



Good

PEOPLE PRODUCTS SOCIETY



PG Core Values

T

Team Work

E

Efficiency

A

Accountability

M

Morality and Integrity

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Business

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

Financial Overview

Data	2018	2017	2016
Financial Position and Operating Result (Millions Baht)			
Total Assets	1,670.40	1,778.10	1,837.24
Total Liabilities	185.17	240.42	345.56
Shareholders' Equity	1,485.23	1,537.68	1,491.68
Net Sales	693.63	959.83	1,068.29
Profit before income tax	97.55	(12.34)	(79.26)
Net Profit	96.06	(15.52)	(75.05)
Per Share Data (Baht)			
Par Value	1.00	1.00	1.00
Book Value	15.47	16.02	15.54
Earning	1.00	(0.16)	(0.78)
Dividend	0.25*	0.23	-
Market Price	5.40	7.45	7.90
Liquidity Ratio (Times)			
Current Ratio	8.51	8.89	3.99
Quick Ratio	5.09	4.97	1.86
Profitability Ratio (%)			
Return on Sales	13.85	(1.62)	(7.03)
Return on Equity	6.36	(1.02)	(5.07)
Efficiency Ratio (%)			
Return on Total Assets	5.66	(0.68)	(4.49)
Return on Fixed Assets	80.51	7.16	(27.20)
Financial Policy Ratio (Times)			
Debts to Equity Ratio	0.12	0.16	0.23
Dividend Payout (%)	24.99**	-	-
Growth Rate (%)			
Total Assets	(6.06)	(3.22)	8.41
Total Equity	(3.41)	3.08	1.44
Net Sales	(27.73)	(10.15)	10.49
Profit(loss) before income tax	890.51	(84.43)	(698.84)
Net Profit(loss)	719.04	(79.32)	(654.56)

* The Board of Directors' Meeting has proposed the resolution of dividend payment at the rate 0.25 baht per share. This resolution will be proposed in the general shareholder's meeting held on 23 April, 2019

** The Company has a policy to pay dividends at a rate which is not over than 50 percent of net profit and depends on the company's operation and trends in economic.

Mission

- Commitment to quality of design and production of Men's apparel, Sportswear, and Swimwear for customers satisfaction
- Commitment to develop innovative products and services to create value-added to customers
- Commitment to be One Stop service for men's apparel products
- To increase revenue and profit growth rate consistently
- To improve employees' knowledge, capability and quality of life
- To provide returns to shareholders regularly
- To operate business under responsibility to social, community, and environmental friendly together with supporting social and public interest activities

Board of Directors Report



In 2018, the Thai economy grew by 4.1 percent, an increase from 4.0 percent in 2017, the highest growth in 6 years. This growth was a consequence of an increase in exports of goods and a significant expansion in tourism despite a decrease in Chinese tourists. One factor contributing to the expansion of tourism was state stimulus measures. In 2019, the public sector should pursue a policy to support exporters' management of exchange rate risks, lower costs and facilitate exports, as well as assist investors affected by trade barriers to relocate more manufacturing bases to Thailand.

As for performance in 2018, the Company generated revenues of 693.63 million baht and earned net profits of 96.06 million baht. Earnings were attributable to good inventory management, greater production efficiency and lower administration costs, as well as profits from investments. After due consideration of the performance results and financial standing, including the overall economic situation, the Board of Directors adopted a resolution to propose to the 40th General Meeting of Shareholders on Tuesday, 23rd April 2019 to approve a dividend payout of 0.25 baht per share.

As always, the Company remains committed to striving towards leadership in creating new products through innovations to meet the demands of customers. Organisation management systems are also continually developed to enhance efficiency as well as domestic and international competitiveness.

The Board of Directors and executive officers have applied the working philosophy of Dr. Thiem Chokwattana as a guiding principle for managing the organisation along with a commitment to good governance principles with proper internal controls and risk management. The Company operates with merit, transparency and continually supports combat against corruption.

On behalf of the Board of Directors, I would like to extend my sincerest gratitude to all shareholders, customers, trading partners, communities in the Company's vicinity, stakeholders and public and private agencies, as well as the management and employees for their continual support of the Company's operations.

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

Mr.Boonkiet Chokwatana
President to Board of Directors

Board of Directors



Mr.Boonkiet Chokwatana
Chairman



Mr.Chailert Manoonpol
Vice Chairman



Mr.Charoen Charoenwatanasuksom
Chief Executive Officer/Managing Director



Mrs. Sunan Niyomnaitham
Deputy Managing Director/
Chief Financial Officer



Mrs. Somporn Tigaviboonsiri
Director



Mrs. Teerada Ambhanwong
Director



Mr. Viritpol Chaithavornsathien
Director

Independent Director



Mr. Khachornsakdi Vanaratseath
Independent Director /
Chairman of Audit Committee



GEN Konecharnart Chunnabhata
Independent Director /
Chairman of Risk Management Committee



Mr. Santi Bangor
Independent Director / Chairman of
Corporate Governance Committee /
Audit Committee



Mrs. Nuchanart Thammanomai
Independent Director / Audit Committee



Mrs. Chortip Pramoj Na Ayudhya
Independent Director / Nomination
Committee / Remuneration Committee

History of Public People's Garment Public Company Limited

Doing textile and garment business





2014



Became holder of Felix Bühler manufacturer License

2015



- Became holder of Le coq sportif and Mizuno manufacturer License
- Launched PG's house brand

2018



Certified to apparel product with Energy saving label No.5

1996

Registered capital has been increased to 72 MB

1995

Opened the factory at Welgrow Industrial Estate, Chachoengsao province

1994

- Opened the factory in Kabinburi province
- Became a listed public company on the Stock Exchange of Thailand

1990

Joint venture with Muzuno Cooperation Japan

1987



- Became Holder of Lacoste manufacturer license
- Registered capital has been increased to 24MB

1988

- Registered in the Stock Exchange of Thailand
- Opened the factory in Lamphun province

1989



- Became holder of Fusen, Usagi, and NewMan manufacturer license
- Convert the par value of shares from 100 THB to 10 THB per share.

International Organization for Standardization.



URS is a member of Registrar of Standards (Holdings) Ltd.

- 1999 : Received ISO 9001:1994 certification. The company is the first designer and manufacturer of ready to wear cloth in Thailand which was certificated from BUREAU VERITAS QUALITY (BVQI).
- 2003 : Received ISO 9001: 2000 certification from United Registrar of System (Thailand).
- 2009 : Received ISO 9001: 2008 certification from United Registrar of System (Thailand) for the Design and manufacture of Men's wear, Ladies' wear, Swimwear, Children's wear and knitted fabric.
- 2018 : Received ISO 9001:2015 certification from United Registrar of System (Thailand) for the Design and manufacturer of Men's wear, Ladies' wear, Swimwear, Children's wear and knitted fabric.



URS is a member of Registrar of Standards (Holdings) Ltd.

- 2013 : Received the certificate of ISO 14001:2004 for environmental management system in recognition as the organization has its scope of design and manufacturing of men's wear, ladies' wear, swimwear, children's wear and knitted fabric which complies with the Environmental Management System, by the United Registrar of Systems (Thailand)
- 2018 : Received the certificate of ISO 14001:2015 for environmental management system in recognition as the organization has its scope of design and manufacturing of men's wear, ladies' wear, swimwear, children's wear and knitted fabric which complies with the Environmental Management System, by the United Registrar of Systems (Thailand)



- 2012 : Declared the policy and engaged business according to the Worldwide Responsible Apparel Production Standard or "WRAP" which was approved at Lumphun branch, in the Gold Certificate of Compliance, by the Worldwide Responsible Accredited Production
- 2013 : Declared the policy and engaged business according to the Worldwide Responsible Apparel Production Standard or "WRAP" which was approved, in the Gold Certificate of Compliance, by the Worldwide Responsible Accredited Production at Kabinburi branch.



- 2012-2017 : The company has been cooperating with our customers to operate business in comply with code of conduct such as Code of conduct of PVH (Phillips - Van Heusen). The business principles set out the moral and ethical principles especially Human right, Fair return on investment including Health & safety of employees, and Environment management which the company focus on using renewable energy and reducing pollution to the environment., including paying attention to the importance of using chemicals as well as issue a policy of chemical management.



2016 : The company has been cooperating with our customers to operate business in comply with code of conduct such as Code of conduct of Dr. Martens brand. It emphasizes on good practice for worker both local and foreign. Especially foreign workers practice standard of Dr. Martens brand is higher than Thai labor law. Furthermore, the company prioritizes to work safety of employee and to the environment.



2017 : The company has been cooperating with our customers to operate business in comply with code of conduct such as Code of conduct of Peter Millar brand. The company comply all applicable laws and regulations included maintaining its standard on Thai labor law, providing ethical workplace in compliance with international labor law and emphasizing on internal communication system as employee to be acknowledged the working procedure effectively.

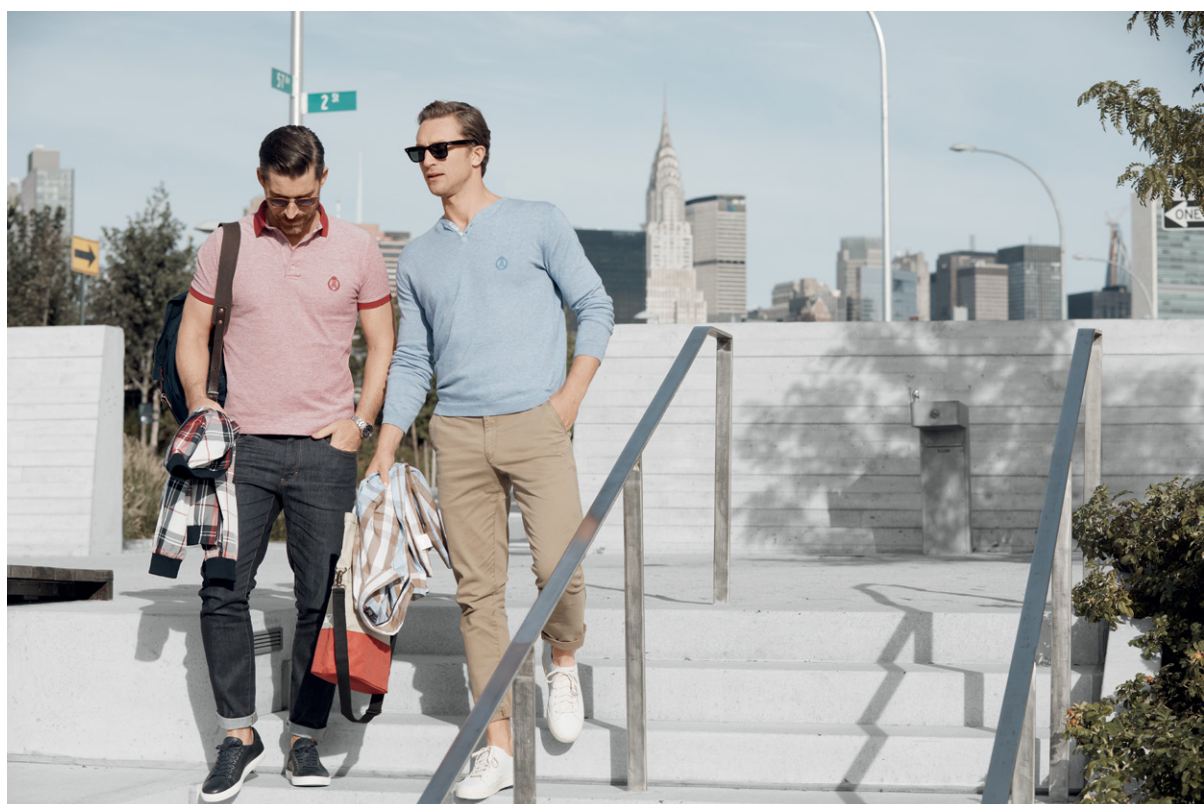


2017 : The Company had signed MOU with the Electricity Generating Authority of Thailand (EGAT) for the “Label No.5 Dress Shirt” program to invent and produce energy saving textile and garment.

2018 : The company has launched and distributed clothing product for the “Label No.5” under brand Arrow, BSC COOL, and Primo.



ARROW
USA • 1851







ELLE

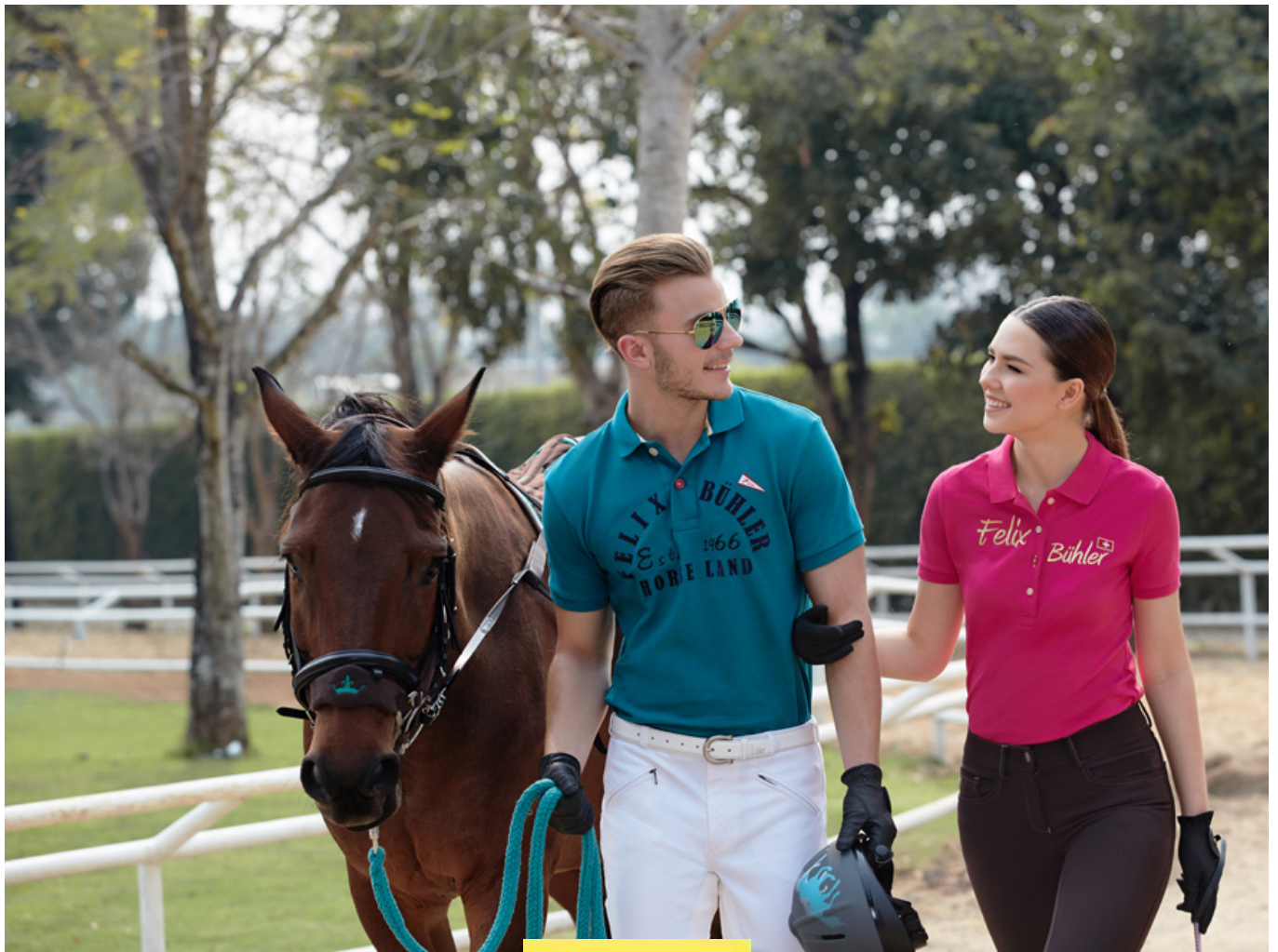


Streamline

ThreeSixty Swim







UNIFORM



Textile situation

Textile and Garment Industry

In 2018, the production of textile threads and finished garments grew in line with demands from foreign trading partners, especially in Asia. Key exports include synthetic threads with special qualities and men's and women's clothing. As regards fabric, there was a slowdown in the cotton cluster. Production of fabric from synthetic threads, however, continue to enjoy growth due to demands from foreign markets.

Production

Threads and finished garments production expanded by approximately 1.6 percent and 1.0 percent respectively when compared to the previous year, attributable to the production of synthetic thread production and the unique qualities of synthetic threads, e.g. collagen thread and composite thread. Growth was in line with demands from foreign countries. There was also a growth in production of finished garments due to increased production of finished garments for men's and women's clothing pursuant to purchase orders from foreign countries.

There was a decline in production of fabric due to the cessation of business of several cotton fabric factories, as a consequence of a decrease in domestic and export demands. Fabric from synthetic threads maintained expansion in line with domestic and overseas demands.

Domestic Sales

There was a decrease of sales in textile thread, fabric and finished garments by approximately 1.8, 3.8 and 0.8 percent respectively. The primary target for textile threads was exports.

One factor contributing to the decline in finished garments was consumer interest in foreign fashion, in particular low-cost garments imported from China and Vietnam, as well as premium clothing brands.

Exports

There was a growth in values of textile threads, fabric and finished garments by approximately 15.3, 3.2 and 6.1 percent respectively. Growth in threads continued from 2016. Key exports include synthetic thread, unique quality synthetic thread and unique fabric made from synthetic thread. Thailand has great potential for the production and export of these items to important markets such as Vietnam, Myanmar, Japan, Bangladesh and China.

As for finished garments, growth was attributable to the trust in Thailand's production of goods for foreign brands in the form of design and production contracts.

Textile and Garment Industry Trend for 2019

Based on an overview of the textile and garment industry, it is expected that the production of textile threads will continue to grow from 2018, in particular synthetic threads and unique synthetic threads. However, there may be a slowdown of fabric due to imports of finished fabric from China to replace domestic raw materials. Exports are expected to grow, especially synthetic threads and fabric made from unique textile threads. But exports of finished garments should be closely monitored because of key competition from Vietnam. Thai businesses should take advantage of superior supply chain management and design instead of cost competition.

Source: Office of Industrial Economics and Ministry of Commerce
/2018-2019 are forecast figures.

Nature of Business

People's Garment Public Company Limited started business as a garment manufacturer in 1980, before subsequently expanding into the manufacturing of knitted fabrics. The company operates its business with the alliances in order to be integrated business from upstream to downstream.

It focuses on adding value to products and creating the innovation on textiles and garments together with quality and environmental friendly concerned. Company's core products can be divided as following:

1. Ready to wear garments

The company's core business is manufacturing Ready-to-wear garments; Menswear, Ladies wear, Children wear, Swimwear, Sportswear, Cycling wear, and Men's Underwear which are divided as below categories:-

<ul style="list-style-type: none">• International Brand (International Trademark) Certified license for production which consist of: Arrow, Elle, Arena, Felix Buhler, Mizuno, and Le Coq sportif	<ul style="list-style-type: none">• Local Brand consists of Streamline and BSC
	<ul style="list-style-type: none">• House Brand(Company's registered trademarks for production and distribution which consists of Primo Linea, Proud 360 (Three-Six-O), Swoop, and Oberon
	<ul style="list-style-type: none">• Uniforms

2. Textiles Product

In order to be a leader in integrated polo-shirt production business, company invests in knitted factory in Kabinburi which has a modern machine and technology to strengthen efficiency of production process.

3. Leather products

Leathers for Lady and Gentleman comprised of Handbag, Wallet, and Belt under trademark "SARINI" which is House brand with unique products of genuine leather and quality of raw materials and sewing skills , and also being a manufacturer and exporter under the license of international brand.

Location of offices and plants details as following;

Business Place	Location	Business operation
Headquarters	Bangkok	Management & Administrative center
Lamphun plant	Lamphun province	Production of Ready-to-wear garments made from woven fabrics
Kabinburi plant	Prachinburi province	Production of Knitted fabrics and ready-to-wear garments made from knitted fabrics

Income structure

(Unit : Million baht)

Sales revenue	2018	%	2017	%	2016	%
Domestic:	603.37	86.99	752.83	78.43	839.11	78.55
Garments	556.69	80.26	678.93	70.74	755.77	70.75
Knitted fabric	43.86	6.32	53.03	5.52	65.48	6.13
Leather goods	2.82	0.41	20.87	2.17	17.86	1.67
Overseas	90.26	13.01	207.00	21.57	229.18	21.45
Garments	79.02	11.39	179.62	18.71	187.40	17.54
Knitted fabric	7.01	1.01	10.34	1.08	-	-
Leather goods	4.23	0.61	17.04	1.78	41.78	3.91
Total	693.63	100.00	959.83	100.00	1,068.29	100.00

Operating results

In 2018, the company had total sales of 693.63 million baht, decreased about 27.73 percent from the previous year which was classified as following; domestic sales amounted 603.37 million baht, decreased about 19.85 percent and overseas sales amounted 90.26 million baht, decreased about 56.39 percent from the previous year.

The Development of quality and standard

The company has developed on innovative material in order to reach its worthy and customer satisfaction by adhering the concept “safe for customers and be environmental friendly”

The company operated all activities to maintain quality of products, reach the safety standard of color and chemical, and pay attention to reduce the impact on environment such as;

- : Certified to Quality System ISO 9001: 2015
- : Certified to Environmental Management System ISO14001 : 2015
- : Certified to Products that released less carbon footprint : (Cool mode)
- : Certified to Product for Energy saving “ Energy saving label No.5”

The above are as guidelines for sustainable reducing the impact on environment and support vision of the organization “**We are fully committed to be leader to create quality products and services with innovation of apparel in Thailand**”

Functional textiles

Energy saving label No.5

- **Knitted fabric tagged with Energy saving label No.5:** Safe, Strong, durable, Heated reduction, Non-ironing, and Anti-pilling
- **Garment tagged with Energy saving label No.5:** Electric save, Comfortable, Non-ironing.
Made from chemicals and dyes stuff that are safe from carcinogens and heavy metals, strong fabric construction, durable color, sweat absorbency and heat ventilation, so it is comfortable when wearing and it can be washed without ironing.

In 2018, The company has developed a product that has certified to the Energy-saving label No.5 to be ready-made clothing products totaled 8 models and Knitted fabric totaled 2 models under the brand “Arrow, BSC COOL, PRIMO.

“Cool Mode” the symbol of environmental friendly garments

Products with special function to absorb sweat and heated-ventilation so it make them comfortable when wearing with less stuffy heat, it can be worn in buildings or rooms with air conditioning temperature 25 degrees without uncomfortable. In 2018, the company received the New version of COOL MODE certification totaled 4 items which have been distributed to Uniforms customer and customer who are interested to buy knitted fabric.

“Perma Healca” For good Health and good world

PERMA Healca is a special innovation with function of permanent Anti-Bacteria as well as odorless by using “Nano zinc” as a component in the production of polymers which to be embedded in the fiber without peel off so the bacterial will not be embedded on the fabric and the fabric can resist to UV radiation which is cause of disease. Moreover, it can maintain skin moisture for good health daily, it is also Nano technology with Environmental friendly. The company produce in form of Polo shirt and distribute under brand “Arrow”

“Recycle polyester” Changing plastic waste into clothing products

Products that transform plastic bottles to be recycled yarn with Environmental friendly innovation and it is developed to be value product. The company produces and distributes it in form of Polo shirt and T-Shirt for Uniforms customers and customer who is interested in buying knitted fabric.

Market conditions and competitions

Oversea markets

Overall aspect of textile and garment industry in 2018, production and exports of textile fibers and ready-made garments grew in synthetic fibers that meet the requirements of the significant market such as Vietnam, Japan, and China. Regarding ready-made garments, it expand to OEM production for foreign brands. In addition, in the production and export of fabrics, the fabric is slowdown in general synthetic fabrics due to unable to compete with China and Vietnam in term of pricing

In 2018, the company export to USA, Europe, and Asia in the proportion of 70/10/ and 20 percentage respectively. The overall export sales volume was decreased from the year 2017 but the sales volume to AEC market was increased as those customers have confidence in company’s potential and quality of company’s products, including the development to be modern and various designs. Although, there is a price competition between neighboring countries, such as China, Vietnam, Indonesia, Cambodia, and Bangladesh, have lower labor cost than Thailand, The company together with its teams has also continually coordinate with agents to directly visit customers in countries Vietnam and Japan in order to strengthen good relationships and implementing proactive marketing to offer complete products and innovations in design of fabric, fabric production, pattern making, sewing process until being ready garment, this concept is to propose real garment sample to customer in term of Original Design Manufacture(ODM), which is one of strategies to enhance competency of the company.

Overseas distribution channels

1. Distribute through Trading Firm
2. Selling directly to customers in USA., E.U, Asia, and AEC

For 2018, People’s Garment Public Company Limited remains committed to continually expand market into USA, Europe, Vietnam, Japan, and AEC which concerned on code of conduct of customers and WRAP including PVH code of conduct for international brand products. The company expects that growth ratio will be increased from product group of Outer wear, Sportswear, and swimwear.

Domestic Markets

In 2018, the competition of domestic market in the garment business is still continually competing due to the marketing strategy of domestic manufacturers to maintain market share. In the same time, international brands are coming to penetrated domestic market which they take more advantages on as they are well-managed production system, lower production cost both labor and raw material as they order a big lots of material so they get more power of negotiation with supplier including distribute the goods to customer effectively because they have branches located around the world and they also have plan to expand more branches continually.

The domestic distribution of ready-to-wear garments, the company applied more marketing strategy of sales promotion to stimulate market of each brand name; for example, focusing on price discount of products launched in department store and other commercial places including import more to wear garments from China, Vietnam, Cambodia, Bangladesh, and Korea. The imported products mostly were fashion with every price range for selection. Moreover, at present, many new international brands are more being imported to domestic market as a result, it leads to be high competition for gaining more market shares.

The company is aware of the importance of implementing proactive marketing strategies in conjunction with ICC International Public Company Limited, a key customer and distributor for the company.

- To regularly carry out surveys of customers' needs and satisfaction to ensure they are able to respond most of customers' requirements.
- Created marketing activities to attract target markets in consideration of brand image and the creating value for society.
- Developed and created innovation in order to response customers' needs for "to be safe products for customers and environmentally friendly".

As always, trademarks remain a key factor in business competition; customers are still fond of brand name products, but the company is confident that its products are well-known and are recognized quality as international standards.

Uniforms

The Company has efficiency in design, raw materials selection, producing good quality products, and delivering on time, including good after sales services. The company also focusing on principles of competing both of good quality and reasonable prices. As a results, the company is a manufacturer of Uniforms for many well-known organizations such as financial institutions, governance sectors, state enterprises, private sectors and many educational institutions.

Domestic sales and distribution channels

1. The company has assigned ICC International PLC, a significant company in the SAHA Group and a key customer of the company, to be a distributor. Its main distribution channel comprises department stores, discount stores, and modern trade.
2. Distribution via E-commerce
3. Distribution via Factory Outlet
4. Direct distribution to customers of Corporate uniforms, Office wear, and Work wear to leading government, private organizations and state enterprises.

Marketing Management

In order to provides more distribution channel to customers and consumers, the company applied the following strategies;

1. Create "Fashion Trend" in advance by creating story board concept such as color concept, and mix & match of all products group, together with doing pre-collection. These strategies help making purchasing decision easier as one stop service; as a result, the customers satisfy with these operations and respond by purchasing more. Since, they have clearly visual merchandise so it support doing marketing plan in advance.
2. Cooperation with customers in cost management in case of high volume orders in order to increase competitive advantage for customer and gain more sale revenue both parties.
3. Adding distribution channel partners by selling products via LAZADA/ LOOKSI/ SHOPEE/ and Thailand Best for house brand and O shopping for brand name. This channel is enable to expand more customer's base. Moreover, it can directly response customers' needs whose life style is modern and smartphone life style such as purchase goods via Smartphone.

The market of ready to wear garment is high competition in a wider range of distribution channels such as Department store, Modern trade and Convenience store included new distribution channel like E-Commerce, M-Commerce and Modern trade. The competitive trend continually grow every year as those channel are easily reached by consumers and faster response the customers' needs. Moreover, TV shopping channel provides manufacturers to completely show and communicate on products innovation. These channels are trend to grow continually so the company had been applying some strategy and still carry on for the continuous year.

The company has changed its strategy by offering a wider range of products and innovations that customers and consumers need, together with seeking new customers to increase sales volume. The company also modifies working process to control overall costs including the reduction of raw material costs, production costs, administration costs and financial costs In order to have competitive cost and expenses leading to competition ability in both domestic and international market.

Raw materials procurement

The company principally uses locally-sourced raw materials as it believes in the quality of local products. Moreover, the company and its partners have continuously developed their products in order to promote local trade. For knitted fabrics, the company uses raw materials from its own factory which it is considered to be competitive advantages as the company is polo shirt manufacture in completing and integrating processes, from designing, knitting, producing to be ready-to-wear garments. The company uses highly developed production processes to produce environmental friendly products. In the production process, the chemicals used meet international requirements for customer safety and the products are well-accepted by both local and international customers and the company cooperates closely with its partners to keep chemicals within REACH standards and also meet international environmental standard ISO14001. For locally-made knitted yarn, the company chooses upstream raw materials which come largely from Australia and the US, an internationally accepted source of raw materials.

Main raw materials for knitted fabric and apparels are natural yarns which are from supplier who certified OEKO-TEX standard 100. The company carefully selects chemical for dying yarn. The company also avoids of using formaldehyde and carcinogen in order to provide safety products to customers. Moreover, packing materials are mostly recycling material.

Ratio of raw materials purchasing both domestic and international

In 2018, the company bought core materials and auxiliary materials for production from trading partners both domestic and international counted 85 percent from local sources and 15 percent from overseas. The company currently has suppliers both domestic and international more than 203 suppliers. The company applied a criteria of suppliers evaluation as ISO : 9001 standard in classifying partners to reach the international standard.

In addition, the company also acquires substitute raw materials of compatible quality from local and overseas sources in order to be environmentally friendly in accordance with ISO : 14001 standard and to remain consistent with the company's policies on sustainable business operation.

Risks Factors

Risks from customer structure due to the less numbers of key customers or major distributors

Domestic

The Company produces textiles and garments according to customers' specifications by having ICC International Public Company Limited (ICC) as its domestic distributor. The sale orders accounted for 71.08 percent of total domestic sales, and accounted for 61.79 percent of total sales.

The company strongly believes that this customer will continue to place orders in the long run. From the preceding, both partners have had an excellent relationship and collaborated on developing business with approach strategy and launching new products to meet demand and providing greater satisfaction to customers.

Overseas

Distributions to overseas, company has been distributing its products to all continents such as Asia, America and Europeans Union for building selling base and dispersing risks of small numbers of customers. The company maintains the ability to produce efficiency products which reaching customer's satisfaction by its quality and delivery.

However, the company has been seeking new customers in order to have more sales volume.

Risks from investments

The Company investment activity is under the supervision of a working committee on investment, which is itself under the executive board, who decide the investment and portfolio management guidelines. The company produces a quarterly review of the investment and portfolio management policy and uses diversification strategies by investing in a variety of financial institutions.

Additionally, ceilings are placed on each investment to limit the scope of possible damage. As regards debt instruments, the company invests in bonds, saving deposits, mutual funds, and private debt securities assigned a rating of at least A-or equivalent.

The company continuously tracks the level of risk to investments to ensure that the value at risk is within the determined level and the investment ceiling and portfolio investments are constantly reviewed in light of the current situation and possible risks

Risks from exchange rate fluctuations

The Company exports its products and imports raw materials and equipment in foreign currency, which might be affected by fluctuations in exchange rates. In order to minimize risk, the company closely manages and monitors the movement of exchange rate, by balancing revenues and expenses denominated in foreign currencies (Natural Hedge). The company manages the money in the foreign currency deposit account and also uses financial instruments for preventing risks including making forward contracts.

Risks of Old-Fashioned products

The company produces and distributes ready wear garments, leathers, and knitted fabrics which are fashioned products and rapidly changed. In 2018, company had inventory 288.06 million baht or 40.17 percentages of current assets and 17.24 percentages of total assets, and product turnover rate was 136 days. More inventories lead to old-fashioned as they are not sold out in fashion time caused a high maintenance cost. The company need to set allowance obsolescence or impairment make net profit and liquidity of the company declined. However, the company has managed inventory not to hold them long period. The slow moved products will be on sale promotion activities. Besides, information system will be applied for analyzing the data in order to have efficiency of inventory management.

Risks from credit loans

In order to increase sales volume of the company, the company has distributed product to local and overseas market to gain more various customers, so risks from credit loans may occur when debtors fail to abide by the terms of their agreement with the company and this may affect the level of working capital and company liquidity.

The company has managements and policies to prevent such risks by determining processes to carefully consider credit limit for new customers, the company will consider credit limit as well as searching and analyzing financial statements of customer individually. Regarding existing customer, the company has collaborated with customer to closely coordinate and monitor in order to reduce the risk and shorten the due payment.

In addition from the above, The company has a policy of provisioning accounts receivable stated at net realizable value received by basing on experience in debt collection, the ability to repay loans and duration of outstanding debt for doubtful accounts consideration.



Operational Assets

As of December 31, 2018, the operating assets employed by PG value



After accumulated depreciation and allowance for impairment

Baht **131.97** million



Net intangible assets

Baht **3.04** million



For details, please see the notes to the financial statements of PG ended December 31, 2018:

Item 14 (property, plant, and equipment-net) and Item 15 (intangible assets-net).



Shareholding Structure

Company Security

People's Garment Public Company Limited is listed company in the Stock Exchange of Thailand having "PG" as the abbreviation. The registered capital is 96 million baht which paid up all amount and divided into ordinary shares 96 million shares at valued 1 baht per share.

The Company has never issued other securities except ordinary share.

Shareholders Structure

1. The top 10 major shareholders as of closing date on December 28, 2018

Shareholders	Number of Shares	%
1. Thanulux Public Company Limited	13,484,000	14.046
2. Sahapathana Inter-holding Public Company Limited	13,228,666	13.780
3. Sahapathanapibul Public Company Limited	8,450,000	8.802
4 I.D.F. Co.,Ltd.	7,290,000	7.594
5. Mr.Boonsithi Chokwatana	5,256,666	5.476
6. ICC International Public Company Limited	5,040,000	5.250
7. Naraporn Co.,Ltd.	4,430,533	4.615
8. Mr.Samreng Manoonpol	4,186,200	4.361
9. Thai NVDR Co., Ltd.*	3,391,867	3.533
10. Mr.Boonkiet Chokwatana	3,282,933	3.420

** Thai NVDR Co., Ltd. is a subsidiary company of the Stock Exchange of Thailand operating a business by issuing and selling Non-Voting Depository Receipts (NVDR) to investors. Thai NVDR is responsible for executing the purchase or sale of those listed company shares whose investors wish to trade through NVDR. NVDR holders receive dividend the same full financial benefits as they would receive if investing in listed company but the NVDR holders have no right to vote in the shareholders' meeting. More information, please access www.set.or.th.

Remark : Investors can update the shareholders information at the Company's website (www.pg.co.th, "Investor Relations : Shareholders Structure") before commencement of the annual general meeting of shareholders.

Corporate Shareholders Holding at least 5 Percent or more of all voting stock.

Shareholders	Number of Shares	%
1. Thanulux Public Company Limited	13,484,000	14.046
2. Sahapathana Inter-holding Public Company Limited	13,228,666	13.780
3. Sahapathanapibul Public Company Limited	8,450,000	8.802
4. I.D.F. Co., Ltd.	7,290,000	7.594
5. ICC International Public Company Limited	5,040,000	5.250

2. Minor Ordinary Shareholders (as of March 16, 2018)

The numbers of minor shareholders (Free Float) are 697 shareholders, or 33.77 percent of the issued and paid up stock which is more than 25 percent.

3. Restriction of Foreign Shareholders

Foreigners can be shareholders but the total number of shares should not be more than 49 percent of the issued and paid up stock. As of December 28, 2018, the Company stock was held by foreigner amounted 0.004 percentage.

Divided by Shareholders' Nationality as at the closing date of share register book on December 28, 2018.

				Juristic Person			Individual		
	Persons	Shares	%	Persons	Shares	%	Persons	Shares	%
Thai	783	95,995,700	100.00	28	57,719,866	60.13	755	38,275,834	39.87
Foreign	1	4,300	0.00	0	0	0.00	1	4,300	0.00
Total	784	96,000,000	100.00	28	57,719,866	60.13	756	38,280,134	39.87

4. Shareholding Ratio of Institutional Investors

As of December 28, 2018, None of the Company share was hold by institutional investors. (According to the principles of corporate governance of Thai listed companies, it determines that the total ratio of institutional investors should be more than 5 percent)

5. Shareholders' agreement

The major shareholder group of the company has no Shareholders' agreement between them of the company that effect the issuance and offering of securities or management of the company.

Other Securities Issued

- None -

Shareholding Structure in the Group of company

People's Garment Public Company Limited has no subsidiaries or affiliates company.

Dividend Payment Policy

According to the Company's dividend payment policy, the dividend will be paid at the rate of not more than 50 percent of net profits which is mainly subject to the Company's performances and economic circumstances. After the Board of Directors approves the payment of dividend, it has to be then proposed to the shareholders' meeting for approval. Except for the interim dividend, the Board of Directors has the power to approve the payment and report such payment to shareholders' meeting in the next schedule.

Details of Dividend Payment for the Previous Year

	2018*	2017	2016	2015	2014
Rate of net profit per share (Baht)	1	(0.16)	(0.78)	0.14	0.62
Rate of dividend per share (Baht)	0.25	0.23	-	0.70	0.37
Earnings per share (%)	25	(142.29)	-	496.44	60.04

Remark: * The Board of Directors meeting No.1/2019 held on February 22, 2019 resolved to propose to the General Meeting of Shareholders No. 40 which will be held on April 23, 2019 for approval of dividend payment at the rate of 0.25 Baht per share which will be paid from accumulated profits in which the Company had already paid corporate income tax at the rate of 30 percent.

Cross - Shareholding

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

Cross-Shareholding Details as of December 31, 2018

Company name	Shareholding Percentage (%)	
	Shareholding by the company	Shareholding in the company
1. In the case of over 50% shareholding	-	-
(A) Other companies holding over 50% shares in the company Cross-shareholding by the company in other companies is not allowed.		
(B) The company holding over 50% shares in other companies Cross-shareholding by other companies in the company is not allowed.	-	-
(C) The company holding over 50% shares in 2 other companies and over Cross-shareholding between other such companies is not allowed	-	-
2. In the case of over 25% shareholding, but not exceeding 50% shareholding	-	-
(A) Other companies holding over 25% but not exceeding 50% shares in the company. Over 10% cross-shareholding by the company in other companies is not allowed.		
(B) The company holding over 25% but not exceeding 50% shares in other companies . Over 10% cross-shareholding by other companies in the company is not allowed.	-	-
3. In the case of not exceeding 25% shareholding*	-	-
(A) Other companies holding not exceeding 25% shares in the company. Over 25% shareholding by the company other companies is not allowed.		
(B) The company holding not exceeding 25% shares in other companies Over 25% shareholding by other companies in the company is not allowed.		
1. Saha Pathana Inter-holding Public Company Limited (SPI)	0.41	13.78
2. Saha Pathanapibol Public Company Limited (SPC)	0.07	8.80
3. I.C.C. International Public Company Limited (ICC)	0.60	5.25

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

Relationship with Business Group of Major Shareholder

The Company had business transactions starting from upstream to downstream with textile and garments group including distribution company which is affiliated to Saha Pathana Inter-holding Public Company Limited as the Company’s major shareholder. This would help supporting and promoting the entire business operation of the Company covering materials supply until finished products distribution, and the such transactions are normal business transaction.

Report of the Nominating Committee

Nominating Committee of People's Garment Public Company Limited consisted of Board of directors 3 persons named below:-

1. Mr.Boonkiet	Chokwatana	Chairman of the Nominating Committee
2. Mrs.Chortip	Pramoj Na Ayudhya	Independent Director
3. Mrs.Somporn	Tiyaviboonsiri	Director

Realized the importance of recruitment and selection of the Board of Director and Top - Level Management, the company nominated the independent candidates performing duties as the Nominating Committee to be responsible for recruitment and selection as well as proposed caliber and qualified candidates from various professions to take a position of director and Top - Level management.

In 2018, the Nominating Committee conducted meeting 1 times to consider and giving approval to the Board of Directors as summarized below:-

- Nominated and proposed candidates who had qualification to take a position of Director in case of vacancy and term completion. The member who has stake in an interest in any agenda shall be abstained from voting and not attend the meeting to consider such agenda. According to the 39th of Annual General Meeting of Shareholders to be held on Tuesday 24th April, 2018, there were consideration of candidates' qualification for taking into a position of Board of Directors to replace the directors whose term was completion. However, 4 former directors were renew the term and named as follow Mr. Boonkiet Chokwatana, Mr. Charoen Charoenwatanasuksom, Gen. Konecharnart Chunnabhata, and Mr. Santi Bangor.

In addition, the Board of Directors provided opportunities for minority shareholders to participate in proposing a person to be a director prior to the Annual General Meeting of Shareholders. It appears that in 2018, no shareholders nominated persons to be considered for election as company director at all.

- Considering person to propose to act as sub-committee by considering the sub-committee's composition such as qualifications, knowledge, expertise, ability, as well as relevant skills which appropriate for performing duties of sub-committee and present to the Board of Directors for consideration.

- Considering the charter of the Nomination Committee every year in order to comply with relevant practices guideline.

Nominating Committee perform its duties with care, integrity, thoroughness, completion, independence, and cautiousness, the committee proposed and giving opinion to Board of Directors for consideration so as to comply with Corporate Good Governance and be acceptable in accordance with international standard accordingly.



(Mr. Boonkiet Chokwatana)
Chairman of Nominating Committee

Report of the Remuneration Committee

**Remuneration Committee of People's Garment Public Company Limited consisted of Board of directors
3 persons named below:-**

- | | | |
|----|---------------------------------|--|
| 1. | Mr. Boonkiet Chokwatana | Chairman of the Remuneration Committee |
| 2. | Mrs. Chortip Pramroj Na Ayudhya | Independent Director |
| 3. | Mrs. Sunan Niyomnaitham | Director |

Realized the importance of recruitment and selection of the Board of Director and Top - Level Management, the company nominated the independent candidates performing duties as the Compensation Committee to be responsible for propose remuneration policy and principles of remuneration for directors and member of sub-committees, and Top – Level management in consideration of appropriateness compared to duties , responsibilities, company's performance, and current economic situation.

In 2018, the Compensation Committee conducted meeting 1 time to consider and giving approval to the Board of Directors as summarized below:-

- Considered the remuneration for directors and member of sub-committee in consideration of appropriateness compared to its duties, responsibilities, similar industry, and performance of the company. In 2018, the remuneration payment has been considered and approved for directors and member of sub-committee as Meeting allowance and Annual remuneration to Independent directors 5 persons including sub-committee.

- Considered and determined monthly salary increment and annual bonus payment based on appropriate level and company's performance.

- Considered the charter of the Remuneration Committee annually in order to perform duties efficiently.

The Remuneration Committee performs its duties in undertaking the assigned responsibilities; as well as submitted the meeting report to the Board of Directors for consideration. The committee committed to perform its duties with Equality, Integrity, transparency in accordance with Good Corporate Governance defined by the Stock Exchange of Thailand.



(Mr. Boonkiet Chokwatana)
Chairman of Remuneration Committee

The Executive Board's Report

People's Garment Public Company Limited established the Executive Board in the capacity as a Management Committee, which is responsible for the overall management of the company's business operation as assigned by the board of Directors and in accordance with the established Charter of the Executive Board.

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

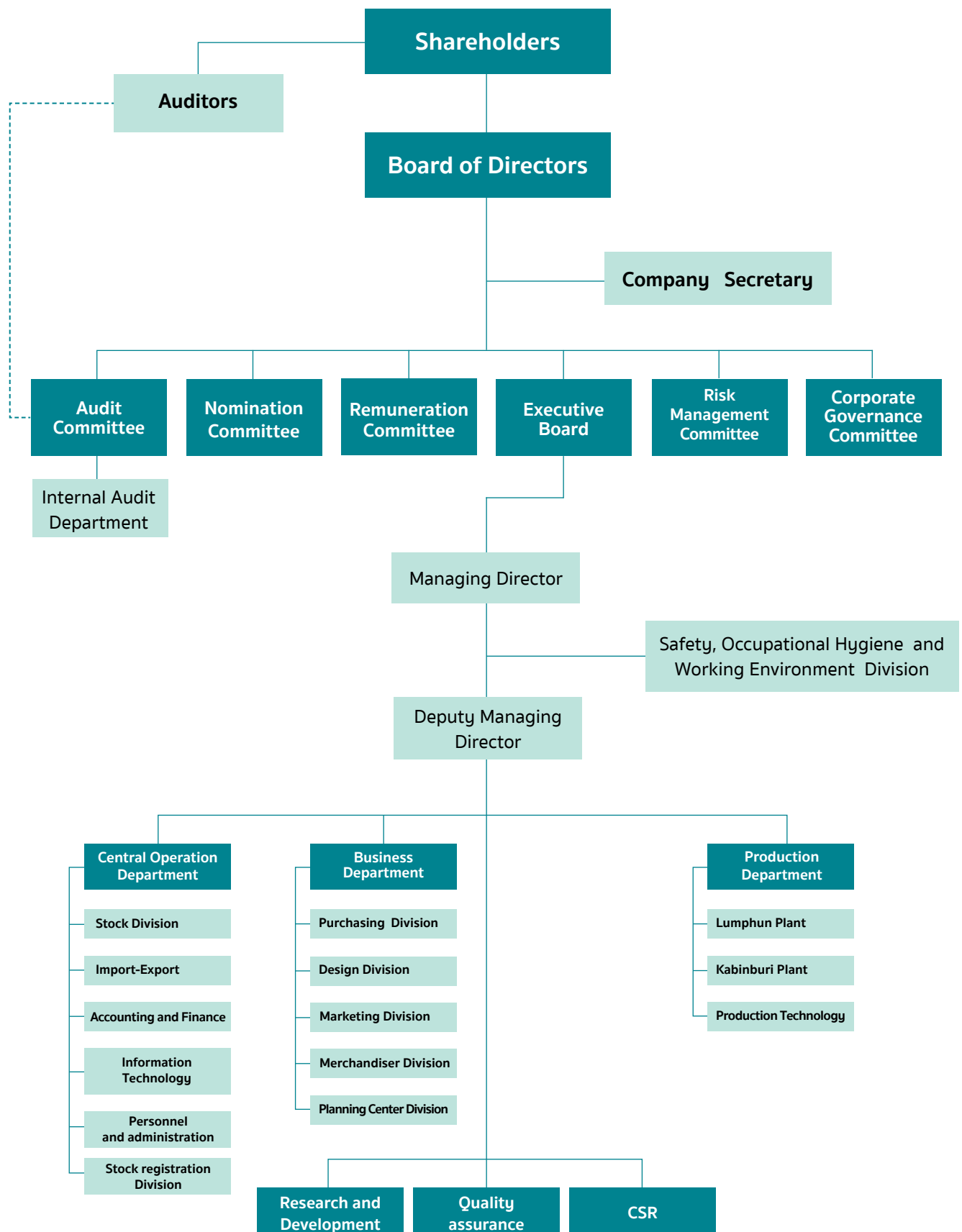
1. Proposed the annual goals and business strategies together with action plans; as well as undertake its responsibilities to manage business activities of the company in accordance with its policy, strategic directions and objectives.
2. Approved the annual investment budget of the company that are planned for investment to expand its business operations with regards to production technology, information technology, together with investment to develop the potential capabilities of its human resources at all levels for competitive advantages.
3. Ensured that related financial reports are prepared and ready for the external auditor to review and examine; as well as to give their opinions before the reports are submitted to the Audit committee and the Board of Directors respectively. In addition, monitored on a monthly basis, the overall business operation and activities of the company.
4. Considered and reviewed of all "Connected transactions" together with proposed acquisitions or disposal of any assets of the company with carefulness, so that the transactions are undertaken in a reasonable prices and appropriate terms and conditions, through taking into consideration the best benefit of the company and shareholders, by which member of Executive Boards having vested interests are not allowed to participate in making decision on such matters. Thereafter the reports are submitted to Audit committee and Executive board for final consideration and approval respectively.
5. Supported and promoted employees to invent products and innovation on continuing basis for ability to create or add value to the products.
6. Oversaw, supported, and promoted the management and employees to acknowledge the Anti-corruption policy and regulations of the company.
7. Reviewed the existing Charter for the Executive Board, as a operating guidelines in discharging its assigned duties and responsibilities, remain appropriate and relevant to the current business situation.
8. Provided Delegated Authority Manual to state authorization and approval clearly and appropriately to organization, together with strengthen administration and management to be more effectiveness.

The Executive board is committed to manage the business to achieve the Vision, Mission, Goal, Corporate business strategies and manage under the principles of good corporate governance, transparent, verifiable, and fairness along with operating business by taking into account its corporate social and environmental responsibility for company growth consistently.



(Mr. Charoen Charoenwatanasuksom)
Chief Executive Officer and Managing Director

Management Structure



Management Structure

The Company has explicit, balance and verifiable management structure. There is a delegation of authority between the directors, subcommittee and management team consisting of board of directors and 5-subcommittee helping scrutinize important tasks. This 5 subcommittees comprises of Audit Committee, Remuneration Committee, Nomination Committee, Risk Management Committee, Corporate Governance Committee, and Executives Committee which managing the affairs of the Company. Responsibility of each subcommittee and Managing Director was described in the charter as well as the function and responsibility of Managing Director charter approved by the Board of Directors' meeting. In addition, the Company has Company Secretary performing duties as required by laws and the Board of Directors' assignment.

Company's Director

There are 12 members of the Board of Directors whose names are shown in the Affidavit issued by the Ministry of Commerce as follows.

- Non-Executive Directors, consisting of 4 members
- Independent Directors, consisting of 5 members
- Executive Directors, consisting of 3 members

Name		Board of Directors	Audit Committee	Nomination Committee	Remuneration Committee	Risk Management Committee	Corporate Governance Committee	Boards of Executive Directors
1. Mr.Boonkiet	Chokwatana	President	-	Chairman	Chairman	-	-	-
2. Mr.Chailert	Manoonpol	Vice President	-	-	-	Director	-	-
3. Mr.Charoen	Charoenwatanasuksom	Director	-	-	-	Director	Director	President / Managing Director
4. Mrs.Sunan	Niyomnaitham	Director	-	-	Director	-	Director	Deputy Managing Director
5. Mrs.Somporn	Tiyaviboonsiri	Director	-	Director	-	-	-	-
6. Mrs.Teerada	Ambhanwong	Director	-	-	-	-	-	-
7. Mr.Viritpol	Chaithavornsathien	Director	-	-	-	-	-	Executive Director
8. Mr.Khachornsakdi	Vanaratseath	Independent Director	Chairman	-	-	-	-	-
9. Gen.Konecharnart	Chunnabhata	Independent Director	-	-	-	Chairman	-	-
10. Mr.Santi	Bangor	Independent Director	Director	-	-	-	Chairman	-
11. Mrs.Nuchanart	Thammanomai	Independent Director	Director	-	-	-	-	-
12. Mrs.Chortip	Pramoj Na Ayudhya	Independent Director	-	Director	Director	-	-	-

Remark : 1. The qualifications of independent director and audit committee are in compliance with relevant regulations.

