company, or accorded own position, in such manner seeking unjust gains for own self or for others. In relation to this, the company handed out relevant manuals to company directors, the management, and the employees, to serve as guidelines for their business operations and assignments, while also disseminating those information on company website. Detail had been shown on the Item Supervision of inside information. Furthermore, the company also incorporated above information into company regulations, together with the penalty provision. In 2018, no contravention of such policy by any Company Director, Executive Officer and employee was found.

3. Supervision over the transaction of company securities The Board of

Directors has prescribed measures to oversee securities trading and reporting of interests of directors and executives. The Company forbade the directors, the management, and the employees working in those departments accessible to inside information, to engage in the transaction of company securities, during the period of 1 month before the disclosure of such information to the public. The company distributed said instructions in circular to all concerned parties each quarter, together with the penalties to be imposed in the case of violation or non-compliance with said regulation. In 2018, all the company directors and management members strictly followed accordingly, without engaging in such transactions during said period.

In addition, the Company had set a policy to oversee the interests of the directors and executives by request the report of their and the related parties interests, which related to the operation of the company. In the year 2018, the Company's directors and executives have complied with the prescribed measures.

4. Treatment of conflict of interests

The company treated the issue of conflict of interests with caution and reason, with the company's interests in mind, price setting is on fair trade terms, in the same condition as outsider. The Company laid down operations systems in a transparent manner, deemed as one major policy regarding good governance practice and business ethics for the company. The company controlled the implementation of connected transactions being conducted in the fair market price, in accordance with the normal business, so as to comply with the announcement by The Capital Market Supervisory Board. Before implementing each connected transaction requiring prior approval from The Board of Directors, the item was first proposed to The Audit Committee for endorsement prior to submitting to The Board of Directors for further approval. The directors with possible conflict of interests were not allowed

to take part in the meeting. Afterwards, the company informed said meeting resolution to the shareholders via the news channel of the SET together with the company website. The information included the disclosure of names and relationship of connected parties, pricing policy, transaction value, and other related details, as well as the opinions of The Board of Directors pertaining to such transactions.

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

5. Supervision over assets transaction

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

Section 3 : Role of Stakeholders

The Board of Directors appreciates and respects the rights of all stakeholders. Regard is given to the rights under the law or agreements executed by the Company. As a consequence, a policy has been determined as a guideline for treatment of each stakeholder group. Further regard is also given to communities, society and the environment. This policy aims to achieve sustainable development, combat wrongful and corrupt practices, prevent intellectual infringement, as well as respect human rights.

The Company has prepared a **Code of Business Ethics and Employee Conduct** for Company operations in order to secure confidence that all stakeholders will be protected and treated fairly and equally.

1. Shareholders The Company respects the rights of both major and minority shareholders as required various laws and regulations. All shareholders are treated equally. The Company strives to satisfactorily represent the shareholders in advancing the businesses as well as generating a fair return in accordance with the dividend policies of the Company. In addition, the Company has mechanisms for ensuring the trust of shareholders in obtaining accurate information, controlling connected transactions, and having measures for preventing conflicts of interests. Measures have also been in place to prevent the exploitation of insiders' information for personal benefits, including the use of such information for the trade of the Company's securities, especially in the 1 month period prior to the disclosure of financial statements to the public, which is stipulated in the code of conduct for employees.

The Company invited all shareholders to the annual general meeting. Shareholders were given the right to vote on all agenda. Shareholders also have the right to acquire important information, such as the Company's quarterly operating results, investment disclosures and connected transactions. The Company has disclosed these

data through channels of the Stock Exchange of Thailand and the Company website (www.thanulux.com).

In 2018, the Company paid dividends for 2017 operations and retained earnings at the rate of Baht 0.70 per share, equivalent to a dividend payout 54.02 percent of the net profits of the separate financial statements on May 22nd 2018. This dividend payout exceeds the prescribed dividend policy of Baht 0.20 per share. The payments reflected a continuous payout of dividends to the Company's shareholders, thereby genuinely building long-term wealth to the shareholders.

2. Employees The Company realizes that employees are the most valuable resources and constitute the heart and main driving force of the organization to success. The Company has therefore treated its employees in accordance with good governance principles. Human dignity, human rights and ethics are respected and promotion, support, practice, training and knowledge development of employees are provided comprehensively for employees. Employees are given opportunities to express their potential. They are also encouraged to participate in determining the development and operational directions of the Company. In order to secure career path security, the Company offers fair remuneration for employees as appropriate for the knowledge, skills, responsibilities and performances of each employee.

Moreover, the Company has looked after the working environment by having due regard to the safety of life, health and properties of employees. Security personnel are on duty 24 hours a day. Alarm systems have been installed in buildings. Safety equipment and fire engines have been provided. Basic firefighting training and drills have been held as well as evacuation drills and the use of personal protective equipment. These training and drills were held to promote the employees' understanding of the proper practices according to standard systems on safety and the environment. Various welfare benefits have also been provided for employees to raise the quality of lives and standard of living, e.g.

- a) Together with the Saha group set up **cooperatives for employees**.
- b) Provision of a clinic attended by a medical doctor twice weekly and 2 nurses every day.
- c) Annual medical examination
- d) Employee uniforms
- e) Welfare sale of goods at special prices as sustenance aid for employees
- f) Collaboration with the Government Housing Bank in providing low-interest housing loans
- g) Accommodation for employees assigned to perform tasks in other provinces
- h) Provident fund for future savings
- i) Retirement benefits
- j) Financial assistance in the event of death of an employee, employee's parent and spouse.
- k) Financial assistance in the event of an employee being a victim of fire or a natural disaster, such as flooding or storms.
- l) Cash rewards for employees completing 10, 20, 30, 40 years of employment

In addition, the Company has established a Welfare Committee in order to offer an opportunity for employees to participate in the administration of welfare benefits and to act as a center for the comprehensive distribution of welfare aid to employees, as well as to act as a channel for communications, suggestions or voicing grievances on various matters pertaining to work.

3. Customers The Company operates its businesses by adhering to the principles of loyalty, justice and providing accurate information to customers. Customers' complaints are handled with priority and processed with all due fairness in order to promote an expeditious response to customers' needs as well as to develop products and services which meet the requirements of customers. Constant innovations are undertaken in order to add value to products and services according to the quality accreditation ISO9001 on design and manufacture of garments and leather goods. Customers' trade secrets are also protected. A survey of customer satisfaction on quality, services and delivery of goods for 2018, show that the Company enjoyed a satisfaction approval of more than 85%.

In this regard, the Company has a customer relations center which serves as a central medium for receiving comments and suggestions from customers. The center may be call at 0-2295-0911-9, 0-2295-4171-80

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

5. Business partners The Company has prescribed policies of fair and equitable treatment and responsibilities to business partners, which was based on the appropriate compensation for both parties as follows.

- a) The Company has a system for screening trading partners in the value chain who operate businesses in compliance with the law, safety and occupational hygiene standards and friendliness to the environment.
- b) The confidentiality of secrets or information of trading partners is maintained and not exploited for wrongful gains of oneself or of others.
- c) The Company adheres to trade agreements and makes proper representations of data. In the event that an agreement cannot be complied with, the Company will expeditiously engage in early negotiations with trading partners.
- d) Had criteria according to international standards ISO 9001 for evaluating, selecting, checking and monitoring the performance of business partners.
- e) Relationships, and good understandings are fostered. Knowledge is exchanged. Developments and value adding to goods and services are jointly undertaken to promote mutual growth
- f) The Company does not demand, receive or consent to the receipt of properties or any other benefits outside trading agreements.

In addition, the company had also formulated procurement regulations to serve as a guideline for efficient and ethical business conduct in accordance with good corporate governance.

In 2018, there was no case of non-compliance with the contract with partners.

6. Creditors The Company adhered to operating business with ethics to gain trust from creditors by:

- a) Prescribe policy to treat every creditors with fairness justly.
- b) Espouse responsibility and transparency through strict compliance to contractual terms and conditions.
- c) Present financial statement with accuracy and punctuality.

During 2018, the company paid all creditors in accordance with agreed term, without causing any default.

7. Communities and Society The Company operates business with due regard to impact on communities and society. There is a continual instillation of conscience of responsibility amongst employees. One heading of the social responsibility policy is the importance attached to participation in community development. The Company would consider the needs of communities and participation in the development of community quality of lives. Attitudes and organizational cultures are fostered in order to enable employees to participate in volunteer works and socially beneficial activities with communities.

In 2018, the Company expanded its community and social responsibility activities by holding workshops with communities in the Company's vicinity and holding activities as requested by the communities. A channel was provided for filing complaints relating to the environment and other aspects of the Company which could affect the communities, then did not receive any complaint. The Company's performance earned accreditation under the social responsibility of industrial operator standard (CSR-DIW Continuous) from the Department of Industrial Works, Ministry of Industry. Activities which are beneficial to the communities and society have been disclosed in the Social Responsibility Report.

8. Environment. The Company has recognized responsibility towards environment by prescribing it as one of the company's missions, and also define in the corporate governance policy and business ethics towards. The company conducts business with due concern toward natural resources and the environment. Accordingly, the company paid due attention to ensure that all activities starting from manufacturing were eco-friendly:

- a) Conduct business in compliance with applicable laws, regulations and policies on the environment with due regard for the impact on natural resources and the environment, the performance was reviewed and evaluated regularly.
- b) Organizational culture and consciousness of Employees at all levels shall be promoted to encourage cooperation and responsibility for the efficient and sustainable management of the environment and utilization of resources.
- c) Provide knowledge and training about environmental management.

- d) An Environmental management system shall be promoted, from the economical use of resources to the sustainable treatment and rehabilitation, replacement, monitoring and prevention of impact on natural resources.
- e) Environmentally friendly technology is developed and used whenever possible

Promotion of efficient use of resources

The Company realizes the importance of control on the use of resources for sustainable development. This can be achieved with the cooperation of all personnel in the organization. A value is promoted amongst employees that society advancement requires a balanced development in the economy, quality of life as well as natural resources and environmental conservation.

In 2018, the Company adhered to energy conservation measures, enabling energy consumption reductions of 1.5% from the preceding year. The Company also engendered an organizational culture and built a conscience in all levels of employees to promote cooperation and mutual responsibility in the utilization of resources. Activities were organized to encourage creativity by employees in the creation of value from leftover materials. Moreover, trainings were also held on efficient energy consumption for employees in the production line, as well as numerous other activities such as campaign boards for water conservation and electricity conservation in various locations to remind employees of the need to maintain efficient and sustainable utilization of resources.

Knowledge Building and Training of Employees on the Environment

The Board of Directors has promoted employees' awareness of the importance of the environment. The Company disseminated knowledge on the environment to employees via the internet, information notice board and audio announcements, as well as continually promoted employees' training to build knowledge on the environment.

In 2018, employees participated in environmental training in key issues, e.g. ISO14001:2015 course (environmental management system standard) and CSR-DIW Continuous (a project to promote social responsibilities of industries and sustainable co-existence with communities).

9. Promotion of Activities for Community Development. The Board of Directors has attached importance to community development by continually promoting activities which are beneficial to communities. Detail of the activities had displayed in the operation guidelines for sustainable development → Social Aspect

10. Public Sector The Company undertakes businesses in compliance with the laws and regulations enacted by the State. The company also give the cooperating in providing accurate information according to government requests, pay taxes correctly, completely, in time according to the requirements of the Revenue Tax Law and customs duties law.

11. Participation channels for the stakeholders

The Board of Directors provides channels and procedures for all stakeholder groups to report or file a complaint on any matter which poses a risk of loss to the Company, the accuracy of financial statements or an unfair treatment. Shareholders and other stakeholders may contact

1. Mr. Supachoke Sirichantaradilok, Company Secretary and Investor Relations Officer,
Telephone : 0-2295-0911 ext. 250 , facsimile : 0-2294-5101
Email : supachoke@thanulux.com
2. Mr. Woradej Puengsiricharoen, Vice President Internal Audit Department,
Telephone : 0-2295-0911 ext. 168, facsimile : 0-2294-5101
Email : audit@thanulux.com.

who also reports directly to the Audit Committee and investigation outcomes would be reported to the Board of Directors. Details on informants and complaints will be kept secret.

In 2018, there were no complaints filed by shareholders and stakeholders.

Additional details are provided in “Corporate Social Responsibility Report”.

Treating all stakeholders above, the Company had defined various policies and practices as follows:

Policies and Guidelines Relating to Non-Involvement with Human Rights Infringement.

The Board of Directors attaches importance to fundamental human rights. Business operations are in compliance with laws and human rights principles. There is no discrimination on the basis of gender, race, religion, political rights, Sexual harassment or other factors. The Company also has a policy of not taking any action and not supporting any activity that is in violation of human rights, such as combatting against the use of child labour by not employing any person below the age of 15 as a Company employee. The Company gives the right to employees to file objections and prove one's innocence in the face of an allegation or corrupt practice. Employment is not terminated unfairly. Employees are treated in accordance with the law on labour protection, which includes the firm protection of employees' human rights. Employees are also educated on human rights principles, which would be applied to operations. As well as the company had a policy not to operate business or did not support activities that violate human rights. Throughout the Company's business operations, there has been no history or court proceedings relating to human rights violations (details on compliance with these policies are provided in “Corporate Social Responsibility Report” item “Fair Labor Treatment”).

Policies and Guidelines for Non-Infringement of Intellectual Property and Copyrights.

The Company adhere a policy of operating its business in consistent with laws relating to intellectual property rights, including respecting the intellectual property rights of others and

not involve to intellectual property infringement by imitating or use Intellectual properties without permission. Employees are stimulated to invent innovations to increase the value of goods. Products and work processes are developed to improve efficiency. Innovation contests have been held within the Company continually since 2007, now extending 12 years till present.

The Company has a policy of non-involvement with infringement of copyright and non-use of any trademark without permission of the owner. In case, The Company received any licenses, the Company had strictly complied with the contractual terms and conditions.

There has also been a campaign to prevent employees throughout the organization from using fake products.

In 2018, the Company did not commit any infringement of intellectual property or trademark.

Policy and regulations concerning computer software

- a) Employees are required to use only the software allowed by the Company in order to prevent Intellectual property infringement
- b) In case of using work or any information with all right reserved to outsider of the company, employees need to verify that no intellectual property is violated.
- c) Employees are prohibited from bringing, participating, acknowledging or disseminating any information that violates the law as mentioned on copyright act B.E. 2537 or any related law.

Policies and guidelines on anti-corruption and prohibition of bribery for business benefits

Pursuant to the working philosophy of Dr. Thiem Chokwattana, the founder of Saha Group, there is an emphasis on integrity and justice. The Company has instilled a core value of not promoting actions of employees and Executive Officers which constitute corrupt practices or giving or receiving bribes to obtain benefits for the Company. This value has been stated in the Business Ethics and Employee Code of Conduct.

The Company has implemented the policy of compliance with anti-corruption laws by prohibiting Company Directors, Executive Officers and employees from committing any act or from accepting or supporting any form of corruption, whether directly or indirectly. This prohibition applies to all businesses and all related employees. Anti-Corruption Policy and Anti-corruption procedure can be found under the heading "Anti-Corruption" in the part pertaining to the Social Responsibility Report.

The Company received recognition as a member of Thailand's Private Sector Collective Action Coalition Against Corruption on 14th October 2016, which will be due and need for renew in the third quarter of 2019.

Section 4 : Information Disclosure and Transparency

The Board of Directors oversees that there is proper, transparent and timely disclosure of significant information in accordance with the relevant laws and regulations. These disclosures include reports filed in accordance with accounting periods and reports of events having an impact on shareholders' interests, as well as the disclosure of other information pursuant to the principles of good corporate governance prescribed by the Stock Exchange of Thailand. Disclosure is made to the extent that the Company's legitimate interests are not prejudiced. Information is published in both Thai and English on the Company's website, disclosure channels of the Stock Exchange of Thailand and other channels which are comprehensively and equitably accessible.

The Company has transmitted such information through the information dissemination system of the Stock Exchange of Thailand within the time limit for dissemination to the investors and the general public. Moreover, the Company has added new dissemination channels by publishing the information on the Company's website (www.thanulux.com) in both Thai and English and regularly updating such information.

The information disclosed in the annual reporting form (56-1) and annual report (56-2) include not only financial statements, but also information on various matters which are demonstrative of business transparency, as follows:

1. Good Governance. The Company discloses good governance policies, good governance principles, business ethics and codes of conduct for Company Directors, Executive Officers and employees, as well as report performance results on compliance with such policies on the Company website.

2. Social and Environmental Policies. The Company holds this as an important business policy, and thus prescribes therefor in its good governance policies. Regard shall be given to impact on natural resources and the environment. Details of compliance with such policies may be found under the heading "Social and Environmental Responsibility".

3. Risk Management Policy. The Company has disclosed risk factors affecting businesses, indicating the characteristics of the risks, causes, impact and approaches to preventing or mitigating those risks.

4. Shareholding Structure. The Company has disclosed the list of top 10 shareholders of the Company as at the date of book closing prior to the general meeting of shareholders. This disclosure is made on the Company website (www.thanulux.com)

5. Report of Board of Directors' Responsibility for Financial Statements. The Board of Directors is aware of the significance of Financial Statements that are accurate, complete and in accordance with accounting standards. The disclosure of such information has been audited by an independent auditor and approved by the Audit Committee and Board of Directors prior to dissemination to shareholders. Also, in order to secure confidence, the Board of Directors has prepared a Report of the Board of Directors' Responsibility for the Financial Statements, signed by the Company Chairman and Managing Director, disclosed in

the Annual Report and Form 56-1 together with the Auditor's Report. In 2017, the Company's Financial Statements were approved unconditionally by the auditor. The Financial Statements have been submitted to the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission in a timely manner. No instructions were given to amend the Company's Financial Statements.

6. Performance of the Board of Directors and Company Committees.

The roles and duties of the Board of Directors and Company Committees have been disclosed, along with the number of meetings, attendance of each Company Director in meetings during the past year, under the heading "Management Structure" and "Governance" in the part pertaining to the Board of Directors and Company Committees.

7. Securities Holding of Directors and Executive Officers. The Company has disclosed shareholdings and changes in shareholdings in the Company during the year of Directors and Executive Officers, directly and indirectly, in the Annual Report. Details can be found under the heading "Management Corporate Governance → Shareholder" in the part pertaining to Report of Shareholdings of Directors and Executive Officers in Thanulux Public Company Limited as of February 15th 2019"

8. Remuneration of directors and executives. A disclosure of the policy on remuneration payments to directors and executives, including the forms, types and amount of remuneration received by director and sub-committees, these details have been disclosed in Form 56-1 and in the annual report under the heading on management structure, sub heading "Remuneration of directors and executive officers" .

9. Report of Directors' Interests Policy. The Board of Directors has prescribed a policy for Company Directors and Executive Officers to report to the Company every occasion which gives rise to a personal interest or the interest of a connected person. In 2018, the Company Directors and Executive Officers have strictly complied with the policy. In addition, during the meeting of the Board of Directors, an interested Director could not participate in deliberations on an important agenda, and the Company has disclosed the interests of such Company Directors and Executive Officers in the notice of resolution submit to the Stock Exchange of Thailand information system.

10. Development of Directors and Executive Officers. The Company has disclosed information on training and development of Directors and Executive Officers. Details can be found under the heading "Personal Details of Company Directors, Executives, Controller and Company Secretary" and "Governance" in the part pertaining to compliance with good governance principles in other areas (Section 5 Responsibilities of the Board of Directors, Article 5.7).

11. Connected Transactions. The Company has complied with the rules of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand. There are clear, prudent and reasonable guidelines for the greatest benefit of the Company and shareholders. Details of such transactions are disclosed, with specifications of contractual parties, relationships, characteristics of transaction, price terms and value of transaction, to the Stock Exchange of Thailand, published on the Company website and

summarized in the Annual Disclosure Report (Form 56-1) and Annual Report (Form 56-2) under the heading “Connected Transactions”.

12. Quarterly Performance Reports. The Company has published quarterly performance reports on the Stock Exchange of Thailand and Company websites. In the event of a change in net earnings in the same quarter on a year-on-year basis by more than twenty percent, the Company would provide an additional explanation for the performance.

13. Whistle Blowing. The Company has prescribed a policy and measures for the protection of employees or whistle blowers in the Code of Conduct of Company Directors, Executive Officers and Employees. Details can be found under the heading “Anti-Corruption on Social Responsibility Report.

14. Investor relations. The company has stressed the importance of disclosing transparent and comprehensive information. Various news have been disseminated to investors and related persons in a timely manner and on an equal basis through channels and media of the Stock Exchange of Thailand, and via the Company’s website at www.thanulux.com. In addition, the Company has designated a person who can provide information and news as required by investors or related persons.

Mr. Supachoke Sirichantaradilok, Company secretary and Investor relations

Telephone No. 0-2295-0911 ext. 250, facsimile No. 0-2294-5101

Email at supachoke@thanulux.com.



In 2018, the Company and companies in the Saha Group, comprising a total of 13 companies, in collaboration with the Stock Exchange of Thailand, held the “10th Analysts and Investors Meet Saha Group” event, on June 29th 2018 at Bi-tech Convention Center within the 22nd Saha Group Fair to give analysts and investors opportunity to acknowledge significant development of the company. In addition, Saha Group jointly prepared a summary fact book of the Saha Group. The fact books were distributed to analysts and investors attending the event. Interested persons who did not attend the event may watch a video recording of the event through channels of the Stock Exchange of Thailand and the Company website.

Section 5 : Responsibilities of The Board of Directors

The Board of Directors plays an important role in governing the Company to ensure efficient operations. These duties must be performed responsibly, prudently, honestly, and must utilize knowledge and competencies in the determination of the Company vision and mission statement with a view to securing sustained growth. In addition, there must be oversight of Executive Officers and employees to ensure compliance with guidelines in order to achieve the set objectives, as follows:

1. The Board of Directors has prescribed a structure for the Board of Directors comprising of persons having a diverse range of knowledge, competencies and experiences, without limitation to gender, and having the qualifications required by law. At least one Company Director is a Non-Executive Director who has experience in the Company's business undertaking. There are also Independent Directors as required under the Notification of the Office of the Securities and Exchange Commission.

2. The Board of Directors has provided a definition for an Independent Director which meets the minimum requirements of the Office of the Securities and Exchange Commission.

3. The Board of Directors has appointed Committees to screen key matters prior to submission to the Board of Directors.

4. The Board of Directors has issued a charter for each Company Committee by prescribing the tenure and scope of powers and duties to clearly demarcate the roles, duties and responsibilities of each Company Committee and the management.

5. The Board of Directors has a policy which requires Company Directors and Executives holding directorial positions in other companies to make a disclosure to the Company Chairman and Chairman of the Audit Committee.

6. The Board of Directors has provided for a Company Secretary to perform duties prescribed by law and as entrusted. The qualifications of a Company Secretary should be a person possessing knowledge of law or accounting, or who has completed training relating to the performance of company secretarial duties. Continual training and knowledge development are also continually provided.

7. The Board of Directors has prescribed policies for governance, business ethics and codes of conduct for Company Directors, Executives and employees to ensure a harmonized approach.

8. The Board of Directors has prescribed a Company vision and mission so that the Company Directors, Executives and employees would strive towards the same goal.

9. The Board of Directors has a policy of continually promoting and sponsoring the development of knowledge amongst Company Directors, Executives and employees.

10. The Board of Directors prescribes an annual meeting schedule in advance every year. The determination of agenda takes into account the fair interests of shareholders and all stakeholders. All Company Directors enjoy independence in the expression of opinions. A Company Director having an interest in an agenda shall not have the right to vote in such agenda.

11. The Board of Directors prescribes a duty for Company Directors to attend all Board Meetings unless there is a necessary cause.

12. The Board of Directors has a policy of encouraging senior Executives to attend Board Meetings.

13. The Board of Directors provides Non-Executive Directors with opportunities to meet among themselves in the absence of the management when necessary. The Managing Director shall be notified of the meeting outcome.

14. The Board of Directors has a policy of promoting the Company Directors' access to essential additional information from the Managing Director, Company Secretary or other assigned Executives within the scope of the set policies. In the event of necessity, the Board of Directors may obtain independent opinions from advisors or external professionals on the Company's expenses.

15. The Board of Directors has implemented measures pertaining to conflicts of interest which are prudent, rational and in compliance with the rules and regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

16. The Board of Directors prohibits Company Directors and Executives from trading in Company shares in the 1-month period prior to the public disclosure of financial statements.

17. The Board of Directors has directed Company Directors and Executives as well as their spouses and children who have not attained legal age to have the duty to disclose shares holdings and changes in holdings of the Company shares to the Office of the Securities and Exchange Commission, and to submit a copy to the Company Secretary for reporting to the Board of Directors in the subsequent Board Meeting.

18. The Board of Directors has directed Company Directors and Executives to disclose personal interests and interests of connected persons in accordance with the prescribed rules.

19. The Board of Directors has established an internal audit unit as an internal agency accountable to the Audit Committee.

20. The Board of Directors requires an annual assessment of the Board of Directors' performance.

21. The Board of Directors prepares a report on the responsibilities of the Board of Directors pertaining to the financial statements submitted in the Annual Report.

22. The Board of Directors oversees and determines the payment of appropriate remuneration to each committee member pursuant to the powers, duties and responsibilities and draws comparison to the operation levels in the same business sector.

23. The Board of Directors has prescribed a succession plan for employees in various positions in view of their advancement to higher positions.

24. The Board of Directors provides an orientation for first term Company Directors.

25. The Board of Directors has established an internal control system and risk management system.

26. The Board of Directors has provided for the monitoring and assessment of corporate governance by establishing a corporate governance committee.

1. Board and Committee Structures The Board of Directors, Company Committees, and Executive Officers perform assigned tasks.

a) Composition of the Board of Directors. The Company Articles provide that there shall be no fewer than five Directors. At least half of the Directors must reside in the Kingdom. In 2018, there were 8 Company Directors possessing knowledge, expertise and experience in a variety of fields, namely accounting, finance, management, marketing, law and textiles. The Board of Directors consisted of:

Executive Directors 4 persons

Non-Executive Directors 4 persons (including 3 Independent Directors)

Hence, Independent Directors comprise more than the one-third required by law.

b) Qualifications of Independent Directors. All Independent Directors possess all qualifications for Independent Directors pursuant to the rules prescribed by the Company in the definition of "Independent Director". This definition is consistent with the Notification of the Capital Market Supervisory Board. Independent Directors and connected persons do not hold any shares in the Company, parent company, subsidiary company, associated company, major shareholder or controller of the Company. No Independent Director holds a director position in more than 5 listed companies.

c) Recruitment Process. The Board of Directors appointed a Nominating Committee to oversee the recruitment of Directors in a transparent manner (details are provided under the heading "Governance" in the part pertaining to the recruitment of Directors and Executive Officers.)

d) Term of Directors. The Board of Directors is appointed by the meeting of shareholders. Each Director remains in office for a term prescribed by the Company Articles. Upon the expiration of term, a Director may be re-elected for another term in office.

e) Number of Companies in which Directors Hold Positions. The Company has disclosed details on offices of each Director held in other companies under the heading "Personal Details of Company Directors, Executives, Controller and Company Secretary". The Company does not impose a limit on the number of companies in which Directors are allowed to hold positions since past performances of all Company Directors have shown that they are able to attend meetings regularly and have applied knowledge, competence and full devotion of their time to the management of the Company without any flaws.

f) Separation of Chairman and Managing Director Positions. The Company has clearly delineated the duties of the Chairman and the Managing Director in order to separate their respective management functions. This separation enables independence and checks, creating a balance in exercise of powers. The Company also clearly prescribes the scope of functions of each Company Committee and the

management in Board of Directors Directives which are open for inspection so as to ensure transparency of management.

g) Company Secretary. The Company has appointed Mr. Supachoke Sirichantaradilok as a Company Secretary to perform duties and assume responsibilities as provided by law and by the Company (details are stated under the heading “Management Structure”, Article 3 Company Secretary).

2. Company Committees. The Board of Directors has appointed Company Committees to assist in responsibilities in each area in order to secure shareholder confidence that Company operations are transparent, prudent, screened, reviewed and duly advised. The scope of functions and responsibilities of each Company Committee has been clearly prescribed (further details have been provided under the heading “Governance” in the part pertaining to Company Directors and Committees and “Management Structure” in the part pertaining to the Board of Directors).

3. Roles, duties and responsibilities of the Board of Directors.

a) Leadership and Vision The Board of Directors consists of persons having diverse knowledge, competency and expertise as well as specializations in areas beneficial to the company. The Board would grant its approval to visions, tasks, strategies and authorize important issues pertaining to policies, strategies, plans and annual targets for the executive, as well as oversee that the administration carried out by the management is effective and consistent with the policies and prescribed business plans.

The Board of Directors determines the vision and mission of the Company, and also gives approval to the strategy, target work plans and annual budget of the Company proposed by the management. A resolution of Board of Directors meeting no. 7/2018 on December 18th 2018 has approved the Medium term strategy, short term strategy and operation plan for 2019. The Board of Director also provides mechanisms for the supervision, monitoring and assessment of management performance to ensure consistency with targets and guidelines. This ensures value adding and prosperity of the Company and shareholders. At the same time, regard is given to all stakeholders.

b) Good Corporate Governance The Board of Directors appreciates the significance of good corporate governance. In this connection, good corporate governance principles have been issued in writing, consisting of 4 parts, namely, corporate governance policies, corporate governance principles, business ethics and codes of conduct for Company Directors, Executive officers and employees. It was published In 3 languages: Thai, English, and Japanese. Board of Directors had a policy to evaluate and review ethical corporate governance code annually. The code was promoted through corporate website as well as a printed handout distributed to every personnel. All employees were required to strictly follow the code. Moreover, the idea of ethical corporate governance was portrayed by animation and presented to employees regularly in order to raise awareness of ethics in work place. As for the new joiner, the company also included ethical corporate governance code as one of the lesson during the orientation.

Board of Directors appointed ethical governance committee to encourage and promote ethical corporate governance code to directors, executives, and employees. The supervisors were required to ensure their team members strictly follow the code. The aim was to improve company administration with transparent business conduct. The employees who do not follow will receive penalty or will be persecuted if they violated the law. (Further detail of ethical corporate governance code can be found in company's website)

c) Management of Conflicts of Interests The Board of Directors attaches significance to the scrutiny of transactions which could potentially lead to a conflict of interests. This is to be carried out prudently, honestly and in good faith. Thus, policies relating to conflicts of interests have been prescribed as part of the corporate governance policies and business ethics. Further details are available on the Company website (www.thanulux.com). The Company disclosed details of transactions with potential conflicts of interests under the heading "Connected Transactions".

d) Supervision of Control Systems and Internal Audit The Company has attached significance to internal control systems in regard to administration, finance, operations and supervision. An internal audit unit performs the duties of auditing various operational systems, including computing systems. The unit also gives advice to ensure effective compliance with guidelines, independence, full accountability and checks and balances. The unit reports directly to the Audit Committee and hold regular meetings with the Audit Committee to exchange views pertaining to audit and audit results. The Audit committee will present the report as well as notice and suggestion to board of Directors every quarters.

During board of Directors meeting 1/2018 on February 19th, 2018, the board had reviewed the internal control report of the company and affiliates in 5 aspects including control environment, risk management, control activities, information and communication, and monitoring and evaluations. The board approved it reasonable and effective

e) Risk Management Board of Directors attached importance of the risks management that had an effect on the objective of the Company. Therefore, procedures of risk management were developed systematically and conformed with corporate policies. The Board also appointed a Risk Management Committee to determine work plans and clear procedures for risk management. The Risk Management Committee classifies risks, causes of risks, including assessments of opportunities and threats, in order to formulate a risk management plan. The objective is to minimize or eliminate certain risks under systematic and continual supervision that is most effective, as well as to monitor and assess the management of each risk factor to within acceptable levels. Parameters have been set for the Committee to undertake reviews, monitors and provide advice on risk headings, as well as approaches for remedying and preventing those risks in a continual and systematic manner. A report is submitted to the Board of Directors every quarter to ensure achievement of the objectives of risk management which encompass the entire Company (details of risk management in each aspect of the Company are stated under the heading "Risk Factors").

