

1.2 Nature of Business

1.2.1 Revenue Structure

Product/Service	Operated by	% Share-holding	2022		2021		2020	
			Amount (million baht)	%	Amount (million baht)	%	Amount (million baht)	%
1.Cosmetics, toiletries & perfumeries	I.C.C. International Plc.		559.46	5.91	535.86	7.19	707.73	8.53
	WBRE Co., Ltd.	99.99	-	-	-	-	-	-
	Canchana International Co., Ltd.	60.00	-	-	-	-	-	-
	Thai Itokin Co., Ltd.	58.16	-	-	-	-	-	-
	Tiger Distribution & Logistic Co., Ltd.	51.00	-	-	-	-	-	-
Total Cosmetics, toiletries & perfumeries			559.46	5.91	535.86	7.19	707.73	8.53
2.Women's apparel	I.C.C. International Plc.		2,429.62	25.65	1,916.72	25.70	2,274.08	27.40
	WBRE Co., Ltd.	99.99	-	-	-	-	-	-
	Canchana International Co., Ltd.	60.00	13.65	0.15	12.75	0.17	16.49	0.20
	Thai Itokin Co., Ltd.	58.16	96.94	1.02	143.45	1.92	128.75	1.55
	Tiger Distribution & Logistic Co., Ltd.	51.00	-	-	-	-	-	-
Total Women's apparel			2,540.21	26.82	2,072.92	27.79	2,419.32	29.15
3.Men's apparel	I.C.C. International Plc.		2,732.84	28.85	1,866.83	25.03	2,114.14	25.47
	WBRE Co., Ltd.	99.99	-	-	-	-	-	-
	Canchana International Co., Ltd.	60.00	-	-	-	-	-	-
	Thai Itokin Co., Ltd.	58.16	4.85	0.05	10.25	0.14	9.18	0.11
	Tiger Distribution & Logistic Co., Ltd.	51.00	-	-	-	-	-	-
Total Men's apparel			2,737.69	28.90	1,877.08	25.17	2,123.32	25.58
4.Household products	I.C.C. International Plc.		1,350.14	14.26	1,368.25	18.35	1,467.53	17.68
	WBRE Co., Ltd.	99.99	-	-	-	-	-	-
	Canchana International Co., Ltd.	60.00	-	-	-	-	-	-
	Thai Itokin Co., Ltd.	58.16	-	-	-	-	-	-
	Tiger Distribution & Logistic Co., Ltd.	51.00	-	-	-	-	-	-
Total Household products			1,350.14	14.26	1,368.25	18.35	1,467.53	17.68
5.Others	I.C.C. International Plc.		1,230.26	12.99	910.68	12.21	1,060.84	12.78
	WBRE Co., Ltd.	99.99	16.89	0.18	29.84	0.40	19.70	0.24
	Canchana International Co., Ltd.	60.00	-	-	-	-	-	-
	Thai Itokin Co., Ltd.	58.16	10.07	0.11	7.94	0.11	10.59	0.13
	Tiger Distribution & Logistic Co., Ltd.	51.00	34.40	0.36	-	-	-	-
Total Others			1,291.62	13.64	948.46	12.72	1,091.13	13.15
Total Revenue from sale			8,479.12	89.53	6,802.57	91.22	7,809.03	94.09
6.Other income								
6.1. Dividend income			340.39	3.59	379.65	5.09	343.45	4.14
6.2. Gain on disposal of land			392.65	4.15	-	-	-	-
6.3. Others			243.92	2.57	260.50	3.49	176.60	2.13
Total Others income			976.96	10.31	640.15	8.58	520.05	6.27
7. Share of profit (loss) investment in associates			14.99	0.16	14.81	0.20	(29.71)	(0.36)
Total Revenue			9,471.07	100.00	7,457.53	100.00	8,299.37	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 : channel 3, channel 7, Thairath TV, Nation TV, TNN16, Amarin TV 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. Expansion to prospective customers in the Gen Z group, the new target group of BSC Cosmetology where BSC Cosmetology is expanding this customer group under the new campaign 'BSC Powder, the Trustworthiness of Real Beauty'. Such campaign is impressive communicating with direct wordings to attract and interest Gen Z, where the terms used were rather negative but we possibly change to positive meanings. Some words seem offensive but BSC Cosmetology can create them to represent positive and creative thinking such as Na Dan, Hiew Saeng, Rai Yang so as to reversely communicate in positive not offensive idea any more, which were used with 3 items of foundation of different properties complying with definitions of those 3 words to properly attract teenagers (Gen Z). The Brand could then be in mind of Gen Z and achieve its aim at expansion of the customer base through online media most preferred by this customer group. Additionally, the consumer's behavior has changed where they return to live their normal lives after the government has announced COVID-19 as endemic, whereby many companies cancelled the work from home order. The consumers return to go out their house to do more activities. That encourages the economy in the better way. The situation has restored to normal, department stores, firms and shops have been reopened and gained more sales. Anyhow, the online sale still goes well. The marketing strategies of cosmetics, therefore, have to be modified according to such circumstance. Skin care products are increasingly used by the consumers, while the change is the distribution channels becoming in more diverse channels either sale through online shopping platforms, live chats, market places including direct phone orders because during the time when the government set the reopening measure to restore to normal situation, some customers have changed their purchase behavior preferable through the E-Commerce channel and 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 sale 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. Presently, the marketing plan implementation has to be done simultaneously with responsibility for the society in order to enhance the good society. BSC Cosmetology realizes significance of all dimensions of life both the society and the environment, so it began the production of eco-friendly products not harming the environment, while the efficiency of products is still excellent and also leading to development of technologies; for example, the production of the latest sunscreen that protects coral without coral bleaching chemicals. It is eco-friendly for the marine environment. Additionally, the manufacture process of cosmetics has to be adjusted very much because the consumers turn to seek for safety first. Making the products shall respond to the consumer's requirements more than

