



รายงานประจำปี 2555
บริษัท ไทยวาโก้ จำกัด (มหาชน)

ANNUAL REPORT 2012

Thai Wacoal Public Company Limited

ข้อมูลสำคัญทางการเงิน

Financial Overview

งบการเงินรวม	CONSOLIDATED	2555 / 2012	2554 / 2011	2553 / 2010
ฐานะทางการเงินและ ผลการดำเนินงาน (ล้านบาท)	FINANCIAL POSITION AND OPERATING RESULTS (Million Baht)			
สินทรัพย์รวม	Total Assets	6,415	5,992	5,619
หนี้สินรวม	Total Liabilities	1,121	1,089	583
ส่วนของผู้ถือหุ้น	Equity	5,294	4,903	5,036
รายได้จากการขายและบริการ	Sales	4,095	3,689	3,306
รายได้รวม	Total Revenues	4,277	3,927	3,561
กำไรขั้นต้น	Gross Profit	984	920	750
กำไรสุทธิ	Net Profit	417	394	356
ข้อมูลต่อหุ้น (บาท)	PER SHARE DATA (Baht)			
มูลค่าที่ตราไว้	Par Value	1.00	1.00	1.00
มูลค่าตามบัญชี	Book Value	44.12	40.86	41.97
กำไรสุทธิ	Net Earnings	3.48	3.28	2.97
ราคาตลาด	Market Price	47.25	47.00	44.00
เงินปันผล	Dividend	2.40 *	2.10	2.00
อัตราส่วนทางการเงิน	FINANCIAL RATIO			
ความสามารถในการทำกำไร (%)	PROFITABILITY RATIO (%)			
อัตรากำไรสุทธิต่อรายได้รวม	Return on Total Revenues	9.75	10.03	10.01
อัตราผลตอบแทนผู้ถือหุ้น	Return on Equity	8.18	7.93	7.26
สภาพคล่อง (เท่า)	LIQUIDITY RATIO (Times)			
อัตราส่วนสภาพคล่อง	Current Ratio	4.60	4.63	4.73
อัตราส่วนสภาพคล่องหมุนเร็ว	Quick Ratio	2.92	3.09	3.23
อัตราส่วนสภาพคล่องกระแสเงินสด	Liquidity of Cash Flow from Operation	0.35	0.27	0.49
ประสิทธิภาพในการดำเนินงาน (%)	EFFICIENCY RATIO (%)			
อัตราผลตอบแทนจากสินทรัพย์	Return on Assets	6.72	6.79	6.54
อัตราผลตอบแทนจากสินทรัพย์ถาวร	Return on Fixed Assets	59.47	58.54	55.66
วิเคราะห์นโยบายทางการเงิน (เท่า)	FINANCIAL POLICY RATIO (Times)			
อัตราส่วนหนี้สินต่อส่วนของผู้ถือหุ้น	Debt to Equity Ratio	0.21	0.22	0.12
อัตราส่วนความสามารถชำระดอกเบี้ย	Interest Coverage Ratio	701,335.18	2,786,816.53	4,913,626.96
อัตราการจ่ายเงินปันผล (%)	Payout Ratio (%)	69.05 *	63.97	67.33

* ที่ประชุมคณะกรรมการบริษัท มีมติให้จ่ายเงินปันผลหุ้นละ 2.40 บาท แล้วนำเสนอต่อที่ประชุมสามัญผู้ถือหุ้น ซึ่งกำหนดให้มีขึ้นในวันที่ 22 เมษายน 2556

* The Board of Directors resolved to set dividend payment rate at Baht 2.40 per share, for further proposal to the shareholders' general meeting for approval, on April 22, 2013.

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Report by The Board of Directors



Mr. Manu Leelanuwatana

Chairman

During the year 2012, Thailand's economy could achieve relatively favourable growth, which could be partly attributed to the economic stimulus measures implemented by the government seeking to promote domestic spending activities, substantially helping to offset the adverse impacts upon the country's export sector, brought on by the slowdown in global economic developments, particularly in the U.S. and Europe.

As the result of its active business development efforts and activities, the company and its subsidiaries could achieve favourable performance results for year 2012, by registering total sales revenue of Baht 4,094.69 million and total net profits of Baht 417.11 million, representing improvements of 11.00% and 5.88% over the previous year respectively. Based on such favourable performance results and sound financial standing of the company, The Board of Directors has therefore resolved to propose to the shareholders' general meeting on April 22, 2013, to approve dividend payments to the shareholders at the rate of Baht 2.40 per share, altogether accounting for 69.05% of the total net profits. The payment date has been set for May 17, 2013, marking 40 consecutive years of dividend payments to the shareholders by the company.

In recognition of its firm commitment and dedication towards upgrading its operational efficiency across all areas, together with its consistent products and services innovation activities, during the year 2012, the company was selected to receive various awards and certifications. Its "Wacoal" lingerie brand and "ENFANT" childrenwear brand were bestowed the Trusted Brand Awards 2012 in the Platinum Category, for the 2nd and 3rd consecutive year respectively, in the survey conducted by the Reader's Digest magazine. At the same time, "Wacoal Gold & Wacoal Green" were the recipients of the STI Thailand Awards 2012 in the category of Elderly Lingerie & Green Lingerie Products respectively, from the National Science Technology and Innovation Policy Office.

The company continued to place significant emphasis on its social and environmental responsibilities, alongside its regular business practice, whose efforts were duly recognized and honoured by various organizations during the year 2012. The most remarkable was the ASEAN Energy Awards 2012, the top prize in the ASEAN Energy Management Regional Contest among ASEAN countries, followed by the Thailand Energy Awards 2012 for its outstanding achievement in energy conservation. At the same time, the company was granted the ISO 14001 : 2004 certification, in recognition of its efficient environmental management system, together with the CSR-DIW Award for its compliance with the social accountability standard, by the Department of Industrial Works, the Ministry of Industry.

The Board of Directors continued to adhere to sound management principles with due exercise of caution, integrity and honesty, accompanied by its commitment towards developing better corporate governance practice on a consistent basis, so as to contribute to better efficient and transparent company operations. In recognition of such achievements, the company was presented with the "very good" appraisal result for its corporate governance practice, for the 5th consecutive year by the Thai Institute of Directors Association for 2013, in addition to the Top Quartile listing for those listed companies having market capitalization between Baht 3,000 – 9,999 million.

Finally, on behalf of The Board of Directors, may we express our sincere thanks to the shareholders, customers, business partners, communities accommodating the company's locations, government and private organizations, together with all company employees, for their valuable trust and support rendered the company all along. We hereby pledge to continue to devote all our best knowledge and expertise in trying to bring about further sustainable growth and success to the company during the days to come.

A handwritten signature in black ink, reading "Manu Leelanuwatana".

(Mr. Manu Leelanuwatana)

Chairman

The Audit Committee's Report



Assoc.Prof. Dr. Kulpatra Sirodom
Chairperson of The Audit Committee

The Audit Committee of Thai Wacoal Public Company Limited consisted of 3 independent directors, with Associate Professor Dr. Kulpatra Sirodom acting as the Chairperson, and Mrs. Punnee Worawuthichongsathit and Mrs. Saranya Chindavanig acting as members of The Audit Committee respectively. All committee members were duly qualified in accordance with the requirements by The Stock Exchange of Thailand.

During 2012, The Audit Committee convened total 12 meetings, which were fully attended by all the members. Major activities carried out by The Audit Committee over the past year, under such authority and responsibility scope assigned by The Board of Directors, could be largely summarized as follows :

- Reviewed the financial statements of the company and its subsidiaries, on both quarterly and yearly basis for 2012. Such review also covered the practice in compliance with accounting standards, the selection of accounting policies, as well as the information disclosure per the notes to the financial statements in accordance with the financial reporting standards, already reviewed and verified unconditionally by the company auditor, As the result, The Audit Committee concurred with the company auditor that, the financial statements of the company fairly presented substantial context in an accurate manner in accordance with generally-accepted accounting principles.

Furthermore, The Audit Committee conducted its meetings with the company auditor, in the absence of The Management, so as to allow the company auditor complete freedom in reporting and discussing the company's financial information.

- Reviewed the sufficiency and adequacy of the company's internal control system, to ensure efficient and effective company operations, while also conducting review over internal control system at subsidiary companies in accordance with COSO standard. As the result, The Audit Committee concluded that the company had sufficient and adequate internal control system in place, compatible with its business environments.

- Reviewed the internal audit operations based on the internal audit plan earlier approved by The Audit Committee, whose results were found to be satisfactory in compliance with the established objectives. Furthermore, The Committee reviewed the operations by the internal audit office on a monthly basis, and did not come across any significant deficiency.

- Recommended the appointment of the certified public accountant, together with proper remuneration proposal, by basing the consideration on past performances in the previous year, together with the proficiency and independence in performing such duties so far. As the result, The Audit Committee proposed to The Board of Directors to seek approval from the shareholders' meeting, to appoint Dr. Suphamit Techamontrikul and/or Mr. Chavala Tienpasertkij and/or Mr. Manoon Manusook, representing Deloitte Touche Tohmatsu Jaiyos Audit Company Limited to act as the auditor for the company and its subsidiaries for 2013.

- Reviewed connected transaction including those transactions with possible conflict of interests, in such areas as the adequacy of information disclosure, the rationale for entering into such connected transactions, transaction conditions, and the impact and benefit incurred upon the company. As the result, The Audit Committee concluded that those connected transactions duly represented the transactions carried out under normal business operations, in the best interests of the company, by disclosing relevant information in an accurate and sufficient manner in compliance with the requirements by The Securities and Exchange Commission.

- In due recognition of the significance of risk management activities, The Audit Committee therefore supervised the company to formulate and implement adequate risk management plans compatible with its business environments, and regularly followed up on the progress of such plans.

- Supervised to ensure that the company was managed under the good corporate governance practice, in accordance with The Securities and Exchange Act. At the some time, The Audit Committee also conducted self-audit appraisal upon themselves, in terms of necessary qualifications and adequacy of The Committee members, overall performances, review efficiency over financial statements and connected transactions, the internal control system, as well as risk management system so as to serve as own proper appraisal, whose results were found to be fairly satisfactory.

- Reviewed The Audit Committee Charter to ensure sufficient coverage over all assignments of The Audit Committee, in compliance with the good governance requirements by The Stock Exchange of Thailand.

During the past year, The Audit Committee duly performed its assignments in an independent manner, supervised corporate management through proper and efficient internal control system, implemented adequate risk management system on a continuous basis, while ensuring full compliance with the legal requirements regarding securities and The Stock Exchange of Thailand, as well as all the laws related to the company's business operations. As the result, The Audit Committee concluded not to have across any deficiency or irregularity deemed as significant.

A handwritten signature in black ink, appearing to read 'K. Sirodom'.

(Assoc.Prof. Dr. Kulpatra Sirodom)
Chairperson of The Audit Committee

The Board of Directors



Mr. Boonsithi Chokwatana

Advisor to The Board of Directors

■ THE BOARD OF DIRECTORS



Mr. Yoshikata Tsukamoto

Advising Director



Mr. Manu Leelanuwatana

Chairman



Mr. Yuzo Ide

Vice Chairman



Miss Sirikul Dhanasarnsilp

Vice Chairman



Mr. Boondee Amnuayskul

Managing Director



Mr. Akihisa Nakano

Deputy Managing Director



Mr. Amnuay
Bumroongwongtong

Director



Mr. Thamarat Chokwatana

Director



Mr. Ikuo Otani

Director



Mr. Kiyotaka Hiroshima

Director



Assoc.Prof.
Dr. Kulpatra Sirodorn

Independent Director and
Chairperson of The Audit
Committee



Mrs. Punnee
Worawuthichongsathit

Independent Director and
The Audit Committee
Member



Mrs. Saranya Chindavanig

Independent Director and
The Audit Committee
Member



Mr. Krish Follett

Independent Director and
Chairman of The Risk
Management Committee



Assoc.Prof.
Nares Kesaprakorn

Independent Director and
The Risk Management
Committee Member

COMPANY's PRODUCTS

• Ladies' Lingerie

DIAMOND



Glam



Beloved



COOL



Boost-up



WACOAL SPORT



mood



BRABERRY



Buddy Skin



Double Kiss Double Sexy



First Bra



Campus



POP Line



WIENNA



Childrenwear



• Ladies' Outerwear



5.up



Racé



melody*



WACOAL BLOUSE



Company Background



Thai Wacoal Public Company Limited was established by the joint-venture between Saha Pattanapibul Company Limited and Wacoal Corporation, Japan on 1st October 1970. The company is the first industrial producer of ladies lingerie products in Thailand. Throughout the 42 years of business operation, the company is keen on studies, research and development of physiology, raw materials, design and tailoring continuously so as to develop quality products with comfortable wear, which suit the physiological structure to enhance the beauty and confidence for women at every age group.

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


- 1970 • Started to produce lingerie products.
- 1971 • Expanded the production to cover girdle, underwear, short bodysuit, petticoat and nightwear products.
- 1972 • The company started to export to overseas market for the first time. The company further added children wear and outerwear products to its product line-up.
- 1973 • Increased the registered capital from 4 million baht to 8 million baht.
- 1974 • Started production for children wear to distribute locally.
- 1979 • Increased the registered capital to 20 million baht.



The first decade is the pioneer stage of lingerie products, which employed marketing and innovation strategies for new products and services, such as arrange salespersons to give suggestions to customers so as to choose lingerie products which fit each individuals' physiology. The company is also the first to use the special term for lingerie salesperson as "Proportion Consultant" or "PC", which has become widely used today. The company also arranged for "Fitting Room" at stores and is the first to introduce the Cup and Size System as well as determine the lingerie products at fixed price. The company is also the first brand to air the lingerie advertisement on television in Thailand. As a result, the product brand became widely known and totally changed the behavior and concept of women towards lingerie products.



• The Second Decade: Exponential Growth (1980 - 1989)

- 1980 • Changed the company logo from Wacoal to the  due to the 10th Year Anniversary of its establishment on 1st October. The logo looks like a blooming flower, which represents progress of the company. The color code for the company is red-wine and pink.
- The computer system was introduced in the production line for the first time.
- Joint-ventures with many raw materials producers to study and develop new raw materials with equal quality to foreign countries. As a result, it replaced more than 90% of import.
- 1984 • Expanded production by establishing the SR.W.Garment Company Limited at the Saha Group Sriracha Industrial Park, Cholburi.
- The company also launched "Wacoal Computer Service" to provide the proportion measurement service to customers with advanced computer program, so as to find out the Cup and Size and choose the lingerie which fits to the body.
- 1985 • Established the Wacoal Body Clinic at Sogo Department Store, Ratchaprasong to provide special lingerie tailoring service to individuals and persons with special physical features.
- 1986 • Changed the mini computer system to mainframe system to increase efficiency in all departments.
- 1987 • Increased the registered capital to 40 million baht and established the Wien Company Limited to produce lingerie products, brandname: WIENNA in the direct sales system. Currently, the company is the leader in the direct sales system with the most members and changed its name to Wien International Company Limited in 2011.



In the second decade, this is the age of improvement to management system, business expansion, search for new raw materials sources to provide stability and increase the competitive edge of the company amidst increasing competition.



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

- 1990 • Introduced highly precise tools and equipments to analyze physiological features such as Silhouette Analyzer, Moire and Sketched Outlines.
- 1991 • Established the Product Research & Developments Center to research, test and analyze the quality of textile materials based on the JIS (Japanese International Standard) as well as research and develop new raw materials.



- 1992 • Provide Clinical Wear Service to individuals, so that the wound dries quickly, treatment for burns, scald wounds.
- 1993 • Established 3 more subsidiaries: Wacoal Lamphun Company Limited, Wacoal Kabinburi Company Limited, and Pattaya Kabinburi Company Limited respectively.
- 1994 • Converted to public company limited and increase capital continuously respectively. Currently, the registered capital is 120 million baht.
- 1997 • Starting the Thailand Best Project and promote the products in the group to overseas market by organizing "Sahagroup Export & Trade", which is organized annually until present.
- 1998 • Established the Call Center, Customers Relations Center
- 1999 • The company issued 500 million baht bond to reduce the loan from banks.

The third decade is a test to the organization strength with management strategy which become the ability to overcome the economic crisis steadily. This is also the age to meet the demand of customers and use information to develop products as well as expanded production capacity to other regions of the country, so as to conform to the industrial expansion policy to the regions.

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

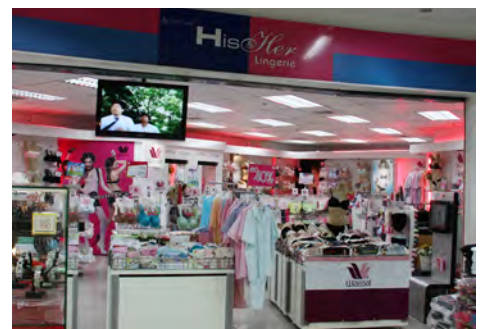
- 2000 • Started the "Wacoal Pink Ribbon Fight Against Breast Cancer Project" campaign to Thai women, so that they become aware to take care of themselves and prevent against breast cancer.
- 2005 • Introduce the customers' demand analysis system: Quality Function Deployment and Kansei Engineering to design products.
- 2006 • Develop new innovation service "Balancing Bra Service", provide tailoring service to women who have lost their breasts and consistently gives Balancing Bra to women who have lost their breasts but could not afford to buy the Balancing Bra.
- 2008 • The company adjust the product image to premium grade, cut the borderline between underwear and casual wear by developing "Diamond Intimacy" as a new product with Swarovski crystal on underwear as first launch



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

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

- 2010
 - Due to the 40th Anniversary of the company establishment, a fashion show Princess Collection under the royal patronage of Princess Siriwannawaree was organized and proceed was donated to build the Breast Cancer Center.
 - Started to produce and distribute Wacoal Gold, lingerie products for health conscious individuals and elderly women. This is a market base expansion as well as modernized the image of products to suit customers in every age group, as the slogan "40 Years of Deep Understanding towards Women".
- 2011
 - Established the Tora 1010 Company Limited to export products to overseas market.
 - Adjusted the organizational structure based on the Lean Organization concept, so that working is highly versatile and can meet the demand of customers quickly.
 - Develop new marketing channel by opening "His & Her Shop" and use social network to reach more customers.
- 2012
 - The company prepared for free trade era by seeking joint venture with business partners which help strengthen the company's competitiveness and support Corporate Social Responsibility activities continuously.



• Equivalent Standard to International Standard



2002

- Received International Standard Certification: ISO 9001:2000 from Bureau Veritas Quality International (BVQI) for "Design and Manufacturing of Ladies' Foundation Garment (Brassiere)"



2005

- Received Product Certification as "Non-Toxic Brassiere" based on the standard label Oeko-Tex Standard 100 (Class2) from TESTTEX Swiss Textile-Testing Institute.
- Textiles Test Certification based on the Wacoal Corporation Standard.



2007

- Laboratory Standard Certification ISO/IEC 17025 from the Thai Industrial Standards Institute, Ministry of Industry and expanded the scope of certification from Year 2009.



2008

- The first company in Thailand to receive the Thai Industrial Standards Certification 2346-2550 from the Thai Industrial Standards Institute, Ministry of Industry for women lingerie products concerning safety from harmful dyestuffs and chemical substances.



2009

- ISO 9001: 2008 Certificate from Bureau Veritas Certification (Thailand) Ltd. for "Design and Manufacturing of Ladies' Foundation Garment (Brassiere)".
- The first "Green Label" Product Quality Certification in Thailand from the Thai Industrial Standards Institute, Ministry of Industry, and Thailand Environmental Institute for women lingerie products regarding safety from harmful substances and are environmental friendly.
- Received the CoolMode sign for ladies nightwear and outerwear from Thailand Greenhouse Gas Management Organization (Public Organization) and Thailand Textile Institute as a company which produces garment and help to reduce global warming.



2010

- Expanded the Laboratory International Standard Certification: ISO/IEC 17025 : 2005 to cover product usage.



2011

- Carbon Footprint Label Certification from Thailand Greenhouse Gas Management Organization (Public Organization), Ministry of Natural Resources and Environment and the Textiles Industry Institution and Thailand Industrial Standards Institute, Ministry of Industry for textiles industrial development under the project "Thailand Green Textile Network" so as to produce environmental friendly products to meet the Eco label requirement of Europe.



2012

- Receives ISO14001:2004 Environmental Management System Certification from Bureau Veritas Certification (Thailand) Ltd. for "Design and Manufacturing of Garment".
- Expanded the CoolMode sign for ladies innerwear for example, Cool Bra and Cool shape.
- Expanded the "Green Label" Product Quality Certification to all Wacoal innerwear products

Report on the Responsibilities toward the Society and Environments



Mr. Boondee Amnuayskul
Managing Director

In recognition of its commitments and efforts dedicated to lessening the impacts upon the environment and energy consumption, together with its campaigns seeking to promote greater awareness and participation by company employees in energy conservation activities, the company was subsequently chosen as the recipients of various awards in 2012.

Some of the major awards were, the accreditation for the company's environmental management system ISO 14001, the awarding of the ASEAN Energy Award for 2012 as the company with outstanding in-house energy management system within the ASEAN region, and the top award of Thailand Energy Award 2012 for its energy conservation campaign, all testifying to the company's systematic energy management systems, along with its high efficiency in energy utilization on a continuous basis.

During 2012, apart from its main activity of "Wacoal-Pink Ribbon Campaign" ongoing over the years, the company chose to apply the concept and practice of Social Responsibility Standard to its business operation in a systematic manner, following its earlier participation in the CSR Club activities, organized with the support of The Stock Exchange of Thailand, The Securities and Exchange Commission, and The Thai Listed Companies Association respectively.

Furthermore, the company also received accreditation for its compliance with the Corporate Responsibility Standard towards the Society (CSR-DIW), under the Program Promoting Participatory Society Responsibility Among Industrial Companies, organized by the Industrial Works Department, The Ministry of Industry. Such accreditation duly recognized the company's achievements in 7 major areas related to its business operations, namely, corporate governance, human rights treatment, labour treatment, environmental care, fair practice, consumer treatment, and participation in community developments.

In support of above assignments, the company appointed a Social Responsibility Committee to formulate plans providing comprehensive engagement covering all groups of stakeholders. At the same time, the company sought to promote conscience among company employees, in realizing the importance of volunteering spirit contributing to public interests, common environmental care, as well as worthwhile and sustainable energy utilization among all levels of company employees.

As the result, the company believes that its commitments and dedication to pursue above approach towards the society and environments, shall serve as a significant threshold leading the organization towards sustainable developments in the coming future.



(Mr. Boondee Amnuayskul)
Managing Director

Social, Community and Environmental Responsibilities

Thai Wacoal Public Company Limited is determined to produce quality products which are safe for consumers and be aware about responsibilities towards society, community and environment. This will be in parallel with adherence to transparent business operation, accountability, ethics, respect towards human rights, abide to law and aiming for sustainable development and growth. Hence, the Company engages in various projects and activities as follows:-

Social

"Wacoal Pink Ribbon Fight Against Breast Cancer 2012" Project

Currently, breast cancer is the second most harmful cause for women after cervical cancer and the trend is on the rise every year. Therefore, the company determines to take care and has been launching campaigns for Thai women to be safe from breast cancer through the "Wacoal Pink Ribbon Fight Against Breast Cancer" Project for 10 years consecutively. Activities carried out in Year 2012 are as follows.

- Donated income from undergarment sales for the "Princess Collection" designed and kindly given by Princess Sirivannavari Nariratana to National Cancer Institute.
- Organize "Wacoal Pink Ribbon Heartistic Giving...Limitless" for second consecutive year. Income from product sales is donated to Ramathibodi Hospital to help poor patients under the Royal Patronage of Her Royal Highness Princess Maha Chakri Sirindhorn.
- Support "Operation to Build Breasts for Poor Patients who Lost their Breasts" Project on the 80th Anniversary of Queen Sirikit by Medicine Faculty, Siriraj Hospital.
- Organize "Wacoal Cares Your Breasts...Mammogram Saves Your Life" Project by joining with National Cancer Institute, Regional Cancer Hospital, Bangkok Group of Hospitals and Samitivej Hospital, Sriracha and launch campaign for Thai women to check breast cancer with mammogram machine.
- Organize "The Love Project" Activity for second consecutive year. Part of the income will be donated to breast cancer patients who lack funds at the National Cancer Institute.



Wacoal Gold...Road Show Project

Wacoal Gold is a product innovation, which was developed to suit changes in body shapes of older women. In 2012, Wacoal organized a Road Show to encourage doing exercises by using rubber strips and invited Vice Professor Dr. Charoen Krabuanrat as guest lecturer thrice. There were over 400 interested participants.



Education Promotion

- Organize "First Bra On Tour" Project to educate and increase understanding about body shape for teenage girls & boys in schools nationwide.
- Give education scholarship to students at Thai-Japan Technology Institute, Mahidol University, Rachamangkala Bangkok University and Rachamangkala Thanyaburi University.
- Support educational institutions for practical training during Summer, Cooperative Education Projects.
- Provide opportunities for educational institutions to bring students to visit the company
- Support textiles and sewing raw materials, and equipment to textile educational institution for educational purpose.
- Participate vocational guidance before graduation for various educational institutions.
- Support to exhibit students' works and activities.

Handicapped Employment

The company's policy is to employ handicapped persons and provides equal opportunity for all employees. The Company cooperates with Thungmahamek School for the Deaf to find proper work for the handicapped.

Drugs Problems Prevention

The company is the factory which free from drugs since Year 2002 and adhere to government policy in drugs prevention and solve drug problems in working place by taking urine samples to test for drugs twice a year.

Charity Activities for Society and Community

In 2012, the Company donated money and things to various organizations for charity purpose including communities, temples, hospitals, charitable organizations such as:-

- Donation to build Phumsiri Mangkalanusorn Building, Thai Red Cross, Chulalongkorn Hospital for 4th consecutive year.
- Made donation to "30 May" Fund for Anniversary of Chulalongkorn Hospital Foundation Day.
- Financial support to provide breast implant operation for poor cancer patients, Siriraj Foundation, Siriraj Hospital.
- Support Organs Transplant Center Project, Ramathibodi Foundation, Ramathibodi Hospital.
- Support Breast Cancer Research Project, Queen Sirikit Center.
- Support charitable activities for the handicapped and poor under the Rak Thai Project.
- Donate blankets to patients at the Internal Medicine Clinic, Chulalongkorn Hospital.
- Support traffic work and social activities at Wat Prayakrai Police Station.
- Provide financial support to repair Sewing Building, Surasri Camp, 9th Royal Infantry, Kanchanaburi Province.
- Provide financial support to organize Love Songs Garden Concert, Phayathai Palace Conservation Foundation.
- Provide support to ordinate novice during Summer, Ruangyotsuttharam Temple and Bangklonok Temple.
- Donation to funds for religious activities, Dr Thiam Chokewattana Foundation.



Community Involvement and Development

The company cares about communities around the area and build up good relationship with them, by creating sustainable business growth, community developments so as to strengthen surrounding communities. Activities and projects organized are as follows:-

- "Wacoal Add Income...Increase Skill Community Development" Project was launched in two communities: Wat Bangklonok Community and Behind Old Market Wat Prayakrai Community. The objective is to increase income for families. More than 16 families in the community participated and gain income for the communities.
- Cooperated with Thanyarak Foundation under Royal Patronage of the Queen Mother, Princess Srinakarin and Bangkok Breast Cancer Support Group (BBCs) and organized seminar with topic "Be aware about breast cancer and check breast cancer by yourself" for Wat Bangklonok Community. There were about 60 participants.
- Launched "Teach Brothers and Sisters to Love Reading" Project by cooperation with Community Development Department, Bangkoklaem District Office. Organize educational activities for youth and donated book cabinets to two communities, Old Market Wat Prayakrai Community and Wat Inbanjong Community.
- Launched "Love is All Around" project by voluntary employees who help teaching and promoting virtues to the students at Bangkhlonok school, Watsai school, and Watjannai school.



Environment and Natural Resources Conservation

The company is aware about importance of environmental conservation so as to reduce global warming effects. The Company emphasizes on selecting environmental friendly raw materials to develop products as well as organize environmental activities such as:

- "Wacoal Green Heart to Revive Forests and Return Life to Nature" Activity by planting trees together at Khao Kaew' Khaw Chompu Wild Life Conservation Zone, Sriracha District, Chonburi Province.
- "Clean Beach with Care" Project, cleaned beach together at Wangkaew Beach, Rayong Province.



Energy Management

The company determines to elevate energy management standard to the International Energy Management System ISO 50001, by emphasizing on efficient energy consumption, systematical management and engaging employees in energy saving campaign.

The Company appointed the Energy Management Committee, which consists of management and directors who are employees' representatives, to determine policies and management systematically in accordance to PCDA (Plan-Do-Check-Action). Review management performance at least once a year.



Energy Conservation

In 2012, 60% of energy consumption at the company was from cooling system. Therefore, the company focuses on reducing energy consumption for air-conditioning system by drawing up measures and plan. It is divided into Control Measure such as control temperatures of air-conditioning and cooling system, install Timer to control on-off systematically as well as design plan i.e. increase efficiency around the building so as to reduce heat entering the building, change to use highly efficient equipment in the air-conditioning and cooling system. Due to such measures, energy consumption was reduced by 7%. Lighting measure was also implemented such as use energy-saving bulbs, adjust lighting positions etc.

The company also organized activities to build up awareness and participation in energy conservation for employees such as the "Productivity Day" and fun activity by giving away fabric bags so as to reduce global warming at the "Wacoal Love The Earth" Day.

Safety, Occupational Health and Working Environment

The company stresses on safe working environment for employees and asset by launching Safety and Hygiene Working Environment Policy. The company also organizes Safety Committee to control, inspect and improve equipment and machinery so that they are always ready for working, including buildings as well as readiness for fire prevention and extinguishment and accidents which may happen as follows.

Training for Employees

- Organize safety training such as
 - "First Aid" Course
 - "Annual Basic Fire Extinguishment and Fire Escape Drill" Course
 - "Safety Working for Supervisors" Course
 - "Safety Working with Hazardous Chemicals" Course
- Prepare Safety, Hygiene and Environment in the Workplace Manual for general and new employees in accordance to Safety and Hygiene Act B.E.2011.



Building Control and Inspection & Machinery and Equipment Improvement

- Check environmental safety in the building according to the law such as fire escape route, walkway, machinery, production equipment, working tools for technicians, personal prevention equipment once a month.
- Inspect building and prepare Annual Building Inspection Report.
- Be prepared for fire prevention and extinguishment, set up Fire Alarm System and organize fire extinguishment drill and fire escape drill once a year.



Promotional Activities for Safety, Hygiene and Environment in the Workplace

- Organize "Productivity Day" Activity to conserve energy and set up exhibition to inform about safety knowledge.
- Campaign, publicize and educate employees such as influenza prevention, vaccines to prevent diseases, campaign against Aids and seasonal contagious diseases, support the World Non-Smoking Day and campaign to reduce accidents during festivals.



Information Disclosure and Transparency

- Year 2002 • Received "Disclosure Report Award 2002" Award from the Stock Exchange of Thailand.
- Year 2003 • Rated by Thai Institute of Directors as a registered company with good corporate governance for Year 2002 at Top Quartile Level.
• Awarded "Disclosure Report Award 2003" from Stock Exchange of Thailand for 2nd consecutive year.
- Year 2004 • Rated as a registered company with good corporate governance for Year 2003 at Top Quartile Level for 2nd consecutive year.
- Year 2005 • Received Honorary Certificate from Ministry of Commerce, as a company which is cooperative to provide information about pricing and business situation on a regular basis.
- Year 2006 • Rated good corporate governance at "Good" level by Thai Institute of Directors, Stock Exchange of Thailand and Securities Exchange Commission.
- Year 2007 • Common shareholders meeting organization quality assessment result is "Excellent".
- Year 2008 • Rated good corporate governance at "Very Good" level by Thai Institute of Directors, Stock Exchange of Thailand and Securities Exchange Commission.
• Common shareholders meeting organization quality assessment result is "Excellent" for 2nd consecutive year.
- Year 2009 • Corporate governance assessment result is "Very Good" for 2nd consecutive year.
• Common shareholders meeting organization quality assessment result is "Excellent" for 3rd consecutive year.
- Year 2010 • Corporate governance assessment result is "Very Good" for 3rd consecutive year.
• Common shareholders meeting organization quality assessment result is "Excellent" for 4th consecutive year.
- Year 2011 • Corporate governance assessment result is "Very Good" for 4th consecutive year.
• Common shareholders meeting organization quality assessment result is "Excellent" for 5th consecutive year.

Product Development and Innovation

- Year 1993 • "Popular Product Award" from Asia Pacific Awards
- Year 2005 • "Outstanding Award" in Sahapat Group Innovation Year 2005 from the achievement in product development "Balancing Bra Service", innovation for undergarments and artificial breasts for women who lost breast from breast cancer.
- Year 2007 • "Chairman Award" in the Saha Group Innovation Competition Year 2007 for product development "Clinical Wear Service", innovation for sewing medical garments for individuals.

- Year 2009 • "Trusted Brands Award 2009" for Children's Clothing and Products "ENFANT" with votes from consumers at the highest Platinum level in the Children Clothing and Fashion Products Category from survey by Reader's Digest Magazine, as a top brand of Thailand, which consumers trust in quality, creativity, introduction of new products in the market and responsibilities towards society and environment.
- Year 2011 • "IP Champion 2011 Award" for Patent and Petty Patent Category from Intellectual Property Department, Ministry of Commerce, as a company successful in creativity and implement intellectual property effectively on the commercial side and outstandingly in terms of business.
- "Honorary Award" at STI Thailand Award 2011 for large business with continuous innovation research from National Science Technology and Innovation Policy Office.
- "Trusted Brand Award 2011" at the Platinum level for "Wacoal" Brand for women undergarments category and "ENFANT" Brand for Children Clothing and Fashion Products for 2nd consecutive year through survey of Reader's Digest Magazine.

Social Responsibility, Community and Environment

- Year 1986 • Awarded the "Excellent" as factory with pleasant environment and good hygiene from Bangkok Metropolitan Administration
- Awarded the "Outstanding Company of the Year" for medium-sized industry from Ministry of Industry.
- Year 1990 • Chosen to be "Outstanding Factory" for Large-Sized Readymade Garment Industry" from Ministry of Industry
- Year 2002 • Awarded the "Factory Free From Drug"
- Year 2005 • "Outstanding Award "in Saha Group Innovation Competition Year 2005 from achievement in" Participation in Energy Conservation".
- Year 2009 • Award for working place with breastfeeding corner for mothers from Families Love Network Project.
- Year 2011 • Handicapped Employment Award Year 2011
- Received the Chairman Award 3rd time from Saha Group Innovation Competition Year 2011 from social responsibility towards society, "Wacoal Pink Ribbon Fight Against Breast Cancer" Project.

Honor Awards Year 2012

The company is determined to produce quality products which are safe for consumers and be aware about responsibilities towards society, community and environment. This will be in parallel with adherence to transparent business operation, accountability, ethics, respect towards human rights, abide to law and aiming for sustainable development and growth. Therefore, the Company engages in various projects and activities as follows:-



- The company was evaluated for corporate governance at "Very Good" level for 5th consecutive year through corporate governance survey among Thai Registered Companies for Year 2012. Moreover, the Company was rated as a registered company with good corporate governance at the Top Quartile level for companies with market securities value between 3,000 – 9,999 million baht by Thai Institute of Directors (IOD) jointly with Securities Exchange Commission (SEC) and Stock Exchange of Thailand (SET).

- Awarded "Trusted Brand Award 2012" at Platinum Level for "Wacoal" Brand for Women Undergarments Category for 2nd consecutive year and "ENFANT" Brand in Children Clothing and Fashion Products for 3rd consecutive year through survey by Reader's Digest Magazine.





- First Runner-Up Award at STI Thailand Awards 2012 (Green Innovation) for Bangkok area, for large enterprise from National Science Technology and Innovation Policy Office to compliment companies with outstanding performance in science, technology and innovation, "Wacoal Gold & Green" undergarments for older adults and environment.

- Outstanding prize in Energy Saving & Global Warming & Environment Category under the work "ECO Bra Undergarments for World Conservation" from Saha Group Innovation Competition Year 2012. The purpose is to develop women undergarments that are environmentally friendly so as to reduce global warming from design, raw materials selection, production process until receive environmental standard product certification mark.



- Awarded outstanding prize for Energy Conservation in Factory under Control Zone Category in the "Thailand Energy Awards 2012."



- First prize winner for Outstanding Energy Management for small and medium factories at the "ASEAN Energy Awards 2012". This Award reflects Wacoal's determination for efficient energy management in the organization with consistent technology implementation in order to conserve energy.



- "Handicapped Employment Promotion Award for Year 2012" from Ministry of Labour. The company has consistently employed handicapped persons, which is one of the policies towards social responsibility in providing jobs for handicapped people.

- Received "CSR-DIW Award for Year 2012" from Department of Industrial Works, Ministry of Industry. This Award is given to industrial companies who are responsible towards society by participation.



Human Resource Development

With human resource management philosophy "Great Employees, Excellent Wacoal", The company is keen on improving human resource skills, so that they process skills, knowledge and abilities to handle business growth and conform to future direction of the Company through a variety of educational methods. We also encourage employees to be good people with voluntary spirit and sustainability for organization and society.



Training

The company has designed training for every level of employee from management, administration, employee (monthly and daily). Courses are divided into Basic Course, Management and Leadership Development Course, Professional Development Course, Business Target Achievement Course, Life Skills Development, Standard, Law and Regulations Course.

Group / Course	Management and		Professional	Business Target Achievement	Life Skills	Standard Law and Regulations
	Basic	Leadership Development				
Management	✓	✓		✓		✓
Administration	✓	✓		✓		✓
Operation (Monthly Employees)	✓	✓	✓	✓	✓	✓
Operation (Daily Employees)	✓		✓	✓	✓	✓

In 2012, the company has organized internal training and sent employees to training outside a total of 130 courses. Important courses are as follows:-

Management Level

Build up vision and strategy for business operation to coincide with changing situation.