Authorized Directors

The Company's Articles of Association determined the authorized directors signing on behalf of the Company as follows:

- | | |
|-----------------|---------------------|
| 1. Mr. Boonkiet | Chokwatana |
| 2. Mr.Chailert | Manoonpol |
| 3. Mr. Charoen | Charoenwatanasuksom |
| 4. Mrs.Sunan | Niyomnaitham |
| 5. Mrs. Somporn | Tiyaviboonsiri |
| 6. Mrs.Teerada | Ambhanwong |
| 7. Mr. Viritpol | Chaithavornsathien |

provided that two of the above mentioned directors co-sign with the Company's seal affixed.

Function and Responsibility of the Board of Directors

The details of which were disclosed in Corporate Governance, Section 5 - Responsibility of Company Directors.

Directors Attendance of the Meeting

In 2018, the Board of Directors and sub-committees attended the following meetings.

Name		Board of Directors	Audit Committee	Remuneration Committee	Nomination Committee	Risk management Committee	Corporate Governance Committee	Board of Executive Directors	Ordinary Shareholder Meeting No. 39 24/4/2018
1. Mr. Boonkiet	Chokwatana	6/6	-	1/1	1/1	-	-	-	1
2. Mr.Chailert	Manoonpol	6/6	-	-	-	4/4	-	-	1
3. Mr. Charoen	Charoenwatanasuksom	6/6	-	-	-	4/4	2/2	12/12	1
4. Mrs. Sunan	Niyomnaitham	6/6	-	1/1	-	-	2/2	12/12	1
5. Mrs. Somporn	Tiyaviboonsiri	6/6	-	-	1/1	-	-	-	1
6. Mr. Viritpol	Chaithavornsathien	6/6	-	-	-	-	-	12/12	1
7. Mrs. Teerada	Ambhanwong	6/6	-	-	-	-	-	-	1
8. Mrs. Chortip	Pramoj na Ayudhya	6/6	-	1/1	1/1	-	-	-	1
9. Mr. Khachornsakdi	Vanaratseath	6/6	4/4	-	-	-	-	-	1
10. Mrs. Nuchanart	Thannanomai	6/6	4/4	-	-	-	-	-	1
11. Gen. Konecharnat	Chunnabhata	6/6	-	-	-	4/4	-	-	1
12. Mr. Santi	Bangor*	5/6	4/4	-	-	-	2/2	-	1
13. Ms.Nopparat	Asawasiripong	-	-	-	-	4/4	-	12/12	1
14. Mrs.Sasivimol	Kluyasritrakul	-	-	-	-	-	-	12/12	1
15. Mrs. Nutchapunporn	Sunthornwiset	-	-	-	-	-	-	12/12	1
16. Mrs. Photchamarn	Engkanisarn	-	-	-	-	-	-	12/12	1
17. Mrs.Kalayanee	Chantarapikul	-	-	-	-	-	-	12/12	1
18. Mr. Thamrong	Phoonyawatana	-	-	-	-	-	-	12/12	1
19. Mrs. Suvimol	Charoensrichai	-	-	-	-	4/4	2/2	12/12	1
20. Ms. Salinla	Chaiput	-	-	-	-	-	-	7/7	-
(Held the position of Executive Director on May 14, 2018)									

Remark : * Absence the Board meeting: No. 12 absented due to going aboard for business purpose.

Executive Boards

Executive Committee acts as a management unit established to manage the business of the Company as assigned by the Board of Directors with responsibility, caution, honesty like a businessman will do under the same circumstances, with no bargaining power. The Board of Directors Meeting No. 2/2018 held on May 14, 2018, approved the appointment of 10 Executive Committee members.

During 2018, the Board of Executive Committee has the meeting 12 times. The meeting schedule is set yearly in advance.

Name		Position
1. Mr.Charoen	Charoenwatanasukom	Chief Executive Officer / Managing Director
2. Mrs. Sunan	Niyomnaitham	Deputy Managing Director/Chief Financial Officer
3. Mr.Viritpol	Chaithavornsathien	Executive Director
4. Mrs.Sasivimol	Kluyasritrakul	Executive Director
5. Ms.Nopparat	Asawasiripong	Executive Director
6. Mrs.Nutchapunporn	Sunthornwiset	Executive Director
7. Mrs. Kalayanee	Chantarapikul	Executive Director
8. Mrs. Photchamarn	Engkanisarn	Executive Director
9. Mrs. Suvimol	Charoensrichai	Executive Director / Company Secretary
10. Ms. Salinla	Chaiput	Executive Director

Remark: The Board of Executive Committee has 1 year term counting from May 14, 2018.
All members of Board of Executive Committee have no forbidden qualifications as following:

1. No record of committing criminal offences against property, which was done in bad faith.
2. No record of a potential conflict of interest with the Company during the past year.

Functions and Responsibility of Executive Committee

The details are disclosed in Corporate Governance, Chapter 5 “The Responsibility of Company Directors”.

Details of Executives and Authorized Persons for the Year 2018

Name	PG	บริษัทที่เกี่ยวข้อง														
		SPI	ICC	SPC	Far east DDB	BRC	SCG	TSG	CA	CKC	SSDC	ไทย บุญกะ	S&J	OCC	ไหมทอง	PAF
1. Mr.Boonkiet Chokwatana	X	/	//				X	X	X	/			X		/	X
2. Mr.Chailert Manoonpol	/							//	/	/						
3.Mr.Charoen Charoenwatanasuksom	//							/	/	/	/					
4.Mrs.Sunan Niyomnaitham	//							/								
5.Mrs.Somporn Tiyaiboonsiri	//								/			/				
6.Mr. Viritpol Chaithavornsathien	//															
7. Mrs. Teerada Ambhanwong	/												/	//		
8.Mrs.Chortip Pramoj Na Ayudhya	/															
9. Mr. Khadornsakdi Vararatseath	**			**	**											
10. Mrs.Nuchanat Thammanomai	**					/										
11. Gen.Konechanart Chunnabhata	/															
12. Mr.Santi Bangor	**															
Remake : X = President / = Director // = Executive Director 13. S&J บมจ.เอส แอนด์ เจ อินเตอร์เนชั่นแนล เอ็นเตอร์ไพรส์ 14. OCC บมจ. โอ ซี ซี 15. บจก.ไหมทอง 16. PAF บมจ.แพนเอเชีย ฟู้ดแวร์ 17. SCG บมจ.สหโคเจน 18. TSG บจก.ไทยสปอร์ตการ์เม้นต์ 19. CA บจก.แคมป์ไอซ์ 20. CKC บจก.แคมป์กินนีย์ 21. SSDC บจก.เอสเอสดีซี เทคโนโลยีส์ 22. บจก.ไทยบุญกะแฟชั่น																
13. Ms.Nopparat Asawasiripong	//															
14. Mrs.Sasivimol Kluyasritrakul	//															
15.Mrs.Nuchapunporn Sunthornwiset	//															
16.Mrs.Kalayane Chantarapikul	//															
17.Mrs.Photchamam Engkanisam	//															
18. Mrs.Suvimol Charoensichai	//															
19. Mr.Salinla Chaiput	//															

Details of Board of Directors and Executives

Name	Age	Education	Shares holding*	Family Relationship between directors	Experiences in the Past 5 Years		
					Period	Position	Company
1. Mr.Boonkiat Chokwatana Position : • President • Chairman of Remuneration Committee • Chairman of Nomination Committee • Authorized Director Term of Office : 29 Years 8 Months	71	Honorary Doctorate Degree • Business Administration (Management), Sripatum University • Administration College of Commerce, Burapa University • Business Administration, Faculty of Management and Information Science, Naresuan University Bachelor Degree • Engineering, Worcester Polytechnic Institute, Massachusetts, USA Training of Thai Institute of Directors • Director Certification Program (DCP) 41/2004 • Director Accreditation Program (DAP) 3/2003	3,372,933 or 3.51%	- Uncle Mrs. Teerada Ambhanwong - Father-in-law of Mr. Vritpol Chaithavomsathien	Listed Company		6 Companies
					1980 - Present	President and Chairman of Executive Committee	I.C.C. Internation PLC.
					1986 - Present	Director	Saha Pathana Inter-Holding PLC.
					1993 - Present	President	S&J International PLC.
					1994 - Present	President	People's Garment PLC.
2. Mr.Chailert Manoonpol Position : • Vice President • Member of Risk Management Committee • Authorized Director Term of Office : 33 Years 5 Months	59	• Master of Science in Management Abilene Christian University Texas, U.S.A. Training of Thai Institute of Directors • Director Accreditation Program (DAP) 3/2003	322,500 or 0.34%	- None -	2008 - 2016	President	Sahacogen PLC.
					2011- Present	President and Chief Executive Officer	Pan Asia Footware PLC.
					2016 - Present	Director	Sahacogen PLC.
					Non-listed Companies		60 Companies
					Holding a Directorship in Related Companies :		6 Companies
3. Mr.Chareon Charoenwatanasukom Position : • Company Director • Managing Director • Member of Risk Management Committee • Member of Corporate Governance Committee • Authorized Director Term of Office : 26 Years 8 Months	58	• Bachelor of Monetary Economics Ramkhamhaeng University Training of Thai Institute of Directors • Director Certification Program (DCP) 32/2003	39,000 or 0.04%	- None -	1985 - 2015	Director	People's Garment PLC.
					1987 - 2018	Director	OOC PLC.
					2011 - 2017	Executive Director/Director Division "S"	I.C.C. INTERNATIONAL PLC.
					2016 - Present	Vice President	People's Garment PLC.
					Non-listed Companies		8 Companies
					Holding a Directorship in Related Companies :		3 Companies
						Managing Director	Champace Co.,Ltd.
						Managing Director	Thai Sport Garment Co., Ltd.
						Managing Director	Champ Kabin Co., Ltd.
					Listed Company		1 Companies
					1992 - 2012	Director	People's Garment PLC.
					2012 - Present	Chairman of Executive Committee and Managing Director	People's Garment PLC.
					Non-listed Companies		3 Companies
					Holding a Directorship in Related Companies :		2 Companies
						Director	Thai Sport Garment Co., Ltd.
						Director	Champ Kabin Co., Ltd.

Name	Age	Education	Shares holding*	Family Relationship between directors	Experiences in the Past 5 Years		
					Period	Position	Company
4. Mrs.Sunan Niyomnaitham Position : <ul style="list-style-type: none">• Company Director• Deputy Managing Director• Chief Financial Officer• Member of Remuneration Committee• Member of Corporate Governance Committee• Authorized Director Term of Office : 32 Years 5 Months	60	<ul style="list-style-type: none">• Bachelor of Arts (Political Science), Public Finance Chulalongkorn University• Master of Public and Private Management Program National Institute of Development Administration (NIDA)• Training of Thai Institute of Directors• Director Certification Program (DCP)27/2003• Roles of Compensation Committee 1/2006• Training of Internal Audit and Control• Chief Finance Officer (CFO) 3/2005	190,000 or 0.20%	- None -	Listed Company	1 Companies	
					1986 - 2012	Director	People's Garment PLC.
					2012 - Present	Deputy Managing Director	People's Garment PLC.
					Non-listed Companies		2 Companies
					Holding a Directorship in Related Companies :	Director Director	2 Companies Thai Sport Garment Co., Ltd. Champ Kabin Co., Ltd.
5. Mrs.Somporn Tiyaviboonsiri Position : <ul style="list-style-type: none">• Company Director• Member of Nomination Committee• Authorized Director Term of Office : 36 Years 5 Months	70	<ul style="list-style-type: none">• Master of Education in Teaching Emporia State University Kansas U.S.A• Training of Thai Institute of Directors• Director Accreditation Program (DAP) 3/2003• Director Certification Program (DCP) 68/2005• Roles of Compensation Committee 3/2007	855,300 or 0.89%	- None -	Listed Company	1 Companies	
					1982 - Present	Director	People's Garment PLC.
					2001 - 2012	Managing Director	People's Garment PLC.
					Non-listed Companies		2 Companies
					Holding a Directorship in Related Companies :	Director	2 Companies Champace Co.,Ltd.
6. Mrs.Teerada Ambhanwong Position : <ul style="list-style-type: none">• Company Director• Authorized Director Term of Office : 19 Years 8 Months	48	<ul style="list-style-type: none">• Master of Business Administration (Executive) Sasin Graduate Institute of Business Administration• Training of Thai Institute of Directors• Director Accreditation Program (DAP) 3/2003• Director Certification Program (DCP) 51/2004	224,550 or 0.23%	Niece of Mr. Boonkiet Chokwatana	Listed Company	3 Companies	
					1999 - Present	Director	People's Garment PLC.
					2008 - Present	Chairman of Executive Committee and Managing Director	OCC PLC.
						Chairman of the Risk Management Committee	
						Chairman of the Nominating Committee	
	Director of Remuneration Committee						
	Director		S&J International PLC.				
	Non-listed Companies		16 Companies		- None -		
	Holding a Directorship in Related Companies :						
7. Mr.Khachornsakdi Vanaratseath Position : <ul style="list-style-type: none">• Independent Director• Audit Committee Term of Office : 1 Year 8 Months	71	<ul style="list-style-type: none">• Master of Accountancy, Western Illinois University, U.S.A.• Bachelor of Accountancy, Chulalongkorn University• Graduate Diploma in Accounting Certificate Program (Auditing) Chulalongkorn University• Training of Thai Institute of Directors• Director Accreditation Program (DAP) 3/2003	- None -	- None -	Listed Company	6 Companies	
					1996 - Present	Independent Director and Audit Committee	Saha Pathanapibul PLC.
					1998 - 2017	Independent Director and Chairman of Audit Committee	S&J International PLC.
					2002 - Present	Independent Director and Chairman of Audit Committee	Fareast DDB PLC.
					2017 - Present	Independent Director and Chairman of Audit Committee	People's Garment PLC.
	Non-listed Companies		1 Companies				
	Holding a Directorship in Related Companies :				- None -		

Name	Age	Education	Shares holding*	Family Relationship between directors	Experiences in the Past 5 Years		
					Period	Position	Company
8. Mrs.Nuchanart Thammanomai Position : • Independent Director • Audit Committee Term of Office : 19 Years 8 Months	67	<ul style="list-style-type: none"> • Bachelor of Laws, Thammasat University Training of Thai Institute of Directors • Director Accreditation Program (DAP) 3/2003 	- None -	- None -	Listed Company		2 Companies
					1999 - Present	Audit Committee	People's Garment PLC.
					2001 - Present	Director	Bangkok Rubber PLC.
					Non-listed Companies		2 Companies
9. Mrs.Chortip Pramoj Na Ayudhya Position : • Independent Director • Member of Remuneration Committee • Member of Nomination Committee Term of Office : 16 Years 8 Months	67	<ul style="list-style-type: none"> • Bachelor of Art (Management) Krirk University Training of Thai Institute of Directors • Director Accreditation Program (DAP) 11/2004 • Audit Committee Program 19/2007 	10,000 or 0.01%	- None -	Holding a Directorship in Related Companies :		- None -
					Listed Company		1 Companies
					2002 - Present	Director	บมจ. ประจักษ์การภัณฑ์
					Non-listed Companies		1 Companies
10. Gen.Konecharnart Chunnabhata Position : • Independence Director • Chairman of Risk Management Committee Term of Office : 9 Years 8 Months	71	<ul style="list-style-type: none"> • Thailand National Defence College (NDC) • National Defence Studies Institute Joint Staff College • Royal Thai Army Education,Royal Thai Armed Forces Academy 	- None -	- None -	Holding a Directorship in Related Companies :		- None -
					Listed Company		1 Companies
					2009 - 2010	Audit Committee	People's Garment PLC.
					2010 - Present	Independent Director/ Chairman of Risk Management Committee	People's Garment PLC.
11. Mr.Santi Bangor Position : • Independence Director • Chairman of Corporate Governance Committee • Audit Committee Term of Office : 9 Years 8 Months	72	<ul style="list-style-type: none"> • Bachelor of Arts (Political Science), Public Finance Chulalongkorn University • Master of Agricultural and Applied Economics Texas Tech University, USA. • Graduate Diploma in Development Cambridge University, United Kingdom • Thailand National Defence College (NDC 38) Training of Thai Institute of Directors • Director Certification Program (DCP)12/2001 • Advanced Audit Committee Program (ACP) 10/2013 • Role of the Compensation Committee Program (RCC) 16/2013 • Monitoring Fraud Risk Management (MFM) 9/2013 • Monitoring the System of Internal Control and Risk Management (MIR) 14/2013 • Monitoring the Internal Audit Function (MIA) 14/2013 • Monitoring the Quality of Financial Reporting (MFR) 17/2013 	- None -	- None -	Non-listed Companies		- None -
					Holding a Directorship in Related Companies :		- None -
					Listed Company		1 Companies
					2009 - Present	Independent Director/ Audit Committee	People's Garment PLC.
					2012 - Present	Independent Director/ Chairman of Corporate Governance Committee	Thoresen Thai Agencies PLC.
						Audit Committee	
						Chairman of Remuneration Committee	
					2013 - Present	Independent Director/ Chairman of Corporate Governance Committee/ Audit Committee	People's Garment PLC.
					Listed Company		1 Companies
					Holding a Directorship in Related Companies :		- None -

Name	Age	Education	Shares holding*	Family Relationship between directors	Experiences in the Past 5 Years		
					Period	Position	Company
12. Mr.Viritpol Chaithavornsathien Position : • Company Director • Executive Committee • Authorized Director Term of Office : 2 Year 8 Months	48	• Master of Business Administration Cleveland State University • Bachelor of Business Administration University of Kentucky	240,000 or 0.25 %	Son in law of Mr. Boonkiet Chokwatana	Listed Company	1 Company	
					2016 - Present	Director	People's Garment PLC.
					Non-listed Companies		19 Companies
					Holding a Directorship in Related Companies :		- None -
13. Ms.Nopparat Asawasiripong Position : • Executive Director • Member of Risk Management Committee • Assistant Manager, Human Resource Department	57	• Master of Education, Educational Phycology Chulalongkorn University • Training of Thai Institute of Directors • Finance for Non – Finance Director 36/2007	36,000 or 0.04%	- None -	Listed Company	1 Company	
					2003 - 2012	Division Manager, Human Resource and Administration	People's Garment PLC.
					2012 - Present	Assistant Manager, Human Resource and Administration Department	People's Garment PLC.
					Non-listed Companies		- None -
					Holding a Directorship in Related Companies :		- None -
14. Mrs.Sasivimol Kluyasritrakul Position : • Executive Director • Assistant Manager, Accounting and Finance Department	58	• Bachelor of Accountancy, Ramkhamhaeng University • Tax Controller Major in General Business School of Tax Training of Internal Audit and Control • Chief Finance Officer (CFO) 12/2009	33,000 or 0.03%	- None -	Listed Company	1 Company	
					2003 - 2012	Division Manager, Accounting and Finance	People's Garment PLC.
					2012 - Present	Assistant Manager, Accounting and Finance Department	People's Garment PLC.
					Non-listed Companies		- None -
					Holding a Directorship in Related Companies :		- None -
15. Mrs.Nutchapunporn Sunthomwiset Position : • Executive Director • Manager, Business Division	53	• Bachelor of Business Administration (Marketing) Bangkok University	14,000 or 0.015%	- None -	Listed Company	1 Company	
					2003 - 2006	Assistant Division Manager, (Business)	People's Garment PLC.
					2006 - Present	Division Manager (Business)	People's Garment PLC.
					Non-listed Companies		- None -
					Holding a Directorship in Related Companies :		- None -
16. Mrs.Kalayanee Chantarapikul Position : • Executive Director • Manager, Purchasing Division	54	• Master of Business Administration (Marketing), Chulalongkorn University	11,000 or 0.01%	- None -	Listed Company	1 Company	
					2006 - 2011	Assistant Division Manager, (Purchasing)	People's Garment PLC.
					2011 - Present	Division Manager (Purchasing)	People's Garment PLC.
					Non-listed Companies		- None -
					Holding a Directorship in Related Companies :		- None -

Name	Age	Education	Shares holding*	Family Relationship between directors	Experiences in the Past 5 Years		
					Period	Position	Company
17. Mrs.Photchamam Engkanisam Position : • Executive Director • Manager, Business Division	52	• Master of Business Administration (Marketing), Chulalongkorn University	61,000 or 0.06%	- None -	Listed Company		1 Company
					2006 - 2011	Assistant Division Manager, (Business)	People's Garment PLC.
					2011 - Present	Division Manager (Business)	People's Garment PLC.
					Non-listed Companies		- None -
					Holding a Directorship in Related Companies :		- None -
18. Mrs.Suvimol Charoensrichai Position : • Company Secretary • Executive Director • Member of Risk Management Committee • Member of Corporate Governance Committee	55	• Bachelor of Management Bansomdejchaopraya Rajabhat University • MINI MBA, Chulalongkorn University Training of Thai Institute of Directors • Company Secretary Program (CSP) 7/2004 • Effective Minute Talking (EMT) 7/2007 Faculty of Law, Chulalongkorn University • Laws and Practices For Company Secretary #2	83,833 or 0.09%	- None -	Listed Company		1 Company
					2008 - Present	Company Secretary	People's Garment PLC.
					2004 - 2011	Department Manager	People's Garment PLC.
					2011 - Present	Division Manager	People's Garment PLC.
					Non-listed Companies		- None -
Holding a Directorship in Related Companies :		1 Company					
19. Ms.Salinla Chaiput Position : • Executive Director • Assistant Manager, Accounting Division	47	• Bachelor of accounting Bansomdejchaopraya Rajabhat University	2,333 or0.0024%	- None -	Listed Company		1 Company
					2018 - Present	Assistant Manager, Accounting-Financial Division	People's Garment PLC.
					Non-listed Companies		1 Company
					Holding a Directorship in Related Companies :		- None -

Remark : * Included spouse and children who have not yet became sui juris.

Forbidden Qualifications

1. No record of lawbreaking about wealth which is dishonest.
2. No record of being in conflict provided an interest of the company in the year 2018.

Offenses Record of the Directors, Managements and Controlling Parties

There is no offenses record of the directors, managements and controlling parties during the past 5 years regarding the violation of the Securities Exchange Act B.E. 2535 (1992) or the Derivatives Act B.E. 2546 (2003), only in the following offenses:

1. To act in bad faith or gross negligence;
2. To disclose or publish information or false statements which may mislead any person or concealing material facts which may affect the investment-making decisions of the shareholders, investors or other related persons.
3. Unfair practices or exploitation in connection with securities trading or derivatives transactions, or have ever been involved in or supported such actions.

Shareholding Structure of the Board of Directors and Executives

Report on the change in shareholding of the Directors and Executives as of 31 December.

Name		Ordinary Shares (share)						Increase (Decrease)
		2018				2017		
		Director/ Execu- tive	Spouse/ Underage Child	Total	Percent- age (%)	Director/ Execu- tive	Spouse/ Underage Child	
1. Mr. Boonkiet	Chokwatana	3,282,933	90,000	3,372,933	3.51	3,282,933	90,000	-
2. Mr. Chailert	Manoonpol	280,000	42,500	322,500	0.34	280,000	42,500	-
3. Mr. Charoen	Charoenwatanasuksom	39,000	-	39,000	0.04	39,000	-	-
4. Mrs. Sunan	Niyomnaitham	150,000	40,000	190,000	0.20	150,000	40,000	-
5. Mrs. Somporn	Tiyaviboonsiri	795,000	60,300	855,300	0.89	795,000	60,300	-
6. Mrs. Teerada	Ambhanwong	224,550	-	224,550	0.23	224,550	-	-
7. Mr.Khachornsakdi	Vanaratseath	-	-	-	-	-	-	-
8. Mrs.Nuchanart	Thammanomai	-	-	-	-	-	-	-
9. Mrs. Chortip	Pramoj na Ayudhya	10,000	-	10,000	0.01	10,000	-	-
10. Gen.Konechamart	Chunnabhata	-	-	-	-	-	-	-
11. Mr.Santi	Bangor	-	-	-	-	-	-	-
12. Mr. Viritpol	Chaithavornsathien	-	240,000	240,000	0.25	-	240,000	-
13. Ms. Nopparat	Asawasiripong	36,000	-	36,000	0.04	36,000	-	-
14. Mrs.Sasivimol	Kluyasritrakul	33,000	-	33,000	0.03	33,000	-	-
รวม		4,850,483	472,800	5,323,283	5.55	4,850,483	472,800	-

Company Secretary

Company Secretary must perform duties in compliance with Section 89/15 and 89/16 of the Securities and Exchange Act (No.4) B.E. 2551 (2008), by carefully and honesty including perform its function in compliance with laws, objectives, Company regulation, Board resolution and Shareholders meeting resolution.

The Board of Directors has been appointing Mrs. Suvimol Charoensrichai to be a company secretary. She has knowledge and ability. She also passed the training from Thai Institute of Directors (IOD) in the course "Company Secretary Program (CSP)7/2004" which was trained company secretary to perform the duties in compliance with the Securities and Exchange Act.

The Company enhances Company Secretary to be continually trained and developed the knowledge about laws and its function. The qualification and experience of company secretary are disclosed in "Details of Directors and Executives".

The functions and responsibilities of Company Secretary

1. To give preliminary advice to the director on laws, regulations and rules that must be known and complied by the Board of Directors.Also, to follow up and keep the practice to be consistent and accurate. To report significant changes of the directors.

2. To prepare and arrange the ordinary shareholders meeting and the Board of Directors meeting in compliance with the laws, Company's regulations and other relevant code of conduct.

3. To record the minutes of shareholders meeting and the Board of Directors meeting as well as follow up the implementation of the resolution of shareholders meeting and the Board of Directors meeting.

4. To contact and communicate with related regulators i.e. Securities and Exchange Commission. To responsible for the disclosure of information and report relevant to regulations and requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand.

5. To coordinate between the Directors and the executives and to support the implementation of good governance principles as well as compliance with the Regulations and Notifications of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission and Capital Markets Supervisory Board.

6. To ensure the proper and prudent discharge of functions by the Directors and executive officers, taking into account the rights of shareholders and fair treatment of shareholders.

7. To prepare and archive important documents:

- Company Directors Register
- Board of Directors meeting notices/minutes
- Shareholders' meeting notices/minutes
- Informational reports in accordance with the relevant laws and regulations.
- Annual Report and Form 56-1

8. Keep a report that a director or an executive files with the company on his interest or a related person's interest in relation to management of the company according to Article 89/14; also make copy of such report and submit the copy to the Chairman and Chairman of the Audit Committee within 7 days after receiving such report.

9. To arrange orientation for newly-appointed members of the Board of Directors.

10. Perform other tasks as stipulated by the Capital Market Supervisory Board.

As well as to promote the good understanding in Corporate Governance Principles to Directors, Executives and employees including to be Compliance Unit taking care and sustaining the Company's overall images.

Furthermore, for the efficiency in performing the duties, the Department of Secretary consists of legal officer and accountant who passed the training regarding function of company secretary from the Thailand Association of Listed Companies.

The Remuneration of Directors and Executive

Policies and guidelines for the directors' remuneration

The Board of Directors has appointed the Remuneration Committee to determine the remuneration of Company Directors, taking into consideration other companies in the same industry, the growth and performance of the Company and the remuneration limit approved by the meeting of shareholders and remunerations paid in the preceding year, in order to make a proposal to the Board of Directors for consideration and submission to the meeting of shareholders for approval.

Policies and guidelines for the executive directors' remuneration

The Remuneration Committee considered the remuneration of Managing Director and Deputy Managing Director. The compensation is determined appropriately in accordance with the Company's remuneration structure, by considering other companies in same business, company operation, and performance and in consistent with the assigned duties and responsibilities.

Managing Director considers the appropriateness of compensation and annual wage of executives who have level under Deputy Managing Director by considering the performance and company operation together with the ability to achieve goal.

The Ordinary Shareholders Meeting has approved the amount of remuneration of total amount not exceeding 6 million baht per year, which the consideration of such remuneration criteria must be considered by Remuneration Committee and must be approved by the Board of Directors and the amount of not exceeding the approval of the ordinary Shareholders meeting.

1. Monetary Remuneration

1.1 Remuneration for Company Directors

- Annual Remuneration (All Company Directors)
- Meeting Allowance (Attendance only)
- The remuneration of sub-committee which organized by the Board of Directors is under Board of Directors' discretion by considering appropriateness of functions, duties, and responsibilities.

The details of meeting allowance payment (attendance only) as following:

	2018 (Baht/time)	2017 (Baht/time)
The Board of Directors		
- President	12,000	12,000
- Director	9,000	9,000
Audit Committedd		
- Chairman	12,000	12,000
- Director	9,000	9,000
Remuneration Committee/ Nomination Committee / Risk Management Committee / Corporate Governance Committee		
- Chairman	10,000	10,000
- Director	8,000	8,000

The details of remuneration paid to Company Directors (individual) for the year 2018 as following;

Name	Position	Meeting Allowance (Baht)						Yearly Remuneration	Total
		Company Directors	Audit Committee	Nomination Committee	Remuneration Committee	Risk Management Committee	Corporate Governance Committee		
1. Mr. Boonkiat Chokwatana	President / Chairman of Remuneration Committee / Chairman of Nomination Committee	-	-	-	-	-	-		-
2. Mr. Chailert Manoonpol	Vice President / Risk Management Committee	-	-	-	-	-	-		-
3. Mr. Charoen Charoenwatanasuksom	Chief Executive Officer and Managing Director / Risk Management Committee / Corporate Governance Committee	-	-	-	-	-	-		-
4. Mrs. Sunan Niyomnaitam	Deputy Managing Director and Chief Financial Officer / Remuneration Committee / Corporate Governance Committee	-	-	-	-	-	-		-
5. Mrs. Somporn Tiyaiviboolsiri	Nomination Committee	-	-	-	-	-	-		-
6. Mr. Viritpol Chaithavornsathien	Company Director	-	-	-	-	-	-		-
7. Mrs. Teerada Ambhanwong	Company Director	-	-	-	-	-	-		-
8. Mrs. Chortip Pramroj Na Ayudhya	Independent Director / Remuneration Committee / Nomination Committee / Corporate Governance Committee	54,000	-	8,000	-	-	-	100,000	162,000
9. Mr. Khachomsakdi Vanaratseath	Independent Director / Chairman of Audit Committee	54,000	48,000	-	-	-	-	300,000	402,000
10. Mrs. Nuchanart Thammanomai	Independent Director / Audit Committee	54,000	36,000	-	-	-	-	150,000	240,000
11. Gen.Konechanart Chunnabhata	Independent Director / Chairman of Risk Management Committee	54,000	-	-	-	40,000	-	150,000	244,000
12. Mr. Santi Bangor	Independent Director / Audit Committee / Chairman of Corporate Governance Committee	45,000	36,000	-	-	-	20,000	150,000	251,000
Total		261,000	120,000	8,000	-	40,000	20,000	850,000	1,299,000

1.2 Remuneration for Executive Directors

The remuneration of Executive Director means the remuneration for the Executive Directors and the forth 4 directors of the executive board ranking from manager and the equal ranks to the 4th executive, totaling 5 persons. The remuneration is paid in salary, bonus, daily allowance, and meeting allowance. The Executive Directors are paid as an employee.

Remuneration	2018		2017	
	Number (Person)	Amount (Baht)	Number (Person)	Amount (Baht)
Salary and Daily Allowance	5	7,507,730	5	7,462,425
Meeting Allowance	5	-	5	-
Total		7,507,730		7,462,425

2. Others Remuneration

The Company has no policy to pay others remuneration except the remuneration of directors or employee which shall be paid as usual. There are no shares, debentures or other securities are given to executive directors.

(1) Others remuneration of Company Directors

- None -

(2) Others remuneration of Executive Directors

The forth 4 directors of the executive board ranking from manager and the equal ranks to the 4th executive, totally 5 persons will receive other remuneration in term of provident fund.

People's Garment Public Company Limited has established a provident fund. Executives who have joined the provident fund receive a monthly contribution to the fund in the amount of 3 - 5 percent of wages. Members of the fund must also contribute to the fund at the same rate. If in any month a member fails to remit his/her contribution to the fund, the employer is not obliged to remit its contribution for such member in the same month. Upon the expiration of membership, the member would receive the contributions as well as a share of net benefits pursuant to the conditions of the fund.

The details of others remuneration of executive directors

Remuneration	2018		2017	
	Number (Person)	Amount (Baht)	Number (Person)	Amount (Baht)
Provident fund contributed by the Company	5	106,225.35	5	243,534.-
Total		106,225.35		243,534.-

Employees

As of December 31, 2018, The Company had totally 815 employees.

	Administration		Factory		Total		Monthly Employees		Daily Employees		Total	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Head Office: Bangkok	94	176	5	88	99	264	98	211	1	53	99	264
Lumphun Branch	21	9	30	214	51	223	21	25	30	198	51	223
Kabinburi Branch	16	11	41	110	57	121	39	32	18	89	57	121
Total	131	196	76	412	207	608	158	268	49	340	207	608

Significant labor disputes during the last 3 years

- None -

Remuneration of Employees

The Company has totally 815 employees. In 2018, the Company paid remuneration to all employees in the amount of 205.33 million baht, consisting of salary, bonus, daily allowance, overtime pay, wages, goal achieve pay, and skilled labor pay as following;

Total Remuneration	2018 (Baht)	2017 (Baht)
Salary / Wages	195,277,005.42	185,877,261.71
Bonus and others	9,496,174.00	9,965,907.49
Provident fund contributed by the Company	552,681.40	671,594.72
Total	205,325,860.82	196,514,763.92

Salary and wages

The remuneration paid to employee was considered by employees' performance, duties, and responsibility.

Bonus

Special remuneration paid to employees is considered by the Company's operation result. Such remuneration is not be a specific rate and must be approved by the Board of Director annually.

Provident fund

The Company Limited has established a provident fund for employee welfare and promoting saving including motivating employees to work with the Company for long term. Employees who have joined the provident fund receive a monthly contribution to the fund in the amount of 3 - 5 percent of wages. Members of the fund must also contribute to the fund at the same rate. Upon the expiration of membership, the member would receive the contributions as well as a share of net benefits pursuant to the conditions of the fund

Development and Promotion of Employees' Potential

Policy on Employee Development

The Company realised that employees are valuable resources and key factors to success building the Company's sustainable growth. It is thus important to the Company to have qualified personnels. The Company then set the strategy and policy for employee development emphasising on increment of efficient management and employee development in consistent with environment and technology of the Company's operation. This starts with analysis on demand of manpower supporting the business expansion, increment of competitive capability and various changes of circumstance as well as evaluation on performance, readiness of capability and employees' ability in all level which would be resulting to the continuous and sustainable business' growth (more details are disclosed in "Corporate Governance Report : Socially Sustainable Business, Human Resource Development").

Internal Controls in 2018

The Board of Directors considered the sufficiency of internal controls system for the year 2018 and adopted a resolution in Board of Directors Meeting No. 1/2018 on 26th February 2018.

The Audit committee evaluated The sufficiency of the Company's internal controls followed the evaluation of sufficiency of internal controls which consists of 17 principles by applying the COSO principles which all 5 components, namely control environment, risk assessment, control activities, information & communication, and monitoring activities. The internal organization management of the company is implemented in compliance with transparency processes, and the processes of organizational communication are adopted clearly as well as continually monitored by internal auditor to internally verify and monitor the solving results consistently.

The audit committee considered the significant substances, assessed controlled significant activities, as well as manage the internal control system of the company. Also The Audit Committee submitted additional opinions and suggestions sufficiency of internal controls in the organisation in all aspects ; moreover, the committee considered the completion according to the determined principles for management to review and monitor to properly modify and develop the processes to ensure proper functioning of the Company. Each aspect may be summarized as follows.

1. Control Environment The company adhered to the valuation of integrity and ethics. The board of directors duty on supervising management team to implement to the right direction and suitability to archive business goal by adhering to the value of integrity with ethics and transparency. The board of directors perform duty to determine authority by reviewing and adjusting organization structure, balancing of power, and transparently determining authority. The Executive Committee exercises oversight of operations of employees to achieve Company policy objectives. The audit committee suggested the executive boards to consider and review operational authority to be stated clearly and to be in accordance with organization structure along with development of performance assessment to create motivation and award for employee, as well as to support operational process to be clear and precise, including to promote continual development of operations within the framework of a proper and sufficient internal controls.

2. Risk Assessment The Risk Management Committee perform duty to control and exercises oversight of the Company's formulation to prevent losses or errors which could have a significant impact on the organisation. Moreover, the Committee will analyze quarterly financial statements focusing on significant change in activities as well as determining and reviewing risk assessment in all aspect including measure to manage the risk of corruption consistently. This is for better improvement of internal organization management and operate business safely and transparently. In addition, the committee also consider the acceptable risk based on sufficient risk management measure.

3. Control Activities The management exercises oversight of operations to ensure compliance with the Company's policy framework, regulations and directives. Practices for various processes in the organisation, in particular procurements, finance and accounting and administration of major tasks, are continually reviewed to ensure the conformity of operations to the organizational structure and transparent mutual accountability, as well as an appropriate monitoring process which has been investigated by head of each section. The Audit Committee has proposed that the Company prepare an operational and authorized procedure, manual, regulations and directives to supplement all systems comprehensively, consistent with the Company's business activities.

4. Information & Communication. The company has been developing information system to support working process focusing on significant section such as selling, inventory, production including other related sections. The Company specific information system development plan to be short and long term plan for responding the current business model to streamline the operation and to respond the needs of users. The development plan focuses on working method, communicating between key departments to maximize efficiency, reduce duplication that supporting executives to make decision quickly which safe and quickly communicate.

5. Monitoring Activities. The management and management review meeting are monitored regularly and the company provide the meeting for middle level to the top level executive in order to acknowledge company policies clearly and to achieve company's goals. The internal audit perform duty to investigate and assess performance for achieving defined objectives in compliance with good governance, regulation of Stock Exchange of Thailand, company's policy and related regulation and law. The Internal Audit Unit reports significant defects concerning internal audit directly to the Audit Committee and propose opinion and suggestion to management for additional improvement and development as well as providing better internal control system.

The audit committee co-considered with The Board of Directors which given approval to the sufficiency and suitability of company internal control systems. The Company has revised and improved operational structures and enhanced internal controls in line with the Company's business activities and risk management for all aspects including regularly assess of corruption risk. These developments have also supported, financial reporting, transparent business operation in compliance with regulations of the Stock Exchange of Thailand. Then, it is proper to propose to the board of directors.

Connected Transaction (Related Transaction)

Significant Related Transactions with Persons who may have Conflict

In 2018, the Company had significant related transactions with persons who may have conflicts with necessity and reasonableness as following details.

Transactions on Assets and Services / Real Estate Rental (not more than 3-year period)

Related Company	Relationship	Shareholding Percentage (%)		Key Description of Transaction	Value of Transaction (Million Baht)
		PG (%)	Company Related to PG (%)		
1. I.C.C International PLC.	A , B	0.60	5.25	Royalty expense	0.05
2. Sahapatthanapibul PLC.	A	0.07	8.80	Rental expense	6.06
1. Thai Sport Garment Co., Ltd.	A , B	19.00	-	Rental income	4.56
				Consultancy fee income	1.20
4. Champ Ace Co., Ltd.	A , B	15.00	-	Rental expense	0.67
5. Mr. Boonsithi Chokwatana	C	-	5.476	Sale of ordinary shares	1.43

Nature of relationship : A = Co-majority shareholder
 B = Co-director
 C = Older brother of Company director

Remarks : List number 1-4 : According to the Board of Directors Meeting No. 6/2017 held on 27 December 2017 approved execution of transactions for Asset and Service of connected persons (For the year 2018) which a director who is a connected person and that does not attend the meeting and has no rights to vote.

List number 5 : According to the Board of Directors Meeting No. 6/2018 held on 21st December 2018 approved execution of transactions of selling ordinary shares of Waseda education (Thailand) Co., Ltd for the purpose of managing the return on investment Because it is an investment that is not directly related to the company's core business

Policy on Related Transaction

Regarding related party transaction, the Company operated the transaction with ethical practice and fairness complying with market prices as well as fair and at arms' length likewise determination to other non-related person or business.

Transaction	Remuneration Policy
Consultancy Fee Expense	The remuneration is set by difficulty and scope of services.
Royalty Expense	The rate is percentage of the net ex-factory price.
Rental Expense	The price is set following to market price depending on the location, physical condition and asset utilization.
Rental Income	The price is set following to market price depending on the location, physical condition and asset utilization.
Consultancy Fee Income	The remuneration is set by difficulty and scope of services.

The Volume of the Transaction

These transactions are the transactions between the Company and Related Company, which considered to be transactions Category 2, Category 3 and Category 4 prescribed in the Notification of the Stock Exchange of Thailand regarding Disclosure of the Information and Operation of the Listed Company B.E. 2546. The transaction volume is more than Baht 1 million but less than Baht 20 million; or, more than 0.03% but less than 3% of Net Tangible Assets (NTA), whichever is higher.

Opinion of the Board of Directors and Audit Committee

In case of significant inter-transaction, the Company has a policy to take such matters into the Board of Directors meeting. to consider approving or giving approval to present to the shareholders' meeting based on transaction volume. However, to consider inter-transaction, the board of directors will The Board of Directors will consider the reasonability of the price and other relevant conditions for maximum benefit to the company.

In 2018, Independent directors and the board of directors have opinions on the related transactions by approval of Transaction related to assets and services including lease or rental of movable properties (not over 3 years) as above mentioned had been approved because of the reasonable prices and other relevant conditions. The transaction volume is more Baht 1 million but less than Baht 20 million; or, more than 0.03% but less than 3% of Net Tangible Asset (NTA), whichever is higher provided that it must be approved by the Board of Directors and disclosed the information to Stock Exchange of Thailand without approval of the Shareholder.

Approval Procedures of Related Transaction

1. In the event of a connected transaction being a regular transaction, the management requestedfor Board of Directors Meeting No. 2/2018 held on 14 May 2018, approved the authorization to management forthose transactions under normal trading terms that would be reasonably made between parties generally inthe same circumstances and under trade bargaining powers free from influence in the capacity of being aDirector, executive officer or connected person. In this regard, the management would make regular reportsof all transactions under such conditions for the acknowledgement of the Board of Directors Meeting everyquarter.

2. In the event of a connected transaction not being a regular transaction, if the value of the transaction does not require the approval of the meeting of shareholders under the Regulations of the StockExchange of Thailand, it will first be considered by the Executive Committee of the Company. If the value of the transaction is within the authority of the Executive Committee, approval of the connected transactionwould be complete at this stage where in the interested person would not participate in the meeting and castvote. However, if the value of the connected transaction exceeds the authority of the Executive Committee,the Executive Committee would summarize its resolution and make a submission to the Board of Directors,also attended by the Audit Committee, for approval. Also in such a meeting, the interested person would notparticipate in the proceedings and cast votes.

The Board of Directors considers transaction that might have conflict of interest or related transaction appropriately. Such related transactions are reviewed by Audit Committee. Moreover, the Company disclosesdetails of transaction that might have conflict of interest to public accurately and completely according tothe notification of the Capital Market Supervisory Board No. Tor Jor. 21/2551 regarding Rules for Connected transaction.

After the completion of the meeting, the Company informed the resolutions and complied with all the requirements under the notification of the Capital Market Supervisory Board and the Stock Exchange of Thailand before entering the transaction. The execution of transaction was reported to the Stock Exchange of Thailand and published in the Company's website: www.pg.co.th both in Thai and English.

Necessity and Reasonableness of Transaction with Persons who may have Conflicts

Doing business under intense competition, the Company should rely on partnerships or business networks, both upstream and downstream to increase the strength and business potential. This will lead to development and sustainable growth.

Partners or business networks may be a person who may have a conflict. The Board of Directors should consider the necessity and appropriateness of entering into such transaction, by taking advantage of the Company's importance. The trading price is normal. It does not act to distribute the Company's interests to persons who may have a conflict of interest.

The Board of Directors follows the Securities and Exchange Act (No. 4) B.E. 2551, Section 89/12, after the annual general meeting of shareholders, the Board of Directors has approved the principle that the management can approve the normal business transactions and support items with commercial agreement in the same way that a normal person would treat a counterparty in the same situation with the bargaining power without the influence of being a director, company, executive or related person. The transaction shall be reported to the Board of Directors on a quarterly basis.

Policy on Related Transaction in the Future

The Board of Directors has been aware on each responsibility as a director of the Public Company against the shareholders, employees and all stakeholders in compliance with Good Corporate Governance principle. The Company's related transaction in the future would be a regular transaction with normal trading terms under trade bargaining powers of the market and business. It is fairly and free from transferring interest between the Company and related persons. The Company also reveals the information as required by the regulation of the Capital Market Supervisory Board regarding "Rules for Connected Transaction".

Report of the Risk Management Committee

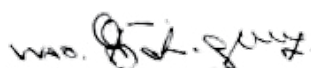
The Risk Management Committee of 2018 consists of

1. General Konecharnart	Chunnabhata	Chairman
2. Mr. Chailert	Manupol	Vice-Chairman
3. Mr. Charoen	Charoenwatanasuksom	Member
4. Miss Nopparat	Asawasiripong	Member
5. Mrs. Suvimol	Charoensrichai	Member
6. Miss Chapaon	Srisantisuk	Secretary

During the four quarters of 2018, risk levels were generally stable. Risk factors consisted of a dull economy, dampening imports and exports and frequent fluctuations in the baht value. Even though the public sector introduced a number of stimulus measures to promote many sectors of the economy, the textile and garment industry still faced the challenges of such unavoidable risks. However, due to the determination of the management acting by recommendation of the Risk Management Committee, negative quarterly earnings per share showed signs of improvement. The realization of values of non-current assets has enabled the revitalization of businesses which was eventually reflected in profits in the final quarter.

The Board of Directors has reaffirmed its policy with the management in various working groups to monitor all risk aspects. Risk assessments and analyses of obstacles in production costs, procurements, marketing, information and communications and resources, as well as natural disasters and increasingly volatile political risks, should be conducted. These exercises were taken with the aim of preventing undesired events and threats to guarantee the Company's ability to face any economic crisis that might occur in all quarters and thereafter.

The Risk Management Committee is confident that the organisation can remain a going concern under the current economic crisis. It is anticipated that the economy will show signs of improvement, with less pressure on import and exports, enabling a better business environment. It is also expected that the United States and Eurozone will be able to reach a conclusion in their revision of free trade policies. Hence, the textile and garment industry should be presented with an opportunity to grow at a better rate. The Risk Management Committee will continue to closely monitor the relevant opportunities and threats in every quarter in order to provide the management with a genuine tool for efficient and effective market planning.

General 

Konecharnart Chunnabhata
Chairman of the Risk Management Committee

Explanation and Analysis of Performance and Financial Standing

Global economy has been slowing down due to trade war between USA and China. Causing many countries to reduce financial impulse by raising interest rates and it tends to be raised up continually such as Federal Reserve Bank of USA, UK Central Bank, Central Bank of India, Central Bank of Philippines. The economic growth of US is likely to slow which is in line with the decline in oil price as well as Chinese economy got pressured by such trade wars.

Regarding Thai economy, Thailand began to have signs of a decline in the export sector due to the slowdown of global economy; moreover, Thailand still faces up with the setting up of a tariff on Thai products and also getting disqualified for GSP from US which is a negative impact to the Thai export sector while the tourism sector that had negative incidents to Chinese tourists so it has an impact to the tourism sector to be slow down in the 3rd and 4th quarter of last year. However, regarding government policy which is expected it will return to normal situation in the year 2019 because Thailand is still a popular tourist destination for Chinese tourists.

Synopsis of Performance

In 2018, the Company had total sales amounted 693.63 million baht, decreased by 27.73 percent, with total profit amounted 96.06 million baht, increased by 719.04 percent. Total assets of the Company amounted 1,670.40 million baht, decreased by 6.06 percent. Total debt amounted 185.17 million baht, decreased by 22.98 percent. Shareholders' equity totaled 1,485.23 million baht, decreased by 3.41 percent. The details of which are explained as follows.

1. Analysis of Performances

Sales Revenue

In 2018, the Company had sales revenue amounted 693.63 million baht, decreased by 266.20 million baht or 27.73 percent due to decrease of domestic sales from the previous year amounted 149.46 million baht or 19.85 percent from Polo shirt, Slack, Underwear, Swimwear and leather product. Overseas sales decreased from the previous year amounted 116.73 million baht or equivalent to 56.39 percent.



Other Revenues

In 2018, The Company had other revenues of 203.54 million baht whereas 113.56 million baht in 2017 which increased by 89.98 million baht or 79.23 percent due to sale of investment fund with profit increased amounted 90.97 million baht. Received interest increased by 1.75 million baht. Received dividend decreased by 1.72 million baht, and others revenues decreased by 1.02 million baht.

Cost of Sales

In 2018, The Company's cost of sales amounted 85.66 percent of sales revenue, if compare to the year 2017 which was 87.99 million Baht, it decreased by 2.33 percent compared to the previous year as a result of inventory management and efficiency in production.

Sale Expenses

In 2018, the Company had sale expenses amounted 18.09 million baht, in the year 2017, the sale expenses amounted 26.93 million baht, it decreased by 8.84 million baht or equivalent to 32.83 percent from decreased sales.

Administrative Expenses

In 2018, the Company had administrative expenses amounted 187.16 million baht, in the year 2017, the administrative expenses amounted 213.85 million baht, it decreased by 26.69 million baht or equivalent to 12.48 percent as a result of well-managed of human resources and other expenses.

Net Profits

In 2018, the Company had net profit amounted 96.06 million baht, whereas in 2017 had net loss amounted 15.52 million baht, so the total profit increased from previous year by 111.58 million baht. Net profit per share amounted 1.00 baht. Rate of net profit per total revenue equivalent to 10.71 percent.

Shareholder Returns

Rate of Shareholder Returns of the company in the year 2018 was 6.36 percent, which previous year was 1.02 percent, the net profit of the company increased but Shareholders' equity decreased due to unrealized profit from available-for-sale securities.

According to the Company's dividend payment policy, the dividend will be paid at the rate of not more than 50 percent of net profits which is mainly subject to the Company's performances and economic circumstances. In 2018, the company had net profit amounted 96.06 million baht, profit per share amounted 1.00 baht. On February 26, 2019, the Board of Directors' meeting No. 1/2019 then had the resolution to propose to the annual general meeting of shareholders on dividend payment for the Company's performance in 2018 at the rate of 0.25 baht per share totaling 24.0 million baht , representing the dividend payment rate compared to net profit of 24.99 percent, which will be paid on May 17, 2019.

2. Financial Standing

As of 31 December 2018, the Company's total assets were 1,670.40 million baht, decreased by 107.71 million baht or 6.06 percent compared with the total balance in the previous year. The Company's current assets decreased amounted 43.66 million baht and non-current assets decreased 64.05 million baht. Total assets of the Company comprised of cash and cash equivalents equaled to 1.16 percent; short-term investments 11.98 percent; long-term investments due within 1 year equivalent to 3.89 percent; trade debtors and others debtors 8.36 percent; inventories amounted 17.24 percent; investments of available-for-sale securities 40.39 percent; others long-term investments amounted 8.44 percent; land, property and equipment amounted 7.90 percent; and others amounted 0.64 percent.

Current Assets

As of 31 December 2018, current assets of the Company amounted 717.19 million baht, decreased from the previous year by 43.66 million baht due to decreasing of Trade account receivable and inventories management

Cash and Cash Equivalents Cash and cash equivalents of the Company amounted 19.34 million baht, decreased by 19.79 million baht from 39.13 million baht in 2017 due to investment in Short-term-investments.

Temporary Investment Temporary investment of the Company amounted 151.11 million baht, increased by 42.52 million baht from 108.59 million baht in 2017 as a result of the Company's investment in Open-end fund and to get more returns and benefits than bank deposits.

