

1.2 Nature of Business

1.2.1 Revenue Structure

Product/Service	Operated by	% Share-holding	2021		2020		2019	
			Amount (million baht)	%	Amount (million baht)	%	Amount (million baht)	%
1.Cosmetics,	ICC International Plc.		576.57	7.73	739.17	8.91	1,027.27	8.35
toiletires &	WBRE Co., Ltd.	99.99	-	-	-	-	-	-
perfumeries	Canchana International Co., Ltd.	60.00	-	-	-	-	-	-
	Thai Itokin Co., Ltd.	58.16	-	-	-	-	-	-
Total Cosmetics, toiletires & perfumeries			576.57	7.73	739.17	8.91	1,027.27	8.35
2.Women's	ICC International Plc.		1,856.36	24.89	2,201.98	26.53	3,722.68	30.26
apparel	WBRE Co., Ltd.	99.99	-	-	-	-	-	-
	Canchana International Co., Ltd.	60.00	26.00	0.35	33.10	0.40	42.85	0.35
	Thai Itokin Co., Ltd.	58.16	178.04	2.39	184.23	2.22	274.04	2.23
Total Women's apparel			2,060.40	27.63	2,419.31	29.15	4,039.57	32.83
3.Men's	ICC International Plc.		1,868.43	25.05	2,114.14	25.47	2,991.34	24.31
apparel	WBRE Co., Ltd.	99.99	-	-	-	-	-	-
	Canchana International Co., Ltd.	60.00	-	-	-	-	-	-
	Thai Itokin Co., Ltd.	58.16	10.25	0.14	9.18	0.11	29.68	0.24
Total Men's apparel			1,878.68	25.19	2,123.32	25.58	3,021.02	24.56
4.Others	ICC International Plc.		2,249.14	30.16	2,496.93	30.09	3,179.79	25.85
	WBRE Co., Ltd.	99.99	29.84	0.40	19.70	0.24	28.43	0.23
	Canchana International Co., Ltd.	60.00	-	-	-	-	-	-
	Thai Itokin Co., Ltd.	58.16	7.94	0.11	10.59	0.13	13.14	0.11
Total Others			2,286.92	30.67	2,527.21	30.45	3,221.36	26.18
Total Revenue from sale			6,802.56	91.22	7,809.02	94.09	11,309.21	91.92
5.Other income								
5.1.Dividend income			379.65	5.09	343.45	4.14	531.07	4.32
5.2.Gain on disposal of property, plant and equipment and investment properties			0.01	-	10.27	0.12	157.24	1.28
5.3.Others			260.49	3.49	166.34	2.00	280.49	2.28
Total Others income			640.16	8.58	520.05	6.27	968.80	7.87
6.Share of profit investment in associates			14.81	0.20	(29.71)	(0.36)	25.04	0.20
Total Revenue			7,457.53	100.00	8,299.37	100.00	12,303.06	100.00

1.2.2 Information about Products

- 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".

1. Cosmetics and Perfumeries Industry

(1) Features of the Products

From its incorporation in 1964, the Company 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 where in October 2005, the Company introduced a new cosmetic brand - BSC Cosmetology, under Sahapat 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's behavior has changed into preference of following the news through TV as the main media causing several brands to turn publicizing their information in news programs. BSC Cosmetology, therefore, selected to publicize through the news programs in the following channels: TNN16, Nation, New18 similarly to other brands, in the present circumstance where the consumer's behavior is likely to change again as resulted from the pandemic of COVID-19, everything differentiates from previously which is identified as the 'New Normal'.

- The Potential Factors Impacting on Chances or Limitations of Business Operation

- Chances and Obstacles of Business Operation

Chances

1. Due to the change of the consumer's behavior, the strategy of the cosmetics market then has to be suitably changed accordingly. For the skin care products which are currently in more demand, we have to adjust the distribution channel to be more diverse either the sale through the online shopping platforms, live chats or direct order via telephone at the time when most consumers have to work from home and the department stores are closed at earlier time. The customers have, therefore, changed behavior to buy products through the E-Commerce more than before where they gained experience of the new style purchase. Although when the department stores are reopened, the customers may go to buy goods at counters in less number, this will be a chance for the Brand to use data of the customers accessible through the online sales to set up the retargeting strategy for advertising and attracting the target customers or the existing customers who are familiar with the products and simultaneously inducing new customers from other brands. In addition, we have opened the direct channels to customers, namely the Line Official BSC Cosmetology and His & Her that are accessible to customers for providing information about various benefit and promotion for customers enabling the immediate knowledge and at the same time enabling us to interact with the customers in real time.

2. To supply the products suitable to the markets during the pandemic of COVID-19. Cosmetics must be heavily adjusted since people seek for safety first. In that connection, we have got the idea to manufacture hand rub alcohol gel for hygiene and safety from disease. It occurred the situation where crowds of people bought the alcohol gel causing such products severely out of stock and multiply increase of the sales in leaps and bounds, such as BSC Honei V including the cloth surgical masks and the innovation of lipstick which leaves no dirty mark when wearing masks, the powder and sprays locking make-up to last long and leave no dirty mark on the masks; it is to provide more options to the customers.

