

1.2 Nature of Business

1.2.1 Revenue Structure

Product/Service	Operated by	% Share-holding	2023		2022		2021	
			Amount (million baht)	%	Amount (million baht)	%	Amount (million baht)	%
1.Cosmetics, toiletries & perfumeries	I.C.C. International Plc.		638.17	6.36	559.46	5.91	535.86	7.19
	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			638.17	6.36	559.46	5.91	535.86	7.19
2.Women's apparel	I.C.C. International Plc.		2,502.79	24.95	2,429.62	25.65	1,916.72	25.70
	WBRE Co., Ltd.	99.99	-	-	-	-	-	-
	Canchana International Co., Ltd.	60.00	-	-	13.65	0.15	12.75	0.17
	Thai Itokin Co., Ltd.	58.16	172.36	1.72	96.94	1.02	143.45	1.92
	Tiger Distribution & Logistic Co., Ltd.	51.00	-	-	-	-	-	-
Total Women's apparel			2,675.15	26.67	2,540.21	26.82	2,072.92	27.79
3.Men's apparel	I.C.C. International Plc.		2,726.80	27.19	2,732.84	28.85	1,866.83	25.03
	WBRE Co., Ltd.	99.99	-	-	-	-	-	-
	Canchana International Co., Ltd.	60.00	14.78	0.15	-	-	-	-
	Thai Itokin Co., Ltd.	58.16	2.97	0.03	4.85	0.05	10.25	0.14
	Tiger Distribution & Logistic Co., Ltd.	51.00	-	-	-	-	-	-
Total Men's apparel			2,744.55	27.36	2,737.69	28.90	1,877.08	25.17
4.Household products	I.C.C. International Plc.		1,349.26	13.45	1,350.14	14.26	1,368.25	18.35
	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			1,349.26	13.45	1,350.14	14.26	1,368.25	18.35
5.Others	I.C.C. International Plc.		1,268.30	12.65	1,230.26	12.99	910.68	12.21
	WBRE Co., Ltd.	99.99	5.73	0.06	16.89	0.18	29.84	0.40
	Canchana International Co., Ltd.	60.00	-	-	-	-	-	-
	Thai Itokin Co., Ltd.	58.16	5.98	0.06	10.07	0.11	7.94	0.11
	Tiger Distribution & Logistic Co., Ltd.	51.00	155.56	1.55	34.40	0.36	-	-
Total Others			1,435.57	14.31	1,291.62	13.64	948.46	12.72
Total Revenue from sale			8,842.70	88.16	8,479.12	89.53	6,802.57	91.22
6.Other income								
6.1. Dividend income			921.03	9.72	340.39	3.59	379.65	5.09
6.2. Gain on disposal of land			-	-	392.65	4.15	-	-
6.3. Others			268.25	2.83	243.92	2.57	260.50	3.49
Total Others income			1,189.28	12.56	976.96	10.31	640.15	8.58
7. Share of profit (loss) investment in associates			(2.03)	(0.02)	14.99	0.16	14.81	0.20
Total Revenue			10,029.96	100.00	9,471.07	100.00	7,457.53	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. Consumers have changed their behavior of following up the media. Based on researches on the advertising media, it is found that the major media on TV, people began to watch it in a decreasing number. New generation do not turn on TV to watch it but using their mobile phones as the main equipment to watch the media instead. Consequently, at present the online media cannot be clearly separated from the offline media; the Company has to apply the multi-communication approach by using both online and offline media simultaneously in order to access the consumers as much as possible. Additionally, the certain consumer's behavior has changed where they pay more attention to search for information before buying products. In this connection, our Company has some creditable persons who use our brand products to review the products so as to encourage desire of the consumers to decide to buy our products. We have used KOL and influencers give information and do trial use of the products. This is to enable the customers to buy the products more easily.

