

**Opinion of the independent financial advisor
on the connected transaction**

of



Thai Wacoal Public Company Limited

presented to

The Shareholders of Thai Wacoal Public Company Limited

by



Jay Capital Advisory Limited

22 November 2019

This English report of the Independent Financial Advisor's Opinion has been prepared solely for the convenience of foreign shareholders of Thai Wacoal Public Company Limited and should not be relied upon as the definitive and official document.

The Thai language version of the Independent Financial Advisor's Opinion is the definitive and official document and shall prevail in all aspects in the event of any inconsistency with this English Translation.

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Abbreviation	Full name
The Company or WACOAL	Thai Wacoal Public Company Limited
The Group	Thai Wacoal Public Company Limited and its subsidiaries
SCT	Saha Capital Tower Company Limited
SPI	Saha Pathana Inter-Holding Public Company Limited
The land with notice of offer to purchase	4 title deeds with total area of 6-0-66.4 rais or 2,466.40 square wahs, at Rama III Road, Alley 47, Bangpongpan Sub-district, Yannawa District, Bangkok
SASCO	Siam Appraisal and Service Company Limited
BKKPA	Bangkok Property Appraisal Company Limited
Independent financial advisor or IFA	Jay Capital Advisory Limited
SET	The Stock Exchange of Thailand
SEC	The Securities and Exchange Commission
The Notification of the Acquisition or Disposal	The Notification of Capital Market Supervisory Board TorChor. 20/2008 Re : Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and its amendments, as well as The Notification of the Board of Governors of the Stock Exchange of Thailand Re : Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposal of Asset B.E. 2547 (2004) dated October 29, 2004 and its amendments
The Notification on Connected Transaction	The Notification of Capital Supervisory Board, TorChor. 21/2008 Re : Rules on Connected Transaction dated August 31, 2008 and its amendments, as well as the Notification of the Board of Governors of the Stock Exchange of Thailand Re : Disclosure of Information and the Acts of Listed Companies concerning Connected Transaction B.E. 2546 (2003) dated November 19, 2003 and its amendments

22 November 2019

To : The Shareholders
Thai Wacoal Public Company Limited

Re : Independent Financial Advisor Report on the Connected Transaction

According to resolution of the shareholders' meeting of Thai Wacoal Public Company Limited ("the Company" or "WACOAL") no. 50 on April 22, 2019, the Company was approved to sell land to Saha Pathana Inter-Holding Public Company Limited ("SPI") for the total area of 6 rais 66.4 square wahs (2,466.40 square wahs)

Afterwards, SPI has notified the Company of changing the Company's land purchaser from SPI to Saha Capital Tower Company Limited ("SCT"), who is also a connected person of the Company, because SPI plans to develop such land to be grade-A office project and many companies are interested in investing in the development of such land. Therefore, for the companies interested in such project investment, SPI together with such companies have jointly invested in the project development on the Company's land by establishing Saha Capital Tower Company Limited. After that, SPI has informed the Company that SPI would like to change the purchaser and the land transferee as mentioned above. As a result, the Company together with SPI will terminate land purchase and sale agreement, and the Company together with SCT will enter into land purchase and sale agreement, which will be legally binding when the shareholders' extraordinary general meeting of the Company approves the change of land purchaser. In addition, the change of purchaser does not conflict with limitations of purchase and sale agreement between the Company and SPI.

Hence, the Board of Directors' meeting no. 5/2019 on October 22, 2019 has approved the Company to change the purchaser of land, 4 title deeds with total area of 6-0-66.4 rais or 2,466.40 square wahs, at Rama III Road, Alley 47, Bangpongpan Sub-district, Yannawa District, Bangkok ("the land with notice of offer to purchase"), from SPI to SCT. The Company will terminate land purchase and sale agreement entered with Saha Pathana Inter-Holding Public Company Limited, and will enter into land purchase and sale agreement with Saha Capital Tower Company Limited at the price of THB 375,000.00 per square wahs or THB 924,900,000.00 in total. Such price is not different from the offering price to SPI. SCT would pay the total amount in 3 installments to the Company under the better payment conditions as compared to SPI.

Such change of land purchaser is not considered as the assets' acquisition or disposal transaction of listed company, but is considered as connected transaction. The transaction size is more than or equal to THB 20.00 million or more than 3.00% of the Company's net tangible assets (NTA), depending on which value is higher. Therefore, the Company has to disclose information of the transaction to The Stock Exchange of Thailand ("SET"), and appoint an Independent Financial Advisor to provide an opinion on entering into transaction. Also, the transaction must be approved by the shareholders' meeting with votes of not less than three-fourth of total votes from shareholders presented in the meeting and having voting rights, excluding the votes of shareholders with conflict of interest.

In this regard, The Board of Directors' meeting no. 5/2019 on October 22, 2019 has appointed Jay Capital Advisory Limited ("independent financial advisor" or "IFA"), as financial advisor approved by The Securities and Exchange Commission ("SEC") and is independent from the Company, to be the Independent Financial Advisor in order to provide an opinion on the appropriateness of price and condition of the transaction to the Company's shareholders as supporting information for their consideration about approval of the Company's connected transaction.

This IFA report was prepared based on the information gathered from interviews with the Company's management, documents provided by the Company, publicly available information as well as the IFA's

assessment of current economic conditions. Any significant changes to this information in the future may alter the IFA's opinion on the transaction accordingly. Information and documents used in preparing this report included but are not limited to the following :

- The Resolution of the Company's Board of Director's meetings relating to the transaction
- Information Memorandum on the connected transaction prepared by the Company
- Information of the transaction which is disclosed through the information service system of the SET and/or The Company's website and/or public
- The Company's Information disclosure (Form 56-1) and Annual Report for the year 2018
- Thai Wacoal Public Company Limited and its subsidiaries' ("the Group") audited financial statements for the year ended 31 December 2016 – 2018 and reviewed financial statements for 6 months period ended 30 June 2019
- The appraisal reports on assets related to entering transaction by the independent appraisers
- Minutes of Board of Director's meeting
- The documents related to the offer to purchase land by SCT
- Draft sale and purchase agreement between the Company and SCT
- Draft memorandum of understanding of termination of land purchase and sale agreement
- Information from interviews with the Company's managements
- Information and documents obtained from the Company

In addition, the IFA's opinion was based on the following assumptions :

- All information and documents provided by the Company and the interviews with management were valid and true. The opinion obtained was credible and close to the current situation.
- No past events or imminent events or impending events would create significant impacts on the land with notice of offer of purchase and performance and financial position of the Company.

The IFA has prepared the report of opinion of the independent financial advisor on the connected transaction of the Company on 22 November 2019 and hereby certified that we have studied, analyzed and prudently performed our duties as an Independent Financial Advisor, complying with the generally accepted professional standard and rendered our opinion based on the unbiased analysis with regards to the best benefit of the Company's shareholders. However, it is important to note that the IFA's opinions are based on the information and documents received from the Company and from the interviews with the Company's management, publicly available information as well as other related information. The IFA assumes that such information is accurate and reliable at the time the IFA prepared this opinion report. However, if such information is found to be inaccurate and/or incomplete and/or unreliable and/or have any significant changes in the future, the opinion provided by the IFA may differ accordingly. As a result, the IFA is unable to be held responsible for any adverse impacts on the Company and its shareholders resulting from the transaction. In addition, the objective of this report is merely to provide an opinion on the transaction to the Company's shareholders only. Notwithstanding, the decision to vote is the sole discretion of the shareholders, which shall include the consideration of advantages, disadvantages, and risk associated with the transaction as well as consideration of the attached documents submitted to the shareholders along with the invitation letter so as to make the most appropriate decision. In this regard, the opinion of the IFA does not certify the success of the transaction as well as the possible impacts to the Company and/or to the Company's shareholders. The IFA does not hold any responsibilities for the impacts that might arise from such transaction both directly and indirectly.

The IFA has considered the reasonableness of the Company's connected transaction as follows :

Executive Summary

According to resolution of the shareholders' meeting of the Company no. 50 on April 22, 2019, the Company was approved to sell 4 land title deeds, totaling an area of 6-0-66.4 rais, situated on Rama III Road, Alley 47, Bangpongpan Sub-district, Yannawa District, Bangkok at the price of THB 924.90 million to SPI, the major shareholder and connected person of the Company.

Afterwards, SPI has notified the Company of changing the Company's land purchaser from SPI to SCT, who is also a connected person of the Company, because SPI plans to develop such land to be grade-A office project and many companies are interested in investing in the development of such land. Therefore, for the companies interested in such project investment, SPI together with such companies have jointly invested in the project development on the Company's land by establishing Saha Capital Tower Company Limited. After that, SCT has informed the Company that SCT would like to purchase such plot of land. As a result, the Company together with SPI will terminate land purchase and sale agreement, and the Company together with SCT will enter into land purchase and sale agreement, which will be legally binding when the shareholders' extraordinary general meeting of the Company approves the change of land purchaser. In addition, the change of purchaser does not conflict with limitations of purchase and sale agreement between the Company and SPI.

Hence, the Board of Directors' meeting no. 5/2019 on October 22, 2019 has approved the Company to change the land purchaser from SPI to SCT. The price is THB 375,000.00 per square wahs or THB 924,900,000.00 in total. Such price is newly average appraisal price by 2 independent appraisers, and is not different from the offering price to SPI. SCT would pay the total amount in 3 installments to the Company. With the better payment conditions as compared to SPI, the Company would receive maximum benefits from entering to the transaction. The cash inflow from disposal of such land would be used as working capital of the Company and provide opportunity for the return in the future.

According to the change of land purchaser, the Company and SPI will terminate land purchase and sale agreement, and the Company together with SCT will enter into land purchase and sale agreement, which will be legally binding when the shareholders' extraordinary general meeting of the Company approves the change of land purchaser. Nevertheless, the transaction is considered as the disposal transaction according to The Notification of Capital Market Supervisory Board TorChor. 20/2008 Re : Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and its amendments, as well as The Notification of the Board of Governors of the Stock Exchange of Thailand Re : Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposal of Asset B.E. 2547 (2004) dated October 29, 2004 and its amendments ("the Notification of the Acquisition or Disposal") which have transaction size equal to 12.77% of total assets of the Company's group as of June 30, 2019 as calculated from Total Value of Consideration Basis. And when including transaction size for the past 6 months, total transaction size equals to 13.09%. As the transaction size is less than 15.00%, the transaction can be approved by the Company's Board of Directors and the Company is not required to disclose the information to SET and is not required to be approved by the Company's shareholders.

However, SCT, who is the offeror of land purchase, and the Company have the same major shareholder, SPI. As of September 30, 2019, SPI directly and indirectly owned 26.92% of the total issued and paid-up shares of the Company, and directly and indirectly owned 21.00% of the total issued and paid-up shares of SCT. Furthermore, the Company and SCT have 1 common director who is Mr. Manu Leelanuwatana, and the Company and SPI, major shareholder of SCT and WACOAL, have 2 common directors who are Mr. Manu Leelanuwatana and Mrs. Punnee Worawuthichongsathit. Therefore, this disposal of land is deemed as connected transaction according to The Notification of Capital Supervisory Board, TorChor. 21/2008 Re : Rules on Connected Transaction dated August 31, 2008 and its amendments, as well as the Notification of the Board of Governors of the Stock Exchange of Thailand Re : Disclosure of Information and the Acts of Listed Companies concerning Connected Transaction B.E. 2546 (2003) dated November 19, 2003 and its amendments ("the Notification on Connected Transaction"). The transaction size is more than or equal to THB 20.00 million or more than 3.00% of net tangible assets (NTA), depending on which value is higher.

In addition, as of June 30, 2019, the Company's NTA was approximately THB 168.49 million, while the value of this land disposal transaction is THB 924.90 million, which is higher than 3.00%.

Therefore, the Company has to propose to shareholders' meeting for an approval of entering into the transaction with votes of not less than three-fourth of total votes from shareholders presented in the meeting and having voting rights, excluding the votes of shareholders with conflict of interest. Also, the Company has to appoint an Independent Financial Advisor to provide an opinion on the reasonableness of the transaction as well as the fairness of the transaction price and conditions to the shareholders of the Company.

From the analysis by the IFA of the reasonableness of the transaction, as well as fairness of price and conditions pertaining to the sale of the Company's land to SCT, the IFA is of the opinion that the disposal of the Company's land **is appropriate** due to the following :

1. It provides an opportunity for the Company to be able to dispose of its unutilized assets which is not generating any benefit to its business operations and which the Company has no plan to develop or use in the future. Moreover, the asset to be sold is land which it is large and requires a great deal of capital in trading and, thus, is difficult to purchase or sell.
2. The Company will be able to recognize profit from the sale of this asset in the amount of THB 309.45 million or a net profit from the sale after deduction of fees and expenses totaling THB 219.10 million.
3. The Company will receive net cash from the sale of this asset, after deduction of fees and expenses, equivalent to THB 834.55 million, which can be used as working capital of the Company.
4. The transaction price of THB 924.90 million is within the appropriate price range as evaluated using the Adjusted Book Value Approach, which is equivalent to THB 912.57 – 937.23 million (Details of the IFA's appraisal of the appropriate price range are presented in Section 1, Clause 1.3.1 of this report.)
5. The change of contract party from SPI to SCT would render the Company to receive better payment conditions, which are general terms and conditions used in the sale and purchase of real estate, allowing the purchaser and the seller to reach agreement in many ways on such issues on a voluntary basis to the satisfaction of both parties.