3. The factor that girls begin to wear make-up at young age provides much chance of the business growth for cosmetics. To this end, our Company has modified the products to satisfy the needs of young customers and made the products worthwhile for purchase by means of communication with young customers in new channels they usually access to. This gradually increases sales of our Company.

4. In the situation of 2021, the consumers faced the problems of decrease of income from their unemployment or reduction of salaries while their expenditure was still in the same amount as previously, BSC Cosmetology has realized such impact on the consumers, therefore, released products in various sizes as options for the consumers such as small, pocket sizes which suit not only the customers of limited purchase power but is also accessible to the prospective customers especially those who still do not gain much income but have interest in trial of the products via the online channels and the convenience stores nationwide.

5. BSC Cosmetology has modified the distribution channels by adding the online sales covering every platform during the pandemic of COVID-19, when most customers are interested in purchasing cosmetics through this channel. In the meantime, the live chat on the social media platforms or E-Commerce which presently the E-Commerce turns to do more live chats to make the online market attractive in terms of amusement and entertainment, encouraging the viewers to watch it in more number and for a longer time evidenced by the number of live chats and the number of views increasing a lot even during the pandemic of COVID-19. It is because of increase in the number of viewers of the online contents and people having to do the online shopping in more number for fear and worry about the infection of disease. Presently, there are many E-Commerce market platforms such as Lazada, Shopee, JD Central and the specific platforms for the cosmetics, namely Konvy, Watson, ICC Shopping, for distributing the products to all platforms aiming at more views especially the cosmetic products which are in high competition according to the reason 'the more simply customers can access to the products, the more intended sales can be achieved'.

6. The consumers themselves have also shared information about products on the social media either the review of products through Bloggers and Influencers so as to ensure decision to purchase. The whole depiction of the cosmetics market in 2021 seemed stagnant. However, it is obvious that there still was the demand of cosmetics as cosmetics can be deemed as the 5th requisites of women. Our Brand then has to adapt by developing innovations and implementing the market most accessible to the consumers, planning the strategies in integrated terms of digital, social and business. For example, the micro influencer strategy has accurately been deployed encouraging faster accessibility to the consumers. Among other things, we shall understand the consumers' requirements, i.e. which cosmetic products will most satisfy the needs of the target group.

Obstacles

1. We could not take care and service those customers who directly came to buy the products at the counters due to the strict preventive measures stipulated by the government and the department stores. To service the customers is in the changing way as resulted from the spread of COVID-19, where we are unable to service the customers in make-up and face massage in compliance with our expected plans. It then caused decrease in sales.

2. The decrease in the customers' purchase power caused lesser customers to walk shopping in the department stores resulting in the sales of the business doers located therein. Such lesser expenditure has direct impact which makes various department stores to adapt their strategies to emphasizing launching the marketing promotion campaign activities corresponding with the requirements of customers apart from the co-promotion so as to grant discount and simultaneously to stress providing new experience for customers.

3. There were few tourists as they were unable to enter our Country due to the pandemic of COVID-19 when the government ordered to strictly control entering and exiting the Country. In that connection, there were lesser foreign tourists both Chinese and ASEAN either from Myanmar, Cambodia, Vietnam or Laos. The Thai cosmetics market, therefore, became in recession immediately as almost no figure of purchase orders whereby our Brand had to urgently adapt the marketing strategy in due course.

4. The current behavior of consumers has changed to the 'new normal', especially how to select to buy goods. It appeared that the customers who could not go shopping in department stores, turned to do their shopping online which was more convenient and inexpensive. We have to increase distribution channels to suit the change of the consumer's behavior.

5. From the crisis of COVID-19, it shows that the world can be rapidly changed making numerous demand of goods. Sometimes the supply of our products was in shortage unable to satisfy the demand at once. Therefore, our Brand shall urgently develop the products and innovations as much as possible in response to the requirements of the customers nowadays which change rapidly at all times; if we still conserve the original style or keep still, our Brand will simply disappear from the market finally.

- Development of Business Innovation

In 2021 BSC Cosmetology saw the opportunity to do the marketing during the pandemic of COVID-19 to enhance the sales of the Brand, for example to produce alcohol gel for cleansing to protect from diseases under the campaign 'Wearing Masks, Applying BSC Powder', the major factor thereof is to develop innovation suiting needs of the consumers where they have to wear a surgical mask when going outside the house in each time so as to protect from COVID-19 infection. Even wearing a mask, the make-up is still necessary for women. Their change of lifestyle causes our Company to develop innovation as much as possible.

Putting on make-up when wearing a mask will make the mask dirty, even the powder and lipstick also leaves a dirty mark. BSC Cosmetology has realized such point and got an idea to invent the latest product emphasizing the innovation 'Beautiful Make-up No Dirty Mask' to introduce the powder which achieves the best sales. The new product in 2021 was the filter powder with natural protective molecule to be used for skin protection (the second skin). With the natural protective molecule, the filter powder enhances the facial skin to look bright to not make the mask dirty with its fine, light and smooth coverage properties. The special molecule of the powder makes the face look bright and fine and disguises facial pores and wrinkles, the face will look naturally beautiful; the user can apply the powder anytime all day without a powder dirty mark but with facial protection from acne. Based on the experiment carried out on the customers, the result shows that the powder does not stick to the mask they have worn all day; the Company, therefore, launches the marketing

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campaign 'Wearing a Mask...Apply BSC Powder' so as to encourage wide awareness of the customers and ensure the Brand as the leading one of the cosmetic powder where our Brand is quite strengthened in such category.

