

1. Operation Overview

Thailand's economy in year 2020 recorded a contraction of 6-7% from severe effect of COVID-19 pandemic and strictly protective measurement imposed to control the COVID-19 pandemic both in domestic level and overseas, especially during lockdown period from March — May 2020 which the government announced lockdown closing malls nationwide and suspending the travelling of tourists. Even relaxation of measurements had been announced from the end of May, however, the trend of situation had been continuing for prolonged period, especially in countries still facing with severe pandemic and no available vaccine for protection. While the government conducted stimulus measures for expediting spending “Eat out to help out” “Chim Shop Chai ” and “We Travel Together” scheme in the country, however, it actually had no positive impact on the growth of the economy as a whole. The high level of household debt, lower level of household income and public spending as main factor driving economy still low resulted to lower level of purchasing power and the domestic purchasing power was unable to drive economic growth.

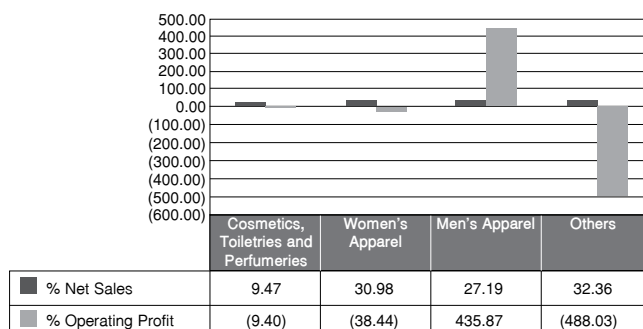
In the year 2020, the Company and its subsidiaries had sales revenue amounting to THB 7,809.02 million, a decrease of THB 3,500.19 million representing 30.95 percent from the year 2019, net loss profit of THB 59.32 million, a decrease of THB 778.36 million compared to the previous year, representing 108.25 percent. Cost of sales was THB 5,489.38 million, a decrease of THB 2,078.64 million from the year 2019 representing 27.47 percent. Sales and administrative expenses amounted to THB 2,726.37 million, a decrease of THB 1,231.03 million from the previous year, representing 31.11 percent. The Company's net profit declined mainly due to the COVID-19 pandemic as a result to the closure of malls nationwide during a period from March to May 2020, including no-growth economy, decline of domestic purchasing power and no tourists from overseas. As a result, the Company conducted measurement to reduce any expenses not supporting to operational effectiveness, expenses not relating to sales growth and personnel expenses.

In the year 2020, the Company invested in 3 subsidiaries and there was 1 subsidiary completely processing liquidation during year as follows:

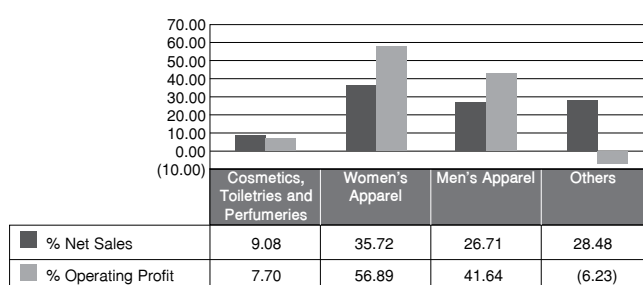
1. WBRE Company Limited which engages in real estate business by developing a housing project in Sriracha near the Saha Group Industrial Park in order to expand new business channels for the Company.
2. Thai Itokin Company Limited is a manufacturer and distributor of ready-made garments and is an important supply chain for the Company for the production of apparel products for distribution under the name of ICC International Public Company Limited. Thai Itokin Company Limited is the licensee of the brands sold by the Company, including producing uniforms and goods for domestic sales and export. It produces quality products.
3. Canchana International Co., Ltd. is a distributor of ICC International Public Company Limited's products in the Kingdom of Cambodia in order to expand the market to the CLMV region.
4. Amis Du Monde SARL in France, which opened a shop on the Champs-Elysees avenue, the center of France's leading shopping area, to bring the Brand BSC to the international market as an international brand under the name of BSC International with operations starting in the apparel product group. However, the Board of Directors Meeting No. 6/2016 held on October 14, 2016, considered and approved the dissolution of the business due to continuous operating losses. The Company held 119,304 shares in Amis Du Monde Company Limited, representing 81.92% of the registered capital at the price of EUR 10.00 per share, totaling EUR 1,193,040.00, equivalent to approximately THB 48.92. million. The Company has already set aside a provision for impairment of investment amounting to THB 48.92 million and completed in the process of dissolution and liquidation according to the legal process of France in the third quarter of year 2020.