However, entering into this transaction has a number of **disadvantages and risks** which shareholders should additionally consider in respect to resolving to approve this transaction due to the following :

1. Disposal of this land with notice of offer to purchase will result in lost opportunity to sell the land at a higher price in future. Nevertheless, the land is large real estate, has high price, and requires a lot of capital to trade, the Company would probably require a longer period of time as well as greater financial resources to find an interested investor in the future.
2. Disposal of this land with notice of offer to purchase will result in loss opportunity for the Company to develop future projects on this land. However, the Company has no plan to develop or use such land.

The advantages, disadvantages and risks are not affected by changing of purchaser. However, the Company would receive benefits from better payment conditions, which the Company would receive cash inflow faster. Such agreement is general agreement used in the sale and purchase of real estate on a voluntary basis to the satisfaction of both parties.

This disposal of land is the notification of the change of purchaser from SPI to SCT, who is a connected person of the Company, at the price of THB 924.90 million (the same price as previous transaction) under better payment conditions. In this regards, when considering the benefits that the Company may obtain from entering into the transaction, disadvantages and risks, the appropriateness of the price and conditions of the transaction as mentioned above, the IFA has an opinion that the disposal of land to SCT, who is a connected person, is appropriate. Therefore, the shareholders should **approve** this transaction.

Part 1 Request for approval to sell land to Saha Capital Tower Company Limited

1.1 Characteristics and Details of Transaction

According to resolution of the shareholders' meeting of the Company no. 50 on April 22, 2019, the Company was approved to sell 4 land title deeds, totaling an area of 6-0-66.4 rais, situated on Rama III Road, Alley 47, Bangpongpang Sub-district, Yannawa District, Bangkok at the price of THB 924.90 million to SPI, the major shareholder and connected person of the Company.

Afterwards, SPI has notified the Company of changing the Company's land purchaser from SPI to SCT, who is also a connected person of the Company, because SPI plans to develop such land to be grade-A office project and many companies are interested in investing in the development of such land. Therefore, for the companies interested in such project investment, SPI together with such companies have jointly invested in the project development on the Company's land by establishing Saha Capital Tower Company Limited. After that, SCT has informed the Company that SCT would like to purchase such plot of land, while SPI has informed the Company that SPI would like to change the purchaser and the land transferee as mentioned above. As a result, the Company together with SPI will terminate land purchase and sale agreement, and the Company together with SCT will enter into land purchase and sale agreement, which will be legally binding when the shareholders' extraordinary general meeting of the Company approves the change of land purchaser. In addition, the change of purchaser does not conflict with limitations of purchase and sale agreement between the Company and SPI.

This change of land purchaser would render the Company to receive the offer to purchase such land at the same price, THB 924.90 million, and receive better payment conditions. The Company will use cash received from sales of land as working capital of the Company and increase investment opportunity for the return in the future.

Hence, the Board of Directors' meeting of WACOAL no. 5/2019 on October 22, 2019 has approved to propose such transaction to shareholders for an approval in extraordinary general meeting for the year 2019, which will be held in December 16, 2019, and appointed Jay Capital Advisory Limited as the Independent Financial Advisor to provide an opinion of entering into the transaction.

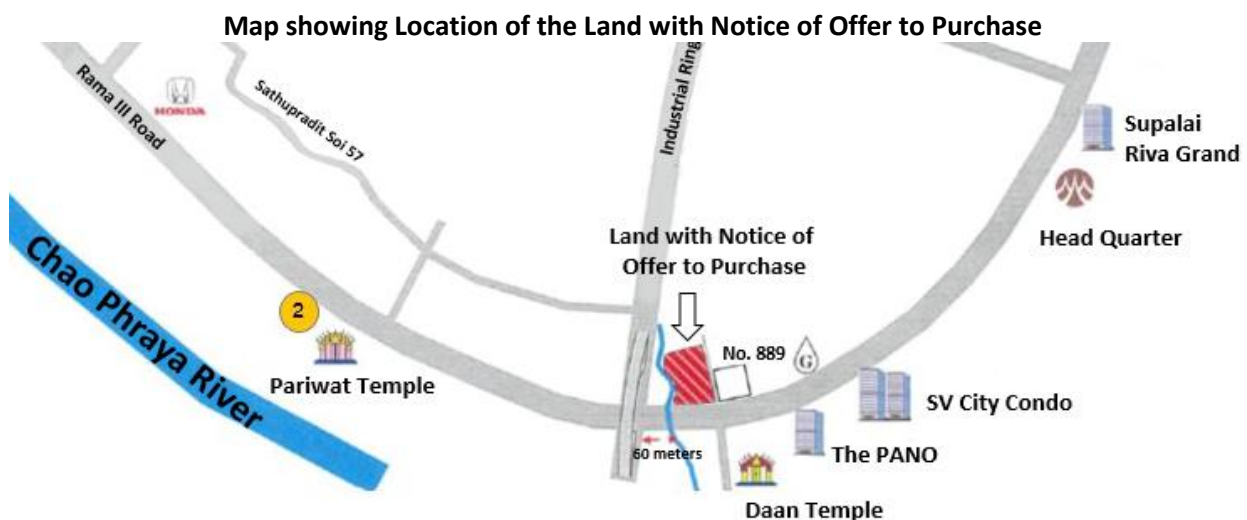
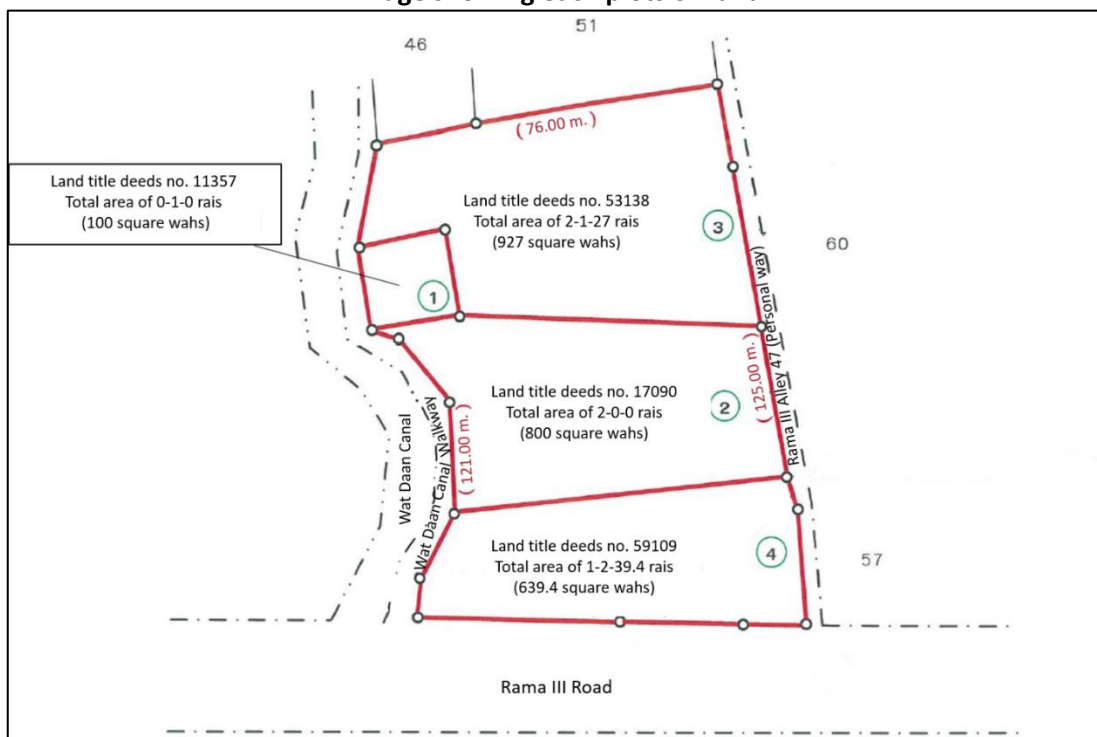


Image showing Location of the Land with Notice of Offer to Purchase



Image showing each plots of Land



1.1.1 Type and size of the Transaction

The disposal of the land, which is the change of purchaser transaction, has transaction value of THB 924.90 million which will be paid in cash and it is the price from appraiser's land appraisal and negotiation of the purchaser and seller. However, the transaction is considered as the disposal transaction according to the Notification of the Acquisition or Disposal which have transaction size equal to 12.77% of total assets of the Company's group as of June 30, 2019 as calculated from Total Value of Consideration Basis. And when including transaction size for the past 6 months, total transaction size equals to 13.09%. As the transaction size is less than 15.00%, the transaction can be approved by the Company's Board of Directors and the Company is not required to disclose the information to SET and is not required to be approved by the Company's shareholders.

However, SCT, who is the offeror of land purchase, and the Company have the same major shareholder, SPI. As of September 30, 2019, SPI directly and indirectly owned 26.92% of the total issued and paid-up shares of the Company, and directly and indirectly owned 21.00% of the total issued and paid-up shares of SCT. Furthermore, the Company and SCT have 1 common director who is Mr. Manu Leelanuwatana, and the Company and SPI, major shareholder of SCT and WACOAL, have 2 common directors who are Mr. Manu Leelanuwatana and Mrs. Punnee Worawuthichongsathit. Therefore, this disposal of land is deemed as connected transaction according to the Notification on Connected Transaction. The transaction size is more than or equal to THB 20.00 million or more than 3.00% of net tangible assets (NTA), depending on which value is higher. In addition, as of June 30, 2019, the Company's NTA was approximately THB 168.49 million, while the value of this land disposal transaction is THB 924.90 million, which is higher than 3.00% of NTA. Hence, the Company has to propose to shareholders' meeting for an approval of entering into the transaction with votes of not less than three-fourth of total votes from shareholders presented in the meeting and having voting rights, excluding the votes of shareholders with conflict of interest as follows :

List of Shareholders Not Eligible to Vote for Approving this Transaction

Name	Shares held in WACOAL as of 30 September 2019		Relationship with the contract parties of the transaction
	No. of shares	%	
1.Saha Pathana Inter-Holding Public Company Limited (SPI) *	27,596,600	23.00	<ul style="list-style-type: none"> ▪ Previous contract party who terminates the purchase of the Company's land in this transaction ▪ Shareholder of the Company and SCT ▪ The person as per article 258 of SCT's managing director
2.Chokwatana Company Limited	140,620	0.12	<ul style="list-style-type: none"> ▪ Major shareholder of SPI which held 16.80% of total issued and paid-up shares of SPI ▪ Have 3 common directors with SPI who are Mr. Boonsithi Chokwatana, Mr. Boonchai Chokwatana, and Mr. Boonkiet Chokwatana
3.International Laboratories Company Limited	186,500	0.16	<ul style="list-style-type: none"> ▪ SPI directly and indirectly owned 30.27% of total issued and paid-up shares
4.Mr. Boonchai Chokwatana	100,000	0.08	<ul style="list-style-type: none"> ▪ Managing Director of Chokwatana Company Limited ▪ Director of SPI ▪ Shareholder of the Company and SCT
5. Saha Pathanapibul Public Company Limited	9,641,050	8.03	<ul style="list-style-type: none"> ▪ Shareholder of the Company and SCT

Name	Shares held in WACOAL as of 30 September 2019		Relationship with the contract parties of the transaction
	No. of shares	%	
6. I.C.C. International Public Company Limited	6,113,020	5.09	▪ Shareholder of the Company and SCT
7. I.D.F Company Limited	4,492,000	3.74	▪ Shareholder of the Company and SCT
8. Sariraporn Company Limited	2,818,940	2.35	▪ Shareholder of the Company and SCT
9. Thanulux Public Company Limited	1,670,200	1.39	▪ Shareholder of the Company and SCT
10. Mr. Boonsithi Chokwatana	1,307,650	1.09	▪ Shareholder of the Company and SCT ▪ Chairman of SPI and SCT
11. Mr. Boonkiet Chokwatana	365,985	0.31	▪ Shareholder of the Company and SCT ▪ Director of SPI
12. Mr. Samrerng Manoonpol	5,900	0.00	▪ Shareholder of the Company and SCT ▪ Director of SPI and Vice president of SCT
13. BSC So In Company Limited	500	0.00	▪ Shareholder of the Company and SCT
14. Miss Thanintorn Chokwatana	7,100	0.01	▪ The person as per article 258 of SCT's managing director
Total	54,446,065	45.37	

Source : The Company

Note : * Amount and percentage of shares directly held by SPI, while if including the indirect shareholding, the percentage of share held by SPI will be 26.92%

1.1.2 Relevant parties and key conditions of agreement

Contract parties

Purchaser	:	Saha Capital Tower Company Limited
Seller	:	Thai Wacoal Public Company Limited
Relationship of the Parties	:	<ul style="list-style-type: none"> ▪ Saha Capital Tower Company Limited and the Company have the same major shareholder, SPI. As of September 30, 2019, SPI directly and indirectly owned 26.92% of the total issued and paid-up shares of the Company, and directly owned 21.00% of the total issued and paid-up shares of SCT. ▪ Both companies have 1 common director who is Mr. Manu Leelanuwatana. ▪ The Company and SPI, major shareholder of SCT and WACOAL, have 2 common directors who are Mr. Manu Leelanuwatana and Mrs. Punnee Worawuthichongsathit.

General information of Saha Capital Tower Company Limited

Type of business	:	Property development
Authorized share capital	:	On 30 September 2019, SCT had registered share capital equals to THB 2,000,000,000.00 which comprises of 20,000,000 shares, with par value equals to THB 100.00 per share and had issued and paid-up capital equals to THB 500,000,000.00.

