

1. Nature of Corporate Business

I.C.C. International Public Company Limited is the leader in distribution of fashion brands, both domestically and internationally, as well as brands developed by innovation of the Company and its affiliates. The corporate main industries are cosmetics and perfumeries, hair and skin care products, full line of textile and apparel including underwear, outerwear, sportswear, apparel for physical exercise, fabric care and leather goods, etc.

The Company also conducts wholesale business through shops and department stores both in domestic and international markets. Most of our company's products are in the line of fashion and beauty as can be described in our slogan "We make people happy and beautiful".

- Cosmetics and Perfumeries Industry

From its incorporation in 1964, the Company's core business has been in the sale of cosmetics under the Japanese brand name PIAS. Since then, the Company has expanded our cosmetic business by continuously introducing various other brands, such as BSC Pure Care, Sheene', Arty Professional, Honei V. In October 2005, the Company introduced a new cosmetic brand - BSC Cosmetology, under Saha Group brand for international marketing. Compact powder is the main product for advertising to create brand awareness within the target group. The celebrity and testimonial marketing approaches have been adopted by using celebrities as its presenter to generate trial interest. Consumer behaviors have changed considerably in line with advancement of technology, especially in the use of Social Media including Facebook, Line, IG, Twitter, Tiktok. The introduction of new communication system information dissemination channels has enhanced more rapid communication and access to consumers immediately, as well as providing new additional online sales channels.

- Women's Wear Industry

The Company has been continually promoting every brand of women product groups of which we have dealership. There are 5 main brands: Wacoal, BSC, BSC Signature, Elle and Kullastrri. Strategies have been adapted for each of these brands to enhance their marketing competitiveness in terms of product variety options. Through manufacturing innovation, a wide diversity of designs and fabrics are available to increase functionality of the products that enables customers to simply dress for any occasions and ensures customers of our continued product development in response to their lifestyles in the digital era.

- Men's Wear Industry

The Company is the distributor of men's wear under such brands as Lacoste, Arrow, Excellency, Daks, Guy Laroche, Elle Homme, Getaway, BSC Cool Metropolis, Hornbill, Le Coq Sportif, Maximus and Felix Buhler. The main distribution channels are department stores in Bangkok and upcountry, with regular sales personnel providing product advice and after-sales service. A new distribution channel has also been opened in discount stores, as well as in shops that have opened in shopping malls, TV channel and E-Commerce.

2. Revenue Structure

The Company classified revenue as 3 principal segments are as follow:

(Unit: million baht)

Product Line	2020	%	2019	%	2018	%
Cosmetics, toiletries & perfumeries	739.17	8.91	1,027.27	8.35	1,142.32	8.54
Women's apparel	2,419.31	29.15	4,039.57	32.83	4,587.85	34.30
Men's apparel	2,123.32	25.58	3,021.02	24.56	3,131.27	23.41
Others	2,527.21	30.45	3,221.36	26.18	3,488.20	26.08
Other income						
Dividend income	343.45	-	531.07	4.32	528.01	3.95
Gain on disposal of property, plant and equipment and investment properties	10.27	4.14	157.24	1.28	33.62	0.25
Gain on disposal of investments held as available for sale	-	-	-	-	169.20	1.26
Share of profit investment in associates	(29.71)	(0.36)	25.04	0.20	48.55	0.36
Others	166.34	2.00	280.49	2.28	247.79	1.88
Total Revenue	8,299.36	100.00	12,303.06	100.00	13,376.81	100.00