- "Preparation for Textiles Industry in cooperation with ASEAN Community" Course
- "Marketability: Strengthen Capabilities in Marketing Skills during Economic Fluctuation Period" Course
- "Strategic Plan and Business Strategy" Course



Administration Level

Focus on managing ability and skills development so as to obtain goals that conform to company policies as well as build up good teamwork atmosphere.

- "Management Development Program" Course
- "Risk Management Outline" Course
- "Safety Officer, Supervisor Level" Course



Operation Level

Focus on providing knowledge, professional development and awareness about customers' needs by emphasizing on internal training and on the job training based on positions.

Design and Pattern Group

- "Fashion Outlook & Update : Retail, Merchandising and Trend" Course
- "Color Design For Design Work" Course
- "Textiles and Fashion Design" Course

Marketing and Purchase Business Group

- "Marketing Trend & Customer Insight 2012" Course
- "Analyzing Idea for Fashion Merchandising" Course
- "Marketing Strategy for Market Excellence and Sustainability" Course

Production Work Group

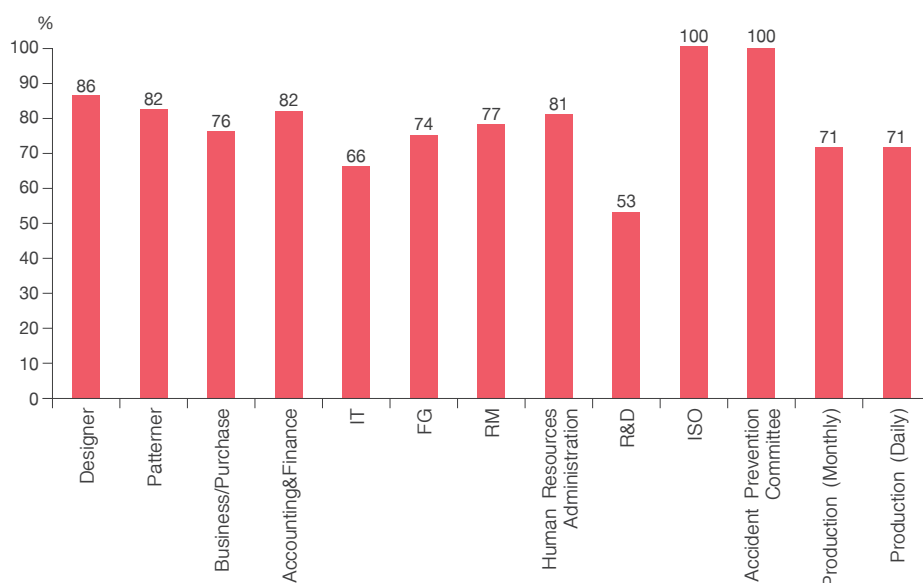
- "Kaizen Knowledge Sharing" Course
- "Product Sewing Basic Knowledge" Course
- "Production and Sewing Planning Technology" Course

Office Group

- "Microsoft SQL Server 2008 R2" Course
- "Kaizen&Suggestion : Reduce Wastes, Increase Efficiency, Make Profit" Course
- "Supply Chain and Logistics Management in Modern Age" Course



Employees who received training in 2012 divided into work groups as follows:-



Scholarship Fund for Employees

In 2012, the company has given Masters Degree Scholarships to local leading universities, Textiles and Garment Major, Logistics Management Major and Information Technology Major, a total of 3 scholarships and 1 scholarship at the Certificate Level for Fashion Creation and Fashion Professional at Bunka Fashion Institute. Currently, 26 employees have received scholarships.



Field Trip

- Local field trips within the Sahapat Group and exemplary companies for various areas, academic exhibition to apply knowledge to improve products and working .
- Foreign field trips such as USA, France, Italy, Japan, China, Hong Kong, Korea and Taiwan to study the markets and fashion trends also visit textiles and fashion exhibitions to explore products and raw materials.



Encourage Learning Atmosphere and Creativity

The company organizes Kaizen & Suggestion committee in order to encourage creativity and innovation in the organization. In 2012, there were 160 pieces of work which Kaizen & Suggestion could develop to improve working efficiency. They were displayed in "Wacoal Innovation Challenge" Exhibition, which helps to build up knowledge exchange atmosphere among employees. Moreover, the company also submits works to participate in Saha Group Innovation Award annually.



Community of Sharing

The company organized a session where employees can share experiences and knowledge from field trips, training, visiting exhibitions or work improvement. The company also organized "Productivity Day", production incremental day so that employees are aware about importance of Safety and Hygiene Activity, 5S Activity, Kaizen & Suggestion to improve quality of lives, Responsibility towards society activity to promote sustainable business operation.



Quality of Work Life

Employees play an important role in the success and growth of the company. Therefore, the company focus on improving the quality of their lives in every way, so that the company become a second home, which gives happiness in working for employees forever.

Happy Health

- Infirmary with doctor and nurse team at the Company.
- Annual health checkup for management and employees.
- Arrange for breast cancer checkup with mammogram machine and cervical cancer annually.
- Encourage exercises, "Yoga" class after work and "Bye Bye Calorie" Activity to encourage employees with risk of fat to do exercise.



Happy Heart

- Organize "Blood Donation to Save Human Lives" with Thai Red Cross 4 times a year.
- Organizes Honorary Award Ceremony for employees who have long service years of 40 years 30 years 20 years 10 years and employees who have done good deeds.
- Organize activities to honor the King and celebrate King's Birthday on 5th December every year.
- Wacoal Volunteer Spirit "Share Love to Brothers and Sisters" at Rangsit Baby Home and Ban Mablaol Cha-on School, Rayong Province.
- Organize various traditional activities such as Songkran Day, having water blessing for management.



Happy Soul

- "Give Alms...to gain Merits" Activity, management and employees make merit and give alms once a month together.
- Circumambulation Activity on important religious holidays such as Maka Bucha Day, Visak Day, Buddhist Lent Day .
- Organize Dhamma lecture with topic "Organization of Love" to employees regularly.



Happy Relax

- Organize "Miracle of Entertainment" Activity to provide opportunity to employees to perform and sing songs during lunch break.
- Participate in the FAN TV Program with GMM Grammy. Organize "Music Factory" activity by bring popular country singers to entertain employees during lunch break.
- Christmas and New Year Party Activity
- "Fun Trip with Thai Wacoal" Activity, bring employees to enjoy one day travel during holidays.



Happy Family

- Employees Child Care Center to reduce child rearing burden during working overtime and on Saturdays.
- Organize Mother Breastfeeding Corner in the working place to encourage child upbringing by mother's milk.
- Training with topic "Touch of Love from Mother to Child" for pregnant employees and after birth.
- Scholarship for employees' children from primary, secondary and college levels.
- "For Mom with Heart" Activity to encourage employees' children to show love, gratitude on Mother's Day.
- "Mother and Child Fun Day Together" Activity, brought mothers and children on excursions to relax during school holidays.



Happy Money

- Encourage employees to apply to be a member of the Thai Provident Fund.
- Organize "Proud Retirement Day" Ceremony for employees who reach retirement age.
- Organize activity to encourage savings by inviting various banks to come into the Company to receive deposits monthly.
- Provide training topic "Financial Planning for the Future" for employees so that they can manage income and expenses accordingly.
- Cooperate with Government Housing Bank and Government Savings Bank to give housing loan and other loan benefits to employees by providing special interest rates.



Corporate Business Nature

Company group's overall business perspective

The company is the manufacturer of finished garment products, consisting of ladies' lingerie, ladies' outerwear, and childrenwear products, with its main product category being ladies' lingerie, manufactured under licensed brand and the company's own registered brands, with its domestic sales and export sales accounting for 69% and 31% of the company's total sales turnover respectively.

The company has appointed I.C.C. International Plc. as the major distributor for its products within the country, while its exports are supplied to overseas companies within Wacoal Group, with the U.S. and Japan serving as major destinations for those exports.

Business allotment policy for the company group

The company Being responsible for key operational areas of, products design, research & developments, merchandising, materials procurement, and production planning, in coordination with its distributors and key retailing channels, as well as delegating order processing to its subsidiaries in compliance with their respective skills and expertise, to achieve products manufacturing best conforming to overall market requirements. In addition to carrying out its own products manufacturing, the company is also engaged in supervision over other key operations of, finance & accounting, personnel management, information systems development, as well as supervision over products distribution of its subsidiary companies.

Subsidiary company Serving as the company's manufacturing unit whereby all products manufactured will be further sold to the company in full. However, in the case of exports, the subsidiary is authorized to act independently regarding production for export purpose. At the same time, subsidiary companies do not require financial assistance from the company.

Company's products

1. Ladies' lingerie – under the registered brands of Wacoal, POP Line, WIENNA, and B'me
2. Ladies' outerwear – under the registered brands of melody*, 5.up, Racé, WB Line II, in 9, seaquin, RICCO, 1 mile, and WACOAL BLOUSE
3. Childrenwear – under the registered brands of ENFANT, Trombone, De bon, Little Wacoal, ELLE PETITE, ELLE POUPON, bsc, and ST. ANDREWS

Product sources for the company and its subsidiaries

The company procures products by acting as the manufacturer for those products. Its manufacturing base was first set-up in Bangkok, which later expanded to cover manufacturing facilities in subsidiary companies in upcountry areas, namely SR.W. Garment Co., Ltd., Wacoal Lamphun Co., Ltd., Wacoal Kabinburi Co., Ltd., and Pattaya Kabinburi Co., Ltd., all having been granted promotional privileges by The Board of Investment. In 2011, the company set up another subsidiary company named Tora 1010 Co., Ltd., to engage in products export business to overseas market. Factory details for the company and its subsidiary companies as of December 31, 2012 are as follows:

The management	Location	Employee Number (Person)	Factory Building (Number)	Space Total (SQ.M.)	Sewing Machine (Number)
Thai Wacoal Plc.	Bangkok	2,852	7	42,371	4,659
SR.W. Garment Co., Ltd.	Sriracha, Choburi	1,087	1	9,792	1,817
Wacoal Lamphun Co., Ltd.	Muanglamphun, Lamphun	422	2	10,152	1,150
Wacoal Kabinburi Co., Ltd.	Kabinburi, Prachinburi	387	2	6,840	1,063
Pattaya Kabinburi Co., Ltd.	Kabinburi, Prachinburi	508	2	6,656	957
Tora 1010 Co., Ltd.	Bangkok	2	–	12	–
Total		5,258	14	75,823	9,646

Consolidated production capacity and output total

Unit : Piece

Production Capacity Classified Per Product Category	2012	2011	2010
Full production capacity			
Ladies' lingerie	20,300,000	21,600,000	21,600,000
Ladies' outerwear	200,000	200,000	200,000
Childrenwear	3,500,000	3,000,000	2,200,000
Total	24,000,000	24,800,000	24,000,000
Actual production			
Ladies' lingerie	20,082,236	21,026,011	21,088,230
Ladies' outerwear	121,736	164,107	114,797
Childrenwear	3,490,652	3,196,473	2,032,092
Total	23,694,624	24,386,591	23,235,119
Capacity utilization rate	98.73%	98.33%	96.81%
Output this year vs the year earlier	97.16%	104.96%	95.31%

Revenue structure

For 2012, the company's group could achieve total sales turnover being classified into domestic and export sales at the ratio 69% and 31% respectively.

Classified upon product categories

Unit : Million Baht

Product	Company	Shareholding Percentage	2012		2011		2010	
			Income	%	Income	%	Income	%
Domestic income								
Ladies' lingerie	Thai Wacoal Plc.	–	2,366.65	57.80	2,152.81	58.36	1,996.78	60.40
	SR.W. Garment Co., Ltd.	99.94	48.95	1.20	53.07	1.44	48.82	1.49
	Wacoal Lamphun Co., Ltd.	99.99	–	–	0.06	0.00	0.03	0.00
	Wacoal Kabinburi Co., Ltd.	99.99	2.49	0.06	4.51	0.12	5.37	0.16
	Pattaya Kabinburi Co., Ltd.	99.93	11.71	0.29	9.70	0.26	9.73	0.29
	Tora 1010 Co., Ltd.	99.97	0.30	0.01	–	–	–	–
Ladies' outerwear	Thai Wacoal Plc.	–	106.24	2.59	93.77	2.54	74.65	2.26
Childrenwear	Thai Wacoal Plc.	–	287.24	7.01	286.81	7.78	244.87	7.41
	SR.W. Garment Co., Ltd.	99.94	0.11	–	1.07	0.03	0.34	0.01
Total			2,823.69	68.96	2,601.80	70.53	2,380.59	72.01
Export income								
Ladies' lingerie	Thai Wacoal Plc.	–	1,203.34	29.39	1,050.50	28.48	917.00	27.74
	Tora 1010 Co., Ltd.	99.97	59.40	1.45	22.82	0.62	–	–
Childrenwear	Thai Wacoal Plc.	–	8.26	0.20	13.70	0.37	8.22	0.25
Total			1,271.00	31.04	1,087.02	29.47	925.22	27.99
Total Income								
Ladies' lingerie			3,692.84	90.19	3,293.47	89.28	2,977.73	90.08
Ladies' outerwear			106.24	2.59	93.77	2.54	74.65	2.26
Childrenwear			295.61	7.22	301.58	8.18	253.43	7.67
Total Income			4,094.69	100.00	3,688.82	100.00	3,305.81	100.00

Significant developments during the past year

Research & Development Activities

The company was regularly engaged in the research & development activities for both the materials and products, aimed at creating quality products and contributing to environmental protection on a continuous basis.

The company's major materials and products developments during 2012, could be largely summarized as follows:

Cool BIZ

Cool comfort innovation

Enjoy the soft and light fitting comfort provided by Nylon fabric blended with Roica spandex, contributing to sleek figure appeal. Stay fresh and cool with fabric coating of Phase Change Material (PCM) : Cool V, outstanding for its moisture and heat absorption features during sweating, leading to body temperature reduction and cool, fresh feeling throughout the day.

Bamboo / Modal

For your soft & easy wearing comfort

Your helping hand to safeguard our environments by selecting and applying Eco-Fiber blends of bamboo fiber and modal fiber, both representing renewable fiber requiring substantially less plantation resources, in terms of area, water consumption, free from fertilizer and pesticide. These plants also gave off oxygen, thus contributing to natural freshness, together with carbon dioxide absorption.

Based on the natural properties of bamboo and modal fibers being exceptionally soft and fine, while providing cool and easy wearing comfort, they were thus classified as the collection under the Wacoal COOL concept.

Maccio

Body-balance regulating foundation

The innovation in foundation product utilizing macca charcoal crystal as its ingredient, having exceptional property in diffusing far infrared radiation all around, contributing to better blood circulation and better cholesterol exhaustion giving greater warmth to the body, together with better healthy complexion. At the same time, the perforated surface of the crystal helped absorbed harmful substance and unpleasant odour. This innovation represented foundation prototype derived from the collaboration between Thai Wacoal and Mahidol University.

Products quality and standards developments

The company was consistently engaged in the activities dedicated to upgrading its product quality standards, and ensuring complete safety from hazardous material and chemicals.

Throughout 2012, in testimony of its dedication and achievements towards safeguarding the environments and lessening global warming impacts, the company continued to adhere to various standard accreditations, which could be largely summarized as follows:

- Quality and environmental management standards accreditation ISO 9001 : 2008 and ISO 14001 : 2004
- Wacoal Corp. Testing Standards
- Laboratory standard certification ISO/IEC 17025 : 2005
- Thai Industrial Standards (TIS 2346 : 2007)
- Green Label certification
- Global warming reduction product "CoolMode"

Products showing carbon footprint label, displaying the greenhouse gas emission level throughout its life cycle
Furthermore, the company could achieve additional product certifications during 2012 as follows:

- Green Label covering all product categories for "Wacoal" lingerie
- Additional "CoolMode" coverage, namely Cool Night sleepwear, Cool Bra and Cool Shape foundation items, under

Wacoal "Cool Innovation" concept

In addition, the company was granted the Energy Conservation and Environmental Management Award from Saha Group Innovation Contest 2012, for its entry under the theme "ECO BRA-safeguarding the world", based on the concept encouraging lingerie products creation not adversely affecting the environments on a sustainable basis.

Ladies' lingerie

Product nature

Ladies' lingerie products represented the main product category being manufactured and distributed by the company, whose sales figures accounting for 90% of its total sales turnover. The company offered a wide range of products well covering and responding to differing requirements of women of all age groups, together with some niche product collections, such as Wacoal Body Clinic. During 2012, the company launched some new collections as follows:

Wacoal COOL

Products innovation dedicated to soft & light natural wearing comfort, covering product items of brassiere, panty, and camisole. The application of bamboo fiber blends under the Cool Fabric concept, provided soft and easy wearing comfort, supported by outstanding air passage feature contributing to body temperature reduction. Enhanced further by UV protection feature helping to stem bacterial growth. Cool Cup feature utilizing perforated lightweight push-up cup, contributed to better air passage feature, resulting in easy-dry, comfort 50% better than conventional bra item. Whereas shapewear utilizing nylon fabric blended with Roica spandex, accompanied by PMC (Phase Change Material) : Cool V coating innovation, provided exceptional moisture and heat absorption feature, resulting in easy and dry wearing comfort throughout the day.

Perfect Revolution

The product item in the Wacoal Sports collection, representing the combination between materials developments and sports science knowhow. Perfect for sport lovers, with its fitting support embracing the bust and safeguarding it from thrust and shock impact from various directions in a comprehensive manner. Product items were classified to respond to each sport type, such as running, ball-playing sport, and racquet sport. The products were tested and certified by sport science testing methods at Mahidol University, for effectively lessening the impacts from thrust and shock impact better than conventional bra items, thus contributing to better confidence and performance while playing sports.

Boost-up

Brassiere enhancing bust appeal for women having bust size. Soft, thick bra padding provided boosting effect to achieve a more appealing natural bust appearance, without unpleasant and painful compression effect. Perfect combination with any outerwear selection for any scene or occasion.

Shape Beautifier

An outstanding innovation from Wacoal combined with elaborate production techniques. Innovative patterns effectively contained excesses from body side, tummy, hip, and thigh, contributing to in-shape retention for better shape balance. Special fabric blends provided perfect fitting comfort, free from any restraint while moving.

Beloved

Brassiere providing closer cleavage appearance, by effectively retaining lateral excesses, and spreading them more evenly to achieve a round natural bust appearance. Particularly appealing to C Cup bust size.

Double Kiss Double Sexy

Brassiere item in the Young Wacoal collection, enhancing cup size with deep-cut design, revealing bust slope, and coming in bright colours and lively prints. Outstanding with its Double Kiss pad coming in heart-shape design.

Furthermore, during 2012, the company further expanded its sales outlets to His&Her Shop and counters in Tesco Lotus hypermarkets. In addition, the company entered the 7-eleven convenience chainstore, with its launch of the B'me collection, elaborately designed and created to match changing bust shape and bust size for women in each age group, contributing their better confidence, wearing comfort, and appeal.

With regard to department store sales channel, the company provided for separate sales counter, offering new collections in an eye-catching manner, aimed at responding to different lifestyle for different customer group. Some of the new collections launched in 2012 were as follows:

Swimwear

New swimwear collection providing attractive look and confident appeal, through several innovative features. Starting with Tummy Fit feature, effectively retaining tummy excess, Sexy Waist feature contributing to slender waist look, Hip Up feature providing smooth, round hip appearance respectively. Enhanced further by the application of innovation fabric blending power net with Two Way fabric for the first time, containing the authorized fiber Lycra Beauty with Extra Life, having exceptional high stretch with excellent fit feature, together with anti-UV and chlorine-resistant feature, resulting in higher durability.

Solb

Lingerie items imported from South Korea, portraying the young and fresh image for teenagers and early working women, full of colors and appeal hiding inside. Experience the sexiness and seductive appeals, typical of trendy Korean girl, with eye-catching prints, with sexy lightweight laces, or in a simplistic yet classic casual style.

Furthermore, Solb also offered additional charms for trendy couple in a Korean style, with lingerie designs in combination set for both men and women to dress in tandem.

Market and competitive situations

The lingerie market continued to be subject to intensifying competition, in term of design, product and service quality, pricing, as well as sales channels, while lingerie products still enjoyed distinctive features difficult to be replaced by other products, supported by customers' diverse and sublime requirements pertaining to the products. Accordingly, the major players were obliged to exercise their full efforts and strategies, in seeking to secure the target customers, particularly in the medium to high-end market segment, by upgrading their products value to counter the prevalent low-end products, which had been made easier and faster to enter the market in recent years.

The competition within the medium-to-high-end market segment placed much emphasis on better value-added benefits, in term of both products and services to better appeal to the customers. Such benefits ranged from offering new innovations and techniques in term of materials, production, designs and product features, to the upgrading of services quality, aimed at better responding to and satisfying more diverse customers' requirements.

On the other hand, the competition in the low-end market segment concentrated more or less on pricing strategy rather than products quality and features aspect, seeking to attract and capture increasing number of the customers having limited purchasing potential.

The company placed much emphasis on its policy seeking to achieve "beyond customers' satisfaction", by studying changes in customer lifestyle, and implementing product and services improvements corresponding to such requirements on a consistent basis. The company succeeded in capturing and retaining major customer base, namely working women and those seeking beautiful appearance, wearing comfort, and good health, who were most loyal to the company's brand. With regard to teenagers' market, the company placed much emphasis on enhancing its brand image and developing products having appealing designs, patterns, colors, and features. At the same time, the company collaborated with its distributor in organizing campaign activities for teenagers, and launched exclusive collections targeting them.

At the same time, to comply with the fast-changing purchasing behavior of the customers, the company has therefore adjusted its product designs to have more variety, while reducing the lead time in supplying the products to the market.

Furthermore, the company has also placed constant emphasis on its policy to create better "value" for both its products and services, by offering new fashion innovation, better raw materials quality, better product quality, and more favorable services to the customers, accompanied by its consistent engagement in promoting better premium brand image for its lingerie products together with manufacturing only products free from harmful substance and friendly to the environments. These activities have successfully enabled the company to upgrade the products pricing level, contributed by premium value achievement for both its products and services, leading to its sustainable competitiveness over a long-term period.

Ladies' Outerwear

Product nature

The company acted as the manufacturer and distributor for ladies' outerwear products, whose sales accounted for 3% of its total sales turnover. During the past year, the company launched a new homewear collection, under the name "1 mile", outstanding for its easy wearing comfort for relaxing time, contributed by the application of exceptional quality fabric. The collection was aimed at young adult customer group, enjoying simple lifestyle and easy wearing comfort.

Market and competitive situations

In the face of fast-changing economic developments accompanied by expanding demands by customers seeking more diverse product range, industrial manufacturers were required to constantly adjust their strategies to correspond accordingly, so as to create better competitiveness distinguishing themselves from others. The women's apparel industry has therefore changed its nature from acting only as product manufacturers, to accommodating business integration between material suppliers and product manufacturers, by coordinating their knowhow in a systematic manner, and applying the latest adequate manufacturing technologies, aimed at achieving manufacturing potentials at optimum costs, to avoid competing on pricing basis only. Furthermore, the company was engaged in outsourcing its manufacturing activity, while ensuring that the quality standard was not compromised so as to always maintain customer satisfaction.

Furthermore, the company was engaged in close collaboration with its alliance partners, in integrating more upstream manufacturing facilities extension, so as to develop products having quality and features different from regular products in the market, while contributing to better competitiveness for the industry.

Childrenwear

Product nature

The company acted as the manufacturer and exporter of childrenwear products, whose sales accounted for 7% of its total sales turnover. For its export business, the company exported its ENFANT products to several overseas countries, namely, Hong Kong, Singapore, The Philippines, Vietnam, India, the United Arab Emirates, Bangladesh, Taiwan, South Africa and Norway. During the past year, there were significant developments regarding childrenwear products as follows:

- In due recognition of the significance of environmental protection and preservation, "ENFANT" childrenwear was regularly engaged in activities seeking to develop new product innovations being friendly to the environments, and suitable for wearing under the hot and humid climate in Thailand. The one of such new product collections under the "ENFANT GREEN" concept was created using the jute extract as the raw material.

- "ENFANT" childrenwear further expanded its overseas markets, by exporting to new destinations of the UAE, Bangladesh, Taiwan, South Africa and Norway.

Market and competitive situations

The medium to high-end market segment for childrenwear products continued to witness intensifying competition, with new players from both inside and outside the country entering the market, resulting in more intense competition in accelerating product developments so as to more successfully penetrate and capture increasing market share.

The company continued to place emphasis on infant and baby market segments, with the company capturing around half of said markets. At the same time, in response to modern day's mothers increasing concern for quality and the environments, the company adopted marketing strategies seeking to retain high quality standard alongside products free from harmful substances and friendly to the environments under the ENFANT GREEN Label.

Future industrial developments and competition trends

The lingerie manufacturing industry in Thailand could still be regarded as having relatively good prospects and potentials with further likely expansion, due to its existing comprehensive manufacturing facilities network within the country. The country also had an edge in manufacturing skills and products quality widely recognized among the global lingerie manufacturing industry, subsequently establishing Thailand as one of the world's leading production base for lingerie products, particularly for the medium to high-end market segment. To enhance the lingerie industry's competitiveness both at home and abroad, Thai manufacturers sought to engage in closer collaboration to develop value chain network, both on manufacturing and sales & marketing fronts, to allow better flexible adjustments complying with developments in both the regional and global levels.

On the other hand, for the low-end market segment, major regional manufactures such as China, Hong Kong and Vietnam, held the advantage through their lower manufacturing costs, resulting in the influx of cheap foreign lingerie imports into the country affecting local manufacturing industry could not compete with them in term of lower prices. Accordingly, they were forced to concentrate more on products developments, rather than simply resorting to price competition.

Some of the recent problems affecting the garment industry were, the shortage of skilled workers, the relocation of industrial workforce, and the advent of the grey society in the future. The implementation of the mandatory Baht 300 per day wage system, accompanied by higher manufacturing costs, altogether affected the decisions by overseas customers who might shift their purchase orders to other countries with lower manufacturing costs.

The company's status and competitive potentials

In view of those opportunity and threat factors facing Thailand's lingerie manufacturing business at present, our company could still be regarded as having substantially favorable potentials, when compared to other competitors in general. Such advantages could be attributed to the companies within our group having comprehensive manufacturing facilities network in place. At the same time, the company also had solid technological and manufacturing base supported by continuous products research & development investments, its extensive database on Thai women's physical developments over a long period of time, quality control system in compliance with international requirements, outstanding "Wacoal" brand image long recognized and appreciated by Thai women over the past 40 years in term of both products quality and services, as well as its careful and effective financial management system. Altogether, these factors contributed to the company's competitive potentials on a sustainable and long-term basis.

Risk Factors

In due recognition by The Board of Directors of Thai Wacoal Public Company Limited of the various risk factors posing as possible threats to the company's business operations, The Board therefore assigned The Risk Management Committee to be responsible for the supervision of the organization's risk management practices in a systematic, efficient, and effective manner.

For such purpose, The Risk Management Committee has formulated risk management policies, engaging in the evaluation and analysis of those risks possibly affecting the organization, covering both internal and external risk factors, setting priorities for the risk management plan, as well as engaging in regular follow-up on the implementation of such plans. At the same time, The Committee provided regular updates to The Board of Directors on the progress and developments regarding said plans on a quarterly basis.

Those risk factors likely to have impacts on the company's operations could be summarized as follows:

Products distribution structure relying on only few players

Domestic

The company is mainly engaged in the manufacturing business of ladies' lingerie products, with I.C.C. International Public Company Limited, acting as its distributor for the domestic market, having yearly order volume accounting for over 50% of the company's turnover total. Until the present, said distributor has achieved consistent favorable results, thanks to its existing close relationship with major retailing channel of department stores. At the same time, the company has enjoyed good business relationship with said distributor, and therefore is relatively confident of said company's sound business operations. On the other hand, since the company's products served as major contributor for said distributor's yearly turnover total, any distributorship termination should prove highly unlikely in the foreseeable future.

Overseas

The company mostly exports its products to overseas countries, through such channel of companies belonging to Wacoal Group located mainly in Japan, the U.S. and ASEAN. While the company may be susceptible to risk stemming from order cancellation by said distribution group, nevertheless, upon considering other relevant factors, such event appears to be quite unlikely. In view of said distribution group being major shareholder in the company who actively engages in the manufacture of ladies' lingerie products with extensive distribution network in overseas countries, together with the company's capability in manufacturing ladies' lingerie products in an efficient and competitive manner in the international scene, such products distribution arrangements through Wacoal Group can be seen as significantly contributing to business interests for both the parties.

The use of licenses trade mark

The company has been mainly engaging in the manufacture of products under licensing rights granted by Wacoal Corporation under the agreement term of 5 years each, with these products contributing to over 80% of the company's turnover total. Therefore, the company's revenue could become seriously affected on a long-term basis, should it come to lose said licensing rights for the products.

However, considering existing favorable factors at present, namely, Wacoal Corporation currently holding 33.61% of the company's paid-up shares total, the long-standing close relationship between the two parties, the company's continuing domestic market leadership, as well as its satisfactory business results so far, the probability for agreement termination or renewal rejection should prove quite unlikely in the future.

Competition

Ladies' lingerie products were subject to intensifying severe competition, particularly for the medium and low-end market segments, with designs, competitive prices, and attractive sales promotional programs, serving as major appealing factors in influencing the customers' decisions.

In broader perspective, as the result of Thailand's earlier decision to enter into free trade agreements with other countries, both on a bilateral and multi-lateral basis, various economic changes are forthcoming. In particular, the establishment of The ASEAN Economic Community (AEC), due to come into full effect in 2015, shall open up the channels for free flow in trade, services, investment, capital, and labour within the region. One major benefit deriving from such economic cooperation would be the lower cost for raw materials such as fabrics and laces, as the result of the abolition of import tariffs among member countries. Already evident for the ladies' lingerie market in recent years has been the influx of Chinese lingerie products with low manufacturing costs, capturing substantial share within the low-end market, and provoking more intensifying competition for both the domestic and overseas markets as the result.

Nevertheless, in its preparation to cope with oncoming drastic changes, the company adopted various strategies, ranging from engaging in continuous materials and products innovations and developments, investment to develop more comprehensive industrial manufacturing network, to upgrading its service quality for the customers. At the same time, the company also devoted efforts to upgrade and develop the knowledge, skills, and capabilities of its personnel further, so as to contribute to better competitiveness and sustainable growth for the company.

Risk stemming from changing consumer behavior

Today, consumers have placed less emphasis on brand loyalty, and more on product value. In its objective to provide best satisfaction to the customers, the company has concentrated on creating new product innovations, as well as engaging in the study of customer behavior and requirements on a consistent basis, thereby enabling the company to better meet changing customer lifestyle. The company products could also be seen as adopting constant changes and developments well compatible with customer behavior and lifestyle.

Foreign exchange risk

Since its business operations significantly relied on imports and exports in foreign currencies, the company was therefore subject to risks stemming from foreign exchange rates fluctuation. Nevertheless, due to the company also operating its revenue and expenses accounts in foreign currency term, such exchange risks could be addressed to a certain extent, by classifying its foreign exchange payments to properly balance its foreign exchange revenue (natural hedge). Furthermore, the company adopted financial instruments to safeguard itself against such risks, by entering into forwarding contracts, and closely monitoring the foreign exchange market movements, in order to lessen any impact from such risks.

Risks from natural disasters

The company has formulated plans to prevent and lessen risks stemming from flooding, fire, and earthquake disasters. To cope with fire danger risk, the company implemented fire prevention plan and campaign, fire drill and evacuation training, and installation of emergency fire alarm and sprinkler system. The company carried out regular checking and testing of its fire-fighting equipments, to ensure their proper functioning condition. The company also formulated plan to accommodate temporary employees transfer and workplace relocation in the case of serious fire accident, to allow continuous operations running for the company.

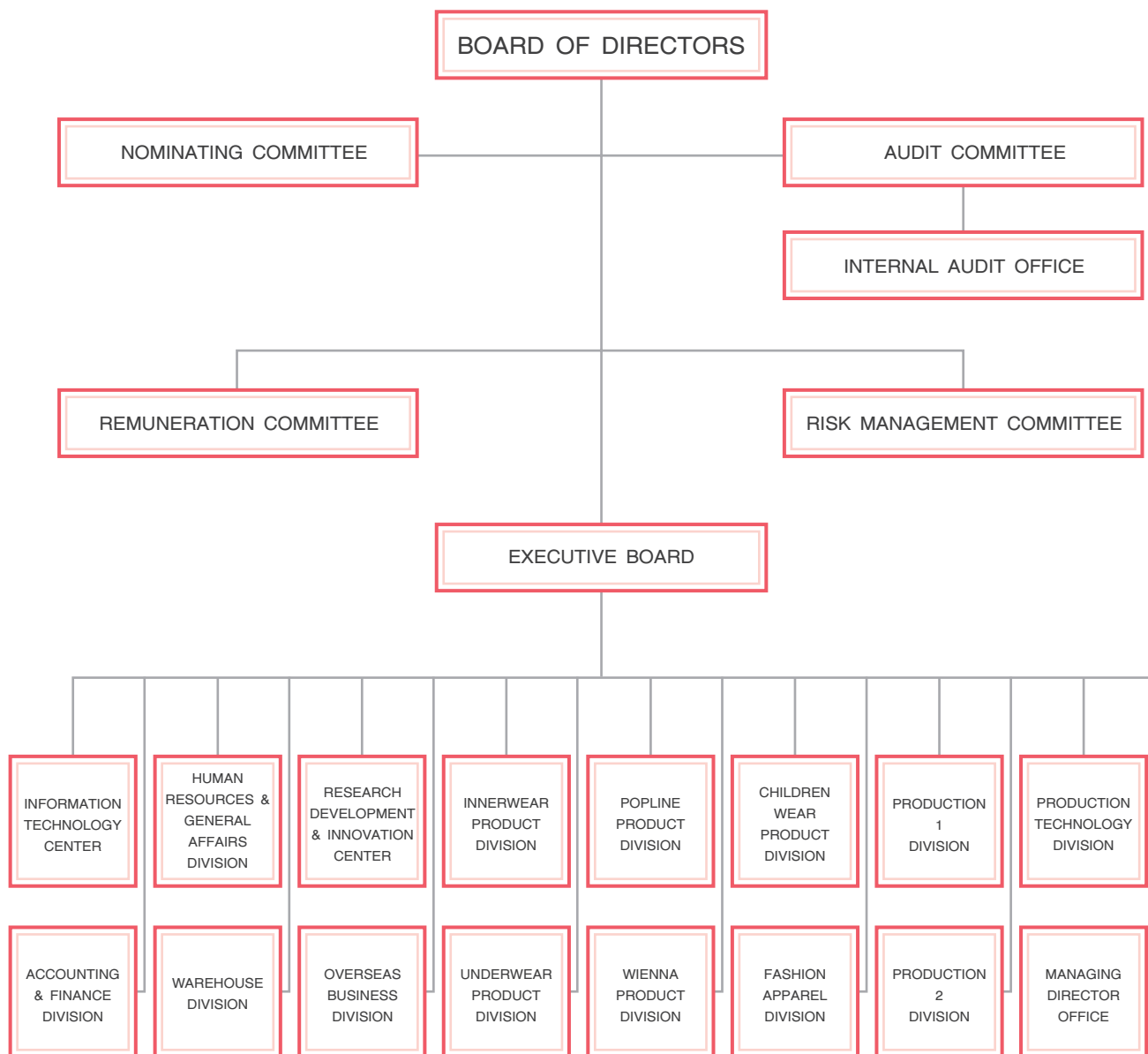
To alleviate possible damage incurred by the disasters, the company entered into insurance agreements covering its assets against disaster risks, so as to minimize the damages stemming from such risks. With regard to flooding threat, the company set up specific committee to take charge of prevention and solution measures to tackle the flood, both before, during, and after the crisis situation, accompanied by its regular updates to keep abreast of the situation developments.

Other risks

In due recognition of the fast changing economic environments both at home and abroad, the company always adopted an alert attitude with necessary preparations to implement changes in its strategies and plans, to cope with any serious developments possibly affecting the company's operations.

Management Structure

Organization Structure



The company's management structure consists of the followings: The Board of Directors and 5 committees engaging in studying and screening each particular significant area, namely, The Audit Committee, The Nominating Committee, The Remuneration Committee, The Risk Management Committee, and The Executive Board.

The Board of Directors

At present, The Board of Directors consisted of 15 members, classified into :

- 10 non-executive directors (including 5 independent directors)
- 5 executive directors

Name list of The Board of Directors

	Name	Position
1.	Mr. Yoshikata Tsukamoto	Advising Director
2.	Mr. Manu Leelanuwatana	Chairman
3.	Mr. Yuzo Ide	Vice Chairman
4.	Miss Sirikul Dhanasarnsilp	Vice Chairman
5.	Mr. Boondee Amnuayskul	Director
6.	Mr. Akihisa Nakano	Director
7.	Mr. Amnuay Bumroongwongtong	Director
8.	Mr. Thamarat Chokwatana	Director
9.	Mr. Ikuo Otani	Director
10.	Mr. Kiyotaka Hiroshima	Director
11.	Assoc.Prof. Nares Kesaparakorn	Independent Director
12.	Assoc.Prof. Dr. Kulpatra Sirodom	Independent Director
13.	Mrs. Punnee Worawuthichongsathit	Independent Director
14.	Mrs. Saranya Chindavanig	Independent Director
15.	Mr. Krish Follett	Independent Director

Company Secretary : Mrs. Onanong Saengpumpong

All independent directors of the company were fully qualified to serve as independent directors in accordance with the requirements set forth by the company, with female independent directors accounting for 60% of the total number. Furthermore, no independent director concurrently served as the director in more than 5 listed companies, nor held shares in either the company, its parent company, subsidiary, affiliate, major shareholder, or controlling person of the company.

At the same time, there were 5 directors with extensive experiences relating to the company's business operations, but did not serve as the Management, namely Mr. Yoshikata Tsukamoto, Mr. Yuzo Ide, Mr. Thamarat Chokwatana, Mr. Ikuo Otani, and Mr. Kiyotaka Hiroshima.