2. Performance and Profitability

Proportion of revenue from sale of goods and operating profit by segment 2020



Proportion of revenue from sale of goods and operating profit by segment 2019



Sales revenue

In the year 2020, the Company and its subsidiaries had sales revenue of THB 7,809.02 million, a decrease of THB 3,500.19 million or 30.95 percent from year 2019 which sales revenue amounted to THB 11,309.21 million.

The revenue of the Company and its subsidiaries comprise 3 main product lines, namely cosmetics and fragrances, ladies' wear and menswear. Comparison of the details of income and profit for each product line between year 2020 and 2019 is as follows

(Unit : Million Baht)

Product Lines	Net Sales		%	Operating Profit		%
	Year 2020	Year 2019		Year 2020	Year 2019	
Cosmetics and Perfumeries	739.17	1,027.27	(28.04)	(2.59)	50.18	(105.15)
Women's Apparel	2,419.31	4,039.57	(40.11)	(10.58)	370.52	(102.85)
Men's Apparel	2,123.32	3,021.02	(29.72)	119.92	271.19	(55.78)
Others	2,527.21	3,221.36	(21.55)	(134.27)	(40.61)	(230.66)
Total	7,809.02	11,309.21	(30.95)	(27.51)	651.29	(104.22)

Cosmetics and Perfumeries

In year 2020, the Company had revenue from cosmetics and fragrances amounting to THB 739.17 million, a decrease of THB 288.10 million or equivalent to 28.04 percent from year 2019, with operating loss in the year 2020 at THB 2.59 million, an increase from year 2019 by THB 52.77 million or 105.15 percent due to the following:

- From the situation of COVID-19 pandemic as main reason for suspending sales in malls during a period of March — May which significantly affected operating results.
- Sale of products via online channels are increasing every year, especially cosmetic products, with low marketing costs via social media.
- Price competition in via channels that offer low price to meet more customer's demand.
- Continuous competition from imported leading brand-name products in every year.

Women's Apparel

In the year 2020, the Company and its subsidiaries had revenue in the ladies' wear product group of THB 2,419.31 million, a decrease of THB 1,620.25 million or 40.11 percent from the year 2019, with operating loss of in the year 2020 at THB 10.58 million, an increase of THB 381.10 million or 102.85 percent from the year 2019, mainly due to

- From the situation of COVID-19 pandemic as main reason for suspending sales in malls during a period of March — May which significantly affected operating results.
- The decline in tourists, especially China from the situation of COVID-19.
- Fashion products are being more severely impacted by the growing number of smaller operators, especially through online sales via social media which is quick and does not require huge investment.
- Fierce competition in the market by using a relatively high price reduction to compete for seeking customers.

Men's Apparel

In the year 2020, the company had revenue in the menswear product group of THB 2,123.32 million, a decrease of THB 897.70 million or 29.72 percent from year 2019, with operating profit amounting to THB 119.92 million, a decrease of THB 151.27 million or 55.78 percent from year 2019, mainly from

- From the situation of COVID-19 pandemic as main reason for suspending sales in malls during a period of March — May which significantly affected operating results.
- The decline of customers in CLMV group from the situation of COVID-19 pandemic in overseas.
- Life style of new generation which rapidly changed, affecting new products unable to properly meet with the expectation of new generation.