4. Board of Directors Meetings The Company determines the dates and times of meetings for the entire year, scheduling at least one meeting each quarter, except in the event of a special agenda where additional meetings may be called as necessary. In each meeting, the Company Secretary would send notices of the meeting together with the meeting agenda and supporting documents at least 7 days in advance in order to enable the directors to sufficiently consider and study those documents prior to attending the meeting.

The Board of Directors has given importance to the attendance of meetings and upholds as a duty to attend all Board of Directors meetings in order to acknowledge and participate in the decisions of the Company. In the fourth quarter of each year, the Board of Directors would invite senior executives to attend the Board of Directors meeting in order to directly provide additional information and details on the standings of problems, as well as to propose operational plans, strategies and targets for annual operations.

In every meeting, the Chairman would give an opportunity to all directors to debate and express opinions independently. A director who had an interest in the matter considered would not attend the meeting and have no right to vote. At the end of the meeting, the Company Secretary, as a recorder of the meeting, would prepare the meeting minutes and send the minutes to the Chairman within 7 days for consideration and signature as verification. In any event, directors are able to express opinions, request amendments or additions to the minutes for greater accuracy.

Minutes that have been approved by the meeting and signed by the Chairman would be archived systematically at the Company office in order to enable searches, references and inspections by the Board of Directors and related persons.

In 2018, 7 Board Meetings were held. The attendance of each director has already been stated in form 56-1 and the Annual Report.

5. Assessment of the Board of Directors. The Board of Directors appreciates the significance of its roles, duties and responsibilities towards the performance of functions for the best interest of the Company and all stakeholders. Therefore, there is an annual assessment of the Board of Directors as a whole and **individual**.

In 2018, the Company Secretary had sent evaluation forms to all Directors. Each Director enjoys independence in filling the evaluation forms. Upon completion, the forms were returned to the Company Secretary for processing and reporting to the Board of Directors in the Board Meeting.

The annual collective evaluation of the Board of Directors may be divided into 3 aspects, namely:

- (1) Role, duty and responsibility of the Board of Directors
- (2) Independence of the Company Director
- (3) Relationship with management and stakeholders

In 2018, the evaluation result achieved the “very good” grade with an average score of 82.24%.

Individual evaluations for each Company Director are divided into 3 aspects, namely:

- (1) roles, duties and responsibilities of the Company Director;
- (2) Duty fulfillment of the Company Director;
- (3) self-development of the Company Director.

In 2018, the evaluation result achieved the “very good” grade with an average score of 86.09%.

Evaluation of the Committee for the year 2018

- a) **Audit Committee** the evaluation result achieved the “very good” grade with an average score of 89.67%
- b) **Nominating Committee** the evaluation result achieved the “very good” grade with an average score of 77.50%
- c) **Remuneration Committee** the evaluation result achieved the “very good” grade with an average score of 81.78%
- d) **Risk Management Committee** the evaluation result achieved the “very good” grade with an average score of 78.26%
- e) **Governance Committee** the evaluation result achieved the “very good” grade with an average score of 86.67%
- f) **Executive Committee** the evaluation result achieved the “very good” grade with an average score of 79.79%

Annual Evaluation of the Managing Director

The Board of Directors requested the Chairman of the Executive Committee to evaluate the performance of the Managing Director on an annual basis. The result is used to determine remuneration, based on the following factors:

- (1) vision and business strategy;
- (2) leadership, teamwork and succession plan;
- (3) analytic skills and creativity;
- (4) commitment to efficiency and success;
- (5) flexibility and adaptability;
- (6) integrity and loyalty to the organization.

The evaluation result is confidential personal data which cannot be disclosed.

6. Remunerations. The Remunerations Committee would consider the appropriate remunerations limit and make a proposal to the Board of Directors for consideration before submission to the meeting of shareholders for approval of the remunerations limit.

The 44th General Meeting of Shareholders for 2018 on Tuesday, April 24th 2018 approved the remunerations limit for Company Directors at Baht 10.0 million per year. Meeting allowances were paid at the rate approved by the meeting of shareholders.

Annual fees were paid to all Directors, the Remunerations Committee was tasked with the allocation of those fees and sent to Board of Director for Approval.

Remunerations of Executive Officers are in accordance with Company policies. Regard is given to the Company's performance and the individual performance of each Executive Officer. In all events, the remunerations of Directors and Executive Officers in 2018 have been disclosed by the Company in Form 56-1 and the Annual Report under the heading "Remunerations of Directors and Executive Officers."

7. Development of Directors and Executive Officers. The Company attaches importance and promotes opportunities for increasing knowledge of all Directors and Executive Officers. Thus, the Company sponsors the enrollment of all Directors in courses which would be beneficial to the performance of Director duties. Directors have participated in courses organized by the Thai Institute of Directors (IOD), i.e. Director Accreditation Program (DAP) and Director Certification Program (DCP), at least one of which is required by the SEC for directors of listed companies. Apart from the requisite courses, the Board of Directors also attaches significance to participation in other courses of the Thai Institute of Directors, e.g. Audit Committee Program (ACP), Understanding the Fundamental of Financial Statements (UFS) and Finance for Non-Finance Director (FND), and the Role of Chairman (RCM) or courses of other organization. These training would enhance their competence as professional leaders with proper understanding of their roles and duties and enable them to advance the organization to good governance. Furthermore, there are shorter seminars beneficial to the performance of duties by the Board of Directors, including other courses to be organized by IOD in the future.

Details of participation in training on Director roles of each Director have been disclosed in the Annual Report and Form 56-1 under the heading "Personal Details of Company Directors, Executives, Controller and Company Secretary".

Seminars attended by Directors

Name list	Training Course Name - Seminar
Ms. Dusadee Soontrontumrong	<ul style="list-style-type: none"> ● Big Data_The Consumer Goods Forum ● Sustainable growth in the era of information based on understanding of accounting and taxation related to the Saha Group business. ● Anti Corruption
Mr. Supotch Pakaworawuth	<ul style="list-style-type: none"> ● Anti Corruption
Ms. Marin Leelanuwatana	<ul style="list-style-type: none"> ● Digital Marketing

Orientation for New Directors

The Company organized an orientation for new Directors in order to inform them of the Company's business policies, as well as relevant information, e.g. the Company's principal businesses, performance, organizational structure and shareholders, for the benefit of performing duties of new Directors. In addition, a "Handbook for Directors of Listed Companies" are also distributed to all Directors, containing the following details:

- a) Summary of comparison between the Company Articles, Securities and Exchange Act and Public Companies Act.
- b) Charters of the Board of Directors and Company Committees.
- c) Governance Policies

8. Succession Plan The Company has a policy of continually developing its personnel in order to strengthen the organization. The aim is to provide drive and opportunity for self-development and the full realization of potentials. In this regard, the company has organized a scheme for developing high-potential personnel through the nominating, analysis and assessment of competencies in order to devise an individual development plan. This scheme prepares the personnel for executive positions where they will continue to drive the organization in the future. Moreover, the Company grants educational scholarships to employees at bachelor's degree and master's degree levels for domestic and overseas studies. The aim is to enable employees to obtain knowledge that would be beneficial to the performance of work. The Company also promotes study visits within and outside of the country.

Furthermore, the Board of Directors appreciates the importance of building executives to succeed the chief executive positions. The following principles are pursued:

- a) A description of the chief executive positions, relevance to targets and strategies of the organization, as well as a specification of the qualifications, knowledge and skills required.
- b) Nominating of executive officers who possess competence and abilities.
- c) Analysis of individual qualifications in order to identify strengths and areas in need of further development.
- d) Constructing an individual development plan to promote development of competence and potentials.

From the importance attached and the continual development of good governance of Company Directors, Executive Officers and Company Employees. In 2018, the Company received a "very good" governance rating for listed companies from the Thai Institute of Directors, sponsored by the SEC and the Stock Exchange of Thailand.

As for good governance principles which the Securities and Exchange Commission plans to promulgate, the Company is in the process of undertaking studies for implementation.

Compliance with Corporate Governance Code 2017

Resolution of The Board of Directors No.7 /2018 on December 18th,2018 had approved the draft of Good Corporate Governance Principles, 2nd Edition, for the purpose to be comply with good corporate governance principles for listed companies 2017 (CG Code) and determined the process of reviewing the CG Code once a year for being appropriated for the business operation.

Internal Control System

The Company establishes the internal control system according to the integrated control framework of COSO 2013 issued by The Committee Sponsoring Organizations of the Treadway Commission, consisting of 5 elements, 17 principles. This system aims to increase efficiency, effectiveness and saving in operations. Financial reporting, accounting and other reports are accuracy, reliable and timely, as well as strict compliance with laws, regulations and relevant enactments applicable to the business operations. The company requires the Internal Audit Office to evaluate the internal control system of the company according to the assessment form of the Office of the Securities and Exchange Commission, including a control self-assessment (CSA) system.

During 2018 The Board of Directors and Audit Committee are of the opinion that the Company and subsidiaries had appropriate, sufficient and effective internal control systems.

Connected Transactions

In 2018, the Company executed accounting transactions with subsidiaries and connected companies, i.e. companies sharing common groups of shareholders or common directors, as stated in note 5.1 of the financial statements. The notes provide details on the connections of connected companies, policies for determining prices for connected transactions and the connected transactions, as follows:

1. Connected revenues and expenditures for the year ending 31st December 2018, e.g. sales revenue, dividends received, other revenues, goods and raw materials purchases, sales and administration expenses and purchases of fixed assets (please refer to note 5.2 of the financial statements).
2. Connected assets and liabilities as at 31st December 2018, e.g. accounts receivable, short-term loans, outstanding receipts, investments, accounts payable and outstanding expenditures (please refer to note 5.3 of the financial statements).

Connected Transactions as Defined by the Stock Exchange of Thailand

Transactions between the company or its subsidiaries and connected person that were executed in 2018 are stated below:

1. Ordinary and Usual Course of Business

The Board of Directors in meeting no.6/2017 held on 9th November 2017 adopted a resolution which granted authorization for the execution of certain types of transactions with 20 connected persons in respect of the Company's ordinary and usual course of business which occurred or was expected to occur in the year 2018. These transactions were aimed at mutual promotion and business development and enhancement of competitiveness for the benefit of the Company. The prices and other related conditions were reasonable. Details of the transactions are set out below.

No.	Connected Person	Nature of Relationship
1	Ramasorn Thaveekarn Company Limited	Major shareholder
2	Saha Pathana Inter-Holding Public Company Limited	Major shareholder
3	Thai Wacoal Public Company Limited	SPI is a co-major shareholder
4	I.C.C. Internation Public Company Limited	SPI is a co-major shareholder
5	PTK Multi-Service Company Limited	SPI acting as Co-Major shareholder (Indirectly
6	Pitakkij Security Guard Company Limited	shareholding through Pitakkij Co., Ltd.)
7	World Saha Fashion Company Limited	SPI is a co-major shareholder
8	T-Chamber Company Limited	RST is a co-major shareholder
9	Wise Winner Company Limited	RST is a co-major shareholder
10	Thai Monster Company Limited	SPI and RST are co-major shareholders
11	Saha Pathanapibul Public Company Limited	SPI and ICC are co-major shareholders
12	Thai Gunze Company Limited	SPI and ICC are co-major shareholders
13	Thai Secom Pitakkij Company Limited	SPI and ICC are co-major shareholders
14	Thai Takaya Company Limited	SPI and ICC are co-major shareholders
15	Morgan De Toi (Thailand) Company Limited	SPI and ICC are co-major shareholders
16	Thai Itokin Company Limited	SPI and ICC are co-major shareholders

No.	Connected Person	Nature of Relationship
17	SSDC (Tigertex) Company Limited	SPI and ICC are co-major shareholders
18	Erawan Textile Company Limited	SPI and ICC are co-major shareholders
19	Total Way Image Company Limited	SPI, ICC and RST are co-major shareholders
20	International Leather Fashion Corporation Limited	SPI, ICC and RST are co-major shareholders

Note: SPI = Saha Pathana Inter-Holding Public Company Limited

ICC = I.C.C. International Public Company Limited

RST = Ramasorn Thaveekarn Company Limited

General Characteristics of Transactions :

Transaction	Revenue/ Expenditure	Example of Transaction	Approved Limit (Million Baht)	Actual Transaction in 2018 (Million Baht)
Support of Ordinary and Usual Course of Business	Revenue Expenditure	Transactions occurred from normal business support activities	8.00 2.00	2.90 0.60
Short-term Lease of Immovable Property Not Exceeding 3 Years	Revenue Expenditure	- Rent of Immovable Property - Rent of Immovable Property	30.00 1.00	12.26 0.90
Transaction Related to Assets or Services	Revenue Expenditure	- data processing services	5.00	1.47
Financial Assistance		- Loans - Guarantees	99.00	49.00

Rules for Determining Returns :

1. Rental Income Based on location, condition and assets utilization.
2. Data Processing service Calculated on cost plus reasonable compensation
3. Consultancy Fee Calculated from cost plus reasonable remuneration depending on complexities and scope of services.
4. Lending interest Calculated from average deposit interest rates of 5 major commercial banks plus reasonable defined rate.
5. Guarantee fee Reasonable fee

Interested Directors

left the meetings room and did not cast votes, namely

1. Mrs. Varindr Leelanuwatana
2. Mr. Supotch Pakaworawuth
3. Miss Dusadee Soontrontumrong
4. Mr. Thammarat Chokwatana

Size of transaction

The above transactions executed between the Company and connected companies constituted connected transactions under the Notification of the Board of Governors of the Stock Exchange of Thailand.

Class 2: regular business support

Class 3: short-term lease of immovable property

Class 4: transaction related to a property or service

Class 5: financial assistance

Pursuant to the Notification of the Board of Governors of the Stock Exchange of Thailand on Disclosure of Information and Practices of Listed Companies in Connected Transactions B.E. 2546 (2003), disclosure is required for classes 2, 3 and 4 transactions with values of over 1 million Baht but not exceeding 20 million Baht, or over 0.03% but not exceeding 3% of NTA, whichever is the greater value, and class 5 transactions with a value of less than 3% of NTA or 100 million Baht (minimum value). The Company was not required to seek approval of the shareholders' meeting, but approval of the Board of Directors and disclosure of information to the Stock Exchange of Thailand were required.

Opinions by director significantly different from those by the Board of Directors - none -

2. Transaction to sell ordinary shares of President Bakery Public Company Limited

The Board of Directors meeting No.5/2018 held on October 11st, 2018 has considered and approved the transaction to sell ordinary shares of President Bakery Public Company Limited ("PB") for 1,000,000 Shares, at 61.16 Baht per share, for the total amount of Baht 61,160,000 to Thai President Foods Public Company Limited who is a connected party to the company, according to the details as follows:

Connected Persons

The Company and Thai President Foods Public Company Limited as a co-major shareholder of both companies, with the details as follows:

Major Shareholder	Shareholding ratio	
	Thanulux PLC.	Thai President Foods PLC.
Saha Pathana Inter Holding Public Company Limited	23.52%	25.07%

Interested directors: - none -

Opinions by director significantly different from those by the Board of Directors - none -

3. Transaction to sell ordinary shares of Waseda Education (Thailand) Company Limited

The Board of Directors meeting No.7/2018 held on December 18th 2018 has considered and cordially approved the transaction to sell ordinary shares of Waseda Education (Thailand) Company Limited ("WASEDA") for 4,464 Shares, at 320 Baht per share (Book value at October 31, 2018, at 319.45 Baht per share), for the total amount of Baht 1,428,480 to Mr. Boonsithi Chokwatana according to the details as follows:

Connected Persons

Mr. Boonsithi Chokwatana is the Father of Mr. Thamarat Chokwatana Company's Director.

Interested directors Mr. Thamarat Chokwatana, left the meetings and did not cast votes.

Opinions by director significantly different from those by the Board of Directors - none -

Measures or Procedures for Approving Connected Transactions

1. **Transactions** in the ordinary and usual course of business between the Company or its subsidiary and a Director, executive officer or related person are executed under general commercial terms as would have been done by a reasonable person under similar circumstances. These agreements are negotiated at arm's length without any undue influence exerted by virtue of the status of a Director, executive officer or related person pursuant to section 89/12 of the Securities and Exchange Act (No. 4) B.E. 2551 (2008). The Management seeks the approval of the Board of Directors' Meeting on a yearly basis in the first Board of Directors' Meeting following the Annual General Meeting of Shareholders, to inform the new Board of Directors of such matter. As regards other transactions that are not executed under general commercial terms, done in the ordinary and usual course of business of the Company or subsidiaries with connected persons, the Management seeks the approval of the Board of Directors' Meeting on a regular basis in the 4th quarter of each year. In addition, the Management reports the transactions executed under the aforesaid conditions to the Board of Directors' Meeting every quarter.

2. Connected transactions which are not executed in the ordinary and usual course of business must be approved by the Company Executive Committee first. If the size of the transaction is within the Executive Committee's authority, the process would be concluded at this stage. However, if the size of the transaction exceeds the authority of the Executive Committee, the Executive Committee would submit a summary of the meeting's resolution to the Audit Committee for an opinion before submission to the Board of Directors for approval if the matter is within its authority. If the connected transaction has a value which exceeds the authority of the Board of Directors, the matter would be submitted to the shareholders' meeting for approval pursuant to regulations of the Stock Exchange of Thailand. At any stage of the deliberations, an interested person shall not be present at the meeting and shall not cast a vote.

Rules for Consideration

1. Regard shall be given to the present and future benefits to the Company and Group, e.g.

- Returns on investment, e.g. interests and dividends
- Company's business opportunities

2. Security which should be received by the Company in connection with the transaction

3. Standing of the relevant company as well as managerial competency

Policies and Trends for Future Connected Transactions

The Company, as a public limited company, is aware of its responsibilities towards shareholders, employees and all stakeholders under the principles of good corporate governance. Connected transactions are only executed as necessary. Any increase or decrease will depend on economic conditions. In any event, there will be full compliance with the rules stated in all Notifications of the Stock Exchange of Thailand on "Rules Governing Connected Transactions."

The Board of Directors' Responsibility Report towards Financial Statements

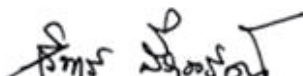
The Board of Directors duly recognized their obligations and responsibilities in their status as the directors of SET listed company, with regard to the compilation of financial statements for Thanulux Public Company Limited and its subsidiary companies. Said financial statements were prepared in accordance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

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

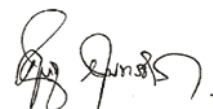
At the same time, The Board of Directors had exercised efforts to promote good governance practice, and to establish risk management system and internal control system in an efficient and effective manner. These practices were intended to ensure that the recording of accounting information was carried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

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

Accordingly, The Board of Directors concluded that, the good corporate governance practice, the risk management system, as well as the internal control system already in place at the company, were well adequate and sufficient, reasonably providing sufficient confidence to all the concerned parties that, the financial statements of the company and its subsidiaries ending December 31, 2018, were prepared and presented in substantial context, in an accurate and reliable manner.



(Mrs. Varindr Leelanuwatana)
Chairman



(Miss Dusadee Soontrontumrong)
Chairman of the Executive Officer

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS AND THE BOARD OF DIRECTORS THANULUX PUBLIC COMPANY LIMITED

Opinion

I have audited the accompanying consolidated financial statements of Thanulux Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as of 31 December 2018, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Thanulux Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Thanulux Public Company Limited and its subsidiaries and of Thanulux Public Company Limited as of 31 December 2018, their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

1. Related Party Transactions

The Company has a commercial agreement with a related company (having co-director/shareholder with the Company) to manufacture and distribute the Company's

products in several department stores and other channels. The agreement stipulates that the related company may have goods return within specified period after the sales date.

For the year ended 31 December 2018, the Company has sales transactions with the related company in the amount of Baht 831.51 million, approximately 47 per cent of the Group's total sales. Total goods return is reflected in the consolidated and separate statements of comprehensive income for the year ended 31 December 2018 in the amount of Baht 15.95 million. The management also made an estimate for the provision of goods return of Baht 19.70 million as reflected in the consolidated and separate statement of financial position as of 31 December 2018.

We considered the related party transaction matter a key audit matter because generally transactions with related companies contain management overriding control risk which may affect sales transaction not in ordinary course of business. This matter also requires the use of judgment by management to estimate the allowance for goods return.

Therefore, our audit procedures included the review of the policies and compliance of the control relating to sales recognition with the related party when goods were delivered to department stores and pricing policy under the agreed-upon structure. We also reviewed the sales transactions with other related parties whether they represents the same arrangement as well as compared the prices charged to the related company to those charged to third parties. We found that related party transactions are in ordinary cause of business.

Furthermore, we also reviewed key assumptions used by management to estimate the allowance for goods return whether they are appropriate by testing the reliability of goods return report such as calculation of historical goods return data and gross profit margin ratio. We then compared such information to the actual goods returned outcomes. We also assessed and challenged management assumptions in connection with the decrease of the rate of goods return as a result of more efficient store management and decreasing rates of goods return in the past years.

2. Net Realizable Value of Inventories

The Group's inventories as of 31 December 2018 included garments and leather goods in fashionable product group shown in the consolidated and separate financial statements amounting to Baht 342.49 million and Baht 287.65 million, respectively. The Group has a devaluation policy during the year to reduce inventory costs as soon as there is a potential indication, such as product ages, inventory conditions and goods returned, etc. Such policy requires management to use judgment for the product obsolescence and the likely sales prices.

We considered the net realizable value of inventory a key audit matter because of the significant inventory value to the financial statements, the probability that the inventories would be obsolete or out of fashion, and significant use of judgment by the management for the stock devaluation policies.

Our audit included the review the policy and compliance of price reduction policies, including frequencies of inventory devaluation, identification of potentially devalued stock, such as stock ages, number of events which the items were displayed under sales promotion events, product conditions, devalued amount and the situation when it is necessary to devalue more than once, and assessed if they were appropriate to the circumstances. We also reviewed sales documents of the devalued stocks during the year till the date of this report and noted that the sales of the devalued inventories are at the price higher the devalued cost.

Furthermore, we also reviewed the calculation of lower of inventory cost and net realizable value, including the major assumptions used by the management consisting of sales prices and selling expenses.

3. Impairment of investments in subsidiary companies, investments in associate company, and general investments

As discussed in Notes to the financial statements no. 12 of the separate financial statements, as of 31 December 2018, the Company had net investments in subsidiary companies amounting to Baht 29.37 million. As discussed in note to the financial statements, no. 11 of the consolidated and the separate financial statements, as of 31 December 2018 the Company had net investments in associate company amounting to Baht 4.89 million and Baht 9.50 million, respectively. As discussed in note to the financial statements, no. 14 of the consolidated and the separate financial statements, as of 31 December 2018 the Company had net general investments amounting to Baht 380.36 million. The Company had recorded the allowances for impairment of investments in subsidiary companies in the separate financial statements totalling to Baht 70.35 million and general investments in the consolidated and separate financial statements totalling to Baht 41.09 million and Baht 37.09 million, respectively.

We considered the above issue a key audit matter due to the impairment in investments test in accordance with Thai Financial Reporting Standard is material to audit because the recoverable amount of such investment may be lower than the carrying value of investment as of 31 December 2018 and is significant to the financial statements. The consideration of impairment in investments depends on the Group's management judgments and significant assumptions to consider the correct, adequate and appropriate recoverable amount.

Our audit procedures include understanding consideration process and internal control procedures related to the impairment of investments, reviewing the design and implementation of the internal control procedures, calculating test, examining the supporting documents in relation to the management consideration of impairment indicators for investments and assessing the appropriateness of the methodology applied by the Group's management in calculating the impairment charges, and the judgments applied in determining recoverable amount.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

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

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

In preparing the financial statements, management is responsible for assessing the Group'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 Group 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 Financial Statements

My objectives are to obtain reasonable assurance about whether the 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing 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 financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the 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 my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I 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 my independence, and where applicable, related safeguards.

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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Anusorn Kiatgungwalgri



Mr. Anusorn Kiatgungwalgri

Certified Public Accountant No. 2109

ASV & ASSOCIATES LIMITED

Bangkok

26 February 2019

Financial Position and Operation Results

THANULUX PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS OF 31 DECEMBER 2018

(UNIT : BAHT)

		Consolidated Financial Statements		Separate Financial Statements	
	Notes	31 December 2018	31 December 2017	31 December 2018	31 December 2017
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	6	30,482,064	48,235,956	28,046,930	45,423,962
Short - term investments	7	664,355,634	657,452,339	664,355,634	657,452,339
Trade and other receivables	8	255,828,945	289,110,202	277,226,318	318,971,079
Short - term loans to related companies	9	48,800,000	50,000,000	79,800,000	70,000,000
Inventories - net	10	342,489,148	345,727,523	287,651,990	291,205,962
Other current assets		13,468,347	12,056,373	4,975,724	3,232,305
TOTAL CURRENT ASSETS		1,355,424,138	1,402,582,393	1,342,056,596	1,386,285,647
NON - CURRENT ASSETS					
Investments in associate - net	11	4,894,662	7,351,901	9,500,000	9,500,000
Investments in subsidiaries - net	12	-	-	29,368,805	27,540,993
Long - term investments					
Available-for-sale securities - net	13	1,571,977,994	1,599,400,499	1,571,977,994	1,599,400,499
General investments - net	14	380,358,856	379,661,116	380,358,856	379,661,116
Investments in debt securities					
held to maturity - net	15	406,214,201	402,251,311	406,214,201	402,251,311
Other long - term investment	16	-	38,742,000	-	38,742,000
Investment property - net	17	56,947,676	58,291,589	56,947,676	58,291,589
Property, plant and equipment - net	18	483,172,983	409,767,469	454,442,780	382,111,251
Intangible assets - net	19	12,991,872	14,089,585	12,887,594	13,962,831
Leasehold right - net	20	7,883,348	10,542,448	7,883,348	10,542,448
Deferred tax assets	29	35,112,985	37,648,528	35,112,985	36,118,224
Other non - current assets		12,899,992	12,800,861	1,859,253	5,137,737
TOTAL NON - CURRENT ASSETS		2,972,454,569	2,970,547,307	2,966,553,492	2,963,259,999
TOTAL ASSETS		4,327,878,707	4,373,129,700	4,308,610,088	4,349,545,646

The accompanying notes are an integral part of the financial statements.

THANULUX PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS OF 31 DECEMBER 2018

(UNIT : BAHT)

		Consolidated Financial Statements		Separate Financial Statements	
	Notes	31 December 2018	31 December 2017	31 December 2018	31 December 2017
LIABILITIES AND					
SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Overdrafts and short - term loans from					
financial institutions	21	3,061,509	2,128,834	-	-
Trade and other payables	22	185,140,693	212,401,102	172,995,055	202,772,223
Accrued corporate income tax		7,371,150	3,644,826	7,371,150	3,644,826
Other current liabilities		6,772,151	7,937,800	6,287,775	7,365,041
TOTAL CURRENT LIABILITIES		202,345,503	226,112,562	186,653,980	213,782,090
NON - CURRENT LIABILITIES					
Retirement benefit obligation	23	171,401,542	176,678,660	163,984,479	168,729,877
Deferred tax liabilities	29	194,442,168	210,161,429	193,418,848	209,051,165
Other non - current liabilities		1,563,005	1,204,154	155,898	132,631
TOTAL NON - CURRENT LIABILITIES		367,406,715	388,044,243	357,559,225	377,913,673
TOTAL LIABILITIES		569,752,218	614,156,805	544,213,205	591,695,763

The accompanying notes are an integral part of the financial statements.

Financial Position and Operation Results

THANULUX PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS OF 31 DECEMBER 2018

(UNIT : BAHT)

		Consolidated Financial Statements		Separate Financial Statements	
	Notes	31 December 2018	31 December 2017	31 December 2018	31 December 2017
SHAREHOLDERS' EQUITY					
Share capital					
Registered share capital					
120,000,000 ordinary shares of Baht 1 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 each		120,000,000	120,000,000	120,000,000	120,000,000
Premium on ordinary shares		181,125,000	181,125,000	181,125,000	181,125,000
Other components of equity		782,192,787	851,773,092	775,018,951	844,599,256
Retained earnings					
Appropriated					
Legal reserve	24	12,000,000	12,000,000	12,000,000	12,000,000
General reserve	25, 33	214,200,000	206,400,000	214,200,000	206,400,000
Unappropriated		2,447,160,586	2,385,433,666	2,462,052,932	2,393,725,627
EQUITY ATTRIBUTABLE TO PARENT COMPANY		3,756,678,373	3,756,731,758	3,764,396,883	3,757,849,883
Non - controlling interests		1,448,116	2,241,137	-	-
TOTAL SHAREHOLDERS' EQUITY		3,758,126,489	3,758,972,895	3,764,396,883	3,757,849,883
TOTAL LIABILITIES AND					
SHAREHOLDERS' EQUITY		4,327,878,707	4,373,129,700	4,308,610,088	4,349,545,646

The accompanying notes are an integral part of the financial statements.

Financial Position and Operation Results

THANULUX PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2018

(UNIT : BAHT)

	Notes	Consolidated Financial Statements		Separate Financial Statements	
		2018	2017	2018	2017
Revenue from sales		1,731,630,252	1,795,568,116	1,633,641,561	1,708,899,944
Revenue from rendering of services		46,694,191	64,109,835	37,935,148	58,100,220
	27	1,778,324,443	1,859,677,951	1,671,576,709	1,767,000,164
Add Allowance for goods returned no longer required	8	400,000	(1,000,000)	400,000	(1,000,000)
Net sales		1,778,724,443	1,858,677,951	1,671,976,709	1,766,000,164
Cost of sales		(1,219,096,406)	(1,272,355,774)	(1,184,535,646)	(1,240,153,305)
Cost of rendering of services		(33,638,850)	(47,588,711)	(27,541,373)	(39,908,387)
GROSS PROFIT		525,989,187	538,733,466	459,899,690	485,938,472
Other incomes					
Dividend income		61,125,114	49,762,110	61,125,114	49,762,110
Interest income		33,726,378	33,125,252	34,838,726	33,884,596
Rental income from investment property		3,136,600	3,317,480	3,136,600	3,317,480
Rental income		5,504,666	6,261,296	6,650,006	8,007,776
Gain on disposal of investments		59,583,283	7,361,940	59,583,283	7,361,940
Others		30,025,787	42,051,027	30,800,765	37,376,670
PROFIT BEFORE EXPENSES		719,091,015	680,612,571	656,034,184	625,649,044
Selling expenses		(99,537,288)	(92,806,023)	(57,136,305)	(51,282,766)
Administrative expenses		(360,716,839)	(382,785,017)	(339,186,206)	(354,113,476)
Royalty expenses		(46,369,150)	(50,193,975)	(45,840,835)	(49,643,885)
(Allowance) reversal for impairment loss of investments		850,740	815,620	2,678,552	(13,638,886)
Share of loss from investment in associated company	11	(2,457,239)	(1,995,586)	-	-
PROFIT BEFORE FINANCE COSTS AND					
- INCOME TAX EXPENSES		210,861,239	153,647,590	216,549,390	156,970,031
Finance costs		(261,895)	(127,863)	-	(109)
PROFIT BEFORE INCOME TAX EXPENSES		210,599,344	153,519,727	216,549,390	156,969,922
Income tax expenses	29	(15,867,545)	(3,247,217)	(14,424,185)	(1,474,252)
NET PROFIT FOR THE YEAR		194,731,799	150,272,510	202,125,205	155,495,670

The accompanying notes are an integral part of the financial statements.