Directors representing the company

To represent the company, 2 out of the following 6 directors are required to sign their names, together with the affixing of company seal, namely:

1. Mr. Manu Leelanuwatana
2. Miss Sirikul Dhanasarnsilp
3. Mr. Boondee Amnuayskul
4. Mr. Amnuay Bumroongwongtong
5. Mr. Thamarat Chokwatana
6. Mr. Akihisa Nakano

Term for company directors

The term for company directors is in accordance with company articles of association and Charter for The Board of Directors as follows:

1. At each annual shareholders' general meeting, one-third of the sitting directors are required to retire from directors, whereas if the number of directors cannot be divided into 3 equal portions, the closet to such number shall apply. Retiring directors are eligible for re-election. At present, The Board of Directors had 15 members, therefore each director shall have a 3-year term.
2. Apart from retiring upon term completion, the company director shall also relieved of his/her position upon resignation or death or having disqualifications as prohibited by laws or the resolution adopted by the shareholders' meeting to remove that person from the position, or court ruling remove that person from the position.
3. In the case where the position of Board member is left vacant due to reasons other than term completion, with such remaining term not less than 2 months, The Board of Directors are required to appoint other persons having full qualifications to succeed in that position. In such case, the newly-appointed Board member may only serve out the term remaining for the person he/she succeeds.
4. The company director resigning from the position before term completion is required to submit his/her resignation letter to the company, with such resignation coming into effect on the date of said submission.
5. The shareholders' meeting may vote for any of director to be out before retiring upon term completion, by a vote of not less than three-fourths of the number of shareholders attending the meeting and having the right to vote and the total number of shares being not less than half of the number of shares held by the shareholders attending the meeting and having the right to vote.

Authority of The Board of Directors

1. Appoint, remove, and assign authority to advisors to The Board of Directors, various committees, and The Managing Director, to carry out the assigned duties.
2. Seek advices from specialists or company consultants (if any), or solicit the services of outside specialists or consultants at the company's expenses.
3. Assign authority to the management or other persons to act on their behalf.
4. Grant approval to those transactions relating to company operations which lie beyond the authority of The Executive Board.

Duty and responsibility scope of The Board of Directors

1. Set the direction, target, and business policy for the company.
2. Approve the annual business plan and annual budget, as well as supervising the operations by the management to well comply with the laws, policies, and plans in an efficient and effective manner.
3. Promote the establishment of corporate governance policy, business ethics, and business morality in writing, to serve as guidelines for the directors, the management, and the employees, in carrying out their business practices, while regularly following up to ensure their strict adherence and compliance accordingly.
4. Set up adequate internal control systems, so as to ensure that all transactions receive proper approval from the authorized persons, and that proper accounting review and bookkeeping practice are carried out, while proper checking systems are in place to safeguard against unauthorized exploitation of company assets.
5. Ensure that careful consideration is given to the issue of conflict of interests, and that clear practice guidelines are in place to safeguard the interests of the shareholders and the company. Also ensure that the persons having interests at stake do not take part in adopting the decision, and that all concerned parties strictly follow the procedures and regulations to disclose relevant information in a proper manner.
6. Grant approval to financial statements already audited and verified by the certified public accountant, and earlier approved by The Audit Committee.
7. Being accountable to all shareholders on an equal basis, while ensuring that information are disclosed to the shareholders and investors in an accurate, reliable, and transparent manner.
8. Acknowledge the corporate management report prepared by The Executive Board.

9. Set the date, time, and place for the annual shareholders' general meeting, and convene said meeting accordingly. Also set the rate for dividend payments (if any), and provide comments relating to the meeting agenda to the shareholders.
In that regard, the company may suspend shares transfer registration for the period of 21 days leading up to the meeting, whereby the company is required to post such announcement to the shareholders at the company's head office and its subsidiaries for the period of no less than 14 days prior to such suspension. Otherwise, the company may set the date to finalize the shareholders' list (Record Date) no longer than 2 months prior to the meeting, and then set the date for shares registration suspension 1 day later, in order to compile the shareholders' list according to article 225 of The Securities and Exchange Act, to entitle the shareholders to attend the meeting, and to be eligible for dividend payments.
10. Prepare The Board of Directors' responsibility report toward financial statements compilation, and disclose said report in the company's annual report (form 56-2) and the annual registration statement (form 56-1).
11. Supervise the compilation of the documents required to be submitted to concerned regulating agencies, to ensure that all information contained therein are true and accurate in accordance with the information appearing in the accounting books, the registration book, and other official documents of the company.
12. Grant approval to the charter for The Board of Directors, and/or other committees.
13. Engage in those acts lying beyond The Executive Board's authority, or as deemed necessary by The Board of Directors.

During 2012, The Board of Directors convened total 6 meetings, whereby the meeting dates had been earlier decided throughout the entire year. Furthermore, additional meeting could also be summoned according to necessary circumstances.

The Audit Committee

The Board of directors were authorized to appoint 3 independent directors to serve as the Audit Committee Members, whose term was 1 year from April 2012–April 2013, whereas each member of The Audit Committee did not hold any company share.

Name list of The Audit Committee

Name		Position	
1. Assoc.Prof. Dr. Kulpatra Sirodom	Chairperson	Well-experienced in finance & accounting	
2. Mrs. Punnee Worawuthichongsathit	Member	Well-experienced in finance & accounting	
3. Mrs. Saranya Chindavanig	Member	Well-experienced in finance & accounting	

Secretary to The Audit Committee : Mrs. Nuanchan Tuangjareontip

Whereby all Audit Committee Members had extensive knowledge and experiences regarding the audit of the company's financial statements. (See the details on their education and career background under the heading "Personal information of company directors and management members")

Authority of The Audit Committee

1. Coordinate to facilitate common understanding regarding company operations among the certified public accountant, The Board of Directors, and the internal control office.
2. Seek advices from specialists or company consultants (if any), or solicit the services of outside specialists or consultants at the company's expenses.
3. Authorized to summon the management and company staff to provide comments and clarification, to take part in meetings, and to submit documents deemed necessary, while being allowed to gain access to all levels of information.
4. Authorized to carry out investigation on concerned persons relating to such matters lying within the authority and duty scope of The Audit Committee.

Duty and responsibility scope of The Audit Committee

1. Review the company's financial statements to ensure that they are accurate and adequate.
2. Review the company's internal control system and internal audit system to ensure that they are effective and suitable.
3. Review the independence of the internal audit office, and grant approval to the appointment, transfer, or dismissal of the chief of internal audit office or any other office responsible for carrying out internal audit work.
4. Review to ensure that the company duly follows the laws on securities and stock exchange, the regulations of The Stock Exchange of Thailand, and the laws concerning the company's business operations.
5. Review, select and nominate independent persons to serve as the company auditor, and propose related remuneration. Also take part in joint meeting with the company auditor, in the absence of the management for at least once a year.
6. Review connected transactions or transactions with possible conflict of interests, to ensure that they follow the laws, and the regulations of The Stock Exchange of Thailand, and that they are justified and are of maximum benefits to the company.
7. Prepare the report by The Audit Committee and disclose it in the company's annual report. Said report requires the signature of the Audit Committee Chairman, and needs to contain at least the following information:
 - a. Opinion regarding the accuracy, complete coverage and reliability of the company's financial statements
 - b. Opinion regarding the adequacy of the company's internal control system
 - c. Opinion regarding the practices in compliance with the laws on securities and stock exchange, the regulations of The Stock Exchange of Thailand, or other laws concerning the company's business operations
 - d. Opinion regarding the suitability of the company auditor
 - e. Opinion regarding the transaction with possible conflict of interests
 - f. The number of The Audit Committee's meetings, and the attendance record of each member
 - g. Overall opinion or comment provided by The Audit Committee out of its practices in accordance with the charter
 - h. Other items deemed to benefit the shareholders and general investors, in accordance with the authority and duty scope assigned by The Board of Directors
8. During the course of its duty, should The Audit Committee come across or have any doubt relating to below transactions that they may significantly affect the company's financial position or performances, they are then required to report the matter to The Board of Directors, in order for necessary remedial actions to be taken within the timeframe decided upon by The Audit Committee.
 - a. Transaction incurring conflict of interests
 - b. Significant fraud, irregularity, or deficiency within the internal control system
 - c. Breach of laws concerning securities and stock exchange, the regulations of The Stock Exchange of Thailand, and other laws concerning the company's business operationsIn the case where The Board of Directors or the management fail to rectify the items within the timeframe assigned by The Audit Committee, any member of The Audit Committee may report said problems to The Securities and Exchange Commission or The Stock Exchange of Thailand.
9. Encourage and follow-up to ensure that the company has effective risk management system.
10. Revise and improve the charter of The Audit Committee, and submit to The Board of Directors for approval.
11. Engage in other acts as assigned by The Board of Directors and deemed justified by The Audit Committee, in accordance with company regulations and the laws.

In carrying out its above duties, The Audit Committee is directly responsible to The Board of Directors, who in turn is responsible to the shareholders and general investors.

The Audit Committee regularly held its meeting once a month, whereby the meeting dates had been decided in advance throughout the entire year. The Audit Committee regularly reported its findings to The Board of Directors, and also attended joint meetings with the company's auditor and the Chief Financial Officer each quarter, to review the company's quarterly financial statements.

The Nominating Committee

The Board of directors appointed 3 company directors to serve as members of The Nominating Committee, whose term was 1 year from April 2012–April 2013.

Name list of The Nominating Committee

	Name	Position
1.	Mr. Manu Leelanuwatana	Chairman
2.	Miss Sirikul Dhanasarnsilp	Member
3.	Mr. Amnuay Bumroongwongtong	Member

Authority of The Nominating Committee

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

Duty and responsibility scope of The Nominating Committee

1. Set the criteria and method in selecting the persons to be nominated as directors.
2. Review the background and relevant information of the persons to be nominated as directors, by considering their knowledge, experiences, and expertise from various professions, so as to secure qualified persons according to the selection criteria, company regulations, and related laws.
3. Select the persons to be nominated as company directors, for The Board of Directors to consider and approve. However, in the case of the director retiring upon term completion, such nomination needs to be submitted to the shareholders' meeting for approval.
4. Prepare comment and suggestion to serve as references for The Board of Directors' consideration.
5. Review and revise the charter for The Nominating Committee, to be proposed to The Board of Directors for consideration and approval.
6. Engage in other acts as assigned by The Board of Directors.

During 2012, The Nominating Committee held its meeting 2 times, and subsequently reported the results to The Board of Directors, whereby the meeting dates had been decided in advance throughout the entire year.

The Remuneration Committee

The Board of directors appointed an advisor to The Board of Director, together with 2 company directors to serve as members of The Remuneration Committee, having a 1-year term from April 2012–April 2013.

Name list of The Remuneration Committee

	Name	Position
1.	Mr. Boonsithi Chokwatana	Chairman
2.	Mr. Manu Leelanuwatana	Member
3.	Miss Sirikul Dhanasarnsilp	Member

Authority of The Remuneration Committee

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

Duty and responsibility scope of The Remuneration Committee

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

During 2012, The Remuneration Committee held its meeting 2 times, and subsequently reported the results to The Board of Directors, whereby the meeting dates had been decided in advance throughout the entire year.

The Risk Management Committee

The Risk Management Committee consisted of 3 members, with independent directors serving as the Chairman and committee members, further joined by members representing The Executive Committee, having a 1-year term, from April 2012–April 2013.

Name list of The Risk Management Committee

Name		Position
1.	Mr. Krish Follett	Chairman
2.	Assoc.Prof. Nares Kesaparakorn	Member
3.	Mr. Manus Ongsaranakorn	Member

Secretary to The Risk Management Committee : Mrs. Nuanchan Tuangjareontip

Authority, duty, and responsibility scope of The Risk Management Committee

1. Prepare risk management policy.
2. Identify and evaluate various risks stemming from both internal and external causes.
3. Prepare risk prevention plan, for proposal to The Board of Directors.
4. Manage and control company risks so as to be at adequate level and in a systematic manner. Report the results to The Board of Directors.
5. Provide support and recommendation on risk management procedures to various departments within the organization.
6. Engage in other acts as assigned by The Board of Directors.

During 2012, The Risk Management Committee held total 12 meetings, and subsequently reported the results to The Board of Directors, whereby the meeting dates had been decided in advance throughout the entire year.

The Executive Board

The Executive Board was set up to carry out management duties for the company as assigned by The Board of Directors, comprising 12 members being appointed by The Board of Directors, subsequent to the annual shareholders' meeting each year. Each Executive Board member was assigned a 1-year term from April 2012–April 2013.

During 2012, The Executive Board convened total 12 meetings, whereby the meeting dates had been decided in advance throughout the entire year.

Name list of The Executive Board

Name			Position
1.	Mr. Manu	Leelanuwatana	Chairman
2.	Miss Sirikul	Dhanasarnsilp	Vice Chairman
3.	Mr. Boondee	Amnuayskul	Managing Director
4.	Mr. Akihisa	Nakano	Deputy Managing Director
5.	Mr. Amnuay	Bumroongwongtong	Executive Director
6.	Mr. Manus	Ongsaranakom	Executive Director
7.	Mr. Suvit	Wongcharoenvutporn	Executive Director
8.	Mrs. Nonglaks	Techaboonanek	Executive Director
9.	Miss Natcharinthorn	Pongsupachintapa	Executive Director
10.	Mrs. Siriwan	Vilassakdanont	Executive Director
11.	Miss Karunee	Surai	Executive Director
12.	Mrs. Onanong	Saengpumpong	Executive Director

Secretary to The Executive Board : Mrs. Onanong Saengpumpong

Authority of The Executive Board

1. Appoint, remove, transfer, and evaluate the performances, as well as deciding on the remuneration and benefits to be granted to the employees at all levels.
2. Appoint and remove any committee assigned to carry out duties for the benefits of the company.
3. Seek advices from specialists or company consultants (if any), or solicit the services of outside specialists or consultants at the company's expenses.
4. Issue the rules and announcement pertaining to company operations, and assign the authority to executive directors and/or staff members acting in the management position, to sign their names approving the disbursement of company assets.
5. Grant approval to those transactions relating to company operations, within the amount limit being set for each type of transaction.
6. Grant approval to those work procedures relating to above items.

Duty and responsibility scope of The Executive Board

1. Present the company's objectives, policy, plan, and annual budget to The Board of Directors.
2. Supervise the company's operations, so as to comply with the direction, target, and business policy of the company.
3. Promote the competitiveness of the company, while encouraging consistent innovation development activities.
4. Supervise company operations so as to well comply with the laws, objectives, company regulations, resolutions by the shareholders' meeting, resolutions by The Board of Directors, as well as other standard practices.
5. Supervise the compilation of financial statements, for review and/or verification by the certified public accountant, prior to submitting to The Audit Committee, and The Board of Directors, for endorsement respectively.

6. Review the matters to be submitted to The Board of Directors for further acknowledgment or approval.
7. The Executive Board members may allocate work responsibilities among themselves, whereby they are required to report the progress of own responsible work to The Executive Board.
8. Review and revise the charter for The Executive Board, to be submitted to The Board of Directors for further approval.
9. Engage in other acts as assigned by The Board of Directors.

Authority, duty, and responsibility scope of the Managing Director

1. Manage company operations so as to well comply with the laws, objectives, company regulations, resolutions by the shareholders' meeting, resolutions by The Board of Directors, resolutions by The Executive Board, and other standard practices.
2. Instruct or engage in necessary and appropriate acts, so as to achieve those purposes laid down in above item 1. Should the matter be deemed significant, the Managing Director is required to report said matter to The Board of Directors or The Executive Board.
3. Review and approve the recruitment, appointment, transfer, and dismissal of employees, granting approval to the promotion or disciplinary action against employees, as well as deciding on the remuneration and welfare benefits for employees. However, such action must not contradict with the authority and the decision by The Executive Board.
4. Set company regulations regarding work practice, which must not contradict with the policies, regulations, provisions, instructions, or resolutions, set forth by the shareholders' meeting, The Board of Directors' meeting, and/or The Executive Board's meeting.
5. Authorize and/or assign other persons to carry out specific assignment on own behalf.
6. Promote and encourage company operations to be carried out with morality, to well comply with the laws, ethics, and cultures, based on good governance principles.
7. The exercise of authority by the Managing Director shall not be permitted, if he/she is deemed to have interests at stake, or have conflict of interests with the company.
8. In the exercise of authority by the Managing Director, should there arise any doubt or unclear aspect regarding such action, the matter shall be forwarded to The Board of Directors for consideration and conclusion.
9. Engage in other acts as assigned by The Board of Directors, and/or The Executive Board.

The Management

At present, there were 8 company's management members in accordance with the definition of the management set by The Securities and Exchange Commission. The management were authorized by the company to carry out duties in accordance with the company's policies.

Name list of the Management

	Name	Position
1. Mr. Akihisa	Nakano	Deputy Managing Director
2. Mr. Manus	Ongsaranakom	Executive Director and Chief Financial Officer
3. Mr. Suvit	Wongcharoenvutporn	Executive Director and Director of Children Wear Division
4. Mrs. Nonglaks	Techaboonanek	Executive Director and Director of Innerwear Division
5. Miss Natcharinthorn	Pongsupachintapa	Executive Director and Director of Research Development and Innovation Center
6. Mrs. Siriwan	Vilassakdanont	Executive Director and Director of Vienna Division
7. Miss Karunee	Surai	Executive Director and Director of Human Resources and General Affairs Division
8. Mrs. Onanong	Saengpumpong	Executive Director and Director of Accounting and Finance Division

Controller

The company does not have any controller who has the influence over the company's management policy, or its operations, in such manner deemed as significant.

Directorship details in subsidiary companies

Director for subsidiary company		SR.W. Garment Co.,Ltd.	Wacoal Lamphun Co.,Ltd.	Wacoal Kabinburi Co.,Ltd.	Pattaya Kabinburi Co.,Ltd.	Tora 1010 Co.,Ltd.
1. Miss Sirikul	Dhanasarnsilp	Chairperson	Chairperson	Chairperson	Chairperson	Chairperson
2. Mr. Boondee	Amnuayskul	Managing Director	Managing Director	Managing Director	Managing Director	Managing Director
3. Mr. Akihisa	Nakano	Director	Director	Director	Director	Deputy Managing Director
4. Mr. Amnuay	Bumroongwongtong	Director	Director	–	–	–
5. Mr. Thamarat	Chokwatana	–	Director	Director	Director	–
6. Mr. Manus	Ongsaranakom	Assistant Managing Director	Director	Director	Director	–
7. Mrs. Onanong	Saengpumpung	–	Director	–	–	–
8. Mr. Chaivichit	Suthipongvarakul	Director	–	Director	Director	–
9. Mr. Peerathat	Utaivivatana	Director	–	–	–	Director
10. Miss Arunee	Sahakijphinyo	Director	–	–	–	–
11. Mr. Wattana	Tongaiem	Director	–	–	–	–
12. Mr. Somboon	Sangsuwanlert	–	Assistant Managing Director	–	–	–
13. Miss Sineenuch	Vudhicharoenchaiporn	–	Director	–	–	–
14. Mrs. Rungtip	Choakchaitham	Director	–	Director	Director	–
15. Mr. Niwat	Dechampai	–	–	Director	–	–
16. Mr. Sompong	Rasameetham	–	–	Director	–	Director
17. Mr. Metha	Supakorn	–	–	Director	–	–
18. Miss Dollaya	Chinasirikul	–	–	–	Director	–
19. Mr. Parinya	Chadee	–	–	–	Director	–

The number of Directors' meetings

During 2012, The Board of Directors and other committees regularly held their meetings, whose attendance record by the directors were summarized as follows:

Unit : Times

Director Name		Directors' Meeting						
		The Board of Directors (6 times / year)	The Audit Committee (12 times / year)	The Nominating Committee (2 times / year)	The Remuneration Committee (2 times / year)	The Risk Management Committee (12 times / year)	The Executive Board (12 times / year)	General Shareholders' Meeting (1 time / year)
1. Mr. Boonsithi	Chokwatana	–	–	–	2/2	–	–	1/1
2. Mr. Yoshikata	Tsukamoto*	1/6	–	–	–	–	–	0/1
3. Mr. Manu	Leelanuwatana	6/6	–	2/2	2/2	–	12/12	1/1
4. Mr. Tadashi	Yamamoto*	1/4 (Jan.–May)	–	–	–	–	–	0/1
5. Mr. Yuzo	Ide*	1/6	–	–	–	–	–	0/1
6. Miss Sirikul	Dhanasarnsilp	6/6	–	2/2	2/2	–	12/12	1/1
7. Mr. Boondee	Amnuayskul*	6/6	–	–	–	–	11/12	1/1
8. Mr. Akihisa	Nakano*	6/6	–	–	–	–	11/12	1/1
9. Mr. Amnuay	Bumroongwongtong	6/6	–	2/2	–	–	12/12	1/1
10. Mr. Thamarat	Chokwatana	6/6	–	–	–	–	–	1/1
11. Mr. Ikuo	Otani*	1/6	–	–	–	–	–	0/1
12. Mr. Kiyotaka	Hiroshima*	0/2 (Since May)	–	–	–	–	–	–
13. Mrs. Oradee	Rungruangroj	2/2 (Jan.–Apr.)	4/4 (Jan.–Apr.)	–	–	–	–	1/1
14. Mr. Thanavat	Pugavanaja	2/2 (Jan.–Apr.)	–	–	–	3/3 (Jan.–Mar.)	–	1/1
15. Assoc.Prof. Nares	Kesaprakorn	6/6	4/4 (Jan.–Apr.)	–	–	9/9 (Since Apr.)	–	1/1
16. Assoc.Prof. Dr. Kulpatra	Sirodom	6/6	8/8 (Since May)	–	–	3/3 (Jan.–Mar.)	–	1/1
17. Mrs. Punnee	Worawuthichongsathit	6/6	12/12	–	–	–	–	1/1
18. Mrs. Saranya	Chindavanig	4/4 (Since Apr.)	8/8 (Since May)	–	–	–	–	–
19. Mr. Krish	Follett	4/4 (Since Apr.)	–	–	–	9/9 (Since Apr.)	–	–
20. Mr. Manus	Ongsaranakom	–	–	–	–	12/12	12/12	1/1
21. Mr. Suvit	Wongcharoenvutporn	–	–	–	–	–	12/12	1/1
22. Mrs. Nonglaks	Techaboonanek	–	–	–	–	–	12/12	1/1
23. Miss Natcharinthorn	Pongsupachintapa**	–	–	–	–	–	11/12	1/1
24. Mrs. Siriwan	Vilassakdanont**	–	–	–	–	–	11/12	1/1
25. Miss Karunee	Surai**	–	–	–	–	–	11/12	1/1
26. Mrs. Onanong	Saengpumpong	–	–	–	–	–	12/12	1/1

Remark : * Meeting leave due to overseas assignments

** Meeting leave due to own engagement

Criminal offence record of the directors

All company directors and management members have not posted any criminal offence record for laws violation.

The selection of the directors and management members

The selection method of persons to be appointed directors

The Nominating Committee has been assigned to select qualified persons having appropriate qualifications to be nominated as company directors for consideration by The Board of Directors, prior to submitting to the shareholders' meeting for approval by the majority votes of the shareholders present at said meeting.

In the case where the retirement took place prior to term completion with the remaining term being not less than 2 months, The Board of Directors' meeting shall then be authorized to select the persons from the candidates proposed by The Nominating Committee, for further appointment as company directors, by the majority votes of not less than 3/4 of the remaining directors. In such case, the newly-appointed directors shall serve out the remaining term of their predecessors.

For such nominating process of the persons to be appointed directors, the company has set the screening criteria for such candidates based upon their qualifications and expertise in various professions, while also taking into account other qualities such as vision, leadership, morality, and ethics, accompanied by transparent, accountable career records. They shall also be required not to possess any forbidden aspect specified by laws and company regulations.

With regard to the selection of persons to be appointed independent director, The Nominating Committee shall select from those persons having qualifications required for independent directors, in accordance with The Notification by The Capital Market Supervisory Board, in addition to basic qualification requirements above.

The rights accorded minor shareholders regarding director(s) appointment

Nomination of Directors

The company provided minor shareholders with the opportunity to nominate candidates to be appointed as company directors at the annual shareholders' general meeting in advance according to the criteria specified by the company, whose further details were displayed on the company website under the heading "Investor Relations : IR News".

Vote-casting method for director appointment

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

- One shareholder shall have one vote per one share.
- Each shareholder must exercise all of the votes he or she has under the first paragraph to elect one or several persons to be a director or directors and must not allot his or her votes to any person in any number.
- The persons receiving the highest number of votes, followed by those with descending highest number of votes shall be elected as the directors fulfilling the number of directorship required to be elected by the shareholder's meeting. In case the number of votes for the candidates in descending order are equal and exceed the number of directors to be elected at said meeting, the Chairman shall cast the deciding vote.

The number of directors representing each major shareholding group

Directors representing Thai shareholders, group	5	positions
Directors representing Japanese shareholders, group	5	positions
Independent directors	5	positions

The selection method for the persons to be appointed management members

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

Those employees so selected and trained by the company would be assigned to work in the positions having higher authority and responsibility scope. As general practice, the company regularly carries out training programs seeking to upgrade employees' potentials to a higher level, so as to be well-prepared to take up further significant positions when they become vacant.

Remuneration for the directors and management members

Remuneration criteria for the directors and management members

The Board of Directors earlier appointed The Remuneration Committee to set the budget and allocation criteria for the directors, based on the comparison with other companies within the same business category, business expansion, the company's growth rate and its performance results, the authority, duty, responsibility scope, and performances by the directors, in term of meeting allowance and yearly remuneration. Such proposal shall be proposed to The Board of Directors' meeting for consideration prior to submitting to the shareholders' meeting for final approval of said remuneration budget.

At the same time, the remuneration for the management members shall be in accordance with the criteria laid down by the company, based on the company's performance results, the level of responsibility being assigned, as well as the performance by each management member.

Remuneration amount

(A) Remuneration for company directors

The shareholders' meeting approved annual remuneration budget for company directors for total amount not exceeding Baht 20 million each year. The disbursement of said remuneration budget required the consideration by The Remuneration Committee, and the approval of The Board of Directors, with such disbursement not exceeding the budget amount earlier approved by the shareholders' meeting.

For 2012, The Board of Directors had 15 members, who received the remuneration for total amount Baht 14,560,000.–

Remuneration details for The Board of Directors and other committees

• **For The Board of Directors :** The remuneration consisted of meeting allowance and annual remuneration, whereby in 2012, meeting allowances were handed out only to those directors attending the meetings. The Chairman received Baht 10,000 / time, whereas other directors received Baht 8,000 / time, with the remuneration details set out as follows :

- Meeting allowance for The Board of Directors	Baht	572,000.–
- Annual remuneration	Baht	13,000,000.–

• **For The Audit Committee :** With regard to the remuneration for The Audit Committee members, for 2012, the company paid meeting allowances only to those members attending the meetings, for total amount Baht 688,000, with the remuneration details as follows :

	The Audit Committee	
	Chairman	Member
1. Reviewed financial statements together with the company auditor, on quarterly and yearly basis	Baht 60,000 / time	Baht 30,000 / time
2. Jointly attended meeting with the Internal Audit Office, providing suggestions regarding internal control and other activities	Baht 10,000 / time	Baht 8,000 / time

• **For The Nominating Committee :** Members of The Nominating Committee were entitled to receive remuneration in the form of meeting allowance as follows:

The Chairman received Baht 10,000 / time, whereas other members received Baht 8,000 / time. For 2012, the company paid meeting allowances only to those members attending the meetings, for total amount Baht 52,000.–

• **For The Remuneration Committee :** Members of The Remuneration Committee were entitled to receive remuneration in the form of meeting allowance as follows:

The Chairman received Baht 10,000 / time, whereas other members received Baht 8,000 / time. For 2012, the company paid meeting allowances only to those members attending the meetings, for total amount Baht 32,000.–

• **For The Risk Management Committee** : Members of The Risk Management Committee were entitled to receive remuneration in the form of meeting allowance as follows:

The Chairman received Baht 10,000 / time, whereas other members received Baht 8,000 / time. For 2012, the company paid meeting allowances only to those members attending the meetings, for total amount Baht 216,000.-

(B) Remuneration for management members : Referred to the remuneration for The Executive Board members, the 4 top-ranking executives under the Managing Director, and other executives in the same level as the 4th ranking executive, altogether totaling 12 persons. The remuneration details were classified into salary, allowance, and meeting allowance accorded their status as company employees. For 2012, total remuneration amounted to Baht 49,261,274.-

Other remuneration

The company does not have the policy to provide any extra benefits to its executives, whether in term of shares, debentures, other than those remuneration normally accorded the directors and company employees.

(A) For year 2012, The Executive Directors, together with those 4 top-ranking executives under the Managing Director, and other executives in the same level as the 4th ranking executive, totaling 12 persons, altogether received the company's contribution to their provident funds amounting Baht 202,956.-

(B) Report on the increase / decrease in ordinary shares number being held by company directors and management members (including shareholding by spouse and underage children) over the past year 2012.

Year	Company shareholding by the company directors and management members	
	No. of share	%
2012	2,635,710	2.1965
2011	2,635,530	2.1963
Increase (Decrease)	180	0.0002

Note : Investors may study the changes in shareholding details by the directors and management members under the heading "Personal information of company directors and management members", on the shareholding by the directors and the management

Inside information supervision

The company placed much emphasis on the protection and supervision over inside information, by clearly specifying in the employee ethics guidelines, barring company directors, management members, and company employees having access to inside information, from engaging in any act in exploitation of such information, particularly those information not yet disclosed to the general public. Any violation would be deemed as a disciplinary offence of company regulations. Furthermore, for the period of 1 month prior to the disclosure of financial statements to the public, the company sent out related circular to the directors, the management, and the employee having access to inside information, instructing them to refrain from any purchase or sales transaction of company shares during said period. During 2012, the company directors, management members, and company employees were not found to have committed any authority abuses related to inside information.

At the same time, company directors, management members were required by the company to report their shareholding status, as well as those by spouses and children not yet reaching legal maturity, within 30 days from the day of their appointments to become directors or management members. Furthermore, in the case of any change occurring to their shareholding status, they were required to report such change details within 3 days from the day of change to The Securities and Exchange Commission. Furthermore, The Board of Directors was regularly informed each quarter, of the securities holding status by the directors and management member.

At the same time, the company also developed internal control system regarding inside information, by applying information technology system to classify inside information access level for each employee level, through the setting of ID code for accessing such information.

Internal Control

Thai Wacoal Public Company Limited has always recognized the importance of good internal control systems. In that regard, The Board of Directors has assigned The Audit Committee to engage in the review over the company's internal control systems, to ensure that they were sufficiently adequate and appropriate, and allowing company operations to be carried out in an efficient and effective manner. At the same time, they should also contribute to efficient reliable accounting systems and financial statements compilation, while safeguarding company assets and reducing the damage caused by fraud or work deficiency, as well as ensuring that company operations fully comply with the laws, regulations, and related practices.

At the Board of directors' meeting no.5/2012 on February 21, 2013, The Board of Directors, which included the 3 Audit Committee members, were jointly engaged in the review over the company's internal control systems for 2012, based on the adequacy report regarding internal control systems, and the information obtained from the management. Since The Board of Director did not come across any significant deficiency with regard to the internal control systems, they subsequently concluded that the company had existing internal control systems well appropriate and compatible with its present business operations, which could be largely classified as follows:

1. Organization and environments

The company has established clear policies and business objectives, with concrete monitoring system, by taking into account fair treatment for its employees, customers, business partners, shareholders accountability, the community, and the environments as a whole. The company regularly reviewed its operations to ensure full compliance with its business objectives, and the prevailing situations.

Furthermore, the company has clearly set organizational structure, compiled charters for various committees, laid down the authority and responsibility scope for the Managing Director, to encourage effective work achievement, by laying down the policies on corporate governance, business morality, and employee ethics in writing, to serve as practice guidelines for the company directors, the management, and the employees, together contributing to better efficient and effective internal control systems for the company. Moreover, the company has clearly laid down company regulations and practice guidelines in writing, pertaining to financial, purchasing, and general management transactions, in order to safeguard against authority abuse seeking to misappropriate company assets, or otherwise those acting beyond the authority scope being assigned by the company.

2. Risk management

The company has set up The Risk Management Committee, to manage probable company risks in a systematic and efficient manner, by laying down clear working plan and working procedures. At the same time, the company regularly followed up on risk management practices to ensure proper compliance at an acceptable level, accompanied by its providing of relevant information to all the employees concerned, while requesting their cooperation in following risk management guidelines established earlier.

3. Management supervision

The company has clearly laid down the authority and authorization limit for each management level in writing, as well as separating the duty and responsibility scope for each department in a clear-cut manner, so as to serve as counter-balance and counter-verification measures. Furthermore, the company also had monitoring measures in place to ensure that the company operations duly corresponded to relevant laws. With regard to the transactions carried out with the major shareholder, director, the management, or those being involved with such persons, the company duly followed related procedures and regulations.

Moreover, in the case of the approval of business transactions having long-term binding effects on the company, the company would regularly follow-up to ensure full compliance with the conditions earlier agreed-upon. In addition, the company also carried out regular review over earlier-concluded agreements so as to best comply with changing situations, as well as closely monitoring business operations by its subsidiary companies on a consistent basis.

4. Information systems and data communication

The company regularly provided relevant documents and information in an adequate manner to The Board of Directors, to serve as necessary references for their decision-making. Furthermore, the company adopted accounting policies in compliance with Thai Financial Reporting Standards (TFRS), and compatible with its business operations nature.

At the same time, the company supervised the filing of accounting documents and other related records to be kept in an orderly and classified manner, within the safe keeping place according to the duration of time required by law. In addition, the outside consulting agency was hired to conduct system checking and assess the risks in protecting and safeguarding the IT infrastructure for the company on a yearly basis.

5. Monitoring system

The company has earlier set its business targets and regularly followed up on its operations to assess the results against said targets. In that regard, The Internal Audit Office was responsible for the checking, analysis and assessment of various internal control systems, as well as the regular follow-up on their implementation, whose findings were then reported directly to The Audit Committee, for further consideration in their joint meetings each month.

In the case of the detection of significant deficiency, The Audit Committee was required to report the matter to The Board of Directors, for further consideration seeking to improve the situation, and to rectify such deficiency through regular follow-up practice.

Corporate Governance

The Board of Directors have placed much emphasis on building good corporate governance practice, and upgrading those practice on continuous basis, to enable company operations to be carried out in a transparent and effective manner, leading to further growth and stability for the company. Furthermore, such practice was aimed at contributing to further economic value and long-term wealth for the shareholders, while providing fair treatment to all stakeholders concerned. The company has set the policy to achieve balanced business operations under changing social and economic environments, based on sufficiency economy principles, and in compliance with good governance practice principles for listed companies.

Said corporate governance practice could be largely classified into 5 sections as follows:

Section 1 : The Rights of Shareholders

The Board of Directors duly recognized the importance of the shareholders and duly respected their ownership rights. Accordingly, the company ensured that its corporate governance policy also carried provisions to safeguard the shareholders' rights, while ensuring that any action taken by the company would not infringe upon their rights. Accordingly, the company provided for the facilitation of rights exercise by all shareholders, including minor shareholders and institution investors, as follows:

1.1 Basic rights

Referred to the right for shares transaction, the right to receive profits allocation in term of dividend payment based on outstanding shares, the right to access company information in sufficient, timely, and consistent manner, the right to attend and cast votes at the shareholders' meeting, the right to elect individual company director and approve directors' remuneration, the right to appoint company auditor and approve audit remuneration, and the right to appoint proxy to attend and cast vote on his/her behalf.

1.2 The right to significant information access

Shareholders were entitled to access information on an equitable basis. In that regard, the company facilitated information distribution in both Thai and English languages, via the channels of The Stock Exchange of Thailand and company website, to provide shareholders with additional access channel. Such information included performance results, connected transactions, changes in the funding structure, changes in supervisory control, transactions of significant company assets, and other information essential for decision-making by shareholders.

1.3 The right to attend the shareholders' meeting

The company held its annual shareholders' meeting regularly each year, within 4 months after completing its accounting year. Nevertheless, in the event of such emergency situations possible affecting the shareholders' interests, or involving amendments to the laws or company articles requiring approval by the shareholders, the company was authorized to convene the extraordinary shareholders' meeting on a case by case basis. The company held its meeting at such date, time, and venue, deemed convenient to the shareholders, to facilitate their meeting attendance. For 2012, the company convened the shareholders' general meeting once, without convening any shareholders' extraordinary meeting, according to the following details:

• Prior to the shareholders' meeting

(1) The company provided the shareholders with the opportunity to propose meeting agenda prior to the meeting date for 2013, during the period of December 1 – 30, 2012, by providing related conditions on company website, together with news channel of The Stock Exchange of Thailand. Nevertheless, there was no shareholders proposing any meeting agenda during said specified period.

In addition, the company allowed the shareholders to submit questions related to the meeting agenda to The Board of Directors prior to the meeting date.

(2) The company informed the shareholders of the resolution to convene the shareholders' meeting 48 days prior to said meeting date, namely on March 6, 2012, to allow the shareholders sufficient time to plan their meeting attendance.

(3) The company disseminated the meeting invitation letter via company website, carrying the same content as the letter sent to the shareholders, in both Thai and English, 32 days prior to the meeting, to provide the shareholders with necessary information in a swift, convenient, and sufficient manner in advance.

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

(5) The company also posted the announcement notifying said meeting invitation to the shareholders in the newspapers for 3 consecutive days, 13 days prior to the meeting namely during April 10 – 12, 2012.

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



- **On the day of the shareholders' meeting**

(1) The company decided to set the meeting date, time, and venue in such manner being most convenient and not posing problems to the shareholders to attend. For 2012, the company held the shareholders' meeting on Monday, April 23, 2012, at 11.00 a.m., at The Montien Riverside Hotel.

(2) The shareholders were allowed to register by barcode system not less than 2 hours prior to the meeting, and continued until the meeting completion. At the registration desk, the company prepared sufficient personnel to take care of the registration, as well as providing stamp service for proxy appointment forms authorized by the shareholders. Furthermore, the company handed out vote placard and vote-casting ballot to each shareholder.

(3) The Board of Directors placed much emphasis on the shareholders' meeting, by considering as their obligations to always attend the meeting in person unless facing inevitable circumstances or becoming seriously ill.