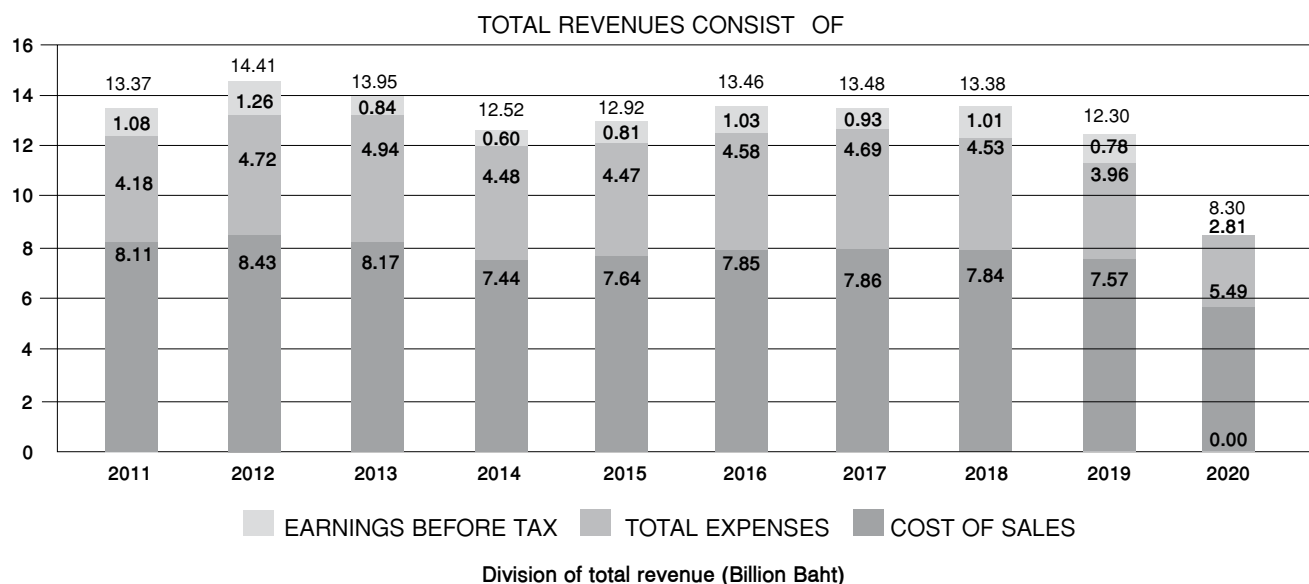
Others

The main income of other product's groups is from children's wear, workout apparel, sportswear, leather goods, soy milk beverage and household items such as laundry detergent and fabric care products. In year 2020, the Company had income in other product's groups of THB 2,527.21 million, a decrease of THB 694.14 million from year 2019 or 21.55 percent, with operating loss of THB 134.27 million, an increase of THB 93.66 million or 230.66 percent from year 2019 due to

- From the situation of COVID-19 pandemic as main reason for suspending sales in malls during a period of March — May which significantly affected operating results.
- Products in categories of leather goods and sportswear were significantly down from the previous year as it was considered unnecessary products during COVID-19 pandemic.
- Household products sales were down from the previous year due to a decline of purchasing power.
- Spending marketing budget for promoting soy milk beverage for more recognition to customers.

Other Income

In year 2020, the Company and its subsidiaries had other income totaling THB 520.05 million, a decrease of THB 448.75 million or 46.32 percent from the year 2019, with income decreased in year 2019 mainly from dividend amounting to THB 187.62 million and the sale of assets amounting to THB 146.97 million and, for year 2019, the Company received repayment of loan (with writing off a bad debt) amounting to THB 69.42 million.



Cost of sales

In year 2020, the Company and its subsidiaries had the cost of sales of THB 5,489.38 million, a decrease of THB 2,078.64 million or 27.47 percent from year 2019. In the year 2020 and 2019, the ratio of cost of sales to sales was 70.30 percent and 66.92 percent respectively, representing an increase of 3.38 percent due to the situation of COVID-19 pandemic. The Company was necessary to conduct more sales promotion activities than being conducted in normal situation, especially more discount to stimulate sales while significantly declining purchasing power of consumers.

Selling and administrative expenses

In the year 2020, the Company and its subsidiaries had total selling and administrative expenses of THB 2,813.55 million, down from year 2019 by THB 1,146.17 million or 28.95 percent, equivalent to expenses to sales ratio of 36.03 percent compared to 35.01 percent in year 2019, an increase by 1.02 percent, of which following are the details.

The Company and its subsidiaries had selling expenses in year 2020 in the amount of THB 1,420.33 million compared to THB 2,488.43 million in year 2019, decreasing by THB 1,068.10 million or 42.92 percent due to the situation of COVID-19 pandemic. The Company was necessary to conduct measurements to reduce any expenses not supporting to operational effectiveness, expenses not relating to sales growth and personnel expenses. Instead, the Company managed existing manpower effectively.

Administrative expenses for the Company and its subsidiaries in year 2020 amounted to THB 1,393.22 million, while in year 2019 administrative expenses totaled THB 1,471.30 million, decreasing by THB 78.07 million or 5.31 percent mainly due to personnel expenses. Instead, the Company managed existing manpower effectively. But depreciation and interest expenses increasing from the adjustment of financial statement in accordance with the Thai Financial Reporting Standard No.16: Leases (TFRS16).