Lipstick 'BSC All Day Kiss' can be beautifully put on lips with no dirt on the mask thereby the users can be confident all day. Its Airy Lock Film innovative technology provides very thin film facilitating the color grains to adhere to the lips all day and the strawberry fruit extract and jojoba seed oil simultaneously moisturize the lips to be soft, fine, shining and healthy. The result of the experiments done by International Laboratories Co., Ltd., about the long sticking of the Product is 12 hours and the effectiveness of its sticking to the lips is at the good level.

Pure Care by BSC in 2021 emphasizes the innovation of beauty, eco-friendly properties of cosmetics with vegan formula comprising neither mixture from animals nor experiments on animals, which is the preferred trend nowadays and the new option of the cosmetics sector where the campaign against hurting and exploiting animals is conducted worldwide. This product item emphasizes the mixture of plants only. Consequently, Pure Care Vegan Series are the cosmetics suiting the demand and being one of the initiative brands that use neither mixture from animals nor experiments on animals under the concept 'Use of Our Products Enhances Mental Health and Skin Health'.

Product Innovation The outstanding ones are:-

BSC Cosmetology

Doing the marketing of foundation powder to remain on the face for a long time even wearing a surgical mask in the situation of the spread of COVID-19, we have then conducted the campaign 'Wearing a Mask, Apply BSC Powder' to promote 'BSC Filter Powder' as a key for delicate and beautiful skin. It is the foundation powder of the modern time with the natural protective molecule to provide skin protection (Second Skin). With the natural protective molecule, the filter powder enhances the facial skin to look bright and not to make the mask dirty with its fine, light and smooth coverage properties. The special molecule of the powder makes the face look bright and disguises facial pores and wrinkles, so the face will look naturally beautiful. The user can apply the powder anytime all day without a powder dirty mark while protecting from acne. The design is inspired by the concept 'Look Beautiful Even Wearing A Mask, Wearing A Mask Apply BSC Powder', which satisfies the requirements of ladies who are autonomous and self-confident in their current lifestyle.

Sheené

"Sheené X Kumamon" under the slogan "only once applied to your eyes ensures total beauty...confirmed", with the release of its Japanese well-known mascot 'Kumamon' in cooperation with the Thai cosmetics 'Sheené'. 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

The "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

'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 responding to the consumer's requirements during the pandemic of COVID-19. The consumers of alcohol gels have then known more about Honei V brand.

(2) Marketing and Competition

(A) The Marketing Aspects and Policy

In 2021 from the spread of COVID-19 new wave which has still intensified causes a slowdown in the growth of cosmetic products sales. Previously prior to the pandemic of COVID-19, there was continually increase of growth of the Thai cosmetics market. The forecast in the beginning of 2021, the market seemed to be restored but due to the spread of COVID-19, the Country had to be placed on lockdown. The public are frantic with worry, the government then assists in remedy the consumers in many projects. 'The More You Spend, the More You get' Project is focused on the economy by encouraging of spending for goods or services such as cost of foods, beverage, general goods, service fees of massage, spa, nail polishing (excluding the government lotteries, alcohol beverage, tobacco, vouchers, cash vouchers and goods or services which are prepaid) through the g-Wallet on the Paotang (wallet) Application between 1 July - 30 September 2021. This is to conduct with the businesses with VAT registration which join the Project. Our Company also participates in such project and develops the software 'Whenever You Shop, You Will Immediately Get A Star/Point' corresponding with the government policy and making the products more worthwhile for the consumers during the pandemic of COVID-19 where they need to wear a surgical mask to save themselves in the public places. All these factors cause the slowdown of the cosmetics market. BSC Cosmetology has, therefore, to adapt itself by leaps and bounds by extending the sales channels online and on air and the channel accessible to the existing customers

