

MC GROUP

**TURN
AROUND
ANNUAL REPORT 2020**

1 JULY 2019 - 30 JUNE 2020
MC GROUP PUBLIC COMPANY LIMITED

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VISION MISSION AND CORE VALUE

■ VISION

To offer leading retail experience that customers remember the very best service, selection, quality, and value thus, we shall turnaround.

■ MISSION

To ensure best customer satisfaction

To be a happy workplace and employees are proud of organization

To gain trust from investors and shareholders for long-term returns

■ CORE VALUE

M : Motivation

Motivated to create best outputs for the customers

C : Commitment

Committed to promises made to the customers and partners under honest business conducts.

W : Willingness

Conduct business in all functions with strong will to deliver the best products and services

A : Appreciation

Appreciate and respect others as well as their works and be kind to each other both in the same department and organization wide.

Y : Yes-minded

Positively handle all kinds of issues and be ready to tackle the problems under any circumstance and believe that there is a solution for every problem.

Mc

McLady

Mc
mini

Bison

MCT

U-P

**mc
mc**
OUTLET STORE

M & C

mcshop





MESSAGE FROM CHAIRMAN

■ **To shareholders and stakeholders,**

The past year marked the 44th year that MC GROUP Public Company Limited (“Company”) has continuously engaged in manufacturing and distributing apparels and lifestyle products. Throughout our journey, the Company creates and introduces high-quality products comparable to international brands with sizes and shapes suitable for Thai consumers. Our premium products are offered at affordable prices through multiple channels which results in satisfaction and long-standing trust among Thai consumers.

The previous year has put the Company to a challenging test as the Board of Directors decided to elevate our business and operations to international level. Through this endeavor, Mrs. Chananyarak Phetcharat was appointed as the Company’s new CEO to take charge in driving the Company to achieve our growth aspirations. She is qualified for the position with over 30 years of experience in diverse businesses leading successful global companies. Under her stewardship, the Company aims to optimize work processes to achieve agility, advancement and accordance to international standards with the ultimate objective of sustainable growth and best interests of all stakeholders, as evident from our efforts and performances.

During the COVID-19 pandemic when normal distribution channels were closed for a period of almost 2 months due to the government’s measures, the Company managed to continuously generate revenue enough to cover all expenses and survived this unprecedented critical time. The success was derived from the Company’s strengths in various dimensions including debt-free financial position, end-to-end supply chain management and ability to maintain adequate liquidity. Given these factors and our agility, the Company was poised to adjust our strategies to deploy online channel expansion plans in a timely manner during the temporary closure of sales channels.

Apart from operating performance, the Board of Directors and Executives places highest priority on our people as they are vital to the Company’s long-term competitiveness. The Company turned COVID-19 crisis into opportunities to develop skills and capabilities of our employees especially on client servicing and online sales. Moreover, the Company made a decision to pay dividend at the same payout ratio as normally practiced in the past despite the situation to show appreciation to shareholders who constantly give trust and support to the Company.

On behalf of the Board of Directors of MC GROUP Public Company Limited, I would like to extend a gratitude toward shareholders, business partners and all customers for always supporting the Company. We are also grateful for our Executives and Employees for their collective work that move the Company forward in alignment with our mission and operating plans amidst this tough time that has tested the Company. Lastly, I would like to stress on our dedication and commitment to conducting business in compliance with ethical code and good governance guidelines to thrive in a new normal with stability and sustainability.



(Mrs. Kaisri Nuengsigkapien)

CHAIRMAN OF THE BOARD OF DIRECTORS



MESSAGE FROM CEO

■ Dear Shareholders and Stakeholders,

It has been my honor to be given the opportunity to lead MC GROUP Public Company Limited and it has always been my objective to help the company grow sustainably as well as make the most of digital transformation of various channels to enhance customers' shopping experience. MC GROUP is committed to creating quality products at good value. Plus, we have adopted the "happy workplace" policy to cultivate a culture that every employee is proud to be part of. Ultimately, our goal is to project a positive brand image that does not just garner confidence in the company, but also helps improve quality of life for society, as has been made evident to all our stakeholders.

■ Strategic growth

The company emphasizes on developing products that have proved to be popular by working on boosting sales and customer spending. On the cost side, the budget and cash are being managed effectively, while backend operations are continuously and consistently strengthened. Smart e-commerce strategies have been put in place to improve both online and offline sales channels, while we work on developing a multi-channel omni platform by leveraging data analytics as well as artificial intelligence. Furthermore, MC GROUP plans to diversify its product portfolio to cover more consumer segments, including female, millennials in urban areas, so it eventually becomes the company's new S-curve.

■ Performance before and after COVID-19

With a clear vision and a well-defined strategy, coupled with the company's strength of a high liquidity, zero-debt and an effective supply chain, MC GROUP has delivered satisfactory revenue and profit growth in the first half of 2020. Since the COVID-19 pandemic hit Thailand in late March, the company's offline operations had to be closed in line with the government's disease-control measures. The "new normal" brought on by the outbreak has significantly shifted consumers focus to online channels, which aligns beautifully with the company's online expansion plan. Combined with the company's inherent strength, MC GROUP has turned the crisis into an opportunity to flex its muscles and accelerating the online channels in a timely manner. Moreover, with effective management, the company took several measures of cost-reduction and inventory-management initiatives to keep its costs low. Also, as a public service, MC GROUP rose to the need of the hour and initiated the production of face masks, which were then distributed as an alternative for consumers.

In closing, I would like to extend sincere gratitude to all shareholders, directors, executives, business partners, employees and customers for your long-standing support and trust, which has brought immense vigor to the company. This will definitely help us sustain our strength and achieve the status of leadership that we have been aspiring toward.

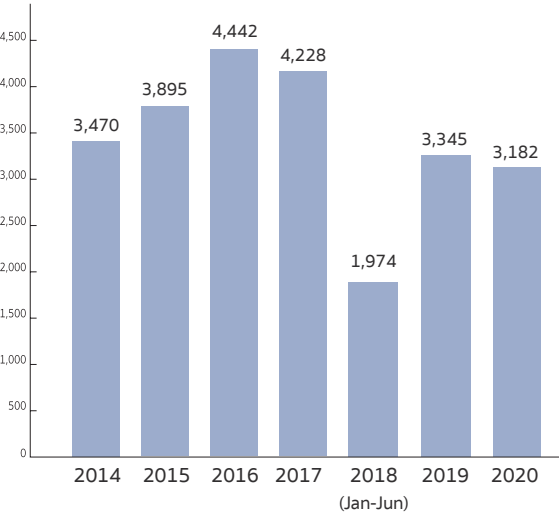


Chananyarak Phetcharat
Chief Executive Officer

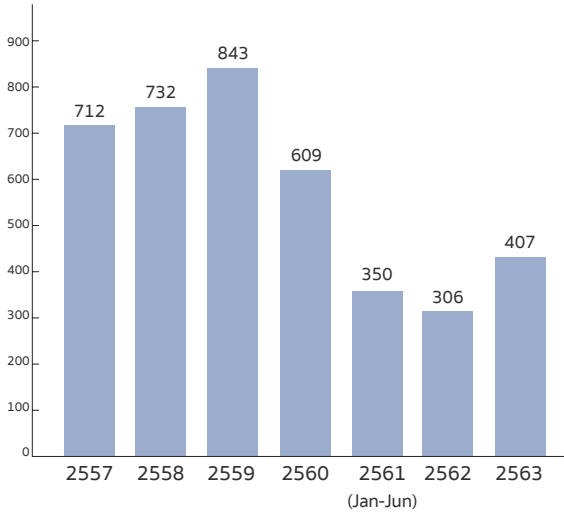
FINANCIAL SUMMARY

Summary of Financial Information (in THB millions)	Consolidated Financial Statements		
	2018 (Jan – Jun)	2019 (Jul 2018 – Jun 2019)	2020 (Jul 2019 – Jun 2020)
Statements of Comprehensive Income			
Revenue from sale of goods	1,974	3,345	3,128
Total income	2,014	3,380	3,217
Earnings before interest net, taxes, depreciation and amortization	454	124	99
Net profit (loss)	350	306	407
Statements of Financial Position			
Total assets	4,827	4,290	4,084
Total liabilities	547	529	492
Total equity	4,280	3,760	3,592
	2018 (Jan – Jun 2018)	2019 (Jul 2018 – Jun 2019)	2020 (Jul 2019 – Jun 2020)
Profitability (%)			
Gross profit margin	57.2	59.5	58.2
EBITDA margin	22.99	15.4	17.3
Net profit margin	17.7	10.8	12.6
Return on total assets	7.2	6.7	9.7
Return on total equity	8.2	7.7	11.2
Debt to Equity Ratios (Times)			
Total debt to equity ratio	0.1	0.1	0.1
Per Share Information (THB)			
Book value per share	5.3	4.75	4.5
Earnings per share	0.44	0.46	0.51
Dividends per share	0.40	0.65	0.55

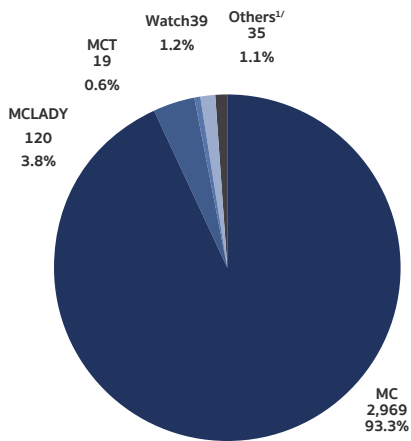
Revenue From Sales of Goods
(in THB millions)



Net Profit
(in THB millions)

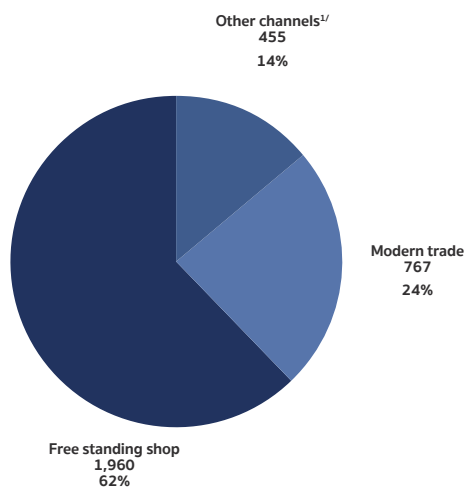


2020 (Jul 2019 – Jun 2020)
Revenue Structure - By Brands
(in THB millions)



Remark : ^{1/} Other revenues are Products MC PINK, MC MINI, BLUE BROTHERS, MCMC, Sales of products and services through online/internet channel, and revenues from sales of accessories to outsource manufacturers

2020 (Jul 2019 – Jun 2020)
Revenue Structure - By Channels
(in THB millions)



Remark : ^{1/} Revenue from other channels are revenues generated from sales agents,exhibition booths and retail/ wholesale s stores and online channel

BOARD OF DIRECTORS





1

4

2

8

DIRECTORS AND EXECUTIVES

MRS. KAISRI NUENGSIKAPIAN

1

Chairman of the Board of Directors / Chairman of Executive Committee

58 years old

Date of Director

1 January 2016

Shareholding (Ordinary Shares)

- Held personally : 2,534,500 shares (0.32%)
- Held by spouse or minor children : None

Education/Training

- Master of Business Administration, Thammasat University
- Bachelor of Accounting, Thammasat University
- Capital Market Academy Leadership Program, Class 3, Capital Market Academy
- Director Certification Program (DCP), Class 0/2000, Thai Institute of Directors (IOD)
- Certificate, Role of The Chairman Program (RCP), Class 30/2013, Thai Institute of Directors (IOD)
- Certificate, Role of The Compensation Committee Program (RCC), Class 16/2013, Thai Institute of Directors (IOD)
- Certificate, Advanced Audit Committee Program (AACP), Class 36/2020, Thai Institute of Directors (IOD)

Current directorship in other companies

- Independent Director / Chairman of Audit Committee, SCG Packaging Plc.
- Independent Director, Indorama ventures Plc.
- Chairman , Buono (Thailand) Plc.
- Directors, Thai Institute of Directors
- Member of Corporate Governance Committee, Bank Of Thailand
- Director, TOP T 2015 Co., Ltd.
- Director / Treasurer, Rakkaew Foundation

Experience

- Directors, P.K. Garment (Import-Export) Co., Ltd.
- Independent Director / Member of Audit Committee, SCG Ceramics Plc
- Advisor, Securities and Exchange Commission, Thailand (SEC)
- Chief Executive Officer, KPMG Thailand
- Director, The Stock Exchange of Thailand

Number of Companies with Current Directorship

- Listed company: 1 company
- Other companies: 6 companies

MS. SUNEE SERIPANU

2

Vice Chairman / Chairman of Nomination and Remuneration Committee / Member of Executive Committee

56 years old

Date of Director

18 March 2013

Shareholding (Ordinary Shares)

- Held personally : 359,345,920 shares (45.37%)
- Held by spouse or minor children : None

Education/Training

- Master of Business Administration, Assumption University
- Bachelor of Accountancy, Chulalongkorn University
- Director Accreditation Program (DAP), Class 98/2012, Thai Institute of Directors (IOD)
- Director Certification Program (DCP), Class 172/2013, Thai Institute of Directors (IOD)
- Capital Market Academy Leadership Program, Class 15/2013, Capital Market Academy

Current directorship in other companies

- Chairman of Board of Directors, McJeans Manufacturing Co., Ltd.
- Chairman of Board of Directors, Winnerman Co., Ltd.
- Chairman of Board of Directors, Wow me Co., Ltd.
- Chairman of Board of Directors, MC Jeanious Co., Ltd.
- Chairman of Board of Directors, TOP T 2015 Co., Ltd.
- Chairman of Board of Directors, Aromatique Active Co., Ltd.
- Board of Directors, Mcmillion (Thailand) Co.,Ltd.
- President, Mc Group Foundation for Thai Society

Experience

- Chairman of Board of Directors, P.K. Garment (Import-Export) Co., Ltd.
- Chairman of Board of Directors, Look Balance Co., Ltd.
- Chairman of Board of Directors, Time Deco Corporation Co., Ltd.
- Director, Millennium (1975) Co., Ltd.
- Director, SS Challenge Co., Ltd.
- Director, Amata Apparel Co., Ltd.
- Director, Na Yai Am Real Estate Co., Ltd

Number of Companies with Current Directorship

- Listed company : -None-
- Other companies : 8 companies

Director / Member of Executive Committee / Member of Risk Management Committee / Chief Executive Officer

57 years old

Date of Director

11 November 2015

Shareholding (Ordinary Shares)

- Held personally : 2,100,000 shares (0.26%)
- Held by spouse or minor children : None

Education/Training

- M.I.S. - Master degree in Management Information System from University of West Virginia
- Graduate Studies in the United States with special management program at Marshall University Ohio USA
- B.S. - Bachelor degree in Business Management major Accounting from Ramkhamhaeng University.
- Director Certification Program (DCP) class 49/2004
- IMD Leadership Development Program by Thailand Listed Company Assoc. 2015
- Certified Berkeley Institution Executive Coaching (BEIC) 2014
- Enhancing the Competitiveness of Thai Companies by IMD Switzerland powered by TLCA Thailand Listed Company Association (LDP1)
- LSP1 – Leadership Successor Program for State Enterprises powered by Ministry of Finance
- CMA14 (Capital Market Academy) from The Stock Exchange of Thailand
- EDP6 Executive Development Program, Chairman of Alumni 6 sponsored by TLCA
- Executive Committee of Thai Listed Company Associations (TLCA)
- BRAIN1 Business Revolution and Innovation Network by FTI Federal Trade Industries

Current directorship in other companies

- Independent Director / Chairman of the Corporate Governance Committee, Total Access Communication Plc.
- Director, dtac TriNet Co., Ltd.
- Director, Thai Listed companies association
- Independent Director / Member of Audit Committee / Member of the IT Oversight Committee, TMB Bank Plc.
- Independent Director / Member of Audit Committee / Member of the IT Oversight Committee, Thanachart Bank Plc.

Experience

- Managing Director, DHL Express International (Thailand) Co., Ltd.
- Managing Director, Mobile Devices Sector, Motorola (Thailand) Co., Ltd.
- Managing Director, SAS International Software Co., Ltd
- General Manager, Oracle corporation (Thailand) Co., Ltd

Number of Companies with Current Directorship

- Listed company : 3 company
- Other companies : 2 companies

Director/ Member of Executive Committee / Member of Sustainable Development Committee / Chief Operation Officer

58 years old

Date of Director

18 March 2013

Shareholding (Ordinary Shares)

- Held personally : 15,000,000 shares (1.89%)
- Held by spouse or minor children : None

Education/Training

- Master of Business Administration, Assumption University
- Bachelor of Science in Pharmaceutical Sciences, Chulalongkorn University
- Director Certification Program (DCP), Class 155/2012, Thai Institute of Directors (IOD)

Current directorship in other companies

- Director, Mc Jeans Manufacturing Co., Ltd.
- Director, Winnerman Co., Ltd.
- Director, Wowme Co., Ltd.
- Director, MC Jeanious Co., Ltd.
- Director, Aromatique Active Co., Ltd.
- Director, Top T 2015 Co., Ltd.
- Director, McMillion (Thailand) Co., Ltd.

Experience

- Director, P.K. Garment (Import-Export) Co., Ltd.
- Director, Time Deco Corporation Co., Ltd.
- Director, Look Balance Co., Ltd.
- Director, P.K. Asset Plus Co., Ltd.
- Director, Amata Apparel, Ltd.

Number of Companies with Current Directorship

- Listed company : - None -
- Other companies : 7 companies

MR. LUCKSANANOI PUNKRASAMEE

5

Independent Director / Chairman of Audit Committee / Member of Nomination and Remuneration Committee

68 years old

Date of Director

1 January 2016

Shareholding (Ordinary Shares)

- Held personally : None
- Held by spouse or minor children : None

Education/Training

- Master Degree (MBA) Chulalongkorn University
- Bachelor Degree in Accounting Chulalongkorn University
- Certificate in Management Development Program, The Wharton School of the University of Pennsylvania
- Certificate in Inno-Leadership program, INSEAD University (France)
- Certificate “Executive development Program” Graduate School of business, Columbia University
- Director Accreditation Program (DAP) class SCC/2004
- Director Certification Program (DCP) class 122/2009

Current directorship in other companies

- Chairman of the Board / Member of the Nomination and Remuneration Committee, Origin Property Plc.
- Chairman of Audit Committee/ Member of the Nomination and Remuneration Committee, Buono (Thailand) Plc.
- Independent Director / Chairman of Audit Committee, SCG Ceramics Plc.
- Director, One Origin Co.,Ltd.
- Advisor, Securities & Exchange Commission
- Advisor and director to Tax Accounting, Federation of Accounting Professions (Under The Royal Patronage of His Majesty The King)

Experience

- Chairman of Audit Committee / Independent Director / Member of the Nomination and Remuneration Committee, Singer Thailand Plc.
- Managing Director, SCG Accounting Company Limited
- Independent Director , NokScoot Airlines Co., Ltd.
- Director , SG Capital (Thailand) Co., Ltd.
- Advisor to Vice President-Finance and Investment & CFO, The Siam Cement Group Plc.

Number of Companies with Current Directorship

- Listed company : 2 companies
- Other companies : 3 companies

MR. SUPASAK CHIRASAVINUPRAPAND

6

Independent Director/ Member of Audit Committee/ Member of Risk Management Committee/ Member of Nomination and Remuneration Committee / Chairman of Sustainable Development Committee

56 years old

Date of Director

18 March 2013

Shareholding (Ordinary Shares)

- Held personally : None
- Held by spouse or minor children : None

Education/Training

- LLM, Arizona State University, Arizona, USA
- LLM, California Western School of Law, California, USA
- Master of Arts in Economics, Northeastern University, Massachusetts, USA
- Thai Barrister at Law
- Bachelor of Laws, Thammasat University
- Director Accreditation Program (DAP), Class 10/2004, Thai Institute of Directors (IOD)

Current directorship in other companies

- Director, Look Balance Co., Ltd.
- Director, Sime Darby (Thailand) Co., Ltd.
- Director, S.C. Law Office Co., Ltd.
- Director, Sime Darby Auto Services Co., Ltd.
- Director, Sagawa Express (Thailand) Co., Ltd.
- Director, SG Sagawa (Thailand) Co., Ltd.
- Director, Viking Motors Co., Ltd.
- Director, Sime Darby Vantage (Thailand) Co., Ltd.
- Director, Sime-Darby oils Holdings Co., Ltd.
- Director, Tokio Marine South-East Servicing Co., Ltd
- Director, Sime Darby Mazda (Thailand) Co., Ltd.
- Director, Tokio Marine Insurance (Thailand) Plc.
- Director, Performance Motors (Thailand) Co., Ltd.
- Director, Greenspot Co., Ltd.
- Director, Morakot Industries Plc.
- Director, Sime Darby Oils Nonthaburi Co., Ltd.
- Director, Ranhill Water Technologies (Thai) Ltd.
- Director, Anurak Water Treatment Facilities. Co.,Ltd
- Director, V-Click Technology Co.,Ltd

Experience

- Director, S.P.C. Precious Metal Co., Ltd.
- Director, Ranhill Utilities Thai Co., Ltd.

Number of Companies with Current**Directorship**

- Listed company : - companies
- Other companies : 19 companies

MR. EKALUCK WANGCHUCHERDKUL

7

Director

42 years old

Date of Director

13 May 2019

Shareholding (Ordinary Shares)

- Held personally : None
- Held by spouse or minor children : None

Education/Training

- Master of Business Administration, Imperial College Business School
- Bachelor Degree in Engineering Chulalongkorn University
- Executive Development Program (EDP) class 13
- Director Certification Program (DCP) class 215

Current directorship in other companies

- Managing Director, Private Equity (Thailand) Co., Ltd.
- Director, Cobra Advanced Composites Co., Ltd.
- Director, Express Group Food Co., Ltd.

Experience

- Director, Investment Banking Barclays Bank Singapore

Number of Companies with Current Directorship

- Listed company : - None -
- Other companies : 3 companies

MR. SOMCHAI APIWATTANAPRON

8

Independent Director / Member of Audit Committee / Chairman of the Risk Management Committee

70 years old

Date of Director

18 March 2013

Shareholding (Ordinary Shares)

- Held personally : None
- Held by spouse or minor children : None

Education/Training

- Master of Political Sciences in Public Management, Ramkhamhaeng University
- Bachelor Degree in Accounting, Ramkhamhaeng University
- National Defence Program, Joint Public-Private Sectors, Class 46/2003, the National Defence College.
- Director Certification Program (DCP), Class 74/2006, Thai Institute of Directors (IOD)
- Director Accreditation Program (DAP), Class 14/2004, Thai Institute of Directors (IOD)
- Audit Committee Program (ACP), Class 21/2008, Thai Institute of Directors (IOD)
- Financial Statements for Directors (FSD), Class 17/2012, Thai Institute of Directors (IOD)
- Capital Market Academy Leadership Program, Class 5/2009, Capital Market Academy
- Top Executive Program in Commerce and Trade (TEPCoT), Commerce Academy

Current directorship in other companies

- Director, McJeans Manufacturing Co., Ltd.
- Director, Winnerman Co., Ltd.
- Director, Wowme Co., Ltd.