3. Major changes and activities in 2020

• BSC Cosmetology

Established : October 2005

BSC Cosmetology has seen the change of Thai consumers' behavior in 2020 arising from the pandemic of COVID-19 which enormously affects economy worldwide, the recession in economy, various anxiety. Surgical masks turn to be a requisite to protect oneself in public places. This impacts on the cosmetics market trend. The present situation is the tough time to forecast the entire depiction of growth of sales, confidence and purchase power of consumers (the 'Big Challenge'). Cleansing products and sanitizers either alcohol liquid and gel, facial foam, cleansing sprays have become in large demand of consumers causing double growth of the markets of these products. In such a situation as these days, the consumers have to wear masks all the time lessening demand for the make-up. BSC Cosmetology is then required to modify and develop the products to suit the markets during the pandemic of COVID-19 where people must always wear masks for safety of their health. Anyhow, consumers still have to put on make-up of their eyes and eyebrows. With respect to skin nourishing products including facial cleansers, BSC Cosmetology has to considerably adjust, change and spread over E-Marketplaces whether Lazada, Shopee, JD Central, Watson or eThailandBest attempting to extend the market with promotion as the key strategy that significantly attracts the buyers especially the campaigns 9.9, 10.10, 11.11, 12.12 for both existing and prospective customers. Based on the purchase behavior of the customers, BSC Cosmetology has modified its marketing strategy by extension of the online business to be accessible to its target groups. In 2020, the cleansing product 'BSC Honei V' reached the sales growth for alcohol gels. BSC Cosmetology expects to achieve its target through adjustment of strategies in responsive to the market demand in the time of COVID-19 by maintaining the original customer base and reaching the prospective customers, encouraging them to gain more collective experience with our Brand in the new normal time.

- **Arty Professional by BSC : Presented the Concept "Arty Professional X Snoopy"** in 2020 as the special year of Snoopy for celebration of its 70th anniversary. This special collection is inspired by loveliness, amusement and self-confidence of the cartoon character 'Snoopy'. The make-up style in bright colors implies joy and self-confidence packed in packages attractively painted with the cartoon character 'Snoopy' with his friends.
- **Sheene' : Presented the Concept "Sheene' X Kumamon"** under the slogan "only once applied to your eyes ensures total beauty... confirmed", with the release of its Japanese well-known mascots 'Collab' and 'Kumamon' in cooperation with the Thai cosmetics 'Sheene' '. It includes several best-selling make-up and skin care items such as powder, lipstick, foundation, sunscreen, mask sheets, etc. in the lovely and bright look in the Japanese style.
- **Pure Care : Presented "Vegan" cosmetics.** It is the Thai brand counter which is the first brand that researches and produces Vegan, the cosmetics good for the users' skin and feeling with no compound from animals and no animal inoculations. As it has clinically been tested, it is reliable for users that it does not irritate skin, so suiting the sensitive skin.
- **Honei V: presented 'Alcohol Gel' products.** This is the first time of Honei V brand with significantly growth by leaps and bounds. It is in numerous demand and out of stock sometimes. The release of the new product immediately responsive to the consumers' requirements during the pandemic of COVID-19. The consumers of alcohol gels have then known more about Honei V brand.
- **Wacoal Lingerie**

The year 2020 is the challenging year for the Company to launch marketing activities under the crisis of the pandemic of COVID-19 ever since the ending of 2019 onwards. In March 2020, the government announced lockdown places vulnerable to spreading of COVID-19. In that connection, the key outlets of the Company either counters in department stores, Wacoal Shops or local shops are closed affecting the entire sales of the Company. To cope with such tough situation, the Company has immediately adjusted strategies by focusing on the online sale. In February 2020, Wacoal products joined with Shopee to launch Super Brand Day and has continually organized it throughout 2020. Additionally, in March 2020, Wacoal joined Lazada to launch the campaign 'Lazada birthday' where to collectively release strategic products. Such cooperation enables the Company being awarded by Shopee for the Title of Best Operation Performance and being awarded by Lazada for the Title of Most Valuable Brand 5.5 due to its outstanding sales and services.

The year 2020 is the year of significant growth of online sales in comparison with the year 2019 resulted from our breaking into the market through the strategy set in advance which facilitates the Wacoal brand products most accessible to the target groups expecting that after the normal situation restored from COVID-19, the Company will still continually sustain the online sales growth as much as possible. After the pandemic of COVID-19 seemed less severe in June 2020, the government has permitted the Company and firms, shops to render service as normally, thereby the Company begins to organize marketing activities into the children's products 'Wacoal Bloom' focused on the target groups aged 8-14 who have to expend on their new education semester and simultaneously encourages promotion of Wacoal Curve Diva brand, the products for big size of breast or big body girls. In addition, as a leading company of the lingerie market, the Company has developed products to be more distinctive either fabric

