



*THAI WACOAL PUBLIC COMPANY LIMITED
AND SUBSIDIARIES*

Consolidated and Separate Financial Statements

Year ended December 31, 2018

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

Opinion

We have audited the consolidated financial statements of Thai Wacoal Public Company Limited and its subsidiaries (“the Group”) and the separate financial statements of Thai Wacoal Public Company Limited (“the Company”) which comprise the consolidated and separate statements of financial position as at December 31, 2018, and the related consolidated and separate statements of profit or loss and comprehensive income, changes in shareholders’ equity, and cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of Thai Wacoal Public Company Limited and its subsidiaries and of Thai Wacoal Public Company Limited as at December 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing (“TSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group in accordance with the Federation of Accounting Professions’ Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to the audit of the consolidated and separate financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key Audit Matters	Key Audit Responses
<p>Provision for goods returned</p> <p>As described in Note 3.17 to the financial statements regarding accounting policy for use of management's judgement.</p> <p>The Company has provision for goods returned which comprise the exercise of significant judgement by management. For assessment of the provision for goods returned, the Company considers it by analyzing historical information of goods returned and future expectations of the goods returned from customers who are allowed to return the goods within the period agreed between both parties. Therefore, there is a risk that the provision for goods returned may not be completely and accurately recorded.</p>	<p>Our key audit procedures included:</p> <ul style="list-style-type: none"> • Understanding consideration process and internal control procedures related to the provision for goods returned • Reviewing the design and implementation of the internal control procedures • Assessing the appropriateness of the methodology applied by the Company's management in evaluating the provision for goods returned and the judgements applied in determining the provision • Assessing the completeness of the Company's provision or reversals • Challenging the key assumptions utilized in the estimation of provision for goods returned with reference to historical information of goods returned • Assessing the methodology applied in determining the provision for goods returned and checking the integrity of the methodology utilized by the Company • Reviewing the adequacy of provision for goods returned and the appropriateness of significant input and assumptions used in calculation of provision for goods returned to determine if they are in compliance with the accounting standards and have been consistently applied and; • Performing analytical procedures of the historical information of goods returned to develop an expectation of provision for goods returned.
<p>Impairment of investments</p> <p>As described in Note 3.12 and Note 3.17 to the financial statements regarding accounting policies for impairment and use of management's judgement, respectively.</p> <p>The Group and the Company held other long-term investments which contains a risk that the carrying value of investment may be higher than the recoverable amount.</p> <p>The consideration of impairment in other long-term investments is depended on the Group's and the Company's management judgements and significant assumptions.</p>	<p>Our key audit procedures included:</p> <ul style="list-style-type: none"> • Understanding consideration process and internal control procedures related to the impairment of investments • Reviewing the design and implementation of the internal control procedures • Examining the supporting documents in relation to the management consideration of impairment indicators for investments and; • Assessing the appropriateness of the methodology applied by the Group's and the Company's management in calculating the impairment charges, and the judgements applied in determining recoverable.

Other Information

Management is responsible for the other information. The other information comprises information in the annual report, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and the management of the Company.

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

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

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

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

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

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



Manoon Manusook

Certified Public Accountant (Thailand)

Registration No. 4292

BANGKOK

February 21, 2019

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

THAI WACOAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018

UNIT : BAHT

	NOTES	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2018	2017	2018	2017
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	4.1	167,711,136	32,992,539	126,922,652	18,430,270
Temporary investments	5	400,775,505	420,902,710	255,259,024	287,338,957
Trade and other current receivables	6	798,974,246	728,843,192	920,390,036	800,839,867
Other short-term loans	7	21,530,000	41,550,000	21,530,000	41,550,000
Inventories	8	1,302,010,562	1,109,494,399	1,087,998,476	944,769,558
Other current assets		22,372,256	19,858,460	14,284,818	13,271,032
Total Current Assets		<u>2,713,373,705</u>	<u>2,353,641,300</u>	<u>2,426,385,006</u>	<u>2,106,199,684</u>
NON-CURRENT ASSETS					
Deposit at bank under obligation	9	2,060,877	2,064,650	2,060,877	2,064,650
Available-for-sale investments	10	1,503,860,741	1,670,649,791	1,491,410,741	1,659,099,791
Investments in subsidiaries	11	-	-	152,048,252	132,048,252
Investments in associates	12	176,688,966	165,929,122	182,509,728	182,509,728
Other long-term investments	13	796,551,628	859,824,028	793,281,628	856,554,028
Investment property	14	709,980,288	713,565,390	714,513,324	718,272,194
Property, plant and equipment	15	1,227,763,506	1,257,308,263	1,089,001,508	1,107,809,049
Intangible assets	16	39,319,223	37,267,926	39,187,329	37,016,119
Leasehold rights	17	14,030,664	2,464,956	14,030,664	2,464,956
Other non-current assets		34,547,347	5,449,783	19,440,093	3,505,789
Total Non-Current Assets		<u>4,504,803,240</u>	<u>4,714,523,909</u>	<u>4,497,484,144</u>	<u>4,701,344,556</u>
TOTAL ASSETS		<u><u>7,218,176,945</u></u>	<u><u>7,068,165,209</u></u>	<u><u>6,923,869,150</u></u>	<u><u>6,807,544,240</u></u>

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

THAI WACOAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT DECEMBER 31, 2018

UNIT : BAHT

	NOTES	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2018	2017	2018	2017
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Trade and other current payables	18	683,488,191	583,522,442	707,390,058	600,977,031
Current portion of financial lease liabilities	19	264,367	384,060	264,367	303,217
Current provisions for employee benefit	21	59,008,680	39,454,010	40,614,393	30,931,609
Current income tax payable		39,130,747	16,627,049	37,641,573	15,028,697
Other current liabilities					
Provision for goods returned		25,000,000	30,000,000	25,000,000	30,000,000
Withholding tax payable		7,075,361	5,383,945	5,890,318	4,318,783
Others		11,071,571	7,104,457	7,860,157	4,237,079
		43,146,932	42,488,402	38,750,475	38,555,862
Total Current Liabilities		825,038,917	682,475,963	824,660,866	685,796,416
NON-CURRENT LIABILITIES					
Financial lease liabilities	19	-	264,367	-	264,367
Deferred tax liabilities	20	72,914,239	122,528,176	104,294,636	153,201,017
Provisions for employee benefit	21	509,129,588	497,761,527	328,527,571	316,252,166
Total Non-Current Liabilities		582,043,827	620,554,070	432,822,207	469,717,550
TOTAL LIABILITIES		1,407,082,744	1,303,030,033	1,257,483,073	1,155,513,966

THAI WACOAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT DECEMBER 31, 2018

UNIT : BAHT

	NOTES	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2018	2017	2018	2017
LIABILITIES AND SHAREHOLDERS' EQUITY					
(CONTINUED)					
SHAREHOLDERS' EQUITY					
SHARE CAPITAL					
Authorized share capital					
120,000,000 ordinary shares of					
Baht 1.00 each		120,000,000	120,000,000	120,000,000	120,000,000
Issued and paid-up share capital					
120,000,000 ordinary shares of					
Baht 1.00 each, fully paid		120,000,000	120,000,000	120,000,000	120,000,000
PREMIUM ON ORDINARY SHARES		297,190,000	297,190,000	297,190,000	297,190,000
RETAINED EARNINGS					
Appropriated					
Legal reserve	22	12,000,000	12,000,000	12,000,000	12,000,000
General reserve	24	389,929,979	371,401,880	389,929,979	371,401,880
Unappropriated		4,169,516,599	4,012,284,437	4,035,032,741	3,908,712,428
OTHER COMPONENTS OF SHAREHOLDERS' EQUITY					
		822,235,077	952,040,069	812,233,357	942,725,966
EQUITY ATTRIBUTABLE TO					
OWNERS OF THE PARENT		5,810,871,655	5,764,916,386	5,666,386,077	5,652,030,274
NON-CONTROLLING INTERESTS		222,546	218,790	-	-
TOTAL SHAREHOLDERS' EQUITY		5,811,094,201	5,765,135,176	5,666,386,077	5,652,030,274
TOTAL LIABILITIES AND SHARHOLDERS' EQUITY		7,218,176,945	7,068,165,209	6,923,869,150	6,807,544,240

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

THAI WACOAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED DECEMBER 31 , 2018

UNIT : BAHT

	NOTES	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2018	2017	2018	2017
Revenues from sale of goods and rendering of services	26	4,606,051,449	4,362,536,272	4,915,900,616	4,640,581,250
Cost of sale of goods and rendering of services	27	(3,398,581,821)	(3,341,325,058)	(3,909,514,724)	(3,806,289,344)
Gross Profit		1,207,469,628	1,021,211,214	1,006,385,892	834,291,906
Dividend income		78,148,639	81,871,758	146,815,297	199,162,800
Other income	28	95,991,632	102,143,725	101,242,916	106,446,123
Profit before expenses		1,381,609,899	1,205,226,697	1,254,444,105	1,139,900,829
Selling expenses		(266,062,661)	(131,682,331)	(261,425,982)	(127,577,733)
Administrative expenses		(671,717,240)	(625,468,995)	(588,728,618)	(542,540,271)
Management benefit expenses		(69,352,326)	(64,167,770)	(51,682,078)	(46,822,749)
Loss on impairment of investments		(75,417,636)	(8,070,000)	(75,417,636)	(8,070,000)
Gain (loss) on sale of investment	13.2	90,493,784	(5,187,841)	89,843,260	(6,275,066)
Profit before financial cost and income tax expenses		389,553,820	370,649,760	367,033,051	408,615,010
Financial cost		(77,877)	(271,963)	(75,311)	(253,378)
Share of profit (loss) from investments in associates		10,705,500	(5,492,848)	-	-
Profit before income tax expenses		400,181,443	364,884,949	366,957,740	408,361,632
Income tax expense	30	(44,404,021)	(40,200,298)	(42,109,328)	(37,799,648)
NET PROFIT FOR THE YEAR		355,777,422	324,684,651	324,848,412	370,561,984
PROFIT ATTRIBUTABLE TO					
Owners of the parent		355,760,261	324,671,822	-	-
Non-controlling interests		17,161	12,829	-	-
		355,777,422	324,684,651	-	-
BASIC EARNINGS OF THE COMPANY PER SHARE	BAHT	2.96	2.71	2.71	3.09
WEIGHTED AVERAGE NUMBER OF					
ORDINARY SHARES	SHARES	120,000,000	120,000,000	120,000,000	120,000,000

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

THAI WACOAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31 , 2018

UNIT : BAHT

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Net profit for the year	355,777,422	324,684,651	324,848,412	370,561,984
Other comprehensive income (loss)				
Items that will not be reclassified subsequently to profit or loss				
Gains (losses) on remeasurements of defined benefit plans	5,985,058	(2,203,738)	5,985,058	(2,985,626)
Income tax relating to items that will not be reclassified subsequently	(1,197,012)	440,748	(1,197,012)	597,124
Items that will be reclassified subsequently to profit or loss				
Unrealized gain (loss) on the changes in value of available-for-sale securities	(168,295,315)	198,244,112	(169,100,819)	197,683,192
Exchange differences on translating financial statements of foreign operations	54,343	(40,968)	-	-
Income tax relating to items that will be reclassified subsequently	33,648,194	(39,640,629)	33,820,164	(39,536,638)
Other comprehensive income (loss) for the year, net of income tax	(129,804,732)	156,799,525	(130,492,609)	155,758,052
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	225,972,690	481,484,176	194,355,803	526,320,036
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO				
Owners of the parent	225,955,269	481,471,404	-	-
Non-controlling interests	17,421	12,772	-	-
	225,972,690	481,484,176	-	-

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

THAI WACOAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

UNIT : BAHT

Notes		Other components of shareholders' equity											
		Retained earnings					Other comprehensive income		Total		Non-controlling interests	Total shareholders' equity	
		Issued and paid-up share capital	Premium on ordinary shares	Appropriated		Unappropriated	Unrealized gain on the changes in value of available-for-sale securities	Exchange differences on translating financial statements of foreign operations	Losses on remeasurements of defined benefit plans	Other components of shareholders' equity			Equity attributable to owners of the parent
				Legal reserve	General reserve								
Balance as at January 1, 2017		120,000,000	297,190,000	12,000,000	354,037,797	3,860,976,698	799,817,494	-	(4,577,007)	795,240,487	5,439,444,982	245,930	5,439,690,912
Dividend paid	24	-	-	-	-	(156,000,000)	-	-	-	-	(156,000,000)	-	(156,000,000)
General reserve	24	-	-	-	17,364,083	(17,364,083)	-	-	-	-	-	-	-
Dividend paid to non-controlling interests		-	-	-	-	-	-	-	-	-	-	(39,912)	(39,912)
Total comprehensive income		-	-	-	-	324,671,822	158,595,347	(32,775)	(1,762,990)	156,799,582	481,471,404	12,772	481,484,176
Ending balance as at December 31, 2017		120,000,000	297,190,000	12,000,000	371,401,880	4,012,284,437	958,412,841	(32,775)	(6,339,997)	952,040,069	5,764,916,386	218,790	5,765,135,176
Balance as at January 1, 2018		120,000,000	297,190,000	12,000,000	371,401,880	4,012,284,437	958,412,841	(32,775)	(6,339,997)	952,040,069	5,764,916,386	218,790	5,765,135,176
Dividend paid	24	-	-	-	-	(180,000,000)	-	-	-	-	(180,000,000)	-	(180,000,000)
General reserve	24	-	-	-	18,528,099	(18,528,099)	-	-	-	-	-	-	-
Dividend paid to non-controlling interests		-	-	-	-	-	-	-	-	-	-	(13,665)	(13,665)
Total comprehensive income		-	-	-	-	355,760,261	(134,636,513)	43,475	4,788,046	(129,804,992)	225,955,269	17,421	225,972,690
Ending balance as at December 31, 2018		120,000,000	297,190,000	12,000,000	389,929,979	4,169,516,599	823,776,328	10,700	(1,551,951)	822,235,077	5,810,871,655	222,546	5,811,094,201

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

THAI WACOAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

UNIT : BAHT

	Notes	Other components of shareholders' equity							
		Retained earnings				Other comprehensive income		Total	
		Issued and	Premium on	Appropriated	Unappropriated	Unrealized gain on the	Losses on	Other components	Total
		paid-up	ordinary	Legal reserve	General reserve	changes in value of	remeasurements of	of shareholders'	shareholders'
		share	shares			available-for-sale	defined benefit plans	equity	equity
		capital				securities			
Balance as at January 1, 2017		120,000,000	297,190,000	12,000,000	354,037,797	3,711,514,527	798,617,080	(11,649,166)	5,281,710,238
Dividend paid	24	-	-	-	-	(156,000,000)	-	-	(156,000,000)
General reserve	24	-	-	-	17,364,083	(17,364,083)	-	-	-
Total comprehensive income		-	-	-	-	370,561,984	158,146,554	(2,388,502)	526,320,036
Ending balance as at December 31, 2017		120,000,000	297,190,000	12,000,000	371,401,880	3,908,712,428	956,763,634	(14,037,668)	5,652,030,274
Balance as at January 1, 2018		120,000,000	297,190,000	12,000,000	371,401,880	3,908,712,428	956,763,634	(14,037,668)	5,652,030,274
Dividend paid	24	-	-	-	-	(180,000,000)	-	-	(180,000,000)
General reserve	24	-	-	-	18,528,099	(18,528,099)	-	-	-
Total comprehensive income		-	-	-	-	324,848,412	(135,280,655)	4,788,046	194,355,803
Ending balance as at December 31, 2018		120,000,000	297,190,000	12,000,000	389,929,979	4,035,032,741	821,482,979	(9,249,622)	5,666,386,077