previously as the consumers mostly seek for the products made of natural raw materials. During the pandemic of COVID-19, BSC Pure Care collection is not only produced from natural raw materials, but also denying animal extract raw materials in production where the Brand initiated the vegan formula without animal extract or test on animals complying with the worldwide campaign on lessening animal abuse and harassment. BSC Cosmetology then focuses on the cosmetics with only plant mixture successfully satisfying requirements of the consumers. In that connection, BSC Cosmetology is the first Thai brand without animal extract and test on animals under the concept 'happy use, good skin responsibly to hygienic requirements'. Protecting skin from pollution enhancing better skin health. This is to provide alternatives for 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. The purchase behavior of customers has changed as they firstly search various online data therefrom some of them decide to purchase immediately. BCS Cosmetology then has to prepare readiness in such channel where to modify the distribution channels adding the online sale covering every platform during the pandemic of COVID-19, when most customers are interested in purchasing cosmetics through such 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 are still interested in online shopping because of ease and convenience with attractive promotions. 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 2022 began to restore. 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. The COVID-19 situation still exists which is to follow up its periodic spread. Although the government has announced COVID-19 as endemic, some consumers still worried about the situation lessening the chance for BSC Cosmetology in caring and servicing the customers who directly went to purchase the products at the sale counter. Due to the strict control measures previously issued by the government, although certain measures have been cancelled, there was change in services provided by department stores for customers. 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 arising from the customers' worry about the spread of COVID-19 and their scare of going to get the service.

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. In 2023 China has still taken the country lockdown measure under the Zero-COVID policy prohibiting Chinese tourists from taking a trip out of the country. That affects relevant business in Thailand as there were lesser foreign tourists especially the Chinese tourists who enhance numerous income of our country. Some parts of the tourists are still unable to take a trip to Thailand because of the spread of COVID-19. Although the government began to revoke the prohibition against travelling in and out the country but the strict inspection is still performed causing lesser foreign tourists both Chinese and ASEAN either from Myanmar, Cambodia, Vietnam or Laos. The Thai cosmetics market is not, therefore, properly restored evidenced by 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 2022 BSC Cosmetology saw the opportunity to do the marketing after the pandemic of COVID-19 to enhance the sales of the Brand. The beauty product markets returned to grow as the feedback on the country reopening announced by the government. People returned to live their normal lives especially to go out their houses, perform activities, work and return to take care of their beauty. To encourage and impress consumers to enjoy their living seems going well respectively. In 2022 BSC Cosmetology has modified its strategies aiming to attract new target customers in the Gen Z group whereby it has adjusted the marketing guidelines based on new concepts and the ways to impressively communicate in order to satisfy the requirements of Gen Z under the significant campaign launched in 2022, 'BSC Powder, the Trustworthiness of Real Beauty' emphasizing the popular and best seller products of the Brand, namely the combined powder foundation of 3 formulas comprising Smoothing Matte/ Extra Cover/ C Cover under the impression concept aiming to change negative thinking and blame into positive thinking where to originate beauty because they dare to change and be different and distinguished. Such communication impresses the new target group, i.e. the Gen Z group by using the impressive Thai slang such as Rai Yang (non sticky), Na Dan (strong and smooth facial skin), Hiew Saeng' (distinctive), to promote each formula of powder foundation. Extra Cover 'providing irresistible smooth facial skin', C Cover 'providing distinctiveness with bright face in every moment', Smoothing Matte 'nourishing your face by balancing your natural facial oil with non-sticky powder. Based on the research carried out prior to implementing the marketing plan, it is found that Gen Z prefer direct communication with impressive wordings that touch their feelings based on the concept of changing bullying into positive attitude. Mostly Gen Z specially feel good with the Brand and like to try the products. The next group of customers is the health conscious who conserve nature and environment, for whom BSC Cosmetology has launched the campaign in summer with the sunscreen products under slogan 'the sunscreen that saves skin and saves coral' as it has no any chemicals causing coral bleaching which is one way to conserve marine nature. This is to develop innovation to satisfy the trend of consumers who conserve nature and environment. As the way of life has changed, the innovation of BSC Cosmetology then has to respond to requirements of customers as much as possible.