Trade debtors and Others debtors As of 31 December 2018, the Company had trade debtors and others debtors amounted 139.69 million baht, decreased by 52.25 million baht from 191.94 million baht in 2017, comprising of the payment on due of trade debtors amounted 133.86 million baht and other debtors amounted 5.83 million baht. Explanation one by one; trade debtors which its debt was not reach due date of payment amounted 98.58 million baht or 67.0 percent, debtors which its debt was over but less than 3 months amounted 33.48 million baht or 22.75 percent resulting from debtors' payment policy was different from the Company's due of payment and debtors which its debt was over 3 months amounted 15.08 million baht or 10.25 percent. The Company set allowance for doubtful accounts amounted 13.28 million baht.

Inventories Inventories of the Company amounted 288.06 million baht, decreased by 47.47 million baht from 335.53 million baht in the previous year due to well-managed of inventories for highest efficiency.

Inventories of the Company amounted 288.06 comprises of Raw material amounted 68.43 million baht, Work- in process product amounted 19.65 million baht, finished products amounted 196.46 million baht, and supplies amounted 3.52 million baht. Moreover, the company also expresses inventories in financial statement with a lower cost or market price. However, if there is a product that is deteriorated or outdated The company has considered to reduce the value of the product according to the accounting standard.

Non-current Assets

As of 31 December 2018, non-current assets of the Company were 953.21 million baht, decreased from the previous year by 64.05 million baht resulting from value adjustment of available-for-sale securities, sale of available-for-sale securities and transferring investment in bond with maturity within 1 year.

Land, Property and Equipment

As of 31 December 2018, non-current assets of the Company were 953.21 million baht, decreased from the previous year by 64.05 million baht resulting from value adjustment of available-for-sale securities, sale of available-for-sale securities and transferring investment in bond with maturity within 1 year.

Total Liabilities As of 31 December 2018, the Company had total liabilities amounted 185.17 million baht, decreased by 55.26 million baht or 22.98 percent from the previous year due to the reduction of setting up provision for employee benefits amounted 23.84 million baht.

Shareholders' Equity

As of 31 December 2018, shareholders' equity of the Company amounted 1,485.23 million baht decreased by 52.45 million baht or 3.41 percent from 1,537.68 million baht in the previous year because the company had net profit in the year 2018 and pay dividend from retained earnings amounted 22.08 million baht, and other factors of the shareholders' equity reduction amounted 126.43 million baht (Valuating Fair value in net investments in available-for-sale securities decreased 138.12 million baht). The company gain profit on transfer of debt securities from other long-term investments to available-for-sale securities amounted 6.76 million. The Company had book value per share at the end of 2018 counted as 15.47 baht, as previous year amounted 16.02 million baht, which decreased 0.55 baht per share and actuarial profit gains increased by 4.93 million baht.

3. Asset Quality

Investment in Available-for-Sale securities

The Company had available-for-sale securities amounted 674.60 million baht, decreased by 2.67 million baht from 677.27 million baht in the previous year resulting from unrealized gain of changing in value of available for sale securities decreased 172.64 million baht and increase of investment in available-for-sale securities by 149.37 million baht. Convertible debentures are investments with the market price of the debentures amounted 28.10 million baht; however, the company has sold some investments in available-for-sale securities amounted 7.50 million baht. The Company complied with the Accounting Standard volume 105 regarding the accounting for the investment in debenture and equity. This was resulting to the Company's unrealized gain from changing of value of net investment in income tax, which is being a part of shareholders' equity amounted 217.28 million baht and alteration of securities' price varying upon performances and economic circumstances. Furthermore, is considered as a very good asset quality investment In addition, there is a satisfactory return in the form of dividends and higher than the bank deposit rate.

Other Long-term Investment

The Company had other long-term investment amounted 191.52 million baht, decreased by 50.46 million baht. This resulted from transfer of investment money (to current assets) in bonds with maturity within 1 year amounted 65 million baht, and there was sale of other long-term investment amounted 0.45 million baht and being paid payback amounted 0.14 million baht, and Convertible debentures into ordinary shares in the amount of 19.65 million baht. The Company also invested more in bonds amounted 35.00 million baht. The Company complied with the Accounting Standard volume 36 regarding the impairment of the assets for investment in a business, which is non-listed in the Stock Exchange of Thailand in which the impairment of investments shall be reviewed annually, which in the year 2018, impairment of investment increased amount 0.22 million baht.

In addition, considering the book value of the investment, other long-term investment had totally higher than the cost that the Company invested. Also, there was dividend, which was higher than the interest of bank deposit.

Land, Property and Equipment

At present, property, plant and equipment had values in market price more than values shown in the financial statement. The number was shown in the form of the cost deducted by accumulated depreciation. The Company had managed the assets and caused revenues in some part of properties and factories through rental. For machineries, most of them were modern and had efficiency for production because the Company had always bought new machineries using instead of the old one and always kept good maintenance.

4. Liquidity

Cash Flow

In 2018, the Company had cash and cash equivalent amounted 19.34 million baht, decreased by 19.79 million baht from 39.14 million in the previous year. The Company had net cash flow for the operation expenses amounted 10.62 million baht due to loss on operation amounted 52.11 million baht. The Company had more cash flow from the well-managed for inventories remaining amounted 37.20 million baht and trade debtors amounted 24.50 million baht, and gain from other asset amounted 5.87 million baht. However, the company pays long-term employee benefits as a result, it reduced cash from operating activities amounted 23.08 million baht and the Company paid debts to its trade payable and other debts amounted 3.01 million baht. The Company also had cash flow for the investment amounted 12.91 million baht as a result of investment in debentures amounted 75.00 million baht, net available-for-sale securities amounted 39.74 million baht, gain dividend received amounted 17.22 million baht, interest amounted 10.61 million baht, selling other long-term-capital amounted 1.43 million baht, gain in other long-term capitals amounted 0.14 million baht, selling of equipment amounted 0.90 million baht. However, the company invested in net temporary investment amounted 90.50 million baht, the Company invested more in bonds amounted 35.0 million baht, and purchased machineries and equipment for the Company's operation amounted 6.63 million baht. The company has paid dividends from retained earnings at the rate of 0.23 baht per share, total amounted 22.08 million baht

Adequacy of Liquidity

The Company had proper liquidity. In 2018, the Company's liquidity ratio was 8.51 times and was 8.89 times in 2017. As ended of 2018, quick liquidity ratio equivalents to 5.09 times and was 4.97 times in 2017. Cash and cash equivalent were adequate for dividend payment and future investment. Furthermore, the Company had very low debt to equity ratio. As ended of 2018, it was 0.12 times and 0.16 times in 2017 resulting to the Company's wealth and adequacy of liquidity.

Sources of Capital

The Company's capital spending for operation and investment was from gain on operation and investment. For short-term investment, bonds and bank deposit were considered as gain on interest and dividend. The Company had no interest-bearing liabilities. Most of the Company's liabilities shown in the financial statement were trade creditors, other creditors, income tax and evaluation of employee benefits

Commitments

The details are provided in the Notes to the Financial Statements clause 27, Commitments and Contingent Liabilities.

Financial Ratios

Financial Ratios		2561	2560	2559
Liquidity Ratios				
Current Ratio	Times	8.51	8.89	3.99
Quick Ratio	Times	5.09	4.97	1.86
Activity Ratios				
Account Receivable Turnover	Times	4.18	4.87	6.35
Average Collection Period	Days	87.25	74.89	57.47
Fixed Asset Inventory Turnover	Days	2.68	3.14	3.93
Average Sale (Inventory) Period	Days	136.21	116.30	92.84
Account Payable Turnover	Times	7.58	6.15	6.66
Average Payment Period	Days	48.13	59.31	54.82
Cash Cycle	Days	175.33	131.88	95.49
Total Asset Turnover	Times	0.52	0.59	0.63
Fixed Asset Turnover	Times	6.39	7.04	6.85
Leverage Ratios				
D/E Ratio	Times	0.12	0.16	0.23
Modified Interest Coverage Ratio	Times	(0.02)	(0.15)	(0.31)
Dividend Yield Ratio	%	4.26	-	-
Dividend Payout Ratio	%	22.99	-	-
Profitability Ratios				
Gross Profit Margin	%	14.34	12.01	13.62
Net Profit Margin	%	13.85	(1.62)	(7.03)
Return on Asset	%	5.66	(0.68)	(4.49)
Return on Equity	%	6.36	(1.02)	(5.07)

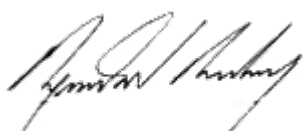
The Board of Directors' Responsibility Report towards Financial Statements.

The Board of Directors duly recognized their obligations and responsibilities on behalf of the directors of listed company regarding to the compilation of financial statements of People's Garment Public Company Limited. 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 estimate. Significant information was disclosed adequately in the notes to financial statements. The explanation and analyses of company performance and financial standing were provided for advantage of shareholders and investors. Said financial statements were duly audited and unconditionally verified by independent certified auditors.

Furthermore, the board of directors enhances good governance and promotes to have effectiveness of risk management and internal control system. Accounting information was recorded with correct and complete manner, also sufficient for safeguarding the company's asset and against any significant fraud and abuse.

The Audit Committee consists of independent directors who officiate at reviewing the quality of the financial and internal control report. The audit committee's opinion was stated in audit committee report which shown in Annual Report and Form 56-1.

The board of directors gave its opinion that good corporate governance practice, risk management system and internal control system of company are adequate and appropriate. The financial statements as of December 31, 2018 was prepared correctly and presented significant main point.



Mr. Boonkiet Chokwatana
President to Board of Directors



Mr. Charoen Charoenwatanasuksom
Chairman of Executive Directors

Audit Committee Report

The Audit Committee of People's Garment Public Company Limited consists of 3 Independent Directors, namely Mr. Khachornsakdi Vanaratseath, Chairman of the Audit Committee, Mrs. Nuchanart Thammanomai and Mr. Santi Bangor as Members. All members of the Committee have been appointed by agreement of The Board of Directors meeting and approval of Annual General Meeting of Shareholders according to agenda of Committee election. Members of the Audit Committee possess all the prerequisite qualifications under the Regulation of the Stock Exchange of Thailand, being qualified persons with experience in accounting, finance, law, economics and administration.

Guidelines for the performance of Audit Committee Members have been stipulated in the Charter of the Audit Committee, which is regularly annual revised, to ensure that the operations of The Audit Committee completely comply with regulations of The Stock Exchange of Thailand. The Audit Committee performs duties and assumes responsibilities independently, with an appreciation for the importance of good governance and the committee perform duty to supervise internal auditors to practice their duties completely to support business operation with transparency, ethics, and good business management to ensure sustained growth of the company. Works are administered to maintain the confidence of shareholders and all stakeholders that the Company's business operations are in accordance with regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission. Significant functions performed by the Audit Committee in 2018 may be summarized as follows:

- **Review of Financial Statements**

The Audit Committee has reviewed quarterly financial statements and annual financial statement for 2018 by considering the analyzation of company financial statement with management, accounting department and company auditors. For significant matters, there are questions to ask executive department and the explanations are truly replied without conflict of information from executive department. Moreover, the accounting auditor has reported the audit results including suggestions to executive department to acknowledge the new accounting standard which will be impact to The Company's Financial Statements in order for the accounting department to prepare for accounting record in accordance with accounting standards. The Auditor has reported the audit result of accounts and expressed an unqualified opinion, the Company's Financial Statements .have been prepared in accordance with generally accepted accounting principles, accounting standards and regulations of the Stock Exchange of Thailand and relevant laws. Accurate and complete information have been disclosed in the notes to the Financial Statements, without any conflicts with essential facts. Thus, the Audit Committee gave its approval to the Financial Statements and made a submission to the Board of Directors for endorsement of the Financial Statements for 2018

- **Review of the Connected Transaction**

The report of connected transaction for quarterly and the year 2018 have been operated as normal transaction or trade, transparent transaction, fair transaction, being beneficial to company, no conflict of interest. The report of significant connected transactions have been performed in compliance with regulations of the Securities and Exchange Commission which have been reviewed by internal accounting auditor. The internal auditor has reported of significant connected transaction to the audit committee for consideration prior to propose to the board of directors for connected transactions in 2019 for the type of proposing principles and approval of credit limits, which have been approved by the board of directors in the meeting 6th/2018 on 21st December2018.

- **Review of the effectiveness of the internal control system**

Regarding overseeing of the internal control system, the Audit Committee performs to control and monitor internal auditor of the company to implement duties independently. The internal auditors perform assessment and monitor internal audit system of significant activities to prevent loss and risk to the company by approving annual internal audit plan; moreover, the committee also consider and review audit plan during the year in order to make the necessary inspection, emphasizing the efficiency of important internal control points. However, Internal audits will comply with generally accepted auditing standards in order to make inspection process to be effectiveness and to support business operation of the company with transparency according to Anti-Corruption policies. In addition, there are clear implement guideline in compliance with relevant regulations, The Audit Committee is of the opinion that the internal control system has sufficiently complied with regulations. In 2018, the audit committee has considered and approved internal audit plan and pay more attention to internal control processes emphasizing production, delivery, quality control, and monitoring the result after correction according to suggestions of the audit committee for the company to review and develop the internal control system to be effectiveness and benefit to the company

- **Review of Compliance with Laws, Regulations of the securities and Stock Exchange**

The Audit Committee has reviewed compliance with relevant regulations of the Securities and Exchange Commission and laws relevant to the Company and finds that the Company's business operations are in accordance with the business regulations and laws. The Company's responsibilities are also consistently in line with important laws and regulations.

- **Appointment of Auditor and Determination of Remuneration for 2019**

The Audit Committee has approved the appointment of the Auditors for 2019. Auditors of EY Office have been nominated for another term as the Company's Auditors. Such Auditors have the qualifications in accordance with the Stock Exchange of Thailand and a record of full compliance with accounting standards. A proposal was therefore made for the appointment of Mr. Chayapol Supsetanont, certified public accountant registration number 3972, and/or Mrs. Ginkarn Atsawarangsalit, certified public accountant registration number 4496, and/or Miss Rosaporn Decharkom, certified public accountant registration number 5659, and/or Miss Sumana Punpongsanon, certified public accountant registration number 5872, as Auditors for the financial year ending 31st December 2019. The Audit Committee further approved an audit fee which increasing from the year 2017 in the amount of 60,000.00 baht or equivalent to 5.50 percent. The increase in audit fee was based on necessary accounting work to comply with significant new accounting standards. The quarterly accounting review fee would be 150,000.00 baht, with 3 quarters totaling a quarterly accounting review fee of 450,000.00 baht. The annual financial statement audit fee would be 700,000.00 baht. The total audit expenses proposed is 1,150,000.00 baht, excluding other review services. The matter is hereby submitted to the Annual General Meeting of Shareholders for 2018 for consideration.

- **Summary of Audit Committee Performance**

In 2018, the Audit Committee held a total of 4 meetings. Members of the Audit Committee constituted a quorum at every meeting. The important agenda items were reviews of various reports, opinions on the accuracy, completeness and reliability of financial statements, sufficiency of internal controls and internal audit plan. The Audit Committee has performed duties with care, prudence and independence including the assessment performance of the audit committee and support was given to the Board of Director's compliance with regulations of the Stock Exchange of Thailand, safeguard for the greatest interest of shareholders and stakeholders of the Company on the basis of good corporate governance principles.

The Audit Committee is of the opinion that the Company has sufficiently complied with regulations of the Stock Exchange of Thailand and applicable laws. Internal controls that are efficient and effective are in place and determine accounting policies according to important accounting standard as well as Anti-Corruption policy in order to support government policy. Executive Officers have the competence to perform duties and acknowledge responsibility in the specified authority framework as well as perform duty with transparently and honestly.

On behalf of the Audit Committee



Khachornsakdi Vanaratseath
Chairman of the Audit Committee

Independent Auditor's Report

To the Shareholders of People's Garment Public Company Limited

Opinion

I have audited the accompanying financial statements of People's Garment Public Company Limited (the Company), which comprise the statement of financial position as at 31 December 2018, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of People's Garment Public Company Limited as at 31 December 2018, its 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 Company in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions 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 my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are describe below.

Revenue recognition

The Company has a large number of commercial transactions with customers and some sales are export sales with delivery conditions that should be considered when recording the transactions, including some consignment sales. As a result, the Company's sales transactions are subject to numerous conditions relevant to revenue recognition. There are therefore risks with respect to the amount and timing of revenue recognition.

I have examined the revenue recognition of the Company by:

- Assessing and testing the Company's IT system and its internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.
- On a sampling basis, examining supporting documents for sales transactions occurring during the year and near the end of the accounting period to verify the occurrence and accuracy of revenue, whether revenue recognition was consistent with conditions, and whether it was in compliance with the Company's policy.
- Reviewing credit notes that the Company issued after the period end.
- Performing analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

Allowance for diminution in value of inventories

Estimating the net realisable value of inventories, as disclosed in Note 10 to the financial statements, is an area requiring significant management judgment, particularly with regard to the estimation of allowance for diminution in the value of slow-moving and obsolete inventories. This requires detailed analysis of the product life cycle and demands of the market. There is thus a risk with respect to the amount of allowance set aside for diminution in the value of inventories.

I assessed and tested the internal controls of the Company relevant to the determination of allowance for diminution in the value of inventories by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. In addition, I also assessed the method and the assumptions applied by management in determining such allowance. The procedures that I performed included:

- Gaining an understanding of the basis applied in determining the allowance for diminution in value of inventories and reviewing the consistency of the application of that basis, and the rationale for the recording of specific allowance.
- Comparing the inventory holding periods and inventory movements to identify product lines with indicators of lower than normal inventory turnover.
- Comparing details of sales transactions occurring after the date of the financial statements with the cost of inventories for each product line.
- Comparing historical data of actual losses on sales and write-offs of inventories during year with the allowance for diminution in value of inventories recorded at the preceding year-end.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Company, but does not include the financial statements and my auditor's report thereon. The annual report of the Company 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 Company, 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 fairly 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the 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.

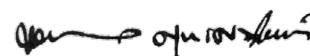
As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 Company 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.

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 matters. I describe these matters 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.

I am responsible for the audit resulting in this independent auditor's report.



Chayapol Suppasdtanon
Certified Public Accountant (Thailand) No. 3972

EY Office Limited
Bangkok : 26 February 2019

Financial

People's Garment Public Company Limited

Statement of financial position

As at 31 December 2018

		(Unit: Baht)	
	Note	2018	2017
Assets			
Current assets			
Cash and cash equivalents	7	19,342,127	39,135,593
Current investments	8	200,084,982	108,585,758
Current portion of other long-term investments	12	65,000,000	75,000,000
Trade and other receivables	6, 9	139,686,156	191,940,302
Inventories	10	288,059,350	335,528,663
		5,016,382	10,657,590
Other current assets		717,188,997	760,847,906
Total current assets			
Non-current assets			
Investments in available-for-sale securities	11	674,596,698	677,269,665
Other long-term investments	12	141,058,431	191,520,131
Investments property	13	387,013	387,013
Property, plant and equipment	14	131,972,223	139,818,807
Intangible assets	15	3,043,434	5,406,342
Other non-current assets		2,150,397	2,853,257
Total non-current assets		953,208,196	1,017,255,215
Total assets		1,670,397,193	1,778,103,121

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

People's Garment Public Company Limited

Statement of financial position (continued)

As at 31 December 2018

		(Unit: Baht)	
	Note	2018	2017
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables	6, 16	76,212,596	80,495,520
Other current liabilities	6	8,098,372	5,122,946
Total current liabilities		<u>84,310,968</u>	<u>85,618,466</u>
Non-current liabilities			
Deferred tax liabilities	22	33,455,568	63,569,113
Provision for long-term employee benefits	17	67,400,117	91,235,000
Total non-current liabilities		<u>100,855,685</u>	<u>154,804,113</u>
Total liabilities		<u>185,166,653</u>	<u>240,422,579</u>
Shareholders' equity			
Share capital			
Registered			
96,000,000 ordinary shares of Baht 1 each		<u>96,000,000</u>	<u>96,000,000</u>
Issued and fully paid			
96,000,000 ordinary shares of Baht 1 each		96,000,000	96,000,000
Premium on share capital		325,200,000	325,200,000
Retained earnings			
Appropriated - statutory reserve	18	9,600,000	9,600,000
Appropriated - general reserve	19	2,500,000	2,500,000
Unappropriated		794,176,014	720,198,966
Other components of shareholders' equity		<u>257,754,526</u>	<u>384,181,576</u>
Total shareholders' equity		<u>1,485,230,540</u>	<u>1,537,680,542</u>
Total liabilities and shareholders' equity		<u>1,670,397,193</u>	<u>1,778,103,121</u>
		-	-

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

People's Garment Public Company Limited

Statement of comprehensive income

For the year ended 31 December 2018

(Unit: Baht)

	Note	2018	2017
Profit or loss:			
Revenues			
Sales income		693,630,064	959,826,686
Other income	20	203,544,131	113,563,711
Total revenues		<u>897,174,195</u>	<u>1,073,390,397</u>
Expenses			
Cost of sales		594,151,815	844,549,404
Selling expenses		18,088,341	26,929,609
Administrative expenses		187,158,873	213,845,093
Loss from reclassification of investments from available-for-sale to other long-term investments		-	385,000
Loss on devaluation of other long-term investment		224,900	21,500
Total expenses		<u>799,623,929</u>	<u>1,085,730,606</u>
Profit (loss) before tax expense		97,550,266	(12,340,209)
Tax expense	22	(1,493,218)	(3,176,902)
Profit (loss) for the year		<u>96,057,048</u>	<u>(15,517,111)</u>
Other comprehensive income:			
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>			
Gain (loss) on changes in value of investments in available-for- sale securities - net of income tax	22	(138,115,831)	61,522,092
<i>Gain on increase in fair value of investment resulting from reclassification of convertible debenture to available-for-sale investment - net of income tax</i>	12, 22	6,760,710	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Actuarial gain - net of income tax	22	4,928,071	-
Total comprehensive income for the year		<u>(30,370,002)</u>	<u>46,004,981</u>
Earnings per share	23		
Basic earnings (loss) per share			
Profit (loss) for the year		<u>1.00</u>	<u>(0.16)</u>

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

People's Garment Public Company Limited

Statement of changes in shareholders' equity

For the year ended 31 December 2018

(Unit: Baht)

	Retained earnings					Other component of shareholders' equity				
						Other comprehensive income				
						Surplus on changes in value of investments in available-for-sale securities	Gain on increase in fair value of investment resulting from reclassification of convertible debenture to available-for-sale investment	Actuarial gain	Total other component of shareholder's equity	
Balance as at 1 January 2017	Issud and fully paid share capital	Premium on share capital	Statutory reserve	General reserve	Unappropriated	293,874,785	-	28,784,699	322,659,484	1,491,675,561
Loss for the year	-	-	-	-	(15,517,111)	-	-	-	-	(15,517,111)
Other comprehensive income for the year	-	-	-	-	-	61,522,092	-	-	61,522,092	61,522,092
Total comprehensive income for the year	-	-	-	-	(15,517,111)	61,522,092	-	-	61,522,092	46,004,981
Balance as at 31 December 2017	<u>96,000,000</u>	<u>325,200,000</u>	<u>9,600,000</u>	<u>2,500,000</u>	<u>720,198,966</u>	<u>355,396,877</u>	<u>-</u>	<u>28,784,699</u>	<u>384,181,576</u>	<u>1,537,680,542</u>
Balance as at 1 January 2018	96,000,000	325,200,000	9,600,000	2,500,000	720,198,966	355,396,877	-	28,784,699	384,181,576	1,537,680,542
Profit for the year	-	-	-	-	96,057,048	-	-	-	-	96,057,048
Dividends paid (Note 24)	-	-	-	-	(22,080,000)	-	-	-	-	(22,080,000)
Other comprehensive income for the year	-	-	-	-	-	(138,115,831)	6,760,710	4,928,071	(126,427,050)	(126,427,050)
Total comprehensive income for the year	-	-	-	-	73,977,048	(138,115,831)	6,760,710	4,928,071	(126,427,050)	(52,450,002)
Balance as at 31 December 2018	<u>96,000,000</u>	<u>325,200,000</u>	<u>9,600,000</u>	<u>2,500,000</u>	<u>794,176,014</u>	<u>217,281,046</u>	<u>6,760,710</u>	<u>33,712,770</u>	<u>257,754,526</u>	<u>1,485,230,540</u>

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

People's Garment Public Company Limited

Cash flow statement

For the year ended 31 December 2018

	(Unit: Baht)	
	2018	2017
Cash flows from operating activities		
Profit (loss) before tax	97,550,266	(12,340,209)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	17,059,985	26,441,431
Doubtful accounts (reversal)	(347,351)	2,482,128
Goods returned (reversal)	(340,000)	120,000
Reduction of inventories to net realisable value (reversal)	10,267,040	(3,655,197)
Unrealised gain on current investments	(188,005)	(104,157)
Gains on sales of current investments	(811,190)	(408,024)
Gain on sale of investments in available-for-sale securities	(151,327,628)	(55,616,298)
Loss from reclassification of investment from available-for-sale to other long-term investments	-	385,000
Gain on sale of other long-term investments	(982,080)	(5,726,000)
Devaluation of other long-term investments	224,900	21,500
Interest income	(10,833,346)	(9,082,223)
Dividends income	(17,240,284)	(18,956,747)
Gain on disposals of equipment	(642,796)	(1,053,200)
Unrealised loss on exchange	155,085	1,455,914
Long-term employee benefits expenses	5,346,361	13,552,172
Loss from operating activities before changes in operating assets and liabilities	(52,109,043)	(62,483,910)
Operating assets (increase) decrease		
Trade and other receivables	24,499,371	35,866,076
Inventories	37,202,273	100,149,060
Other current assets	5,641,208	11,320,523
Other non-current assets	232,919	114,241
Operating liabilities increase (decrease)		
Trade and other payables	(6,322,694)	(113,427,746)
Other current liabilities	3,315,426	(4,135,316)
Provision for long-term employee benefits	(23,078,485)	(19,757,012)
Cash flows used in operating activities	(10,619,025)	(52,354,084)
Cash paid for income tax	-	(597,364)
Net cash used in operating activities	(10,619,025)	(52,951,448)

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

People's Garment Public Company Limited

Cash flow statement (continued)

For the year ended 31 December 2018

	(Unit: Baht)	
	2018	2017
Cash flows from investing activities		
Acquisitions of current investments	(288,004,586)	(296,304,557)
Sales of current investments	197,504,557	322,161,392
Acquisitions of available-for-sale securities	(228,766,747)	(9,002,984)
Sales of available-for-sale securities	268,510,438	65,761,402
Sales of other long-term investments	1,428,480	10,726,000
Return of capital from other long-term investments	139,400	672,000
Investments in held-to-maturity securities	(35,000,000)	(39,651,000)
Redemption of held-to-maturity securities	75,000,000	-
Interest income	10,612,279	9,037,682
Dividends income	17,219,494	18,956,747
Acquisitions of building and equipment	(6,633,615)	(11,756,750)
Proceeds from sales of equipment	895,859	1,683,571
Acquisitions of intangible assets	-	(1,025,000)
Net cash from investing activities	12,905,559	71,258,503
Cash flows from financing activities		
Dividends paid	(22,080,000)	-
Net cash used in financing activities	(22,080,000)	-
Net increase (decrease) in cash and cash equivalents	(19,793,466)	18,307,055
Cash and cash equivalents at beginning of year	39,135,593	20,828,538
Cash and cash equivalents at end of year	19,342,127	39,135,593
Supplemental cash flows information:		
Non-cash transactions		
Unrealised gain (loss) on changes in value of investments in available-for-sale securities - net of income tax	(138,115,831)	61,522,092
Gain on increase in fair value of investment resulting from reclassification of convertible debenture to available-for-sale investment - net of income tax	6,760,710	-
Conversion of convertible debenture to available-for-sale investment	(28,101,888)	-
Payables from acquisitions of investment in available-for-sale securities	2,044,846	-
Receivables from sale of investment in available-for-sale securities	2,556,845	29,814,260

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

People's Garment Public Company Limited

Notes to financial statements

For the year ended 31 December 2018

1. General information

People's Garment Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company's principal activities are manufacturing and distributing ready-made cloths. The registered office of the Company and factory is located at No. 666 Rama 3 Road, Bangpongpan, Yannawa, Bangkok. The Company has three plants as follow:

- No. 77 Moo 6, Lampang-Chiangmai Road, Baanklang, Muang Lamphun, Lamphun,
- No. 216 Moo 5, Suwannasorn Road, Nonthri, Kabinburi, Prachinburi,
- No. 114 Moo 5, Wellgrow Industrial Estate, Bangna-Trad Road, Bangsamak, Bangpakong, Chachoengsao

2. Basis of preparation

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

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.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

3. New financial reporting standards

(a) Financial reporting standards that became effective in the current year

During the year, the Company has adopted the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements

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

The Federation of Accounting Professions issued a number of revised and new financial reporting standards and interpretations (revised 2018) which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Company believe that most of the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied. However, the new standard involves changes to key principles, as summarised below.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 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

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The management expects an adoption of this accounting standard to result in marketing support expense that the Company has been charged by department stores for consignment sales should be treated as selling expense rather than recognised as discount and netted against sales revenue.

(c) Financial reporting standards related to financial instruments that will become effective for fiscal years beginning on or after 1 January 2020

During the current year, the Federation of Accounting Professions issued a set of TFRSs related to financial instruments, which consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Accounting standard:

TAS 32 Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

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

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

Rental income Rental income is recognised on a straight-line basis over the term of the lease.

Interest income Interest income is recognised on an accrual basis based on the effective interest rate.

Dividends Dividends are recognised when the right to receive the dividends is established.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Trade accounts receivable

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

4.4 Inventories

Finished goods and work in process are valued at the lower of cost under the weighted average method and net realisable value and includes all production costs and attributable factory overheads.

Raw materials, chemicals, spare parts and factory supplies are valued at the lower of average cost and net realisable value and are charged to production costs whenever consumed.

4.5 Investments

a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.

b) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.

c) 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/accreted by the effective rate method with the amortised/accreted amount presented as an adjustment to the interest income.

d) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for impairment loss (if any).

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

The weighted average method is used for computation of the cost of investments.

In the event the Company reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other components of shareholders' equity, depending on the type of investment that is reclassified.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

4.6 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 20 years. Depreciation of the investment properties is included in determining income.

4.7 Property, plant and equipment/Depreciation

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).

Depreciation of plant and equipment is calculated by reference to their costs, on the straight-line basis over the following estimated useful lives:

Buildings and building improvements	-	20 and 50 years
Machinery and equipment	-	5, 10, 15 and 20 years
Furniture, fixtures and office equipment	-	3 and 5 years
Motor vehicles	-	5 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation.

4.8 Intangible assets

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

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

Intangible assets in respect of computer software is amortised over the useful lives of 5 years.

4.9 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

4.10 Long-term leases

Leases of building and equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

4.11 Foreign currencies

The financial statements are presented in Baht, which is also the Company's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.12 Impairment of assets

At the end of each reporting period, the Company performs impairment reviews in respect of property, building and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

4.13 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

Defined benefit plans

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

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

4.14 Provisions

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

4.15 Income tax

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

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income 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 Company recognises deferred tax liabilities for all taxable temporary differences while they recognise 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 which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company reviews and reduce 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 utilised.

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

4.16 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 Company 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 Company measure 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 Company determine 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.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures, and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Allowance for diminution in value of inventories

The determination of allowance for diminution in the value of inventories requires the management to exercise judgement in estimating losses on outstanding inventories, based on the selling price expected in the ordinary course of business, minus selling expenses and provision for obsolete, slow-moving and deteriorated inventories, and taking into account the approximate useful life of each type of inventories.

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk (bank and counterparty, both) liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

Impairment of equity investments

The Company treats available-for-sale investments and other investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgement of the management.

Property, plant and equipment/ Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

6. Related party transactions

The relationships between the Company and its related parties which had significant business transactions during the year 2018 and 2017 are summarised below.

Name of related parties	Relationship
Boutique New City Plc.	Common shareholder
Saha Pathanapibul Plc.	Common shareholder
Thai Wacoal Plc.	Common shareholder
President Bakery Plc.	Common shareholder
S.T.G.C. Co., Ltd.	Common shareholder
Waseda Education (Thailand) Co., Ltd.	Common shareholder
Thai Takaya Co., Ltd.	Common shareholder
Cosmo Express Trading Co., Ltd.	Common shareholder
Sriracha Aviation Co., Ltd.	Common shareholder
Sahapat Properties Co., Ltd.	Common shareholder
Thai Staflex Co., Ltd.	Common shareholder
Sahapat Real Estate Co., Ltd.	Common shareholder
Thai Naxis Co., Ltd.	Common shareholder
Erawan Textile Co., Ltd.	Common shareholder
Bangkok Tokyo Socks Co., Ltd.	Common shareholder
Lion (Thailand) Co., Ltd.	Common shareholder
Thai President Foods Plc.	Common shareholder
Torfun Property Co., Ltd.	Common director
Saha Pathana Inter-Holding Plc.	Common director and shareholder
I.C.C. International Plc.	Common director and shareholder
Far East DDB Plc.	Common director and shareholder
Bangkok Rubber Plc.	Common director and shareholder
Sahacogen (Chonburi) Plc.	Common director and shareholder

Name of related parties	Relationship
Thai Sports Garment Co., Ltd.	Common director and shareholder
Champ Ace Co., Ltd.	Common director and shareholder
SSDC (Tigertext) Co., Ltd.	Common director and shareholder
Treasure Hill Co., Ltd.	Common director and shareholder
Pan Land Co., Ltd.	Common director and shareholder
Five Star Plus Co., Ltd.	Common director and shareholder
Thai Bunka Fashion Co., Ltd.	Common director and shareholder
Champ Kabin Co., Ltd.	Common director and shareholder
Bangkok Athletic Co., Ltd.	Common director and shareholder
Mr. Boonsithi Chokwatana	Brother of the Company's Director

During the year, the Company had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties. The transactions are summarised as follow:

(Unit: Thousand Baht)

	2018	2017	Pricing policies
<u>Transactions with related companies</u>			
Sales of goods	462,703	563,297	Cost plus margin
Other income	10,101	11,568	Actual incurred
Dividend income	14,271	15,102	As declared
Rental income	4,569	4,741	Contract price
Hire of work - income	1,475	1,149	Contract price
Hire of work - expenses	13,836	20,246	Contract price
Sales of investment in available-for-sale securities	152,900	-	Agreed price, close to fair value
Sales of other long-term investment	1,428	10,726	Book value of the investee company
Purchase of raw materials	6,612	8,931	Cost plus margin
Purchase of goods	74,732	148,006	Cost plus margin
Purchase of machinery and equipment	10	333	Price close to market
Purchase of condominium units	-	7,686	Contract price
Rental expenses	6,968	7,002	Contract price
Consultant fee	-	398	Contract price
Royalty fee	77	1,314	Contract price
Other expenses	3,480	3,758	Actual incurred
Purchase of investment in debt securities	-	19,651	Face value

The balances of the accounts as at 31 December 2018 and 2017 between the Company and those related parties are as follows.

(Unit: Thousand Baht)

	2018	2017
Trade accounts receivable - related parties (Note 9)		
Related companies	73,786	97,414
Other receivables - related parties (Note 9)		
Related companies	624	1,277
Trade accounts payable - related parties (Note 16)		
Related companies	7,342	17,890
Other payables - related parties (Note 16)		
Related companies	40	113
Provision for goods returned - related parties (presented under other current liabilities)		
Related companies	2,130	2,470

Directors and management compensation

During years ended 31 December 2018 and 2017, the Company had employee benefit expenses payable to its directors and management as below.

(Unit: Thousand Baht)

	2018	2017
Short-term employee benefits	12,050	12,184
Termination benefits	743	336
Total	12,793	12,520

7. Cash and cash equivalents

(Unit: Thousand Baht)

	2018	2017
Cash	374	405
Bank deposits	18,968	38,731
Total	19,342	39,136

As at 31 December 2018, bank deposits in savings accounts carried interest between 0.1% and 1.0% per annum (2017: between 0.1% and 1.0% percent per annum).

8. Current investments

(Unit: Thousand Baht)

	2018	2017
Investments in trading securities		
Investments in Open-end Fund	159,893	78,478
Add: Unrealised gain on change in fair value	188	104
Total	160,081	78,582
Fixed deposits at financial institutions	20,004	4
Bills of exchange	20,000	30,000
Total current investments	200,085	108,586

During the year 2018, the Company sold trading securities totaling Baht 167.5 million (2017: Baht 322.2 million) with gains on sales recorded in profit or loss, amounting to Baht 0.8 million (2017: Baht 0.4 million).

As at 31 December 2018, fixed deposit at financial institutions and bills of exchange carried interest between 1.10% and 3.00% per annum (2017: between 1.10% and 2.75% per annum).

9. Trade and other receivables

(Unit: Thousand Baht)

	2018	2017
Trade accounts receivable - unrelated parties		
Not yet due	29,735	10,502
Over due:		
Not over 3 months	28,534	27,524
3 - 6 months	1,375	12,882
Over 6 months	13,701	23,114
Total	73,345	74,022
Less: Allowance for doubtful accounts	(13,279)	(13,699)
Trade accounts receivable - unrelated parties	60,066	60,323
Trade accounts receivable - related parties		
Not yet due	68,841	82,819
Over due:		
Not over 3 months	4,945	14,079
3 - 6 months	-	324
Over 6 months	-	192
Trade accounts receivable - related parties	73,786	97,414
Other receivables		
Other receivables - unrelated parties	5,210	32,926
Other receivables - related party	624	1,277
Total other receivables	5,834	34,203
Total trade and other receivables	139,686	191,940

10. Inventories

(Unit: Thousand Baht)

	Cost		Reduce cost to net realisable value		Inventories-net	
	2018	2017	2018	2017	2018	2017
Finished goods	226,951	265,297	(30,490)	(18,302)	196,461	246,995
Work in process	19,649	16,619	-	-	19,649	16,619
Raw materials	82,662	84,586	(14,460)	(16,381)	68,202	68,205
Factory supplies	3,515	3,276	-	-	3,515	3,276
Raw materials in transit	232	434	-	-	232	434
Total	333,009	370,212	(44,950)	(34,683)	288,059	335,529

During the current year, the Company reduced cost of inventories by Baht 10.3 million. This was included in cost of sales. (2017: the Company reversed the write-down of cost of inventories by Baht 3.7 million, and reduce the amount of inventories recognised as expenses during the year).

11. Investments in available-for-sale securities

	(Unit: Thousand Baht)	
	2018	2017
Investments in marketable securities		
Investments in related companies - at cost		
Balance at beginning of year	107,524	115,162
Conversion of convertible debenture to ordinary shares	28,102	-
Sales of investments	(7,500)	(7,253)
Reclassification of investments from available-for-sale to other long-term investments	-	(385)
Balance at end of year	128,126	107,524
Changes in value of investments		
Add: Unrealised gain	285,238	437,918
Less: Unrealised loss	(87)	(78)
Total	413,277	545,364
Investments in other companies - at cost		
Balance at beginning of year	125,499	149,203
Purchases of investments	39,594	9,003
Sales of investments	(47,639)	(32,707)
Balance at end of year	117,454	125,499
Changes in value of investments		
Add: Unrealised gain	45,178	14,328
Less: Unrealised loss	(59,063)	(7,922)
Total	103,569	131,905
Investments in debt securities		
Balance at beginning of year	-	-
Purchases of investments	191,217	-
Sales of investments	(33,786)	-
Balance at end of year	157,431	-
Changes in value of investments		
Add: Unrealised gain	320	-
Total	157,751	-
Total fair value of investments in available-for-sale securities	674,597	677,269
Cash received from sales of investments for the year	240,253	95,576

As at 25 February 2019, total fair value of investments in available-for-sale was Baht 672.2 million.

During the year 2018, the Company sold investments totaling Baht 240.3 million (2017: Baht 95.6 million) with total gain on sales of Baht 151.3 million (2017: Baht 55.6 million).

During the years 2018 and 2017, the Company recognised gains or losses arising from revaluation, sale, reclassification of investment, and dividend income as included in "Other income" in statement of comprehensive income as follow:

(Unit: Thousand Baht)

	2018	2017
Realised loss from reclassification of investments from available-for-sale to other long-term investments	-	(385)
Gain from sale of investments in:		
Trading securities	811	408
Available-for-sale securities	151,328	55,616
Unrealised gain on current investments	188	104
Total	152,327	55,743
Dividends income	14,862	16,092

The available-for-sale securities represented investments in 20 companies (2017: 19 companies) with investment holding of 0.0004% to 0.5980% (2017: from 0.0004% to 1.0000%) of registered capital of the investee companies.

12. Other long-term investments

(Unit: Thousand Baht)

	2018		2017	
	Cost	Fair value	Cost	Fair value
Investments in debt securities				
Mature within 1 year	65,000	65,604	75,000	77,460
Mature within 2 to 5 years	95,000	97,411	125,000	131,923
Mature within 6 to 7 years	-	-	19,651	30,049
Total	160,000	163,015	219,651	239,432
Less: Amount mature within 1 year	(65,000)	(65,604)	(75,000)	(77,460)
Total investments in debt securities	95,000	97,411	144,651	161,972
Investments in equity securities				
Investments in related companies	51,806		52,392	
Less: Allowance for diminution in investment value	(5,748)		(5,523)	
Total	46,058		46,869	
Total other long-term investments	141,058		191,520	
Dividends income	2,378		2,865	
Cash received from sales of investments for the year	1,428		10,726	

During 2017, the Company has invested in convertible debentures of 19,651 units at face value of Baht 1,000 each, issued by a related company. The convertible debentures carried interest at a rate of 0.70% per annum with the redemption period of 7 years (29 September 2024). The Company is entitled to convert the convertible debentures at a conversion ratio 1 convertible debenture per 22.22 ordinary shares or 436,688 shares. The first conversion date is September 2018 (4 times per annum in March, June, September and December of each year). On 1 October 2018, the Company has converted all convertible debentures to ordinary shares resulting in gain on increase in fair value of such security held for available-for-sale of Baht 6.76 million (net of income tax) which was presented in other comprehensive income for the year 2018.

Disclosure of the fair value of investments in equity securities described in the related note.

These represented investments in ordinary shares of 16 related companies (2017: 16 related companies) in which the Company's holdings range from 0.67% to 19.00% (2017: from 0.67% to 19.00%) of registered capital of the investee companies. In 2018, the Company received a return of capital by Baht 0.1 million (2017: Baht 0.7 million) and sold certain investment in related company amounted to Baht 1.4 million with gain of Baht 1.0 million (2016: the Company sold an investment in related company amounted to baht 10.7 million with gain of Baht 5.7 million).

The Company treats investments in related companies (with common directors and/or common shareholders) as other long-term investments, since the Company's benefit is derived in the form of dividends and the Company does not participate in setting policy or exercise influence over those companies.

13. Investment properties

	(Unit: Thousand Baht)		
	Land	Factory buildings	Total
Cost:			
1 January 2017	387	4,835	5,222
31 December 2017	387	4,835	5,222
31 December 2018	387	4,835	5,222
Accumulated depreciation:			
1 January 2017	-	4,835	4,835
31 December 2017	-	4,835	4,835
31 December 2018	-	4,835	4,835
Net book value:			
31 December 2017	387	-	387
31 December 2018	387	-	387

The fair value of these investment properties as at 31 December 2018 and 2017 were stated below:

	(Unit: Thousand Baht)	
	2018	2017
Land	11.8	11.8
Factory building	3.5	3.5
Total	15.3	15.3
Rental income for the year	4.6	4.7

The fair value of investment properties assessed by an independent appraiser in 2014, using market price for land and replacement cost for factory building.

Investment properties represented land and a fully depreciated factory building.

The Company rents this plant under an agreement with a related company. The agreement is automatically renewed unless terminated by either of the counterparties.

Future minimum rental income to be generated under these investment properties is as follows:

	(Unit: Thousand Baht)	
	2018	2017
In up to 1 year	4.6	4.7
In over 1 and up to 5 years	18.2	18.8

(Unit: Thousand Baht)

(Unit: Thousand Baht)

In 2018, the Company sold machinery, equipment and motor vehicles with a gain of Baht 0.6 million (2017: Baht 1.1 million), which is included in “Other income” in statement of comprehensive income.

15. Intangible assets

(Unit: Thousand Baht)

	Computer software	Computer software installation	Total
Cost:			
1 January 2017	32,733	717	33,450
Additions	225	800	1,025
Transfer in (out)	1,517	(1,517)	-
31 December 2017	34,475	-	34,475
31 December 2018	34,475	-	34,475
Accumulated depreciation:			
1 January 2017	26,290	-	26,290
Amortisation	2,779	-	2,779
31 December 2017	29,069	-	29,069
Amortisation	2,363	-	2,363
31 December 2018	31,432	-	31,432
Net book value:			
31 December 2017	5,406	-	5,406
31 December 2018	3,043	-	3,043

16. Trade and other payables

(Unit: Thousand Baht)

	2018	2017
Trade accounts payable - related parties	7,342	17,890
Trade accounts payable - unrelated parties	49,050	44,371
Other payables - related parties	40	113
Other payables - unrelated parties	19,780	18,121
Total trade and other payables	76,212	80,495

17. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

(Unit: Thousand Baht)

	2018	2017
Provision for long-term employee benefits at beginning of year	91,235	97,440
Included in profit or loss:		
Current service cost	4,077	11,579
Interest cost	1,269	1,921
Past service costs and losses on settlement	(57)	52
Included in other comprehensive income:		
Actuarial (gain) loss arising from:		

(Unit: Thousand Baht)

	2018	2017
Demographic assumptions changes	(34)	-
Financial assumptions changes	47	-
Experience adjustments	(6,116)	-
Benefits paid during the year	(23,021)	(19,757)
Provision for long-term employee benefits at end of year	67,400	91,235

Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows:

(Unit: Thousand Baht)

	2018	2017
Cost of sales	4,728	5,875
Selling and administrative expenses	618	7,677
Total expenses recognised in profit or loss	5,346	13,552

The Company expects to pay Baht 7.6 million of long-term employee benefits during the next year (2017: Baht 24.2 million).

As at 31 December 2018, the weighted average duration of the liabilities for long-term employee benefit is 6.4 years (2017: 4.7 years).

Significant actuarial assumptions are summarised below:

(Unit: percent per annum)

	2018	2017
Discount rate	2.11	2.26
Salary increase rates	3.00	3.00
Turnover rates for monthly staff	11 - 33	10 - 34
Turnover rates for daily staff	19 - 61	24 - 72

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2018 and 2017 are summarised below:

	As at 31 December 2018			
	Increase (%)	Effect to obligation (Thousand Baht)	Decrease (%)	Effect to obligation (Thousand Baht)
Discount rate	0.5	(1,573)	0.5	1,642
Salary increase rate	0.5	1,437	0.5	(1,391)
Turnover rate	0.5	(1,655)	0.5	1,813
	As at 31 December 2017			
	Increase (%)	Effect to obligation (Thousand Baht)	Decrease (%)	Effect to obligation (Thousand Baht)
Discount rate	1	(3,880)	1	4,253
Salary increase rate	1	4,546	1	4,229
Turnover rate	1	4,171	1	1,950

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 at a rate of not less than that of the last 400 days. This change is considered a post-employment benefits plan amendment and the Company has additional liabilities for long-term employee benefits of Baht 0.92 million. The Company will reflect the effect of the change by recognising past services costs as expenses in the income statement of the period in which the law is effective.

18. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

19. General reserve

The Company allocated portion of profit as general reserve without specific objective.

20. Other income

	(Unit: Thousand Baht)	
	2018	2017
Interest income	10,833	9,082
Consulting income	4,244	3,038
Rental income	6,360	6,451
Dividend income	17,240	18,957
Gain on sale of investments	153,121	61,855
Other	11,746	14,181
Total other income	203,544	113,564

21. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)	
	2018	2017
Salaries and wages and other employee benefits	202,694	235,240
Depreciation and amortisation expenses	17,060	26,441
Rental expenses from operating lease agreements	8,461	8,563
Raw materials and consumables used	212,932	255,873
Changes in inventories of finished goods and work in progress	59,466	68,196

22. Income tax

Tax expense for the years ended 31 December 2018 and 2017 are made up as follows:

	(Unit: Thousand Baht)	
	2018	2017
Current income tax:		
Current income tax charge	-	-
Deferred tax:		
Relating to origination and reversal of temporary differences	1,493	3,177
Tax expense reported in the statement of comprehensive income	1,493	3,177

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2018 and 2017 are as follows:

	(Unit: Thousand Baht)	
	2018	2017
Gain (loss) from the change in value of investments in available-for-sale securities	(34,529)	15,380
Gain on increase in fair value of investment resulting from reclassification of convertible debenture to available-for-sale investment	1,690	-
Provision for long-term employee benefits	1,232	-
	(31,607)	15,380

The reconciliation between accounting profit and tax expense is shown below.

	(Unit: Thousand Baht)	
	2018	2017
Accounting gain (loss) before tax	97,550	(12,340)
Applicable tax rates	10%, 20%	10%, 20%
Accounting loss before tax multiplied by income tax rate	19,510	(2,468)
Effects of:		
Promotional privileges	(14,427)	8,734
Non-deductible expenses	738	1,518
Additional expense deductions allowed	(880)	(816)
Dividends income	(3,448)	(3,791)
Total	(18,017)	5,645
Tax expense reported in the statement of comprehensive income	1,493	3,177

As at 31 December 2018 and 2017, the components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	2018	2017
Deferred tax assets		
Provision for goods returned	426	494
Allowance for diminution in value of inventories	8,990	5,388
Allowance for investments in related companies	1,227	1,181
Transfer of investments in available-for-sale securities	2,551	2,551
Provision for long-term employee benefits	8,251	14,031
Reversal of gain on consignment goods	1,110	1,635
Total	22,555	25,280
Deferred tax liabilities		
Unrealised gain on re-measuring investments	56,010	88,849
Total	56,010	88,849
Deferred tax liabilities - net	33,455	63,569

As at 31 December 2018, the Company has an unused tax loss of Baht 104 million (2017: Baht 135 million), on which deferred tax asset has not been recognised as the Company opines that there is uncertainty whether there will be sufficient future taxable profits to be utilised. The unused tax loss will expire by 2022.

23. Earnings per share

Basic earnings (loss) per share is calculated by dividing profit (loss) for the year attributable to equity holder of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

24. Dividends paid

Dividend	Approved by	Total dividend (Million Baht)	Dividend per share (Baht)
Dividend announced from retained earnings	Annual General Meeting of the shareholders on 24 April 2018	22.08	0.23

25. Promotional privileges

The Company has received promotional privileges from the Board of Investment for the manufacture of knitted fabrics, clothing, apparel and parts pursuant to the investment promotion certificate No. 1446(2)/2550 issued on 4 May 2007. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax for a period of 8 years (15 February 2008 to 14 February 2016) and a 50% reduction of corporate income tax on income derived from the promoted operations for a period of 5 years after the tax-exemption period ends.

The Company's operating revenues for the years ended 31 December 2018 and 2017, divided between promoted and non-promoted operations, are summarised below.

(Unit: Thousand Baht)

	Promoted operations		Non-promoted operations		Total	
	2018	2017	2018	2017	2018	2017
Sales						
Domestic sales	-	-	603,368	752,831	603,368	752,831
Export sales	-	-	90,262	206,996	90,262	206,996
Total sales	-	-	693,630	959,827	693,630	959,827

26. Financial information by segment

The Company is principally engaged in the manufacturing and distributing ready-made cloths. Its operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

Major customer information

For 2018, the sale revenue of Baht 428.6 million (2017: Baht 492 million) was from a major customer which is related company.

27. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 5 percent of basic salary. The fund, which is managed by TISCO Asset Management Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2018 amounting to approximately Baht 3.7 million (2017: Baht 4.2 million) were recognised as expenses.

28. Commitments and contingent liabilities

28.1 Operating lease commitments

The Company has commitments with regard to the rent of retail shops under the non-cancellable rental agreements with the term of 1 - 5 years. The Company had obligations to pay rental fees through the rent period as follows:

(Unit: Thousand Baht)

	2018	2017
Payable:		
Up to 1 year	3,553	14,199
In over 1 and up to 5 years	152	265

28.2 Use of trademarks commitments

The Company has entered into an agreement with the holder of rights in two trademarks related to the manufacture and distribute ready-made garment. The agreement is automatically renewed unless terminated by either of the counterparties. Under the conditions of these agreements, the Company commits to pay a royalty fees at rates of 0.5% - 3.5% based on sales income.

28.3 Bank guarantees

The Company has outstanding bank guarantees issued by the banks on behalf of the Company as required in the normal course of business for guarantee as follows:

(Unit: Million Baht)

Bank guarantees for	2018	2017
Electricity use	2.4	2.4
Payment due to creditors	0.1	0.7
Total	2.5	3.1

29. Fair value hierarchy

As at 31 December 2018 and 2017, the Company had the assets that was measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

As at 31 December 2018				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Current investments				
Investments in Open-end Fund	-	160.0	-	160.0
Investments in available-for-sale securities				
Investments in debt securities	-	157.8	-	157.8
Investments in marketable securities	506.0	10.8	-	516.8
Assets for which fair value are disclosed				
Other long-term investments				
Investments in debt securities	-	163.0	-	163.0
Investments in equity securities	-	-	73.7	73.7
Investment properties	-	11.8	3.5	15.3

(Unit: Million Baht)

As at 31 December 2017				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Current investments				
Investments in Open-end Fund	-	78.6	-	78.6
Investments in available-for-sale securities				
Investments in marketable securities	621.0	56.3	-	677.3

(Unit: Million Baht)

As at 31 December 2017				
	Level 1	Level 2	Level 3	Total
Assets for which fair value are disclosed				
Other long-term investments				
Investments in debt securities	-	239.4	-	239.4
Investments in equity securities	-	-	83.7	83.7
Investment properties	-	11.8	3.5	15.3

30. Financial instruments

30.1 Financial risk management

The Company's financial instruments as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, current investments, trade and other receivables, trade and other payable, investments in available-for-sale securities and other long-term investments. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company is exposed to credit risk primarily with respect to trade accounts receivable, which are mainly related companies and include a limited number of other customers. However, due to creditworthiness of most of those customers, the Company does not anticipate material losses to arise from debt collection. The maximum exposure to credit risk is limited to the carrying amounts of trade accounts receivable as stated in the statement of financial position.

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its cash at banks, and bank overdrafts. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2018 and 2017, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Thousand Baht)

	2018					Effective interest rate (% per annum)
	Fixed interest rates			Floating interest rate	Non-interest bearing	
	Within 1 year	More than 1 to 5 years	More than 5 years			
Financial assets						
Cash and cash equivalent	3	-	-	18,965	374	0.1 - 1.0
Current investments	40,004	-	-	-	160,081	1.10 - 3.00
Trade and other receivables	-	-	-	-	139,686	-
Investments in available-for-sale securities	54,093	103,658	-	-	516,846	1.71 - 3.03
Other long-term investments	65,000	95,000	-	-	46,058	0.7 - 5.5
Financial liabilities						
Trade and other payables	-	-	-	-	76,213	-

(Unit: Thousand Baht)

	2017					Effective interest rate (% per annum)
	Fixed interest rates			Floating interest rate	Non-interest bearing	
	Within 1 year	More than 1 to 5 years	More than 5 years			
Financial assets						
Cash and cash equivalent	3	-	-	38,727	405	0.1-1.0
Current investments	30,003	-	-	-	78,582	1.10-2.75
Trade and other receivables	-	-	-	-	191,940	-
Investments in available-for-sale securities	-	-	-	-	677,270	-
Other long-term investments	75,000	125,000	19,651	-	46,869	0.7-5.5
Financial liabilities						
Trade and other payables	-	-	-	-	80,496	-

Foreign currency risk

The Company's exposure to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies. The Company seeks to reduce this risk by entering into forward exchange contracts when it considers appropriate. Generally, the forward contracts mature within one year.

As at 31 December 2018 and 2017, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	2018	2017	2018	2017	2018	2017
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
US dollar	877	1,391	20	36	32.19 - 32.61	32.28 - 36.07
Japanese yen	-	-	-	13	-	0.29
Hong Kong dollar	-	-	-	5	-	4.66

As at 31 December 2018 and 2017, foreign exchange contracts outstanding are summarised below.

2018					
			Contractual exchange rate		
Foreign currency	Bought amount (Thousand)	Sold amount (Thousand)	Bought (Baht per 1 foreign currency unit)	Sold (Baht per 1 foreign currency unit)	Contractual maturity date
US dollar	-	168	-	32.15 - 32.83	May 2019 - July 2019

2017					
			Contractual exchange rate		
Foreign currency	Bought amount (Thousand)	Sold amount (Thousand)	Bought (Baht per 1 foreign currency unit)	Sold (Baht per 1 foreign currency unit)	Contractual maturity date
US dollar	-	968	-	32.41 - 33.23	February 2018 - June 2018

30.2 Fair values of financial instruments

The methods and assumptions used by the Company in estimating the fair value of financial instruments are as follows:

a) For financial assets and liabilities which have short-term maturity, including cash and cash equivalent, current investments, trade and other receivable and trade and other payable, their carrying amounts in the statement of financial position approximate their fair value.

b) For equity securities and debt securities, their fair value is generally derived from quoted market prices.

The fair values of the Company's financial instruments are estimated to approximately the amounts presented in the statements of financial position, except for the following:

(Unit: Million Baht)

	As at 31 December 2018		As at 31 December 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Current portion of other				
long-term investments	65.0	65.6	75.0	77.5
Other long-term investments				
Investments in debt securities	95.0	97.4	144.6	162.3
Investments in equity securities	46.1	73.5	46.8	83.7

During the current year, there were no transfers within the fair value hierarchy.

31. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2018, the Company's debt-to-equity ratio was 0.12:1 (2017: 0.16:1).

32. Event after the reporting period

On 26 February 2019, the Board of Directors Meeting No.1/2019 of the Company resolved to propose to the 2019 Annual General Meeting of Shareholders to approve dividend payment of Baht 24.0 million (Baht 0.25 per share). The payments will be made on 17 May 2019.

33. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 26 February 2019.

Remuneration of Company Auditor

1. Audit fee

Unit : Baht

Payer	Auditor Name	Audit Fee
People's Garment Public Company Limited	Mr.Chayapol Suppasedtanon	1,150,000.-
Total		1,150,000.-

2. Non audit fee : -none-

3. Remuneration of Auditors in 2018 and 2017

Unit : Baht

Type of Work	2018	2017
Review of the Financial Statement for 1st, 2nd and 3rd	450,000	390,000
Review of the Annual Financial Statement	700,000	700,000
Total	1,150,000	1,090,000
License Examine	-	-
BOI Examination	-	-
Grand Total	1,150,000	1,090,000

General Information and Other Significant Details

Company Name	: PEOPLE'S GARMENT PUBLIC COMPANY LIMITED
	Registered Capital : 96 Million Baht
	Paid-Up Capital : 96 Million Baht
	Comprised of 96 Million Common Stocks
Headquarter Address	: 666 Rama 3 Road, Bangpongpan, Yannawa, Bangkok 10120
Registration No.	: 0107537001552 Year of Establishment : 1980 Listed Date : September 29, 1988 บริษัทมหาชน เมื่อวันที่ 29 กันยายน 2531
Tel.	: 0 2685 6500
Fax	: 0 2294 5159
Website	: http://www.pg.co.th

References Persons

Registrar Registrar	Thailand Securities Depository Company limited The Stock Exchange of Thailand Building, Ratchadaphisek Road, Kholng Toei, Khlong Toei, Bangkok 10110 Tel. 66-2229-2800 Fax. 66-2654-5642, 66-2654-5645 Website : http://www.set.or.th/tsd E-mail : SETContactCenter@set.or.th
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Auditor

Mr.Chayapol Supasetanon	Certified Public Accountant Registration No. 3972
Mrs.Kingkarn Asavarangsan	Certified Public Accountant Registration No. 4496
Ms.Rasaporn Dejarkom	Certified Public Accountant Registration No. 5659
Ms.Sumana Phanpongsanon	Certified Public Accountant Registration No. 5872
EY Office Limited 33rd Floor, Lake Ragada office Complex 193/136-137 Ragadapisek Road Klongtoey, Bangkok 10110 G.P.O.Box 1047, Bangkok 10501 Thailand Tel. : 66-2264-9090 Fax. : 66-2264-0789-90	

Other Significant details - None -

Investment in the other companies by being shareholder 10% or more

Company Name	Type of Business	Paid-Up Capital	Share Hold		(%)
			Shares	Amount (Baht)	
Thai Sports Garment Co., Ltd. 666 Rama 3 Road, Bangpongpan, Yannawa,Bangkok 10120	Manufacturing and Distributing Garment	10,000,000	19,000	1,900,000	19
Champ Ace Co., Ltd. 58 soi Charoen Rat 7 Cross.Rd. 29-1 (right side), Bankklo, Bangkholaem Bangkok 10120	Manufacturing and Distributing Garment	40,000,000	60,000	6,000,000	15
S.T.G.C. Co.,Ltd. 930/1 soi pradoo 1 Sathupradit Rd., Bankklo,Bangkholaem Bangkok 10120	Research and Develop Textile	2,500,000	2,500	250,000	10

Report of the Corporate Governance Committee

The Corporate Governance Committee of People's Garment Public Company Limited consists of 3 Company Directors and 1 Executive Director, as follows:

1. Mr. Santi	Bangor	Independent Director/ Chairman of the Corporate Governance Committee
2. Mr. Charoen	Charoenwatanasuksom	Member
3. Mrs. Sunan	Niyomnaitham	Member
4. Mrs. Suvimol	Charoensrichai	Member / Secretary

The Company provides the policies of operating businesses in accordance with good governance principles, business ethics, and Code of Conduct for Directors, Executive Officers and Employees as well as anti-corruption guideline which have been made into written documents to comply with good governance principles. The Corporate Governance Committee has also been entrusted with the task of overseeing compliance with good governance rules of the Office of the Securities and Exchange Commission and Stock Exchange of Thailand. Such compliance leads to the upgrading of the Company's operational standards to promote transparency, accountability and sustained development.

In 2018, the Corporate Governance Committee held 2 meetings to monitor the Company operations and consider good governance issues. A report was submitted to the Board of Directors for consideration. The following issues were raised.

1. Considered the good governance principles for Listed Companies (CG Code) in 2017 as well as identify issues that were not complied with CG Code including operating guideline prior to requesting the Board's approval to apply CG Code in accordance with business context of the company.

2. Revisions were undertaken of the governance policies, business ethics, Code of Conduct for Directors, Executive Officers and Employees in line with the rules of the Office of the Securities and Exchange Commission and Stock Exchange of Thailand, as well as rules on assessment of corporate governance. In this regard, approval was given to the Corporate Governance Code (CG Code) of listed companies for 2018 and also to comply with business guideline of the Company.

In 2018, the approval was given to proceed CG principle for 5 categories and performing to cover all 8 categories which will be proceed them within 2019.

3. The collective and individual self-assessment criteria for Company Directors, Sub Company Committees and Managing Director were reviewed and results were used to improve the efficiency of operations.

4. Minority shareholders were encouraged to propose items for inclusion in the shareholders meeting agenda and to submit questions prior to the day of the annual general meeting

5. Revision were undertaken of the vision, business goals, strategies, and adapted organizational value to reinforce capability of competition and sustained development of the organization.

6. Considered and approved the suggestions of IOD in order to develop good governance principles according to the CGR project for 2018 which has not yet been performed by the company, then it will be proposed to the committee for approval later on.

7. Considered and endorsed the Collective Action Coalition Against Corruption (CAC) membership renewal of the Company which must be renewed every three years.

8. The Company's Corporate Governance Report disclosed in the annual report was reviewed to ensure consistency with regulations of the Office of the Securities and Exchange Commission and Stock Exchange of Thailand.

The Corporate Governance Committee has continually promoted compliance with good governance principles and anti-corruption policies. As a consequence, the Company received a "Very Good" rating in the good governance assessment for 2018. Furthermore, the Company received the full score of 100 for quality assessment of the Annual General Meeting for 2018 from the Thai Investors Association for the 10th consecutive year.



(Mr. Santi Bangor)

Chairman of the Corporate Governance Committee

Corporate Governance

The Board of Directors of People's Garment Public Company Limited has attached importance and devoted its determination to undertake business operations on the basis of good governance principles to enhance organization to have efficiency management system and honesty for being transparent and fair organization to increase competitive advantage. These guideline will bring sustainable growth to company together with create more value for shareholders in the long term.

The company has issued good corporate governance principles in writing version to promote corporate governance by focusing on business operations with transparency, ethics, and honesty. Also it is a good practice for directors, executives and employees. The company has disclosed the principles on its website and intranet system in the topic of Corporate Governance for directors, executives and employees to adhere the principle as business operation and working standard by taking into account in all stakeholders through the management policy under the changing economic and social conditions equally and also based on sufficient economy.

Received the Corporate Governance Report of Thai Listed Companies (CGR) in the year 2018 by the Thai Institute of Directors Association (IOD).



Corporate governance assessment results at the level

“ Excellent ”

Received a full score of 100 points from the assessment of the annual general meeting of shareholders in 2018 (AGM Checklist) from the Thai Investors Association.

It is the

“ 10th ”

Consecutive year since 2009

Corporate Governance Policies

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

1. Company Directors, Executive Officers and all employees are fully committed to the application of governance principles, business ethics and Codes of Conduct for Company Directors, Executive Officers and employees to Company operations.
2. Company Directors, Executive Officers 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 Committee and Executive Officer.
4. An internal control system shall be installed and risks 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.

Chapter 1: Rights of Shareholder

The Company has given shareholders the opportunity to take part in corporate governance and to express the opinion on company operations by focusing on best practices for shareholders' meetings regarding the quality of the invitation letter, minutes of meetings, the roles and attendance of the chairman and subcommittees. It is included in the minutes of the shareholders' meeting that allow shareholders to acknowledge the results of the meeting and be able to verify the accuracy of information through the channels of the Stock Exchange of Thailand and the Company's website within 14 days from the meeting date. The company also continues exercising our shareholder rights for sustainability as follows:

1. The board of directors appreciates and respects the ownership rights of shareholders. No actions are taken to violate or infringe the rights of shareholders. The interests of shareholders are fairly safeguarded and the exercise of rights by all shareholder groups are supported and promoted, whether domestic or foreign, major shareholders, retail shareholders or institutional shareholders, incorporating both the fundamental rights of shareholders, access rights to information in a sufficient and timely manner, and the right to attend shareholders' meetings to determine directions for operations and decisions on matters having a significant impact on the Company.

2. The Board of Directors provides opportunities for shareholders prior to propose the name of persons as candidate to be elected as company's director and submit questions to inquire information on each agenda or other information of the company prior to the shareholders' meeting day. Rules for the proposal of agenda item and advance submission of questions have been published in the Company website.

3. To allow all shareholders to receive clear information, sufficient, and having time to study information in advance before the shareholders' meeting, the Board of Directors oversees the publish of information, date, time, venue of the meeting and set the meeting agenda separated in each matter clearly in both Thai and English.

For the meeting invitation letter of shareholders, The company has provided detailed information of each agenda with explanations and reasons and the opinion of the Board of Directors in each agenda. The Company has published the notice of the meeting together with relevant documents on the Company's website both in Thai and English 30 days prior to the shareholder's meeting and deliver such documents to shareholders 21 days in advance of the meeting date.

4. The Board of Directors has granted shareholders with the authority to approve the remunerations of Company Directors on a yearly basis as well as to propose the remuneration policy and criteria for paying remuneration to each Company Committee.

5. The Board of Directors promotes the use of technology in shareholders' meetings in order to promote accuracy and speed. Votes are taken for each item on the agenda. Shareholders are given the right to elect Company Directors individually and ballot papers are used.

6. At every shareholder's meeting, The Company provides an independent person to monitor the vote counting and playing role on reviewing shareholder documents, counting a quorum and votes, overview the meeting resolution and voting results in order to make the meeting transparent and legally.

7. The Board of Directors publishes 2017 shareholders' meeting resolutions along with the voting results for each agenda both English and Thai version via SET portal and Company website on the day following the meeting.

8. The Board of Directors will completely record the minutes of the shareholders' meeting which composes of important information including list of Directors, subcommittees and executives who attend and absent the meeting, procedures and methods of voting and counting scores of the meeting resolution together with the votes, agree, disagree and abstain in every agenda item if vote required. Before voting, chairman of the meeting allowed shareholders to ask questions or express opinions, such questions or opinions will be recorded in the minutes and revealed on the minutes clearly. It must be completed within 14 days from the date of the meeting and submitted to the Stock Exchange of Thailand and the Ministry of Commerce within the period prescribed by law and published on the company website after the meeting was completed. Shareholders can be confident that the arrangement of the meeting from checking documents, registration, counting numbers of shareholders and proxies as a quorum, The meeting carried out in accordance with the agenda notified in the meeting notice. No additions or changes were made to significant data without giving prior notice to the shareholders. Vote counting and the meeting resolution proceeded with transparent and legally and company regulations.

1. Basics Right

- Right to own, sell, buy or transfer shares.
- Right to attend shareholder meeting for exercising their right on expressing the opinion and making decision by voting in the meeting for approving the significant impact on company such as changing or setting company regulation or company memorandum, reduction or increase its capital and to approve a special list.
- Right to authorize the independent directors or any person(s) as his/her proxy in attending the meeting.
- Right to appoint or discharge the Directors as well as consider their remuneration.
- Right to appoint auditors and their remuneration.
- Right to give opinions and ask questions in the meeting of shareholders.
- Right to be equally allocated of the profit/dividend.

Over the above basic rights, The Board of Directors also considers the rights of the shareholders as required by law and implementation issues to encourage and facilitate the exercise of shareholders' equity without ruling or depriving the shareholders' rights as follows:

The right to Access to the Information

Shareholders are entitled to receive information equally. The Company disclosed information both in Thailand and in English via the company's website www.pg.co.th and www.set.or.th. Some information is not in the criteria required by law to be disclosed but if the company see its necessary to acknowledge, the Company will disclose it by disclosing accurate, complete, timely, and transparent information as following;

- Company's shareholding structure was revealed including list of the 10 largest shareholders of the Company at the closing date for Annual General Meeting in prior the meeting date including the number of minor shareholders.
- Report the minute of shareholder meeting within 14 days from meeting date and disseminate it on company website which one of channel that shareholder can acknowledge and examine such report. No need to wait until next meeting.
- The company operation, management policies, related transactions and purchasing of asset through other significant information which necessary for shareholders. In order to ensure shareholders, these disclosures are undertaken to secure the confidence and trust of shareholders in the operational structure which is transparent and accountable, as well as to show that the operations are efficient and achieving a sustained growth generating a return to shareholders at a suitable rate.
- All shareholders, both retail shareholders and general investors are able to contact for information directly from the Company Secretary by email suvimol@pg.co.th or direct line telephone at 0-2685-6509. All information is given on the basis of accuracy and equality.

The Right to Attend Shareholders' Meetings

The Board of Directors has held a meeting of shareholders every year within 4 months (120 days) as from the end of the Company's annual accounting year on 31 December each year. In order to allow shareholders to participate in monitoring the company's performance, the company set appropriate date, time, place, and method. In case of emergency which the company needs to propose special agenda regarding shareholders' benefit, regulations or related laws which need to be approved by shareholders, the company shall call for an extraordinary shareholders' meeting.

The arrangement of shareholders meeting, company performed as AGM checklist.

For 2018, the Company does not call for extraordinary shareholders' meeting.

Prior to the Meeting of Shareholders Date

1. Shareholders who holding one share or several shares, but not over 5% of total number of shareholders with voting rights, were allowed to propose agenda and to nominate the candidates to be elected as Directors in advance according to company regulation.

For 2018, company provided the opportunity to propose agenda and to nominate the candidates to be elected as Directors in advance, during 1st - 30th December 2017. Such invitation had disseminated both English and Thai version via information board of SET, and on the company's website: www.pg.co.th since November 15, 2017.

There were no agenda proposed or/and no candidates to be directors proposed.

2. Shareholders were notified of the resolution of determining the date of shareholders' meeting no.39 both Thai and English version since February 26, 2018 which was 2 months prior to the meeting date so as to enable the shareholders to set aside time for attending the meeting. Such resolutions were disseminated via company website www.pg.co.th
3. The meeting notice together with all relevant documents in both Thai and English were published on the Company website (www.pg.co.th) on March 23, 2018 which was 30 days in advance of the meeting date So that shareholders can access information easily and having time to study in advance before submitting such documents.
4. The same information was sent to the Thailand Securities Depository Company Limited, the Company's Share Registrar, for forwarding to shareholders in document format on April 3, 2018, i.e. 21 days in advance of the meeting date, so as to give the shareholders sufficient time to study the meeting documents.

In case of foreign shareholder or institutional type, The Company sent the invitation letter by attaching English version of the meeting documents together with the Thai version to encourage all types of shareholders, including institutional investors to attend the meeting.

5. The notice of the meeting were also advertised in daily newspapers for a period of 3 consecutive days, and 14 days prior to the meeting date, i.e. 9 - 11 April 2018. so as to give the shareholders sufficient time to study the meeting documents.
6. The Company had provided an opportunity for shareholders to exercise their right to send question regarding the agenda of shareholder meeting in advance during March 23, 2018 to April 20, 2018. Such criteria was disseminated via E-mail : suvimol@pg.co.th or company address, in case of the shareholders require additional information, please contact directly to Company Secretary as following ;

Address: PEOPLE'S GARMENT PUBLIC COMPANY LIMITED
666 Rama 3 Road, Bangpongpan, Yannawa, Bangkok 10120
Telephone : 0-2685-6509 Fax 0-2294-5159 E-mail : suvimol@pg.co.th
For 2018, There were no questions from shareholders.

7. In order to facilitate shareholders who were unable to attend the meeting, the company invited the shareholders to appoint an independent director or any person to attend the meeting on their behalf by using a proxy form which the company has sent along with the appointment letter.

Shareholders are notified of the rules and procedures for attending the meeting in the meeting notice, with which Proxy Form B as prescribed by the Ministry of Commerce was also attached or a choice of either Proxy Form A or Proxy Form C. All three Proxy Forms can be downloaded from the Company website. The Company also gave notice of such publication guidelines via the press release system of the Stock Exchange of Thailand.

For shareholders who are institutional investors or foreign investors can appoint the custodian. The company shall coordinate on documents and evidence that need to be presented before the meeting in advance for convenient in registration.

Day of Shareholders' Meeting

1. The Company continuously determined the date for the 39th general meeting of shareholders on Tuesday 254 April 2018, at 09.00 hrs., Chao Phraya Room 1, Montien Riverside Hotel, No. 372, Rama 3 Road, Bangkok Sub-district, Bang Khor Laem District, Bangkok 10120. For convenience, the company select meeting place that can be reach by mass transportation so that shareholders can easily travel to attend the meeting because it is on the side of Rama 3 Road.
2. Shareholders were able to register with the barcode system at least 2 hours prior to the meeting and continue the register until the meeting is completed

In the subsequent period until the end of the meeting, a right given to shareholders attending after the meeting had already commenced. Such latecomers would have the right to cast votes in the pending agenda that had not yet been voted on. The quorum would be counted as from the agenda of first attendance and vote, except where held otherwise by the shareholders.

During the registration, The Company arranges

- The company assigns adequate staff members to administer the registration.
 - Prepares duty stamps for affixing on the Proxy Form on their behalf.
 - Voting boards and polling cards were provided to the shareholders for use in casting votes.
3. Shareholders who were unable to attend the meeting can grant proxies to other persons or grant proxies to Independent Directors who are Audit Committee of the Company as specified for retaining the right.
 4. The Board of Directors has attached significance to the meeting of shareholders. It is deemed as a duty to attend every meeting, with the exception of illnesses or other important engagements which shareholders can ask the Chairman of each sub-committees on related matters

In 2018 annual general meeting of shareholders, all 12 Company Directors counting as 100 percent attended the meeting, **The Chairman of the Board of Directors, Chairman of the Audit Committee, Chairman of the Remunerations Committee, Chairman of the Nomination Committee, Chairman of the Risk Management Committee, Chairman of the corporate governance committee, Chairman of the Executive Committee, Managing Director and Chief Financial Officer** attended the meeting and given explanations and responded to questions posed on matters related to the meeting agenda or Company operation.

The company arranged an independent auditor from EY Association Co, Ltd. as inspector acted as an auditor of counting vote thoroughly the meeting in compliance with laws and company regulations. There are also volunteer representatives from the Thai Investors Association taking part in the observation.

1. Prior to the commencement of meeting pursuant to the agenda, the Company Secretary notified the meeting of the number and proportions of shareholders present and declared the meeting open. An explanation was given on the voting procedures and vote-counting procedures for shareholders casting votes in each agenda according to the law and articles of the Company. The Chairman of the Board of Directors, acting as chairman of the meeting opens the meeting.

Vote-counting procedures can be summarized as follows:

1.1 The company determines the right to vote according to the number of shares held by shareholders, one share equal one vote. No shares shall have preferential rights to the other shareholders. Voting shall be done openly as shareholders shall raise their barcode placard (with barcode bar) then staff will collect the vote by barcode scanning.

1.2 Any agenda that need the resolution, the company shall ask for confirmation card for transparency, and examinable. Voting in each agenda, the president of the meeting shall ask the shareholders and proxy to raise their barcode placard (with barcode bar) if disagreement and abstention, and sign shareholders name and proxy name in confirmation card. Staff shall scan barcode on placard then collect the confirmation card.

For shareholders who gave a proxy to independent director, the company shall do the vote by shareholders' intention.

1.3 Counting the vote on each agenda, the company applied barcode system as counting tools. The voting results are displayed on the screen for shareholders to simultaneously acknowledge in order to be accurate and the results can be announced immediately after the end of each agenda.

2. The shareholders' meeting was carried out in accordance with the agenda notified in the meeting notice. No additions or changes were made to significant data without giving prior notice to the shareholders. Appropriate and sufficient time was set aside for presenting various matters in each agenda and opportunities were given to shareholders to pose questions and express opinions fully in each agenda.

If shareholders need to propose agenda which were not contained in the notice for consideration during the meeting, such proposal need to be approved by the meeting with the minimum vote of 1/3 of shareholders who attend the meeting and have the right to vote.

For 2018, there were questions from 2 shareholders such questions were clearly answered by the Company's Director.

During the meeting, the minute of the meeting shall be noted with correctly and entirely together with the resolution and vote counting.



Result of Voting in each Agenda

Votes on each agenda were cast openly; The ballots were distributed to all shareholders and proxies on the registration desk, and will be only collected on disagreement and/ or abstention. Except for the election of directors, which were individually election, the ballots will be collected from every shareholders and proxies. Voting will be counted only for those who disagree and / or abstain including votes on bad ballots (if any) will be deducted from the total number of votes attended the meeting. The rest was the agreement vote on such agenda.

If there were additional shareholders attended the meeting, the number of shareholders and the number of additional shares will be announced on each agenda.

Following are the 39th general meeting of shareholder results of voting in each agenda on Tuesday April 24 2018. (The company has disseminated the minute of meeting via company website www.pg.co.th)

Agenda	No. of shareholders	Approval		Disapproval		Abstention		Bad Ballot	
		Shares	%	Shares	%	Shares	%	Shares	%
1	70	73,681,141	100	-	-	-	-	-	-
2 – 4	71	73,726,141	100	-	-	-	-	-	-
5.1.1	71	73,726,141	100	-	-	-	-	-	-
5.1.2	71	73,726,141	100	-	-	-	-	-	-
5.1.3	71	73,726,141	100	10	0	-	-	-	-
5.1.4	71	73,726,141	100	10	0	-	-	-	-
6 - 8	71	73,726,141	100	-	-	-	-	-	-

For significant meeting agenda were disseminated in the notice of meeting.

1. Appointment of Directors : The Company gave an opportunity for shareholders to elect Directors individually. The shareholders had been provided with preliminary information on the nominees, positions held in other businesses, clearly specifying the cases of companies carrying out businesses identical to or in competition with the Company, and the attendance of Board of Directors Meetings. Each director has been screened by the Nomination Committee by considering the appropriateness of qualifications, experience and expertise from various professions including the performance as a director in the past. If considering on director whose term has ended, the nomination committee will propose to the Board of Directors meeting. The Board of Directors is authorized to select qualified candidates from the Nomination Committee's list.

2. Directors' Remuneration: Details were provided on the amount of remuneration proposed, which were in accordance with the policies and conditions for directorial remunerations considered and reviewed by the Remunerations Committee. The Company has regularly proposed a remunerations limit for approval by the meeting of shareholders on yearly basis. The remuneration comprises of Meeting allowance, Annual remuneration without others extra compensation. Such remuneration paid to each Director were disclosed the Annual Report topic "Management Structure" and Form 56-1.

3. Appointment of Auditor and Determination of Audit Fee: The auditor must not be a director, employee or holder of any position in the Company. The auditor need to be accepted standard of verification be independent and meet all the requirements of the company and the Securities and Exchange Commission. The Company provided details on the name of auditor, audit office, the relationship between the audit office and the Company, the number of years of work performed, reasons for changing the auditor, and comparative data on audit fees for the current year and the preceding year. Such information had also been considered by the Audit Committee.

4. Dividend Payment : The Company provided details on profit distribution, dividend payment in accordance with the Company's dividend policy, and a comparison of dividend payment for the current year and the preceding year. The closing date of the register (Record Date) for the determination of the right to receive dividend payment was also specified.

Guidelines on conflict of interest for the meeting

In the shareholders' meeting if any director has a conflict of interest or related transaction in any agenda. Said director will inform the meeting to request leaving the meeting or abstaining on such agenda.

Subsequent to the Meeting of Shareholders

1. The company has disseminated the 2018 meeting resolution together with voting result on each agenda both Thai and English version via SET news within the meeting day and also published via company website on the next day.
2. The Company Secretary recorded the information and prepared accurate and complete minutes for the general meeting of shareholders, including the names of Directors present/absent together with the reasons for absence, essential explanations and a summary of questions or answers or opinions. In the past year, all Directors were present and no questions were posed by the shareholders. The details on each agenda were in accordance with the facts in the meeting. Summaries of the votes in each agenda were divided into approvals, non-approvals and abstentions. Such minutes were signed by the Chairman of the Board of Directors, acting as chairman of the meeting, and submitted to the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission within 14 days of the meeting of shareholders. The minutes were also published on the Company website in both Thai and English as a channel for shareholders to search and inspect data without having to wait for the subsequent meeting. A submission was also made to the Ministry of Commerce within the period prescribed by law.
3. The company has tape recorded and pictured meeting atmosphere and disseminate via company website for absent shareholders for acknowledgment.
4. After the shareholders' meeting approved dividend payment, company shall inform the resolution including dividend payment's details via SET news and cooperate with the registrar of Thailand Securities Depositories Co., Ltd. to ensure all shareholders receiving payment correctly and completely.

4. Distribution of shares

1. The Company set the Record Date for distribution of shares on March 16, 2018 to determine the persons eligible for attendance of the Annual General Meeting of Shareholders.
2. The Members of the Board of Directors and their spouses as well as children who are underage hold a combined amount of 5.55% of issued shares, which does not exceed 25%.
3. The free float proportion was 33.77% of issued shares which was greater than 25% of issued shares.
4. The proportion of local institutions' shares was 0.003% of issued shares.

Chapter 2: Equitable Treatment of Shareholders

The Company attaches importance and ensures that all shareholders, major shareholders, minor shareholders, institutional shareholders or foreigner shareholders are treated equally and fairly. The company has the tools for supporting the equal of shareholders rights in regardless of gender, age, race, nationality, religious beliefs, social status, disability, or political opinion. The company set the process to facilitate all shareholders to attend the meeting and provide the opportunity without limitation as following details.

1. The rights to attend the meeting

1. The company provides the opportunity to propose agenda and /or to nominate the candidates to be elected as Directors in advance.

The procedure is following; The shareholders holding one share or several shares, but not over 5% of total number of shareholders with voting rights, were allowed to propose agenda and to nominate the candidates to be elected as Directors in advance. Shareholders can exercise their rights on participating in corporate governance.

For the 2018 Annual General Meeting, the company has disseminated the above procedure via company website www.pg.co.th under title "investor information" during 1st -30th December 2017. The company has informed shareholders via SET news system since November 15, 2017.

Nonetheless, there was neither meeting agenda nor nomination of the Directors proposed prior to the shareholders' meeting date of 2018. The company secretary reported to the board of director for acknowledgement.

2. For foreign shareholders, the meeting notice with attached documents were translated in to English and sent together with Thai Version. The notice both Thai and English version were disseminated via company website.

3. The voting right depends on the number of shares held by shareholders, one share, one vote (all of the Company's shares is Common Stocks).

4. In 2018, the Company had held one shareholders' meeting on Tuesday 24 April 2018 comprising all 12 Directors attendance. The meeting's resolution was to assign Thailand Security Depository Co., Ltd. (TSD), Company's Registrar, to send the Notice of the Meeting of Shareholders, 21 days in advance and announced 30 days prior to the meeting in the www.pg.co.th under the section " Information for investors " for downloading, in order that the shareholders could have more time studied the information.

5. If any shareholders could not attend the meeting, the Company allowed them to authorize the Independent Directors or anyone as the proxy of voting rights by using the letter of proxy Form B with voting recommendation, Form A, or Form C (for foreign investors with custodians in Thailand to oversee their stocks). The letter of proxy should be attached with the Notice, and announced in the www.pg.co.th for downloading.

To facilitate shareholders, the revenue stamps are also provided for the letter of proxy. (free of charge).

For 2018, Annual General Meeting of Shareholders no.39th was held on April 24, 2018

	No. of shareholders	No. of shares	Percentage
No. of shareholders	825	96,000,000	100.00
No. of shareholders who attended the meeting	71	73,726,141	76.80
Shareholders attendants	40	13,824,702	18.75
Proxies	31	59,901,439	81.25
- Proxy to Independent Director / Audit committee	6	398,150	0.54
- Proxy to individual	25	59,503,289	80.71

6. The meeting is conducted according to the order of the agenda items; there is no reshuffling of agenda items, nor any change made to material information without notifying shareholders in advance.

7. Votes were cast openly. Voting on each agenda is made by barcode system, voting card and ballot were prepared for all shareholders. In vote counting, only votes for disapproval and/or abstentions are counted and there are deducted from the total shares represented in the meeting.

Except the director election agenda, the company shall collect the signed ballot from all attended shareholders.

In 2018, ballot papers were used in important agenda, such as the appointment of Directors where in the shareholders were given an opportunity to select Directors individually. In the interest of transparency, the ballot papers for such votes were kept at the Bangkok Head Office, which could be inspected after the meeting.

8. After the meeting, the minutes of Annual General Meeting of Shareholders for 2018 were also published on the Company website in both Thai and English within 14 days. The minutes contained adequate data included questions and answers happened during the meeting. For unattended shareholders, they can review the minutes via company website. The company also disseminated VDO recorded and pictures on its website.

2. Supervision of Internal Data Use

The company has a measurement to the use of insider information by determining in the company's code of business ethics, they must be individuals of integrity, accountability and moral consciousness. Under no circumstance should they exploit their authority for the benefit of themselves and / or others. All relevant employees must protect the interests and the company's asset. They must not use company information or assets for benefit of themselves and/or not to engage in any action which assists any individual in business that competes with company. The code of business ethics were distributed to directors, executives and staff, also disseminated via company website.

Besides, regulation regarding operation is determined including the discipline punishment which all directors and staff are aware of this and act accordingly.

In 2018, Directors and executive officers of the Company had observed strict compliance with the said policies. No share trading with the internal data use by Directors and executive officers of the Company was found during the prohibited period.

3. Determination of Company Stock trading

Company share trading is covered in the code of business ethics. Directors, Executives and Staff in possession of insider information are prohibited from selling or purchasing company share within one month before disclosing the financial statements to the public. Besides, Directors and executive (Including spouses and underage children) offers

are required and notified of their duties to report changes in securities holdings in the Company to the Office of the Securities and Exchange Commission within 3 working days of such changes together with the submission of a copy to the Company Secretary. A report would then be made to the meeting of the Board of Directors and Executive Committee on every occasion, in which every agenda would include a report of securities holdings of Directors and executive officers. Directors and executive officers assuming office for the first time are also required to report securities holdings in the Company to the Securities and Exchange Commission within the above time limit.

Company secretary annually arranges the board of director meeting schedule which is sent to all directors in advance in order to inform the period when securities trading should be abstained.

Although, Company secretary arranges the notification to related person for acknowledgement in prior the blackout period.

In 2018, Directors and executive officers of the Company had observed strict compliance with the said policies. No share trading was found during the prohibited period.

With regard to the principles of buying selling company' stocks, the Directors and Executive Directors are requested to inform the Board of Directors and/or the Company Secretary before carrying out the stock transaction at least 1 day.

4. Protection of the Conflict of Interest

1. With the transparent structure of shareholding, there is no report of the conflicts of interest. Meanwhile, the disclosure of shareholder structure has deliberately shown in the annual report as well as the overall shareholding of the Board of Directors.
2. The board of directors proceeds carefully and rationally with regard to conflict of interest and connected transaction. The company most concern on its benefits and set pricing strategy in compliance with fair trading conditions as if the transactions are engaged with third party. The process of such transaction is managed transparently and compliance with the regulation of the Stock Exchange of Thailand. Furthermore, the company set the regulation in its good corporate governance and business ethic binding upon company and shareholder. Information such as connected transaction is disclosed to ensure equal access by all.
3. The company has disclosed information to ensure equal access to information such as connected transaction. The company has performed according to announcement of The board of Stock Exchange of Thailand regarding the disclosure of information and operation of registered company on connected transaction.
4. Directors who have interests in the agenda must leave the room and refrain from voting on such agenda. Then, others directors can express the opinion and vote independently. The company secretary shall inform the name of interested directors to the meeting. The name of related person, relationship of connected person, pricing, transaction value and different opinion of directors (If any) shall be reported to the Stock Exchange of Thailand within requiring time. Besides, such details will be disseminated via company website for transparency including recorded in the minute of the meeting for examination.

In 2018, the company had connected transactions regarding financial assistance and related transactions. The company made such transactions in according to the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission.

Cross-Shareholding ratio; While the company allows the structure for cross-shareholding, nevertheless, such cross-shareholding is not of the nature conflicting with nor contradicting to the announcement by The Capital Market Supervisory Board no. Thor Jor. 28/2008 regarding “the permission request and the permission to offer newly-issued shares” (The details of cross-shareholding are disseminated under topic “Structure of Shareholding”

5. Asset purchasing control

The company controls purchasing of asset in accordance with the regulation of Capital Market Commission subjected “The acquisition or disposition of assets”. The directors who have an interest on such transaction are not take part for making decision for transparency and fairness.

In 2018, the company had transaction on acquisition or disposition of assets. Such transaction was made with related person. However, the company made the transaction in according to the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission.

Chapter 3: The Roles of stakeholders

The Company attaches importance and has laid down policies for the treatment of each stakeholder group. In this regard, the company established its good corporate governance policy which comprises Good Corporate Governance, Business ethics and Conducts for Management and Employees Policy. To ensure stakeholders’ equality, the policies are also disseminated to all directors and employee to be adhering as criteria for treatment of all stakeholders.

Business ethic was published under topic “good corporate governance” on company website www.pg.co.th, and disclosing compliance according to the policy in the social responsibility report (CSR report) and Form 56-1.

1. Shareholders

The company valued the shareholders as a business owners then it set company director as a representative of shareholders. Company executives and its staff duties on running business in accordance with good corporate governance for the most benefit and value to shareholders in long term. The Company respects the basic rights of shareholders as provided by the relevant laws and regulations. All shareholders are treated equally. The Company aims to create the greatest satisfaction for shareholders by taking into consideration the sustained growth of the Company and reasonable, fair and consistent returns, as well as a transparent management system and a reliable accounting system. The company maintains its assets, controls related transactions have the criteria for protect conflict of interest and misuse of internal information. Shareholders can believe that they will have correct information. (The details regarding shareholders rights are shown in chapter 1 “shareholders rights and chapter 2 “Equitable Treatment of Shareholders”)

In 2018, the company paid dividends At the rate of 0.23 baht per share, which was paid from the retained earnings after the company has already paid corporate income tax at rate 30 percent on May 18, 2018. which complies with company’s dividend payment policy.

Moreover, the Company has made quarterly reports of operational results and disclosed transactions with connected persons under similar terms to third parties via the press release system of the Stock Exchange of Thailand and the Company website.

2. Employee

All employees are considered the great assets of the company to achieve its business aspiration and organizational goals. The company is determined to help make its staffs feel confident and proud of the organization. It treats the employees with equity and without preferential treatments. It supports and enables a collaborative environment conducive to generate new innovations and technologies to advance their work. The company's fundamental policy is to foster unity, confidence, and trust among staffs, as well as to treat one another with respect, dignity, based on the individual rights. The company will consider the appointment and transfer of staff based on merit and the use of resources for highest benefits to company.

The Company has strongly intended to develop and enhance personnel's knowledge and skills based upon the integrated knowledge to serve the immediate current change of economy and technology. Company establishes stability in career and gives opportunity to success in career accordance with each potential. Employees are allowed to participate in setting direction and operation. Remuneration and welfare benefits are provided suitably and fairly as well as proper with employees' achievement, knowledge, responsibility, and performance. (The details are shown in Management Structure under topic employee)

The remuneration and welfare for employees

The company pays wages to employee by fairness treatment suitable with knowledge, capability, duty, and responsibility. Besides, the company has appointed the welfare committee to give opportunity to employees in taking part in the welfare management, and doing activities. Employee have communication channel set by the company to make suggestion or identify any working problem. (The details are shown in topic "the communication channel for Employee")

Remuneration to employees

The company has its policy to pay employees remuneration appropriately both short term basis in compliance with annual performance also compare with same business and long term basis which employees will be clearly measured their performance and potential. The company establishes stability in career path and gives opportunity to success in their career as well as properly manage others welfare to employees.

Provision appropriate welfare to employee

The Company has established the Provident Fund for employees' long-term benefits to promote the money saving for their future as well as to persuade employees to loyalty work for the Company. For members of the Provident Fund, they will monthly receive 3-5% of the wage as monthly contribution, and they will also pay the same amount deducting from their wages for their accumulated fund. When the employment is terminated, the employees will receive accumulated fund, contribution and the net profit of the fund.

The Company enhances and encourages all employees to be participated in organization development. There is an election of welfare committee (2 years term) to be employee representative and center to cooperate between employee and company. The committee is for helping and reliving employees' trouble besides welfare benefits provided by company. The welfare committee also gives consul and listen employees' opinion.

The company pays attention to welfare and employees' safety. As a results, company set welfare and basic benefits in compliance with Laws such as holiday, annual leave, including social security, compensation fund, and provident fund. Said benefits are continually advertised to employees.

1. Welfare on the Development of Employees

- Promotion of education during working hours and after working hours
- Training constantly on working knowledge, conducted by the Company and others.
- Provision of library, video, internet corner and intranet system

2. Welfare on Living-Cost of Employees and Employees' family

- Establishment the welfare shop selling saving-price consumer products from the Saha Group and others
- Provision of hygienic canteen with reasonable price
- Provision of uniform for both daily and monthly employees
- Provision of Transfer bus for employees
- Transportation allowance; vehicle and gas
- Provision of welfare for accidents, the death of parents and spouse, Including the allowance when the employee pass away
- Scholarship to employee's child in Saha Group

3. Welfare of Employee saving and Future Security Promotion

- The Provident Fund
- The Credit Union for Saha group employee
- Saving Project in association with the Government Savings Bank
- Provision of pension for the retired employees
- Housing loans in coordination with the Government Housing Bank
- Granting Awards and souvenirs to the employees complete working for 10, 20 and 30 years.

4. Health Welfare

- Clinic with doctors, nurses, medical equipment and medicine
- Project "Muscle Stretching" for employees of every branch in preventing working disease
- Medical Checking and tests for the breast cancer, cervical cancer, and etc.
- Health examination regarding working risk factors.
- Visiting sick employees

5. Welfare on Sports and Recreation

- Sport Events to foster good health, unison and good relation.
- Cultural activities and Religious activities
- Sports Club in association with I.C.C. International PLC.

Knowledge and Potential Development

The Company has a policy in encourage employees to have business capabilities, leaderships, teamwork, knowledge and skills. The training is based on actual performance under teaching from supervisors (coaching) such as learning from practical work (on the job training). As a result, employees have new experiences from colleague including learning through the classroom (Class room training) from internal speaker and outside. On average, each employee will be trained 7.99 hours per person.

Work Safety and Occupational Health

Safety, Occupational health and working environment Policy

The company attaches importance to the healthcare, safety, and working environment which are a part of success and cannot be separated from working. Employees and workers need to be safe and have good hygiene under working environment. Thus, human resources are the most valuable resource for the company. The company sets the policy of safety, occupational health and working environment, all employees and workers need to be informed and performed.

The company establishes occupational safety, health and working environment policies and also set the security team consisted of Safety Committee Occupational health and working environment (CSO) to take care of this particular task including continuous follow up. The Company communicates to all employees and workers to involve in the following actions.

- The company will promote safety working and preserve environment.
- The company will support safety working and provide safety tools including arrange safety workplace along with educating and motivating employees to work safely.
- The company set the policy for all commanders to take care and control subordinates to work in accordance with safety regulations and rules.

The Company also disseminates news regarding disease protection and health care via exhibition activities, public relation board, voice line and intranet system.

According to proactive measure to prevent accidents, there have been no accidents from work and no loss time injury as well as no sickness or disease from work. The Company has received honor Platinum award for 3rd years (no accident and no loss time from injury 16,225,144 man hours consecutively) in "Zero Accident Campaign" in 2018 from Ministry of Labor for consecutive eleven year and has been awarded for outstanding establishment in safety, occupational health and environment for 2018 as 4th year with Gold Level from Ministry of Labor.

Channel for Employees' Communication

Besides, the channel for complaint for stakeholders, the Company has provided a channel of communication for employees to make suggestions and identify problems between the employees and their superiors by way of a suggestion box of the Welfare Committee / telephone number 02-685-6518 or via intranet system. In addition, The welfare committee will receive complaints and summarize suggestions and other issues to propose to the Executive Committee and others of the relevant board respectively.

The Company has determined the Measures for the Protection including those who cooperate in the investigation will be protected from unfair practices due to the causes of submitting complaints such as disturbing the operation, Change or promote the job position, termination of employment, and etc.

In 2018, these suggestions would be considered and implemented in order to maintain good relationships between the parties, including hearings of opinions and suggestions from all employee levels equally and the complaint will be operated by using process that do not affect employees who report the clue which has been kept as a secret of the company.

3. Customer

The board of directors emphasized the importance of creating and maintaining customer then they set the business policy that company will run its business with honesty, no violation of clients' rights, equitable treatment, fairness compensation and on time delivery reasonable charge.

The policy of response customers' satisfaction has been implemented to comply with the agreement leading to the business achievement by complying with the conditions agreed with the customer (The details are shown under "Nature of Business").

- The Company also provides customer the recommendations, adequate and precise information, quick response, and confidentiality without misusing it. The company shall not take the customers' confidentiality to use for its advantage or related parties.
- Commitment to crates new innovation continually in order to delivery products and services to satisfy customers' needs in both of quality and fair price with safety, environmental friendly and sustainable growth in accordance with the company's quality policy "To be engrossed in producing quality products, delivering on time and continuous improvement".
- The Company recognizes the importance of keeping trade secrets. Do not apply for its own interests or those related parties.
- The company focuses on providing useful information to customers with clearly labels and beyond required by laws.
- The company provides communication channel for customers who may have questions, information, opinion to express and notify as following;

	Telephone	E-mail
Business 1 Division	0-2685-6535	nutchapunporn@pg.co.th
Business 2 Division	0-2985-6565	photchamarn@pg.co.th

In 2018, there were no significant complain from customers, for other petitions were analyzed in order to prevent, monitor and adjust to our organization. In order that such defects will not happen again.

4. Business Competitors

The Company has policies to treat its competitors which do not violate the trade secrets of competitors by fraudulent methods. The policies are as following;

- The Company operates its business in fair manner followed the agreement of competitors with fairly under the framework of the law and business ethics.
- The company do not seek the confidential information of competitor in a dishonest or inappropriate manner.
- The Company will not conduct any malpractices in eliciting secret, defaming, or accusing business competitors without the true information.
- Support and promote free trade, being fairness not to monopolize or requiring customers of the company to trade with the company only.

In 2018, there was no any dispute about business competitors.

5. Business Partners

The Company realized the significance of impartial and fair treatment with business partners. On the basis of fair business return, the business partner will not disgrace the Company's reputation nor commit any violations.

- 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.
- Procurement process is an important process in managing cost and product quality for maximum benefit to the company. Therefore, it has criteria and systems for evaluating and selecting partners and monitoring operations through the system “Approved Vendor List” according to ISO 9001 criteria.
- Supporting environmentally friendly procurement and avoid buying products with partners who violate human rights or violate intellectual property including not doing business with partners who have unlawful behavior.
- Apart from the business agreement, the Company shall not request, gain or accept money or other benefits.
- Focus on building relationships, good cooperation, and product development in coordination with partners to enhance the potential and efficiency of business operations in the long term under a “Win-Win” situation.

In addition, Procurement procedures were prepared as a business manual in order to provide fairness to business partners based on good corporate governance. (the details are shown under topic “nature of business”).

6. Creditor

The Company observes and adheres strictly to its debt obligations along with the fostering of good relationships with debtors. Mutual confidence and trust is promoted by strictly punctual repayments to the debtors. Moreover, the company does not use fraudulent methods or conceal any information or important facts That may cause creditors to be discredited.

The company applies Media clearing, transferring system of Bank to facilitate all creditors

- Billing Date During 5th - 11th of each month
- Transferring Date Every 25th of each month

In 2018, The Company meet the payment term which paid to trade account payable, and never been complained of default during the previous year and at present, the company does not have any creditors.

7. Labor

The Company oversees that the operations of all branches do not employ illegal labor.

8. Do not related any Human Rights abuses

The company realizes and attach importance of human rights as basic rights. The company conducted its business with strictly respect to law and human rights. It plays importance part of increasing human resources value counting as significant factors for business in adding more value and efficiency. The company do not discriminate. It promotes equality in organization, respect the democratic political rights, non-racial, religious, social, non-child labor and anti-sexual harassment.

- Provide knowledge and understanding of human rights principles to employee, and the company does not support businesses that violate human rights principles.
- Give the right to employees to argue for proving guilty or corruption, and no unfair of job termination.
- Arrange communication channels for employees who believe their rights have been violated or treated unjustly can complain to the company, and the complaint should be composed and conducted fairly.

Throughout the duration of the operation, the company has never treat employees unfairly and never had a case to the court in the matter.