For the shareholders' meeting for the year 2012, 11 directors attended said meeting, including Chairman of all committees. Furthermore, the meeting was also attended by the Managing Director, the Chief Financial Officer, Executive Directors, as well as the company auditor, so as to provide shareholders with the opportunity to ask questions related to the meeting agenda in progress. In addition, the company also invited representatives from the company's audit office of Deloitte Touche Tohmatsu Jaiyos Audit Company Limited, to act as meeting observers during vote tallying for each meeting agenda, to ensure that the meeting was conducted in a transparent manner, complying with legal and company articles requirements.

(4) Prior to meeting commencement, the Company Secretary informed the meeting of the meeting quorum, the vote-casting and vote-counting methods for each meeting agenda according to laws and company regulations. In the case where some shareholders joined the meeting after the meeting commencement, the company still allowed said shareholders to cast votes for the remaining agenda not yet considered and voted upon by including them as the meeting quorum.

(5) During the meeting, The Chairman proceeded with the meeting agenda in such order earlier set forth in the meeting invitation letter without adding any further agenda or altering any significant information without prior notice to the shareholders, while allowing equal opportunity for all shareholders to present question, comment or suggestion for each meeting agenda.

In that regard, for the shareholders' meeting in 2012, there was 1 shareholder presenting question and suggestion to the meeting, where by the Managing Director and the management responded in a straightforward manner.

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



The company

- Subsequent to the shareholders' meeting

(1) The company disclosed the resolutions adopted by the shareholders' meeting, together with the voting results for each meeting agenda, in both Thai and English, via the news channel of the SET, and the company website, on the following day.

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

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

In recognition of its consistent efforts dedicated to holding the shareholders' general meeting efficiently on a continuous basis, the company was awarded the "very good" appraisal result for the quality of its shareholders' meeting for the 6th consecutive year by the Thai Investors Association.

Section 2: Equitable Treatment of Shareholders

The Board of Directors ensured that every shareholder was entitled to fair and equitable treatment as follows:

2.1 The shareholders' meeting

(1) The company provided the shareholders with the opportunity to nominate candidates as directors prior to holding the shareholders' meeting in 2013, during the period of December 1 – 30, 2012. For such purpose, the company compiled the nomination conditions and disseminated them on the company website, as well as notifying the shareholders via the news channel of The Stock Exchange of Thailand. Nevertheless, there was no shareholder nominating any candidate for consideration as company directors.

(2) The allocation of votes in the meeting was based on the number of shares being held by each shareholder, with 1 vote representing 1 share with no share holding any special privilege in restricting the right of other shareholders.

(3) In the case of foreign shareholders, the company sent out meeting invitation letter in English, to facilitate the understanding by foreign shareholders, as well as disseminating said information on company website made accessible at the same time as The Thai version.

(4) In the case where shareholders could not attend the meeting in person, the company allowed said shareholders to appoint proxies from independent directors or other parties, to attend the meeting on own behalf. The company provided clear details pertaining to the proxy appointment letter, sent together with the proxy appointment letter (form B), allowing the shareholders to instruct own voting direction.

For the shareholders' meeting in 2012, there was 2 shareholders holding the combined 12,700 shares who had appointed an independent director to act as the proxy on their behalf.

(5) The voting procedure for each meeting agenda was carried out in a transparent manner, with the voting ballot provided the shareholders for each agenda, whereas only disapproval and abstention votes were kept afterwards. Nevertheless, for the agenda related to directors' appointment, all voting ballots bearing the signature of each shareholder were collected and kept as evidence. Vote tallying was carried out using the barcode system and displayed on-screen in the meeting room, to facilitate convenience, transparency, and easy verification.

2.2 Supervision over inside information

The company has laid down the policy safeguarding against inside information abuse, by stating in writing in the business morality manual, and the business ethics, not allowing company directors, the management, and employees, to exploit the information or assets belonging to the company, or accorded own position, in such manner seeking unjust gains for own self or for others. At the same time, they were forbidden to engage in any act supporting others to engage in such business operations competing against the company. In relation to this, the company handed out relevant manuals to company directors, the management, and the employees, to serve as guidelines for their business operations and assignments, while also disseminating those information on company website.

Furthermore, the company also incorporated above information into company regulations, together with the penalty provision. During the past year, the directors, the management, and the employees strictly followed those company policies on a consistent basis.

2.3 Supervision over the transaction of company securities

The company clearly specified conditions regarding the transaction of company securities in its business ethics, by forbidding the directors, the management, and the employees working in those departments accessible to inside information, to engage in the transaction of company securities, during the period of 1 month before the disclosure of such information to the public. The company distributed said instructions in circular to all concerned parties each quarter, together with the penalties to be imposed in the case of violation or non-compliance with said regulation.

In 2012, all the company directors and management members strictly followed accordingly, without engaging in such transactions during said period.

In this regard, the company laid down the regulation requiring company directors and management members to duly report own first securities holding, together with any subsequent change in securities holding, to The Securities and Exchange Commission, in accordance with article 59 of The Securities and Exchange Act B.E. 2535. Furthermore, the company provided for the report on securities holding by the directors and their spouses, as a regular item in The Board of Directors' meeting.

2.4 Treatment of conflict of interests

The company treated the issue of conflict of interests with caution and reason, with the company's interests in mind, by laying down operations systems in a transparent manner, deemed as one major policy regarding good governance practice and business ethics for the company. The company supervised the implementation of connected transactions so as to comply with the announcement by The Capital Market Supervisory Board. Before implementing each connected transaction requiring prior approval from The Board of Directors, the item was first proposed to The Audit Committee for endorsement prior to submitting to The Board of Directors for further approval. The directors with possible conflict of interests were not allowed to take part in the meeting. Afterwards, the company informed said meeting resolution to the shareholders via the news channel of the SET together with the company website. The information included the disclosure of names and relationship of connected parties, pricing policy, transaction value, and other related details, as well as the opinions of The Board of Directors pertaining to such transactions.

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

2.5 Supervision over assets transaction

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

Section 3 : Consideration of The Roles of Stakeholders

Based on its recognition of the rights of stakeholders, The Board of Directors duly laid down relevant policies and guidelines in the company's business morality manual, and distributed them to the directors, management members and the employees, to be followed as practice guidelines, to ensure that all stakeholders receive fair and equitable treatment.

3.1 Shareholders

The company duly respected the basic rights accorded the shareholders in accordance with the laws, regulations, and business ethics of the company. At the same time, the company had proper mechanism in place to ensure that the shareholders receive accurate and reliable information, having proper measures safeguarding against conflict of interests, and against the exploitation of inside information for personal gain. Furthermore, the company also aimed to generate justifiable return for the shareholders, by laying down appropriate dividend payment policy on a consistent basis.

In 2012, the company implemented dividend payments by drawing from the company's operating profits in 2011, at the rate of Baht 2.10 per share, for total dividend payments accounting for 60.59% of total net profits displayed in the separate financial statements, representing the company's dividend payments for 39 consecutive years. All shareholders were invited to attend and cast votes for each meeting agenda, whereby they could receive the information through several channels, such as documents and electronic data. Furthermore, the company regularly reported its performance results for each quarter, as well as disclosing the details relating to the connected parties via the news channel of The Stock Exchange of Thailand and the company website.

3.2 Company employees

In the company's recognition of company employees as its valuable human resources playing the critical role in leading the organization toward success, The Board of Directors therefore set the company's policy to devote its best efforts to develop and upgrade the employees' potentials on a consistent basis. At the same time, the company sought to provide job security and advancement opportunities to all employees based on their own potentials, as well as encouraging the employees to play a part in charting the company policies. At the same time, the company laid down its remuneration policy toward the employees by providing the employees with fair and reasonable remuneration commensurate with the capability, responsibility, and performance results for each employee (See details under the heading "Human Resource Development").

At the same time, the company placed much emphasis on the employees' safety, hygiene, and property protection, by laying down in writing the policy regarding work safety, sanitation, and work environments for the employees. In relation to this, a Committee was set up, together with a center supervising work safety, with monitoring activities regularly carried out. Furthermore, the company provided for the billboard display of accident statistics related to work. In 2012, the company organized training sessions regarding work safety, such as "work safety related to hazardous chemicals", "preliminary fire-fighting and evacuation", together with regular checking of building conditions to ensure work safety both inside and outside the buildings once a month.

At the same time, the company implemented preparatory measures to safeguard against fire accidents, such as checking fire escape route, checking fire-fighting equipments and fire alarm systems. The company also provided for the appraisal over work environments on an annual basis, to ensure complete safety in the workplace for company employees, as well as organizing exhibition on work safety on "Productivity Day". Furthermore, the company implemented campaigns and disseminated work safety information via PR board, in-house public address system, and the company's intranet system, for such activities as accident reduction campaign during Songkran and New Year holidays, the anti-smoking campaign for the world's anti-smoking day, the campaign against AIDS disease, the campaign against re-emerging infectious diseases, among others.

Furthermore, the company provided necessary welfare benefits to the employees to promote better livelihood and living quality, such as, the provident fund, clinic, library, annual check-up, special welfare product items, work uniform, and residence loan program, Day care center for employee's children among others. Moreover, the company also set up The Welfare Committee, allowing employees to participate in the management of welfare-related items, while promoting various activities for the employees, such as annual sports event and regular activities for various clubs within the company. At the same time, the company also provided communication venue for the employees, allowing them to offer suggestions or lodge complaints relating to their daily work, via the company's intranet system.

3.3 Customers

Based on The Board of Directors' recognition of the importance of cultivating and retaining customer's loyalty, the company duly carried out its business practices based on fairness, honesty, and its policy in providing the customers with true and accurate information. The company paid the highest attention to the customers' complaints, in order to provide them with fair and reasonable solutions based on their interests in a speedy manner, while devoting its full efforts toward developing new innovations contributing to better value for its products and services on a consistent basis. These objectives were clearly reflected in the company's policy pertaining to "Customer satisfaction, quality development, and international standard" (See the details per the annual report under the heading "Corporate business nature" on the summary of significant changes during the past year). Furthermore, the company placed utmost emphasis in safeguarding all the customers' secrets, strictly forbidding any abuse of such information for personal gain or connected persons' interests in a prohibitive manner.

In addition, the company set up "Customer Relations Services" where customers could lodge complaints, comments, suggestions, or ask for information, through various channels as, the 24 hours direct line service at tel no. 02-689-8515-6, 1800 295-565-6 (free service within Bangkok) or e-mail address at service@wacoal.co.th, or at the company's sales counters at department stores nationwide.

For 2012, there was no significant complaint from the customers. Whereas the company duly took into consideration all the complaints received from the customers, in order to devise proper measures to safeguard against and provide solutions to the problems on a systematic basis, to ensure that similar problem would not occur again in the future.

3.4 Business competitors

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

3.5 Business partners

The company duly upheld its policy in strictly following business agreement terms, providing true and accurate information, promoting sound business relationship and understanding exchanging information and know-how, as well as engaging in joint efforts to develop and promote better value for the products and services, and to strictly honour the commitments made with the customers (See the details per the annual report under the heading "Corporate business nature", on the summary of significant changes during the past year).

During 2012, there was no case of the company failing to abide by its outstanding agreements with business partners

3.6 Creditors

The company strictly followed the business conditions as earlier agreed-upon with the creditors. In relation to this, the trade account payables were allowed to submit their invoices to the company during the 25th of that month to the 5th of the following month, with payments to be made on each 3rd Friday of the month.

During 2012, the company duly observed its payment commitments with the trade account payables, without causing any payment default. At present, the company did not have any outstanding loan creditor. Whereas in the past, the company duly observed its payment obligations for both the principal and interests to creditors all along.

3.7 The community and society

Based on its due recognition of the responsibilities toward the community and society, the company laid down the policy seeking to promote conscience and responsibilities among company employees on a consistent basis, as well as promoting those activities contributing to the interests of the community and society as a whole (See the details under the heading "Social, community and environmental responsibilities").

During 2012, the company continued to place emphasis on social responsibilities alongside its regular practice. A committee overseeing its social responsibility activities was set up together with relevant policies for proper implementation and follow-up, subsequently leading to the accreditation of the company for its compliance with the social responsibility requirements set forth by The Department of Industrial Works, The Ministry of Industry (CSR – DIW).

3.8 The environments

Based on its recognition of the company's responsibilities toward the environments, The Board of Directors laid down clear policy pertaining to corporate governance practice and business ethics, by ensuring that the company carried out its business operations with due concern toward natural resources and the environments. Accordingly, the company paid due attention to ensure that every production process remained completely environmentally-friendly. Such recognition for its commitment was evident in the company's lingerie products becoming the first in Thailand to be certified as free from harmful substance in accordance with the Thai Industrial Standards no. 2346-2007, while also receiving certification for its lingerie products as safe from harmful substance and environmentally-friendly, under the "Green Label" mark, jointly awarded by the Thai Industrial Standards Institute (TISI), The Ministry of Industry, and Thailand Environmental Institute (TEI).

At the same time, the company was also granted the CoolMode mark by Thailand Greenhouse Gas Management Organization (Public Organization) and Thailand Textile Institute (THTI), for its sleepwear collection "I love cotton" for its contribution to the global warming campaign, together with the company's lingerie product model no. WB 9832 being certified as "global-warming reducing lingerie item" for the first time in Thailand and the world, with the issuance of the Carbon Footprint label, displaying the greenhouse gas emission level throughout its life cycle, by Thailand Greenhouse Gas Management Organization (Public Organization).

During 2012, the company continued to place significant emphasis on carrying out its business operations in compliance with environmental requirement standards, as evident in its acquisition of the Green Label over all ladies' lingerie product categories by Wacoal. At the same time, the company further expanded its product line in the CoolMode collection, to cover such items as Cool Bra and Cool Shape. Furthermore, the company was granted the ISO 14001 : 2004 certification by Bureau Veritas Certification (Thailand) Ltd., together with the certification for its business operations as a Green Industry in the 3rd tier of Green System, in testimony of the company's systematic and sustainable environmental management systems. At the same time, "Wacoal Gold & Wacoal Green" were the recipients of the STI Thailand Awards 2012 in the category of Elderly Lingerie & Green Lingerie Products respectively, from the National Science Technology and Innovation Policy Office. (See additional details under the heading "Social, community and environmental responsibilities").

3.9 Promotion of efficient resources utilization

The Board of Director duly recognized the importance of resources utilization, in such manner contributing to efficient resources utilization alongside its business operations by laying down its energy conservation policy in writing that "the company was determined to encourage energy consumption to achieve the best efficiency by reducing energy consumption by 10% for each production output." Over the past years, the company was regularly engaged in campaign activities promoting energy saving awareness activities promoting energy awareness, by providing guidelines on such energy utilization methods contributing to the best interests and value across all organizational activities, for both electricity, water, paper, and other exhaustible supplies. As the result of these measures, the company could succeed in achieving less energy consumption by 360,000 kwh for the year 2012.

Furthermore, in 2012, the company was granted the highest honour in the ASEAN region, with the ASEAN Energy Awards 2012, for its outstanding in-house energy management systems, together with the Thailand Energy Awards 2012, for its continuous role as the leader in systematic and effective energy consumption.

3.10 Training and learning sessions concerning the environments for company employees

The Board of Directors encouraged company employees to recognize the importance of environments, by disseminating information regarding the environments via the intranet system, information board, and in-house communications system. Furthermore, the company organized training sessions providing information regarding the environments for company employees on a continuous basis.

Significant training sessions regarding the environments organized by the company in 2012, were as follows:

- Industrial environmental laws
- Waste disposal
- Environmental Management System ISO 14001
- Sustainable environmental management and pollution prevention systems for textile industries

3.11 The company's support for activities related to community developments

Based on The Board of Directors' due recognition of the significance of community development activities, the company consistently provided its support for such dedicated activities. Those community development activities supported by the company in 2012 could be largely summarized as follows:

- The campaign "Wacoal promoting better income, better skills for community developments", together with Wat Bangklo Nok community and Wat Prayakai market backyard community
- The program "Hand-puppet story-telling by volunteer company employees promoting relationship with schools in the communities, and the creativity of primary school students in the premises surrounding the company
- The activity "National Children's Day" in collaboration with the Bangkokaem District Office, and the activity "Joy and Fun on Good Kids' Day", for the surrounding schools and communities
- The activity "Promoting reading among kids and teenagers", by donating books and bookshelves to Wat Prayakai market backyard community
- The donation of computers to Bukkaloo Police Station, for services purpose to visiting people

3.12 Policies and guidelines for refraining from such actions infringing upon human rights

The Board of Directors duly recognized the significance of human rights, by refraining from those actions infringing upon human rights. Some of those actions were as follows:

- Anti-child labour campaign by refusing to accept person less than 18 years of age as company employee
 - Entitlement of employee's rights to protest against allegation of fraud or misdeed
 - No unfair discharge of company employee
 - Fair treatment of employees in accordance with labour laws supervising strict human rights compliance
- With regard to above items, throughout its business operations to date, the company had no previous bad record pertaining to any mistreatment of employees or any related complaint lodged with court.

3.13 Policy and guidelines against business practice infringing upon patents or intellectual properties

The company strictly adhered to its policy of not engaging in any act in possible infringement upon intellectual property rights, either by means of copying or unauthorized usage of intellectual properties belonging to other parties. On the other hand, the company consistently dedicated its efforts to developing materials, products, and new services on a continuous basis. As the result, the company was able to register some licenses and copyrights safeguarding its creative achievements from any infringement attempts. The company's achievements were recognized by several awards bestowed upon the company on a continuous basis.

In testimony of such dedication, the company was awarded the STI Thailand Award 2011, from The National Science Technology and Innovation Policy Office and the IP Champion 2011 Award in the patent and sub-patent category, by Department of Intellectual Property. Furthermore, to encourage its employees to engage in innovation development activities on a consistent basis, in term of products, services, and production system, the company regularly held its "Wacoal Innovation Challenge" campaign each year, and submitted the winning entries to compete in the Saha Group Innovation Award contest on a regular basis, with consecutive favorable successes so far.

During 2012, the company was not engaged in any activity infringing upon the patents or intellectual properties.

3.14 Policy and guidelines fighting against fraud and bribery seeking business benefits

The Board of Directors laid down the policy against authority abuse and bribery, to safeguard the company's interests, by including them in the business ethics, prohibiting any attempt to seek, accept, or allow to accept any asset or benefit beyond normal business agreement term. At the same time, the company specified in its employees' ethics provision prohibiting them from accepting money or other benefits as personal gain from the customers or outside parties, together with the stipulation of penalties for those committing offence.

During 2012, the company duly followed said practice guidelines, and did not come across any irregularity as the result.

3.15 Participation channels for the stakeholders

The company provided the channel for the all stakeholders to file the report or complaint on those matters likely to cause damage to the company, whether they concerned the accuracy of financial statements, internal control system deficiency, or any act likely to violate the laws and business ethics. They could so communicate through the channel of Investor Relations at tel no. 0-2289-3100-9 ext. 331, or through e-mail at audit@wacoal.co.th. The results obtained through the investigation would then be reported directly to The Board of Directors, whereby the information of the claimant would be kept secret by the company.

In 2012, the company did not receive any such claim from the stakeholders.

Section 4: Information Disclosure and Transparency

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

During 2012, the company facilitated information disclosure in accordance with the requirements of The Stock Exchange of Thailand and The Stock and Exchange Commission, as well as disclosing other significant information, in display of transparency toward its business operations as follows:

4.1 Corporate governance : The company disclosed the details on its policies regarding corporate governance, business morality, and employee ethics, together with those reports relating to such topics, by disseminating them on the company website.

4.2 Social and environmental management policy : The company incorporated these topics under the policies on corporate governance and business morality with regard to the society and environments (See the details under the heading "Social, community and environmental responsibilities").

4.3 Shareholding structure : The company disclosed the names of the top 10 shareholders at the time of closing shares registration book for the shareholders' meeting, and at the ending date for each quarter, on the company website.

4.4 The Board of Directors' responsibility report toward financial statements : The Board of Directors recognized the importance of compiling financial statements in such manner deemed accurate and reliable, to serve as references for decision-making by the investors, by displaying said report carrying the signatures of the Chairman and the Managing Director, accompanied by the certified public accountant's report in the annual report publication. Furthermore, in 2012, the company received unconditional certification for its financial statements from the company auditor, and facilitated the submission of said financial statements to The Securities and Exchange Commission and The Stock Exchange of Thailand within the timeframe required, and was never subject to any instruction to revise its financial statements.

4.5 Duty performances by The Board of Directors and various committees : The company disclosed the details on the roles and authority of The Board of Directors and other committees, the number of meetings held, the number of meeting attendance by each director during the past year, under the heading "Management structure".

4.6 Shareholding by the directors and the management : The company disclosed said information under the heading "Personal information of company directors and management members" on the shareholding details by the directors and the management and under the heading "Management Structure" on the inside information supervision.

4.7 The remuneration for the directors and the management : The company disclosed the policy regarding the remuneration for directors and the management, the nature and number of remuneration accorded the directors for The Board of Directors and other committees, under the heading "Management structure", on the remuneration for the directors and management members.

4.8 The policy to report possible conflict of interests by the directors : The Board of Directors laid down the policy requiring company director and management member to report to the company each time possible conflict of interests arose by either themselves or connected persons, within 1 month of that event causing an appointment or change. Regarding this, the company secretary was required to submit related report to The Chairman and The Audit Committee Chairperson within 7 days after the company learned of such event. During 2012, company directors and management members strictly followed said policy, by not taking part in such meeting agenda having possible conflict of interests. Moreover, the company facilitated information disclosure pertaining to any conflict of interests by company director or management member, via the letter informing the meeting's resolution to the news system of The Stock Exchange of Thailand.

4.9 The relationship with investors : The company earlier set up The Investor Relations Center, to serve as the center in communicating and distributing significant information useful to the investors and other parties concerned. Interested person could view the company's latest developments via the company website, under the heading "About Us" and "Investor Relations", and the news system of The Stock Exchange of Thailand. Interested person could contact said Investor Relations Center represented by

Mrs. Onanong Saengpumpom

Company Secretary

Tel. 0-2689-8324

E-mail : secretariat@wacoal.co.th

Miss Chama Sungrunsan

Manager of Investor Relations Department

Tel. 0-2289-3100 ext.331

E-mail : invest@wacoal.co.th

In 2012, the company and Saha Group companies in collaboration with The Stock Exchange of Thailand organized the event "Analysts and Investors Meeting Saha Group" for the 4th consecutive year, at Queen Sirikit National Convention Center on Friday June 29, 2012. The event was held as part of the 16th Saha Group Fair. The Managing Director participated in the forum discussion on vision and growth prospects of the company. The company and Saha Group companies also printed the publication compiling their profile and performance results which were distributed to analysts and investors, and the mass media attending the event.

During the past year, the company also provided the opportunity for investors to visit the company to gain first-hand information on its operations management by top management members of the company. At the same time, the Center regularly provided information and answers to inquiries from shareholders, investors, and other concerned parties via the channels of e-mail, letter, and telephone.



Section 5 : Responsibilities of The Board of Directors

The Board of Directors had important responsibility in setting the direction for the company's business operations, and following up on the work results by its management members to contribute to the best interests of the shareholders and the company.

5.1 Structure of The Board of Directors

(1) Composition of The Board of Directors

The Board of Directors comprised 15 directors, classified into:

- Non-executive directors 10 persons (including 5 independent directors)
- Executive directors 5 persons

Independent directors accounted for 33.33% of the total number of The Board of Directors, complying with the requirements by The Capital Market Advisory Board, whereas non-executive directors accounted for 66.67% of the total number of The Board of Directors.

(2) Independent director's qualifications

The Board of Directors resolved to adopt the definition for "independent director" having qualifications in accordance with the notification of The Capital Market Supervisory Board as follows:

1. Holding shares not exceeding 1 percent of the total number of voting rights of the company, its parent company, subsidiary, affiliate, major shareholders or controlling person of the company, including the shares being held by related persons of independent directors.
2. Neither being nor having been an executive director, employee, staff, or advisor who received regular salaries, or being a controlling person of the company, its parent company, subsidiary, affiliate, same-level subsidiary, major shareholders or persons having supervision authority over the company, unless the foregoing status ended not less than two years prior to the date of their appointments as independent directors. Nevertheless, such prohibited nature would not apply in the case of these independent directors having earlier served as government officials, or advisors to government agency acting as major shareholder in the company or having supervision authority over the company.
3. Not being a person related by blood or registration under laws, such as father, mother, spouse, sibling, and child, including spouse of the children, executive, major shareholder, controlling person, or person to be nominated as executive or as controlling person of the company or its subsidiary.
4. Not having business relationship with the company, its parent company, subsidiary, affiliate, major shareholders or controlling person of the company, in such manner likely to interfere with own independent judgement, and neither being nor having been a significant shareholder or person having supervision authority over the person who has business relationship with the company, its parent company, subsidiary, affiliate, major shareholders or controlling person of the company, unless the foregoing relationship ended not less than two years prior to the date of appointment as independent director.
The term 'business relationship' aforementioned under paragraph one included any normal business transaction, rental or lease of immovable property, transaction relating to the assets or services or the granting or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, including any other similar action, resulting in the company or its counterparty being subject to indebtedness payable to the other party in the amount of three percent or more of the net tangible assets of the company or twenty million Baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the calculation method for the value of connected transactions under The Notification of The Capital Market Supervisory Board regarding The Compromise Criteria for Connected Transactions. The combination of such indebtedness shall include indebtedness taking place during the course of one year prior to the date on which the business relationship with the person commences.
5. Neither being nor having been an auditor of the company, its parent company, subsidiary, affiliate, major shareholders or controlling person of the company, and not being a significant shareholder or person having supervision authority, or partner of an audit firm which employs auditors of the company, its parent company, subsidiary, affiliate, major shareholders or controlling person of the company, unless the foregoing relationship has ended not less than two years prior to the date of appointment as independent director.

6. Neither being nor having been any professional advisor including legal advisor or financial advisor who receives an annual service fee exceeding two million Baht from the company, its parent company, subsidiary, affiliate, major shareholders or controlling person of the company, and not being a significant shareholder or person having supervision authority or partner of the professional advisor, unless the foregoing relationship has ended not less than two years prior to the date of appointment as independent director.
7. Not being a director who has been appointed as the representative of the company's director, major shareholder, or being a shareholder who is related to the major shareholder.
8. Not engaging in business operations of the same business nature or in competition against the business operations of the company or its subsidiaries, nor serving as a significant partner in a limited partnership or otherwise serving as a director participating in the management, or serving as employee or consultant receiving regular salary or holding over 1% shares out of total shares in other companies engaging in the same business nature or in competition against the company and its subsidiaries.
9. Not having any characteristics which make him incapable of expressing independent opinions with regard to the company's business affairs.

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

After being appointed independent director having qualifications complying with the criteria under item 1 to 9, the independent director may then be assigned by The Board of Directors to participate in the decision-making procedures for the company, its parent company, subsidiary, affiliate, same-level subsidiary, major shareholders or controlling person of the company on the condition that such decision must be a collective one.

(3) Directors selection process

The Board of Directors appointed The Nominating Committee, to supervise the director selection process to be carried out in a transparent manner (See the details under the heading "Management Structure", on the selection of directors and the management).

(4) Directorship term for independent directors

The Board of Directors were elected by the shareholders' meeting, with directorship term complying with company regulations, while being eligible for re-election after term completion. At present, independent directors were allowed to serve not more than 3 consecutive terms.

(5) The number of companies served by each director

The company disclosed the information regarding the holding of directorship by each company director in other companies under the heading "Personal information of company directors and the management". Nevertheless, the company has not specified the number of companies being allowed for the director to hold directorship, since it believed that the director's business expertise and capabilities should not be restricted by the number of companies said director served, as long as he/she proved to be capable and devoted enough to carry out own assignments in fulfilling the expectations by The Board of Directors and shareholders.

At present, there was 1 director serving as the director in more than 5 listed companies. Nevertheless, the company believed that such situation would not affect his assignments, since the director could still devote sufficient time to carry out the assignments for the company, by regularly attending meetings and presenting comments beneficial to company operations all along.

Furthermore, the company resolved to appoint the Managing Director as directors in its subsidiary companies and affiliate companies, so as to facilitate smooth and consistent operations management for these companies.

(6) The separation of the positions of Chairman from the Managing Director

Based on the different responsibility and authority scope between Chairman of The Board of Directors and the Managing Director, the company therefore specified the Chairman of The Board of Directors and the Managing Director to be different persons, so as to clearly separate the supervision and management authority for the company, and contributing to proper authority balance in company management within the company. In relation to this, the company has set up The Board of Directors Charter, setting the authority and duty scope for each committee and clearly separating them from those of The Managing Director.

Furthermore, despite the Chairman of The Board of Directors not being an independent director, nevertheless, both of them duly carried out their assignments in an independent manner, and providing opportunities to all directors to act freely in expressing own opinions and suggestions contributing to the best interests of the organization.

(7) Company Secretary

The Board of Directors resolved to appoint Mrs. Onanong Saengpumpong, Executive Director and Director Accounting & Finance Division, who was well-qualified, with sound knowledge and experiences, as the Company Secretary (See the details on her education and career background under the heading "Personal information of company directors and management members", having the duties and responsibilities as specified in The Securities and Exchange Act (no. 4) B.E. 2551, together with other duties assigned by The Board of Directors.

The Company Secretary was assigned the following responsibilities:

1. To provide preliminary advice to the directors on laws, regulations and articles of the company, and to monitor proper and regular compliance, as well as to report substantive changes to the directors.
2. To coordinate between the company directors and the management, to supervise and coordinate matters pertaining to the relevant laws and regulations, including proceedings to ensure compliance with resolutions of The Board of Directors.
3. To organize shareholders' meeting and The Board of Directors' meeting in accordance with laws, company articles and other directives.
4. To record minutes of the shareholders' meeting and The Board of Directors' meeting as well as to monitor compliance with resolutions of the shareholders' meeting and The Board of Directors' meeting.
5. To oversee the disclosure of information and file the relevant reports under the rules and regulations of The Securities and Exchange Commission and The Stock Exchange of Thailand.
6. To prepare and archive the following documents:
 - Directors' register
 - Notice of The Board of Directors' meeting and minutes of The Board of Directors' meeting
 - Notice of the shareholders' meeting and minutes of shareholders' meeting.
 - Annual registration statement (Form 56-1) and Annual report (Form 56-2).
7. To maintain report of interest reports filed by directors or executives.
8. To carry out other proceedings as prescribed by The Capital Market Supervisory Board.

5.2 Various committees

The Board of Directors appointed several committees comprising of competent and experienced members, to supervise over each particular aspect of company operations, to ensure careful and effective management and operations for the company. Those committees consisted of The Audit Committee, The Nominating Committee, The Remuneration Committee, The Risk Management Committee, and The Executive Board.

The Board of Directors clearly laid down the authority and responsibility scope for each committee per the charter for said committee, whereby 1 chairman was appointed to supervise the assignments for each committee to comply with the policies of The Board of Directors (See the details under the heading "Management Structure").

5.3 The roles, authority, and responsibility scope of The Board of Directors

(1) Leadership and vision

The Board of Directors consisted of members who had extensive capabilities and experiences beneficial to company management, together with leadership and independent decision-making qualities, necessary to supervise company operations in such manner best contributing to the objectives and goals of the company and shareholders.

The Board of Directors were obliged to grant approval to the vision, mission, strategy, target, plan, and annual budget of the company proposed by the management. At the same time, they were required to ensure that there were adequate mechanisms in supervising, monitoring, and evaluating performances by the management, so as to meet the targets contributing to further value and wealth for both shareholders and the company, while properly safeguarding the interests of all stakeholders concerned.

(2) Establishing corporate governance policy

In due recognition of the importance of good corporate governance practice, The Board of Directors therefore laid down corporate governance policy in writing, and distributed said manual to the company directors, the management, and all employees, to serve as guidelines for their common practice (See full details on the company website).

(3) Setting business morality and employees ethics guidelines

The company established business morality manual for the company directors, the management, and employees to use as practice guidelines toward the company and all stakeholders.

Furthermore, the company also established employees ethics manual, to serve as common practice guidelines for the management and employees, in carrying out their assignments for the company with good conscience.

Company employees were required to sign their names in acknowledgement of said manuals, regarded as one of their significant obligations (See full details on the company website).

(4) The policy regarding possible conflict of interests

The Board of Directors placed much importance on ensuring that any transaction with possible conflict of interest was carried out in a cautious, careful, and honest manner. Accordingly, the company incorporated the policy regarding possible conflict of interest into its policy pertaining to corporate governance and business ethics, with said policy details displayed on the company website. For 2012, the company displayed such items with possible conflict of interest under the heading "Inter-Transaction".

(5) Supervision over internal control and audit systems

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

Accordingly, The Board of Directors instructed The Internal Audit office to directly report to The Audit Committee each month, so as to allow the Committee to review and ensures sufficient internal control practice. At The Board of Directors' meeting no.5/2012, also attended by The Audit Committee members, the meeting together reviewed the adequacy of the internal control system, and concluded that the company had adequate internal control system in place. (See the details under the heading "Management Structure" regarding internal control).

Regarding risk management The Board of Directors supervised to ensure that the company had adequate systems overseeing the review, monitoring, and management of possible risks, by placing emphasis on the detection of advance danger signals and significant irregularities.

The Board of Directors appointed The Risk Management Committee, to set policies regarding risk management, and supervising risk management practices for the overall organization, to ensure that all risks were properly maintained at acceptable levels. Furthermore, The Committee analyzed and evaluated possible risks, and compiled risk management report, for submission directly to The Board of Directors. (See the details on risk management for each area of the company's operations under the heading "Risk factors").

5.4 The Board of Directors' meeting

The Board of Directors set the meeting schedule in advance all year, by holding the meeting at least once every 3 months as specified in the charter for The Board of Directors, with additional meeting to be summoned according to necessary circumstances. For each meeting, The Company Secretary sent out meeting invitation letter, meeting agenda, and relevant meeting documents, to the directors not less than 7 days in advance, to allow them sufficient time to review the information prior to the meeting.

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

During 2012, The Board of Directors held 6 meetings altogether. (See the details under the heading "Management structure" on the number of directors' meeting).

5.5 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 2012, 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.

During 2012, each Audit Committee member also presented own appraisal version of the Audit Committee's overall achievements, to contribute to better effectiveness and efficiency in its operations.

With regard to the appraisal of the performances by The Managing Director, this would be carried out by The Chairman and Vice-Chairman, by considering the work results relating to each management aspect carried out by The Managing Director during each particular year.

5.6 Directors' remuneration

The Board of Directors appointed The Remuneration Committee, to supervise and ensure that the remuneration process for directors were carried out in a transparent manner (See the regulations and criteria on remuneration policy for directors and the management under the heading "Management structure", on remuneration for the directors and management members).

5.7 Developments for the directors and the management

- Training attended by the directors

The Board of Directors supported those training activities seeking to promote further knowledge for the directors, the management, and all parties concerned on a consistent basis, so as to gain better effective skills and understanding regarding their duty assignments. These activities included the programs organized by Thai Institute of Directors Association (IOD) and other agencies concerned (See the details on the participation in the programs related to duly assignments for the directors under the heading "Personal information of company directors and management members").

The company directors and management members paid much attention to attending training courses or seminars designed to promote their management abilities. During 2012, the company directors and management members attended training courses on significant operations topics, such as, the programs "Risk Management Scope", "Preparation for the textile and garment industries", and "Marketing Trend & Customer Insight 2012", among others.

- Orientation for new directors

The company hosted the orientation course for new directors, to properly prepare them for director assignments. The company arranged factory tour, organized presentations on company background, business perspective and business policies for these new directors. The company also provided them with the manual for directors for listed company, clearly summarizing and comparing the provision in the company regulations, with those in The Securities and Exchange Act, The Public Company Act, Good Governance Practice Principles, as well as the charter for each respective Committee and the corporate governance policy, in addition to related regulations issued by concerned agencies in supervising over listed companies, to serve as their practice guidelines during the directorship term.

5.8 Management succession plan

In due recognition of the importance in preparing the persons to succeed the present management members, The Board of Directors therefore provided the opportunities for lower-level executives who have sufficient knowledge and potentials, to advance to higher-level positions in their particular field, in support of the company policy to prepare new management members to succeed the outgoing ones in the future.