Financial Position and Operation Results

THANULUX PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

(UNIT : BAHT)

	Note	Consolidated Financial Statements		Separate Financial Statements	
		2018	2017	2018	2017
NET PROFIT FOR THE YEAR		194,731,799	150,272,510	202,125,205	155,495,670
Other comprehensive income:-					
Other comprehensive income to be reclassified					
to profit or loss in subsequent period:					
Unrealized gain (loss) on revaluation of					
available-for-sale investment (net of income tax)	13	(69,580,305)	165,012,372	(69,580,305)	165,012,372
Other comprehensive income will not be reclassified					
to profit or loss in subsequent period:					
Actuarial gain (net of income tax)		-	36,607,737	-	28,255,782
OTHER COMPREHENSIVE INCOME FOR THE YEAR		(69,580,305)	201,620,109	(69,580,305)	193,268,154
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		125,151,494	351,892,619	132,544,900	348,763,824
PROFIT ATTRIBUTABLE TO:-					
Owners of the parent company		195,524,820	152,114,953	202,125,205	155,495,670
Non - controlling interests		(793,021)	(1,842,443)	-	-
		194,731,799	150,272,510	202,125,205	155,495,670
TOTAL COMPREHENSIVE INCOME					
ATTRIBUTABLE TO:-					
Owners of the parent company					
Net profit for the year		195,524,820	152,114,953	202,125,205	155,495,670
Other comprehensive income to be reclassified					
to profit or loss in subsequent period:					
Unrealized gain (loss) on revaluation of					
available-for-sale investment (net of income tax)	13	(69,580,305)	165,012,372	(69,580,305)	165,012,372
Other comprehensive income will not be reclassified					
to profit or loss in subsequent period:					
Actuarial gain (net of income tax)		-	36,530,702	-	28,255,782
Total owners of the parent company		125,944,515	353,658,027	132,544,900	348,763,824
Non - controlling interests		(793,021)	(1,765,408)	-	-
		125,151,494	351,892,619	132,544,900	348,763,824
BASIC EARNINGS PER SHARE					
Owners of the parent company (Unit : Baht)		1.63	1.27	1.68	1.30
Weighted average number of ordinary shares (Unit : shares)		120,000,000	120,000,000	120,000,000	120,000,000

The accompanying notes are an integral part of the financial statements.

THANULUX PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

CONSOLIDATED FINANCIAL STATEMENTS											(UNIT : BAHT)			
	Notes	Issued and paid - up share capital	Premium on ordinary shares	Retained earnings			Other components of equity					Total shareholders' equity		
				Legal Reserve	Appropriated Reserve	General Reserve	Unrealized gain (loss) on revaluation of available-for-sale investments	Unappropriated	Difference from change in shareholding ratio in subsidiary company	Actuarial gain			Total other components of shareholders' equity	Total equity of parent company
Balance as of 1 January 2017														
General reserve	25, 33	-	-	-	12,000,000	196,700,000	2,345,016,163	646,078,161	(2,296,099)	6,447,956	650,230,018	3,505,071,181	6,759,751	3,511,830,932
Dividend payment	33	-	-	-	-	9,700,000	(9,700,000)	-	-	-	-	-	-	-
Difference from change in shareholding ratio in subsidiary company														
	12	-	-	-	-	-	-	-	(218,397)	218,397	-	-	(2,753,206)	(2,753,206)
Total comprehensive income for the year														
		-	-	-	-	-	152,114,953	165,012,372	-	36,530,702	201,543,074	353,658,027	(1,765,408)	351,892,619
Ending Balance as of 31 December 2017														
		120,000,000	181,125,000	12,000,000	206,400,000	2,385,433,666	811,090,533	(2,514,496)	43,197,055	851,773,092	3,756,731,758	2,241,137	3,758,972,895	
General reserve	25, 33	-	-	-	-	7,800,000	(7,800,000)	-	-	-	-	(125,997,900)	-	-
Dividend payment	33	-	-	-	-	-	(125,997,900)	-	-	-	-	-	-	(125,997,900)
Total comprehensive income for the year														
		-	-	-	-	-	195,524,820	(69,580,305)	-	-	(69,580,305)	125,944,515	(793,021)	125,151,494
Ending Balance as of 31 December 2018														
		120,000,000	181,125,000	12,000,000	214,200,000	2,447,160,586	741,510,228	(2,514,496)	43,197,055	782,192,787	3,756,678,373	1,448,116	3,758,126,489	

The accompanying notes are an integral part of the financial statements.

Financial Position and Operation Results

THANULUX PUBLIC COMPANY LIMITED AND SUBSIDIARIES STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

(UNIT : BAHT)

	SEPARATE FINANCIAL STATEMENTS									
	Retained earnings			Other components of equity						
	Notes	Issued and paid - up share capital	Premium on ordinary shares	Appropriated		Unappropriated	Unrealized gain (loss) on revaluation of available-for-sale investments	Actuarial gain	Total other components of shareholders' equity	Total shareholders' equity
				Legal Reserve	General Reserve					
Balance as of 1 January 2017		120,000,000	181,125,000	12,000,000	196,700,000	2,349,927,407	646,078,161	5,252,941	651,331,102	3,511,083,509
General reserve	25, 33	-	-	-	9,700,000	(9,700,000)	-	-	-	-
Dividend payment	33	-	-	-	-	(101,997,450)	-	-	-	(101,997,450)
Total comprehensive income for the year		-	-	-	-	155,495,670	165,012,372	28,255,782	193,268,154	348,763,824
Ending Balance as of 31 December 2017		120,000,000	181,125,000	12,000,000	206,400,000	2,393,725,627	811,090,533	33,508,723	844,599,256	3,757,849,883
General reserve	25, 33	-	-	-	7,800,000	(7,800,000)	-	-	-	-
Dividend payment	33	-	-	-	-	(125,997,900)	-	-	-	(125,997,900)
Total comprehensive income for the year		-	-	-	-	202,125,205	(69,580,305)	-	(69,580,305)	132,544,900
Ending Balance as of 31 December 2018		120,000,000	181,125,000	12,000,000	214,200,000	2,462,052,932	741,510,228	33,508,723	775,018,951	3,764,396,883

The accompanying notes are an integral part of the financial statements.

Financial Position and Operation Results

THANULUX PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

(UNIT : BAHT)

	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax expenses	210,599,344	153,519,727	216,549,390	156,969,922
Adjustments :-				
Increase (decrease) in allowance for doubtful accounts	(5,329,778)	5,813,104	(5,957,212)	5,813,104
Increase (decrease) in allowance for goods returned	(400,000)	1,000,000	(400,000)	1,000,000
Increase in allowance for slow - moving stock	140,371	439,357	-	-
Allowance (reversal) for impairment loss of investments	(850,740)	(815,620)	(2,678,552)	13,638,886
Dividend income	(61,125,114)	(49,762,110)	(61,125,114)	(49,762,110)
Depreciation and amortization	44,109,762	45,938,686	41,334,219	43,392,342
Gain on disposal of investments	(59,090,402)	(6,658,475)	(59,090,402)	(6,658,475)
Share of loss from investment in associate	2,457,239	1,995,586	-	-
Realized gain on revaluation of mutual fund	(427,037)	(743,781)	(427,037)	(743,781)
Unrealized gain on revaluation of trading securities	(510,153)	(889,336)	(510,153)	(889,336)
Loss from retirement of fixed assets	12,025	113,279	12,025	9,769
Gain on disposal of fixed assets	(526,936)	(1,599,437)	(195,715)	(1,087,380)
Loss on exchanges	119,440	634,712	119,689	630,455
Finance costs	261,895	127,863	-	109
Interest income	(33,726,378)	(33,125,252)	(34,838,726)	(33,884,596)
CASH FLOWS BEFORE CHANGES IN OPERATING ASSETS AND LIABILITIES	95,713,538	115,988,303	92,792,412	128,428,909
Operating assets (increase) decrease				
Trade and other receivables	39,091,451	21,098,708	48,182,140	(6,374,906)
Inventories	3,098,004	(18,748,148)	3,553,972	1,041,166
Other current assets	(1,411,974)	(97,014)	(1,743,419)	428,907
Other non - current assets	(2,649,131)	1,136,676	728,485	1,722,809
Operating liabilities increase (decrease)				
Trade and other payables	(27,104,333)	(13,621,628)	(29,621,092)	(22,438,889)
Other current liabilities	(749,371)	423,105	(1,077,266)	(196,217)
Retirement benefit obligations	(5,277,118)	21,975,126	(4,745,398)	22,012,430
Other non - current liabilities	358,851	17,948	23,267	22,145
CASH PROVIDED FROM OPERATING ACTIVITIES	101,069,917	128,173,076	108,093,101	124,646,354
Corporate income tax paid	(8,346,140)	(4,597,761)	(7,929,863)	(3,602,796)
NET CASH RECEIVED FROM OPERATING ACTIVITIES	92,723,777	123,575,315	100,163,238	121,043,558

The accompanying notes are an integral part of the financial statements.

Financial Position and Operation Results

THANULUX PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

(UNIT : BAHT)

	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
CASH FLOW FROM INVESTING ACTIVITIES				
Dividend received	61,049,506	49,788,766	61,049,506	49,788,766
Interest received	34,233,654	35,082,307	35,346,002	35,908,535
Decrease in fixed deposits, bill of exchange and certificate of deposits	57,811,470	82,688,486	57,811,470	82,688,486
Cash received from redemption of trading securities - debt securities	434,025,770	659,930,908	434,025,770	659,930,908
Cash paid for investment in trading securities - debt securities	(407,198,278)	(732,784,160)	(407,198,278)	(732,784,160)
Cash received from short - term loans to related parties	1,200,000	40,000,000	6,200,000	44,000,000
Cash paid for short - term loans to related parties	-	-	(16,000,000)	(3,000,000)
Cash paid for investment in subsidiary	-	(2,753,206)	-	(2,753,206)
Decrease in investments in available-for-sale securities				
- marketable equity securities - net	56,585,697	17,869,643	56,585,697	17,869,643
Increase in investments in available-for-sale securities				
- debt securities - net	(59,341,641)	(25,169,427)	(59,341,641)	(25,169,427)
Acquisition of debt securities held to maturity	(154,898,307)	(158,438,692)	(154,898,307)	(158,438,692)
Cash received from redemption of debt securities held to maturity	99,500,000	81,000,000	99,500,000	81,000,000
Cash paid for general investments	(500,000)	(5,431,800)	(500,000)	(5,431,800)
Proceeds from disposal and decrease in share capital				
- of general investments	1,583,402	1,952,000	1,583,402	1,952,000
Cash paid for other long - term investment - convertible debenture	-	(38,742,000)	-	(38,742,000)
Cash paid for advance in fixed assets	-	(2,520,000)	-	(2,520,000)
Acquisition of fixed assets	(110,741,865)	(44,616,252)	(106,170,316)	(42,980,846)
Acquisition of intangible assets	(1,560,033)	(322,400)	(1,560,033)	(322,400)
Proceeds from disposal of fixed assets	2,952,260	1,888,689	1,876,542	1,360,617
NET CASH RECEIVED (USED IN) INVESTING ACTIVITIES	14,701,635	(40,577,138)	8,309,814	(37,643,576)

The accompanying notes are an integral part of the financial statements.

THANULUX PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

(UNIT : BAHT)

	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
CASH FLOW FROM FINANCING ACTIVITIES				
Overdrafts and short - term loan from financial institutions	932,675	(992,762)	-	-
Cash paid for finance cost	(261,895)	(127,864)	-	(109)
Dividend payment	(125,850,084)	(101,964,819)	(125,850,084)	(101,964,819)
NET CASH USED IN FINANCING ACTIVITIES	(125,179,304)	(103,085,445)	(125,850,084)	(101,964,928)
 CASH AND CASH EQUIVALENTS DECREASE - NET	 (17,753,892)	 (20,087,268)	 (17,377,032)	 (18,564,946)
Cash and cash equivalents as at 1 January	48,235,956	68,323,224	45,423,962	63,988,908
CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER	30,482,064	48,235,956	28,046,930	45,423,962

SUPPLEMENTAL DISCLOSURE OF

CASH FLOWS INFORMATION : -

Significant non-cash items in consolidated and separate financial statements consist of

- Unrealized gain (loss) on revaluation

of available-for-sale securities (net of income tax)

(69,580,305)	165,012,372	(69,580,305)	165,012,372
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- Actuarial gain (net of income tax)

-	36,607,737	-	28,255,782
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The accompanying notes are an integral part of the financial statements.

Financial Position and Operation Results

THANULUX PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1. GENERAL INFORMATION

- 1.1 Registration Thanulux Public Company Limited ("The Company") is incorporated in Thailand. The Company was listed on the Stock Exchange of Thailand on 21 July 1987.
- 1.2 Office location Head office and its factory is located at 129/1, Chongnonthri Road, Chongnonthri, Yannawa, Bangkok, Thailand.
- Factory branch (Saha Group Industrial Park - Lamphun Project) is located at 99/3 Moo 5, Paa-Sak, Muang Lamphun, Lamphun, Thailand.
- Factory branch (Saha Group Industrial Park - Kabinburi Project) is located at 125 Moo 5, Nonthri, Kabinburi, Prachinburi, Thailand.
- Factory branch (Bangplee) is located at 911 Moo 15, Teparak Road, Bangsoathong, Samutprakarn, Thailand.
- Factory branch (Mae Sot) is located at 269/1 Moo 15, Mae kasa, Mae Sot, Tak, Thailand.
- 1.3 Main activities Manufacturing and distributing apparel. The subsidiaries' main activities are discussed in Note 4.1
- 1.4 The first two major shareholders ranged by their shareholding as of 31 December 2018 and 2017 are as follows :-

	% of issued and paid-up share capital	
	31 December 2018	31 December 2017
Saha Pathana Inter-Holding Plc.	23.52	23.52
I.D.F. Co., Ltd.	13.33	13.33

2. BASIS OF FINANCIAL STATEMENTS PREPARATION

- 2.1 The financial statements are prepared in accordance with Thai Accounting Standards ("TAS") and Thai Financial Reporting Standards ("TFRS") including related interpretations and guidelines promulgated by the Federation of Accounting Professions ("FAP") and the presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016 under the Accounting Act B.E. 2543 and the financial reporting requirements of the Securities and Exchange Commission (SEC).
- 2.2 The financial statements have been prepared on the historical cost basis except where otherwise disclosed in the accounting policies.
- 2.3 The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.
- 2.4 Basis of the consolidation of financial statements
- The consolidated financial statements include the financial statements of Thanulux Public Company Limited "the Company" and the following subsidiary companies "the subsidiaries" :-

	% of Shareholding /		Incorporated	Location	Main activities
	Voting right				
	31 Dec 2018	31 Dec 2017			
Subsidiaries :					
S. Apparel Co., Ltd.	99.99	99.99	Thailand	4/2 Moo 8, Bangna-Trad Road, KM. 18 Bangchalong, Bangplee, Samutprakarn.	Manufacturing, Subcontracting and distributing apparel
Celebrate Wealth Co., Ltd.	87.76	87.76	Thailand	129/1,Chongnonthri Road, Chongnonthri, Yannawa, Bangkok.	Distributing apparel

- The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities.
- Subsidiaries' financial statements are fully consolidated as from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- The subsidiaries' financial statements are prepared on the same reporting period as the Company's, using consistent significant accounting policies.
- Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements. Book value of investments and shareholder's equity of its subsidiaries have also been eliminated from the consolidated financial statements.
- Non - controlling interest represents the portion of net income or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated statements of comprehensive income and in the shareholders' equity in the consolidated statements of financial position.

2.5 The separate financial statements present investments in subsidiaries and associates presented under the cost method.

2.6 Using of accounting estimates

The preparation of financial statements in conformity with TAS and TFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

3. NEW FINANCIAL REPORTING STANDARDS

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

3.1 Financial reporting standards that became effective in the current year

The FAP issued and revised the financial reporting standards and interpretations (revised 2017) and new accounting treatment guidance that are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards do not have any significant impact on the financial statements.

3.2 New accounting standards issued and not yet effective

- Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2019

The Group does not plan to early adopt revised and new financial reporting standards and interpretations (revised 2018) including new accounting treatment guidance that are effective for fiscal years beginning on or after 1 January 2019. The Group's management has assessed the effect of the above financial reporting standards and believes that these standards will not have significant impact on the financial statements for the year in which they are effective. The new standard involves changes to key principles are as follows:-

TFRS 15, Revenue from Contracts with Customers supersedes the following accounting standards together with related Interpretations.

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

- Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2020

The FAP issued the set of TFRSs related to financial instruments consists of five accounting standards and interpretations that will become effective for fiscal years beginning on or after 1 January 2020, consist of:-

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TAS 32	Financial Instruments: Presentation
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

The management of the Group is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Revenue recognition and expenses

Sales of goods

Sale of goods is recognized in the statements of comprehensive income when the significant risks and rewards of ownership have been transferred to the customers. No revenue is recognized if there is

continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.

Revenue from rendering of services

Revenue from rendering of services is recognised when service have been rendered taking into account the stage of completion.

Dividend income

Dividend income is recognised when the right to receive the dividend is established.

Interest income

Interest income is recognised on an effective interest method.

Other revenues and expenses

Other revenues and expenses are recognised on an accrual basis.

4.2 Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short - term investments with an original maturity of three months or less and not subject to restrictions.

4.3 Accounts receivable - trade

Accounts receivable - trade are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in the collection of receivables. The allowance is generally based on collection experiences and analysis of debt aging.

Allowance for goods returned has been provided up by assessment of past experiences.

4.4 Inventories

Inventories are valued at the lower of cost (weighted average) or net realizable value.

Cost of inventories is comprised of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In case of finished goods and work in progress, cost includes an appropriate share of overheads.

Net realizable value is estimated selling price in the ordinary course of business less estimated costs to complete and to make the sale.

Allowance is made for all deteriorated, damaged, obsolete and certain slow-moving inventories.

4.5 Investments

- Investments in securities held for trading are stated at fair value. Gains or losses arising from changes in the carrying amounts of the securities are included in the statements of comprehensive income.
- Investments in available-for-sale securities mean investments in listed securities stated at fair value, with the objective for long-term investments. Changes in the carrying amounts of securities are recorded as separate item in the other comprehensive income until the securities are sold, and the changes are then included in the statements of comprehensive income.
- Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised by the effective rate method with the amortised amount presented as an adjustment to interest income.
- Investments in non-marketable equity securities, which the Company classifies as general investments, are stated at cost net of allowance for impairment loss (if any).

Financial Position and Operation Results

Investments in related companies mean those companies in which the Group has holding interest less than 20% and/or the companies which directly or indirectly have some common management, major shareholders or such related persons.

Investments in other companies are those companies in which the Group has holding interest but has no power to govern or participate in any policy.

- Investments in subsidiaries and associate in the separate financial statements of the Company are accounted for using the cost method less impairment losses.
- Investment in associate in the consolidated financial statements is accounted for using the equity method.

The fair value of marketable securities is based on the latest bid price of the last working day of the year quoted on the Stock Exchange of Thailand. The fair value of unit trusts is determined from their net asset value.

Weighted average method is used for the computation of cost of investments.

4.6 Investment property

Investment property is stated at cost less accumulated depreciation and loss on impairment of assets (if any).

Cost of investment property includes purchase price and other direct costs relating to the acquisition of such asset item.

Depreciation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of assets which are as follows :-

Building	20 Years
Land improvement	5 Years
Land	Not depreciated

4.7 Property, plant and equipment

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Cost of property, plant and equipment include purchase price and other direct costs relating to the acquisition of such asset item.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Depreciation is charged to the statements of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment which are as follows :-

Land improvement	5 years
Building and structures	20, 25, 35 and 40 years
Machinery	5 - 10 years
Office equipment	3 - 5 years
Furniture and fixtures	5 years
Vehicles	5 years

Land and assets under construction and installation are not depreciated.

The Group has reviewed useful life and residual value at least at each financial year-end. In case that the residual value or estimated useful lives differs from those originally estimated, such changes are considered changes in accounting estimates.

4.8 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life. The amortisation expense is charged to the comprehensive income statements.

Intangible assets with finite useful lives comprise of computer software having useful lives of 5 - 10 years.

4.9 Leasehold right

Leasehold right is stated at cost less accumulated amortisation. Amortisation is calculated by reference to cost on the straight-line basis over the leasehold period of 7 - 10 years.

Amortisation is charged to the comprehensive income statements.

4.10 Impairment of assets

Impairment of assets, the Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount. Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment loss is recognized in the comprehensive income statements. (An asset's recoverable amount is the higher of fair value less costs to sell and value in use).

4.11 Related party transactions

Related parties and related companies with the Group means the parties or the companies that have the controlling power to the Group, controlled by the Group either directly or indirectly, or under the same control with the Group. Furthermore, the related parties and related companies also means the associated companies and the parties who have holding interest with voting rights, either directly or indirectly, and have significant influence to the Group, important management, being directors or employees of the Group who have the power to manage and control the Group's operations including the family members close to the said persons which could persuade or to act in compliance with the said persons and businesses that the said persons have controlling power or significant influence, either directly or indirectly.

4.12 Foreign currency transactions

Foreign currency transactions are translated into Baht at the rates ruling on the occurrence dates. Assets and liabilities in foreign currency outstanding on the statement of financial position date are translated into Baht at the reference exchange rates as determined by the Bank of Thailand on the statement of financial position date, except the transactions of forward exchange contracted with the banks will be recognised at fair value.

Exchange gains or losses are included as incomes or expenses in the statements of comprehensive income.

4.13 Employee benefits

- **Short - term employee benefits**

Short - term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

- **Defined contribution plans**

The Group operate a provident fund, being a defined contribution plan, the assets for which are held in a separate trust fund and managed by a fund manager. The provident fund is contributed by payments from employees and by the Group. The Group's contributions to the provident fund are charged to the statement of comprehensive income in the years to which they relate.

- **Defined benefit plans**

- Termination and retirement benefits

Under Labor Laws applicable in Thailand and Group's employment policy, all employees completing 120 days of service are entitled to severance pay on termination or retrenchment without cause or upon retirement age of 55 and 58. The severance pay will be at the rate according to number of years of service as stipulated in the Labor Law which is currently at a maximum rate of 300 days of final salary. And employees who have provided the services to the Group more than 20 years, the special severance pay on termination or retrenchment without cause will be compensated at the rate specified.

- Other long - term benefits

The Group has a policy to reward employees upon 10, 20 and 30 years of services at specified lump-sum amounts.

The Company also has a policy to provide compensation to retired directors by reference to service years as the Company's director multiplied by a specified rate.

The Group provides provision regarding the employee benefits under defined benefits plan by using the actuarial technique. The present value of the defined benefits obligation is determined by discounting estimated future cash flows using yields on the government bonds which have terms to maturity approximating the terms of related liability. The estimated future cash flows shall reflect employee salaries, turnover rate, length of service and other. The costs associated with providing these benefits are charged to the statement of comprehensive income so as to spread the cost over the employment period during which the entitlement to benefits is earned.

Actuarial gains and losses arising from post-employment benefits are recognised in the statement of other comprehensive income.

4.14 Operating lease

Lease in which substantially all the risks and rewards of ownership of assets remain with the lessor is accounted for as operating lease. Rentals applicable to such operating leases are charged to the statements of comprehensive income over the lease terms.

4.15 Provision

A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

Presentation for a provision in the statements of comprehensive income is the net amount which can be reimbursed.

4.16 Income tax expense

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognizes deferred tax liabilities for all taxable temporary differences while they recognize deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against such deductible temporary differences and tax losses carried forward that can be utilized.

At each reporting date, the Group reviewed and reduced the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

The Group recorded deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.17 Fundamental earnings per share

Fundamental earnings per share are calculated by dividing net income by the number of ordinary shares outstanding at the end of the year. In case of a capital increase, the number of ordinary shares is weighted according to time of subscription received.

4.18 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows :-

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

Financial Position and Operation Results

5. TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES

The Company had transactions with its subsidiaries and related companies, given that those companies having the same group of shareholders or mutual directors. Significant inter-company transactions and outstanding balances as of 31 December 2018 and 2017 are summarized below :-

5.1 NATURE OF RELATIONSHIPS

RELATED PARTIES	TYPES OF BUSINESS	RELATIONSHIP
1. S. Apparel Co., Ltd.	Manufacturing, subcontracting and distributing apparel	Co-directors, Co-shareholders and being subsidiary
2. Celebrate Wealth Co., Ltd.	Distributing apparel	Co-directors, Co-shareholders and being subsidiary
3. World Saha Fashion Co., Ltd.	Distributing apparel	Co-directors, Co-shareholders and being associate
4. T-Chamber Co., Ltd.	Distributing apparel	Co-management
5. People's Garment Plc.	Garment manufacturing	Co-shareholders
6. I.C.C. International Plc.	Consumer goods distributing	Co-directors, Co-shareholders
7. Sahacogen (Chonburi) Plc.	Electricity generating and distributing	Co-shareholders
8. Thai Wacoal Plc.	Ladies' lingerie manufacturing	Co-directors, Co-shareholders
9. Textile Prestige Plc.	Embroidery fabric manufacturing	Co-directors, Co-shareholders
10. Saha Pathana Inter- Holding Plc.	Holding company	Majority Shareholders
11. Far East DDB Plc.	Advertising	Co-shareholders
12. OCC Plc.	Distributing cosmetics and apparel	Co-shareholders
13. Saha Pathanapibul Plc.	Consumer goods distributing	Co-shareholders
14. Thai Monster Co., Ltd.	Garment manufacturing	Co-directors, Co-shareholders
15. Total Way Image Co., Ltd.	Leatherware manufacturing	Co-directors, Co-shareholders
16. Thai Naxis Co., Ltd.	Label manufacturing	Co-shareholders
17. SSDC (Tigertex) Co., Ltd.	Bleaching, dyeing fabric and yarn	Co-directors, Co-shareholders
18. International Commercial Coordination (Hong Kong) Ltd.	Distributing apparel	Co-shareholders
19. International Leather Fashion Co., Ltd.	Leatherware manufacturing	Co-directors, Co-shareholders
20. Wise Winner Co., Ltd.	Distributing garment and sport equipment	Co-shareholders
21. Morgan De Toi (Thailand) Co., Ltd.	Distributing apparel	Co-directors, Co-shareholders
22. Champ Ace Co., Ltd.	Real estate development	Co-directors, Co-shareholders
23. Pak Numpo Wattana Co., Ltd.	Distributing apparel	Co-management, Co-shareholders

Financial Position and Operation Results

RELATED PARTIES	TYPES OF BUSINESS	RELATIONSHIP
24. Intanin Chiangmai Co., Ltd.	Distributing apparel	Co-directors, Co-shareholders
25. Koraj Wattana Co., Ltd.	Distributing apparel	Co-directors, Co-shareholders
26. Sun & Sand Co., Ltd.	Distributing apparel	Co-directors, Co-shareholders
27. Eastern I.C.C. Co., Ltd.	Distributing apparel	Co-directors, Co-shareholders
28. Maharachapreuk Co., Ltd.	Distributing apparel	Co-directors, Co-shareholders
29. Thai Takaya Co., Ltd.	Jeans manufacturing	Co-directors, Co-shareholders
30. Thai Gunze Co., Ltd.	Garment manufacturing	Co-shareholders
31. Waseda Education (Thailand) Co., Ltd.	Education institution	Co-shareholders
32. Thai Bunka Fashion Co., Ltd.	Fashion institution	Co-directors, Co-shareholders
33. Sriracha Aviation Co., Ltd.	Machinery and plane maintenance	Co-directors, Co-shareholders
34. K. Commercial and Construction Co., Ltd.	Construction contractor	Co-shareholders
35. H & B Intertext Co., Ltd.	Fabric doll manufacturing	Co-shareholders
36. Thai Shikibo Co., Ltd.	Cotton yarn manufacturing	Co-shareholders
37. Thai Staflex Co., Ltd.	Fabric products	Co-shareholders
38. Treasure Hill Co., Ltd.	Golf course	Co-directors, Co-shareholders
39. Thai Asahi Kasei Spandex Co., Ltd.	Manufacturing and distributing spandex	Co-shareholders
40. Value Added Textile Co., Ltd.	Fabric embroidering and printing	Co-shareholders
41. Panland Co., Ltd.	Property development	Co-shareholders
42. Wien International Co., Ltd.	Direct sale	Co-shareholders
43. Sahapat Real Estate Co., Ltd.	Real estate development	Co-directors, Co-shareholders
44. Janome (Thailand) Co., Ltd.	Sewing machines	Co-shareholders
45. Sahapat Properties Co., Ltd.	Property development	Co-directors, Co-shareholders
46. Thai Itokin Co., Ltd.	Garment manufacturing	Co-shareholders
47. Racha Uchino Co., Ltd.	Household textile	Co-shareholders
48. Erawan Textile Co., Ltd.	Spun yarn and fabrics manufacturing	Co-shareholders
49. Pattaya Manufacturing Co., Ltd.	Garment manufacturing	Co-shareholders
50. Ramasorn Thaveekarn Co., Ltd.	Investment	Majority shareholders
51. PTK Multi Services Co., Ltd.	Garden maintenance and cleaning service	Co-shareholders
52. I.D.F. Co., Ltd.	Investment	Majority shareholders
53. Bangkok Tokyo Socks Co., Ltd.	Manufacturing and distributing socks	Co-shareholders
54. Fujix International Co., Ltd.	String distributing	Co-shareholders

Financial Position and Operation Results

RELATED PARTIES	TYPES OF BUSINESS	RELATIONSHIP
55.PT. TRINITY LUXTRO APPAREL	Distributing apparel	Co-management, Co-shareholders
56.Pitakkij Security Guard Co., Ltd.	Security service	Co-shareholders
57.Saha Asia Pacific Co., Ltd.	Rental and manage property	Co-directors, Co-shareholders
58.Singer Thailand Plc.	Service and Commercial	Co-shareholders
59.President Bakery Plc.	The food and beverage	Co-shareholders
60.Eastern Thai Consulting 1992 Co., Ltd.	Wholesale of industrial chemicals	Co-majority shareholders
61.Pitakkij Co., Ltd.	Constuctions of non-residential building	Co-majority shareholders
62.Thai Secom Security Co., Ltd.	Service of security	Co-majority shareholders
63. Saha Komehyo Co., Ltd.	Buy and sell of luxury used products	Co-shareholders

Pricing policies of related party transactions are as follows :-

Transactions	Pricing policies
Sale of goods	Agreed-upon price by referring to market price
Royalty income	Agreed-upon price
Purchase of goods and rendering of service	Agreed-upon price/ market price
Selling and administrative expenses	Contractually-agreed prices
Interest income	At 3.00% - 3.98% per annum.
Directors' remunerations (directors' fee, annual compensation)	Rates approved by shareholders
Purchase of marketable equity securities	Market price
Purchase of general investment	Agreed-upon price
Purchase of fixed assets	Agreed-upon price

5.2 RELATED PARTY REVENUE AND EXPENSES

The revenue, expenses and other transaction for the years ended 31 December 2018 and 2017 are as follows :-

	(UNIT : THOUSAND BAHT)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Transactions with subsidiaries				
Revenue from sales and services	-	-	64,884	66,073
Revenue from rendering of service	-	-	243	36
Interest income	-	-	1,135	782
Other income	-	-	3,402	4,841
Purchase of goods and raw materials	-	-	96	27
Rendering of service	-	-	18,531	21,161
Selling and administrative expenses	-	-	11,872	8,610
Transactions with related parties				
Revenue from sales and services				
- I.C.C. International Plc.	831,510	937,787	831,481	937,785
- Others	64,879	70,087	64,876	66,391
Total	896,389	1,007,874	896,357	1,004,176
Revenue from rendering of service	8,918	5,969	159	-
Dividend income (Notes 13 and 14)	45,194	45,946	45,194	45,946
Interest income	2,074	2,875	2,074	2,875
Other income	25,340	27,898	24,234	26,469
Purchase of goods and raw materials	120,133	145,644	85,220	104,364
Rendering of service	64	1,963	64	1,963
Selling and administrative expenses	56,317	62,379	58,212	63,027
Purchase of general investment	500	5,432	500	5,432
Purchase of marketable equity securities	38,742	-	38,742	-
Purchase of fixed assets	25,807	1,787	25,807	1,787

Financial Position and Operation Results

Management benefit expenses

Management benefit expenses represent benefits paid to the Company's management such as salaries and related benefits including benefits paid by other means. The Company's management is the persons defined under the Securities and Exchange Act.