9. Political Rights

- The Company promoted both executives officers and employees to exercise their political rights with respect to the Institution Law and other relevant laws.
- The Executive Officers and employees cannot convince their colleagues and subordinates to support any political activities directly or indirectly.

10. Government

Businesses are carried out in strict accordance with the provisions of laws and regulations of supervisory agencies, thus fostering good relations with state agencies. Cooperation is given in terms of providing accurate data as requested by the state agencies. The company makes accurate, full and timely tax payments according to the laws including value added tax, specific business tax, withholding tax, household tax, custom tax, exercise tax and corporate income tax.

11. Society and Community

The Board of Directors has raised awareness on corporate social responsibilities to the Executives and employees through activities. It aims to better the quality of life and increase social benefits for the communities of which operated business. This is regarded as the way to benefit society.

- Acknowledging people in the society and communities on the business operation as well as social responsibility with disclosure information to fostering better understanding
- Organize activities that truly benefit the community and society such as organizing career training (sewing) for the group of housewives , granting scholarship, and money donation to the foundations, non-profit organizations, hospitals, and religious events.
- Concerning on utilization of needed resources with less impacts on communities with respect to the good relationship to the society and communities.

The Company has certified CSR-DIW from the Department of Industrial Works, Ministry of industry. Which is an award for industrial entrepreneurs who have developed social responsibility operations continually and sustainably. (Details are provided in “Social Responsibilities Report”)

12. Environment

In compliance by Law

To ensure environment and safety performance, The company attaches importance to its role in maintaining the environment and preserving natural resources. The business operations have been taken into account impact on resources and the environment. The company work on environmental and safety in management of hazardous waste, wastewater and noise which conforms to international standard ISO 14000:2015 including good practices. The Board of Directors realized the significance of undertaken the business in accordance with laws, regulations and policies on the environment regarding the impact on natural resources and the environment and regular revisions and assessments of performance which are considered as one of the essential policies in the company’s mission statement, including a policy to select and promote the use of environmentally friendly products

- Employees throughout the organization are continually encouraged to have a conscience on responsibilities to the society, communities and the environment by arranging event and activities regarding environmental preserving via the meeting , training, seminar and media channel.
- Continuing to develop and improve production process, machinery, and technology in order to reduce impact to environment and community.

- Developing textiles and garments which are environmental friendly which being a part of reducing global warming such as Cool Mode / I-Flex and clothing with energy saving label no.5.

With our commitment and policy to run the business together with taking care of the environment, all factories of company received the certificate of the Environment Management System ISO 14001:2015 of design process and production of Men's wear , Ladies' wear , Swimwear, Children's wear, and knitted fabric from United Registrar of Systems (Thailand). Moreover, the Company received a certification for "Green System" Rang 3 Green Commitment from the Ministry of Industry.

Environmental quality and Safety report was stored in systematically and regularly monitored from Security Agency Occupational Health and Environment. The company send such report to the related governance on time specific by regulations and law.

In 2018, the company is ongoing into environmental management system certification ISO 14001:2015 and level four of green industry certification, green culture. (Details are provided in Social responsibility report).

Promotion on Effective Utilization of Resources

The company encourages efficiently use of resources in every business operation production process for the most benefit with realization the impact to environment. The company declares the energy saving policy and set up the energy and environment conservation committee to work on energy management in comply with energy saving policy.

The Company implements a policy to continuously promote all employees to use resources effectively and worthy by means of limiting the use of energy. Consecutively foster the idea of energy, oil and water supply savings to all employees and encouraged them to save energy both at office and home. The Company has also equipped employees with knowledge of energy saving and aware of the effect of Global Warming such as;

- Promote the environmental friendly production for both energy reservation and waste management for both of factory and office section, such as peak demand control system and evaporative. The use of energy-saving lighting equipment "LED", which provides brightness without heat. Do not use mercury vapor and fluorescent glaze like fluorescent tubes or chopsticks. No heavy metals problem to the environment and lasting up to 50,000 hours, etc.

In 2018, The company has created a pilot project for the use of solar cells in electricity generation by experimenting with installing the parking area of the company Which solar cell system can provide renewable energy by 9000 Kw / year.

- Develop of IT system called "Workflow" to replace the use of paper for office and factory, and VDO conference meeting.

The company joined "Clean Technology" campaign to continuously develop, improve, or make changes to production processes to ensure the optimized use of available resources, and to minimize pollution risks which may affect human and environment. (Details are provided in "Social responsibility report").

Arrangement of Training Coursed with Knowledge on Environment for Staff

The Company aware of environmental conservation by encourages executives and staffs joining the Global Warming alleviation campaign, sign board, voice line, and company intranet. The documents regarding environmental concern are provided in library room including set the event both inside and outside the Company continuously. These are example for training programs and other projects for employees to be attended.

In 2018, The company has participated in the project to develop waste utilization potential by focusing on sustainable resource management and recycle resources, control waste and pollution, which encourages everyone in the organization to participate through activities.

Policy to Abstain from Intellectual Property Infringement

The company realizes the importance and adhere the business policy not to relate with Infringement of intellectual property and the mimetic or intellectual property rights of others and not to use it in business without permission. Business undertakings shall be consistent with laws, regulations and contractual obligations governing intellectual property rights. With our policy to operate business based on ethical conducts and integrity principle as a guideline for executives and employees to clearly acknowledge, and to consider products and services to be used for business operation such as Product, Equipment, Tools, or Information technology and etc.

The company prohibits any type of intellectual property infringement as following practices;

1. All employee duties to protect and maintain confidential of company's intellectual property, do not let the information disclosed and do not using any company intellectual property in personal or others without permission.
2. All employee must respect and honor others intellectual property and do not use others intellectual property work or even just a part of its work by without permission of owner.

Trademarks

Foreign Trademark

The intellectual property rights of others shall be respected. The works of others shall not be infringed or applied to personal use except where a license has been obtained or a fee paid to the owner of the work.

The Company has been licensed for trademarks of International Brand, so we strictly honor all trade agreements, especially for International Brand, insist on legitimate business and not violate copyright. Foster the idea of anti and stop using any copy products to the employees.

House Brands

The company adheres not to engage in intellectual property infringement, by creating our business innovation on our own, so we encourage staff to create innovations in terms of products and services as well as joining hands with customers, trading partners and government to invent and develop high quality products and services to meet the demand of market and customers. The Company is the registered owner of various trademarks through the Department of Intellectual Property, Ministry of Commerce. Accordingly, the Company sold our House Brand products, which were our trademarks, in aboard and we already registered that trademarks with the registrar.

Furthermore, the company also encourages employees to send their innovative products to the Chairman Awards contest on a regular basis for consecutive 13 years . The award-winning products each year bring pride and inspiration to employees that always continue creating innovative products.

Software Usage

The Company mandates that all software used in company's operation is properly licensed. As such, the below is the list of guidelines sets to govern employees activities on computer network as follows.

- Will not use the computer program to conduct any activities that are not against the law, nor that would result in losses for other individuals.
- Will not use the computer program to act contrary to the public order or the moral values of Thai people.
- Do not use a computer network to send the document or take any other action in the manner of infringement of the intellectual property of others.
- Computer networks shall be used to search information for work, or to find useful knowledge to improve work efficiency only.
- Install only legally copyrighted software program onto computers.

- Do not install a computer program that violates the intellectual property rights of others.

In 2018, the company has never committed any intellectual property infringement or trade piracy.

Policy and Guideline on Anti-Corruption and Anti-Bribery Practices in Business Operation

The board of directors has policy to perform by anti-corruption laws. In this regards, the company set its anti-corruption policy and practice in business ethics as well as raises awareness, value, and good attitude of its executives and staffs toward honesty.

The company has a policy of against all forms of bribery and corruption. Directors, executives and employees are prohibited from accepting or supporting all forms of corruption both direct and indirect including perform their work by practices, law, announcement, and related regulations.

The company passed the certification from Private Sector Collective Action Coalition Against Corruption Council : CAC regarding Anti-Corruption since October 14, 2106 as Number 185. In 2019, The company is in the process of renewing the certificate.

Risk assessment

The company has established guidelines for monitoring and evaluating the implementation of anti-corruption policy by providing a risk assessment for corruption and bribery as part of the section that requires periodic monitoring by the Risk Management Committee.

In 2018, risk management committee assessed the potential of corruption by assessing corruption risk out of with others risk as there are risk management team (compliance unit) to monitor by following risk assessment practices.

Training and communication

To be a guideline for anti-corruption and communicate to directors, executives and employees at all levels for acknowledgement in their duties and responsibilities for operation and implementation to achieve maximum efficiency. Moreover, All employees are required to receive various training courses which are related to the prevention of corruption.

In 2018, the company continuously communicate and arrange training to its employee on policy and practice of anti-corruption including related policy such as business ethics, receiving gifts or customer reception. Every employee can reach such policy via intranet system and communication board. The company also communicate anti-corruption policy to its customers, business related, and business representatives via appropriate channel for having same practices and acknowledgement via company's website.

Practices on governance, prevention and monitoring risk from corruption

The company prescribe anti-corruption practices regarding governance and monitor risk from corruption as following;

1. Provide examination process, assess the internal system, manage risk regarding priority work such as purchasing system, sale system, accounting record system, payment system etc. These are to prevent and monitor risk from corruption including provide appropriate opinion on solving guidelines.
2. Provide channel for receiving information on clues, complaints, offenses, violations of laws, regulations, or anti-corruption policies. The policy protects the contributors or clues and keep contributor's details as confidential. The company also determine the penalty and act by related laws. If the company can contact the complainant, The company will inform the results in written.
3. The head of the relevant department is responsible for monitoring the implementation or improvement of defects (if any) and report to the supervisor accordingly.

Guideline on governance, prevention and monitoring risk from corruption

1. All directors, executives, and employees must regularly follow Corporate Governance practices which cover all practices regarding good governance, business ethics, director code of conduct, anti-corruption policy.
2. Provide internal audit to monitor internal control system, manage risk, corporate governance and provide appropriate feedback. The internal audit reviewed the annual audit plan approved by the Audit Committee and reported the significant results and recommendations to the Audit Committee.
3. The Risk Management is responsible for assessing the risks of corruption, implement effective anti-corruption as well as regularly review, improve and against corruption. The results are presented to the Risk Management Committee and report to the Board of Directors, respectively.
4. If any investigation found, and there is evidence that the complainant is guilty and there is penalty action in disciplinary (if any). Upon conclusion, the investigating committee shall report the findings to the Audit Committee, Corporate Governance Committee to proceed appropriately.

In 2018, the policy was strictly adhered, then no abnormalities found; moreover, the company encourages employees to participate in anti-corruption activities at the event “ Thai people....be acknowledge and fighting fraud on Anti-Corruption Day 2018” which is organized by anti-corruption organizations.

Policy and Principles of giving or receiving gifts or other benefits

- The Company allows the Executives and employees to give or receive gifts on special traditional occasions, which have no influence on the decision-making in business operation. In other words, giving or receiving gifts has been done with transparency.
- Gifts should not be costly, not in forms of cash or anything appraised as money.
- In case of receiving gifts or others on special occasions from business partners, the Secretary will record list of gifts and report to the Board of Directors.

In 2018, the Executives and employees have sent all gifts to the Secretary to allocate them to the employees under the project of “From Business Partner ... To PG” for consecutive 7 years to foster their pride for being a part of organization achievement.

Measure for the Protection of complainants (Whistle Blowing Policy)

The Company provides channels for complaints and clues both inside and outside the Company. They also deal with the appropriate complaints. The protection and confidentiality of the complainant is as follows.

1. Notification of Clues

The Company provides channels for reporting clues or complaints in case of suspected illegal activities or behavior that implies corruption or the offense against anti-corruption policy via the following channels:

1. Company's website : www.pg.co.th
2. Email or telephone

Units	E-mail	Telephone
Chairman of Audit Committee	kachornv@hotmail.com	-
Chairman of Corporate Governance Committee	santibangor@yahoo.com	-
Secretary to Audit Committee	pgaudit@pg.co.th	0-2685-6533
Company Secretary / Investor relations	suvimol@pg.co.th	0-2685-6509

3. By post : to Chairman of Audit Committee / Chairman of Corporate Governance Committee / Company Secretary / Secretary to Audit Committee

Address : People's Garment Public Company Limited
666 Rama 3 Road, Bangpongpan,
Yannawa Bangkok 10120

4. By Telephone number : – Company Secretary 0-2685-6509
– Secretary to Audit Committee 0-2685-6533

5. By Fax no. 02 294-5159

2. Complaint Processing Process

After getting clue or complaint, The company will conduct a preliminary investigation then forward to the Investigative Committee to carry out the collection, processing, examination and conclusion of measures to implement. The investigation results are reported to the Managing Director, Chairman, Executive Committee, Audit Committee Corporate Governance Committee and the Board of Directors, respectively. The company also notify such results to the complaint for acknowledgement.

3. Protection measures

This is to protect the rights of the whistle-blower / complainant and the co-investigator from unfair treatment as a consequence of the complaint, e.g. disturbances during work, reassignment or termination of employment. The Company will not disclose any information, or identify documents of whistle blower unless required by law. The company prescribes protective measures in case of insecure or may be damaged. Those who have suffered or damaged will be relieved with proper and fair procedures.

In addition, the Company provides the opportunity to stakeholders to express their opinions, suggestions, as well as complaints through channels and activities organized by the Company, for example, the Annual General Meeting of Shareholders of the Company and event Analysts and investors found Saha Group, which questions, comments, suggestions and complaints will be forwarded to the relevant authorities to take corrective and improving actions to meet the requirement of all stakeholders.

If company found any person who committed a wrongful act on company code of conduct, anti-corruption policy will be disciplined according to the company regulations or be punished by the relevant laws.

In 2018, business operation, there has never been action taken against a later-than stipulated announcement of information, a violence of labor law or any other law related to employment, consumers, business competition, and environment. There also has also never been any claim or petition made by stakeholders.

Chapter 4 Disclosure of Information and Transparency

Disclosure of Significant Information

The board of Directors recognizes the quality of information, accurate, sufficient, expeditious, nondiscriminatory and fair information disclosure. Ensure disclosure of significant information related to the company, both financial and non-financial information, or information that might affect the company's share prices, to all shareholders and interested investors in a complete, accurate, and equitable manners.

The disclosures are easy accessible to all stakeholders and party. Have all such information published in both Thai and English version on the Website of the Stock Exchange of Thailand and the company's Website, www.pg.co.th, in order to engender the confidential.

1. Corporate Governance : The company arranges the good corporate governance policy and principal, business ethics, and code of conduct, in writing and provide to all directors, executive and staff including public relation billboard, company intranet system, and company website (www.pg.co.th) including policies and practices against corruption.

In 2018, the results of performance according to the corporate governance policy were reported in conformity with the good corporate governance principles set by the Stock Exchange of Thailand, and publicized via the annual information report form (Form 56-1), the Company's annual report (Form 56-2), and the Company website.

2. Disclosure of Importance information regarding financial and non-financial : The Board of Directors has carried out the disclosure of the Company's significant data, including financial data and nonfinancial data as required under the Regulations of the Stock Exchange of Thailand and the SEC. Such disclosures were accurate, complete, timely and transparent, having been reviewed under the prescribed procedures. The information was published in both Thai and English via channels of the Stock Exchange of Thailand (www.set.or.th) and the Company website (www.pg.co.th).

2.1 The information shown in the report (Form 56-1) and Annual report of the company , and the Company annual report was transparently and completely disclosed in every aspect, according to the Criteria of Disclosure of the Stock Exchange of Thailand and the Securities (SET) and Exchange Commission Thailand (SEC). In order to provide shareholders information in making the investment decision, the information has regularly been updated.

In 2018, the Company has not been charged on any violation of SET or SEC Criteria of Disclosure.

2.2. Regarding the annual budget and quarterly budget, The Company has prepared the financial statements which passed the process of reviewing from the company auditor and approved by the Audit Committee and the Board of Directors before disseminating to shareholders and sending to SET and SEC. It is disclosed to shareholders and investors before the due date also disclosed significant information required in the notes of financial statements. Management discussion and analysis were disclosed on quarterly financial statements. Shareholders and general investors can use such information to make investment decisions.

- 2.3 Quarterly Financial Report, The Company reports every quarterly financial operation results in case of the net profit of latest financial statement changes more than twenty percent from the same period of last year. The company also disseminated analysis of quarterly operation via SET system and company website.

In 2018, financial statements both quarterly and annually in Thai and English version are disseminated via company website and can be downloaded. The Company financial statement was certified by Company Auditor with no conditions, though Company Auditor remarked that the Company sent financial statement to SEC and SET on time and not ordered to correct. There was no action from disclosure the information which does not meet requirements.

3. Report on the Board of Director' Responsibilities with respect to the Financial Statements : The Board of Directors appreciates the significance of preparing an accurate and complete financial statement in accordance with accounting standards. The disclosure of such data have been reviewed by independent auditors and approved by the Audit Committee and Board of Directors before publication to the shareholders. Also, in order to secure confidence, the Board of Directors have prepared a report on the responsibilities of the Board of Directors to the financial statements, signed by the Chairman of the Board of Directors and the Managing Director, published in the Annual Report and Form 56-1 together with the Auditor's Report. Such report provides evidence of compliance with the Generally Accepted Accounting Principles and the consistent application of appropriate accounting policies. Thus, investors are able to rely on such data when making decisions.

4. The Disclosure of Connected Transaction (Related Transaction) and/or the Entered Material Assets or Services Transaction : All these transaction should be approved by the Audit Committee and the Board of Directors so as to avoid any conflicts of interest. It should be carefully prepared for the best interest of the Company and shareholders. The approved report of budget was presented to the SET in both Thai and English languages, and disseminated in the Company's website, annual report and Form 56-1, according to the regulations of SET.

In 2018, there were 5 connected transactions which were in compliance with the prescribed rules. Details are provided in "Connected Transaction (Related Transaction)".

5. Company directors and executive directors including spouse and underage children must report transaction of stock trading and stock holding by arranging the report in accordance with laws. The transactions must be reported to SEC as following;

- 5.1 Report of company stock holding when first time of being appointed as director or executive. Using form 59-1 and the report need to be submitted within 30 days counting from the day of being such position.
- 5.2 If there are any changing in stock holding such as trading or transferring, use form 59-2. the report must be submitted within 3 days counting from transaction date.
- 5.3 The company must show directors and executives name lists in form 35E-1 when first time of being the position. The report must be submitted within 7 days counting from the day of being such position. Moreover, in every quarter directors and executives including spouse and underage child are requested to report the company common stock holding to company directors for acknowledgement.

6. Company directors and executives including related persons must report their conflict of interest which connected to company operation. The criteria and policy of disclosure are as follow:

- Report on the first office holding as the Director or Executive
- Report on any changes of stake holding data
- Report at the end of year
- In case of termination and reappointment as the Director in a consecutive way, the Director shall not present new report if there is no change of stakeholding.

- The Directors and Executives should present report of stake holding to the Secretary within 1 month after being elected/ appointed, and changes. After that, the Secretary will send the copy of report, within 7 days, to the Chairman of Board Directors , and Chairman of Audit Committee.

In 2018, the Directors and Executives have already reported their stock transaction, Company' shareholding and changes of stake holdings. (see details on "Shareholding and Management Structure")

7. Monitoring the use of internal data : The company has implemented a measure to prevent the use of internal data. The stipulation on this issue is the company's business ethics under the topic of Conflict of Interest, and has been disclosed in the annual report under the title of Good Corporate Governance; the topic is "Chapter2: Equitable Treatment of Shareholders".

8. Policy on Corporate Social Responsibility : The Company set the policy in its mission for practical guideline and substantial perform. This is a mission which all employees shall participate. Its details are provided in annual report under topic "CSR Report".

9. Communication between executives and Top-level management : Joint meetings every month between the Executive Committee and chief executive officers of all work units have been organized in order to disseminate information on the organization's business targets and business strategies. Communications are made to employees throughout the organization in order to share common understanding and practices in the same direction so as to achieve the business targets.

The President of the Board gave priority to attend the meeting and seminar with Executive Committee and chief executive officers of all work units annually in order to indicate concept, approach strategy and working philosophy, besides, to show opinions freely and encourage business operation for the purpose of the Company's target. In 2018, the meeting was held every month.

Apart from financial report or other information technologies to the Stock Exchange of Thailand (SET) and Securities Exchange of Commission (SEC) via designated channels completely, precisely and timely, the Company has revealed more information on several issues accordingly;

1. The disclosure of structure of shareholding, including name of the first ten major shareholders as closing date in the annual report, and company website: <http://www.pg.co.th>.
2. The disclosure of company organization in company's website and annual report.
3. The disclosure of shareholding of the Directors and Executives in the annual report.
4. The disclosure of nature of business, company operation, analysis of industrial trend and potential competitiveness, analysis of company performance, financial statement including company objectives and goal in topic " the nature of business" in the annual report.
5. The disclosure of risky factors in operating, types of risks, causes and effects, as well as guidelines to prevent or decrease risks.
6. The disclosure of policy on distribution of dividend in annual report.
7. The disclosure of roles and functions of company directors and subcommittee, the number of meeting attendance individually in article no. 5. " the responsibility of company directors in annual report. The details of directors and executives are disseminated via company's website.
8. The disclosure of date and year of appointment the directors that are presented in annual report.
9. The disclosure of criteria of director nomination and the assessment of director's performance.
10. The disclosure of the remunerations policy for Company Directors, Managing Directors and Executives by individually paid including type of payment, and the amount. The information are shown in article 5 "responsibilities of directors" in annual report.

11. The disclosure of development and training course that directors attended in the previous year.
12. The disclosure of internal control according to the concept of COSO revising framework in May 2013 as well as the result of internal control assessment, the results of assessment in 5 aspects with 17 principles, in the topic “internal control together with the corporate governance report from Audit Committee published in the Annual report..
13. The disclosure of whistle blowing policy in Chapter 3: Roles of Stakeholders topic “ anti-corruption policy” in the annual report.
14. The disclosure of annual report and notice of the shareholder’s meeting in Thai and English on the company website within 120 days, which is able to download.
15. The disclosure of charters, duties, responsibilities, qualifications and directorship terms of the Board of Directors and all Board Committees are publicized through the company’s website.
16. The disclosure of the Company’s article of association, vision and mission on the company’s website.
17. The disclosure of audit fee and other services fee beyond audit fee in annual report
18. Dissemination information and press release via company website

The dissemination of information

The company emphasizes on the information disclosure with complete, transparency, accurate via communications channel. Messages were sent through a variety of media channel to the benefit of the stakeholders such as:

1. The company set Investors relation unit for direct communicate to investor

The Board of Directors has designated the persons who would be able to provide data and information as required by investors and relevant persons. In this regard, the following person can be contacted:

- **Mrs. Suvimol Charoensrichai**
Company Secretary / Executive Secretary
Telephone 0-2685-6509 fax 0-2294-5159
Email: suvimol@pg.co.th

The Company announced the person and channel for contact via company website: www.pg.co.th under the topic “Investor Relations”.

2. In 2018, companies in the Saha Group joined the Stock Exchange of Thailand to organize the event “Analysts and Investors Meet Saha Group.” in the Saha Group Fair in order to provide an opportunity for analysts, investors and the media to listen the point of views related to business, policies and management directions of the company. The company in Saha Group has jointly prepared a book summarizing the history and operating results of the company to the participants which has been well welcomed by investors and analysts more and more every year. The company continues to strive to develop and expand its results to be organized annually.

3. The company educated and provided basic business understanding to professors and students by allowing them to study business operation system and factory visit. In this regard, Managing Director shall be a lecturer for making basic understanding on production process since raw material until finished goods.

4. Company website contained the information below;
 1. Shareholders structure
 2. Organizational structure
 3. Company regulation and memorandum
 4. Corporate governance policy / Corporate governance criteria / Business Ethics / Ethics of Directors, management and employees / Anti-corruption policy and the guidelines of Anti-Corruption Policy
 5. Annual report (Form 56-2) / Annual List (Form 56-1)
 6. Financial statement / financial performance including management's discussion and analysis for every quarter, both in Thailand and in English
 7. The board of directors charter
 8. Contact details and investors relation officer

Chapter 5 : Responsibility of the Board of Directors

The Board of Directors play a vital role in providing guidelines for Company's execution, monitoring the operation performance, issuing the policy of good corporate governance, business ethics, and employees' morality, included anti-corruption policy in written version and also disseminated such policy as a practice through organization. The company protect benefits for its shareholders also supervise the activities as legally implemented.

In the year 2018, the following cases had never happen to the company.

- Severe violation against stipulations of the Securities and Exchange Commission and the Stock Exchange of Thailand
- Corruption action or violation of ethics.
- Resignation of a non-executive director due to the reason of good governance.
- Loss of creditability due to the Board of Director's failure in monitoring the business.

1. The Structure of the Board of Directors

The Board of Directors consists of the Directors, the audit committee, the Remuneration committee, the nomination committee, the risk management committee, the corporate governance committee, the executive board, Managing Director, and company secretary, with approved qualifications and ability to check and balance each other.

Policy on board diversity

The company directors has determined the qualification of nominated director by considering the missing skills of existing directors including profession, specialization and gender as shown in the structure of board of directors.

Every time after the shareholders' meeting, the Board of Directors holds a meeting to establish sub-committees which has been earlier screened by the Nomination Committee. In 2018, the Board of Directors Meeting No. 2/2018 on 14 May 2018 passed resolution to establish 6 sub-committees and clearly authorized their duties and responsibilities and tenure.

With regard to the Company's regulations, the Board of Directors is comprised of at least 5 directors, and the greater part of more than 50% is currently living in the Kingdom of Thailand.

The Board of Directors comprises of individuals who are competent and plays important role in determining company policy. They work with senior management to implement operation plans, stipulate monetary policy and risk management policy. They participate a significant in supervise, monitor and evaluate the company performance.

1.1 The board of Directors

In 2018, there were 12 directors who named on certification letter of ministry of commerce consisting of;

Directors	Position	Appointment date	Year
1. Mr.Boonkiet Chokwatana	President	April 24, 1989	29 years 8 month
2. Mrs. Somporn Tiaviboonsiri	Director	July 2, 1982	36 years 6 months
3. Mr. Chailert Manoonpol	Director	July 29, 1985	33 years 5 months
4. Mrs. Sunan Niyomnaitham	Director	July 29, 1986	32 years 5 months
5. Mr.Charoen Charoenwatanasuksom	Director	April 27, 1992	26 years 8 months
6. Mr.Teerada Ambhanwong	Director	April 26, 1999	19 years 8 months
7. Mrs.Nuchanart Thammanomai	Independent Director	April 26, 1999	19 years 8 months
8. Mrs.Chortip Pramoj Na Ayudhya	Independent Director	April 22, 2002	17 years 8 months
9. Gen.Konecharnart Chunnabhata	Independent Director	April 28, 2009	9 years 8 months
10. Mr.Santi Bangor	Independent Director	April 28, 2009	9 years 8 months
11. Mr. Viritpol Chaitavornsatien	Director	April 26, 2016	3 years 8 months
12. Mr. Khachornsakdi Vanaratseath	Independent Director	April 25, 2017	1 years 8 months
Mrs. Suvimol Charoensrichai	Company Secretary		

Authorized Directors

An authorized act having a binding effect on the Company is requires the signatures of 2 directors out of the following 7 directors as well as the Company seal, namely as below:-

1. Mr.Boonkiet Chokwatana
2. Mr.Chailert Manoonpol
3. Mr.Charoen Charoenwatanasuksom
4. Mrs.Sunan Niyomnaitham
5. Mrs.Somporn Tiaviboonsiri
6. Mrs.Teerada Ambhanwong
7. Mr. Viritpol Chaitavornsatien

The board of director comprises of

	Number (person)			Percentage
	Male	Female	Total	
Executive Director	2	1	3	25.00
Non - Executive Director	2	2	4	33.33
Independent Director	3	2	5	41.67
Total	7	5	12	100.00

The company has non-executive directors more than 1 person who have working experience on core business of company or same industrial or big organization. Such experiences are benefit to company operation (details are shown in directors' profiles in annual report).

The Board of Directors consists of 5 independent directors, or 41.67% of the entire Board which is higher than a standard stipulated (one third or 33.33%) by the Capital Market Supervisory Board. The independent directors response in examining the operation of management team, expressing the opinion, supporting policy that benefit to shareholders or opposing the unfair or ambiguous that may effect to benefit of shareholders and stakeholders. The independent director also monitors on dissemination of related transaction to ensure that company and shareholders have the best interest.

The authority of company directors

1. To supervise and manage the administration in compliance with objective, company' s articles and resolution of shareholders' meeting as well as legal compliance.
2. To appoint one Director to be President and anybody to be Vice - President as appropriate.
3. To appoint, demote or empower the advisor of board of directors, other sub-committee, managing director, secretary company, and/or any other persons to practice
4. To approve a loan to related company as a shareholder or business partner or other company that has business relationship to company in case of the financial amount lying beyond the authority of executive directors.
5. To approve the guarantee of credit facilities to business partner as a shareholder or other company that has business relationship to company in case of the financial amount lying beyond the authority of executive directors.
6. To approve nonfinancial juristic act in case of the financial amount lying beyond the authority of executive directors.
7. To approve collection or cancelation of credit facilities in case of the financial amount lying beyond the authority of executive directors.
8. To approve investment and trading of stocks or other assets in case of the financial amount lying beyond the authority of executive directors.
9. To approve acquirement and investment in fixed asset in case of the financial amount lying beyond the authority of executive directors.
10. To approve adjustment, destroy, amortization of intangible asset and fixed asset that unworkable such as out of order, lost, destroyed, ruined, deteriorated, out of date in case of total book value lying beyond the authority of executive directors.
11. To approve price adjustment and destruction of raw materials, dead products or out of fashion products that lower book value in the financial amount that lying beyond the authority of executive directors.
12. To approve compromise, settlement of disputes by arbitration, complaint, lawsuit and/or implementation of judiciary on behalf of company for the matter of normal and abnormal commerce in case of the capital lying beyond the authority of executive director.

13. To propose the increase and decrease of capital or changing in stock value or amendment of memorandum of association, regulations, and/or company's objective to shareholders.
14. To approve the Chairman or executive committee for the responsibility on determining operating authority manual.
15. Having the authority to invite management team, executives and employee to present and express their opinion or submit related documents.
16. To consult the specialist or company consultant (if any) or hire consultant or specialist in necessary case by company's expenses.
17. To appoint and remove company secretary.
18. All the above authorities of company directors related to acquisition or disposition of assets and connected transaction need to be performing according to the regulation of the capital market commission.

Duties and responsibilities of The Board of Directors

1. To formulate visions, tasks and business policies of 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. Approve the interim dividend payment and report to shareholders' meeting for acknowledgement.
10. Set the date, time, and place for the annual shareholders' general meeting, and convene said meeting accordingly. Also set the rate for dividend payments (if any), and provide comments relating to the meeting agenda to the shareholders. In that regard, the company may suspend shares transfer registration for the period of 21 days leading up to the meeting, whereby the company is required to post such announcement to the shareholders at the company's head office and its subsidiaries for the period of no less than 14 days prior to such suspension. Otherwise, the company may set the date to finalize the shareholders' list (Record Date: RD) no longer than 2 months prior to the meeting to entitle the shareholders to attend the meeting, and to be eligible for dividend payments.
11. 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).
12. Report shareholding structure anytime of changing.
13. 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.

14. Approve the charter for The Board of Directors, and/or other committees.
15. Engage in those acts lying beyond The Executive Board's authority, or as deemed necessary by The Board of Directors.

1.2 Duties and Functions of President

1. Consider and determine meeting agenda with managing director and supervise all directors to receive information correctly, completely, clearly and in time before meeting in order to have appropriately consideration.
2. Be leader of the board of directors and be the president in board of directors meeting.
 - 2.1 To proceed the meeting in according to agenda, regulations, and laws.
 - 2.2 To allocate adequate time and encourage all directors to express opinion freely, discretion, and respect all stakeholders.
 - 2.3 To clearly summarize the meeting resolution and operations.
3. To be leader in shareholders' meeting and proceed the meeting in according to agenda, regulations, and laws. Also allocate adequate time including equally give the opportunities to shareholders for express their opinion and answer the questions appropriately and transparently.
4. Support and be model in performing by good corporate governance and ethics
5. Strengthen the relationship and support the work between the Board of company and management team.
6. Monitor the disclosure of information and transparency in the management of conflicts of interest.
7. To ensure that the Board has the appropriate structure and composition.

1.3 Merger and Segregation between Boards and Managements

The Company prescribes that the Chairman of the Board of Directors shall not be an Executive Director, Managing Director and shall not have any relationship with the entire management team. There is a clear separation in the functions with respect to supervisory policies and the management of routine functions. The Company has prepared a Charter of the Board of Directors with clearly prescribes and delineates the powers of all committees and the Managing Director.

The Chairman of the Board of Directors is the leader and controller of Board of Directors meetings in order to ensure independence. All Directors are able to express opinions or make suggestions fully. The management of the executives is supported through the grant of powers and responsibilities to the Managing Director. The Board of Directors does not interfere with routine management work.

Although the Chairman of the Board of Directors is not an Independent Director, the Company remains confident that the discharge of duties has always been undertaken with an understanding of good corporate governance principles. Decisions on significant matters approved by each relevant committee have achieved a balance and reviewed as well as strictly complied with.

In 2018, the Executive Board consists of 10 Executive Directors leading by the Managing Director for the execution of management planning to comply with the policies of the Board of Directors. The Executive Directors also participated in stipulating policies and missions.

1.4 Directors term and number of year term

Term of Directorship

1. At each annual shareholders' general meeting, one-third of the sitting directors are required to retire from directors, whereas if the number of directors cannot be divided into 3 equal portions, the closet to such number shall apply. Retiring directors are eligible for re-election.
2. In the case where the position of Board member is left vacant due to reasons other than term completion, with such remaining term not less than 2 months, The Board of Directors are required to appoint other persons having full qualifications to succeed in that position. In such case, the newly-appointed Board member may only serve out the term remaining for the person he/she succeeds.

3. Apart from retiring upon term completion, the company director shall also relieved of his/her position upon resignation or death or having disqualifications as prohibited by laws or the resolution adopted by the shareholders' meeting to remove that person from the position, or court ruling remove that person from the position.
4. The company director resigning from the position before term completion is required to submit his/her resignation letter to the company, with such resignation coming into effect on the date of said submission and may notify the resigning to registrar of resignation under the law of public company.

Furthermore, nomination committee screen and nominate right person to ensure that the elected person has knowledge, capability, and experience before proposing to the board of directors. Term of all company directors and independent directors are disclosed the above.

Term of independent directors

The board of directors does not specify the office holding term of independent directors since the shareholders' meeting will approve the resolution of the election of company directors and independent directors.

The board of directors has information for considering the election of independent directors whose term has ended. In 2017, there were 5 independent director named below;

Independent Directors		Appointment date	Years
1. Mrs. Nuchanart	Thammanomai	April 26, 1999	19 years 8 months
2. Mrs. Chortip Pramoj	Na Ayudhya	April 22, 2002	16 years 8 months
3. Gen. Konechamart	Chunnabhata	April 28, 2009	9 years 8 months
4. Mr. Santi	Bangor	April 28, 2009	9 years 8 months
5. Mr. Khachornsakdi	Vanaratseath	April 25, 2017	1 years 8 months

1.5 Holding Office Regulation for the Directors and/or Managing Director

The Board of Directors has not specified the number of listed companies that each director takes a director position, believing that competency and business expertise of each director has nothing to do with the number of companies he takes if every director has commitment and determination to perform his duty as he has been trusted by the Board of Directors and the shareholders.

The Directors who hold office in other companies should be approved by the Board of Directors, according to the regulations of holding office for the Directors.

The disclosure of name and information of every Director holding office in other companies has been shown in the Form 56-1 and the annual report. At present, there are one Directors who hold office in 5 listed companies. Nonetheless, the company believes that there will not be any impacts on their performance. Furthermore, the Directors have shown their dedication in working and regular attendance in the meetings. Those are the reasons why the Company does not specify the number of listed companies for the Directors to hold.

Being company director of listed company (No. of company)	No. of company director (person)	Percentage	Name lists	
5 companies	1	8.34	Mr. Boonkiet Chokwatana	Non-executive director
4 companies	1	8.33	Mrs. Teerada Ambhanwong	Non-executive director
3 companies	1	8.33	Mr. Khachornsakdi Vanaratseath	Independent director
2 companies	3	25.00	Mr. Chailert Manoonpol Mrs. Nuchanart Thammanomai Mr. Santi Bangor	Non-executive director Independent director Independent director
1 company	6	50.00	Mr. Charoen Charoenwatanasuksom ** Mrs. Somporn Tiyaiviboonsiri Mrs. Sunan Niyomnaitham ** GEN. Konechamart Chunnabhata Mrs. Chortip Pramroj Na Ayudhya Mr. Viritpol Chaitavornsathien **	Executive director Non-executive director Executive director Independent director Non-executive director Executive director
	12	100.00		

Remarks: ** Executive Director who hold position as director only 1 listed company.

Regarding holding office in the other listed companies, the Company's Directors and Chief Executive Committee, Directors and Chief Executives Officers of the Saha Group will consider such criteria of those companies as types of business and the necessity in assigning the Managing Director or the Company Executive to be the Company's representative concerning partnership or partnership contract. If necessary, they will send the Director or the Executive who has knowledge, skills, and expertise in that area to hold office.

1.6 Self-evaluation by The Board of Directors

The Board of Directors provided the opportunity for each director to carry out evaluation of the performances by entire The Board of Directors in 2018, which was implemented on a yearly basis, so as to review performance results, problems, and obstacles faced during the past year, in order to contribute to better effective performances by The Board of Directors.

In 2018, The Board of Directors agreed with the Corporate Governance Committee recommendation on preparation of performance appraisal form for individual directors and subcommittees adding from the previous year. Company secretary sent the self-evaluation form to all directors. All company directors answered self-assessment form independently and delivered to company secretary who will collect and summarize then report to the board of directors meeting.

The evaluations for annual performance of the board of director are divided by;

Score	Criteria
Up to 90 percent	Excellent
Up to 70 percent	Very Good
Up to 50 percent	Fair
Less than 50	Need improvement

Annual Assessment of the Board of Directors

The Board of Directors set performance assessment of the Board of Directors. The assessment is divided into 3 areas as following;

1. Role, Duty and Responsibility
2. Independently
3. Relationship between executives and stakeholders

Annual Assessment of company directors by individually

The Board of Directors set individually performance assessment of company directors. The assessment is divided into 3 areas as following;

1. Role, Duty and Responsibility
2. Working Performance
3. Self development

Annual Assessment of sub-committee

For 2018, The Board of Directors set performance assessment of sub-committee. Each member need to assess working performance of their own sub-committee in overall image. The assessment is divided into 3 areas as following;

1. Director Structure and qualification
2. The Director's meeting
3. Role, Duty, and Responsibility

Annual Assessment of Executives Committee

Board of Directors provide a self-assessment of the Executive Committee. Each member is responsible for evaluating other Executive Directors on specific topics. The evaluation results is used as a part of determining the remuneration to Executive Directors and another part is from the discretion of Remuneration Committee. The assessments are as following;

1. Role, Duty, and Responsibility
2. Relationship with subordinates and stakeholders
3. Self-development
4. Working transparency

The average rating of the Board of Directors, both individual and sub-committees.

	Scored	Criteria
1. The Board of Directors	78.42	Very Good
2. The Board of Directors by individually	83.13	Very Good
3. The Audit Committee	88.89	Very Good
4. The Nomination Committee	81.48	Very Good
5. The Remuneration Committee	78.00	Very Good
6. The Risk Assessment Committee	77.45	Very Good
7. The Corporate Governance Committee	85.00	Very Good
8. The Executives Committee	72.62	Very Good

Annual Assessment of Managing Director

The assessment of Managing Director was done by the remuneration committee. The evaluation criteria is as following ;

1. Leadership
2. Company performance (Sale revenue and profitability)
3. Applying policies and strategy planning
4. Relationship to the board of directors and stakeholders

For 2018, The Remuneration committee has evaluated managing director's performance.

1.7 Development of Directors and Executive Officers

The Board of Directors and executive officers have appreciated their roles, duties and responsibilities to the Company. Thus, the Company has attached importance to the development of all personnel throughout the organization, consistent with the leadership and vision of the Directors and executive officers, in order to enhance knowledge, competencies, skills and potentials. The Board of Directors and executive officers are encouraged to attend seminars and training in courses that are beneficial to the performance of functions as are held internally or externally, including work visits abroad. The following is samples of courses trained by IOD:

- Director Accreditation Program (DAP)
- Director Certification Program (DCP)
- Finance for Non-Finance Director
- Roles of Compensation Committee Program (RCC)

In 2018, the Company's Director attended some seminar and training courses, i.e.

Director / Executives	Seminar / Training course
Mrs. Sunan Niyomnaitham	<ul style="list-style-type: none">- CFO Getting Together held by Stock Exchange of Thailand- Drafting Financial Reporting Standard No.16 related to "the lease agreement" organized by the Saha" Group Accounting and Finance Management association- Adaptation to the changing direction of accountants Organized by Saha Group Accounting and Finance Management association.
Mrs. Suvimol Charoensrichai	<ul style="list-style-type: none">- "Disclosure of information according to the new CG code" organized by The Securities and Exchange Commission.- "Smart Disclosure Program" (SDP) organized by the Stock Exchange of Thailand- "Set Social Impact Day 2018" organized by the Stock Exchange of Thailand- "Road to certify" organized by Institute of Directors Association- Sustainability Report Workshop: Get started with GRI Standard organized by the Stock Exchange of Thailand- Enhancing Good Corporate Governance based on CGR Scorecard organized by Institute of Directors Association.- Connected transactions of listed companies and acquisition or disposal Organized by the Saha Group Company Secretary in association with SEC.

Director / Executives	Seminar / Training course
Mrs. Sasivimol Kluyasritrakul	<ul style="list-style-type: none"> - “CVC new investment strategy” Organized by the Stock Exchange of Thailand - “Upcoming changes to your financial reporting” organized by the Thai Listed Companies Association with the Stock Exchange of Thailand - “Story of corruption news and accounting standard” organized by the Federation of Accounting Professions - “Adaptation to the changing direction of accountants” organized by Accounting and Law Office Association - Drafting Financial Reporting Standard No.16 related to “the lease agreement” organized by the Saha” Group Accounting and Finance Management association
Ms. Salinla Chaiput	<ul style="list-style-type: none"> - “Connected transactions of listed companies and acquisition or disposal” organized by the Saha Group Company Secretary in association with the Stock Exchange of Thailand. - The impact of the new financial reporting standards on revenue from contracts made with customers (TFRS15) and leases (TFRS16)With the preparation of financial reports of listed companies organized by the Stock Exchange of Thailand - Drafting Financial Reporting Standard No.16 related to “the lease agreement” organized by the Saha” Group Accounting and Finance Management association - Adaptation to the changing direction of accountants Organized by Saha Group Accounting and Finance Management association. - “Story of corruption news and accounting standard” organized by the Federation of Accounting Professions

Orientation of New Directors

The Company has arranged for the orientation of new Directors in order to inform them of the Company's policies and relevant information, such as the Company's principal business, operating results, organizational structure, shareholders, including relevant rules and regulations as well as plant visiting. Also, for the benefit of the discharge of functions by new Directors, the Company has prepared a handbook for Directors, as follows.

1. Director's Handbook

- Securities and Exchange Act (No. 4) B.E. 2551 (2008)
- Charter of the Board of Directors
- Certificate of Registration as a Public Limited Company
- Company Certification and Objects of the Company
- Articles of Association
- Good Corporate Governance Handbook
- SEC's Listed Company Directors Handbook

2. Other Information

- Visions and goals of the Company;
- Annual Report together with an introductory presentation on the Company's business description

for new Directors.

3. Organize meetings with the Chairman, Managing director and Chief Executives Financial Officer for inquiries about the company's business operations by assigning the Company Secretary to be the coordinator for various matters.

Current directors and Management Executives

Continuing education is provided to these directors through sponsorship of relevant training courses offered by IOD which Ten Directors from Twelve Directors, or 83.33% underwent such courses, and participation in more such courses are in the works, both concerning directors' duties and Company business in general. All executives are continually trained in relevant laws and regulations that are helpful to their performance and its organization in the management role.

Relevant parties in corporate governance

The Company Secretary, the secretary to the Audit Committee, officers engaged in investor relations, as well as those doing relevant jobs, regularly attend assorted training courses and sit in on seminars on relevant and current topics, and topics that are helpful to their performance organized by SEC, SET, Listed Companies Association, and IOD.

1.8 Company Secretary

The board of directors had appointed Mrs. Suvimol Charoensrichai as company secretary. (The duties and responsibilities detailed in topic : management structure, subject "company secretary").

2. Sub committee

The company has 6 sub committees which details below;

	Persons	Independent Directors	Non-Executive Directors	Executive Directors	Executive Officers**
1. Audit Committee	3	3	-	-	-
2. Remuneration Committee	3	1	1	1	-
3. Nomination Committee	3	1	2	-	-
4. Risk Management Committee	5	1	1	1	2
5. Corporate Governance Committee	4	1	-	2	1
6. Management Executive	12	-	-	3	9

Remarks : Those 6 supporting committee have their term for 1 year.

** Executive Officer which was not the Company Director.

All sub-committees need to be selected by the nomination committee which duty on carefully proposed appropriate person to be appointed by the board of directors. Sub-committee has specific duties and presents the subject to the board of directors for acknowledgement. The board of directors may appoint other sub-committee in compliance with appropriateness and situation. Sub-committees are not comprised entirely of Independent Directors, but Non-Executive Directors, Executive Directors and Independent Directors. All such Directors are qualified and have a good understanding of their roles as Directors and committee members. Functions are performed with responsibility, loyalty, honesty, morality, care, prudence and independence. It is believed that all Directors have such an understanding and carry out strict compliance. The composition of each committee is also accepted by the shareholders.

Furthermore, the company reviews performance of the board of directors and sub-committee annually. However, the Directors and Chief Executives have never been employed or be in a partner of the external audit firm during the past two years.

2.1 Audit Committee

The Board of Directors' meeting No.2/2018 held on May 14, 2018 approved a resolution of appointment of Audit Committee. The committee appointed at least 3 persons who have qualification in accordance with laws of The Stock Exchange of Thailand and one of them must have accounting and financial knowledge to be audit committee as named below.

Names	Position	
1. Mr. Khachornsakdi Vanaratseath	Chairman of Audit Committee	Independent Director, having knowledge on Accounting and Finance
2. Mrs.Nuchanart Thammanomai	Member of Audit Committee	Independent Director, having knowledge on Law
3. Mr.Santi Bangor	Member of Audit Committee	Independent Director, having knowledge on Financial
Mrs.Napatsorn Sudlapa	Secretary to the Audit Committee	

Remark: Audit Committee has its term for one year, which starts counting on May 14, 2018.

Meeting: In 2018, Audit Committee convened 4 meeting. All 3 members of the committee attended all meetings.

Functions and Responsibility of Audit Committee performing by the Charter of Audit Committee

1. To review the financial statements of the Company to ensure that financial reporting is sufficient and accurate.
2. To review the internal control system and internal audit to ensure efficiency and effectiveness, to monitor anti-corruption and to consider the independence of internal audit units as well as to give approvals for appointments, transfers or terminations of heads of internal audit units or other units responsible for internal audits.
3. To review the Company's compliance with the law on securities and exchange, regulations of the Stock Exchange of Thailand and laws relating to the Company's businesses.
4. To consider, select, propose and demote independent persons for appointment as the Company's auditors and propose the remuneration for such persons, and also to attend meetings with the auditors without the presence of the management which must be held at least once a year.
5. To scrutinize connected transactions or transactions which may contain conflicts of interests in order to ensure compliance with the law and regulations of the Stock Exchange of Thailand, as well as to ensure that that such transactions are entered into reasonably and are in the best interests of the Company.
6. To prepare an Audit Committee Report which must be disclosed in the Company Annual Report. Such report must be signed by the Chairman of the Audit Committee and consist of at least the following information:
 - (a) Opinion pertaining to the accuracy, completeness and reliability of the Company's financial statements;
 - (b) Opinion pertaining to the sufficiency of internal controls in the Company;
 - (c) Opinion pertaining to compliance with the law on securities and exchange, regulations of the Stock Exchange of Thailand or laws relating to the Company's businesses;
 - (d) Opinion pertaining to the suitability of the auditor;
 - (e) Opinion pertaining to transactions that could potentially give rise to conflicts of interests;
 - (f) The number of Audit Committee members and the meeting attendance of each Audit Committee member;
 - (g) General opinion or observation expressed by the Audit Committee in relation to the performance of functions under this Charter;
 - (h) Other items deemed as necessary information for shareholders and investors generally within the scope of duties and responsibilities as assigned by the Board of Directors.

7. In the discharge of its duties, if the Audit Committee finds or is under a suspicion that the following transaction or act has been committed, which may have a substantial impact on the financial standing and operating results of the Company, the Audit Committee shall file a report to the Board of Directors in order to effect remedial actions within the period as deemed appropriate by the Audit Committee:
 - (a) transaction giving rise to a conflict of interests;
 - (b) fraud or irregularity or a significant deficiency in the internal control system;
 - (c) violation of the law on securities and exchange, regulations of the Stock Exchange of Thailand or laws relating to the Company's businesses. If the Board of Directors or executive officers fail to carry out the remedies within the prescribed period, any Audit Committee member may report such transaction or action to the Office of the Securities and Exchange Commission or Stock Exchange of Thailand.
8. To support and monitor the Company's implementation of an efficient risk management system.
9. To revise and amend the Charter of the Audit Committee and propose such revision or amendment to the Board of Directors for approval
10. To perform other acts as assigned by the Board of Directors with the approval of the Audit Committee pursuant to powers under the Company Articles and the law.

Responsibility

In performing the above duties, the Audit Committee is directly accountable to the Board of Directors and the Board of Directors remains responsible for the Company's operations with respect to third parties.

2.2 Remuneration Committee

In 2018, the Board of Director meeting no. 2/2018 on May 14, 2018 considered and approved the appointment of 3 members of Remuneration Committee, with 1 Independent Director as following names:

Names	Position	
1. Mr.Boonkiet Chokwatana	Chairman of RemunerationCommittee	Non-Executive Director
2. Mrs.Sunan Niyomnaitham	Member of Remuneration Committee	Executive Director
3. Mrs.Chotip Pramroj Na Ayudhya	Member of Remuneration Committee	Independent Director

Remark : Remuneration Committee has its term for one year, which starts counting on May 14, 2018.

Meeting : In 2018, the Remuneration Committee convened 1 meeting. All 3 members of the committee attended the meeting in order to consider monthly compensation of executive director for 2017 and propose yearly compensation for 2019 by presenting to company director and shareholder meeting respectively for getting an approval.

Functions and Responsibility of Remuneration Committee

1. To determine the remuneration of Company Directors, taking into consideration other companies in the same industry, the growth and performance of the Company and the remuneration limit approved by the meeting of shareholders and remunerations paid in the preceding year, in order to make a proposal to the Board of Directors for consideration and submission to the meeting of shareholders for approval.
2. To consider the distribution of remuneration of Company Directors, Audit Committee members, Nominating Committee members and Remuneration Committee members, taking into consideration the functions, responsibilities and performance of such committees, within the limit approved by the meeting of shareholders, and making such proposals to the Board of Directors for approval.
3. To revise and amend the Charter of the Remuneration Committee and to submit such revisions or amendments to the Board of Directors for approval.
4. To carry out any other acts as assigned by the Board of Directors.