via the CRM system through His & Her Application. We have additionally adapted the CSG2C strategy to enable everyone to sell their goods even staying at home including entering the Beauty Store in Watson Shop(s) for the purpose of modifying the marketing strategy in such non-normal competition condition during the pandemic of COVID-19. Cosmetics brands were much affected, their sales at the counters in the department stores are in recession because the customers scared to walk shopping in the department stores. During the severe spread of COVID-19 in Thailand, the department stores were closed to keep social distancing. It much impacted on the beauty market. In comparison with the previous year when there were consecutive impacts, our Brand had to deploy the E-Marketplace such as Lazada, Shopee, JD Central, Central Online, Robinson Online, Facebook to extend the market corresponding with the consumer's behavior which changed to purchase the products online more than before. In the E-Marketplace, our Brand conducted the promotion strategy as the main point to attract the buyers where several promotion campaigns were launched, for example the buy 1 get 1 free or buy 1 get 2 free for some period making much reduction of price and encouraging the consumers to buy the products. The competition which has gradually been tougher in the Thai cosmetics market causes BSC Cosmetology to modify various strategies to compete in the market. Among other key strategies, to release new products to the market at all times is one strategy conducted by BSC with either new products, innovations, products in a new format, new designs different from the original ones, or new manufacturing processes which were used to get the better quality products. Even to design a new work procedure such as to increase new sales channels, to render new services, terms of payment, etc. are utilized. This is deemed creating innovation of our Company for the purpose of best satisfaction of the customers since whatever the global and the domestic economy becomes, the beauty market in Thailand still has chance to grow. As the time has passed, there has continually been growth of the market because beauty is with Thai ladies in every time and every era. Cosmetics are available from luxurious department stores up to flea markets, from very luxurious imported brands up to quality Thai brands including minor brands available at the outlets on social media.

BSC Cosmetology has so far modified the format of advertisement corresponding with the current trends where the consumers turned to approach information from news. This is to rapidly and effectively access to responding with the consumer's behavior where they turned preferring such media. It is additionally to encourage the consumers' wider awareness of the Brand. Last year, BSC Cosmetology has still implemented the communication strategy by having the brand ambassadors who are famous and accepted by the public disseminate the information and prove their actual use of our cosmetics. That attracts more interest of the consumers in our Brand. To this end, the advertisement was still the television-base communication so as to encourage more recognition of our Brand. Additionally, we further add the advertisement channels online attempting to rapid access the customers at all times. Apart from this, billboard media and advertising media in the mass rapid transit system have also become the necessary alternative media. Consequently, the multimedia usage strategy either online or offline or that exactly accessible to the consumers to encourage their trial of products and fully attract the prospective customers is advantageous for satisfying both the prospective and the existing customers.

Our cosmetics and perfumeries divisions have paid attention to research on consumers and development of innovative products able to suit the needs of the consumers who want any products which enhance their beauty and good personality along with new instrumentality which encourages their awareness of necessity of usage of products, as well as the feedback especially toward the foundation powder where BSC Cosmetology has continually maintained its leadership of the foundation powder market. In this connection, we focus on strengthening quality of our Brand and products under the key strategy of innovation. Many investments have been made in scientific experiments to acquire innovative products. It does not only the products, BSC Cosmetology has also deemed innovation as everything either products, packages, distribution channels, logistics, marketing and services thereby our Brand stresses innovation in all aspects.

(B) Competition Condition in the Industry

- Competition Condition

The cosmetics marketing has high and tough competition from new brands available in the market with their ongoing growth in each year, and lots of new factories producing cosmetics are established. Either an individual, celebrity or star can simply produces cosmetics and tries to add value to their products, creates the ideas as options for the consumers to get experience with their brands and enables the consumers to select a wider variety of cosmetics in the competitive cosmetics market in Thailand. Although 2021 there was the spread of COVID-19 making the economic recession worldwide, resulted in the slowdown and recession of growth of sales at some period of time due to the government lockdown measure; it seemed as the start up of various cosmetic brands both major and minor ones. In the situation of the spread of COVID-19, most minor brands no longer exist in the cosmetics market; only the well-known brands which the consumers reliably select to buy remain in the market as the consumers more deliberately decide to purchase. In that connection, if any cosmetic brands fail to adapt their strategies, they will no longer exist in the market at once. Based on the strategies conducted during such time, the reduction of price, exchange of gifts, granting one more piece free of charge, selling in attractive, extraordinary and new manners were found but ceased rapidly, in case the quality of such products was not really good. The advice from one person to another person on the social media was dense making those brands gradually disappear.

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BSC Cosmetology has the policy to sincerely and honestly communicate with customers in the market without false advertisement and pays attention to the image of the Brand by focusing on the interests and satisfactions of the customers. The young generation consumers open their mind and prefer trying the goods and are willing to pay higher price to obtain quality and standard products. In that connection, our Company takes the chance to create brand loyalty and attempts to extend our customer base to the young generation. The cosmetics sold at the counters, we select to utilize the television media together with the online media in all platforms more than previously to relieve the impact arising from COVID-19 and consecutively introduce new products as we have found the online media and the media displayed in the mass rapid transit system have more increasing rate. Consequently, we utilize such media and the media displayed in department stores more than before because it is the media, in which the consumers are interested and more accept. We additionally maintain the sales and expand the new customer base. With respect to the worldwide popular brands, we also increase many marketing strategies by conducting more activities attractively encouraging the customers' expenditure.