texture, design and function under its ongoing innovation to satisfy the change in lifestyle of consumers particularly those who prefer getting information through the digital media. However, since the consumers can select to buy products via many channels both online and offline, the Company has consecutively undertaken proactive marketing in both of the said channels seeking for communication directly accessible to the relevant target groups. For the distribution channels in 2020, the Company has distributed goods through the key channels, namely Wacoal Lingerie counters in the leading department stores, provincial department stores and discount stores nationwide including 82 branches of Wacoal Shop, which in 2021 the Company plans to extend to 84 branches. The criteria that the Company takes into account are efficiency, proper location and their number of customers profitable to the Company. In addition, the Company keeps on implementation of the strategy of the consecutive proactive online marketing at www.wacoal.co.th, Facebook and IG: Wacol Thailand and E-Commerce channels such as Lazada, Shopee, www.looksi.com and www.jd.co.th.

- **Arrow: Fresh Shirt**

- **Arrow Fresh Shirt** : “Anyone close to you will refresh” Wearing Arrow Fresh Shirt, you can touch somewhat of ‘anti bacteria and anti odor even breaking out in a sweat’. With special properties, Arrow Fresh Shirt ensures you by the function from ‘7 excellent innovations’, namely

1. **Anti Bacteria**
2. **Anti Odor**
3. **Anti UV** from sunlight and electrical lamps
4. **Quick Dry**
5. **Moisture Management**
6. **Permanent Feature**
7. **Environmental Friendly**

- **Arrow Cloth Masks, ‘ViralOff: stop influenza virus H3N2**

- **Arrow produces ‘ViralOff’ cloth masks** for the hygienic purpose based on the innovation ‘texture inhibiting virus’ developed in accordance with the current trend as it can inhibit growth of influenza virus H3N2 up to 99 percent within 2 hours. Such masks also have the properties that inhibit the growth of bacteria which causes musty smell since texture of these masks has quick drying and good ventilating characteristics.
- **Arrow Cloth Masks, ‘3D Zinc Nano’**: produced based on special properties of the texture, its outer part is waterproof able to protect water from seeping into the masks while its inner part is nano zinc to inhibit bacteria by nano zinc oxide technology. Additionally, its design is a ‘3D mask’, so it properly fits the facial contour and having special characteristics such as good ventilation, comfort and cool feeling when wearing it, not causing uncomfortable breathing, UV resisting, protecting from spread of coughs or sneezes, with a wire adjustable to fit the wearers’ nose and cords to put on ears adjustable to the desired level, so it fits the wearers’ face well when wearing it.

- **Lacoste : Creative Innovation**

- **Inauguration of Lacoste Digital Flagship Store for the first time in Thailand**

Lacoste Thailand is ready to fully enter the online business serving as a solution of the shopping in the new normal time. It satisfies the customers by officially inaugurating Lacoste Digital Flagship Store for the first time in Thailand with E-Commerce platform in the name ‘LACOSTE.CO.TH’. In this connection, Lacoste has collected a wide variety of its complete product items whether clothes, polo dresses, sneakers, leathers, watches, glasses, perfume, men’s underclothes, and the very special items of polo shirt L.12.12 which is the first polo shirt in the world designed by the founder of the Brand, Mr. René Lacoste, a great tennis champion, with the slogan ‘Think Polo Think Lacoste’. This shirt is the signature of the Brand until now. Moreover, there are also exclusive items being distributed only in the special channels, namely Lacoste Fashion Show, Lacoste Collaboration which is the cooperation with the foreign artists, i.e., Lacoste Croco Series in collaboration with 3 creative graphic artists: FriendsWith You, Jeremyville and Jean-Michel Tixier, which awake the world of Lacoste Brand and the crocodile logo to become vigorous in its own self but in the more amusing version. In the same year, Lacoste has cooperated with the famous Japanese designer of the street style deemed as legend in the Collection ‘LACOSTEXMASTERMIND JAPAN’. In addition, Lacoste has also cooperated with a world-class leading street wear fashion with the yellow smile face logo as the symbol of the brand, i.e. LACOSTEXChinatownMarket. Ending the year with the best pride in mixing of the beyond time beautiful design with beautiful animal patterns ‘LACOSTEXNationalGeographic’ as the celebration of our wonderful world under the world saving concept. Materials used in this collection are woven natural raw materials and organic cotton, certified sustainable and recycled polyester, which are natural and environmental friendly, including pre-sale, free delivery and wrapping a present free of charge service.