Management benefit expenses for the years ended 31 December 2018 and 2017 are as follows :-

(UNIT : BAHT)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Remuneration to Executive Board	754,000	750,000	754,000	750,000
Short - term employee benefits	29,131,300	28,850,706	28,310,003	28,066,866
Post - employment benefits	6,465,470	1,195,989	6,413,241	1,148,089
Total	36,350,770	30,796,695	35,477,244	29,964,955

5.3 INTER - COMPANY BALANCES OF ASSETS AND LIABILITIES

As of 31 December 2018 and 2017, inter - company balances are as follows :-

(UNIT : THOUSAND BAHT)

	Consolidated financial statements		Separate financial statements	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Accounts receivable - trade				
Subsidiaries	-	-	34,828	47,292
Related companies				
- I.C.C. International Plc.	129,321	175,196	129,339	175,214
- Others	19,418	26,834	19,180	26,591
Total (Note 8)	148,739	202,030	183,347	249,097
Short - term loans				
Subsidiaries	-	-	31,000	20,000
Related companies	48,800	50,000	48,800	50,000
Total (Note 9)	48,800	50,000	79,800	70,000
Accrued income				
Subsidiaries	-	-	229	252
Related companies	2,296	1,631	1,979	1,507
Total	2,296	1,631	2,208	1,759

Financial Position and Operation Results

(UNIT : THOUSAND BAHT)

	Consolidated financial statements		Separate financial statements	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Investments - net				
Subsidiaries (Note 12)	-	-	29,369	27,541
Associate (Note 11)	4,895	7,351	9,500	9,500
Other related companies (Notes 13, 14)	1,664,132	1,709,845	1,664,132	1,709,845
Total	1,669,027	1,717,196	1,703,001	1,746,886
Accounts payable - trade				
Subsidiaries	-	-	2,521	2,126
Related companies	24,272	24,306	14,930	15,917
Total (Note 22)	24,272	24,306	17,451	18,043
Accrued expenses				
Subsidiaries	-	-	5,425	2,989
Related companies	7,481	10,458	7,409	10,837
Total	7,481	10,458	12,834	13,826

Movements of loans to related parties for the years ended 31 December 2018 and 2017 are as follows :-

(UNIT : THOUSAND BAHT)

	Consolidated financial statements		Separate financial statements		Interest per annum (per cent)	
	2018	2017	2018	2017	2018	2017
Erawan Textile Co., Ltd.						
Beginning balance	30,000	70,000	30,000	70,000		
<u>Less</u> repayment during the year	-	(40,000)	-	(40,000)		
Ending balance	30,000	30,000	30,000	30,000	3.98	4.375
Celebrate Wealth Co., Ltd.						
Beginning balance	-	-	17,000	21,000		
<u>Add</u> increase during the year	-	-	16,000	-		
<u>Less</u> repayment during the year	-	-	(5,000)	(4,000)		
Ending balance	-	-	28,000	17,000	3.00	3.75

Financial Position and Operation Results

(UNIT : THOUSAND BAHT)

	Consolidated financial statements		Separate financial statements		Interest per annum (per cent)	
	2018	2017	2018	2017	2018	2017
Morgan De Toi (Thailand) Co., Ltd.						
Beginning balance	20,000	20,000	20,000	20,000		
<u>Less</u> repayment during the year	(1,200)	-	(1,200)	-		
Ending balance	18,800	20,000	18,800	20,000	3.00	4.00
S. Apparel Co., Ltd.						
Beginning balance	-	-	3,000	-		
<u>Add</u> increase during the year	-	-	-	3,000		
Ending balance	-	-	3,000	3,000	3.75	3.75
Total short - term loans - net	48,800	50,000	79,800	70,000		

6. CASH AND CASH EQUIVALENTS

(UNIT : BAHT)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash on hand	417,634	714,074	345,582	642,555
Deposits - saving accounts	23,765,429	37,509,938	21,402,347	34,769,463
Fixed deposits and bill of exchanges	6,299,001	10,011,944	6,299,001	10,011,944
Total	30,482,064	48,235,956	28,046,930	45,423,962

7. SHORT - TERM INVESTMENTS

(UNIT : BAHT)

		Consolidated and separate financial statements	
		2018	2017
1) Fixed deposits and certificate of deposits	(*)	319,002,243	357,002,221
2) Bill of exchange	(**)	-	19,811,492
3) Trading securities			
- Mutual funds		104,015,007	83,951,446
- Government bond		49,731,206	69,125,507
- Debentures		40,105,067	27,069,715
<u>Add</u> Allowance for revaluation of investment		1,502,111	991,958
Total		195,353,391	181,138,626
4) Held-to-maturity debt securities due within 1 year - Debentures			
(Note 15)		150,000,000	99,500,000
Total		664,355,634	657,452,339

(*) Fixed deposit and certificate of deposits are subject to the interest at 1.0 - 2.0 percent per annum.

(**) As of 31 December 2017, bill of exchange of a securities company has the face value of Baht 20 million and has original maturity of 6 months (2018 : nil).

Level of fair value and valuation techniques

- The fair value measurement of investments in mutual funds has been categorised as a Level 2, the fair value determined from their net asset value (NAV) at the measurement date of investment.
- The fair value measurement of investments in government bond has been categorized as a Level 2, the fair value determined by using the yield curve as announced by the Thai Bond Market Association at the measurement date of investment.

Financial Position and Operation Results

Movements of investments in mutual funds and government bond for the years ended 31 December 2018 and 2017 are as follows :-

(UNIT : BAHT)

	Consolidated and separate financial statements	
	2018	2017
Beginning balance - fair value	181,138,626	106,652,254
Acquisition	447,303,345	718,995,222
Redemption	(433,598,733)	(645,398,187)
Changes in allowance for revaluation of investment	510,153	889,337
Ending balance - fair value	195,353,391	181,138,626

8. TRADE AND OTHER RECEIVABLES

(UNIT : BAHT)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Account receivables - trade				
Related companies (Note 5.3)	148,739,222	202,029,518	183,347,415	249,096,770
Others	103,952,516	94,552,960	91,680,205	78,409,277
Total	252,691,738	296,582,478	275,027,620	327,506,047
<u>Less</u> Allowance for doubtful accounts	(935,402)	(6,265,180)	(307,968)	(6,265,180)
Allowance for goods returned	(19,700,000)	(20,100,000)	(19,700,000)	(20,100,000)
Account receivables - trade - net	232,056,336	270,217,298	255,019,652	301,140,867
Other receivables				
Accrued income	5,020,634	4,105,857	4,624,047	4,365,760
Accrued interest	6,456,286	6,028,146	6,456,286	6,028,146
Advance payment for goods	3,643,937	1,601,108	3,643,936	1,601,108
Others	8,651,752	7,157,793	7,482,397	5,835,198
Total trade and other receivables	255,828,945	289,110,202	277,226,318	318,971,079

Financial Position and Operation Results

The aging of trade accounts receivable are as follows :-

	(UNIT : BAHT)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Related companies				
Current	141,146,314	185,535,652	175,334,125	211,262,341
Overdue within 3 months	7,592,908	9,587,982	8,013,290	30,703,442
Over 3 to 6 months	-	1,605,702	-	1,830,805
Over 6 to 12 months	-	391,929	-	391,929
Over 12 months	-	4,908,253	-	4,908,253
Total	148,739,222	202,029,518	183,347,415	249,096,770
<u>Less</u> Allowance for doubtful accounts	-	(5,853,141)	-	(5,853,141)
Allowance for goods returned	(19,700,000)	(20,100,000)	(19,700,000)	(20,100,000)
Net	129,039,222	176,076,377	163,647,415	223,143,629
Other companies				
Current	73,386,074	63,156,623	61,113,763	49,618,296
Overdue within 3 months	28,910,116	29,791,335	28,910,116	27,212,055
Over 3 to 6 months	1,348,358	1,192,964	1,348,358	1,166,887
Over 6 to 12 months	-	34,692	-	34,692
Over 12 months	307,968	377,346	307,968	377,347
Total	103,952,516	94,552,960	91,680,205	78,409,277
<u>Less</u> Allowance for doubtful accounts	(935,402)	(412,039)	(307,968)	(412,039)
Net	103,017,114	94,140,921	91,372,237	77,997,238
Total	232,056,336	270,217,298	255,019,652	301,140,867

Financial Position and Operation Results

Movements of allowance for goods returned for the years ended 31 December 2018 and 2017 are as follows :-

(UNIT : BAHT)

	Consolidated and Separate financial statements	
	2018	2017
Beginning balance	20,100,000	19,100,000
Increase (Decrease) (included in revenue from sales in the statement of comprehensive income)	(400,000)	1,000,000
Ending balance	19,700,000	20,100,000

9. SHORT - TERM LOANS TO RELATED COMPANIES

The loans represent promissory notes which are unsecured and repayable at call, and subject to the interest at 3.00 - 3.98 percent per annum. (2017 : 3.750 - 4.375 percent per annum) (Note 5.3)

10. INVENTORIES - NET

(UNIT : BAHT)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Finished goods	182,966,996	164,906,477	126,393,595	108,799,022
Work in process	57,979,090	64,341,753	57,864,818	64,222,732
Raw materials	92,717,444	97,724,668	92,717,444	97,719,439
Supplies	1,749,243	1,656,188	1,562,458	1,469,403
Goods in transit	9,113,675	18,995,366	9,113,675	18,995,366
Total	344,526,448	347,624,452	287,651,990	291,205,962
<u>Less</u> Allowance for slow-moving stock	(2,037,300)	(1,896,929)	-	-
Net	342,489,148	345,727,523	287,651,990	291,205,962

11. INVESTMENTS IN ASSOCIATE - NET

Associate company	(UNIT : THOUSAND BAHT)									
	Paid - up		Percentage of		Cost method		Equity		Dividend	
	share capital		shareholding				method		Recieved	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
World Saha Fashion Co., Ltd.	50,000	50,000	19.15	19.15	9,500	9,500	4,895	7,351	-	-

Movements of investment in associate for the period ended 31 December 2018 and 2017 as follows :-

	(UNIT : THOUSAND BAHT)	
	2018	2017
Beginning balance	7,351	9,347
Share of loss for the year under equity method	(2,456)	(1,996)
Ending balance	4,895	7,351

Summary of financial statements of investment in associate and statement of income for the year ended 31 December 2018 and 2017 as follows :-

	(UNIT : THOUSAND BAHT)	
	2018	2017
Current assets	24,907	37,732
Non - current assets	5,851	3,352
Current liabilities	4,795	1,842
Non - current liabilities	-	459
Total revenue	24,536	8,403
Total expense	(37,368)	(18,823)
Net loss for the year	(12,832)	(10,420)

Financial Position and Operation Results

12. INVESTMENTS IN SUBSIDIARIES - NET

(UNIT : THOUSAND BAHT)

Subsidiary companies	Paid - up share capital		Percentage of shareholding		Separate financial statements			
					Cost method		Dividend for the years ended	
	2018	2017	2018	2017	2018	2017	2018	2017
S. Apparel Co., Ltd.	18,000	18,000	99.99	99.99	30,483	30,483	-	-
Celebrate Wealth Co., Ltd.	85,000	85,000	87.76	87.76	69,236	69,236	-	-
					99,719	99,719	-	-
<u>Less</u> Allowance for impairment loss					(70,350)	(72,178)	-	-
Net					29,369	27,541	-	-

Movements of allowance for impairment for the years ended 31 December 2018 and 2017 are as follows :-

(UNIT : THOUSAND BAHT)

	Separate financial statements	
	2018	2017
Beginning balance	72,178	57,724
Increase (included in loss on impairment of investment)	5,139	14,454
Decrease (included in profit on impairment of investment)	(6,967)	-
Ending balance	70,350	72,178

Significant movements of investment in subsidiaries for the years ended 31 December 2017 (31 December 2018 : nil) are as follows :-

- On 24 February 2017, the Company's Annual General Meeting of shareholders of S. Apparel Co., Ltd. approved the decrease of the Company capital to offset against deficits in the amount of Baht 18 million (comprising of 0.18 million shares of Baht 100 each). The registered capital after the capital reduction is Baht 18 million (comprising of 0.18 million shares of Baht 100 each).
- On 13 June 2017, the board of director meeting of the Company approved the acquisition of 36,000 shares of S.Apparel Co., Ltd. at Baht 76.48 per share totaling Baht 2.75 million from Saha Pathana Inter-Holding Public Company Limited that made the Company's shareholding interest increase from 80.00% to 99.99%.

13. INVESTMENTS IN AVAILABLE-FOR-SALE SECURITIES - NET

(UNIT : THOUSAND BAHT)

	Consolidated and separate financial statements			
	Investment		Dividend for the years ended	
	2018	2017	2018	2017
Marketable equity securities				
Related companies	383,415	347,673	31,139	27,351
Others	93,351	88,776	3,891	3,743
Total cost	476,766	436,449	35,030	31,094
Add Unrealized gain on investment revaluation	926,856	1,012,490	-	-
Total fair value	1,403,622	1,448,939	35,030	31,094
Debt securities				
Government bonds	14,097	13,229	-	-
Debentures	154,227	135,919	-	-
Total cost	168,324	149,148	-	-
Add Unrealized gain on investment revaluation	32	1,314	-	-
Total fair value	168,356	150,462	-	-
Total fair value of investments for sale securities	1,571,978	1,599,401	35,030	31,094

Level of fair value and valuation techniques

- The fair value measurement of investments in marketable equity securities has been categorized as a Level 1.
- The fair value measurement of investments in debt securities has been categorized as a Level 2, the fair value determined by using the yield curve as announced by the Thai Bond Market Association at the measurement date of investment.

Financial Position and Operation Results

Unrealized gain on investment revaluation movements for the years ended 31 December 2018 and 2017 are as follows :-

(UNIT : THOUSAND BAHT)

	Consolidated and separate financial statements		
	Equity securities	Debt securities	Total
Balance as of 1 January 2017	807,505	93	807,598
Increase during the year - net	204,985	1,221	206,206
Balance as of 31 December 2017	1,012,490	1,314	1,013,804
Decrease during the year - net	(85,634)	(1,282)	(86,916)
Balance as of 31 December 2018	926,856	32	926,888

Unrealized gain (loss) on revaluation of available-for-sale investment (net income tax) for the years ended 31 December 2018 and 2017 are as follows :-

	Consolidated and Separate financial statements	
	2018	2017
Unrealized gain (loss) on revaluation of available-for-sale investment	(86,916)	206,206
Difference due to investment reclassification	(59)	59
<u>Less</u> Income tax	17,395	(41,253)
Net	(69,580)	165,012

14. GENERAL INVESTMENTS - NET

(UNIT : THOUSAND BAHT)

	Consolidated financial statements		Separate financial statements		Dividend for the years ended	
	2018	2017	2018	2017	2018	2017
Related companies	409,418	409,571	405,418	405,571	14,055	18,595
Others	12,033	12,033	12,033	12,033	12,040	73
Total	421,451	421,604	417,451	417,604	26,095	18,668
<u>Less</u> Allowance for impairment loss	(41,092)	(41,943)	(37,092)	(37,943)	-	-
Net	380,359	379,661	380,359	379,661	26,095	18,668

Financial Position and Operation Results

Movements of general investments for the years ended 31 December 2018 and 2017 are as follows:-

(UNIT : THOUSAND BAHT)				
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Beginning balance	421,604	426,045	417,604	422,045
Increase during the year	500	5,431	500	5,431
Decrease during the year	(653)	(9,872)	(653)	(9,872)
Ending balance	421,451	421,604	417,451	417,604

Movements of allowance for impairment loss for the years ended 31 December 2018 and 2017 are as follows :-

(UNIT : THOUSAND BAHT)				
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Beginning balance	41,943	42,759	37,943	38,759
Decrease during the year				
(included in reversal of				
impairment loss of investment -				
net)	(851)	(816)	(851)	(816)
Ending balance	41,092	41,943	37,092	37,943

Significant movements of general investments for the years ended 31 December 2018 and 2017 are as follows :-

- In December 2018, the Company sold shares in Waseda Education (Thailand) Co., Ltd. to a related person at Baht 320 each, totaling to Baht 1.43 million, thereby decreasing the Company's shareholding interest from 7.14 percent to 4.91 percent.
- In November 2018, the Company invested in 5,000 newly issued ordinary shares of Saha Komehyo Co., Ltd. at Baht 100 each totaling Baht 0.50 million, thereby totalling the Company's shareholding interest 10 percent.
- In June 2018, the Company's Extra General Meeting of shareholders of Waseda Education (Thailand) Co., Ltd. approved the decrease of the Company's registered capital of Baht 1,952 million. The registered capital after the capital reduction is Baht 20 million.
- In September 2017, the Company invested in 624,000 newly issued ordinary shares of Sahapat Real Estate Co., Ltd. at Baht 6.25 each totaling Baht 3.90 million, thereby increasing the Company's shareholding interest from 2.40 percent to 5.24 percent.
- In August 2017, the Company's Extra General Meeting of shareholders of Thai Monster Co., Ltd. approved the decrease of the Company's registered capital to offset against deficits in the amount of Baht 15 million. The registered capital after the capital reduction is Baht 5 million.

Financial Position and Operation Results

- In August 2017, the Company invested in 3,600 newly issued ordinary shares of International Commercial Coordination (Hong Kong) Ltd. at HKD 100 each totaling Baht 1.53 million. Such acquisition is less than the preexisting shareholding percentage results in the Company's shareholding interest decreasing from 18.00 percent to 14.40 percent.
- In July 2017, the Company sold shares in KP Soft Co., Ltd. to a third party at Baht 2 each, totaling to Baht 1.28 million.

Allowance (Reversal) for impairment loss of investments - net

	(UNIT : THOUSAND BAHT)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Allowance for impairment loss of investments				
-Subsidiary companies	-	-	5,139	14,454
-General investments	1,127	7,055	1,127	7,055
Total	1,127	7,055	6,266	21,509
Reversal for impairment loss of investments				
-Subsidiary companies	-	-	(6,967)	-
-General investments	(1,978)	(7,871)	(1,978)	(7,871)
Total	(1,978)	(7,871)	(8,945)	(7,871)
Net	(851)	(816)	(2,679)	13,638

15. INVESTMENTS IN DEBT SECURITIES HELD TO MATURITY - NET

As of 31 December 2018 and 2017, investments in debt securities held to maturity are as follows :-

	(UNIT : BAHT)	
	Consolidated and separate financial statements	
	2018	2017
Debentures	556,214,201	501,751,311
<u>Less</u> current portion of debentures with redemption within		
1 year (Shown in short - term investments - Note 7)	(150,000,000)	(99,500,000)
Net (Redemption within 2 - 4 years)	406,214,201	402,251,311

Movements of investments in debt securities for the years ended 31 December 2018 and 2017 are as follows :-

	(UNIT : BAHT)	
	Consolidated and separate financial statements	
	2018	2017
Beginning balance - net book value	501,751,311	424,899,044
Acquisition	154,898,307	158,438,692
Redemption	(99,500,000)	(81,000,000)
Amortization of premium on debenture	(957,756)	(586,425)
Amortization of discount on debenture	22,339	-
Ending balance - net book value	556,214,201	501,751,311
Fair value - ending balance	558,746,173	569,203,414

Level of fair value and valuation techniques

The fair value measurement of investments in debt securities has been categorized as a Level 2, the fair value is determined by using the yield curve as announced by the Thai Bond Market Association at the measurement date of investment.

Financial Position and Operation Results

16. OTHER LONG - TERM INVESTMENT

Other long - term investment in convertible debentures are as follows :-

(UNIT : BAHT)

	Consolidated and separate financial statements	
	2018	2017
Saha Pathana Inter-Holding Plc. - At cost	-	38,742,000
Fair value - ending balance	-	59,240,010

On 29 June 2017, the Company purchased an investment in convertible debentures proportionated to its equity' holding in Saha Pathana Inter-Holding Plc. of 38,742 units at Baht 1,000 per unit, in the amount of Baht 38.74 million as follows :-

Interest rate	: 0.70% per annum payable quarterly.
Term	: 7 years, redemption date on 29 June 2024.
Conversion ratio	: 1 convertible debenture per 22.222222 ordinary shares.
Conversion price	: Baht 45 per share.
Exercise period	: Beginning in June 2018 and can be exercised 4 times per year.

Level of fair value and valuation techniques

The fair value measurement of investments in debt securities has been categorized as a Level 2, the fair value is determined by using the yield curve as announced by the Thai Bond Market Association at the measurement date of investment.

On 29 September 2018, The Company converted all of are convertible debentures whereby the company received 860,933 ordinary shares of which were classified as investment in available-for-sale securities.

17. INVESTMENT PROPERTY - NET

(UNIT : BAHT)

	Consolidated and separate financial statements			
	Land		Building	Total
	Land	improvement		
Cost :-				
1 January 2017	36,415,614	8,081,187	26,485,760	70,982,561
Acquisition	-	-	-	-
31 December 2017	36,415,614	8,081,187	26,485,760	70,982,561
Acquisition	-	-	-	-
31 December 2018	36,415,614	8,081,187	26,485,760	70,982,561
Accumulated depreciation :-				
1 January 2017	-	7,559,201	3,490,755	11,049,956
Depreciation for the year	-	431,038	1,209,978	1,641,016
31 December 2017	-	7,990,239	4,700,733	12,690,972
Depreciation for the year	-	90,925	1,252,988	1,343,913
31 December 2018	-	8,081,164	5,953,721	14,034,885
Net book value :-				
31 December 2018	36,415,614	23	20,532,039	56,947,676
31 December 2017	36,415,614	90,948	21,785,027	58,291,589
Total appraised value (*)	68,453,290	6,931,950	33,367,904	108,753,144

(*) The appraised value was determined by an independent appraiser during the year 2017.

Level of fair value and valuation techniques

The fair value measurement of land has been categorized as a Level 2, the fair value is based on the comparison approach to the valuation technique used.

The fair value measurement of building has been categorized as a Level 2, the fair value is based on the cost approach to the valuation technique used.

18. PROPERTY, PLANT AND EQUIPMENT - NET

	Consolidated financial statements								(UNIT : BAHT)
	Land		Office			Furniture and	Assets under		
	Land	improvement	Building	Machinery	equipment	Vehicles	fixtures	installation	
Cost :-									
1 January 2017	202,005,688	23,155,797	388,816,475	383,320,243	175,405,309	45,823,202	238,735,778	1,793,790	1,459,056,282
Acquisition	-	1,404,000	3,107,325	2,236,874	5,240,373	5,251,276	1,629,699	25,746,704	44,616,251
Transferred in	-	-	-	9,830,076	1,256,317	-	15,326,440	-	26,412,833
Disposal	-	-	-	(17,301,120)	(2,376,194)	(1,823,909)	(2,573,017)	-	(24,074,240)
Written off	-	-	-	(32,000)	(10,609,905)	-	-	-	(10,641,905)
Transferred out	-	-	-	-	(218,955)	-	-	(26,193,878)	(26,412,833)
31 December 2017	202,005,688	24,559,797	391,923,800	378,054,073	168,696,945	49,250,569	253,118,900	1,346,616	1,468,956,388
Acquisition	-	548,490	10,241,387	-	9,963,892	8,724,000	2,782,060	81,049,412	113,309,241
Transferred in	-	-	-	20,581,295	1,366,494	-	3,036,995	-	24,984,784
Disposal	-	-	-	(8,023,459)	(950,463)	(8,559,797)	(400,000)	-	(17,933,719)
Written off	-	-	-	(2,427,334)	(4,351,870)	(1,309,000)	-	-	(8,088,204)
Transferred out	-	-	-	-	-	-	-	(24,984,783)	(24,984,783)
31 December 2018	202,005,688	25,108,287	402,165,187	388,184,575	174,724,998	48,105,772	258,537,955	57,411,245	1,556,243,707

(UNIT : BAHT)

Consolidated financial statements

	Land	Land improvement	Building	Machinery	Office equipment	Vehicles	Furniture and fixtures	Assets under installation	Total
Accumulated depreciation :-									
1 January 2017	-	21,393,619	284,244,292	356,375,154	154,119,818	31,401,068	206,893,081	-	1,054,427,032
Depreciation for the year	-	1,503,882	5,715,710	9,899,068	8,715,941	2,550,229	10,690,669	-	39,075,499
Disposal	-	-	-	(17,291,400)	(2,096,665)	(1,823,907)	(2,573,015)	-	(23,784,987)
Written off	-	-	-	(31,999)	(10,496,626)	-	-	-	(10,528,625)
31 December 2017	-	22,897,501	289,960,002	348,950,823	150,242,468	32,127,390	215,010,735	-	1,059,188,919
Depreciation for the year	-	286,539	5,127,677	9,711,952	8,293,946	2,928,512	11,101,378	-	37,450,004
Disposal	-	-	-	(6,965,554)	(901,692)	(8,339,179)	(46,466)	-	(16,252,891)
Written off	-	-	-	(2,421,544)	(4,321,701)	(572,063)	-	-	(7,315,308)
31 December 2018	-	23,184,040	295,087,679	349,275,677	153,313,021	26,144,660	226,065,647	-	1,073,070,724
Net book value :-									
31 December 2018	202,005,688	1,924,247	107,077,508	38,908,898	21,411,977	21,961,112	32,472,308	57,411,245	483,172,983
31 December 2017	202,005,688	1,662,296	101,963,798	29,103,250	18,454,477	17,123,179	38,108,165	1,346,616	409,767,469

Financial Position and Operation Results

(UNIT : BAHT)

Separate financial statements

	Separate financial statements							Total
	Land	Land improvement	Building	Machinery	Office equipment	Vehicles	Furniture and fixtures	
Assets under installation								
Cost :-								
1 January 2017	186,075,743	23,155,797	342,154,845	335,011,243	156,240,852	44,063,921	200,692,350	1,289,279,632
Acquisition	-	1,404,000	3,107,325	2,256,500	4,815,041	5,251,276	400,000	42,980,846
Transferred in	-	-	-	9,830,076	1,037,362	-	15,326,440	26,193,878
Disposal	-	-	-	(11,779,649)	(1,705,731)	(1,823,909)	(2,573,016)	(17,882,305)
Written off	-	-	-	(32,000)	(10,350,660)	-	-	(10,382,660)
Transferred out	-	-	-	-	-	-	-	(26,193,878)
31 December 2017	186,075,743	24,559,797	345,262,170	335,286,170	150,036,864	47,491,288	213,845,774	1,303,995,513
Acquisition	-	548,490	10,241,387	-	8,142,190	8,724,000	36,500	108,720,317
Transferred in	-	-	-	20,581,295	1,366,493	-	3,036,995	24,984,783
Disposal	-	-	-	(8,023,459)	(950,463)	(8,559,797)	(400,000)	(17,933,719)
Written off	-	-	-	-	(4,003,016)	-	-	(4,003,016)
Transferred out	-	-	-	-	-	-	-	(24,984,783)
31 December 2018	186,075,743	25,108,287	355,503,557	347,844,006	154,592,068	47,655,491	216,519,269	1,390,779,095

(UNIT : BAHT)

Separate financial statements

	Land	Land improvement	Building	Machinery	Office equipment	Vehicles	Furniture and fixtures	Assets under installation	Total
Accumulated depreciation :-									
1 January 2017	-	21,393,620	243,031,657	308,482,695	136,823,378	30,649,074	173,033,639	-	913,414,063
Depreciation for the year	-	1,503,882	5,511,900	9,626,216	8,035,968	2,378,433	9,395,759	-	36,452,158
Disposal	-	-	-	(11,779,493)	(1,432,655)	(1,823,907)	(2,573,014)	-	(17,609,069)
Written off	-	-	-	(31,999)	(10,340,891)	-	-	-	(10,372,890)
31 December 2017	-	22,897,502	248,543,557	306,297,419	133,085,800	31,203,600	179,856,384	-	921,884,262
Depreciation for the year	-	286,538	4,936,783	9,692,209	7,653,296	2,829,958	9,297,151	-	34,695,935
Disposal	-	-	-	(6,965,554)	(901,692)	(8,339,179)	(46,466)	-	(16,252,891)
Written off	-	-	-	-	(3,990,991)	-	-	-	(3,990,991)
31 December 2018	-	23,184,040	253,480,340	309,024,074	135,846,413	25,694,379	189,107,069	-	936,336,315
Net book value :-									
31 December 2018	186,075,743	1,924,247	102,023,217	38,819,932	18,745,655	21,961,112	27,412,200	57,480,674	454,442,780
31 December 2017	186,075,743	1,662,295	96,718,613	28,988,751	16,951,064	16,287,688	33,989,390	1,437,707	382,111,251

Financial Position and Operation Results

19. INTANGIBLE ASSETS - NET

As of 31 December 2018 and 2017, computer software consist of :-

(UNIT : BAHT)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cost :-				
1 January	49,535,026	49,212,626	48,358,773	48,036,373
Acquisition	1,560,034	322,400	1,560,034	322,400
31 December	51,095,060	49,535,026	49,918,807	48,358,773
Accumulated amortization :-				
1 January	35,445,441	32,882,373	34,395,942	31,755,875
Amortization expenses for the year	2,657,747	2,563,068	2,635,271	2,640,067
31 December	38,103,188	35,445,441	37,031,213	34,395,942
Net book value - 31 Dcember	12,991,872	14,089,585	12,887,594	13,962,831

20. LEASEHOLD RIGHT - NET

(UNIT : BAHT)

	Consolidated and separate financial statements	
	2018	2017
Cost :-		
1 January	35,152,426	35,152,426
Written Off	(520,000)	-
31 December	34,632,426	35,152,426
Accumulated amortization :-		
1 January	24,609,978	21,950,877
Amortization expenses for the year	2,659,100	2,659,101
Written Off	(520,000)	-
31 December	26,749,078	24,609,978
Net	7,883,348	10,542,448

21. OVERDRAFTS AND SHORT - TERM LOANS FROM FINANCIAL INSTITUTIONS

(UNIT : BAHT)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Overdrafts	1,061,509	2,128,834	-	-
Short - term loans from financial institutions	2,000,000	-	-	-
Total	3,061,509	2,128,834	-	-

The subsidiary companies have overdrafts and short - term loans lines of credit with financial institutions as follows :-

(UNIT : MILLION BAHT)

Subsidiaries	Overdrafts and short - term loans facilities		Guaranteed by
	2018	2017	
Celebrate Wealth Co., Ltd.	4.00	4.00	Parent company
S. Apparel Co., Ltd.	18.00	26.10	-

22. TRADE AND OTHER PAYABLES

(UNIT : BAHT)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Accounts payables - trade				
Related companies (Note 5.3)	24,271,798	24,306,250	17,451,273	18,042,917
Others	81,631,037	116,682,416	81,472,979	116,674,016
Total accounts payables - trade	105,902,835	140,988,666	98,924,252	134,716,933
Other payables				
Accrued bonus	22,214,088	23,605,167	20,897,689	22,146,961
Accrued expenses	29,227,718	28,998,991	29,690,121	28,654,037
Accrued royalties	7,025,747	8,409,708	6,041,052	7,853,329
Others	20,770,305	10,398,570	17,441,941	9,400,963
Total trade and other payables	185,140,693	212,401,102	172,995,055	202,772,223

Financial Position and Operation Results

23. RETIREMENT BENEFIT OBLIGATION

Movement of retirement benefit obligation for the years ended 31 December 2018 and 2017 are as follows :-

(UNIT : BAHT)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Retirement benefit obligation				
- beginning balance - 1 January	176,678,660	198,375,217	168,729,877	182,037,175
Employee benefit expenses for the year	15,241,795	29,429,251	14,690,445	27,480,739
Employee benefit paid during the year	(20,518,913)	(8,371,508)	(19,435,843)	(6,599,847)
Gain on reversal of retirement benefit obligations (presented in the statements of comprehensive income)	-	917,383	-	1,131,538
Actuarial gain (presented in statements of other comprehensive income)	-	(43,671,683)	-	(35,319,728)
Retirement benefit obligation				
- ending balance - 31 December	171,401,542	176,678,660	163,984,479	168,729,877

Employee benefit expenses were recognized in statements of income for the years ended 31 December 2018 and 2017 are as follows :-

(UNIT : BAHT)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Current service costs	11,599,557	25,499,073	11,186,846	23,845,348
Interest costs	3,642,238	3,930,178	3,503,599	3,635,391
Total	15,241,795	29,429,251	14,690,445	27,480,739

The principle of actuarial assumption used to calculate the defined benefit obligations for the years ended 31 December 2018 and 2017 are as follows :-

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Discount rate	1.45% - 2.38%	1.45% - 2.38%	1.60% - 2.15%	1.60% - 2.15%
Mortality rate	100%(TMO 2017)	100%(TMO 2017)	100%(TMO 2017)	100%(TMO 2017)
Salary increase rate	2.50% - 4.00%	2.50% - 4.00%	2.50% - 4.00%	2.50% - 4.00%
Turnover rate	Age-related scale	Age-related scale	Age-related scale	Age-related scale

The sensitivity analysis for significant assumptions used in actuarial valuation can be analyzed as follow :-

(UNIT : BAHT)

	Change in assumptions	Effect to retirement benefit obligation increase (decrease)			
		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Discount rate	Increase 0.5%	(5,484,552)	(5,766,003)	(5,300,006)	(5,559,871)
Discount rate	Decrease 0.5%	5,785,864	5,952,289	5,592,809	5,898,485
Salary increase rate	Increase 0.5%	5,972,407	5,400,867	5,766,614	5,213,147
Salary increase rate	Decrease 0.5%	(5,710,055)	(5,167,296)	(5,511,599)	(4,986,112)

On 13 December 2018, the National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which is in the process being published in the Royal Gazette. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than that of the last 400 days, based on the final wage rate. This change has an impact to [the Company and its subsidiaries](#) by having additional liabilities for long-term employee benefits on the past service cost in amount of Baht 3.15 million. However, the labour law, which is in the process of being published in the Royal Gazette at the date of this report, has not yet been announced. [The Company and its subsidiaries](#) have not yet recorded the effect of such past service costs in the financial statements of the year 2018.