In the past years, with the communication strategy of BSC Cosmetology, we have achieved attracting much more prospective customers in all distribution channels where the new customers are attracted to trial of products. Furthermore, the communication online in all formats of social media, live chats and use of the Call Center directly through the sales staff at the outlets in each area where to apply the modern technology to service has turned to play more role of attracting the customers. Most counter brand cosmetics have all used modern instruments to provide services especially the skin analyzers taking only 3-5 minutes to service in analyzing the skin completely, so it is an instrument to enhance reliability of our Brand making the customers feel it worthwhile to spend more expenses therein. Nowadays, the counter brand cosmetics have implemented the marketing strategy not only finding the ways to create brand loyalty and relation with the brands in mind of customers, but also continually emphasizing finding the prospective customers. In this connection, BSC Cosmetology has add the strategy of sales promotion in order to interest the customers' trial of products by conducting the campaign for promotion of sales of diverse items of make-up and skin care products which satisfy the consumers of all age groups, and simultaneously encourage the prospective customers to do trial of the products attracting their second time purchase.

- Number and Size of Competitors

Types	Total number of Competitors
General Cosmetics	159
Sensitive Skin	51
Professional Make Up	60
Self Selection	168
Direct Sales	322
Cosmeceutical	31
Total	791

- Status and Capability of Competition of the Company

Our Company takes advantages of representing Multi Brands to get chance in competition by means of the products with distinctively different brand characters to cover all groups of customers either their age, lifestyle, convenience in purchase through lots of diverse channels or every price rate that satisfies customers especially the Brands they most prefer, namely BSC Cosmetology, Sheené including Arty Professional, Pure Care, PND by BSC, BSC Honei V and BSC Jean & Jean aiming to accessing all groups of customers and keeping our market share.

- The future industry trend and competition

The cosmetic and beauty business has the consecutive growth and expansion rate every year, although in 2021 it sometimes faced a slowdown and recession. This is because presently the customers whether male or female or in any age group are more interested in their health, beauty and skin including their self care where they desire to be in a nice look. In that connection, several beauty businesses, skin care clinics and leading cosmetic brands are incorporated to supply the increasing demand each year.

The impact from COVID-19 has resulted in the consumers performing their activities outside home less than before and mostly working from home. It causes reduction of use and frequency of products purchase among these consumers. Although the trend of demand of beauty and cosmetics has decreased, it remains some chance from the change of the consumer's behavior since nowadays more Thai people have behavior of caring their beauty themselves at home especially their use of hair coloring and toner products. Based on the survey, it shows that 35% of Thai people consider the beauty care at home is a new lifestyle. They are likely to use the cosmetics of natural compounds without chemicals or hazardous substances. Such products are then in the increase demand because the customers worry and concern about their health caused by the spread of COVID-19 and the PM 2.5. In that connection, everyone has to adjust their

lifestyle a lot. To take care of skin against the weather condition and non normal pollution is necessary to live the life including to usually wear a surgical mask before going out of the house are the new normal lifestyle

In 2022 the skin care cosmetics will have the significant growth resulted from the change in the consumer's behavior. In the previous year the consumers turned to pay much attention to their health and safety or interested in the products with natural compounds extracted from the new natural substance 'CBD', the extract from hemp, which will play a significant role of the natural mixture in cosmetics such as the skin nourishing cream and the skin care products. CBD will reduce facial oil which is a cause of acne, while it will moisturize the skin to become soft. Presently, the CBD cosmeceutical is gradually popular for the reason that the cosmeceuticals shall have treatment effect. Bathing cream is also a product which now is extracted more from hemp because the Food and Drug Administration (FDA) has officially approved the use of the CBD extract. Additionally, these cosmeceuticals have many items going to mix the CBD extract recently such as lipstick, shampoo, facial cleansing products, bathing salt and various skin nourishing cream

BSC Cosmetology has adjusted the products along with the marketing strategy by deploying the communication to directly access the customers 'the Direct to Customer Model', in collaboration with our business alliance such as shops and department stores in order to implement the marketing to support the goods distribution channel and to effectively supply the goods, launch various campaigns directly to the customers through every channel either the main communication channel of the Brand, the communication channel of shops and department stores including the direct communication through sales staff to provincial customers nationwide so as to access all customers. In this connection, BSC Cosmetology has spent rather high budgets for communication with the customers since there is stiff competition in the cosmetics market which is heavier than other categories of products. To render the communication directly to the customers is another adjusted way that quite successfully enhances the sales during the pandemic of COVID-19 when the customers are unable to go to buy products.

(3) Acquisition of Products or Services

With respect to the production, currently all of our cosmetic products are still produced domestically in the proportion of 90%, mostly from International Laboratories Co., Ltd. and S&J International Enterprise Plc. which are under Sahapat Group with the manufacture standard ISO 9001 and imported in the proportion of 10%.

For the development of products, we implement the Global Sourcing which is to search for the Ingredient formula and appropriate packaging anywhere worldwide.

(4) Undelivered Work

- None -

2. Women's Wear Industry

(1) Specifications of the Products

The Company has been continually researching and promoting every brand of women product groups of which we have dealership. There are 5 main brands: Wacoal, BSC, BSC Signature, Elle and Kullastri. Strategies have been adapted for each of these brands to enhance their marketing competitiveness in terms of product variety options and modern designs enhancing elasticity of the cloth to suit the wearers' sizes and increasing functionality of the products that enables customers to comfortably wear in order to satisfy requirements of children up to elderly persons. In addition to the products, the significant thing that our Company well realizes is the impressive service to provide new experience for customers, i.e. the self service which allows the customers to select the products by themselves through the information signage in the shops which gives full information of the products whereby the customers need not ask the sales staff. It matches the lifestyle of customers in the digital and new normal era.

