

The Board of Directors' Report



Mr. Manu Leelanuwatana

Chairman

During 2017, the global economy began to recover; and the Thai economy also started to grow in a positive direction - especially with regards to the export and tourism sectors together with increased government expenditures and investments for major public sector projects. While revenues from such investments have not still to reach the majority of people within the country, consumers were still careful in their purchases for goods and services.

With regards to Thai Wacoal Plc. improvements were made to strengthen the organization in order to enhance its potential competitive capability, through further development and upgrading of its management systems and integrated supply chain structure as well as through ongoing joint venture investments together with its business partners so as to explore and expand new business opportunities. A review of the Company's mission was also undertaken through giving importance to ongoing creativity and new innovations as well as to the further development of the organization, so that the Company will be well-prepared for any ongoing fast-paced changing business environment by giving an important role to information technology systems. As such, the Company implemented changes to its business model in order to correspond to consumer behaviors that has started to change and adapt to the digital era; together with making changes to its organization structure so as to achieve greater operational flexibility and be able to respond to the changing consumer needs faster and more accurately. Additionally, the Company focused on ongoing research and development, in order to add more value to its products and services. As such, in the SET Awards 2017, the Company received the "Outstanding Innovative Company Award" for its Wacoal Body Clinic.

In summary, the operations of the Company and its Subsidiary Companies for 2017 achieved total consolidated sales revenues of Baht 4,362.54 million and total net profit of Baht 324.67 million, which is a year-on-year increase of 5.41% and 4.41% respectively. Based on these achievements for full year 2017, the Board of Directors has resolved to propose, for approval, at the Annual General Shareholders Meeting No. 49 that dividends for 2017 be paid at the rate of Baht 1.50 per share, or equal to 55.44% of net profit, and to be paid on May 22, 2018. This would be mean that a dividend has been paid to the Company's Shareholders consecutively for the past for 45 years.

The Company is fully committed to operating its businesses in order to achieve ongoing growth in a stable and sustainable manner, as well as based on the principles of good corporate governance together with being responsible towards society and the environment. This can be seen from the Company having received an "Excellent" CG rating, for the 3rd consecutive year from the 2017 Survey of Good Corporate Governance practices for listed companies. Additionally, the Company also received the "Thailand Outstanding Company Award for Safety, Occupational Health and Work Environment" for 2017 for the 3rd consecutive year, together with receiving a Green Industry Certification in Level 4 - Green Culture, reflecting that everyone within the organization conduct its business operations in an environment friendly manner which has become an integral part of the corporate culture.

Such positive achievements during the past year have resulted from the close cooperation received from our staff, customers, business partners, Shareholders and all stakeholder groups, all of whom have helped drive the ongoing and sustained growth of the Company. On behalf of the Board of Directors, I would like to express our great thanks to all parties; and I hope that the Company will continue to receive your ongoing positive support for the future.



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