Investment in Other Companies in which the Company Holds 10% or more of Paid-Up Shares

As Of December 31, 2012

Company/Address	Type of Business	Type of Shares	No. of Paid-up Shares	Shareholding by the Company		
				No. of Shares	%	
Direct Subsidiaries						
1. Wacoal Lamphun Co., Ltd. 99, 99/4 Moo 5, Liengmuang Rd., Paa-Sak, Muanglamphun, Lamphun Tel. 0-5353-7652-3 Fax. 0-5358-4082	Manufacturer of finished garments	Ordinary	500,000	499,993	99.99	
2. Wacoal Kabinburi Co., Ltd. 121-121/1 Moo 5, Suwannasorn Rd., Nonsee, Kabinburi, Prachinburi Tel. 0-3720-5140-2 Fax. 0-3720-5144	Manufacturer of finished garments	Ordinary	500,000	499,993	99.99	
3. Tora 1010 Co., Ltd. 930/1 Soi Pradoo 1, Sathupradith Rd., Bangklo, Bangkholaem, Bangkok Tel. 0-2689-8705 Fax. 0-2689-8706	Procurement and distribution of finished garments	Ordinary	100,000	99,970	99.97	
4. SR.W. Garment Co., Ltd. 173/2 Moo 5, Sukabhibal 8 Rd., Boung, Sriracha, Chonburi Tel. 0-3848-0666 Fax. 0-3848-0606	Manufacturer of finished garments	Ordinary	200,000	199,870	99.94	
Indirect Subsidiary (Equity held by no.4 = 99.99%)						
5. Pattaya Kabinburi Co., Ltd. 123-123/1 Moo 5, Suwannasorn Rd., Nonsee, Kabinburi, Prachinburi Tel. 0-3720-5051-3 Fax. 0-3720-5051-3	Manufacturer of finished garments	Ordinary	200,000	199,860	99.93	
Other Companies						
1. SSDC (Tigertex) Co., Ltd. 111 Moo 5, Suwannasorn Rd., Nonsee, Kabinburi, Prachinburi Tel. 0-3720-5038 Fax. 0-3720-5308	Bleaching and dyeing	Ordinary	32,400,000	6,065,570	18.72	
2. Sunrise Garment Co., Ltd. 475-479 Moo 18, Suksawad Rd., Bangphung, Phrapradaeng, Samuthprakarn Tel. 0-2463-5999 Fax. 0-2463-5998	Manufacturer of sweater knitwear	Ordinary	100,000	18,150	18.15	
3. Textile Prestige Plc. 704/1-9 Rama 3 Rd., Bangpongpan, Yannawa, Bangkok Tel. 0-2294-0071 Fax. 0-2294-0150	Manufacturer and distributor of textile	Ordinary	108,000,000	19,598,850	18.15	

Company/Address	Type of Business	Type of Shares	No. of Paid-up Shares	Shareholding by the Company	
				No. of Shares	%
4. International Commercial Coordination (Hong Kong) Limited Room 408 4 th Floor Hope Sea Industrial Center, No. 26 Lam Hing Street, Kowloon Bay, Kowloon, Hong Kong Tel. 001 852 2756 5622 Fax. 001 852 2753 8631	Distributor of consumer goods	Ordinary	20,000	3,600	18.00
5. Wien International Co., Ltd. 4236/218-222 Soi Pradoo 1, Sathupradith Rd., Bangklo, Bangkholaem, Bangkok Tel. 0-2689-8520 Fax. 0-2689-8836	Direct Sales	Ordinary	300,000	53,700	17.90
6. Grand Star Industry Co., Ltd. 66, 68, 70 Rama 3 Soi 29, Sathupradith Rd., Bangpongpan, Yannawa, Bangkok Tel. 0-2683-8291-2 Fax. 0-2683-8293	Manufacturer of garment components	Ordinary	200,000	35,600	17.80
7. Five Stars Plus Co., Ltd. 911 Moo 15 Thepharak Rd., Bangsaonthong, Bangsaonthong, Samutprakarn Tel. 0-2295-0911-9 Ext. 250 Fax. 0-2294-5101	Manufacturer of leather coats for export	Ordinary	500,000	85,000	17.00
8. Thai Nanasai Co., Ltd. 729-729/1 Trok Wat Channai, Ratchadapisek Rd., Bangpongpan, Yannawa, Bangkok Tel. 0-2294-9821-2 Fax. 0-2294-9823	Interior decorator	Ordinary	60,000	10,193	16.99
9. Thai Naxis Co., Ltd. 222 Moo 5, Suwannasorn Rd., Nonsee, Kabinburi, Prachinburi Tel. 0-3720-5145-7 Fax. 0-3720-5229	Manufacturer of woven and printed textile label	Ordinary	200,000	32,910	16.46
10. Erawan Textile Co., Ltd. 49 Moo 3, Poochaosamingprai Rd., Samrongtai, Phrapradaeng, Samutprakarn Tel. 0-2183-3898-9 Fax. 0-2183-3916	Textile spinning and weaving	Ordinary	1,818,316	275,972	15.18
11. Pattaya Manufacturing Co., Ltd. 611/28 Trok Wat Channai, Bangklo, Bangkholaem, Bangkok Tel. 0-2291-2390-8 Fax. 0-2291-2378	Manufacturer of finished garments	Ordinary	3,000,000	440,000	14.67

Company/Address	Type of Business	Type of Shares	No. of Paid-up Shares	Shareholding by the Company	
				No. of Shares	%
12. S.T.G.C. Co., Ltd. 930/1 Soi Pradoo 1, Sathupradith Rd., Bangklo, Bangkholaem, Bangkok Tel. 0-2689-8634 Fax. 0-2689-8635	Textile and garment business researcher	Ordinary	25,000	3,250	13.00
13. Bangkok Tokyo Socks Co., Ltd. 673 Moo 11, Sukaphibal 8 Rd., Nongkharm, Sriracha, Chonburi Tel. 0-3848-0355-7 Fax. 0-3848-0358	Manufacturer of socks	Ordinary	1,432,200	175,000	12.22
14. International Leather Fashion Co., Ltd. 129/1 Chongnonsri Rd., Chongnonsri, Yannawa, Bangkok Tel. 0-2681-3817 Fax. 0-2681-3817	Manufacturer of leather products	Ordinary	500,000	60,000	12.00
15. Morgan De Toi (Thailand) Co., Ltd. 129/1 Chongnonsri Rd., Chongnonsri, Yannawa, Bangkok Tel. 0-2295-1730 Fax. 0-2295-1757	Distributor of apparel	Ordinary	250,000	30,000	12.00
16. Fujix International Co., Ltd. 999/118 Moo 20, Soi Boonmeesub, Bangplee-tamru Rd., Bangpleeyai, Bangplee, Samutprakarn Tel. 0-2382-5638-9 Fax. 0-2382-5640	Sales of sewing thread	Ordinary	30,000	3,300	11.00
17. T.U.C. Elastic Co., Ltd. 704/1-5 Rama 3 Rd., Bangpongpan, Yannawa, Bangkok Tel. 0-2294-0071 Fax. 0-2294-0150	Manufacturer and distributor of stretch fabric and woven elastic tape	Ordinary	1,600,000	172,000	10.75
18. Champ Ace Co., Ltd. 58 Soi Charoenraj 7, Bangklo, Bangkholaem, Bangkok Tel. 0-2689-8240-6 Fax. 0-2291-2537	Manufacturer of finished garments	Ordinary	400,000	40,000	10.00

The Board of Directors' Responsibility Report towards Financial Statements

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

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

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

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

Accordingly, The Board of Directors concluded that, the good corporate governance practice, the risk management system, as well as the internal control system already in place at the company, were well adequate and sufficient, reasonably providing sufficient confidence to all the concerned parties that, the financial statements of the company and its subsidiaries ending December 31, 2012, were prepared and presented in substantial context, in an accurate and reliable manner.



(Mr. Manu Leelanuwatana)

Chairman



(Mr. Boondee Amnuayskul)

Managing Director

Report of the Independent Certified Public Accountants

TO THE SHAREHOLDERS AND THE BOARD OF DIRECTORS THAI WACOAL PUBLIC COMPANY LIMITED

We have audited the consolidated financial statements of Thai Wacoal Public Company Limited and its subsidiaries and the separate financial statements of Thai Wacoal Public Company Limited, which comprise the consolidated and separate statements of financial position as at December 31, 2012, and the related consolidated and separate income statements and statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Thai Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the aforementioned consolidated and separate financial statements present fairly, in all material respects, the financial position of Thai Wacoal Public Company Limited and its subsidiaries and of Thai Wacoal Public Company Limited as at December 31, 2012, and financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.



Dr. Suphamit Techamontrikul

Certified Public Accountant (Thailand)

Registration No. 3356

BANGKOK

February 21, 2013

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

Statement of Financial Position

THAI WACOAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
AS AT DECEMBER 31, 2012 AND 2011

UNIT : BAHT

	NOTES	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2012	2011	2012	2011
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents		174,757,490	339,969,357	155,706,101	267,961,702
Temporary investments	4	1,183,151,581	1,224,424,674	967,115,962	1,101,202,927
Trade and other receivables	5	636,542,118	567,976,667	731,608,907	672,513,508
Short-term loans to related parties	6	94,000,000	99,000,000	94,000,000	99,000,000
Other short-term loans	7	1,900,000	2,500,000	1,900,000	2,500,000
Inventories	8	994,695,891	917,422,309	844,354,337	737,829,566
Other current assets					
Refundable VAT		3,140,005	4,070,847	1,951,379	3,562,698
Supplies		19,025,051	18,318,443	13,898,534	13,371,988
Other		1,394,657	1,439,923	1,051,775	1,318,490
		23,559,713	23,829,213	16,901,688	18,253,176
Total Current Assets		3,108,606,793	3,175,122,220	2,811,586,995	2,899,260,879

THAI WACOAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
AS AT DECEMBER 31, 2012 AND 2011

UNIT : BAHT

	NOTES	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2012	2011	2012	2011
ASSETS (CONTINUED)					
NON-CURRENT ASSETS					
Deposit at bank under obligation	9	5,856,450	6,049,950	5,856,450	6,049,950
Long-term deposits at financial institution		11,000,000	–	11,000,000	–
Available-for-sale securities investments	10	1,735,998,418	1,420,961,875	1,723,473,418	1,408,061,875
Investments in subsidiaries	11	–	–	132,032,600	132,032,600
Other long-term investments	12	701,702,368	526,747,289	698,432,368	523,477,289
Investment property – net	13	80,310,767	84,366,398	85,886,412	90,648,011
Property, plant and equipment – net	14	738,469,829	742,014,964	607,936,868	596,840,524
Intangible assets – net	15	15,492,897	15,596,135	14,728,474	14,669,477
Leasehold rights – net	16	8,861,095	10,070,819	8,861,095	10,070,819
Other non-current assets	17	8,222,567	10,926,408	7,391,688	10,084,689
Total Non-Current Assets		3,305,914,391	2,816,733,838	3,295,599,373	2,791,935,234
TOTAL ASSETS		6,414,521,184	5,991,856,058	6,107,186,368	5,691,196,113

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

Statement of Financial Position (Continued)

THAI WACOAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
AS AT DECEMBER 31, 2012 AND 2011

UNIT : BAHT

	NOTES	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2012	2011	2012	2011
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Trade and other payables	19	567,514,440	546,014,335	581,412,830	580,271,002
Accrued income tax		39,019,976	56,767,194	28,678,448	34,744,186
Other current liabilities					
Provision for loss from goods returned		57,000,000	69,000,000	57,000,000	69,000,000
Withholding tax payable		7,222,521	7,242,752	6,156,765	5,997,629
Others		4,304,664	6,421,946	422,287	1,360,159
		68,527,185	82,664,698	63,579,052	76,357,788
Total Current Liabilities		675,061,601	685,446,227	673,670,330	691,372,976
NON-CURRENT LIABILITIES					
Retirement benefit obligation	20	445,618,713	403,548,076	317,843,624	295,172,194
Total Non-Current Liabilities		445,618,713	403,548,076	317,843,624	295,172,194
TOTAL LIABILITIES		1,120,680,314	1,088,994,303	991,513,954	986,545,170

THAI WACOAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
AS AT DECEMBER 31, 2012 AND 2011

UNIT : BAHT

	NOTES	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2012	2011	2012	2011
LIABILITIES AND EQUITY (CONTINUED)					
EQUITY					
SHARE CAPITAL					
Authorized share capital					
120,000,000 ordinary shares of					
Baht 1.00 each		120,000,000	120,000,000	120,000,000	120,000,000
Issued and paid-up share capital					
120,000,000 ordinary shares of					
Baht 1.00 each, fully paid		120,000,000	120,000,000	120,000,000	120,000,000
PREMIUM ON ORDINARY SHARES		297,190,000	297,190,000	297,190,000	297,190,000
RETAINED EARNINGS					
Appropriated					
Legal reserve	21	12,000,000	12,000,000	12,000,000	12,000,000
General reserve	23	288,244,740	267,448,303	288,244,740	267,448,303
Unappropriated		3,602,653,271	3,477,572,053	3,427,709,837	3,282,959,584
OTHER COMPONENTS OF EQUITY		973,520,210	728,464,940	970,527,837	725,053,056
EQUITY ATTRIBUTABLE TO					
OWNERS OF THE PARENT		5,293,608,221	4,902,675,296	5,115,672,414	4,704,650,943
NON-CONTROLLING INTERESTS		232,649	186,459	–	–
TOTAL EQUITY		5,293,840,870	4,902,861,755	5,115,672,414	4,704,650,943
TOTAL LIABILITIES AND EQUITY		6,414,521,184	5,991,856,058	6,107,186,368	5,691,196,113

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

Income Statement

THAI WACOAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

UNIT : BAHT

	NOTES	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2012	2011	2012	2011
Revenues from sale of goods and rendering of services	25	4,094,687,908	3,688,817,879	4,417,815,898	4,015,085,124
Cost of sale of goods and rendering of services		(3,110,288,660)	(2,769,255,923)	(3,659,927,451)	(3,316,899,720)
Gross Profit		984,399,248	919,561,956	757,888,447	698,185,404
Dividend income		57,458,003	53,039,506	180,844,035	206,516,470
Other income	26	125,055,870	184,925,535	122,556,149	144,729,389
Profit before expenses		1,166,913,121	1,157,526,997	1,061,288,631	1,049,431,263
Selling expenses		(63,339,839)	(63,792,044)	(60,375,712)	(61,542,033)
Administrative expenses		(518,865,565)	(494,966,219)	(430,163,522)	(411,976,266)
Management benefit expenses		(71,647,002)	(68,529,378)	(65,284,578)	(62,229,966)
Reversal of loss on impairment of investments		17,469,487	13,109,000	17,469,487	13,109,000
Other expenses		(20,474,396)	(13,389,615)	(21,353,434)	(14,397,975)
Profit before financial cost and income tax expenses		510,055,806	529,958,741	501,580,872	512,394,023
Financial cost		(470)	(111)	(302)	(111)
Profit before income tax expenses		510,055,336	529,958,630	501,580,570	512,393,912
Income tax expense	36	(92,883,104)	(135,968,340)	(69,747,722)	(96,465,162)
NET PROFIT FOR THE YEAR		417,172,232	393,990,290	431,832,848	415,928,750
PROFIT ATTRIBUTABLE TO					
Owners of the parent		417,078,388	393,938,288	–	–
Non-controlling interests		93,844	52,002	–	–
		417,172,232	393,990,290	–	–
BASIC EARNINGS OF THE COMPANY					
PER SHARE	BAHT	3.48	3.28	3.60	3.47
WEIGHTED AVERAGE NUMBER OF					
ORDINARY SHARES	SHARES	120,000,000	120,000,000	120,000,000	120,000,000

Statement of Comprehensive Income

THAI WACOAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

UNIT : BAHT

	NOTES	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2012	2011	2012	2011
Net profit for the year		417,172,232	393,990,290	431,832,848	415,928,750
Other comprehensive income (loss)					
Unrealized gain on the changes					
in value of available-for-sale securities		245,055,026	96,125,444	245,474,781	95,170,080
Actuarial losses on retirement benefit plans		(19,203,185)	–	(14,286,158)	–
TOTAL COMPREHENSIVE					
INCOME FOR THE YEAR		643,024,073	490,115,734	663,021,471	511,098,830
TOTAL COMPREHENSIVE					
INCOME ATTRIBUTABLE TO					
Owners of the parent		642,932,925	490,063,232	–	–
Non-controlling interests		91,148	52,502	–	–
		643,024,073	490,115,734	–	–

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

Statement of Changes in Equity

THAI WACOAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

UNIT : BAHT

CONSOLIDATED FINANCIAL STATEMENTS										
Notes	Issued and paid-up share capital	Premium on common stocks	Legal reserve	Appropriated General reserve	Retained Earnings	Unappropriated	Unrealized gain on the changes in value of available-for-sale securities	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Beginning balance : January 1, 2011	120,000,000	297,190,000	12,000,000	247,401,939	3,343,680,129		632,339,996	4,652,612,064	185,073	4,652,797,137
Dividend paid	-	-	-	-	(240,000,000)		-	(240,000,000)	-	(240,000,000)
General reserve	-	-	-	20,046,364	(20,046,364)		-	-	-	-
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	(54,116)	(54,116)
Increase in non-controlling interests from investment in subsidiary	-	-	-	-	-	-	-	-	3,000	3,000
Total comprehensive income	-	-	-	-	393,938,288		96,124,944	490,063,232	52,502	490,115,734
Ending balance : December 31, 2011	120,000,000	297,190,000	12,000,000	267,448,303	3,477,572,053		728,464,940	4,902,675,296	186,459	4,902,861,755
Beginning balance : January 1, 2012	120,000,000	297,190,000	12,000,000	267,448,303	3,477,572,053		728,464,940	4,902,675,296	186,459	4,902,861,755
Dividend paid	-	-	-	-	(252,000,000)		-	(252,000,000)	-	(252,000,000)
General reserve	-	-	-	20,796,437	(20,796,437)		-	-	-	-
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	(44,958)	(44,958)
Total comprehensive income	-	-	-	-	397,877,655		245,055,270	642,932,925	91,148	643,024,073
Ending balance : December 31, 2012	120,000,000	297,190,000	12,000,000	288,244,740	3,602,653,271		973,520,210	5,293,608,221	232,649	5,293,840,870

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

THAI WACOAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

UNIT : BAHT

SEPARATE FINANCIAL STATEMENTS									
	Notes	Issued and paid-up share capital	Premium on common stocks	Legal reserve	Appropriated	Retained earnings	Unappropriated	Unrealized gain on the changes in value of available-for-sale securities	Total equity
Beginning balance : January 1, 2011		120,000,000	297,190,000	12,000,000		247,401,939	3,127,077,198	629,882,976	4,433,552,113
Dividend paid	23	-	-	-	-	-	(240,000,000)	-	(240,000,000)
General reserve	23	-	-	-	20,046,364	20,046,364	(20,046,364)	-	-
Total comprehensive income		-	-	-	-	-	415,928,750	95,170,080	511,098,830
Ending balance : December 31, 2011		120,000,000	297,190,000	12,000,000		267,448,303	3,282,959,584	725,053,056	4,704,650,943
Beginning balance : January 1, 2012		120,000,000	297,190,000	12,000,000		267,448,303	3,282,959,584	725,053,056	4,704,650,943
Dividend paid	23	-	-	-	-	-	(252,000,000)	-	(252,000,000)
General reserve	23	-	-	-	20,796,437	20,796,437	(20,796,437)	-	-
Total comprehensive income		-	-	-	-	-	417,546,690	245,474,781	663,021,471
Ending balance : December 31, 2012		120,000,000	297,190,000	12,000,000		288,244,740	3,427,709,837	970,527,837	5,115,672,414

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

Statement of Cash Flows

THAI WACOAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

UNIT : BAHT

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2012	2011	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax	510,055,336	529,958,630	501,580,570	512,393,912
Adjustments :				
Depreciation	72,072,145	69,812,076	49,945,016	49,179,522
Amortization of intangible assets and leasehold rights	4,744,677	4,993,386	4,479,942	4,753,921
Loss on written-off property, plant and equipment	-	531	-	-
Gain on sale of property, plant and equipment	(2,841,482)	(6,622,223)	(1,650,425)	(3,942,343)
Gain on sale of assets held for sale	-	(71,637,385)	-	(33,351,338)
Unrealized loss on exchange rate	1,460,586	78,507	1,460,586	78,507
Dividend income from investments	(57,458,003)	(53,039,506)	(180,844,035)	(206,516,470)
Loss on impairment of long-term investments (reversal)	(17,469,487)	(13,109,000)	(17,469,487)	(13,109,000)
Loss from goods returned (reversal)	(12,000,000)	11,000,000	(12,000,000)	11,000,000
Loss on devaluation of inventories	50,508,105	60,714,739	42,508,978	56,996,793
Loss on sales of investments	20,474,396	13,389,615	21,353,434	14,397,976
Employee benefit expense	47,670,899	47,307,844	32,898,269	33,300,694
Interest income	(71,538,487)	(65,455,125)	(67,060,627)	(62,165,431)
Interest expense	470	111	302	111
	545,679,155	527,392,200	375,202,523	363,016,854

THAI WACOAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2012	2011	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)				
Operating assets (increase) decrease				
Trade and other receivables	(66,654,970)	(33,244,895)	(56,918,094)	(56,962,725)
Inventories	(127,781,687)	(245,033,017)	(149,033,749)	(189,345,547)
Refundable VAT	930,842	(4,070,847)	1,611,319	(3,562,698)
Supplies	(706,608)	884,975	(526,546)	844,866
Other current assets	45,266	2,124,060	266,715	(2,640)
Operating liabilities increase (decrease)				
Trade and other payables	22,803,716	86,314,781	2,409,808	109,215,495
Withholding tax payable	(20,231)	1,737,490	159,136	1,215,802
Other current liabilities	(2,117,282)	(368,637)	(937,871)	(2,998,346)
Cash paid for employee benefit	(24,803,447)	(27,461,217)	(24,512,997)	(20,500,787)
Cash received from operations	347,374,754	308,274,893	147,720,244	200,920,274
Cash paid for interest	(470)	(111)	(302)	(111)
Cash paid for income tax	(110,630,322)	(134,906,598)	(75,813,460)	(105,746,731)
Net cash provided by operating activities	236,743,962	173,368,184	71,906,482	95,173,432

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

Statement of Cash Flows (Continued)

THAI WACOAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

UNIT : BAHT

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2012	2011	2012	2011
CASH FLOWS FROM INVESTING ACTIVITIES				
(Increase) decrease in temporary investments	252,905,129	(98,873,721)	344,884,718	(169,276,221)
Proceeds from short-term loans to related parties	5,000,000	99,600,000	5,000,000	96,000,000
Payment for short-term loans to related parties	-	(100,000,000)	-	(100,000,000)
Proceeds from short-term loans to others	600,000	950,000	600,000	700,000
Payment for short-term loans to others	-	(250,000)	-	-
Payment for purchase of investments in subsidiaries	-	-	-	(9,997,000)
Proceeds from sale of available-for-sale securities	57,069,936	189,762,343	57,069,936	189,762,343
Payment for purchase of available-for-sale securities	(266,985,224)	(187,470,307)	(266,985,223)	(187,470,307)
Payment for purchase of held-to-maturity securities	(260,000,000)	(70,000,000)	(260,000,000)	(70,000,000)
Proceeds from sale of general investment	926,827	1,013,000	926,827	1,013,000
Payment for purchase of general investments	(1,585,080)	(12,705,000)	(1,585,080)	(12,705,000)
Proceeds from sale of assets held for sale	-	76,963,383	-	34,963,383
Proceeds from sale of property, plant and equipment	5,350,604	10,659,292	3,903,751	6,646,387
Payment for purchase of property, plant and equipment	(68,134,612)	(143,473,471)	(59,651,568)	(97,521,388)
Payment for purchase of investment property	-	-	-	(4,227,300)
Cash received from dividends	57,458,003	53,039,506	180,844,035	206,516,470
Cash received from interest	69,628,006	62,416,846	64,883,322	59,632,376
Increase in other non-current assets	(877,374)	(2,477,392)	(785,715)	(2,522,748)
Net cash provided by (used in) investing activities	(148,643,785)	(120,845,521)	69,105,003	(58,486,005)

THAI WACOAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2012	2011	2012	2011
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid to shareholders	(252,000,000)	(240,000,000)	(252,000,000)	(240,000,000)
Dividend paid to non-controlling interests	(44,958)	(54,116)	-	-
Proceeds from issuance of share capital of subsidiary	-	3,000	-	-
Net cash used in financing activities	(252,044,958)	(240,051,116)	(252,000,000)	(240,000,000)
Effect of exchange rate changes				
on cash and cash equivalents	(1,267,086)	(386,007)	(1,267,086)	(386,007)
Net decrease in cash and cash equivalents	(165,211,867)	(187,914,460)	(112,255,601)	(203,698,580)
Cash and cash equivalents as at January 1,	339,969,357	527,883,817	267,961,702	471,660,282
Cash and cash equivalents as at December 31,	174,757,490	339,969,357	155,706,101	267,961,702
Additional information				
Cash and cash equivalents				
Cash in hand	565,902	814,915	454,211	728,991
Bank deposit in savings and current accounts	39,191,588	40,154,442	20,251,890	22,232,711
Bills of exchange and certificate of deposits with maturities within three months	135,000,000	299,000,000	135,000,000	245,000,000
	174,757,490	339,969,357	155,706,101	267,961,702
Non-cash transactions				
(Decrease) increase in payable on purchase of machinery, furniture, fixtures and office equipment	(1,303,611)	(1,286,024)	(1,267,980)	735,175
Increase in unrealized gains on the changes in value of available-for-sale securities in equity	245,055,270	96,124,944	245,474,781	95,170,080
Increase in actuarial loss	(19,200,733)	-	(14,286,158)	-

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

Notes to the Consolidated and the Separate Financial Statements

THAI WACOAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

1. OPERATIONS OF THE COMPANY AND SUBSIDIARIES

Thai Wacoal Public Company Limited which was registered in The Stock Exchange of Thailand and its subsidiaries are companies that registered in Thailand. The principal business of the Company and subsidiaries is to manufacture and sell clothes which mainly are ladies' lingerie. Locations of the Company and subsidiaries are as follows:

NAME	LOCATION
Thai Wacoal Public Co., Ltd.	930/1 Soi Pradoo 1, Sathupradith Road, Khwang Bangkhlo, Bangkholaem District, Bangkok 10120
Direct subsidiaries	
SR.W. Garment Co., Ltd.	173/2 Moo 5, Sukaphibal 8 Road, Tambol Bung, Sriracha District, Chonburi 20230
Wacoal Kabinburi Co., Ltd.	121, 121/1 Moo 5, Suwannasorn Road, Tambol Nonsee, Kabinburi District, Prachinburi 25110
Wacoal Lamphun Co., Ltd.	99, 99/4 Moo 5, Liongmuang Road, Tambol Paa-Sak, Muanglamphun District, Lamphun 51000
Tora 1010 Co., Ltd.	930/1 Soi Pradoo 1, Sathupradith Road, Khwang Bangkhlo, Bangkholaem District, Bangkok 10120
Indirect subsidiary	
Pattaya Kabinburi Co., Ltd.	123, 123/1 Moo 5, Suwannasorn Road, Tambol Nonsee, Kabinburi District, Prachinburi 25110

The Company has extensive transactions and relationships with the related companies. Accordingly, the accompanying financial statements may not necessarily be indicative of the conditions that would have existed or the results of operations that would have occurred if the Company had operated without such affiliation.

2. BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

2.1 The Company's financial statements have been prepared in accordance with the Thai Accounting Standard (TAS) No. 1 (Revised 2009) "Presentation of Financial Statements", which was effective for financial periods beginning on or after January 1, 2011 onward, and the Regulation of The Stock Exchange of Thailand (SET) dated January 22, 2001, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2544 and the Notification of the Department of Business Development regarding "The Brief Particulars in the Financial Statement B.E. 2554" dated September 28, 2011.

2.2 The Company maintains its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with accounting standards and practices generally accepted in Thailand.

2.3 The Federation of Accounting Professions has issued the Notifications regarding the Thai Financial Reporting Standards (TFRS), which are not yet effective for the current period as follows:

- 1) TAS, TFRS and TSI which are effective for the financial statements for the periods beginning on or after January 1, 2013:

Thai Accounting Standards (TAS)

TAS 12	Income Taxes
TAS 20	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates

Thai Financial Reporting Standard (TFRS)

TFRS 8	Operating Segments
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Thai Accounting Standard Interpretations (TSI)

TSI 10	Government Assistance – No Specific Relation to Operating Activities
TSI 21	Income Taxes – Recovery of Revalued Non-Depreciable Assets
TSI 25	Income Taxes – Changes in the Tax Status of an Entity or its Shareholders

- 2) TSI and TFRI which are effective for the financial statements for the periods beginning on or after January 1, 2014:

Thai Accounting Standard Interpretation (TSI)

TSI 29	Disclosure – Service Concession Arrangements
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Thai Financial Reporting Interpretations (TFRI)

TFRI 4	Determining Whether an Arrangement Contains a Lease
TFRI 12	Service Concession Arrangements
TFRI 13	Customer Loyalty Programmes

The Company and its subsidiaries' management will adopt the above TFRSs relevant to the Company in the preparation of the Company and its subsidiaries' financial statements when they become effective. The Company's management has assessed the effects of these TFRSs and believes that they will not have any significant impact on the financial statements for the period in which they are initially applied except for TAS 12 "Income Taxes" which the Company considers that they will have material impact on the financial statements and cause the increase of deferred tax liabilities and retained earnings as at January 1, 2013 in the consolidated financial statements by Baht 84.29 million and Baht 110.41 million, respectively (Company : Baht 109.25 million and Baht 84.86 million, respectively), and the decrease of unrealized gain on the changes in value of available-for-sale securities as at January 1, 2013 in the consolidated financial statements by Baht 194.70 million (Company : Baht 194.11 million). Therefore, the Company will apply them retrospectively to the financial statements upon initial application.

2.4 The consolidated financial statements incorporate the accounts of Thai Wacoal Public Company Limited and subsidiaries by eliminating significant related transactions and intercompany balances.

Subsidiaries are those companies which Thai Wacoal Public Company Limited holds, directly or indirectly, more than 50% of the issued share capital, or those companies whose financial and operating policies are controlled by Thai Wacoal Public Company Limited.

The subsidiaries incorporated in the consolidated and separate financial statements are as follows:

	As at December 31,	
	2012 % of Ownership	2011 % of Ownership
Subsidiaries		
Direct subsidiaries		
SR.W. Garment Co., Ltd.	99.94	99.94
Wacoal Kabinburi Co., Ltd.	99.99	99.99
Wacoal Lamphun Co., Ltd.	99.99	99.99
Tora 1010 Co., Ltd.	99.97	99.97
Indirect subsidiary (Equity held by SR.W. Garment Co., Ltd.)		
Pattaya Kabinburi Co., Ltd.	99.93	99.93

3. SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Cash and cash equivalents

Cash and cash equivalents are cash on hand, deposits at banks' savings accounts and current accounts, and short-term highly liquid investments with maturities within three months, excluding deposit at bank used as collateral.

3.2 Recognition of revenues and expenses

Sales are recognized as revenue when title of the goods sold are passed to the buyer, which is generally at the time when goods are dispatched to the customer as ordered.

In case of export sales, sales are recognized when goods are delivered to the common carrier who acts as an agent for the buyer.

Revenues from services are recognized when the services are rendered.

Interest is recognized as income on an accrual basis. Dividend on investments is recognized as income when the dividend is declared.

Expenses are recognized on an accrual basis.

3.3 Trade receivables

Trade receivables are stated at cost net of allowance for doubtful accounts.

Allowance for doubtful accounts is provided at the estimated collection losses on receivables. Such estimate is based on the Company's collection experiences and a review of the current status of each receivable.

3.4 Inventories

Inventories are stated at the lower of cost or net realizable value. Cost of the Company and subsidiary's inventories are determined on a moving average basis.

Cost of the finished goods and work in process is calculated from raw materials, wages and manufacturing overhead. The net realisable value of inventory is estimated from the estimated selling price in the ordinary course of business, less the estimated costs necessary to complete the sale.

3.5 Investments

Available-for-sale securities are stated at fair value. The fair value of equity securities which are listed securities are estimated by using the bid prices at the Stock Exchange of Thailand on the last business day of the year. The fair value of unit trust is determined from the trusts' net asset value. The fair value of bonds and debentures is calculated by using the latest bid yield as quoted by the Thai Bond Market Association.

Held-to-maturity debt securities are stated at amortized cost.

Securities for general investment are stated at cost, less allowances for impairment (if any).

Investments in subsidiaries are accounted for by the cost method in the separate financial statements.

Gain or loss on the change in fair value of available-for-sale securities is presented as an item in other components of equity. In case impairment in value of investment has occurred, the resultant loss for all classification of investment is recognized in the income statement.

Cost of securities sold are determined by the moving average method.

3.6 Investment property

Investment property consist of land and building leased out.

Investment property are presented at cost less accumulated depreciation (if any). Depreciation is calculated by the straight-line method, based on the estimated useful lives of the assets of 20 years.

3.7 Property, plant and equipment

Land is stated at cost. Plant and equipment are presented at cost less accumulated depreciation. Depreciation is calculated by the straight-line method, based on the estimated useful lives of the assets as follows:

Land improvement	20 years
Building and structures	20 – 25 years
Furniture, fixtures	5 years
Office equipment	5 – 10 years
Machinery	5 – 10 years
Equipment	3 – 5 years
Vehicles	5 – 7 years

The Company and subsidiaries record depreciation as either an expense for the year or as a part of the production cost.

3.8 Intangible assets

Intangible assets consist of software, trademark and club and golf membership fee.

Intangible assets are presented at cost less accumulated amortization. Amortization is calculated by the straight-line method, based on membership period or useful lives of the assets as follows:

Software	3 – 10 years
Trademark	10 years
Club and golf membership fee	membership period

3.9 Leasehold right

Leasehold right of the Company is stated at cost, net of accumulated amortization.

Leasehold of the Company is amortized by using the straight-line method over the lease periods.

3.10 Foreign currency transactions

Transactions denominated in foreign currencies are translated into Baht at the rates of exchange prevailing on the transaction dates. When receiving or paying for debt settlement, realised gains or losses on exchange are recognized as income or expense as incurred. Monetary assets and liabilities at the date of statements of financial position denominated in foreign currencies are translated into Baht at the reference exchange rates established by the Bank of Thailand on that date. Gains or losses on exchange are recognized in the income statements.

3.11 Provision for loss from goods returned

The Company has provided for the provision for loss from goods returned from customers who are allowed to return the goods within the period agreed between both parties. The provision is estimated based upon historical information of goods returned. Furthermore, the Company also provides for the provision for declining in net realizable value of such goods.

3.12 Employment benefits

3.12.1 Provident fund

The Company and its subsidiary set up a provident fund which is a defined contribution plan. Assets of the provident fund have been separated from assets of the Company and its subsidiary and managed by the fund manager. The fund has been contributed by the employee and also the Company and its subsidiary. The contributions for provident fund are recorded as expense in the income statements for the period they incur.

3.12.2 Post-employment benefits

The Company and its subsidiary operate post-employment benefits plans under the Thai Labor Protection Act and the Company and its subsidiaries' retirement benefit plans. Such employee benefits are calculated based on actuarial assumptions at the end of reporting period using Projected Unit Credit Method, which is estimated based on the present value of expected cash flows of benefits to be paid in the future taken into account the actuarial assumptions, including salaries, turnover rate, mortality rate, years of service and other factors. Discount rate used in calculation of the post-employment benefits obligation is referred from the yield curve of government bond. Actuarial gain or loss is recognized in other comprehensive income for the period they incur. Expenses related to employee benefits are recognized in the income statements in order to allocate such costs throughout the service period.

3.13 Derivative financial instruments

Derivative financial instruments are forward contracts. Such forward contracts are carried at fair value and presented in other current assets or other current liabilities. Unrealized gains or losses on changes in value of forward contracts are recognized as revenues or expenses in the income statements.

3.14 Income tax

Income tax expense is calculated from taxable income and recorded based on tax paid and accrued for the year.

3.15 Basic earnings per share

Basic earnings per share are calculated by dividing net profit for the years by the weighted average number of ordinary shares issued during the year. The Company and subsidiaries did not have any common share equivalents which would have a dilutive effect on earnings per share.

3.16 Accounting estimates

The preparation of financial statements in conformity with generally accepted accounting principles also requires the Company's management to exercise judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the year. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

4. TEMPORARY INVESTMENTS

Temporary investments as at December 31, are as follows:

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	December 31,		December 31,	
	2012	2011	2012	2011
Time deposits	370,000,000	540,112,290	298,000,000	485,000,000
Short-term investments in available-for-sale securities – equity securities	213,081,861	68,109,457	69,046,242	–
Short-term investments in available-for-sale securities – debt securities	343,994,366	456,202,927	343,994,366	456,202,927
Investments in held-to-maturity securities due within 1 year	256,075,354	160,000,000	256,075,354	160,000,000
	1,183,151,581	1,224,424,674	967,115,962	1,101,202,927

Additional details of short-term available-for-sale securities consist of the following:

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS			
	Cost Value/ Amortized cost December 31, 2012	Unrealized gross profit	Unrealized gross loss	Fair Value December 31, 2012
Available-for-sale securities				
Equity securities				
– Unit trust	212,741,518	340,343	–	213,081,861
Debt securities				
– The Bank of Thailand's bonds	220,314,878	8,104	(603,575)	219,719,407
– Debentures	124,348,499	22,522	(96,062)	124,274,959
	344,663,377	30,626	(699,637)	343,994,366

UNIT : BAHT

CONSOLIDATED FINANCIAL STATEMENTS

	Cost Value/ Amortized cost December 31, 2011	Unrealized gross profit	Unrealized gross loss	Fair Value December 31, 2011
Available-for-sale securities				
Equity securities				
- Unit trust	67,770,601	338,856	-	68,109,457
Debt securities				
- The Bank of Thailand's bonds	308,184,807	113	(256,070)	307,928,850
- Government Housing Bank's bonds	10,024,402	-	(49,856)	9,974,546
- Debentures	138,784,950	-	(485,419)	138,299,531
	456,994,159	113	(791,345)	456,202,927

UNIT : BAHT

SEPARATE FINANCIAL STATEMENTS

	Cost Value/ Amortized cost December 31, 2012	Unrealized gross profit	Unrealized gross loss	Fair Value December 31, 2012
Available-for-sale securities				
Equity securities				
- Unit trust	69,000,000	46,242	-	69,046,242
Debt securities				
- The Bank of Thailand's bonds	220,314,878	8,104	(603,575)	219,719,407
- Debentures	124,348,499	22,522	(96,062)	124,274,959
	344,663,377	30,626	(699,637)	343,994,366

UNIT : BAHT

SEPARATE FINANCIAL STATEMENTS

	Cost Value/ Amortized cost December 31, 2011	Unrealized gross profit	Unrealized gross loss	Fair Value December 31, 2011
Available-for-sale securities				
Debt securities				
- The Bank of Thailand's bonds	308,184,807	113	(256,070)	307,928,850
- Government Housing Bank's bonds	10,024,402	-	(49,856)	9,974,546
- Debentures	138,784,950	-	(485,419)	138,299,531
	456,994,159	113	(791,345)	456,202,927

Additional details of investment in held-to-maturity securities due within 1 year consist of the following:

UNIT : BAHT

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	Cost Value/ Amortized cost December 31, 2012	Unrealized gross profit	Unrealized gross loss	Fair Value December 31, 2012
Held-to-maturity securities				
Debentures	77,500,000	477,355	–	77,977,355
Bill of exchange	178,575,354	–	–	178,575,354
	256,075,354	477,355	–	256,552,709

UNIT : BAHT

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	Cost Value/ Amortized cost December 31, 2011	Unrealized gross profit	Unrealized gross loss	Fair Value December 31, 2011
Held-to-maturity securities				
Debentures	160,000,000	442,560	(40,306)	160,402,254
	160,000,000	442,560	(40,306)	160,402,254

5. TRADE AND OTHER RECEIVABLES

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

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2012	2011	2012	2011
Trade receivables – related companies	581,745,289	530,507,502	681,359,412	642,060,257
Trade receivables – other companies	30,705,697	19,829,591	26,586,874	13,329,289
Total trade receivables	612,450,986	550,337,093	707,946,286	655,389,546
Other receivables – related companies	1,078,892	2,346,561	1,078,892	2,346,561
Other receivables – other companies	3,606,218	1,902,237	3,505,914	1,902,237
Prepaid expenses	1,176,814	1,223,302	815,852	741,320
Advance payment	5,266,532	1,298,712	5,265,932	1,298,712
Accrued income	356,087	172,654	864,226	880,632
Accrued interest income	12,606,589	10,696,108	12,131,805	9,954,500
Total other receivables	24,091,132	17,639,574	23,662,621	17,123,962
	636,542,118	567,976,667	731,608,907	672,513,508

Analysis of aging trade accounts receivable as at December 31, are as follows:

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2012	2011	2012	2011
Current	553,295,410	528,891,791	642,967,338	611,201,994
Overdue				
Within 3 months	48,960,455	13,262,739	54,550,695	36,157,622
Between 3 and 6 months	5,774,232	3,829,870	5,906,056	3,677,237
Between 6 and 12 months	4,420,889	4,038,568	4,522,197	4,038,568
More than 12 months	177,631	491,756	177,631	491,756
Total trade accounts receivable	612,628,617	550,514,724	708,123,917	655,567,177
<u>Less</u> Allowance for doubtful accounts	(177,631)	(177,631)	(177,631)	(177,631)
Trade accounts receivable – net	612,450,986	550,337,093	707,946,286	655,389,546

6. SHORT-TERM LOANS TO RELATED PARTIES

Short-term loans to related parties consist of the following:

UNIT : BAHT

	Balance as at December 31, 2011	Additions	Settlements	Balance As at December 31, 2012
CONSOLIDATED FINANCIAL STATEMENTS				
Short-term loans to related parties				
– SSDC (Tigertex) Co., Ltd.	9,000,000	–	(5,000,000)	4,000,000
– Erawan Textile Co., Ltd	90,000,000	–	–	90,000,000
Total	99,000,000	–	(5,000,000)	94,000,000
SEPARATE FINANCIAL STATEMENTS				
Short-term loans to related parties				
– SSDC (Tigertex) Co., Ltd.	9,000,000	–	(5,000,000)	4,000,000
– Erawan Textile Co., Ltd	90,000,000	–	–	90,000,000
Total	99,000,000	–	(5,000,000)	94,000,000

The Company has relationship with such related parties by mutual major shareholder which has over 10% shareholding.