The year 2021 was the year when our Company still develop the marketing strategies at all times to match the fast change of the consumer's behavior in the new normal time resulted from the pandemic of COVID-19. COVID-19 has pushed people into the new normal life in all aspects either lifestyle, business, public health or education, which affect the products especially the lingerie that our Company is the distributor such as Wacoal, BSC, BSC Signature, Elle and Kullastri. However, our Company still keeps on developing the products with innovations, of which we take account in designing the products to make them interesting and simultaneously developing new varied products to attract customers of all age groups and more suiting every group requirements.

As the pandemic of COVID-19 causes the slowdown of logistics and the impact thereof also extends to the counter/window displayed products, shortage of stocks including the work aspect which changes to work from home, our Company then extends the product line to the surgical masks to satisfy the needs of customers because the surgical masks become necessary to the people nowadays. In the meantime, we also manufacture the strategic products in a special price particularly for some channels and shops focusing on the online customers only. A wide variety of discount is offered to match the customers' various styles of purchase. Moreover, we have brought the retrospective sales data to analyze for designing the products and promotions to become most attractive to the customers.

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The implementation of the online market through several channels either Facebook, Google or having Influencers publicize our products in 2021 seemed going well. With respect to the Google Channel, the campaign of 'Search Engine Marketing' got value of the Return On Investment (ROI) on average of 15.88%. It means the returns got from the investment in purchasing the advertisement are much effective. Besides, it was the first year of implementing the Google Shopping Campaign which played the considerable role of encouraging our Brand at one of the top ranking in the form of catalogues to allow the customers who intend to buy lingerie to see Wacoal products in picture with price list at one of the top of their search through Google and the customers can also order the products immediately which provides more convenience in shopping for Wacoal customers.

The Company actually has expertise in women's body shape. This is why our Brand can be beside Thai ladies with the aim of enhancing their nicest body shape. This knowledge is taken to develop the products to suit the distribution channels online whether through Lazada, Shopee or every online platforms. To this end, we further upgrade the internal procedure of the online sales to become more precise by upgrading the Product Database, linking and connecting the relevant data with the stocks and preparing the products for the purchase orders so as to enhance the efficiency of work to be more accurate and faster in response with the orders placed online on the API system to satisfy the purchase behavior of people in the future as we have used endeavors to develop the systems to analyze and study the customers' data for upgrading the work system in corresponding with the marketing at present and looking forward to the future, so that our lingerie brand will be at the top ranking with the attention and understanding of the care for women's body shape in all ages groups.

- Significant Impacts on Chances or Limitations on Business Operation

- Chances and Obstacles of Business Operation

Chances (15PT)

1. Our Company has full capability in the lingerie industrial market with the ongoing rate of growth and a wide variety of costume products covering each group of customers, so we can exactly satisfy the market structure and the target groups since we are the leading brand of lingerie in the capacity as distributor of the major 5 brands, namely Wacoal, BSC, BSC Signature, Elle and Kullastri which each brand has the different distinctive Positioning.

2. Based on the Company having applied the information technology to manage the work where we deploy the Quick Response Management System (QRMS) to directly collect the data of products and the sales outlets. The updating of those data is done in real time facilitating the Company to access the accurate data taken in account for formulating the goods distribution plan and suiting the rapid change of the market. Therefore, the Company has promptness to provide the consumers with the most satisfactions.

3. The lingerie is the necessary products with limited lifetime and presently the lingerie is classified into a fashion product but is developed its functionality to more satisfy the requirements and lifestyles. The consumer's behavior in selecting lingerie has changed from focusing on the function of the product into focusing on the fashionable design where the design should look beautiful and modern. This increases the quantity of lingerie that they purchase as they desire to match their dressing, so it gives chance to design various functionality and more items of the product such as the sanitary underpants for menstruation which smoothly fit the body, the underwear for the customers aged 50 years and more with the texture mixed with moisturizer emphasizing the body contour and comfort in wearing as well as health care, the underwear for travelers, the underwear for exercise to enhance self-confidence. This is to specifically attract the relevant groups of customers.

4. The expansion of new markets in AEC such as Myanmar, Cambodia and Laos enhances more customer base in AEC.

Obstacles

1. The pandemic of COVID-19 causes the consumers to more carefully spend money and in lesser amount. They spend for foods more than for the other items of consumer goods, so the purchase power in the market has explicitly decreased.

2. The consumers' requirements have rapidly changed in the digital era. The demand arises in a very short time of the purchase decision or in a micro moment where the supply shall be made immediately to the demand. In that connection, there is consecutively tough competition in the lingerie market especially the middle and the low segments where to implement the more competitive price strategy.

3. The economy is consecutively in recession resulting in the purchase power and the purchase behavior where the consumers have reduced their expenses either the frequency of purchase or waiting for a discount sales including their interest in the lower price products.

4. Lifestyle of the consumers which changes fast and becomes more complicate; therefore, the lingerie brand has to adapt strategy to suit the changes at all times. In that connection, the consumers have more options in purchasing goods both from the major manufacturers and the minor manufacturers on the online channel where there is very tough competition of price.