Income tax expense

In year 2020, the Company's income tax in year 2020 amounted to THB 55.76 million compared to THB 56.28 million in year 2019, decreasing by THB 0.52 million, due to in year 2020, the Company has tax losses but has income tax expense from defer tax expense in accordance with TAS 12 Income Taxes (TAS12).

Net profit

In year 2020, the Company and its subsidiaries recorded a net loss of THB 59.32 million, a decrease of THB 778.36 million or 108.25 percent compared to the previous year with net profit due to continuous COVID-19 pandemic, no-growth economy, a decline of purchasing power of domestic consumers and no tourists from overseas.

3. Analysis of Financial Status**Assets**

As of 31 December 2020, the Company and its subsidiaries had total assets of THB 32,227.80 million, increased by THB 8,582.98 million from 31 December 2019, representing 36.30 percent, of which details of the significant changes are as follows:

Current assets as of 31 December 2020 in amount of THB 7,132.22 million or equivalent to 22.13 percent of total assets, decreased by THB 515.07 million or 6.74 percent from Year 2019, with the following significant changes:

- Net inventory decreased by THB 658.43 million as the Company has been reducing the number of purchase orders owing to the COVID-19 pandemic which was reduced domestic customers' demand and tourists' restriction across the country.
- Account receivables decreased by THB 332.82 million owing to the reduction of revenue from sales.
- Current investments decreased by THB 230.34 million owing to the reduction of cash at bank more than 4 months, reserving for working capital during Covid-19 pandemic.
- Cash and cash equivalents increased by THB 681.46 million owing to the controlling measures of purchase orders and expenditures.

Non-current assets as of 31 December 2020 in amount of THB 25,095.58 million or equivalent to 77.87 percent of total assets, increased by THB 9,098.05 million or equivalent to 56.87 percent from Year 2019, with the following significant changes:

- Other non-current financial assets increased by THB 8,776.03 million owing to the enforcement of the new Thai Financial Reporting Standards No.9 : Financial Instruments (TFRS 9) of Year 2020 regard to fairness value appraisal of general investment amount that increased the Company's general investment value.
- Right of use assets increased by THB 383.93 million owing to the enforcement of the new Thai Financial Reporting Standards No.16: Leases (TFRS 16) of Year 2020 as the Company has leased the area for selling products, resulted to the increasing of right of use assets value.
- Investment properties increased by THB 201.75 million owing to In year 2020, the Company brought land to a company for rent. Therefore reducing the property, plant and equipment to investment property.

Liabilities

As of 31 December 2020, the Company and its subsidiaries had total liabilities of THB 5,111.04 million, decreased by THB 1,935.90 million from Year 2019, representing 60.97 percent. Details of the significant changes are as follows:

Total current liabilities in amount of THB 1,670.65 million or equivalent to 32.69 percent of total liabilities, decreased by THB 233.16 million from Year 2019, representing 12.25 percent owing to the reduction of accounts payables in amount of THB 322.63 million and other accounts payables in amount of THB 117.46 million, increased by THB 201.56 million of current portion of lease liabilities from the enforcement of the Thai Financial Reporting Standards No.16: Leases (TFRS 16).

Total non-current liabilities in amount of THB 3,440.39 million or equivalent to 67.31 percent of total liabilities, increased by THB 2,169.07 million or equivalent to 170.61 percent from Year 2019 owing to deferred income tax liabilities in amount of THB 1,780.57 million from Thai Financial Reporting Standards No.9 : Financial Instruments (TFRS 9) and lease liabilities in amount of THB 205.76 million from Thai Financial Reporting Standards No.16: Leases (TFRS 16).

Shareholders' Equity

As of 31 December 2020, the Company and its subsidiaries had total shareholders' equity in amount of THB 27,116.76 million, increased by THB 6,647.07 million or equivalent to 32.47 percent from Year 2019 owing to the increment of other components of shareholders' equity regard to the new Thai Financial Reporting Standards No.9: Financial Instruments (TFRS 9) of Year 2020 which increases the Company's general investment appraisal value.