- **Lacoste Le Club Concept and Lacoste Shops in the New Style**

Lacoste Le Club Flagship Store, Central World Branch, has officially been inaugurated. It is the largest flagship store at the central part of Bangkok. Additionally, Lacoste Shops in the modified style under the new concept, namely Lacoste Le Club Iconsiam Branch, Terminal 21 Pattaya Branch, Central Embassy Branch, Central Khonkaen Branch, Central Ladphrao Branch, Central Suratthani Branch, Central Udonthani Branch, under the concept of the Brand which combines inspiration of the tennis course with the shop ready for servicing complete products of the Brand. Moreover, Lacoste has also officially inaugurated 2 Lacoste Outlets, namely Siam Premium Outlet and Central Village including Lacoste Outlet in the new style, Inthanin Branch, Chiangmai Province.

- **Lacoste Urban Sport Concept**

Lacoste Thailand is ready to fully enter the online business serving as a solution of the shopping in the new It serves as solutions to requirements of customers in the modern time, who prefer sports and urban lifestyle. Lacoste has designed the shops under the urban sport concept simulating the sport lifestyle. Lacoste Urban Sport Shops have been opened the following branches, Siam Paragon, The Mall Ngamwongwan and V Square, Nakhonsawan Province. For news of Lacoste Collections, please visit lacoste.co.th and facebook.com/Lacostethailand.

Industry Conditions and Competition

1. Cosmetics and Perfumeries Industry

- State of Competition

State of Competition can be considered according to the following distribution channels :

1. Counter sale : The marketing of cosmetics in 2020, the time of the pandemic of COVID-19 is highly competitive and more intense. Those department stores with Thai customers and tourists as target groups are much impacted because of the lockdown ordered by the government. Department stores were placed on lockdown under the measure of prevention from the spread of COVID-19 causing regrettable loss and decrease of purchase power of consumers. In that connection, cosmetics counters have to adjust the strategy to focus more on online shopping and E-Commerce and increase promotions to attract people to go out of home going shopping again at department stores. BSC Cosmetology has adjusted the strategy by developing the combination of online and offline sale thereby customers may directly go shopping at department stores, telephone to directly order products from officers at the sale outlets, do online shopping or shopping through Live Chat in all channels of the social media. This is to encourage quantity of sales even though the number of people who go to the department stores has decreased. In addition, we have adjusted the format of advertisement, and public relations to be most accessible to consumers in alignment of the change in the consumers' behavior and to be most effectively accessible, where TV advertisements are used to facilitate recognition of our Brand in wider scope along with intense online advertisements in all platforms so as to rapidly access the customers. Moreover, billboard media and advertisements at BTS sky train and MRT subway stations are also significantly taken into account because they are easily accessible to the public. The counter brands have additionally implemented further marketing strategies by organizing vigorous sales promotion activities, which stimulate sales in alignment with the change in consumers' behavior aiming to attract prospective customers and promoting trial of the products. The key factor of counter sale is still the service rendered by salespersons who enhance brand impression among customers for the purpose of repeat purchases by creating a feeling of worthwhile spending on the products.

2. Discount Store In 2020 it is deemed a threshold of the tough time of small retail shops, convenience stores, hypermarkets and other retail trades which have target groups as Thai people from middle to lower classes. These businesses may be much impacted because of the loss of purchase power and the effect in income and expenditure of consumers. In the meantime, the retail business with upper middle class target groups and E-Commerce may not be less impacted because of the anxiety of consumers about COVID-19. Many retail stores have to adjust strategies by more emphasizing the online shopping and E-Commerce. In that connection, they have included various incentives and promotions to attract customers to do online shopping. BSC Cosmetology has, therefore, modified sale strategies such as modifying the counter salespersons to be e-Beauty Advisor (e-BA), who present products online through channels of the shops and of their own. It is to enable the staff members to gain income during such tough time. The things to be urgently done are to improve skills of salespersons from service customers at the shops to service customers online instead, and act as a good partner of retail stores as well as release new ad hoc products such as alcohol gels, masks for discount stores including to select any products trustworthy of their quality, being rapidly sold out to serve as competitive products in markets during the pandemic of COVID-19.