5. Free Trade Agreement (FTA) causes the inflow of goods from foreign countries especially the inexpensive products that are simply and rapidly available in the market. The Company has to compete with the domestic business doers and simultaneously to stipulate the strategies to compete with the imported goods for gaining the market share.

(2) Marketing and Competition

(A) The Marketing Aspects and Policy

In 2021 the Company implemented the following competition strategies:-

- Research and Development of Innovative Lingerie Production

For the reason of the rapid change in the consumer's behavior, our Company has paid attention to the ongoing research of the consumer's behavior to find out the requirements of the consumers so as to take the findings to develop the products and carry out the Brand Health Check. This is to develop the products to exactly satisfy the requirements. In that connection, our Company takes and focuses on the customers' satisfactions in using the products whereby we have surveyed the customers' satisfactions either from the customer database of His & Her Application and the customer database from the activities organized and the Focus Group which purchases and uses both the products of our Company and of our competitors. We take various feedback and recommendations of the customers to further develop and invent innovations and finally set up the concept of the products matching the customers' requirements.

In 2021 our Company still brought the customers' data to analyze and develop through the Big Data system in stipulating the products manufacturing plan that suits the customers' requirements and with sufficient supply to their demand, as well as developing the products to better suit the target groups as the guidance to produce new products. That is to work jointly as One Body by collectively thinking and designing the products and then releasing the products onto the market satisfying the needs of consumers of each lifestyle in terms of either function or fashion features based on the good quality products. In the meantime, we have applied the Quick Response Management System (QRMS) to efficiently manage the products at the sales outlets enabling the availability of products in proper quantity corresponding with the needs of the customers, which satisfies the customers and lessens the loss of chance of sales. It facilitates fast logistics and distribution of products to the shops and the efficient and effective administration of the inventories which enables to shorten the duration of transportation and lessen the loss of chance of sales. It ensures more efficient administration of the products.

With respect to upgrading of the logistics system, currently Wacoal Online has been enhanced its efficiency by the Application Programming Interface (API) for supporting the internal management where work can be faster performed and ensuring delivery of products to the customers within 24 hours after receiving the orders. Additionally, our Company has developed the logistics system to be more effective as the intelligent warehouse where to provide fast delivery as a way to create the sales chance.

- 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 promotion activities at counter sales, special sites either within and outside department stores or giving special privileges in various festivals where we launch promotions and premium products attractive for the customers such as the promotion for His & Her Plus Point members, etc.

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

Since our Company has a wide variety of products for children up to adults corresponding with the requirements of all groups of customers either children, teenagers, adults, plus size persons, sports players or LGBTQ and with the strategy of notifying the good quality of products from one group to another group of customers. In that connection, we 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

From the situation of the pandemic of COVID-19, the Company focused on the communication with the customers who have never used Wacoal lingerie by emphasizing the innovation that enables more comfortably and well-fitting wearing in many models for more options available to the customers.

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, for example matching of the product items of the companies within our Company Group for doing the special price promotions (the Cross-Promotion), i.e. buying lingerie of mothers, get one children clothes washing product. 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, promotions, activities and other information about the Brand, where we focus on the children lingerie as children are the age group which use the first underwear with our aim of creating the Brand Loyalty in the future.

- 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.

(B) Competition Condition in the Industry

- Competition Condition

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. In the present year, the Company has also increased additional channels for communication with the target groups, 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.

- Number and Size of Competitors

The change in technologies causes tough competition in the online sales where lots of small enterprises can simply participate in the market thereby the purchase behavior of consumers is likely to change. Although the traditional sales channels such as department stores and discount stores have still maintained their proportions as the main sales channel, the trend of growth of both the online platforms and TV Shopping seems to increase evidenced by the lingerie becoming the best-seller product on the online sales channel. Anyway, we still pay attention to our trade partners as our original sales channels, i.e. the department stores and the discount stores, and to any other new channels, as well. This is to extend the customers base to cover the consumers in every sales channel, even the online sales where competitors can simply participate making much competitive price. Notwithstanding, as the Company has selected products to suit such sales channel, the Company can then compete in the online market effectively.

- 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) Acquisition of Products or Services

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.

Both companies have the raw materials suppliers, namely A Tech Textile Co., Ltd., G Tech Material Co., Ltd., Champ Kabin Co., Ltd., Thai Gunze Co., Ltd., Erawan Textile Co., Ltd., TPCS Plc., Thai Naxis Co., Ltd., Thai Takeda Lace Co., Ltd., Thai Sakae Lace Co., Ltd., and Fujix International Co., Ltd., which are certified the manufacturing standards under the conditions and criteria to select manufacturers as stipulated by our Company, i.e. usually carrying out research, study and development of new raw materials. This causes lots of advantages to our Company in terms of raw materials and lower cost in competing with our business rivals.