Responsibility

In performing the above duties, the Remuneration Committee is directly accountable to the Board of Directors and the Board of Directors remains responsible for the Company's operations with respect to third parties

2.3 Nomination Committee

In 2018, the Board of Director meeting no. 2/2018 on May 14, 2018 considered and approved the appointment of Nomination committee, which had 3 members; one of them must be Independent director, as following names;

Names		Position	
1. Mr.Boonkiet	Chokwatana	Chairman of Nomination Committee	Non-Executive Director
2. Mrs.Somporn	Tiyaviboonsiri	Member of Nomination Committee	Non-Executive Director
3. Mrs.Chortip	Pramoj Na Ayudhya	Member of Nomination Committee	Independent Director

Remark: Nomination Committee has its term for one year, which starts counting on May 14, 2018.

Meeting: In 2018, the Nomination Committee convened 1 meetings. All 3 members of the committee attended all meetings.

Functions and Responsibility of Nomination Committee

1. To determine rules and procedures for the Nominating of Company Directors.
2. To consider the qualifications of the directors With approval from the Board of Directors. In the appointment of each director, the appointed directors must have qualifications in accordance with relevant laws and regulations. The appointed director should also have knowledge, ability and experience in business operations together with leadership and strategic thinking as well as having appropriate personal qualifications.
3. To consider the selection of persons having suitable qualifications for a Company Director for nomination to the meeting of the Board of Directors for approval. Where a directorial position has become vacant by reason of a resignation, the Company Board of Directors shall appoint a director to fill in the position. As for other cases, the Company Board of Directors must submit the candidate to the shareholders for consideration pursuant to the Company's articles.
4. To consider and review the structure and element of company director
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 complete any assignment assigned from the Board of director.

Responsibility

In performing the above duties, The Nomination Committee is directly accountable to the Board of Directors and the Board of Directors remains responsible for the Company's operations with respect to third parties

In 2018, the Nomination Committee convened 1 meetings. All 3 members of the committee attended all meetings to consider the nomination of replacements for directors who expire their term in the year 2018 and to nominate and appoint sub-committee and to present to company director and ordinary shareholder meeting for getting an approval respectively.

Moreover, the committee arrange meeting for nominating independent director who have qualification in accordance with the rules of Capital Market Supervisory Board in order to support Structure of Company Director pursuant to good corporate governance principal. Therefore, the Company has independent directors one third (1/3) of board of directors.

2.4 Risk Management Committee

In 2018, company director meeting no. 2/2018 on May 14, 2018 considered and approved the appointment of Risk Management committee which consists of 5 members; the chairman is Independent Director, as following names;

Names	Position	
1. Gen.Konechamart Chunnabhata	Chairman of Risk Management Committee	Independent Director
2. Mr. Chailert Manoonpol	Member of the committee	Non-Executive Director
3. Mr. Charoen Charoenwatanasuksom	Member of the committee	Executive Director
4. Ms. Nopparat Asawasiripong	Member of the committee	Executive Director
5. Mrs. Suvimol Charoensrichai	Member of the committee	Executive Director
Ms. Chapaon Srisuntisuk	Secretary	

Remark : Risk management committee has its term for one year which start counting on May 14, 2018.

Meeting : In 2018, the Risk Management Committee convened 4 meetings. All 5 members of the committee attended all meetings.

Function and responsibility of Risk Management Committee

1. To accept the risk management policy from company director for planning risk management for all level in the organization
2. To propose the appointment of risk management team to company director for acknowledgement
3. To follow, specific and evaluate the risk which presented by risk management team
4. To evaluate and consider risk management plan which presented by risk management team
5. To report the risk management to company director for getting agreement
6. To supervise the effective of risk management
7. To revise and amend the Charter of the Risk Management Committee and to submit such revisions or amendments to the Board of Directors for approval.
8. To complete any assignment related to risk management assigned from the Board.

Responsibility

In performing the above duties, The Risk Management Committee is directly accountable to the Board of Directors and the Board of Directors remains responsible for the Company's operations with respect to third parties.

2.5 Corporate Governance Committee

In 2018, company director meeting no. 2/2018 on May 14, 2018 considered and approved the appointment of Corporate Governance committee, which consists of 4 members; the chairman is Independent Director, as following names;

Names	Position	
1. Mr.Santi Bangor	Chairman of Corporate Governance Committee	Independent Director
2. Mr.Charoen Charoenwatanasuksom	Member of the committee	Executive Director
3. Mrs.Sunan Niyomnaitham	Member of the committee	Executive Director
4. Mrs.Suvimol Charoensrichai	Member/Secretary	Company Secretary

Remark : Corporate Governance committee has its term for one year which start counting on May 14, 2018.

Meeting : In 2018, the Corporate Governance Committee convened 2 meetings.

Function and responsibility of Corporate Governance Committee

1. To revise and consider Corporate Governance Policies, Business Ethics and Code of Conduct for Employees to ensure the appropriate and up-to-date.
2. To propose the guideline to perform in accordance with the corporate governance principle for the Company's directors, sub-committee, executives including employees in every level.

3. To follow and supervise the operation of the Board of Directors, managements and employees in order to conform with corporate governance framework, the Company's policies and related laws and regulations.
4. To propose the corporate governance report to the Board of Directors including opinion and suggestion for conduct appropriated revision.
5. To assign policies and guideline for the operation of Corporate Social Responsibility and follow such operation (CSR) then report to the Board of Directors.
6. To control the effectiveness of corporate governance to be consecutively and appropriated success.
7. To propose the appointment of corporate governance team to company director for acknowledgement and getting agreement
8. To revise and amend the Charter of the Risk Management Committee and to submit such revisions or amendments to the Board of Directors for approval.
9. To complete any assignment related to risk management received from the Board.

Responsibility

In performing the above duties, the Corporate Governance Committee is directly accountable to the Board of Directors and the Board of Directors remains responsible for the Company's operations with respect to third parties.

2.6 Executive Committee

The executive committee functions as management team which set up for managing company business assigned by the board. The company director meeting no. 2/2018 on May 14, 2018 considered and approved the appointment of 10 members of Executive Committee.

In 2018, executive committee convened 12 meetings. The schedule of meeting was set yearly in advance.

Names		Position
1. Mr.Charoen	Charoenwatanasukom	Chief Executive Director/Managing Director
2. Mrs. Sunan	Niyomnaitham	Deputy Managing Director/Chief Financial Officer
3. Mr.Viritpol	Chaithavornsathien	Director
4. Ms.Nopparat	Asawasiripong	Assistant Manager, Personnel Department
5. Mrs.Sasivimol	Kluyasritrakul	Assistant Manager, Account and Finance Department
6. Mrs.Nutchapunporn	Sunthornwiset	Manager, Business 1 Division
7. Mrs.Kalayanee	Chantarapikul	Manager, Purchasing Division
8. Mrs.Photchamarn	Engkanisarn	Manager, Business 2 Division
9. Mrs.Suvimol	Charoensrichai	Manager, Registration Division/Secretary to the Executive Board
10. Ms. Salinla	Chaiput	Assistant Manager, Account and Finance Department

Remark: the board of executive directors has 1 year term counting from May 14, 2018.

All 10 members have no forbidden qualifications:

1. No record of committing criminal offenses against property, which was done in bad faith.
2. No record of a potential conflict of interest with the Company during the past year.

Functions and Responsibility of Executive Committee

1. To supervise operations in line with the Company's tasks and to comply with the Company's business policy in view of achieving the Company's business goals as well as the objectives of shareholders' resolutions.
2. Developing the organization and personnel in terms of knowledge and full competence and building organizational culture.
3. To sequence the importance of company director 's decision and use it for getting effective management.
4. To consider the agenda before presenting to the company director.
5. Having a duty to report on plan progression and budget approved to the Board of Directors every quarter.

6. Arranging for a meeting with chief officers of each department every month on the quarterly basis to follow up and monitor operating results.
7. Arranging for the General Meeting with chief officers of each department in the fourth quarter of each year to jointly set business targets and the Company's plans for next year with aim at the continual and sustainable growth.
8. Considering financial policies, loan raising, investment, and lease/lease agreements within specified amount limit which is not more than 20 million baht.
9. To consider policies pertaining administration and organizational restructuring.
10. To consider business and marketing policies.
11. To consider personnel policies and approve the adjustment of employee salary scales and bonuses.
12. To consider the approval of juristic acts binding on the Company or other acts not performed in the usual course of business within the prescribed financial limit which is not more than 20 million baht.
13. To report on shareholding whenever Changing.
14. To promote the good conscience of executives and employees in their performance of duties in line with the Company's business policies, business ethics and employee code of conduct.
15. Others followed or assigned by meeting's resolution.

Responsibility

In performing the above duties, The Remuneration Committee is directly accountable to the Board of Directors and the Board of Directors remains responsible for the Company's operations with respect to third parties.

2.7 Authority and Responsibility of Managing Director

The Board of Directors has recognized the Principle of Good Corporate Governance, and to be in compliance with Chapter 3/1 of the Securities and Exchange Act, B.E. 2535 as amended by the Securities and Exchange Act (No. 4), B.E. 2551, it deems expedient to establish the Charter of Managing Director as follows:

1. To manage the Company and administer the operations in compliance with policies, laws, 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 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 command, allocate, appoint, relieve, transfer, promote, enforce disciplines, evaluate as well as to determine the company personnel's remuneration and welfare benefits of employees. All said power must not be inconsistent with the power of Executive Committee.
4. To issue regulations on the Company's operations, such regulations not being inconsistent with or contrary to the policies, articles of the Company, regulations orders and resolutions of the Board of Directors and/or Executive Committee.
5. To grant or approve the investment in permanent asset in the specific amount which is not more than 20 million baht.
6. To grant or approve selling or buying ordinary shares and/or others securities issued by other companies in the specific amount which is not more than 20 million baht.
7. To approve the juristic act of non-financial transaction in the specific amount which is not more than 20 million baht.
8. To report the operation under article 5,6,7 to the Executive Board for acknowledgement as appropriate at the next meeting.
9. To grant and/or delegate powers to other persons to perform specific tasks on behalf of the Managing Director.
10. 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.
11. In the event that the above powers may not be thoroughly clarified or causing any doubt (uncertain) in exercising, the matter must be submitted for the Board of Directors' consideration.
12. To carry out any other acts as assigned by the Board of Directors and/or Executive Committee.

2.8 The nomination and appointment directors and Top-Level management

The nomination directors

The Nominating Committee has been assigned to select qualified persons having appropriate qualifications. For such nominating process of the persons to be appointed directors, the company has set the screening criteria for such candidates based upon their basic qualifications and qualities that can meet the requirements of the vacancy, in order to have The Board of Directors with knowledge and various field of expertise, including leadership, vision, integrity and ethics, as well as transparent work experiences and not be prohibited under the laws and regulations of the company. The board of directors had clearly determined functions and responsibility of directors as in manual of directors for listed company as following;

1. Be legal (Fiduciary Duties)
2. Be carefully (Duty of Care)
3. Be honesty (Duty of Loyalty)
4. Be responsibility to duties (accountable)

In 2018, the Company has formulated the structure of the Board of Directors. As a result, the proportion of the Executive Directors, Non-Executive Directors, and Independent Directors was more appropriated in monitoring the good corporate governance rigorously, though having the Independent Directors less than 50%.

Director and Independent Director Selection Process

Nomination Committee nominates and screen independent director who have qualification follow the standard of the Stock Exchange of Thailand and Securities and Exchange Commission to propose to the board of directors and shareholders' meeting.

Determination of Independent Directors' Qualifications

According to Notification of Capital Market Supervisory Board TorChor 4/2009 title Application for and Approval of Offer for Sale of Newly Issued Shares which was announced on February 20, 2009 and effective on March 1, 2009. The definition of independent director were changed, therefore the qualification of independent director should be conformed to the said notification. People's Garment Public Company Limited has defined the qualification of independent director which is more intensive than the minimum principal of the Securities and Exchange Commission and the Stock Exchange of Thailand by determination to hold the share not more than 0.5 Percent (which the Securities and Exchange Commission determine 1.0 Percent) and the independent directors are independent and have the following qualifications: which the details are following;

1. Holding not more than 0.5 percent of total voting shares of company or its parent company, its subsidiaries, its associated companies, including stocks held by connected persons of the independent.
2. Not being or never been board member who participated in management of its parent company or an executive director, employee, staff, advisor who receives salary of a controlling person of company, its parent company, its subsidiaries, its associated companies, same- level subsidiaries or a juristic person who may have conflicts of interest unless the foregoing status has ended for more than 2 years, excluding independent director who ever be government official or advisor for government service which is major shareholder or controlling person of company.
3. Not being a person related by consanguinity or legal registration, such as father, mother, spouse, sibling and child, including spouse of the children, management, major shareholders, controlling persons, or persons to be nominated as management or controlling person of company or its subsidiaries.
4. Not having or never had a business relationship with company, its parent company, its subsidiaries, its associated companies or a juristic person who may have conflicts of interest, in the manner that may interfere with his independent judgment, or is not or has not ever been a major shareholder, non-independent director or management of any person having business relationship with company, its parent company, its subsidiaries, its associated companies or a juristic person who may have conflicts of interest unless the foregoing relationship has ended for more than 2 years.

The term “ business relationship” aforementioned under paragraph one includes any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or grant or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, including any other similar actions, which result in the applicant or his counterparty being subject to indebtedness payable to the other party in the amount of 3 percent or more of the net tangible assets of the applicant or 20 million Baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the calculation method for value of connected transactions under the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Act of Listed Companies concerning the Connected Transactions mutatis mutandis. The combination of such indebtedness shall include indebtedness taking place during the course of a year prior to the date on which the business relationship with the person commences;

5. Not being or never been an auditor of company, its parent company, its subsidiaries, its associated companies or a juristic person who may have conflicts of interest and is not a major shareholder, non-independent director, management or partner of an audit firm which employs auditors of company, its parent company, its subsidiaries, its associated companies or a juristic person who may have conflicts of interest unless the foregoing relationship has ended for more than 2 years.
6. Not being or never been any professional advisor including legal or financial advisor who receives an annual service fee exceeding 2 million Baht from company, its parent company, its subsidiaries, its associated companies or a juristic person who may have conflicts of interest, and is not a major shareholder, non-independent director, management or partner of the professional advisor unless the foregoing relationship has ended for more than 2 years.
7. Not being a representative of company director or its major shareholder or a shareholder who is related to company’s major shareholder.
8. Not being a director in other organization that compete with or related to company, its subsidiaries, or not being a partnership of organization that compete with or related to company, and not being an executive director, employee, staff, advisor who receives salary, and not holding share more than 1 percent of total voting shares of organization that compete with or related to company.
9. Not having characteristics which lead to incapable of expressing independent opinions regarding company’s business.

After appointed to be independent director who qualifies as stated above, such independent director may be assigned by the Board of Director for taking part in the business decision of company, its parent company, its subsidiaries, its associated companies, same level subsidiaries, major shareholder or controlling person on the condition that such decision must be a collective decision.

The nomination and appointment for Top-Level management

The nomination for Top-Level management (The executive director)

The nomination process for chief executives will be considered by nomination committee. The nomination committee selects current executives or others who have knowledge, capability, and qualification in conformity with business nature of company also have the ability to manage company tasks to achieve objective and goal determined by the board of directors. Moreover, candidates who have no forbidden qualifications by laws, will be proposed to the board of director for appointment.

The nomination for executives (Secondary executives)

The nomination process for executives is considered from the selection of the persons who have good qualifications and sound morality and ethics to join the company. The company provides the opportunities to be executives by training and developing employees through the evaluation process of employees’ potentials and capabilities. Such employees who pass the evaluation shall be assigned to challenging tasks and have higher responsibility scope. The company alerts to develop all employees to replace the position in case of vacancy.

3. Roles, Duties and Responsibilities of the Board of Directors

The Board of Directors has been elected by the shareholders as their representatives in implementing company's policies. They collaborated with the Executives in formulating vision, missions, strategies, operational plan, annual budget, good governance, and supervision in order for the executives and employees to aim in the same direction including supervising and monitoring the operation performance.

In 2018, the Board of Directors has legally operated the company in compliance with the laws and regulation. Therefore, there is no infringement on the official regulations found.

3.1 Leadership and Vision

Leadership

The Board of Directors is comprised of persons with knowledge, competence, skills and experience in the Company's principal business. The vision, mission, strategies and goals as well as working plans and annual budget are determined in order to enhance operational efficiency for the greatest benefits of the business and achievement of the Company's business goals. In this regard, the Board of Directors undertakes the duties of monitoring the management of the executive according to the various working plans, as well as the determination and delineation of roles, functions and responsibilities between the Board of Directors, executive officers, employees and relevant persons.

In addition, the Audit Committee has been entrusted with the function of supervising the operations of the internal audit section so as to ensure sufficiency for the business and to ensure suitable risk management in order to achieve the highest safeguard of interests. The principles of good corporate governance are applied as management tools for adding value to the business and the shareholders.

Vision

The board of directors realizes the importance of business operation. In this regard, the company determines vision and missions for directors, executives, and employees to have one goal in business operation. Besides, company's vision and mission will be reviewed on yearly basis.

In 2018, the company defined its vision in conformity with social responsibility and environment.

3.2 Good Corporate Governance

The Board of Directors appreciates the importance of good corporate governance. In consequence thereof, the Board of Directors has laid down a policy on corporate governance in writing, consisting of 5 parties, i.e. corporate governance policies, corporate governance principles, business ethics, employees' code of conduct and Anti-Corruption policy. The corporate governance policies are reviewed annually and disseminated via company's website. Such policies were handed to the Board of Directors, executive officers and all employees of the Company, in order to be a guideline for all employees to responsibly their duty with good conscious, to promote the implementation of good corporate governance systems in the organization, thus achieving transparency in business operations. (Full version of corporate governance policies, business ethics, code of conduct for company directors, executive officers and employees are published via company's website).

The company encourages directors, executives and employees to acknowledge and follow the Good Corporate Governance policy, Good Governance principles, Code of Conduct and Ethics of Board of Directors, executives, and employees. The Board of Directors will follow these stipulations to be a good model for employees to follow. Moreover, members of the Board of Directors and new staff will receive this policy manual at an orientation, and they will sign a commitment to follow the policy stipulation in their operation in order to express the commitment in adhering to the essence in the manual as a guideline for operation.

The company has the Audit Committee, the Supervisory Committee, and the Internal Audit Unit, to ensure compliance with the good governance policy. A follow-up has been scheduled in a year plan of the company. On a quarterly basis, a follow up result shall be reported directly to the Audit Committee together with recommendations and solutions to prevent any damage that may occur to the company.

3.3 Conflict of Interests

The Board of Directors has clear guidelines for managing the avoidance of conflict of interests prudently and reasonably, and in order to confer the greatest benefits for the Company and the shareholders. Transactions which might entail conflicts of interests have been notified by the Company and the resolutions disclosed specifying the value of the transaction, the contractual party and reasons of necessity for entering into such a transaction in accordance with the rules of the Stock Exchange of Thailand. The interested Directors have left the meeting room and did not vote on such agenda so as to ensure independence in decisions and information were disclosed immediately in the interest of transparency.

Connected transactions would be considered by the Board of Directors meeting on the suitability of the transaction and the Audit Committee would give its approval for the disclosure of information in Form 56-1 and the Annual Report.

In 2018, the board of directors approved 5 connected transactions which perform strictly to prescribed rules including the transaction not exceeding the approved amount (Details appear in the topic “Connected transaction(Related transaction)” in the annual report)

3.4 Promotion of Social Responsibility, Environment, and Human Rights

The Company realized on the importance of social responsibility and environment in parallel with the business operation. Therefore, the Company focuses on fostering quality of life in surrounding communities, human rights awareness, and fair employment in the sustainable ways. (details are shown in “Article 3 Roles of stakeholders” in annual report).

3.5 Internal Control and Audit Internal Control

Internal Control

The Board of Directors attaches importance to and has installed a control system for operations, financial reporting and compliance with rules, regulations and policies. The internal audit units were entrusted with the duties and responsibilities of carrying out audits on compliance with the installed internal control systems for subsequent reporting to the Audit Committee and the Board of Directors. Such audit units are independent in the exercise of their functions. The Board of Directors would conduct an annual review of the suitability and sufficiency of internal control systems in all 5 areas, i.e. organization and the environment, risk management, control of executive operations, information and communication system, and monitoring systems.

In Board of Directors meeting no. 1/2019, held on 26 February 2019, which was also attended by the Audit Committee, the sufficiency appraisal form of the Company’s internal control system was considered. The meeting was of the opinion that the Company had sufficient and effective internal control systems as per the Audit Committee report in Form 56-1 and the Annual Report article “Internal control”.

The Internal Audit

The Board of Directors has assigned the Audit Committee to inspect the sufficiency, appropriateness, and effectiveness of the internal control system. The results of the internal audit should be reported to the Board of Directors and shareholders. Moreover, the Internal Audit Unit, separated as one unit of the company, should reports directly to the Audit Committee.

Mrs. Napassorn Sudlapha, the Secretary of the Audit Committee, was appointed as the Manager of the Internal Audit Unit.

Profile in brief

Education : Bachelor in Business Administrations, Accounting, Ramkhanhaeng University Training
Background : - Course “ The method to design Audit working paper organized by Saha group internal audit association.
- Course “Sustainable growth in the age of information based on account understanding and taxation related to the Saha Group business organized by Saha Group Accounting and Finance Management Association

Work Experience : 1997 – Present:- Manager of Internal Audit Unit 2000 – Present:- Secretary to the Audit
1990 – 1997 :- Assistant of the Auditor of Thammakan Accounting Committee

Responsibility

The review and assessment of sufficiency and effectiveness of the internal audit using standard auditing measures in proposing improvement for the added value of the organization, and simultaneously supporting the good corporate governance.

In 2018, the Board of Inspection has effectively performed their responsibilities as assigned. Has an internal audit unit as a tool to help support the mission to be completely accomplished. The evaluation of internal control system revealed that there were some issues to be improved as well as recommendations for corporate operation, which were presented to the Board of Directors in the quarterly meeting.

The Internal Audit Unit will report a follow-up and cross-check result of the internal management to the Audit Committee every quarter. In 2018, the Audit Committee had arranged 4 meetings and reported to the Board of Directors every quarter. The Audit Committee has reported their views on the adequacy of the company's internal audit and risk management system in the Annual Report under the title of "The Report of the Audit Committee".

3.6 Risk Management

The risk management is a policy implemented systematically in the organization under the supervision of the Risk Management Committee comprising the Independent Directors, Managing Directors, and Executive Directors.

In this regard, the Top-Level executives of each department have been appointed as a commission responsible for the risk management according to the policy and assigned duties. The report on risk management is presented to the Audit Committee, the Board of Directors and the Executive Board. The Board of Directors permits the Non-Executive Directors to conduct their meeting without attendance of the management unit. If necessary, they can propose statement of necessity to the Board of Directors to be considered. Whenever there is a significant risk or an irregular transaction. These proceedings are taken to ensure that the level and magnitude of damages that could occur are maintained within acceptable, assessable and controllable levels for the organization that can be systematically inspected with due consideration to the Organization's goals.

In 2018, the Risk Management Committee arranged totals 4 meetings and report to the Audit Committee, Executives Committee, and Board of Directors in every quarter. Such report regards opinion and consideration which approved from all committee and benefit to company operation. The company has disclosed the guidelines for managing risks in the topic "Risk factors" and "the Risk Management Committee report" of this annual report.

4. Board of Directors Meetings

4.1 The Board of Directors had determined that meetings shall be held at least once in every quarter. A schedule of Board of Directors meetings is prepared one year in advance wherein the agenda are clearly stated. The Company Secretary would submit such schedule in the December of each year.

4.2 The submission of documents at least 7 days prior to the meeting date so as to give the Board of Directors sufficient time to consider and examine the data prior to attending the meeting. Except in the event of urgency for the protection of the Company's interests where notice may be given less than 7 days. Each meeting would last approximately 2 hours.

4.3 Directors are able to express opinions openly and independently. The Chairman of the Board of Directors would compile the opinions and conclusions obtained from the meeting. The resolution shall be done by major vote. Each member has one vote. Interested Directors in each agenda would abstain from voting or abstain from giving an opinion or be absent from the meeting. If the votes are equal, Chairman of the meeting shall cast one vote to be decisive.

For passing the resolutions on each agenda, it must contain two-thirds of company directors.

4.4 The board of directors pays more attention on management of conflict of interests of all stakeholders by entirely disclosing information. A director who has conflict of interests must not participate in such agenda.

4.5 In a meeting of the Board of Directors, if there is a query or a need to obtain additional information from relevant persons, the Managing Director would invite a high level executive officer to give an explanation. In case of information required, company directors can contact company secretary.

4.6 The Board of Directors allows non-executive directors to held meetings amongst themselves in the absence of the management in necessity and present to the board for acknowledgement.

After the meeting, The Company Secretary would record the meeting and archive the minutes of past meetings that had been endorsed by the meeting and verified by signatures of the Chairman of the Board of Directors. In additional, company directors can express opinion or amend on the minutes of the meeting.

Minutes of Board of Directors meetings and committee meetings are made in writing. Such documents are archived in original document format at the Company Head Office for convenience of reference.

In 2018 , the meeting held as following;

- The Board of Director held 6 meetings (contained 1 Special agenda) with all directors attended not less than 80 percent of the meeting time (details are provided in Management Structure topic)
- The Audit Committee and internal audit held a meeting with company auditor at least once in a quarter. The representatives from management team also attend the meeting.
- Audit Committee had the meeting with management team independently by brain storming and opinions expressing. Such minutes was reported to the board of directors.
- The Corporate Governance Committee agreed and proposed to the Board of Directors and support the non-executive directors to freely convene meetings which in the year 2018 the directors have considered, there were no issues that require a meeting without the executive.

5. Remuneration of the Directors and Executive Officers

The Remunerations Committee would determine the appropriate remunerations limit after taking into account the experience, duties, scope of roles and functions, participation and responsibilities of each Director for proposal to the Board of Directors and to the meeting of shareholders for approval of such remunerations limit.

The remuneration of the CEO / Managing director is in accordance with the criteria and policy set by the Remuneration Committee. The Remuneration Committee considers the remuneration of the Chairman of the Executive board / Managing Director, including salary, bonus and annual remuneration.

In the year 2018, the Chairman of the Executive board / Managing Director received salary amounted 2,572,800 Baht. (without bonus and annual remuneration for 2018).

Remuneration for executives is in accordance with the principles and policies set by the Remuneration Committee based on each performance, duties and responsibilities.

(The criteria and policy of remuneration to each Director and Executive are disclosed in “The Management Structure topic “Remuneration for directors and executives” of Annual Report and Form 56-1).

6. Succession Plan

The company has succession plan for all positions in management level. The process starts from nominate appropriate persons with transparency manner, then develop and train such person continuously, and assess their performance. In this regard, company aims to build executives officer who have knowledge, capability, and be leader and specialist together with honesty. The company believes that its operation will run continuously and effectively.

The Board of Director has realized the importance of preparation for succeeding personnel of the retired of Top-Level management and Department Managers, the succession plan is as follow;

6.1 The criteria for Top-Level management (Executive directors) are as following;

1. Provide the explanation of chief executive officers regarding goal and company's strategies and specific required qualifications.
2. Select secondary executive officers who have vision, knowledge, and capability.
3. Analyze qualification of each executive officer for seeking strong points and thing that need to be improved.
4. Make development plan for each executive officer for promoting their potential and capability.

The Company has conducted monthly meeting moderating by Executive board, Top-Level management, and Secondary executive (being successor) including Chairman of the company (who is the Chairman of the Nomination Committee) as a part to support the succession plan.

In this regard, the Nomination Committee and the Executives board continuously follow and evaluate the operation of person who would be assigned to be next Executive, for give approved and after that, present to the Board of Directors for next approving.

6.2 The criteria for unit chief are as following;

1. To develop the visions, knowledge and skills of the potential Executives and to promote them as Chief executives respectively.
2. To provide more academic knowledge and hands-on trainings.
3. To allow the secondary executives to collaborate and attend the meeting with Top-Level management.
4. To select the secondary executives of high potential to succeed and place in the appropriate positions.
5. To prepare personnel with specific capabilities to have more comprehensive management capabilities.
6. To provide middle management to have more opportunity to manage their duties at the level of work.
7. To conduct systematic trainings in every department
8. To train the Top-Level management and middle management to work with responsibilities and honesty focusing on the corporate image to become an executive sequentially.

Apart from this, the company provide the meeting among the Managing Director, Chief Executives, and nominated Executives (acting successor) which has been conducted every month. In addition, The Annual Meeting also has been conducted to stipulate the missions for the next year in order to reinforce collaboration and raise awareness of organizational management as a part in succession plan.

7. The operation of anti-corruption

The company advocates for anti-corruption and anti-fraud practices, as well as raises awareness, value, good attitude and honesty to directors, executives, and employees. A part of anti-corruption management plan is risk evaluation on working process in every department. In this regards, the internal audit department acts as an assessor.

In 2018, Risk management committee had quarterly report on anti-corruption, which there was no abnormal found. The company has communication channel for advertising on anti-corruption policy as following*

- Orientation new employees
- Manual of good corporate governance policy
- Company's website, intranet and billboard
- Publish Animation VDO

Besides, the company expands anti –corruption policy to business partners in order to run business with transparency and fairness.

8. A Survey of Corporate Governance Practices among Listed Company

In 2018, Thai Institute of Director associated (IOD) with Securities and Exchange Commission Thailand and Stock Exchange of Thailand in a survey of corporate governance practices among listed company in 2018, the total listed is 620 companies, by evaluation from Annual Report 2017 and information disclosure in 2018. The survey result for the Company was **“Excellent”**.

Score	Meaning
90-100	ดีเลิศ
80-89	ดีมาก
70-79	ดี

Number of Evaluating Criteria;

Categories	Evaluation criteria (clause)		Weight (%)	
	2018	2017	2018	2017
1. Rights of Shareholders	32	32	15	15
2. Shareholder's Equality	19	19	10	10
3. Rights of Stakeholders	29	29	20	20
4. Transparency and Disclosure of Information	53	53	20	20
5. Responsibility of the Board	108	108	35	35
Total	241	241	100	100

Details of Corporate Governance Evaluation

Categories	2018 (%)	2017 (%)	2016 (%)
Rights of Shareholders	92	92	92
Shareholder's Equality	99	99	98
Rights of Stakeholders	93	93	93
Transparency and Disclosure of Information	96	89	92
Responsibility of the Board	83	79	78
Score Average	90	87	87

9. Applying 2017 good corporate governance principles for listed companies.

CG	CG Code
1. Rights of shareholders	Practice no. 1 Awareness of the Board's Responsibility as an Organization Leader who creating sustainability to organization
2. Shareholder's Equality	Practice no. 2 Defining objectives and business goals of possible entity for sustainability
3. Rights of stakeholders	Practice no. 3 Encouraging the Board to achieve its duties
4. Transparency and Disclosure of Information	Practice no. 4 Nominating and developing Executives level and Human Resource Management
5. Responsibility of the Board	Practice no. 5 Promoting its innovation and Operating business with responsibility
	Practice no. 6 Arranging the internal control system and risk management
	Practice no. 7 Keeping credibility and disclosing significant information
	Practice no. 8 Supporting the participation and communication with shareholders

The company has processed its management according to the followings:

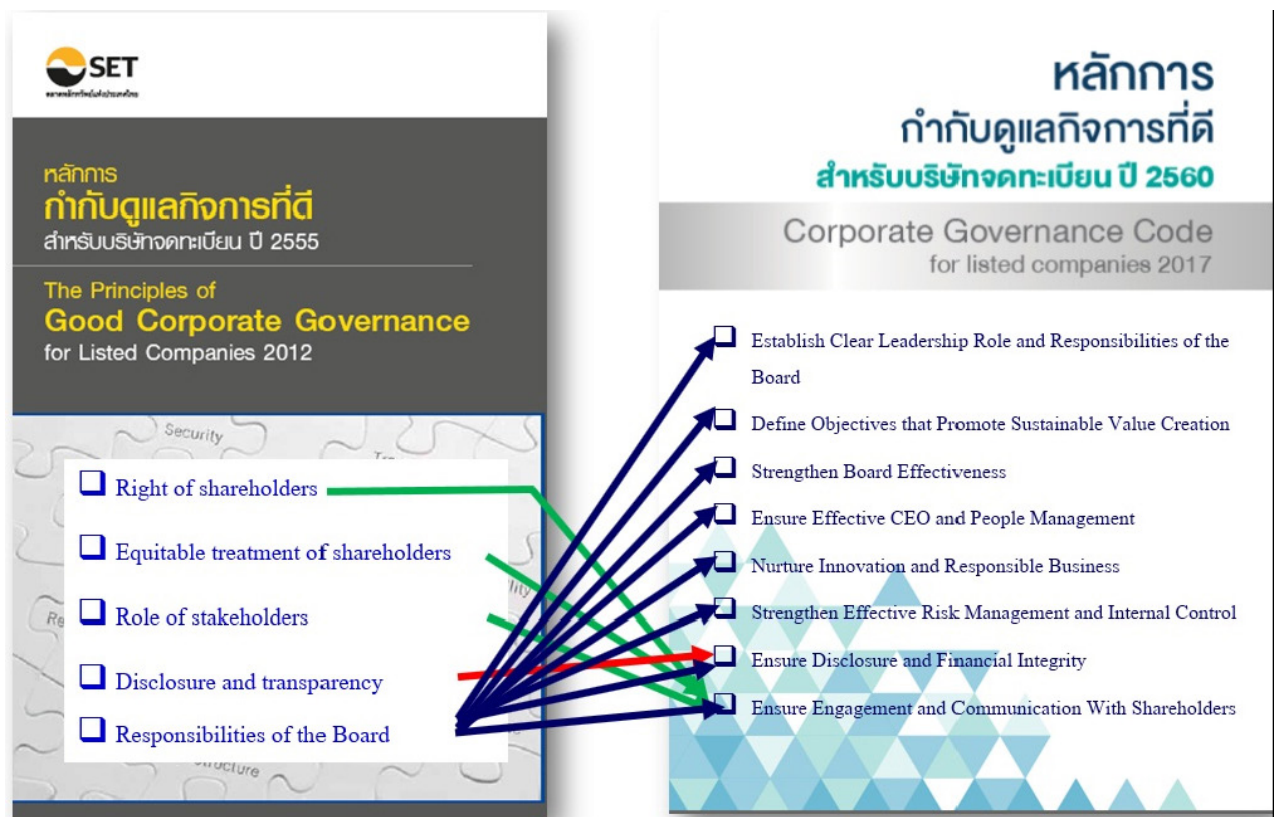
- : Good corporate governance principles for Listed company in 2012 Which are separated into 5 categories (Corporate Governance Principle: CG Principles)
- : Good corporate governance principles for Listed company in 2017 Which are separated into 8 categories (Corporate Governance Code: CG Code)

In this regard, the Board of Directors Meeting No. 6/2561 on December 21, 2018 has approved to adopt the CG code to be suitable for the business context of the company.

For practices that are not appropriate for the business operations of the company, The Corporate Governance Committee will be presented and reviewed on a yearly basis.

In 2018, The company implemented 5 CG categories which the Corporate Governance Committee agreed and proposed to the Board of Directors which will be implemented in 8 categories and will be processed into 8 categories in 2019.

การเชื่อมโยงหลักการกำกับดูแลกิจการที่ดีปี 2555 และ 2560



In 2018, the Corporate Governance Committee introduced IOD's recommendations to the Board of Directors to develop the corporate governance of the listed company (CGR project). The Company has implemented the recommendations of the IOD by considering the appropriateness except some principle that company has differently chosen to use as following explanation ;

Principles	Company Statements
Chairman of the Board of Directors should be Independent Director	<p>The Board of Directors Meeting no.2/2018 held on May 14, 2017 passed the resolution to appoint Mr. Boonkiet Chokwatana to be Chairman of Directors and Authorized Person</p> <p>The company ensured that Chairman has strictly performed his duties with understanding of good corporate governance principles.</p>
The Board of Directors should specify the number of listed companies that each director can hold which is not more than 5 companies.	<p>The Company does not limit the number of companies for each director because the Nomination Committee will consider appointing a person to be the Company's director by considering on his knowledge, ability and sufficient time to perform duties for the company.</p>

Principles	Company Statements
The Remuneration Committee should mostly consist of Independent Directors (More than 50%)	<p>The Remuneration Committee consists of Independent Directors, Non-Executive Directors, and Executive Directors counting as 33.33%, 33.33% and 33.34% consecutively.</p> <p>The Board of Directors agree that all members of the remuneration committee feel free to express their opinion perform their duties with transparent and fairness. The composition of these committees is therefore appropriate.</p>
The Nomination Committee should entirely and/or mostly consist of Independent Directors (More than 50%)	<p>The Nomination Committee consists of Independent Directors and Non-Executive Directors counting as 33.33% and 66.67% .</p> <p>The Board of Directors agree that all members of the remuneration committee fell free to express their opinion perform their duties with transparent and fairness. The composition of these committees is therefore appropriate.</p>
The Board of Directors should set Independent Directors term not more than 9 years.	<p>Independent directors perform the counterbalance management transparent, and adhere to the management under good corporate governance.</p> <p>At 2018, Annual General Meeting of Shareholders, there were independent directors who held more than nine consecutive years of office due to retire by rotation, namely, Gen. Konechar-nart Chunnabhata and Mr. Santi Bangor, who were re-elected for another term.</p> <p>The shareholders' meeting approved the election of directors and independent directors only.</p>

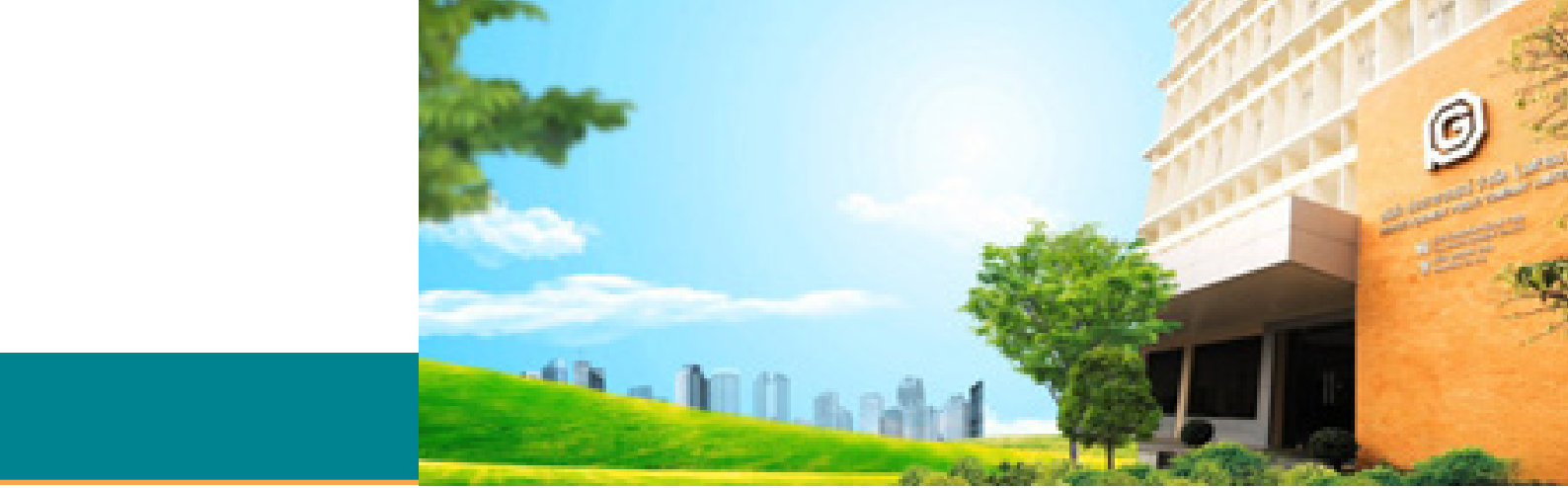


CSR

Corporate
Social
Responsibility

Corporate Social Responsibility 2018





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Message from the Chairman to Executives Board and Managing Director

The company is committed to sustainable development in society and the environment through its business activities by adhering to apply philosophy of sufficient economy of His Majesty King Bhumibol Adulyadej as guideline for sustainable development and also apply philosophy of business operation of Dr. Thiem Chokwatana to implement the management of the organization with focusing on all stakeholders in order to create value and benefits for both of the business and society simultaneously.

The company pays attention to the importance of management system and production processes in both technology and innovation for product development while promoting the use of resources with maximum efficiency and impact to environmental minimally including communication with relevant people to understand in the same direction which response to the principle of thought of SAHA group “ Good People, Good Product, Good Society” as well as the idea of linking it with the organization strategy in the long term period 3-5 years from previous year to create a sustainable organization.

As for the reduction of impacts on climate change, the company has developed the company's products to be a part of the participation to help reduce global warming continuously which is in line with Thailand goals and supports the Paris Agreement at the COP21 meeting and includes the COP24 meeting which to be held in 2018. The matter is to control the average temperature of the world not to increase more than 2 degrees Celsius within the year 2030. The company has developed from fabric to finished garments which resulted in product certification “Energy-saving label No.5 which is certified to Knitted fabric and then it is certified to “Energy saving label No.5 for garment that is comfortable when wearing and non-ironing as well.. By adhering to being a product that is safe for consumers and environmentally friendly by adhering “to being a product that is safe for consumers and environmentally friendly” and in this year 2018, the company is in the process of requesting to certify the aim of becoming a green industry at the level 4 (Green culture) which is expected to be assessed for certification in 2019.

The company adhere to a clean business to maintain corporate governance standards and also having a policy against corruption. Therefore, the company has been certified by the Thai Private Sector Collective Action Coalition Against Corruption Council: (CAC). For Anti-Corruption in 2016 and its term is 3 years. The Board of Directors and all sub-committees have given importance and support against all along; therefore, the company determined to continue to renew the certificate in 2019.

On behalf of the company, I would like to express thanks to all interested parties, related agencies and all employees as well as community and society in contribution of supporting and carrying company forward in a sustainable way. .



(Mr. Charoen Charoenwatanasuksom)
Chairman to Executives Board and
Managing Director

About the Report

People's Garment Public Company Limited (PG) has prepared the CSR Report as a separate report for the seventh year consecutively. The Company's Board of Directors focused on providing reliable and high-quality data also defined key sustainability issues and a priority assessment of issues concerned with the Company's goals and operations. It acts as communication channel to stakeholders for acknowledgement of company's intention regarding the operation of sustainability project together with business ethic conducting.

Reporting Guidelines

The company determined main contents by considering internal and external factors regarding the operation and significant issues which might affect to economic, social, and environment via stakeholders' view both internal and external. This report followed the GRI Sustainability Reporting Standards (GRI Standards) as a framework. It presented sustainability on company performance covering perspective of economic, social, and environment between January 1, 2018 to December 31, 2018.

Scope of Reporting

The report includes the Company's operations at its two plants, namely the Lamphun Plant, Kabin Buri Plant. As part of the governance and promotion of the disclosure of information in line with international reporting guidelines, the reporting is intended to respond to stakeholders' expectations that are disclosed in this report.

The Company prepare the CSR report on an annual basis and the Company also develop a system and method for regular data storage, the Company has aimed to obtain a clear data collection guideline and procedure. The data should be complete as much as possible. Also, it has a plan to communicate the results of its CSR implementation to its community and stakeholders in a continual basis.

Dissemination Channels

This report is prepared for providing all stakeholders with appropriate information that allows them to consider issues that are of interest to them, this report is available in both Thai and English in the form of printed materials, CD, and webpage, for variety and convenience of information access.

This report, which is included in the Annual Report, can be downloaded from the Company's website. For more information, please contact:

▶ Company Secretary & Investment Relations

Tel : 0-2685-6509-10
E-mail : suvimol@pg.co.th

▶ People's Garment Public Company Limited

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Website : www.pg.co.th

Contents defining process

The company arranges the report by considering factors both internal and external which related to business operation for assessment significant sustainability to organization through being responsible for stakeholders' expectation. The process and step of sustainability assessment are as following;

- [1]



Identifying important issue : considering on business direction strategy, risks and opportunities of sustainability management and social responsibility operations along with gathering issues that interested by stakeholders.
- [2]



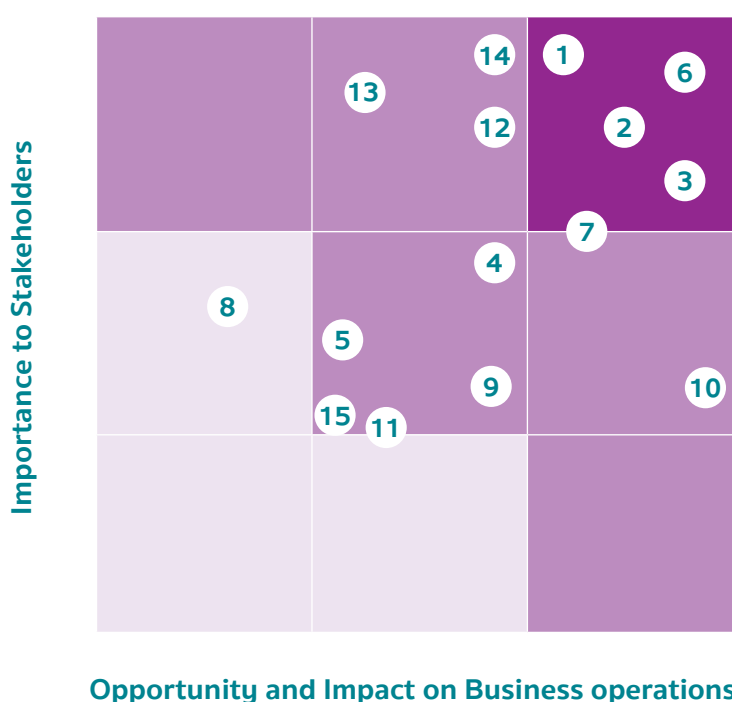
Priority grading : Bring selected issues to be evaluated and prioritized by considering the situation and effects that affect to business operation and issue that interested by stakeholders
- [3]



Verifying process : The company has verified the accuracy of important sustainability issues.
- [4]



Reviewing and continuous developing : The company has continuously reviewing the process of preparation and information disclosure in the Sustainability Report also listen to opinions and suggestions of all groups of stakeholders. In order to develop and improve the content and form of disclosure of sustainability performance in the next report



Sustainability issues	Scope of impact				
	Internal	External			
		Customers	Shareholders	Society and community	environment
1. Expansion customer base	▽	▽			
2. Good products and innovations	▽	▽			
3. Security of data and information systems	▽	▽			
4. Corporate image Management	▽	▽			
5. Conducting business with ethics and responsibility to society, community and environment	▽	▽		▽	▽
6. Good and Stable performance	▽	▽	▽		
7. Potential Development of human resources	▽				
8. Promoting health and safety of employee	▽				
9. Human Rights practice	▽				
10. Recruiting and retaining potential personnel	▽				
11. Internal Resources Management	▽				
12. Anti-Corruption	▽	▽	▽		
13. Corporate Governance	▽	▽	▽		
14. Risks Management	▽	▽	▽		
15. The change of Climate	▽	▽		▽	▽



Understand PG

People's Garment Public Company Limited founded since 1980 by Dr. Thiem Chokwatana who was also a founder of SAHA Group business empire. Throughout 39 years, the company has been engrossing in doing its textiles and garment business under licensed international trademark and company trademark to fully reach customers requirements together with continuously developing its production process and products quality. The company concerned on its production standard and safety standard of quality management system ISO 9001 and environment management system ISO14001 leading to safety products also environmental friendly products.

Vision

“

We are fully committed to be **leader** to create quality **products** and services with **innovation** of apparel in Thailand."

”

Core Products



Garments

- Males, Females, children, swimwear, sportswear and cycling clothes
- International Brand
- Local Brand
- House Brand



Textiles

- Cool mode fabric (sweat absorbency and heat ventilation)
- Textiles Label No. 5 (EGAT Standard)



Sustainable development path

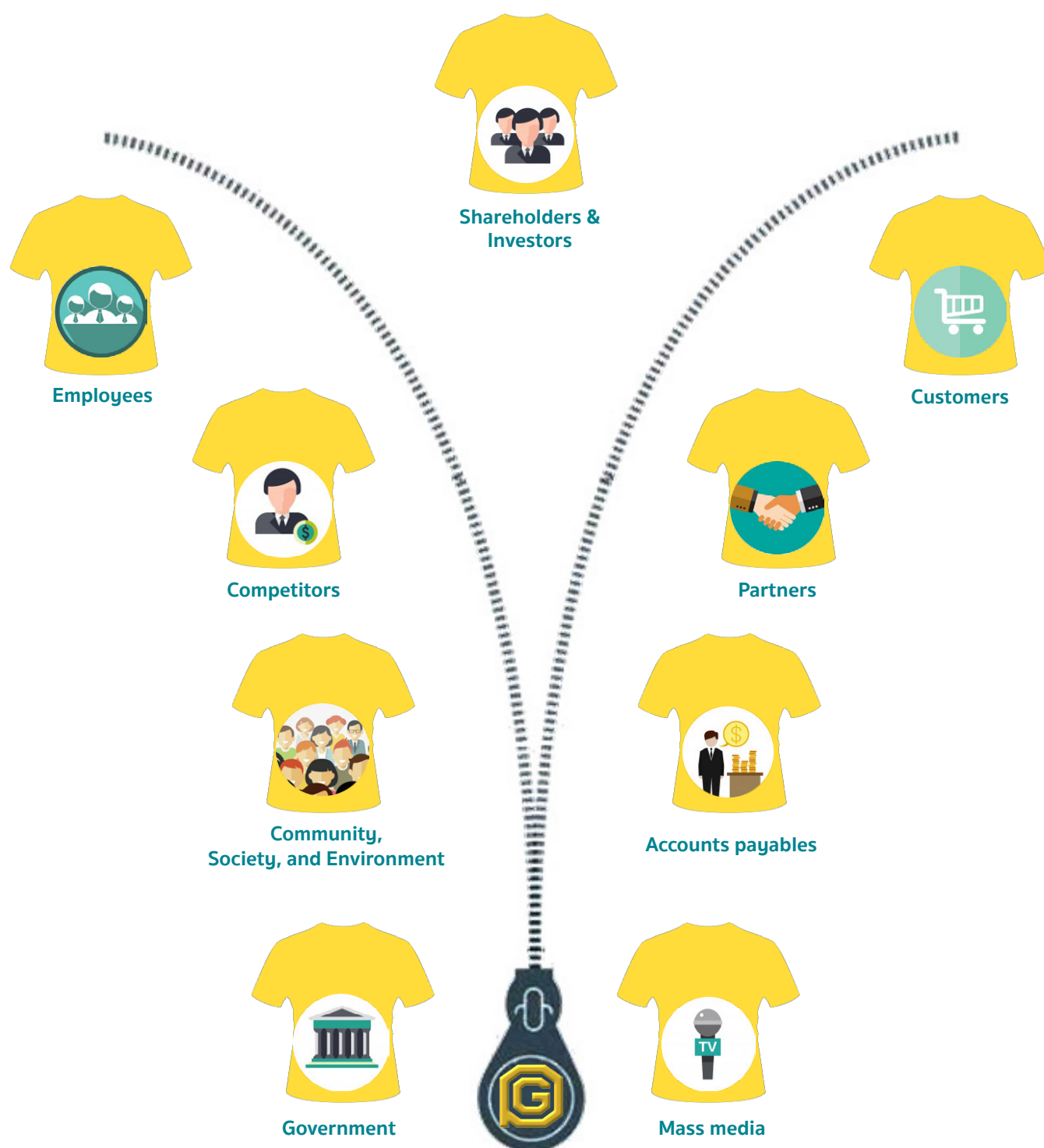
The company believes that the implementation of the sufficiency economy philosophy of His Majesty King Bhumibol Adulyadej and the business philosophy of Dr. Thiem Chokwatana will lead the company to succeed in sustainable business operations. Therefore, it was brought to be a guideline for company operation together with the development of knowledge within the organization and instilling morality and ethics as well as promoting and encouraging employees to apply in their work to create a organization culture.