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

THAI WACOAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2018	2017	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before income tax		400,181,443	364,884,949	366,957,740	408,361,632
Adjustments :					
Depreciation of investment property and plant and equipment		93,916,749	98,812,123	60,205,244	63,453,313
Amortization of intangible assets and leasehold rights		9,061,505	7,627,759	8,933,049	7,452,522
(Gain) loss on sales of property, plant and equipment		676,831	(2,475,857)	1,209,728	(1,532,134)
Gain on sales of intangible assets		(143)	(5,489)	-	(5,489)
Gain on sale of investment property		-	(4,552,400)	-	(4,552,400)
Share of (gain) loss from investments for the equity method		(10,705,500)	5,492,848	-	-
Unrealized loss on exchange rate		22,293	628,223	22,293	628,223
Dividend income from investments		(78,148,639)	(81,871,758)	(146,815,297)	(199,162,800)
Loss on impairment of investments		75,417,636	8,070,000	75,417,636	8,070,000
Reversal of loss from goods returned		(5,000,000)	-	(5,000,000)	-
Loss on devaluation of inventories		48,879,616	50,659,662	45,965,722	48,562,454
(Gain) loss on sale of investments		(90,493,784)	5,187,841	(89,843,260)	6,275,066
Unrealized (gain) loss on trading securities		314,563	(836,437)	314,563	(836,437)
Employee benefit expense		44,888,328	73,972,914	32,043,103	39,923,737
Interest income		(8,374,435)	(8,906,907)	(7,996,179)	(8,407,079)
Interest expense		77,877	271,963	75,311	253,378
		<u>480,714,340</u>	<u>516,959,434</u>	<u>341,489,653</u>	<u>368,483,986</u>
Operating assets (increase) decrease					
Trade and other current receivables		(67,227,098)	(105,484,913)	(116,921,293)	(70,920,237)
Inventories		(241,395,779)	65,134,569	(189,194,640)	112,089,781
Other current assets		(2,513,796)	1,088,318	(1,013,786)	1,425,880
Operating liabilities increase (decrease)					
Trade and other payables		99,222,346	8,808,982	105,801,179	(11,599,795)
Withholding tax payable		1,691,416	(2,277,553)	1,571,535	(2,118,854)
Other current liabilities		3,967,114	1,954,549	3,623,078	2,637,287
Cash paid for employee benefit		(29,188,547)	(48,163,724)	(22,316,859)	(36,150,739)
Cash received from operations		<u>245,269,996</u>	<u>438,019,662</u>	<u>123,038,867</u>	<u>363,847,309</u>
Cash paid for interest expense		(484)	(167,715)	-	(167,715)
Cash paid for income tax		(39,063,077)	(40,252,106)	(35,779,680)	(38,301,174)
Net cash provided by operating activities		<u>206,206,435</u>	<u>397,599,841</u>	<u>87,259,187</u>	<u>325,378,420</u>

THAI WACOAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2018	2017	2018	2017
CASH FLOWS FROM INVESTING ACTIVITIES					
(Increase) decrease in deposit at bank under obligation		(9,656)	4,216,063	(9,656)	4,216,063
(Increase) decrease in temporary investments		3,027,080	(167,703,929)	14,423,780	(217,915,801)
Payments for short-term loans to others		(20,000,000)	-	(20,000,000)	-
Proceeds from short-term loans to others		40,020,000	10,000,000	40,020,000	10,000,000
Payment for purchase of investments in subsidiaries		-	-	(20,000,000)	(15,652)
Payment for purchase of investments in associate		-	(112,852,800)	-	(112,852,800)
Payment for purchase of general investments		(7,500,000)	(19,432,180)	(7,500,000)	(19,427,180)
Proceeds from capital reduction general investments		139,400	-	139,400	-
Proceeds from sale of general investments		-	1,952,000	-	1,952,000
Payment for purchase of available-for-sale securities - debt securities		(11,000,000)	(3,000,000)	(11,000,000)	(3,000,000)
Proceeds from sale of available-for-sale securities - debt securities		9,999,756	-	9,999,756	-
Proceeds from sale of available-for-sale securities		91,740,000	-	91,740,000	-
Proceeds from long-term investments		248,689	95,448	248,689	95,448
Proceeds from redemption of held-to-maturity securities		50,000,000	50,000,000	50,000,000	50,000,000
Payment for purchase of held-to-maturity securities		(40,000,000)	(67,033,000)	(40,000,000)	(67,033,000)
Proceeds from sale of property, plant and equipment		1,594,664	4,684,461	708,004	3,730,048
Payment for purchase of property, plant and equipment		(62,314,981)	(47,429,197)	(38,944,717)	(34,543,575)
Proceeds from sale of intangible assets		8,400	5,500	-	5,500
Proceeds from sale of investment property		-	5,741,949	-	5,741,949
Payment for purchase of intangible assets		(22,686,768)	(2,021,275)	(22,669,968)	(2,021,275)
Cash received from dividends		75,242,805	81,871,758	144,130,297	199,162,800
Cash received from interest		8,376,312	9,360,920	8,052,303	8,677,546
(Increase) decrease in other non-current assets		(7,889,556)	(159,536)	2,282,699	54,000
Net cash provided by (used in) investing activities		<u>108,996,145</u>	<u>(251,703,818)</u>	<u>201,620,587</u>	<u>(173,173,929)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Payment for short-term borrowings from financial institutions	4.3	-	(18,000,000)	-	(18,000,000)
Dividends paid to shareholders		(180,000,000)	(156,000,000)	(180,000,000)	(156,000,000)
Dividend paid to non-controlling interests		(13,666)	(34,912)	-	-
Payment for financial lease liabilities	4.3	(461,453)	(577,548)	(378,528)	(378,528)
Net cash used in financing activities		<u>(180,475,119)</u>	<u>(174,612,460)</u>	<u>(180,378,528)</u>	<u>(174,378,528)</u>
Effect of exchange rate changes on cash and cash equivalents		(8,864)	(66,385)	(8,864)	(66,385)
Net increase (decrease) in cash and cash equivalents		<u>134,718,597</u>	<u>(28,782,822)</u>	<u>108,492,382</u>	<u>(22,240,422)</u>
Cash and cash equivalents as at January 1,		<u>32,992,539</u>	<u>61,775,361</u>	<u>18,430,270</u>	<u>40,670,692</u>
Cash and cash equivalents as at December 31,		<u><u>167,711,136</u></u>	<u><u>32,992,539</u></u>	<u><u>126,922,652</u></u>	<u><u>18,430,270</u></u>

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

THAI WACOAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

1. OPERATIONS OF THE COMPANY AND SUBSIDIARIES

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

COMPANY’S NAME	LOCATION
Thai Wacoal Public Co., Ltd.	132 Soi Charoenrat 7, Khwang Bangkhlo, Bangkoklaem District, Bangkok 10120
Direct subsidiaries	
Wacoal Siracha Co., Ltd.	173/2 Moo 5, Sukaphibal 8 Road, Tambol Bung, Siricha District, Chonburi 20230
Wacoal Kabinburi Co., Ltd.	121, 121/1 Moo 5, Suwannasorn Road, Tambol Nonsee, Kabinburi District, Prachinburi 25110
Wacoal Lamphun Co., Ltd.	99, 99/4 Moo 5, Liongmuang Road, Tambol Paa-Sak, Muanglamphun District, Lamphun 51000
Tora 1010 Co., Ltd.	132 Soi Charoenrat 7, Khwang Bangkhlo, Bangkoklaem District, Bangkok 10120
Indirect subsidiary	
Pattaya Kabinburi Co., Ltd.	123, 123/1 Moo 5, Suwannasorn Road, Tambol Nonsee, Kabinburi District, Prachinburi 25110

On July 10, 2017 the Extraordinary Shareholders’ Meeting No. 1/2017 of SR.W. Garment Co., Ltd. which is subsidiary has passed a resolution to approve a change of the name from “SR.W. Garment Co., Ltd.” to “Wacoal Siracha Co., Ltd.”. The subsidiary has registered to change the name with Ministry of Commerce on July 17, 2017.

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 and subsidiaries maintain its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards and accounting practices generally accepted in Thailand.
- 2.2 The Company's and its subsidiaries' financial statements have been prepared in accordance with the Thai Accounting Standard (TAS) No. 1 (Revised 2017) "Presentation of Financial Statements", which was effective for financial periods beginning on or after January 1, 2018 onward, and the Regulation of The Stock Exchange of Thailand (SET) dated October 2, 2017, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2560 and the Notification of the Department of Business Development regarding "The Brief Particulars in the Financial Statements (No.2) B.E. 2559" dated October 11, 2016.
- 2.3 The financial statements have been prepared under the historical cost convention except as disclosed in the significant accounting policies.
- 2.4 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

During the period, the Company and subsidiaries have adopted the revised and new financial reporting standards and guidelines on accounting issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's and its subsidiaries' financial statements, except the following financial reporting standards:

Thai Accounting Standard No.7 (Revised 2017) "Statement of Cash Flows"

This revised accounting standard requires the disclosure of changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This accounting standard requires prospective method for such amendment.

2.5 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

2.5.1 Thai Financial Reporting Standards which will be effective for the financial statements with fiscal years beginning on or after January 1, 2019

New Thai Financial Reporting Standards and Thai Financial Reporting Standard Interpretation

The Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standards and Thai Financial Reporting Standard Interpretation which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2019 onwards.

Thai Financial Reporting Standards (“TFRS”)

TFRS 1	First-time Adoption of International Financial Reporting Standards
TFRS 15	Revenue from Contracts with Customers

Thai Financial Reporting Standard Interpretation (“TFRIC”)

TFRIC 22	Foreign Currency Transactions and Advance Consideration
----------	---

There is the key change to the core principle of TFRS 15, which introduces a 5-step approach to revenue recognition, as follow:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

Under TFRS 15, an entity recognizes revenue when (or as) a performance obligation is satisfied. TFRS 15 will supersede the Standards and Interpretations relating to revenue upon its effective date.

Thai Financial Reporting Standards (TFRSs) Revised 2018

The Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standards (TFRSs) Revised 2018 which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2019 onwards. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology and reference to other TFRSs except following TFRSs, which there are revision or additional paragraph and accounting guidance.

Thai Accounting Standard No.28 (Revised 2018) “Investment in Associates and Joint Ventures” clarifies about the election of measurement an investment in an associate or a joint venture at fair value through profit or loss, and clarifies the consideration about the impairment of an investment in an associate or a joint venture. This accounting standard requires retrospective method for such amendment.

Thai Accounting Standard No.40 (Revised 2018) “Investment Property” clarifies about transfers of investment property to, or from, other accounts when, and only when, there is a change in use. This accounting standard requires prospective method for such amendment.

Thai Financial Reporting Standard No.2 (Revised 2018) “Share-based Payment” adds the requirements, which require prospective method for the amendment as follows:

- 1) The requirement about treatment of vesting and non-vesting for a cash-settled share-based payment transaction
- 2) The requirement about share-based payment transactions with a net settlement feature for withholding tax obligations
- 3) The requirement about accounting for a modification of a share-based payment transaction that changes its classification from cash-settled to equity-settled

Thai Financial Reporting Standard No.4 (Revised 2018) “Insurance Contracts” determines the option for insurance industry to temporarily exempt from applying Thai Financial Reporting Standard No.9 “Financial Instruments” (“TFRS 9”). An entity can elect to exempt from TFRS 9 for annual periods beginning before January 1, 2022 or before TFRS 17 is effective.

2.5.2 Thai Financial Reporting Standards which will be effective for the financial statements with fiscal years beginning on or after January 1, 2020

The Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standard Group of Financial Instruments which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2020 onwards, as follows:

Thai Accounting Standards (“TAS”)

TAS 32	Financial Instruments: Presentation
--------	-------------------------------------

Thai Financial Reporting Standards (“TFRS”)

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Thai Financial Reporting Standard Interpretations (“TFRIC”)

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost; taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model, the calculation of impairment using the expected credit loss method, and the concept of hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. These TFRSs will supersede the Standards and Interpretations relating to the financial instruments upon its effective date.

The Company's and its subsidiaries' management will adopt such TFRSs in the preparation of the Company's and its subsidiaries' financial statements when it becomes effective. The Company's and its subsidiaries' management is in the process to assess the impact of these TFRSs on the financial statements of the Company and its subsidiaries in the period of initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention except as disclosed in the significant 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 from the date of acquisition, excluding deposit at bank used as collateral.

3.2 Recognition of revenues and expenses

Revenue from sales are recognized 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 and the significant risks and rewards of ownership of the goods are transferred to the buyer according to the shipment term.

Revenues from services are recognized when the services are rendered.

Interest is recognized as income on an accrual basis. Dividend income 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 weighted average basis.

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

3.5 Investments

Deposit at banks having a maturity exceed 3 months but not over 12 months which presents at cost and is no collateralized.

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

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

Other long-term investments are stated at cost, less allowances for impairment (if any).

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

Investments in associates are accounted for using the equity method in the consolidated financial statements and by the cost method in the separate financial statements.

Gain or loss on the change in fair value of trading investments is recognized as unrealized gains or losses in the statement of profit or loss.

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

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

3.6 Investment property

Investment property consist of land and building and structures.

Investment property which is land is presented at cost.

Investment property which are building and structures are presented at cost less accumulated depreciation, and accumulated impairment losses (if any).

Depreciation is calculated by the straight-line method, based on the estimated useful lives of the assets of 20 - 30 years.

3.7 Property, plant and equipment

Land is stated at cost. Plant and equipment are presented at cost less accumulated depreciation, and accumulated impairment losses (if any).

Depreciation is calculated by the straight-line method, based on the estimated useful lives of the assets as follows:

Land improvement	5 - 30 years
Building and structures	20 - 30 years
Furniture, fixtures	5 - 10 years
Office equipment	3 - 5 years
Machinery	5 - 10 years
Equipment	5 - 10 years
Vehicles	5 - 7 years

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, realized gains or losses on exchange are recognized as income or expense as incurred. Monetary assets and liabilities at the date of statements of financial position denominated in foreign currencies are translated into Baht at the reference exchange rates established by the Bank of Thailand on that date. Exchange gains or losses are included as incomes or expenses in the statement of profit or loss for the year.

