

Management Discussion and Analysis



Management Discussion and Analysis (MD&A)

1. Overview - The Company's Business Operations

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

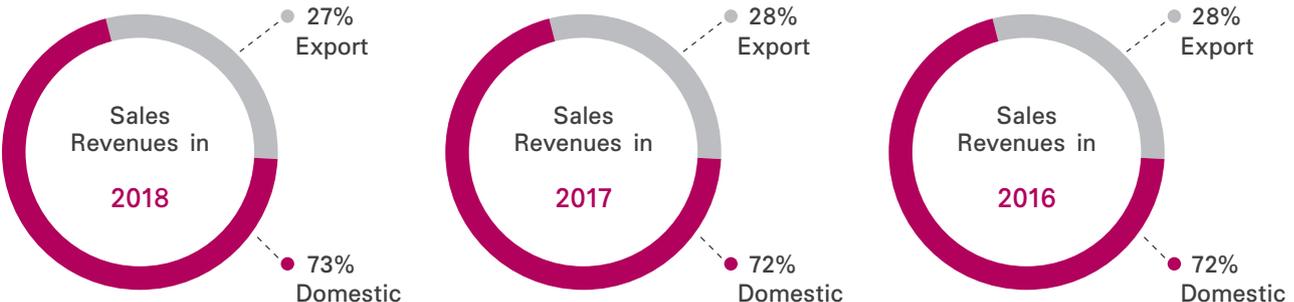
For the lingerie market in 2018, it still continued to be highly competitive market with regards to quality of products and service, design, pricing, distribution channels, and sales promotion activities in order to meet the diverse needs of consumers and to create maximum customers' satisfaction. Meanwhile,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

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

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

2. Operating Results and Profitability

2.1 Analysis of Operating Results



Revenues from Sales of Products and Services

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

Unit : Million Baht

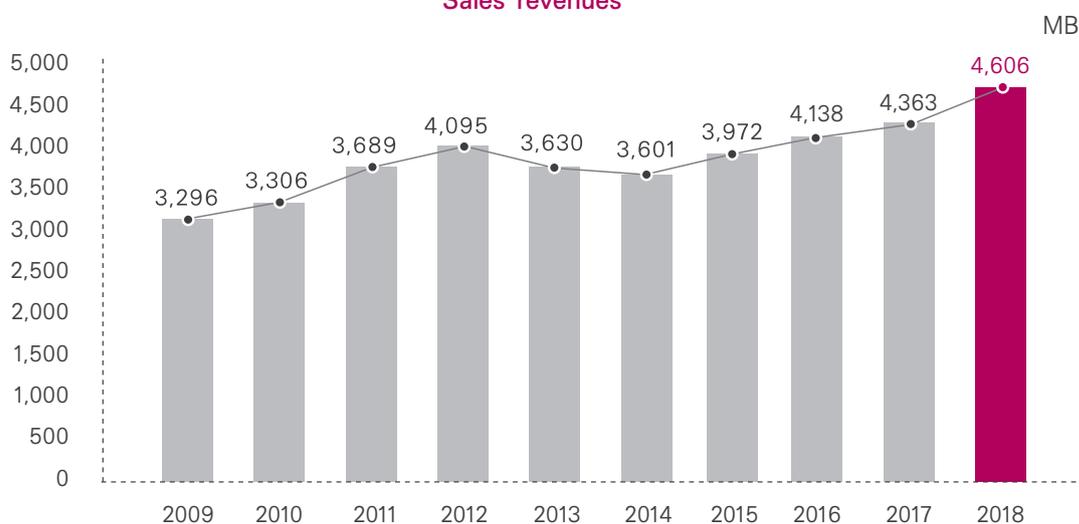
Consolidated	2018	2017	2016	%Increase (Decrease)	
				2018/2017	2017/2016
Domestic sales	3,358.53	3,129.58	2,960.89	7.32	5.70
Export sales	1,247.52	1,232.96	1,177.57	1.18	4.70
Total sales	4,606.05	4,362.54	4,138.46	5.58	5.41