Director	:	As of October 11, 2019, SCT's Board of Directors are as follows :		
			Name	Position
		1	Mr. Boonsithi Chokwatana	Chairman
		2	Mr. Samrerng Manoonpol	Vice president
		3	Mr. Vichai Kulsomphob	Director and Managing director
		4	Mr. Manu Leelanuwatana	Director
		5	Miss Sirikul Dhanasarnsilp	Director
		6	Mr. Pipope Chokwathana	Director
		Source : www.bol.co.th		

Top 10 Major Shareholders of SCT as of 30 September 2019

Top 10 Major Shareholders of SCT as of 30 September 2019

	Name	Shares held	
		Amount	%
1	Saha Pathana Inter-Holding Public Company Limited	4,200,000	21.00
2	Thai President Foods Public Company Limited	3,000,000	15.00
3	Saha Pathanapibul Public Company Limited	3,000,000	15.00
4	Thai Wacoal Public Company Limited *	2,000,000	10.00
5	I.C.C. International Public Company Limited	2,000,000	10.00
6	President Bakery Public Company Limited	2,000,000	10.00
7	Lion Corporation (Thailand) Limited	1,000,000	5.00
8	Better Way (Thailand) Company Limited	600,000	3.00
9	Thanulux Public Company Limited	600,000	3.00
10	I.D.F Company Limited	299,993	1.50
Top 10 major shareholders		18,699,993	93.50
Other shareholders		1,300,007	6.50
Total shareholders		20,000,000	100.00

Source : www.bol.co.th

Note : * Referred to the resolution of Board of Directors' meeting of the Company on September 18, 2019 which has approved the investment in ordinary shares of Saha Capital Tower Company Limited

Summary of Key Terms and Conditions of the Draft Sale and Purchase Agreement pertaining to the Land with Notice of Offer to Purchase

Contract Parties	:	<ul style="list-style-type: none"> Saha Capital Tower Company Limited as "the Purchaser" Thai Wacoal Public Company Limited as "the Seller"
The Asset for Sale and Purchase	:	The freehold right to 4 land title deeds which are no. 11357, 59109, 17090 and 53138, covering a total area of 6-0-66.4 rais, situated in Alley 47 of Rama III Road, in Bangpongpan Sub-district of Yannawa District, Bangkok
Date of Signing	:	November 14, 2019 Whereby this Agreement will be binding on both parties upon consideration and approval being given upon shareholders' meeting of the Seller for the sale of the land according to this agreement.
Purchase and Sale Price	:	THB 924.90 million (THB 375,000.00 per square wahs)
Payment of the Price and Registration of Transfer of Ownership	:	<p>The Purchaser agrees to pay the amount of THB 924.90 million (excluding fees, tax and other related costs) to the Seller in 3 installments as follows :</p> <ul style="list-style-type: none"> 1st Installment : pay THB 100,000,000.00 * within December 18, 2019 2nd Installment : Pay the price of 2 land title deeds, which are land title deed no. 11357 and no. 59109, totaling of THB 277,275,000.00, and register for transfer of ownership, within December 2019

		<ul style="list-style-type: none"> 3rd Installment 3 : Pay the price of 2 land title deeds, which are land title deed no. 17090 and no. 53138, totaling of THB 547,625,000.00, and register for transfer of ownership, within April 2020 <p>* If the amendment of agreement is approved by the shareholders, the Company would terminate purchase and sale agreement with SPI and refund THB 92.49 million to SPI within December 30, 2019 in accordance with the draft memorandum of understanding of termination of land purchase and sale agreement.</p>
Payment of fees, tax, and other costs related to the purchase and sale of asset	:	<ul style="list-style-type: none"> The Purchaser and the Seller agree to pay half the registration fees related to the transfer of land ownership. The Seller agrees to be responsible for corporate income tax resulting from the sale of land, specific business tax, stamp duties and other costs related to the registration of ownership transfer.
In case of breach of contract	:	Upon the Seller breaches any terms of this contract or fails to transfer ownership of the land as specified and appointed herein, the Purchaser has the right to initiate litigation to enforce compliance with this agreement or claim damages from the Seller. In the case where the Purchaser breaches any term of this contract, the Seller has the right to forfeit all deposits that the Purchaser has already paid and terminate this contract, as well as claim damages from the Purchaser.

1.1.3 Asset Information in Entering into this Transaction

Details of the Land with Notice of Offer to Purchase

Location	:	Rama III Road, Alley 47, Bangpongpan Sub-district, Yannawa District, Bangkok
Asset Information	:	Ownership of land as defined in a total of 4 title deeds (title deeds no. 11357, 59109, 17090 and 53138), a combined total area of 6 rais 66.4 square wahs or 2,466.40 square wahs
Asset Status	:	<ul style="list-style-type: none"> The land is vacant, already filled, polygon shaped. The road in front of the asset is Rama III Road, a public road, an 8-lane steel-structured road with a width of approximately 24 meters, and about 40 meters right of way. Areas in the vicinity are residential and commercial.
Relevant Legal and Regulatory references	:	Situated in an area designated as “Red” specified for “commercial use”. The location of this asset currently has no plan for development by the Government.
Ownership	:	Owned by the Company
Obligation	:	None

Image from the front of the Land Plots and Vicinity of the Land with Notice of Offer to Purchase

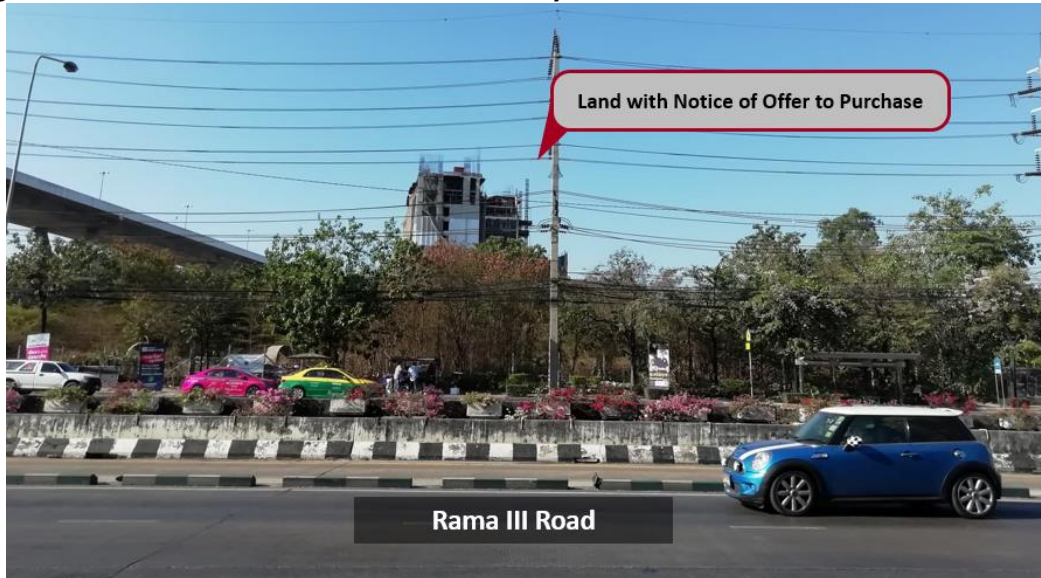


Image from the left of the Land Plots and Vicinity of the Land with Notice of Offer to Purchase



Image from the right of the Land Plots and Vicinity of the Land with Notice of Offer to Purchase



1.2 Reasonableness of the Transaction

1.2.1 Transaction Objective

The main objective of the sale of the land with notice of offer to purchase is to use the money gained from the sale as working capital of the Company and provide investment opportunity to the Company for the return in the future.

1.2.2 Comparison of Advantages and Disadvantages of the Transaction

Advantages of Entering into the Transaction

1. The Company would be able to dispose of its unused asset which is not yielding any benefit to its business operations.

The offer to purchase this land by SCT presents a good opportunity for the Company to dispose of such asset which is unutilized vacant land, not generating any benefit to the Company's business operations, and of which there is no plan to develop or use such land in the future.

2. The Company is able to recognize profit from the disposal of this asset.

The sale of this land to SCT is valued at THB 924.90 million enabling the Company to recognize a profit of THB 309.45 million from the disposal of this asset, or equivalent to net profit of THB 219.10 million after deduction of fees and expenses, with the following details of calculation:

Item	Amount (Unit : THB million)
Value of consideration received from the sale of land	924.90
<u>Less</u> : Book value of the land	(615.45)
Gain from disposal of asset	309.45
<u>Less</u> : Estimated fees and expenses arising from the sale of assets *	(35.58)
<u>Less</u> : Estimated corporate income tax of the Company *	(54.77)

Item	Amount (Unit : THB million)
Net profit from disposal of assets	219.10

Note : * Estimation from the Company

3. The Company is able to use the money gained from disposal of this asset as working capital of the Company.

The sale of this land to SCT at the price of THB 924.90 million, after deduction of fees and expenses as well as corporate income tax of THB 90.35 million, will give the Company a net cash flow of THB 834.55 million. The Company can use the net cash generated from this transaction as working capital of the Company and provide investment opportunity to the Company for the return in the future.

Disadvantages and Risks of Entering into the Transaction

1. The Company loses the opportunity to sell this land at a higher price in future.

Disposal of this land with notice of offer to purchase will result in lost opportunity to sell the land at a higher price in future as the price of land tends to rise. Data from the Bank of Thailand indicated that the land price index in Thailand grows continuously, with an average growth rate of 6.15% during 2008 - 2018. Moreover, the Agency for Real Estate Affairs (AREA) contended that land located in the Bangkok Metropolitan area has an average growth rate of approximately 13.30% per annum between 1998 and 2018. In addition, referred to the appraisal of land price by independent appraisers, a lot of land surrounding such area has been offered to sell, which is in accordance with economic conditions, hence, price of land surrounding such area is not significantly increase during 7 months from previous appraisal. Moreover, such land is large and its price is high, the Company would probably require a longer period of time as well as greater financial resources to find an interested investor in the future.

2. The Company loses the opportunity to develop other projects on this land.

Disposal of this land with notice of offer to purchase will result in loss opportunity for the Company to develop future projects on this land. However, the Company currently has no plan to develop or use such property.

In addition, the change of purchaser from SPI to SCT, as mentioned above, would not change the advantages, disadvantages and risks of entering into the transaction because the offer price from SCT is similar as the offer price from SPI at THB 924.90 million but the Company receives better offer regarding payment of the price and registration of land, the comparison and analysis appears in Clause 1.3.2 Fairness of Conditions of Entering into the Transaction.

1.2.3 Comparison of the Advantages and Disadvantages of Entering into the Transaction with a Connected Person and with a Third Party

Due to the fact that this transaction is a change of purchaser from SPI to SCT, who is a connected person of the Company, the comparison of entering into the transaction with a connected person and with a third party will be occurred after receiving the notice of offer to purchase the Company's land from SPI, in March. The Company put up a "For Sale" sign in an effort to attract other possible interested investors in order to compare the offer price from third parties. However, from February 11, 2019, when the Company put up the sign, to March 8, 2019, the Company received no offer from other interested parties, thus there was no other offer price from third parties to compare. Nevertheless, the purchase price offered by SCT is within an appropriate price range using the Adjusted Book Value Approach, equivalent to THB 912.57 – 937.23 million (Details of the evaluation of the appropriate price range of the Independent Financial Advisor appear in Section 1, Clause 1.3.1 of this IFA report).

Moreover, SCT's major shareholders are listed company in SET, such as Saha Pathana Inter-holding Public Company Limited, who holds 21.00% of shares, Thai President Foods Public Company Limited, who holds 15.00% of shares and I.C.C. International Public Company Limited, who holds 10.00% of shares. Therefore, the selling of land to SCT would have low counterparty credit risk, in terms of risk to the Company of not receiving payment for the asset, or the contract party cancelling the purchase of the asset after the Company's shareholders have approved entering into the transaction.

1.3 Fairness of Price and Conditions of the Transaction

1.3.1 Fairness of Price in Entering into the Transaction

In evaluating fairness of price in entering into the transaction of selling this land to SCT, the Independent Financial Advisor assessed the fair value of the asset based on financial methods used to consider the appropriateness of the price to enter into the transaction. The Independent Financial Advisor used 2 financial methods as follows :

- 1) Book Value Approach
- 2) Adjusted Book Value Approach

Details of the assessment of fair value under each method are as follows :

1) Book Value Approach

Valuation based on this approach will show the value of the land by reference to the book value of assets shown in the Company's financial statements at a certain point in time. In undertaking this valuation, the IFA referenced financial statements reviewed by Deloitte Touche Tohmatsu Jaiyos Audit Company Limited as at June 30, 2019. Details of which are as follows :

Calculation of Asset Value according to the Book Value Approach of WACOAL as at June 30, 2019

Item	Value (THB million)
Book Value	615.45
Transaction Price	924.90
Comparison of Transaction Price to Book Value	Book Value is lower than the Transaction Price by THB 309.45 million or by 33.46%

From the above table, **the land with notice of offer to purchase has book value of THB 615.45 million.** The Company purchased such land from third party, who is not connected person, on May 2014, at the price of THB 249,534 per square wah, totaling of THB 615.45 million (net price from negotiation with seller and total area of land after the survey for commercial purpose). The objective is to increase assets of the Company in real estate category by considering the appropriate location, convenient transportation and purpose to expand the business in the future.

Such book value is lower than the Transaction Price at THB 924.90 million by THB 309.45 million or accounting for 33.46%. The asset value from this valuation approach is not different from the valuation presented to shareholders in April due to the fact that such land was recorded by cost method.

2) Adjusted Book Value Approach

With this valuation approach, the IFA considered the book value of the land and adjusted to the present with asset appraisal value based on market price by 2 independent appraisers approved by the SEC, namely

- 1) Siam Appraisal and Service Company Limited ("SASCO") which prepared a valuation report on 9 October 2019 for public purposes, whereby the report is a valuation on October 4, 2019.