Assets Quality and Assets Management Capabilities

Owing to the COVID-19 pandemic, the debt collection period in Year 2020 was 58.28 days, compared to Year 2019 was 51.41 days, increased by 7 days which impacted to customers' cash flow and they have requested the temporary extension of short-term repayment for continuing their business operations and It does not affect the cash flow of the company.

Credit Term policy for Account Receivables, as follows:

1. Accounts receivable type for credit : Credit term of 75 days.
2. Accounts receivable type for collection of sales (consignment), most of which are department stores nationwide : Credit term of 45 days.

The Company considers the quality of receivables by analyzing each debtor in offering credit terms. The Company also consistently collects outstanding debts and considers setting allowances for doubtful accounts for long outstanding receivables. In Year 2020, the Company has allowance for doubtful accounts in amount of THB 14.26 million equivalent to 1.32 percent of the total account receivables (in Year 2019, amount of THB 15.49 million was equivalent to 1.09 percent).

Credit policy for Account Receivables, as follows:

1. The ability to repay debt of reseller shops.
2. Attention given by reseller shops' executive levels.
3. The growth potential of reseller shops.
4. Having a good accounting system that is transparent and verifiable.
5. Having a good warehouse management and delivery management systems.
6. Having a good internal control system including strict control of the entrance and exit of employees and products.
7. Having a strong, comprehensive and sufficient collateral.

Most of land, buildings and equipment are the assets which the Company and its subsidiaries have procured for use throughout the past 56 years. The value of land, buildings and equipment as of 31 December 2020 in amount of THB 2,662.66 million.

Investment property is the assets which the Company and its subsidiaries have held for exploitation by receiving rental fees and sales revenues, as of 31 December 2020 total in amount of THB 1,129.45 million.

Investment capital as of 31 December 2020, the Company has unrealized gains from the fair price adjustment of securities in amount of THB 14,487.42 million, shown in shareholders' equity and receiving return on investment in the form of dividends in 2020 at the rate of 5.90 percent per year (in 2019 it was at the rate of 9.09 percent per year). The Company manages various investments by appointing persons in the joint-venture companies or in companies that do business related to the invested business as a central focal point to monitor financial statements and information of the invested Company's situation and report immediately when abnormal events or a crisis occur in order to collectively help find a solution.

5. Liquidity and sufficiency of funds

Year	Current Ratio	Liquidities Ratio	Cash Flow from Operating Activities (Million Baht)
2020	4.27	0.50	892.68
2019	4.02	0.11	220.34
2018	3.87	0.32	705.01
2017	3.43	0.08	156.00

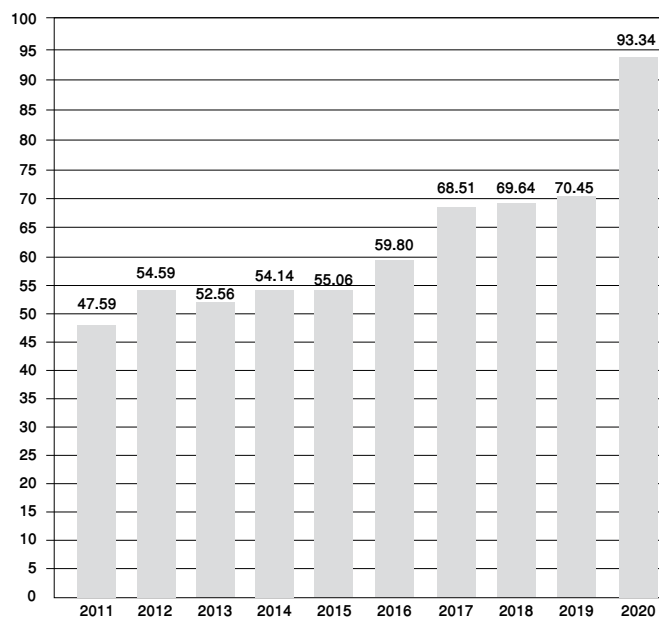
From the current ratio, the Company and its subsidiaries have good liquidity, having more current assets than current liabilities. In Year 2020, current ratio equivalent to 4.27 times, compared to 4.02 times in Year 2019, representing the increment of liquidity from the previous year. Liquidities ratio in Year 2020 equivalent to 0.50 times, compared to 0.11 times in Year 2019, increase by 0.39 times owing to the increment of cash flow from operating activities in Year 2020 in amount of THB 672.34 million from Year 2019.