Experience

- Independent Director / Chairman of Audit Committee / Chairman of the Nomination and Remuneration Committee, Robinson Department Store Plc.
- Independent Director / Chairman of Audit Committee, Ferrum Plc
- Independent Director / Chairman of Audit Committee, Synnex (Thailand) Plc
- Director, P.K. Garment (Import-Export) Co., Ltd.
- Chairman of the Board of Directors Thailand Tobacco Monopoly, Ministry of Finance
- Inspector - General Ministry of Finance
- Member of Federation of Accounting Professions Tax Accounting Committee Federation of Accounting Professions

Number of Companies with Current Directorship

- Listed company : - company
- Other companies : 3 companies

BACKGROUND AND KEY DEVELOPMENTS

Background

1975

- Inaugurated the brand “Mc”

1980

- Founded “P.K. Garment (Import-Export) Co., Ltd.” to manufacture ready-to-wear jeans under the brand “Mc”

2000

- Launched the new brands, “Mc Lady” and “Bison” to offer product varieties to better serve the needs of customers.

2008

- Conducted an active sales network expansion by opening its first free standing shop at Tesco Lotus Salaya.

2012

- Reorganized business structure to support future expansion through establishing “Mc Group Public Company Limited” with 300 million baht registered capital to conduct apparel and lifestyle retail business.
- Incorporated “ Winner man Co., Ltd. ” to provide services and manage the salesperson.
- Incorporated “Mc Jeans Manufacturing Co., Ltd.” to expand production base for its ready-to-wear apparel.
- Appointed the agents to distribute its products for neighboring markets in Myanmar and Laos.

2013

- Incorporated “Mc Inter Limited”, registered in Hong Kong Special Administrative Region of the People’s Republic of China to support future business operation and investments in foreign countries.
- Incorporated “WoWme Limited” to support the expansion to online business.
- Founded “Look Balance Co., Ltd.” to support its new business ventures in lifestyle products.
- Transformed into public company limited under “MC GROUP PLC” and increased its registered capital to 400 million baht.
- Listed with the Stock Exchange of Thailand and commenced its trading in SET under the name “MC”
- Launched “Mc Pink” brand to reach young female target group with fashion apparels
- Premiered “Mc Mini” brand to target children segment between 6-12 years old.
- Premiered “The Blue Brothers” brand that was aimed to expand into premium segment.
- Launched “mc mc” brand to offer value-for-money.
- Products to all types of customers.
- Launched “Mc Me” under the name “Mc” to expand female customers aged 40 years and over.
- Expanded into lifestyle business (watches) by acquiring 51% shares in Time Deco Corporation Limited through Look Balance Co., Ltd. Time Deco Corporation Limited is one of the leading importer and distributor of fashion watch brands from around the world such as Diesel, DKNY, Emporio Armani.

2014

- Appointed sales agents to distribute MC GROUP’s products in Vietnam
- Officially opened “The Blue Brothers Denim Store”, MC GROUP’s first premium store
- Launched “Mc mini girls” line of products under “Mc mini” brand to extend its customer base from 6-12 years old boys to girls of the same age range.
- Introduced “Mc Plus” under “Mc” brand to the market to reach new target group of plus size customers.

2015

- Relocated the warehouse and distribution center from Factory 1 to a warehouse rented from WHA Corporation PLC on Romkiao Road.
- Launched a new product “Mc travel bag” under “Mc” brand as a lightweight lifestyle product for travellers.
- Opened its new sales channel in PTT gas stations under new brand “mc mc” to cater to local customers and travellers. At the end of 2015, there were 10 mc mc stores in PTT gas stations.
- Set up “Mc Jeanious Co., Ltd.” as a holding company to invest in its joint ventures.
- Mc Jeanious Co., Ltd. signed a 51:49 joint venture agreement with Phet Kasem Holding Co., Ltd. (An expert in textile production) to invest in Top T 2015 Co., Ltd. The new company manages and distributes new products under “Mc T” brand aimed to extend varieties in offerings for shirt market.
- Appointed a sales agent of MC GROUP in Cambodia.
- Changed the name and look of its online channel website from www.WoWme.co.th to www.mcshop.com. The new online site is expected to be officially launched in 2016.

2016

- Launched Mc Jeans Official LINE as another communication channel for customers.
- Ranked among ESG100 for listed companies with outstanding performance in Environment, Social and Governance (ESG) under service industry by Thaipat Institute.
- Launched www.mcshop.com Official LINE to promote special offers, sales campaigns and new products of the online channel.
- Mc Jeans was awarded “Premium Products of Thailand – The Pride of Thais” for the year 2016 in apparel and accessory category in Thailand Industry Expo 2016 organized by Ministry of Industry to recognize local products or services with premium quality that brought a good reputation and international recognition to Thailand. This award is aimed at honoring people who create innovative products and promoting trust in quality of Thai products.

2016

- Redesigned management structure and re-formulated business plan of Time Deco Corporation Limited.
- Premiered “U-P” brand to expand to activewear with a focus on sport functional purposes available in easy-to-wear design and pattern that customers can mix and match with other apparels, perfect for doing everyday activities in their lives under the slogan “Unlimited Performance”.
- Introduced new lifestyle products in “skin care” category under “M&C” brand.

2017

- MC GROUP Public Company Limited signed a joint venture agreement with Mister Wiriya Phungsoonthorn, an expert in skincare with 55% ownership in Aromatic Active Company Limited to operate in skincare and fragrance business under M&C brand as well as act as a distributor of Nature Touch brand to further support its business expansion in lifestyle products.
- Time Deco Corporation Limited moved its office to the headquarter of MC GROUP Public Company Limited to enhance management efficiency.
- Appointed a sales agent to distribute its products in Iran
- Refurbished its website, www.mcshop.com to promote more appealing features including an enticing and well-organized blog to make customer’s online shopping experience more fun and convenient.
- Joined the Private Sector Action Coalition Against Corruption or CAC at Thailand’s 5th National Conference on Collective Action against Corruption. This reflects a success as well as a commitment in undertaking business with transparency as guided by good corporate governance in order to promote sustainable growth.
- Received “Outstanding Company Performance Awards” from SET Awards 2017 event
- Announced to be among the list of securities to be included in the calculation of SET100 and SET HD for the first half of 2017.
- Piloted a new Customer Relationship Management (CRM) to enroll customers to “MC Club” membership program that entitles them to exclusive privileges throughout the year.

2018

- Collaborated with Warrix, the exclusive licensee and distributor of apparel for Thai national football team
- Opened new retail channel for Skincare products of “M&C” and “Nature Touch” brands through counter in Hello Beauty zone at Robinson Department Store under name “Aromatique Active”
- Collaborated with The Walt Disney Thailand to launch Sport Fashion apparel with official licensed 11-super hero Marvel collection
- Deployed Customer Relationship Management (CRM) system to enroll customers to “MC Club” membership program that entitles them to exclusive privileges at free standing shops throughout Thailand.
- Restructured shareholders by distribution of ordinary shares of Aromatique Active Company Limited, its subsidiary to Look Balance Company Limited, company’s subsidiary as the core business holding shares of new business group for clearer, proper and flexible management and business expansion in future.
- Added more feature as ‘Ship to Shop’ service to be linkage between online and offline channels and more capability for seamless after-sale services at ‘Mc Jeans’ free standing shops.

2019

- The Company reached a resolution to approve a share repurchase program and completed the program since February 2019.
- Look Balance Co., Ltd., a subsidiary, acquired ordinary shares of Mcmillion (Thailand) Co., Ltd. from Mr. Thomas Foo Choong How with equivalent to 45% share of total registered capital of McMillion (Thailand) Co., Ltd. Mcmillion provides integrated warehouse management services for online businesses and others.
- The Company premiered “U-P” brand, an activewear apparel line that features sport functional and fashionable clothing with “Fun, Cool, Energetic and Minimal” designs.

Key Changes and Developments in 2020 (during July 2019 to June 2020)

2019

July – The Company appointed Mrs. Chananyarak Phetcharat, the Company’s director as the new CEO, effective 1 October 2019.

August – The Company premiered its special collection “Mc X Moo” under collaboration with Moo Polpat Asavaprapha from MOO brand with the combination of American vintage and workwear adapted by a contemporary touch that blends functionality and classic vintage together perfectly. The product is suitable for working days as well as casual days. Additionally, the Company brought in Tono Phakin Khamwilaisak as its new presenter and launched a limited edition of Mc Biker Collection that promotes coolness, activeness and flexibility altogether, addressing fashion and functional needs for not only biking purposes but also for everyday use.



September – Look Balance Co., Ltd., a subsidiary the Company holds 99.98% shares, divested all 51% shares in Time Deco Corporation Limited (TDC). TDC engages in importing and distributing premium watch brands from around the world. A total of 1,041,002 shares were sold to Mr. Vararit Plengvanich and Mr. Panu Narongchaikul, shareholders of TDC at 28.8184 baht per share or equivalent to a total value of 30 million baht. The Company planned to use the proceeds from the sales of shares to further develop its business and/or maintain as reserve for future investments in other businesses according to the Company’s investment policy to support core business or business that the Company has expertise with a potential of stable profit.

2020

March – The Company activated its production line for fabric masks and face shields to help mitigate the mask shortage during the virus crisis and made the products available online. Furthermore, the Company arranged COVID-19 insurance coverage for all employees of over 2,500 people and announced work from home policy during the pandemic.



POLICY AND OVERVIEW OF BUSINESS

Vision, Objectives, Targets and Strategies

To offer leading retail experience that remember the customer remember the very best service, selection, quality and value to ensure best customer satisfaction, to be a happy workplace and employee are proud of organization including to gain trust from investors and shareholders for long-term returns the following strategies will be implemented thoroughly to achieve its objectives and targets.

1. Product strategy: Extend and strengthen product offerings, innovations and brands to meet demands of customers of all groups, ages and lifestyles.

The Company emphasizes diverse and modern design and development of its products and regularly introduces new innovations to match demands of different customer groups. To achieve long-term sustainability and competitiveness, the Company never ceases to make investments that create value added and raise brand awareness in broader market for all product lines. Our 3 product lines include denim, non-denim and lifestyle products and the Company formulated and implemented product strategies that are suitable for each product line. To begin with, the Company's denim line features products under "Mc Jeans" brand through its selvedge denim collection or red-edge denim. This collection offers unique identity as it is made from sanforized denim of narrow and tightly woven fabrics processed under higher quality control compared to general fabrics. The edges of denim are woven with colored yarns that give it a sturdier hand. Selvedge has long been considered a premium feature of denim people seek after. Secondly, the Company further introduced activewear products under non-denim or casual wear product line led by launching a new brand "U-P" (Yoo-Pii) with "Conceal & Reveal" collection under the concept that expresses fun, coolness, energy and minimalism followed by a new collection of "Monochrome and Pastel". This new collection caters for people with sport casual styles who prefer one-tone looks of monochrome or fresh and comfortable tones of pastel colors. Recently, "Livelihood" collection was made available offering soft, comfortable and breathable wears with graphical prints that tell stories of people's lifestyles through signs and cool quotes perfect for exercise and casual occasions, easily to mix and match on a daily basis. What's more, the Company is dedicated to creating new products under fashion accessories and personal care line that fit diverse lifestyles of consumers and appeal to their tastes. For instance, MC GROUP introduced "Mc Sneaker" and Slip-on" that offer modern-shaped and easy-to-wear shoes that represent agile lifestyles as well as Hoody and jacket made from soft and smooth fabric can absorb sweat and good ventilation. Can be combined with jeans both short and long legs. Which will be dressed in a minimal look.

2. SALES CHANNEL STRATEGY

2.1) Expand existing sales channels nationwide to cover growing customer base

The Company set its sales footprint target to cover all parts of Thailand by increasing the number of free standing shops, points of sales in modern trade venues and mobile units as well as expanding spaces in high potential outlets. At the end of June 2020, the Company had in total 657 points of sales. The reason is that these channels allow better product management, greater flexibility of new product introduction and more diverse sales promotions to create new and exciting experiences for the customers while fun will be emphasized as before.

This sales network expansion strategy will enable Mc Group to better access target customer groups. Mc Group will prudently review the feasibility by considering locations, potentials of malls, population, target customers and purchasing power at new points of sales.

The point of sale in the Modern Trade department is the local department store, Department stores with branches all over the country and stand-alone retail stores

2.2) Continuously expand internet or online channel

Look Balance Company Limited, a subsidiary of MC GROUP refurbished its website and online distribution channel, www.mcshop.com to promote more appealing features including an enticing and well-organized blog to make customer's online shopping experience more fun and convenient. The website offers mostly apparels and lifestyle products under its group of companies. Certain collections or items will be made available exclusively on this channel. This online channel will appeal to both existing and new customers, raise brand awareness as well as provide customers with higher convenience to try its products.

2.3) Continuously integrating offline and online distribution channels

Company enhance online shopping experience for its customers, MC GROUP constantly upgrades its e-commerce through mcshop.com by connecting offline and online channels together. Customers can purchase items online to be delivered to stores nearest to them and are allowed to change or return items as they feel convenient. This leads to higher traffic to the brick-and-mortar shops.

3. Expand into foreign markets to cover countries under ASEAN Economic Community (AEC) as well as other countries with good potentials.

Mc Group planned to broaden their customer base to foreign markets especially in ASEAN Economic Community (AEC) and others with strong potentials and business opportunities. Our current ASEAN footprint includes appointed sales agents in Myanmar, Lao , Cambodia and Iran. At the end of June 2020, the Company had in total 12 points of sales.

Besides, the Company expected to expand further to other markets under AEC even though distributions in Vietnam and Cambodia were discontinued as the Company took a step back to search for better timing and business partners. Bearing in mind the unique ways of doing business and associated risks in respective countries, the Company will consider the best possible business models to expand into these countries, either in forms of direct operation, joint ventures with business partners or sales agent appointment.

4. Seek M&A opportunities or joint ventures opportunities with business partners.

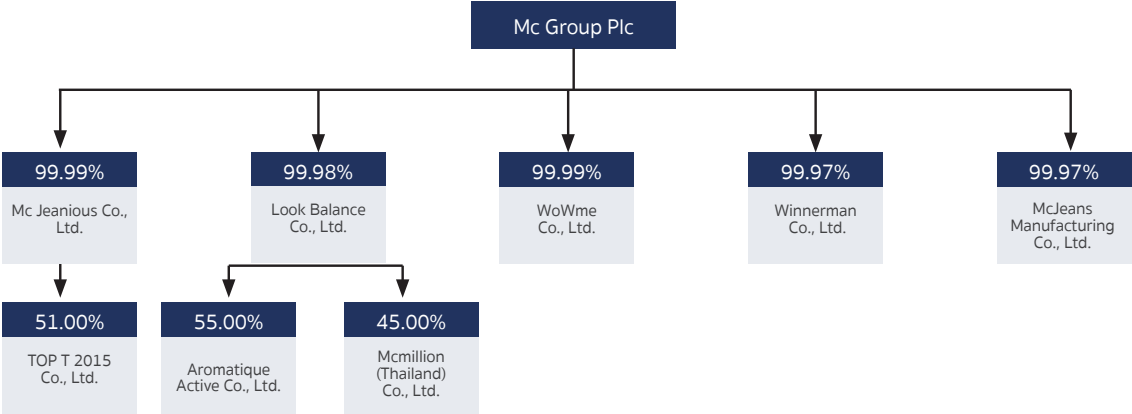
The Company is still active in searching for M&A and joint venture opportunities in related businesses to attain its business expansion goal according to group of companies' strategic plan.

5. Emphasize on efficiency improvement in management

Mc Group put an importance on all of its business units from raw material sourcing, production line management, finished product management, country-wide product distribution to sales channel management. Process improvement and implementation of information technology are also essential to enhance production efficiency and distribution effectiveness, control productions of outsource suppliers as well as reduce time-to-market of the products, manage and distribute products more efficiently.

In addition to stated strategies, the Company realized the importance of human resources development in supporting its business growth. Our human capital strategy covers talent acquisition to competency development to promote career advancement in the organization. Furthermore, fair compensation and benefits management and performance management with clear and measurable criteria are also stressed to engage and incentivize our employees.

SHAREHOLDING STRUCTURE OF THE GROUP OF COMPANIES

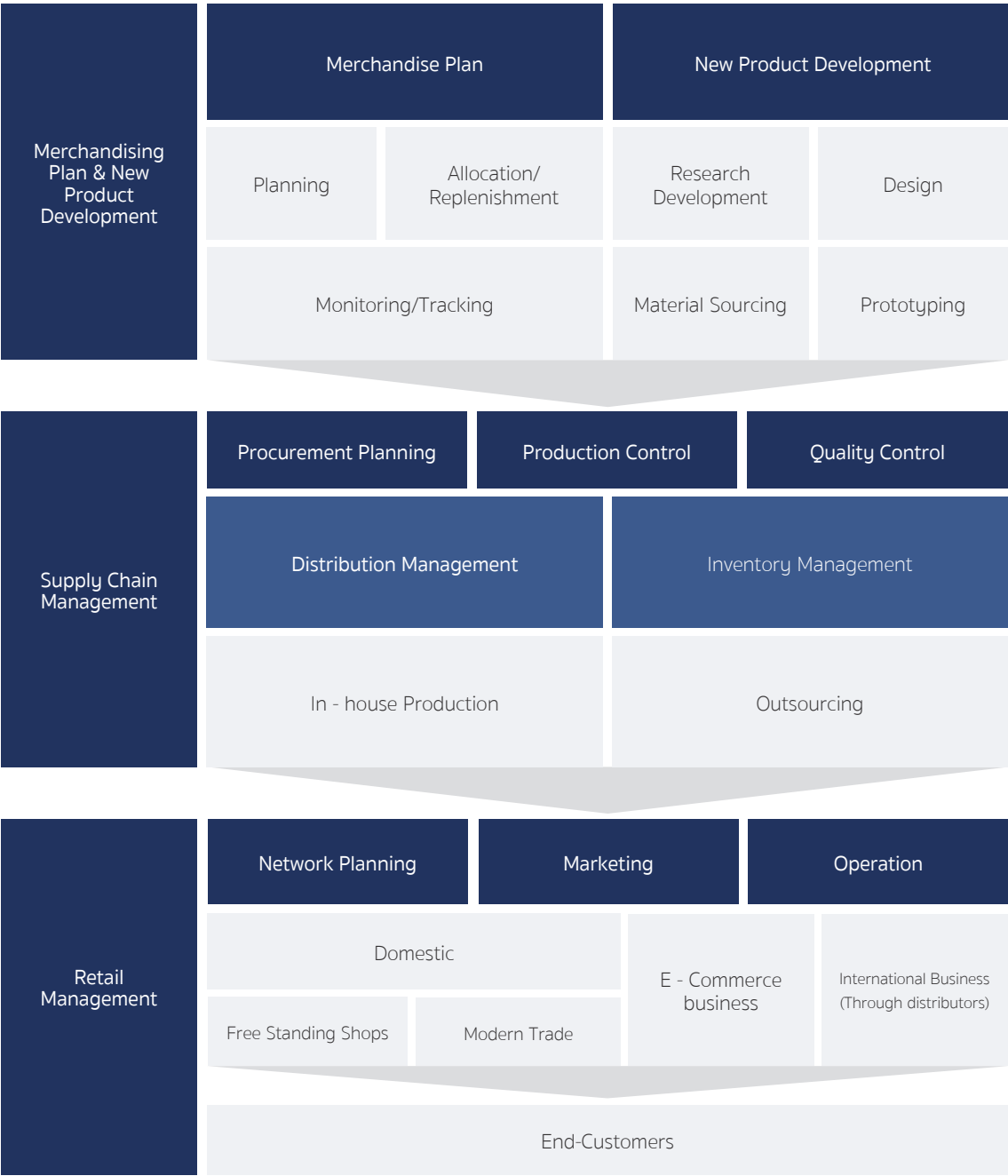


Company Profile: Mc Group and Subsidiaries

Company Name	Registered Capital (million baht)	Business	% Shareholding
Mc Group Plc	400,000,000	Manages sales and distribution of ready-to-wear clothing and apparel.	-
Winnerman Co., Ltd.	1,000,000	Provides services and manages PCs and warehouse employees	99.97%
McJeans Manufacturing Co., Ltd.	1,000,000	Manufactures ready-to-wear apparel	99.97%
WoWme Co., Ltd.	19,000,000	Invests in other businesses	99.99%
Look Balance Co., Ltd.	213,000,000	Distributes products and services through online/internet channel	99.98%
Mc Jeanious Co., Ltd.	16,000,000	Invests in other businesses	99.99%
Aromatique Active Co., Ltd.	8,000,000	Sales of skincare and aromatic product.	55.00%
TOP T 2015 Co., Ltd.	1,875,000	Trade and Product Management	51.00%
Mcmillion (Thailand) Co., Ltd.	25,000,000	Provides inventory management service for online and other businesses	45.00%

BUSINESS MODEL

The Company operates in apparel and lifestyle product retail business under the group of companies' own brands/trademarks as well as those of other companies. The business scope covers brand management, sales and marketing management, design, product sourcing, warehouse management to product distribution for all kinds of products under the group of companies. Its business model can be summarized as follows:



1) Merchandising Plan and New Product Development

Merchandising plan and new product development are the bedrock in operating our business. Customer demand analysis is conducted to keep abreast of fashions, trending styles, social trends as well as changes in consumer behaviour overtime so that the Company can leverage on the understanding of consumer behaviour to develop and offer products or brands that meet the demands of consumers. Additionally, demand planning together with raw material sourcing/co-producing with other manufacturers are key to quality control, cost management and thus our competitiveness.

2) Supply Chain Management

For apparel and lifestyle product business. The Company has 2 main production sources which are owned production facilities and outsource manufacturers. Our contract manufacturers are trusted sources of products that address our demands in terms of quantity, time and cost.

3) Retail Network Management

Mc Group put an importance on managing its retail network to reach all types of customers. The Company gave priorities to its retail network expansion focusing mainly on its free standing shops. The Company assigned a dedicated team who is directly responsible for network planning. This capable team is tasked to determine measurable screening criteria as well as perform location analysis based on various data points relevant to its revenue generating capability. The team later performs evaluation and analysis of every location. Network planning covers not only domestic market but also foreign markets where The Company currently appointed experienced sales agents to be its representatives. Recently, The Company has its presence in Myanmar, Laos, Vietnam and Cambodia and planned to expand into other destinations in the near future.

Apart from stated traditional sales network, The Company succeeded in setting up sales channels that reach customers directly. Mobile unit, open kiosk and online channel were designed to serve this purpose to become alternative channels to enhance capabilities in penetrating all groups of customers.

4) Online Business & E-commerce

MC GROUR manages its online business or e-commerce through adoption of technology and online marketing strategies in order to reach modern consumers. Key channels include its website mcshop.com as well as multiple popular e-marketplaces such as Lazada, Shopee, JD, Buzzebees, Zilingo, K-Marketplace and Shop24.

As online business continues to grow, the Company put in place an expansion plan for its sales channels and online marketing strategies to cater to new customers and markets and enhance its competitiveness.

Products and Services

MC GROUP's Brands and Products

The Company offers a variety of brands that are unique in styles and features to respond to different preferences of customers in different markets. Product design and selection, store decoration, sales promotion program development and sales campaign execution must be mainly based on customers' lifestyles. Therefore, a number of new products were launched recently such as bags, belts, activewears and skin care products.