- 2) Bangkok Property Appraisal Company Limited (“BKKPA”) which prepared a valuation report on 8 October 2019 for public purposes, whereby the report is a valuation on October 2, 2019.

Details of the valuation undertaken by SASCO and BKKPA can be summarized as follows :

Summary of the Valuation of the Company’s Land by SASCO

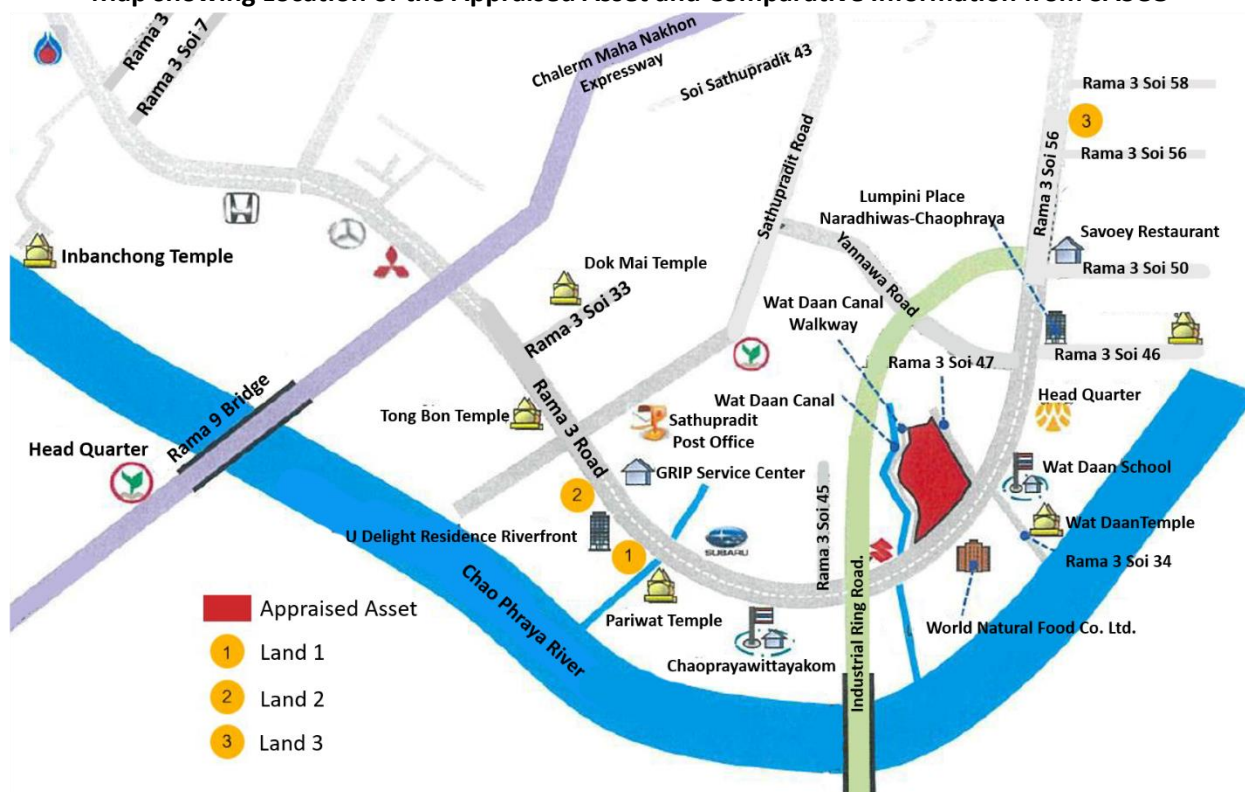
SASCO conducted its valuation of the land with notice of offer to purchase based on Market Approach which considered the value of the asset in comparison with market information on the cases of land currently advertised for sale with similar/comparable location and characteristics as the land with notice of offer to purchase. The information used in this comparison is different from the information presented to shareholders in April due to the fact that there was more comparable land offered to sale during September to October 2019. As a result, the appraisers could select more appropriate land for the comparison, such as land with no buildings and land which the offer price is similar or not significantly higher or lower than market price. Nevertheless, the IFA adjusted some of comparable land in previous transaction since they were sold. Details used in determining the market value are as follows :

Data from SASCO surveyed assets used in comparison to assess market prices

Item	Appraised Asset	Comparative Information		
		Land 1 *	Land 2	Land 3
Asset Characteristics	Vacant Land			Land and Building
Location	Next to Rama III Road	Next to Rama III Road and Chao Phraya River		
Acreage (sq.wah)	2,466.40	3,255.00	10,139.20	3,405.00
Plot shape	Polygon	Almost rectangular	Polygon	Rectangular
Sides next to road	1 side			
Road surface	Reinforced concrete			
Width/right of way	24 / 42 meters			
Public utilities	Electricity, plumbing and telephone			
City plan	Commercial	Dense residential		Commercial
Environment	Residential and commercial			Residential, commercial and business
Maximum utilization of land	Residential, commercial and business		Residential, commercial and industrial	Residential, commercial and business

Note : * Land 1 is the same information as the appraisal report on February 13, 2019.

Map showing Location of the Appraised Asset and Comparative Information from SASCO



Then SASCO proceeded to score the appraised assets with comparative data from elements that affect the value of each asset, namely Location, Adjacent position to road, Size and shape of property, Condition of the plot, Prosperousity of the surroundings, Land use, and Public utilities, compared to the appraised asset. SASCO would score each comparative data from 1 – 10 score where higher score would mean higher quality of a land. Such score could be changed if there are significant changes of the appraised area or changes of information used in the report. Nevertheless, the weight and the score are subject to judgement of each appraisers. Eventhough the comparative land data is the same data as previous appraisal, each actual survey might affect the score by changes of the surroundings and judgement of each appraisers. Hence, this scoring is insignificantly different from previous scoring, but the range of score is nearly the same. Details of the assets scoring are as follows :

Table showing the Analysis and Scoring of Assets by SASCO

Factor	Weight (percent)	Appraised Asset	Comparative Data		
			Land 1	Land 2	Land 3
		(score)			
Location	20	7	9	9	9
Adjacent road	15	8	8	8	8
Acreage	15	7	6	5	5
Shape	10	6	7	7	7
Condition of the plot	10	6	7	8	8
Prosperousity of the surroundings	10	8	8	8	8
Land use	10	8	7	7	9
Public utilities	10	8	8	8	8
Total	100	725	760	755	775

In addition, the purchase-selling price of the comparative data land equals to THB 450,000.00 per square wah which SASCO has considered and lowered price of each comparative data according to the market mechanism of land price negotiation whereby the purchaser has higher bargaining power than the seller, then considered the value of the appraised assets by analyzing the quality scoring and weight of the comparative data, which has calculation details as follows :

Table showing Market Price Comparison by SASCO

Item	Unit	Comparative Data		
		Land 1	Land 2	Land 3
Purchase-selling price	(THB per sq.wah)	450,000	450,000	450,000
Negotiated price (1)	(THB per sq.wah)	390,000	380,000	400,000
Land quality analysis results (2) (Appraised asset rating = 725)	(points)	760	755	775
Land quality comparison ratio (3) = 725 / (2)	(times)	0.95	0.96	0.94
Price according to comparison ratio (4) = (1) x (3)	(THB per sq.wah)	372,021	364,914	374,200
Average weight comparison (5)	(weight)	0.35	0.37	0.28
Price after average weight comparison (6) and (7) and (8) = (4) x (5)	(THB per sq.wah)	130,207 (6)	135,018 (7)	104,776 (8)
Asset appraisal price (9) = (6) + (7) + (8) (Round)	(THB per sq.wah)	370,000		
Asset appraisal price = (9) x 2,466.40 square wah	(THB)	912,568,000		

From the analysis of the comparative data of the above assets, SASCO's appraisal price of the land with notice of offer to purchase using the Market Approach is equivalent to THB 370,000 per square wah, or equivalent to a total value of THB 912.57 million which is equivalent to the appraisal price presented to shareholders in April.

Summary of the Valuation by BKKPA

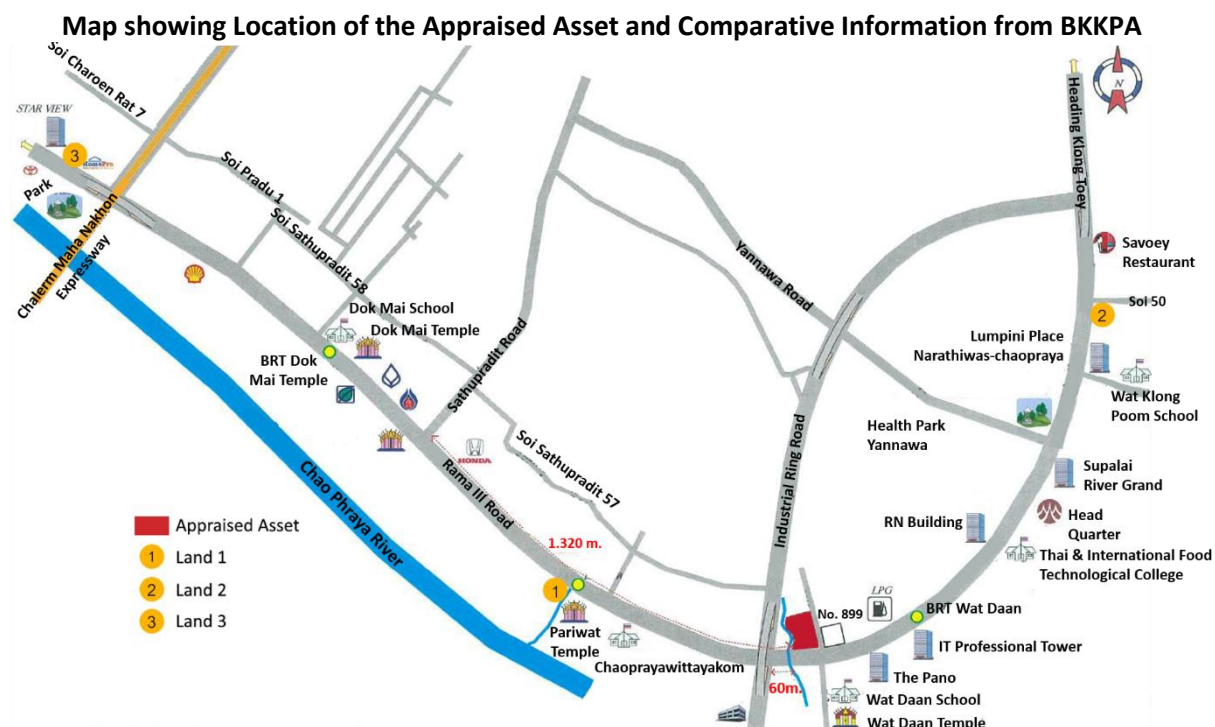
BKKPA conducted its valuation of the land with notice of offer to purchase based on Market Approach which considered the value of the asset in comparison with market information on the cases of land currently advertised for sale and the cases of sold land with similar/comparable location and characteristics as the land with notice of offer to purchase. The information used in this comparison is different from the information presented to shareholders in April due to the fact that there was more comparable land offered to sale during September to October 2019. As a result, the appraisers could select more appropriate land for the comparison, such as land which situates more adjacent to the appraised asset and size of land. Details used in determining the market value are as follows :

Data from BKKPA surveyed assets used in comparison to assess market prices

Item	Appraised Asset	Comparative Data		
		Land 1 *	Land 2 *	Land 3
Asset Characteristics	Vacant Land	Vacant Land	Land and Building	Vacant Land

Item	Appraised Asset	Comparative Data		
		Land 1 *	Land 2 *	Land 3
Location	Next to Rama III Road	Next to Rama III Road and Chao Phraya River		Next to Rama III Road
Acreage (sq.wah)	2,466.40	3,255.00	4,781.00	1,518.00
Plot shape	Polygon	Almost rectangular	Trapezium	Almost trapezoid
Sides next to road	2 sides	1 side	2 sides	1 side
Road surface	Reinforced concrete			
Width/right of way (meters)	24 / 40 meters		24 / 40 meters and 6 / 8 meters	24 / 40 meters
Public utilities	Electricity, plumbing, telephone			
City planning	Commercial	Dense residential	Commercial	Dense residential
Development potential	Residential			

Note : * Land 1 and 2 are the same information as the appraisal report on February 14, 2019.



Then BKKPA proceeded to rate the appraised assets with comparative data from elements that affect the value of each asset, namely Condition of the location Transportation, Public utilities, Utilization of the land, Physical condition of the plot, Regulation, and Liquidity compared to the appraised asset. BKKPA would score each comparative data from 1 – 10 score where higher score would mean higher quality of a land. Such score could be changed if there are significant changes of the appraised area or changes of information used in the report. Nevertheless, the weight and the score are subject to judgement of each appraisers. Details of the assets scoring are as follows :

Table showing the Analysis and Rating of Assets by BKKPA

Factor	Weight (percent)	Appraised Asset	Comparative Data		
			Land 1	Land 2	Land 3
		(score)			
Condition of the location	15	8	8	8	8
Transportation	15	8	8	8	8
Public utilities	15	7	7	7	7
Utilization of the land	15	8	8	8	8
Physical condition of the plot	15	7	7	7	7
Shape of the plot	10	8	8	7	9
Regulation	10	8	8	8	7
Liquidity	5	7	7	7	9
Average	100	7.15	7.65	7.55	7.75

The scoring				
Low	Fair	Moderate	Good	Excellence
1-2	3-4	5-6	7-8	9-10

Eventhough BKKPA considered the comparative land no. 1 and 2, which are the same data as previous appraisal, the scoring is different by changes in accordance with actual survey and judgement of each appraisers. Most of the appraisal score is comparatively similar with the previous appraisal. The liquidity score is increased, because land no. 1 and no. 2 situated in good location, adjacent to Rama III Road and Chao Phraya River, which is deemed as useful location. Eventhough, there are buildings on land no. 2, such land has better liquidity as referred to the survey which implies that land owner had demolished and improved the land before the transfer.