Short-term loans to related parties carry interest at the rate of fixed deposit plus the rate specified by the Company and the special business tax rate. Interest rates of the Company and subsidiaries charging to the related parties are at the rates from 4.00% to 4.50% per annum (Company : 4.00% to 4.50% per annum) for the year ended December 31, 2012 and from 4.50% to 5.00% per annum (Company : 4.50% to 5.00% per annum) for the year ended December 31, 2011.

7. OTHER SHORT-TERM LOANS

As at December 31, 2012 and 2011, other short-term loans in the consolidated and the separate financial statements are short-term loans to a company in the form of promissory notes at call, with interest rate at 6.25% per annum.

8. INVENTORIES

Inventories as at December 31, are as follows:

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2012	2011	2012	2011
Finished goods	522,937,974	395,188,296	512,583,024	395,691,801
Work in process	173,232,871	205,846,764	133,957,786	153,755,712
Raw materials	276,980,297	298,032,095	176,268,778	170,026,899
Raw materials in transit	22,282,399	18,355,154	22,282,399	18,355,154
Total inventories	995,433,541	917,422,309	845,091,987	737,829,566
Less Allowance for diminution in value of finished goods	(737,650)	–	(737,650)	–
Inventories – net	994,695,891	917,422,309	844,354,337	737,829,566

As at December 31, 2012, inventories presented at fair value less costs to sell in the consolidated and the separate financial statements are Baht 101.25 million and Baht 99.87 million, respectively (2011: Baht 84.14 million and Baht 69.14 million, respectively).

The costs of inventories recognized as expenses in the consolidated and the separate financial statements for the year ended December 31, 2012 are Baht 3,074.83 million and Baht 3,654.65 million, respectively (2011: Baht 2,727.77 million and Baht 3,310.94 million, respectively).

The Company recognized expenses in respect of write-downs of inventory to net realizable value in the consolidated and the separate financial statements for the year ended December 31, 2012 of Baht 50.51 million and Baht 42.51 million, respectively (2011: Baht 60.71 million and Baht 57.00 million, respectively).

9. DEPOSIT AT BANK UNDER OBLIGATION

Deposit at bank under obligation as at December 31, 2012 and 2011 in the consolidated and the separate financial statements are time deposit with maturity term of 12 months amounting to HKD 1.5 million which the Company used as collateral for credit facility from financial institution in favor of a related company (see Note 31).

10. AVAILABLE-FOR-SALE SECURITIES INVESTMENTS

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

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2012	2011	2012	2011
Available-for-sale securities				
Ordinary shares				
– Related companies	772,274,198	733,276,339	759,749,198	720,376,339
– Other companies	594,444,048	374,102,791	594,444,048	374,102,791
Less Allowance for impairment	–	(3,000,000)	–	(3,000,000)
	594,444,048	371,102,791	594,444,048	371,102,791
Debt securities	369,280,172	316,582,745	369,280,172	316,582,745
Total	1,735,998,418	1,420,961,875	1,723,473,418	1,408,061,875

10.1 Details of investments in related companies as at December 31, are as follows: (Note 28)

UNIT : BAHT

Companies	Business Type	Relationship	CONSOLIDATED FINANCIAL STATEMENTS						SEPARATE FINANCIAL STATEMENTS							
			Paid-up capital		% of ownership		Cost value	Fair value	% of ownership		Cost value	Fair value				
			2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011		
			Baht'000													
Available-for-sale securities																
Textile Prestige Public Co., Ltd.	Manufacturing garment	The Company's major shareholder has over 10% shareholding	108,000	108,000	18.15	18.15	64,615,035	197,948,385	190,108,845	18.15	18.15	64,615,035	197,948,385	190,108,845		
ICC International Public Co., Ltd.	Distributor	The Company's major shareholder has over 10% shareholding	290,634	290,634	3.92	3.92	144,639,849	475,827,673	490,074,010	3.82	3.82	134,814,849	463,302,673	477,174,010		
Saha Pathana Inter-Holding Public Co., Ltd.	Holding company	The Company's major shareholder	494,034	494,034	0.68	0.47	53,317,867	34,975,209	98,498,140	0.68	0.47	53,317,867	34,975,209	53,093,484		
Total available-for-sale securities							262,572,751	244,230,093	772,274,198	733,276,339			252,747,751	234,405,093	759,749,198	720,376,339

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

Unrealized gains on changes in value of short-term and long-term of available-for-sale securities as at December 31, consist of the following:

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2012	2011	2012	2011
Beginning balance	728,464,940	632,339,996	725,053,056	629,882,976
Additions	245,055,270	96,124,944	245,474,781	95,170,080
Ending balance	973,520,210	728,464,940	970,527,837	725,053,056

Additional details of long-term available-for-sale securities consist of the following:

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS			
	Cost Value/ Amortized cost December 31, 2012	Unrealized gross profit	Unrealized gross loss	Fair Value December 31, 2012
Available-for-sale securities				
Equity securities				
- Related parties	262,572,751	509,701,447	-	772,274,198
- Other companies	133,427,115	461,104,133	(87,200)	594,444,048
Total	395,999,866	970,805,580	(87,200)	1,366,718,246
Debt securities				
- The Bank of Thailand's bonds	60,304,125	100,211	-	60,404,336
- Bank for Agriculture and Agricultural Cooperatives'bonds	14,000,000	53,419	-	14,053,419
- Debentures	291,843,820	2,991,128	(12,531)	294,822,417
Total	366,147,945	3,144,758	(12,531)	369,280,172
	762,147,811	973,950,338	(99,731)	1,735,998,418

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS			
	Cost Value/ Amortized cost December 31, 2011	Unrealized gross profit	Unrealized gross loss	Fair Value December 31, 2011
Available-for-sale securities				
Equity securities				
- Related parties	244,230,093	489,046,246	-	733,276,339
- Other companies	133,427,115	241,820,731	(4,145,055)	371,102,791
Total	377,657,208	730,866,977	(4,145,055)	1,104,379,130
Debt securities				
- Debentures	317,385,380	630,020	(1,432,655)	316,582,745
Total	317,385,380	630,020	(1,432,655)	316,582,745
	695,042,588	731,496,997	(5,577,710)	1,420,961,875

UNIT : BAHT

SEPARATE FINANCIAL STATEMENTS

	Cost Value/ Amortized cost December 31, 2012	Unrealized gross profit	Unrealized gross loss	Fair Value December 31, 2012
Available-for-sale securities				
Equity securities				
- Related parties	252,747,751	507,001,447	-	759,749,198
- Other companies	133,427,115	461,104,133	(87,200)	594,444,048
Total	386,174,866	968,105,580	(87,200)	1,354,193,246
Debt securities				
- The Bank of Thailand's bonds	60,304,125	100,211	-	60,404,336
- Bank for Agriculture and Agricultural Cooperatives'bonds	14,000,000	53,419	-	14,053,419
- Debentures	291,843,820	2,991,128	(12,531)	294,822,417
Total	366,147,945	3,144,758	(12,531)	369,280,172
	752,322,811	971,250,338	(99,731)	1,723,473,418

UNIT : BAHT

SEPARATE FINANCIAL STATEMENTS

	Cost Value/ Amortized cost December 31, 2012	Unrealized gross profit	Unrealized gross loss	Fair Value December 31, 2012
Available-for-sale securities				
Equity securities				
- Related parties	234,405,093	485,971,246	-	720,376,339
- Other companies	133,427,115	241,820,731	(4,145,055)	371,102,791
Total	367,832,208	727,791,977	(4,145,055)	1,091,479,130
Debt securities				
- Debentures	317,385,380	630,020	(1,432,655)	316,582,745
Total	317,385,380	630,020	(1,432,655)	316,582,745
	685,217,588	728,421,997	(5,577,710)	1,408,061,875

11. INVESTMENTS IN SUBSIDIARIES

UNIT : BAHT

		SEPARATE FINANCIAL STATEMENTS					
Company	Business Type	Paid-up capital		% of ownership		Cost method	
		December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Subsidiaries							
SR.W. Garment Co., Ltd.	Manufacturing clothing	20,000,000	20,000,000	99.94	99.94	22,037,000	22,037,000
Wacoal Kabinburi Co., Ltd.	Manufacturing clothing	50,000,000	50,000,000	99.99	99.99	49,999,300	49,999,300
Wacoal Lamphun Co., Ltd.	Manufacturing clothing	50,000,000	50,000,000	99.99	99.99	49,999,300	49,999,300
Tora 1010 Co., Ltd.	Trading clothing	10,000,000	10,000,000	99.97	99.97	9,997,000	9,997,000
Total investments in subsidiaries						132,032,600	132,032,600

12. OTHER LONG-TERM INVESTMENTS

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

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2012	2011	2012	2011
General investments				
Ordinary shares				
– Related companies	285,825,674	285,825,674	285,825,674	285,825,674
<u>Less</u> Allowance for impairment	(34,019,942)	(25,939,942)	(34,019,942)	(25,939,942)
	251,805,732	259,885,732	251,805,732	259,885,732
– Other companies	105,412,136	127,426,544	102,142,136	124,156,544
<u>Less</u> Allowance for impairment	(5,515,500)	(28,064,987)	(5,515,500)	(28,064,987)
	99,896,636	99,361,557	96,626,636	96,091,557
Total	351,702,368	359,247,289	348,432,368	355,977,289
Held-to-maturity securities				
Debentures	350,000,000	167,500,000	350,000,000	167,500,000
	350,000,000	167,500,000	350,000,000	167,500,000
	701,702,368	526,747,289	698,432,368	523,477,289

12.1 Details of investments in related companies as at December 31, are as follows: (Note 28)

UNIT : BAHT

Companies	Business Type	Relationship	Paid-up capital		% of Ownership		CONSOLIDATED FINANCIAL STATEMENTS Carrying value*		SEPARATE FINANCIAL STATEMENTS Carrying value*		CONSOLIDATED FINANCIAL STATEMENTS Dividend received		SEPARATE FINANCIAL STATEMENTS Dividend received	
			2012 Baht'000	2011 Baht'000	2012	2011	2012	2011	2012	2011	2012	2011		
General Investments														
S.T.G.C. Co., Ltd.	Research Business	The Company's major shareholder has over 10% shareholding	2,500	2,500	13.00	13.00	415,812	355,812	415,812	355,812	-	-	-	-
Grand Star Industry Co., Ltd.	Manufacturing garment	The Company's major shareholder has over 10% shareholding	20,000	20,000	17.80	17.80	3,560,000	3,560,000	3,560,000	3,560,000	1,780,000	356,000	1,780,000	356,000
Pataya Manufacturing Co., Ltd.	Manufacturing clothing	The Company's major shareholder has over 10% shareholding	30,000	30,000	14.67	14.67	11,611,400	11,611,400	11,611,400	11,611,400	1,980,000	1,980,000	1,980,000	1,980,000
SSDC (Tigerex) Co., Ltd.	Dyeing	The Company's major shareholder has over 10% shareholding	324,000	324,000	18.72	18.72	68,854,841	68,854,841	68,854,841	68,854,841	1,819,671	2,426,228	1,819,671	2,426,228
J.U.C. Elastic Co., Ltd.	Manufacturing elastic	The Company's major shareholder has over 10% shareholding	160,000	160,000	10.75	10.75	10,258,080	10,258,080	10,258,080	10,258,080	1,720,000	1,376,000	1,720,000	1,376,000
Thai Nexis Co., Ltd.	Weaving and Printing Labels	The Company's major shareholder has over 10% shareholding	20,000	20,000	16.46	16.46	2,865,803	2,865,803	2,865,803	2,865,803	197,460	362,010	197,460	362,010
Wien International Co., Ltd.	Direct sales	The Company's major shareholder has over 10% shareholding	30,000	30,000	17.90	17.90	14,352,367	14,352,367	14,352,367	14,352,367	1,074,000	537,000	1,074,000	537,000
Raja Uchino Co., Ltd.	Lining	The Company's major shareholder has over 10% shareholding	81,000	81,000	4.47	4.47	2,847,410	2,847,410	2,847,410	2,847,410	906,000	724,800	906,000	724,800
Champ Ace Co., Ltd.	Garment	The Company's major shareholder has over 10% shareholding	40,000	40,000	10.00	10.00	4,000,000	4,000,000	4,000,000	4,000,000	1,000,000	800,000	1,000,000	800,000
Thai Monster Co., Ltd.	Garment	The Company's major shareholder has over 10% shareholding	20,000	20,000	5.00	5.00	300,000	300,000	300,000	300,000	-	-	-	-
Thai Asahi Kasei Spandex Co., Ltd.	Manufacturer of Spandex fiber	The Company's major shareholder has over 10% shareholding	1,350,000	1,350,000	2.00	2.00	27,000,000	27,000,000	27,000,000	27,000,000	557,330	2,831,890	557,330	2,831,890
Morgan De Toi (Thailand) Co., Ltd.	Distributor Brand 'MORGAN'	The Company's major shareholder has over 10% shareholding	25,000	25,000	12.00	12.00	3,000,000	3,000,000	3,000,000	3,000,000	300,000	240,000	300,000	240,000
The Stars Plus Co., Ltd.	Manufacturer of Leather coats	The Company's major shareholder has over 10% shareholding	50,000	50,000	17.00	17.00	-	-	-	-	-	-	-	-
International Commercial Coordination (HK)	Distributor	The Company's major shareholder has over 10% shareholding	8,805	8,805	18.00	18.00	150,000	-	150,000	-	-	-	-	-
Sriracha Bsc Bowling Co., Ltd.	Bowling	The Company's major shareholder has over 10% shareholding	47,000	47,000	4.26	4.26	570,000	670,000	570,000	670,000	-	-	-	-
Indonesia Wascal	Garment	The Company's major shareholder has over 10% shareholding	108,472	108,472	6.00	6.00	6,508,176	6,508,176	6,508,176	6,508,176	-	-	-	-
Dome Composit Co., Ltd.	Manufacturer of vehicles parts	The Company's major shareholder has over 10% shareholding	90,000	90,000	8.33	8.33	3,000,000	900,000	3,000,000	900,000	-	-	-	-
Waseda Education (Thailand) Co., Ltd.	Education Institution	The Company's major shareholder has over 10% shareholding	56,000	56,000	7.14	7.14	4,000,000	4,000,000	4,000,000	4,000,000	-	-	-	-
Thai Bunka Fashion Co., Ltd.	Institute of Fashion Design	The Company's major shareholder has over 10% shareholding	25,000	25,000	8.00	8.00	530,000	430,000	530,000	430,000	-	-	-	-
Sun 108 Co., Ltd.	Retail	The Company's major shareholder has over 10% shareholding	100,000	100,000	5.00	5.00	400,000	-	400,000	-	-	-	-	-
Janome (Thailand) Co., Ltd.	Manufacturer of Sewing Machines	The Company's major shareholder has over 10% shareholding	88,000	88,000	7.73	7.73	15,393,680	15,393,680	15,393,680	15,393,680	1,700,000	1,700,000	1,700,000	1,700,000
Erawan Textile Co., Ltd.	Spinning Textile and Weaving	The Company's major shareholder has over 10% shareholding	181,832	181,832	15.18	15.18	54,653,163	63,853,163	54,653,163	63,853,163	827,916	827,916	827,916	827,916
Bangkok Tokyo Socks Co., Ltd.	Manufacturer and Export of Men's socks	The Company's major shareholder has over 10% shareholding	143,200	143,200	12.22	12.22	15,000,000	15,000,000	15,000,000	15,000,000	875,000	625,000	875,000	625,000
Fujik International Co., Ltd.	Thread Seller	The Company's major shareholder has over 10% shareholding	30,000	30,000	11.00	11.00	1,810,000	3,300,000	1,810,000	3,300,000	-	-	-	-
Daichs (Thailand) Co., Ltd.	Import and Distribute Coffee Bean, Tea Leaf	The Company's major shareholder has over 10% shareholding	7,500	7,500	5.50	5.50	725,000	825,000	725,000	825,000	-	-	-	-
Total general investments							251,805,732	259,885,732	251,805,732	259,885,732	14,737,377	14,786,844	14,737,377	14,786,844

* Net of allowance for impairment

12.2 Gain (loss) on sale of investments

For the years ended December 31, gain (loss) on sale of investments consist of the following:

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2012	2011	2012	2011
Gain (loss) on sale of investments				
– Available-for-sale securities	2,198,264	347,385	1,319,226	(660,976)
– General investment	(22,672,660)	(13,737,000)	(22,672,660)	(13,737,000)
Total gain (loss) on sale of investments	(20,474,396)	(13,389,615)	(21,353,434)	(14,397,976)

12.3 Maturities of held-to-maturity securities

As at December 31, 2012 and 2011, maturities of held-to-maturity securities consist of the following:

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2012	2011	2012	2011
Between 1 and 5 years	260,000,000	147,500,000	260,000,000	147,500,000
Over 5 years	90,000,000	20,000,000	90,000,000	20,000,000
Total	350,000,000	167,500,000	350,000,000	167,500,000

Additional details of held-to-maturity securities consist of the following:

UNIT : BAHT

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	Cost Value/ Amortized cost December 31, 2012	Unrealized gross profit	Unrealized gross loss	Fair Value December 31, 2012
Held-to-maturity securities				
Debentures	350,000,000	3,703,540	(91,554)	353,611,986

UNIT : BAHT

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	Cost Value/ Amortized cost December 31, 2011	Unrealized gross profit	Unrealized gross loss	Fair Value December 31, 2011
Held-to-maturity securities				
Debentures	167,500,000	1,613,890	(315,436)	168,798,454

13. INVESTMENT PROPERTY - NET

UNIT : BAHT

CONSOLIDATED FINANCIAL STATEMENTS					
	Balance December 31, 2011	Additions	Disposals	Transfer/ Other	Balance as at December 31, 2012
Cost					
Land	30,837,512	–	–	650,050	31,487,562
Building and structures	101,007,980	–	–	–	101,007,980
Total investment property	131,845,492	–	–	650,050	132,495,542
Accumulated depreciation					
Building and structures	(47,479,094)	(4,705,681)	–	–	(52,184,775)
Total accumulated depreciation	(47,479,094)	(4,705,681)	–	–	(52,184,775)
Investment property – net	84,366,398	(4,705,681)	–	650,050	80,310,767

UNIT : BAHT

CONSOLIDATED FINANCIAL STATEMENTS					
	Balance December 31, 2010	Additions	Disposals	Transfer/ Other	Balance as at December 31, 2011
Cost					
Land	30,837,512	–	–	–	30,837,512
Building and structures	101,284,381	–	–	(276,401)	101,007,980
Total investment property	132,121,893	–	–	(276,401)	131,845,492
Accumulated depreciation					
Building and structures	(42,895,603)	(4,773,827)	–	190,336	(47,479,094)
Total accumulated depreciation	(42,895,603)	(4,773,827)	–	190,336	(47,479,094)
Investment property – net	89,226,290	(4,773,827)	–	(86,065)	84,366,398

Depreciation for the years ended December 31,

2012	4,705,681
2011	4,773,827

UNIT : BAHT

	SEPARATE FINANCIAL STATEMENTS				
	Balance December 31, 2011	Additions	Disposals	Transfer/ Other	Balance as at December 31, 2012
Cost					
Land	32,891,823	–	–	–	32,891,823
Building and structures	121,522,980	–	–	4,344,200	125,867,180
Total investment property	154,414,803	–	–	4,344,200	158,759,003
Accumulated depreciation					
Building and structures	(67,994,092)	(4,878,499)	–	–	(72,872,591)
Total accumulated depreciation	(67,994,092)	(4,878,499)	–	–	(72,872,591)
Construction in progress	4,227,300	–	–	(4,227,300)	–
Investment property – net	90,648,011	(4,878,499)	–	116,900	85,886,412

UNIT : BAHT

	SEPARATE FINANCIAL STATEMENTS				
	Balance December 31, 2010	Additions	Disposals	Transfer/ Other	Balance as at December 31, 2011
Cost					
Land	32,891,823	–	–	–	32,891,823
Building and structures	123,349,381	–	–	(1,826,401)	121,522,980
Total investment property	156,241,204	–	–	(1,826,401)	154,414,803
Accumulated depreciation					
Building and structures	(64,237,265)	(5,497,162)	–	1,740,335	(67,994,092)
Total accumulated depreciation	(64,237,265)	(5,497,162)	–	1,740,335	(67,994,092)
Construction in progress	–	4,227,300	–	–	4,227,300
Investment property – net	92,003,939	(1,269,862)	–	(86,066)	90,648,011
Depreciation for the years ended December 31,					
2012					4,878,499
2011					5,497,162

Fair value of investment property as at December 31, 2012 and 2011 consist of the following:

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	CARRYING VALUE	FAIR VALUE	CARRYING VALUE	FAIR VALUE
As at December 31, 2012				
Land	31,487,562	109,216,800	32,891,823	184,228,000
Building and structures	48,823,205	114,939,400	52,994,589	138,552,600
As at December 31, 2011				
Land	30,837,512	109,216,800	32,891,823	184,228,000
Building and structures	53,528,886	114,939,400	57,756,188	138,552,600

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

Items recognized in profit or loss from investment property for the years ended December 31, 2012 and 2011 consist of the following:

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2011	2010	2011	2010
Rental income from investment property	7,994,600	7,876,200	11,997,800	12,469,600
Direct operating expenses arising from investment property that generated rental income during the year	5,099,836	4,998,612	5,844,865	5,947,567

14. PROPERTY, PLANT AND EQUIPMENT - NET

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS				
	Balance December 31, 2011	Additions	Disposals	Transfer/ Other	Balance as at December 31, 2012
Cost					
Land	438,827,574	–	–	(650,050)	438,177,524
Land improvement	3,736,581	–	–	–	3,736,581
Building and structures	373,158,939	–	–	5,167,498	378,326,437
Furniture, fixtures and office equipment	461,902,507	9,157,460	(2,294,518)	21,035,662	489,801,111
Machinery and equipment	910,738,685	11,606,538	(17,199,143)	33,942,569	939,088,649
Vehicles	49,115,784	1,592,197	(5,732,445)	3,621,292	48,596,828
Total property, plant and equipment	2,237,480,070	22,356,195	(25,226,106)	63,116,971	2,297,727,130
Accumulated depreciation					
Land improvement	(1,064,471)	(78,335)	–	–	(1,142,806)
Building and structures	(256,140,759)	(13,723,287)	–	–	(269,864,046)
Furniture, fixtures and office equipment	(392,323,119)	(24,797,146)	2,294,489	–	(414,825,776)
Machinery and equipment	(842,863,120)	(24,925,666)	16,832,439	–	(850,956,347)
Vehicles	(35,680,344)	(3,842,030)	4,239,950	–	(35,282,424)
Total accumulated depreciation	(1,528,071,813)	(67,366,464)	23,366,878	–	(1,572,071,399)
Construction in progress and machinery under installation	32,606,707	44,474,806	(649,894)	(63,617,521)	12,814,098
Property, plant and equipment – net	742,014,964	(535,463)	(2,509,122)	(500,550)	738,469,829

CONSOLIDATED FINANCIAL STATEMENTS					
	Balance December 31, 2010	Additions	Disposals	Transfer/ Other	Balance as at December 31, 2011
Cost					
Land	398,457,211	40,370,363	–	–	438,827,574
Land improvement	3,687,081	49,500	–	–	3,736,581
Building and structures	350,487,538	–	–	22,671,401	373,158,939
Furniture, fixtures and office equipment	441,630,678	7,686,678	(8,847,495)	21,432,646	461,902,507
Machinery and equipment	903,907,287	15,691,995	(34,922,115)	26,061,518	910,738,685
Vehicles	53,286,028	4,927,569	(9,097,813)	–	49,115,784
Total property, plant and equipment	2,151,455,823	68,726,105	(52,867,423)	70,165,565	2,237,480,070
Accumulated depreciation					
Land improvement	(986,752)	(77,719)	–	–	(1,064,471)
Building and structures	(241,078,714)	(14,871,709)	–	(190,336)	(256,140,759)
Furniture, fixtures and office equipment	(377,372,823)	(22,232,714)	7,282,418	–	(392,323,119)
Machinery and equipment	(853,149,747)	(23,651,976)	33,938,603	–	(842,863,120)
Vehicles	(39,373,425)	(4,204,131)	7,897,212	–	(35,680,344)
Total accumulated depreciation	(1,511,961,461)	(65,038,249)	49,118,233	(190,336)	(1,528,071,813)
Construction in progress and machinery under installation	29,322,939	73,461,342	(288,410)	(69,889,164)	32,606,707
Property, plant and equipment – net	668,817,301	77,149,198	(4,037,600)	86,065	742,014,964
Depreciation for the years ended December 31,					
2012					67,366,464
2011					65,038,249

SEPARATE FINANCIAL STATEMENTS

	Balance December 31, 2011	Additions	Disposals	Transfer/ Other	Balance as at December 31, 2012
Cost					
Land	400,323,268	–	–	–	400,323,268
Land improvement	2,237,838	–	–	–	2,237,838
Building and structures	191,748,117	–	–	823,298	192,571,415
Furniture, fixtures and office equipment	310,679,652	7,441,962	(2,124,818)	17,029,831	333,026,627
Machinery and equipment	544,308,486	10,582,804	(8,949,336)	28,443,232	574,385,186
Vehicles	37,959,055	6,000	(4,492,445)	1,827,103	35,299,713
Total property, plant and equipment	1,487,256,416	18,030,766	(15,566,599)	48,123,464	1,537,844,047
Accumulated depreciation					
Land improvement	(1,062,611)	(75,859)	–	–	(1,138,470)
Building and structures	(122,038,602)	(5,718,438)	–	–	(127,757,040)
Furniture, fixtures and office equipment	(263,654,029)	(18,274,505)	2,124,800	–	(279,803,734)
Machinery and equipment	(497,308,744)	(18,218,787)	8,602,613	–	(506,924,918)
Vehicles	(26,810,811)	(2,778,928)	3,235,753	–	(26,353,986)
Total accumulated depreciation	(910,874,797)	(45,066,517)	13,963,166	–	(941,978,148)
Construction in progress and machinery under installation	20,458,905	40,352,821	(649,894)	(48,090,863)	12,070,969
Property, plant and equipment – net	596,840,524	13,317,070	(2,253,327)	32,601	607,936,868

UNIT : BAHT

SEPARATE FINANCIAL STATEMENTS					
	Balance December 31, 2010	Additions	Disposals	Transfer/ Other	Balance as at December 31, 2011
Cost					
Land	359,952,905	40,370,363	–	–	400,323,268
Land improvement	2,237,838	–	–	–	2,237,838
Building and structures	182,556,716	–	–	9,191,401	191,748,117
Furniture, fixtures and office equipment	305,548,420	6,522,403	(6,310,669)	4,919,498	310,679,652
Machinery and equipment	536,274,559	13,524,066	(18,979,674)	13,489,535	544,308,486
Vehicles	39,840,537	4,487,354	(6,368,836)	–	37,959,055
Total property, plant and equipment	1,426,410,975	64,904,186	(31,659,179)	27,600,434	1,487,256,416
Accumulated depreciation					
Land improvement	(986,752)	(75,859)	–	–	(1,062,611)
Building and structures	(113,411,682)	(6,886,585)	–	(1,740,335)	(122,038,602)
Furniture, fixtures and office equipment	(250,662,860)	(17,852,151)	4,860,982	–	(263,654,029)
Machinery and equipment	(499,225,888)	(16,080,187)	17,997,331	–	(497,308,744)
Vehicles	(30,136,518)	(2,787,578)	6,113,285	–	(26,810,811)
Total accumulated depreciation	(894,423,700)	(43,682,360)	28,971,598	(1,740,335)	(910,874,797)
Construction in progress and machinery under installation	12,897,024	33,352,377	(16,463)	(25,774,033)	20,458,905
Property, plant and equipment – net	544,884,299	54,574,203	(2,704,044)	86,066	596,840,524
Depreciation for the years ended December 31,					
2012					45,066,517
2011					43,682,360

Costs of fixed assets which are fully depreciated and still in use of the Company and subsidiaries as at December 31, 2012 and 2011 are approximately Baht 1,294.47 million and Baht 1,218.65 million, respectively (Company : Baht 810.02 million and Baht 769.88 million, respectively).

15. INTANGIBLE ASSETS - NET

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

UNIT : BAHT

CONSOLIDATED FINANCIAL STATEMENTS					
	Balance December 31, 2011	Additions	Disposals	Transfer/ Other	Balance as at December 31, 2012
Cost					
Software	37,429,188	3,237,734	–	–	40,666,922
Others	4,388,406	12,500	–	97,551	4,498,457
Total	41,817,594	3,250,234	–	97,551	45,165,379
Accumulated amortization					
Software	(25,790,914)	(3,240,641)	–	–	(29,031,555)
Others	(2,860,388)	(294,312)	–	–	(3,154,700)
Total accumulated amortization	(28,651,302)	(3,534,953)	–	–	(32,186,255)
Intangible assets pending transfer	2,429,843	330,981	–	(247,051)	2,513,773
Intangible assets – net	15,596,135				15,492,897
Amortization for the years	3,783,663				3,534,953

UNIT : BAHT

CONSOLIDATED FINANCIAL STATEMENTS					
	Balance December 31, 2010	Additions	Disposals	Transfer/ Other	Balance as at December 31, 2011
Cost					
Software	33,721,417	3,707,771	–	–	37,429,188
Others	4,355,620	17,450	–	15,336	4,388,406
Total	38,077,037	3,725,221	–	15,336	41,817,594
Accumulated amortization					
Software	(22,357,463)	(3,433,451)	–	–	(25,790,914)
Others	(2,510,176)	(350,212)	–	–	(2,860,388)
Total accumulated amortization	(24,867,639)	(3,783,663)	–	–	(28,651,302)
Intangible assets pending transfer	2,162,752	282,427	–	(15,336)	2,429,843
Intangible assets – net	15,372,150				15,596,135
Amortization for the years	4,276,976				3,783,663

UNIT : BAHT

SEPARATE FINANCIAL STATEMENTS					
	Balance December 31, 2011	Additions	Disposals	Transfer/ Other	Balance as at December 31, 2012
Cost					
Software	35,055,258	3,135,234	–	–	38,190,492
Others	4,388,406	12,500	–	97,551	4,498,457
Total	39,443,664	3,147,734	–	97,551	42,688,949
Accumulated amortization					
Software	(24,343,643)	(2,975,906)	–	–	(27,319,549)
Others	(2,860,387)	(294,312)	–	–	(3,154,699)
Total accumulated amortization	(27,204,030)	(3,270,218)	–	–	(30,474,248)
Intangible assets pending transfer	2,429,843	330,981	–	(247,051)	2,513,773
Intangible assets – net	14,669,477				14,728,474
Amortization for the years	3,544,198				3,270,218

UNIT : BAHT

SEPARATE FINANCIAL STATEMENTS					
	Balance December 31, 2010	Additions	Disposals	Transfer/ Other	Balance as at December 31, 2011
Cost					
Software	31,577,385	3,477,873	–	–	35,055,258
Others	4,355,620	17,450	–	15,336	4,388,406
Total	35,933,005	3,495,323	–	15,336	39,443,664
Accumulated amortization					
Software	(21,149,657)	(3,193,986)	–	–	(24,343,643)
Others	(2,510,175)	(350,212)	–	–	(2,860,387)
Total accumulated amortization	(23,659,832)	(3,544,198)	–	–	(27,204,030)
Intangible assets pending transfer	2,162,753	282,426	–	(15,336)	2,429,843
Intangible assets – net	14,435,926				14,669,477
Amortization for the years	4,002,298				3,544,198

16. LEASEHOLD RIGHTS - NET

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

UNIT : BAHT

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	Balance as at December 31, 2011	Additions	Disposals	Balance as at December 31, 20112
Leasehold rights				
Cost	33,754,000	–	–	33,754,000
Accumulated amortization	(23,683,181)	(1,209,724)	–	(24,892,905)
Leasehold rights – net	10,070,819	(1,209,724)	–	8,861,095
Amortization for the years	1,209,723			1,209,724

UNIT : BAHT

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	Balance as at December 31, 2010	Additions	Disposals	Balance as at December 31, 2011
Leasehold rights				
Cost	33,754,000	–	–	33,754,000
Accumulated amortization	(22,473,458)	(1,209,723)	–	(23,683,181)
Leasehold rights – net	11,280,542	(1,209,723)	–	10,070,819
Amortization for the years	1,219,593			1,209,723

17. OTHER NON-CURRENT ASSETS

Other non-current assets as at December 31, 2012 and 2011 in the consolidated and the separate financial statements mainly represent deposits for the rent of land and vehicle with related parties and other deposits.

18. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

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

UNIT : MILLION BAHT

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2012	2011	2012	2011
Facilities for bank overdrafts and short-term loan from financial institutions	1,013.90	1,116.90	867.90	970.90

The facilities for bank overdrafts and short-term loan from such financial institutions bear interest rates of MOR per annum.

As at December 31, 2012 and 2011, the Company has no outstanding balance of bank overdraft and short-term loans from financial institutions.

19. TRADE AND OTHER PAYABLES

Trade and other payables as at December 31, are as follows:

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2012	2011	2012	2011
Trade payables – related companies	199,316,035	193,678,286	293,745,847	305,946,003
Trade payables – other companies	122,588,242	125,901,261	99,772,296	101,124,539
Total trade payables	321,904,277	319,579,547	393,518,143	407,070,542
Other payables – related companies	12,600	601,522	12,600	572,151
Other payables – other companies	10,171,995	12,824,078	9,790,416	12,008,319
Accrued bonus expense	172,424,239	153,394,314	122,804,951	108,869,020
Accrued royalty fee	42,855,017	40,723,718	42,855,017	40,723,718
Accrued expense	16,753,014	14,880,714	10,701,890	8,842,249
Unearned revenue	131,738	209,421	131,738	209,421
Guarantees received	3,261,560	3,801,021	1,598,075	1,975,582
Total other payable	245,610,163	226,434,788	187,894,687	173,200,460
	567,514,440	546,014,335	581,412,830	580,271,002

20. RETIREMENT BENEFIT OBLIGATION

The Company and its subsidiaries operate retirement benefit plans under the Thai Labor Protection Act and the Company and its subsidiaries' retirement benefit plan, which are considered as unfunded defined benefit plans.

Amounts recognized in the income statements in respect of these defined benefit plans for the years ended December 31, are as follows:

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2012	2011	2012	2011
Current service cost	32,406,752	32,802,683	21,917,863	22,796,445
Interest cost	15,264,147	14,505,161	10,980,406	10,504,249
	47,670,899	47,307,844	32,898,269	33,300,694

Movements in the present value of the post-employment benefit obligations plans for the years ended December 31, are as follows:

UNIT : BAHT

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2012	2011	2012	2011
Beginning balance of post-employment benefits obligation	403,548,076	383,701,449	295,172,194	282,372,287
<u>Add</u> Current service cost	32,406,752	32,802,683	21,917,863	22,796,445
Interest cost	15,264,147	14,505,161	10,980,406	10,504,249
Actuarial loss	19,203,185	–	14,286,158	–
<u>Less</u> Benefit paid	(24,803,447)	(27,461,217)	(24,512,997)	(20,500,787)
Ending balance of post-employment benefits obligation	445,618,713	403,548,076	317,843,624	295,172,194

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

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2012	2011	2012	2011
Discount rate	3.32% – 3.70%	3.72% – 4.23%	3.32%	3.72%
Expected rate of salary increase	1.90% – 5.00%	2.42% – 5.00%	1.90% – 5.00%	2.42% – 5.00%
Voluntary resignation rate (Depended on employee's age)				
– Monthly employees	1% – 22%	1% – 22%	1% – 15%	1% – 14%
– Daily employees	2% – 73%	1% – 78%	3% – 38%	3% – 50%

The Company has the experience adjustments on plan liabilities in the consolidated and the separate financial statements for the year ended December 31, 2012 of Baht 10.59 million and Baht 11.37 million, respectively.