24. LEGAL RESERVE

Under the Public Limited Companies Act B.E. 2535 the Company is required to allocate not less than 5 per cent of its annual net profit, less any accumulated losses brought forward (if any), as legal reserve until this account reaches an amount not less than 10 per cent of the registered capital. The legal reserve is not available for dividend distribution.

25. GENERAL RESERVE

The Company has appropriated part of its net profit for general reserves with no specific objective.

Financial Position and Operation Results

26. EXPENSES CLASSIFIED BY NATURE OF EXPENSES

For the years ended 31 December 2018 and 2017 expenses classified by their nature are as follows:-

(UNIT : BAHT)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Changes in finished goods and work-				
in process (increase) decrease	(8,041,776)	(12,316,699)	(11,236,659)	10,045,417
Purchases of finished goods	101,448,852	133,471,800	92,862,671	99,247,514
Loss on diminution in inventories	21,763,530	17,854,494	21,623,819	17,256,865
Raw materials and supplies used	595,498,223	634,656,421	595,492,994	634,423,075
Management benefit expenses	36,350,770	30,796,695	35,477,244	29,964,955
Employee benefit expenses	625,757,372	646,383,814	567,673,561	579,624,255
Depreciation and amortization expenses	44,109,762	45,938,686	41,334,219	43,392,342
Royalty expenses	46,369,150	50,193,975	45,840,835	49,643,885

27. PROMOTIONAL PRIVILEGES

By virtue of the Investment Promotion Act, B.E. 2520, the Company has been granted some promotional privileges from the Board of Investment (BOI) as follows :-

1. Promotional certificates No.	60-1470-1-03-1-0	60-0122-0-00-1-0	1627(2)/2554	1628(2)/2554
2. Dates of promotional certificates	3/7/2017	16/2/2015	31/5/2011	31/5/2011
3. The first receiving revenues dates	1/3/2018	2/8/2018	4/5/2011	2/9/2011
4. The type of business promoted	Leather products or artificial leather	Leather products or artificial leather	Textile or fragment	Leather products or artificial leather
5. Important privileges which are granted :-				
5.1 Exemption from corporate income tax on net profit from promotional operations, commencing from the first receiving revenue date.	8 years	8 years	8 years (Expired on 30/11/18)	8 years (Expired on 30/10/17)
5.2 Exemption from income tax on dividends from promoted business which was exempted from income tax in 5.1.	8 years	8 years	8 years (Expired on 30/11/18)	8 years (Expired on 30/10/17)
5.3 Reduction of the corporate income tax on net profit from promoted business at 50% of normal rate after the end of exemption period.	5 years	5 years	5 years	5 years
5.4 Double deduction of expenses for utilities (electricity, water and transportation) for the year.	10 years	10 years	10 years	10 years
5.5 Exemption from corporate income tax for amounts not exceeding (Adjustable to capital investment amount excluding cost of land and working capital).	Baht 60.00 million	Baht 51.99 million	Baht 46.13 million	Baht 76.27 million

As a promoted entity, the Company must strictly comply with certain terms and conditions stipulated in the promotional certificates.

Income derived from BOI and Non - BOI activities are summarized as follows :-

(UNIT : MILLION BAHT)

	Consolidated financial statements					
	2018			2017		
	Local	Export	Total	Local	Export	Total
BOI promoted business	304.98	222.78	527.76	294.07	277.99	572.06
Non - BOI promoted business	900.19	350.38	1,250.57	1,002.64	284.98	1,287.62
Total	1,205.17	573.16	1,778.33	1,296.71	562.97	1,859.68

Financial Position and Operation Results

(UNIT : MILLION BAHT)

	Separate financial statements					
	2018			2017		
	Local	Export	Total	Local	Export	Total
BOI promoted business	304.98	222.78	527.76	294.07	277.98	572.05
Non - BOI promoted business	795.53	348.29	1,143.82	910.78	284.17	1,194.95
Total	1,100.51	571.07	1,671.58	1,204.85	562.15	1,767.00

28. FINANCIAL INFORMATION BY SEGMENT

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Group's business operation involves 2 principal segments: (1) men's apparel (2) women's apparel with geographical segments of both local and export sales. Segment performance is considered by revenue and gross profit, and is also measured based on the group operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. Revenue and gross profit of operating segments for the years ended 31 December 2018 and 2017 are as follows :-

Financial Position and Operation Results

(UNIT : THOUSAND BAHT)

For the year ended 31 December 2018

	Men's apparel	Women's apparel	Other segment	Consolidated financial statements
Revenue				
Revenue from sales - net	1,133,260	598,770	-	1,732,030
Revenue from rendering of services	46,694	-	-	46,694
Gross profit by segment	256,897	269,093	-	525,990
Dividend income	-	-	61,125	61,125
Interest income	-	-	33,726	33,726
Gain on disposal of investments	-	-	59,583	59,583
Other income	-	-	39,518	39,518
Selling expenses	(100,496)	(30,512)	(14,898)	(145,906)
Administrative expenses	(88,207)	(28,278)	(244,232)	(360,717)
Share of loss from investment in associate	-	-	(2,457)	(2,457)
Finance costs	-	-	(262)	(262)
Profit (loss) before income tax expenses	68,194	210,303	(67,897)	210,600
Income tax expenses				(15,868)
Net profit for the year				194,732
Additional information :-				
Depreciation and amortization expenses				44,110

Financial Position and Operation Results

(UNIT : THOUSAND BAHT)

For the year ended 31 December 2017

	Men's apparel	Women's apparel	Other segment	Consolidated financial statements
Revenue				
Revenue from sales - net	1,236,996	557,572	-	1,794,568
Revenue from rendering of services	64,110	-	-	64,110
Gross profit by segment	384,845	153,889	-	538,734
Dividend income	-	-	49,762	49,762
Interest income	-	-	33,125	33,125
Gain on disposal of investments	-	-	7,362	7,362
Other income	-	-	52,446	52,446
Selling expenses	(92,597)	(38,709)	(11,694)	(143,000)
Administrative expenses	(95,345)	(7,413)	(280,027)	(382,785)
Share of loss from investment in associate	-	-	(1,996)	(1,996)
Finance costs	-	-	(128)	(128)
Profit (loss) before income tax expenses	196,903	107,767	(151,150)	153,520
Income tax expenses				(3,247)
Net profit for the year				150,273
Additional information :-				
Depreciation and amortization expenses				45,939

Financial Position and Operation Results

As of 31 December 2018 and 2017, segment assets and liabilities of the Group are as follows :-

(UNIT : THOUSAND BAHT)

As of 31 December 2018					
		Women's	Total	Unallocated	Consolidated
	Men's apparel	apparel	segments	assets/liabilities	financial statements
Segment assets	381,244	159,808	541,052	3,786,827	4,327,879
Segment liabilities	13,363	52,727	66,090	503,662	569,752

(UNIT : THOUSAND BAHT)

	As of 31 December 2017				
		Women's	Total	Unallocated	Consolidated
	Men's apparel	apparel	segments	assets/liabilities	financial statements
Segment assets	348,691	240,027	588,718	3,784,412	4,373,130
Segment liabilities	36,072	77,893	113,965	500,192	614,157

(UNIT : THOUSAND BAHT)

For the year ended		
	31 December 2018	31 December 2017
GEOGRAPHICAL AREAS		
Domestic sales	1,205,570	1,295,712
Export sales		
- EUROPE	242,172	257,637
- ASIA	175,190	217,102
- AMERICA	154,245	85,567
- AUSTRALIA	1,138	2,291
- SOUTH AFRICA	410	369

Information of major customers

The Company has one major customer from segment of Men's apparel and Women's apparel for the years ended 31 December 2018 and 2017, in the amount of Baht 831.51 million and Baht 937.79 million, respectively.

Financial Position and Operation Results

29. TAX INCOME EXPENSES

As of 31 December 2018 and 2017, the components of deferred tax assets and deferred tax liabilities are as follows :-

(UNIT : THOUSAND BAHT)

	For the year ended 31 December			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Deferred tax assets				
- Retirement benefit obligation	32,797	33,746	32,797	33,746
- Consignment sales	2,316	2,372	2,316	2,372
- Unused tax losses	-	1,530	-	-
Total deferred tax assets	35,113	37,648	35,113	36,118
Deferred tax liabilities				
- Depreciation	9,064	7,389	8,041	6,279
- Unrealized gain on revaluation of available for-sale-investments	185,378	202,773	185,378	202,773
Total deferred tax liabilities	194,442	210,162	193,419	209,052

Income tax expenses for the year ended 31 December 2018 and 2017 are as follows :-

(UNIT : THOUSAND BAHT)

	For the year ended 31 December			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Current income tax				
Corporate income tax for the year	11,656	5,496	11,656	5,496
Deferred tax				
Relating to origination and reversal of temporary differences	4,211	(2,249)	2,768	(4,022)
Income tax expenses reported in the - statements of comprehensive income	15,867	3,247	14,424	1,474

Financial Position and Operation Results

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2018 and 2017 are as follows :-

(UNIT : THOUSAND BAHT)

	For the year ended 31 December			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Accounting profit before corporate income tax	210,599	153,520	216,549	156,970
Applicable tax rate	20%	20%	20%	20%
Accounting profit before corporate income tax multiplied by applicable tax rate	42,120	30,704	43,310	31,394
Effects of :				
Promotional privileges (Note 27)	(14,417)	(21,303)	(14,417)	(21,303)
Non - deductible expenses	(155)	1,629	(326)	1,576
Additional expense deductions allowed	(3,756)	(4,534)	(3,756)	(4,534)
Exemption of income	(9,706)	(9,787)	(9,706)	(9,787)
Effect from un - recording of deferred tax assets	1,656	8,656	(681)	4,128
Effect of elimination entry on the consolidated financial statements	125	(2,118)	-	-
Total	(26,253)	(27,457)	(28,886)	(29,920)
Income tax expenses reported in the statement of comprehensive income	15,867	3,247	14,424	1,474

Corporate income tax of the Group for the year ended 31 December 2018 and 2017 are calculated from the accounting profit and adjusted with revenues and expenses which are exempted from income tax or expenses not allowed by income tax law.

Non - BOI business operations are subjected to corporate income tax at the rate of 20 percent.

BOI business operation, the corporate income tax is calculated according to the privileges which are granted (Note 27).

Corporate income tax of the subsidiaries is calculated at the rate of 20 percent of taxable profit.

Financial Position and Operation Results

30. PROVIDENT FUND

The Company and its subsidiaries have set up a provident fund for their employees under the Provident Fund Act B.E. 2530 (1987) for the staff's welfare as well as security upon their resignation or retirement as defined by the Company's regulations, which is contributed by its employees and by the Company at the rate of 3 - 5% of salary. The Company has appointed the CIMB-Principal Asset Management Company Limited to act as the fund manager.

The Company and subsidiaries' contributions to the employee provident fund were recorded as expenses in the statements of comprehensive income for the years ended 31 December 2018 and 2017 as follows :-

(UNIT : MILLION BAHT)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Thanulux Public Company Limited	9.79	10.20	9.79	10.20
S. Apparel Co., Ltd.	0.36	0.45	-	-
Celebrate Wealth Co., Ltd.	0.39	0.47	-	-
Total	10.54	11.12	9.79	10.20

31. CAPITAL MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the businesses. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total equity, excluding non-controlling interests and also monitors the level of dividends paid to ordinary shareholders.

32. COMMITMENT AND CONTINGENT LIABILITIES

32.1 As of 31 December 2018 and 2017 the Group has commitments and contingent liabilities as follows :-

(UNIT : MILLION BAHT)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Commitments and contingent liabilities				
Bank guarantee with Customs Department	9.66	8.61	9.66	8.61
Bank guarantee for electricity	4.55	5.05	3.89	4.39
Bank guarantee for business operations	1.42	0.29	1.42	0.29
Loan guarantee for related companies	24.91	26.23	29.91	31.23

32.2 As of 31 December 2018, The Company has unused letters of credits of Baht 0.56 million (2017 : nil).

32.3 As of 31 December 2018 and 2017 The Company has entered into 7 trademark contracts with respective owners for the manufacturing and distribution apparel products under their trademarks. Both parties have mutual obligations to fulfill under these contracts whereby the Company is obliged to pay the royalty fees at the rate of 3.5 - 7.5 % of total sales (under the agreed contracts).

As of 31 December 2018 and 2017, one subsidiary company has 2 trademark contracts and 1 trademark contract, respectively with respective owner whereby it must pay the royalty fee at the rate of 7 - 9% of total sales (under the agreed contracts).

- 32.4 The Company has commitments relating to building lease right and services, whereby the Company must pay the monthly rentals and services in respect of the said contracts as follows :-

(UNIT : BAHT)

Description	Period	Lease term (years)	Monthly rental and services
Building lease right and services	2015 - 2022	7	78,720
Building lease right and services	2015 - 2022	7	165,000

- 32.5 As of 31 December 2018, the Company has commitment relating to fixed asset purchase agreement of Baht 3 million (2017 : Baht 9.15 million).

- 32.6 As of 31 December 2018 and 2017, The Group has commitment relating to building lease agreement and service agreements, whereby the Group must pay the rentals as follows :-

(UNIT : MILLION BAHT)

Description	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Within 1 year	15.37	11.85	2.04	1.15
More than 1 year not over 5 year	13.77	17.58	7.60	4.79
More than 5 year	7.68	4.46	7.68	4.46

33. DIVIDEND PAYMENT, GENERAL RESERVE AND DIRECTORS' REMUNERATION

- 33.1 On 8 August 2018, the Company's Board of Director Meeting No. 4/2018 approved to pay interim dividends of Baht 0.35 per share totaling Baht 42 million, to the existing shareholders of 120 million shares which will be paid on 7 September 2018. The Company will pay dividends from the retained earnings of BOI business operations.

- 33.2 On 24 April 2018, the Company's Annual General Meeting of shareholders approved the following resolutions :-

- To pay dividends of Baht 0.70 per share totaling Baht 84 million, to the existing shareholders of 120 million shares which will be paid on 22 May 2018. The Company will pay dividends from BOI business operations and corporate income tax exempted business operations.
- To pay the directors' remuneration not more than Baht 10 million.
- To appropriate net profit for general reserve in the amount of Baht 7.80 million.

- 33.3 On 25 April 2017, the Company's Annual General Meeting of shareholders approved the following resolutions :-

- To pay dividends of Baht 0.85 per share totaling Baht 102 million, to the existing shareholders of 120 million shares which will be paid on 22 May 2017. The Company will pay dividends from BOI business operations and corporate income tax exempted business operations.
- To pay the directors' remuneration not more than Baht 10 million.
- To appropriate net profit for general reserve in the amount of Baht 9.70 million.

34. FINANCIAL INSTRUMENTS

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

34.1 Accounting policies and procedure

See Note 4.

34.2 Credit risk

Credit risk refers to the risk that accounts receivable will default on its contractual obligations resulting in a financial loss to the Company.

The Company has concentration of risks as most of trade accounts receivable are related companies (Note 5). However, the said customers have been associated continuously for many years and maintained good payment capability.

For other customers, the management has credit policies in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount.

As at the statements of financial position date there was no other significant credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position.

34.3 Interest rate risk

Interest rate risk arises from the potential of a change in interest rates to have an effect on the operation of the Company in the current reporting period and in future years. The Group is confident that the risk can be managed because the Group has maintained plans and monitor the market situation closely.

Furthermore the Group has invested in debt securities, interest risk are depended on the fluctuation of prices of the debt securities due to the changes of interest rates. If the interest rate increased, the price of debt securities will be decreased and if the market interest rate decreased, the price of debt securities will increase.

34.4 Risk from currency exchange

The Group's risk from the fluctuation of foreign exchange rates, from debtors and creditors from the trading in foreign currencies. The Group will make forward exchange contract, in case the Baht currency is highly fluctuated and it is considered appropriate.

34.4.1 Selling forward exchange contracts

The Group has entered into exchange forward contracts with a local commercial bank to hedge against risk in exchange rate fluctuation which might affect the Baht currency receivable from export trade accounts receivable which having the term not over one year which can be summarized as follows:-

As of 31 December 2018 :-

Foreign currency	Consolidated financial statements			Separate financial statements		
	Amount (Million)	Delivery will be made during	Exchange rates on delivery date (Currencies exchange to Baht)	Amount (Million)	Delivery will be made during	Exchange rates on delivery date (Currencies exchange to Baht)
USD	0.18	Jun.19	32.33 - 32.51	0.18	Jun.19	32.33 - 32.51
JPY	40.00	Jun.19	0.29 - 030	40.00	Jun.19	0.29 - 0.30
EUR	0.30	May.19 - Jun.19	37.65 - 37.94	0.30	May.19 - Jun.19	37.65 - 37.94

As of 31 December 2017 :-

Foreign currency	Consolidated financial statements			Separate financial statements		
	Amount (Million)	Delivery will be made during	Exchange rates on delivery date (Currencies exchange to Baht)	Amount (Million)	Delivery will be made during	Exchange rates on delivery date (Currencies exchange to Baht)
USD	1.12	May.18 - Jun.18	32.30 - 30.75	1.12	May.18 - Jun.18	32.30 - 30.75
JPY	30.91	May.18 - Jun.18	0.29	30.91	May.18 - Jun.18	0.29
EUR	0.37	May.18 - Jun.18	38.50 - 39.13	0.37	May.18 - Jun.18	38.50 - 39.13

Financial Position and Operation Results

34.4.2 Uncovered transactions

As of 31 December 2018 and 2017, the Group has outstanding assets and liabilities denominated in foreign currencies which are not covered by any hedging transaction as follows :-

(UNIT : MILLION)

	Consolidated financial statements				Separate financial statements			
	Foreign currencies		Converted to Baht		Foreign currencies		Converted to Baht	
	2018	2017	2018	2017	2018	2017	2018	2017
Assets								
USD	1.62	0.25	52.25	8.00	1.62	0.24	52.25	7.83
EUR	0.35	0.22	13.04	8.35	0.35	0.22	13.04	8.35
Total			65.29	16.35			65.29	16.18
Liabilities								
USD	0.84	0.63	27.52	20.78	0.84	0.63	27.52	20.78
EUR	0.11	0.40	4.20	15.67	0.11	0.40	4.20	15.67
JPY	31.86	21.15	9.46	6.21	31.86	21.15	9.46	6.21
Total			41.18	42.66			41.18	42.66

34.5 Fair values of financial instruments

The Group uses the market approach to measure its assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

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

- Investments in mutual funds have been categorized as a Level 2, the fair value is determined from their net asset value (NAV) at the measurement date of investment.
- Investments in marketable securities have been categorized as a Level 1, the fair value is based on quoted market price.
- Investments in debt securities have been categorized as a Level 2, the fair value is determined by using the yield curve as announced by the Thai Bond Market Association at the measurement date of investment.
- Investment property
 - The fair value measurement of land has been categorized as a Level 2, the fair value is based on the comparison approach to the valuation technique used.
 - The fair value measurement of building has been categorized as a Level 2, the fair value is based on the cost approach to the valuation technique used.

35. RECLASSIFICATION

The Company's financial statements for the year ended 31 December 2017 have been reclassified to conform to the year ended 31 December 2018 presentation. The reclassification does not have any effect to the previously reported net profit or shareholders' equity.

36. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved for issuance by the Company's board of directors on 26 February 2019.

Management's Discussion and Analysis

1) Performance of The Company and its subsidiaries (referred as the "Group")

1.1) Performance Analysis

For the year 2018, the Group generated a total of Baht 1,971.82 million in total revenue, a decrease of 1.44% from 2017. Total sales decreased 4.30%, came from Domestic sales decreased by 6.96% due to the high level of household debt. Export sale increased by 1.81% due to the sales increasing of the apparel products to customers in America. Net profit from operations was Baht 195.52 million, an increase of 28.54% from 2017, because of profit on sale of investment in available-for-sale securities Baht 59.58 million.

1.2) Performance for the Completed Period

Total Revenue

The Group generated total revenue of Baht 1,971.82 million in 2018, a decrease of Baht 28.74 million or 1.44% from 2017 due to a drop of sales revenue by Baht 79.96 million but other revenues increase by Baht 49.05 million.

Consolidated Financial Statement	2018		2017		Change	
	Amount	%	Amount	%	Increase	
					(Decrease)	
Sales Revenue	1,778.72	90.21	1,858.68	92.91	(79.96)	(4.30)
Other Revenue	193.10	9.79	141.88	7.09	51.22	36.10
Total Revenue	1,971.82	100.00	2,000.56	100.00	(28.74)	(1.44)

Sales Revenue

During 2018, The Group generated sales revenue amounted to Baht 1,778.72 million, a decrease of Baht 79.96 million or 4.30% from 2017, detail as below.

Consolidated Financial Statement	2018		2017		Change	
	Amount	%	Amount	%	Increase	
					(Decrease)	
Domestic	1,205.57	67.78	1,295.71	69.71	(90.14)	(6.96)
Export	573.15	32.22	562.97	30.29	10.18	1.81
Total Sales Revenue	1,778.72	100.00	1,858.68	100.00	(79.96)	(4.30)

- **Domestic sales** : In 2018, sales revenue amounted to Baht 1,205.57 million, a decrease of Baht 90.14 million or 6.96% from 2017, In 2018, although the overall Thai economy expanded well. But household debt was still at a high level, consumers were careful to spend. Moreover, the apparel market is highly competitive as well as the changing of consumer behavior, all of these causing competition in terms of quality, pricing, distribution channels and sales promotion. The Group had cooperated with distributors

continuously conducting market survey and consumer behavior research for getting the information for invent innovative products that meet the needs of consumers, improved the product management system to be in line with market demand, including developing a supply chain system to be effective.

- **Export Sales** : In 2018, a sales revenue amounted to Baht 573.15 million, an increase of Baht 10.18 million or 1.81% from 2017. The sales volume increased due to the increasing of the apparel products sold to customers in America. These resulted from aggressive marketing activities, an exhibition was organized for the purpose to show the production potential that focuses on quality and service over expectations. Anyway, the group had also been affected by the appreciation of the major currencies, which the Group had used financial tools to manage the risks form exchange rates.

Other Revenues

In 2018, The Group generated other revenues amounted to Baht 193.10 million, an increase from 2017 of Baht 51.22 million or 36.10% due to in 2018 the Company had gain on disposal of available-for-sale securities of Baht 59.58 million, the dividend received increase Baht 11.36 million but rental income decreased Baht 1.54 million and the income from laundry business decreased by Baht 1.45 million.

Costs of goods sold and Selling and Administrative Expenses

Unit : million Baht						
Consolidated Financial Statement	2018		2017		Change	
	Amount	%	Amount	%	Increase (Decrease)	%
Sales Revenue	1,778.72	100.00	1,858.68	100.00	(79.96)	(4.30)
Cost of Goods Sold	1,252.73	70.43	1,319.95	71.02	(67.22)	(5.09)
Gross Profit	525.99	29.57	538.73	28.98	(12.74)	(2.36)

Cost of Goods Sold

In 2018 the Group's proportion of cost of goods sold to sales revenue was 70.43% compared to 71.02% in 2017, slightly decreased from the efficiency of raw material usage.

Financial Position and Operation Results

	Unit : million Baht					
	2018		2017		Change	
	Amount	%	Amount	%	Increase (Decrease)	%
Selling Expenses	145.91	8.20	143.00	7.69	2.91	2.03
Administrative Expenses	360.72	20.28	382.79	20.59	(22.07)	(5.77)
Income Tax Expense	15.87	0.89	3.25	0.17	12.62	388.31

* Proportional to Sales Revenue

Selling and Administrative Expenses

In 2018, the Group had selling expenses of Baht 145.91 million, an increase of Baht 2.91 million or 2.03% from 2017, since the company had invested in the sales areas for the shirt brand "Olymp".

Income tax expense

The Group's corporate income tax expenses for the year 2018 amounted to Baht 15.87 million, an increase of Baht 12.62 million or 388.31% from the previous year. The Group's corporate income tax expenses are expected to be Baht 11.66 million. Deferred income tax expense of Baht 4.21 million resulted to the income tax expense shown in the statement of income of Baht 15.87 million, as detailed below.

	Unit : million Baht			
	2018	2017	Change	
	Amount	Amount	Increase (Decrease)	%
Consolidated Financial Statement				
Corporate Income tax expense for the year	11.66	5.50	6.16	112.00
Reconciled with deferred income tax				
- Retirement benefits obligation	1.68	(2.67)	4.35	(162.92)
- Consignment goods (increase) decrease	0.95	(0.56)	1.51	(269.64)
- Depreciation of fixed assets	1.58	0.98	0.60	61.22
Total deferred income tax	4.21	(2.25)	6.46	(287.11)
Income Tax Expenses on Consolidated				
Financial Statement	15.87	3.25	12.62	388.31

Profit

Consolidated Financial Statement	Unit : million Baht					
	2018		2017		Change	
	Amount	%	Amount	%	Increase (Decrease)	%
Sales Revenue	1,778.72	90.21	1,858.68	92.91	(79.96)	(4.30)
Other Revenues	193.10	9.79	141.88	7.09	51.22	36.10
Total Revenues	1,971.82	100.00	2,000.56	100.00	(28.74)	(1.44)
Cost of Goods Sold	1,252.73	* 70.43	1,319.95	* 71.02	(67.22)	(5.09)
Gross Profit	525.99	* 29.57	538.73	* 28.98	(12.74)	(2.36)
Selling and Administrative Expenses	509.08	25.82	527.78	26.38	(18.70)	(3.54)
Operating Profit	16.91	* 0.95	10.95	* 0.59	5.96	54.43
Impairment Loss on investment, net	(0.85)	(0.04)	(0.82)	(0.04)	(0.03)	3.66
Finance Costs	0.26	0.01	0.13	0.01	0.13	100.00
Income Tax Expense	15.87	0.80	3.25	0.16	12.62	388.31
Net Profit for the Year	194.73	9.88	150.27	7.51	44.46	29.59
Owners of the parent company	195.52	9.92	152.11	7.60	43.41	28.54
Non-controlling interests	(0.79)	(0.04)	(1.84)	(0.09)	1.05	(57.07)
ROE	5.20%		4.19%		1.01%	
ROA	4.49%		3.58%		0.91%	

* Proportional to Sales Revenue

Gross Profit

The Group's gross profit margin for the year 2018 was Baht 525.99 million, a decrease of Baht 12.74 million or a decrease of 2.36% from the previous year, due to a decrease of sales and the appreciation of Thai Baht.

Operating Profit

The Group's operating profit for the year 2018 was Baht 16.91 million, an increase of Baht 5.96 million or 54.43%, due to the Group could manage sales and administrative expenses better enough to compensate the result of lower sales.

Profit attributable to equity holders of the Company

The Group's net profit attributable to equity holders of the Company in 2018 was Baht 195.52 million, an increase of Baht 43.41 million or 28.54% from 2017, due to the increasing of other income according to the reasons mentioned above. Net profit was 9.92% (previous year 7.60%). Return on assets was 4.49% (previous year: 3.58%).

Return on Equity

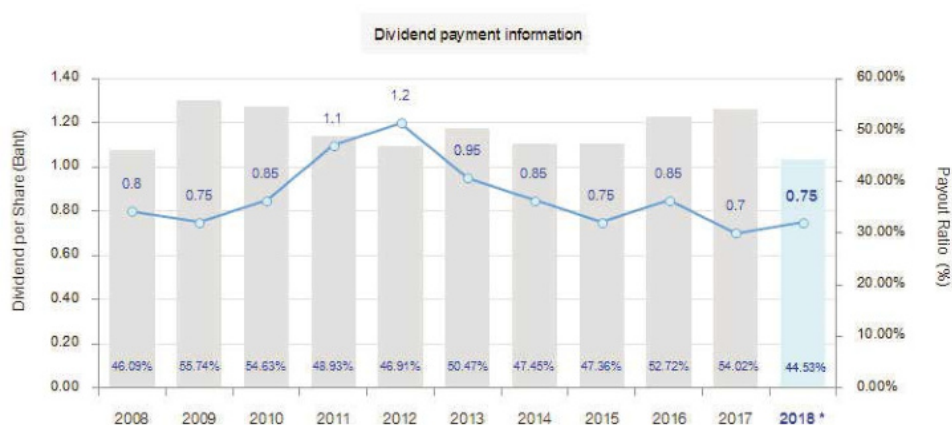
Return on equity was 5.20% while previous year was 4.19% due to the increasing of net profit.

Financial Position and Operation Results

Company has a policy of paying dividends to shareholders at the rate of Baht 0.20 per share, which is equivalent to 20 percent of the par value. However, payment is principally subject to the Company's operating results and economic conditions. Dividend payments would be made from net earnings and retained earnings.

In 2018, the Company earned net profits as evidenced by the Company financial statements in the amount of Baht 202.12 million equaled to Baht 1.68 per share. The Board of Directors Meeting No.1/2019 on 26th February 2019 agree to propose the General Meeting of Shareholders on 23rd April 2019 to approve dividend payments at Baht 0.75 per share, totaling Baht 90 million. Payout Ratio was 44.53%, the Company had paid an interim dividend from the sixth months' operating results of year 2018 at 0.35 per share totaling Baht 42.00 million on 7th September 2018. Therefore, the Company will pay the remaining dividend at Baht 0.40 per share, totaling Baht 48.00 million which will be paid on 17th May 2019.

Separate Financial Statements	Units	2018	2017	Change	
		Amount	Amount	Increase (Decrease)	%
Owners of the parent company	Million Baht	202.12	155.50	46.62	29.98
Total Shares	Million Share	120.00	120.00		
Earning per Share	Baht / Share	1.68	1.30	0.38	29.98
Dividend per Share	Baht / Share	0.75	0.70	0.05	7.14
Total dividend Paid	Million Baht	90.00	84.00	6.00	7.14
Dividend Payout Ratio	%	44.53%	54.02%		



Note: * The Board of Directors has resolved to pay a dividend of 0.75 Baht per share and propose to the Annual General Meeting of Shareholders for approval on April 23, 2019.

2) Financial Position

2.1) Assets

Components of Assets

Consolidated Statement of Financial Position as of December 31					Unit : million Baht	
	2018		2017		Change	
	Amount	%	Amount	%	Increase (Decrease)	%
Cash and Cash equivalents	30.48	0.70	48.23	1.10	(17.75)	(36.80)
Short-term Investments	664.36	15.35	657.45	15.03	6.91	1.05
Trade and Other Accounts Receivables	255.83	5.91	289.11	6.61	(33.28)	(11.51)
Inventories, net	342.49	7.91	345.73	7.91	(3.24)	(0.94)
Other Current Assets	62.26	1.44	62.06	1.42	0.20	0.32
Total Current Assets	1,355.42	31.32	1,402.58	32.07	(47.16)	(3.36)
Long-term Investments	2,363.45	54.61	2,427.41	55.51	(63.96)	(2.63)
Property, Plant and Equipment, net	483.17	11.16	409.77	9.37	73.40	17.91
Other Non-current Assets	125.84	2.91	133.37	3.05	(7.53)	(5.65)
Total Fixed Assets	2,972.46	68.68	2,970.55	67.93	1.91	0.06
Total Assets	4,327.88	100.00	4,373.13	100.00	(45.25)	(1.03)

Current Assets

As of 31st December 2018, The Group posted Baht 1,355.42 million in total current assets, a drop from the previous year of Baht 47.16 million, mainly due to:

- Cash and Cash equivalents amount Baht 30.48 million decreased Baht 17.75 million Used for invest in fixed assets.
- Trade and Other Accounts Receivables amount Baht 255.83 million decreased Baht 33.28 million was a result from reduced of sales and the company had closely tracking payments from customers causing debtors who have not been due and overdue for no more than 3 months, representing 99.35%.