In addition, the purchase-selling price of the comparative data land is in the range of THB 420,000.00 – 450,000.00 per square wah which BKKPA considered and lowered price of each comparative data according to the rate of land price negotiation from the discount expected to be able to bargain with the seller, then considered the value of the asset that is evaluated by analyzing the quality rating and weight of the comparative data, calculation details of which are as follows :

Table showing Market Price Comparison by BKKPA

Item	Unit	Comparative Data		
		Land 1	Land 2	Land 3
Purchase-selling price	(THB per sq.wah)	450,000	420,000	430,000
Negotiated price (1)	(THB per sq.wah)	405,000	399,000	430,000
Land quality analysis results (2) (Appraised asset rating = 7.15)	(points)	7.65	7.55	7.75
Land quality comparison ratio (3) = 7.15 / (2)	(times)	0.93	0.95	0.92
Price according to comparison ratio (4) = (1) x (3)	(THB per sq.wah)	378,529	377,861	396,709
Average weight comparison (5)	(weight)	0.33	0.37	0.30
Price after average weight comparison (6) and (7) and (8) = (4) x (5)	(THB per sq.wah)	124,915 (6)	139,809 (7)	119,013 (8)

Item	Unit	Comparative Data		
		Land 1	Land 2	Land 3
Asset appraisal price (9) = (6) + (7) + (8) (Round)	(THB per sq.wah)	380,000		
Asset appraisal price = (9) x 2,466.40 square wah	(THB)	937,232,000		

From the analysis of the comparative data of the above assets, BKKPA's appraisal price of the land with notice of offer to purchase using the Market Approach at THB 380,000.00 per square wah, or equivalent to a total value of THB 937.23 million which is equivalent to the appraisal price presented to shareholders in April.

Opinion of the IFA on the Valuation by Independent Appraisers

Valuation of the land with notice of offer to purchase by the 2 independent appraisers based on the Market Approach can be summarized as follows :

Summary of Asset Appraisal Results by SASCO and BKKPA

Item	Appraisal Result by SASCO	Appraisal Result by BKKPA
Date of Appraisal	October 4, 2019	October 2, 2019
Appraised Asset	4 Plots of Vacant Land, Totaling an area of 6-0-66.4 rais	
Appraisal Method	Market Approach for appraisal of land price	
Price per square wah	THB 370,000.00	THB 380,000.00
Total Appraisal Price	THB 912.57 million	THB 937.23 million
Transaction Price	THB 924.90 million	
Comparison of transaction price with appraisal price by independent appraisers	Appraised Price is lower than the Transaction Price by THB 12.33 million or by 1.33%	Appraised Price is higher than the Transaction Price by THB 12.33 million or by 1.33%

Referencing the appraisal result by independent appraisers, **the land with notice of offer to purchase has valuation based on Adjusted Book Value Approach of THB 912.57 – 937.23 million** while the transaction price of THB 924.90 million is considered to be within the range of the value of the land in accordance with such method, which is lower than THB 12.33 million (or equivalent to less than 1.33%) to higher than THB 12.33 million (or equivalent to higher than 1.33%).

In addition, the principles of asset valuation using the Market Approach by the 2 independent appraisers are different which can be summarized as follows :

Comparison of the principles of asset valuation by SASCO and BKKPA

Item	SASCO	BKKPA
Comparative market information	The 2 appraisers mutually use 1 comparative market information which is SASCO's land 3 and BKKPA's land 1. Meanwhile, other SASCO's comparative market information are different from BKKPA's. In addition, SASCO selected comparative land	The 2 appraisers mutually use 1 comparative market information which is SASCO's land 3 and BKKPA's land 1. Meanwhile, other BKKPA's comparative market information are different from SASCO's. In addition, BKKPA selected comparative land

Item	SASCO	BKKPA
	from land which is in the range of 5 – 10 kilometers from appraised land and land which has similar physical condition as appraised land.	from the judgement of appraiser which mainly considers land's physical condition and utilization.
Consideration of comparative market information	Mainly consider the location, physical condition and offer price	Mainly consider the location and size
Factor for quality assessment	SASCO considered size of land and prosperosity of the surroundings, while BKKPA did not consider such factors. The factors used in consideration are subject to judgement of each appraisers. Such factors might be different but the details of consideration might be similar, for example, eventhough SASCO did not consider regulation but consider utilization which already included the assessment of factors related to regulation.	BKKPA considered regulation and liquidity, while SASCO did not consider such factors. The factors used in consideration are subject to judgement of each appraisers. Such factors might be different but the details of consideration might be similar.
Weight of major factor	Significantly weight the location, adjacent road and acreage	Significantly weight the condition of the location, transportation, public utilities, utilization of the land and physical condition of the plot
Discount rate from land price negotiation used in comparison	Each appraisers considered discount rate from expected discount rate received from negotiation of the seller. The market date used in comparison of SASCO and BKKPA are mostly different. Hence, discount rate from price negotiation would be different. The same plot of land would have different discount rate which is subject to negotiation, liquidity of land and market condition during survey period.	

Summary of Valuation Result by the Independent Financial Advisor

The evaluation of the fair value of the Company's land with notice of offer to purchase based on various valuation methods can be summarized as follows :

Summary of the Comparison of Asset Valuation with the Transaction Price

Method of Fair Price Evaluation	Value/Price (THB million)	Transaction Price (THB million)	Appropriateness of Evaluation Method	Appraisal Price by IFA Higher than (Lower than) the Transaction Price (percent)
1. Book Value Approach	615.45	924.90	Inappropriate	(33.46)

Method of Fair Price Evaluation	Value/Price (THB million)	Transaction Price (THB million)	Appropriateness of Evaluation Method	Appraisal Price by IFA Higher than (Lower than) the Transaction Price (percent)
2. Adjusted Book Value Approach	912.57 - 937.23	924.90	Appropriate	(1.33) - 1.33

Various asset valuation approaches have different advantages and disadvantages. The Book Value Approach takes into account the past value of the asset and not the current price of the asset, thereby rendering the asset's book value possibly not being reflective of a fair price of the asset.

The Adjusted Book Value Approach, on the other hand, is an appropriate approach for real estate which has trading price or bidding-offering price that is comparable in the similar period. The approach would render the current price and reflect the asset value under the present conditions as much as possible. **Therefore, it is the opinion of the IFA that the most appropriate approach to evaluate the asset is the Adjusted Book Value Approach with the appropriate price range equals THB 912.57 - 937.23 million, whereby the transaction price of THB 924.90 million is considered to be within the price range based on this valuation approach at between less than THB 12.33 million (or equivalent to less than 1.33%), to more than THB 12.33 million (or equivalent to more than 1.33%). Hence, IFA has an opinion that the transaction price is appropriate.**

1.3.2 Fairness of Conditions of Entering into the Transaction

The Independent Financial Advisor has considered the appropriateness of the conditions of the draft land purchase and sale agreement, as detailed in section 1, item 1.1.2 of this report, analysed fairness of the conditions of entering into the transaction and compared with the conditions presented to shareholders in April as follows :

- Conditions regarding payment after changing the contract party from SPI to SCT could be compared as follows :

Payment conditions	Purchase and sale agreement between the Company and SPI	Purchase and sale agreement between the Company and SCT
1 st installment	Pay THB 92,490,000.00 * within May 2019	Pay THB 100,000,000.00 within December 18, 2019
2 nd installment	Pay the price of 1 or 2 land title deeds that would be registered for transfer of ownership within December 2019	Pay the price of 2 land title deeds, which are land title deed no. 11357 and no. 59109, totaling of THB 277,275,000.00, and register for transfer of ownership, within December 2019
3 rd installment	Pay the price of the remaining land title deeds at registration date of transfer of ownership within April 2020	Pay the price of 2 land title deeds, which are land title deed no. 17090 and no. 53138, totaling of THB 547,625,000.00, and register for transfer of ownership, within April 2020

* If the amendment of agreement is approved by the shareholders, the Company would terminate purchase and sale agreement with SPI and refund THB 92.49 million to SPI within December 30, 2019 in accordance with the draft memorandum of understanding of termination of land purchase and sale agreement.

As the comparative details mentioned above, the Company would receive better payment conditions from the case of changing the contract party from SPI to SCT. In 2019, the Company would receive cash inflow from the transfer and payment of 2 land title deeds comparing to only 1 land title deeds from

previous agreement. The first installment increases from THB 92.49 million to THB 100.00 million or increases by THB 7.51 million. In addition, the conditions of purchase and sale agreement are general terms and conditions used in the sale and purchase of real estate, allowing the purchaser and the seller to reach agreement in many ways on such issues on a voluntary basis to the satisfaction of both parties, and the conditions after changing of the contract party would increase shareholders' benefits.

- Conditions regarding the payment of fees, tax and various expenses related to the purchase and sale of the asset which requires the purchaser to divide the transfer fee by half with the seller, while stipulating that the seller is responsible for payment of income tax on revenue gained from the sale of the asset, specific business tax, stamp duties and other relevant expenses associated with the registration of land. Such conditions are general terms and conditions on a voluntary basis to the satisfaction of both parties.

Hence, the IFA considered that the conditions of the land disposal are general terms and conditions used in the sale and purchase of real estate, allowing the purchaser and the seller to reach agreement in many ways on such issues on a voluntary basis to the satisfaction of both parties. In addition, conditions of payment after changing the contract party from SPI to SCT would increase shareholders' benefits. Within 2019, the Company would register 2 land title deeds or half of land sold in this transaction for the transfer of ownership. Therefore, **the IFA deems the conditions of entering into this transaction to be appropriate.**

Part 2 Summary of Independent Financial Advisor Opinion

From the analysis by the IFA of the reasonableness of the transaction, as well as fairness of price and conditions pertaining to the sale of the Company's land to SCT, the IFA is of the opinion that the disposal of the Company's land **is appropriate** due to the following :

1. It provides an opportunity for the Company to be able to dispose of its unutilized assets which is not generating any benefit to its business operations and which the Company has no plan to develop or use in the future. Moreover, the asset to be sold is land which it is large and requires a great deal of capital in trading and, thus, is difficult to purchase or sell.
2. The Company will be able to recognize profit from the sale of this asset in the amount of THB 309.45 million or a net profit from the sale after deduction of fees and expenses totaling THB 219.10 million.
3. The Company will receive net cash from the sale of this asset, after deduction of fees and expenses, equivalent to THB 834.55 million, which can be used as working capital of the Company.
4. The transaction price of THB 924.90 million is within the appropriate price range as evaluated using the Adjusted Book Value Approach, which is equivalent to THB 912.57 – 937.23 million (Details of the IFA's appraisal of the appropriate price range are presented in Section 1, Clause 1.3.1 of this report.)
5. The change of contract party from SPI to SCT would render the Company to receive better payment conditions, which are general terms and conditions used in the sale and purchase of real estate, allowing the purchaser and the seller to reach agreement in many ways on such issues on a voluntary basis to the satisfaction of both parties.

As such, shareholders should **approve** this transaction. However, entering into this transaction has a number of **disadvantages and risks** which shareholders should additionally consider in respect to resolving to approve this transaction due to the following :

1. Disposal of this land with notice of offer to purchase will result in lost opportunity to sell the land at a higher price in future as the price of land tends to rise. Nevertheless, the land is large and requires a lot of capital to trade, the Company would probably require a longer period of time as well as greater financial resources to find an interested investor in the future.
2. Disposal of this land with notice of offer to purchase will result in loss opportunity for the Company to develop future projects on this land. However, the Company has no plan to develop or use such land in the future.

The advantages, disadvantages and risks are not affected by changing of purchaser. However, the Company would receive benefits from better payment conditions, which the Company would receive cash inflow faster. Such agreement is general agreement used in the sale and purchase of real estate on a voluntary basis to the satisfaction of both parties.

The decision to vote is solely dependable on the consideration and discretion of the shareholder. The shareholder should take into consideration the advantages, disadvantages, risks, limitations, and opinions expressed on consideration items of the transaction as well as carefully consider the attached documents submitted to the shareholder along with the invitation letter to shareholder' meeting so as to make the most appropriate decision.

Jay Capital Advisory Limited, as the Independent Financial Advisory of the Company, has performed the study and analysis with care in accordance with the professional standard and has provided the opinion based on the fair analysis of information by taking into consideration the benefits of all shareholders.

The opinion of the IFA is based on the information which has been received from WACOAL as well as interviews with the management, publicly available information and other relevant documents. The IFA assumes that all information received is truthful and correct. Therefore, if the said information is incorrect

and/or is not truthful and/or has been significantly changed in the future, it will affect the opinion of the IFA. Therefore, the IFA is unable to certify or warrant the future impact that may arise to the Company and the shareholders. In addition, the opinion of the IFA is only to provide comments to the shareholders and providing this opinion does not warrant the accomplishment of the transaction and any impact flowing from the transaction to the Company.

This English report of the IFA's opinion has been prepared solely for the convenience of foreign shareholders of the WACOAL and should not be relied upon as the definitive and official document. The Thai language version of the IFA's opinion is the definitive and official document and shall prevail in all aspects in the event of any inconsistency with this English Translation.