3.11 Lease

Operating lease

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

Finance lease

Lease in which substantially all the risks and rewards of ownership other than legal title are transferred to the Company is accounted for as a finance lease. The Company capitalizes the equipment at the lower of fair value of the equipment at the contractual date or estimated present value of the underlying lease payments. The leased assets are depreciated using the straight-line method over their estimated useful lives. Interest or financial charge is recognized by effective interest rate method over the term of contracts. Interest or financial charge and depreciation are recognized as expenses in the statement of profit or loss.

3.12 Impairment

The carrying amounts of the assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amounts of asset is estimated.

The Company and its subsidiaries recognize impairment loss when the recoverable amount of an asset is lower than its carrying amount. The recoverable amount is the higher of the asset's fair value less cost to sell and its value in use. The Company and its subsidiaries determine the value by estimating the present value of future cash flows generated by the asset, discounted using a pre-tax discount rate which reflects current market assessments of the time value of money and the risk specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. The calculation reflects the amount that the Company and its subsidiaries could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

The Company and its subsidiaries recognize an impairment loss as expense in the statement of profit or loss.

Reversal of an impairment loss.

The Company and its subsidiaries will reverse impairment loss of asset (if any), which had been recognized in the prior periods, if there is an indicator for impairment may no longer exist or may have decreased which the recoverable amount must be estimated.

3.13 Employment benefits

3.13.1 Provident fund

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

3.13.2 Post-employment benefits

The Company and its subsidiaries operate post-employment benefits plans under the Labor Protection Act and the Company and its subsidiaries' retirement benefit plans. Such employee benefits are calculated based on actuarial assumptions at the end of reporting period using Projected Unit Credit Method, which is estimated based on the present value of expected cash flows of benefits to be paid in the future taken into account the actuarial assumptions, including salaries, turnover rate, mortality rate, years of service and other factors. Discount rate used in calculation of the post-employment 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 statement of profit or loss in order to allocate such costs throughout the service period.

3.14 Derivative financial instruments

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

3.15 Income tax expenses

Income tax expenses represents the sum of the current tax and deferred tax.

3.15.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the financial statement date.

3.15.2 Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit (tax base). Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for temporary differences to the extent that it is probable that taxable profits will be available against which those temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at the reporting date. Deferred tax asset shall be reduced to the extent that utilized taxable profits are decreased. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available to allow total or part of the asset to be recovered.

The Company and its subsidiaries measure deferred tax assets and liabilities at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the end of the reporting period.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off the recognized amounts and the Company and its subsidiaries intend to settle on a net basis or to realize the asset and settle the liability simultaneously and when they relate to income taxes levied by the same taxation authority.

The Company and its subsidiaries present income tax expenses or income related to profit or loss in the statement of comprehensive income. For current income taxes and deferred taxes related to items recognized directly in other comprehensive income in equity in the same or different period, they will be recognized directly in other comprehensive income.

3.16 Basic earnings per share

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

3.17 Use of management's judgement

The preparation of financial statements in conformity with TFRS 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 statement of financial position and the reported amounts of revenue and expense of the accounting period. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

Significant judgements in applying accounting policies are as follows:

Provision for goods returned

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

Impairment

The Company and its subsidiaries shall assess the assets balance at the statement of financial position whether there is any indication that an asset may be impaired. If any such indication exists, the Company and its subsidiaries shall estimate the recoverable amount of the asset and shall also test an intangible asset.

Employee benefit

Past service cost related to the plan amendment is recognized as an expense in the income statement when the plan amendment is effective.

3.18 Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company and its subsidiaries take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis.

In addition, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

4. SUPPLEMENTARY DISCLOSURES OF CASH FLOWS INFORMATION

4.1 Cash and cash equivalents consist of:

	CONSOLIDATED FINANCIAL STATEMENTS		UNIT : BAHT SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Cash in hand	920,520	880,768	715,717	605,417
Bank deposit in savings and current accounts	111,790,616	32,111,771	76,206,935	17,824,853
Bill of exchange	55,000,000	-	50,000,000	-
Total Cash and cash equivalents	<u>167,711,136</u>	<u>32,992,539</u>	<u>126,922,652</u>	<u>18,430,270</u>

4.2 Non-cash transactions for the years ended December 31, are as follows:

4.2.1 Purchase of fixed assets, intangible assets and leasehold rights as at December 31, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		UNIT : BAHT SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Payable for purchase of fixed assets, intangible assets and leasehold rights as at January 1,	1,129,908	2,795,365	1,097,273	2,599,865
<u>Add</u> Purchases during the year	85,745,152	47,785,015	62,226,532	35,062,258
<u>Less</u> Cash payments during the year	<u>(85,001,749)</u>	<u>(49,450,472)</u>	<u>(61,614,685)</u>	<u>(36,564,850)</u>
Payable for purchase of fixed assets, intangible assets and leasehold rights as at December 31,	<u>1,873,311</u>	<u>1,129,908</u>	<u>1,709,120</u>	<u>1,097,273</u>

4.2.2 Investments as at December 31, are as follows:

	UNIT : BAHT		
	Consolidated financial statements		
	Temporary investments	Available-for-sale investments	Other long-term investments
As at January 1, 2018	420,902,710	1,670,649,791	859,824,028
Cash flows from investing activities	(53,027,080)	(90,988,445)	47,360,600
Non-Cash transaction			
Gain on sale of investment	3,254,043	87,239,741	-
Loss on impairment of investment	-	(21,817,636)	(53,600,000)
Unrealized loss on changes in fair value of available-for-sale securities in equity	(39,605)	(168,255,710)	-
Others	29,685,437	27,033,000	(57,033,000)
As at December 31, 2018	400,775,505	1,503,860,741	796,551,628

	UNIT : BAHT		
	Consolidated financial statements		
	Temporary investments	Available-for-sale investments	Other long-term investments
As at January 1, 2017	249,785,786	1,469,345,526	852,917,249
Cash flows from investing activities	117,703,929	2,904,552	84,513,180
Non-Cash transaction			
Gain (loss) on sale of investment	2,732,159	-	(7,920,000)
Loss on impairment of investment	-	-	(8,070,000)
Unrealized gain (loss) on changes in fair value of available-for-sale securities in equity	(155,601)	198,399,713	-
Others	50,836,437	-	(61,616,401)
As at December 31, 2017	420,902,710	1,670,649,791	859,824,028

	UNIT : BAHT		
	Separate financial statements		
	Temporary investments	Available-for-sale investments	Other long-term investments
As at January 1, 2018	287,338,957	1,659,099,791	856,554,028
Cash flows from investing activities	(64,423,780)	(90,988,445)	47,360,600
Non-Cash transaction			
Gain on sale of investment	2,603,519	87,239,741	-
Loss on impairment of investment	-	(21,817,636)	(53,600,000)
Unrealized gain (loss) on changes in fair value of available-for-sale securities in equity	54,891	(169,155,710)	-
Others	29,685,437	27,033,000	(57,033,000)
As at December 31, 2018	255,259,024	1,491,410,741	793,281,628

	UNIT : BAHT		
	Separate financial statements		
	Temporary investments	Available-for-sale investments	Other long-term investments
As at January 1, 2017	66,833,306	1,458,620,526	849,647,249
Cash flows from investing activities	167,915,801	2,904,552	84,508,180
Non-Cash transaction			
Gain (loss) on sale of investment	1,644,934	-	(7,920,000)
Loss on impairment of investment	-	-	(8,070,000)
Unrealized gain on changes in fair value of available-for-sale securities in equity	108,479	197,574,713	-
Others	50,836,437	-	(61,611,401)
As at December 31, 2017	287,338,957	1,659,099,791	856,554,028

4.2.3 As at December 31, 2018, the Company has increase in unrealized gains on changes in fair value of convertible bonds to ordinary shares of Baht 13.67 million (see Note 13).

4.3 Movements of interest-bearing liabilities from financing activities

Movements of interest-bearing liabilities arising from financing activities for years ended December 31, are as follows:

	UNIT : BAHT		
	Consolidated financial statements		
	Short-term borrowings from financial institutions	Finance lease liabilities	Total
As at January 1, 2018	-	745,349	745,349
Cash flows items:			
Additions	-	-	-
Repayments	-	(461,453)	(461,453)
Total Cash flows items	-	(461,453)	(461,453)
As at December 31, 2018	-	283,896	283,896

	UNIT : BAHT		
	Consolidated financial statements		
	Short-term borrowings from financial institutions	Finance lease liabilities	Total
As at January 1, 2017	18,000,000	1,322,897	19,322,897
Cash flows items:			
Additions	-	-	-
Repayments	(18,000,000)	(577,548)	(18,577,548)
Total Cash flows items	(18,000,000)	(577,548)	(18,577,548)
As at December 31, 2017	-	745,349	745,349

	UNIT : BAHT		
	Separate financial statements		
	Short-term borrowings from financial institutions	Finance lease liabilities	Total
As at January 1, 2018	-	662,424	662,424
Cash flows items:			
Additions	-	-	-
Repayments	-	(378,528)	(378,528)
Total Cash flows items	-	(378,528)	(378,528)
As at December 31, 2018	-	283,896	283,896

	UNIT : BAHT		
	Separate financial statements		
	Short-term borrowings from financial institutions	Finance lease liabilities	Total
As at January 1, 2017	18,000,000	1,040,952	19,040,952
Cash flows items:			
Additions	-	-	-
Repayments	(18,000,000)	(378,528)	(18,378,528)
Total Cash flows items	<u>(18,000,000)</u>	<u>(378,528)</u>	<u>(18,378,528)</u>
As at December 31, 2017	<u>-</u>	<u>662,424</u>	<u>662,424</u>

The Company does not have non-cash activities that related to short-term borrowings from financial institutions for years ended December 31, 2018 and 2017.

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

	UNIT : MILLION BAHT			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
	2018	2017	2018	2017
Facilities for bank overdrafts and short-term borrowings from financial institutions	1,368.63	1,368.23	1,272.90	1,272.90

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

5. TEMPORARY INVESTMENTS

Temporary investments as at December 31, are as follows:

	UNIT : BAHT			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
	2018	2017	2018	2017
Time deposits	65,000,000	-	30,000,000	-
Short-term investments in trading securities				
- equity securities	3,798,470	4,106,035	3,798,470	4,106,035
Short-term investments in trading securities				
- debt securities	11,596,093	11,423,352	11,596,093	11,423,352
Short-term investments in available-for-sale securities - debt securities	290,380,942	355,373,323	179,864,461	221,809,570
Investments in held-to-maturity securities due within 1 year	<u>30,000,000</u>	<u>50,000,000</u>	<u>30,000,000</u>	<u>50,000,000</u>
	<u>400,775,505</u>	<u>420,902,710</u>	<u>255,259,024</u>	<u>287,338,957</u>

Additional details of trading securities consist of the following:

UNIT : BAHT			
SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS			
	Cost value/ amortized cost	Unrealized gross profit	Unrealized gross loss
	As at December 31, 2018		Fair value As at December 31, 2018
Trading securities			
Equity securities			
- Ordinary shares	1,704,928	90,956	(96,751)
- Unit trust	1,739,712	359,625	-
	<u>3,444,640</u>	<u>450,581</u>	<u>(96,751)</u>
			<u>3,798,470</u>
Debt securities			
- Unit trust	11,107,303	488,790	-
	<u>14,551,943</u>	<u>939,371</u>	<u>(96,751)</u>
			<u>15,394,563</u>

UNIT : BAHT			
SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS			
	Cost value/ amortized cost	Unrealized gross profit	Unrealized gross loss
	As at December 31, 2017		Fair value As at December 31, 2017
Trading securities			
Equity securities			
- Ordinary shares	1,525,190	291,101	(12,332)
- Unit trust	1,739,712	562,364	-
	<u>3,264,902</u>	<u>853,465</u>	<u>(12,332)</u>
			<u>4,106,035</u>
Debt securities			
- Unit trust	11,107,302	316,050	-
	<u>14,372,204</u>	<u>1,169,515</u>	<u>(12,332)</u>
			<u>15,529,387</u>

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

UNIT : BAHT			
CONSOLIDATED FINANCIAL STATEMENTS			
	Cost Value/ Amortized cost	Unrealized gross profit	Unrealized gross loss
	As at December 31, 2018		Fair Value As at December 31, 2018
Available-for-sale securities			
Debt securities			
- Unit trust	289,972,631	408,311	-
	<u>289,972,631</u>	<u>408,311</u>	<u>-</u>
			<u>290,380,942</u>

UNIT : BAHT			
CONSOLIDATED FINANCIAL STATEMENTS			
	Cost Value/ Amortized cost As at December 31, 2017	Unrealized gross profit	Unrealized gross loss Fair Value As at December 31, 2017
Available-for-sale securities			
Debt securities			
- Unit trust	354,925,407	447,916	-
	<u>354,925,407</u>	<u>447,916</u>	<u>355,373,323</u>

UNIT : BAHT			
SEPARATE FINANCIAL STATEMENTS			
	Cost Value/ Amortized cost As at December 31, 2018	Unrealized gross profit	Unrealized gross loss Fair Value As at December 31, 2018
Available-for-sale securities			
Debt securities			
- Unit trust	179,700,000	164,461	-
	<u>179,700,000</u>	<u>164,461</u>	<u>179,864,461</u>

UNIT : BAHT			
SEPARATE FINANCIAL STATEMENTS			
	Cost Value/ Amortized cost As at December 31, 2017	Unrealized gross profit	Unrealized gross loss Fair Value As at December 31, 2017
Available-for-sale securities			
Debt securities			
- Unit trust	221,700,000	109,570	-
	<u>221,700,000</u>	<u>109,570</u>	<u>221,809,570</u>

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, 2018	Unrealized gross profit	Unrealized gross loss Fair Value December 31, 2018
Held-to-maturity securities			
Debentures	30,000,000	308,000	-
	<u>30,000,000</u>	<u>308,000</u>	<u>30,308,000</u>

UNIT : BAHT			
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	Cost Value/ Amortized cost December 31, 2017	Unrealized gross profit	Unrealized gross loss
			Fair Value December 31, 2017
Held-to-maturity securities			
Debentures	50,000,000	1,132,000	-
	<u>50,000,000</u>	<u>1,132,000</u>	<u>-</u>
			51,132,000

6. TRADE AND OTHER CURRENT RECEIVABLES

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

	UNIT : BAHT			
	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Trade receivables - related companies (see Note 31)	687,592,757	652,701,237	814,091,953	744,064,712
Trade receivables - other companies	87,100,096	50,995,576	84,118,191	45,766,703
Total trade receivables	774,692,853	703,696,813	898,210,144	789,831,415
Other receivables - related companies	2,802,030	2,332,714	3,080,961	2,544,402
Other receivables - other companies	60,331	38,413	60,331	38,413
Prepaid expenses	7,831,934	4,997,196	7,261,385	3,777,442
Advance payment	3,239,962	339,199	3,144,613	166,335
Accrued income	9,019,003	16,108,846	7,401,044	3,194,178
Accrued interest income	1,328,133	1,330,011	1,231,558	1,287,682
Total other receivables	24,281,393	25,146,379	22,179,892	11,008,452
	798,974,246	728,843,192	920,390,036	800,839,867

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

	UNIT : BAHT			
	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Current	693,094,269	607,525,569	809,550,289	682,218,245
Overdue				
Within 3 months	77,667,301	72,169,739	84,872,639	83,765,076
Between 3 and 6 months	3,719,954	22,519,996	3,575,887	22,366,585
Between 6 and 12 months	211,329	1,481,509	211,329	1,481,509
More than 12 months	-	-	-	-
Total trade receivables	774,692,853	703,696,813	898,210,144	789,831,415

7. OTHER SHORT-TERM LOANS

As at December 31, 2018 and 2017, other short-term loans in the consolidated and the separate financial statements amounting to Baht 21.53 million and Baht 41.55 million, respectively, are short-term loans to other companies in the form of promissory notes at call, with interest rate at 4.00% to 6.25% per annum. There is no collateral for such loans.