Non-Current Assets

As of 31st December 2018, the Group posted Baht 2,972.46 million in non-current assets, increased by Baht 1.91 million from the previous year. This was mainly due to

- **Property, Plant and Equipment**, net amount Baht 483.17 million increased Baht 73.40 million was a result from investment to expand production base, improve machines and equipment in order to increase production efficiency and also improve the work system to be faster in response to the current business model.
- **Long-term Investment** amount Baht 2,363.46 million decreased Baht 63.96 million was a result of the sale of investments and fair value adjustment in the Investment in available-for-sale securities.

Financial Position and Operation Results

2.2) Assets Quality

Trade Accounts Receivable

In 2018, trade accounts receivable before deduction for allowance for doubtful accounts, and allowance for sales returns was Baht 252.69 million, a decrease by Baht 43.89 million. It comprised of Baht 148.74 million or 58.86% related trade accounts receivable and Baht 103.95 million or 41.14% other trade accounts receivable (2017 related trade accounts receivable Baht 202.03 million or 68.12% and other trade accounts receivable Baht 94.55 million or 31.88%).

Aging of Trade Accounts Receivable

Unit : million Baht

	total	within credit term		overdue					
				less than 3 months		3 to 6 months		more than 6 months	
	amount	amount	%	amount	%	amount	%	amount	%
Related trade accounts receivable									
2018	148.74	141.15	94.90	7.59	5.10	-	-	-	-
2017	202.03	185.53	91.83	9.59	4.75	1.61	0.80	5.30	2.62
Other trade accounts receivable									
2018	103.95	73.39	70.60	28.91	27.81	1.35	1.30	0.30	0.29
2017	94.55	63.16	66.80	29.79	31.51	1.19	1.26	0.41	0.43

The Group might has risk for uncollectible debts amounted to Baht 0.94 million same as allowance for doubtful accounts. (2017: Baht 6.26 million)

Inventory

The Group measured the ending balance of inventory in financial statement at the lower of cost or net realizable value. The Group considered decrease in their value for obsolete inventory in accordance with accounting standard. In addition, the Group consistently committed on balancing the inventory level with the market demand.

Long-term Investments (See additional information from Notes to the Financial Statements No. 13 – 16), details as below

Available-for-sale securities Investment in listed securities were stated in the financial statements at fair value which over the cost amounted to Baht 926.89 million. Dividend yield was 7.35%, last year was 7.12%. (Dividend yield at fair value was 2.50%, in 2017 was 2.15%)

Non-marketable securities Investment in unlisted equity securities were stated in the financial statements at cost less any impairment losses. Dividend yield was 6.19%. (Last year 4.43%)

Held-to-maturity debt securities were stated at amortized cost, all items were debentures with rating over BBB.

The Group had received the return on long-term investments in pass year over the average of fixed deposit rates at 5 major commercial banks. Moreover, the Group benefited from the investment in supply chain companies, resulting in stability of raw material, which was in accordance with financial management policy of the Group.

Investment Properties

The Group has invested in land and building for aiming the benefits from rental and capital appreciation. The investment properties are stated at cost less accumulated depreciation, including regularly review of fair value in accordance with accounting standard mentioned in Notes 17

Property, Plant and Equipment

Land disclosed in the financial statements at cost. It has been acquired by the Group for over a long period so that the current market prices of such land has overwhelmingly exceeded the cost stated in the financial statements. Factory and office building were had improvements and repairs to suit the applications. Machinery and equipment are efficient and technologically advanced as the Group continuously improved technologies in production to replace the old machinery and had regularly maintenance. Moreover, for unused assets, the Group had already disposed it.

2.3) Liquidity

Components of Cash Flows

In 2018, the Group had cash and cash equivalent of Baht 30.48 million, year 2017 had Baht 48.23 million, decreased of Baht 17.75 million. For excess liquidity management, the Group consider to invest in long-term securities and invest in fixed assets to expand capacity and improve efficiency in production. Details of net cash flows classified by type to operating, investments and financing activities are as follows:

Consolidated Cashflow Statement	Unit : million Baht			
	2018	2017	Change	
	Amount	Amount	Increase (Decrease)	%
Cash Received (Used) from Operating Activities	92.72	123.58	(30.86)	(24.97)
Cash Received (Used) from Investing Activities	14.70	(40.58)	55.28	(136.22)
Cash Received (Used) from Financing Activities	(125.18)	(103.09)	(22.09)	21.43
Net Cash Received (Used)	(17.76)	(20.09)	2.33	(11.60)
Net Cash Beginning of the year	48.24	68.32	(20.080)	(29.39)
Net Cash End of the year	30.48	48.23	(17.75)	(36.80)

Financial Position and Operation Results

The Group's net cash flow from operating activities in 2018 amounted to Baht 92.72 million, decreased from year 2017 by Baht 30.86 million mainly due to the operating profit decreased.

Net cash generated from investing activities in 2018 amounted to Baht 14.70 million, which were mainly came from cash receipts from securities redemption in debt instruments, short-term deposits (net) of Baht 26.48 million, dividends received Baht 61.05 million, interest income Baht 34.23 million, but they also had expenses for the purchase of land, buildings and equipment (Net) Baht 109.35 million.

Net cash used in financing activities in 2018 amounted to Baht 125.18 million, increased by Baht 22.09 million from year 2017. There was the dividends payment to shareholders amounting to Baht 125.85 million (2017 dividend payment was Baht 101.96 million), finance costs in amount of Baht 0.26 million and the subsidiaries had borrowed additional funds from financial institutions in the amount of Baht 0.93 million.

The Group's net cash flow as mentioned above decreased in amount of Baht 17.76 million, adding with cash and cash equivalents at beginning of year by Baht 48.24 million, then the cash and cash equivalents at the end of year was Baht 30.48 million.

Adequacy of liquidity

		2018	2017	2016
Current Ratio	(times)	6.70	6.20	5.94
Quick Ratio	(times)	4.70	4.40	4.15
Cash Flow Liquidity Ratio	(times)	0.44	0.54	0.93
Net Increase in Cash Flows From Operating	(million Baht)	92.72	123.58	226.08

According to financial ratio in table above, including net cash inflow from operating, the Group had the appropriate liquidity for business operation, investments and payment of dividend to the shareholders.

The Company has pursued the policy to manage its excessive liquidity through investment in securities, debt and equity instruments, and/or open-ended funds listed in the Stock Exchange of Thailand which were secure and offer preferable returns. The Company has also invested in businesses which were complementary to its principal business in order to improve competitiveness. In addition, the Company focused on shortening the payment period to obtain benefits from cash discounts.

Cash Cycle	(days)		
	2018	2017	2016
Average inventory period	51	44	42
Average collection period	56	60	59
Average payment period	36	38	34
Cash cycle (days)	70	66	67

Over the past, the Group has deliberately and continuously monitored on sales situation, marketing and economic circumstance including other factors which had effect on sales and collection period.

2.4) Significant Investment Expenditures

In 2018, the Group has various investment expenditures as follows:

1. Continuous capital expenditure from the previous year in order to expand the leather production base from the BOI Investment Promotion Program in the Special Economic Zone in Mae Sot District, Tak Province, and also expand investment for the BOI investment promotion program for additional 1 more card in Lamphun Province for supporting future plans. It also supports the government's policy of distributing of income to the countryside, reduce labor shortage due to foreign workers, and to support future production plans. Invest in new machinery with modern technology, for replacement of the old machine, replace the labor force, improvement the production efficiency.
2. Investment in information system both of hardware and software to enhance the efficiency in production and selling.
3. There were also invest in the property for the operation and some of them were held for the benefit of rent or profit taking in the future.
4. Improve the factory environment so that employees have good quality of life, in accordance with the Occupational Health Act. Safety and Environment.
5. Joint investment in Saha Komehyo Co., Ltd., which operation was to buy and sell used luxury products. It is a new business expansion that can expand the existing business.

Financial Position and Operation Results

2.5) Sources of Fund

The Group's Fund for operation and investment had been mainly from capital and retain earning.

Statement of Financial Position as at 31 December				Unit : million Baht		
Liabilities and Shareholders' Equity	2018		2017		Change	
	Amount		Amount		Increase (Decrease)	%
Trade and Other Accounts Payables	185.14	4.28	212.40	4.86	(27.26)	(12.83)
Total Current Liabilities	202.34	4.68	226.11	5.17	(23.77)	(10.51)
Provision for Employee Benefits	171.40	3.96	176.68	4.04	(5.28)	(2.99)
Deferred Tax Liabilities	194.44	4.49	210.16	4.81	(15.72)	(7.48)
Total Non-current Liabilities	367.41	8.49	388.05	8.87	(20.64)	(5.32)
Total Liabilities	569.75	13.16	614.16	14.04	(44.41)	(7.23)
Issued and Fully Paid-up Share Capital	120.00	2.77	120.00	2.74	0.00	0.00
Premium on Ordinary Shares	181.13	4.19	181.13	4.14	0.00	0.00
Other Components of Equity	782.19	18.07	851.77	19.48	(69.58)	(8.17)
Appropriated Retained Earnings	226.20	5.23	218.40	4.99	7.80	3.57
Unappropriated Retained Earnings	2,447.16	56.54	2,385.43	54.55	61.73	2.59
Total Shareholders' Equity	3,756.68	86.80	3,756.73	85.90	(0.05)	(0.00)
Non-controlling Interests	1.45	0.03	2.24	0.05	(0.79)	(35.27)
Total Liabilities and Shareholders' Equity	4,327.88	100.00	4,373.13	100.00	(45.25)	(1.03)

Capital Structure

Capital structure comprised of liabilities at Baht 569.75 million, Company Equity at Baht 3,756.68 million, and non-controlling interest at Baht 1.45 million. The Group's debt to equity ratio was 0.15 slightly lower than last year. The Group's capital structure was still stable.

Liabilities

As of December 31, 2018, the Group's total liabilities amounted to Baht 569.75 million, decreasing from 2017 by Baht 44.41 million. This was mainly due from a decrease of Trade Account Payable Baht 27.26 million, Provision for Employee Benefit Baht 5.28 million and deferred tax liabilities by Baht 15.72 million.

Shareholders' Equity

As of December 31, 2018, the Group's equity amounted to Baht 3,756.68 million, slightly decrease from year 2017. Due to the net profit by Baht 195.52 million, unrealized loss from valuation of investment in available-for-sale securities (net) by Baht 69.58 million, dividends paid for the year 2017 in amount of Baht 84.00 million and interim dividends payment for the 6 months operation of 2018 in amount of Baht 42.00 million so that the book value per share as at December 31, 2018 equaled to Baht 31.31 same as at 31 December 2017.

Commitments and Contingent Liabilities

Detail per Notes to the Financial Statements No. 32

3) Factors or situations that might affect toward the Company's financial position or business operation in the future

- 1) The high level of household debt, caused the customers to be more cautious in spending.
- 2) The fluctuation of exchange rate of foreign trading partners affected the Group's total sales and profit.
- 3) Government policy after the election.

Financial Position and Operation Results

Synopsis of Operations of the Company and Subsidiaries

(UNIT: THOUSAND BAHT)

Selected Data	2018	%	2017	%	2016	%
STATEMENTS OF COMPREHENSIVE INCOME						
Revenue from sales	1,778,724	90.21	1,858,678	92.91	2,008,758	94.15
Other incomes	193,102	9.79	141,879	7.09	124,735	5.85
Total revenues	1,971,826	100.00	2,000,557	100.00	2,133,493	100.00
Cost of sales	1,252,735	* 70.43	1,319,944	* 71.02	1,396,324	* 69.51
Selling and administrative expenses	509,081	25.82	527,781	26.38	532,365	24.95
Total expenses	1,761,227	89.32	1,847,037	92.33	1,929,058	90.42
EBITDA	254,120	12.89	198,771	9.94	257,423	12.07
Depreciation and amortization	44,110	2.24	45,939	2.30	52,619	2.47
Profit before finance costs and corporate income tax	210,861	10.69	153,648	7.68	204,804	9.60
Net profit for the year attributable to owners of the parent company	195,525	9.92	152,115	7.60	205,307	9.62
STATEMENTS OF CASH FLOWS						
Net cash received from operating activities	92,724	4.70	123,575	6.18	226,083	10.60
Net cash used in investing activities	14,702	0.75	(40,577)	(2.03)	(103,416)	(4.85)
Net cash used in financing activities	(125,179)	(6.35)	(103,085)	(5.15)	(93,247)	(4.37)
Cash and cash equivalent increase(decrease)-net	(17,754)	(0.90)	(20,087)	(1.00)	29,420	1.38
STATEMENTS OF FINANCIAL POSITION						
Cash and cash equivalents	30,482	0.70	48,236	1.10	68,323	1.66
Short - term investments	664,356	15.35	657,452	15.03	606,154	14.72
Trade and other receivables	255,829	5.91	289,110	6.61	319,180	7.75
Inventories - net	342,489	7.91	345,728	7.91	327,419	7.95
Total current assets	1,355,424	31.32	1,402,582	32.07	1,422,221	34.53
Long - term investments	2,363,446	54.61	2,427,407	55.51	2,148,789	52.17
Property, plant and equipment - net	483,173	11.16	409,767	9.37	404,629	9.82
TOTAL ASSETS	4,327,879	100.00	4,373,130	100.00	4,118,815	100.00
Trade and other payables	185,141	4.28	212,401	4.86	226,116	5.49
Total current liabilities	202,346	4.68	226,113	5.17	239,498	5.81
Retirement benefit obligation	171,402	3.96	176,679	4.04	198,375	4.82
Deferred tax liabilities	194,442	4.49	210,161	4.81	167,924	4.08
Total non - current liabilities	367,407	8.49	388,044	8.87	367,485	8.92
TOTAL LIABILITIES	569,752	13.16	614,157	14.04	606,984	14.74
Registered share capital	120,000	2.77	120,000	2.74	120,000	2.91
Issued and paid - up share capital	120,000	2.77	120,000	2.74	120,000	2.91
Premium on ordinary shares	181,125	4.19	181,125	4.14	181,125	4.40
Other components of equity	782,193	18.07	851,773	19.48	650,230	15.79
Appropriated retained earnings	226,200	5.23	218,400	4.99	208,700	5.07
Unappropriated retained earnings	2,447,161	56.54	2,385,434	54.55	2,345,016	56.93
EQUITY ATTRIBUTABLE TO PARENT COMPANY	3,756,678	86.80	3,756,732	85.90	3,505,071	85.10
Non - controlling interests	1,448	0.03	2,241	0.05	6,760	0.16

Notes * cost of sales / sales

EBITDA = Earning before interest, corporate income tax, depreciation and amortization

Financial Ratios Thanulux Plc. and Subsidiaries

Description	2018	2017	2016
Liquidity Ratios			
Current Ratio (times)	6.70	6.20	5.94
Quick Ratio (times)	4.70	0.40	4.15
Liquidity of Cash Flow from Operation (times)	0.44	0.54	0.93
Account Receivable Turnover (times)	6.48	6.04	6.12
Average Collection Period (days)	56	60	59
Inventory Turnover (times)	7.09	8.19	8.54
Average Inventory Turnover Period (days)	51	44	42
Account Payable Turnover (times)	9.94	9.47	10.52
Average Payment Period (days)	36	38	34
Cash Cycle (days)	70	66	67
Profitability Ratios (%)			
Gross Profit Margin	29.57	28.98	30.49
Operating Profit Margin	0.95	0.59	3.99
Non – Operating Income	10.86	7.63	5.85
Operating cash flows to operating profit	548.31	1,128.58	282.36
Net Profit Margin	9.92	7.60	9.62
Return on Equity	5.20	4.19	6.02
Efficiency Ratios			
Return on Total Assets (%)	4.49	3.58	5.12
Return on Fix Assets (%)	45.48	40.14	52.46
Total Assets Turnover (times)	0.46	0.47	0.53
Financial Policy Ratios			
Debt-Equity Ratio (times)	0.15	0.16	0.17
Time Interest Earned (times)	386.92	1,003.43	626.29
Leverage Ratio (cash basis) (times)	0.20	0.33	0.61
Dividend Payout (%)	* 46.03	55.22	49.68

Remark * Meeting of the Board of Directors adopted a resolution to propose to the General Meeting of shareholders, which is to be held on 23rd April 2019, the approval of dividend payment at the rate of Baht 0.75 per share.

Message from the Managing Director



For more than 40 years that the company had committed to conducting business with transparency by adhering to the ethical business philosophy of Dr. Thiem Chokwatana, using good corporate governance principles for listed companies 2017, resulting to the company had been sustainable development and growth.

In 2018, the trend of the textile and apparel market remained stable. With the current market conditions in the fashion business group being highly competitive and the changed of consumer behavior, the company had adjusted its product development strategy, focusing on customer satisfaction, Innovation in raw materials, fabrics, patterns and sewing techniques. Moreover, the company had also focused on Digital Marketing as the one of the company's marketing strategies.

The Company still had competitive potential. There were distributors of products that were expert in sales and marketing and had a good relationship with department stores. The company also had Leader Brand products in both domestic and international markets, as well as, had trade partners in the country and abroad that support the main business in various fields. In additional, the Company still had a research and development department In order to develop the modernize style of products and high quality that meets the needs of the market. The Company had improved many system for comply with the ISO 9001: 2015 quality system standard and ISO 14001: 2015 environmental management system standard.

The Company had operated under the operations of the Board of Directors, executives and employees who committed to continuous organizational development. The Company realized that the growth of the business must be carried out together with the economy, society, community and environment. So The Company had focus on the development of personnel, by encourage training for developing knowledge and ability to work, having the system to promote and create culture "Corporate values", build a good relationship between employees towards the organization and team work.

In addition, the Company also put importance to innovation, for creating and developing products, which focus on providing benefits for both the company and society consistently with the company's vision. Therefore the Company had organized the innovation contests for employees to join and present their work, with the objective to continuous product development process and increase productivity for meeting the needs of customers in present era.

On behalf of the company, I would like to thank the shareholders, business partner and customers that were important in supporting the growth of the company and for the continual confident to, also including the Board of Directors, executives and all employees who had joined together committed and dedicated to work, patience and integrity, resulting in the company being successful up to today. The Company would like to make a commitment to conduct the business by adhering to the principles of good corporate governance, taking into account for all stakeholders' as well social and environmental responsibility, to create sustainable success for the business.

A handwritten signature in blue ink, reading "Supotch Pakaworawuth".

(Mr. Supotch Pakaworawuth)

Managing Director

Report Information

Background and reasons

Corporate social responsibility was getting more importance when it came to business operation. Such idea interested every parties in Thailand and many companies became more caring of stakeholders in larger perimeter. Together with the increasing of business that conducted CSR activities for the society and also public - private collaboration project supported by the governmental sector in the previous year, the future business operations tend to be more undertaken with social responsibilities and developments. With this regard, one of the company's core missions is **"conducting business by considering the effect towards environment while continuously nurturing the responsibility of society and communities and encouraging public-interest activities"**.

The main 7 principles of CSR management are as follows:

1. Accountability Principle
2. Transparency Principle
3. Ethical Behavior Principle
4. Respect for stakeholder interests Principle
5. Respect for the Rule of Law Principle
6. Respect for international norms of behavior Principle
7. Respect for human rights Principle

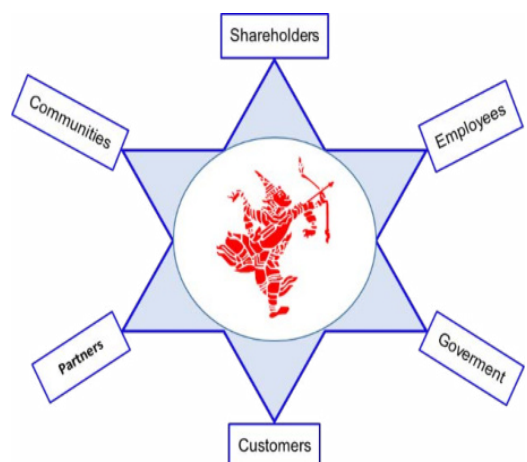
Reporting Direction

Reporting Scope

The Selection of social responsibility topic in this report is in line with ten categories of social responsibility directions issued by The Stock Exchange of Thailand. Anyway, there are two topics excluded in this report, the Good Governance, which the Securities and Exchange Commission's requires separate disclosure under. "Corporate Governance" section in the Annual Report of 2018 and reports on Social and Environment which is reveals all social responsibilities issues in this report.

As mentioned, this report will be included of 8 topics as below:

1. Operating Business on Fair Basis
 2. Anti-Corruption
 3. Respect of Human Right
 4. Fair Labor Treatment
 5. Consumer Responsibility
 6. Environment Preservation
 7. Participation in Community and Social Developments
 8. Innovations achieved through responsible business operations
- Which is reveals all social responsibilities issues in this report.



Role to Stakeholders

The Company emphasizes with the participation of every internal and external stakeholder group through many channels. Then, the Company brings their expectations to be analyzed and administered as follows:

Stakeholder	Expectations	Strategy that responses	Stakeholder
1. shareholder	<ul style="list-style-type: none"> • Return on investment and growth of organization • Business operation with transparent accountability 	<ul style="list-style-type: none"> • Right to attend shareholders' meetings in order to vote and freely express opinions including making inquiries and suggestions • Right to receive a fair return on investment • Commitment to business operations pursuant to good corporate governance principles and reliability • Sufficient, reliable and timely disclosure of significant information • Analysts and investors meet Saha group activities 	<ul style="list-style-type: none"> • Ability to make regular dividend payment • Acquiring the "very good" assessment in part of corporate governance under the listed company by the 2018 Listed Companies Corporate Governance Survey • Receiving an assessment rating "outstanding" for AGM quality of listed companies by the Thai Investors Association for 2018 • Trusted by shareholders and investors
2. Employees	<ul style="list-style-type: none"> • Proper welfare benefits and remunerations • Security and advancement • Knowledge and skill development • Better Quality of life 	<ul style="list-style-type: none"> • Reconsidering welfare benefits and remunerations • Arranging the activities which create the best relationship in the organization • Enhancing the quality of lives of employees through the application of Happy Workplace Principle • Respect to human rights and fair labour treatment • Granting scholarships to the children of employees • Conduct personnel development programs for all levels 	<ul style="list-style-type: none"> • Receiving the award as the outstanding workplace in terms of Labour Relations and Welfare in 2018 • The Company was able to retain the personnel with competency and experience • Being able to accept employees who are scholarship recipients to intern or work upon completion of studies • Employees' participation in recreations held by the Company • Better quality of life of employees
3. Government Sector	<ul style="list-style-type: none"> • Fair and transparent liaison • Consultancy and learning exchange • Tax privileges 	<ul style="list-style-type: none"> • Submitting the complete report within the due date as per the law specifications • Tax and fee payment in accordance with the rate specified by law 	<ul style="list-style-type: none"> • The Company conducted the business transparently and legally. • Ability to build good relationship with the government sector • Acquisition of tax privileges

Stakeholder	Expectations	Strategy that responses	Stakeholder
4. Customers	<ul style="list-style-type: none"> • Satisfaction in the quality of products and services • Environmentally-friendly products 	<ul style="list-style-type: none"> • ISO 9001 Quality Management • Satisfaction assessment • Hotline for consumer protection division • After-sales services throughout the product's expiration date 	<ul style="list-style-type: none"> • The long-lasting trust from customers in product manufacturing process • The customers' satisfaction in products and services was more than 85% according to 2018 customers' satisfaction survey in ISO 9001.
5. Business Partners	<ul style="list-style-type: none"> • Transparency of business operations • Consultancy and learning exchange • Business partners, service providers and distributors are , will apply corporate social responsibility in their companies. 	<ul style="list-style-type: none"> • Assessment and selection criteria • The expansion of payment channel • Being able to financially clear by payment due date • Promoting social and environment responsibility policies • Promoting anti- corruption policies 	<ul style="list-style-type: none"> • Supplier selection and evaluation were fair and transparent • Through mutual learning activities, Thanulux and business partners can mutually develop and source for alternative materials with lower cost and controlled quality. • Gaining trading partners who are responsible for social and environment
6. Community	<ul style="list-style-type: none"> • Occupation Encouragement and income generation for members in communities • Social and environment sustainability around communities • Community activity sponsorship • Development of children and youth who are studying at the school in communities 	<ul style="list-style-type: none"> • Implement an environmental management system standard (ISO14001) • Organize activities on Thai Children's day to the neighboring schools and communities. • Support necessities and finance to senior citizens' association • Gather the financial donation from the Company and neighboring communities to Wat Phra Bat Nam Phu foundation • Associate with surrounding communities 	<ul style="list-style-type: none"> • Better surroundings around the Company • Being more intimate with communities • Better recognition from communities towards The Company • The ambience of children's learning room encouraged the learning and studying • Enhancing the relationship between the Company and schools

Socially Responsible Business Operations

The Company undertakes the business of manufacturing finished garments and leather goods for men, women and children. The Company has the policy to operate its business based on Corporate Social Responsibility principle emphasizing on fairness, ethics, honesty, integrity, transparency, the respect of human right and stakeholders' benefits. To encourage employees responsible for the sharing society, the Company not only intends to build and expand good relationship from the acceptance and trust but also makes positive attitudes and organizational cultures. The company operates Corporate Social Responsibility: CSR Policy since 1st April 2015 which comprises of the following 7 aspects:

- 1. Corporate Governance:** The Company has the commitment to manufacture premium products including operating the business in line with the international business management which adds value to Thai society. In order to achieve and sustain excellence in moral values as the basis of leading organizations.
- 2. Human Rights:** To support the respect of human right and freedom, the Company emphasizes the basic human rights through the equality, child labor elimination and anti-corruption in every format.
- 3. Labor Practices:** The Company complies with the law and regulation of the employment including seriously adopting the regulations concerning about occupational hygiene and safety of all employees
- 4. Environment:** The Company has the precise policy that is seriously applied in the organization in order to protect and preserve ecology and environment of communities around the Company.
- 5. Fair Operating Practice:** The Company has the commitment to operate the business with fair, ethic, law compliance, social regulation respect and political justice.
- 6. The Relationship between Customers and Suppliers:** The Company aims to provide the best services to meet customers' highest satisfaction by sincerely dealing with customer complaints and solving any error occurred when manufacturing or servicing.
- 7. Participation and Community Development:** The Company will not only consider communities' demands but also be one part to improve the better quality of life of people. The Company also encourages attitudes and organizational cultures to employees so that they will participate in voluntaries and public benefits with communities.

In 2018, the Company expanded its community and social responsibility activities by controlling the use of resources and training the employees for the knowledge of the surround environment. A channel was provided for filing complaints relating to the environment and other aspects of the Company which could affect the communities.

The Company's performance earned accreditation under the social responsibility of industrial operator standard (CSR-DIW Continuous) and "Eco Industrial Town Award" (Industrial factories with outstanding activities) from the Department of Industrial Works, Ministry of Industry.



Operating Business on Fair Basis

The company recognizes and respects the rights of various groups of stakeholders, such as shareholders, customers, partners, competitors, creditors, employees with regard to legal rights, or an agreement with the company to ensure that these rights are protected and treated fairly and equally by policy and guidelines, such as:

Policies and practices:

1. Respecting the rights of shareholders and treating them equally and fairly.
2. Manufacture procedure, distribution and service secured to the consumer and the environment.
3. Operating the business with integrity and fairness including avoiding any action that might violate the rights of clients, and taking commercial secret with confidentiality.
4. Having the selection system for the partners in the supply chain which business operations comply with the law, occupational safety and health standards, friendly to the environment, and also compete with them fairly, respect to each other, and kept their information confidential by not available to their own benefit without legal.
5. Complying with the rules of fair competition with regard to business ethics and competition law in various countries that the company has business.
6. Not destroying the reputation of competitors.
7. Treating all groups of creditors equally, fairly and strictly in accordance with the contract or conditions that have been agreed.
8. Treating employees respectfully according to the human dignity and the fundamental rights of working as well as promoting parity in employment by avoiding any discrimination about gender, race, religion, age, disability or even any other status that is not directly related to operations.
9. Not conducting any business that leads to social declination and not violating the rights of others who live in the community and society.

10. Generating revenue and promoting community economy by supporting employment and local products together with establishing the good relationship between the Company, communities and societies based on the integrity, transparency and fair.

11. Operating the business in accordance with laws, regulations, and environmental policies with regard to the impact on natural resources and the environment including having reviewed and evaluated the operation regularly.

12. Creating organizational cultures and consciences to employees in order to encourage the collaboration and responsibility in environmental management and resource sustainability.

Promotion of Social Responsibility in the Business Chain

Procurement is an important process in the management of cost and product quality for the greatest benefit of the Company. Thus, rules governing the assessment and selection of business partners have been prescribed including examinations and monitors of performances pursuant to an Approved Vendor List system in accordance with ISO 9001 standards. The Company has assessed and selected business partners on an equitable basis, premised on the principle of business security and credibility of the business partner concerned, as well as their ability to meet the demands of the Company. A Vendor List has been formulated to screen vendors who possess the competence to enter into transactions with the Company.

Since established, the Company has never been fined significant or forced the penalty from violating laws and regulations.

Anti-Corruption

The working philosophy of Dr. Thiem Chokwatana, founder of the Saha Group, focuses on working under the principles of integrity, honesty and fair. These principles have been instilled as Company values, where employees and executive officers are discouraged from committing a dishonest act, give or receive bribes in order to acquire benefits for the Company. These values are stated in the Company's Good Governance Principles, Business Ethics and Employee Code of Conduct to comply with the intents and responsibilities towards society as a whole. The company operates as follows:

1. On 19th February 2014, the Board of Directors approved the signing of a Declaration of the Private Sector Collective Action Coalition Against Corruption.
2. On 26th February 2015 approved an anti-corruption policy which directs the Company to comply with anti-corruption laws and Effective Date 27th February 2015.
3. On 7th September 2016, the Company had submitted self-assessment form for anti-corruption measurement of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) and received recognition as a member of the CAC on 14th October 2016.

Anti-Corruption Policy

1. The company will not be a party to pay bribes. In case of charitable contributions, political contributions as well as offering gifts in a business manner, this must be transparent, explainable and audited.
2. Supporting enhancement of awareness and value for anti-corruption among the company directors, executives and employees to perform duties in accordance with relevant laws, notifications and regulations by preparing such manual for guidelines.
3. The company directors, executives and employees must not act as an intermediary in demanding and accepting gifts or benefits from government sectors or private sector, which induces to violate the laws. Moreover, it is illegal to use positions and/or duties to use the company's data to seek benefits for one or others.
4. Setting the system to report financial status transparently and accurately, providing and efficient and effective internal control system, and controlling check-and-balance system to be appropriate in order to prevent conducting any fraud or taking part in any fraud and corruption.
5. Monitoring and reviewing the anti-corruption policy, guidelines and regulations consistently for operation in order to adjust with business changes, laws and regulations.
6. Opening channel for reporting any suspected activity and ensuring that such reporters receive protection.

Anti-corruption procedure

In order to comply with the above-mentioned policy, the Board of Directors resolved on 3rd March 2016 to approve the following Anti-Corruption Directive:

Definition and forms of corruption

"Corruption" means

1. Usage of power entrusted by position to obtain benefit for oneself or others.
2. Bribery, regardless of form, whether by offering, promising, giving, acceptance, or demanding for benefit, to persuade any person to act illegally, in contrary with good moral, or undermine trust.

Except those actions permitted or acceptable by law and regulations, rules, social tradition, or commercial practices

"Political support" means financial support, gift, lending or donation, supplies, advertisement to promote or support political party, event ticket purchasing for the purpose to donate funds or supplies to organization with close relationship with political party, including devotion of employee's working period for benefit of political party or political candidate.

Forms of corruption

1. Political support

1.1 The company strongly adheres to the democratic regime of government with the King as Head of State with political neutrality. The company shall not support or conduct any act regarded as a bias to any political party.