- Product Acquisition

In terms of production, currently 90% of all of the Company's cosmetic products are manufactured domestically, mostly by International Laboratories Corp. Ltd., and S & J International Enterprise Plc., both of which belong to the Saha Group and are under the quality management of ISO 9001. Another 10% of the Company's products are imported.

In terms of product development, global sourcing involves the search for ingredients and packaging from all over the world.

- Industrial Trend and Future Competition

Cosmetics remain the fifth requisite of women, especially in the make-up market. The main products promoted to enhance the growth of the make-up sector are those in regular use such as powder, eyebrow pencils, mascara, eyeliner, foundation, of which such growth can be attributed to change of consumers' behavior during the pandemic of COVID-19 where everyone shall take more care of themselves, ready to wear a mask all the time. The purchase for enhancing self-confidence is still a factor that enables growth for the make-up products in comparison with the entire market share of the beauty sector. In addition, the market trend focuses on online sale as it is apparent that such sale channel has dramatically grown in leaps and bounds. In the future, this channel is likely to become another major distribution channel.

2. Women's Wear Industry

- State of Competition

1. Competitive Situation

Competitive strategies in 2020 included the following:

- R&D for Women's Lingerie

Due to rapidly changing consumer behavior, it was important that the Company focused on consumer behavior research and analysis to improve and develop products. To this end, the Brand Health Check is implemented in order to bring the research findings to develop products exactly responsive to the demand. The attention is paid to customers' satisfaction of product usage whereby the Company has carried out satisfaction surveys of customers in the database, who hold membership of His & Her Plus Point and actually buy and use the products. The feedback and recommendations therein are analyzed to further upgrade and invent innovations leading to concept of production as the solutions to the customers' needs.

In the meantime, the Company has provided call center service by the manufacturer, Thai Wacoal Plc. This is to facilitate the after-sale service for customers as to receiving any grievance, providing information about the products and services, coordinating between customers and shops aiming at the utmost convenience and satisfaction of the customers in using our services. The data and information got from the call center serve as another channel from which the Company takes recommendations of customers to extend and develop products and services. The Company also performs ongoing management of the big data for setting the manufacturing plan to supply and satisfy demand either in quality or quantity, as well as to upgrade products to be more responsive to target customers. In that connection, the Company has, additionally, taken consumers' needs into account for a launch of new products. The factory, merchandiser and sales department have worked together as One Body, starting from brainstorming to design products to meet consumers' needs in every age group, size, cup and lifestyle in terms of functionality and fashion based on good quality products. In the meantime, the Quick Response Marketing System (QRMS) was applied which resulted in more effective product management in shops as goods are sufficiently available and coincide with customers' demand to ensure customer satisfaction, while reducing lost opportunity for sales, expediting transportation and distribution to shops, as well as promoting more efficient and effective inventory management. As a result, the lead time for delivery and lost opportunity for sales decreased, hence product management is more effective.

- Maintain Existing Consumers and Access Prospective Consumers

To systematically retain existing customer base, the Company focused on giving customers continuing satisfaction through a variety of activities that impressed its existing customers of all ages ranging from counter sales promotion activities or giving special privileges.

In addition, the Company has implemented efficient administration of existing customer base through His & Her Plus Point card, in order to build up good relationships with customers. Varied activities along with interesting and exclusive promotions are created so as to encourage participation of customers and render good impressions of the brand, as well as introduction of good service standard system in Customer Relationship Management (CRM), whereby customers are provided with several benefits either discount in purchase of products or premium items that continuously increase sales each year from the points accumulated by His & Her Plus Point card membership.

New Customer Acquisition Strategies have been mapped out in 3 parts:

1. Maintaining existing customer groups and expanding to potential new customer groups :

In 2020 the Company has applied strategies of the product qualities notified by the older generation to the younger generation customers. This is to build the new customer database of pubescent persons by focusing on activities for 'Wacoal Bloom' products through multiform advertisements and faster communications simply accessible and understandable to customers thereby new groups of customers are continually attained. Furthermore, sale promotion activities are launched and researches are undertaken on the requirements of both mothers and young daughters so as to provide the exact favorite premium for customers and finally achieve purchase and notification of products by social media idols or influencers.

2. General customers, having never used the Company's products :

The Company focused increasing efforts on more modern product design and manufacture to appeal to fashionable customers. In 2020 the Company has developed products for big size breast girls under the Brand 'Wacoal Curve Diva' in a wide variety of items with the slogan "Wacoal Curve Diva, the Excellent Curve Bra Made Specially for Diva/Ideal Girls". This is to attract awareness and trial by the particular group of customers.

