

# The Board of Directors' Report



## Mr. Manu Leelanuwatana

Chairman

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2016 was a year of great loss for Thailand due to the passing away of His Majesty King Bhumibol Adulyadej, who possessed extensive outstanding talents in many areas and who tirelessly devoted himself to the happiness of the Thai people throughout his 70 reign.

Last year was also a year of very significant change of directions for the global economy that will have a future impact for the world, namely: the BREXIT referendum decision in the UK or the US presidential elections resulting in a new president whose key policy is to take care of US interests first and who does not support free trade.

As for Thai Wacoal Public Company Limited, the Company remained focused on driving the organization to be a Leading World-Class-Integrated Lingerie Trading Specialist in accordance with its stated vision, This overall objective is to be achieved through continuous development of a fully complete Supply Chain Management system, that will enable the Company to enhance its competitive capabilities in a stable and sustainable manner for the long term through undertaking joint investments projects together with Wacoal Corp. and leading manufacturers of raw materials in Japan by establishing A Tech Textile Co., Ltd. and G Tech Material Co., Ltd., that will be production bases for ladies lingerie raw materials for the Thai market and also to support, in the future, Wacoal's businesses around the world. The Company also established a joint venture business together with Wacoal Corp. in Japan by setting up Myanmar Wacoal Co., Ltd., in order to expand a production base into the Myanmar. Additionally, the Company has further developed its internal corporate management systems so as to achieve maximum efficiency and effectiveness, together with continuing to develop its personnel so that they will be ready to meet ongoing changes as well as be prepared and open to any new opportunities that may arise.

With regards to operating performance results for 2016, the Company and its Subsidiary Companies achieved total consolidated sales revenues of Baht 4,138.46 million, an increase of 4.18% year-on-year, together with Total Net Profit of Baht 310.95 million that equaled to a decrease of 7% compared to the previous year.

As such, based this achieved performance results together with the financial status of the Company, the Board of Directors considers it appropriate to propose to the Annual General Shareholders Meeting on April 24, 2017, for consideration and approval, that a dividend of Baht 1.30 per share or equal to 50.17% of the Total full year 2016 Net Profit; whereby the proposed dividend payment will be made on May 23, 2017. This will be the 44<sup>th</sup> consecutive year that a dividend payment is made to Shareholders.

In addition to its competitive capabilities, the Company is also confident that it can continue to grow on a sustainable basis for the long term, as well as be an organization that possesses good moral ethics and transparency lacking in any corruption. As such, the Company signed a declaration of intent to join the Thai Private Sector Collective Action Coalition Against Corruption (CAC); whereby, in 2016, the Company received formal Certification as a CAC Member from the CAC Council.

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Moreover, the Company is committed to conduct its businesses within the principles of good corporate governance together with those of corporate social responsibility as well as in being responsible towards the environment. Hence, the Company received an “**Excellent**” CG rating in 2016 from the Survey of Good Corporate Governance practices of listed companies for the second consecutive year. The Company also received the ‘Thailand Outstanding Company Award for Safety, Occupational Health and Working Environment’ for the second consecutive year, together with the EPIF 2016 Awards for being an outstanding company with regards to conducting its manufacturing and services businesses in an environment friendly manner.

On behalf of the Board of Directors, I would like to thank the Management and all employees for their continuous cooperation and devotion; as well as to thank our customers, business partners, Shareholders and all involved Stakeholder groups for their continuing confidence and trust in the Company. I very much hope that the Company will continue to receive your ongoing positive support for the future.



(Mr. Manu Leelanuwatana)

Chairman