1. Apparels and related wears under "Mc" brand

"Mc Jeans" remains one of the leading brands in Thai fashion retail business with its popularity among consumers especially for its denim products. With over 45 years of experience, the Company carefully selects raw materials, pay attention to all details in the production and offers value-for-money products that can meet expectations of all customers. In the past year, Mc Jeans put efforts in developing broader ranges of products that focus on serving diverse lifestyles of consumers. For example, the Company introduced a premium collection "Mc Jeans Selvedge Series" with outstanding design and pattern for selvedge denim, hoodies that are both fashionable and functional as well as Mc Sneakers & Slip On that become famous among Thais.

The coronavirus pandemic posted a threat on fashion retail business and challenged the Company and other players. The Company has been agile organization-wide to respond to the situation promptly. Mc Jeans launched fabric masks that helped with the shortage of mask in the country during the initial period of the spread and the products were well-received by the market. In addition, online channels were emphasized during the closure of offline channels such as shops.

For the reasons above, Mc Jeans became the brand with highest contribution to Company's revenue as sales from products under "Mc" accounted for 93.3% of total sales revenue in 2020.



2. Apparels and related wears under “Mc Lady” brand

“Mc Lady” caters to modern women who enjoy dressing up with a diverse array of trendy product mostly made from denim. Each product can be mixed and matched to make different styles while fitting is comfortable for women of all ages from teenagers and working women to middle-aged women who like fashion regardless of their age.



3. Apparels and related wears under other brands “U-P”

U-P Activewear brand was designed under the concept “Fashion Meets Function” with its simple and easy-to-wear products that are durable and comfortable thanks to the use of polyester as the main raw material. Apart from the fabric, the products are manufactured with an innovative method that gives smooth feeling, easy-to-dry property and good ventilation while maintains sturdiness. This product is presented with the concept “Active Casual Wear” that serves the purpose of everyday lifestyle, good for wearing frequently with other pieces of clothing. The brand aims to introduce innovative wears that are designed to be modish and meet different functional needs at all time.



Revenue Structure

Revenue Structure of MC GROUP and its subsidiaries accounting to financial statement for Y2018 – Y2020 (July 2019 to June 2020) are as follow:

1. Revenue Structure by Product

Consolidated Financial Statements	FY 2018 (1 Jan – 30 Jun 2018)		FY 2019 (1 Jul 2018– 30 Jun 2019)		FY2020 (1 Jul 2019 – 30 Jun 2020)	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from ready-to-wear clothing, related apparels and other lifestyle products						
1. Mc ^{1/}	1,527	77.3	2,925	79.2	2,969	93.3
2. Mc Lady	179	9.1	244	6.7	120	3.8
3. Mc T	73	3.7	97	2.7	19	0.6
4. mc mc	4	0.2	3	0.1	3	0.1
5. Mc Mini	4	0.2	5	0.1	1	0.0
6. Bison	2	0.1	1	0.0	4	0.1
7. Other Brands	7	0.4	69	1.9	26	0.8
8. Revenue from watch sales	178	9.0	350	9.6	39	1.2
Total Sales Revenue	1,974	100.0	3,694	100.0	3,182	100.0

Remark: ^{1/} Other revenues are mainly from sales of accessories to outsource manufacturers

2. Revenue Structure by Sales Channel

Consolidated Financial Statements	FY 2018 (1 Jan – 30 Jun 2018)		FY 2019 (1 Jul 2018– 30 Jun 2019)		FY2020 (1 Jul 2019 – 30 Jun 2020)	
	Million Baht	%	Million Baht	%	Million Baht	%
1. Modern trade	647	32.8	1,216	32.9	767	20.8
2. Free standing shop	1,212	61.4	2,233	60.4	1,960	53.1
3Other channels ^{1/}	115	5.86	245	6.6	455	12.3
Total Sales Revenue	1,974	100.0	3,694	100.0	3,182	100.0

Remark: ^{1/} / Revenue from other channels are revenues generated from sales agents, exhibition booths and retail/wholesales stores and online channel

Target Customers

Top ten customers in terms of sales revenue are large-sized modern trade customers whose revenue made up for 22.1%, 22.2% and 24.6% of total sales revenue in FY2018 (Jan-Jun), FY2019 (Jul 18 - Jun 19) and FY2020 (Jul 19 - Jun 20) respectively.

With regard to revenue by geography of end-customers, upcountry customers contributed 59%, 61% and 65% of total sales revenue in FY2018 (Jan-Jun), FY2019 (Jul 18 - Jun 19) and FY2020 (Jul 19 - Jun 20) respectively.

Sales Channel

The Company's distribution footprint covers various channels and geographies both in Thailand and overseas. Points of sales are categorized into Free-Standing Shop, Department Store, Modern Trade, Factory Outlet and Mobile Van. MC GROUP had a total of 657 points of sales as of 30 June 2020 with the following details.

1. Free standing shop: Most free standing shops are located in shopping malls and plaza sections in department stores. Our free standing shop comprises

- Free standing shop that distributes products under “Mc”, “U-P” and “Mc Lady”

- Free standing shop that distributes apparel products for men, women, boys and girls under “mc mc” brand. Fashion.

2. Modern Trade: Points of sales in modern trade channel are sales counters in chained department stores, local department stores or super stores across country such as Central, Robinson, The Mall, Big C Supercenter, V Squara at Nokhon Sawan and Dinan at Hatyai etc.

3. Mobile Unit: In rural Thailand and neighboring countries where other points of sales are not present, mobile unit is deployed to reach the customers and to test the market before opening new shops.

4. Other domestic channels: These channels include sales booths in exhibitions or other festive events.

5. Appointed sales agents in foreign markets: Mc Group extended its reach outside Thailand by appointing foreign sales agent to execute sales and marketing of its products starting with Myanmar,Combodia, Laos and Iran

6. Online/Internet channel: Mc Group launched another website www.mcshop.com since December 2015 with the focus on clothing, apparels and apparels under group of companies' brands. Mc Group aimed to use online channel as an alternative channel both current and new customers to purchase products. Apart from its own website, products are also available through multiple channels including marketplaces like Lazada, Shopee, JD, Zilingo, Shop@24 and K+Market to accommodate customers in purchasing the Company's products.

7. PTT gas station channel: Mc Group also introduced its sales network through PTT gas station channel to enhance its capability in serving domestic customers by introducing mcmc by Mc shop. For improve its ability to serve customers in local communities and domestic travelers, the Company expanded into gas stations to meet the mobile lifestyles of customers who are on the move. Details about the new format are below:

- Multi-brand shop where products under Mc Group are offered such as Mc jeans, Mc lady , U-P and mc mc

- Variety of products offered that fit traveling lifestyle from apparels to accessories including hats, sunglasses, bags and others to meet the need of travelers.

8. Direct Sales: To further reach consumers, The Company added direct selling channel through advertising media, television media and catalogs in order to reach more consumer, such as Home Shopping, Wholesale, Corporate sale and magazine.

**Number of point of sales by company for Y2018, FY2019 and Y2020
(1 July 2019 – 30 June 2020)**

Clothing and apparels under “Mc Group”

By Channel	FY 2018 (1 Jan – 30 Jun 2018)		FY 2019 (1 Jul 2018– 30 Jun 2019)		FY2020 (1 July 2019 –30 Jun 2020)	
	PoS	%	PoS	%	PoS	%
Free standing shop	288	36.0	312	48.9	334	50.8
Modern trade	493	61.5	306	48.0	305	46.4
Mobile Unit and Container	6	0.8	6	0.9	6	0.9
Subtotal-domestic points of sales	787	98.3	624	97.8	645	98.1
Point of sales in foreign markets	14	1.7	14	2.2	12	1.8
Total	801	100.0	638	100.0	657	100.0

Number of point of sales by company for Y2018, FY2019 and Y2020 (1 July 2019 – 30 June 2020)

Clothing and apparels under “Mc Group”

By Geography	FY 2018 (1 Jan – 30 Jun 2018)		FY 2019 (1 Jul 2018– 30 Jun 2019)		FY2020 (1 July 2019 –30 Jun 2020)	
	Pos	%	PoS	%	PoS	%
Upcountry	574	71.7	456	71.4	475	72.2
- Free standing shop	222	27.7	244	38.2	265	40.3
- Modern trade	352	44.0	212	33.2	210	31.9
Bangkok and vicinities	207	25.8	162	25.4	170	25.8
- Free standing shop	66	8.2	68	10.7	69	10.5
- Modern trade	141	17.7	94	14.7	95	14.4
Mobile Unit and Container	6	0.8	6	0.9	6	0.9
Subtotal-domestic point of sales	787	98.3	624	97.8	645	98.1
Point of sales in foreign markets	14	1.7	14	2.2	12	1.8
Total	801	100.0	638	100.0	657	100.0

Pricing Policy

The Company has put in place pricing policies that determine retail prices of all Mc Group's products which take into account all related factors ranging from cost of goods sold, type, collection, patterns, minimum gross margin to market demand, competition and purchasing power of target customers. The Company has no penetration/ predatory pricing policy to compete with other players in the market. However, some items will be sold at discounted prices under occasional sales promotional campaigns and marketing strategies of The Company and/or modern trade to boost sales and expand client base whenever appropriate.

Product Sourcing

Mc Group has set policy guidelines in product sourcing to distribute through 2 main sources which are 1) manufacturing factories of its own subsidiaries and 2) outsource manufacturers. Under the current sourcing policy, all basic jeanswear and fashion products that require new bleaching techniques and innovative fabrics that enhance appearance of the products are manufactured from its own subsidiaries while outsource suppliers will be commissioned to produce other lines of products including t-shirts, polo shirts, and accessories such as travel bags, shoulder bags, shoes and caps. In case of overcapacity, The Company also relies on these contract manufacturers. Currently, The Company is seeking production outsourcing. With regard to the sourcing of watch products, The Company acts as the distributor and orders the products directly from foreign brand owners to ensure the match between supply and demand.

MARKETS AND COMPETITION

Apparel and lifestyle product retail business in Thailand

Overall economy experienced a continuous slowdown from April-June 2020. From expenditure side, export of goods and services, private consumption and investment adjusted downward while production also contracted including hospitality and food services, transportation and warehouse as well as wholesale and retail sectors. Note that private consumption slumped at a rate of 6.6% which materially affected fashion retail business according to declining income in the economic system. Change in consumer behavior and preventive and control measures for COVID-19 pandemic adversely impacted aggregate private consumption, both goods and services. This is in line with the decrease in expenditure for key products and services such as spending in restaurants and hotels that dropped 45.8% while expenditure related to apparel and shoes fell 21.4% during the period of April-June 2020.

According to Office of the National Economic and Social Development Council (NESDC), Thai economy is expected to shrink at a rate of 7.3-7.8% due to various factors including diminishing revenue from foreign tourists, severe global economic and trade recession, impacts from COVID-19 epidemic in Thailand as well as draught. NESDC forecast that private consumption will decline 3.1% and total investment will drop 5.8%.

In case that there is no second wave of the virus outbreak, Thai economy has a tendency to recover slowly from the trough during the previous quarter thanks to the ease of government measures and economic stimulus packages that will boost the economy back to the normal situation.

As a result of mentioned unfavorable economic environment, fashion and lifestyle product retail business is forced to adjust and reformulate strategic plans in conducting business. Collaboration and partnership between businesses are more prevalent as companies intend to expand client base and gain competitive advantage. At the same time, approaches in reaching customers are modified in response to fast-changing consumer behavior that was caused by COVID-19 situation. Consumers have been adapting to the new normal and their purchasing behavior shifted toward online channels. Therefore, it is imperative for business owners to react fast to meet customer demand in a timely manner. MC GROUP has a strategic plan to tap into consumers with digital lifestyles by integrating online and offline sales channels, expediting delivery and launching appealing sales promotional campaigns to attract customers. The Company planned to address the needs of customers through quality products at affordable prices, consistent with the economic downturn and lower private consumption. Besides, robust cost control and effective supply chain management are implemented to generate growth and sustainability for the Company.

RISK FACTORS

Risk factors that may significantly impact business operations, business performance, financial conditions and business opportunities including respective risk prevention and mitigation plans are summarized as follow:

1. Industry Risk (related to Apparel and Lifestyle Product Retail Business)

1.1 Risk from intense competition

Major factors affecting the competition in apparel and lifestyle product business are new entries of both domestic and foreign players with new products and/or brands, price competition, sales promotions, advertising and PR, the expansion of sales network as well as the use of media and online channels to better reach consumers.

To maintain its strength in market access to consumers via channel expansion, MC GROUP has plans to expand in all channels including traditional free standing shops and modern trade mobile unit and other alternative channels such as online channel via www.mcshop.com and mobile unit. The channel network expansion will enhance brand awareness to broader audience, seamlessly connect offline and online channels and effectively elevate its competitiveness.

Furthermore, given its long experience in the business both manufacturing and sourcing, Mc Group has an edge in quality and cost controls thanks to owned production facilities and tight relationships with suppliers and contract manufacturers. Thus, the products are known for quality and affordability.

1.2 Risk from changing customers' preferences in fashion products

Changing customer tastes, preferences, and lifestyles post a threat on the sales of fashion and lifestyle items offered by the Company. At MC GROUP, we promote close collaboration of marketing, sales and design teams at the Company in order to capture and analyze customer trends and preferences through extensive surveys and close tracking and observation of fashion and trends both locally and internationally. This helps expedite our product development process to be able to introduce new desirable fashion products to meet customer needs at any time.

The Company has implemented a Customer Relationship Management system (CRM) with the purpose to strengthen relationship with customers and manage their privileges. The new CRM also enabled MC GROUP to gain better and faster access to in-depth consumer behavior data.

2. Business Risks

2.1 Risk from MC GROUP's growth strategies

Business plan and growth strategies of MC GROUP comprise product diversification, strong product management, new brand development, channel network expansion, production cost reduction and expansion of production to low-cost locations. These strategies are anchored to offer products to reach all groups of customers throughout Thailand. The success of these strategies is key to the performance of the Company.

Mc Group's Board of Directors and management team emphasized the importance of these business planning and strategies. The Company has taken solid steps in executing business plans and monitoring the progresses of each initiative and strategy systematically through searching and acquiring talents with experience, knowledge, and expertise to be responsible for supervising and evaluating the performance. In addition, Enterprise Resource Planning (ERP) is adopted as an integrated system to handle resource management holistically for the organization according to its business plans and strategies.

2.2 Risk of over-reliance on a small number of major customers (buyer concentration risk)

Top ten customers of MC Group are big retailers in modern trade which have provided a business over a long period under stable relationships. However, over-reliance on these big retailers has put the Company at risk given the low negotiation power. Thus, the Company formulated risk mitigation policies aiming to maintain and develop strong ties with those retailers in one front and reduce reliance on them by focusing on owned free standing shop expansion on another front. In June 2020, number of owned free standing shops reached 334 locations from 645 locations.

2.3 Risk of inventory mismanagement

Difficulties in manufacturing and distributing high volume and variety of products as well as unpredictable demand put a threat on our inventory management. The mismatch of demand of supply at any point of time will hinder product development and on-time product delivery.

To solve this issue, MC Group assigned a working team to directly handle and optimize inventory management from product design, raw material sourcing, production, storage to product distribution to points of sales. The team also set the standard time in product development and production so as to minimize the time to market.

2.4 Risk from rental contract renewal

MC Group normally rents retail spaces to build free standing shops with an average rental term of 3 years. The risk arises when there is no guarantee of rental contract extension/renewal after expiration or in case the rental prices and other fees go up after 3 years.

However, most lease agreements grant the Company rights to extend the contracts before other parties when expire and some are stated clearly on a specific clause regarding rental fee adjustments. Moreover, the Company has maintained good relationships with the landlords/property owners by strictly conforming to the rental contracts as well as helping attract more customers to those department stores or other properties. As a result, the Company believes to continue receiving the support from the property owners in contract renewals in the future.

3. Risk from fluctuations in raw material prices

Cotton is the major component of jeans. Generally, market price of jeans has a rather low volatility. However, world market price of cotton can also fluctuate and go up unexpectedly due to production trends. This may affect the prices of jeans which is our major raw material for production.

Nevertheless, as one of the biggest users of jeans, MC Group can exert a better negotiation power on raw material pricing with suppliers. Moreover, the Company operates its procurement process through an efficient system with proper procurement planning and vendor selection resulting in lesser impacts of volatility of raw material prices to profitability.

SECURITIES INFORMATION AND SHAREHOLDERS

Registered Capital and Paid-up Capital

As of 30 June 2020, the Company has shareholding structure as follows

Common share : Registered Capital Paid-up Capital 400,000,000 Baht
: Common Shares 800,000,000 Shares
: Par Value 0.50 Baht/Share

Shareholders'

Majority Shareholders

List of top ten majority shareholders as of 31 July 2020 is summarized below

No	Shareholder	Number of Share	%
1.	Ms. Sunee Seripanu	359,345,920	44.92
2.	MINDO ASIA INVESTMENT LIMITED	70,000,000	8.75
3.	Thai NVDR Company Limited	18,925,507	2.37
4.	Bualuang Basic Dividend LTF	18,061,900	2.26
5.	Mrs. Pratana Mongkoglul	17,971,700	2.25
6.	Bualuang Long-Term Equity Fund	17,924,500	2.24
7.	Mr. Virach Seripanu	15,000,000	1.88
8.	Bualuang Siriphol Corporate Governance Fund	12,449,000	1.56
9.	Bualuang Siriphol Corporate Governance RMF	10,528,000	1.32
10.	Mrs. Paopilas Hemwachirawarakorn	10,000,000	1.25

The majority shareholders that can influence policy setting, management and directions of the Company are Ms. Sunee Seripanu and Mr. Virach Seripanu. This group of majority shareholders together owns 46.80% of the Company.

Foreign Limit

The Company has set foreign limit of shareholding at 49% of paid-up capital. As of 31 July 2020, foreign shareholders of the Company held 11.29% of paid-up capital.

Type of Shareholders	Number of Shares	%
Thai shareholders	709,640,044	88.71
Foreign shareholders	90,359,956	11.29
Total	800,000,000	100.00

Dividend Policy

The Company shall pay dividend not less than 50% of the net profit in consolidated financial statements after deducting all appropriate reserves and investments in accordance to the applicable laws and the Company's regulations. However, the dividend payments shall depend on investment plans, necessity, and other rationales. When the Board of Director agrees on the annual dividend payment, the Board must propose to the shareholders meeting for approval with the exception for interim dividend payment. In that case, the Board of Directors can approve the payment and report to the shareholders meeting at the next meeting.

As for dividend policies of the subsidiaries, the Company has not fixed a dividend payout ratio but the subsidiaries shall consider the dividend payment policy based on the net after tax profit each year. The dividend payments of subsidiaries shall depend on each company's investment plans and other rationales and the subsidiaries may pay the interim dividend to the shareholders occasionally.

MANAGEMENT STRUCTURE

Board of Directors

The Board of Directors is responsible for supervising overall business operations of the Company to be in accordance with the laws, the Company's objectives and rules and resolutions of the shareholders as well as to comply with rules and regulations of the Stock Exchange of Thailand (SET) and the Securities and Exchanges Commission (SEC). The members of the Board of Directors must perform their duties with honesty and prudence as well as act in good faith for the best interests of the Company and all stakeholders under business ethical conducts. In addition, the Board of Directors must ensure that effective and reliable accounting, financial reporting and audit systems are in place. Moreover, the Board of Directors shall monitor 5 subcommittees that handle certain issues i.e. Audit Committee, Risk Management Committee, Nomination and Remuneration Committee, Sustainable Development Committee and Executive Committee. Roles and responsibilities of these subcommittees are written in clause 9.2 of Corporate Governance part.

As of 30 June 2020, the Board of Directors consisted of 8 members- 2 executive directors and 6 non-executive directors as summarized below.

Name	Title/Position	Board Meeting Attendance in 2020
1. Mrs. Kaisri Nuengsigkapan	Chairman of the Board of Directors / Chairman of Executive Committee	6/6
2. Ms. Sunee Seripanu	Vice chairman / Member of Executive Committee	6/6
3. Mr. Virach Seripanu	Director/ Member of Executive Committee/ Member of Nomination and Remuneration Committee/ Member of Sustainable Development Committee / Chief Operation Officer	6/6
4. Mrs.Chananyarak Phetcharat	Director / Member of Risk Management Committee / Chief Executive Officer	6/6
5. Mr. Ekaluck Wangchucherdkul	Director	5/6
6. Mr. Somchai Apiwattanapron	Independent Director / Chairman of Audit Committee / Chairman of the Risk Management Committee	5/6
7. Mr.Supasask Chirasavinuprapand	Independent Director / Member of Audit Committee/ Member of Risk Management Committee/ Member of Nomination and Remuneration Committee	6/6
8. Mr. Lucksananoi Punkrasamee	Independent Director/ Member of Audit Committee/ Chairman of the Nomination and Remuneration Committee	6/6

Remark 1. The Board of Directors appointed Ms. Sunee Seripanu as the member of Nomination and Remuneration in place of Mr. Virach Seripanu and appointed as Chairman of Nomination and Remuneration. Effective from 25 August, 2020
2. The Board of Directors appointed Mr. Lucksananoi Punkrasamee as the Chairman of Audit Committee. Effective from 25 August, 2020

The name and number of director(s) who has the authority to sign on behalf of the Company is: Group Gor is Ms. Sunee Seripanu or Mr. Virach Seripanu, Group Kor is Mr. Ekaluck Wangchucherdkul, any two of Group Gor directors sign jointly with affixing the Company's seal or any one of Group Gor directors and any one of Group Kor directors sign jointly with affixing the Company's seal

In any case, the empowerment of authorities, roles and responsibilities of the Board of Directors shall not allow the authorized person to approve transactions that are prone to conflict of interests (as defined in the Securities and Exchange Commission or the Capital Market Supervisory Board's announcements) or related parties have vested interests, any benefits or conflict of interests with the Company and its subsidiaries except the approvals that comply with the policies and regulations that were previously approved at the shareholders' meetings or by the Board of Directors.

Roles and Responsibilities of the Chairman of the Board of Directors

1. Preside over at the Board of Directors' meetings and shareholders' meetings as a chairperson.
2. Run effective meetings by allowing directors to make inquiries and express opinions freely, managing agenda items of discussion and concluding resolutions of the meeting.
3. Communicate important information to the Board of Directors

4. Encourage the Board of Directors to perform its duties according scope of authority and roles and responsibilities in accordance with laws, rules and regulations or announcements and notifications from related agencies under good corporate governance practices.