21. LEGAL RESERVE

Under the Public Companies Act, the Company is required to set aside as a statutory reserve at least 5% of its net profit after deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. Dividend cannot be paid out of the legal reserve.

Under the provision of the Civil and Commercial Code of Thailand, the subsidiary companies are required to set aside as a legal reserve at least 5% of their net profit each time a dividend is declared until the reserve reaches 10% of registered capital, such reserve is not available for dividend distribution.

As at December 31, 2012 and 2011, the Company's legal reserve has reached 10% of the registered share capital.

22. CAPITAL MANAGEMENT

The Company's objective in managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company does not apply any financial ratio to monitor its capital whilst manages its capital to be sufficient for its working capital.

23. DIVIDEND AND RESERVE

The Company and its subsidiaries' shareholders' meetings approved dividend payment and set aside reserve as follows:

Companies	Date of shareholders' Meeting	2012				2011			
		Baht per share	Total Amount (Million Baht)	Legal reserve (Million Baht)	General reserve (Million Baht)	Date of shareholders' meeting	Baht per share	Total Amount (Million Baht)	General Reserve (Million Baht)
Thai Wacoal Public Company Limited	April 23	2.10	252.00	–	20.80	April 25	2.00	240.00	20.05
SR.W. Garment Co., Ltd.	April 3	330.00	66.00	–	3.54	April 28	400.00	80.00	–
Wacoal Kabinburi Co., Ltd.	April 3	72.00	36.00	–	–	April 28	81.00	40.50	–
Wacoal Lamphun Co., Ltd.	April 3	42.00	21.00	–	–	April 28	67.00	33.50	–
Pattaya Kabinburi Co., Ltd.	April 3	165.00	33.00	–	1.75	April 28	180.00	36.00	–
Tora 1010 Co., Ltd.	April 3	9.00	0.90	0.06	–	–	–	–	–

Dividends in the years 2012 and 2011 are the appropriation of net profit for the years 2011 and 2010, and paid in May 2012 and 2011, respectively.

The Company and its subsidiaries have appropriated a portion of retained earnings for the general reserve for their business activities in the future. The exact objectives of such reserves have not been specifically identified.

24. PROVIDENT FUNDS

The Company and subsidiaries have set up a Provident Fund which is contributory by employees and the Company. The Fund is registered as the provident fund in accordance with the Provident Fund Act B.E. 2530 (1987).

For the years ended December 31, 2012 and 2011, the Company and subsidiaries' contributions are recorded as expenses in the amount of Baht 19.15 million and Baht 16.93 million, respectively (Company : Baht 12.06 million and Baht 11.27 million, respectively).

25. REVENUES FROM SALE OF GOODS AND RENDERING OF SERVICES

Revenues from sale of goods and rendering of services of the Company and subsidiaries for the years ended December 31, are as follows:

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2012	2011	2012	2011
Revenues from sale of goods	4,057,863,415	3,645,735,493	4,412,543,517	4,009,130,757
Revenues from rendering of services	36,824,493	43,082,386	5,272,381	5,954,367
Total revenues from sale of goods and rendering of services	4,094,687,908	3,688,817,879	4,417,815,898	4,015,085,124

26. OTHER INCOME

Other income for the years ended December 31, are as follows :

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2012	2011	2012	2011
Interest income	71,538,487	65,455,125	67,060,627	62,165,431
Rental income and service income	15,723,579	15,241,717	20,666,139	20,479,720
Gain on exchange rate	10,376,968	4,119,911	9,962,975	4,824,952
Gain on sale of property, plant and equipment	2,841,482	78,740,965	1,650,425	37,293,681
Other income	24,575,354	21,367,817	23,215,983	19,965,605
	125,055,870	184,925,535	122,556,149	144,729,389

27. EXPENSES BY NATURE

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

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2012	2011	2012	2011
Changes in finished goods and work in progress	(94,398,135)	(67,238,944)	(96,355,647)	(70,227,692)
Cost of finished goods purchased	144,547,544	26,200,239	1,502,432,396	1,324,677,725
Raw materials used	1,718,590,824	1,646,000,232	1,394,320,909	1,327,964,478
Employee benefits expense	1,387,837,755	1,271,639,916	916,046,337	843,018,205
Depreciation and amortization	76,816,822	74,805,462	54,424,958	53,933,443
Loss on devaluation of inventories	50,508,105	60,714,739	42,508,978	56,996,793
Royalty fee	43,403,182	41,241,728	43,403,182	41,241,728
Utilities expense	53,966,191	47,688,829	34,983,051	30,286,717
Management benefit expenses	71,647,002	68,529,378	65,284,578	62,229,966

28. TRANSACTIONS WITH RELATED PARTIES

In the normal course of business, the Company purchases inventories from subsidiaries and related companies, purchases and sells its main raw materials with related companies and engages the related company to be a distributor. The financial statements reflect the effects of these transactions on the basis determined by the Company and the related parties.

Significant balances with the related parties as at December 31, are as follows:

		UNIT : MILLION BAHT			
	Relationship	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2012	2011	2012	2011
Trade accounts receivable					
I.C.C. International Public Co., Ltd.	The Company's major shareholder has over 10% shareholding	350	366	350	366
Wacoal America	Subsidiary of major shareholder company	27	20	27	20
Wacoal Corporation	The Company's major shareholder	25	35	25	35
Pattaya Manufacturing Co., Ltd.	The Company's major shareholder has over 10% shareholding	17	3	17	3
Wien International Co., Ltd.	The Company's major shareholder has over 10% shareholding	134	73	134	73
SR.W. Garment Co., Ltd.	Subsidiary	–	–	35	51
Wacoal Kabinburi Co., Ltd.	Subsidiary	–	–	14	16
Wacoal Lamphun Co., Ltd.	Subsidiary	–	–	14	24
Pattaya Kabinburi Co., Ltd.	Subsidiary	–	–	25	20
Tora 1010 Co., Ltd.	Subsidiary	–	–	18	12
Others		29	34	22	22
Total trade accounts receivable		582	531	681	642

UNIT : MILLION BAHT

Relationship		CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2012	2011	2012	2011
Short-term loans to related parties		94	99	94	99
(See Note 7)					
Long-term investments in related companies					
- Available-for-sale securities (See Note 10.1)		772	733	760	720
- General investments (See Note 12.1)		252	260	252	260
Trade accounts payable					
Textile Prestige Public Co., Ltd.	The Company's major shareholder has over 10% shareholding	124	125	90	83
Grand Star Industry Co., Ltd.	The Company's major shareholder has over 10% shareholding	-	41	-	25
Thai Takeda Lace Co., Ltd.	The Company's major shareholder has over 10% shareholding	9	6	6	5
Wacoal Corporation	The Company's major shareholder	5	1	5	1
Wacoal International Hongkong	The Company's major shareholder has over 10% shareholding	5	8	5	8
Mangkorn.1 2 Co., Ltd.	The Company's major shareholder has over 10% shareholding	31	-	23	-
Pattaya Manufacturing Co., Ltd.	The Company's major shareholder has over 10% shareholding	11	3	11	3
SR.W. Garment Co., Ltd.	Subsidiary	-	-	57	78
Wacoal Kabinburi Co., Ltd.	Subsidiary	-	-	31	32
Wacoal Lamphun Co., Ltd.	Subsidiary	-	-	22	28
Pattaya Kabinburi Co., Ltd.	Subsidiary	-	-	29	33
Others		14	10	15	10
Total trade accounts payable		199	194	294	306
Accrued royalty fee					
Wacoal Corporation	The Company's major shareholder	43	41	43	41

Significant transactions with the related companies for the years ended December 31, are as follows:

UNIT : MILLION BAHT

Relationship		CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2012	2011	2012	2011
Sale of raw materials and finished products					
I.C.C. International Public Co., Ltd.	The Company's major shareholder has over 10% shareholding	2,344	2,254	2,344	2,254
Wacoal America	Subsidiary of major shareholder company	322	326	322	326
Wacoal Corporation	The Company's major shareholder	847	693	847	693
Pattaya Manufacturing Co., Ltd.	The Company's major shareholder has over 10% shareholding	49	12	48	12
Wien International Co., Ltd.	The Company's major shareholder has over 10% shareholding	231	153	231	153
SR.W. Garment Co., Ltd.	Subsidiary	-	-	143	183
Wacoal Kabinburi Co., Ltd.	Subsidiary	-	-	77	52
Wacoal Lamphun Co., Ltd.	Subsidiary	-	-	70	73
Pattaya Kabinburi Co., Ltd.	Subsidiary	-	-	97	90
Tora 1010 Co., Ltd.	Subsidiary	-	-	59	20
Others		145	113	82	86
Total sale of raw materials and finished products		3,938	3,551	4,320	3,942
Purchase of raw materials and finished products					
Textile Prestige Public Co., Ltd.	The Company's major shareholder has over 10% shareholding	404	400	275	268
Wacoal Corporation	The Company's major shareholder	167	142	167	142
Wacoal International Hongkong	The Company's major shareholder has over 10% shareholding	160	161	160	161
Grand Star Industry Co., Ltd.	The Company's major shareholder has over 10% shareholding	105	222	72	116
Thai Takeda Lace Co., Ltd.	The Company's major shareholder has over 10% shareholding	63	45	42	29
Mangkorn.1 2 Co., Ltd.	The Company's major shareholder has over 10% shareholding	108	5	72	3
Erawan Textile Co., Ltd.	The Company's major shareholder has over 10% shareholding	15	4	15	4
SR.W. Garment Co., Ltd.	Subsidiary	-	-	501	503
Wacoal Kabinburi Co., Ltd.	Subsidiary	-	-	297	273
Wacoal Lamphun Co., Ltd.	Subsidiary	-	-	263	228
Pattaya Kabinburi Co., Ltd.	Subsidiary	-	-	313	292
Others		130	50	123	43
Total purchase of raw materials and finished products		1,152	1,029	2,300	2,062

UNIT : MILLION BAHT

Relationship		CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2012	2011	2012	2011
Hire of work income & rental income					
Pattaya Manufacturing Co., Ltd.	The Company's major shareholder has over 10% shareholding	6	5	6	5
Thaigunze Co., Ltd.	The Company's major shareholder has over 10% shareholding	14	13	–	–
SR.W. Garment Co., Ltd.	Subsidiary	–	–	6	7
Others		11	14	11	11
Total hire of work income & rental income		31	32	23	23
Wage hire of work & rental expense					
Pattaya Manufacturing Co., Ltd.	The Company's major shareholder has over 10% shareholding	18	23	18	23
SR.W. Garment Co., Ltd.	Subsidiary	–	–	37	13
Others		22	11	20	11
Total wage hire of work & rental expense		40	34	75	47
Royalty fee					
Wacoal Corporation	The Company's major shareholder	43	41	43	41
Interest income					
Erawan Textile Co., Ltd.	The Company's major shareholder has over 10% shareholding	4	4	4	4
Management benefit expenses					
Short-term benefit		70	66	64	61
Retirement benefit		2	3	1	1
Total management benefit expenses		72	69	65	62

The Company and subsidiaries sell finished products to related companies at the price and conditions as charging to other customers.

The Company sells raw materials to subsidiaries and related companies at cost plus margin as determined.

The Company purchases raw materials and finished products from related companies at the price and conditions as being charged by other suppliers.

The Company pays royalties based on percentage of sales (see Note 29).

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

29. TECHNOLOGY LICENSE AGREEMENT

On January 1, 1999, the Company entered into a technology license agreement with Wacoal Corporation, the major shareholder company, for the latter to grant the use of trademark and provide technical know-how for manufacturing the products set forth in the agreement. The Company has to pay royalty fee of 2% of net sales for such products. The agreement was effective for a period of 5 years as from January 1, 2004 until December 31, 2008, and is renewable for 5 years. In 2009, the Company renewed such agreement until December 31, 2013.

30. DISCLOSURE OF INFORMATION ON FINANCIAL INSTRUMENTS

30.1 Credit risk

Credit risk refers to the risk that accounts receivable will default on its contractual obligations resulting in a financial loss to the Company. The Company may have concentration of risks as most of trade accounts receivable are related companies. However, the Company does not have any damage incurred from non-compliance with its contractual obligations of the accounts receivable ' related companies and expects that there is no credit risk.

In the case of recognized financial assets in the statement of financial position, the carrying amount of the assets recorded in the statement of financial position, represents the Company's maximum exposure to credit risk.

30.2 Interest rate risk

Interest rate risk arises from the potential for a change in interest rates to have an effect on the operation of the Company in the current reporting period and in future years. However, the effect of the change in interest rate does not have a material impact to the Company as the investments in debt securities have fixed interest rate and the Company has no significant loans.

30.3 Exchange rate risk

Exchange rate risk arises from the potential for a change in exchange rate to have an adverse effect on the Company in the current reporting period and in future years.

The Company uses derivative financial instruments which consist of forward contracts to reduce exposure to fluctuations in foreign currency exchange.

Forward contract protects the Company from movements in exchange rate by establishing the rate at which a foreign currency asset and liability will be settled. Any increase or decrease in the amount required to settle the asset or liability is off-set by a corresponding movement in the forward exchange contract.

The notional amount and the fair value of derivatives as at December 31, 2012 and 2011 are as follows:

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
December 31, 2012			
	Notional Amount due within 1 year		Fair Value
	Foreign Currency	Baht	Assets (Liabilities)
			Baht
Forward contracts			
– Sell	USD 2,243,641	68,797,915	(331,848)
– Sell	JPY 242,041,002	89,063,947	2,669,573

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
December 31, 2011

	Notional Amount due within 1 year Foreign Currency	Baht	Fair Value Assets (Liabilities) Baht
Forward contracts			
– Sell	USD 538,677	16,917,507	(260,737)

30.4 Fair value of financial instruments

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

Cash and cash equivalents, temporary investments, trade accounts receivable, short-term loans and deposit at bank under obligation; the carrying values approximate their fair values.

Investments in marketable securities; fair value is based on quoted market prices. For investment in non-listed companies; fair value is based on net asset value of related securities. The fair value of unit trust is determined from the trusts' net asset value. The fair value of bonds and debentures is calculated by using the latest bid yield as quoted by the Thai Bond Market Association.

Trade accounts payable, the carrying value approximates fair values.

As at December 31, 2012 and 2011, the carrying values of the financial assets, which are different from the fair values, are as follows:

UNIT : BAHT

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	Carrying Value	Fair Value
Investments in debentures		
– 2012	427,500,000	431,589,341
– 2011	327,500,000	329,200,708

31. CONTINGENT LIABILITIES AND COMMITMENTS

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

UNIT : MILLION BAHT

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2012	2011	2012	2011
Contingent liabilities in respect of				
guarantees issued on behalf of				
– Related parties (see Note 9)	5.86	6.05	5.86	6.05
Bank's letters of guarantee issued on				
behalf of the Company	18.64	21.05	16.63	21.05

32. BUSINESS SEGMENT INFORMATION

Business segment information of the Company and subsidiaries by geographic is as follow:

UNIT : MILLION BAHT

	CONSOLIDATED FINANCIAL STATEMENTS					
	Domestic sales		Export sales		Total	
	2012	2011	2012	2011	2012	2011
Revenues from sale of goods and rendering of services	2,823.69	2,601.80	1,271.00	1,087.02	4,094.69	3,688.82
Segment result	304.22	269.36	26.32	22.91	330.54	292.27
Unallocated income (expenses)					(3.00)	(0.28)
Dividend income					57.46	53.04
Other income					125.05	184.93
Income tax					(92.88)	(135.97)
Net profit of non-controlling interests					(0.09)	(0.05)
Net profit					417.08	393.94

UNIT : MILLION BAHT

	SEPARATE FINANCIAL STATEMENTS					
	Domestic sales		Export sales		Total	
	2012	2011	2012	2011	2012	2011
Revenues from sale of goods and rendering of services	3,206.22	2,950.89	1,211.60	1,064.20	4,417.82	4,015.09
Segment result	160.34	128.58	41.72	33.86	202.06	162.44
Unallocated income (expenses)					(3.88)	(1.29)
Dividend income					180.84	206.52
Other income					122.56	144.73
Income tax					(69.75)	(96.47)
Net profit					431.83	415.93

The Company is unable to allocate property, plant and equipment for each segment due to the joint-usage in the production.

33. PROMOTIONAL PRIVILEGES

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

Items	Company name			
	SR.W. Garment	Wacoal Lamphun	Wacoal Kabinburi	Pattaya Kabinburi
Project 2				
- Certificate Number	2876(2)/2555	1075/2544	1074/2544	1649(1)/2544
- Issued Date	Dec 14, 2012	Jan 24, 2001	Jan 24, 2001	Oct 11, 2001
- Exemption from income tax for 8 years	No first received promoted revenue	Jul 1, 2001 – Jun 30, 2009	Jun 1, 2001 – May 31, 2009	Jan 1, 2003 – Dec 31, 2010
- Income tax reduction of 50% of normal rate for 5 years	–	Jul 1, 2009 – Jun 30, 2014	Jun 1, 2009 – May 31, 2014	Jan 1, 2011 – Dec 31, 2015
- Exemption from import duties for machineries	Dec 14, 2012 – Jun 14, 2015	Jan 24, 2001 – Jan 24, 2003	Jan 24, 2001 – Jan 24, 2003	Oct 24, 2001 – Oct 11, 2004
Project 3				
- Certificate Number	–	2904(2)/2555	2877(2)/2555	2878(2)/2555
- Issued Date	–	Dec 20, 2012	Dec 14, 2012	Dec 14, 2012
- Exemption from income tax for 8 years	–	No first received promoted revenue	No first received promoted revenue	No first received promoted revenue
- Income tax reduction of 50% of normal rate for 5 years	–	No first received promoted revenue	No first received promoted revenue	No first received promoted revenue
- Exemption from import duties for machineries	–	Dec 20, 2012 – Jun 20, 2015	Dec 14, 2012 – Jun 14, 2015	Dec 14, 2012 – Jun 14, 2015

The above three companies thus have to comply with the terms and conditions as stipulated in the promotional certificates.

34. REVENUE REPORTING OF A PROMOTED INDUSTRY

Based on the Announcement of the Board of the Investment No. Por 14/2541 (1998) dated December 30, 1998 regarding revenue reporting of a promoted industry, the Company is required to report revenue from local sales and export sales separately and separately report between the promoted and non-promoted business. The required information for the years ended December 31, are as follows:

CONSOLIDATED		2012		2011		UNIT : BAHT	
FINANCIAL STATEMENTS		Promoted Business	Non-Promoted Business	Total	Promoted Business		Non-Promoted Business
Income							
Income from export sales		-	1,271,001,038	1,271,001,038	-	1,064,199,824	1,064,199,824
Income from local sales		134,048	2,823,552,822	2,823,686,870	-	2,624,618,055	2,624,618,055
Total income from sales		134,048	4,094,553,860	4,094,687,908	-	3,688,817,879	3,688,817,879
Gain on exchange rate		-	10,376,968	10,376,968	-	4,119,911	4,119,911
Dividend received		-	57,458,003	57,458,003	-	53,039,506	53,039,506
Other income		93,605	114,585,297	114,678,902	77,064	180,728,560	180,805,624
Total income		227,653	4,276,974,128	4,277,201,781	77,064	3,926,705,856	3,926,782,920

UNIT : BAHT

35. RISK MANAGEMENT POLICIES FOR ASSETS AND LIABILITIES IN FOREIGN CURRENCIES

The Company and subsidiaries have adopted a policy to manage foreign exchange exposure of assets and liabilities in foreign currencies whereby the Company and subsidiaries will deposit money received from sales in foreign currencies into banks for payment of expenses and creditors in foreign currencies.

Significant assets and liabilities of the Company and subsidiaries in foreign currencies are as follows:

Description	Term of Receipt/ Payment Days	CONSOLIDATED FINANCIAL STATEMENTS						SEPARATE FINANCIAL STATEMENTS					
		AMOUNT						AMOUNT					
		USD	YEN	HKD	EURO	CNY	THB	USD	YEN	HKD	EURO	CNY	THB
As at December 31, 2012													
Cash and cash equivalent	-	2,615	721,816	13,240	-	25,491	506,554	2,615	721,816	13,240	-	25,491	506,554
Temporary investments	-	-	-	1,500,000	-	-	5,856,450	-	-	1,500,000	-	-	5,856,450
Trade accounts receivable	30 – 180	1,053,622	85,944,469	3,112,882	-	-	74,287,707	1,053,622	71,687,210	3,112,882	-	-	69,263,671
		1,056,237	86,666,285	4,626,122	-	25,491	80,650,711	1,056,237	72,409,026	4,626,122	-	25,491	75,626,675
Trade accounts payable	30	350,803	36,058,253	1,096	75	-	23,711,690	350,803	36,058,253	1,096	75	-	23,711,690
As at December 31, 2011													
Cash and cash equivalent	-	10,802	344,345	17,640	4,120	18,512	808,117	10,802	344,345	17,640	4,120	18,512	808,117
Temporary investments	-	-	-	1,500,000	-	-	6,049,950	-	-	1,500,000	-	-	6,049,950
Trade accounts receivable	30 – 180	719,131	101,816,429	4,155,572	-	-	80,297,053	719,131	81,644,126	4,155,572	-	-	72,303,011
		729,933	102,160,774	5,673,212	4,120	18,512	87,155,120	729,933	81,988,471	5,673,212	4,120	18,512	79,161,078
Trade accounts payable	30	268,538	29,665,718	-	10,194	-	21,203,798	268,538	29,665,718	-	10,194	-	21,203,798

36. CORPORATE INCOME TAX

On October 11, 2011, the Thai Cabinet approved the reduction of corporate income tax rate and the Royal Decree No. 530 dated December 14, 2011 was announced to reduce corporate income tax rate from 30% to 23% for accounting period ending December 31, 2012 and to 20% for accounting periods ending December 31, 2013 and 2014. Therefore, the Company has used tax rates of 23% and 30% for the corporate income tax calculation for the years ended December 31, 2012 and 2011, respectively.

The consolidated and separate income statements for the years ended December 31, 2012 and 2011 present corporate income tax to be paid in lower rate than the Revenue Code's rate because of the Company's certain revenues which are exempted from income tax.

37. RECLASSIFICATIONS

Certain reclassifications have been made to the financial statements for the year ended December 31, 2011, to conform to the classifications used in the financial statements for the year ended December 31, 2012 as follow:

Account	Amount (Baht)		Previous presentation	Current presentation
	Consolidated financial statements	Separate financial statements		
Trade receivables	550,337,093	655,389,546	Trade receivables – net	Trade and other receivables
Other receivables – related companies	2,346,561	2,346,561	Other current assets	Trade and other receivables
Other receivables – other companies	1,902,237	1,902,237	Other current assets	Trade and other receivables
Prepaid expenses	1,223,302	741,320	Other current assets	Trade and other receivables
Advance payment	1,298,712	1,298,712	Other current assets	Trade and other receivables
Accrued income	11,108,762	10,835,132	Other current assets	Trade and other receivables
Available-for-sale securities investments	1,420,961,875	1,408,061,875	Other long-term investments	Available-for-sale securities investments
Trade payables	319,579,547	407,070,542	Trade payables	Trade and other payables
Other payables – related companies	601,522	572,151	Other current liabilities	Trade and other payables
Other payables – other companies	12,824,078	12,008,319	Other current liabilities	Trade and other payables
Accrued bonus expense	153,394,314	108,869,020	Other current liabilities	Trade and other payables
Accrued royalty fee	40,723,718	40,723,718	Other current liabilities	Trade and other payables
Accrued expenses	14,880,714	8,842,249	Other current liabilities	Trade and other payables
Unearned Revenue	209,421	209,421	Other current liabilities	Trade and other payables
Guarantees received	3,801,021	1,975,582	Other current liabilities	Trade and other payables
Accrued income tax	56,767,194	34,744,186	Other current liabilities	Accrued income tax

38. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved for issue by the Board of Directors on February 21, 2013.

Management Discussion and Analysis

1. Analysis of performance results for 2012 as compared to 2011

Overall performances for the past year

During 2012, the global economy was subject to significant slowdown, as the result of adverse developments affecting major economies across the globe. Starting with the deepening economic crisis and escalating public debts in the Eurozone countries, the worrying unemployment rates and deepening fiscal crisis in the U.S., the slowdown in Japan's economy due to less expenditure budget subsequent to the tsunami disaster, as well as the efforts by the Chinese government seeking to rein in its overheated economy through such measures as the reduction in policy rates, altogether seriously affecting those countries mostly reliant on exports, including Thailand.

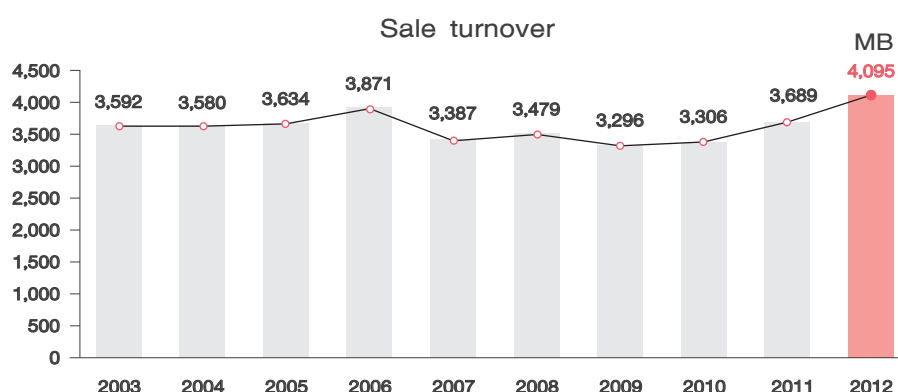
Nevertheless, on overall basis, the company could achieve better performance results together with further business growth for 2012, thereby allowing the company to effect dividend payments to the shareholders on an increasing basis for 39th consecutive year.

In consideration of its overall performances in 2012, based on its consolidated financial statements, the company could be considered to display favourable performances with sound financial position and consistent growth in its total assets. The company could achieve sales turnover of Baht 4,094.69 million, and net profits of Baht 417.08 million, representing an increase of 11% and 5.88% respectively, while its total assets stood at Baht 6,414.52 million, representing a 7.05% increase, with its return on equity, and return on assets standing at 8.18% and 6.72% respectively.

Major factors contributing to above results could be largely summarized as follows:

Sales turnover

For 2012, the company could achieve total sales turnover of Baht 4,094.69 million, representing a 11% or Baht 405.87 million increase from Baht 3,688.82 million recorded a year earlier. Such improvement could be attributed to a 8.52% growth in domestic sales and a 16.93% growth in export sales respectively. The increase in export sales was largely due to expanding market demand in Japan, leading to increase purchase orders from the customers.



Other income

For 2012, the company posted other income of Baht 125.06 million, classified into interest income of Baht 71.54 million, rental income of Baht 15.72 million, and exchange gain of Baht 10.38 million, representing a 32.38% or Baht 59.87 million decline over the preceding year. Such results were due to the decline in assets sales in 2012, by an amount of Baht 75.90 million.

Cost of sales

For 2012, the company's cost of sales stood at 75.96% of total sales turnover, as compared to 75.07% recorded in earlier 2011, representing a 0.89% increase from the year earlier, due to higher percentage in export sales of 31% compared to 29% a year earlier, with such export sales generating less profit margin compared to those from domestic sales.

Selling expenses

For 2012, the company posted selling expenses of Baht 63.34 million, quite close to Baht 63.79 million recorded a year earlier, mostly representing royalty payments and export expenses.

Administrative expenses

For 2012, the company posted administrative expenses of Baht 518.87 million, representing a Baht 23.90 million increase over Baht 494.97 million recorded a year earlier, largely due to the increase in employees' salaries.

Income tax

For 2012, the company posted income tax of Baht 92.88 million, representing a Baht 43.09 million decline over Baht 135.97 million recorded a year earlier, largely due to lower corporate income tax rate of 23%, compared to the previous 30% rate the year earlier.

Net profits attributable to owners of the parent

For 2012, the company registered net profits of Baht 417.08 million, as compared to Baht 393.94 million recorded a year earlier, representing an increase of Baht 23.14 million or 5.87%, whereas earnings per share stood at Baht 3.48, return on total revenue at 9.75%, return on equity at 8.18%, and return on assets at 6.72% respectively. Such profits improvements were largely due to increasing sales turnover.

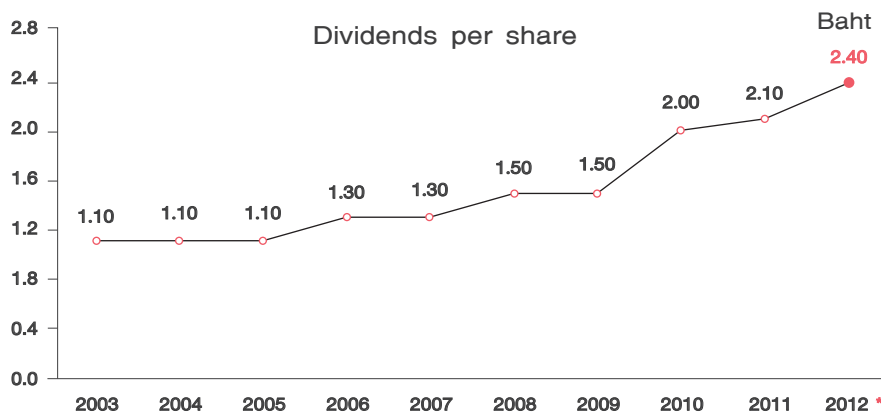
The company's profit quality could be considered favorable, with the company posting cash flow from operating activities of Baht 236.74 million, due to sales income and payment collections mostly achieved according to due dates.



Dividend payments to the shareholders

The company has continuously adopted dividend payments policy at the rate of Baht 0.25 per share so far, while also taking into consideration the company's performance results and the prevailing economic situation. The company has continuously paid out dividend payments to the shareholders for 39 consecutive years from 1974 until the present.

For 2012, the company could achieve net profits of Baht 417.08 million and earnings per share of Baht 3.48. Accordingly, The Board of Directors resolved at its meeting no.6/2012 on March 6, 2013, to propose to the shareholders' general meeting to approve dividend payments for 2012 at the rate of Baht 2.40 per share, an increase of Baht 0.30 per share compared to the year earlier, for total amount of Baht 288 million, and representing the payout ratio of 69.05%. The dividend payments date has been set for May 17, 2013.



Remark * The Board of Directors resolved to set dividend payment rate at Baht 2.40 per share, for further proposal to the shareholders' general meeting for approval, on April 22, 2013.

2. Financial Standings

At end-2012, the company posted total assets of Baht 6,414.52 million, representing a 7.05% or Baht 422.66 million increase over the year earlier, as the result of the decline in current assets of Baht 66.51 million, and the increase in non-current assets of Baht 489.18 million respectively. The company posted the ratio of each asset item as compared to total assets as follows : cash and cash equivalents of 2.72%, current investments of 18.44%, trade and other receivables of 9.92%, inventories of 15.51%, available-for-sale securities investments of 27.06%, other long-term investments of 10.94%, property, plant, equipments-net of 11.51%, and other items 3.90% respectively.

Current assets

At end-2012, the company posted total current assets of Baht 3,108.61 million, representing a Baht 66.51 million decline from a year earlier, largely due to the decline in cash and cash equivalents, and temporary investments transfer to long-term investments.

Non-current assets

At end-2012, the company posted total non-current assets of Baht 3,305.91 million, representing a Baht 489.18 million increase from a year earlier, due to the short-term investments was transferred to long-term investments and the increase on unrealized gain on the change in value of available-for-sale securities of Baht 245.06 million.

Cash and cash equivalents

At end-2012, the company recorded total cash and cash equivalents of Baht 174.76 million, representing a Baht 165.21 million decline over Baht 339.97 million recorded a year earlier, due to the transfer to short-term deposits or debt securities with over 1-month term, as displayed under heading of long-term investments.

Temporary investments

At end-2012, the company recorded total temporary investments of Baht 1,183.15 million, representing a Baht 41.27 million decline from over Baht 1,224.42 million recorded a year earlier, due to the transfer of investments with term over 1 year, to long-term investments.

Trade and other receivables

At end-2012, the company posted total trade and other receivables of Baht 636.54 million, representing a Baht 68.56 million increase from a year earlier, as the result of higher sales turnover, which could be classified into : trade receivables of Baht 612.45 million, and other receivables of Baht 24.09 million. Whereas trade receivables could be classified as follows: undue account receivables of Baht 553.29 million, representing 90.34% of total account receivables, less than 3 months' overdue account receivables of Baht 48.96 million, representing 7.99% of total account receivables, largely due to the customers having different payment periods from the company, and beyond 3 month's overdue account receivables of Baht 10.20 million, representing 1.67% of total account receivables respectively.

Short-term loans

At end-2012, the company posted total short-term loans of Baht 95.90 million, representing a Baht 5.60 million decline from the year earlier, as the result of the company having partly received loan repayments included in cash and cash equivalents under the current assets category.

Inventories

At end-2012, the company posted total inventories of Baht 994.70 million, representing a Baht 77.28 million increase from the year earlier, due to more production output intended to serve expanding sales outlets.

Property, plant and equipments

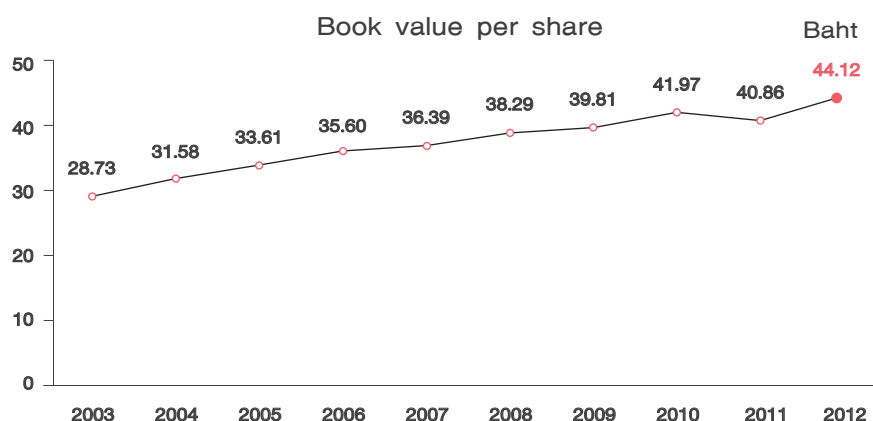
At end-2012, the company posted outstanding property, plant and equipments-net amounting to total value of Baht 738.47 million, representing a Baht 3.54 million decline from the year earlier, due to its higher investments in property, plant and equipments, for an amount of Baht 63.82 million, and the depreciation of Baht 67.37 million.

Total Liabilities

At end-2012, the company posted total liabilities of Baht 1,120.68 million, representing a 2.91% or Baht 31.69 million increase from the year earlier, largely due to higher provisioning for the employees' retirement benefits of Baht 42.07 million, in accordance with Thai Accounting Standard no.19, together with higher trade payables from increasing production activities to accommodate higher sales turnover.

Shareholders' Equity

At end-2012, the company recorded total shareholders' equity of Baht 5,293.84 million, representing a Baht 390.98 million or 7.97% increase over Baht 4,902.86 million recorded a year earlier. Such results were contributed by net profits of Baht 417.17 million, the increase in unrealized gain on the change in value of available-for-sale securities of Baht 245.06 million, and its dividend payments to the shareholders for 2011 for total amount Baht 252 million, together with actuarial loss from retirement benefit plans for amount Baht 19.20 million due to revised calculation in accordance with changing factors, such as higher minimum wage, the change in employee number etc., altogether resulting in the company eventually posting book value at end 2012 of Baht 44.12 per share, representing a Baht 3.26 increase over the previous Baht 40.86 recorded a year earlier.



3. Quality of assets

Available-for-sale securities investments

The company registered total available-for-sale securities investments of Baht 1,736 million, representing an increase of Baht 315.04 million over Baht 1,420.96 million recorded a year earlier, due to the unrealized gains on the change in value of available-for-sale securities of Baht 245.06 million, and also partly due to the transfer of deposit investments, debt instruments, and temporary short-term investments, to available-for-sale securities investments.

The company followed Thai Accounting Standard no.105 pertaining to the accounting for investment in debt and equity securities, which posted unrealized gain for the change in shareholders' equity as displayed in other components of equity of Baht 973.52 million, as the result of the changes in securities value in accordance with the company's performance results and the prevailing economic situations. Such investments represented sound assets quality, supported by favorable dividend returns higher than normal fixed deposit rates.

Other long-term investments

The company registered total other long-term investments consisting of investments in ordinary shares, and investments in debentures, for total amount Baht 701.70 million, representing an increase of Baht 174.95 million, over Baht 526.75 million recorded a year earlier due to the transfer of short-term investment to debenture investments.

The company followed Thai Accounting Standard no.36 regarding the impairment of assets for the investment in companies not being listed on the SET by reviewing such impairment of investments on a yearly basis. For 2012, an impairment of investment of Baht 14.47 million was re-entered, whereas said investment still posted overall book value higher than the company's investment cost, while its dividend yield was also higher than fixed deposit rate benefits.

Property, plant and equipments

The company possessed property, plant and equipments having market value higher than the value presented in the financial statements which displayed cost less accumulated depreciation. As for equipments, most were modern equipments with good production efficiency procured as replacement for older ones, and received proper maintenance regularly.

4. Liquidity status

Cash flow

For 2012, the company recorded net cash and cash equivalents of Baht 174.76 million, representing a Baht 165.21 million decline over Baht 339.97 million recorded a year earlier, due to its investment in deposits and debt securities with over 1-year term, classified as available-for-sale securities investments and other long-term investments.

The company posted cash receivable from operations of Baht 236.74 million, representing a Baht 63.37 million increase over Baht 173.37 million recorded a year earlier, as the result of the increase in cash receivable from operations of Baht 39.10 million, together with less corporate income tax payment by the amount Baht 24.28 million, as the result of the corporate income tax rate revision from earlier 30% to 23% instead.