When we still have to wear surgical masks, make-up is still needed, as well. In this connection, to take care of the skin under the surgical masks is the most important. In 2022 there was an upward trend in Thailand after marijuana and hemp had been released from the illegal drugs list where to take extracts of marijuana and hemp to mix in some consumer goods, the business doers of various kinds of goods are actively studying this trend. BSC Cosmetology has brought the innovation of CBD extract from hemp as a compound of its latest collection 'BSC CBD Collection', the skin care product released as solutions to skin problems for customers through various sale outlets under the interesting campaign 'Hem the Series', for nourishing skin enhancing relaxation. It satisfies requirements of the customers who are interested in CBD properties in refreshing skin with relaxing fragrance facilitating good sleep. It nourishes and heals skin harmed by toxic environment, slowing down aging skin and restoring it to smooth and bright one.

Product Innovation The outstanding ones are:-

BSC Cosmetology

The skin care products have compounds of CBD extracted from hemp as a compound of its latest collection 'BSC CBD Collection', the skin care product released as solutions to skin problems for customers through various sale outlets under the interesting campaign 'Hem the Series', for nourishing skin enhancing relaxation. It satisfies requirements of the customers who are interested in CBD properties in refreshing skin with relaxing fragrance facilitating good sleep. It nourishes and heals skin harmed by toxic environment, slowing down aging skin and restoring it to smooth and bright one.

Sheené

"Sheené Airy Natural Make Up Collection" under the slogan "only once applied to your eyes ensures total beauty... confirmed", with the release of the latest collection under the concept of skin nourishing, giving the most comfortable feelings of skin make-up, unveiling beautiful, smooth, light and comfortable skin as if wearing the make-up with airy powder. This is by the latest technology that emphasizes the previous style of make-up, thin and light. Our products by such technology nourish the skin to become more comfortable and beautiful either Sheené powder plus foundation/ powder/ gloss lipstick/ foundation/ or creamy lip.

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. These cosmetics are only produced from plant extract. 'Pure Care Vegan Series' are under the concept 'applying it, you will feel good with nice skin'.

Honei V

Foam mousse 'the Bear logo' with the latest 3 formulas, namely green tea/Yuzu orange/honey under the concept the favorite honey foam no. 1 by technology of soft and delicate bubbles 3 in 1 properties, i.e. lessening wrinkles cum nourishing your face in a single step, washing make-up, and cleaning your face. Nourishing your face with honey completed in only a single step.

(2) Marketing and Competition

(A) The Marketing Aspects and Policy

In 2022 after the outbreak of COVID-19 has decreased, the government has relaxed various measures and abandoned lockdowns and then announced COVID-19 as endemic whereby people return to their normal life. BSC Cosmetology has modified the marketing strategies to attract the prospective customer group, i.e. Gen Z, of which the Brand realizes the importance and aiming to expand the market from its existing customer base. To this end, BSC Cosmetology has to adjust its image to look younger and more modern accessible to the prospective customer group by means of presenting the products to satisfy their requirements and solve their problems. That encourages the preference of the Gen Z group since they are impressed and accept to try BSC products facilitating the growth of sales in the future. In addition, the Thai cosmetics market has capacity to grow corresponding with the consumers' requirements. Although there is economic recession, slowdown in economic growth, the customers with fondness for beauty still buy a variety of cosmetics such as skincare, make-up, hair nourishing and body bath products, etc. Among the market change after the outbreak of COVID-19, the consumers more realize healthiness and so does the cosmetics market. In 2022 any products which did not sufficiently suit beauty requirements of consumers, had to attract the consumers by healthiness enhancement, 'wholly useful to physical and mental health'. Any products of innovation are still the key factor taken into account for production. The manufacturing process under technology to enhance efficiency and upgrade quality of products, although higher technology has been brought in the manufacturing process, the consumers are still seeking for the products made of 'natural' raw materials. It may say that natural beauty development will be the crucial point. For the past many years, BSC Cosmetology does not only emphasize using the natural raw materials instead of the animal extracts in the production, but its products are also eco-friendly for nature and environment. In this connection, BSC Cosmetology has released the new sunscreen with no chemicals harmful to coral so as to save the marine environment. Additionally, there was an upward trend in Thailand after marijuana and hemp had been released from the illegal drugs list where to take extracts of marijuana and hemp to mix in some consumer goods, the business doers of various kinds of goods are actively studying this trend. BSC Cosmetology has brought the innovation of CBD extract from hemp as a compound of its latest collection.