1.2 In case of political support to promote democracy, such support shall not be in contrary with law, and shall not be made with expectation of preferential treatment in return. In such case, support shall be made in compliance with company's regulations concerning withdrawal of funds by specifying name of receiver, purpose of support, transaction detail, amount, withdrawal date with related documents attached and send to person in charge with respect to approval authority.

1.3 Employees have freedom to participate in political activities under the provisions of law, but shall not use employment status or the company's properties or equipment for political benefit. Employees should participate with awareness of any act which may lead to misunderstanding that the company is a political partisan or support any political party.

2. Charity donation

Whether in the form of financial support or other forms, as part of corporate social responsibility activities to promote and improve the company's reputation and image, without expectation for business benefit in return, shall be in accordance with following guidelines:

2.1 The company shall be aware and ensure that the charity donation is not hidden transaction to avoid bribery. Moreover, it shall be made in transparent manner and in accordance with law.

2.2 Charity donation shall be made in compliance with company's regulations concerning withdrawal of funds by specifying name of donate, purpose of donation with related documents attached, and deliver to HR department to verify and comment before sending to person in charge with respect to approval authority.

3. Sponsorship

To promote the company's business, brand or reputation can be made in many forms such as supporting educational activities, arts, cultures, etc. The guidelines are as described below:

3.1 The company shall be aware and ensure that the sponsorship is not hidden transaction to avoid bribery. Moreover, it shall be made in transparent manner and in accordance with law.

3.2 Sponsorship shall be made in compliance with company's regulations concerning withdrawal of funds by specifying name of receiver, purpose and detail of transaction, amount, withdrawal date, with related documents attached and send for approval with respect to level of authority.

4. Gift, gratuity, and entertainment

Shall be made in accordance with the company's business ethics.

4.1 Employees may offer / accept gift, gratuity, or entertainment to / from any person if such transaction:

- 1.is in accordance with company's business ethics, regulations and applicable law.
- 2.is made openly in name of the company, not in name of directors, managements, and employees.
- 3.is not made in a form of cash or cash equivalent such as gift card or voucher.
- 4.is properly made due to time and place, such as occasional gift made during festival.

4.2 Employees can accept occasional gift and gratuity with a value not more than 3,000 Baht. Otherwise, such employees shall report to their supervisors accordingly.

5. Conflict of Interest

The Company shall control transactions made with a person who has conflict of interest in accordance with the principles of good corporate governance, company's business ethics, and notification of the Capital Market Supervisory Board and the Stock Exchange of Thailand.

6. Business relationships and procurement with government and private sectors

The company's business operations and communication with government or private sectors shall be made in transparent and straightforward manner in accordance with company's regulations concerning procurement and applicable law, without any bribery in any business transactions.

Role and responsibilities

1. **Board of Directors** are responsible for setting policies and establishing mechanisms that effectively support anti-corruption practices to ensure that working team appreciates the importance of anticorruption practices and to encourage these practices to become a part of organizational culture.

2. **Audit committee** has the duty of reviewing the financial and accounting reports, internal control, internal audit, risk management mechanisms, including potential corruption risks, as well as a duty to ensure that anti-corruption measures are in compliance with international standards, and that they remain appropriate and effective.

3. **Risk management committee** has a duty to monitor and promote risk management practices by evaluate the company's risk and corruption risk, including review the sufficiency of risk management and anticorruption mechanisms, before report to the Board of Directors.

4. **Executive committee and managements** have the duty of establishing mechanisms for support and promotion of anti-corruption policy, and communicating those policies to employees and all relevant persons. These duties include the review of related mechanisms and measures to ensure that they are proper and in conformity with changes in business, law, company's rules and regulations, notifications and other measures (if any)

Practice guidelines

1. **Company shall not conduct any act** regarded as bribery or corrupt practice, whether directly or indirectly. Directors, managements and employees shall not overlook or ignore any suspected corrupt practice related with the company that he has witnessed. The witness shall report to the supervisors or person in charge and shall cooperate with the investigation. Questions and enquiries if any shall be made with supervisors or designated person who are responsible for compliance with company's business ethics.

2. **The company shall cooperate** and support both government and private sectors to combat corruption or misconduct.

3. **The company will not support** or conduct any act regarded as being biased to any political party. In case of political support to promote democracy, such support shall not be in contrary with law, and shall not be given with expectation of preferential treatment in return.

4. **Gift, gratuity, and entertainment** shall be permitted only to the extent permitted by law, acceptable with respect to social tradition and commercial practices.

5. **The company requires** all directors, managements, and employees to be aware of and comply with the Anti-corruption policy including applicable directives.

6. **Reports and complaints** Employees or stakeholders who witness, possess evidence or suspect that an employee or a person acting on behalf of the company involve, whether directly or indirectly, with bribery or corruption, violation of law, non-compliance of the company's rules and regulations including policies or code of conduct for directors, managements, and employees, or unfair treatment in workplace, can report or complaint as detail below:

6.1 Complaint channels

1. Verbal or correspondence complaints to

- Vice President of Internal audit Department Tel: 0-2295-0911 ext. 168
- Accounting manager Tel: 0-2295-0911 ext. 248
- HR manager Tel: 0-2295-0911 ext. 286
- Company secretary Tel: 0-2295-0911 ext. 250

2. E-mail address: anticorruption@thanulux.com

3. Suggestion box

4. PO Box.27, Sathupradit post office, Bangkok 10124

In case of anonymous whistle blower, detail of facts or sufficient evidence shall be provided to demonstrate that there is an involvement with bribery or corruption.

Relevant information will be strictly kept in confidential, taking into account safety of the whistleblower, unless required to be disclosed by law.

Complaints in bad faith

If any evidence, complaints, statements, or information is proven to be an act in bad faith, resulting in damages to any person or the company, if the bad faith whistleblower is an employee of the company, he shall be subject to disciplinary action in accordance with the company's regulations and/or legal action. If the bad faith whistleblower who causes damages to the company is a third party, the company reserves the right to take legal action against such person.

6.2 Conditions and procedures for complaints

1. Complaint or evidence of misconduct must be true, clear and contain sufficient details to initiate investigation.
2. The information received shall be kept strictly confidential. The identity of the whistleblower shall not be disclosed without consent.
3. The whistleblower who reports misconduct in good faith shall be treated properly and fairly whether he is the company's employee or outside third party.
4. Proceedings timeframe depends on the complexity of the case, sufficiency of the evidence and statement received from the whistleblower.
5. Report receiver and investigation participants shall keep relevant information confidential. Information shall be disclosed to the extent necessary with respect to safety of the whistleblower, collaborator, and related persons.

6.3 Related personnel

1. Whistleblower means a person who files a complaint or report of a suspected misconduct
2. Report receiver means the person described in clause 6.1 no.1

7. Investigation

7.1 Report receiver shall conduct investigation and examine the facts, or he may assign a reliable person or department to act on his behalf.

7.2 Report receiver or assigned personnel is authorized to summon an employee to make statement or demand from him documents necessary for investigation.

7.3 Report receiver shall report the examined case to top management in order to report to risk management committee, audit committee and Board of Directors respectively.

For the case concluded as misconduct with disciplinary or legal action to be imposed, HR department shall submit a summary report with recommendation to top management for final decision.

The company shall propose proper and fair remedies to the injured person in order to relieve damages incurred as a result of complaints in bad faith.

8. Protection for whistleblower The Company shall protect the rights of the good faith whistleblower by maintaining the confidentiality of the name, address, or any information that could identify the whistleblower. Such information shall be treated as confidential and accessible only by the person responsible for the case investigation pursuant to the provisions concerning whistleblower protection as described in the code of conduct for directors, managements, and employees.

9. Protection for employees The Company shall treat and protect employees who comply with Anti-corruption policy and this Directive pursuant to the provisions concerning whistleblower protection as described in the code of conduct for directors, managements, and employees.

10. Human Resource The Company shall apply Anti-corruption policy as part of human resource management, not only for recruitment but also for training, evaluation, remuneration and promotion. It is mandatory for supervisors at all level to communicate with their subordinates in order to apply with the business activities and to ensure effective compliance.

11. Training and communication

11.1 The company shall regularly provide education and training on anti-corruption through a variety channels such as orientation, seminar, public announcement etc. to raise awareness of Anti-corruption policy, form and risk of being involve in corruption, as well as how to report corruption witnessed or suspected, including penalty in case of violation.

11.2 The company shall communicate the Anti-corruption policy to subsidiaries, associated companies, directors, managements, employees, shareholders, customers, business partners, all stakeholders, persons with business relationship and business representatives through appropriate channels.

12. Recording and storage of data The company manages its data in compliance with governing policy of its group, with the objective to maintain the standards of work system, computer system, data communication system, as important fundamentals for the development of an effective control system. Actions shall be taken to ensure that information, work system and computer system are well-protected and ready for business operation at all time. In addition, structure and cost of all measures in the company's control are appropriate with risk of data, work system and computer system. For achievement of the said objective, the following standards and practices shall be applied:

12.1 Determine scope of responsibility for user and administrator in all work system and computer system.

12.2 Evaluate risk and develop an appropriate risk controlling system to support changing of environment

12.3 Develop protection system for data, work system, computer system including responsible person.

12.4 Develop security system to protect data from illegal access, editing, or misuse regardless of accident or intention.

13. Process monitoring / Internal control The Company respects independent of the auditor and does not limit the scope of the auditor during performance of audit. The audit is also conducted by a certified public accountant quarterly and yearly in accordance with regulations of the relevant authorities.

The audit committee shall monitor internal control practices to ensure that business activities are operated within correct and appropriate scope, in compliance with company's policies, law and regulations, including applicable business standards.

14. Penalty The Company shall impose disciplinary action on violators or persons who ignore corrupted practices in accordance with Anti-corruption policy and this procedure. Also, such person is subject to punishment under provisions of law (if applicable).

The implementation in year 2018 about an anti-corruption

1. Internal audit department verified whether the reimbursement of some expenses that can be abused was according to the practice of anti-corruption policy. The expenses in the year 2018 were:

<u>Category</u>	<u>Amount</u>
1.1 Political support	- None -
1.2 Charity	2,126,467.34 THB
1.3 Sponsorship	- None -
1.4 Gift, souvenir and entertainment	588,889.67 THB

After verifying, all the reimbursement was done according to the company policy.

Coporate Social Responsibility Report

2. Anti-corruption course was included in the orientation of the new employees.
3. The training session about anti-corruption was held regularly as follow:

Training Topics	Date	Location	trainers	Target Group
Management's role for CAC	28-Sep-18	Bangkok Office	Thanakrit Permpoonkhuntisook.	Executives committee and management 56 persons
Anti-corruption	26-Nov-18	Kabinburi Factory	in-house trainers	34 employees
Anti-corruption	06-Dec-18	Lamphun Factory	in-house trainers	31 employees

Training and workshop "Management's role for CAC" at Head office



In-house Training "Anti-corruption" at Kabinburi and lamphun factory



4. Circular notices were sent to supplying vendors informing that the Company refrained from accepting the New Year 2019 presents.

Human Right

Business operations are in compliance with laws and human rights principles. There is no discrimination on the basis of gender, race, religion, political rights or other factors. Employees are also educated on human rights principles, which would be applied to operations. The Company gives the right to employees to file objections and prove one's innocence in the face of an allegation or corrupt practice. The policy concerning human right management includes:

Non-Discrimination Policy

- 1 . Respect to the employees with the human dignity and fundamental rights. The Company will not transmit any personal information of the employees to the third party and unrelated one.
2. The Company has a policy of paying wages and remuneration, improving and training, considering promotion, punishing, laying off and retiring to employees on the basis of fairness and suitability to knowledge, duties, responsibilities and performances.
- 3 . Treat the employees under the law and regulation regarding the operation of the company.
4. The company will not restrain, interfere or take any action that might affect the rights of employees who have no damages towards the company to exercise any activities include nationality belief, religion, gender, disability, ancestor or membership of political parties.
5. The company will communicates non-discrimination policy by include hiring and preserving several privileges to all employee. Hence, employees will have knowledge, good conscious and be able to behave aligned with its policies and practices since their first working day and so on

Guidelines

- 1) The company gives the equality to employment, training, promotion, laying off or retiring. There is no any discrimination related to, nationality, class, religion, disability, gender, race, sexuality and membership of political parties.
- 2) The company recruits and remunerates employees with transparent and fair process based on knowledge, ability, skill and position. There is no any discrimination in race, religion, ethnic, class, color, gender, age, nationality, sexual orientation, military status, marital status, HIV or even disability which not related directly to the position and operation.
- 3) The company supports the employees' learning beside the knowledge learnt from work. The Company provides the employees training relevant to work in order to enhance working skill, prepare for promotion, support employees' self-development and also for advancement of career path. Regarding promotion, the Company mainly considers from individual knowledge and ability. But the employee must be knowledgeable and able to manage staffs in the unit.
- 4) The company provides the equal remuneration to employees which considered by the scope of work similarity.

5) The company treats employees both men and women equally except some kinds of job that is unfavorable.

6) The company does not interfere with employees' personal right even though it's in the same line with the belief or the necessity in terms of nationality, religion, disability, gender or membership of political parties. It must have no effects on working, colleagues or the company.

7) The company does not allow employees to express behaviors such as wording and body touching including actions similar to oppression, force, sexual harassment, rape or sexual exploitation.

8) The company has no Pregnancy Discrimination Act policy to eliminate the pregnant women out of the company. In case of being pregnant that person is treated according to the laws and regulations.

Threat and Harassment Policy

1. The company creates the surrounding with the senses of respect and personal dignity, not allowing any treat, sexual harassment no matter what.

2. The company does not allow executives and employees use the authority threatening or violating others in both physical and mental way. This includes wording express, action and body touching.

3. The company has the complaint procedure to examine sexual harassment actions that might be occurred in the company.

Guidelines

The company has the direction to treat employees respectfully and emphasize the dignity of each person in order to create the happiness of living together.

1) The punishment such as flogging, beating or rough and sarcastic wording including physically and mentally threatening benefit depriving to employees is not allowed.

2) The company has disciplinary penalties punishing the employees who violate rules. Punishment is considered by the level of offence, intention and total of punishment of employees.

Punishment consideration is the Company's policy applied every time before punishing the employee. The Company will assign Human Resources and heads of department to investigate the employee thoroughly. Tobe fair with the employee, that person will be informed about the recent fault so that the employee will have the chance to clarify the issue.

3) In case of receiving a disciplinary punishment, the Company has no payroll deduction of employment. The employee suspended from breaching the discipline, that person will not be paid on that suspended day, excepting suspending from job because of investigating process.

4) The Company does not encourage any action related to physical touching which leads to sexual interaction for example kissing, embracing or some part of the body.

5) The Company does not support any wording which leads to sexual issues such as physical criticizing and teasing or impolite talking

- 6) The Company does not support any action leading to sexual harassment.
- 7) The Company does not support any expression or communication leading to sexual issues such as porn display, letter, text and other kinds of communication.
- 8) The Company does not support any behavior leading to sexual issues that make other one in trouble.

Fair Labor Treatment

Remuneration and Welfare Policy

1. The company remunerates employees with no less than the minimum wage standard conforming to Thai labour legislation and Thai industrial standard. The remuneration is paid on the basis of righteousness and individual responsibility with no discrimination towards nationality, religion or gender.
2. The company fairly determines a raise of employees based on potential and performance with the criteria in accordance with evaluation and promotion regulation.
3. All the company's information is recorded with transparency in the system and can be audited.
4. The company informs Remuneration and Welfare Benefits system to all employee.

The company has a policy of paying wages and remuneration to employees not only on the basis of fairness and suitability to knowledge, duty, responsibility and performance but also by means of comparing with the current labour market and the other companies in the same industry. Additionally, the Company awards an annual raise, an incentive, and a special annual raise exclusively for employees with high potential and remarkable performance.

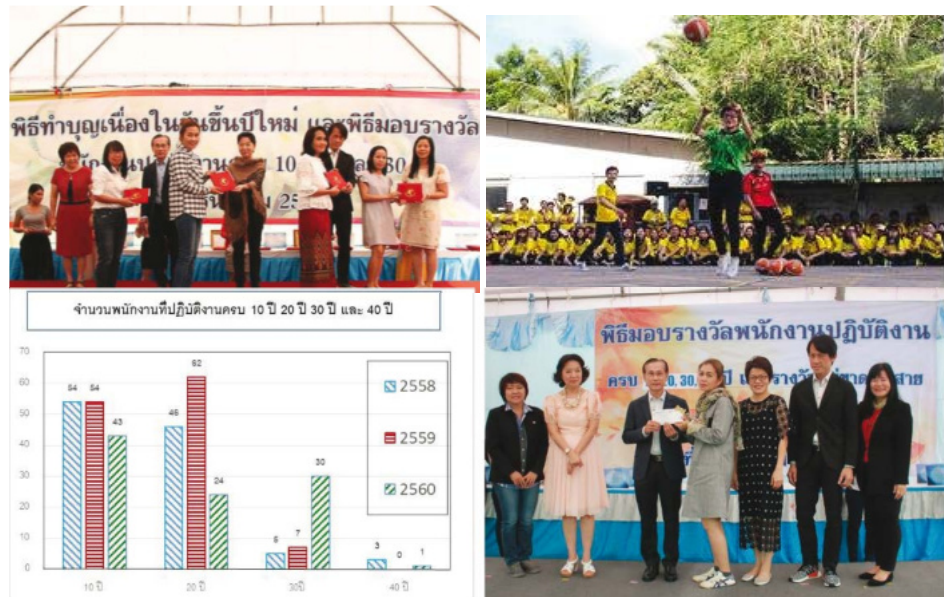
Welfare benefits The Company provides welfare benefits together with the other benefits to ensure employees' good quality of life as well as health and mental wellness. In addition to the general welfare benefits required by law, the Company provides other benefits as follows:

1. Financial assistance to subsidize living expense to employees and their family such as a shop selling healthy food at welfare prices, a uniform, a travel allowance, scholarship, financial support in case of sickness, natural disaster or death.
2. Welfare benefits for future stability such as provident funds at 3-15% of salary, saving cooperatives, housing loans from government Housing Bank, etc.

In 2018, the cooperatives had 967 members and the capital stock valued 33,471,250 Baht, which was constantly increasing.

3. Financial assistance for recreation such as sport outfit, a sport event, and entertainment in various forms.
4. Welfare benefits for health wellness including a clinic with a doctor stationing every week and at least 2 nurses on duty daily to ensure that the services are sufficiently provided. Furthermore, employees are educated of health knowledge, such as maternity care, nutrition and contagious disease prevention. Also, there is an annual health check covering lung x-ray, diabetes, cholesterol, blood pressure, as well as cervical cancer test.

5. Welfare benefits for honoring loyalty including cash reward as appreciation for service to the employees who serve the company for 10, 20, 30, and 40 years



Employment and Labour Management Principle

The Company has operated adhere to the law, regulation and will protect the rights of employees equally.

1. The Company has employment system with the lawful contract and precise employment agreement.
2. The Company encourages the participation of employees in the business operation through welfare council system and others.
3. The Company supports the complaint system used as a channel to communicate messages including building good relationship between people in the organization and equal employment.

Guidelines

- 1) The company complies with the employment law without any labor force and avoidance of employer duties covering in parts of contractor, subcontractor and trainee employment.
- 2) The company encourages the equality off employment, treating all employees fairly and equally regardless of their gender, color, race, age, disability or other issues not related to the operation.
- 3) The company prepares an annual man power plan to avoid part-time employment.
- 4) In case of job vacancy, the company opens the opportunity and considers qualifications of employees who are working at the company first but if there is no qualified person for the required position, recruiting other candidates is proceeded.
- 5) The company makes the fair employment contract categorized by duration of contracts which are fixed and non-fixed working duration such as permanent employee, consultant, and manufacturer employment contract.

6) The company provides the reasonable employment covering wages, working hours, weekly holidays, annual holidays, public holidays, health and safety and labor and pregnancy protection.

7) The company has a policy of paying wages and remuneration to employees on the basis of fairness and suitability to knowledge, duties, responsibilities and performances along with the performance assessment for annual wage raising.

8) The company arranges the training session and provides suitable suggestions in operation for new employees.

9) The company supports all levels of employees to be trained and exchange knowledge in order to improve their knowledge and potential in all areas which help them build their career stabilities and provide the advancement opportunities based on each potential.

10) The Company informs employees about working disciplines and regulations including legal right on the notice board.

11) The Company provides an opportunity for employees to suggest or complaint about working through the suggestion box. Managements, human resources staffs, welfare committees or executive committees will consider the issue within 30 days then will inform the complainant within 7 days about solutions which are beneficial to everyone and build good relationship for co-working. The complaint processes are follows;

11.1) The complainant submit the complaint book clarifying about the complaint issue with the exact date of writing the issue to Managements, human resources staffs, welfare committees or executive committees.

11.2) The complainant submit the complaint book clarifying about the complaint issue with the exact date of writing the issue to the suggestion/complaint box.

11.3) E-mail: anticorruption@thanulux.com

11.4) P.O. Box27 SATHUPRADIT POST OFFICE Rama3 Rd., Bangpongpang Yannawa Bangkok, Thailand 10124

12) The Company has the process according to the disciplinary which employees not be discharged, laid off and fired without any regulation or unfair treat.

13) The Company suitable provides welfare benefits and privileges to employees.

14) The company is provided necessary facilities to perform their duties including the work environment. The main concern is to promote the safety, health and quality of life of employees.

15) The Company does not expose or send employment database including confidential information of employees to third party. All confidential information including personal data is kept in the system under the charge of human resources department which has the authority to specify the right of responsible man and set the limitation of data access.

16) The Company set the Risk Management Committee to arrange the meeting, follow-up and plan to prevent and handle the effect caused from domestically and globally economic situations resulted in business operation and employment.

The Company has carried out the recruitment transparently and fairly under a standard selection process. Applications are open both internally and externally to

increase the career opportunities of existing employees whilst also to find suitable potential. Guiding principles give due regard to competencies, equality, and non-discrimination. The Company has policy of recruiting disabled persons who are capable of performing work unhindered. These disabled persons would be assigned to perform basic tasks and be given care and company accommodation in order to facilitate their travel to work. Besides, The Company has an annual manpower plan in order to prevent temporary employment. The Company does not have 1 year employment contract except for those retired employees who request to continue working with The Company. The Company will consider individually and extend the contract on yearly basis.

In 2018, The Company had 2,198 employees in total, which can be apportioned by branch as follows; the headquarter 1,013 persons, Lamphun branch 524 persons, Kabinburi branch 463 persons, Bangplee branch 13 persons and Maesot branch 185 persons which included 24 handicapped employees.

Working Hours Policy

1. The Company prescribes both regular and overtime working hours in accordance with Thai labour law.
2. Overtime working is subject to be employees' willingness.
3. The Company determines a recess period on working days, a weekly day-off, and an annual leave.

Guideline

1. Working days and hours:

a. Back Office	Monday to Friday	08.00 - 17:30
b. Factory	Monday to Saturday	07:30 - 16:30

2. Recess period includes an hour after no more than consecutive 5 hours of working:

a. Back Office	12:00 - 13:00
b. Factory	11:00 - 12:00 and 11:30 - 12:30

3. Weekly Day-off:

a. Back Office	Saturday and Sunday
b. Factory	Sunday

4. In case of necessity, the Company is capable of changing the weekly day-off upon suitability with employees informed beforehand.

5. The Company does not support working on a day-off unless it involves a necessary issue such as the delayed manufacturing that does not meet the due delivery date or some tasks that could not be performed during normal working days, e.g. engine check, boiler maintenance, and electric conduit cleaning. This requires a supervisor to get a written approval first and then to notify human resources department.

6. The Company encourages employees to achieve the duty within scheduled working hours (8 hours and 8.5 hours per a day). In case of compulsory such as some cases that will inflict damages to the Company, employees are, upon their consent, allowed to work overtime as necessary. The overtime hours must not exceed 12 hours per week, except some inevitable cases.

7. Employees are required to consent and get an approval from their supervisor by signing an overtime working approval form. The supervisor is obliged to submit the form to human resources department prior to the overtime working date.

8. In case of working overtime for more than 2 hours, the Company will let employees have a minimum 20 minute recess before overtime working.

Forced Labor Policy

1. The company does not employ forced labor in any form.
2. The company does not require guarantee money, asset or any document for employment unless required by Thai labor law.
3. The company has regulations regarding employment, overtime working, complaint, resignation, etc. which conform to the law and related Thai standard prescriptions. The Company strictly maintains the implementation of these regulations as a guiding principle for the employees.
4. The company educates employees the anti-forced labor policy including employment and protection of labor right, etc. since the first day of work so that they have awareness and follow the policy and regulations.
5. The company does not support a customer, a forwarder, or a contractor who abuses forced labor.

Guideline

- 1) The Company does not encourage employing the labor that is forced, especially labor of prisoners
- 2) The Company does not encourage employing the labor that is forced, threatened, punished or work against the employee's will since commencement until termination of employment as follow:
 - 2.1) Recruitment – the candidate applying for a position at the Company is required to submit the following documents:
 - 2.1.1) Copy of an identification card
 - 2.1.2) Copy of a household registration certificate
 - 2.1.3) Copy of a transcript
 - 2.1.4) Other documents such as a copy of military service certificate and a copy of employment verification letter.
 - 2.2) Guarantee – employees are not required to give the Company a guarantee in any form: money, asset, or document. For example, the Company does not hold employees' identification card, bank book and any confidential documents as a proof of employment or the Company doesn't offer a binding contract to employees
 - 2.3) Outsider Visit – the Company allows employees to see their relatives and friends that come visiting only during recess. In case of urgency, the Company will immediately inform employees and allow them to see the visitors as appropriate.
 - 2.4) Personal Errand – if employees request to do a personal errand during working time, they are required to submit a permission letter including the reasons to their supervisor and get the approval beforehand.

2.5) Resignation – employees who want to resign are required to submit a resignation form to their supervisor at least 30 days prior to the effective date so that that the Company can recruit a new replacement to carry on the pending works, unless employees can give specific reasons why they could not inform the Company in advance.

Child Labour Policy

The Company does not have a policy to employ the children under the age of 15 years old.

Freedom of Association Policy

1 . The company respects employees' right and liberty to freely aggregate without inflicting any harm to other employees, the company and communities.

2. The company respects employees' right to assemble, to join or to organize a group or a corporate committee. The company is willing to open a negotiation, to select and to nominate a representative without doing anything against the law or to intervene the employee's exercise of right.

3. The company certifies that the representative nominated by employees will be accommodated and treated equivalently as the other employees. The Company does not persecute him by any means such as transferring, discharging or any action that is unfair.

Guideline

1) The company respects employees' right and liberty to freely aggregate with the purpose to benefit the communities and without inflicting any harm to other employees and the company.

2) The company encourages the election of a representative for employee welfare committee. The election procedure is according to Thai Labour Protection Act B.E. 2541. The committee is responsible for employees welfare benefit. They are also in charge of acquiring employees' complaint and working with the representatives from the executive committee to peacefully and legally cope the problems as well as to meliorate the communities without any engagement of the company. The judgment of the welfare committee is communicated to employees via their supervisor, notice board and broadcasting.

Safety, Occupational Health and Working Environment Policy

The Company has stipulated Occupational Health and Safety Policy as guideline for employees, customers and visitors to prevent accidents in order to ensure safety of life and property including preserving the environment. Manager of each working unit responsible for constant and effective compliance of this policy.

Employees, customers and visitors must practice in the same manner, in accordance with regulations concerning safety and promulgated by relevant official and standards determined by the Company.

1. The Company complies with the applicable laws and regulations concerning occupational hygiene and safety as well as monitors risk factors.
2. The Company promotes safety ambience, safety practice, and personal protective equipment usage in order to ensure all employees occupational hygiene and safety.
3. The employees' participation is encouraged by the appointment of safety committee and business matching, to improve occupational hygiene and safety environment at work place.
4. The Company monitors and assesses the outcomes of occupational hygiene and safety policy and imposes it in the annual action plan for effective implementation and utmost efficiency.

In 2018 The Company promoted and conducted the following activities:

Safety

1. **Fire prevention and basic firefighting course** in order to assure employees and shopkeepers' confidence on fire safety, to prevent loss of life and property, and also to educate about fire prevention and control in case of fire in workplace or shelter.
2. **Emergency drill for preparedness of emergency cases** i.e. fire drill, chemical leakage drill, gas leakage in canteen drill and boiler leakage drill which can occur anytime. All drills are conducted 1 time per year, except twice per year for fire drill.
3. Training on work safety to ensure the employees' correct understanding of work safety i.e. procedure to utilize dangerous machines, personal protective equipment and chemical substance including public relation via various channels with include morning assembly and announcement board.
4. Training on fundamental first-aid and basic CPR i.e. how to stop bleeding, heart stimulation, respiration, first aid on all kind of wounds and moving the patient before sending to hospital in order to ensure that the employees in the incident are able to save not only oneself but also the others.

Occupational hygiene

1. Providing personal protective equipment (PPE) for usage during working hour by all relevant employees i.e. ear plug, iron gloves or face mask etc.
2. Health check based on risk factor i.e. liver function test, urine examination for Ketone, Toluene and Acetone, lead detection in blood, audiometry and lung function test to seek for illness resulting from risk factor in the workplace.
3. Health check based on risk factor for new employees i.e. urine examination for Ketone, Toluene, Acetone and Formaldehyde, lung function test, audiometry and vision test which all are conducted within 30 days from the commencement date to seek for abnormality of new employees.

Work Environment

Work environment survey was conducted in the factory 1 time per year in accordance with law i.e. exposure to heat, lighting, dust and soot from funnel. However, exposure to chemical, input and output water of boiler and wastewater quality was conducted twice per year to conform with safety standard without inflicting any harm to the employees.

In 2018, no employees were injured in the workplace.

Work - Life Balance

The Company supports the balance between work and life to ensure employees' wellness, which in turn would have an impact on their success, security and advancement. Works are assigned based on value, interests, knowledge and abilities of employees, and remunerations and other forms of compensation are given to create incentives, in view of career advancement. Employee participation in decision-making processes is encouraged. Mutual recognition and assistance are promoted. Furthermore, the Company has provided an environment which promotes and facilitates the performance of work, as well as to support employees volunteering in social projects in order to maintain a work-life balance when working for the Company. In this regard, the Company applies the "happy 8 workplace" principle as a guideline for undertaking activities to ensure greater happiness of employees, as follow:

1. Happy Body - promotion of employee health

- Health check based on risk factor assessment including exposure to chemicals, light, noise, or any other hazardous factors.
- Facilities for employees who need to stand or sit for a long period according to ergonomics.
- Doctor and nurse appointed for health counseling.

2. Happy Heart - promotion of employees' generosity as well as volunteer work spirit such as blood donation activity to the Thai Red Cross Society, Lamphun hospital and Kabinburi hospital was held in every quarter.

In 2018, the employees altogether donated 230,950 cc. of blood which saving 1,736 human lives.

3. Happy Relax - promotion of relaxation including sport day, etc.

4. Happy Brain - In addition to internal and public training, the Company supports self-learning via web board which publicizes various knowledge and information through intranet system. Furthermore, the Company held an innovation contest within the Thanulux Group (Thanulux Innovation Awards) for the 11st consecutive year. The vision was to enhance employees' knowledge, to encourage the creativity, and to improve the work efficiency.

5 . Happy Soul - cultivation of morals in employees' lives and preservation of good traditions. The Company organized several activities in this regard including, monthly offering to Buddhist monk, water offering for paying respect to elders on the Thai New Year, praying and meditating.

6. Happy Money - promotion of employees' saving behavior such as provident fund equivalent to 3-15% of salary, SAHA group cooperatives, and expenses management knowledge in accordance with the sufficiency economic principle.

7 . Happy Family - The Company organized bonding activities including breast-feeding corner and mother's day activity "Share Love to Mom".

8 . Happy Society - The Company encourages and instills the employees to be responsible for both society and community by the following activities: tree planting,

donation, good guy of the building campaign, pray and meditation, shade tree planting with public sector (Kabinburi branch)



Good guy of the building campaign



Pray and meditation



Tree planting with public sector (Kabinburi)

Additionally, happy workplace team was appointed with the objective to create a happy working environment. They also conducted a satisfactory survey to learn the employees need and use it to make improvement.