Roles and Responsibilities of the Board of Directors

1. Supervise the business so that it is in accordance with the applicable laws, business objectives, company's rules and regulations, resolutions of the Board of Directors and the shareholders meeting with accountability, prudence, and integrity.
2. Review and approve the Company's vision, mission, business strategies, business directions, business policies, goals and targets, business models, business plans and budgets of the Company and its subsidiaries as proposed by the Executive Committee and management team.
3. Oversee administration, management and performance of Executive Committee (Chairperson of the Executive Committee/CEO), management team or any person with the same responsibilities to ensure the compliance with policies and procedures that the Board of Directors has set.
4. Continuously monitor the Company's performance to ensure the alignment with strategies, work plans and budgets taking into account all stakeholders as well as social and environmental responsibility.
5. Encourage innovations that create value added for business and the society and include this as a part of business strategies as well as ensure implementation by management team in formulating development/improvement plans.
6. Oversee the Company's management of information technology and leverage its information technology on enhancing business opportunities and improving work as well as set safety measures for information technology systems.
7. Formulate risk management policies, ensure that risk management systems cover all important kinds of risk the Company may have in accordance with strategies and goals and regular risk management evaluation and monitoring are in place to maintain risks within acceptable levels.
8. Ensure that appropriate and effective accounting systems are in place as well as internal control and internal audit systems for both the Company and its subsidiaries.
9. Ensure the timely submissions of financial statements at the end of accounting year as well as sign off and propose the financial statements to the Annual General Meeting of Shareholders for approval.
10. Review the selection and appointment of auditors and appropriate compensations as proposed by the Audit Committee before presenting to the Annual General Meeting of Shareholders for approval.
11. Ensure that official written corporate governance policies are in place and monitor the successful executions of those policies in order to make sure that the Company is accountable for all stakeholders in an equitable manner.
12. Review and approve the appointment of qualified or non-qualified persons under the Public Limited Company Act BE 2535 (1992) (including its amendments), the Securities and Exchange Act BE 2535 (1992) (and its amendments) and announcements, rules and regulations that are related to the appointment of new directors in the case that the position is vacant due to other causes apart from the official resignation. The Board of Directors is also responsible for approving the compensations and remunerations of the directors as proposed by the Nomination and Remuneration Committee.
13. Appoint other subcommittees such as Audit Committee, Executive Committee, Nomination and Remuneration Committee, Risk Management Committee, or any other subcommittees and specify scopes of authorities and responsibilities of those subcommittees to assist them in successfully performing their designated duties.
14. Determine and revise list of directors authorized to sign off on behalf of the Company
15. Review and appoint executives as defined by the Securities and Exchange Commission or the Capital Market Supervisory Board and the Corporate Secretary as well as determine their remunerations and performance evaluation of Chief Executive Officer and executives with transparency to be consistent with responsibilities and performance results for short-term and long-term motivations.
16. Seek professional opinions from other organizations to make proper decisions when necessary.

17. Control over internal information security and monitor the conflicts of interest that may arise within the Company
18. Encourage directors and management team to participate in seminar curriculum relating to their roles and responsibilities as provided by Thai Institutes of Directors.

The Company has appointed the Independent Director which consists of 3 members equal to 37.5% that has equivalent to the good corporate governance policy request. According to the good corporate governance policies, the Board of Directors shall consist of independent directors at least one third of the number of the directors in the Board of Directors in order to provide a verify and balance of power for each other sufficiency. The Qualifications of Independent Directors that the company require was same as the rules and principles set by the Securities and Exchange Commission and the Stock Exchange as follows:

Qualifications of Independent Directors

1. Holding not more than 1 percent of the Company's shares with voting rights, or that of any subsidiary, affiliated company, major shareholder or controlling person of the Company, which shall be inclusive of the shares held by any related person of such an independent director;
2. Neither being nor having been an executive director, an employee, a staff member, an adviser who receives a regular salary, or a controlling person of the Company, subsidiary company, associated company, subsidiary company at the same level, major shareholder or controlling person of the Company unless the foregoing status has ended for more than 2 years except the case that the independent director used to work for or be an advisor to an government agency who is the majority shareholder or the controlling person of the Company;
3. Not being a person related by blood or registration under law, such as father, mother, spouse, sibling, or child, including the spouse of a child, of other director, any executive, major shareholder, controlling person or person to be nominated as a director, an executive or a controlling person of the Company or subsidiary company;
4. Neither holding nor having held a business relationship with the Company, subsidiary company, associated company, major shareholder or controlling person in a manner which may interfere with his/her independent judgment, and neither being nor having been a substantial shareholder or a controlling person of any person having a business relationship with the Company, subsidiary, affiliated company, major shareholder or controlling person unless the foregoing relationship has ended for more than 2 years.
5. Neither being nor having been an auditor of the Company, subsidiary company, associated company, major shareholder or controlling person, and not being a substantial shareholder, controlling person, or partner of an audit firm which employs auditors of the Company, subsidiary company, associated company, major shareholder or controlling person unless the foregoing relationship has ended for more than 2 years;
6. Neither being nor having been any professional adviser including legal adviser or financial adviser who receives an annual service fee exceeding Baht 2 million from the Company, subsidiary company, associated company, major shareholder or controlling person, and not being a substantial shareholder, controlling person, or partner of the professional adviser, unless the foregoing relationship has ended for more than 2 years;
7. Not being a director who has been appointed as a representative of the Company's director, major shareholder, or shareholder related to the major shareholder;
8. Not undertaking any business the nature of which is the same as that of the Company or subsidiary company and which, in any material respect, compete with business of the Company or subsidiary company or not being a substantial partner in the partnership, a director who is involved in management, an employee, a staff member, an adviser who receives a regular salary, or a shareholder holding more than 1 percent of shares with voting rights of a company undertaking any business the nature of which is the same as that of the Company or subsidiary company and which, in any material respect, compete with business of the Company or subsidiary;
9. Not having any characteristics that prohibit the expression of independent opinion towards the Company's business undertakings.
10. The tenure of an independent director shall not exceed nine years from the date of their first appointment.

Executives

As of 30 June 2020, MC GROUP Plc consists of 8 executives as definition from Securities and Exchange Commission as follow

Name	Title/Position
1. Mrs. Chananyarak Phetcharat	Chief Executive Officer
2. Mr. Virach Seripanu	Chief Operation Officer
3. Mr. Aphichai Pholkosol	Chief Finance and Accounting Officer
4. Ms. Kittima Wachropas	Chief Commercial Officer
5. Mr. Nopadol Tangdenchai	Chief Information Technology Officer
6. Mr. Sakesan Serksiri	Chief Supply Chain Officer
7. Mr. Nattapan Ponkrida ¹	Chief Marketing Officer
8. Mr. Sirisak Prasitsanha	Chief Human Resources Officer

Note: ¹ Mr. Nattapan Ponkrida resigned from the company on 1 March 2020

Roles and Responsibilities of the Chief Executive Officer (CEO)

1. Supervise, manage, operate business and perform regular duties required to undertake business for the best interest of the Company and in accordance with the Company's policies, vision, goals, business plans and budgets as designated by the Board of Directors meetings and/or as assigned by the Executive Committee.

2. Manage the Company's business so that it is in line with its mission as defined by the Executive Committee and corresponds to business plans, budgets and related business strategies as designated by the Board of Directors and/or the Executive Committee.

3. Supervise overall finance, marketing, human resources and other functions according to policies and plans as designated by Board of Directors and/or the Executive Committee.

4. Entitled to hire, appoint, transfer, remove or terminate employees and approve wages and compensations in case of employees ranking lower than executive level as well as delegate any person to perform specific duties.

5. Approve rewards, salary adjustments, compensation, special bonus apart from salary and annual bonus under the approval of the Executive Committee.

6. Negotiate and enter contracts, agreements or transactions related to the usual business of the Company (eg. investments in shop opening, new machines and other asset purchases according to the budget approved by the Board of Directors including procurements and sales etc.). The authorized amount shall comply with the Board's approved authorized levels but within the limit amount of 10,000,000 (ten million) baht per transaction.

7. Review and approve borrowings/loans between the Company and its subsidiaries

8. Issue orders, practices, announcements and records of the Company to ensure that the Company is operating in accordance with its policies and its best interest as well as proper code of conducts of the Company.

9. Perform other duties as assigned by the Board of Directors and/or the Executive Committee and entitled to undertake necessary actions related to those duties.

In any case, the designation of the authorities, duties and responsibilities of the CEO must not allow the authorities to approve actions or transactions that the CEO or other related parties have vested interests or conflicts of interests with the Company and/or its subsidiaries. On that matter, the CEO is not authorized and must propose to the Board of Directors' meetings and/or shareholders' meetings (depending on the case) except the approvals of transactions complying with usual business doings and trade conditions.

Directorship of the CEO in external organizations.

Board of Directors stipulated policies related to directorship in or use of time working for external organizations of the CEO as follow;

- 1) The CEO can become a director in a government organization or cooperate with the government for the benefit of the society as a whole, not for ones that are established for the interest of any political party.
- 2) The CEO can become a director in a private organization that is not established for public interest such as the Federation of Thai Industries, Thai Chamber of Commerce and Thailand Management Association.
- 3) The CEO can become a director in a private organization that is not established for the public interest only in case that the private organization does not conduct business with conflict of interest with the Company and time will not be spent in expense of the Company. Note that subsidiaries, affiliates and joint ventures of the Company are not included as the Company has to involve in the management and governance for the interest of the Company.

Corporate Secretary

At the Board of Directors has assigned Ms.Wassana Nookua has been appointed as the Corporate Secretary to perform the duties of supervising and preparing meetings of the Board of Directors, subcommittees and shareholders as well as safe keeping related documents and facilitating compliance to corporate governance standards including those in the Securities and Exchange Act.

In addition, the Corporate Secretary is assigned to function as a compliance unit to supervise and oversee the operation of the Company. Director and Executive to ensure that they have correctly complied with the regulation of the SET, SEC, the Public Company Limited Act, and other related laws.

Roles and responsibilities of Corporate secretary

1. Provide basic advices to the directors pertaining to applicable laws governing the Company, The Company's rules and regulations and ensure strict compliance as well as notify the Board of any significant changes in related laws and regulations.
2. Arrange shareholders meetings and the Board of Directors meetings in accordance with the laws, regulations and related practices.
3. Prepare minutes of the shareholders meetings and the Board of Directors meetings, and monitor that follow-up actions are undertaken in compliance with the resolutions of those meetings.
4. Prepare and keep record of registrations of directors, annual reports of the Company, notices calling shareholders meeting, notices calling directors meeting, minutes of the shareholders meetings and the Board of Directors meetings.
5. Keep reports of interest filed by directors and executives and submit the copies to the Chairman of the Board of Directors and the Chairperson of the Audit Committee within 7 working days from the date those reports are received.
6. Ensure that corporate information and reports are disclosed to regulatory agencies in accordance with the laws and regulations.
7. Supervise other activities of the Board of Directors and other related matters in accordance with the laws, the announcements of the Capital Market Supervisory Board or as assigned by the Board of Directors.

Remuneration for Directors and Executives

• Remuneration for Directors

The Company has established a set of well-defined principles and guidelines for equitable and reasonable directors' remuneration policies. The Nomination and Remuneration Committee

is responsible for reviewing these policies taking into account appropriateness of remuneration with respect to business performance and scope of responsibilities of directors to ensure that the Company's remuneration is comparable to that of other companies in the same or related industry. Furthermore, the Company also uses directors' remuneration survey conducted by the Stock Exchange of Thailand and Thai Institute of Directors (IOD) as a benchmark every year in considering proper remunerations for its directors.

In 2019, the Nomination and Remuneration Committee has reviewed directors' remuneration and adjusted the structure of the remuneration. Currently, monetary remuneration for directors comprises 3 types of remuneration which are monthly remuneration, meeting allowance and bonus while there is no non-monetary remuneration. The new structure of remuneration for directors was proposed to the Board of Directors for approval. The 2019 Annual General Meeting of Shareholders on 15 October 2019 reached a resolution to approve the following remuneration for directors for the year 2020 as shown below.

Remuneration for the Board and Sub-Committee	2020	
	Monthly Remuneration (Baht/person/month)	Meeting Allowance (Baht/person/time)
1. Board of Directors		
Chairman of the Board of Directors	20,000	80,000
Member	10,000	50,000
Bonus	Maximum at Baht 5,000,000 per year (The Board will allocate bonus in accordance with the achievement of key performance indicators)	
2. Audit Committee		
Chairman of Audit Committee	-	40,000
Member of Audit Committee	-	30,000
3. Risk Management Committee		
Chairman of Risk Management Committee	-	30,000
Member of Risk Management Committee	-	25,000
4. The Nomination and Remuneration Committee		
Chairman of Nomination and Remuneration Committee	-	30,000
Member of Nomination and Remuneration Committee	-	25,000
5. The Sustainable Development Committee		
Chairman of Sustainable Development Committee	-	30,000
Member of Sustainable Development Committee	-	25,000

At the end of June 2020, monetary remuneration as actually paid for the Board of Directors totaled 7.095 Million baht. Details of meeting attendance and remuneration for directors are as follow;

Directors' Name	Title/Position	2020 Meeting Attendance					Subtotal Monthly Remuneration	Meeting Allowance					Subtotal Meeting Allowance	Bonus	Total (Baht)
		Board of Directors	Audit Committee	Nomination and Remuneration Committee	Risk Management Committee	Sustainable Development Committee		Board of Directors	Audit Committee	Nomination and Remuneration Committee	Risk Management Committee	Sustainable Development Committee			
1. Mrs. Kaisri Nuengsigkapien	Chairman of the Board of Directors / Chairman of Executive Committee	6/6	X	X	X	X	240,000	320,000	X	X	X	X	320,000	550,000	1,110,000
2. Ms. Suneer Seripanu	Vice Chairman / Member of Executive Committee	6/6	X	X	X	X	120,000	200,000	X	X	X	X	200,000	350,000	670,000
3. Mr. Virach Seripanu	Director/ Member of Executive Committee/ Member of Nomination and Remuneration Committee/ Member of Sustainable Development Committee / Chief Operation Officer	6/6	X	4/4	X	1/1	120,000	200,000	X	100,000	X	25,000	325,000	350,000	795,000
4. Mrs.Chananyarak Phetcharat	Director / Member of Risk Management Committee / Chief Executive Officer	6/6	X	X	4/4	X	120,000	200,000	X	X	100,000	X	300,000	350,000	770,000
5. Mr. Ekaluck Wangchucherdkul	Director	5/6	X	X	X	X	120,000	250,000	X	X	X	X	250,000	350,000	720,000
6. Mr. Somchai Apiwatanapron	Independent Director / Chairman of Audit Committee / Chairman of Risk Management Committee	5/6	4/4	X	4/4	X	120,000	250,000	160,000	X	120,000	X	530,000	350,000	1,000,000
7. Mr. Supasak Chirasavinuprapand	Independent Director/ Member of Audit Committee/ Chairman of Nomination and Remuneration Committee	6/6	4/4	4/4	4/4	1/1	120,000	250,000	120,000	100,000	100,000	30,000	600,000	350,000	1,070,000
8. Mr.Lucksananoi Punkrasamee	Independent Director/ Member of Audit Committee/ Chairman of the Nomination and Remuneration Committee	6/6	4/4	4/4	X	X	120,000	250,000	120,000	120,000	X	X	490,000	350,000	960,000
Total		X	X	X	X	X	1,080,000	1,920,000	400,000	320,000	320,000	55,000	3,015,000	3,000,000	7,095,000

*** Remark :** ¹The Board of Directors appointed Ms. Suneer Seripanu as the member of Nomination and Remuneration in place of Mr. Virach Seripanu and appointed as Chairman of Nomination and Remuneration. Effective from 25 August, 2020

² The Board of Directors appointed Mr. Lucksananoi Punkrasamee as the Chairman of Audit Committee. Effective from 25 August, 2020

• **Remuneration for Executives**

The Company considers remuneration of its executives based on fairness, assigned responsibilities and the Company's performance and benchmarks with remunerations of other companies in the same or related industry.

Besides, individual performance of each executive based on set performance targets will be taken into account where it must align with vision, mission, and Company's strategies in order to motivate executives to create stability and growth for the organization in the long run. The Nomination and Remuneration Committee and the Board of Directors evaluate performance of the CEO and other high-level executives on an annual basis. The assessment results will be used in the consideration of remuneration in the format of salary and bonus.

At the end of June 2020, the Company paid a total of 37.61 million baht for in remuneration to its executives as detailed below.

Remuneration for Executives	Total Remuneration (Thousand Baht)	
	2019 (Jul 2018– Jun 2019)	2020 (Jul 2019– Jun 2020)
Number of Executives	7	8
Financial Remuneration		
- Salary, bonus and other remunerations	40,434	36,928
- Contributions to provident fund and contribution to social security fund	940	678
Non-Financial Remuneration	None	None

• **Remuneration for the Chief Executive Officer**

The Board of Directors stipulated remuneration policies for the CEO to be in accordance with performance. The Board of Directors ensures that remuneration structure and evaluation process are appropriate. Remuneration structure must act as an incentive to perform the duties consistent with objectives and key goals of the organization and the best interest of the Company in the long term. The following topics shall be considered for the performance evaluation of the CEO.

- 1) Approve evaluation criteria for the CEO that ensure that the CEO perform the duties in accordance with objectives, key goals and strategies and consistent with the interest of business in the long term. Evaluation criteria shall be communicated and informed to the CEO in advance.
- 2) Conduct the evaluation of the CEO regularly on a yearly basis or may assign the Nomination and Remuneration Committee to be the evaluator while the Chairman or a senior director shall be responsible for communicating results of the evaluation and other areas for development to the CEO.
- 3) Approve annual remuneration of the CEO and shall take into consideration performance results as well as other related factors.

Employees

• Number of Employees

As of 30 June 2018, 30 June 2019 and 30 June 2020 the Company and its subsidiaries had a total of 2,624, 2,503 and 2,293 employees respectively. This can be shown by departments as follow:

Division	2018	2019	2020
Executives	7	6	8
Operation Workgroup	556	590	627
Commercial Workgroup			1,177
Marketing Workgroup	1,429	1,302	14
Accounting, Finance and Business Development Workgroup	114	86	69
Information Technology Workgroup	36	33	31
Human Capital and Development Workgroup	21	33	19
Other Businesses ²	205	198	119
Warehouse Logistics and Transportation	194	198	170
Others	62	57	59
Total	2,624	2,503	2,293

• Total Compensation and Benefits of Employees

The Company has put in place policies and management of compensation and benefits that are better than required by laws and to emphasize the appropriateness and consistency with the Company's performance, individual performance of each employee as well as those of other companies in the same or related industry. The compensation and benefits must be competitive, fair and flexible for efficiently managed.

For the year 2018, 2019 and 2020 the Company and its subsidiaries paid a total compensation of 373.6 , 758.7 and 683.7 million baht respectively to its employees including salaries, bonuses, over-time wage and other compensation and benefits.

1. Short-term Compensation and Benefits of Employees

The Company offers various kind of compensation and benefits to its employees including salary, wage, bonus, contributions to social security fund. Moreover, other welfares are provided to all employees such as provident fund, group health insurance, annual health check-up, 5S activity, working environment safety and study scholarships for employees' children.

2. Compensation and Benefits of Employees After Resignation

Provident Fund

The Company has set up its provident fund in accordance with the Provident Fund Act BE 2530 (including revisions). The Company and participating employees contribute 3% of base salary to the provident fund. At the end of June 2020, the Company's contributions to the provident fund amounted to 5.23 million baht.

Severance Pay

The Company is obligated to offer a severance package to its employees according to labor law in case of a discharge. This severance pay is considered as their benefits after the termination of employment.

• **Critical Labour Disputes for 3 years ago**

In 2014, employees under a subsidiary of Mc Group founded Mc Jeans Labour Union, The Company is in the process of negotiated with the group and trying to compromise and settle the disputes. At the end of June 2020, the Company had no a claim from the Labor Union.

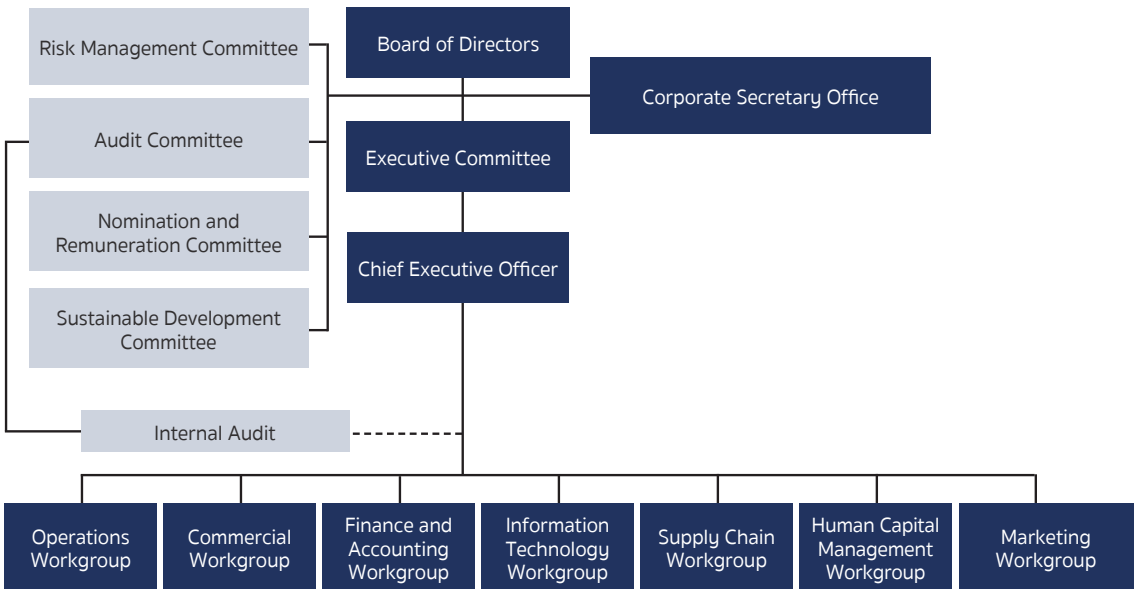
• **Human Resource Development**

MC Group regards human resource development as a key success factor of the organization. Happy employees with self-esteem are the type that are ready to create and offer something good for customers, business partners and communities. The critical challenge in human resource management is to develop and equip the employees with right skills, abilities and good conscience as well as to engage them to bond with and love the organization. Core values of the Company or the so-called “MCWAY” is promoted among employees to fortify its strong organization culture.

Key principles in human resource development are directly synchronized with business plan. Development of skills, knowledge and competencies of all levels of employees together with proper performance evaluations will enable an effective human resource development plan that positively affects how employees work and deliver as targeted. This also assists employees in growing and advancing professionally along their proper career paths together with the Company.

From our principle of business management to offer products and services at reasonable price with good qualities, the Company has developed our employees consistently and emphasized on the standard of production and services by its staff especially PC with many skill developments such as basic sewing skill, product consulting to customers, creation of many communication channels through modern equipment and IT system for in-dept product knowledge including coaching team for on-the-job training together with sale, etc. From its directions and projects related to human resource development the Company and its subsidiaries are pursuing incessantly, it is clear that MC Group has devoted its effort towards developing and growing its human capital alongside with the organization and allows them to lead the Company to a sustainable business excellence.

• **MC Group’s Organization Chart: Updated on 30 June 2020**



CORPORATE GOVERNANCE

The Board of Directors and executives realized the importance of the Company's compliance with corporate governance principles and are determined to continuously improve corporate governance to be the bedrock in conducting business and to be accepted internationally. MC Group also fosters transparency, business ethics, social responsibility as well as accountability to all Company's stake-holders.

The Board of Directors has stipulated good corporate governance policies and business ethics in writing as a guideline for conducting its business for directors, executives and employees. This is to ensure efficient management systems, add values and support sustainable growth of the Company in the future. The Board of Directors shall review and adjust the corporate governance policies and business ethics on an annual basis to be consistent with changes in business operations, environment, situations or related laws.

The Company published its corporate governance policies in its website as a guideline for employees of all levels to conform to and as important information for shareholders, stakeholders, investors and other people who might be interested. To encourage the compliance, the Company requires all employees to sign and acknowledge this code of conduct during new employee orientation. Furthermore, internal control processes are put in place to monitor compliance to this code of conduct.

Results from the Corporate Governance Report of Thai Listed Company 2019 showed that the Company's average score for all 5 sections of corporate governance was at 91 which was at par with the average SET 100 Index (at 90).