In addition, the Company utilizes multiple marketing strategies in line with people's modern lifestyles through both offline and online media such as advertisements on television, newspapers and magazines. To this end, out-of-home media, media in department stores, media in movie theatres, social media channels such as Facebook, Fan Page, IG, Line, Email have also been used, which can save more time, expenses and provide ready access to targeted customers. This also includes building up relationships with TV Shopping channels for digital and cable TV advertisements. Giving special privileges to targeted customers for brand experience through physiological expertise and good services enabling increase in sales of every product line according to the set targets. Furthermore, Wacoal has expanded markets to new customers in AEC, namely Myanmar, Cambodia and Laos through the online channels, i.e. Facebook in order to communicate with prospective customers, thereby expanding its customer base in AEC.

3. Consumers with Cross Product Experience :

The Company has offered special prices for some recommended items for buyers to create brand awareness and trial of other products of the Company. Apart from this, the Company also implements the marketing strategy through the influencers and the social pages deploying affiliated marketing with the aim of encouraging the brand awareness and sales enhancement simultaneously. In that connection, the effectiveness of lots of influencers can be well measured. The present year, the Company has increased communication channels with additional target customers, i.e. doing the E-mail Marketing or brochures or leaflets for advertising through the outbox of E-Commerce for the purpose of publicizing and stimulating the target customers to access news about new products, activities and other information about the Brand.

- Omni Channel Marketing

Nowadays, fierce competition in ladies lingerie is found in various distribution channels, starting from traditional channels such as department stores, discount stores, the Company's shops, necessitating the extension of sales to multiple online channels or TV Shopping. Growth in these new channels is expected to increase yearly due to its easy access and ability to meet customers' demand more rapidly and completely. As such, the Company has partnered with famous online sales websites, TV shopping channels or catalogue sales as the channels are those whereby producers can communicate their product innovations more completely while allowing consumers to be familiarized about the innovation of products before connecting them to visit the points of sale at Department Stores to see the real products. Such are components of Omni Channel marketing is expected to post further growth in line with the changing consumers' behavior in this modern age.

2. Number and Size of Competitors

Only integrated business can survive in the various industries. Nonetheless, women's lingerie is a specific industry, which has many challenges in entering the market, starting from importing raw materials, local production of some raw materials, sewing technique and distribution method that requires agents such as department stores or discount stores. The Company continues to place significance on all trading partners whether old channels or new, allowing it to retain and develop its customer base to all consumer groups. To develop the online channel where rivals can easily enter in the face of tough price competition, the Company has properly selected products for sale that suit such channel, so the Company can deal in the online market effectively.

3. The Company's Competitive Status and Potential

The Company pays careful attention to new distribution channels as well as the purchase behavior of customers that is different in each channel. During the past year, the Company has adjusted its approach to proposing contents that are more appealing to the target groups, especially online customers who are likely to grow rapidly. In this connection, the Company uses integrated communication tools via 360° of online channels such as employing influencers of its business alliance media to assist in disseminating contents, adapting online communication methods to gain access to target consumers. To this end, the Company implements the marketing strategy through social pages using affiliated marketing to facilitate awareness of the Brand and stimulate the sales at the same time where the effectiveness of influencers can be well measured. In the present year, the Company has also increased additional channels for communication with the target groups, namely the E-mail Marketing or brochures or leaflets for advertising through the outbox of E-Commerce for the purpose of publicizing and enhancing the target customers to access news about new products, activities and other information about the Brand. This results in the Company getting good feedback as evident from growing sales, both in terms of number of pieces and amount of monetary gain. The Company additionally aims at further extending its market base in the future.

- Product Acquisition

ICC is currently carrying five lingerie brands, produced by two major manufacturers:

- 1) Thai Wacoal Plc., manufacturer of Wacoal.
- 2) Pattaya Manufacturing Co., Ltd., manufacturer of Kullastri, BSC, BSC Signature, Elle.