8. INVENTORIES

Inventories as at December 31, are as follows:

	UNIT : BAHT			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Finished goods	753,331,297	621,228,512	759,171,996	631,256,123
Finished goods in transit	14,330,447	-	7,300,621	-
Work in process	139,902,921	160,558,825	86,076,427	112,541,635
Raw materials	358,823,908	304,609,588	199,827,443	177,874,326
Raw materials in transit	36,797,280	24,223,829	36,797,280	24,223,829
Total inventories	1,303,185,853	1,110,620,754	1,089,173,767	945,895,913
<u>Less</u> Allowance for diminution in value of finished goods	(1,175,291)	(1,126,355)	(1,175,291)	(1,126,355)
Inventories - net	1,302,010,562	1,109,494,399	1,087,998,476	944,769,558

The costs of inventories recognized as expenses in the consolidated and separate financial statements for the year ended December 31, 2018 are Baht 3,366.11 million and Baht 3,895.98 million, respectively (2017: Baht 3,299.17 million and Baht 3,793.82 million, respectively).

The Company recognized expenses in respect of write-downs of inventory to net realizable value in the consolidated and separate financial statements for the year ended December 31, 2018 of Baht 48.88 million and Baht 45.97 million, respectively (2017 : Baht 50.66 million and Baht 48.56 million, respectively) (see Note 29).

9. DEPOSIT AT BANK UNDER OBLIGATION

Deposit at bank under obligation as at December 31, 2018 and December 31, 2017 in the consolidated and the separate financial statements are time deposit with maturity term of 6 months amounting to HKD 0.5 million which the Company used as collateral for credit facility from financial institution in favor of a related company (see Note 34).

10. AVAILABLE-FOR-SALE INVESTMENTS

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

	UNIT : BAHT			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
	2018	2017	2018	2017
Available-for-sale investments				
Equity securities				
- Ordinary shares				
- Related companies	1,052,539,031	1,074,147,345	1,040,089,031	1,062,597,345
- Other companies	462,167,674	586,176,999	462,167,674	586,176,999
Less Allowance for impairment	(21,817,636)	-	(21,817,636)	-
	<u>440,350,038</u>	<u>586,176,999</u>	<u>440,350,038</u>	<u>586,176,999</u>
Total	<u>1,492,889,069</u>	<u>1,660,324,344</u>	<u>1,480,439,069</u>	<u>1,648,774,344</u>
Debt securities	<u>10,971,672</u>	<u>10,325,447</u>	<u>10,971,672</u>	<u>10,325,447</u>
Total	<u><u>1,503,860,741</u></u>	<u><u>1,670,649,791</u></u>	<u><u>1,491,410,741</u></u>	<u><u>1,659,099,791</u></u>

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

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	
			2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
			Baht'000	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	64,615,035	270,464,130	364,538,610	18.15	18.15	64,615,035	64,615,035	270,464,130	364,538,610
I.C.C. 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	144,639,849	472,978,405	438,787,195	3.82	3.82	134,814,849	134,814,849	460,528,405	427,237,195
Saha Pathana Inter Holding Public Co., Ltd.	Holding company	The Company's major shareholder	571,515	494,034	0.69	0.68	80,350,852	53,317,867	289,564,496	248,749,540	0.69	0.68	80,350,852	53,317,867	289,564,496	248,749,540
Thanulux Public Co., Ltd.	Manufacturing clothing	The Company's major Shareholder has over 10% shareholding	120,000	120,000	0.83	0.83	27,809,160	27,809,160	18,500,000	20,800,000	0.83	0.83	27,809,160	27,809,160	18,500,000	20,800,000
Far East Famine DDB Public Co., Ltd.	Agency & Advertising	The Company's major Shareholder has over 10% shareholding	75,000	75,000	0.08	0.08	400,000	400,000	1,032,000	1,272,000	0.08	0.08	400,000	400,000	1,032,000	1,272,000
Total available- for-sale securities							317,814,896	290,781,911	1,052,539,031	1,074,147,345			307,989,896	280,956,911	1,040,089,031	1,062,597,345

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:

	CONSOLIDATED FINANCIAL STATEMENTS		UNIT : BAHT SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Beginning balance	958,412,841	799,817,494	956,763,634	798,617,080
Additions	(134,636,513)	158,595,347	(135,280,655)	158,146,554
Ending balance	<u>823,776,328</u>	<u>958,412,841</u>	<u>821,482,979</u>	<u>956,763,634</u>

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

	CONSOLIDATED FINANCIAL STATEMENTS			UNIT : BAHT
	Cost Value/ Amortized Cost As at December 31, 2018	Unrealized gross profit	Unrealized gross loss	Fair Value As at December 31, 2018
Available-for-sale securities				
Equity securities				
- Ordinary shares				
- Related parties	317,814,896	744,033,295	(9,309,160)	1,052,539,031
- Other companies	<u>145,654,910</u>	<u>305,303,101</u>	<u>(10,607,973)</u>	<u>440,350,038</u>
Total	<u>463,469,806</u>	<u>1,049,336,396</u>	<u>(19,917,133)</u>	<u>1,492,889,069</u>
Debt securities				
- Debentures	<u>11,076,673</u>	<u>-</u>	<u>(105,001)</u>	<u>10,971,672</u>
Total	<u>11,076,673</u>	<u>-</u>	<u>(105,001)</u>	<u>10,971,672</u>
	<u>474,546,479</u>	<u>1,049,336,396</u>	<u>(20,022,134)</u>	<u>1,503,860,741</u>

	CONSOLIDATED FINANCIAL STATEMENTS			UNIT : BAHT
	Cost Value/ Amortized Cost As at December 31, 2017	Unrealized gross profit	Unrealized gross loss	Fair Value As at December 31, 2017
Available-for-sale securities				
Equity securities				
- Ordinary shares				
- Related parties	290,781,911	790,374,594	(7,009,160)	1,074,147,345
- Other companies	<u>171,972,546</u>	<u>427,554,902</u>	<u>(13,350,449)</u>	<u>586,176,999</u>
Total	<u>462,754,457</u>	<u>1,217,929,496</u>	<u>(20,359,609)</u>	<u>1,660,324,344</u>
Debt securities				
- Government's bonds	<u>10,325,361</u>	<u>1,109</u>	<u>(1,023)</u>	<u>10,325,447</u>
Total	<u>10,325,361</u>	<u>1,109</u>	<u>(1,023)</u>	<u>10,325,447</u>
	<u>473,079,818</u>	<u>1,217,930,605</u>	<u>(20,360,632)</u>	<u>1,670,649,791</u>

	SEPARATE FINANCIAL STATEMENTS			UNIT : BAHT
	Cost Value/ Amortized Cost As at December 31, 2018	Unrealized gross profit	Unrealized gross loss	Fair Value As at December 31, 2018
Available-for-sale securities				
Equity securities				
- Ordinary shares				
- Related parties	307,989,896	741,408,295	(9,309,160)	1,040,089,031
- Other companies	145,654,910	305,303,101	(10,607,973)	440,350,038
Total	453,644,806	1,046,711,396	(19,917,133)	1,480,439,069
Debt securities				
- Debentures	11,076,673	-	(105,001)	10,971,672
Total	11,076,673	-	(105,001)	10,971,672
	464,721,479	1,046,711,396	(20,022,134)	1,491,410,741

SEPARATE FINANCIAL STATEMENTS				UNIT : BAHT
	Cost Value/ Amortized Cost As at December 31, 2017	Unrealized gross profit	Unrealized gross loss	Fair Value As at December 31, 2017
Available-for-sale securities				
Equity securities				
- Ordinary shares				
- Related parties	280,956,911	788,649,594	(7,009,160)	1,062,597,345
- Other companies	171,972,546	427,554,902	(13,350,449)	586,176,999
Total	452,929,457	1,216,204,496	(20,359,609)	1,648,774,344
Debt securities				
- Government's bonds	10,325,361	119	(1,023)	10,325,447
Total	10,325,361	119	(1,023)	10,325,447
	463,254,818	1,216,205,605	(20,360,632)	1,659,099,791

11. INVESTMENTS IN SUBSIDIARIES

UNIT : BAHT							
SEPARATE							
FINANCIAL STATEMENTS							
Company	Business Type	Paid-up capital		% of ownership		Cost method	
		December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Subsidiaries							
Wacoal Siracha Co., Ltd.	Manufacturing clothing	20,000,000	20,000,000	99.96	99.96	22,051,627	22,051,627
Wacoal Kabinburi Co., Ltd.	Manufacturing clothing	50,000,000	50,000,000	99.99	99.99	49,999,802	49,999,802
Wacoal Lamphun Co., Ltd.	Manufacturing clothing	50,000,000	50,000,000	99.99	99.99	49,999,823	49,999,823
Tora 1010 Co., Ltd.	Trading clothing	30,000,000	10,000,000	99.99	99.97	29,997,000	9,997,000
Total investments in subsidiaries						152,048,252	132,048,252

On October 12, 2018, the Extraordinary Shareholders' Meeting No. 1/2018 of Tora 1010 Co., Ltd. has passed a resolution to increase its registered share capital from Baht 10 million to Baht 50 million by issuing 400,000 common shares at par value of Baht 100 each. Subsequently, on November 12, 2018, the Board of Directors' Meeting No. 5/2018 of the Company has passed a resolution to purchase total common shares as aforementioned. The Company had initially paid for the shares at par value of Baht 50 each, or Baht 20 million, on November 14, 2018.

12. INVESTMENTS IN ASSOCIATES

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

							UNIT : BAHT
Company	Business Type	Paid-up capital		CONSOLIDATED		SEPARATE	
				FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2018	2017	2018	2017	2018	2017
Associates							
Pattaya Myanmar Co., Ltd.	Manufacturing						
	clothing	25,424,000	25,424,000	6,036,125	5,399,693	5,084,800	5,084,800
Myanmar Wacoal Co., Ltd.	Manufacturing						
	clothing	132,400,000	132,400,000	36,735,507	35,109,657	52,960,728	52,960,728
Pattaya Manufacturing Co., Ltd	Manufacturing						
	clothing	30,000,000	30,000,000	133,917,334	125,419,772	124,464,200	124,464,200
Total investments in associates				176,688,966	165,929,122	182,509,728	182,509,728

On September 12, 2013, the Company has invested in Pattaya Myanmar Co., Ltd. with 1,600 common shares at par value of USD 100 each, totalling Baht 5.08 million, or 20% of its registered shares.

On February 9, 2015, the Company has invested with a major shareholder to establish a company in the Republic of the Union of Myanmar, named as "Myanmar Wacoal Company Limited". The total number of authorized shares is 40,000 shares, at par value of USD 100 each. The Company has invested in such company with 40% of its registered shares.

On November 21, 2017, the Company has invested in Pattaya Manufacturing Co., Ltd. with 1,200,000 common shares at par value of Baht 103.72 each, totalling Baht 124.46 million, or 40% of its registered shares.

As at December 31, 2018 and 2017, the Company recorded investments in associates by equity method in the consolidated financial statements, using the information from the financial statements of the associate for the years ended December 31, 2018 and 2017 which were not audited and reviewed. Shares of gain (loss) from investment in such associated companies for the years ended December 31, 2018 and 2017 were Baht 10.71 million and Baht (5.49) million, respectively.

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

	As at December 31,	
	2018 Million Baht	2017 Million Baht
Total assets	957.68	945.29
Total liabilities	(373.34)	(377.74)
Net assets	<u>584.34</u>	<u>567.55</u>

	For the years ended December 31,	
	2018 Million Baht	2017 Million Baht
Total revenue	802.38	169.26
Net gain (loss) for the year	28.35	(13.83)
Share of gain (loss) of associated companies accounted for under the equity method	10.71	(5.49)

13. OTHER LONG-TERM INVESTMENTS

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

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
General investments				
Ordinary shares				
- Related companies	638,139,094	630,778,494	638,139,094	630,778,494
<u>Less</u> Allowance for impairment	<u>(78,639,942)</u>	<u>(24,739,942)</u>	<u>(78,639,942)</u>	<u>(24,739,942)</u>
	<u>559,499,152</u>	<u>606,038,552</u>	<u>559,499,152</u>	<u>606,038,552</u>
- Other companies	157,649,976	157,649,976	154,379,976	154,379,976
<u>Less</u> Allowance for impairment	<u>(20,597,500)</u>	<u>(20,897,500)</u>	<u>(20,597,500)</u>	<u>(20,897,500)</u>
	<u>137,052,476</u>	<u>136,752,476</u>	<u>133,782,476</u>	<u>133,482,476</u>
Total	<u>696,551,628</u>	<u>742,791,028</u>	<u>693,281,628</u>	<u>739,521,028</u>
Held-to-maturity securities				
Debentures	100,000,000	117,033,000	100,000,000	117,033,000
	<u>100,000,000</u>	<u>117,033,000</u>	<u>100,000,000</u>	<u>117,033,000</u>
Total	<u>796,551,628</u>	<u>859,824,028</u>	<u>793,281,628</u>	<u>856,554,028</u>

In June 2018, the Company has converted the convertible bond, which is a held-to-maturity security amounting to Baht 27.03 million, to be ordinary shares under market demand in the same amount. The Company reclassified from other long-term investments to available-for-sales investments as at December 31, 2018 (see Note 10.1).

There is an unrealized gain on changes in fair value from converting bond to ordinary shares at amount of Baht 13.67 million, which has been included in other components of shareholders' equity (see Note 4.2.3).