After the outbreak of COVID-19 in 2022 it might cause some persons omitting make-up and rarely participating in the social activities. Anyhow, in real life under the new normal in order to refresh one's life and adjust oneself to the circumstance, consumers are ready to put on make-up again and try new skill. Therefore, BSC Cosmetology sees the chance to add charm and enhance a happy life to the target groups in 2023 where although the outbreak of COVID-19 has decreased, people still 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 mainly through the online media via new channels such as TikTok/ Twitter/ Instagram/ Facebook/ Line, which new groups of customers use and the Brand deems as the way to communicate with the customers apart from the previous platforms which are still in use. However, there still are some consumers mostly watching television, hence BSC Cosmetology also maintain this channel as one key channel. 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 modified to use KOL/ Beauty Bloggers and Influencers 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.

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 has modified its strategies aiming to attract new target customers in the Gen Z group whereby it has adjusted the marketing guidelines based on new concepts and the ways to impressively communicate in order to satisfy the requirements of Gen Z under the significant campaign launched in 2022, 'BSC Powder, the Trustworthiness of Real Beauty' emphasizing the popular and best seller products of the Brand, namely the combined powder foundation of 3 formulas comprising Smoothing Matte/ Extra Cover/ C Cover under the impression concept aiming to change negative thinking

and blame into positive thinking where to originate beauty because they dare to change and be different and distinguished. Such communication impresses the new target group. 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

Abandoning the lockdowns caused by COVID-19 enables consumers to return living their normal life. Although there is still some work from home, most people turn to work as normally. They have turned to select products to buy and use and expended for the things needed even still not at the appropriate level as it should be because of the economic recession. The consumers are still careful in expenditure where they only pay for the necessary products abstaining from luxury goods or in case of unnecessary products they will pay much attention to selecting. That can indicate although direction of use of cosmetics products began to go better, there is certain change in the consumer's behavior as 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 is the distributor of lingerie products of the 4 major brands, namely Wacoal, BSC, Elle and Kullastrri. Each of these brands has different target groups of customers. Last year, all of these 4 brands had adapted and modified their marketing strategies in compliance with the situation of the COVID-19 impacts in order to enhance their marketing competitiveness in terms of product variety options and modern designs adding further features suiting the changing lifestyles of customers. The diversity of brands enables the Company to access every segment of customer groups satisfying all groups either children, teenagers, working aged persons up to the elderly, the customers with high to middle purchase power, as well as to expand to the LGBTQ+ group. For the reasons of their diversity, to attract the target groups does not focus only on age of customers, while to access the target groups according to the lifestyles of customers is deemed very significant by the Company because age is not the limitation of goods purchasing of customers. The availability of products suiting lifestyles of customers will encourage the sales and meet satisfactions of customers.

The COVID-19 crisis has changed the consumer's behavior in many areas either lifestyle, business, public health or education. The women lingerie is also affected by this crisis, but the products are still being further developed where lots of innovations are applied to the designing to make the products attractive, special price strategies are implemented in some collections and in each product target group. This is to add diversities to suit the different forms of goods purchasing of customers. Additionally, various promotion in form of free gifts for the premium products are provided according to the classification of amount of sales determined by the Company. It is to encourage decision and add vividness of sale. With respect to the offline and online customer, the Company has brought data of sales during the promotion period of premium products to analyze merit and demerit to set the plan of goods models and promotions for most attracting the customers.

Apart from the products, the other important thing which the Company well realizes is the impressive service for customers. The Company, therefore, provides new experience for customers in Wacoal Shop since from the different beautiful and modern decoration ('localization'), self service to enable the customers to select products by themselves facilitated by means of displaying the products easily noticed with POSM that explicitly provides details of complete data and information about the goods in each shop allowing the customers to freely watch, select the goods to purchase without any questions to ask the salespersons in the shops. This satisfies lifestyle of the customers in the digital and next normal era.

With respect to the environment preservation trend under the campaign of the manufacture sector to control emission of the greenhouse gas, of which the Company realizes the significance and attempts to return profit to the society, the community and the environment. Therefore, the relevant campaign has been launched for the manufacture sector for controlling emission of the greenhouse gas where Wacoal is the first leading brand of lingerie in the textile industry which is certified under the Green Label by Thailand Environment Institute as the quality and safety brand which is perfectly eco-friendly in every manufacturing process. The environment preservation is the global trend leading to Wacoal's significant initiation into launching the campaign 'Eco Product', to directly suit lifestyles of customers under the concept 'Wacoal Love Earth'.