Corporate Sustainability Operations



Attaching importance to Stakeholder and Stakeholder Engagement

The Company operates business in accordance with business ethics and adhere to respect and responsibility to the rights of all groups comprising its internal and external stakeholder included society, community, and environment. This is to build confidence to stakeholders that the rights protection is granted in accordance with related laws and they are also supervised with fairness and equality. Moreover, the Company recognizes that its stakeholders play a key role in determining the direction of its business practices, so the Company determines strategy for sustainable development to all groups comprising its stakeholder as below:



Overview of Stakeholders Engagement

Stakeholders	Communication Channels	Response to Stakeholders' expectations
Shareholders & Investors	<ul style="list-style-type: none"> Annual General Shareholders' Meeting Annual Report Quarterly Performance Report and disclosure of Information via the news system of the Stock Exchange of Thailand and on Company's website. Open channels to receive suggestions and complaints via Department of "Investors relation", company website or direct contact to Company Secretary. 	<ul style="list-style-type: none"> Supervise the rights of Shareholders in accordance with Good Corporate Governance, also provide equal rights to all Shareholders and no violation or deprivation of rights. Disclose information both Thai and English Version on time and correctly via specific channel Set the dividend payment policy clearly Operate business in accordance with good corporate governance.
Customers	<ul style="list-style-type: none"> Meetings with customers Communication channels: the Company's website/ electronic media (Facebook/ E-mail) and customer visits/trade fairs. Survey customers 'needs and satisfactions Provision of channels for customers to filecomplaints or suggestions for operational improvement. 	<ul style="list-style-type: none"> Development of product quality to ensure the product safety for consumers. Create new innovations to continually add value to the goods and services Maintain customers confidentiality Provide system and communication channel for inquiry, complaints, and suggestions. Consideration of complaints and suggestions to improve and develop products that meet customer needs.
Employees	<ul style="list-style-type: none"> Training and enhance performance. Organize Activities Communicate between staffs via electronic media such as intranet system Public relations via the public address system and bulletin boards. Receive suggestions and complaints via postbox or through the corporate chain of command. 	<ul style="list-style-type: none"> Determine the principle of morality and ethics for employees. Supervise and improve quality of life and stability in life Treat all employees equally, free of discrimination on human rights Arrange appropriate compensation and benefits Enhance employees' knowledge and career field. Provide communication channel for any claims or suggestions. Arrange safety in workplace and provide necessary tools and maintain good working environment by concerning on safety and health.
Partners	<ul style="list-style-type: none"> Clarification of, and encouragement of partners to understand, the Company's policies and ethics in business practices. Partner visits to exchange experience and expertise and listen to the partners' problems/suggestions. Fairness and equality. Open suggestion and complaints channel via company website, independent director email and company secretary email. 	<ul style="list-style-type: none"> Perform business operation in accordance with trade agreement and contract. Considering framework agreement of fair competition Communication with partners about the Company's policies and ethics in business practices. Exchange of knowledge, experience and expertise. Refrain from soliciting, accepting or allowing acceptance of any property or other benefits outside of what is specified in the trading agreement. Duly consider and set appropriate purchasing prices and formulate scrupulous and transparent procurement procedures

Stakeholders	Communication Channels	Response to Stakeholders' expectations
Competitors	<ul style="list-style-type: none"> Communication channels : Public forums. 	<ul style="list-style-type: none"> Business practices with transparency under fair trade and fair competition Avoidance of seeking confidential information of the competitors by dishonest means or damaging Avoidance of damaging their reputation by slandering.
Accounts payables	<ul style="list-style-type: none"> Reports : Annual Report/Social, Community and Environmental Responsibility Report through related section and company's website Open suggestion and complaints channel via company website, independent director email and company secretary email. 	<ul style="list-style-type: none"> Perform business in accordance with agreed trade conditions strictly. Punctual payment to accounts payables based on terms of agreements, without default by applying the Bank's money transfer instrument "Media Clearing" system
Society, Community and Environment	<ul style="list-style-type: none"> Arranging activities to educate general public. Community projects on occupations, education and environmental protection. Activities for community participation such as Community dialogues Organize campaign for energy-saving awareness, environmental protection, and efficient use of resources. Open suggestion and complaints channel via company website, independent director email and company secretary email 	<ul style="list-style-type: none"> Perform in accordance with social responsibility Support development of community and society as a whole. Sharing of the Company's occupational knowledge and skills to the community Community projects on occupations, education and environmental protection Training staff on Anti-Corruption and disseminate anti-corruption policy on company website and intranet system. Considering environmental standard for business operation
Government agencies	<ul style="list-style-type: none"> Asking for legal advice and tax via website of Department of revenue. Asking for legal advice and government operational guideline for specified and related sections such as Ministry of labors, Department of Business Development, and Customs Department. 	<ul style="list-style-type: none"> Compliance with laws, rules and regulations on correct and transparent business operations. Control of the environmental quality to ensure that it is above the minimum standard assigned by law. Provision of correct and quick information for overseeing government agencies.
Mass media	<ul style="list-style-type: none"> Communication channels : interviews, journals, magazines, exhibitions, and websites. 	<ul style="list-style-type: none"> Enhancing positive corporate image Complete accurate communication, avoid false communication, misrepresent or any immorality

Sustainable Business Operations

1. Management Guidelines

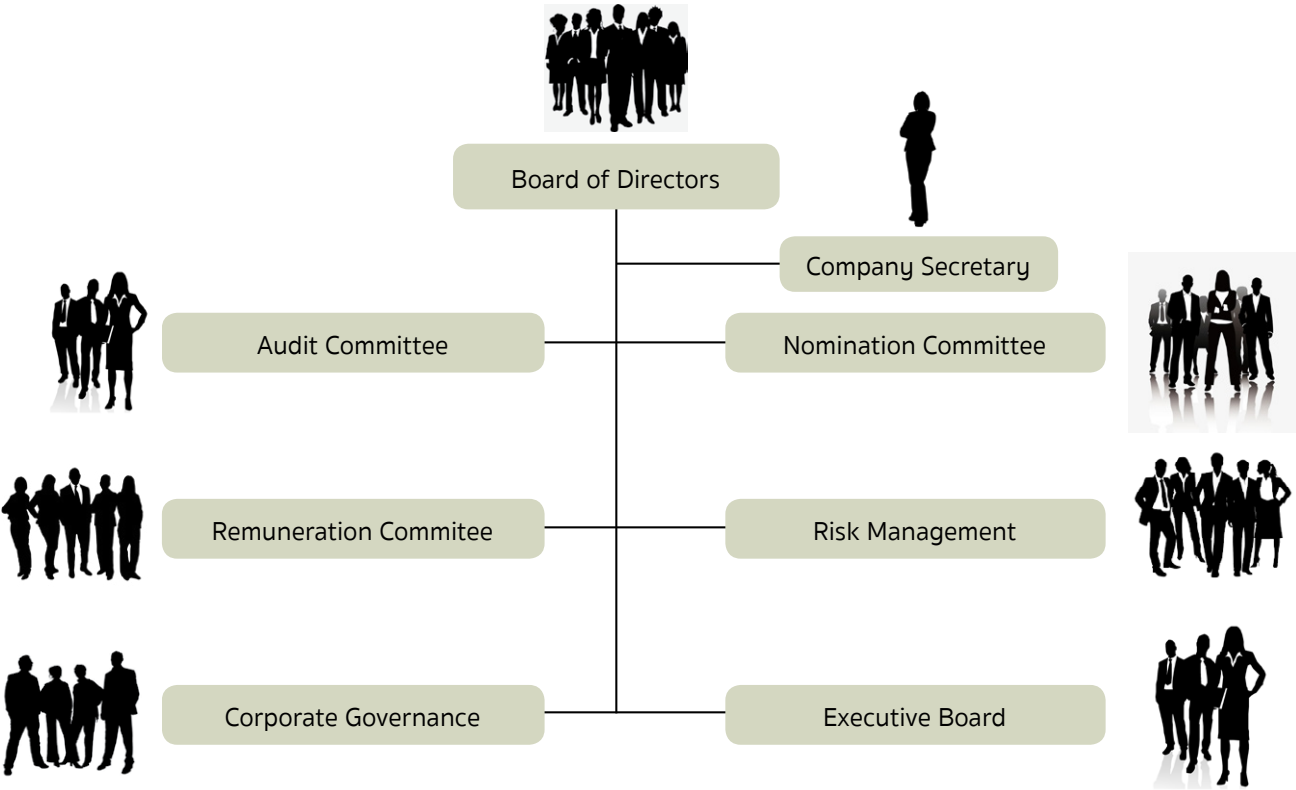
The Company’s vision is “We are fully committed to be leader to create quality products and services with innovation of apparel in Thailand” Being a manufacturer and seller of garments and knitted fabrics, the Company’s mission is to create the security and build the economy for the country taking into account all groups of stakeholders. This is based on the good corporate governance policy, as well as operational directions that are consistent and drive the organization into the achievement of its business goals.

The Company has operated in line with the guidelines for sustainable development, and it has raised the awareness among the management and employees throughout the organization about the efficient use of energy and resources. It aims to continuously develop environmentally friendly products in order to reduce greenhouse gas emissions and get involved in reducing the impacts of global warming. The development of such environmentally-friendly products covers work processes, production, procurement and distribution of products and services, good corporate governance, business ethics, and codes of ethics for the directors, the management and employees, including measures pertaining to transparency, fairness, anti-corruption, as well as social, community and environmental responsibility. The objective of the development of environmentally-friendly products is to have the Company grow in parallel with the creation of value added to society and the environment in a sustainable way.

Structure of Management for Sustainability

To achieve the efficient performance of the Board of Directors, the Company has established six sub-committees to carefully screen assignments under the good corporate governance principle.

The Board of Director has designated the Corporate Governance Committee to take charge of social and environmental responsibility, with the Company Secretary serving as the coordinator. The Company is going to restructure the committee to assign them linked responsibilities to enhance the efficiency and effectiveness. The organizational chart is provided below:



Sub-Committees officiate specific functions covering economic, social and environment perspectives.



Economic perspective

1. Quality Standard System ISO 9001 Committee
2. KAIZEN Committee
3. Innovation Committee



Social perspective

1. Thai Labor Standards Committee TLS 8001
2. Labor Standards Committee on Social Responsibility WRAP
3. Company Welfare Committee
4. Prevention and Solution to Drugs Problems in an Establishment Committee
5. 5s Committee



Environment perspective

1. Safety, Occupational Hygiene and Working Environment Committee
2. Environment Management Standard ISO 14001 Committee
3. Energy and Environment Conservation Committee

The Company has designated committees and sub-committees to manage specific tasks covering economic, social and environmental tasks and to consider other matters accordingly and efficiently, as follows:

Economic Pane

Executive Committee consists of 10 executives. Managing Director, as the Chairperson, is responsible for ensuring the operations to achieve the goal while complying with the corporate policy as prescribed by the shareholders.

Risk Management Committee consists of 5 committee members of which **Independent Director acts as Chairman to the Risk Management Committee** and Vice chairman, Managing Director, and high-level executives are responsible for monitoring the processes and identifying the risks regarding the project as well as evaluating and approving the Risk Management plan proposed by the Risk Management Committee.

Social

Corporate Governance Committee consists of 4 directors of which **Independent director acts as Chairman to the Corporate Governance committee**, duty on proposing the good corporate governance practice, reviewing the guidelines and principles of good corporate governance and also tracking corporate social responsibility operations so that they can respond to all stakeholders equally, efficiently and effectively under the corporate governance policy, business ethics and code of conduct for Directors, Management, and Employees.

Throughout the year of 2018, the Corporate Governance Committee held 2 meetings with the focus on the standards and the roadmap towards a good corporate governance in a continuous and sustainable manner, with a hope that it will become a corporate culture for everyone to hold on as bellowing :-

- Review of the corporate governance policy, the good corporate governance principle, business ethics, as well as the codes of ethics for the directors, the management and employees and anti-corruption.
- Encourage all departments in organization to apply and announce anti-corruption policy thoroughly.
- Proposed suggestion of guideline to determine business goals and corporate strategies.

In addition, monitoring of business operation is adopted based on the principles of good governance as listed below :

1. Rights of Shareholder
2. Equitable Treatment of Shareholders
3. Roles of Stakeholders
4. Disclosure of Information and Transparency
5. Responsibility of the Board of Directors
6. Good Corporate Governance policy
7. Anti - corruption policy

The Company has also prepared various media to communicate and publicize the Company's information to the employees in an official way. This is to put an emphasis on the practice guidelines in line with the good corporate governance policy to employees. Also, the Company has campaigned for anti-corruption guidelines for its employees and then its partners. **Companies under the Saha Group prepared animations** movie to raise the awareness of its employees, from newcomer employees, and its related parties.

(For details of performing to stakeholders is disclosed in the annual report of 2018 under subject "Corporate governance" including Reports of Corporate Governance Committee)

Safety, Health (Occupational) and Environment (SHE) Sub-Committee is responsible for developing the framework and roadmap for Security, Health(Occupational) and Environment (SHE) of the company. This committee shall carry out SHE-related activities of the company, oversee, and evaluate the operations continuously in order to improve the taskforce.

Welfare Sub-Committee is a focal point in delivering social welfare support to all employees and taking care of employees' quality of life. This committee shall involve in social community development, define the directions, and carry out operational plans for the community development initiatives in order to consistently improve the taskforce.

Environmental Panel

Energy and Environment Conservation Sub- Committee is responsible for carrying out energy saving projects that are aligned with the corporate energy-saving policies and controlling how effectively the energy is consumed by collaborating with other related parties. The objective of this committee is to make the energy management initiatives aligned and complied with the corporate goal.

Corporate Social Responsibility Policy

The Board of Directors of People's Garment Public Company Limited is adhered and committed to implement the business practice based on good corporate governance by adopting good corporate governance principles of the Stock Exchange of Thailand and regulations of the Securities and Exchange Commission and the Capital Market Supervisory Board. It was considered as factors in strengthening effectiveness of organization management system, honest, transparent and fair including take responsibility and consider for the rights of all stakeholders thoroughly, appropriately and be in line with current circumstances in accordance with Sufficient Economy.

As a guideline for the implementation of social responsibility. The main guidelines are defined into 8 areas which composes of Good corporate governance, Fair business practice, Anti-corruption Corruption, Community and Society, Employees, Human Rights, Environment, and Development of innovation. The Company has a guideline for social responsibility as following:

1. Corporate Social Responsibility Policy

The Board of Directors apply corporate governance policy to implement good corporate governance, the Board of Directors believe that good corporate governance consist of Board of Directors and Management teams who have good vision and responsibility, good management system, monitoring system, and a system of Checks and Balances to further the administration and management to be transparency, accountability, fairness, and respect to the rights of shareholders and stakeholder. There are important factors to increase values and highest benefits to shareholders sustainably in long-term period.

Corporate Governance Policy

The Board of Directors played a key role in determining the direction of the Company's operation, overseeing, monitoring Anti-corruption policy of management team.

In order that the business operation of the company and performance of directors, management, and employees to be in accordance with legal and ethics, the company provides "Corporate Governance Manual" as a guideline and framework to follow clearly. In 2018, the principles of corporate good governance are annually reviewed which consist of "Policy of corporate governance, Principles of corporate good governance, business morality, and ethics for board of directors, executives, and employees". In addition, it is published on website www.pg.co.th and Intranet system of the company for all acknowledgement and as a guideline to perform business operation and principles for working in order to get highest benefits to the organization and stakeholders together with supervision to perform activities legally. (For more details information about Corporate Governance is disclosed under the section of "Corporate Governance", in the Annual Report)

Monitoring on Corporate Governance Policies

Directors, executives, and employees all stay complied with the Good Governance best practice and always consistently refreshed with the upcoming plans and announcements.

In 2018, there were no evidence of policy violations and the company did not claim for any loss and damage from the stakeholders.

2. Fair-Trade Business

The company supports and promotes business competition with fair-trade business without trade monopoly and avoidance of seeking confidential information of the competitors by dishonest means or illegal including giving respect to legal rights on intellectual property of others which guideline for management guideline are described in the following details

1. Create business partners for mutual growth and development in long-term period under fair competitive framework in accordance with principles of procurement and standard quality system ISO:9001 since partners recruitment, partners assessment, and price comparison.
2. Do not discredit reputation of competitor, avoidance of seeking confidential information of the competitors by dishonest means or illegal, do not copy or violate intellectual property of others for personal benefits
3. Do not agree to accept or take a bribe, asset, and other benefits from anyone which is not listed in the trade agreement.
4. Operate business, with partners, customers, government agencies, private sectors and trade competitors, should not denigrate the reputation of the company or illegal practices as below details:-
 - Customers: Be committed to customer satisfaction and confidence. Stay customer-focused and take any appropriate action for the benefits of the customers. The company will ensure that the customers receive goods that are in high-quality, safe, and environmentally-friendly within an affordable price. The customers must be informed with essential information to support their buying decision without any omission or distortion provided by the company. The company must strictly take any action as promised in the terms and conditions of the services offered to the customers. There shall be an improvement effort made to add more values to the goods and services offered in order to answer the continuously growing demands of the customers; good relationship management towards sustainable relationship ; a refrainment from any action that may cause violation of customer rights and privacy, including the abuse of those pieces of information for individual benefits without an absolute rights.
 - Business Partners: Respect the trade agreement that is based on a fair-trade competition Consider equality, parity, and integrity in doing business for mutual benefits with partners. Have an effective partner recruitment system that builds a value chain in consisting of partners who operates its business with Occupational Safety and Health Standards, and concerned on environmentally friendly, nurture good relationship, share and exchange information, collaborate for development and add values to goods and service for mutual growth.
 - Business Competitors: Treat competitors with the law of fair-trade competition. Be committed not to seeking out confidential information from direct competitors in an unethical manner. Stay refrained from committing defamation against the direct competitors.
 - Government Agency: Prioritized for transparency and integrity in business transaction with government authorities and stay away from inappropriate actions that may violate the good corporate governance. Stay against all bribery for government officers with an intention to gain facilitation or benefits for its business.

In addition, The company provides extensive channels of communications for partner, customers, and stakeholders to provide their complaints and feedbacks and be treated with fairness in practice.

2.1 Receptions, Receipts and Grants of Gifts

With an intention for fair-trade competition, the hospitality, entertainment and gift practices are established based on appropriateness and good relationship as followed:

1. No taking or giving gifts or hosting events that may influence any decision. If necessary, the gifts or events that are valued more than expected, all employees must report to their supervisors or managers respectively.

2. In case of assigned by the direct managers to work on-site at other customer's location, the policy is also the same for such occasions as winning a prize, complementary gifts, or lucky draw, etc.

3. If a representative, partners, shareholders or other parties would like to give gifts, complementary assets, and hospitality events on behalf of their company to PG employees, it must be approved by the company in advance.

4. The expenditure of those activities mentioned above must be in a reasonable range of budgeting.

In 2018, the executives and employees of the company passed all gifts received from partners to the company secretary to distribute to our employees. The gifts contribution has been 7th consecutive years under the project "From the heart of the partners ... to the PG". Employees feel proud to be involved in the success of the organization.



2.2 Copyright Infringement

The company shall not take any action that violate intellectual properties of others. the executive directors and employees will use company resources and assets effectively and use only those covered with its copyright properly. As a whole, the company is against the pirated versions of goods and services which violate copyrights of others. The company is thus committed that:

1. Do business with a respect to the laws, regulations and committed agreements related to copyrights.
2. Be responsible for pieces of work as the company's intellectual properties and will not exploit them for others without prior approval.
3. Respect the intellectual properties of others and will not violate other pieces of work by exploiting them for private benefits unless it is allowed or compensated by the owner of the intellectual properties.
4. The pieces of work contributed by the employees at work are regarded as intellectual properties of the company. If the employees resigned from the company, those pieces of work must be sent back to the company, regardless of any recording formats.

2.3 Promoting Social Responsibility in the Business Chain

The Company has introduced a process and technology that are concerned about potential environmental impacts, from the selection of raw materials and energy and technology, in order to ensure the efficient use of energy in the production process, to the production of finished goods. Thus, the Company has managed risks in the supply chain to maintain the continuity of its business operations. It has adopted sustainable development and virtuous business practices under the good corporate governance principle as a mechanism and strategy for the development of sustainable supply chain management, in order to establish a linkage between each operation. It has formulated policies for effective implementation.

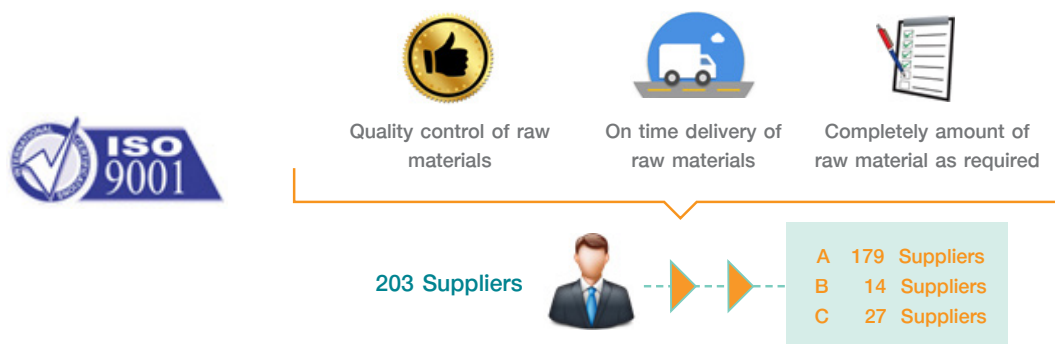
2.4 Environmentally-friendly Procurement

Procurement is an important process in the management of cost-effectiveness together with product quality. The Company's procurement involves the selection of products and services that have good quality while reducing environmental impacts simultaneously; it does not take into account only price. This aims to encourage changes and instill environmental awareness into both employees and suppliers so that they shift to goods and services while considering more environmental impacts. Environmentally-friendly procurement consists of compliance with laws, control of the manufacturing process to ensure environmentally-friendliness, energy management, water management, and waste management.

The Company has auditing, partner evaluation and selection, as well as monitoring systems that take into account the quality, quantities, deliveries, including the minimum requirements of labor law and quality management systems, such as ISO 9001 and ISO 14001. The evaluation criteria are as follows:

Partners evaluation in accordance with quality standard

Result of Partners evaluation in accordance with quality standard ISO 9001



Result of Partners evaluation in accordance with quality standard ISO 14001



2.5 Production Process

The Company place the importance on optimized and analyzed its production process, from receiving raw materials, having finished goods and services available, and transporting finish products, based on the concept of “safe and environmentally-friendly products”. For instance, it has adjusted and controlled the production system by using the LEAN and shopfloor control systems, using biomass in replace of fuel oil, and using the evaporative cooling system (EVAP) instead of the air-conditioning system, which can reduce energy consumption. Despite increased production capacity, the impacts of the production process have decreased.

2.6 Efficient and Environmentally-friendly Freight Transport

The Company has utilized software for transport management in order to enhance the transport efficiency. Transport planning, in terms of routes, vehicle and modes of transport is an important factor in transport cost management. This has resulted in an efficient use of existing assets and a reduction in greenhouse gas emissions to render environmentally-friendly transport. The details of such planning are outlined as follows:

1. Setting the truck schedules for each plant via the Intranet
2. Reduction in empty truck transport for round trips by coordinating with other companies under the SAHA Group to match transportation schedule, if it is available.
3. Use of software to control the load of each shipment to achieve energy efficiency.
4. Reduction in energy use by training drivers to drive safely and raising their awareness about driving at an appropriate speed and studying routes every time before starting.
5. Regular inspection of vehicles to ensure safety and energy efficiency

The above-mentioned management has led to the reduction of greenhouse gas emissions. The Company has extended the results to its partners (freight transport companies), and it has received good cooperation from its partners.

2.7 Partners, Service Providers and Distributors

The Company has evaluated the performance of, and paid visits to, its partners, service providers and distributors on a regular basis to ensure their compliance with the environmental management system ISO 14001 and the policy towards the management of energy and environmental conservation. This has allowed the Company to select partners in a systematic manner to make sure that throughout the supply chain it has partners that operate their business in compliance with the law, safety and occupational health standards, and the principle of being environmentally-friendly. The Company has supported environmentally-friendly procurement by considering products and services rendered by operators that comply with environmental standards or the Company’s criteria. The criteria include legal compliance, efficient use of resources and energy, production control, and waste management. This aims to enhance the capacity and efficiency of their joint business operations and upgrade the procurement to become more green in the future.

Based on the above operations, the Company expects that its partners, service providers and distributors will be able to extend the environmental management guidelines into standards in other chains.

2.8 Customers, Consumers, and End-Users

The company realizes that business organizations will be sustainable on a condition that it needs to deeply understand the needs of the customers. Nowadays, expectation from the customers is unlimited and not scoped within what the business did to the market. However, they expect more of how the society and environment will benefit in a sustainable way from the actions by the company. So, the company builds innovations while considering the effects on society and environment together with increasing capability to compete with others and business values in mind simultaneously such as Cool Mode and I-Flex products. (More details are disclosed in the topics “ Innovation of PG from business operation with responsibility)

2.9 Responsibilities for Consumers

The company realized that customer satisfaction and their confidence are key to success towards sustainable business growth. The best practices and policies are as follows:

1. Manufacture goods that are safe for consumers and friendly to the environment
2. Developing new innovations and services to increase values to its goods and services in order to response to customers' needs continuously; as well as providing essential information without undisclosed information for the customers to make a smart purchasing decision.
3. Do business based on integrity, fairness, and transparency; do not violate the rights of the customers; do keep customer information confidential; and do not abuse the customer information for any other purposes.
4. Do not claim, take, or agree to take assets or privileges from the customers in an unethical manner, whether express, implied or statutory.

The company will prudently manufacture products that are with high quality, durability and at affordable price. With the concern of quality and safety standard of the products, the company thus place a quality assurance in each process starting from the raw material selection, to the delivery to the hands of the customers. The assurance will help the customers stay away from risks and hazard as follow:

- Control the safety of the raw material by bringing in the (REACH: Registration Evaluation and Authorization of Chemicals from EU as a baseline in determining the standards of raw material selection .So, the raw materials are free from hazardous substances such as formaldehyde or fluorescent.
- Control the safety of the products during the production process before approaching the customers including:
 - Control the production site areas to be free from hazardous chemical for local and international customers
 - Examine heavy metal substance in the products such as mercury or lead
 - Examine needles or pieces of metal in the products
- The product packages are reusable and degradable by nature, leaving no harm to the environment.

Standards and Customer Safety

The company is committed to maintain quality standards of its products and also pay attention to reduce impact on the environment in the sustainability way. The company has implemented the labor social responsibility standards and announced as its policy with maintaining the ISO9001: 2008, quality management system certification ISO14001: 2015 and WRAP.

The company has implemented on environmental management to reduce the impact on various aspects continuously by evaluating an environmental management system ISO14001:2015. In addition, the company complies with the code of conduct of both Phillips-Van Heusen, Dr. Martens and Peter Millar, in terms of safety, occupational health, the environment. and labor. It assures and confidence that the company has continuously developed in accordance with accepted standards and systems.

The Company has received accreditation for various standards and systems in order to build customer confidence.

1. Receive the internationally recognized standard for quality management systems, ISO 9001: 2015, ranging from the design process, raw material procurement, tailoring, quality audit and packaging, of which can be examined in every process.

2. There is a quality audit unit and laboratory systems for quality tests of international standards, which can respond to the needs of European (ISO), American (AATCC) * or Japanese customers (JIS)**, to ensure that the products have color durability, chemical safety, and long duration useful life



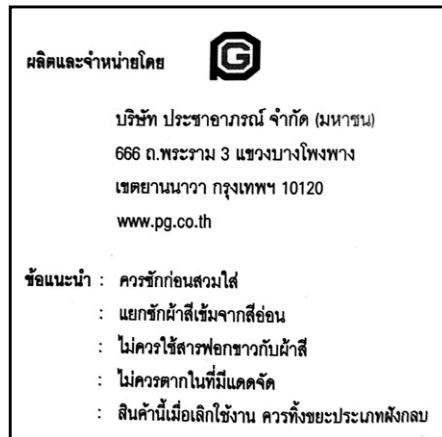
*AATCC ย่อมาจาก American Association of Textile Chemists and Colorists หรือ มาตรฐาน วิธีการทดสอบการย้อมสี การรักษาและคุณสมบัติต่างๆ ของเส้นใย

**JIS ย่อมาจาก Japanese Industrial Standard คือ มาตรฐานคุณภาพของประเทศญี่ปุ่น

Labels of Products and Services

The company realizes the importance of labels on each products. So, it dictates that all products should be labeled or tagged with instruction, advice, or information required by the laws such as legal notice, regulations, international standard, and Office of The Consumer Protection Board for individual products.

This is for the customers to gain the most benefits from the product they are buying. Which is safety and environmentally friendly. Moreover, the customers can realize the impact that happens during product life cycle. This information will further the decision of customers when they decide to buy the product. In addition this information is not only stimulate the purchasing decision but also change buying behavior to buy the eco-friendly product.



Measuring Customer Satisfaction

The company believes that customer satisfaction is a corporate key performance indicator. Customer feedbacks are thoroughly monitored and managed to measure customer satisfaction for 5 topics. If there is a suggestion from the customers, the company will analyze and improve working processes for better results, included development of product to comply with customer's needs

The results of customer satisfaction measurement for year 2018



1. Easy of contact	= 4.08
2. Samples and documents handing	= 3.83
3. Products Delivery	= 3.58
4. Quality of products	= 4.08
5. Complaints resolution	= 3.67

Resolving Customer's Reported Incidents

The company implemented the systems and channels to receive complaints or incidents, inquiries, and suggestions from the customers regarding the products and services from any channels they are most convenient. There are multiple channels that the customers can access (More details are disclosed in the topic "Communication Channel") such as call center which is connected to ICC International (PCL)'s database. The database of ICC is the main database of the company and ICC is also a major distributors of the company. All reports from the customers are regularly updated and resolved consistently.

Communication Channels

The company implemented the systems and channels to receive complaints or incidents, inquiries, and suggestions from the customers regarding the products and services from any channels they are most convenient. These channels include:

	Tel.	E-mail
Business1	0 2685 6537	nutchapunporn@pg.co.th
Business 2	0 2685 6565	photchamarn@pg.co.th

Apart from this, the company provide communication channel via social media such as website www.pg.co.th and Facebook fan page, all of which can provide immediate responses to the changing demands of the customer, improving the effectiveness and responsiveness in communication and enhancing products displayed online. Moreover, the channel is also provided through any exhibition such as Saha Group Fair, the one that the company has regularly involved so that the customers are able to see products and giving advices or comments on company's products for bringing up more continuous improvements and development in the operation processes.

In 2018, no significant reported incidents from the customers were found. Minor issues were analyzed for the cause and resolved accordingly to prevent future failures. All the systems were well monitored so that the same issues were not repeated in the future.

3. Anti-corruption

The company are committed to resist any type of corruption through realizing that bribery and corruption and hazardous to fairness and freedom competition. These also damage economic and social development, moreover, the company's policy for business advantage is not to offer any bribery or reward in regardless of direct or indirect manner or even third party such as customers, partners, external agency/organization, and government officer, this is to maintain business benefits or advantages. Moreover, the company has policy not to offer bribe or reward to rush any facilitate or benefit to its business.

The company strictly follows the principle of transparency and righteousness in pursuit of its business operations. It advocates for anti-corruption and anti-fraud practices, as well as raises awareness, value, and good attitude of its staffs toward honesty. It organizes activities to promote and encourage executives and staffs to be complied with laws and related company regulations. The company will not further the staffs to achieve their goal through corruption or truculent practices.

The company attaches great importance to combat the corruption and The company attaches great importance to combat the corruption and cultivate it as corporate culture by orientation to new employees the "pre-work preparation program". Furthermore, all executives and supervisors have been trained on "Risk assessment on corruption". They communicate to all workers level to have knowledge and lead to practice. The company continues to provide training and policy-based assessments. The training plan has set for 100% cover total number of company employees.

To ensure that the company truly operates the anti-corruption, the measurements are set out as follows:





The Board of Directors

- Show commitment to anti-corruption
- The President expressed his intention to attend certification of anti-corruption measures



Corporate Governance Committee

- Propose and review anti-corruption policy.
- Others regulations related to anti-corruption policy



Risk Management Committee

- Supervise and assess the risk throughout the organization
- Support the resistance of anti-corruption



Audit Committee

- A self-assessor on anti-corruption measures
- Review the internal control system, risk management system and risk of corruption included reviewing of risk management and anti-corruption measures.



Internal Audit Department

Duty on providing effective and efficient internal control system, monitoring, evaluating and reporting to the Audit Committee and Board of Directors.



Directors, executives, employees, and business representatives

Follow anti-corruption policy and practice guideline. It must not be involved in corruption either directly or indirectly.

Anti-corruption policy

As The Board of Directors of People's Garment Public Company Limited have approved for endorsement in declaration of intention of the Collective Action Coalition of the Thai Private Sector on Anti-Corruption on February 19, 2014 in order to comply with principle of good corporate governance and intention to be responsible for society as a whole. The company follows its anti-corruption policy and practice guideline in accordance with anti-corruption law by determining that the board of directors, executives, and employees must not accept bribe or support any type of corruption either directly or indirectly. In addition, the Board adopted a policy to comply with anti-corruption law and put in writing to serve as the anticorruption guideline, the policy was approved at the Board of Directors' meeting, no. 2/2015, held on February 26, 2015

In 2018, the corporate governance committee reviewed corruption policy on December 19, 2018 and passed the resolution of the Board of Director meeting No.6/2018 held on December 21, 2018 as following;

Practice guideline

1. Building awareness and corporate value of anti-corruption to The board of directors, executives, and employees to perform in accordance with the law, declaration of intention, and related regulation.
2. The company will not perform and/or support any bribery. In case of donation and giving business reward, the company is committed to perform with transparency, be explained and verified.
3. None of the Board of directors, executive, and employee or any performing duty as intermediary are allowed to receive any property or benefit from Government agency or Private sector to induce or to commit illegal activities, including the use of positions and / or taking company information in seeking the benefit to itself or others.
4. Providing reporting mechanism of correct and transparent financial status together with effective and efficient internal control system; moreover, also providing inspection for checked and balanced of the use of power appropriately in order to avoid corruption or even being a part of corruption.
5. Regularly review the practice in order to comply with anti-corruption policy including the review of practical guidelines and the operating provision to be consistent with changing of related business, laws and regulations.
6. Providing communication channel so that whistleblower is enable to report suspicious clue and to ensure that the whistleblower is protected.

In addition, the Corporate Governance Committee has provided” the anti-corruption practice guideline”, which consist of below detail:

1. The definitions and types of corruption.
2. The functions and responsibilities
3. The practices of anti-corruption

The above practices are approved from the board of directors meeting No.2/ 2018 dated 19th December, 2018. (Detail is indicated in corporate Governance “item No.3 : Roles of stakeholders and topic :Anti - Corruption Policy and disseminated in company website www.pg.co.th topic: good corporate governance).

The Company has delivered policies and practices on anti-corruption and bribes for Business Benefits included disciplinary actions to directors, executives and employees at all levels to cultivate good awareness, discipline, morals and ethics then leads to an organizational culture.

The company has been certified 185th from the Private Sector Collective Action Against Corruption Council (CAC) in anti-corruption since October 14, 2016.

Throughout the years, the Board and the management have constantly adopted the philosophy of a sufficiency economy as the guideline for organizational management. Also, they have been committed to strict administration based on the good corporate governance principle and adhered to the principle that all employees throughout the organization shall perform their duties with diligence, integrity, and justice in accordance with the living and working philosophy of the SAHA Group’s founder, Dr. Thiam Chokwatana.

As a result, in 2018, there were no complaints against the Company about corruption, e.g. bribing for its business interests.

4. Employees

The company realize to the importance of Human resources and to believe that quality employees are key factor to drive its business towards goals and also create competitive advantages. So, the company systematically and regularly supports both management and human resource development in all levels; moreover, the company also further employees to maximize their capability to create opportunity in career equally for growing together with organization. Policies and operation guidelines pertaining to ethics for employees in the business are as follows:

1. Treat employees with respect of human dignity and fundamental rights of work as well as not disclose or forward information or confidentiality of employees to external individuals or non-relevant persons.
2. Treat employees under legal framework, rules and regulations in accordance with the operation of the Company.
3. Promote equality in the employment without discrimination of gender, race, nationality, religion, age, disability or no direct related status with operations.
4. Support and promote training, the exchange of knowledge to thoroughly develop competencies of all employees, enhance stability in career and provide opportunities of career path according to individual competency.
5. Encourage the employees to be involved in specifying operational direction and development of the Company
6. Provide fair and appropriate compensation based on knowledge, competency, responsibility and performance
7. Provide appropriate welfare and benefits for the employees
8. Provide communication channels for the employees to suggest or file any complaints about work. The recommendations will be considered and solutions will be identified for the benefits of all parties and build good relations in operations.
9. Provide necessary facilities in performing duties as well as prepare work place by considering safety, occupation health, the environment in operations to promote and enhance quality of life for the employees.
10. Promote coordination among employees in all levels to further social responsibility activities.

Fair treatment towards labor

In order to enhance good quality of life and relationship to the company on basis of fair treatment and mutual respect, the company has determined practice guideline as below:

Employment Practice Guideline

1. Do not adopt or employ all type of forced labor.
2. Compliance with the law and regulation to protect human rights of individual employee equally.
3. Providing legal employment system with comprehensive employment contract
4. Treat employees with fair employment based on compensation principles that align with employees' performance and effectiveness rather than focus on personal character.

Practice Guideline for Compensation

1. The company shall pay compensation not less than the minimum wage prescribed by law or industry Standard with fairness and do not discriminate on Nationality, Sex, Religion, Gender, but it is considered in accordance with the principle that "equal pay for equal work".
2. The company considers adjustment of fair wage in order to distinguish the difference of performance of individual employee in terms of knowledge, the ability by setting criteria according to performance evaluation procedure of job promotion.
3. Providing a transparent and verifiable reporting system.

Practice Guideline for Labor Relation

1. The Company offers employees the opportunity to participate in the management through the welfare system and other systems, where employees can express their opinions and be participate in decision making.
2. The company follows the law that all employees of each employment contract are entitled to receive their rights .
3. The company does not interrupt, intervene, or doing any acts that affects the exercise the employees' rights without harming the Company's business in proceeding activities of employees that practice following its principles of race, religion, sex, disability, national origin, membership of a political party.
4. The Company provides a complaint system in order to be a medium in building good understanding and relationship as well as fairness in employment.

Practice Guideline for Complaint

1. Employee submits a written or verbal complaint to clarify the details of the complaint and identify the date of the complaint. What was the problem issue?, What was the cause of problem?, Who did it?, Where it happened, How is happened?, How about environmental behavior?, and Purpose of petition by attaching the supporting documents (if any) and sign the name, position, and affiliation then file a petition to the direct supervisor.
2. If the complainant or the employee cannot file a complaint directly to the supervisor for any reason. The employee may file the complaint to a higher level of supervisor or HR manager
3. If the complainant cannot provide information to consider the complaint, it may delegate or appoint an agent to provide information. Nevertheless, there must be an authorized representative who are appointed legally.
4. If there are many complainants file a complaint in the same matter, it is allowed to sign all together in the same letter of complaint.
5. If the complainant is dissatisfied with the results. The complainant can legally file an appeal under Steps 2 and 3.

Recruitment and Employment

For 2018, the recruitment and selection process, personnel will begin when having a new or vacant position, the company will consider the current staff rotation that is appropriate first or in some positions may allow the current employees who interested to apply for such positions and have a selection process. If there are no employee interested or suitable for that position. The company will publicize for candidates from outside through various channels in order to obtain candidates who qualified and experienced as required.

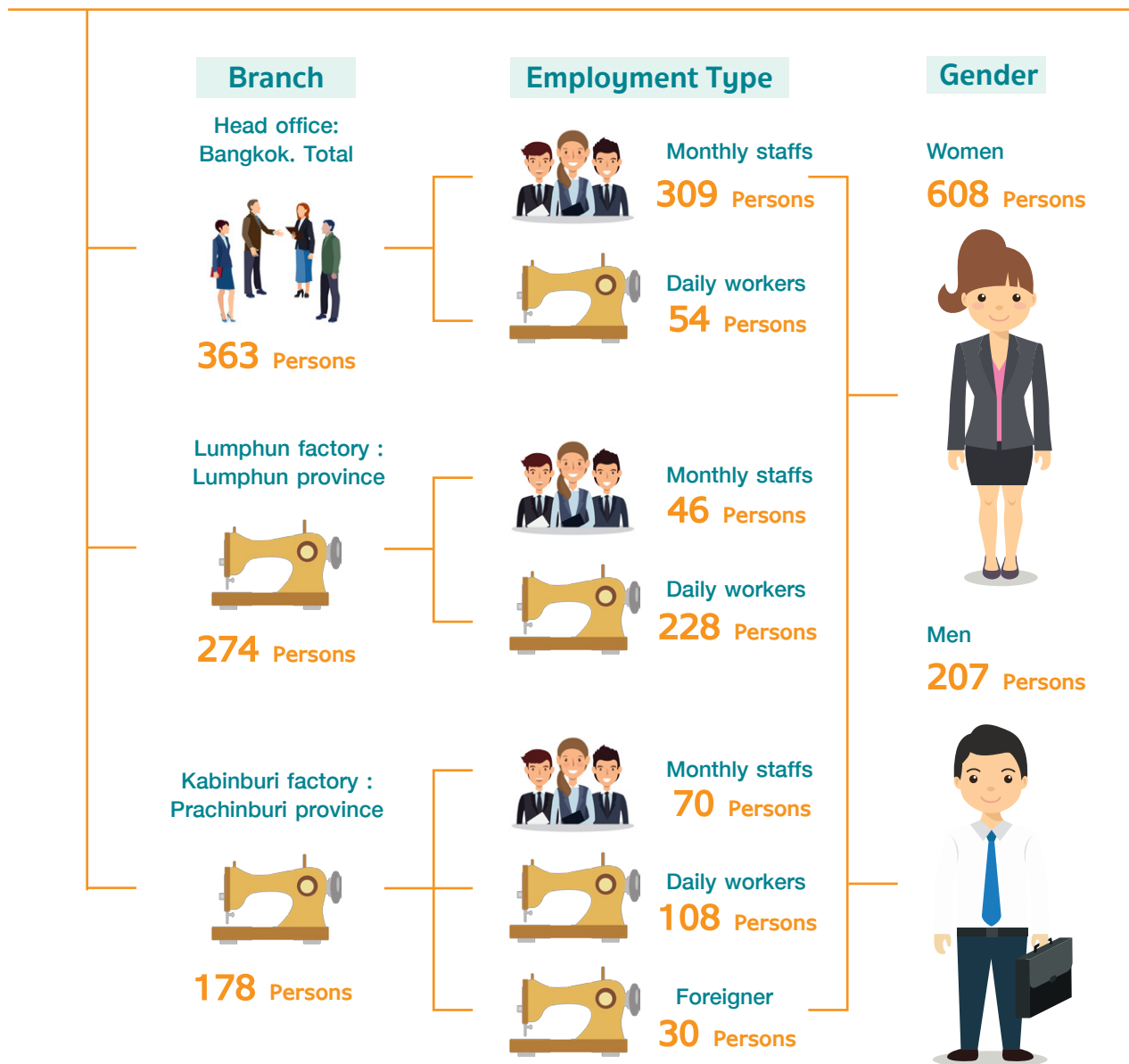
The number of employees and Types of employment



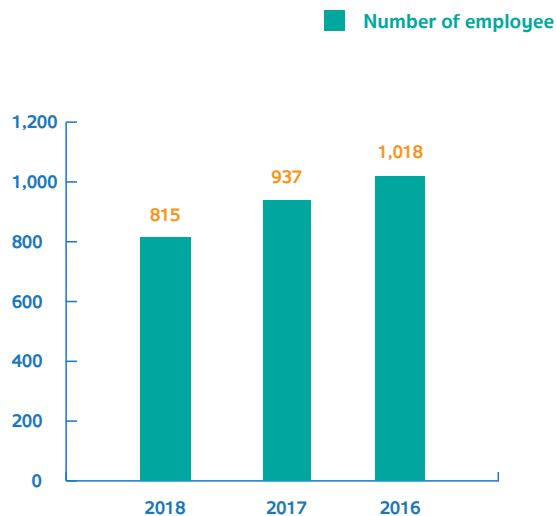
Total number of
employees as of
31st December, 2018
815 AU



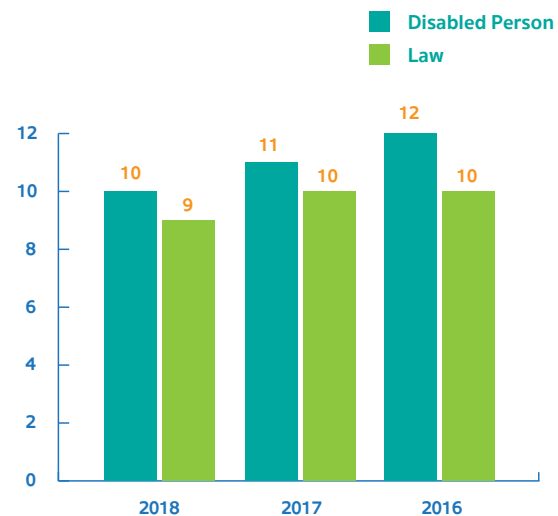
Disabled employees
10 AU



Number of employee



Comparison chart for emploment of disabled person and the number determined by law



Human Resource Development

The Company has focused on the training and development of personnel to continuously improve skills, knowledge and ability; as well as cultivate its corporate value in order to be a learning organization. We also strengthen employees' performance for being quality employee with the highest potential in terms of quality of work, quality of life, positive attitude to organization and colleague.

1. Training

The Company provides training to cover all levels of personnel and it is determined that the training should be held both internal and external classes which are as follows.

Executive Level

To build a vision and business strategy to be in line with changing circumstances by learning, sharing knowledge and experience between Executive management of the company in SAHA group. The topics are related to production management, sales and marketing management as a guidelines for being developed as a strategy to response customers 'needs.

Management Level

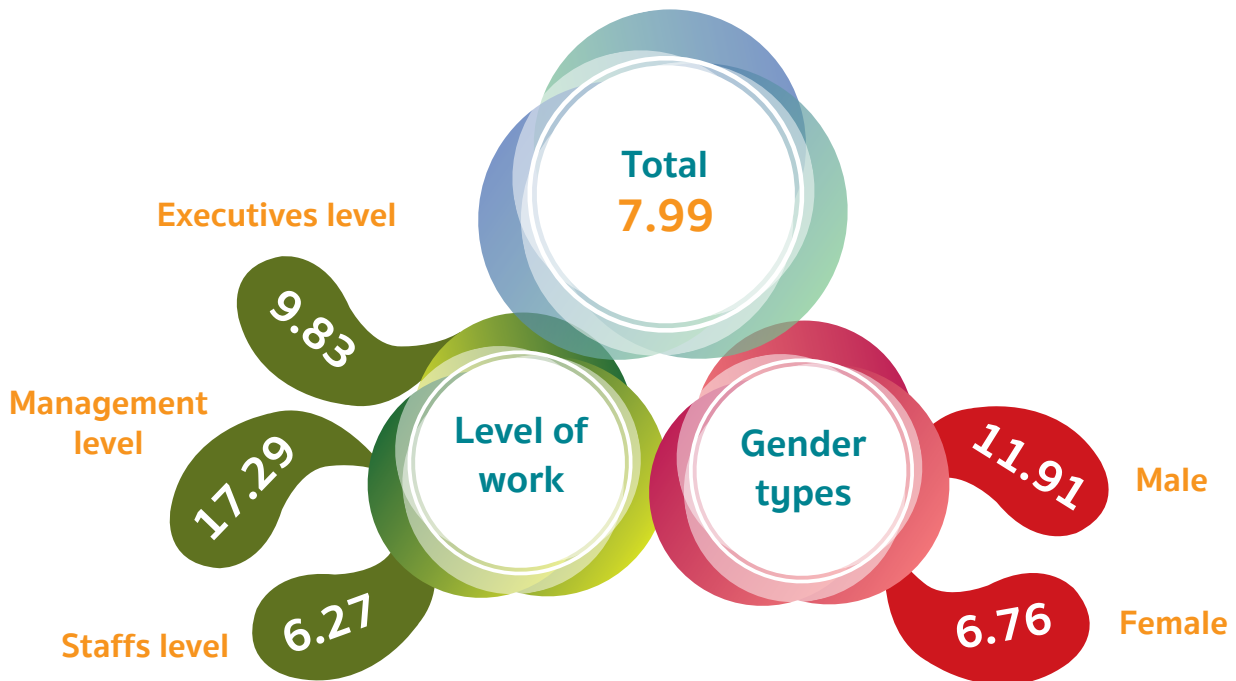
To develop knowledge, skills, management and resources to achieve the goal. In 2017, The company has focused on the development of middle management level and the new generation executives in order to be potential executives and leader to lead the team achieving a goals. The procedure is to increase knowledge of the curriculum in the vocational curriculum and administration & management courses

Operation Level

To strengthen the knowledge, In-depth vocational expertise, and continuous improvement by focusing on basic knowledge curriculum and vocational courses.

Basic knowledge curriculum	Vocational curriculum	Administrative management curriculum	Safety and Occupational Health curriculum
<p>Conduct training on the company's work system, morals and ethics in work focusing on giving employees a good attitude toward work including transparency in working</p>	<p>To enhance the expertise of professional staffs, especially business and sales teams to strengthen the company's strategy to offer and promote products and services to be well-known and to satisfy customers as the important</p>	<p>To enhance the ability in administration, management, decisions making, and work efficiency. This is to make the business move toward according to its vision</p>	<p>The Company attaches importance to the safety and welfare of its employees by encouraging employees to have the knowledge to deal with emergencies to reduce damage to life and property, including work safely.</p>
			
<ul style="list-style-type: none"> • Transparent organization without corruption • Tales of business news and accounting irregularities • Teamwork • Preparation before work • Zero defects in daily work 	<ul style="list-style-type: none"> • 2019 Fashion Trend • Knowledge of Pattern making • HR Standard and Strategy • Quality inspection by sampling method for acceptance • Data science for Business • Formula, Statistic and report for analysis 	<ul style="list-style-type: none"> • One paper, understanding issues • Techniques for assignment, teaching, job monitoring, job tracking and getting the follower's heart. • Leadership skills of supervisors • Design working paper method 	<ul style="list-style-type: none"> • Basic Fire Fighting • Severe fire fighting • Fully standard first aid • Safety officer supervisory level • Safety officer executive level • 5S for safety • Preparation of the Earthquake
<p>62% of employees were trained.</p>	<p>38% of employees were trained.</p>	<p>83% of employees were trained.</p>	<p>43% of employees were trained.</p>

Average training hours for 2018 (Hours/ people/ year)



2. Self-learning

The company has implemented the training course which was developed by internal personnel and other knowledge that promotes the development of employee competence that were brought into the company's e-learning system in order to allow employees to do self-learning at any time. In addition, the company also provided library for staffs which there are many books that are necessary to improve the knowledge of the employees, such as English skills, language in the Asian region, work philosophy, and etc.

