

The Board of Directors Report

Mr. Manu Leelanuwatana

Chairman



The global economy in 2023 still faced a slow-down following geopolitical disagreements, including the war between Russia and Ukraine and the conflict between Israel and Hamas. This caused oil price hikes and severe inflation, prompting central banks of various countries to increase interest rates up to its highest in decades. Such factors then led to a slow-down in the overall Thai economy from the past year. Exports continued to slow in line with the economic direction of key trading partners, revenue from tourism underperformed expectations, and household debt rose, causing a decline in consumer purchasing power. Additionally, there is increasing emphasis on environmental sustainability in today's world, which plays a part in the importance of sustainable development.

Thai Wacoal Public Company Limited, in 2023, maintained its focus on developing quality and standardized products and services, creating new innovations to provide products which cater to customer needs, and operating an environmentally friendly business. The Company was first in Thailand to be awarded a **Circular Economy Management System: CEMS** certification, reflecting its determination to drive sustainable business growth in line with the circular economy concept by focusing on recognizing value and maximizing benefits when managing resources. The Company was also rated **A** in 2023 by the Stock Exchange of Thailand for **SET ESG Ratings**, exhibiting the Company's determination to operate a sustainable business with responsible practices in relation to the society and environment, while adopting good corporate governance management principles (Environmental, Social and Governance: ESG). Additionally, the Company improved production efficiency and developed employee potential to ensure timely adjustments to constantly changing situations.

In terms of operating results, the Company and its subsidiaries in 2023 generated Baht 3,608.92 million in sales, reflecting a 8.31% decrease, following a reduction in international sales in line with economic situations of key trading partners, and Baht 78.48 million in net profit, reflecting a 23.76% decrease. However, the Board of Directors has considered the Company's performance and financial position and deemed it appropriate to propose to the Annual General Meeting No. 55 the payment of dividends for the year 2023 of Baht 0.70 per share, reflecting dividend payout ratio of 107.03%, to be paid on 21 May 2024, which would constitute the Company's 51st consecutive year of dividend payment.

In addition to continuously increasing the potential and competitiveness of the organization, the Board of Directors recognizes the importance of improvements to the corporate governance system for efficiency, transparency, and verifiability. This was well-reflected in the Company being granted "**Excellent**" CG rating for the 9th consecutive year and being ranked in the top quartile among its peer group of companies with market capitalization between Baht 3,000 million and Baht 9,999 million from the 2023 Survey of Good Corporate Governance practices for listed companies.

On behalf of the Board of Directors, I would like to express my gratitude to all related stakeholders who have continued to cooperate and support the Company's business, and I hope that you will all join efforts to drive the organization towards a stable and sustainable future going forward.


(Mr. Manu Leelanuwatana)

Chairman