- Significant Impacts on Chances or Limitations on Business Operation

- Chances and Obstacles of Business Operation

Chances

1. The Company is the distributor of clothing products of several brands covering all groups of customers comprising the following 4 major brands: Wacoal, BSC, Elle and Kullastri. Each of these brands has different target groups of customers. That is to ensure the explicit marketing structure and entire target groups. Each brand has differently distinctive positioning that can enhance competitiveness. All brands have adapted and modified their marketing strategies in terms of product variety options and modern designs adding further features suiting the changing lifestyles of customers. The diversity of distributed brands enables the Company to access every segment of customer groups satisfying all groups either children, teenagers, working aged persons up to the elderly, the customers with high to middle purchase power. The Company has additionally classified the target groups according to Demographic and Lifestyle of customers because age is not the limitation of goods purchasing of customers. The availability of products suiting lifestyles of customers will encourage the sales and meet satisfactions of customers.

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 managing inventory suiting the rapid change of the market. Therefore, the Company has promptness to provide the consumers with the most satisfactions.

3. The consumer's behavior in selecting lingerie has changed from focusing on the function of the product into focusing on the fashionable design or 'In to Out' where the design should look beautiful and modern proper for wearing daily. It appears more diversity of use of products causing more frequency of purchase. In the meantime, for the functionality focusing customers the products have been developed to suit their requirements; for example, whichever your cup size is, it enhances your beauty, or products for the specific groups such as the underwear for the customers aged 60 years and more with the texture mixed with moisturizer emphasizing the body contour and comfort in wearing as well as health care, the sanitary underpants of good absorbency type for menstruation, the underwear for exercise to enhance self-confidence. This is to specifically attract the relevant groups of customers.

4. Every piece of Wacoal products is eco-friendly thereby Wacoal is the first leading brand of lingerie in the textile industry which is certified under the Green Label by Thailand Environment Institute as the quality and safety brand which is perfectly eco-friendly in every manufacturing process.

5. The year 2022 was the recovery year from the outbreak of COVID-19 where it is likely to return to normal situation not for long, so more Chinese and other foreign tourists are taking a trip to Thailand. It increases chance to expand to new markets in AEC such as Myanmar, Cambodia and Laos enhances more customer base in AEC.

6. The acceptance of sex diversity provides new market for the Company. The Company has opened a new market in the LGBTQ+ group for Wacoal brand. Although it is a small market with only 4 million consumers in Thailand, it is the market with chance of expanding the prospective customer base which has the particular pain point, inter alia, this market is the blue ocean nearly with no competitors in Thailand.

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. The economy is in recession resulted in the purchase power and the purchase behavior in order to reduce expenses such as reduction of purchase frequency or waiting for the activities launched for discount sale or being interested in inexpensive goods, etc.

2. Although the Country has been reopened, it is likely that not full foreign tourists will take a trip to our Country. Firstly the tourists will be from USA and Europe, while the Chinese tourists, the main foreign tourists visiting Thailand (11 million persons in 2019) will come to Thailand not in a large number because the government of China is still enforcing strict regulations on Chinese people concerning abroad journeys under the Zero Tolerance Policy and many countries implement different policies on tourist quarantine preventing the foreign tourists from visiting our Country as normally. The forecast of number of the tourists is only 6 million persons or only 15% prior to the COVID-19 crisis and it may take 3 years from now to restore the normal level of 40 million persons. The recovery of the tourist sector that takes time obstructs some part of business being normally run, and some groups of labor being employed for some period of time.

3. Expenditure of the public sector plays the important role in sustaining the Thai economy during past years especially the assistance measure for remedy for the impacted people. That is to allow money into the economic system during the lockdown of the country to control the outbreak of COVID-19. The overall economic recovery in 2022 has lessened the necessity of the government support in comparison with the previous year by remaining only some part of the tourist and the service sectors which are not yet recovered and needing the government support for another period of time.

4. The women lingerie market has continual tough competition especially the middle and the low segments where the price strategy is mostly implemented in competition along with the quick change in lifestyle of consumers, demand and decision to purchase in short time or 'Micro Moment' with immediate response to the requirement of products make the lingerie market to always modify timely strategies in compliance with the changes. The consumers have more options in purchasing goods offered by both large manufacturers and small manufacturers through the online channels with tough price competition in order to encourage the decision to purchase.

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 2022 the Company implemented the following competition strategies:-

- Research and Development of Innovative Lingerie Production

Our Company paid attention to the policy of making the products to suit the requirements of consumers. In 2022 the survey of requirement of goods was carried out prior to manufacture of the products through the activities 'Wacoal Survey...which your selected bras are, satisfying the mood/teenager group', for the purpose of exploring the requirements of teenagers and bringing feedback and recommendations of customers to develop the products required by the target groups either models, designs or price up to production of the new collection 'Wacoal Mood: Do it your mood' which actually suiting the requirements of customers. Based on the survey, this Wacoal collection has been adjusted to be in lower price satisfying the teenagers as their affordable price but with standard quality of Wacoal getting good feedback from the teenage customers.