Yours Sincerely,

-Ms. Jirayong Anuman-Rajadhon-

(Ms. Jirayong Anuman-Rajadhon)
Managing Director
Jay Capital Advisory Limited, the Independent Financial Advisor

Enclosure 1 General Information of Thai Wacoal Public Company Limited

Thai Wacoal Public Company Limited was established as a joint venture between Saha Pathanapibul Company Limited and Wacoal Corporation (Japan) on October 1, 1970. Later in 1983, the Company was listed on the Stock Exchange of Thailand and in 1994 became a public company. At present, the Company is a manufacturer of ready-made apparel comprising lingerie, women's wear and children's wear.

The Company currently has 5 subsidiary companies, namely (1) Wacoal Sriracha Company Limited (2) Wacoal Lamphun Company Limited (3) Wacoal Kabinburi Company Limited and (4) Pattaya Kabinburi Company Limited, which constitute as the Company's manufacturing base with investment promotion privileges for the Board of Investment, and (5) Tora 1010 Company Limited which operates the business of supplying and distributing ready-made garments and dyeing business.

Whereby, the Company has significant changes in shareholding structure, management or business operations since 1987, details of which are summarized as follows :

- 1987 : Increased authorized share capital to THB 40 million
- 1994 : Transformed into a public company, having continuously increased capital, and currently has authorized share capital totaled THB 120 million
- 1999 : Issued THB 500 million debentures to reduce dependence on bank loans
- 2013 : Jointly invested to establish Pattaya Myanmar Company Limited to expand production base into CLMV countries
- 2015 : Entered into a joint venture with Wacoal Corp., Japan to establish Myanmar Wacoal Company Limited as a future production base for ladies lingerie
- 2016 : Entered into a joint venture with Wacoal Corp., Japan and Saha Pathana Inter-Holding Public Company Limited to establish A Tech Textile Company Limited and G Tech Material Company Limited to be the future production base of raw materials for women's lingerie
- 2017 : Increased the Company's investment in Pattaya Manufacturing Company Limited and became an associated company

As at June 30, 2019 the Company has total authorized share capital equals to THB 120,000,000 divided into a total of 120,000,000 shares of which the par value of THB 1.00 per share is fully paid.

1. Business Overview

Products of the the Company and its subsidiaries (collectively, "the Group") can be classified into 3 categories, comprising :

- Women's lingerie under the trademarks Wacoal, WIENNA, B'me, Sgarlet, Presea, in nine, and CW-X
- Women's wear under the trademark 5.up, Race', innine, Sgarlet, Presea and WACOAL BLOUSE
- Children's wear under the trademark ENFANT, De bon, Amusant, Little Wacoal, ELLE, PETITE and ELLE POUPON

Revenue structure of the Group for 2016 – 2018 and the first 6 months of 2019

Revenue structure	2016		2017		2018		Jan – Jun 2019	
	THB million	%	THB million	%	THB million	%	THB million	%
Women's lingerie	3,836.27	92.70	4,055.34	92.96	4,263.15	92.55	2,257.92	93.45
Women's wear	98.06	2.37	95.84	2.20	127.44	2.77	55.24	2.29

Revenue structure	2016		2017		2018		Jan – Jun 2019	
	THB million	%	THB million	%	THB million	%	THB million	%
Children's wear	204.13	4.93	211.36	4.84	211.93	4.60	91.71	3.79
Others	-	-	-	-	3.53	0.08	11.36	0.47
Total	4,138.46	100.00	4,362.54	100.00	4,606.05	100.00	2,416.23	100.00

Source : The Company

With each business having the following business characteristics :

Ladies' Lingerie

Ladies lingerie is the core product line of the Company with percentage of revenue at 93.45% of the Group's total sales revenue in the first 6 months of 2019. The Company produces lingerie products for distributors under the trademarks Wacoal, WIENNA, B'me, Sgarlet, Presea, in nine, and CW-X, with the following details :

- **Wacoal** lingerie products which are aligned with different needs of women's physiology at each age from young girl, adolescent to senior adult, and cover a variety of different lifestyles, whether exercising, travelling, rest and recreation, as well as going out and attending social events. Products include speciality product lines for specific customer groups such as Wacoal Balancing Bra for breast cancer survivors, Surgical Wear which are medical apparel, Pressure Garment for those who have undergone such procedures as hair transplant, facelift, or breast augmentation or reduction, liposuction on the waist, abdomen, hips or thighs, etc. which are specially designed to fit different parts of the female anatomy, providing support and contouring for the desired shape.
- **WIENNA** ladies' lingerie for the working woman with a complete array of products from bras, panties, girdles, body suits, slips, nightwear, as well as custom-made lingerie for those who cannot find a fitting standard cup size and those who have had breast cancer.
- **B'me** ladies' lingerie in size and form suitable for women in each changing age group, providing support and enabling wearers look youthful and feel captivating.
- **Sgarlet** Lingerie for Plus Size ladies.
- **Presea** Lingerie for elderly women which meets the needs and physiological changes with the concept of comfortable to wear. The sewing of seams is hide for a smooth touch and avoid the skin irritation.
- **In nine** Lingerie for prenatal mothers – postpartum which supports the changes of the physiology of the mother's body.
- **CW-X** performance enhancing apparel with ergonomic and physiological dynamic design which completely respond to body movements and comfort.

Sales and Distribution Channels of Lingerie

The Company's revenue from women's lingerie sales domestically and abroad, details of which are as follows :

Domestic Sales

1. The Company has appointed I.C.C. International Plc., a company in the Saha Group and the Company's major client, as its authorized distributor. ICC is a leading corporation with high potential and expertise in domestic marketing as well as marketing in neighboring countries, namely Laos, Cambodia and Myanmar, whereby the main sales channel is modern trade in leading department stores, including opening shops in leading shopping centers nationwide. ICC has been distributor of the Company's products for more than 40 years.
2. The Company distributes products under the trademark "WIENNA" through Vienna Shop which is a counter at the leading department stores and website www.wiennashop.com

3. The Company's products under the trademark "B'me" are sold to Pens Marketing and Distribution Co., Ltd. with main distribution via Modern Trade sales channels, currently available both in Bangkok and upcountry provinces. In addition, expansion of sales channels has been undertaken to be more inclusive and diverse, whether in stand-alone shops such as His&Her Shops, E-Commerce, 7-ELEVEN convenience stores and Catalog Friday.
4. The Company distributes products under the trademark Sgarlet, Presea, and in nine through online distribution via www.myyesshop.com comprising Lifestyle products which focused on meeting the needs of specific consumer groups.
5. The Company has opened Wacoal Body Clinic Shop at its corporate office, in addition to providing services at leading department stores, to provide specially customized tailoring for those wanting specific contouring and lingerie products for medical purposes.
6. Other sales channels include opening Wacoal Studio, online, TV Shopping and in Factory Outlets, both within the Saha Group and with external trading partners.

Foreign Sales

The Company and its subsidiaries directly export to the United States, Japan and the ASEAN economies, with Wacoal Corporation and Wacoal America, Inc., as its main client.

Outerwear Apparel

The Company manufactures and distributes ready-made outerwear products for women with percentage of revenue at 2.29% of the Group's total sales revenue in the first 6 months of 2019 under the trademark 5.up, Race', in nine, Sgarlet, Presea and Wacoal Blouse, of details are as follows :

- Wacoal Blouse and 5.up are a line of women's wear created to suit its customers nationwide with the design and distribution of products correlating to customer demand in each locality in order to ensure highest customer satisfaction.
- Race' is a branded product created specifically for corporate customers, in designing and producing different types of employee uniforms by our quality teams whether in production, sales and comprehensive services—both before and after sales, rendering a continued high degree of trust and confidence in the Company's quality products and excellent services.
- In nine by Wacoal is a line of maternity wear and post-partum apparel.
- Sgaelet by Wacoal for Plus Size ladies.
- Presea by Wacoal for older women.

Sales and Distribution Channels of Ladies' Outerwear

1. Sales of the Company's WACOAL BLOUSE and 5.up Brands are conducted through its distributor, I.C.C. International Plc., whose main sales channels are leading department stores and shops nationwide.
2. The Company has direct sales arrangement with leading corporate clients in both the public and private sector to provide uniforms for their employees, both female and male, in various businesses.
3. The Company distributes branded products under the trademarks in nine, Sgarlet and Presea via an online channel through the website www.myyesshop.com comprising Lifestyle products which focused on meeting the needs of specific consumer groups.

Children's Wear

The Company produces children's wear with percentage of revenue at 3.79% of the Group's total sales revenue in the first 6 months of 2019 under the trademarks ENFANT, De bon, Amusant, Little Wacoal, ELLE PETITE and ELLE POUON. The children's wear market is divided into 2 groups based on age criteria as follows :

- Group 1 Market for babies and young children, newborn until age 6, divided into
 - Apparel products, diapers, bedding, socks, gloves, hats, bibs, soft toys
 - Non Apparel products including bottles, baby eating utensils, toiletries, disposal diapers, shoes, belt bags, accessories and learning toys

- Group 2 Market for grown children aged 6 - 12 years, divided into
 - Apparel products, socks, hats and scarves
 - Non Apparel products including shoes, bags, belts and accessories

Sales and Distribution Channels of Children's Wear

The Company's revenue from children's wear, both domestic and overseas, details of which are as follows :

Domestic Distribution

1. The Company sells the products through its authorized distributor, I.C.C. International Plc., similar to its lingerie products, with the main sales channel being leading department stores for high-end and middle level customers.
2. The Company distributes products through Modern Trade channel to meet the needs of customers who are primarily concerned with pricing of products.
3. The Company has increased distribution via online channels such as shopee.co.th, www.myesshop.com.
4. The Company has increased another sales channel at Duty Free shops such as King Power.

In addition to expanding its distribution channels, the Company also focuses on building customer relationship via social network channels, namely "Enfant Kidclub", "Enfant Momclub" and on the website www.enfant.co.th as excellent media in communicating and publicizing its activities and news to customers.

Foreign Distribution

The Company's children's wear product lines are focused mainly in the AEC and China markets. The Company has placed emphasis on development of sales and services potential, concentrating on penetrating the trading market to reach main target groups through distributors in the respective countries. At present, Children's wear ENFANT is distributed to overseas which covers Singapore, the Philippines, Vietnam, India, Bangladesh, Cambodia, Myanmar, China, Sri Lanka, Laos and Mauritius.

The Group's revenue structure for the year 2016 – 2018 and the first 6 months of 2019 are as follows :

The Group's revenue structure 2016 – 2018

Revenue structure	2016		2017		2018		Jan – Jun 2019	
	THB million	%	THB million	%	THB million	%	THB million	%
Domestic income	2,960.89	71.55	3,129.58	71.74	3,358.53	72.92	1,762.07	72.93
Export income	1,177.57	28.45	1,232.96	28.26	1,247.52	27.08	654.16	27.07
Total	4,138.46	100.00	4,362.54	100.00	4,606.05	100.00	2,416.23	100.00

Source : The Company

2. List of the Shareholders

List of the major shareholders of the Company as at September 30, 2019 are as follows :

List of the Shareholders of the Company at September 30, 2019

	Name	Share Amount	%
1	Wacoal Corporation *	40,331,250	33.61
2	Saha Pathana Inter-Holding Public Company Limited **	27,596,600	23.00
3	Saha Pathanapibul Public Company Limited **	9,641,050	8.03

	Name	Share Amount	%
4	I.C.C. International Public Company Limited **	6,113,020	5.09
5	Mr. Weeraphat Punsak-Udomsin	4,879,600	4.07
6	Bangkok Bank Public Company Limited **	4,679,400	3.90
7	I.D.F. Company Limited	4,492,000	3.74
8	Sariraporn Company Limited	2,818,940	2.35
9	Bangkok Life Assurance Public Company Limited **	1,696,500	1.41
10	Thanulux Public Company Limited **	1,670,200	1.39
Top 10 major shareholders shares		103,426,760	103,918,560
Other shareholders		16,573,240	16,081,440
Total shares		120,000,000	100.00

Source : The Company

Note : * Wacoal Corporation is a company established in Japan country having Wacoal Holdings Corporation, a company established and listed in Japan, as its major shareholder. With reference to www.wacoalholdings.jp.

** Saha Pathana Inter-Holding Public Company Limited, Saha Pathanapibul Public Company Limited, I.C.C. International Public Company Limited, Bangkok Bank Public Company Limited, Bangkok Life Assurance Public Company Limited, and Thanulux Public Company Limited are listed in the SET and their shareholder information can be reviewed in SET's website.

Whereas, the information about ultimate shareholder of I.D.F. Company Limited and Sariraporn Company Limited who are one of the top 10 major shareholders of the Company and do not list in SET are as follows :

(1) List of shareholders of I.D.F Company Limited as of April 30, 2019

	Name	Share Amount	%
1	Sinparadorn Company Limited	43,150	47.95
2	Saha Pathanapibul Public Company Limited *	17,644	19.60
3	Watsadoramai Company Limited	11,250	12.50
4	I.C.C. International Public Company Limited *	8,100	9.00
5	Mr. Boonsithi Chokwatana	3,006	3.34
Top 5 major shareholders shares		83,150	92.39
Other shareholders		6,850	7.61
Total shares		90,000	100.00

Source : www.bol.co.th

Note : * Saha Pathanapibul Public Company Limited and I.C.C. International Public Company Limited are listed in the SET and their shareholder information can be reviewed in SET's website.