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

- Chances and Obstacles of Business Operation

Chances (15PT)

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 to encourage use of the skin care serum group, the latest 'BSC Expert White Series' by modifying a new formula and changing the entire new look of the product to be more modern in all white minimal style to become more beautiful and interesting. For this campaign, the Company introduced the latest presenter as the 'Friend of BSC Expert White', namely Khun Krist Perawat Sangpotirat, under the campaign 'Bringing White on Krist' as the attracting concept for the target customers presented by the wordings in modern social trend in order to be more interesting as the presenter selected based on the fan club of the stars of Yaoi series, a much hit in Thailand. This target group is interested and strongly follows the stars, with good purchase power in the Country and abroad. It is a skin care serum product as the solution for the requirements of clear, bright and white skin, where we have to communicate complete information about both chemical & physical to impress and be in mind of the teenagers, Gen Z. To this end, we increase a new customer base by using online media channel which is most preferred by such group of customers. The marketing strategies of cosmetics, therefore, have to be modified according to such circumstance in order to immediately correspond to the consumer's behavior, to increase more varieties of sale channels either sale through platforms, online shopping, live-chat market place, including direct purchase orders by phone to impress customers' experience in several forms of purchase .

2. Presently, the marketing trend seems to realize significance of consumers. For facial health care, the consumers are interested in the products made of natural raw materials and denying tests on animals, while the products have to provide uses to skin health. Any cosmetic brands that can rapidly adjust corresponding with the trend and preference of consumers, will have more chance to gain both satisfactory sales and image.

3. The quality of products is one of main factors. Not a few consumers are prompt to spend money for cosmetics both skin care and makeup even in expensive price so as to obtain quality products and real effectiveness as alleged in advertisement.

4. The image of brands plays the important role and influences the consumer's behavior at present because the consumers trust in the image of the brand, where there is chance for them to decide to purchase more products with positive image and being well known.

5. Deployment of technologies in the manufacturing process and development of cosmetic products to become up to date are useful to consumers, 'Beauty Tech' such as the 'Augmented Reality application for testing the cosmetic colors or the AI (Artificial Intelligence to introduce the products to customers have significant aim to satisfy the requirements of consumers better than previously. Regarding the digital technologies to facilitate the cosmetics industry either Virtual Reality (VR)', and Big Data including the software which is used for the purpose of beauty, all emphasize to develop the better quality of the products more exactly corresponding with the needs of consumers and solving problems that may be faced by consumers when selecting to buy the products online, trying the products, testing their skin condition and accessing the counseling on skin care especially the dermatoscope which can ensure the Brand's trustworthiness making the consumers think worthwhile to spend money for purchasing the products.

6. The consumers desire to get online information about products more than before, either the review of products through Bloggers and Influencers so as to ensure their decision to purchase. It is obvious that there still was the demand of cosmetics as previously but more searching for information to encourage purchase of products. We then have to set the strategic plan by correctly deploying KOLs/ Influencers in order to access consumer groups more rapidly as well as to understand the requirements of the consumers, 'which types of beauty products' they require. This is to most suit the target groups.

7. The distinctive products in this year are beauty products for men. Currently, men begin to use beauty products in taking care of themselves as from the basic ones such as facial foam, skin care. This is to enhance their confidence, where they began to try cushion powder, foundation, to apply eyebrow pencils and apply eyeliners since men also desire to look good. At present there are not lots of products for their selection, so it is the chance to increase the products for men to correspond with the market of this group.

Obstacles

1. The situation in 2023, the war in Europe 'Russia-Ukraine' and Israel-Palestine war, impact on economy worldwide, the petroleum price, the agricultural products price and various industries; all are heavily affected. Consumers are anxious about their expenditure. The consumer's behavior has changed which can be classified into the following 2 groups, the mass market which is the group that is directly affected by the economy. The frequency of their purchase has reduced and they become thrifter, while the middle market up to counter brand and inter-brand markets, although their purchase of products has reduced but they can spend to buy in higher price in case of quality and worthwhile products.

2. During the war situation, there are impacts on production and supply of raw materials whether their importation or availability for production where the production of some cosmetics have to be suspended or decreased the manufactured quantity because of much higher production cost. These affect the consumers as causing more expensive price.

3. To facilitate convenience for consumers to purchase and suit their requirements as much as possible. Presently, the consumer's behavior has changed. The customer groups which are unable to access to buy products in department stores, turn to do their shopping online that is convenient, fast and more inexpensive. A lot of promotion campaigns were launched throughout the year, so we have to increase distribution channels to cover and in a wide variety in each platform.

4. To provide knowledge and training for salespersons to ensure their complete knowledge of the products. Presently, consumers will search information prior to purchase of products. It is not only brief search but the consumers desire more details in order to know information about compounds thereof, such as where the compounds come from, where is the best source to get such raw materials. The products do not cause allergy, can be well used. It is, therefore, very important to adjust attitude and training of salespersons to actually know about the products and able to reply the customers' questions.