In addition, our Company has also carried out the Brand Health Check and taken the findings 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 often survey the customers' satisfactions either from the customer database of His & Her Application and the customer database from the activities organized and from the Focus Group.

In 2022 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 planning, positively recommending 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 sale 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 inventory 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 and impress the customers.

- Maintain Existing Consumers and Access Prospective Consumers

Our Company pays attention to systematically retain existing customer base ('Customer Retention'), by launching activities or various sale forms to increase the chance where those customers who previously bought the products would repeat their purchase or continually use our service not changing their mind to another company. Our 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

With the distinctiveness of Wacoal, i.e. the innovation that has been acceptable by the target groups for a long time, Wacoal online has consecutively communicated to emphasize this merit of all Wacoal product groups by presenting both their function and fashion corresponding to beauty and comfort for wearing under the slogan 'Beauty with Comfort' in every platform so as to make recognition of people especially the loyalty customer group ensuring them the supply of good innovative products suiting the original properties of the products in caring each body shape of women, each style and further adding comfort to wear.

Our Company creates relationship with customers in many ways through the qualified salespersons at the shops to ensure the customers being valuable customers and being important persons of the Brand. Maintaining the existing customers is also to reduce the rate of loss of the existing customer base leading to sustainably generating of income from providing satisfactions of customers and experience in good function of products the customers have relied on. That encourages the existing customers who previously purchased the products or used the service to repeat their purchase. It does not only allow one or two times purchase but to maintain the existing customers also increases their frequency of purchase as the value adding or their frequency of using service throughout their being our customers as deemed the Customer Lifetime Value of the Brand.

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

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

In 2022 Wacoal has expanded to new customer group of teenagers through the modern design brand mood corresponding with the lifestyle of the younger generation. The Company has implemented 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. Last year, the Company has made collaboration to expand to the new customers jointly with the leading bedding product brand 'Pasaya' to produce pajamas collection 'Wacoal X Pasaya' in order to expand from the existing customers to the allied customers group.

As the Company has a variety of products for consumers from children up to adults where our products suit the requirements of all groups of customers either children, teenagers, working aged persons, adults including various product collections: the plus size and the sport collections, as well as the sex diversity group, 'LGBTQ+'. The Company has opened the new market in the LGBTQ+ group. Although it is a small market with only 4 million consumers in Thailand, it is the market with chance of expanding the prospective customer base which has the particular pain point, inter alia, this market is the blue ocean nearly with no competitors in Thailand. Based on the recognition of the large size market which can manufacture products and undertake the marketing most accessible to customers, that is only the lingerie market with imported expensive preorders and the small brands produced to be distributed particularly to the LGBTQ+ group, Wacoal has intentionally initiated the LGBTQ+ market and presented the collection for this group 'Freedom' collection, it represents the freedom without definition. However, for the LGBTQ+ market even though providing competitive chance, there is still challenge of communication and accessibility in create the image. This consumer group deems Wacoal as their brand especially in the clear moment without discrimination.

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

Presently, the consumers pay less attention to the brand loyalty but pay more attention to the product value. Consequently, our Company turns to focus on modern lingerie in compliance with the demand of the market together with to use the merit of our Brand because at present fashion turns to play a significant role in influencing the consumers' decision. Women lingerie has the rapid rate of growth evidenced by domestic competitors and importation of several brands. From the situation of the pandemic of COVID-19, the Company focused on the communication with the customers who have never used Wacoal lingerie through activities 'dare to try' to encourage trial of wearing until customers feel satisfied and finally purchase our products emphasizing the diversity of products both models and innovations that enable more comfortably and well-fitting wearing of the very good quality lingerie apart from its fashionable styles. This is the unique feature of Wacoal that cannot be found from any other brands. It is to provide chance for the customers to try, feel satisfied and make the decision to buy the products finally.

3. Consumers with Cross Product Experience

Based on the change in purchase behavior of customers in accordance with lifestyle in the new normal time there is also the change in the customer journey. The Company has applied the Upselling and the Cross-selling strategy along with encouraging purchasing at the sale outlets, so that the salespersons can immediately close their process of sale as sometimes 'expenses' are not the most important cause but it is the 'mood and feeling' that encourages the decision to purchase. Additionally, if combining with the current purchase behavior of the customers which to begin searching the information first in order to compare to find the products or services most suiting their requirements. Among a lot of products with similar feature, the Company has distinctive and good quality products, by the idea 'just add a few amount' perhaps leading to the customers' purchase decision even the actual purchase amount being more than

firstly expected by the customers. The Company, therefore, performs both promotion and impressive premium products to facilitate the immediate purchase decision and the relevant closing of sale. In addition, the Company also carries out the Cross-selling to increase other products, granting special right to customers in buying some recommended items in special prices the introduced goods. For example, buying lingerie will allow the customers to buy pajamas in a special price. That is to ensure the customers the 'worthwhileness' of purchase and provide chance to sell for the salespersons who present the relevant products, or providing the service likely to further interest the customers, implementing the strategy to encourage the brand awareness and enhancing the customers' desire to try other groups of products of the Company, such as matching the product items within the affiliates of the Company to launch special price promotion (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.