(1.1) List of shareholders of Sinparadorn Company Limited as of April 29, 2019

	Name	Share Amount	%
1	Mr. Boonkiat Chokwatana	120,000	20.00
2	Mr. Narong Chokwatana	60,000	10.00
3	Mr. Samrerng Manoonpol	60,000	10.00
4	Mr. Thamarat Chokwatana	60,000	10.00
5	Mrs. Nisa Jindasombatcharoen	40,000	6.67
Top 5 major shareholders shares		340,000	56.67
Other shareholders		260,000	43.33
Total shares		600,000	100.00

Source : www.bol.co.th

(1.2) List of shareholders of Watsadoramai Company Limited as of April 30, 2019

	Name	Share Amount	%
1	Mr. Boonsithi Chokwatana	31,996	79.99
2	Mr. Thitipoom Chokwatana	2,000	5.00
3	Miss Thanintorn Chokwatana	2,000	5.00
4	Mr. Thamarat Chokwatana	2,000	5.00
5	Ms. Thirada Amphanwong	2,000	5.00
Top 5 major shareholders shares		39,996	99.99
Other shareholders		4	0.01
Total shares		40,000	100.00

Source : www.bol.co.th

(2) List of shareholders of Sariraporn Company Limited as of April 25, 2019

	Name	Share Amount	%
1	Miss Chadaporn Rungruangkanokkul	95,000	19.00
2	Miss Naphatsita Khumyaito	95,000	19.00
3	Mrs. Phuangrat Nareerak	95,000	19.00
4	Miss Urai Laosrinongkol	95,000	19.00
5	Mr. Setthanon Kunsen	40,000	8.00
Top 5 major shareholders shares		420,000	84.00
Other shareholders		80,000	16.00
Total shares		500,000	100.00

Source : www.bol.co.th

3. Board of Directors

List of Board of Directors of the Company as at September 30, 2019 are as follows :

List of Board of Directors of the Company as at September 30, 2019

	Name	Position
1	Mr. Yoshikata Tsukamoto	Advisory Director
2	Mr. Manu Leelanuwatana	Chairman
3	Mr. Hironobu Yasuhara	Vice Chairman
4	Mr. Boondee Amnuayskul	Chief Executive Officer/ Managing Director / Director
5	Mr. Nozomu Otsuka	Director
6	Mr. Thamarat Chokwatana	Director
7	Miss Karunee Surai	Director
8	Mrs. Onanong Saengpumpung	Director
9	Mr. Kazuhiro Shibahara	Director
10	Mr. Mitsuru Sekiguchi	Director
11	Dr. Kulpatra Sirodom	Independent Director / Chairman of the Audit Committee
12	Mrs. Punnee Worawuthichongsathit	Independent Director / Audit Committee
13	Mr. Krish Follett	Independent Director
14	Miss Waraporn Kulsawatpakdee	Independent Director
15	Mr. Poolsak Boonchoo	Independent Director / Audit Committee

Source : www.set.or.th

The directors with signing authority on behalf of the Company are Mr. Manu Leelanuwatana, Mr. Boondee Amnuayskul, Mr. Thamarat Chokwatana, Miss Karunee Surai, Mrs. Onanong Saengpumpung, and Mr. Nozomu Otsuka which 2 of the 6 authorized directors co-sign with the Company's seal.

List of the Company's Management Team as at September 30, 2019 are as follows :

List of the Company's Management Team as at September 30, 2019

	Name	Position
1	Mr. Boondee Amnuayskul	Managing Director
2	Mr. Nozomu Otsuka	Deputy Managing Director
3	Mr. Thamarat Chokwatana	Executive Director and Director of Marketing Division
4	Miss Karunee Surai	Executive Director and Director of Human Resources and General Affairs Division
5	Mrs. Onanong Saengpumpung	Executive Director and Director of Accounting and Finance Division / Chief Financial Officer
6	Mr. Suvit Wongcharoenwutporn	Executive Director and Director of Fashion Apparel Division
7	Mrs. Nonglaks Techaboonanek	Executive Director and director of Managing Director Office
8	Miss Natcharinthorn Pongsupachintapa	Executive Director and Director of Human Science Research Division
9	Mrs. Siriwan Vilassakdanont	Executive Director and Director of Vienna Product Division
10	Mr. Sompong Rasameetham	Executive Director and Director of Wacoal Production Planning Division
11	Mr. Metha Supakorn	Executive Director and Director of Product Technology Division
12	Mr. Pojadech Ketkratuk	Executive Director and Director of Children Wear Product Division
13	Dr. Sukhontharat Nitthisirisakool	Executive Director and Director of Merchandising Division 1

Source : The Company

4. The Summary of Financial Position and Performance

The following table provides a summary of financial information in accordance with the financial statement of the Group, audited by EY Office Limited, for the year ended 31 December 2016 – 2018 and the first 6 months of 2019.

**Summarized financial status and operating performance of the Group
for the year ended 2016 - 2018 and the first 6 months of 2019**

Thai Wacoal Public Company Limited and its subsidiaries	The Consolidated Financial Statement			
Balance Sheet (Unit : THB million)	2016	2017	2018	30 Jun 2019
Assets				
Cash and cash equivalents	61.78	32.99	167.71	58.23
Temporary investments	249.79	420.90	400.78	243.29
Trade and other current receivables	623.81	728.84	798.97	865.78
Other short-term loans	51.55	41.55	21.53	21.53
Inventories	1,225.29	1,109.49	1,302.01	1,459.03
Other current assets	20.95	19.86	22.37	34.81
Total Current Assets	2,233.16	2,353.64	2,713.37	2,682.67
Deposit at bank under obligation	6.84	2.06	2.06	-
Available-for-sale investments	1,469.35	1,670.65	1,503.86	1,448.35

Thai Wacoal Public Company Limited and its subsidiaries	The Consolidated Financial Statement			
Balance Sheet (Unit : THB million)	2016	2017	2018	30 Jun 2019
Investments in associates	47.00	165.93	176.69	182.69
Other long-term investments	852.92	859.82	796.55	861.80
Investment property	676.99	713.57	709.98	697.16
Property, plant and equipment	1,350.33	1,257.31	1,227.76	1,220.91
Intangible assets	41.66	37.27	39.32	40.18
Leasehold rights	3.68	2.46	14.03	12.02
Other non-current assets	5.29	5.45	34.55	95.01
Total Non-Current Assets	4,454.05	4,714.52	4,504.80	4,558.12
Total Assets	6,687.21	7,068.17	7,218.18	7,240.79
Liabilities				
Bank overdrafts and short-term borrowings from financial institutions	18.00	-	-	-
Trade and other current payables	576.42	583.52	683.49	739.56
Current portion of financial lease liabilities	0.44	0.38	0.26	0.09
Current provisions for employee benefit	47.13	39.45	59.01	77.67
Current income tax payable	13.95	16.63	39.13	26.23
Provision for goods returned	30.00	30.00	25.00	33.80
Withholding tax payable	7.66	5.38	7.08	4.07
Others	5.15	7.10	11.07	13.19
Total Current Liabilities	698.74	682.48	825.04	894.61
Financial lease liabilities	0.65	0.26	-	-
Deferred tax liabilities	86.06	122.53	72.91	47.76
Provisions for employee benefit	462.08	497.76	509.13	629.54
Total Non-Current Liabilities	548.79	620.55	582.04	677.30
Total Liabilities	1,247.52	1,303.03	1,407.08	1,571.91
Shareholders' equity				
Authorized share capital	120.00	120.00	120.00	120.00
Issued and paid-up share capital	120.00	120.00	120.00	120.00
Premium on ordinary shares	297.19	297.19	297.19	297.19
Retained earnings	4,227.01	4,395.69	4,571.45	4,512.93
Other components of equity	795.24	952.04	822.24	738.55
Equity attributable to equity holders of parent	5,439.44	5,764.92	5,810.87	5,668.67
Non-controlling interests	0.25	0.22	0.22	0.22
Total equity	5,439.69	5,765.14	5,811.09	5,668.89
Total liability and shareholder's equity	6,687.21	7,068.17	7,218.18	7,240.79

Thai Wacoal Public Company Limited and its subsidiaries	The Consolidated Financial Statement			
Income Statement (Unit : THB million)	2016	2017	2018	Jan - Jun 2019
Revenues from sale of goods and rendering of services	4,138.46	4,362.54	4,606.05	2,416.23
Cost of sale of goods and rendering of services	(3,170.00)	(3,341.33)	(3,398.58)	(1,630.76)
Gross profit	968.47	1,021.21	1,207.47	785.47
Dividend income	80.50	81.87	78.15	70.74
Other incomes	94.46	102.14	95.99	48.74
Profit before expenses	1,143.43	1,205.23	1,381.61	904.94
Selling expenses	(100.23)	(131.68)	(266.06)	(342.85)
Administrative expenses	(588.44)	(625.47)	(671.72)	(347.60)
Management benefit expenses	(87.32)	(64.17)	(69.35)	(42.92)
Loss on impairment of investments	(4.69)	(8.07)	(75.42)	2.20
Gain (loss) on sale of investment	-	(5.19)	90.49	1.26
Profit before financial costs and income tax expenses	362.75	370.65	389.55	175.04
Financial cost	(4.28)	(0.27)	(0.08)	(0.02)
Shares of profit (loss) from investments in associates	(11.13)	(5.49)	10.71	5.99
Profit before income tax expenses	347.34	364.88	400.18	181.02
Income tax expenses	(36.36)	(40.20)	(44.40)	(23.53)
Profit for the year	310.98	324.68	355.78	157.49

Thai Wacoal Public Company Limited and its subsidiaries	The Consolidated Financial Statement			
Statement of Cash Flow (Unit : THB million)	2016	2017	2018	Jan - Jun 2019
Net cash provided by (used in) operating activities	361.16	397.60	206.21	(60.27)
Net cash provided by (used in) investing activities	15.76	(251.70)	109.00	167.01
Net cash provided by (used in) financing activities	(377.61)	(174.61)	(180.48)	(216.20)
Effect of exchange rate changes on cash and cash equivalents	-	(0.07)	(0.01)	(0.02)
Net increase (decrease) in cash and cash equivalents	(0.70)	(28.78)	134.72	(109.48)

Thai Wacoal Public Company Limited and its subsidiaries	The Consolidated Financial Statement			
Financial Ratios	2016	2017	2018	Jan - Jun 2019
Liquidity Ratio				
Current ratio (times)	3.20	3.45	3.29	3.00
Quick ratio (times)	1.32	1.70	1.63	1.26
Cash flow ratio (times)	0.46	0.58	0.27	0.11 ^{/1}

Thai Wacoal Public Company Limited and its subsidiaries	The Consolidated Financial Statement			
Financial Ratios	2016	2017	2018	Jan - Jun 2019
Account receivable turnover (times)	6.58	6.64	6.23	6.07 ^{/1}
Average collection period (days)	54.71	54.22	57.78	59.31 ^{/1}
Inventory turnover (times)	4.19	4.82	4.80	4.03 ^{/1}
Day sales inventory (days)	85.92	74.69	75.00	89.33 ^{/1}
Account payable turnover (times)	9.57	9.54	9.21	9.01 ^{/1}
Average payment period (days)	37.62	37.74	39.09	39.96 ^{/1}
Cash cycle (days)	103.01	91.17	93.70	108.68 ^{/1}
Profitability Ratio				
Gross profit margin (%)	23.40	23.41	26.21	32.51
Net profit margin (%)	7.21	7.14	7.30	6.21
Return on equity (%)	5.86	5.80	6.15	5.81 ^{/1}
Efficiency Ratio				
Return on assets (%)	4.68	4.72	4.98	4.61 ^{/1}
Asset turnover (times)	0.65	0.66	0.68	0.70 ^{/1}
Financial Policy Ratio				
Debt to equity ratio (times)	0.23	0.23	0.24	0.28
Dividend payout ratio (%)	50.17	55.44	60.72 ^{/1}	N/A

Note : ^{/1} Annualized projection

Management Discussion and Analysis of The Group

Financial Performance

Revenue

During 2016 - 2018, the Group had revenue from sales and services amounting to a total of THB 4,138.46 million, THB 4,362.54 million, THB 4,606.05 million, and THB 2,416.23 million, respectively, from women's lingerie, outerwear and children's wear. Total revenue in 2017 and 2018 increased by THB 224.07 million and THB 243.52 million, equivalent to 5.41% and 5.58% increase compared to the previous year, respectively, as a result of the Company having the collaboration with its key distributors in order to continually expand distribution channels and increase sales promotions. For the first 6 months of 2019, total revenue increased by THB 237.75 million or equivalents to 10.91% when compared to the same period of the previous year due to the growth of revenue in both the domestic and international markets, details of which are as follows :

Domestic Revenue

In 2016 – 2018 and the first 6 months of 2019, the Group has domestic revenue of THB 2,960.89 million, THB 3,129.58 million, THB 3,358.53 million, and THB 1,762.07 million respectively, which accounted for 71.55%, 71.74%, 72.92%, and 70.92% proportionate to total annual revenue from sales and services, respectively, which is equivalent to revenue growth in 2017 and 2018 of THB 168.69 million and THB 228.95 million, or an increase of 5.70% and 7.32% compared to the previous year, respectively. For the first 6 months of 2019, the Group has domestic revenue growth of THB 173.48 million or equivalents to

an increase of 10.92 when compared to the same period of the previous year. Such growth was due to increased sales promotion and continuous cooperation with distributors in expanding new sales channels such as Retail Shops, E-Commerce, TV Shopping, Catalog and Modern trade.

Foreign Revenue

In 2016 – 2018 and the first 6 months of 2019, the Group has foreign revenue of THB 1,177.57 million, THB 1,232.96 million, THB 1,247.52 million, and THB 654.16 million respectively, accounting for 28.45%, 28.26%, 27.08%, and 27.07 proportionate to total annual revenue from sales and services, respectively, which is equivalent to revenue growth in 2017 and 2018 of THB 55.39 million and THB 14.56 million, or an increase of 4.70% and 1.18% compared to the previous year, respectively. Such growth was due to increase in orders from overseas in line with continued global economic recovery. For the first 6 months of 2019, the Group has foreign revenue growth of THB 64.28 million or equivalents to an increase of 10.90 when compared to the same period of the previous year which was mainly due to an increase in orders from Japan.