- Development of Business Innovation

In 2023 BSC Cosmetology emphasized the marketing strategies to increase sales of the Brand aimed to access new prospective target groups in Gen Z, and simultaneously modified the marketing approach by adding new concepts, the communication ways to suit the current trend and impress the customers corresponding with their requirements. In 2023, the major campaign was launched therein the Company released the latest product 'BSC Expert White' with development of products to be of better quality and deployment of more technologies to serve as the solution for the skin care consumer group with the Genius Aura Technology for the first time in Thailand with genius skin nourishing products of 7 items in the Series Expert White, namely the full ranges of skin care products from cleaning, healing, nourishing, rehabilitating and protecting skin. The most distinctive item of these series is BSC Expert White Spot Clearly Concentrate Serum, which will enable 5D clear, bright and fresh skin with the extract got from and special properties of Hydro White Technology+, the technology of bright white of the new world for the deeper white skin than previously, clear and bright skin, any blemish faded away, smooth and soft skin, moisturized skin, neither dry nor rough; the product nourishes the skin to be clear and smooth, healthy with additional 10% vitamin C which is 5 times denser than the previous product and has been attested by the real users with confirmation that the product is efficient to enhance the fresh and healthy skin after having been used for 3 days. The product is simply packed in a minimal modern package with comfortable and attractive look which satisfies lifestyle of new generation customers.

(2) Marketing and Competition

(A) The Marketing Aspects and Policy

In 2023 after the outbreak of COVID-19, consumers 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 continually, while the cosmetics markets worldwide have rapidly restored corresponding with requirements of consumers, who desire to enhance their better image. Since the purchase power of foreign tourists who have gradually revisited our Country according to the recovery of the Thai tourism sector, the export markets have been expanded. During the forthcoming 1-2 years, the gross figure of the value of cosmetics markets worldwide is likely to achieve their recovery and consecutive growth and the economic activities will be more performed and restored to the normal condition.

BSC Cosmetology has developed quality of its new products and added technologies useful to consumers and environments all the time by bringing natural mixture to make its products suiting the change in the present era corresponding with the requirements claimed by the consumers where BSC Cosmetology has to satisfy the world trend of saving the earth.

It is likely that the Thai consumers significantly purchase products online more than previously as it is the channel where the new generation easily make decision to purchase the products as conveniently, fast and readily to be delivered to their home. Various beauty businesses have to adjust to satisfy such requirements by expanding business online in every platform and simultaneously providing interesting purchase experience for the customers. Several promotion or attractive discounts for the customers to make up their mind to buy our products, using social media as the marketing channels, creating something interest, advertising to make the customers understand the good image of our Brand and building good relationship and loyalty to our Brand. BSC Cosmetology has paid attention at upgrading technology of various products to make the customers recognize the modern according to the current trend of the Brand at all times. Technology of AR/VR for trial has been applied in the sale process at the counter sales more than previously, so that the customers can try the products and get good experience prior to their purchase.

For the skin care products, BSC Cosmetology has continually maintained its position as the leader of markets, emphasizing to strengthen its Brand and products with innovation technologies serving as the significant strategy where many scientific researches and studies have been implemented so as to acquire the innovation of products, packaging, distribution outlets, delivery, marketing and service. We focus on upgrading quality of products and using natural mixture with high effectiveness and quality to interest consumers and encourage their reliability and achieve their decision to purchase our products in proper price where they feel both physical and mental worthwhile cause of their purchase. At present, customers pay attention at where and how the products are produced. If our Company is responsible for the society and good environment, having excellent image, doing sustainable business, these will more impress the customers who pay attention at saving environment and saving the earth.

(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. The trends and factors that make the competition in cosmetics markets seem interesting to be developed:

1. Innovation and Research: Any cosmetics companies that can present the products with innovation and modern technology will have chance to gain more satisfactions.
2. The Omni Channel marketing plays more important role in the competition of cosmetics markets. Deployment of digital technology, advertisement, monitoring the trustworthiness of social media and doing business through a wide variety of platforms facilitate the growth of sales and accessibility to diverse consumers of all age groups.
3. Quality of products and attention paid at services provided for customers both before and after sale are very important where the customers who are satisfied and impressed by the good service will be likely to make repetition of their purchase and raise the ranking of our Brand in the competition in cosmetics markets.
4. Access to the mass market and understanding of requirements of customers are very important. Any cosmetics brands which can adjust themselves will have chance to be leaders of the market, achieving sustainable sales growth because the mass market and counter sales are rather different. If we can correctly access the requirements, the appropriate price with good quality products, we will be able to immediately impress these groups of customers.