- 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 and Competitiveness of the Company

The overall market in 2022, it began to be lightly recovered resulted from the relaxation of the COVID-19 outbreak control measure and the facilitating factor of completely reopening of the Country where the foreign tourists have returned to take a trip to our Country including the Thai tourists as they were prohibited from the COVID-19 outbreak for 2 years. In that connection, the number of tourists has increased which was the positive trend last year, just only the recovery still being not explicit and full of uncertainty and of some risk from time to time. The kinds of shops which have much clearly been recovered are department stores, fashion and beauty, lifestyle, health and beauty shops, supermarkets located in shopping centers, department stores and convenience stores in the tourism regions including the service sector such as restaurants, canteens. Those businesses are likely to grow in accordance with the trend of the country reopening. The tourism and relaxation of the COVID-19 outbreak control measure and the recovery of the preceding businesses enable the Company to immediately manage the products distributed in each channel to be prompt for the return of customers' expenditure. The inventory fulfilling system has efficiently facilitated the product management of the Company. Additionally, the Company focuses on the communication with customers to enable the target customers to continually obtain information in the same direction by encouraging the customers to change behavior and the format of marketing communication by the following diverse methods either mass, above the line below the line, events and social media to stimulate the purchase of products under the 360 degrees marketing strategies, namely.

- Advertising in newspaper, magazines, signage, outdoor and indoor advertising signage in the LED monitors both inside and outside department stores, the mass transit system, i.e. MRT up to the sale outlets. It is to modify the contents as fast as the quick change of the markets. The advertising on television focuses on children who will be the prospective customers in the future. Last year the Company has modified the guideline on presentation of contents more attractive to the target customers, where the online media are in collaboration with leading influencers who affect the target customers' decision to purchase such as Bogy Lion, 4EVE, who are the artists acceptable by both the younger customers and the LGBTQ+ group through content reviews, short clips including broadcast of Ads in the following channels: Facebook, IG, TikTok. It is to enhance watching and awareness of the target teenager group and the LGBTQ+ group, which are deemed the new target groups focused by Wacoal on expand the marketing channel.

- Personal selling is still very important as Wacoal is the specialist of body shape. The main channel of the Company is the offline customers group either the sale counters in the leading department stores or Wacoal shops including other shops. Those customers still need explanation for models, cup size suitable to the body shape, cloth texture, color, function and other details. In that connection, the salespersons will provide suggestion about how to select the proper products for the customers. The Company realizes the significance of salespersons as they shall have knowledge to expertly provide suggestion and explanation.

- Sale Promotion: The interesting sale promotions are for the purposes of maintaining the existing customers or attracting the prospective customers or promoting the current customers to buy products in more quantity or increasing the rate of using the products or encouraging the customers to buy more expensive products or attracting the customers to immediately decide to buy the products such as making premium sets packed in the gift sets offered to those customers of department stores and Wacoal shops, arranging special areas, decorating sale outlets to attract the customers to come to select the products.

- Public relations to create the good image of the Brand and the Organization by disseminating news to the public, so that the Organization is widely recognized. To this end, the Company has continually built the positive relationship with either customers, allied media or influencers through projects of social contribution such as Wacoal BrasDay, We Request Your Old Bras or Wacoal Pink Ribbon VS. Breast Cancer. It is to enhance the image of the products and the organization.

- Expansion of E-Marketplace both belonging to Wacoal in several platforms, namely Website/ Facebook Fanpage/ Line/ IG/ TikTok and the online channels of other E-Marketplace which are business partners of the Company to increase the sales of Wacoal products to achieve the goal, namely Lazada/ Shopee/ JD Central/ Bento and other further channels that Wacoal Online moves ahead to develop and make new alliances to continually enhance the growth of such channels at present and in the future.