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

Companies	Business Type	Relationship	Paid-up capital		% of Ownership		CONSOLIDATED		SEPARATE		CONSOLIDATED		UNIT : BAHT	
							FINANCIAL STATEMENTS		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS		SEPARATE	
							Carrying value*		Carrying value*		Dividend received		Dividend received	
			2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
			Baht'000	Baht'000										
General investments														
SSDC (Tigertex) Co., Ltd.	Dying	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	1,213,114	2,426,228	1,213,114	2,426,228
T.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	-	-	-	-
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	2,685,000	-	2,685,000	-
Raja Uchino Co., Ltd.	Lining	The Company's major shareholder has over 10% shareholding	121,500	121,500	4.47	4.47	4,659,410	4,659,410	4,659,410	4,659,410	54,360	543,600	54,360	543,600
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	-	-	-	-
Thai Monster Co., Ltd. *	Garment	The Company's major shareholder has over 10% shareholding	5,000	5,000	5.00	5.00	100,000	100,000	100,000	100,000	-	-	-	-

* Carrying value - net of allowance for impairment

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

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	
			2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
			Baht'000	Baht'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	4,124,980	4,660,080	4,124,980	4,660,080
Morgan De Toi (Thailand) Co., Ltd.	Distributor Brand "MORGAN"	The Company's major shareholder has over 10% shareholding	40,000	40,000	12.00	12.00	4,800,000	4,800,000	4,800,000	4,800,000	-	-	-	-
International Commercial Coordination (HK) *	Distributor	The Company's major shareholder has over 10% shareholding	21,456	21,456	18.00	18.00	1,477,180	2,277,180	1,477,180	2,277,180	-	-	-	-
PT. Indonesia Wacoal	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	277,915	315,211	277,915	315,211
Carbon Magic (Thailand) Co., Ltd. *	Manufacturer of vehicle's parts	The Company's major shareholder has over 10% shareholding	590,000	590,000	8.33	8.33	38,767,000	41,867,000	38,767,000	41,867,000	-	-	-	-
Waseda Education (Thailand) Co., Ltd.	Education Institution	The Company's major shareholder has over 10% shareholding	20,000	21,952	7.14	7.14	1,428,600	1,568,000	1,428,600	1,568,000	-	-	-	-
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	630,000	530,000	630,000	-	-	-	-
Sun 108 Co., Ltd.	Retail	The Company's major shareholder has over 10% shareholding	450,000	300,000	5.00	5.00	22,500,000	15,000,000	22,500,000	15,000,000	10,500,000	10,500,000	10,500,000	10,500,000

* Carrying value - net of allowance for impairment

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

Companies	Business Type	Relationship	Paid-up capital		% of Ownership		CONSOLIDATED FINANCIAL STATEMENTS Carrying value*		SEPARATE FINANCIAL STATEMENTS Carrying value*		CONSOLIDATED FINANCIAL STATEMENTS Dividend received		UNIT : BAHT SEPARATE FINANCIAL STATEMENTS Dividend received	
			2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
			Baht'000	Baht'000										
Janome (Thailand) Co., Ltd.	Manufacturer of Sewing Machines	The Company's major shareholder has over 10% shareholding	97,400	97,400	7.73	7.73	19,254,283	19,254,283	19,254,283	19,254,283	1,881,590	1,881,590	1,881,590	1,881,590
Erawan Textile Co., Ltd.	Spinning Textile and Weaving	The Company's major shareholder has over 10% shareholding	621,463	621,463	16.23	16.23	119,891,874	119,891,874	119,891,874	119,891,874	-	-	-	-
Bangkok Tokyo Socks Co., Ltd.	Manufacturer and Export of Men's socks	The Company's major shareholder has over 10% shareholding	161,780	143,220	15.14	17.11	24,599,800	24,599,800	24,599,800	24,599,800	-	980,000	-	980,000
Fujix International Co., Ltd. *	Thread Seller	The Company's major shareholder has over 10% shareholding	100,000	100,000	5.00	5.00	2,110,000	2,010,000	2,110,000	2,010,000	-	-	-	-
A Tech Textile Co., Ltd. *	Manufacturer of Underwear for woman	The Company's major shareholder has over 10% shareholding	1,000,000	1,000,000	19.00	19.00	130,000,000	180,000,000	130,000,000	180,000,000	-	-	-	-
G Tech Material Co., Ltd.	Manufacturer of Underwear for woman	The Company's major shareholder has over 10% shareholding	300,000	300,000	19.00	19.00	57,000,000	57,000,000	57,000,000	57,000,000	-	-	-	-
SRP Nanasai Co., Ltd.	Design & Advertising	Co-director	16,000	16,000	7.69	7.69	1,019,300	1,019,300	1,019,300	1,019,300	36,900	-	36,900	-
Royal Garment Co., Ltd.	Manufacturing clothing	Co-director	1,000	1,000	9.00	9.00	388,241	388,241	388,241	388,241	72,000	72,000	72,000	72,000
Total general investments							559,499,152	606,038,552	559,499,152	606,038,552	20,845,859	21,378,709	20,845,859	21,378,709

* Carrying value - net of allowance for impairment

As at December 31, 2018, general investment in T.U.C. Elastic Co., Ltd. is on the process of liquidation. The Company has received cash in advance from such investment amounting to Baht 17.20 million (see Note 18).

As at December 31, 2018, general investment in Saha Nam Textile Co., Ltd. is on the process of liquidation. The Company has received cash in advance from such investment amounting to Baht 0.70 million.

13.2 Gain (loss) on sale of investments

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

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Gain (loss) on sale of investments				
- Trading securities	119,010	104,776	119,010	104,776
- Available-for-sale securities	90,374,774	2,627,383	89,724,250	1,540,158
- General investment	-	(7,920,000)	-	(7,920,000)
Total gain (loss) on sale of investments	<u>90,493,784</u>	<u>(5,187,841)</u>	<u>89,843,260</u>	<u>(6,275,066)</u>

13.3 Maturities of held-to-maturity securities

As at December 31, 2018 and 2017, maturities of held-to-maturity securities consist of the following:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Between 1 and 5 years	80,000,000	70,000,000	80,000,000	70,000,000
Over 5 years	20,000,000	47,033,000	20,000,000	47,033,000
Total	<u>100,000,000</u>	<u>117,033,000</u>	<u>100,000,000</u>	<u>117,033,000</u>

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

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS		
	Cost Value/ Amortized Cost	Unrealized gross profit	Unrealized gross loss
	December 31, 2018		
Held-to-maturity securities			Fair Value
Debentures	100,000,000	1,720,000	-
			December 31, 2018
			101,720,000

	UNIT : BAHT		
	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS		
	Cost Value/ Amortized Cost December 31, 2017	Unrealized gross profit	Unrealized gross loss December 31, 2017
Held-to-maturity securities			
Debentures	117,033,000	17,766,160	-
			134,799,160

14. INVESTMENT PROPERTY

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

As at December 31, 2018

	UNIT : BAHT			
	CONSOLIDATED FINANCIAL STATEMENTS			
	Balance as at January 1, 2018	Additions	Disposals	Transfer/ other Balance as at December 31, 2018
Cost				
Land	686,041,013	-	-	-
Building and structures	99,216,484	-	-	-
Total investment property	<u>785,257,497</u>	<u>-</u>	<u>-</u>	<u>-</u>
Accumulated depreciation				
Building and structures	(71,692,107)	(3,585,102)	-	-
Investment property	<u>713,565,390</u>			<u>(75,277,209)</u>
				<u>709,980,288</u>

As at December 31, 2017

	UNIT : BAHT			
	CONSOLIDATED FINANCIAL STATEMENTS			
	Balance as at January 1, 2017	Additions	Disposals	Transfer/ other Balance as at December 31, 2017
Cost				
Land	646,857,562	-	(1,186,912)	40,370,363
Building and structures	99,575,333	-	(3,848,600)	3,489,751
Total investment property	<u>746,432,895</u>	<u>-</u>	<u>(5,035,512)</u>	<u>43,860,114</u>
Accumulated depreciation				
Building and structures	(69,439,375)	(4,693,712)	3,845,963	(1,404,983)
Investment property	<u>676,993,520</u>			<u>(71,692,107)</u>
				<u>713,565,390</u>

Depreciation for the years ended December 31,

2018

Baht 3,585,102

2017

Baht 4,693,712

As at December 31, 2018

	Balance as at January 1, 2018	SEPARATE FINANCIAL STATEMENTS			UNIT : BAHT
		Additions	Disposals	Transfer/ other	Balance as at December 31, 2018
Cost					
Land	687,445,274	-	-	-	687,445,274
Building and structures	124,075,684	-	-	-	124,075,684
Total investment property	<u>811,520,958</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>811,520,958</u>
Accumulated depreciation					
Building and structures	(93,248,764)	(3,758,870)	-	-	(97,007,634)
Investment property	<u>718,272,194</u>				<u>714,513,324</u>

As at December 31, 2017

	Balance as at January 1, 2017	SEPARATE FINANCIAL STATEMENTS			UNIT : BAHT
		Additions	Disposals	Transfer/ other	Balance as at December 31, 2017
Cost					
Land	648,261,823	-	(1,186,912)	40,370,363	687,445,274
Building and structures	124,434,533	-	(3,848,600)	3,489,751	124,075,684
Total investment property	<u>772,696,356</u>	<u>-</u>	<u>(5,035,512)</u>	<u>43,860,114</u>	<u>811,520,958</u>
Accumulated depreciation					
Building and structures	(90,822,264)	(4,867,480)	3,845,963	(1,404,983)	(93,248,764)
Investment property	<u>681,874,092</u>				<u>718,272,194</u>

Depreciation for the years ended December 31

2018	Baht	<u>3,758,870</u>
2017	Baht	<u>4,867,480</u>

Fair value of investment property as at December 31, 2018 and 2017 consists of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	CARRYING VALUE	FAIR VALUE	CARRYING VALUE	FAIR VALUE
As at December 31, 2018				
Land	686,041,013	973,553,120	687,445,274	1,059,816,000
Building and structures	23,939,275	133,992,900	27,068,050	160,741,900
As at December 31, 2017				
Land	686,041,013	973,553,120	687,445,274	1,059,816,000
Building and structures	27,524,377	133,992,900	30,826,920	160,741,900

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

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

	CONSOLIDATED FINANCIAL STATEMENTS		UNIT : BAHT SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Rental income from investment property	4,396,403	3,961,581	8,759,603	8,324,781
Direct operating expenses arising from investment property that generated rental income during the year	6,053,227	5,505,755	6,429,573	5,776,613

15. PROPERTY, PLANT AND EQUIPMENT

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

As at December 31, 2018

	CONSOLIDATED FINANCIAL STATEMENTS				UNIT : BAHT
	Balance as at January 1, 2018	Additions	Disposals	Transfer/ other	Balance as at December 31, 2018
Cost					
Land	866,104,639	-	-	-	866,104,639
Land improvement	3,736,581	-	-	-	3,736,581
Building and structures	427,621,568	-	-	-	427,621,568
Furniture, fixtures and office equipment	783,018,321	24,108,735	(7,188,952)	4,895,808	804,833,912
Machinery and equipment	948,074,497	18,788,615	(10,760,587)	8,574,924	964,677,449
Vehicles	60,205,731	8,425,321	(3,278,399)	-	65,352,653
Total property, plant and equipment	<u>3,088,761,337</u>	<u>51,322,671</u>	<u>(21,227,938)</u>	<u>13,470,732</u>	<u>3,132,326,802</u>
Accumulated depreciation					
Land improvement	(1,535,225)	(59,373)	-	-	(1,594,598)
Building and structures	(318,143,436)	(8,357,230)	-	-	(326,500,666)
Furniture, fixtures and office equipment	(661,189,094)	(35,853,918)	5,345,869	-	(691,697,143)
Machinery and equipment	(812,158,252)	(40,909,999)	10,345,686	-	(842,722,565)
Vehicles	(41,183,639)	(5,151,127)	3,278,394	-	(43,056,372)
Total accumulated depreciation	<u>(1,834,209,646)</u>	<u>(90,331,647)</u>	<u>18,969,949</u>	<u>-</u>	<u>(1,905,571,344)</u>
Construction in progress and machinery under installation	<u>2,756,572</u>	<u>11,735,714</u>	<u>(13,506)</u>	<u>(13,470,732)</u>	<u>1,008,048</u>
Property, plant and equipment	<u>1,257,308,263</u>				<u>1,227,763,506</u>

As at December 31, 2017

	CONSOLIDATED FINANCIAL STATEMENTS				UNIT : BAHT
	Balance as at January 1, 2017	Additions	Disposals	Transfer/ other	Balance as at December 31, 2017
Cost					
Land	908,107,773	-	(1,632,771)	(40,370,363)	866,104,639
Land improvement	3,736,581	-	-	-	3,736,581
Building and structures	432,335,358	-	(1,224,039)	(3,489,751)	427,621,568
Furniture, fixtures and office equipment	757,358,488	17,340,616	(3,635,564)	11,954,781	783,018,321
Machinery and equipment	946,777,015	8,844,878	(14,720,508)	7,173,112	948,074,497
Vehicles	61,011,901	1,035,827	(1,841,997)	-	60,205,731
Total property, plant and equipment	<u>3,109,327,116</u>	<u>27,221,321</u>	<u>(23,054,879)</u>	<u>(24,732,221)</u>	<u>3,088,761,337</u>
Accumulated depreciation					
Land improvement	(1,465,257)	(69,968)	-	-	(1,535,225)
Building and structures	(307,821,534)	(12,420,634)	693,749	1,404,983	(318,143,436)
Furniture, fixtures and office equipment	(629,515,962)	(35,308,529)	3,635,397	-	(661,189,094)
Machinery and equipment	(785,570,274)	(41,307,827)	14,719,849	-	(812,158,252)
Vehicles	(37,979,553)	(5,011,453)	1,807,367	-	(41,183,639)
Total accumulated depreciation	<u>(1,762,352,580)</u>	<u>(94,118,411)</u>	<u>20,856,362</u>	<u>1,404,983</u>	<u>(1,834,209,646)</u>
Construction in progress and machinery under installation	<u>3,352,133</u>	<u>18,542,419</u>	<u>(10,087)</u>	<u>(19,127,893)</u>	<u>2,756,572</u>
Property, plant and equipment	<u>1,350,326,669</u>				<u>1,257,308,263</u>
Depreciation for the years ended December 31,					
2018				Baht	<u>90,331,647</u>
2017				Baht	<u>94,118,411</u>

As at December 31, 2018

	SEPARATE FINANCIAL STATEMENTS				UNIT : BAHT
	Balance as at January 1, 2018	Additions	Disposals	Transfer/ other	Balance as at December 31, 2018
Cost					
Land	828,250,382	-	-	-	828,250,382
Land improvement	2,237,838	-	-	-	2,237,838
Building and structures	241,466,546	-	-	-	241,466,546
Furniture, fixtures and office equipment	624,529,198	22,298,221	(7,130,963)	4,889,505	644,585,961
Machinery and equipment	468,289,302	1,658,588	(5,293,430)	3,327,850	467,982,310
Vehicles	48,002,759	7,448,101	(3,271,367)	-	52,179,493
Total property, plant and equipment	<u>2,212,776,025</u>	<u>31,404,910</u>	<u>(15,695,760)</u>	<u>8,217,355</u>	<u>2,236,702,530</u>
Accumulated depreciation					
Land improvement	(1,518,515)	(56,898)	-	-	(1,575,413)
Building and structures	(149,274,146)	(6,042,252)	-	-	(155,316,398)
Furniture, fixtures and office equipment	(514,919,264)	(30,708,616)	5,287,966	-	(540,339,914)
Machinery and equipment	(408,081,596)	(15,464,561)	5,218,700	-	(418,327,457)
Vehicles	(32,100,520)	(4,174,047)	3,271,362	-	(33,003,205)
Total accumulated depreciation	<u>(1,105,894,041)</u>	<u>(56,446,374)</u>	<u>13,778,028</u>	<u>-</u>	<u>(1,148,562,387)</u>
Construction in progress and machinery under installation	<u>927,065</u>	<u>8,151,655</u>	<u>-</u>	<u>(8,217,355)</u>	<u>861,365</u>
Property, plant and equipment	<u>1,107,809,049</u>				<u>1,089,001,508</u>

