

The Board of Directors' Report



Mr. Manu Leelanuwatana

Chairman

Thailand's economy for the year 2019 went through a slowdown and faced various challenges including trade war between the United States of America and China which affected the global economy, appreciation of the Thai Baht which suppressed exports, coupled with the era where digital technology plays a prominent role in driving businesses and causes dynamic changes in consumer behavior. As such, the business sector in every industry has to adapt to keep up with such shifts.

In the past year, the Company restructured its business model to create conciseness, agility, and speed, and increased direct marketing to consumers to truly understand and respond to consumer needs. The Company developed its personnel to ready them for changes and equip them to open up to new business opportunities. At the same time, the Company continuously invented and innovated products and services, as indicated by the Company being awarded Best Innovative Company Awards from its innovation of Wacoal Mood Travel Bra in the SET Awards 2019 and Asian Service Award 2019 from its innovation of Wacoal Body Clinic from Asian Network for Quality (ANQ).

In terms of operating performance for the year 2019, the Company and its subsidiaries generated Baht 4,881.15 million in sales, reflecting a 5.97% increase, and Baht 336.08 million in net profits, reflecting a 5.53% decrease. Having considered the financial position and operating performance, the Board of Directors deemed it appropriate and resolved to propose to the Annual General Meeting of Shareholders No. 51 the payment of dividends for the year 2019 of Baht 1.90 per share, reflecting dividend payout ratio of 67.84%, to be paid on May 21, 2020 for approval, which would constitute the Company's 47th consecutive year of dividend payment.

Apart from its ability to compete in the business, the Company continues to adhere to its intention to operate the business with transparency and verifiability under good corporate governance principles, together with responsibility towards the society and environment. As such, the Company received **"Excellent"** CG rating from the 2019 Survey of Good Corporate Governance practices for listed companies for the 5th consecutive year and was granted re-certification by the Private Sector Collective Action Against Corruption (CAC). Moreover, the Company was awarded Excellent Business Establishment for Safety, Occupational Health, and Working Environment for the year 2019 on a national scale for the 5th consecutive year as well as Bronze Award from the "Happy PVD Company" project from the Securities and Exchange Commission (SEC) which honors employers who promote awareness of the importance of saving through provident fund for employees to have sufficient funds after retirement.

On behalf of the Board of Directors, I would like to express my gratitude towards executives, employees, and all stakeholders who played a part in driving the organization in achieving its success in the past year, and I hope that the Company will continue to receive your ongoing support to operate and grow its business securely and sustainably going forward.

A handwritten signature in black ink that reads "Manu Leelanuwatana".

(Mr. Manu Leelanuwatana)

Chairman