- Number and Size of Competitors

After the COVID-19 outbreak has decreased, the high purchase power customers return to expend in purchasing the products. This group of customers which is loyalty customers still select to buy goods in the traditional channels, namely department stores, Wacoal shops and discount stores. These channels are deemed the main channels with the sales during the end of 2022 have explicitly increased. Competitors in the market still compete in allowing discount for both the direct competitive products and the low end products from China. It causes the Company intending to select products, decorate, upgrade the shops to modernity emphasizing the reliable brand of quality, design and function clearly differentiate in the market. The change of technology and spilling of the counterfeit products, the imitations of low quality reduce the trustworthiness of the online purchase. However, it is lucky that the Thai consumers pay more attention to those organizations running business by thinking about the impact on society, environment with corporate governance (Environment, Social and Governance: ESG). Based on PwC report, it is found that 68% of the consumers select to buy the products from the exact and transparent sources, while 67% of the consumers buy products from the organizations that maintain the value and intending to do only the right things. Moreover, 66% of the consumers select to buy the eco-friendly and naturally degradable products that comply with Wacoal products as every piece of the products is manufactured in the eco-friendly process. Anyhow in the previous year, the Company has consecutively communicated with the customers about the counterfeit products in the markets so as to encourage them to be careful in purchasing the products especially the online channel where several small shops can easily access and difficultly to be controlled. That will make the customers receive incomplete information and impact on the image of the Company.

- 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. In 2023 the sales of wholesaling and retailing and services will continually grow in compliance with the economic direction and the purchase power of consumers will restore to normal condition. It is forecast that the wholesaling and retailing markets and services will increase about 2.8 - 6.6%, where the Tourism Authority of Thailand has forecast that in 2023 there will be 30 million foreign tourists visiting Thailand.

In 3 years subsequently, technology and sustainability will be the significant vision of the wholesaling, retailing and service sectors. It is necessary to expedite to adjust to comply with the online trade through various platforms because the present and the future wholesaling, retailing and service markets will be the markets of consumers where they can rapidly select to purchase goods encouraging the fast turnover of products and services. Speed will be the answer to satisfy the requirements of consumers. The collaboration business model should be implemented jointly with the business alliances for sustainability as there will be tough competition both directly and indirectly. The BCG economy will be the business trend which the business doers shall be aware of and put into practice including to set the target for expanding the business together with protecting the environment and lessening the global warming. This will enhance the sustainable growth of business. The Metaverse Technology will support to enhance the markets under the idea when the customers do not come to shops, we should visit them at home. In addition, the AI Technology will assist the wholesaling and retailing business in assessment of the market requirements and sales with more correctness and accuracy.

(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, 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 have increased approximately 59% in comparison with the previous year. The consumption and purchase of clothing products as of 2022 have much increased due to the COVID-19 outbreak has continually decreased enabling department stores in almost every province nationwide to be reopened throughout the year and the number of foreign tourists are increasing although there is still no sign of China's reopening. However, most consumers were still careful of their expenditure in coincidence of the recession in economy worldwide where the 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 purchase power remains sluggish in 2022, the industry at large tends to remain stable and continue growing because of the relaxation of the COVID-19 control measure and the consumers still continue to pay more attention to buy clothing products of quality, and number of foreign tourists is likely to increase. However, fierce market competition still exists not less than last year 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, communication, marketing including 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 -

1.2.3 Assets Used in Business Operations

1. Assets Used in Business Operation

Appears in Attachment 4 : Assets Used in Business Operations and Details of Property Appraisal lists

2. Policies on Investment in Subsidiaries and Associates

The Company has invested in other several companies with a purpose of long-term enhancement of values for the Company. The enterprises in which the Company has jointly invested will be running a business supplementing the businesses being operated by the Group Companies or the businesses where the Company is expected to operate further as it has been envisioned in the potential for profit making whereby the Company will obtain payoffs/compensations in form of dividends.

The enterprises invested by the Company comprise 3 main business branches: the production business, the distribution business, and others; in this regard, on 31 December, 2022, the Company invested in a number of 4 Subsidiaries and 7 Associates.

The policies and practices on providing the Company's Executives to officiate as the Directors in the Subsidiaries, who plays a major role in regulating and administering the affairs of the Subsidiaries, provided that the accounting policies issued by Holding Companies shall be applied, and in carrying out any activities, these shall be applied in accordance with the terms issued by the Holding Companies which are listed on the Stock Exchange of Thailand.

In addition, the Company has imposed that whoever has been appointed by the Company is obliged to regulate the Subsidiaries to implement and disclose significant information according to the several criteria in the same way the Company has implemented the criteria such as making a connected transaction, acquisition or disposal of assets, or making other significant transactions.

On the other hand, the investment in the Associates has been jointly done in the enterprises of the Affiliates and other Companies - the Company has no power to regulate the affairs of the Investment Companies. The administration of such Companies relies on the Board of Directors of each Company.

With respect to the policies and practices on providing the Company's persons to officiate as the Directors or the Executives in the Associates or the Investment Companies, there has been a consideration made by the Chief Executives of Affiliated Companies regarding which sort of business operated by other Companies would be, and whether it would be necessary for the Company's Directors or the Executives from one of the Companies to represent on behalf of co-investors under the joint venture contract; if so, a team with knowledge, ability, and expertise in particular businesses chosen from the Company's Directors or the Executives would be considered.