Organizational structure and operation of the group of companies

In 2023, we faced with the economic suspension and recession for some time, it seems the start up of various cosmetics brands whether large or small brands, the digital technology then played significant role. Presently, several brands have brought the digital technology to enhance their efficiency either in upgrading or presenting products that suit the consumers' requirements, which is called 'Beauty Tech' with the aim at better solving problems of the new era consumers such as deployment of the dermatoscope which can take only 3-5 minutes to analyze skin condition in detail, so it is an instrument to enhance reliability of our Brand. Nowadays, the counter brand cosmetics have implemented the marketing strategy, finding the ways to create brand loyalty and relation with the brands in mind of customers, 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' purchase 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	183
Sensitive Skin	76
Professional Make Up	85
Self Selection	197
Direct Sales	435
Cosmeceutical	41
Total	1,017

- Status and Capability of Competition of the Company

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

- The future industry trend and competition

The cosmetics and beauty industries are gradually enlarged with a consecutive growth rate every year, although in 2023 there was suspension and recession some time because customers in the current era either male or female or every age group pay attention at health, beauty and skin as well as taking more care of themselves. They desire to have better look. Several beauty business, skin care clinics and popular brands have been founded in corresponding with high demand in each year.

In the future, the growth of cosmetics industry will directly be useful not only to the key business or the related business such as manufacturers, importers and exporters, distributors of cosmetics and raw materials either natural, synthetic or herbal ones; but also indirectly useful to those related businesses such as Beauty Tech, media, KOLs/KOCs (Influencers, YouTubers, Bloggers, TikTokers and Publishers), marketing consultants, logistics and platforms that provide E-Commerce service as they will have chance to gain advantages from the growth of the cosmetics markets, as well. Based on the findings (data and information) from researches, it appears that the beauty products were the second ranking group which expended monies in advertisements via various media subsequent from the food and beverage products in 2023. The Thai cosmetics markets have explicitly been recovered with probability of continual growth as it is significantly resulted from the domestic customers who return to their normal living and from the foreign tourists who gradually return to visit our Country evidenced by the recovery of the Thai tourism sector. The products in the clean beauty group are one of the interesting cosmetics groups as it is the trend corresponding with saving the earth concept taken into account by consumers worldwide. It additionally satisfies the requirements of consumers under the 'Skinimalism' Trend which is skin care that emphasizes provision of naturally healthy skin. Consequently, if any business doers can produce clean beauty cosmetics which are the cosmetics with probability of distinctive growth in the future, that will enhance expansion of their market and keeping their market shares among the tougher competition.

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, organize events where to launch activities attracting customers to come to department stores or distribution outlets so as 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 more sales.

(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 where there are products with affordable price available aiming to increase new target groups and corresponding with the different purchase power 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 so as to colorize the sale by designing the sale outlets clearly differently from those of the competitors, with POSM that explicitly provides details of complete data and information about the goods in each shop allowing the customers to freely watch, gain new experience in selecting 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 of Eco Bras as 'Eco Product', to directly suit lifestyles of customers under the concept 'Wacoal Love Earth' 'Not a Collection. It's Our Mission'.

- 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 Kullastrri. 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 2023 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 as it accepts LGBTQ which presently is nearly with no competitors in Thailand.

Obstacles

1. The whole economy is impacted by the pandemic of COVID-19 and subsequently results in the consumer's behavior thereby they spend their money more carefully by preferring to expending for foods to the other items of consumer goods. The economy has then begun to stabilize 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 or ordering the discounted products online, etc.

2. Although the Country has been reopened, the foreign tourists still return to take a trip to our Country in the lower number than expected. Moreover, the Chinese tourists, the main foreign tourists visiting Thailand have come to Thailand not in a large number because the government of China is launching the campaign for their people to travel within China instead of taking a trip out of the country causing in 2023 foreign tourists especially the Chinese ones do not turn to visit our Country as normally. It shall 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 still being unemployed or unemployed for some period of time.