As at December 31, 2017

	Balance as at January 1, 2017	SEPARATE FINANCIAL STATEMENTS			UNIT : BAHT
		Additions	Disposals	Transfer/ other	Balance as at December 31, 2017
Cost					
Land	870,253,516	-	(1,632,771)	(40,370,363)	828,250,382
Land improvement	2,237,838	-	-	-	2,237,838
Building and structures	246,180,336	-	(1,224,039)	(3,489,751)	241,466,546
Furniture, fixtures and office equipment	599,927,869	16,370,535	(3,201,267)	11,432,061	624,529,198
Machinery and equipment	466,025,059	3,207,195	(4,323,926)	3,380,974	468,289,302
Vehicles	48,845,930	998,827	(1,841,998)	-	48,002,759
Total property, plant and equipment	<u>2,233,470,548</u>	<u>20,576,557</u>	<u>(12,224,001)</u>	<u>(29,047,079)</u>	<u>2,212,776,025</u>
Accumulated depreciation					
Land improvement	(1,451,022)	(67,493)	-	-	(1,518,515)
Building and structures	(143,342,605)	(8,030,274)	693,750	1,404,983	(149,274,146)
Furniture, fixtures and office equipment	(487,930,197)	(30,190,208)	3,201,141	-	(514,919,264)
Machinery and equipment	(395,982,962)	(16,422,463)	4,323,829	-	(408,081,596)
Vehicles	(30,032,492)	(3,875,395)	1,807,367	-	(32,100,520)
Total accumulated depreciation	<u>(1,058,739,278)</u>	<u>(58,585,833)</u>	<u>10,026,087</u>	<u>1,404,983</u>	<u>(1,105,894,041)</u>
Construction in progress and machinery under installation	<u>3,275,674</u>	<u>12,464,426</u>	<u>-</u>	<u>(14,813,035)</u>	<u>927,065</u>
Property, plant and equipment	<u><u>1,178,006,944</u></u>				<u><u>1,107,809,049</u></u>

Depreciation for the years ended December 31,

2018	Baht	56,446,374
2017	Baht	58,585,833

Costs of plant and equipment which are fully depreciated and still in use by the Company and subsidiaries as at December 31, 2018 and 2017 are approximately Baht 1,558.19 million and Baht 1,427.46 million, respectively (Company : Baht 976.22 million and Baht 916.49 million, respectively).

Leased assets included above, where the Company is a lessee under financial leases, classified in equipment as at December 31, as follows:

	UNIT : BAHT	
	CONSOLIDATED	
	FINANCIAL STATEMENTS 2018	2017
Cost - capitalized finance leases	2,004,000	2,004,000
<u>Less</u> Accumulated depreciation	<u>(1,771,119)</u>	<u>(1,417,118)</u>
Net book value	<u>232,881</u>	<u>586,882</u>

	UNIT : BAHT	
	SEPARATE	
	FINANCIAL STATEMENTS 2018	2017
Cost - capitalized finance leases	1,404,000	1,404,000
<u>Less</u> Accumulated depreciation	<u>(1,228,981)</u>	<u>(994,981)</u>
Net book value	<u>175,019</u>	<u>409,019</u>

16. INTANGIBLE ASSETS

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

As at December 31, 2018

	CONSOLIDATED FINANCIAL STATEMENTS				UNIT : BAHT
	Balance as at January 1, 2018	Additions	Disposals	Transfer/ other	Balance as at December 31, 2018
Cost					
Software	84,326,446	2,844,374	(8,400)	122,400	87,284,820
Trademark and club and golf membership fee	7,729,204	16,237	-	312,601	8,058,042
Total	<u>92,055,650</u>	<u>2,860,611</u>	<u>(8,400)</u>	<u>435,001</u>	<u>95,342,862</u>
Accumulated amortization					
Software	(52,283,421)	(5,978,816)	143	-	(58,262,094)
Trademark and club and golf membership fee	(5,975,718)	(437,871)	-	-	(6,413,589)
Total accumulated amortization	<u>(58,259,139)</u>	<u>(6,416,687)</u>	<u>143</u>	<u>-</u>	<u>(64,675,683)</u>
Intangible assets pending transfer	3,471,415	5,615,630	-	(453,001)	8,652,044
Intangible assets	<u>37,267,926</u>				<u>39,319,223</u>

As at December 31, 2017

	CONSOLIDATED FINANCIAL STATEMENTS				UNIT : BAHT
	Balance as at January 1, 2017	Additions	Disposals	Transfer/ other	Balance as at December 31, 2017
Cost					
Software	83,233,956	1,148,390	(55,900)	-	84,326,446
Trademark and club and golf membership fee	7,559,335	22,000	-	147,869	7,729,204
Total	<u>90,793,291</u>	<u>1,170,390</u>	<u>(55,900)</u>	<u>147,869</u>	<u>92,055,650</u>
Accumulated amortization					
Software	(46,378,935)	(5,960,375)	55,889	-	(52,283,421)
Trademark and club and golf membership fee	(5,520,420)	(455,298)	-	-	(5,975,718)
Total accumulated amortization	<u>(51,899,355)</u>	<u>(6,415,673)</u>	<u>55,889</u>	<u>-</u>	<u>(58,259,139)</u>
Intangible assets pending transfer	2,768,399	850,885	-	(147,869)	3,471,415
Intangible assets	<u>41,662,335</u>				<u>37,267,926</u>

Amortization for the years ended December 31,

2018	Baht	<u>6,416,687</u>
2017	Baht	<u>6,415,673</u>

As at December 31, 2018

	SEPARATE FINANCIAL STATEMENTS				UNIT : BAHT
	Balance as at January 1, 2018	Additions	Disposals	Transfer/ other	Balance as at December 31, 2018
Cost					
Software	81,055,576	2,827,574	-	122,400	84,005,550
Trademark and club and golf membership fee	7,729,204	16,237	-	312,601	8,058,042
Total	<u>88,784,780</u>	<u>2,843,811</u>	<u>-</u>	<u>435,001</u>	<u>92,063,592</u>
Accumulated amortization					
Software	(49,264,359)	(5,850,360)	-	-	(55,114,719)
Trademark and club and golf membership fee	(5,975,717)	(437,871)	-	-	(6,413,588)
Total accumulated amortization	<u>(55,240,076)</u>	<u>(6,288,231)</u>	<u>-</u>	<u>-</u>	<u>(61,528,307)</u>
Intangible assets pending transfer	3,471,415	5,615,630	-	(435,001)	8,652,044
Intangible assets	<u>37,016,119</u>				<u>39,187,329</u>

As at December 31, 2017

	SEPARATE FINANCIAL STATEMENTS				UNIT : BAHT
	Balance as at January 1, 2017	Additions	Disposals	Transfer/ other	Balance as at December 31, 2017
Cost					
Software	79,963,086	1,148,390	(55,900)	-	81,055,576
Trademark and club and golf membership fee	7,559,335	22,000	-	147,869	7,729,204
Total	<u>87,522,421</u>	<u>1,170,390</u>	<u>(55,900)</u>	<u>147,869</u>	<u>88,784,780</u>
Accumulated amortization					
Software	(43,535,110)	(5,785,138)	55,889	-	(49,264,359)
Trademark and club and golf membership fee	(5,520,419)	(455,298)	-	-	(5,975,717)
Total accumulated amortization	<u>(49,055,529)</u>	<u>(6,240,436)</u>	<u>55,889</u>	<u>-</u>	<u>(55,240,076)</u>
Intangible assets pending transfer	2,768,399	850,885	-	(147,869)	3,471,415
Intangible assets	<u>41,235,291</u>				<u>37,016,119</u>

Amortization for the years ended December 31,

2018	Baht	<u>6,288,231</u>
2017	Baht	<u>6,240,436</u>

17. LEASEHOLD RIGHTS

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

As at December 31, 2018

	UNIT : BAHT		
	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS		
	Balance as at January 1, 2018	Additions	Disposals
			Balance as at December 31, 2018
Leasehold rights			
Cost	33,754,000	14,210,526	-
Accumulated amortization	(31,289,044)	(2,644,818)	-
Leasehold rights	<u>2,464,956</u>		<u>14,030,664</u>

As at December 31, 2017

	UNIT : BAHT		
	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS		
	Balance as at January 1, 2017	Additions	Disposals
			Balance as at December 31, 2017
Leasehold rights			
Cost	33,754,000	-	-
Accumulated amortization	(30,076,958)	(1,212,086)	-
Leasehold rights	<u>3,677,042</u>		<u>2,464,956</u>
Amortization for the years ended December 31,			
2018			Baht <u>2,644,818</u>
2017			Baht <u>1,212,086</u>

18. TRADE AND OTHER CURRENT PAYABLES

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

	UNIT : BAHT			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Trade payables - related companies (see Note 31)	192,277,411	184,733,155	318,383,179	307,520,123
Trade payables - other companies	<u>198,459,522</u>	<u>162,944,670</u>	<u>145,266,684</u>	<u>103,553,991</u>
Total trade payables	<u>390,736,933</u>	<u>347,677,825</u>	<u>463,649,863</u>	<u>411,074,114</u>
Other payables - related companies	5,348,953	3,799,031	5,286,451	3,729,442
Other payables - other companies	34,906,412	12,601,894	30,768,549	8,537,754
Accrued bonus expense	138,228,713	126,964,832	98,801,882	90,540,791
Accrued royalty fee (see Note 31)	57,844,879	53,677,856	57,844,879	53,677,856
Accrued expense	36,118,828	18,096,185	31,094,198	13,071,477
Unearned income (see Note 13.1)	17,971,123	17,955,967	17,930,947	17,955,967
Guarantees received in advance	<u>2,332,350</u>	<u>2,748,852</u>	<u>2,013,289</u>	<u>2,389,630</u>
Total other payables	<u>292,751,258</u>	<u>235,844,617</u>	<u>243,740,195</u>	<u>189,902,917</u>
	<u>683,488,191</u>	<u>583,522,442</u>	<u>707,390,058</u>	<u>600,977,031</u>

19. LIABILITIES UNDER FINANCE LEASE AGREEMENTS

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

	UNIT : BAHT	
	CONSOLIDATED FINANCIAL STATEMENTS	
	2018	2017
Liabilities under finance lease agreements	283,896	745,349
<u>Less</u> Deferred interest under finance lease agreements	<u>(19,529)</u>	<u>(96,922)</u>
Liabilities under finance lease agreements	<u>264,367</u>	<u>648,427</u>
Installments due within 1 year	264,367	384,060
Installments due longer than 1 year but not over 5 years	-	264,367
Liabilities under finance lease agreements	<u>264,367</u>	<u>648,427</u>
	UNIT : BAHT	
	SEPARATE FINANCIAL STATEMENTS	
	2018	2017
Liabilities under finance lease agreements	283,896	662,424
<u>Less</u> Deferred interest under finance lease agreements	<u>(19,529)</u>	<u>(94,840)</u>
Liabilities under finance lease agreements	<u>264,367</u>	<u>567,584</u>
Installments due within 1 year	264,367	303,217
Installments due longer than 1 year but not over 5 years	-	264,367
Liabilities under finance lease agreements	<u>264,367</u>	<u>567,584</u>

20. DEFERRED TAX LIABILITIES

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

	UNIT : BAHT			
	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Deferred tax assets				
Consignment sales	1,400,000	1,400,000	1,400,000	1,400,000
Allowance for diminution in value of finished goods	235,058	225,271	235,058	225,271
Allowance for impairment of investments	24,211,016	9,127,488	24,211,016	9,127,488
Provision for goods returned	5,000,000	6,000,000	5,000,000	6,000,000
Provisions for employee benefit	102,144,612	100,522,192	70,184,992	69,436,755
Unrealized loss on the changes in value of trading securities	62,912	-	62,912	-
Loss on translating the financial statement of a foreign operation	-	8,194	-	-
	<u>133,053,598</u>	<u>117,283,145</u>	<u>101,093,978</u>	<u>86,189,514</u>
Deferred tax liabilities				
Unrealized gain on the changes in value of trading securities	-	(167,287)	-	(167,287)
Unrealized gain on the changes in value of available-for-sale securities	(205,944,515)	(239,603,578)	(205,370,745)	(239,190,909)
Gain on translating the financial statement of a foreign operation	(2,675)	-	-	-
Financial lease liabilities	<u>(20,647)</u>	<u>(40,456)</u>	<u>(17,869)</u>	<u>(32,335)</u>
	<u>(205,967,837)</u>	<u>(239,811,321)</u>	<u>(205,388,614)</u>	<u>(239,390,531)</u>
Deferred tax liabilities - net	<u>(72,914,239)</u>	<u>(122,528,176)</u>	<u>(104,294,636)</u>	<u>(153,201,017)</u>

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

	BAHT '000			
	CONSOLIDATED FINANCIAL STATEMENTS			
	As at January 1, 2018	Items as recognized in profit or loss (see Note 30)	Items as recognized in other comprehensive income	As at December 31, 2018
Deferred tax assets				
Consignment sales	1,400	-	-	1,400
Allowance for diminution in value of finished goods	225	10	-	235
Allowance for impairment of investments	9,128	15,083	-	24,211
Provision for goods returned	6,000	(1,000)	-	5,000
Provisions for employee benefit	100,522	2,820	(1,197)	102,145
Unrealized loss on the changes in value of trading securities	-	63	-	63
Loss on translating the financial statement of a foreign operation	8	-	(8)	-
	<u>117,283</u>	<u>16,976</u>	<u>(1,205)</u>	<u>133,054</u>
Deferred tax liabilities				
Unrealized gain on the changes in value of trading securities	(167)	167	-	-
Unrealized gain on the changes in value of available-for-sale securities	(239,603)	-	33,659	(205,944)
Gain on translating the financial statement of a foreign operation	-	-	(3)	(3)
Financial lease liabilities	(41)	20	-	(21)
	<u>(239,811)</u>	<u>187</u>	<u>33,656</u>	<u>(205,968)</u>
Deferred tax liabilities - net	<u>(122,528)</u>	<u>17,163</u>	<u>32,451</u>	<u>(72,914)</u>

	BAHT '000			
	CONSOLIDATED FINANCIAL STATEMENTS			
	As at January 1, 2017	Items as recognized in profit or loss (see Note 30)	Items as recognized in other comprehensive income	As at December 31, 2017
Deferred tax assets				
Consignment sales	1,800	(400)	-	1,400
Allowance for diminution in value of finished goods	240	(15)	-	225
Allowance for impairment of investments	7,514	1,614	-	9,128
Provision for goods returned	6,000	-	-	6,000
Provisions for employee benefit	98,503	1,579	440	100,522
Loss carried forward	391	(391)	-	-
Loss on translating the financial statement of a foreign operation	-	-	8	8
	<u>114,448</u>	<u>2,387</u>	<u>448</u>	<u>117,283</u>
Deferred tax liabilities				
Unrealized gain on the changes in value of trading securities	(508)	341	-	(167)
Unrealized gain on the changes in value of available-for-sale securities	(199,955)	-	(39,648)	(239,603)
Financial lease liabilities	(46)	5	-	(41)
	<u>(200,509)</u>	<u>346</u>	<u>(39,648)</u>	<u>(239,811)</u>
Deferred tax liabilities - net	<u>(86,061)</u>	<u>2,733</u>	<u>(39,200)</u>	<u>(122,528)</u>