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

Unit : Million Baht

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

Sales revenues



Other Income

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

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

Cost of Sales

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

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

Selling and Administrative Expenses

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

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

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

Other Expenses and Income Tax Expenses

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

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

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

Profit

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

Gross Profit

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

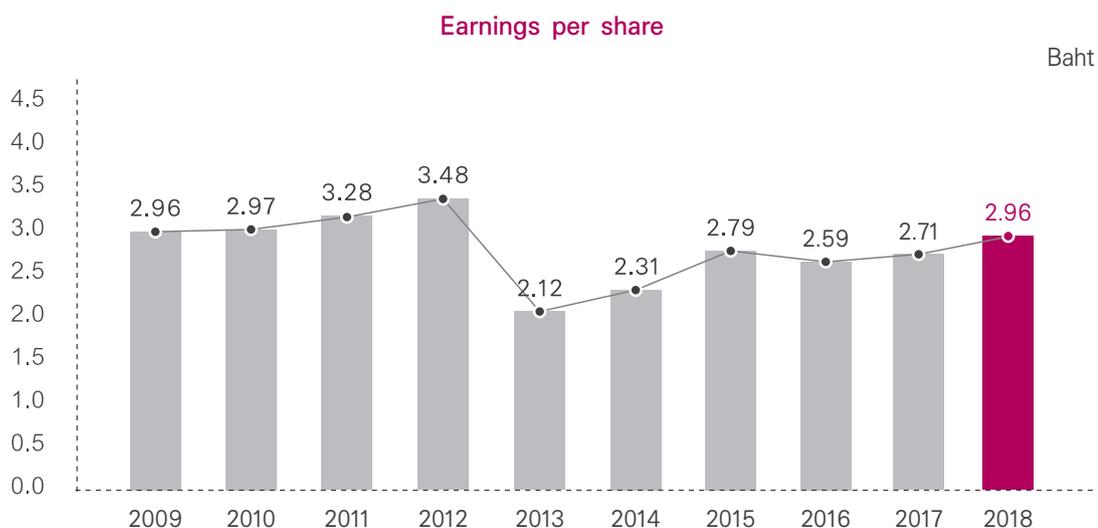
Profit before Financial Cost and Income Tax Expenses

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

Net Profit attributable to Owners of the Parent

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

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

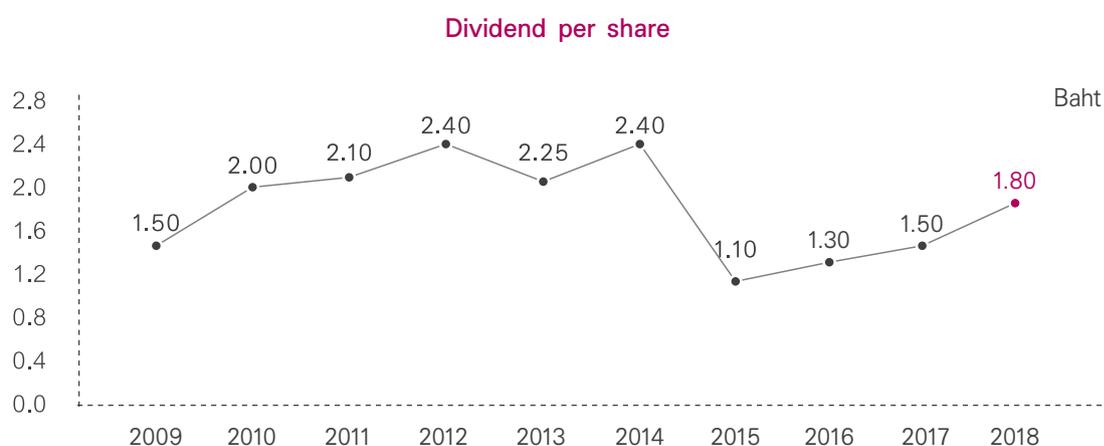


Return on Equity

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

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

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



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

2.2 Analysis of the Financial Status

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

Unit : Million Baht

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

Current Assets

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

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

Non-Current Assets

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

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

Total Liabilities

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

Unit : Million Baht

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

Shareholders' Equity

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



3. Asset Management Capabilities

Receivables

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

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

Inventories

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

Investments

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

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

Property, Plant and Equipments

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

Investment Property

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

4. Liquidity and Sufficiency of Funds

Source of Funds

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

Investments

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

Adequacy of the Company's Liquidity

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

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

Cash Flows

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

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

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

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

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

5. Contractual obligations and off-balance sheet arrangements

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

Details of the Company's Total Long-Term Liabilities

Unit : Million Baht

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

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

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

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

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

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

External factors

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

Internal factors

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

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

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

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

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

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

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

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

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

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

Financial ratios compared between 2018, 2017, and 2016

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

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