The company posted net cash used in investment activities of Baht 148.64 million, largely for the purchase of land, buildings, and equipments of Baht 68.13 million, and for the company's cash management activities in terms of investment in ordinary shares and debt instruments.

The company utilized Baht 252.04 million in net cash for financial activities during the past year, as dividend payments to the shareholders.

Liquidity adequacy

The company enjoyed continuous favorable performances and sound liquidity standing so far, as reflected in its current ratio of 4.60 recorded in 2012 compared to 4.63 a year earlier, whereas its quick ratio in 2012 stood at 2.92 compared to 3.09 recorded a year earlier. The company posted cash and cash equivalents well sufficient to carry out dividend payments and future investments. Furthermore, the company posted its low debt to equity ratio of 0.21 for 2012 and 0.22 for 2011 respectively, well reflecting sound and sufficient adequacy of the company's liquidity.

Funding source

The funding source for the company's operations and investments came from its capital and accumulated profits, without any debts carrying interest burdens. The company's liabilities as shown in the financial statements mostly were trade account payables, accrued expenses, and provision for retirement benefit. According to the financial statements at end 2012, the company posted total liabilities of Baht 1,120.68 million and shareholders' equity of Baht 5,293.84 million respectively.

5. Financial ratios compared between 2012, 2011, and 2010

	Unit	2012	2011	2010
Liquidity Ratio				
1. Current Ratio	times	4.60	4.63	4.73
2. Quick Ratio	times	2.92	3.09	3.23
3. Liquidity of Cash Flow from Operations	times	0.35	0.27	0.49
4. Receivable Turnover	times	7.04	6.89	6.79
5. Collection Period	day	51.14	52.25	53.02
6. Inventory Turnover	times	5.72	6.13	5.81
7. Inventory Turnover Period	day	62.94	58.73	61.96
8. Account Payable Turnover	times	9.70	9.30	9.54
9. Payment Period	day	37.11	38.71	37.74
10. Cash Cycle	day	76.96	72.27	77.25
Profitability Ratio				
1. Gross Profit Margin	%	24.04	24.93	22.69
2. Return on Total Revenues	%	9.75	10.03	10.01
3. Return on Equity	%	8.18	7.93	7.26
Efficiency Ratio				
1. Return on Assets	%	6.72	6.79	6.54
2. Assets Turnover	times	0.69	0.68	0.65
Financial Policy Ratio				
1. Debt to Equity Ratio	times	0.21	0.22	0.12
2. Interest Coverage Ratio	times	701,335.18	2,786,816.53	4,913,626.96
3. Payout Ratio	%	69.05 *	63.97	67.33

Remark * The Board of Directors resolved to set dividend payment rate at Baht 2.40 per share, for further proposal to the shareholders' general meeting for approval, on April 22, 2013.

Shareholding Structure

10 Major shareholders (As of December 31, 2012)

Name	No. of shares	%
1. Wacoal Corporation	40,331,250	33.61
2. Saha Pathana Inter-Holding Public Company Limited	25,512,500	21.26
3. Saha Pathanapibul Public Company Limited	9,084,750	7.57
4. I.C.C. International Public Company Limited	5,913,020	4.93
5. Bangkok Bank Public Company Limited	4,679,400	3.90
6. I.D.F. Company Limited	4,492,000	3.74
7. Mr. Weerapat Punsakudomsin	3,907,800	3.26
8. Sariraporn Company Limited	1,990,850	1.66
9. Bangkok Life Assurance Public Company Limited	1,703,800	1.42
10. Thanulux Public Company Limited	1,670,200	1.39
Total 10 Major Shareholders	99,285,570	82.74
Total Shareholders	120,000,000	100.00

Note : Investors can review the latest shareholding information via company website at <http://www.wacoal.co.th>, under the heading "Investor Relations : Shareholding Structure", prior to the shareholders' meeting no.44

Shareholding distribution classified according to the nature of shareholding party

(As of December 31, 2012)

Type of Shareholders	Number	No. of shares	%
Legal entity			
Thai nationality	40	60,772,320	50.65
Foreign nationality	6	40,527,150	33.77
Total legal entity	46	101,299,470	84.42
Ordinary person			
Thai nationality	1,010	18,664,010	15.55
Foreign nationality	2	36,520	0.03
Total ordinary person	1,012	18,700,530	15.58
Total	1,058	120,000,000	100.00

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" no. 14

Cross-shareholding details as of December 31, 2012

Company name	Shareholding Percentage	
	Shareholding by the company	Shareholding in the company
1. In the case of over 50% shareholding		
(A) Other companies holding over 50% shares in the company Cross-shareholding by the company in other companies is not allowed.	-	-
(B) The company holding over 50% shares in other companies Cross-shareholding by other companies in the company is not allowed.		
1. Wacoal Lamphun Co., Ltd.	99.99	-
2. Wacoal Kabinburi Co., Ltd.	99.99	-
3. Tora 1010 Co., Ltd.	99.97	-
4. SR.W. Garment Co., Ltd. (SR.W.)	99.94	-
5. Pattaya Kabinburi Co., Ltd. (Equity held by SR.W. = 99.99%)	99.93	-
(C) The company holding over 50% shares in 2 other companies and over Cross-shareholding between other such companies is not allowed.	-	-
2. In the case of over 25% shareholding, but not exceeding 50% shareholding		
(A) Other companies holding over 25% but not exceeding 50% shares in the company Over 10% cross-shareholding by the company in other companies is not allowed.		
1. Wacoal Corporation	-	33.61
(B) The company holding over 25% but not exceeding 50% shares in other companies Over 10% cross-shareholding by other companies in the company is not allowed.	-	-
3. In the case of not exceeding 25% shareholding*		
(A) Other companies holding not exceeding 25% shares in the company Over 25% shareholding by the company in other companies is not allowed.	-	-
(B) The company holding not exceeding 25% shares in other companies Over 25% shareholding by other companies in the company is not allowed.		
1. Saha Pathana Inter-Holding Plc.	0.68	21.26
2. I.C.C. International Plc.	3.82	4.93
3. Bangkok Bank Plc.	0.01	3.90
4. Wien International Co., Ltd.	17.90	0.92
5. Grand Star Industry Co., Ltd.	17.80	1.15
6. Pattaya Manufacturing Co., Ltd.	14.67	0.21

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

Dividend payment policy

The company : In principle has set the policy to effect dividend payment at the rate of Baht 0.25 per share (25% of par value). However, final rate depends on its performance results and the prevailing economic situation.

Whereas the company based its dividend payment allocation on its net profits and retained profits, calculated from the net profits appearing in the separate financial statements recorded on cost method basis (as against previous equity method basis), whose details are as follows:

Thai Wacoal Plc.	2012*	2011	2010
Dividends per share (Baht)	2.40	2.10	2.00
Payout Ratio (%) (Consolidated)	69.05	63.97	67.33
Payout Ratio (%) (Separate)	66.69	60.59	59.86

Note : * The Board of Directors resolved to set dividend payment rate at Baht 2.40 per share, for further proposal to the shareholders' general meeting no.44 for approval, on April 22, 2013.

Subsidiaries : The company has set the policy for subsidiary companies to effect dividend payments, from outstanding cash surplus exceeding their normal operational requirements, or from surplus exceeding their business expansion requirements.

Auditor's Remuneration

Audit fees

In accordance with the resolution by the shareholders' meeting, the company and its subsidiaries made remuneration payments as audit fees to Deloitte Touche Tohmatsu Jaiyos Audit Company Limited, where the auditors were attached to, according to the details as follows:

Unit : Baht		
Audit remuneration	2012	2011
Thai Wacoal Plc.	1,705,000	1,650,000
5 Subsidiary companies	2,195,000	2,190,000
Total	3,900,000	3,840,000

Non-audit fees

During 2012, the company and its subsidiaries did not make other remuneration payment for other services, either to the auditors of the company and its subsidiary companies, the audit office where the auditors were attached to, or other parties or businesses relating to the auditors or the audit office where the auditors were attached to.

Inter-Transaction

Information disclosure for inter-transaction

During 2012, the company and its subsidiaries entered into inter-transactions with parties with possible conflict of interests, according to the details as follows:

1. Normal business transaction, normal business support transaction, rental or lease transaction for immovable property (not more than 3 years), and transaction related to assets and services

Unit : Thousand Baht

Company name	Relationship	Shareholding Percentage		Significant item	Inter-transaction Value
		Shareholding by the company	Shareholding in the company		
1. Wacoal Corporation Group	A	-	33.61	- Purchase of products/ raw materials	351,080.08
				- Sale of products/ raw materials	1,263,578.75
				- Royalty fees expenses	42,775.06
2. Saha Pathana Inter-Holding Plc.	A	0.68	21.26	- Royalty fees expenses	90.95
				- Consultancy fees expenses	1,200.00
				- Utility charges expenses	8,583.02
3. I.C.C. International Plc.	B	3.82	4.93	- Sale of products/ raw materials	2,343,551.54
				- Hire of work income	1,986.00
				- Royalty fees expenses	537.17
				- Utility charges income	257.82
				- Inventory management income	1,376.28
				- Immovable property rental income	1,007.79
				- Information technology system services income	576.00
4. Grand Star Industry Co., Ltd.	B	17.80	1.15	- Purchase of products/ raw materials	105,106.09
				- Sale of products/ raw materials	12,956.54
5. Wien International Co., Ltd.	B	17.90	0.92	- Sale of products/ raw materials	230,695.54
				- Royalty fees income	229.54
				- Utility charges income	1,033.95
				- Immovable property rental income	2,640.00
				- Information technology system services income	5,440.00

Unit : Thousand Baht

Company name	Relationship	Shareholding Percentage		Significant item	Inter-transaction Value
		Shareholding by the company	Shareholding in the company		
6. Pattaya Manufacturing Co., Ltd.	B	14.67	0.21	- Purchase of products/ raw materials	59,436.60
				- Sale of products/ raw materials	48,619.16
				- Hire of work income	1,221.65
				- Hire of work expenses	17,798.86
				- Immovable property rental income	3,978.00
				- Sale of Movable property	322.20
				- Movable property rental income	480.00
				- Information technology system services income	1,390.08
7. Pattaya Lamphun Co., Ltd.	B	-	-	- Hire of work expenses	21,392.11
8. SSDC (Tigertex) Co., Ltd.	B	18.72	-	- Purchase of products/ raw materials	1,692.45
				- Utility charges expenses	445.37
				- Immovable property rental expenses	241.80
				- Immovable property rental income	115.20
9. International Commercial Coordination (Hongkong) Ltd.	B	18.00	-	- Purchase of products/ raw materials	2,391.89
				- Sale of products/ raw materials	7,886.98
10. Textile Prestige Plc.	B	18.15	-	- Purchase of products/ raw materials	403,947.30
				- Sale of products/ raw materials	1,797.23
11. Mangkorn.1 2 Co., Ltd.	B	-	-	- Purchase of products/ raw materials	107,975.31
12. Champ Ace Co., Ltd.	B	10.00	-	- Purchase of products/ raw materials	9,008.86
				- Sale of products/ raw materials	1,002.73
13. H & B Intertex Co., Ltd.	B	-	-	- Purchase of products/ raw materials	2,977.57
14. Thai Itokin Co., Ltd.	B	-	-	- Purchase of products/ raw materials	2,113.71
15. Thai Gunze Co., Ltd.	B	-	-	- Purchase of products/ raw materials	6,635.54
				- Hire of work income	13,563.37
16. S & J International Enterprises Plc.	B	-	-	- Purchase of products/ raw materials	6,309.44
				- Utility charges income	131.48
				- Immovable property rental income	589.80

Unit : Thousand Baht

Company name	Relationship	Shareholding Percentage		Significant item	Inter-transaction Value
		Shareholding by the company	Shareholding in the company		
17. Dome Composites (Thailand) Co., Ltd.	B	8.33	–	– Utility charges income – Immovable property rental income	42.00 3,628.80
18. Waseda Education (Thailand) Co., Ltd.	B	7.14	–	– Training expenses	1,034.58
19. Thai Naxis Co., Ltd.	B	16.46	–	– Purchase of products/ raw materials	14,239.68
20. S.T.G.C. Co., Ltd.	B	13.00	–	– Consultancy fees expenses – Products and materials research & development expenses – Utility charges income – Immovable property rental income	4,700.00 200.00 33.60 57.60
21. Thai Takeda Lase Co., Ltd.	B	–	–	– Purchase of products/ raw materials	63,025.54
22. Thai Bunka Fashion Co., Ltd.	B	8.00	–	– Training expenses	2,697.49
23. PTK Multi Services Co., Ltd.	B	–	–	– Security fees expenses	5,644.13
24. Thaisecom Pitakkij Co., Ltd.	B	–	–	– Security fees and security equipments rental fees expenses	3,569.27
25. Erawan Textile Co., Ltd.	B	15.18	–	– Purchase of products/ raw materials	15,376.81
26. Kabin Patthanakij Co., Ltd.	B	–	–	– Sale of products/ raw materials	28,477.27

Relationship Nature A = The company's major shareholders B = The company's major shareholder with over 10% shareholding

Pricing Policy The company jointly decides with the distributor company to set retail selling price, by considering product design, complexity level of production process, sales forecast, sales volume, and production cost. After deciding on retail selling price (the same price applicable nationwide), the company consequently decides on wholesale price applicable to the distributor, whereby profit sharing rate generated from retail sales shall depend on the relative cost for each product model.

Remuneration Policy According to normal business conditions, the same as for other parties or businesses not related to the company.

Item	Remuneration Policy
- Inventory management fees	: Fees depending on the volume of transported products
- Utility charges	: According to the rates announced by Saha Group Industrial Park, based on actual units or volume used
- Movable property rental fees	: Fees depending on the condition and duration of such property in use
- Immovable property rental fees	: Fees depending on the location, surrounding, building condition, and utilization purpose for said assets
- Information technology system services fees	: Fees depending on the number of hardware, software, and man-day in services
- Research & development fees	: Fees depending on the complexity level of such services
- Business consultancy fees	: Fees depending on the complexity level of such services
- Security fees	: Fees depending on the number of security personnel for each shift
- Security equipments rental fees	: Fees depending on the type and number of security equipments selected for use in the security system
- Training fees	: Fees depending on the expenses incurred during each training course

2. Transaction in providing or receiving financial assistance

Unit : Thousand Baht

Company name	Loan Extension					Guarantee
	Balance As of Dec. 31, 11	Additions	Settlements	Balance As of Dec. 31, 12	Interest Rate	Balance As of Dec. 31, 12
1. SSDC (Tigertex) Co., Ltd.	9,000.00	–	(5,000.00)	4,000.00	4.00%	–
2. Erawan Textile Co., Ltd.	90,000.00	–	–	90,000.00	4.50%	–
3. International Commercial Coordination (Hongkong) Ltd.	–	–	–	–	–	5,856.45
Total	99,000.00	–	(5,000.00)	94,000.00		5,856.45

Loan facilities provision The company and its subsidiaries provided short-term loan to related parties for total amount of Baht 94 million as of December 31, 2012 (Please refer to supplementary note to financial statements no.6), under such policy basing interest rate on fixed deposit rate plus the increment specified by the company and its subsidiaries and the specified business tax rate.

The company and its subsidiaries did not provide long-term loan to related parties as of December 31, 2012.

Financial guarantees provision As of December 31, 2012, the company and its subsidiaries posted outstanding financial guarantees to related parties in total of Baht 5.86 million. Such guarantee provisions were commensurate with the company's shareholding proportion. (Please refer to supplementary note to financial statement no.31)

The necessity and rationale for entering into transactions with parties with possible conflict of interests

To sustain the company's operations under the prevailing severe competitive situation, the company needed to secure the support of business partners and business alliance network from upstream to downstream industries, further contributing to its competitiveness and business potentials, and leading to its further development and sustainable growth in the future.

While its business partners and business alliance members might be parties with possible conflict of interests, nevertheless, The Board of Directors might find it reasonable and necessary to enter into agreement or transaction with said parties, with the interests of the shareholders and the company in mind. In such case, the transaction price would be based on normal business terms, without harboring any intention to engage in unjust transfer of company asset or interest to such parties with possible conflict of interests.

At the same time, The Board of Directors duly followed the requirements in The Securities and Exchange Act (no.4) B.E. 2551 article 89/12, by authorizing the company's management, after the completion of the annual shareholders' meeting, to enter into such transactions considered to normal business transactions and business support transactions under normal business terms in such same manner as other business partners under the same circumstances. Such transactions would be carried out without any exercise of undue influence due to such status as director, management member, or related persons, with such transactions duly reported to The Board of Directors' meeting held each quarter.

Opinions regarding inter-transactions by The Audit Committee

For such inter-transactions considered significant, the company followed its policy in proposing such transactions to The Board of Directors' meeting, either for their approval or for further forwarding to the shareholders' meeting for their approval.

The Audit Committee concluded not to have any different opinions regarding inter-transactions in 2012, from those resolutions adopted by The Board of Directors' meeting.

Policy and trend for future inter-transaction

The Board of Directors duly recognized their responsibilities as the directors of public company in carrying out their duties toward the shareholders, employees, and all stakeholders, in accordance with good corporate governance practices. Accordingly, those inter-transactions likely to take place in the future, would represent normal business transactions, with the disclosure of information duly carried out in accordance with The Notification of The Capital Market Supervisory Board, regarding "rules on connected transactions".

Personal Information of Company Directors and Management Members

Name / Position	Age	Highest Educational Level and Training Course	Shareholding Level*	Working Experience
1. Mr. Yoshikata Tsukamoto Advising Director	64	Bachelor Degree Faculty of Education, majoring in Industrial Education Ashiya University, Japan	- %	<ul style="list-style-type: none"> - President and Representative Director : Wacoal Holdings Corp. - Representative Director & Chairman : Wacoal Corp. - Director : Shinyoung Wacoal Inc. <p>Companies holding directorship :</p> <p>Listed Company 3 companies Non-listed Company 8 companies</p>
2. Mr. Manu Leelanuwatana Chairman of The Board of Directors, Chairman of The Nominating Committee, The Remuneration Committee Member and Chairman of The Executive Board	67	Bachelor Degree Faculty of Engineering, majoring in Mechanical Engineering Chiba University, Japan Training by Thai Institute of Directors Association (IOD) - Director Accreditation Program (DAP) 3/2003 - Director Certification Program (DCP) 68/2005	0.67%	<ul style="list-style-type: none"> - Chairman : Textile Prestige Plc. Grand Star Industry Co., Ltd. Thai Naxis Co., Ltd. Pattaya Manufacturing Co., Ltd. - Director : I.C.C. International Plc. <p>Companies holding directorship :</p> <p>Listed Company 6 companies Non-listed Company 28 companies</p>
3. Mr. Yuzo Ide Vice Chairman of The Board of Directors	58	Bachelor Degree Faculty of Economics, majoring in Economics Kobe University of Commerce, Japan	- %	<ul style="list-style-type: none"> - Director & Senior Corporate Officer : Wacoal Corp. - Director : Wacoal Holdings Corp. Wacoal America, Inc. <p>Companies holding directorship :</p> <p>Listed Company 2 companies Non-listed Company 16 companies</p>
4. Miss Sirikul Dhanasarnsilp Vice Chairman of The Board of Directors, The Nominating Committee Member, The Remuneration Committee Member and Vice Chairman of The Executive Board	65	Master Degree Faculty of Commerce and Accountancy, majoring in Business Administration Thammasat University Training by Thai Institute of Directors Association (IOD) - Board and CEO Assessment 2/2003 - Director Accreditation Program (DAP) 3/2003 - Director Certification Program (DCP) 68/2005	0.64%	<ul style="list-style-type: none"> - Chairman : SR.W. Garment Co., Ltd. Wacoal Lamphun Co., Ltd. Wacoal Kabinburi Co., Ltd. Pattaya Kabinburi Co., Ltd. Tora 1010 Co., Ltd. - Managing Director : Pattaya Manufacturing Co., Ltd. - Director : Textile Prestige Plc. <p>Companies holding directorship :</p> <p>Listed Company 2 companies Non-listed Company 20 companies</p>
5. Mr. Boondee Amnuayskul Director and Managing Director	57	Bachelor Degree Faculty of Engineering, majoring in Industrial Engineering Khonkaen University Training by Thai Institute of Directors Association (IOD) - Director Accreditation Program (DAP) 3/2003 - Understanding the Fundamental of Financial Statements (UFS) 2/2006 - Finance for Non-Finance Director (FND) 31/2006 - DCP Refresher Course in Directors' Legal Liabilities (RE DCP) 1/2008	0.03%	<ul style="list-style-type: none"> - Managing Director : SR.W. Garment Co., Ltd. Wacoal Lamphun Co., Ltd. Wacoal Kabinburi Co., Ltd. Pattaya Kabinburi Co., Ltd. Tora 1010 Co., Ltd. - Director : Pattaya Manufacturing Co., Ltd. <p>Companies holding directorship :</p> <p>Listed Company 1 company Non-listed Company 8 companies</p>

Name / Position	Age	Highest Educational Level and Training Course	Shareholding Level*	Working Experience
6. Mr. Akihisa Nakano Director and Deputy Managing Director	53	Bachelor Degree Faculty of Jurisprudence, majoring in Jurisprudence Nanzan University, Japan	- %	<ul style="list-style-type: none"> - Deputy Managing Director : Tora 1010 Co., Ltd. - Director : Textile Prestige Plc. SR.W. Garment Co., Ltd. Wacoal Lamphun Co., Ltd. Wacoal Kabinburi Co., Ltd. Pattaya Kabinburi Co., Ltd. <p>Companies holding directorship :</p> <p>Listed Company 2 companies</p> <p>Non-listed Company 8 companies</p>
7. Mr. Amnuay Bumroongwongtong Director, The Nominating Committee Member and Executive Director	62	Vocational Education Certificate Siam Business School Training by Thai Institute of Directors Association (IOD) - Director Accreditation Program (DAP) 3/2003 - Director Certification Program (DCP) 68/2005 - DCP Refresher Course in Directors' Legal Liabilities (RE DCP) 1/2008	0.44%	<ul style="list-style-type: none"> - Chairman : Sunrise Garment Co., Ltd. - Vice Chairman : Grand Star Industry Co., Ltd. - Director : SR.W. Garment Co., Ltd. Wacoal Lamphun Co., Ltd. <p>Companies holding directorship :</p> <p>Listed Company 1 company</p> <p>Non-listed Company 16 companies</p>
8. Mr. Thamarat Chokwatana Director	43	Bachelor Degree Faculty of Arts, majoring in Business English and minoring in Computer Assumption University Training by Thai Institute of Directors Association (IOD) - Director Accreditation Program (DAP) 3/2003 - Director Certification Program (DCP) 68/2005	0.06%	<ul style="list-style-type: none"> - Director : I.C.C. International Plc. Wacoal Lamphun Co., Ltd. Wacoal Kabinburi Co., Ltd. Pattaya Kabinburi Co., Ltd. <p>Companies holding directorship :</p> <p>Listed Company 2 companies</p> <p>Non-listed Company 33 companies</p>
9. Mr. Ikuo Otani Director	59	Bachelor Degree Faculty of Economics, majoring in Economics Rikkyo University, Japan	- %	<ul style="list-style-type: none"> - Senior Managing Director : Wacoal Holdings Corp. - Director : Wacoal Service Co., Ltd. Wacoal International Hong Kong Co., Ltd. <p>Companies holding directorship :</p> <p>Listed Company 2 companies</p> <p>Non-listed Company 12 companies</p>
10. Mr. Kiyotaka Hiroshima Director	54	Bachelor Degree Faculty of Fiber, majoring in Fiber Engineering Kyoto Craft Fiber University, Japan	- %	<ul style="list-style-type: none"> - Director : Wacoal International Hong Kong Co., Ltd. Vietnam Wacoal Corp. <p>Companies holding directorship :</p> <p>Listed Company 1 company</p> <p>Non-listed Company 9 companies</p>

Name / Position	Age	Highest Educational Level and Training Course	Shareholding Level*	Working Experience
11. Assoc.Prof. Nares Kesaprakorn Independent Director and The Risk Management Committee Member	53	Master Degree Faculty of School of Law, majoring in Securities Regulation University of Georgia, USA Training by Thai Institute of Directors Association (IOD) – Director Accreditation Program (DAP) 52/2006 – Director Certification Program (DCP) 77/2006 – Audit Committee Program (ACP) 12/2006 – Understanding the Fundamental of Financial Statements (UFS) 1/2006 – Finance for Non-Finance Director (FND) 28/2006 – Monitoring the System of Internal Control and Risk Management (MIR) 2/2008 – Chartered Director Class (CDC) 5/2009	– %	– Independent Director and The Audit Committee Member : Thanulux Plc. – The Audit Committee Member : The Thai Chamber of Commerce and Board of Trade of Thailand – Advisory Board, The Attellate Committee's Rule of Practice on Procedure for Consideration and Adjudication of Appeal on the Administrative Order of the SEC Office – Associate Dean for Planning and Development : School of Law, National Institute of Development Administration – Director, Master of Arts (Law for Executives) : School of Law, National Institute of Development Administration Companies holding directorship : Listed Company 2 companies Non-listed Company – company
12. Assoc.Prof. Dr. Kulpatra Sirodom Independent Director and Chairperson of The Audit Committee	56	Ph.D. (Finance) University of Pittsburgh, Pittsburgh, PA, USA Training by Thai Institute of Directors Association (IOD) – Director Certification Program (DCP) 0/2000 – Audit Committee Program (ACP) 29/2009	– %	– Independent Director and Chairman of The Audit Committee : Thai President Foods Plc. – Independent Director and The Audit Committee Member : The Siam Commercial Bank Plc. President Bakery Plc. – Dean : Faculty of Commerce and Accountancy, Thammasat University Companies holding directorship : Listed Company 4 companies Non-listed Company – company
13. Mrs. Punnee Worawuthichongsathit Independent Director and The Audit Committee Member	60	Master Degree Faculty of Commerce and Accountancy, majoring in Accounting Chulalongkorn University Federation of Accounting Professions Under The Royal Patronage of His Majesty The King – Certified Public Accountant (Thailand) Registration No. 2960 The Institute of Internal Auditors of Thailand – Certified Professional Internal Auditor (CPIA) – Qualified Internal Auditor (QIA) The Institute of Internal Auditors (IIA) – Certified Internal Auditor (CIA) Training by Thai Institute of Directors Association (IOD) – Director Accreditation Program (DAP) 2/2003 – Director Certification Program (DCP) 38/2003 – Audit Committee Program (ACP) 2/2004 – Improving the Quality of Financial Reporting (QFR) 1/2006	– %	– Independent Director and The Audit Committee Member : Hemaraj Land and Development Plc. The Brooker Group Plc. – Member of Accounting Committee : Federation of Accounting Professions under The Royal Patronage of His Majesty The King – Member of Taxation Committee : Board of Trade of Thailand

Name / Position	Age	Highest Educational Level and Training Course	Shareholding Level*	Working Experience
13. Mrs. Punnee Worawuthichongsathit (Continued)		<ul style="list-style-type: none"> - Monitoring the Internal Audit Function (MIA) 1/2007 - Monitoring the Quality of Financial Reporting (MFR) 5/2007 - Monitoring the System of Internal Control and Risk Management (MIR) 2/2008 - Chartered Director Class (CDC) 3/2008 - Role of the Compensation Committee (RCC) 7/2008 - Monitoring Fraud Risk Management (MFM) 1/2009 - DCP Refresher Course (RE DCP) 2/2009 - Role of the Chairman Program (RCP) 25/2011 - Role of the Nomination and Governance Committee (RNG) 1/2011 		Companies holding directorship : Listed Company 3 companies Non-listed Company 2 companies
14. Mrs. Saranya Chindavanig Independent Director and The Audit Committee Member	49	Master Degree, majoring in Finance Eastern Michigan University, USA Training by Thai Institute of Directors Association (IOD) - Director Certification Program (DCP) 40/2004	- %	- Advisor : Thai Listed Companies Association Companies holding directorship : Listed Company 1 company Non-listed Company - company
15. Mr. Krish Follett Independent Director and Chairman of The Risk Management Committee	63	Master Degree Faculty of Commerce and Accountancy, majoring in Business Administration Thammasat University Training by Thai Institute of Directors Association (IOD) - Director Certification Program (DCP) 149/2011	- %	- Independent Director and Chairman of The Audit Committee : Thoresen Thai Agencies Plc. Property Perfect Plc. Amanah Leasing Plc. - Independent Director and The Audit Committee Member : Thanulux Plc. Companies holding directorship : Listed Company 5 companies Non-listed Company 1 company
16. Mr. Manus Ongsaranakom The Risk Management Committee Member, Executive Director and Chief Financial Officer	59	Bachelor Degree Faculty of Accounting, majoring in Accounting University of the Thai Chamber of Commerce Training by Thai Institute of Directors Association (IOD) - Director Certification Program (DCP) 27/2003	0.14%	- Assistant Managing Director : SR.W. Garment Co., Ltd. - Director : The Bangkok Nylon Plc. Wacoal Lamphun Co., Ltd. Wacoal Kabinburi Co., Ltd. Pattaya Kabinburi Co., Ltd. Pattaya Manufacturing Co., Ltd. Companies holding directorship : Listed Company 1 company Non-listed Company 25 companies
17. Mr. Suvit Wongcharoenvutporn Executive Director and Director of Children Wear Division	61	Higher Education Certificate, majoring in Industrial Technology Rajamangala University of Technology Krungthep Bangkok Technical Campus Training by Thai Institute of Directors Association (IOD) - Director Accreditation Program (DAP) 3/2003	0.05%	- Chairman : Royal Garment Co., Ltd. Silk Pearl Co., Ltd. - Managing Director : International Commercial Coordination (Hong Kong) Limited Companies holding directorship : Listed Company - company Non-listed Company 4 companies

Name / Position	Age	Highest Educational Level and Training Course	Shareholding Level*	Working Experience
18. Mrs. Nonglaks Techaboonanek Executive Director and Director of Innerwear Division	58	Bachelor Degree Faculty of Communication Arts, majoring in Mass Communications and minoring in Public Relations Chulalongkorn University Bachelor Degree Faculty of Business Administration, majoring in Marketing Ramkhamhaeng University Training by Thai Institute of Directors Association (IOD) – Director Accreditation Program (DAP) 42/2005	–%	– Chairman and Managing Director : SRP Advertising Co., Ltd. – Managing Director : Mit Pathana Home Shopping Co., Ltd. – Director : S.T.G.C. Co., Ltd. Mangkorn.1 2 Co., Ltd. – Executive Director & Vice President : I.C.C. International Plc. Companies holding directorship : Listed Company – company Non-listed Company 5 companies
19. Miss Natcharinthorn Pongsupachintapa Executive Director and Director of Research Development and Innovation Center	60	Bachelor Degree Faculty of Political Science, majoring in Political Science Ramkhamhaeng University Training by Thai Institute of Directors Association (IOD) – Director Accreditation Program (DAP) 3/2003	0.04%	– Director : Pattaya Manufacturing Co., Ltd. Wien International Co., Ltd. Companies holding directorship : Listed Company – company Non-listed Company 3 companies
20. Mrs. Siriwan Vilassakdanont Executive Director and Director of Vienna Division	58	Master Degree, majoring in Business Administration Sasin Graduate Institute of Business Administration of Chulalongkorn University Training by Thai Institute of Directors Association (IOD) – Director Accreditation Program (DAP) 3/2003	0.12%	– Managing Director : Wien International Co., Ltd. – Director : Far East DDB Plc. Pattaya Manufacturing Co., Ltd. Pattaya Lamphun Co., Ltd. Companies holding directorship : Listed Company 1 company Non-listed Company 8 companies
21. Miss Karunee Surai Executive Director and Director of Human Resources and General Affairs Division	57	Master Degree Faculty of Education, majoring in Educational and Guidance Psychology Chulalongkorn University Training by Thai Institute of Directors Association (IOD) – Board and CEO Assessment 2/2003	0.004%	– Director : Royal Garment Co., Ltd. Sunrise Garment Co., Ltd. Companies holding directorship : Listed Company – company Non-listed Company 4 companies
22. Mrs. Onanong Saengpumpong Executive Director, Director of Accounting and Finance Division and Company Secretary	50	Master Degree Faculty of Commerce and Accountancy, majoring in Accounting Thammasat University Training by Thai Institute of Directors Association (IOD) – Company Secretary Program (CSP) 9/2005 – Effective Minute Taking (EMT) 2/2006	–%	– Director : Wacoal Lamphun Co., Ltd. Royal Garment Co., Ltd. SRP Advertising Co., Ltd. Companies holding directorship : Listed Company – company Non-listed Company 6 companies

Note : * Including shareholding by spouse and underaged children

Shareholding by the Directors and the Management

Name		Position	No. of shares		
			As at Dec. 31, 12	As at Dec. 31, 11	Increase (Decrease)
1. Mr. Yoshikata	Tsukamoto	Advising Director	-	-	-
2. Mr. Manu	Leelanuwatana	Chairman	800,970	800,970	-
3. Mr. Yuzo	Ide	Vice Chairman	-	-	-
4. Miss Sirikul	Dhanasarnsilp	Vice Chairman	772,840	772,840	-
5. Mr. Boondee	Amnuayskul	Director	30,230	30,050	180
6. Mr. Akihisa	Nakano	Director	-	-	-
7. Mr. Amnuay	Bumroongwongtong	Director	523,860	523,860	-
8. Mr. Thamarat	Chokwatana	Director	77,000	77,000	-
9. Mr. Ikuo	Otani	Director	-	-	-
10. Mr. Kiyotaka	Hiroshima	Director	-	-	-
11. Assoc.Prof. Nares	Kesaprakorn	Independent Director	-	-	-
12. Assoc.Prof. Dr. Kulpatra	Sirodom	Independent Director	-	-	-
13. Mrs. Punnee	Worawuthichongsathit	Independent Director	-	-	-
14. Mrs. Saranya	Chindavanig	Independent Director	-	-	-
15. Mr. Krish	Follett	Independent Director	-	-	-
16. Mr. Manus	Ongsaranakom	Executive Director	166,150	166,150	-
17. Mr. Suvit	Wongcharoenvutporn	Executive Director	57,400	57,400	-
18. Mrs. Nonglaks	Techaboonanek	Executive Director	-	-	-
19. Miss Natcharinthorn	Pongsupachintapa	Executive Director	53,290	53,290	-
20. Mrs. Siriwan	Vilassakdanont	Executive Director	148,970	148,970	-
21. Miss Karunee	Surai	Executive Director	5,000	5,000	-
22. Mrs. Onanong	Saengpumpong	Executive Director	-	-	-
Total			2,635,710	2,635,530	180

Note : Including shareholding by spouse and underaged children

General Information and References

General Information

Thai Wacoal Public Company Limited (WACOAL)

Type of Business	: Manufacturer of finished garments
Registered Number	: 0107537001455
Registered Capital	: Baht 120 million classified into 120 million ordinary shares, fully paid-up
Address	: 930/1 Soi Pradoo 1, Sathupradith Road, Bangklo, Bangkholaem, Bangkok 10120, Thailand
Tel.	: 0-2289-3100-9
Fax.	: 0-2291-1788
Website	: http://www.wacoal.co.th

Contact Information

Department	Telephone Number	E-mail Address
Company Secretary	0-2689-8324	secretariat@wacoal.co.th
Investor Relations	0-2289-3100-9 Ext. 331	invest@wacoal.co.th
Customer Relations	0-2689-8515-6 1800 295-565-6 (Free call in Bangkok)	service@wacoal.co.th
Innerwear Business	0-2689-8705	sompong@wacoal.co.th
Childrenwear Business	0-2291-8373	pojadech@wacoal.co.th
Outerwear Business	0-2289-3100-9 Ext. 402	somporn@wacoal.co.th
Wacoal Body Clinic (Special custom-made service)	0-2689-8542	bodyclinic@wacoal.co.th
Human Resources and General Affairs Division	0-2289-3100-9 Ext. 201, 202, 223	personnel@wacoal.co.th
Internal Audit Office	0-2289-3100-9 Ext. 207, 422	audit@wacoal.co.th

Reference

Share Registrar

Thailand Securities Depository Company Limited
62 The Stock Exchange of Thailand Building
Rachadapisek Road, Klongtoey, Klongtoey, Bangkok 10110, Thailand
Tel : 0-2229-2800 Call Center : 0-2229-2888
Fax : 0-2359-1259

Auditor

Deloitte Touche Tohmatsu Jaiyos Audit Company Limited
Rajanakarn Building, 25th Floor, 183 South Sathorn Road, Yannawa, Sathorn, Bangkok 10120, Thailand
Tel : 0-2676-5700
Fax : 0-2676-5757

By	Dr. Suphamit Techamontrikul	Certified Public Accountant Registration	No.3356 and/or
	Mr. Chavala Tienpasertkij	Certified Public Accountant Registration	No.4301 and/or
	Mr. Manoon Manusook	Certified Public Accountant Registration	No.4292

Certificated

1. Production Quality Standards Management



ISO 9001 : 2008



ISO/IEC 17025 : 2005



Wacoal Corp.
(Laboratory Accreditation)

2. Environmental Management & Energy Conservation



ISO 14001 : 2004



Green Industry



Thailand Energy Awards



ASEAN Energy Awards

3. Certification mark for products as being safe from harmful substances, environmental- friendly, and contributing to global warming reduction (Eco Label)



Green Label



CoolMode



CSR - DIW



Carbon Footprint



มอก.2346-2550

4. Corporate Social Responsibility



หลักการและปรัชญาของบริษัทฯ

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บริษัทฯ ของเรา จะก้าวหน้าอย่างไม่หยุดยั้ง
เพื่อมุ่งสู่ทัศนคติที่ว่า "วาโก้ระดับโลก"

THE WACOAL CREED

We, the employees and management of WACOAL
will maintain a proud corporate culture based on mutual trust
and will strive together to build a truly international company
to serve customers and society throughout the world.

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เรา ดำเนินธุรกิจอย่างเปิดเผยและยุติธรรม ไฟหอนาคตที่แจ่มใสกว่าเสมอ
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