	SEPARATE FINANCIAL STATEMENTS			BAHT '000
	As at January 1, 2018	Items as recognized in profit or loss (see Note 30)	Items as recognized in other comprehensive income	As at December 31, 2018
Deferred tax assets				
Consignment sales	1,400	-	-	1,400
Allowance for diminution in value of finished goods	225	10	-	235
Allowance for impairment of investments	9,128	15,083	-	24,211
Provision for goods returned	6,000	(1,000)	-	5,000
Provisions for employee benefit	69,437	1,945	(1,197)	70,185
Unrealized loss on the changes in value of trading securities	-	63	-	63
	<u>86,190</u>	<u>16,101</u>	<u>(1,197)</u>	<u>101,094</u>
Deferred tax liabilities				
Unrealized gain on the changes in value of trading securities	(167)	167	-	-
Unrealized gain on the changes in value of available-for-sale securities	(239,191)	-	33,820	(205,371)
Financial lease liabilities	(33)	15	-	(18)
	<u>(239,391)</u>	<u>182</u>	<u>33,820</u>	<u>(205,389)</u>
Deferred tax liabilities - net	(153,201)	16,283	32,623	(104,295)

SEPARATE FINANCIAL STATEMENTS				BAHT '000
As at January 1, 2017	Items as recognized in profit or loss (see Note 30)	Items as recognized in other comprehensive income	As at December 31, 2017	
Deferred tax assets				
Consignment sales	1,800	(400)	-	1,400
Allowance for diminution in value of finished goods	240	(15)	-	225
Allowance for impairment of investments	7,514	1,614	-	9,128
Provision for goods returned	6,000	-	-	6,000
Provisions for employee benefit	68,085	755	597	69,437
	<u>83,639</u>	<u>1,954</u>	<u>597</u>	<u>86,190</u>
Deferred tax liabilities				
Unrealized gain on the changes in value of trading securities	(509)	342	-	(167)
Unrealized gain on the changes in value of available-for-sale securities	(199,654)	-	(39,537)	(239,191)
Financial lease liabilities	(36)	3	-	(33)
	<u>(200,199)</u>	<u>345</u>	<u>(39,537)</u>	<u>(239,391)</u>
Deferred tax liabilities - net	(116,560)	2,299	(38,940)	(153,201)

21. PROVISIONS FOR EMPLOYEE BENEFIT

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

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENT	
	2018	2017	2018	2017
Current provisions for				
Employee benefit	59,008,680	39,454,010	40,614,393	30,931,609
Provisions for employee benefit	509,129,588	497,761,527	328,527,571	316,252,166
Total	<u>568,138,268</u>	<u>537,215,537</u>	<u>369,141,964</u>	<u>347,183,775</u>

Amounts recognized in the statement of profit or loss in respect of these defined benefit plans for the years ended December 31, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Current service cost	33,604,396	61,137,118	24,635,236	31,458,339
Interest cost	11,283,932	12,835,796	7,407,867	8,465,398
	<u>44,888,328</u>	<u>73,972,914</u>	<u>32,043,103</u>	<u>39,923,737</u>

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

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Beginning balance of post-employment benefits obligation	537,215,537	509,202,609	347,183,775	340,425,151
<u>Add</u> Current service cost	33,604,396	47,442,688	24,635,236	31,458,339
Interest cost	11,283,932	12,835,796	7,407,867	8,465,398
Adjustment from transfer-in of employees	21,208,008	13,694,430	18,217,003	-
Actuarial (gain) loss	(5,985,058)	2,203,738	(5,985,058)	2,985,626
<u>Less</u> Benefit paid	<u>(29,188,547)</u>	<u>(48,163,724)</u>	<u>(22,316,859)</u>	<u>(36,150,739)</u>
Ending balance of post-employment benefits obligation	<u>568,138,268</u>	<u>537,215,537</u>	<u>369,141,964</u>	<u>347,183,775</u>

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

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Discount rate (p.a.)	1.89% - 2.42%	1.87% - 2.37%	2.21%	2.13%
Expected rate of salary increase (p.a.)	2.50% - 5.00%	2.50% - 5.00%	2.50% - 5.00%	2.50% - 5.00%
Voluntary resignation rate				
(Depended on employee's age) (p.a.)				
- Monthly employees	1% - 26%	1% - 26%	1% - 12%	1% - 12%
- Daily employees	1% - 46%	1% - 46%	3% - 35%	3% - 35%

The sensitivity analysis of the above actuarial assumptions impacted on increase (decrease) in present value of the provisions for employee benefit as at December 31, are as follows:

	CONSOLIDATED		UNIT : MILLION BAHT	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Discount rate				
Discount rate, decrease of 1 percent	39.38	41.08	27.20	27.96
Discount rate, increase of 1 percent	(37.16)	(38.70)	(25.58)	(26.26)
Salary increase rate				
Salary increase rate, decrease of 1 percent	(39.02)	(35.52)	(26.68)	(24.12)
Salary increase rate, increase of 1 percent	40.96	38.14	28.12	25.38
Turnover rate				
Turnover rate, decrease of 1 percent	0.83	0.73	0.47	0.41
Turnover rate, increase of 1 percent	(0.76)	(0.69)	(0.44)	(0.39)

On December 13, 2018, the National Legislative Assembly passed a resolution approving the draft of a new Labor Protection Act, which is in the process of being announced in the Royal Gazette. The new Labor Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than that of the last 400 days, based on the final wage rate. This change is considered an amendment to post-employment benefits plan. The Company and its subsidiaries will reflect the effect of such change by recognizing past service cost as an expense in the income statement of the period in which the law is effective.

22. 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, 2018 and 2017, the Company's legal reserve has reached 10% of the registered share capital.

23. 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.

24. DIVIDENDS AND GENERAL RESERVE

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

Companies	2018				2017			
	Date of shareholders' Meeting	Baht per share	Total amount (Million Baht)	General reserve (Million Baht)	Date of shareholders' meeting	Baht per share	Total amount (Million Baht)	General reserve (Million Baht)
Thai Wacoal Public Company Limited	April 23	1.50	180.00	18.53	April 24	1.30	156.00	17.36
Wacoal Siracha Co., Ltd.	April 3	137.00	27.40	-	April 5	254.00	50.80	(5.00)
Wacoal Kabinburi Co., Ltd.	April 3	56.00	28.00	-	April 5	80.00	40.00	(5.90)
Wacoal Lamphun Co., Ltd.	April 3	22.50	11.25	-	April 5	54.00	27.00	(5.31)
Pattaya Kabinburi Co., Ltd.	April 3	108.00	21.60	-	April 5	159.00	31.80	-
Tora 1010 Co., Ltd.	April 3	24.00	2.40	-	April 5	-	-	-

Dividends in the year 2017 were the appropriation of net profit for the year 2016 and paid in May 2017.

Wacoal Siracha Co., Ltd., Wacoal Kabinburi Co., Ltd., Wacoal Lamphun Co., Ltd. and Pattaya Kabinburi Co., Ltd. paid dividends in April 2017. In addition, Wacoal Lamphun Co., Ltd. paid dividends in April and May 2017 amounting to Baht 10 million and Baht 17 million, respectively.

Wacoal Siracha Co., Ltd., Wacoal Kabinburi Co., Ltd. and Wacoal Lamphun Co., Ltd. reversed general reserve in the year 2017 for dividend payment.

Dividends in the year 2018 were the appropriation of net profit for the year 2017 and paid in May 2018.

Wacoal Siracha Co., Ltd., Wacoal Kabinburi Co., Ltd., Wacoal Lamphun Co., Ltd. Pattaya Kabinburi Co., Ltd., and Tora 1010 Co., Ltd. paid dividends in April 2018.

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.

25. PROVIDENT FUNDS

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

For the years ended December 31, 2018 and 2017, the Company and subsidiaries' contributions are recorded as expenses in the amount of Baht 21.68 million and Baht 21.04 million, respectively (Company : Baht 14.02 million and Baht 13.37 million, respectively).

26. 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:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Revenues from sale of goods	4,564,553,654	4,313,204,261	4,901,950,011	4,628,023,242
Revenues from rendering of services	41,497,795	49,332,011	13,950,605	12,558,008
Total revenues from sale of goods and rendering of services	<u>4,606,051,449</u>	<u>4,362,536,272</u>	<u>4,915,900,616</u>	<u>4,640,581,250</u>

27. COST OF SALE OF GOODS AND RENDERING OF SERVICES

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

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Cost of sale of goods	3,366,108,738	3,299,165,246	3,895,984,910	3,793,821,298
Cost of rendering of services	<u>32,473,083</u>	<u>42,159,812</u>	<u>13,529,814</u>	<u>12,468,046</u>
Total cost of sale of goods and rendering of services	<u>3,398,581,821</u>	<u>3,341,325,058</u>	<u>3,909,514,724</u>	<u>3,806,289,344</u>

28. OTHER INCOME

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

	UNIT : BAHT			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Interest income	8,374,435	8,906,907	7,996,179	8,407,079
Rental income and service income	10,771,129	11,563,162	16,820,272	17,684,942
Net gain on exchange rate	11,895,050	13,813,047	11,973,411	13,707,976
Gain on sales of property, plant and equipment	-	7,028,261	-	6,084,534
Unrealized gain on trading securities	-	836,437	-	836,437
Other income	64,951,018	59,995,911	64,453,054	59,725,155
	<u>95,991,632</u>	<u>102,143,725</u>	<u>101,242,916</u>	<u>106,446,123</u>

29. EXPENSES BY NATURE

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

	UNIT : BAHT			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Changes in finished goods and work in progress	(125,728,392)	118,866,201	(108,702,350)	140,264,518
Cost of finished goods purchased	448,429,120	216,670,645	1,952,063,153	1,665,825,197
Raw materials used	1,675,565,864	1,665,443,526	1,217,564,081	1,187,439,269
Employee benefits expense	1,513,422,122	1,442,802,699	992,500,046	941,780,714
Depreciation and amortization	102,978,254	106,439,882	69,138,293	70,905,835
Loss on devaluation of inventories (see Note 8)	48,879,616	50,659,662	45,965,722	48,562,454
Royalty fee	58,748,673	54,556,983	58,748,673	54,556,983
Utilities expense	51,001,524	48,805,259	32,745,156	31,893,160
Management benefit expenses	69,352,326	64,167,770	51,682,078	46,822,749

30. CORPORATE INCOME TAX

Corporate income tax of the Company and subsidiaries for the years ended December 31, are as follows:

	UNIT : BAHT	
	CONSOLIDATED	SEPARATE
	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
	2018	2017
<u>Current income tax of the current period</u>		
Current tax expenses of the current period	(61,566,775)	(42,933,086)
<u>Deferred income tax</u>		
Deferred tax income and temporary differences	17,162,754	2,732,788
Total	<u>(44,404,021)</u>	<u>(40,200,298)</u>

Reconciliation of income tax expense and the results of the accounting profit multiplied by the income tax rate for the years ended December 31, are as follows:

	UNIT:BAHT	
	CONSOLIDATED	FINANCIAL STATEMENTS
	2018	2017
Income before income tax	400,181,443	364,884,949
Tax rate	20%	20%
The result of the accounting income before income tax multiplied by the income tax rate - expenses	(80,036,289)	(72,976,990)
Effect of the non-taxable income and non-deductible expense	35,632,268	32,776,692
Income tax - expense	<u>(44,404,021)</u>	<u>(40,200,298)</u>

	UNIT : BAHT	
	SEPARATE	FINANCIAL STATEMENTS
	2018	2017
Income before income tax	366,957,740	408,361,632
Tax rate	20%	20%
The result of the accounting income before income tax multiplied by the income tax rate - expenses	(73,391,548)	(81,672,326)
Effect of the non-taxable income and non-deductible expense	31,282,220	43,872,678
Income tax - expense	<u>(42,109,328)</u>	<u>(37,799,648)</u>

31. 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:

	Relationship	CONSOLIDATED		UNIT : MILLION BAHT	
		FINANCIAL STATEMENTS		SEPARATE	
		2018	2017	2018	2017
Trade receivables					
I.C.C. International Public Co., Ltd.	The Company's major shareholder has over 10% shareholding	488	431	488	431
Wacoal America Inc.	Subsidiary of major shareholder company	32	41	32	41
Wacoal Corporation	The Company's major shareholder and ultimate shareholder	54	64	54	64
Wien International Co., Ltd.	The Company's major shareholder has over 10% shareholding	37	69	37	69
Philippine Wacoal Corporation	The Company's major shareholder has over 10% shareholding	9	1	9	1
Wacoal EMEA Ltd.	The Company's major shareholder has over 10% shareholding	15	4	15	4
International Commercial Coordination (HK)	The Company's major shareholder has over 10% shareholding	5	6	5	6
Pattaya Manufacturing Co., Ltd.	Associated company	18	15	18	13
Myanmar Wacoal Co., Ltd.	Associated company	18	14	18	14
Wacoal Siracha Co., Ltd.	Subsidiary	-	-	59	31
Wacoal Kabinburi Co., Ltd.	Subsidiary	-	-	19	19
Wacoal Lamphun Co., Ltd.	Subsidiary	-	-	31	26
Pattaya Kabinburi Co., Ltd.	Subsidiary	-	-	21	18
Others		12	8	8	7
Total trade receivables (see Note 6)		<u>688</u>	<u>653</u>	<u>814</u>	<u>744</u>

	Relationship	UNIT : MILLION BAHT			
		CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2018	2017	2018	2017
Long-term investments in related companies					
- Available-for-sale securities (see Note 10.1)		1,053	1,074	1,040	1,063
- General investments (see Note 13.1)		559	606	559	606
Non-current asset					
I.C.C. International Public Co., Ltd.	The Company's major shareholder has over 10% shareholding	17	-	17	-
Trade payables					
Textile Prestige Public Co., Ltd.	The Company's major shareholder has over 10% shareholding	4	6	3	6
Thai Takeda Lace Co., Ltd.	The Company's major shareholder has over 10% shareholding	10	5	3	3
Wacoal Corporation	The Company's major shareholder and ultimate shareholder	31	32	32	32
Wacoal International Hongkong Co., Ltd.	The Company's major shareholder has over 10% shareholding	14	9	14	9
G Tech Material Co., Ltd.	The Company's major shareholder has over 10% shareholding	68	65	30	26
A Tech Textile Co., Ltd.	The Company's major shareholder has over 10% shareholding	33	41	18	26
Pattaya Manufacturing Co., Ltd.	Associated company	15	14	15	14
Myanmar Wacoal Co., Ltd.	Associated company	11	8	11	8
Wacoal Siracha Co., Ltd.	Subsidiary	-	-	81	63
Wacoal Kabinburi Co., Ltd.	Subsidiary	-	-	36	39
Wacoal Lamphun Co., Ltd.	Subsidiary	-	-	36	37
Pattaya Kabinburi Co., Ltd.	Subsidiary	-	-	37	42
Others		6	5	2	3
Total trade payables (see Note 18)		192	185	318	308
Accrued royalty fee (see Note 18)					
Wacoal Corporation	The Company's major shareholder and ultimate shareholder	58	54	58	54
Unearned Income (see Note 13.1)					
T.U.C. Elastic Co., Ltd.	The Company's major shareholder has over 10% shareholding	17	17	17	17