Corporate Governance Policy

The Company follows the guideline of Code of Best Practices for Directors of Listed Company set by the Stock Exchange of Thailand as well as the Principles of Good Corporate Governance for Listed Companies (2012) and Corporate Governance Code for Listed Companies 2017 set by the Securities and Exchange Commission, Thailand in establishing and developing good corporate governance policies. The policies are divided into 5 sections. At the end of June 2020, the Company strictly complied with the corporate governance policies as detailed below.

Section 1: Rights of Shareholders

The Company recognizes the importance of the rights of shareholders and shall not act in a manner that violates or diminishes any right of shareholders but only encourage shareholders to exercise their rights. At the end of June 2020, the Company has taken the following actions to support and facilitate its shareholders to exercise their rights.

- The structure between the Company, its subsidiaries and associated companies is simple. There is no mutual or overlapping sets of shareholders nor pyramid holding structure. This is to confirm its shareholders of their returns.

- The Company acts in its capacity to best accommodate the exercises of basic rights of all shareholders including majority shareholders, minority shareholders, institutional investors and foreign shareholders equally and refrain from any action that limits their chances to attend the meetings of all types of investors. Those rights include rights to purchase, dispose or transfer shares, right to clear and correct information, right to attend the meetings and cast the vote to approve important agenda items, right to appoint or remove Company's directors, right to determine remunerations of the Board of Directors, right to appoint and remove the auditors and determine audit fees, right to share profits, right to participate in decision-making or acknowledge the Company's decisions related to changes in Company's fundamentals.

- The Company send out notice of shareholders' meeting and other supporting documents 7 days before the scheduled meeting (or any duration specified by law). The notice details meeting agenda items and pertinent documents including comments of the Board of Directors, the proxy form (per Ministry of Commerce's designation) and names of independent directors that shareholders can delegate their representation to for the shareholders' meeting. The notice also includes map and direction to the meeting's venue and provides list of documents that shareholders are required to present on the meeting day in order to exercise their rights as shareholders in attending and voting at the shareholders' meeting according to shareholders' meeting rules of the Company. Furthermore, shareholders may access to information related to meeting agenda online through the Company's website [www.mcgroupnet.com]

- The Company discloses information and details related to rights of shareholders in the Stock Exchange of Thailand's news system and its own website taking into considerations fairness in receiving news and information, exercising period and conveniency. Actions that may limit access to Company's information

or hinder communications between shareholders are prohibited.

- In the event that shareholders are not able to attend the shareholders' meeting, the Company allows shareholders to grant their rights to independent directors or any other persons whom the shareholders might wish to appoint as a proxy to cast the votes on their behalf.

- For each shareholders' meeting, the Chairman of the meeting or other assigned persons inform attendees of the rules to be observed in the meeting including voting process as well as allocate sufficient time for the meeting.

- During shareholders' meeting, the Chairman ensures equal rights to each shareholder in asking questions, voicing opinions or making recommendations. Directors and related executives will be present in the meeting in order to respond to any query or accept recommendations that shareholders may have and will consider actions to take forward as appropriate. After the meeting, the Company will prepare an accurate and comprehensive shareholders' meeting report within 14 days after the meeting day and submit the shareholders' meeting report to relevant agencies and make the report available to the public by releasing the report in the company's website so that shareholders and other stakeholders can have access to.

Section 2: Equitable Treatment of Shareholders

The Company acts impartially to all shareholders including shareholders who are or are not executives, majority shareholders, minority shareholders, institutional investors, foreign shareholders. The following principles shall apply

- The Company issued policies and take actions in the disclosure of information in a correct, complete, timely and transparent manner to the shareholders. Disclosure of important information is conducted regularly through various channels so that all shareholders have an equal access to the information. Shareholders can make enquiries on information and other news to Investor Relations department or the Company's website, apart from the information disclosure to the Stock Exchange of Thailand

- The Company has in place relevant policies and practices to prevent its directors or executives from using information that is not disclosed to the public for their personal benefits

The 2019 Annual General Meeting of Shareholders

The Company values rights of shareholders and fair treatment to its shareholders and rigorously adopted related practices in conducting every shareholders' meeting from before the meeting, the meeting day to after the meeting. For the 2019 Annual General Meeting of Shareholders on 15 October 2019 at 14:00 hrs at Suvarnnabhumi A&B, Novotel Suvarnnabhumi Airport Hotel 999 Moo 1, Nongprue, Bangplee, Samutprakan, various kinds of mass transportation were available for shareholders to use in attending the meeting.

At the 2019 Annual General Meeting of Shareholders, 96 shareholders including their proxies attended the meeting. This is equivalent to 61.7876% of outstanding shares. All 8 directors participated in the meeting or there was 100% attendance of the directors. The Chairman of the Board of Directors, the Chairman of the Audit Committee, the Chairman of the Risk Management Committee, the Chair-man of the Sustainable Development Committee, the Chief Executive Officer, high-level executives, corporate secretary and the auditor all together participated in the meeting. Details of the meeting execution are outlined below.

Before the Shareholders' Meeting

- The Company prepared the notice to shareholders' meeting in both Thai and English. For the 2019 Annual General Meeting of the Shareholders, the Company posted the meeting notice on its website since 14 September 2019, 31 days prior to the meeting date and sent out the meeting notice to the shareholders 32 days before the meeting date so that the shareholders received all documents in advance and had sufficient time to re-view the information before the meeting.

- Notice to the meeting contains adequate and complete information including facts, reasons, comments from the Board of Directors for shareholders' deliberations. The agenda of the meeting is as follow.

- 1) For agenda related to director's appointment, first name, last name, age, educational

background, working experience of each nominated director, number of companies they hold their directorship (listed companies or non-listed companies), nomination criteria and approach, types of nominated directors, attendance information in previous years, date of appointment to directorship were all presented.

2) For agenda related to remuneration, provided information included policies, amounts, types of remuneration by position and duty of directors, criteria and approach. Shareholders are required to consider and approve remuneration of the Board of Directors and all subcommittees.

3) For agenda related to auditor's appointment, details on names, audit offices, independence of the auditors, appropriateness of audit fees (these fees were shown separately from other service fees) were given.

4) For agenda related to dividend payment, the Company provided information related to dividend payment policies as well as pro-proposed dividend amount compared to previous years.

- No document containing important information was distributed to shareholders impromptu and no addition on agenda or change in important information made without notification to shareholders.

- The Company accommodated shareholders who could not attend the meeting in person by sending all types of proxy forms as designated by the Ministry of Commerce while shareholders could decide how to cast their votes. Details on how to appoint a proxy were attached with the notice of the meeting as well as posted on the Company's website. Shareholders can also download all proxy forms from the Company's website. Moreover, list of names and biographies of directors whom shareholders can grant their representations to were also published.

During the Shareholders' Meeting

- The Company specified the registration period of 2 hours before the meeting. Computers and barcode system were adopted in registration and vote counting for accuracy, speed and credibility. Institutional shareholders can send proxy forms to register in advance before the meeting to avoid any delay due to a slow registration process.

- One share one vote rule was applied where voting rights de-pend on number of shares a shareholder holds.

- Before the meeting commenced, the Company informed the meeting of voting and vote counting approaches.

- The Company used ballots for shareholders to cast their votes. Ballots were prepared by agenda item to assist shareholders in voting as they find appropriate. For agenda related to di-rector appointment, individual director was nominated and voted and all types of ballots were kept for this (approve, disapprove, or abstain)

- The announcement of voting results for all agenda items was con-ducted according to the order in the agenda.

- The meeting was conducted in order of the agenda as informed in the meeting notice with accuracy and transparency according to the laws and Company's rules. The Company stipulated in its policy that additional agenda item shall not be included without advance notification to the shareholders especially important agenda items that share-holders need time to review before making decisions.

After the Shareholders' Meeting

- The Company submitted resolutions of the meeting to the Stock Exchange of Thailand in the same day of the meeting through SET's news system so that non-attending shareholders could have a prompt access to the information.

- Minutes of the meeting were prepared and their copies were of submitted to the Stock Exchange of Thailand within 14 days after the meeting date as well as posted in both Thai and English on the Company's website.

- In 2019, the Company received a score of 100 for quality of shareholders' meeting assessment under the Evaluation of Quality of AGM of Listed Companies carried out by Thai Investors Association together with the Securities and Exchange Commission, the Stock Exchange of Thailand and Thai Listed Companies Association. Criteria of the quality assessment included all stages in conducting the shareholders' meeting be-fore, during and after the meeting date.

Section 3: Roles of Stakeholders

The Company recognizes the importance of all stakeholders and believes in sustainable mutual interests of all stakeholders. Therefore, the Company clearly stipulated policies and responsibilities to all stakeholders in its “A Code of Conduct to Stakeholders” with the following details;

Shareholders

The Company is determined to conduct its business in the way that delivers performance and efficiency and thus creates stable growth and highest satisfaction of shareholders. The Company stresses on long-term growth of Company's value with proper and consistent returns. The Company also respects rights of shareholders and ensures fair, transparent and credible information disclosure to all shareholders.

Employees

Human resource is the most crucial element for success of the Company. Hence, the Company treats employees of all levels fairly and properly in accordance with international standards on human rights as stipulated by its policies. The Company executes its employment, appointment and transfer on a fair basis and fosters good corporate culture and working environment that promote teamwork, politeness and respects to human rights of its employees in order to optimize its use of human resource for the best interests of the Company.

The Company offers more remuneration and welfare system than required by law and focus on the suitability and consistency with company's performance and employee's performance appraisal with clear, concrete and disclosed policy to all employees. In addition, the Company arranges for a good and safe working environment toward employee's asset and complies with labor law strictly and also offer professional development for more capability and skill to all employee level. The Company respects human rights and privacy of its employees and refrain from disclosing personal information such as salary, medical record, family background to outside parties or unauthorized persons except that the information must be disclosed to external parties as required by law. Moreover, the Company encourages knowledge sharing and trainings on environment and work safety so that the employees understand and conform to the guidelines.

Customers

The Company has put in place policies that foster value and growth creation alongside its customers under the belief that Company's success relies on its customers' trust. The Company shall treat its customers with respect and politeness and with a strong intention to search for most effective ways to meet customers' needs. The related policies and guidelines are specified in the Code of Conduct. This includes production and delivery of products that passed quality assurance and standards as promised with customers under fair prices, adequate and timely disclosure of accurate information, safe customer data storage and management, confidentiality of customer information (no misuse of customer information for personal benefits or the benefits of related others), adequacy of systems/processes that allows customers to file complaints on quality, quantity and safety of its products and services.

Business Partners and/or Creditors or Debtors

The Company is obliged to treat its business partners, creditors and debtors with equality and fairness for the best interest of the Company. The Company shall avoid any conflict of interest and provide factual information and accurate reports. Moreover, the Company stands firm on its commitments to its creditors and honors its obligations of repayment of principals, interests as well as collaterals.

Any business dealing with business partners must not affect good reputation of the Company and must be in compliance with laws. Mutual interests and fairness must be emphasized in selection of business partners whom must respect with human right, fair labor practices and business operation with environmental, social responsibilities as the Company believes that business partners are a key factor that helps deliver values to the customers and helps the Company's sustainable growth.

Competitors

The Company encourages free markets and fair competition and stipulated policies and guide-lines towards its competitors under applicable laws related to trade competition. The Company is strongly against wrongfully obtaining or using trade secrets of its competitors either it is illegal or unethical.

Society and Environment

As a Thai Company MC Group appreciates being a part of the country and Thai society and feels responsible for the country and the society. Therefore, the Company aims to give back by supporting local activities in communities in which it operates in.

Throughout years in business, the Company rigorously abides by related laws, rules and regulations and put efforts in raising its standards above the levels required by law. Any business undertaking must not harm quality of life, community, society and environment. The Company helps support the society in form of quality of life improvement, educational support, energy saving, efficient resource utilization and environmental conservation. Apart from that, the Company promotes communication and education related to the environment to all stakeholders as well as passes on its knowledge and experience that the Company has to benefit the society such as its recent MC Sewing Training for Occupation Development Project.

The Company also acts against infringement of intellectual property rights and copyrights and issued policies regarding the use of its IT systems that requires regular investigations on software usage of employees to prevent any infringement. Furthermore, the Company ensures that registrations of its trademarks are undertaken correctly to protect its intellectual property rights from any infringement from others.

Additionally, the Company stipulated policies that support manufacturing and delivery of environmentally-responsible products and services and acts according to relevant environmental law. Besides, the Company encourages preservation of nature and conservation of energy and the use of environmentally-friendly products in its business. Details on its related executions can be found under Sustainable Development section. Moreover, the Company stipulated whistleblower policies that stakeholders can inquire details, file complaints and report any misconduct, illegal behavior, inaccuracy of financial reports, internal control problems or unethical behavior of the Company through the Audit Committee. Details of complaints or whistle-blowing including and information of the complainants/whistleblowers will be protected and kept confidential. The Audit Committee will take actions in finding facts and solutions (if any) and reporting to the Board of Directors for recommendations, solutions or other further actions. Channels in reporting misconducts and filing complaints are listed below:

• **Directly by filing a written complaint**

• **By post : Address to**

MC Group Public Company Limited
2 Soi 5 Sukhaphiban Road 2, Prawet, Prawet, Bangkok 10250

• **By E-mail**

- | | |
|---|--------------------------------|
| 1) The Chairman of the Audit Committee | :auditcommittee@mcgroupnet.com |
| 2) Chief Executive Officer | : chananyarak.p@mcgroupnet.com |
| 3) Assistant Vice President - Internal Audit Department | : somporn.u@mcgroupnet.com |
| 4) Direct supervisor | |

• **Complaint Center**

- 1) Electronic mail (E-mail) : mccontactcenter@mcgroupnet.com, LineOA : mcjeans, Instagram : mcjeans, DL-Complain@mcgroupnet.com, Facebook : mcjeans, Facebook : mcshop.com, www.mcshop.com

If complaint made through a channel for the complaint recipient other than the chairman of the Audit Committee. An electronic copy of the letter (cc) is also requested to the Chairman of the Audit Committee.

Note that information related to complaints is treated as confidential and will be disclosed only as necessary. The Company put in place measures that protect whistleblowers, complainants and related persons. Whistleblowers can opt to be anonymous and whistleblowers or complainants can request the Company to set appropriate protection measures or the Company may enact protection measures without request in case that there is a tendency of damage or unsafety.

Once complaint is received or filed, responsible persons are required to verify facts and

consider appointing a committee to investigate further. In case that the wrongdoing is proved to be true, the Company shall consider suitable punishment and report the misconduct and the complaint to the Audit Committee and the Board of Directors.

As of 30 June 2020, there was no complaint or whistleblowing from stakeholders.

Section 4: Information Disclosure and Transparency

The Company encourages the disclosure of accurate information in a complete, transparent and timely manner that meets the standards provided by the Stock Exchange of Thailand or the Securities and Exchange Commission. This includes financial reporting and other information disclosure that can influence the Company's stock price or decisions of investors and other stakeholders. All relevant individuals are treated fairly regarding information dissemination and the Company will release important information through channels provided by the Stock Exchange of Thailand as well as the Company's website at www.mcgroupnet.com

The Board of Directors recognizes its responsibilities in preparing consolidated financial statements including other information presented in the annual reports. The Board of Directors shall make sure that quality of financial reporting is in line with the Generally Accepted Accounting Principles and reviewed by credible and independent auditors. Accounting policies must be properly selected and strictly applied. All financial reports must be accurate and complete and the disclosure of important information must be adequate and credible.

Furthermore, the Board of Directors has appointed the Audit Committee to review and audit financial reports for accuracy, completeness, credibility as well as ensure all information disclosures of correct-ness, clarity, transparency and timeliness as specified by the guidelines for the listed company. In addition, the Audit Committee also perform auditing roles for internal control systems to guarantee effective internal control and compliance with laws and Company's regulations. Related party transactions or transactions with potential conflict of interest must also be reviewed by the Audit Committee for their appropriateness and reasonableness before presenting to the Board of Directors for consideration and approval.

At the end of June 2020, The Company issued Management Discussion and Analysis (MD&A) supplementing its quarterly financial statements to help investors better understand changes in the company's financial position and performance in each quarter, rather than just only numbers in the financial statements.

Moreover, the Company prepares the Board of Directors' accountability to financial statements alongside the auditor's report as well as disclosure of audit and non-audit fees in the Company's annual report.

To comply with the notification of the Capital Market Supervisory Board Re: Rules, Conditions and Procedures for Disclosure regarding Financial statement and performance of securities issuers, the Company has set up the information disclosure in annual information disclosure (Form 56-1) and the Company will disclose all directors individually including role and responsibilities of Board of Director and sub committees including remuneration of directors and executives in annual report (Form 56-2).

Regarding investor relations function, the Company established investor relations department to be responsible for communications of relevant information to institutional investors, shareholders, securities analysts, media and general public. Investor relations department shall report its performance related to investor relations to the Board meeting on a quarterly basis. To comply with the good corporate governance principles particularly the transparency and fairness of the information disclosure, the Company set a 15 day Quiet Period to refrain from answering any inquiries in regards to the upcoming financial results and guidance prior to the results release. This is to avoid an unfair treatment that could lead to insider information or manipulation of stock prices. The Company announced the quiet period information on the Company's website under IR Calendar.

The Company's investor relations activities during July 2019 to June 2020 are summarized as follows:

1. 8 company visits from investors or analysts or through conference
2. 2 investor conferences both locally and in foreign countries.
 - Investor Conference and road show in Thailand 2 times

3. Opportunity Day (Listed companies meet investors) as hosted 3 quarters by the Stock Exchange of Thailand

4. 4 investor meeting for analysts and investors

In order to ensure efficient communications between the Company and shareholders/investors, investor relations department can be reached at:

Contact person : Mr. Bodee Prompayak (Manager -Investor Relations Department)

Address : MC Group Plc, 2 Soi 5 Sukhaphiban Road 2, Prawet, Prawet, Bangkok 10250

Telephone : 02 117-9999 Extension 1210

Fax : 02 117-9998

E-mail: ir@mcgroupnet.com

Section 5: Responsibility of Board of Directors

1. Structure of the Board

The Board of Directors comprises individuals with knowledge, expertise and experience in conducting business and is responsible for considerations on matters relating to management of the Company such as policies, vision, strategies, targets, duties, business plans and budgets. The Board of Directors also supervises the management team to effectively and efficiently conduct the business according to its policies under the scope of laws, objectives, rules, resolutions of shareholders meetings, resolutions of the meetings of the Board of Directors with honesty, prudence and ethics in order to maximize the Company's value and achieve highest stability for the best interest of the shareholders.

The Board of Directors consisted of 8 directors and 3 of those were independent directors. These independent directors were qualified according to the announcements of Capital Market Supervisory Board and the Stock Exchange of Thailand to perform their duties efficiently and effectively at their full capacity to serve the Company.

The Board of Directors shall have specified term of service according to the Company's rules and procedures. At each Annual General Meeting of Shareholders, one-third of the directors - or the number nearest to one-third if the number is not a multiple of three - must retire from office.

In order to ensure thorough and adequate governance according to good corporate governance principles and to support the Board of Directors in performing their duties, the Company established subcommittees to undertake specific matters. The Company also appointed the corporate secretary with stipulated roles and responsibilities as required by the Stock Exchange Act BE 2551. The corporate secretary ensures that the Company and the Board of Directors strictly comply with related laws and regulations and acts as a contact person for internal and external parties. The details of roles and responsibilities of the corporate secretary are included in Management Structure section.

In addition, Company's policies stipulated that directors shall not hold their directorships in more than 5 listed companies. In an event that a director also holds the same position in more than 5 listed companies, the Board of Directors will evaluate the effectiveness of his or her capacity in order to maintain his or her roles for the Company. At present, none of the Company's directors hold director positions in more than 5 listed companies.

2. Roles and Responsibility of Directors

The roles and responsibilities of the Board of Directors are to conduct business as approved by shareholders and according to the laws and resolutions of the shareholders' meetings and the meetings of Board of Directors. Additionally, the Board of Directors must exercise a good judgment in business decision-making and perform their duties with accountability, prudence and honesty for the best interests of the Company.

Corporate Governance Polices

The Company has written policies on its corporate governance in which the Board of Directors reviews and monitors annually. with publish corporate governance report in its annual report and disclosure report concerning additional information (Form 56-1).

Business Ethics

The Company shall uphold the highest standard of ethics such as protecting of Company's private information, performing assigned duties with honesty and compliance to laws, respecting

rights of others, and protecting the assets of the Company and the environment. The Company must ensure strict compliance to business ethics while policy review and evaluation must be conducted annually.

Conflict of Interests

The Board of Directors has set policies to prevent and mitigate any conflict of interest that require all directors and executives prepare reports of conflict of interest and submit to the corporate secretary. In any deliberation, decisions regarding business undertaking must be made for the best interest of the Company and conflict of interest shall be avoided. Related parties or persons who have potential conflict of interest with the transaction under considerations must report the Company of nature of relationship and details on possible conflict of interest and shall not participate in the decision-making nor have authorities in approving that particular transaction.

Any transactions with potential conflict of interests related to trade conditions not conforming to general practices must be presented to the Board of Directors for considerations and approvals. The Audit Committee shall review appropriateness carefully before bringing the matter to be discussed at the Board meeting and/or shareholders' meeting (on case by case basis). The Company must always act according to the rules and regulations set by the Capital Market Supervisory Board, the Securities and Exchanges Commission and/or the Stock Exchange of Thailand (whichever applicable).

Internal Control and Internal Audit

The Board of Directors has established comprehensive internal control systems covering all business aspects to ensure compliance to laws, rules and regulations as well as alignment with its goals. Moreover, an audit mechanism for checks and balances was set up to protect capitals of shareholders and assets of the Company. The Board has also set approving authorities and outlined responsibilities of executives and employees clearly in writing. Internal control department was formed to examine and monitor all business units' operations to comply with rules and regulations. The Audit Committee role is to continuously monitor business dealings to ensure effectiveness of internal control and credible financial reporting systems. Internal control department audits and reviews internal control systems of the Company as well as reports audit results to the Audit Committee.

Report of the Board of Directors

The Audit Committee shall review financial reports and present them to the Board of Directors every quarter. The Board of Directors is accountable for the financial statements of the Company as appeared in its annual reports and must ensure the preparation of the financial report is in compliance with the Generally Accepted Accounting Principles (GAAP-Thai) and reviewed by the qualified auditors. The Board of Directors shall also choose appropriate accounting policies and consistently applies them. Adequate disclosure of information in the foot-notes to the financial statements must be carried out.

Independence of the Board of Directors from Management

Policies on independence of the Board of Directors from management are in place that clearly separate roles and responsibilities of the Board of Directors and management team. The Board of Directors is responsible for setting strategies, objectives, policies, work plans and business goals of the Company and making recommendations and overseeing the management team in performing their duties. The Board of Directors must understand scope of authority and responsibilities, clearly define delegation of authority of the management team and ensure that the management team perform their duties as assigned. The management team shall take responsibilities in managing and undertaking business according to strategies, policies and work plans that the Board of Directors approved.

Note that the person who holds the Chairman of the Board of Directors position is clearly disassociated from the CEO. Therefore, the Chairman and the CEO are different persons and have different authorities and responsibilities. Both positions must be selected and appointed by the Board of Directors in order to ensure the most qualified persons are chosen for the positions.