3. The Digital Wallet is still waiting for approval in the process of promulgation of the Act of 5 Hundred Thousand Million Baht Loan. Such project shall be passed several steps which will take certain time where we have to wait and follow up details of the measure on expenditure encouragement to be launched by the new government.

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 2023 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 2023 the survey of requirement of goods was carried out prior to manufacture of the products so as to actually satisfy the requirements of customers. The findings from the survey have been taken into account in modifying the marketing strategies such as upgrading the models of products to be modern in the collaboration with new generation designers, adjusting to discount the price to be affordable, but with standard quality of Wacoal aimed at 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 2023 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.

With respect to Wacoal Online, we have 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.

For other target groups which are loyalty customers, communication under the concept 'Wacoal For All' has been implemented in every platform where to provide recognition of people by presentation of both function and fashion for satisfying either beauty or comfortable wear to everyone, all ages, all sizes, all cups with the distinctiveness of Wacoal, i.e. the innovation that has been acceptable by the target groups for a long time using offline and online media communication continually to emphasize this merit of all Wacoal product groups.

Our Company creates relationship with customers in many ways through the qualified salespersons at the shops who pay attention to service and provide professional counseling about products in order 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 by providing satisfactions and good experience of customers towards our Brand. 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 also to maintain the existing customers with their increasing the frequency of purchase as the value adding or their frequency of using service throughout 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 2023 Wacoal has extended activities to found a new customer base of teenagers via Below the Line activities where to release Wacoal Mood Brand in modern design corresponding with the lifestyle of the younger generation. It is the key item accessible to such customer group. The Company has implemented this strategy by joining to support activities launched in educational institutes, universities, joining to support musical activities with several record label owners either in Bangkok or other provinces, as well as 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 on multimedia with joyful and easy understanding image for the juvenile group 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 Yoon-Phannapast Taychamaythakool, the designer of contemporary arts with her unique lines in her world-class arts work to produce Wacoal X Phannapast in the 'Candy Wrapper' collection in order to expand from the existing customers to the new customer groups.

Additionally, the Company has opened the new market in the LGBTQ+ group. Although it is a small market, 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. Production of the products and implementation of the marketing accessible to present consumers, there 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 'Wacoal Freedom' collection, it represents the freedom without definition through the Company's opening the Pop Up Store at Siam Center Shopping Mall in the end of last year. However, for the LGBTQ+ market even though providing competitive chance, there is still challenge of communication. Based on the survey of requirements of this group, the communication shall be clear but without discrimination.

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

Presently, the consumers pay less attention to the brand loyalty but pay more attention to the product price. Consequently, our Company turns to increase the products in affordable price for this teenager group in compliance with the demand of the market together with to use quality of products as the merit of our Brand, so that this customer group can try the products and by their comparison of the product quality, that will lead to additional purchase of other collections. Women lingerie has the rapid rate of growth evidenced by domestic competitors and importation of several brands. Consequently, the Company focused on 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 'prices' are not the most important cause but it is the 'mood and feeling' that encourages the decision to purchase, as the current purchase behavior of the customers mostly begins from searching the information first in order to compare and 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 2023, the recovery of the tourism sector and the revocation of the COVID-19 outbreak control measure are positive proof that the situation turns normal, just only the economy 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 a wide variety of formats accessible to all target groups especially 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 Bowkylion, 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, Instagram, 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. 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 outlets. 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 providing education for salespersons about new knowledge either sales technique, products display arrangement, learning particulars of products as well as training them to have good personality, so that they gain expertise in body shapes and can professionally provide reliable suggestion and explanation.

- Sale Promotion: The interesting sale activities and 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 offered to those customers of department stores and Wacoal Shops, arranging Pop Up Stores in special areas for new collections, 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 Bras Day, We Request Your Old Bras or Wacoal Pink Ribbon VS. Breast Cancer. In that connection, Wacoal Pink Ribbon VS. Breast Cancer launched in 2023, HRH Princess Sirivannavari gracefully designed the Balancing Bra, the lingerie for those women who have got the operation of breast cancer in collaboration with Wacoal products, namely 'Wacoal X Sirivannavari' "Princess Collection". Her Royal Highness the Princess designed and took photos of the advertising campaign of this special collection by herself under the concept "Empowering Women with Love". It is to share love to all women of every race, every appearance to encourage them to provide positive power, power of love and morale among their group, which is the main concept of this project. The partial income gained from distribution of the "Princess Collection" has been contributed as donation fund to the organizations assisting the breast cancer patients, i.e. Kanjanabaramee Foundation and the National

Cancer Institute. This is the cooperation in doing some good deeds to contribute to a charity fund started by His Majesty the King on the great occasion of Her Majesty Queen Sirikit The Queen Mother's 91st Birthday, the 12th August 2023.