(4) Undelivered Work

- None -

3. Men's Wear Industry

(1) Features of the Products

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

- The Potential Factors Impacting on Chances or Limitations of Business Operation

- Chances and Obstacles of Business Operation

Chances

1. The target market still focuses on the image, price and how worthwhile the products are.
2. Due to the tougher competition, many competitors which fail to gain the advantage of their cost cannot survive in the market resulted from the higher labor cost, termination of employment, move the manufacture base to another place, dissolution of business.
3. Recognition of the customers' requirements and enhancement of close relation between the consumers and the products is the significant factor of impressing the consumers especially the marketing activities with social and charitable contribution.
4. Most of the competitors in the market have not set any different and attractive communication procedure, but only deployed the price strategy as the key one thereby they mostly stress the reduction of stocks and have not implemented the interesting marketing.
5. There was increase of the distribution channels from expansion of branches of several provincial shops and increase of the direct sales channels accessible to the consumers such as the TV sales and E-Commerce.
6. The economic growth of the CLMV countries has provided chance for the men's wear products to extend the markets in these countries.

Obstacles

1. The target market has less brand loyalty, so deciding to purchase mostly through the marketing activities and the sales promotion programs.
2. The strategy of price is still important in competition. Any manufacturer which fails to enhance effectiveness of lessen the cost will be disadvantageous in competition and finally leave the market.
3. The Policy of the Free-Trade Zone resulted in the setting up of a measure on reduction of import duties of the ready-made products where there were explicitly increase of competitors in the market last year whether branded products or inexpensive products from China.
4. From lifestyle and purchase power of the young generation consumers where they pay attention to their dressing more than in the past causing the business entrepreneurs which are the international leading Fast Fashion Retailers have orientated to making more investments in this region.

(2) Marketing and Competition

(A) The Marketing Aspects and Policy

Our Company has the policy to emphasize the procedure of providing satisfactions for the customers by stressing importance of the Market Oriented and the Customer Relation Management.

- The Competition Strategies

1. The product strategy: We emphasize development of products with high quality whether sewing, wearing, innovation of good quality raw materials so as to facilitate comfort or convenience of use and maintenance which satisfies the requirements of customers and simultaneously complies with the favorite fashion trend of the target market.

2. The price strategy: We focus on keeping the proportions of price and quality to be at the proper level. To implement the policy of competitive price shall mostly be done to the out-of-date products only so as to ensure the customers' confidence in purchasing our products.

3. The distribution strategy: The products are available to be purchased in leading department stores nationwide with the aim of fully access to the target group by means of presentation of the value of products with innovation, modern fashion, good quality, reasonable price. The products are beautifully displayed under the concept of distinctive presentation different from those of the competitors and attracting the customers' interest. The well trained sales staff on our products and services will perform their duty at the sales outlets to properly provide suggestion about our products and render both during sale and after sale service.

4. The sales promotion strategy: We emphasize advertisement, public relations and dissemination of new products in each season by launching contents of sales promotion in accordance with the need and interest of customers different from the competitors by offering innovations and marketing campaigns to assist the society in which the target group is interested and continually make them known via various media at the sales outlets emphasizing fame, quality and reliability of products.

5. Provision of satisfactory service for customers, our Company focuses on the service rendered at the sales outlets starting from the customers walking in the shop until leaving the shop with the aim of the customers' most satisfactions and impressions.

6. The warranty for the customers' satisfactions, our Company focuses on the after sale service to be rapidly and impressively provided with willingness to replace any item of products unsatisfying the customers.

- Qualifications of the Target Customers

Our Company distributes a variety of brands of men's wear in different marketing positions. In distributing to various segments of the market, there are the strong brands which can dominate the market shares and successfully diversify the potential risks.

The target group customers of our products have several segments depending on the positioning of the products. All products of our Company cover the target group customers which are gentle men aged 25-50 of high middle class (level C and more), mostly are the business owners, company officers, students with quite contemporary fashion taste and preference of dressing.

- Distribution and Distribution Channels

Our Company deploys the distribution channels through middlemen, namely department stores, discount stores where we are entitled to negotiate because most of men's wear distributed by our Company are well known and accepted by the consumers. In addition, we usually conduct the marketing activities. We also increase the distribution channels outside department stores to supply the increasing number of consumers through the Company's shops, television-base sales outlets and E-Commerce. However, we have the policy of development of business jointly with our trade partners for the mutual interests and best advantages of the consumers.

(B) Competition Condition in the Industry

- Competition Condition

Last year menswear sales in department stores decreased approximately 15% in comparison with the previous year. The consumption and purchase of clothing products as of 2021 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.

- Number and Size of Competitors

We have men's wear products of medium level onwards in the markets about 65 brands but substituted by the imported foreign brands for the domestic brands which are not competitive in the markets.

- Industrial Trend and Future Competition

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.

- 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.

(3) 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.

Our Company emphasizes research and development of products with the aim of most satisfying the consumers' requirements, whereby the attractive forms of the development have continually been implemented corresponding with the fashionable trend of the costume industry. In this connection, we have collected data and information either from Europe, USA or Japan as the guidelines of development to suit the Thai consumers. In addition, our Company further stresses the creating of innovations in many fields to provide convenience for the consumers in using our products.

(4) Undelivered Work

- None -