Topic	Outcome
1. Quality of work life	<p>* Change working hours</p> <p>Office <u>Original</u> 7.30-17.30</p> <p> <u>New</u> 8.00-17.30</p> <p>Production <u>Original</u> 7.00-16.00</p> <p> <u>New</u> 7.30-16.30</p>
2. Intramural relationship	<p>* Sport day event</p>



Apart from activities organized under “Happy 8 workplace” principles which promote employees’ happiness the Company also focus on the employees who have financial burden which has become a crucial social problem nowadays. The Company has provided advice, training on sufficient economy philosophy are a guideline to prevent problem which may occurred in the future. The Company included in the founding of Saha Group Employees Saving and Credit Cooperative in 2013 to promote saving and effectively relieve financial trouble and illegal loan. Now, 967 employees of the Company are member of the cooperative and in 2018, the Company provided service to many employees separated into 31 housing loan of Baht 29,851,283. As well as 315 urgent loan and ordinary loan to develop member's life quality (health, education, house renovation) of Baht 3,857,922.

In order that employees are able to sustain their life after retirement, the Company supports savings through provident fund and joins “Happy PVD Company” program by the Securities and Exchange Commission, Thailand. A seminar was held with an honorable guest Mr. Rapee Sucharitakul, Secretary-General, Securities and Exchange Commission, Thailand invited to give advice and help employees choose an appropriate investment plan according to their retirement goal.



As a consequence of the said work-life balance activities, the Company headquarter, Kabinburi and Lamphun branch were awarded **“Excellence Establishment on Labor Relations and welfare country level”**. The Company was greatly honoured by this award which signified management and value for the good quality of life of employees who were the most valuable assets and key factor for the Company's achievement.

Consumer Responsibility

“To strive to surpass customers’ expectation with innovative and excellent quality products and services.” is another important mission of the company. Therefore, the Company attaches the utmost importance to customers’ satisfaction through the products and services. The examples of which are giving the correct and transparent information to customer, doing marketing with ethics, treating customers with fairness, and minimizing risks of products and services. The Company therefore commits towards consumer responsibility through product design, production, distribution, customer’s service, product recalls and consumer information confidentiality. The following policies and guidelines have been prescribed:

1. Manufacturing and distribution of goods and services must be safe for consumers and friendly to the environment.
2. Businesses are operated based on commitment, development of products and services, development of new innovations to continually add value to products and services in response to customer needs. Furthermore, information which is essential to decision-making is fully disclosed with no distortion of facts.
3. Businesses are operated based on the values of integrity, honesty and fairness. No actions are taken which would infringe the rights of customers. Customer trade secrets are guarded and not wrongfully utilized for one’s own benefit or for the benefit of related persons.
4. To not demand, receive or accept properties or other benefits dishonestly from a customer, whether directly or indirectly.
5. To conform to trade agreements. In the event where conformity is not possible, the customer shall be notified in advance in order to jointly arrive at a remedial solution and prevent damages.
6. To provide communication channels for customers to file complaints on the Company. Complaints are processed with care and dealt with fairly.

Safety Standard

To ensure customers’ confidence, the Company’s standards and systems have been certified by the following:

1. International standard for quality management, ISO 9001:2015, from the process of sourcing, manufacturing, quality checking and packing, of which every step is auditable.
2. Certified for the electric saving “Label No.5” for shirt from the project of Electricity Saving type shirt of Electricity Generating Authority of Thailand.
3. International standard for environmental management, ISO 14001:2015

Product and Services Labeling

The Company labels the products and services in accordance with international standards and regulations of the Office of Consumer Protection Board (OCPB) in order to make sure that consumers receive the correct information. The Company also includes some labels such as certified quality assurance label, environment health and safety label, Thai labour standards label, drug-free workplace label, etc. to support consumers' decision making, also, other useful information such as an instructions label and a care label is also provided.



Marketing Communication and Customers Privacy

The company emphasizes and is responsible for stakeholders. The guideline to be responsible to customers through various channels such as Website, Facebook, customers relations to use as guideline in the operation of the Company as follows:

1. Provide correct, sufficient and up-to-date information to customers so that they know about the products and services. This is not overstated which may cause misunderstanding.
2. Contact customers politely, effectively and gain their confidence. There is also channel easily accessible by customers to file complaints about product quality and safety. Our response is also quick.
3. Keep customers' information as confidential and do not use the information for own interest or related person in illegal way.
4. Provide recommendation about usage method and service of the company efficiently and of most interest to customers.

Sustainable Development

At Thanulux PCL., sustainable development does not signifies only responsibility towards economy, society and environment but it also means operation with transparency and integrity under good corporate governance, which is one of the corporate strategies to respond to the expectation of both internal and external stakeholders. Furthermore, the Company attaches importance to communication, teamwork, relationship, and participation of the stakeholders while maintaining the balance of society and environment in keeping with situation by prescribing strategic direction “Triple Ps”:

1. **Planet** Create an innovation that minimizes impact on environment.
2. **People** Earn trust from communities and society.
3. **Profit** Develop the organization for excellence

In addition to transparency and good governance, Triple Ps serves as an indicator of company success, corporate value, and also the evaluation of corporate achievement in 3 aspects: economy (growth), society (social responsibility) and environment (conservation). With this regard, the Company is able to assess risks and satisfy all the needs of the stakeholders, which leads to the success and sustainable development.

Economy Aspect: Developing quality products that satisfy customers’ needs through research and innovation.

Research and Innovation

Objective Developing quality textile innovation with the aim to enter to the new era of Thailand Textile 4.0 “Advance Thai Textile with Innovation”

Implementation Thanks to the support from public and private sector, the Company has developed products that are, at the same time, responsive to customers’ needs, environmental, and safe, which enhances competitiveness and value added.

Outcome

1. Eco-friendly innovation

Label No. 5 Electricity saving shirt

The company signed a memorandum of understanding (MOU) to participate in label No.5 apparel project with Electricity Generating Authority of Thailand (EGAT) with the purpose to reduce the electricity consumption from ironing. The company therefore developed a fabric, sewing technique and manufacturing process to ensure that the finished garments offered met the standard and was certified with label no.5. The product was launched 1 January 2018 and it was certified with 2 standards:

1. CoolMode standard

CoolMode standard was accredited by the Greenhouse Gas Management Organization (Public Organization) and Thailand Textile Institute. With the objective to fight against global warming, the fabric was tested and certified with 3 following aspects:



1. Quality and Durability
2. Safety - the dye and chemical used do not have carcinogenic nor heavy metal.
3. Heat Ventilation – the fabric can quickly ventilate sweat which makes the shirt dry easily, lower body temperature which cools down the wearer, and also save the electricity usage from air conditioner.

2. Label No. 5 shirt standard



Label No. 5 shirt is a collaboration with the project by Electricity Generating Authority of Thailand (EGAT). The fabric used is required to be certified by cool mode standard prior to manufacturing. The finished apparel also needs to pass wrinkle and seam test by Thailand Textile Institute to ensure that it can be worn without being ironed.

The Label No. 5 shirt therefore possesses a remarkable property of “Electricity Saving, Comfortable without ironing”, which can be found in Guy Laroche, Arrow and uniform made by Thanulux.

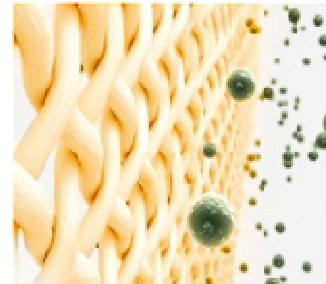


2. Product Innovation Development Nano Zinc Technology

The innovation is developed by implanting Nano Zinc in the fabric. Upon woven, the fabric contains a property to stop bacteria, a cause of odor from growing. It is also comfortable, soft, dry, and breathable even sweating, which gives wearer confidence.

Apart from anti-bacteria, Nano Zinc technology is also anti-odor, Anti UV, environmental friendly, and durable with permanent feature.

This innovation is featured in “Arrow Fresh” collection from Arrow, “Nano Zinc Shirt” collection by Guy Laroche, and “Era-tech” collection from Erawon.





Knitto shirt Innovation

Knitto shirt is a knitted shirt innovation from BSC Cool Metropolis that uses new technology to manufacture special shirt fabric providing more stretch ability than any other. The fabric is wrinkle-free, breathable, comfortable, suitable for any occasion, and 360-ankle flexible

3. THANULUX INNOVATION AWARDS

"THANULUX INNOVATION AWARDS (TIA) and CHAIRMAN AWARD 2018"

Thanulux PCL. held an innovation contest within the Thanulux Group for the 12th consecutive year since 2007. The purpose of this award is to ignite creativity and to encourage employees participation in research and development, in order to enhance working proficiency and product development that is beneficial both company and society.

The said innovation includes product, production, system and process, energy saving & global warming & environment, and petty awards.

Regarding CHAIRMAN AWARDS 2018 of SAHA group, Thanulux PCL, won 2nd place from "Product" category with Label No. 5 energy saving shirt.



Standard and Effective Management System Quality Management System ISO 9001:2015

Certified with quality accreditation ISO 9001:2015 for design and manufacturing of garments and leather goods from Bureau Veritas Certification (Thailand) Ltd. (BVQI), the Company do not only offer quality and competitive products, but also has effective and efficient operation system which is continuously improved. As a result, the customers can trust our products and services that are internationally accepted.



Environmental Management System ISO 14001:2015

The Company has an environment management system that minimizes the impact on environment from company activities including natural resources and energy conservation, pollution emission control, waste, waste water and chemical management, etc.

CSR-DIW Continuous Award 2018

The Company received the certification of "Standard for Corporate Social Responsibility" from the Department of Industrial Works, Ministry of Industry for the 4th consecutive year and also honorary award of CSR-DIW Continuous Award 2018 for social responsibilities of industries and sustainable co-existence with communities



Golden Medal 3Rs Award 2018

The Company has an intention to manage waste throughout the entire work system by adopting 3Rs principle: reduce, reuse and recycle. With the help of all employees, industrial waste is not only reduced at the source, it is also reused and recycled effectively. The Company participated in the program of department of industrial work, Ministry of Industry and received golden medal award of 3Rs industrial waste management.



Society Aspect: Human Resource Sustainability

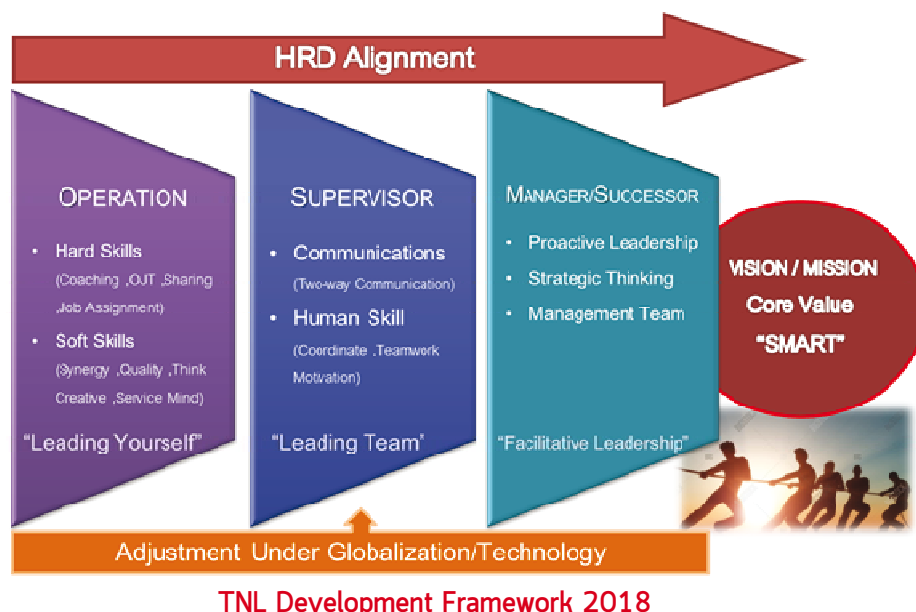
1. **Fair treatment** – The Company values and treats all employees and executives with fairness. The remuneration is granted according to transparent evaluation and clear assessment criteria.

2. **Human resource management** - At Thanulux, we believe that happy employees will deliver quality performance to the firm.

The Company recognizes the importance of human resources management as it is the key company assets that drive business to achievement. Therefore, various human resources development programs were provided to all employees and executive according to business strategies and direction:

- Operation level: hard and soft skills
- Supervisor level: communication and people skills
- Manager/successor level: focus on proactive leadership, strategic management and management skill

Apart from human resource development, the Company also imprints corporate core values “SMART” to employees so that their attitude and working behavior align with company’s vision and mission which is constantly adapting to globalization and technology. The concept of developing human resources can be categorized as follows:



1. Manager/Successor development program

The development program for manager/successor emphasizes on outlook and vision in Thailand 4.0 era as well as adaptation of technology for management. The courses offered includes: big data analytics, marketing strategy for customer behaviour in 4.0 era, international branding, digital marketing, and CAC anti-corruption, with external specialists invited. In addition, the company also carries out succession plan program for and executive and important position in order to develop potential personnels in accordance with business direction.



Big Data Analytics



International Branding



Marketing Strategy for customer behavior in 4.0 era



Digital Marketing

2. Key Persons Development

Key persons development is a program that selects the qualified employees who have virtue, competence and quality and develops their potential in order to achieve the tasks assigned.

In 2018, there were 59 key persons (selected: 14 from business department, 27 from production department, and 18 from supporting department.) Human resources department, together with the superior of original department, designed and made suitable Individual Development Plan for each person by using various development tools based on the principle of 10/20/70. That is, 10% from training, 20% from coaching/mentoring and 70% from applying acquired knowledge and skills to their work, as well as sharing with others. Evaluation and follow up with related departments were conducted regularly for career advancement

3. Merchandiser & Designer Development Program

As a manufacturer and distributor of finished apparel and leather products, merchandiser and designer was the department that the Company attached importance to. Through learning & development program, the courses, making up to 48 hours, included: fashion trend and forecast, costing, material knowledge, international branding, presentation technique for designer, market survey, visual merchandising, marketing strategy for customer behavior in 4.0 era, and digital marketing. The corporate advisers and specialists were invited to share their knowledge and experience. The outcome of the training was monitored and evaluated to ensure the achievement of potential development, competitiveness in the dynamically changing fashion industry and preparation to 4.0 era of textile industry “creative fashion design”.



Trend Fashion



Technique for Designer

Coporate Social Responsibility Report



Costing Knowledge



Visual Merchandiser

Training Schedule (General course) of employees from various departments

Training Topics	Trainee			Training Date	Trainee Headcount
	Apparel & Leather's Goods	Production	Business Supporting		
1. Internal Audit Environmental Management System for ISO 14001:2015	✓	✓	✓	19 Jan 2018	25
2. Ergonomics for Work Safety		✓	✓	16 Mar 2018	54
3. Safety on Working of Chemical Substance		✓		11 Apr 2018	14
4. Fire Drill & Evacuation	✓	✓	✓	10 May 2018	53
5. Orientation Program: Supporting Knowledge, Health and Safety in Textile, CAC	✓	✓	✓	10 Aug, 5 Nov 2018	25
6. First AID Basic		✓	✓	16 Aug 2018	63
7. Corporate Governance & Anti-Corruption	✓	✓	✓	28 Sep 2018	56

4. Operation and supervisor development program Implementation

Training is one of the most important development tools within the organization whether in aspect of communications, team spirit, participation and work efficiency because the ability of an organization to achieve the target is depended on attitude, skills and knowledge which the employees derived from training. Therefore, various trainings which assist the organization to bring out its employees' maximum potential were offered in order to catch up with the changing and competitive world.

Outcome

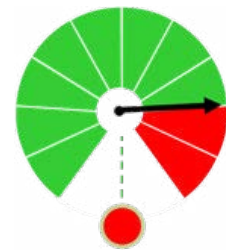
In 2018, there were 1,595 employees trained (non-redundancy), equivalent to 80 percent to total:

- 175 persons from business department
- 1,152 persons from production department
- 268 persons from support department

Total Trainee Headcount 2018



Total Employees 2,002 persons
Total Trainee Headcount 1,595 persons



Equal to 80 % of

Total Employees

There were 74 courses or 401 hours of In-house training provided. Plus 56 courses or 490 hours public training. In summary, 130 courses or 891 hours of training were provided in total.



3. Corporate social responsibility and relationship management with communities On top of providing utmost satisfaction of all stakeholders and being a happy organization, Thanulux PCL. holds responsibility towards society and environment by imprinting such idea to employees and encouraging them to apply it in daily life, at work, in their community, upon society and in developing the organization.



"SAHA group Pracha Rath Ruam Jai Project: Sewing Class Career creation for Society"

Objective

"SAHA group Pracha Rath Ruam Jai Project: Sewing Class Career creation for Society" is a collaborative project with Phra Dabox Foundation, aiming to create job opportunity to the communities.

Implementation

Expertise in garment manufacturing, the Company incorporated high quality sewing expertise into 5 days course. The application had no limitation on qualification, gender, age, occupation and location. The unexperienced participants had a chance to learn to make many quality garments from scratches and practice hands-on with the professional.



Outcome

The project has been carrying out since 2016. Now there were finished 14 classes with 160 participants. Certificates were given upon completion, which leads to job creation and social sustainability. In 2018, there was more advertising of SAHA group Pracha Rath Ruam Jai project especially in those areas where SAHA group industrial zone was located in order to increase the participation and hence benefit the communities.





Further to the government concept of "Prototype community" which involves self-sustainability based on sufficiency economy philosophy, the Company, together with employees, organizes community services and inspires eco-friendly mind through activities.

The company also participated in local tradition "CALLING THE KHWAN OF THE RICE GODDESS" which is a ritual that summoned Khwan (life force) of Mae Phosop, goddess of rice, which scatters around the rice field, into the rice barn in order to protect the rice from all harm and allow them to be healthy and prosperous. The activity was annually organized by 3 parties: Thanulux PCL, a community and a government sector.



2015 - 2018

Community service to neighboring communities.

2015 – 2018 a project teaching how to use a sewing machine to the communities. The Company also support them by buying the mask they sew.



2018 Nursery school redecoration project. In order to improve the environment, the school got repainted and put up with the learning posters. The kids were also educated about nutrition and healthy drink, to reduce tooth decay issue in primary school.



Creative Fun Project

The Company determined to improve learning environment of the children by supporting instructional media that allows them to learn with fun and inspires their self-learning skill. The target was set at 6 schools around Yannawa district in Bangkok while, since 2015, the Company has been renovating 3 schools including Wat Chong Nonsi school, Wat Khlong Mai school, and Wat Khlong Phum school.

The Company renovated 2 classrooms and 2 bedrooms at Wat Khlong Phum School. The environment was ameliorated and extra instructional media was provided so that children had more attention in learning and had fun studying, which leads to self-learning behavior.



"Phi Sorn Nong" Project

Due to the remainder from production like leather scrap, the Company initiated a project to educate the children from Wat San Pa Sak school which was located at Moo 6 Baan Pa Sak, Tambon Pa Sak, Amphoe Mueang Lamphun. Leading by experienced specialists and having tools provided, the class involved making simple bags such as a pencil case and a coin case from scratches. The process included pattern making, assembling and sewing. The class is practical and aims to inspire them to reuse leftover material. At the end of the class, the children were allowed to keep their self-made bags as a souvenir.



Scholarship for a Bachelor's Degree at the Faculty of Textiles Industry, Rajamangala University of Technology Krungthep Objective

In 2018, the company, together with the companies under the Saha Group, continued to support the collaborative project (Corporate University: COU) to produce textile personnel for the 4th consecutive year.

Implementation

The company granted scholarship to 19 students in 3 classes. The scholarship was worth 50,000 baht per person per year. Therefore, the total amount granted was equivalent to 950,000 baht. Additionally, the Company supported internship during summer break and also cooperative education of the 8 third-year students.



Outcome

The outcome of internship during summer break was satisfactory, especially that of 4 months cooperative education. With an experienced mentor, a project plan well set and performance closely monitored, the students were able to present their work-integrated learning to the scholarship committee, lecturers, mentors, and executives. They achieved the objective of the project which was adopting knowledge and skills learned from classroom to work, bringing new idea to improve working process and initiate new products, and also adjusting themselves to corporate culture and working life.



Outcome for Employees

In 2015 – 2018, Thanulux PCL. organized an environment conservation program. The Company sorted waste, sold it and gave the money to the communities. The trees were planted around the company in order to increase green space. The employees also received a sapling to plant it at their home, to promote environmental mind.



In 2016, the Company joined “Kindness for friend” program which helped the underprivileged through activities such as sewing mattress and building toilet.

In 2017, the Company participated a program called “Vegetable for friends” which encouraged growing vegetables and giving it to employees at no cost. All was to help subsidize their living expenses.



In 2018, the Company joined “Happy Retirement” program which gave advises on financially happy life (Remission), self-sustainability based on sufficiency economy philosophy and personal financial planning.

Multipurpose Liquid Objective

To react to the current economic recession where consumer goods was getting more expensive while people needed to spend more because their incomes remained the same, the Company invented multipurpose liquid that could reduce the expense and promote self-sustainability based on efficient economy philosophy.

Outcome

A demonstration course of producing multipurpose liquid (laundry and dish washing) was offered to volunteers and any interested individuals.



Corporate for Good Hygienic Environment Objective

Nowadays, environmental issues were due to many causes including lack of hygiene and increasing pollutions, etc. Therefore, like years and years before, the project called “Big Cleaning Day” was held with the objective to develop the better landscape and environment for all employees together with the neighboring communities.

Outcome

In 2018, the “Big Cleaning Day” was held for the 4th consecutive year. All the related parties worked together to clean the area within the company and vicinity, which resulted in the proper working ambience, hygienic environment, and solidarity among the employees in all levels as well as neighboring communities



Environment Aspect: The Company prescribed a policy on environment, energy management, water, electricity and waste management as well as occupational hygiene and safety.

1. Energy Management

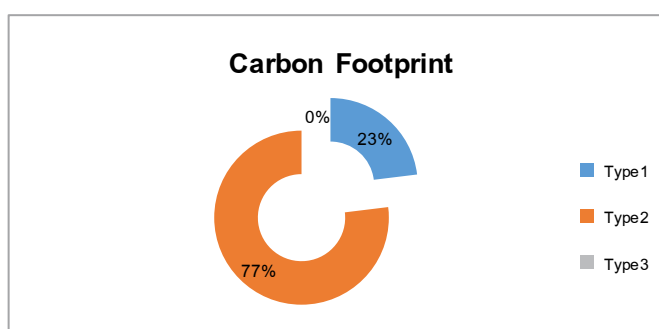
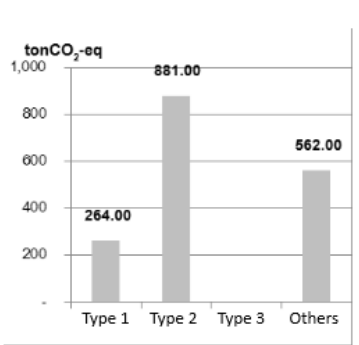
Objective

In addition to the policies concerning giving utmost satisfaction to all the stakeholders, being a happy organization, having responsibility towards society and self-sustainability according to sufficiency economy philosophy, the Company also encouraged eco-friendly conscious and environmental volunteer.

Outcome

To align with the corporate intention to be responsible towards society and environment, the environmentally friendly idea was integrated to business operation in every process starting from supplier selection, to manufacturing, and giving information to customers while considering all the stakeholders, conserving environment, aiding and developing communities.

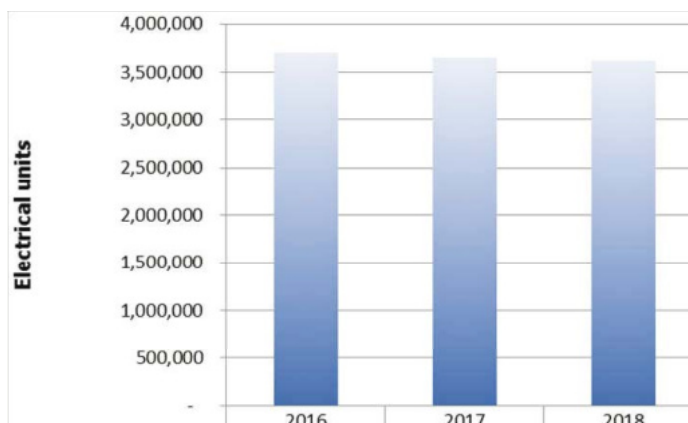
1. Climate Change (Greenhouse Gas) The Company studied the source of greenhouse gas emission through company's activities. As a result, boilers were modified in order to lower the gas emission.



Scope	Carbon Footprint	Comparison Scope 1 to 2
Type 1	264.00	23.06
Type 2	881.00	76.94
Type 3	-	-
Other	562.00	-
Scope 1 & 2	1,145.00	100.00

The target was to have employee's engagement in reducing carbon dioxide emitted for 5% versus previous year, as per measure of energy conservation program.

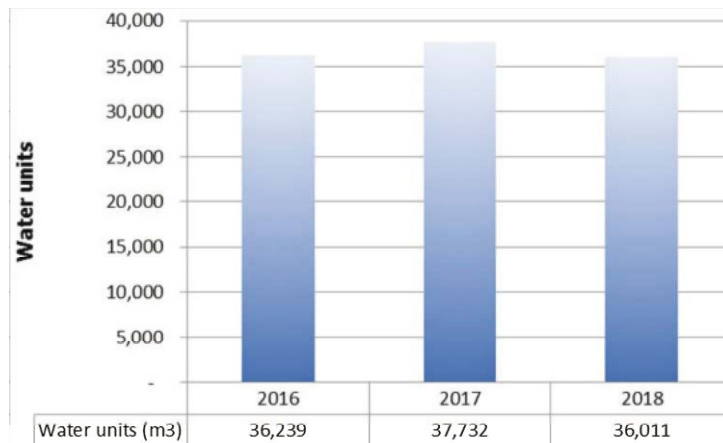
2. The Company appreciated the importance and value of energy, and had thus consistently undertaken energy management activities within the Company. It was the duty of all employees to cooperate in the management of energy and most productive utilization of energy. Every year, the company had a goal to consume less energy than preceding year. In 2018, the target was set at at least 5% lesser than 2017 per production unit.



The Company also engendered an organizational culture and built a conscience in all levels of employees to promote cooperation and mutual responsibility in the sustainable utilization of resources including electricity, fuel, water, paper and disposable equipment. Moreover, there was a development program constantly sending operational staffs for training about how to modify energy consumption of boilers.



3. The company policy concerning water management comprised reducing tap water usage for 5% from last year, maximizing water consumption in every process, and managing waste water treatment in compliance with applicable laws prior to disposal.



In 2018, tap water consumption was 36,011 m³, equivalent to the average of 5.911 m³/ head/ year which was 6.42% lower than 6.290 m³/ head/ year or 37,732 m³ in 2017

Year	M ³ /Person/Year	KPI
2018	5.911	Decrease > 5%
2017	6.290	

2. Safety, Occupational Health and Working Environment Policy Objective

Thanulux Public Company Limited stipulated Occupational Health and Safety Policy as guideline for employees, customers and visitors in order to prevent accidents, to ensure safety of life and property and to preserve the environment. Manager in each working unit was responsible for constant and effective compliance of this policy. Employees, customers and visitors were obligated to practice in the same manner, in accordance with regulations concerning safety and promulgated by relevant official and standards determined by the Company. The target for safety was zero accident, which had been achieved for the 3rd consecutive year.

Outcome Safety

1. Fire prevention and basic firefighting course in order to assure employees and shopkeepers' confidence on fire safety, to prevent loss of life and property, and also to educate about fire prevention and control in case of fire in workplace or shelter.



2. Emergency drill for preparedness of emergency cases i.e. fire drill, chemical leakage drill, gas leakage in canteen drill and boiler leakage drill which could occur anytime. All drills were conducted 1 time a year, except twice per year for fire drill.



3. Training on fundamental first-aid and basic CPR i.e. how to stop bleeding, heart stimulation, respiration, first aid on many kinds of wound and how to move a patient before transferring to hospital. All was to ensure that the employees in the incident were able to save not only oneself but also the others.

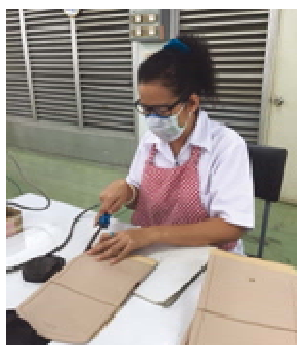


4. Training on work safety to ensure the employees' correct understanding of work safety i.e. how to operate hazardous machines, how to use personal protective equipment and how to safely use chemical substance. The training was also publicized via various channels including morning assembly and announcement board.



Occupational hygiene

1. Personal protective equipment (PPE) was supplied to all relevant employees for using during working hours i.e. ear cover, iron gloves or face mask, etc.



2. Health check based on risk factors was provided i.e. liver function test, urine examination for Ketone, Toluene and Acetone, lead detection in blood, audiometry and lung function test, to seek for illness resulting from risk factors in the workplace.

3. Health check based on risk factor was provided for new employees i.e. urine examination for Ketone, Toluene, Acetone and Formaldehyde, lung function test, audiometry and vision test, all of which were



conducted within 30 days from the commencement date to seek for abnormality of new employees. After that, there was annual health check provided.

Work Environment

In accordance with applicable laws, work environment survey was conducted in the factory 1 time a year i.e. exposure to heat, lighting, dust and soot from boiler funnel. However, exposure to chemical, input and output water of boiler and wastewater quality was conducted twice a year to conform with safety standard without inflicting any harm to the employees.

Coporate Social Responsibility Report

Analyze Noise loudness level in workplace
76 dBA – pass the standard



Analyze Heat stress in workplace
30°C – pass the standard

Analyze Chemical agents in airborne
in workplace
Pass the standard



Analyze illumination levels
Every point passes the standard

Analyze wastewater quality
Pass the standard

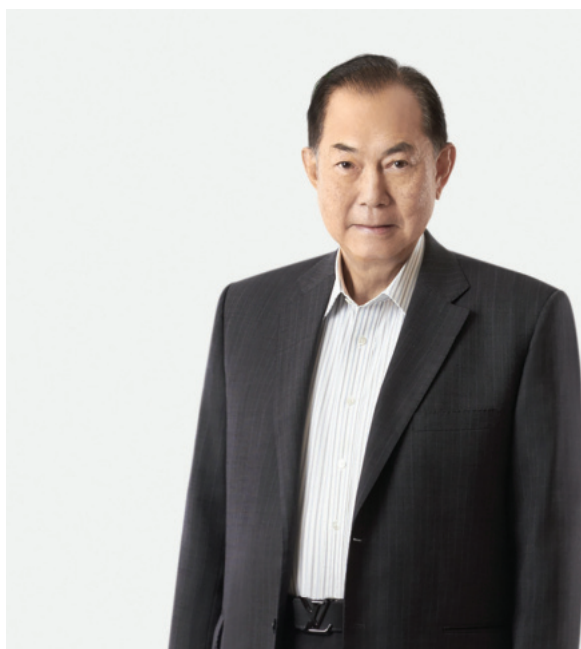


Analyze water quality in - out from Boiler
Pass the standard

Analyze opacity out from Boiler chimney
Opacity 3%



Board of Directors



Mr. Boonsithi Chokwatana

Chairman of advisor to the Board of Directors



Mr. Manu Leelanuwatana

Advisor to the Board of Directors
Chairman of the Nominating Committee Member



Mr. Supotch Pakaworawuth

Director
Executive Committee Member
Managing Director
Risk Management Committee Member



Ms. Marin Leelanuwatana

Director
Executive Committee Member
Deputy Managing Director
Governance Committee Member
Vice President Business Development Department



Mr. Thamarat Chokwatana

Director
Chairman of the Remuneration Committee
Nominating Committee Member



Mrs. Varindr Leelanuwatana

Chairman
Nominating Committee Member
Remuneration Committee Member



Ms. Dusadee Soontrontumrong

Director
Chairman of the Executive Committee
Remuneration Committee Member
Governance Committee Member

Independent Directors



Mr. Padoong Techasarintr

Independent Director
Chairman of the Audit Committee



Assoc.Prof. Nares Kesaparakorn

Independent Director
Audit Committee Member



Assoc.Prof. Dr. Nipon Poapongsakorn

Independent Director
Audit Committee Member
Chairman of the Governance Committee

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