The Company has 2 main sources of funding: 1. Funds received from operating activities and 2. Funds received from investment activities in the form of real estate and investments in shares. The Company receives income from rental fees and sales of investment properties as well as dividends at a high rate received from shares. The Company is able to manage the liquidity of the business well and use the funds in the business as working capital without relying on funds from external sources, including being able to pay dividends to its shareowners on a regular basis.

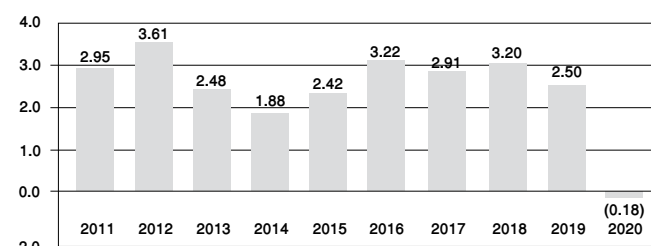
6. Profitability

Year	Profit/ Net Income (%)	Operating profit margin (%)	Profit/ Shareholders' Equity (%)	Earning/Share (%)	Market Price/ Earnings (times)
2020	(0.63)	(0.05)	(0.22)	(0.18)	(154.17)
2019	5.91	6.86	3.56	2.50	15.80
2018	6.99	8.17	4.64	3.20	12.97
2017	6.29	7.50	4.54	2.91	13.39

In Year 2020, the Company has lower profitability than Year 2019 with operating profit margin of (0.05) percent, decreased by 6.90 percent compared to Year 2019 with a profit of THB (0.18) per share owing to the reduction of sales revenue in amount of THB 3,500.19 million because of the COVID-19 pandemic, including the declined of economic growth and the decreasing purchasing power of both domestic consumers and tourists resulting in reduced sales.



Book Value per Share(Baht)



Earnings per Share(Baht)

7. Cash cycle

Year	Average Product sales period	Average collection period	Average repayment period	Cash Cycle
2020	218.32	58.28	76.51	200.09
2019	166.85	51.41	61.88	156.38
2018	155.77	54.43	59.36	150.84
2017	162.90	49.74	60.44	152.20

In Year 2020, the Company has operating cash cycle in a number of 200 days, increased by 44 days from Year 2019, due to:

1. The average product selling period increased from 167 days of Year 2019 to 218 days of Year 2020, increased by 51 days. Owing to the COVID-19 pandemic which was forced the government sectors to order Lock Down measurement, close shopping malls during March — May 2020, resulted that the Company cannot sell goods during such period and extend the selling period.

2. The debt collection period in Year 2020 was 58.28 days, compared to Year 2019 was 51.41 days, increased by 7 days. Owing to the COVID-19 pandemic which impacted to customers' cash flow and they have requested the temporary extension of short-term repayment for continuing their business operations.

3. Repayment period to creditors in Year 2020 was 76.51 days, Year 2019 was 61.88 days, increased by 14 days. Owing to the revision of the Company's billing date and payment schedule in alignment with the economic conditions. The Company has always made payment in compliance with the creditors' agreement.

8. Commitments that may have a significant impact on the financial position / operating results

Commitments with unrelated parties of which the details are in item 28 of the note to the financial statement page 218 in the Company's Annual Report.

The Company has guaranteed obligations to 12 joint venture companies in the amount of THB 401.42 million, which are guarantees according to the joint venture agreement in proportion to their shareholding.

9. Factors that may affect future operations

The Company may still be affected by factors affecting future operations as follows:

1. The Outbreak of Corona Virus 2019 (Covid-19)

The outbreak of Corona Virus 2019 (Covid-19) which was starting from the end of December 2019 to the beginning of 2021 and the epidemic continues spreading across the country. Whether in some countries, they have been provided the Covid-19 vaccinations, however, this cannot cover the global demands, including the tourists cannot travel across the countries, travel and business sectors have an adverse effects and the economics has been declined, which is resulted in the reduction of customers' purchasing power and for the Company this pandemic has also had a significant impact on sales revenue.

2. External market competition

According to the revolution of technology, the enterprises aim to approach customer in each individual for establishing a direct business to customer not connecting through an intermediary. The significant factors which may effect to the future business operations as follows:

2.1 Supply Chain Structure reduces the cost of goods sold competitive points.

2.2 The changing in customers behavior that Company has to know about the Deep Customers Insight.

2.3 The restructuring of organization to be more agile, effective and readiness for customers requesting.