3. Make a study trip

The company has sponsored and sent employees to make a study trip to external organizations such as Shanghai intertextile, Shanghai Interfiliere in China, and Fashion trend for 2019, National Occupational Safety and Health to open the worldview to keep pace with world innovations that are constantly develop. This is to harvest knowledge for utilization which contributes to creativity and new innovations to further the development of today's organizations linking the future.

4. Knowledge sharing

All personnel are good sources of knowledge because everyone get a different life experience which the knowledge that are not available in one person, it may be available in other persons. So every time of meeting or sharing in the organization, the company encourages them to express their opinions and share their knowledge each other to be useful to other colleagues. Including the sharing of specialized knowledge besides routine work, which is a useful knowledge to use in daily life. The knowledgeable person is introduced in the role of a lecturer in the form of a training course.

5. On the job training

The company has been operating for a long time; as a result, there are a lot of specialists working in each field of work. These people are able to bring their knowledge and expertise to the mix them with the knowledge gained from other sources so as to improve and develop the most appropriate to apply in the work perfectly. This creates patterns for work that can be transferred to the next generation through the teaching system. All new employees who are recruited to work with the company will be closely supervised and transferred the knowledge from skilled personnel.

6. Encourage participation in innovation.

The Company has set up a Kaizen committee to further change and improvement for better work by encouraging employees to be involved in creating ideas or project that promote working to be faster and more efficiently. In addition, there are also consideration to submit the project for contest in the SAHA Group Innovation Award every year.

Welfare and Benefit Management

The company focuses on creating quality of life of its employee with a sense of corporate social responsibility which conveyed to various activities such as providing useful education, environment, arts and culture, family, health, community and religious.



Enhancing the quality of life together with being happy at work



Social Activities

- Ice cream party on the day of Disabled people
- Donation to female inmates activities
- Recycle activities
- Donation school supply, sports equipments to Jam Patana School
- Offer candle Activities on Buddhis Lent Day
- Donation things to upcountry
- Blood Donation
- PG volunteer for forest protection and global warming reduction
- World No Tobacco Day activities
- Joining International Women's Day

Staffs Activities

- Activity of Offering token of appreciation and honors for the employees with 10 years, 20 years, 30 years.
- Valentine's Day activity
- Activity on New year Day; giving alms to Buddhist monks
- Activity of Saving money with Government Saving Bank
- Activity of enhancing knowledge with Social Security
- Activity on Songkarn day
- Saha group Family Sport Day
- Scholarship to employees' children
- Clean food good test.
- Safety Week Activity
- Breast cancer screening activities

Management in the area of Occupational Safety, Health and Environment

The Company attaches importance to safety management by defining a clear and concrete policy on safety. There is also the Occupational Safety, Health and Environment Committee (SHE Committee) as the representative of employees to give suggestions measures or guidelines to improve the legality and safety standards for work safety of both employees, contractors, and outsiders who come to contact the company, so the company implements as following:

Occupational Safety, Health and Environment committees

Business Places	Legal Stipulations		Arrangement by the company			
	No. of Employees	No. of Committee Member	No. of Employees	No. of Committee Member		
				Male	Female	Total
Headquarters	100 – 499	7	363	6	5	11
Lumphun	100 – 499	7	274	7	4	11
Kabin Buri	100 – 499	7	178	6	3	9
Total			815	19	12	31
			Percentage (%)	61	39	100

Occupational Safety, Health and Environment Teams

Safety Officers	Headquarters No. of Team Members			Lamphun No. of Team Members			Kabin Buri No. of Team Members			Total No. of Team Members		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
1. Executive Level	15	16	31	2	1	3	4	0	4	21	17	38
2. Supervisor Level	7	45	52	3	14	17	3	8	11	13	70	83
3. OSHE professionals	0	1	1	1	0	1	0	1	1	1	2	3
Total	22	62	84	6	15	21	7	9	16	35	89	123
Percentage (%)	26	74	100	29	71	100	44	56	100	28	72	100

Compliance with safety and environmental laws

The Company attaches importance to strictly compliance with safety and environmental laws by giving as a guideline through its policy on occupational safety, health and environment. In respect of environmental policy, there is monitoring to ensure compliance with provision, regulation, and safety standard related to business operation. In 2018, there was no violation of both regulations and laws related to safety and environment.

Building the awareness of safety and health

The Company instills all levels of employee for safety awareness through policy and practice such as Advance firefighting and fire evacuation, Earthquake Preparedness, ship capsizing surviving, the correct way of wearing life jacket, first aids training, Cardio-Pulmonary Resuscitation (CPR), Automated External Defibrillator (AED) by Thai Red Cross, and safe driving etc. These campaigns and activities are continuously operated every year.



Advance Severe Firefighting Training, Disaster Prevention and Mitigation Work,



Fully standard First aids training by Thai Red Cross



Regulatory Compliance Management of Chemicals

The Company has ensured that chemicals are used in accordance with legal requirements for prevention of health hazards to operating employees and environmental impacts.

- Reduced the use of hazardous chemical by selection, purchasing, and using replacement chemical that safe to health and sanitation and less impact to environment.
- Monitoring safety use of chemicals by storage controlling, elimination, also providing appropriately and adequate personal protective equipment.
- There is providing a Chemical spill control equipment to reduce environmental impact.
- Annually provide hands-on Emergency Response Training Courses in case of chemical spills.
- Continually assess the chemical management practice by reviewing, monitoring, improving, developing the practice in compliance with laws, regulations or principles regarding chemical usage.

Emergency Drills and Disaster Preparedness Training

The Company attaches importance to preparedness and response for emergency situations and readiness for efficient handling with disasters. It has prepared emergency response plan to lay down guidelines and procedures for timely suppression. There are 3 plans altogether, i.e. preparedness and response for emergency situations in case of fire, chemical and oil spills, and boiler leakage or explosion. There is regular training and review for employees; moreover, there is training of fire prevention and firefighting for 4 times a year, this is to ensure safety and minimizing the effect on life and property of employees and the company, as well as to build confidence among the stakeholders and neighboring communities. There is also preparedness for disaster, i.e. earthquake evacuation drill, which had been conducted by every branch once a year continually.



Primary firefighting training



Helping and moving injured people, supported by Emergency Medical Service, Charoenkrung Pracha Ruk hospital



Occupational Health and Health Promotion

The Company recognizes and values the promotion and taking care of employees by providing evaluation Ergonomics risk factors for all types of work which focusing on prevention of work-related diseases and problems from improper posture through activities such as training of correct method for lifting heavy loads,. Stretching the muscles to reduce fatigue from work which is continually held for 11th consecutive year.

For 2018, employee annual health check results shown the higher rate of body mass index of employee, which risk for obesity. The non-communicable diseases (NCDs), main caused is from risk behavior in life such as eating spicy food, sweet, salty, high cholesterol food, grill food, drinking alcohol, smoking, no exercising, sleepless, stress, taking medication without consulting a doctor. Said behavior lead to NCDs such as Cerebrovascular Disease (CVD), Coronary Disease, Hypertension. The company emphasize the preventive health care to its staffs both nutrition and exercise and educated about Trans Fat.



Health check by risk factor and 2018 Annual health Check



Trans Fat educational, and how to see the label on package

Work Environment Measurement

The company has measured the working environment, including light, sound, heat, dust, intensity of chemical substance in the work area, waste water quality and air quality from the exhaust shaft (Stack Emission) to monitor and control the quality of the environment in the work area which does not exceed the standards prescribed by law. This is to prevent disease from working for employees and reduce the impact on the environment and neighboring communities.



Measure the amount of Formaldehyde in working areas



Check waste water quality from industrial plants



Check air quality from the vent (Stack Emission)

Due to its active prevention of accidents, there was no occupational accidents to the extent of cessation of works, as well as none of work-related sickness or diseases. As a result, the Company received Platinum class award (none occupational accident to the extent of cessation for 16,255,144 working hours incessantly) in the “Zero Accident Campaign” for 2018 of the Ministry of Labor, being 11th year incessantly. In addition, it also received from the Ministry of Labor the award for outstanding workplace in occupational safety, health and environment for 2018 at national level, for 4th consecutive year at Gold Level from Ministry of Labor.



Platinum class award for the Third years in Zero Accident Campaign for 2018



The award for outstanding workplace in occupational safety, health and environment for 2018 at national level, for 4th consecutive year at Gold Level from Ministry of Labor.

Notification of Clues / Complaints and Measures to Protect Complainant

The company has organized a process to deal with complaints that employees complain that it may be illegal manner. It is determined as policy and guidelines for protecting employees or whistleblower who expose illegal manner which is listed in the "Code of Conduct for Directors, Executives and Employees"

The Board of Directors gives employees and stakeholders the opportunity to report their clues or complaint when they found a manner that may be illegal or corruption of employees in the company including the behavior that may be a problem and cause damage to the company. Moreover, it includes receiving complaints if employees and stakeholders are violated their rights or they got unfair manner through the channels and processes defined by the company.

The Company will listen to and handle all complaints equitably, transparently, and fairly by providing a fair systematic measure of protection against complaints and the information of the complainant will be kept confidentially.

Protection of complaints

1. The complainant can choose not to reveal himself if the disclosure would cause insecurity or damage.
2. The Company will keep the relevant information confidential and take into account the safety of the complainant by providing measures to protect complaints who are employee including coordination in investigation of the fact. Those persons will be protected from unfair practices due to the cause of the complaint, such as disturbing the operation, rotate job position, termination of employment contract, and etc.

(For more details of Channel for complaint is expressed in the topic “Corporate Good Governance section 3: Roles of stakeholders” and disclosure on company’s website www.pg.co.th under topic “Corporate Good Governance”

5. Human Rights

Company supports and respects human rights by operating business based on human rights law which is clearly announced to be a policy that is under the scope of Company Authority and it will not be involved with any action which is contrary to human rights principles.

Respect of Human Rights

The Company operates its business with respect to laws of pertaining human rights by declaring clear policies in accordance with international standards, WRAP (Worldwide Responsible Accredited Production) and standards of Thai labor (TLS 8001 - 2553) with regards to nondiscrimination, race, nationality, ethic, color, religion, language, sexual orientation, disability as factors in making consideration of , and decision for, employment. The employees show their willingness to work, no child labor, respect the rights and freedom of employees. In the meantime the Company recognizes the importance of skills and capability development for employees as well as providing the opportunities for all employees to learn. In case the employees do not receive justice, there are channels to submit their claims or any evidence of possible illegal actions including recommendations, systematic and fair prevention measures for the requester and it is published in electronics system of the organization (Intranet).

The Company also cooperated with customers in conducting business according to the Code of Conduct of the customers to take care of all stakeholders. Therefore, the policy of PVH corp. has been signed as follows:

1. Labor Relations Policy
2. Non-Discrimination Policy
3. Threats and Harassment Policy
4. Labor Force Policy
5. Child Labor Policy
6. Freedom of association policy
7. Health and Safety Policy
8. Compensation and Benefits Policy
9. Working Hours Policy
10. Environmental Policy

Protecting and respecting employee privacy

The company respects the privacy of employees by protecting and not to disclose personal information such as salary, family history Medical history, etc., to outsiders or irrelevant persons . Unless the information is disclosed to a third party in accordance with the provisions of the law.

Community and Social Care

Regard to the care of the company's staffs, it is also included encouraging staff to have a good spirit, sharing benefits and happiness with others, together with be ready to give good value to return to community and society. The company also provide volunteer to participate in various useful activities held by its company and / or its employees which contributes to the community and society.

6. Social and community development

The Company has a policy to carry out social and community development by carrying out activities that can meet the needs of society and the community as well as the operation of the Company. The company specifies its framework for the Implementation to develop the Quality of Life in Communities and Societies that are area around the office and each factory which covers it operation as follows:

1. Promoting learning for youth and develop skills that benefit to the occupations.
2. Supporting employment within the community.
3. Promoting good health within the community.

Guideline for Promotion and Development of Community and Society

	BKK	KB	LB
Education	The project “generosity from PG” to up-country area for 15 th year, at Wat sri suwannaram School		Joint with Saha Group Personnel Management Club to donate school and sport equipment.
	Student Internship Summer Program - Kasetsart University - Rajamangala University of Technology Tanyaburi	Student Internship Summer Program - Rajamangala University of Technology Krungthep	
Environment	PG Sustainable Forest Volunteer Project.	-	-
Society	Blood donation project		
	Thai Red Cross Society - Donating goods to disaster Victims	-	Donation for female prisoners project

Promote educational opportunities for youth

The Company recognizes the importance of education for both children of employees and young people in school age. The company hope that they will pay attention on studying and making happy to Thai society and progressing in the future as well, creating morale, alleviating the family burden. The company offers the following scholarships:

1. Co-operation with Dr. Thiam Chokwatana Foundation, to sponsor 21 scholarships to Employee's Child in elementary - higher education level
2. Co-operation with SAHA Group giving 2 bachelor degree scholarships for Chemical Engineering, Textile and Textile Engineering Rajamangala University of Technology
3. Give 2 scholarships for a Bachelor's Degree in Chitralada College.

PG's Stream of Kindness Project

Based on the concept of the former president and founder of Saha Group, Dr. Tiam Chokwatana realized the importance of education. The Company considers it as one of the ongoing projects to help and support schools around area of the place of business which are lack of equipment, teaching aids, sports equipment, restoration of canteen or resting area. Moreover, the company also grant scholarships for underprivileged students, this project has been implementing continuously throughout 15 years.

In 2018, the company organized a project at Srisuwanaram School, Prachinburi and joint with Saha Group Personnel Management Club, Lumphoon Province to donate school and sport equipment to Baan Jam Patana School, Lumphoon.



Encourage employees to involve and create value for society

The Company supports and encourages its employees to contribute to community and society, giving the employees a sense of sacrifice, cooperation, and unity, resulting in good relationships between employees and community. The company also organizes activities that unify employees to make decisions together to achieve goal.

Donations for charity

People's Garment Public Company Limited and Thai Sports Garment Co., Ltd (Joint venture Company), have been continuously supported public interest activities which recognizes the importance of charitable activities for both public and private agencies. Therefore the company gives ready-made clothes to the Thai Red Cross for use in various charitable activities.



Reforestation project to compensate for National Reserved Forest named Tha Rit, Lam Thonglang, and Lam Phaya Klang ,2nd plots(year 2010) in Saraburi Province under the permanent afforestation project in honor of His Majesty the King on the occasion of the 50th year of his reign.

"PG forest conservation volunteers to reduce global warming" has continue intention of the permanent afforestation project to celebrate His Majesty the King On the occasion of the 50th year of his reign in the reforestation project to compensate for National Reserved Forest named Tha Rit, Lam Thonglang, and Lam Phaya Klang ,2nd plots(year 2010) in Saraburi Province. The area of about 12,500 Rai or about 200 square kilometers to restore the forest to the Pasak River basin, which is a main source of raw water of the native people in the central region. As formerly was dry evergreen forest, Limestone Mountains, and decadent mixed forest which are announced as National Forest in 1982. As the area is decadent forest, the company will afforest for 11 years continually together with asking the forestry officers to maintain and preserve the trees as well as replacing the dead tree. The afforestation was started since the year 2012 to present which is 7th consecutive year, the table shows the number of trees and CO² as follows:

Table: Showing the number of planted trees and the amount of recovered CO²

Year	Size of area (RAI)	Number of Tree (Tree)	CO ₂ (KGs./Year)	CO ₂ (Ton Carbon/Year)	Accumulative CO ₂ (Ton Carbon/Year)
2012	3	600	15,000	15	15
2013	3	1,200	30,000	15	30
2014	3	1,800	45,000	15	45
2015	3	2,400	60,000	15	60
2016	3	3,000	75,000	15	75
2017	3	3,600	90,000	15	90
2018	3	4,200	105,000	15	105



4,200
Tree were planted
during year 2018



105,000 Kg.Co₂eq
was reduced
during year 2018



Volunteer Spirit Project “Doing good things with heart

The company encourages and support employees to participate as part of the volunteer project “We do good with heart” to fulfill the aspiration of His Majesty King Maha Vajiralongkorn Bodindradebayavarangkun and also allow employees to practice compassion generous to others for the benefit of public interest rather than personal benefits. In addition, it is to sacrifice our time for social benefits, including joining or cooperating with communities or societies.



Receiving complaints from the community

With awareness of instillation and Development of consciousness of the board of directors, executives, and employees of the entire organization to take part in social and community responsibilities that may be affected by the company's business operations. In addition, the company has joined the CSR-DIW project and it has been certified by the Ministry of Industry as a manufacture to participate in its society continuously and Sustainably (CSR - DIW Continuous)

Throughout the past business period. It does not appear that People's Garment Public Company Limited has received complaints from the surrounding community.

Moreover, the company is committed to maintain the quality and standards of its operations for better development in order to avoid negative impacts on society and the community.

7. Environment Area

The company is aware of the importance of the environment, Energy Conservation, and the use of energy-saving and cost-effectiveness, so the company has determined its energy conservation measures and preventive together with controlling business operation not to affect the environment. The Company conducts business on the principle of environmental management throughout the organization for better environmental development. **There is Energy and Environmental Conservation Committee**, which is a working committee on energy and environmental management system. It has also received cooperation from every employee and its trading partners by complying with the environmental management system, ISO14001.

The Company promotes energy conservation and environmental management in a systematic and standardized manner to monitor all operations related to the Company's business operations to maximize energy efficiency and minimize impact on environment. The Company recognizes the environmental responsibility to all stakeholders of the company by focusing on compliance with laws, regulations, and requirements related to energy conservation and environmental management strictly. The company also create corporate culture and awareness for employees to cooperate and to be responsible for energy conservation and environmental management including preventing environmental pollution with regard to the impact of energy and environment at every stage of production which starting from the product design process, production, distribution, use of product, waste management, and sustainable use of resources respectively. The company implement it in accordance with **5R (REDUCE, REUSE, RECYCLE, REPAIR, and REJECT)** by reduce the use of water, reuse, recycle, repair, and avoid to use resource that causes pollution; moreover, it also continuously promotes treatment and rehabilitation, replacement, surveillance, and prevention. In addition, the company promote the development of a continuous management system for energy and environment conservation, all of which are in line with the ISO14001: 2015 international standard.



Energy and Environmental Management

The Company defines policy on energy and environmental conservation as well as the targets to be used as energy and raw materials guidelines for efficient use and with maximum benefit, which shall be followed by the executives and employees throughout the organization

Energy and Environment Management Policies

1. Respect the laws and related regulations regarding energy saving and environmental conservation of the company.
2. Nurture a corporate culture and implant an awareness of involvement and accountability on energy and environmental conservation at all level of operations.
3. Promote development initiatives on energy-saving and environmental conservation. Consider the energy and environmental effects in every step of production phases starting from industrial design of product packaging, production, distribution, applications, waste management and resource optimization.
4. Promote energy-saving and environmental conservation activities by defining all corporate events with an objective to improve and develop the consumption of energy and natural resources to be more effective and reduce the adverse effects on climate change and ecological system.
5. Promote the management systems for energy-saving environmental conservation. They should start from the effective use of resources with 5R principles (Reduce, Reuse, Recycle, Repair, Reject), reduction of consumption, reuse, recycle, repairs, avoiding the unnecessary use, restoration and rehabilitation, alternative energy, monitoring and preventive programs. These all are aimed to maintain the equilibrium of ecological systems and human life.
6. Promote continuous development in the management of energy conservation and the environment by implementing development and monitoring of energy and environment to comply with energy and environmental regulations and requirements

Energy Management

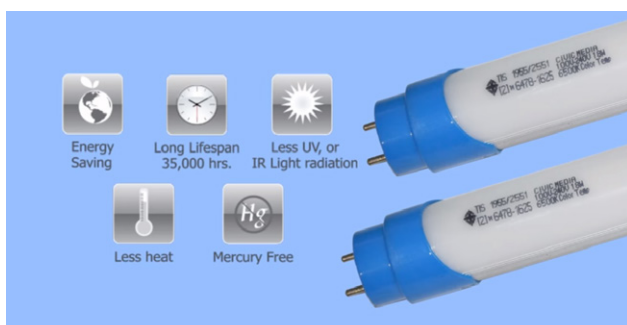
The company implements energy management in the office and factory continuously; moreover, the company attaches importance to focus on reducing energy consumption for energy efficiency, by managing the use of space to work properly.

Workspace management: Separated workspace based on type of work which are area that does not require air conditioner and area require air Conditioner

Maintenance of electrical appliances and electrical equipment

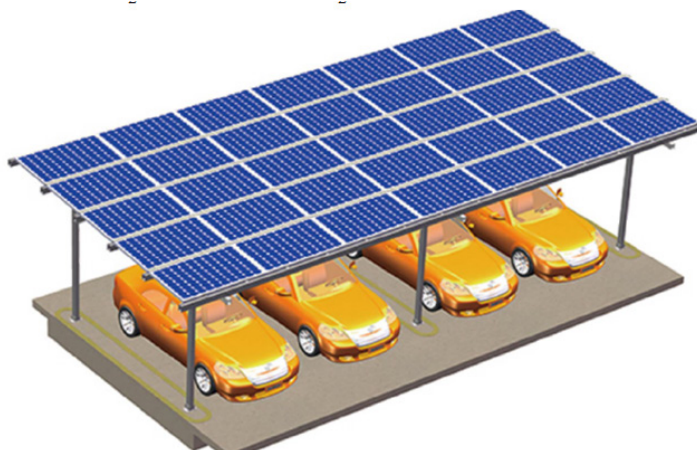
Air conditioner : Maintaining the air conditioner according to the maintenance schedule which is defined for effectiveness in cooling. It is system that consumes high power in order to provide efficient cooling to reduce working of air conditioner.

Lighting System : Modified and changed broken fluorescent light bulbs with LED light bulb which is higher efficiency than fluorescent bulbs. LED bulbs provide light at normal operating temperatures higher than fluorescent lamps. The company also has installed solar-powered lighting systems around sidewalk outside the company.



Production System : To increase productivity for more efficiency and also change using a large boiler to be a small boiler, which small boilers use less electricity, low energy loss, and clean energy with no pollution to the surrounding community and overall compared to the use of steam energy from bio-mass, resulting in more energy savings.

Using renewable energy : During 2018, The company organizes a project using solar cells to generate electricity by installing solar cell system at the parking area of the company. This solar cell system provide renewable energy 9,000 Kw/year, reduced electricity bill 36,000 bath / year and reduce Co2 5,625 Kg.Co2



Boiler Bio-Mass Project

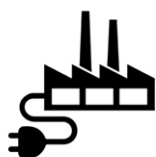
The company concerned on the problem of limited resources. At present, the demand for oil has increased while crude oil resources are starting to decline. The company pays attention to such problems, together with the need to reduce oil consumption and to make efficient use of resources.

Factory at Lamphoon and Kabinburi use Boiler Bio-Mass to produce heat energy by using chip wood as a fuel in replacement of Coal-Tar. This is friendly to environment and help reducing of air pollution occurred from burning. The burning of chip wood is without sulfur dioxide therefore it does not damage to health, and reduce fuel cost and production cost also.

The company collect and eliminate ashes in compliance with law and ISO14001.

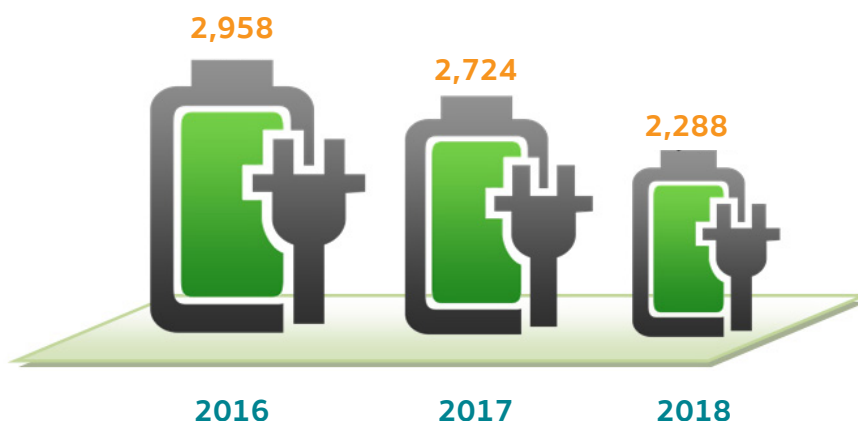


Energy Conservation Committee provides and participates the activities of educating employees in reducing energy consumption and cultivating consciousness. From the determination of the Board of Directors to support and develop its organization to be sustainable company together with society and environment. Also encourage personnel at all levels to have knowledge, ability, modernity, potential for energy conservation in accordance with the company's energy and environmental conservation policy.



In 2018, the company consumed 2,288,232 units of electricity (amounting to the emission of carbon dioxide into atmosphere of 1,428 TonCo₂) a decrease from the previous year of 436,489.50 units ,amounting to the emission of carbon dioxide into atmosphere of 272.40 TonCo₂ or equivalent to 83.98% from last year.

Electricity Charge (Mw)



Environmental Management

The company attaches importance to environmental problems and shortage of resources including climate change that impact to society and economy. In order to be responsible for the greenhouse gas emission, the company create a practice guideline of resources management by focusing on maximizing benefits including setting the procurement guidelines that are friendly to the environment.

Internal resources management

Environment management system ISO14001 :2015, Control the amount of waste and pollution not exceeding the standard value and control the use of production resources from the design process, control the use of resources for maximum benefit with minimize the amount of waste as follows;

Production Process : Maintain the use of raw materials (fabric) by utilize cutting of pattern marking to get least waste of fabric, office supplies such as paper, file covers, stationery, etc. The company implement campaign to reuse them before destroying. This is able to control the order quantity effectively.

Waste utilization potential Project (3R) : is a sustainable resource management, rotation resources to be recycled, control waste and pollution by focusing on everyone in the organization to participate through activities about 3R, Reduce Campaign, Reuse campaign, Recycle campaign through waste segregation.



In 2018, the company awards on Project to develop and upgrade industrial waste management operators, sub project no.1 Project to develop waste utilization potential for the year 2018 for 2 awards ; 3Rs Awards, and Zero Waste Achievement Awards from the Ministry of Industrial. This project is to utilize industrial waste according to 3Rs principles; Resuce, Resue, Recycle from the design process through production process and also elimination such industrial waste in correct way. At present, the company has received the green industry certification level 3 and applying for the green industry certification level 4.



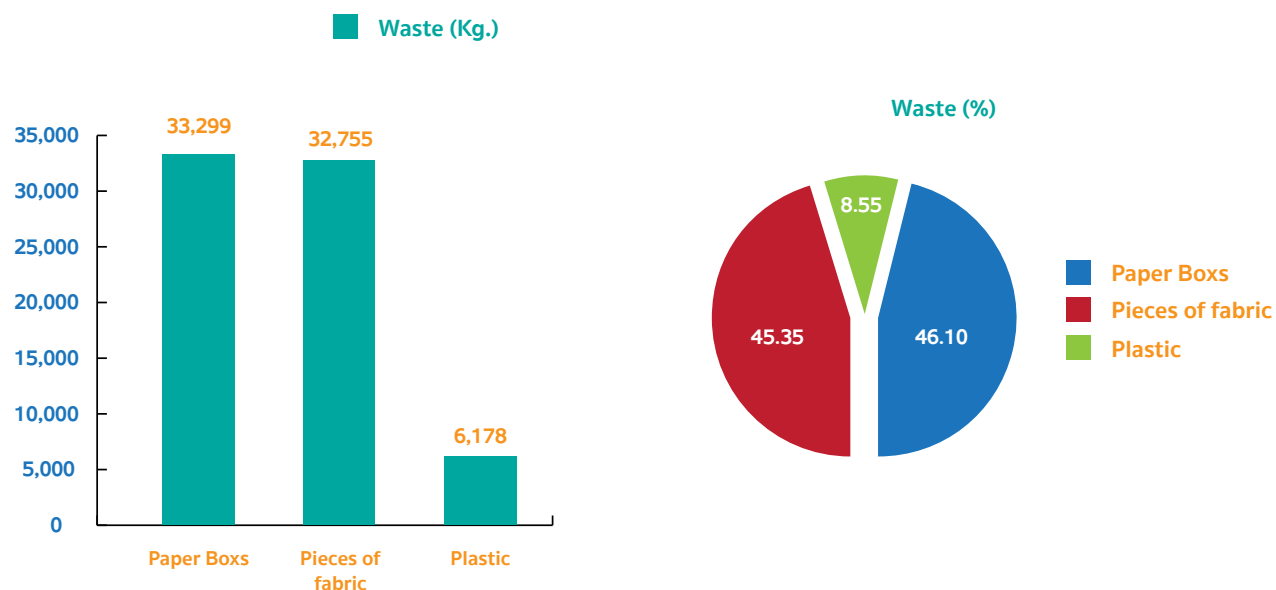
3Rs Awards

Zero Waste Achievement Awards

Waste Management

The Company has a systematic waste management system that complies with the laws strictly that adhere to principle of management based on the ISO 14001: 2015 environmental management standard. the waste is classified into four categories: general waste, biodegradable waste, recyclable waste, and hazardous waste; moreover, the company instills its employees to follow as organizational culture through “Waste Segregation Project”. All employees are involved in the sorting of waste before being disposed into the prepared bin which each type of waste has been processed according to the right procedure and proper method of management.

In the 2018, the segregation of waste prior to destruction can reduce the waste amounted 72,232 Kg, resulting in a reduction of carbon dioxide emissions equal to 189 TonCO₂.





Aerating turbine system adding oxygen content in water before released to outside

Wastewater Management

The company controls the quality of waste water before it is released to the outside by measure The BOD, COD parameter is not exceeded standard of waste water and before the waste water is released to outsider , the company has improved its quality with an increase in oxygen content so that the water before releasing has oxygen content is higher than the waste water standard by aerating turbine system.

Air Quality Management

The Company attaches importance to air quality management because it realizes that air pollution affects climate change. In this respect, the Company has minimized and controlled wastes arising from production process for the purpose of pollution prevention and environmental impact reduction. The company uses chopped wood fuels to produce steam for the production process, which is a natural raw material.



The Company has made the measurement of air quality discharged from boiler stack, i.e. dust, Sulfur dioxide (So₂), Nitrogen dioxide (NO_x), Carbon monoxide (CO), on yearly basis, to ensure that the air quality does not cause any impact on the environment and neighboring communities.

The results of the air quality inspection

Parameter	Unit	Test result	Standard	Test result against standard
Total Suspended Particulate	mg/ m ³	56.077	320	Passed
Sulfur dioxide	ppm	1.716	60	Passed
Oxide of nitrogen	ppm	15.485	200	Passed
Carbon monoxide	ppm	243.756	690	Passed
Opacity	%	1.3	10	Passed

Remark : 1. Notification of the Ministry of Industry Determining the amount of air pollutants released from the factory in 2006.
2. Notification of the Ministry of Industry Determination of the amount of soot in the air exhausted from the chimney of radiator of the factory in 2006.

Environmental friendly procurement operations

The company has purchased products and services that are environmentally friendly by considering the affect to environment. Beside the price and delivery consideration, The company also support supplier that care for environment and be responsible for social. The supplier must operate its business in compliance to Laws, regulations, and principles of labor laws, safety laws and respect of human rights.



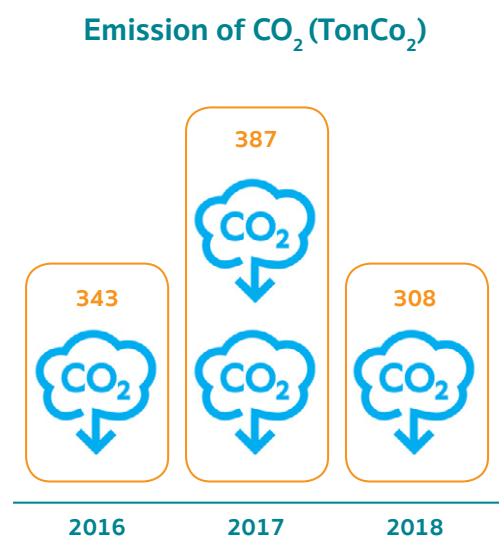
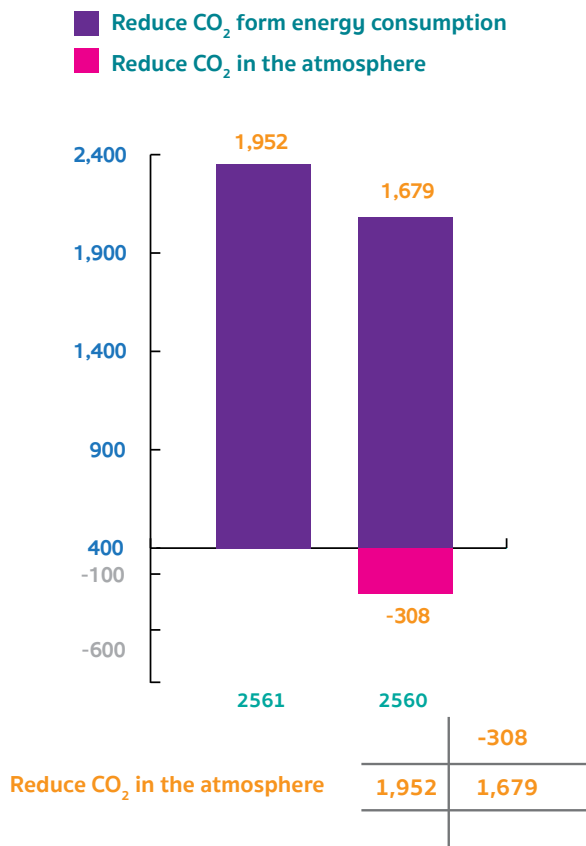
In the year 2018,emitted carbon dioxide 1,371 TonCo₂ from operation, reduced from previous year 194.58 TonCo₂ (78.54%)



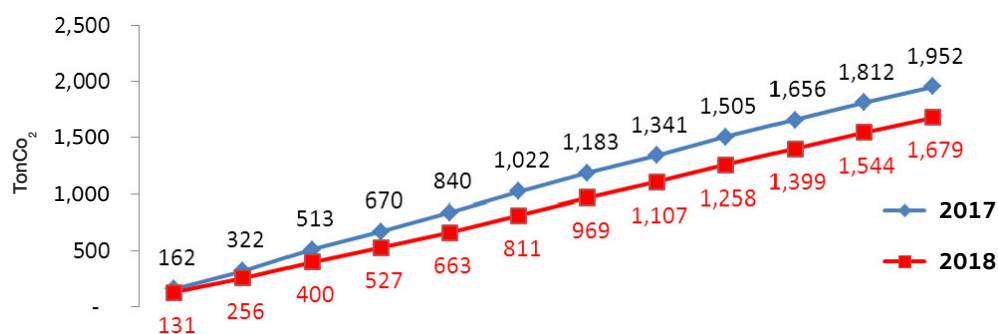
Reduce Co₂ emission from all campaign 308 TonCo₂, decrease 581 TonCo₂ (70.24%) from last year

Overview of the company's operations in term of energy and environment

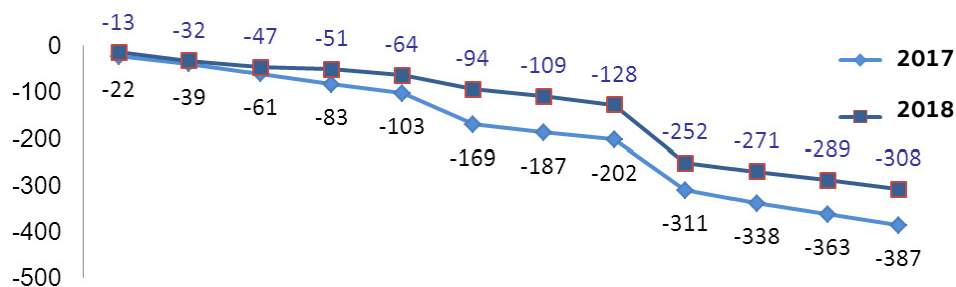
In the year 2018, the company operated its business which emitted carbon dioxide 1,679 TonCo₂ emissions and reduce from all campaign 308 TonCo₂, which is reduced from previous year 581 TonCo₂ representing 70.24%, and reduce the impact to environmental circumstances and recovers the weather condition from the implementation of the different activities to absorb carbon dioxide amounted 308 TonCo₂, and the accumulated amount of carbon dioxide emission reduction activities from 2011 until present is 5,198 TonCo₂.



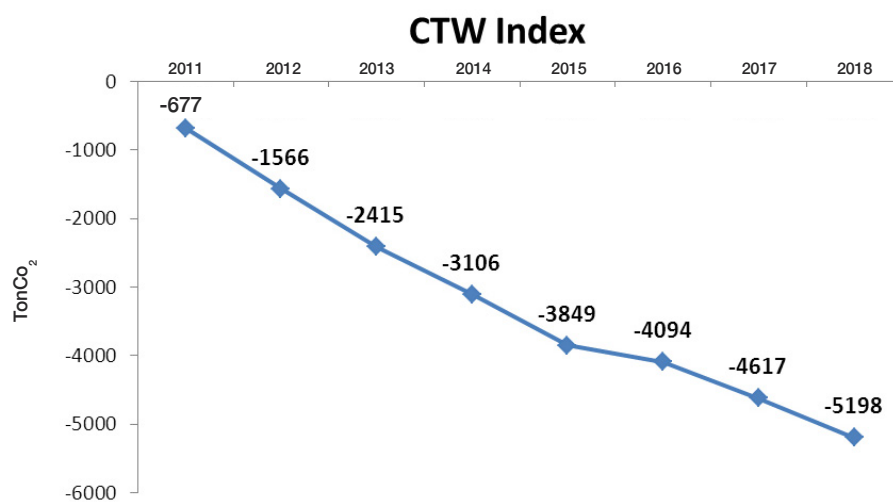
Graph indicates emission of CO₂



Graph indicates decrease emission of CO₂

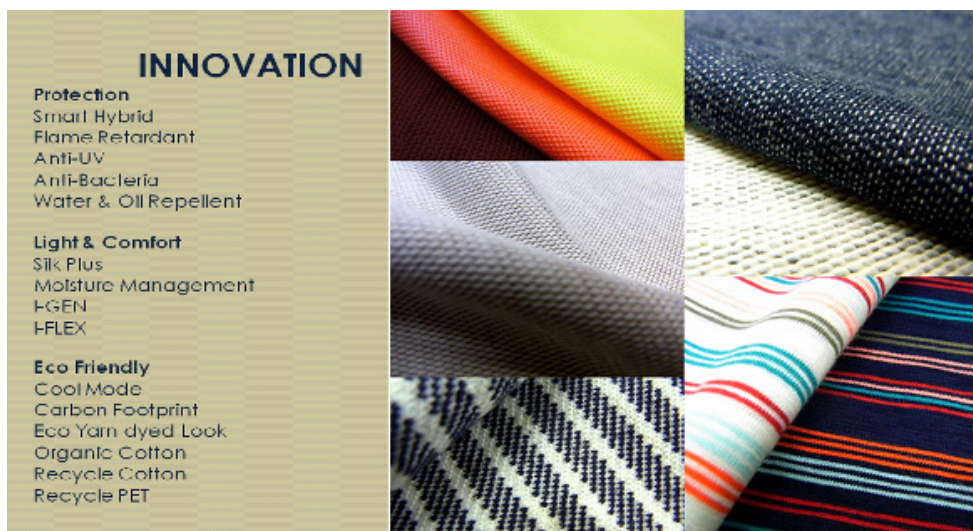


Carbon dioxide emissions reduction graphs accumulated year 2011-2018



8. Development of Innovation

Company promotes innovation creating to develop capability in work process, it also supports ongoing research and study research, which create value to the businesses, communities, society and the environment continually.



Innovation from Responsible business practices

The company prioritizes research and development (R&D) on textile and garment. Knowledge and expertise gained from real experiences in doing business has been transformed into an innovation based on social and environmental concerns. These kinds of innovation help increase the competitive advantages and business values simultaneously.

With regard to the importance of development of innovation related to company's products, the company appoints R&D Unit who are specialized in developing innovation in textile and garment. This unit will add values to the company's products and it is also supported and collaborated by government agencies and private sector consistently.

The company aims to create innovation into company's products for being products of values that are environmentally-friendly and safe for customer, which details are as below:

In 2018, the company emphasized on developing multi-function products to reach lifestyle of consumers both comfortableness, easy care, odorless by bacteria restrain qualification, environmental friendly products and safety to consumers.

The revenue of innovation products was about 33 Million baht or 4.5percentage of total revenue. Details was shown in "nature of business" topic.

Innovation on Products

COOL MODE

Innovative fabric texture with special function to absorb moisture and sweat ventilation at the same time that are safe to the consumer and environmentally friendly. This qualification means that consumers are comfortable when wearing which consumer can wear it in a building or room with air-conditioning at temperature 25 ° C without feeling uncomfortable. This reduces electricity consumption. This COOL MODE is also certified by Thailand Textile Institute: THTI and Thailand Greenhouse Gas Management Organization (Public Organization) to use the label of "COOL MODE" as the first company in Thailand.

Special Features of COOL MODE products

The clothes are comfortable when wearing, easy to wash, high quality and durable as well as safe to wearer.

There are 3 main features are as follow:

- Production process: The chemicals and dyestuff are safe and free from Carcinogen and heavy metal.
- Quality and Durability: The clothes are resistant to dimensional stability after washing and durable for color fastness and light fastness to washing, and good perspiration. These qualifications are compatible with Thai Industrial Standards and international standards.
- Cooling feature: It is a special feature in reducing human body temperature causes the wearer feel cool and comfortable; moreover, it reduce energy consumption from Air-conditioner.

The company received a certificate from the Thailand Textile Institute (THTI) and the Greenhouse Gas Management Organization (Public Organization) as a manufacturer, distribute and use of Cool Mode products.

In the year 2018, there were four additional products has been registered to Cool Mode label i.e. 100%Cotton (COOL COT V.1) / TC (79/21) Fabric (COOLMODE CHILL V.2) / CVC(55/45) Fabric (COOLMODE CHILL V.3) and CVC Spandex Fabric (COOLMODE CHILL V.4) and the company has been cooperated with both public and private organizations. In recognition of their contribution to reducing global warming, as a result uniform orders have increased.



Energy saving label number 5 for garment products

Company developed products that were certified to Energy saving label No.5 “POWER SAVING, COMFORT, NON IRONING” under brand “ARROW”, BSC COOL, PRIMO and textiles contained qualifications as following;

- Fabric Strength; size still the same after washing, color fastness to light and sweat.
- Safety ; produce by color dyeing and chemical that safe from carcinogens and heavy metals
- Ventilation ; sweat absorbency and reduce body heat
- Pass the standard ; Cool mode testing standard, neat standard
- Treatment “washing , drying, wearing” ; fabrics passed the neat and seam standard

I-Flex

Knitted-fabric innovation I-FLEX

It was invented and developed by using special yarn with research and development structure of fabric to be stretchable and revertable. Its fabric is easy care, easy ironing, and not crease easily with stretched 360 degree qualification (more flexibility) which keeps comfortable and flexible body movement to wearer. Its fabric is easy care, easy ironing, and not crease easily. These qualification can be applied to various products such as Suit, Dress, Skirt, and Slacks.



I-flex

EASY IRONING EASY CARE MORE FLEXIBILITY COMFORTABLE

"Feel the maximum comfort from your apparel."

"สัมผัสนวัตกรรมใหม่ของเนื้อผ้า ที่ให้คุณสบายกว่าในทุกการเคลื่อนไหว"

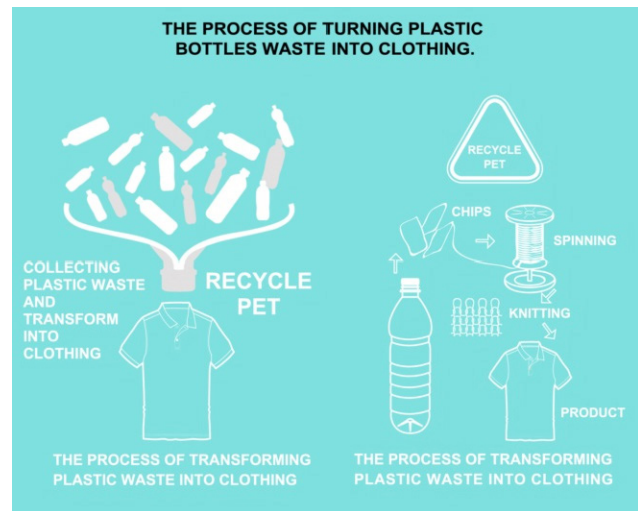
I-Flex ผ่านนวัตกรรมที่คิดค้นขึ้นเพื่อตอบสนองต่อไลฟ์สไตล์ของคนรุ่นใหม่ ด้วยเนื้อผ้าอัจฉริยะ ยืดหยุ่นสบาย ดูแลรักษาง่าย มีความยืดหยุ่นคืนตัวได้ดี ช่วยให้สวมใส่ทุกกิจกรรมในชีวิตประจำวันได้อย่างคล่องตัว เสริมภาพลักษณ์ดูดีทันสมัย ด้วยผ้าซึ่งกระชับเข้ารูป

เป็นความมั่นใจพร้อมอิสระในทุกการเคลื่อนไหวกับผลิตภัณฑ์ I-Flex

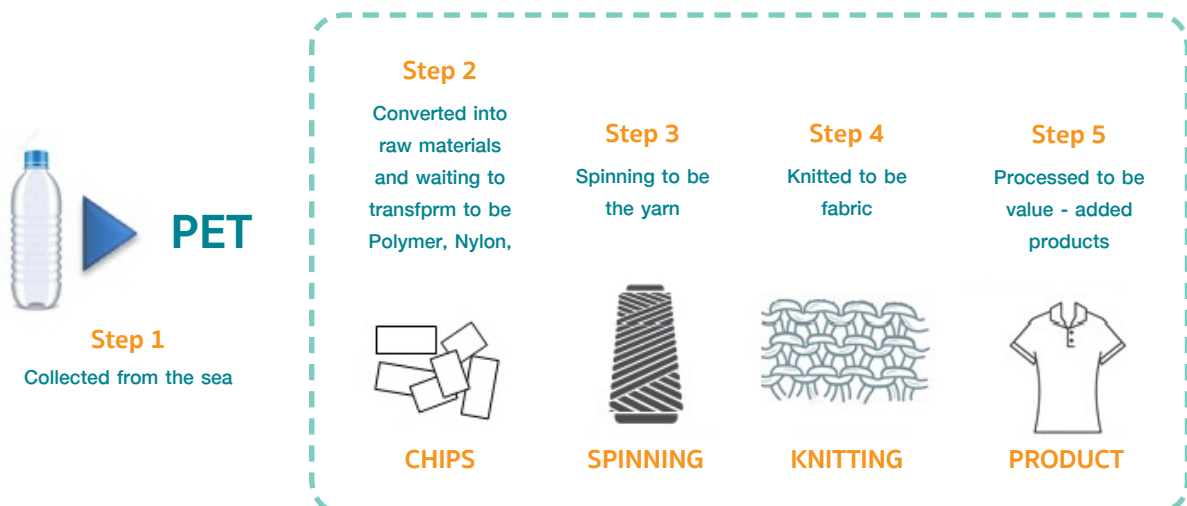
- ✓ สบายกว่า ด้วยเนื้อผ้าอยู่ทรง เข้ารูป กระชับกับสรีระ
- ✓ คล่องตัวกว่า ด้วยเนื้อผ้าที่ยืดหยุ่น และคืนตัวที่เยี่ยม
- ✓ มั่นใจกว่า ด้วยเนื้อผ้าที่ไม่ยับ ไม่ดูดีดุดาดทั้งวัน
- ✓ สบายกว่า ด้วยสัมผัสที่นุ่มและระบายอากาศได้ดี
- ✓ สะดวกกว่า ด้วยเนื้อผ้าที่ตอบสนองต่อทุกไลฟ์สไตล์

Recycle polyester

The Company has cooperated with PTT Global Chemical Public Company Limited to develop stretch fabric from recycle polyester yarn under the Up Cycling the Oceans project of PTT Global Chemical Public Company Limited. The objective of this project is to promote waste disposal and plastic waste segregation, which it can be transformed into a new product with a value in itself. The process of transformation is environmentally friendly innovations in order to develop to be high-value fashion clothing.



The process of changing PET bottle to Clothes





Anti - Bacteria



Anti - UV



Anti - Odor



Quick Dry



Wicking



Permanent Feature



Environmental
Friendly

Perma Healca

Perma Healca is a textile innovation for health which has been researched and developed specially with "Nano Sync" technology to inhibit bacteria that causes odors. It has the ability to inhibit UV radiation which caused skin disease and has ventilation qualification providing comfortable feeling while wearing and also helps maintain skin moisture.

In 2018, Perma Healca was produced as POLO under brand ARROW.



Awards of PG



The company was awarded the "Good Example" award of drug management in Bangkok area from the Department of Labor Protection and Welfare and Ministry of Labor incorporate with The Thai Army and Bangkok Metropolitan Administration (BMA).



Received the award from participating in the project to develop and upgrade industrial waste management operators. Subproject 1: Development of waste utilization potential From the Ministry of Industry



Transparent organization, far from corruption The Company has been certified by the Thai Private Sector Collective Action Coalition Against Corruption (CAC).



The Electricity Generating Authority of Thailand gave a plaque to honor the number 5 product operator, "Clothes No. 5".



Outstanding Enterprise Award for Safety Occupational health and working environment for the year 2018, the national level fourth year consecutive, Gold levels from the Ministry of Labor



Received the 3rd year Platinum Accolade Plaque (no accidents, 16,225,144 consecutive work hours) in the "Zero Accident Reduction Campaign for Zero Accident Campaign".



The company was awarded the "Excellent" award from the Corporate Governance Assessment of Listed Companies in 2018 according to the Corporate Governance Report of Thai Listed Companies 2016 (CGR) and received the National Corporate Governance Committee logo from Thai Institute of Directors Association

Social and Environmental Awards

Institute/ Organization	Year	Honor Awards
กระทรวงแรงงาน	2018	Awarded the Excellent Establishments on Labor Relations and Social Welfare - Head Office : 11 consecutive year (2008 – 2018) - Lumphun : 11 ปี consecutive year (2008 – 2018) - Kabinburi : 10 ปี consecutive year (2009 – 2018)
		Received the certificate of “Establishment with Good Labor Practice”: (GLP)
	2015	Establishments that are committed to implementing safe workplaces in the honor of HRH Princess Maha Chakri Sirindhorn
	2013	Awarded the Standard on Prevention and Solution to Drugs Problems in an Establishment (SDE)
		Awarded the Excellent Establishment on Safety, Occupational Hygiene and Working Environment in the provincial level at Lumphun branch.
		Awarded the Excellent Establishment on Skill Development at Kabinburi branch.
		Awarded the golden certificate from "Zero Accident Campaign"
Ministry of Social Development and Human Security	2013	Received the certificate for promoting of recruiting disable persons exceeds quota defined by the legal.
	2015	Received the certificate of establishment for employment of disable persons exceeds quota defined by the legal.
Ministry of Industry	2013	The organization is certified to Green industry in Type 3 factory (Green System)
	2015	Awarded “Organization committed to standards of Social responsibility for industrial entrepreneur. CSR – DIW CONTINUOUS AWARD 2015
Ministry of Public Health	2015	The company has been certified as assessed by the rules of "The organization"
Ministry of Energy (Department of Alternative Energy Development and Efficiency)	2013	An honor award to “Excellent success” of “Increase Energy Efficiency project” for medium-sized factory in the group of Paper and Textile industry

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