3. Board of Directors Meeting

The Company has set meeting schedules for the Board of Directors and other committees in advance on a yearly basis. The Company stipulated that the Board conduct meetings at

least once every quarter by setting up the annual meeting schedule in advance with additional meetings as necessary and send out meeting notice to the Board members to review 7 days prior to the scheduled meeting date except in any urgent matter that prompt actions are required to reserve Company's rights or protect its interests. Each meeting requires a clear agenda with complete supporting documents that must be submitted to the Board of Directors in advance. During the meeting, each director shall be allocated sufficient time for discussion and allowed to freely express their opinions. Related high-level executives shall be invited to attend the meeting to provide pertinent information and to directly address the issues.

The Company shall ensure that the Board of Directors receive adequate information in a timely manner prior to the scheduled meeting. Additionally, the Board of Directors may independently contact the corporate secretary to provide consultation on matters related to compliance or for any additional information.

4. Development Programs for Directors

• The evaluation of Board's Performance

The Company requires directors to conduct self-evaluations at least once a year to assess their efficiency, performance and other issues in performing their duties in accordance with good corporate governance principles. The process is as follows

- 1) The Nomination and Remuneration Committee reviews evaluation forms to ensure accuracy, completeness and compliance to the rules stipulated by the regulatory authorities.
- 2) The secretary to the Board summarizes the results of the performance evaluation of the Board
- 3) The secretary to the Board reports the results to the Board to take actions in improving efficiency.

The objective of the evaluation of Board's Performance is to emphasize on assessments that can reflect operating efficiency according to good corporate governance principles in total of 5 topics in the evaluation are structure and qualifications of Board member, roles and responsibilities of the Board, Board's meeting, Board's function, and responsibilities to stakeholders.

At the end of June 2020, overall evaluation score in 5 sections was at 94.62%. Most directors agreed that number of directors was suitable for the size of business and number of independent director complied with standards specified by regulatory authorities, subcommittees were formed according to good corporate governance guidelines in order to assist the Board in studying and screening specific issues. There was a sufficient number of committees to take care of important matters to ensure prudent business operations. Moreover, directors performed their duties with responsibilities, prudence and honesty in compliance with laws, objectives and rules and regulations of the Company as well as resolutions of the shareholders' meetings. Additionally, directors stated their opinions and made suggestions based on best practices that are beneficial to the Company. Directors also attended the Board of Directors' meetings and subcommittees' meetings regularly.

• The evaluation of Subcommittee's Performance

The Company arranged evaluations for subcommittee including Risk Management Committee, Audit Committee, Nomination and Remuneration Committee, Sustainable Development Committee in compliance with evaluation guidelines for Thai listed companies of Thai Institute of Directors (IOD). The assessment must be conducted once a year in form of individual evaluation (self-evaluation) to assess efficiency of all subcommittees based on the following process.

- 1) Subcommittees prepare evaluation forms in compliance with good corporate governance principles and guidelines for subcommittees.
- 2) Secretaries of subcommittees summarize and report the results of the performance evaluation of subcommittees to take actions in improving efficiency of the performance.
- 3) The secretary to the Board of Directors reports the results of the evaluation of subcommittees to the Board of Directors.

The results of subcommittees' evaluation at the end of June 2020 are summarized below

Unit: Percentage

Subcommittee	Self-evaluation Score
Audit Committee	98.00
Risk Management Committee	98.52
Nomination and Remuneration Committee	92.66
Sustainable Development Committee	92.73

The Company summarized and informed the results of the evaluations of the Board of Director and subcommittees to all directors to be used as a framework in considering and reviewing their duties as well as issues and problems. The results were also analyzed and recommendations were applied further improvements and developments.

• Director's Training

The Company promotes and facilitates trainings and other informative sessions on good corporate governance for applicable persons such as directors, the Audit Committee and executives to equip them with adequate knowledge and understandings regarding corporate governance principles, rules and regulations as well as roles and responsibilities of directors. The purpose is to guarantee efficient and ethical management of the Company. The Company enrolled its directors in related seminars/programs organized by Thai Institute of Directors (IOD) and other institutions.

Recently, there were a number of directors attending training programs related to roles and responsibilities of directors. 5 directors enrolled in Director Accreditation Program (DAP) and 7 directors participated in Director Certification Program (DCP) from a total of 8 directors. When there are relevant documents informing about the programs related to the Board of Directors, the Company will notify the directors and send them information for their reviews to support their learning.

In 2020, the Board of Directors attended training is as follow;

- Mrs. Kaisri Nuengsigkapan, training course on Advanced Audit Committee (AACP) class 36/2020 from Thai Institute of Directors (IOD)"

• New Director Orientation

Once there is any change in directors, the corporate secretary shall arrange an induction session as well as prepare documents that will be useful to the new directors including provisions of an overview of the business, products and services, stock information and shareholders, organization structures and related laws and regulations in order to effectively perform duties as a director of a listed company. Preliminarily, the Company distributed the following key documents:

- 1) Scope of responsibilities of the Board of Directors
- 2) Code of Conduct Manual
- 3) Organization Structure and Lists of Executives
- 4) Shareholding Structure of the Group of Companies
- 5) Stock Information and shareholders, certificates and rules and regulations
- 6) Business Plan
- 7) Overall Risk Management
- 8) D&O (Directors & Officers Liability Insurance)

Apart from the above documents, the Chief Executive Officer and the corporate secretary also presented the following information

- 1) Overview of business including company profile and company strategies
- 2) Applicable laws related to director of a listed company
- 3) Structure of the Board of Directors and scope of responsibilities of members.

Subcommittees

The Company shall, from time to time, set up additional subcommittees as deemed appropriate with specific objectives to assess certain aspects of business more effectively. This will be approved by the Board of Directors. The subcommittee will report the progress and achievements to the Board of Directors in the specified period. Additionally, the Board of Directors will appoint Corporate Secretary as required by the Securities and Exchange Act.

Currently, the structure of directors consists of the Board of Directors who supervises the business and 5 subcommittees responsible of specific matters which are Audit Committee, Executive Committee, Risk Management Committee, Nomination and Remuneration Committee and Sustainable Development Committee. More information regarding each committee is outlined as follows.

9.2.1 Audit Committee

The Company has appointed the Audit Committee which consists of 3 independent directors. Each member is fully qualified according to the requirements stipulated by the Securities and Exchange Commission and the Capital Market Supervisory Board. As of 30 June, 2020, there are 3 independent directors as follows:

Name	Position
1. Mr. Somchai Apiwattanaporn	Chairman of the Audit Committee
2. Mr. Supasask Chirasavinuprapand	Audit Committee Member
3. Mr. Lucksananoi Punkrasamee	Audit Committee Member

Remark: The Board of Directors appointed Mr. Lucksananoi Punkrasamee as the Chairman of Audit Committee, affective on 25 August 2020

Mr.Somchai Apiwattanapron, the Chairman and Mr. Lucksananoi Punkrasamee, has adequate knowledge and experience in accounting to audit the credibility of the financial statements.

Roles and Responsibilities of the Audit Committee

- 1. Review and audit financial statements on a regular basis in compliance with accounting standards, laws and standards.
- 2. Review and ensure the effectiveness and appropriateness of the internal control system and internal audit system and review the independence of internal audit function and concur in the appointment, transfer and dismissal of the Internal Audit head or other functions responsible for internal audit.
- 3. Review the Company's operations so they are in compliance with the laws related to securities and exchange, the Stock Exchange of Thailand regulations and other applicable laws governing the Company's business undertakings.
- 4. Review, select and nominate independent person to be the Company's auditors and propose their compensations as well as participate in meetings with auditors without the presence of management team at least once a year.
- 5. Evaluate related party transactions, or transactions with possible conflict of interest in relation to compliance with the laws and regulatory requirements of the Stock Exchange in order to ensure reasonableness of those transactions and the best interests of the Company.
- 6. Review the effectiveness and appropriateness of risk management processes.
- 7. Review and propose any amendments to scopes of authority, roles and responsibilities of the Audit Committee according to changing circumstances.
- 8. Inspect and propose appropriate actions to related parties under the roles and responsibilities of the Audit Committee and may hire experts on specific fields to assist in auditing activities and other related functions.
- 9. Prepare the annual Audit Committee Report and disclose in the Company's annual report signed by the Chairman of the Audit Committee. The report must consist of the following information:
 - 1) Opinions regarding accuracy, completeness and credibility of the financial statements.
 - 2) Opinions regarding adequacy of internal control system of the Company.
 - 3) Opinions regarding compliance to laws and regulations pertaining securities and exchange or other applicable laws governing the Company's business.

- 4) Opinions regarding eligibility of the auditor.
 - 5) Opinions regarding transactions with possibility of conflict of interests.
 - 6) Number of meetings conducted by the Audit Committee and the attendance of each director.
 - 7) Opinions or overall observations regarding the Audit Committee's duties as specified in the Audit Committee's Charter.
 - 8) Other information that shareholders or investors should be informed of under the Audit Committee's duties as assigned by the Board of Directors
 10. Report the Board of Directors of any suspicion on the following transactions or actions that may significantly impact financial position and performance of the Company to ensure timely responses as advised by the Audit Committee:
 - 1) Transactions with potential conflict of interests
 - 2) Corruption, abnormality or any significant flaw of the internal control system
 - 3) Violation of laws pertaining securities and exchanges, Stock Exchange's principles or applicable laws governing the Company's business.
- In case that the Board of Directors or executives fails to take appropriate actions in timely manner, one of the members of the Audit Committee may report that transaction or action with potential conflict of interests to the Office of Securities and Exchange Commission or the Stock Exchange.
11. Perform any duties as assigned by the Board of Directors and agreed by the Audit Committee.

Term of Audit Committee

The Audit Committee shall report directly to the Board of Directors and the member shall hold office for a term of 3 years from the appointed date. The retiring member of the Audit Committee may be re-appointed but not more than 3 terms consecutively.

2.Risk Management Committee

As of 30 June 2020, Risk Management Committee consists of 3 members as appointed by the Board of Directors, namely:

Name	Title/Position
1. Mr. Somchai Apiwattanaporn	Chairman of the Risk Management Committee
2. Mr. Supasask Chirasavinuprapand	Risk Management Committee Member
3. Mrs.Chananyarak Phetcharat	Risk Management Committee Member

Roles and Responsibilities of the Risk Management Committee

1. Formulate policies related to risk management covering all different kinds of risks in undertaking and managing business of the Company.
2. Review and approve risk management plans.
3. Ensure that necessary risk management team is in place and support risk management team on its manpower, budget and other resources necessary to undertake their duties within their scope of responsibilities.
4. Monitor and follow up all risk management activities from risk identification and evaluation, risk analysis, to evaluation of risk management and ensure systematic risk management monitoring and reporting.
5. Encourage and support the Company to have proper risk management processes in all business units including continuously assess risk management activities.
6. Report the Board of Directors of significant risks and risk management activities on a regular basis.

Term of Risk Management Committee

The Risk Management Committee shall report directly to the Board of Directors and the member of the Risk Management Committee shall hold office for a term of 3 years from the appointment date. The retiring member can also be re-appointed.

3 Nomination and Remuneration Committee

As of 30 June 2020, Nomination and Remuneration Committee consists of 3 members as appointed by the Board of Directors, namely:

Name	Title/Position
1. Mr. Lucksananoi Punkrasamee	Chairman of the Nomination and Remuneration Committee
2. Mr. Supasak Chirasavinuprapand	Nomination and Remuneration Committee Member
3. Mr. Virach Seripanu	Nomination and Remuneration Committee Member

Roles and Responsibilities of the Nomination and Remuneration Committee

1. Review and select qualified candidates to be appointed as directors of the Company.
2. Verify backgrounds and other information of selected persons with the considerations of their knowledge, skills, experience and expertise from various professions and ensure that all the qualifications must be in line with applicable laws and the Company's rules or principles.
3. Set procedures, guidelines of selection and provide opinions or suggestions related to selection process.
4. Nominate suitable candidates to be appointed as directors of the Company.
5. Recommend proper adjustments and improvements to Nomination Committee Charter and propose to the Board of Directors for approval.
6. Propose policies and principles related to remunerations of directors and top management.
7. Evaluate the performance of the Company's directors annually
8. Review and determine remunerations of the Company's directors (with respect to the Company's performance and industry benchmark), other compensations as approved at shareholders meetings and expenditure related to these remunerations in the previous year and propose to the Board and the shareholders for approval respectively.
9. Review and allocate remunerations to the members of the Board of Directors and other subcommittee members individually with respect to their roles and responsibilities within the amounts approved by shareholders.
10. Undertake duties as assigned by the Board of Directors.

Term of Nomination and Remuneration Committee

The Nomination and Remuneration Committee shall report directly to the Board of Directors and the member of the Nomination and Remuneration Committee shall hold office for a term of 3 years starting from the appointment date. The retiring member can also be re-appointed.

Sustainable Development Committee

As of 30 June 2020, The Board of Directors appointed 2 members for the Sustainable Development Committee, namely:

4 Sustainable Development Committee

As of 30 June 2020, The Board of Directors appointed 2 members for the Sustainable Development Committee, namely:

Name	Title/Position
1. Mr. Supasak Chirasavinuprapand	Chairman of the Sustainable Development Committee
2. Mr. Virach Seripanu	Sustainable Development Committee Member

Roles and Responsibilities of the Sustainable Development Committee

1. Set directions and formulate policies related to sustainable development work.
2. Encourage and support all kinds of initiatives related to sustainable development including giving guidelines and monitoring related activities.
3. Consider and evaluate results of sustainable development initiatives/projects and provide suggestions and report to the Board of Directors
4. Approve of Sustainable Development report in order to disclose to the public.
5. Appoint working team for sustainable development purpose as appropriate

Term of Sustainable Development Committee

The Sustainable Development Committee shall report directly to the Board of Directors and the member shall hold office for a term of 3 years from the appointed date. The retiring member of the Audit Committee may be re-appointed.

5 Executive Committee

The Board of Directors shall appoint a number of Directors as deemed appropriate to become members of the Executive Committee supervising the Company's business as assigned by the Board of Directors. Out of these members, one shall be appointed Chairman of the Executive Committee. As of 30 June 2020, the Executive Committee comprises of 4 members, namely:

Name	Title/Position
1. Mrs. Kaisri Nuengsigkapan	Chairman of Executive Committee Member
2. Ms. Sunee Seripanu	Executive Committee Member
3. Mr. Virach Seripanu	Executive Committee Member
4. Mrs. Chananyarak Phetcharat	Executive Committee Member

Roles and Responsibilities of the Executive Committee

1. Formulate overall policies, strategies and management structures in order to undertake the Company's business properly under economic environment and competition facing the business and propose to the Board of Directors for approval.
2. Approve business plans, budgets and scopes and levels of authorities of the Company and propose to the Board of Directors for approval.
3. Examine and monitor performance of the Company so it is in accordance with the approved polices and business plans and undertaken with efficiency and effectiveness.
4. Review and approve any contract and transaction entering related to usual business operations (ie. trading, investments, joint ventures in order to carry normal business transactions and to achieve the business' objectives) within the limit of 50,000,000 (fifty million) baht or equivalent per transaction.
5. Review and approve borrowings, credit/loan applications from financial institutions including lending, pledge, mortgage or being a guarantor by the Company or its subsidiaries under the limit of 50,000,000 (fifty million) baht or equivalent per transaction.
6. Review and approve the Company's projects and initiatives and report to the Board of Directors of projects' progress.
7. Manage overall risk of the Company, evaluate risks and design risk management structure of the Company.
8. Authorize a person or a group of persons to undertake specific duties under the monitoring of the Executive Committee or delegate person or group of persons with authorities as deemed appropriate and within the time period agreed by the Executive Committee. The Executive Committee shall cancel, revoke, change or withdraw that authorized person or that authorization as deemed appropriate.
9. Review and approve contacts, affairs and register with government agencies on behalf of the Company to achieve business' objectives of the Company.
10. Review and approve salary adjustments, annual bonus and other compensations and benefits for the employees (except Executive Committee members).
11. Undertake any duties or tasks assigned by the Board of Directors.

Nomination of Directors and Highest-Ranked Executive

1 Directors

According to the Company's rules, at each Annual General Meeting of Shareholders, one-third of the directors - or the number nearest to one-third if the number is not a multiple of three – must retire from office. The directors who have been in office the longest shall retire first. Retiring directors may be re-appointed.

The Board of Directors established the Nomination and Remuneration Committee to select and review qualified candidates nominated to the position of director conforming to regulatory statutes of the Company and agreed by the Board of Directors before proposing to the Shareholders' Meetings for approval.

Nomination of directors must be in line with the following rules:

- A Director may or may not be a shareholder.
- The Company shall appoint not less than 5 directors; not fewer than half of all directors shall reside in the Kingdom of Thailand.

The Company also specified the structure of the Board of Director in conformity with good corporate governance policies ie. the Board of Directors shall consist of independent directors at least one third of the number of the directors in the Board of Directors.

• The Board of Directors

The Nomination and Remuneration Committee is responsible for searching and nominating suitable persons to hold director position. The Nomination and Remuneration Committee must review the qualifications of the candidates with respect to the Company's strategies and in conformity with structure and component of the Board as specified by the Board of Directors. The candidate must be qualified in terms of knowledge and skills, experience, expertise, devotion and must have other qualifications complying with Public Limited Company Act 1992 (and its amendments), Securities and Exchange Act 1992 (and its amendments), related announcements from the Securities and Exchange Commission and the Capital Market Supervisory Board. In any case, appointment of the directors must be approved Board of Directors meetings and/or shareholders meetings (depending on the case).

• Independent Directors

For the selection and nomination of the Independent Directors member, the suitable candidate have good qualifications in conformity with the definition of Independent Directors according to the rules and principles set by the Securities and Exchange Commission and the Stock Exchange.

Qualifications of Independent Directors

Number of independent directors must be at least one third of the total number of directors of the Company and not less than three and must have qualifications conforming to these requirements:

1. Holding not more than 1 percent of the Company's shares with voting rights, or that of any subsidiary, affiliated company, major shareholder or controlling person of the Company, which shall be inclusive of the shares held by any related person of such an independent director;
2. Neither being nor having been an executive director, an employee, a staff member, an adviser who receives a regular salary, or a controlling person of the Company, subsidiary company, associated company, subsidiary company at the same level, major shareholder or controlling person of the Company unless the foregoing status has ended for more than 2 years except the case that the independent director used to work for or be an advisor to an government agency who is the majority shareholder or the controlling person of the Company;
3. Not being a person related by blood or registration under law, such as father, mother, spouse, sibling, or child, including the spouse of a child, of other director, any executive, major shareholder, controlling person or person to be nominated as a director, an executive or a controlling person of the Company or subsidiary company;
4. Neither holding nor having held a business relationship with the Company, subsidiary company, associated company, major shareholder or controlling person in a manner which may interfere with his/her independent judgment, and neither being nor having been a substantial shareholder or a controlling person of any person having a business relationship with the Company, subsidiary, affiliated company, major shareholder or controlling person unless the foregoing relationship has ended for more than 2 years.
5. Neither being nor having been an auditor of the Company, subsidiary company, associated company,

major shareholder or controlling person, and not being a substantial shareholder, controlling person, or partner of an audit firm which employs auditors of the Company, subsidiary company, associated company, major shareholder or controlling person unless the foregoing relationship has ended for more than 2 years;

6. Neither being nor having been any professional adviser including legal adviser or financial adviser who receives an annual service fee exceeding Baht 2 million from the Company, subsidiary company, associated company, major shareholder or controlling person, and not being a substantial shareholder, controlling person, or partner of the professional adviser, unless the foregoing relationship has ended for more than 2 years;

7. Not being a director who has been appointed as a representative of the Company's director, major shareholder, or shareholder related to the major shareholder;

8. Not undertaking any business the nature of which is the same as that of the Company or subsidiary company and which, in any material respect, compete with business of the Company or subsidiary company or not being a substantial partner in the partnership, a director who is involved in management, an employee, a staff member, an adviser who receives a regular salary, or a shareholder holding more than 1 percent of shares with voting rights of a company undertaking any business the nature of which is the same as that of the Company or subsidiary company and which, in any material respect, compete with business of the Company or subsidiary;

9. Not having any characteristics that prohibit the expression of independent opinion towards the Company's business undertakings.

10. The tenure of an independent director shall not exceed nine years from the date of their first appointment.

2 Highest-Ranked Executive

To seek and nominate highest-ranked executive or Chief Executive Officer, the Executive Committee will be responsible for preliminary assessment to find a qualified person with relevant knowledge, skills and experience and thorough understanding of the business sufficient to manage the business to attain its objectives and targets as envisioned and set by the Board of Directors. Then, the Executive Committee will nominate the person to the Nomination and Remuneration Committee and the Board of Directors for their approvals.

Corporate Governance of Subsidiaries

With regard to corporate governance of its subsidiaries, the Company appoints a representative to be a director/executive in the subsidiaries and associated companies based on the shareholding structure of each company. The appointed person shall be nominated and approved by the Board of Directors and shall possess suitable qualifications and experience to manage that respective subsidiary and associated company.

Moreover, the appointed person shall have adequate qualifications and experience to ensure that the business doing of the subsidiary/associated company is in line with the Company's policies and in accordance with related laws, objectives, rules and consensus from shareholder meetings. The appointed person shall supervise the subsidiary/associated company with honesty and prudence as well as keep shareholders' interests at heart. Besides, the representative shall ensure the completeness and accuracy of the disclosure of financial information and business performance regarding transactions with related parties, acquisition and disposal of assets or any important transaction.

The appointed representative shall monitor the business doing of the subsidiary/associated company closely and present business performance as well as recommendations on business policies to the Board of Directors of the Company and/or the subsidiary/affiliated company in order to achieve highest benefits and sustainable growth of the business.

Control of Internal Information

Internal Information supervision and control are considered a part of good corporate governance that the Company gives full attention to. Policies related to preventing the misuse of internal information that have or may have an impact on the Company's securities prices are imposed as a guideline and a measure to prevent internal information or important confidential information not disclosed to the public for personal benefits

or benefits or others. This is in accordance with rules and regulations stipulated by the Stock Exchange of Thailand, the Securities and Exchange Commission and other related rules and regulations. Policies are summarized below.

1.The Office of Company Secretary is responsible for educating directors and executives about the duty to report their securities holding and the holding of their spouse and minor children to SEC pursuant to Section 59 and penalty provisions under section 275 of the Securities and Exchange Act B.E.2535 (include the amendment) and to report the acquisition or disposition of the holding of their spouse and minor children to SEC under Section 246 and the penalty provisions under Section 298 of the Securities and Exchange Act B.E.2535 (include the amendment).

2.Directors and executives of the Company including their spouses and minor children must prepare and disclose reports related to the holding of securities and the changes in the Company's securities holdings to SEC pursuant to Section 59 and Section 246 which must inform corporate secretary who has duty assigned by Board of director to be acknowledged at least 1 day in advance before transaction incurred and send copies of this report of changes in securities holding in the Company to the Company the same day that the reports are submitted to SEC.

3. Directors, consultants, employees, persons working for the Company, related parties as well as other persons receiving internal information such as auditors, financial advisors and legal advisors must be careful when trading securities of the Company in the last month before the financial statements or internal information is disclosed to the public. And during 24 hours after the information of the Company has disclosed to the public those related to inside information must not disclose it to anyone unless they have indicated that data to the Stock Exchange of Thailand.