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	
		2018	2017	2018	2017
Sale of raw materials and finished goods					
I.C.C. International Public Co., Ltd.	The Company’s major shareholder has over 10% shareholding	2,745	2,552	2,745	2,552
Wacoal America Inc.	Subsidiary of major shareholder company	317	341	317	341
Philippine Wacoal Corp.	The Company’s major shareholder has over 10% shareholding	50	45	50	45
Wacoal Corporation	The Company’s major shareholder and ultimate shareholder	656	726	656	726
Wacoal China Co., Ltd.	The Company’s major shareholder has over 10% shareholding	67	38	67	38
Wien International Co., Ltd.	The Company’s major shareholder has over 10% shareholding	110	117	110	117
Kabin Pattanakij Co., Ltd.	The Company’s major shareholder has over 10% shareholding	20	25	20	25
Wacoal EMEA Ltd.	The Company’s major shareholder has over 10% shareholding	43	4	43	4
Pattaya Manufacturing Co., Ltd.	Associated company	49	42	48	41
Myanmar Wacoal Co., Ltd.	Associated company	63	33	63	33
Wacoal Siracha Co., Ltd.	Subsidiary	-	-	152	117
Wacoal Kabinburi Co., Ltd.	Subsidiary	-	-	67	68
Wacoal Lamphun Co., Ltd.	Subsidiary	-	-	89	92
Pattaya Kabinburi Co., Ltd.	Subsidiary	-	-	64	74
Others		34	35	29	32
Total sale of raw materials and finished goods		4,154	3,958	4,520	4,305

		UNIT : MILLION BAHT			
	Relationship	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2018	2017	2018	2017
Purchase of raw materials and finished goods					
Textile Prestige Public Co., Ltd.	The Company's major shareholder has over 10% shareholding	13	18	7	12
Wacoal Corporation	The Company's major shareholder and ultimate shareholder	116	121	116	121
Wacoal International Hongkong Co., Ltd.	The Company's major shareholder has over 10% shareholding	178	204	178	204
Thai Takeda Lace Co., Ltd.	The Company's major shareholder has over 10% shareholding	38	39	24	27
Pattaya Lamphun Co., Ltd.	The Company's major shareholder has over 10% shareholding	-	20	-	20
G Tech Material Co., Ltd.	The Company's major shareholder has over 10% shareholding	371	282	157	124
A Tech Textile Co., Ltd.	The Company's major shareholder has over 10% shareholding	179	188	105	119
Pattaya Manufacturing Co., Ltd.	Associated company	87	69	87	69
Myanmar Wacoal Co., Ltd.	Associated company	115	54	115	54
Wacoal Siracha Co., Ltd.	Subsidiary	-	-	545	481
Wacoal Kabinburi Co., Ltd.	Subsidiary	-	-	318	307
Wacoal Lamphun Co., Ltd.	Subsidiary	-	-	329	281
Pattaya Kabinburi Co., Ltd.	Subsidiary	-	-	345	327
Tora 1010 Co., Ltd.	Subsidiary	-	-	96	49
Others		36	37	31	31
Total purchase of raw materials and finished goods		1,133	1,032	2,453	2,226
Hire of work income and rental income					
I.C.C. International Public Co., Ltd.	The Company's major shareholder has over 10% shareholding	12	12	12	12
Thaigunze Co., Ltd.	The Company's major shareholder has over 10% shareholding	9	9	-	-
Pattaya Manufacturing Co., Ltd.	Associated company	8	9	3	3
Wacoal Siracha Co., Ltd.	Subsidiary	-	-	7	7
Others		7	12	6	4
Total hire of work income and rental income		36	42	28	26

		UNIT : MILLION BAHT			
	Relationship	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2018	2017	2018	2017
Wage hire of work and rental expense					
Royal Garment Co., Ltd.	Co-director	23	14	23	14
Myanmar Wacoal Co., Ltd.	Associated company	3	3	3	3
Pattaya Manufacturing Co., Ltd.	Associated company	41	32	41	32
Wacoal Lamphun Co., Ltd.	Subsidiary	-	-	1	2
Others		2	4	2	4
Total wage hire of work and rental expense		69	53	70	55
Royalty fee					
Wacoal Corporation	The Company's major shareholder and ultimate shareholder	58	54	58	54
Management benefit expenses					
Short-term benefit		67	63	50	46
Retirement benefit		2	1	2	1
Total management benefit expenses		69	64	52	47

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

The Company sells raw materials to subsidiaries and related companies at cost plus margin as determined at 1% to 2%.

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

The Company pays royalties based on percentage of sales (see Note 32).

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

32. TECHNOLOGY LICENSE AGREEMENT

On January 1, 1999, the Company entered into a technology license agreement with Wacoal Corporation, the company's major shareholder and ultimate shareholder (see Note 31), for the latter to grant the use of trademark and provide technical know-how for manufacturing the products set forth on the agreement. The Company has to pay royalty fee of 2% of net sales for such products. On October 15, 2003, the company renewed such agreement which was effective for a period of 5 years as from January 1, 2004 until December 31, 2008, and is renewable for 5 years. On January 1, 2009 the Company renewed such agreement until December 31, 2013. On December 31, 2013, the Company renewed such agreement until December 31, 2023.

33. DISCLOSURE OF INFORMATION ON FINANCIAL INSTRUMENTS

33.1 Credit risk

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

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

33.2 Interest rate risk

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

33.3 Exchange rate risk

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

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

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

The notional amount and the fair value of derivatives as at December 31, 2018 and 2017 are as follows:

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
December 31, 2018			
	Notional Amount due within 1 year		Fair Value Assets (Liabilities) Baht
	Foreign Currency	Baht	
Forward contracts			
- Sell	JPY 138,000,000	40,295,950	(377,044)

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

December 31, 2017

	Notional Amount due within 1 year		Fair Value
	Foreign Currency	Baht	Assets (Liabilities)
			Baht
Forward contracts			
- Sell	USD 780,765	25,436,116	(138,531)
- Sell	JPY 110,000,000	31,847,000	(52,452)

33.4 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:

33.4.1 Certain financial assets and financial liabilities of the Company and subsidiaries are measured at fair value in at the end of reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined.

Financial assets and financial liabilities	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS		Fair value hierarchy	Valuation technique(s) and key input(s)
	Fair value (Baht'000) as at		Fair value (Baht'000) as at			
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017		
Foreign currency forward contracts	Asset = 11 Liabilities = 388	Asset = 22 Liabilities = 213	Asset = 11 Liabilities = 388	Asset = 22 Liabilities = 213	Level 2	Discount cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.
Short-term investments in trading securities - equity securities	3,798	4,106	3,798	4,106	Level 1	Bid prices at the Stock Exchange of Thailand on the last business day of the period
Short-term investments in trading securities - debt securities	11,596	11,423	11,596	11,423	Level 2	Discounted cash flow using yield as quoted by the Thai Bond Market Association on the last business day of the period
Short-term investments in available-for-sale securities - debt securities	290,381	355,373	179,864	221,810	Level 2	Discounted cash flow using yield as quoted by the Thai Bond Market Association on the last business day of the period
Long-term investments in available-for-sale securities - equity securities	1,492,889	1,660,324	1,480,439	1,648,774	Level 1	Bid prices at the Stock Exchange of Thailand on the last business day of the period
Long-term investments in available-for-sale securities - debt securities	10,972	10,325	10,972	10,325	Level 2	Discounted cash flow using yield as quoted by the Thai Bond Market Association on the last business day of the period

- 33.4.2 Cash and cash equivalents, time deposits, trade and other current receivables, other short-term loans, other current assets, deposit at bank under obligation, bank overdrafts and short-term borrowings from financial institutions, trade and other current payables, current income tax payable, and other current liabilities; the fair values approximate their carrying values due to the relatively short-term maturity of these financial instruments.

The transactions disclosed in the following table, are considered that the carrying amounts recognized in the consolidated and separate financial statements are different from their fair values.

	UNIT : BAHT				
	CONSOLIDATED		SEPARATE		
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS		
	Carrying amount	Fair value	Carrying amount	Fair value	Fair value hierarchy
As at December 31, 2018					
Financial assets					
General investments	696,551,628	1,201,660,202	693,281,628	1,237,488,740	Level 3
Investments in debentures	130,000,000	132,028,000	130,000,000	132,028,000	Level 2
As at December 31, 2017					
Financial assets					
General investments	742,791,028	1,240,697,565	739,521,028	1,237,488,740	Level 3
Investments in debentures	167,033,000	185,931,160	167,033,000	185,931,160	Level 2

The fair values of general investments were calculated from the book values of each investment.

The fair value of investments in debentures is determined by the last bid price by the Thai Bond Market Association on the last business day of the period.

34. CONTINGENT LIABILITIES AND COMMITMENTS

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

	CONSOLIDATED		SEPARATE		UNIT : MILLION BAHT
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS		
	2018	2017	2018	2017	
Contingent liabilities in respect of guarantees issued on behalf of - Related parties (see Note 9)	83.53	67.43	83.53	67.43	
Bank's letters of guarantee issued on behalf of the Company	16.59	26.27	15.31	24.59	
Commitment in respect of building improvement	1.30	0.13	1.30	0.10	

35. OPERATING SEGMENT INFORMATION

The principal business of the Company and subsidiaries is to manufacture and sell clothes which mainly are ladies' lingerie, childrenwear and ladies' outerwear for both domestic sales and export sales. The Company considers operating segment information based on domestic sale and export sale. The Company and subsidiaries have no inter-segment revenue. Information of the Company and subsidiaries' segment revenues from external customers and segment profit or loss and reconciliation of total segment profit to profit or loss before income tax expense for the years ended December 31, are as follows:

	UNIT : MILLION BAHT					
	CONSOLIDATED FINANCIAL STATEMENTS					
	Domestic		Export		Total	
	2018	2017	2018	2017	2018	2017
Segment revenues from sale of goods and rendering of services	3,358.53	3,129.58	1,247.52	1,232.96	4,606.05	4,362.54
Segment profit (loss)	232.62	255.43	(32.36)	(55.81)	200.26	199.62
Unallocated expense					(75.42)	(8.07)
Dividend income					78.15	81.87
Other income					95.99	102.14
Gain (loss) on sale of investment					90.49	(5.19)
Share of profit (loss) from investments in associates					10.71	(5.49)
Net profit before income tax					400.18	364.88

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

In addition, the main customer of the Company is I.C.C. International Public Co., Ltd., which is the Company's major shareholder which holds over 10% shareholding (see Note 31).

36. PROMOTIONAL PRIVILEGES

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

Items	Company name			
	Wacoal Siracha	Wacoal Lamphun	Wacoal Kabinburi	Pattaya Kabinburi
Project 2				
- Certificate Number	2876(2)/2555	-	-	-
- Issued Date	Dec 14, 2012	-	-	-
- Exemption from income tax	Jul. 1, 2014 - Jun. 30, 2021	-	-	-
- Income tax reduction of 50% of normal rate for 5 years	-	-	-	-
- Exemption from import duties for machineries	Dec 14, 2012 - Jun 14, 2015	-	-	-
Project 3				
- Certificate Number	-	2904(2)/2555	2877(2)/2555	2878(2)/2555
- Issued Date	-	Dec 20, 2012	Dec 14, 2012	Dec 14, 2012
- Exemption from income tax	-	Jul 1, 2013 - Jun 30, 2021	Jul 1, 2013 - Jun 30, 2021	Jul 1, 2013 - Jun 30, 2021
- Income tax reduction of 50% of normal rate for 5 years	-	Jul 1, 2021 - Jun 30, 2026	Jul 1, 2021 - Jun 30, 2026	Jul 1, 2021 - Jun 30, 2026
- Exemption from import duties for machineries	-	Dec 20, 2012 - Jun 20, 2015	Dec 14, 2012 - Jun 14, 2015	Dec 14, 2012 - Jun 14, 2015

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

37. 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 Group 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 FINANCIAL STATEMENTS	2018			2017		
	Promoted Business	Non-Promoted Business	Total	Promoted Business	Non-Promoted Business	Total
Income						
Income from export sales	-	1,247,519,948	1,247,519,948	-	1,232,956,505	1,232,956,505
Income from local sales	1,647,521	3,356,883,980	3,358,531,501	10,182,983	3,119,396,784	3,129,579,767
Total income from sales	1,647,521	4,604,403,928	4,606,051,449	10,182,983	4,352,353,289	4,362,536,272
Gain on exchange rate	-	11,895,050	11,895,050	-	13,813,047	13,813,047
Dividend income	-	78,148,639	78,148,639	-	81,871,758	81,871,758
Other income	189,938	83,906,644	84,096,582	184,666	88,146,013	88,330,679
Total income	1,837,459	4,778,354,261	4,780,191,720	10,367,649	4,536,184,107	4,546,551,756

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

38. 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, 2018													
Cash and cash equivalent	-	6,678	2,157,888	43,430	2,915	4,130	1,144,263	6,678	2,157,888	43,430	2,915	4,130	1,144,263
Temporary investments	-	-	-	502,371	-	-	2,060,877	-	-	502,371	-	-	2,060,877
Trade receivables	30 - 180	2,427,902	234,754,258	1,133,031	-	-	150,926,822	2,427,902	234,754,258	1,133,031	-	-	150,926,822
		2,434,580	236,912,146	1,678,832	2,915	4,130	154,131,962	2,434,580	236,912,146	1,678,832	2,915	4,130	154,131,962
Trade payables	30	1,538,105	143,179,139	-	12,646	-	93,157,987	1,322,564	143,179,139	-	12,646	-	86,128,160
As at December 31, 2017													
Cash and cash equivalent	-	5,660	2,375,886	2,570	2,440	8,831	1,009,325	5,660	2,375,886	2,570	2,440	8,831	1,009,325
Temporary investments	-	-	-	500,000	-	-	2,604,650	-	-	500,000	-	-	2,604,650
Trade receivables	30 - 180	1,891,558	222,923,214	1,541,684	-	-	131,289,809	1,891,558	222,923,214	1,541,684	-	-	131,289,809
		1,897,218	225,299,100	2,044,254	2,440	8,831	134,903,784	1,897,218	225,299,100	2,044,254	2,440	8,831	134,903,784
Trade payables	30	1,161,408	108,658,555	-	-	-	70,201,054	919,605	108,658,555	-	-	-	62,111,875

39. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved for issue by the Board of Directors on February 21, 2019.