Cost of Sales and Expenses

In 2016 – 2018 and the first 6 months of 2019, the Group has cost of sales and expenses of THB 3,170.00 million, THB 3,341.33 million, THB 3,398.58 million, and THB 1,630.76 million respectively, accounting for 76.60%, 76.59%, 73.79%, and THB 67.49% of the total revenue from sales of goods and services, respectively. The reason for the decrease of such ratio was mainly due to the Company's cost reduction plan, whereby the Group in 2015 established and began production at Myanmar Wacoal Company Limited as part of the expansion of its production base into AEC member countries where production costs were lower.

Sales and administration expenses for the year 2016 – 2018 and the first 6 months of 2019, are equivalent to THB 688.67 million, THB 757.15 million, THB 937.78 million, and THB 690.45 million respectively, accounting for 16.64%, 17.36%, 20.36%, and 28.58% of the total revenue from sales of goods and services, respectively. In 2017 and 2018, the Group had increasing sales and administration cost of THB 68.48 million and THB 180.63 million, or by 9.94% and 23.86%, respectively, compared to the previous year, due to increasing sales promotion expenses in order to stimulate domestic sales from marketing advertisement to maintain relationship with both existing and new customers. As a result, the Group has increased its total sales and has selling and administrative expenses for the first 6 months of 2019 increased by THB 297.63 million or equivalent to an increase by 75.77% compared to the same period of previous year. This was mainly due to the sales promotion and marketing plans in order to stimulate the sales of customers as well as promote the brand image.

Net Profit

Net profit attributable to shareholders of the Group in the year 2016 – 2018 and the first 6 months of 2019 amounted to THB 310.95 million, THB 324.67 million, THB 355.76 million, and THB 157.48 million respectively, or equivalent to a net profit margin of 7.21%, 7.14%, 7.30%, and 6.21% in each of the years, respectively. In 2016 – 2018, The Group increased the net profit by THB 13.70 million and THB 31.09 million, respectively, or equivalent to an increase of 4.41% and 9.98% compared to the previous year. The increase in net profit each year is due mainly to increasing revenue from sale of goods and services, and the increase in gross profit margin each year. In addition, in 2018 the increase of net profit was mainly due to recognition of profit from the sale of investment amounting to THB 90.49 million. In the first 6 months of 2019, the Group decreased net profit by THB 22.49 million or equivalent to 12.50% compared to the same period of the previous year. This was mainly due to the appreciation of Thai baht, resulting in lower profit from export sales and the Company having increased marketing and sales promotional expenses.

Financial Position

Assets

As at December 31, 2016 – 2018 and June 30, 2019 the Group had total assets of THB 6,687.21 million, THB 7,068.17 million, THB 7,218.18 million, and THB 7,240.79 million respectively, comprising current assets accounting for 33.39%, 33.30%, 37.59% and 37.05% of total assets in each of the periods, with the main current assets during 2016 – 2018 and the first 6 months of 2019 are inventories, equivalent to 54.87%, 47.14%, 47.98% and 54.39% of the total current assets of each period, respectively. Meanwhile, non-current assets in 2016-2018 and the first 6 months of 2019 accounted for 66.61%, 66.70%, 62.41% and 62.95% of total assets respectively, the major non-current assets in 2016 – 2018 and the first 6 months of 2019 comprise of available-for-sale investments of 32.99%, 35.44%, 33.38% and 31.78% of total non-current assets in each period, respectively.

In addition, in 2017 the Group's total assets increased by THB 380.95 million, or an increase of 5.70% compared with total assets as at December 31, 2016 resulting from the increase in available-for-sale investments and investments in associate companies. In 2018, total assets increased by THB 150.01 million, or an increase of 2.12% compared with total assets as at December 31, 2017 due to the increase in assets of the Group's business operations, which mainly from the increase in inventories since the Company needs inventories to support the expansion of sales channels. Meanwhile the decrease in available-for-sale investments mostly came from selling the available-for-sale investments and unrealized loss from available-for-sale investments, moreover, the decrease in other long-term investments due mostly to an impairment of net investments in ordinary shares and held-to-maturity debentures.

As at June 30, 2019 total assets increased by THB 22.61 million or an increase of 0.31% compared to the total assets as at December 31, 2018 due to an increase in inventories in order to support an expansion of sales channels and an increase in other long-term investments mainly from held-to-maturity debentures.

Liabilities

As at December 31, 2016 – 2018 and June 30, 2019 total liabilities of the Group amounted to THB 1,247.52 million, THB 1,303.03 million, THB 1,407.08 million, and THB 1,571.91 million respectively. When considering the total debt structure in 2016 – 2018 and the first 6 months of 2019, the Group had a proportion of current liabilities as a percentage of total liabilities in each of the years at 56.01%, 52.38%, 58.63%, and 56.91% respectively, while non-current liabilities accounted for 43.99%, 47.62%, 41.37%, and 43.09% of total liabilities respectively in each period.

In 2017, the Group's total liabilities increased by THB 55.51 million, or an increase of 4.45% compared with the previous year, due mainly to the increase in deferred tax liabilities and provisions for employee benefit in the said year. In 2018, total liabilities increased by THB 104.05 million, or an increase of 7.99% from the previous year due to the increase in trade and other current payables. As at June 30, 2019 the Group's total liabilities increased by THB 164.83 million or an increase of 11.71% compared with total liabilities as at December 31, 2018 mainly due to the increase in provisions for employee benefit.

Shareholders' equity

As at December 31, 2016 – 2018 and June 30, 2019 the Group had total shareholders' equity amounting to THB 5,439.69 million, THB 5,765.14 million, THB 5,811.09 million, and THB 5,668.89 million respectively, with increases of THB 325.44 million and THB 45.96 million respectively in 2017 and 2018, equivalent to an increase of 5.98% and 0.80% compared to the previous year, which mainly due to the increase in retained earnings of the Group in each of those years. As at June 30, 2019 Shareholders' equity of the Group decreased by THB 142.20 million or 2.45% decrease compared to the shareholders' equity as at December 31, 2018 mainly due to the decrease of their components of equity.

Liquidity

In 2016 - 2018, the Group had net cash flow from operations totaling THB 361.16 million, THB 397.60 million and THB 206.21 million respectively, mostly from profit before income tax. For the first 6 months of 2019, the Group had net cash flow from operations totaling THB 60.27 million which mainly due to the Group has to produce and purchase products in order to sell and pay for marketing expenses. In addition, net cash flow from investment activities in 2016, 2018, and the first 6 months of 2019 amounted to THB 15.76 million, THB 109.00 million, and THB 167.01 million respectively, most of which came from sale of investment in available-for-sale debt instruments in 2016, and from sale of investment in available-for-sale securities in 2018 and also from dividend received in the first 6 months of 2019. While in 2017, the Group had net cash flow used in investment activities totaling THB 251.70 million, mostly from the increase in temporary investments. Moreover, in 2016-2018 and their first 6 months of 2019, the Group had net cash flow used in financing activities amounting to THB 377.61 million, THB 174.61 million, THB 180.48 million, and THB 216.20 million respectively, mostly for dividend payment to shareholders and repayment of short-term loans to financial institutions.

5. Industry Conditions

The Group's main income is derived from manufacturing ready-made apparel products, namely women's lingerie, women's outerwear and children's wear for distribution in both the domestic and international markets. As such, the macro-economic situation, prevailing conditions in the ready-made garment industry and lingerie industry market conditions are factors which influence its business operations.

Overview of Thailand's Economic Situation in 2019

The Fiscal Policy Office estimated that Thailand's economy in 2019 (estimated as at August 2019) to grow by 3.0, slowing down from the previous year which expanded by 4.1% due to the slowdown in exports of goods, which is the result of the slowdown of trading partners' economies, and the impact of trade policies between the United States and China, as well as retaliation from various countries. As a result, the export of goods tends to decline by (0.9)%. Whereby the private consumption is expected to continue to expand, supported by non-agricultural households and low-income people which is improved from the higher employment and social welfare policy.

Economic Projection for the year 2016 - 2019

(Unit : Percent per year)	2016	2017	2018	2019F (As at August 2019)	
				Average	Range
1) GDP growth rate	3.3	4.0	4.1	3.0	2.8 - 3.2
2) Real Consumption Growth					
- Real Private Consumption	3.0	3.0	4.6	4.1	3.9 - 4.3
- Real Public Consumption	2.2	0.1	1.8	2.2	2.0 - 2.4
3) Real Investment Growth					
- Real Private Investment	0.5	2.9	3.9	3.6	3.4 - 3.8
- Real Public Investment	9.5	(1.2)	3.3	2.6	2.4 - 2.8
4) Export Volume of Goods and services	2.8	5.4	4.2	(0.9)	(1.1)-(0.7)
5) Import Volume of Goods and services	(1.0)	6.2	8.6	(0.4)	(0.6)-(0.2)
6) Trade Balance (USD billion)	36.5	34.2	22.3	23.0	22.8-23.2
- Export Value of Goods in USD	0.1	9.8	7.2	(0.9)	(1.1)-(0.7)
- Import Value of Goods in USD	(5.1)	13.2	14.3	(1.2)	(1.4)-(1.0)

(Unit : Percent per year)	2016	2017	2018	2019F (As at August 2019)	
				Average	Range
7) Current Account (USD billion)	48.2	50.2	35.2	33.3	33.1 - 33.5
- percentage of GDP	11.7	11.0	7.0	6.1	5.9 – 6.3
8) Headline Inflation	0.2	0.7	1.1	1.0	0.8 - 1.2
Core Inflation	0.7	0.6	0.7	0.7	0.5 – 0.9

Source : Fiscal Policy Office, National Statistical Office Thailand

Thailand's Lingerie Industry Market Conditions

Demand

The population statistics of the Department of Provincial Administration indicate that the proportion of the Thai population in December 2018 comprised 33.86 million female, compared to 33.72 million in December 2017, an increase of 134,111, which should result in a trend of higher demand for women's underwear. Factors which impact consumers' decision-making to purchase lingerie are differentiated by each of the different age groups as follows :

- As children, their parents would mainly decide what to buy.
- As teens or adolescents, their decision would be based on design, fashion, functionality and taste.
- As working adults, their decision would be based on functionality and design.

Moreover, lingerie is an essential garment and has limited life, thereby being another factor which supports continuous and increasing demand. Consumer demand for lingerie in the past has generally seen slight growth.

Supply

Domestic manufacturers of women's lingerie comprise 3 groups classified by production capacity, namely major manufacturers, medium manufacturers and small manufacturers, with the number of manufacturers increasing due to growth of sales via E-Commerce channels resulting in higher supply. In addition, other factors impacting on increasing supply are companies which import leading branded products from overseas, who are able to sell at lower prices because such products are made in China and other countries at lower cost, while department stores are also beginning to produce their own branded products for distribution.

Domestic Competition

The domestic lingerie market continues to be very competitive at every price level, whether in terms of product quality and services, design, price, sales channel and sales promotion activities. The major players in the lingerie industry are Triumph International (Thailand) Co., Ltd., manufacturer of lingerie under the trademark "Triumph", and Sabina Plc manufacturer of products under the brand "Sabina".

Additionally, there are a large number of small manufacturers to accommodate consumers who base their purchase decision mainly on pricing. If the market share is divided in terms of volume, the Company would have the largest market share, followed by Sabina Plc and Triumph International (Thailand) Co., Ltd. Up to now, Thailand's economic situation has been static, resulting in low growth in the overall market for lingerie due to the fact that there is no increase in consumers' purchasing power and consumers have more choices in terms of buying cheaper products and tend to buy only when there are sales promotion activities, especially discounts or special prices, rendering the domestic market being highly competitive in terms of pricing. Moreover, competition also comes from leading branded lingerie

producers from foreign countries, such as France and the US, competing for consumers in the high-end market, and producers and importers from other countries where production cost is low, such as the People's Republic of China, who compete in the market for cheaper lingerie, resulting in the overall domestic market situation for lingerie being highly competitive.

Import of Lingerie Products

Value of Ladies' Lingerie import of Thailand for the year 2016 – 2018

Value : THB million	2016	2017	2018
China	3,818.58	4,674.38	5,427.55
Vietnam	501.08	573.55	749.40
Hongkong	779.98	806.07	776.33
Cambodia	411.30	748.96	787.49
Belgium	238.78	227.21	232.53
Bangladesh	264.45	280.81	271.44
Myanmar	46.71	109.50	165.71
Italy	79.02	97.48	152.52
Japan	283.78	191.06	276.10
Turkey	141.80	137.02	149.86
Portuguese	131.10	140.48	158.09
Sri Lanka	100.56	125.02	128.71
Indonesia	116.35	147.41	247.74
Pakistan	13.14	15.79	35.87
Jordan	5.41	5.81	26.49
Total 15 countries	6,932.00	8,280.60	9,585.80
Others	520.80	499.90	639.00
Total Import Value	7,452.81	8,780.40	10,224.83
Growth rate (%)	28.16	17.81	16.45

Source : Ministry of Commerce

From the Table, the trend for imports of lingerie products had high growth potential in 2018, as high as 16.45% per annum, with the import in 2017 posted at THB 8,780.40 million and expected to continuously rise, both from domestic consumption and from larger numbers of tourists who come to visit and purchase more products in Thailand, resulting in foreign manufacturers exporting more to Thailand, including products from Europe and the US. Moreover, production costs of lingerie in Thailand is rising, resulting in many Thai manufacturers beginning to move production to foreign countries and subsequently importing the products into Thailand for distribution.