Suppliers of raw materials for both these companies are A Tech Textile Co. Ltd., G Tech Material Co. Ltd., Champ Kabin Co. Ltd., Thai Gunze Co. Ltd., Erawan Textile Co. Ltd., Textile Prestige Plc., Thai Naxis Co. Ltd., Thai Takeda Lace Co. Ltd., Thai Sakae Lace Co. Ltd. and Fujix International Co. Ltd., all of which belong to the Saha Group with manufacturing standard accreditation of ISO 9001. Research and development of new materials have consistently been undertaken resulting in an advantage over competitors in terms of having a wide and diverse range of raw materials and also lower production costs.

- Industrial Trend and Future Competition

The overview of overall trends for the textiles and garment industry shows possible growth in both production and export sectors. Most of the production is for ASEAN markets, due to the advent of the ASEAN Economic Community since the end of 2015, rendering increasing opportunity to expand production capacity, not to mention the increasing size of consumers' market from a population of 60 million to 600 million, which is a huge market with high potential.

In 2020, the Company still focused on research and development of new innovations and technology in designing women's apparel suitable for Asians and coinciding with consumers' behavior for every age group, lifestyle and fashion. This is based on creating good and quality products at worthwhile prices, using integrated product management systems to retain reasonable level of inventory to balance with sales volume--not too much nor too little, while also increasing transportation channels to distribute products to shops more rapidly instead of retaining large amounts of inventory at shops, as well as implementing strategies to create effective production to meet consumers' lifestyles in this Digital Age as much as possible.

3. Men's Wear Industry

- State of Competition

Last year menswear sales in department stores decreased approximately 30% in comparison with the previous year. The consumption and purchase of clothing products as of 2020 still faced with troublingly decline due to the pandemic of COVID-19 because department stores in almost every province nationwide were placed temporarily on lockdown for 2 months and most consumers were more careful about their expenditure in coincidence of the recession in economy worldwide and a sharp decline of number of foreign tourists. Consumers were deliberately more selective to choose good quality products than previously, and continued taking into account the ongoing innovation of goods.

In addition, most producers emphasized pricing methods whether offering discounts, redemptions, giveaways and distribution of premium goods to stimulate sales and minimize products in their stocks, but rarely conducted new marketing campaigns. Many had to develop their production efficiency to achieve lower costs, and to ensure flexibility in management for higher competitiveness. In addition, they have to set aside budget for marketing activities for competitive advantages in the long run.

As far as the state of competition is concerned, some advantages still prevailed, namely:

1. The Company's menswear has created a wide range of product lines (portfolio) which can cover the whole target market in many various segments, resulting in wide distribution and a strong market share as well as the balance of negotiating power in distribution.
2. The Company's products are well-known and well-accepted for their reputation and high quality.
3. The Company's products have undergone development and it had successfully and consistently launched innovations into the market owing to support from major suppliers (belonging to the Saha Group). There is an expansion of factories to cater for this growth, from the thread-spinning factory, dyeing factory, cloth decoration factory to ready-made shirts manufacturing factories, to support the Company in its potential to create a constantly growing market share.
4. The Company has strong personnel with good habits of thought and the determination to achieve corporate targets and they are consistently ready to learn and improve.
5. The Company has a Big Data policy to analyze relevant data and customer behavior (Descriptive Analysis) and to make projections into future trends of customer demand (Predictive Analysis) in order to be able to better respond to consumers' needs.

- Product Acquisition

The Company has acquired products from 3 major suppliers, namely:

1. Thanulux Plc., manufacturer of shirts, T-shirts, suits, bags and leather goods.
2. People's Garment Plc., manufacturer of T-shirts and trousers.
3. Bangkok Tokyo Socks Co.Ltd., manufacturer of socks.

Manufacturing technology used is medium-ranged, with a fair number of workers and the modern use of automated machinery for higher production efficiency.

Moreover, the manufacturing group has established factories within a BOI-promoted Industrial area (Zone 3), resulting in a decisive advantage in production costs.

- Industrial Trend and Future Competition

Although the market remains sluggish, the industry at large tends to remain stable and continue growing because consumers still continue to pay more attention to their dress. Meanwhile, fierce market competition is expected to rise due to foreign rivals including influx of cheap products from the People's Republic of China. Local producers will have to analyze the market and consumer behavior in each area, create innovations in various forms in terms of products, marketing channels and develop strengths of each product for each target group of buyers in order to survive in the market amid the more intense competition.