- Expansion of E-Marketplace both belonging to Wacoal in several platforms, namely Website/ Facebook Fanpage/ Line/ Instagram/ 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 as of 2023 having gradually increased. At the meantime, competitors in the market have still been competing in allowing considerable discount for both the direct competitive products and the low end products from China. It causes the Company intending to select products, decorate and differentiate the shops from those of the competitors, upgrade to modernity emphasizing the reliable brand of quality. Nonetheless, the change of technology and the spilling of counterfeit products, the imitations of low quality have reduced the trustworthiness of the online purchase. In that connection, the consumers then pay more attention to those business organizations by thinking about the impact on society, environment with corporate governance (Environment, Social and Governance: ESG). Last year, our Company has continually communicated to every group of customers about the counterfeit products to encourage carefulness of the consumers in ordering the products.

- Industrial Trend and Future Competition

Kasikorn Research Center Company Limited has assessed that in 2024, the sales of retailer shops are likely to grow about 4.0 — 5.0% in comparison with 2023. This still excludes the outcome of those purchase power stimulation projects such as the Digital Wallet which is waiting for approval under the process of promulgation of the Act of 5 Hundred Thousand Baht Loan since such project has to pass many steps of formality taking considerable time where we have to wait and follow up details of the measure on expenditure encouragement to be launched by the new government, where many parties expect that the digital wallet can encourage the economy of the Country. Nonetheless, the expenditure and the purchase power depend on the behavior and financial status of each consumer which differ from one another, including the conditions set forth in each dimension either in terms of specifying the areas or the types of shops, all these will affect different sales of each retailer shop.

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 which will restore to normal condition. The Tourism Authority of Thailand has forecast that in 2023 there will be approximately 27 million foreign tourists visiting Thailand. Although the sales are likely to grow, the business doers still face with tough competition especially the low end products from China which are consecutively spilled in Thailand and the higher cost in case of the minimum labor cost being increased. These challenge the capability in generating profits of the retailing business. Thailand Textile Institute suggests the textile entrepreneurs to modify the format of production and deploy the materials in trend of saving the environment, as well as to create the memorable experience about the textile products which adds value thereof and making the products competitive in the international markets. It is to propose to the government to encourage the soft power of textile by strengthening the textile market and providing prompt assistance for the entrepreneurs. In this connection, the Ministry of Commerce has recommended the textile manufacturing and exporting entrepreneurs to produce the products by taking account of impact on the environment whether directly or indirectly aiming to strengthen competitiveness and to access the business chance suiting the BCG Model Trend where the clothing markets of recycled materials worldwide achieve the consecutive growth about 10.7% per annum.

In the future, 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 four 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.

Organizational structure and operation of the group of companies

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 decreased approximately 5% in comparison with the previous year. The consumption and purchase of clothing products as of 2023 have decreased due to the economic recession, even though the COVID-19 outbreak has continually decreased until the situation has restored to normal 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 gradual recovery situation from the COVID-19 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. TNLX Co., Ltd., 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 about Property Appraisal Items

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, 2023, the Company invested in a number of 4 Subsidiaries and 10 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.

Organizational structure and operation of the group of companies

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.

The Company has the measures on hedging investment risks by appointing persons from the Associates or from the Companies operating business regarding the affairs invested as the Investment Supervisor who pursues and examines financial statements and situational information to recognize the difficulties arisen for further acknowledgment of the Company's and the shareholders within the group annually via reports which shall be made immediately after unusual events or crises to help find a solution. Moreover, the Meeting of the Board of Directors and the Meeting of the Management Committee have been regularly held to consider matters pertaining to the performance of the businesses invested by the Company, emphasizing the affairs of the businesses that encountered a loss and seeking for the approaches to make free from the mentioned loss of such Companies for sustainable profits of the particular businesses.