4.Directors, consultants, employees, persons working for the Company, related parties as well as other persons receiving internal information such as auditors, financial advisors and legal advisors are prohibited from using the information that hasn't been disclosed of the Company that affects stock prices of the Company, which they have learned by their positions or statuses to purchase, sell, offer to buy or sell, persuade others to buy or sell, offer to buy or sell shares or other securities of the Company (if any), whether directly or indirectly, in a manner that is likely to cause damage to the Company whether directly or indirectly. And whether such action would benefit themselves or others or would not benefit themselves or others.

5. Directors, consultants, employees, persons working for the Company, related parties as well as other persons receiving internal information such as auditors, financial advisors and legal advisors are prohibited from disclosing confidential business information of the Company to external parties especially competitors even after the termination of their positions and referring to external parties for their personal benefits and/or benefits of related parties. Disclosure of information must conform to information disclosure policies. Employees in general have no duty related to information disclosure. In case of inquiry of information beyond their duties, employees shall suggest the inquirer to ask responsible persons directly for the purpose of information accuracy and alignment.

The Company has procedures to control and manage internal information or confidential information that affects stock prices as follow

1. Establish internal control systems to prevent internal information leakage
2. Safe keep the list of internal persons involved in the transaction that affects stock prices and not disclosed to the stock market ("Confidential Transaction")
3. Ensure that directors, executives and employees involved in confidential transaction are fully aware of their duties in treating internal information.
4. Provide confidentiality agreement for consultants and other vendors (combined as "consultant") and have them confirm that policies and systems are in place to comply with the agreement before granting access to the confidential information.
5. In case that a market sounding is required for the confidential transaction such as a capital increase or a tender offer, the Company shall have a full understanding of processes and plans as well as ensure an adequate information disclosure and prevent the misuse of confidential information.

Information on Changes in Securities Holding of Directors and Management of the Company in 2020^{1/}

Director/Executive	Previously held	Acquisition	Disposal	Number of Shares as of 30 June 2020
1. Mrs. Kaisri Nuengsigkapan	2,534,500	0	0	2,534,500
2. Ms. Sunee Seripanu	367,744,220	1,601,700	10,000,000	359,345,920
3. Mr. Virach Seripanu	15,000,000	0	0	15,000,000
4. Mr. Somchai Apiwattanaporn	0	0	0	0
5. Mr. Supasask Chirasavinuprapand	0	0	0	0
6. Mrs. Chananyarak Phetcharañ	451,900	1,727,300	79,200	2,100,000
7. Mr. Lucksananoi Punkrasamee	0	0	0	0
8. Mr. Ekaluck Wangchucherkul	0	0	0	0
9. Mr. Nopadol Tangdenchai	10,000	5,000	0	15,000
10. Mr. Sakesan Serksiri	0	0	0	0
11. Mr. Aphichai Pholkosal	0	0	0	0
12. Ms. Kittima Wachropas	0	22,000	0	22,000
13. Mr. Nattapon Ponkrida ^{2/}	0	0	0	0
14. Mr. Sirisak Prasitsanha	0	0	0	0

Note: ^{1/}Number of common shares held by directors and Executive in the table already includes number of shares held by their spouses and minor children

^{2/}Mr. Nattapon Ponkrida resigned from the Company on 1 March 2020

Compensation to Auditors

The annual General Shareholder Meeting of 2019 appointed Deloitte Touché Tohmatsu Jaiyos Company Limited with Ms. Mr. Manoon Manusook Reg. No 4292, and/or Mr. Choopong Surachutikarn Reg. No 4325, and/or Mr. Wonlop Vilaivaravit Reg. No 6797 as auditor of the Company for 2020. Audit fees that the Company paid Deloitte Touché Tohmatsu Jaiyos Company Limited This can be divided into 1.6 million baht fee for the Company, 1.35 million baht for subsidiaries and 0.33 million baht for Joint Venture Company. Apart from the stated fees, one of subsidiaries also paid non-audit fees to E Y Office Company Limited for the audit of compliance to promotion certificate conditions for the year ending 30 June 2020 with the amount of 0.2 million baht.

Other Good Corporate Governance Practices

For the past year, the Company has committed to strictly comply with good corporate governance practices for listed companies as guided by the Stock Exchange of Thailand as well as continuously pursue its corporate social responsibility endeavors.

SUSTAINABLE DEVELOPMENT

The Company adheres to good corporate governance principles in managing its business by paying attention to the society and the environment and ensuring that all stakeholders are treated fairly. Compliance with the law is strictly observed in conducting business in order to attain stable and sustainable business growth.

Sustainable Development Committee formulated policies related to sustainable development as a guideline for handling sustainability management of the Company in the same direction so that directors, executives and employees at all levels can conform to in performing their duties to achieve a work culture that realizes the balance of economy, society and environment. Essential details of the policies are summarized below.

1. Sustainability strategy formulation and risk management to maintain stability and sustainability of the Company.
2. Fair business conduct and commitment to moral principles, ethics, laws, good corporate governance principles and the code of conduct.
3. Anti-corruption for all forms of corruption, honesty and righteousness in undertaking business without any fraud and bribery.
4. Respect for human rights, equal and equitable treatment of all stakeholders and no involvement in any action violating human rights.
5. Fair treatment of workers, workplace safety, proper compensation and benefits, knowledge and skill development, transparent and fair performance evaluation and no child labour and illegal worker.
6. Responsibility for consumers in conducting business by creating quality products under good standards to meet the needs of consumers.
7. Environment conservation, environmental-friendly sourcing of raw materials and product design, efficient resource utilization, environment quality management and development and improvement of environment management systems.
8. Community and society development through the Company's activities and collaboration with government agencies, associations, business partners, civil society sector and other stakeholders in developing and supporting communities and the society.
9. Business and social innovation development to create value added and growth for the Company in the long term.

Important Issues in Sustainable Development

The Company emphasizes on stipulating and prioritizing sustainable development issues by considering all issues crucial to its business conduct including other issues related to both internal and external stakeholders of the Company.

Steps in Assessing Important Issues in Sustainable Development

1. Analysis of issues that are essential to the Company

Consider and select sustainability issues that are important to its business conduct including its supply chain and consistent with the Company's business context and covering all sustainability issues related to economy, society and environment.

2. Assessment of important issues from impacts to stakeholders.

Evaluate and prioritize importance of issues that affect stakeholders and expectations of stakeholders that the Company concerns through various activities such as opinion and complaint acceptance and satisfaction survey.

3. Assessment of level of importance.

Prioritize sustainability issues in each aspect by considering 2 factors which are probability and impact to the organization and attention level and impact to stakeholders. Approval from Sustainable Development Committee on this must be obtained. Committee on this must be obtained.

Important Issues in Sustainable Development			
Impacts to stakeholders	High		<ul style="list-style-type: none"> • Innovation and Dissemination • Fair business conduct • Responsibilities to Consumers
	Medium	<ul style="list-style-type: none"> • Respect for Human Rights • Anti-Corruption • Equitable Treatment of Employees • Environmental Conservation 	
	Low	<ul style="list-style-type: none"> • Community and Social 	
		Low	Medium High
Issues that are essential to the Company			

Sustainable Development Initiatives

MC GROUP realized the importance of disclosure of information and rigorously comply with sustainable development guidelines and practices. The disclose of information will be beneficial to all stakeholders as they are fully informed of MC GROUP’s activities regarding social responsibility and sustainable development.

For the past year, the Company still put an emphasis on the importance of all stakeholders’ roles from shareholders, employees, customers, partners, competitors, creditors, debtors to society and environment and acted upon the policies and the procedures of sustainable development as follow:

1) Fair business conduct

The Company has policies to treat stakeholders ethically, transparently and under fair competition according to international rules and other relevant laws relating to trade competition regulations. These standards aim to prevent market monopoly, unfair market manipulation, bribery, market mechanism distortion and illegal access to competitors’ information. The Company also commits not to discredit and/or damage its competitors in any unethical ways, such as paying bribes to its competitor’s employees or accusing its competitors illegitimately.

The Company has conducted its business with ethics, transparency and credibility with a focus on building the business to attain sustainable stability in order to maximise its share values and be able to distribute dividends regularly. The Company has always intended to build good relationships with business partners, to have fair sourcing and procurement with no barrier of trades or limit to competition and also act according to the frame of fair business competition, contracts, code of conduct and promises given to customers with the concern of mutual benefits. The Company has a policy to deliver quality products within acceptable timeframes. Additionally, the Company is against any infringement of intellectual property rights and has put in place regular inspections for copyrighted products such as computer software or trademarks of others.

2) Anti-Corruption

The Company places great importance on the prevention of all kinds of corruption and aims to build organisation cultures based on honesty and righteousness. Right conscience and attitude are encouraged among its executives and employees in performing their duties under rules and regulations with honesty.

The Company has announced anti-corruption policy and guidelines for giving or accepting financial assistance, gifts, receptions or donations for charity or public interests including no gift policy during festive season to prohibit executives or employees from activities or actions with potential conflict of interest either directly or indirectly. The employees must refrain from offering or accepting gifts or benefits from any party relating to business that leads to actions or inactions harmful to the Company. The Company ensures strict compliance to prevent corruptions. To affirm the Company’s anti-corruption intention, the Company signed a joint declaration with the “Thai Private Sector’s Collective Action Coalition for Anti-Corruptions” and issued publications promoting anti-corruption policies to educate and inform its employees and business partners to conform to the policies.

In addition, the Company included Code of Conduct and Anti-Corruption in its new employees’ orientation every month as well as published articles relating to good corporate governance and anti-corruption in MC Society, the Company’s magazine issued every 3 months. This is to ensure the strict compliance to the stated policies of the employees.

The Company announces and reviews its anti-corruption policy on a yearly basis including policies related to whistleblowing and complaint so that all stakeholders can inquire details, file complaints and report any misconduct, illegal behaviors, inaccuracy of financial reports, internal control problems or unethical behavior according to Corporate Governance Section 3 on roles of stakeholders. Details of complaints or whistleblowing and information of the complainants/whistleblowers will be protected and kept confidential to ensure that there will be no negative impact or damage to the whistleblower or the person giving information directly or indirectly

Thanks to its commitment to anti-corruption, the Company was certified as a member of Thailand's Private Sector Collective Action Coalition against Corruption.

3) Respect for Human Rights

The Company strictly conforms to laws and principles relating to human rights by setting a code of conduct to ensure that its employees work and treat one another equally and fairly with respect to personal rights and without discrimination by race, religion, gender and social or political status, to be in compliance with standard practices relating to human rights. The Company has determined not to support or promote any businesses that violate human rights. The Company also respects individual privacy of their employees and personal information such as salary, medical history or family data are kept strictly confidential not to disclose to outside or unrelated parties with the exception of that information disclosure is required by law.

The Company has acted equally to all stakeholders and carefully monitored the business to ensure it is not involved in any violation of human rights and support partners to operate business with non-violated of human rights as well. Moreover, there are channels for complaints for those who are treated unfairly as well as protection measures for whistleblowers. These channels are in harmony with corporate governance principles Section 3 on the corporate governance in Section 3 on Roles of stakeholders. From the past year, there was no record of any violation of human rights.

4) Equitable Treatment of Employees

The Company truly believes that its employees are the key stakeholders and are the most valuable assets that will help bring success to the Company. Thus, the Company is determined to ensure that every employee is fairly treated in terms of employment, compensation and benefits, skill development, quality of life and work safety. The Company established an Environment, Health and Safety working unit as a central unit dedicated to monitor all units of the group of companies of any matter relating to safety, environment and health as well as suggest solutions to issues or problems; for example, chemicals management in production process and integrated waste management.

Employment

The Company set non-discrimination employment policies that offer equal opportunities to minorities like women, people with disabilities and the underprivileged without exploiting child labor or other illegal labor.

The Company strictly conforms to laws related to fair labor and support and development of quality of life of the disabled by providing various hiring opportunities to work with the Company. Furthermore, the Company also indirectly promotes employment and occupations of the disabled; for example, the aid granted to wheelchair basketball athletes of the Wheelchair Basketball Thailand as well as numerous supports to athletes with disabilities in other sports such as track and field, badminton, tennis, archery, and swimming.

In addition, the Company advocates gender equality in employment and career growth. In 2020, the proportions of men and women in our workplace are about the same and there are a significant number of female high-level executives which represent the equality in career advancement that made the glass ceiling less of an issue at Mc Group.

Compensation and Benefits

The Company treats employees equally and fairly by providing fair and reasonable remunerations and benefits that match their knowledge, capability, responsibility and individual performances. Compensations and benefits offered are greater than as required by law. Provident funds, group health insurance, annual health check-up, 5S activity, safe working environment, educational scholarships for employees' children are provided to employees. The Company also participated in a pilot organization development project on preterm labor prevention for pregnant employees. These compensations and benefits are rewarded based on the Company's performance and performance of individual employee as well as competitiveness with others

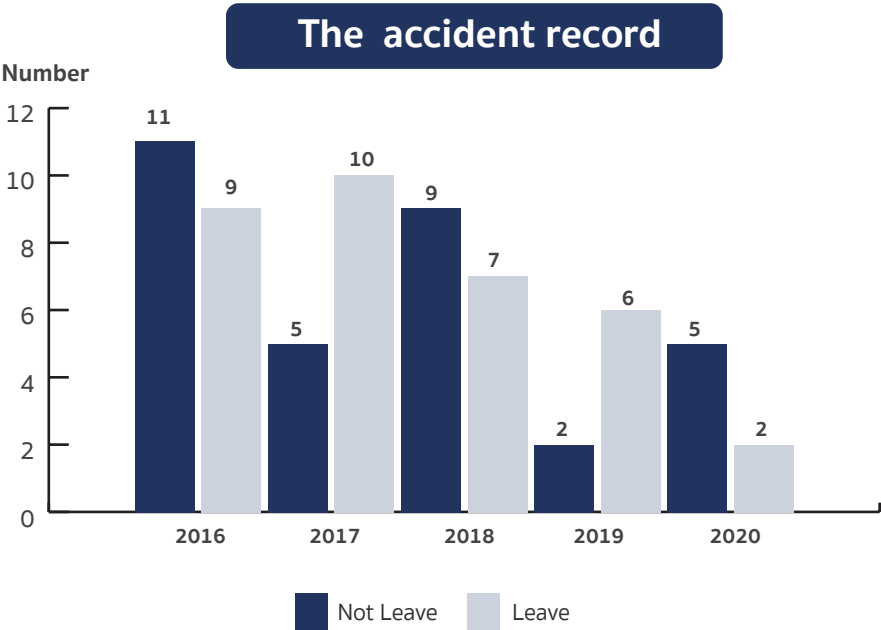
related industries. Additionally, the Company pays variable bonuses to employees when profit targets are met.

In addition, the Company takes care of employees' children through scholarship programs for eligible students who passed the selection process at different levels from kindergarten to higher education to lessen financial burdens of its employees, create educational opportunities and motivates students to further their studies to become the mainspring for the nation in the future.

Work Safety

With regard to work safety, the Company stipulated policies and other related welfare management to all employees in compliance with the laws and human rights relating to safety, hygiene and working conditions. The Company also urged its staff to set standards for operational excellence. Risks are identified, analyzed and mitigated in all processes and proper protections were put in place so each factory can easily implement these safety procedures. Furthermore, Occupational Safety, Health and Environment Committee by organizing monthly board meetings, Safety Officer in Professional Level including Safety Officer in Management Level and Safety Officer in Supervising Level were set up to regularly train the employees on work safety. Safety, hygiene and work condition procedures were strictly implemented in accordance with standards.

The Company cares about general safety of employees for both their health and their properties as evidenced from its safety alarms in the buildings, fireman team for each factory and purchase of structural fire gear including its safety training such as an annual fire drill with proper plans and formats. These procedures are in accordance with concrete and safety and environmental standards and other related regulations under new laws. Safety trainings are regularly conducted not only internally such as courses on Safety Health and Environment course for employees, basic safety course for employee, basic Firefighting and Fire Drill but also externally through collaboration with other agencies such as Safety, Occupational Health and Working Environment Law Course, Safety Thailand to Safety Work Seminar, Workplace Fire Prevention, Ergonomic Risk Assessment for Occupational Injury, ISO 45001 and Indoor Air Quality Problems That affects the health of workers. Moreover, other safety and hygiene measures were implemented such as Inspect the working environment regarding light, heat, noise, dust, and the quality of waste water out of the factory to comply with legal regulations, water quality test, Factory 1 emergency light replacement in order Including a work permit form, which inspects external contractors before entering the factory that all employees are safe and healthy according to standards.



Quality of life

The Company ensures that its employees are healthy physically, mentally and socially. The Company provides full-time nurses on site to safeguard employees' physical and mental health in compliance with the laws. Health check-up for all employees is also organized annually. The Company makes sure that employees work in good and safe working conditions without threats from sickness, injuries or any disease, causing them to work efficiently and live happily.

To ensure that employees have good quality of life outside work, the Company organised a training on basic medical care rights for its employees under collaboration with Social Security Office with the objective to raise awareness for its employees on their rights they are entitled to. Furthermore, the Company realised the importance of financial wellness of its employees as a critical factor affecting quality of life. Therefore, the Company worked together with the Government Savings Bank to offer low-interest loans to the employees. This is an option for employees to manage and restructure their debts and replace high-interest shark loans with low-interest loans. Better financial health will improve mental health and finally enhance quality of life of the employees.

Human Resource Development

The Company is determined to continuously develop its human capital through capability and skill enhancement that promotes work efficiency and effectiveness. Mc Academy was established to provide internal training for employees in addition to external training courses that the Company offers with the purpose to equip employees with knowledge, competencies and skills necessary to perform their duties to help the Company attain its defined business goals and objectives.

Mc Group earnestly stresses on talent development to enhance the capabilities of employees. As of the end of June 2020, the Company enrolled employees in 42 curriculum with accumulative hours of 15,462 hours or equivalent to 12 hours of training per employee.

In order to set and raise work standards to improve work efficiency and effectiveness, the Company added a number of PC trainers and PC supervisors to help educate and train new PCs to sufficiently address the training demand of PCs nationwide. This is in alignment with business growth and requirements which will enhance business competitiveness of the Company at present and in the future.

Additionally, the Company organized trainings for online sales for PCs to prepare for the expansion of E-commerce market which shows unwavering growth in the past years. This will allow the Company to achieve higher growth while sales channels are fortified to cash in on the expansionary trends.

Apart from e-commerce training, Mc Group realized the importance of social media and initiated a program to upskill PCs on social media under the topic "Facebook Fan Page" so that PCs are able to create and manage their own media as alternative channels to communicate with customers and promote our products directly. Last but not least, the Company collaborated with various companies that provide external learning and development programs and requested their training curriculum and subjects as useful information for interested employees who look for training courses to develop themselves and gain knowledge and skills needed to assist the Company to attain its goals.

5) Responsibilities to Consumers

The Company considers responsibility to customers as its priority and aims to create values and grow with its customers. Gaining customers' trust is crucial to the Company's success. Thus, customers must be treated with sincerity and politeness as well as an intention to serve them more efficiently. The Company has the following policies for treating its customers:

1. Manufacture, design and deliver quality products that pass quality assurance and meet standards as promised to customers at reasonable prices.
2. Provides correct, sufficient, and timely information to its customers regarding the Company's products.
3. Strictly conform to conditions/agreements made to customers. In case that a condition cannot be

fulfilled, customers must be notified promptly to seek mutual solutions.

4. Treat customers politely and be reliable for the customers.
5. Ensure safe customer information management system including sufficient confidentiality measures. Do not disclose customer information without their consent and do not use customer information to wrongfully seek personal benefits or the benefits of related others.
6. Warranty products under appropriate time condition and comply with Consumer Protection Act.
7. Establish systems/processes for customers to send complaints regarding quality, quantity and safety of products and services and ensure speed in complaint management in order to resolve the issues for the customers.
8. Initiate and promote activities relating to social responsibility for customers.
9. Promote environmentally-friendly product development, packaging and logistics.
10. Provide channels to disseminate information regarding products and product development for customers on a regular basis.

At the end of June 2020, the Company added more varieties of lifestyle products while stressed on quality, use of fabrics with special properties, modern designs and functional features perfect for everyday life and different lifestyles. “Mc Biker Denim ‘Motorcycle Series’” was inspired by car-racing outfit properties that offer the ease of wearing from combining denim made from safety-enhanced Kevlar with Spandex and T400 that promote flexibility and elasticity of the fabric. “Innerwear” was premiered as 100% cotton t-shirts designed for minimalists. “Mc Selvedge Walker” sneakers apply uniqueness of red selvedge denim to footwear by decorating with tapes. Moreover, in collaboration with the Walt Disney Thailand, the Company launched copyrighted Marvel Sport Fashion Collection with modern patterns and designs. Last but not least, Perfect Hoodie was introduced to the market as sport jackets using the reflective technique for front logos and the emboss technique for the back that allow wearers to freely mix&match with other apparels perfectly.

Furthermore, the Company expanded spaces in its branches to address higher demands of consumers. At the end of June 2020, the Company had a total of 657 locations that enable the Company to manage its products without difficulties. The Company can also introduce a variety of new products and organize sales promotion campaigns to better offer new experiences and fun to consumers leveraging on this extensive network. In order to enhance convenience for consumers in purchasing its products, the Company brushed up its online channel through mcshop.com website by improving its format and promoting new interesting features which are attractive and well-structured so that consumers can enjoy user-friendly and convenient online shopping experience.

The Company implemented a customer relationship management (CRM) system to register our customers for exclusive membership under the name “MC CLUB” with the following objectives.

1. To offer new experience and fun for customers in purchasing its products.
2. To better understand customers so that the Company can benefit from customer information in product development or other direct marketing campaigns.
3. To provide privileges to customers such as MC Point, a points system that members can collect points for rewards, and special prices.

All customers can apply for MC CLUB membership free of charge through 2 channels either with any Mc Jeans branch or through the website <http://mcclub.mcshop.com>

Besides, in order to link offline and online channels together to create seamless shopping experience, the Company recently provides a delivery service “Ship to Shop” to accommodate customers who purchase products through its website mcshop.com where customers can pick up products they order online at Mc Jeans shops near them. Customers can check the products they purchase at the spot after delivery and can receive after-sales services such as size change or length adjustment instantly at respective Mc Jeans shops.

6) Environmental Conservation

The Company and its subsidiaries are committed to conserving the environment. Policies and measures are in place to solve any production problems that may harm the environment and assist environmental

management. Continuous efforts were put to mitigate environmental impacts. The Company has put emphasis on its care for the environment in every step of its activities starting from procuring environmentally-friendly raw materials, reducing and managing wastes from its manufacturing, cutting energy consumption, managing wastes to recycling and reusing of used materials/residues. The social and environmental responsibilities are considered as an important mission in conducting business and included in its good corporate governance policies. Furthermore, the Company does not just only consider monetary interests of its new projects but also concerns safety and environment issues. EHS working unit participates since the inceptions of those projects to give advices and voice concerns relating to environmental preservation and safety.

The Company and its subsidiaries also paid careful attention to conserving the environment through ongoing examinations of environmental risks incurred from production such as quality of wastewater disposal from factory and total suspended particulate. These are procedures and processes that the Company strictly follows and to control and manage environmental impacts of its business activities:

1. Environmental Management

1.1 Protection and monitoring

1.1.1 Air quality and working environment

The Company has measures on environmental quality monitoring before releasing outside of factories as well as workplace environment monitoring such as air quality in the workplace (including total suspended particulate and dust particles less than 10 micron), noise pollution, brightness and temperatures in workplace. All need to pass the standard regulations according to the laws.

1.1.2 Water quality

The Company has wastewater treatment system and monitor for drinking water to meet the standards as regulated by the law.

1.2 Efficient resources management

For Industrial waste management, a sorting waste procedure is in place to separate industrial waste to its category and systematically store before distribution to authorized waste disposal agents from the Department of Industrial Works to proceed with the required landfill or treatment.

2. Employee education

The Company never overlooks the importance of sharing knowledge on environment to its employees regularly. Employees are sent to attend trainings held by different agencies such as Environmental Manager Training, Chemical Use Safety, Employee Development Program on the Assessment of Internal Energy Management, Guidelines to Water Management for Industrial Sector and How to Deal With Drug Abuse Problems at Workplace.

Since the commencement of its operations, all factories run by the Company's subsidiaries have not had any disputes or lawsuits relating to the environment. They have also not received any complaints from government departments regarding their compliance with environment-related regulations such as the Factory Act B.E. 2535 and the Enhancement and Conservation of National

The Company introduced light jacket hoodies to the market. This product is made from recycled plastic bottles using innovative technique to make it light as well as wind and vapor proof that enhances comfort and agility suitable for wearing. The use of fabrics from recycled plastic to make the jackets can reduce environmental impacts in a sustainable way.

Last but not least, the Company continues its initiatives in taking care of workplace environment as usual including the replacement of traditional lightbulbs with LED bulbs to save energy, reused paper project, green space for workplace project and electricity savings at lunch break project.

7) Participation in Community and Social Development

With well-defined vision and mission, the Company is committed to successfully undertaking its business alongside with maximizing satisfaction of all stakeholder. Therefore, the Company strictly adheres to policies related to corporate social responsibility as one of the core values and the Company continuously takes concrete actions to foster this value.

MC GROUP Scholarship Program for Employees' Children

The Company founded a scholarship program for children of employees as the Company put employees' welfare and their families first and aims to enhance their quality of living. The objective of this program is to partly subsidize educational expenses that employees pay for their children's studies.



MC GROUP Annual Health Check-Up Program

Employee health and happy workplace are emphasized at MC GROUP and the Company encourages employees to stay healthy both physically and mentally. Every year, the Company commissions premium hospitals to conduct medical examination for its employees at the office.



COVID-19 Pandemic Protection Program

During COVID-19 outbreak, the Company was strict in implementing COVID-19 control measures for employees across the organization. The Company educated employees on how to protect themselves from the virus and conducted temperature check before entering the premise. For at-risk cases, the Company sent employees to a thorough examination and applied 15-day quarantine period in compliance with the government's guidelines. Protective gadgets to prevent the infection were distributed to employees and latest news related to the spread was communicated to employees. Besides, the Company announced work-from-home policy as well as other measures to protect not only employees but also customers who visited its shops.



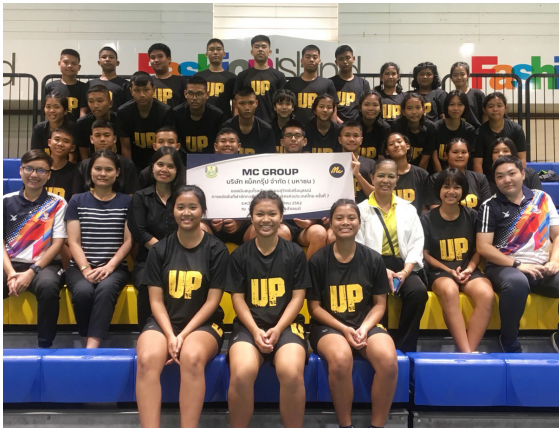
Together for Stronger Society Project (Ruam Duay Chuay Gun, Srangsun Sangkom)

The Company cares for communities and government agencies surrounding its premise and participated in various activities organized by external parties to build relationship and contribute to the society. For example, the Company joined Prawet District Office for a number of projects and activities including National Children's Day activities and Volunteering for Prawet Canal Development Campaign to help improve living standards of neighboring communities and the society.



MC GROUP Supporting Sports for Youth Development Project (International Tug-Of-War)

The Company sponsored tug-of-war team of Mathayom Suwit Seree Anusorn School in Prawet District, Bangkok by providing equipment and sports attires for the 2019 Tug-Of-War National Championship Competition No. 7. The school put efforts in developing its athletes and certain students were selected to be among Thailand's national team to participate in international tug-of-war events. Additionally, the Company also supplied equipment and sports attires for woodball competition for Mathayom Suwit Seree Anusorn School in Prawet District, Bangkok to help promote and develop woodball to international standards in the future.



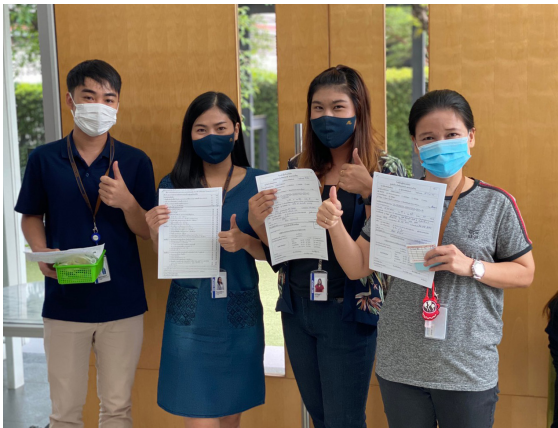
MC GROUP for Sports and Youth Development Project (Youth Gifted In Sports)

The Company is an official sponsor of sport attire, equipment and scholarship for Miss Wanraya Wannapong or Nong Milk, a grade 7 student of Suwit Seree Anusorn School, Prawet District, Bangkok. Nong Milk is a national drone athlete who won the King's Cup from King Rama the 9th and a number of international championships including FAI Drone Racing Championship 2019 held in Shenzhen, China during 15 December 2019. Nong Milk was the youngest drone racing world champion in the world.



Mc Blood Donation Program

The Company believes in helping others and organized Mc Blood Donation Program to help extend lives for other people under collaboration with Sirindhorn Hospital, a public hospital located in Prawet District, Bangkok adjacent to the Company. This program’s main objective is to encourage employees to give, share and sacrifice. Many employees were interested in the program and participated in the blood drive.



“Kep Raks” Project with Tono Phakin Kamwilaisak

The Company supported “Kep Raks” Project of Tono Phakin Kamwilaisak who is brand ambassador for Mc. This project encourages people to collect and reduce garbage to promote better environment as increasing volume of garbage pollutes rivers. The Company intends to cultivate environmental-friendly mindset in its employees through participation in this project.



Let's Be Hero CPR Workshop in Campus with Dr. Lalana Kongtoranin (Dr.Jeab)

The Company teamed up with Let's Be Hero Foundation by Dr. Lalana Kongtoranin (Dr.Jeab) to help increase survival chance for patients in critical conditions through promoting and sharing basic resuscitation knowledge such as CPR and use of AED to university students in Bangkok and the vicinities. The objective is to provide theoretical and practical knowledge for university students so that they can apply in real situations and further share the knowledge to broader groups as much as possible to increase living chances of patients. The Company has a belief that not only a doctor can save lives but also normal person can do it and be a hero.



Fabric Mask & Face Shield Donation for Society Project

During COVID-19 crisis, the Company started production lines for fabric masks and face shields to help alleviate shortage of masks. The Company manufactured masks and shields for sale and giving away to employees to prevent them from COVID-19 infection. Besides, the Company donated and distributed fabric masks and face shields to government agencies including Chaipattana Foundation, Sirindhorn Hospital in Prawet District, Bangkok, Prawet Metropolitan Police Station as well as communities in Bangkok to help mitigate the issue and prevent the spread of COVID-19.



Innovations and Dissemination of innovations from Activities with Responsibility for Society, Environment, and Stakeholders

The Company upholds its commitment to developing good corporate governance and innovations to create an organization that adds value to society with the right balance between operational/financial results and its responsibility to its stakeholders including society, community, and the environment. The Company shall conform to any related laws and regulations to ensure that the rights of stakeholders are fairly reserved and protected and to encourage stakeholders to participate in creating wealth, stability, and sustainability of the Company in the long run.

The new sweaters are specially-designed with built-in face covers with ANTI-BAC and ANTI-UV properties while the innovative hoodies come with special zippers that can cover the chin with ANTI-BAC and ANTI-UV properties. The products are perfect for sports or everyday lifestyles as they are made of NANO ZINC fabrics with ANTI-BAC property as well as odor control – no more body odor problem. 98% UV RADIATION BLOCKED property also helps prevent wearers from the sun in an instant. The UV projection in the fabric is more durable and environmental-friendly compared to typical coating even after 150 washes. The products are also flexible and tight suitable for both outer wear for sports activities and everyday lives. The fabric also contains cotton that gives comfort and good ventilation.



REPORT OF AUDIT COMMITTEE

To: The shareholders of MC GROUP Public Company Limited

The Audit Committee of Robinson Department Store Public Company Limited is composed of 3 independent qualified members: Mr. Somchai Apiwattanaporn, chairman of Audit Committee and Mr. Lucksananoi Punkrasamee, member of Audit Committee who has adequate expertise and experience to review creditability of the financial reports. In 2020 there were 4 meetings. All audit committee members attended every meeting, details of which are as follows:

Name	Position	Meeting Attendance
1. Mr. Somchai Apiwattanaporn	Chairman of the Audit Committee	4/4
2. Mr. Lucksananoi Punkrasamee	Member of Audit Committee	4/4
3. Mr. Supasask Chirasavinuprapand	Member of Audit Committee	4/4

In each meeting, there is a consultation between executives, certified auditors and internal auditors as deemed appropriate. Opinions and recommendations are freely given. The Audit Committee was meeting with certified auditors, where executives were not allowed to attend and reported its operation to the board of directors. Details of its operation and opinions can be summarized in every quarter as follows:

Correctness, completeness and accountability of financial statement

The Audit Committee reviewed the quarter financial statements and annual financial statement of the year 2020 plus jointly inspected the audit report with executives and certified auditors. Completeness and accountability of the disclosure of financial statements; any possible risk factors; related account standards; changes in account standards; internal control system concerning finance and accountancy; and information technology system are taken into consideration.

The Audit Committee agrees with the auditor that the quarter financial statements and annual financial statement are materially correct, complete and accountable in accordance with generally recognized account standards. Important information is publicized as well as account policy is reasonably chosen.

Sufficiency of internal control system and internal audit

The Audit Committee monitored internal control system to be in line with both Thai and international professional internal audit standard. Risk-Based Audit Method and internal control system under the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Standard are applied. Moreover, computer program is used to enhance its audit work. The Audit Committee considered the annual audit plan, prepared under the risk-based audit plan, as well as a result of internal audit and recommendation thereof. It regularly followed up any action taken by the management pursuant to such recommendation proposed by the internal audit.

Hence, the Audit Committee opines that the Company's internal control system is sufficient and proper. Its internal audit is independent and in accordance with the professional standard.

Compliance with securities and stock exchange laws, regulations of Stock Exchange of Thailand and law relating to the Company's business

The Audit Committee made sure that the Company was constantly in compliance with the law concerning securities and stock exchange, regulations of the Stock Exchange of Thailand and other laws relating to the Company's business including the Company's terms and undertaking which the Company agreed with other third parties.

The Audit Committee is of an opinion that the Company is correctly and completely in compliance with the law concerning securities and stock exchange, regulations of the Stock Exchange of Thailand and other laws

relating to the Company's business.

Connected transactions and disclosure

Since the Company deals with many companies, the Audit Committee pays high attention on transactions which may be conflict of interest. Connected transactions or transactions which may be conflict of interest are quarterly considered under the laws and regulations of the Stock Exchange of Thailand. The Committee inquired the auditor and the internal auditor on the accuracy and transparency of any transaction as well as reasonableness and optimal benefit of the Company. The transaction has to be correctly and completely disclosed in a report to the financial statement.

The Audit Committee opines that reviewed connected transactions are reasonable, fair and optimal benefit to the Company.

Risk management

The Audit Committee reviewed policy and guideline on risk management as well as risk management plan for this year. Report concerning progress of an operation under such plan from the Risk Management Working Team is regularly acknowledged. The risk indicator index was revised and new risk management measures were added. In addition the operation plan is adjusted in order to match with the situation.

The Audit Committee is of an opinion that the Company has proper and adequate risk management system.

Good corporate governance

The Audit Committee continuously supports good corporate governance. It's regularly to be in accordance with the Corporate Governance Code for Listed Companies 2017. This is in line with the ASEAN CG Scorecard. Moreover, the Company was assessed in the "Excellent" level from the Corporate Governance Survey of Thai Listed Companies in 2019.

Consideration, selection and nomination of the auditor

The Audit Committee has assessed performance of the auditor for the year 2020, Deloitte Touche Tohmatsu Jaiyos Audit Company Limited and viewed that this auditor is independent and its overall performance is satisfying.

Regarding the selection and nomination of the auditor, the Audit Committee, considering audit fee together with readiness to comply with audit standard and audit report presentation.

Overall opinion and remark on performing duties under the charter

The Audit Committee self-assessed its operation for the year 2020 divided into 6 categories: role and duties of the Audit Committee, composition of the Audit Committee, training and resources, meeting, activities of the Audit Committee and relationship with head of internal audit, auditor and executives. The result was that its performance was 98.00%. Its performance is completely complied with the Handbook of the Audit Committee, the Securities and Exchange Commission and the Charter of the Audit Committee.

In sum, the Audit Committee completely performed its task as specified in the charter. The Audit Committee, under an approval from the Board of Directors, opines that the Company has a correct, proper and accountable process concerning preparation and disclosure of financial statements. Its internal control, internal audit and risk management is suitable and efficient. They are complied with laws, regulations and any undertakings. The Company seriously considers before entering into any connected transactions. Its performance is in line with good corporate governance in a proper, transparent and accountable manner. Furthermore, the Company has constantly developed and improved its performance to cope with business environment.



Mr. Somchai Apiwattanaporn
Chairman of the Audit Committee

25 August 2020

INTERNAL CONTROL AND RISK MANAGEMENT

Internal Control

Our board of directors of MC Group Public Company Limited (“the Company”) realize the importance of appropriate internal control by reviewing the adequacy and the efficiency of internal control and audit system in every year to be consistent and compliance with COSO (The Committee of Sponsoring Organizations of the Treadway Commission), consisting of 5 main categories and 17 principles to ensure our business for goal achievements by conclusions regarding the Company' internal control systems as mentioned below.

1. Control Environment

The Company's organizational environment and structure favor implementation of the internal control system. MC Group has improved to the policies, procedure, organizational structure and management team. Also, consistently values business integrity and ethics. Therefore, the reviewed of Good Corporate Governance and Business ethics every year. To the appropriate with the change and growth of the business. MC Group continued its emphasis on the No-Gift Policy in an effort to step up corporate governance and lay down a solid foundation for fair treatment, equitable and corruption of all.

The Company has set up and instituted measures for whistle-blowing and complaint-filing against violations of the law and the code of conduct, or behavior potentially classified as frauds or malfeasance of those inside the Company or of stakeholders, including inaccurate financial reports or deficient internal controls. The Board has also instituted protective measures for whistle-blowers for stakeholder's greater stewardship of Company.

2. Risk Management

The Company has appointed the Enterprise-wide Risk Management Committee to define policies, strategies and enterprise-wide risk management goals include monitor risk management of the organization of the efficiency and appointed the Risk Management team. It consists of Top Management from every department. Acting in Risk Indicators, Risk assessment, Risk management Comprehensive every level risk management of the organization based on the work flow. Follow up the results and improvement a risk management system under the policy of the Risk Management Committee.

3. Control Activity

The Company places importance on the internal control of the entire organization by stipulating policies and practices in writing that cover various work processes including criteria on approval authority on different matters within the organization. The approval authority was determined based on suitability of authority, duties and responsibilities of the Board of Directors, executives and employees. Besides, information technology policies are put in place as guidelines and frameworks for the organization to comply with in performing relevant tasks. This includes preventive measures to safeguard the Company's assets from damage or security threats. Note that the Company clearly defined its internal information protection policies and information disclosure policies and required related parties to sign confidentiality agreements to prevent internal information from being improperly used or prematurely disclosed.

4. Information and Communication

MC Group has developed information and data systems to be ready for undertaking its business that meet standards including information safety according to IT security policies. The Company implemented SAP Enterprise Resource Planning (ERP) accounting system to the organization with the objective to record, store and use information for analytical purposes to enhance work efficiency. The key systems include budget control system, inventory management system as well as further applications of information stored in the accounting systems that help promote work efficiency.

The Company put efforts on IT infrastructure development and other projects to keep work systems up

to date and consistent with current situations. In addition, MC GROUP arranged channels for both internal and external communication including channels for whistleblowers to report dubious activities or misconduct so that all stakeholders can expose information in a safe manner. The Company also set up investor relations function to be the center of important information of the Company with responsibilities to communicate information related to the Company through different channels and organize activities to present information on the Company's business performance to investors, shareholders and other related parties on a regular basis.

5. Monitoring Activities

The Company commands a performance tracking system by having a committee regularly compare performance results against goals, so that factors potentially impacting performance can lead to strategic plan adjustment and goal achievement. An internal audit department reviewed the internal control in the operation and reporting to the Audit Committee.

Opinion of the Audit Committee on the internal control system.

The Audit Committee reviewed the internal control system of the Company and commented that the Company has adequate, appropriate internal control system according to the policies, procedure, compliance and Good Corporate Governance.

Head of Internal Audit

The Company has a policy to ensure that internal audit will meet international standards. The Audit Committee appointed Ms.Somporn U-In as the head of internal audit to be responsible for risk evaluation and annual internal audit plan preparation as well as conducting the examination, monitoring of system improvements and reporting directly to the Audit Committee at least quarterly. In the past, the internal audit examined the Company's processes and made observations and recommendations to improve operating efficiency. The management did not neglect and took actions according to the recommendations. The Audit Committee deemed that the head of internal audit suitable for undertaking the required duties efficiently.

Appointment, removal or transfer of the head of internal audit must be approved by the Audit Committee.

The profile of head of Internal Audit

Name	Ms. Somporn U-In
Age	37 years
Education	MBA Accounting, Ramkhamhaeng University
Position	Assistant Vice President-Internal Audit
Number of year in the position	11 months (started 27 August 2018)
Training	<div><ul style="list-style-type: none">- Examining the readiness of the Business to cope with Personal Data Protection Act E.A. 2562 Program, Dharmniti Seminar and Training Company Limited (Online Training)- Audit Manager Tools and Techniques Program, the Institute of Internal Auditors of Thailand- (Fraud Audit Program, the Institute of Internal Auditors of Thailand- Creative Problem Solving Techniques for Auditors Program, the Institute of Internal Auditors of Thailand- COSO 2013 Program, Federation of Accounting Professions under the Royal Patronage of His Majesty The King- Standard of Internal Control Program, the Institute of Internal Auditors of Thailand</div>
Experience	
2018 - Current	Internal Audit Manager, MC Group Public Company Limited
2015 - 2016	Head of Internal Audit , PTG Energy Public Company Limited

RELATED PARTY TRANSACTION

The Company and its subsidiaries agreed to enter transactions with related parties. Those transactions are usual business undertakings of the Company and its subsidiaries under general trade conditions confirming to rules and principles set by Securities and Exchange Act BE 2551 (Vol.4) Section 89/12 (1). The Board of Directors approved in principle on 28 February 2013 to empower management team to execute related party transactions under general trade conditions. The management team can enter into those transactions under the conditions that they have the same terms and conditions as general contract parties will do in same circumstances and without exercising power as a director, management or related person to influence the negotiation.

For the accounting year ending 30 June 2020, the Company has disclosed its related party transactions under announcements of Stock Exchange of Thailand regarding rules, principles, conditions and methods on disclosure of related party transaction of public companies. The details are summarized below

Related Party	Type of Transactions	Value as of 2020 (Million Baht)	Rationale
1. SS Challenge Co., Ltd. Relationships: Ms. Sunee Seripanu as a shareholder	MC GROUP Plc. rented lands, Design Center building and Mc Studio building.	11.19	The office lease agreements of lands and design center were usual business undertakings. Rents were based on prices performed by independent valuers and the Audit Committee reviewed the transaction and deemed that the transaction was fair and reasonable for the best interests of the Company
	Look Balance Co., Ltd., a subsidiary rented building and service from Blurista	0.15	
2. Data Hunter Co., Ltd. Relationships: Mr. Viwat Seripanu as a shareholder together with the company	Data Hunter Co., Ltd. provided the information technology services to MC GROUP Plc.	1.03	Data Hunter Co., Ltd. provided the services of information technology to MC GROUP Plc as a usual business. The services fee and the conditions of services shall be in line with the services contract therefore, it was reasonable to compare with the general conditions of common business partner and market prices were charged for the trading rate of intangible assets and the Audit Committee reviewed that all transactions were fair , reasonable and for the best interests of the company.
3. Nature Touch International Co., Ltd. Relationships: Mr. Wiriya Phungsoonthorn as a shareholder and a director.	MC GROUP Plc bought the other materials from Nature Touch International Co., Ltd.	0.03	Nature Touch Co., Ltd. sold the instant products including various skin care products and aromatherapy products which were the usual business and the reasonable price was fair according to the contract.
	Aromatique Active Co., Ltd., a subsidiary bought instant products and other materials	6.05	
4. Time Deco Services Co., Ltd. Relationships: Mr. Panu Narongchaikul and Mr. Vararit Plengvanit as shareholders and directors.	Time Deco Corporation Limited, a subsidiary used the after-sales service provided by Time Deco Services Co., Ltd.	0.21	Mr.Wiriya Phungsoonthorn provided the services as a products development consultant. The services fee of the consultant contract is the reasonable rat.
	Time Deco Corporation Limited, a subsidiary sold spare parts for watches to Time Deco Services Co., Ltd.	0.06	
5. Tyche Co., Ltd. Relationships: as shareholders with Joint venture and directors.	Mcmillion (Thailand) Co., Ltd., a subsidiary provided maintenance services and computer program system development	2.52	Tyche Co., Ltd provided the services of maintenance and computer program system development to MC GROUP Plc as a usual business. The services fee and the conditions of services shall be in line with the services contract therefore, it was reasonable to compare with the general conditions of common business partner.

Necessity and Reasonableness of Transactions

Related party transactions undertaken between the Company, its subsidiaries and affiliated companies are transactions that support the Company's usual business operations and were approved by the Board of Directors or the Executive Committee under proper approval process and in complete accordance with the rules and procedures of the Company.

Policies and Trend of Related Party Transactions in the Future

Related party transactions of the Company in the future shall be the same transactions that support usual business operations. None of the transactions shall relocate interests between the Company, its subsidiaries and related persons. Besides, the transfer pricing between the Company, its subsidiaries and related persons shall be in line with the normal pricing given to unrelated companies or persons. All prices for products and raw materials sold and purchased by related parties shall be as agreed in the contracts or based on market prices of those products and raw materials. The Audit Committee, the auditor or the independent expert shall review, audit and provide opinions on the appropriateness of the prices and the reasonableness of the transactions and disclose types and values of respective transactions including rationales behind those transaction in the annual report and present the results at the shareholders meeting.

In addition, the Board of Directors must conform to the laws on Securities and Exchange and any rules, announcement, orders or principles set by the Stock Exchange of Thailand including the disclosure of related party transactions and the acquisitions or sales of important assets of the Company or its subsidiaries under accounting standard set by the Federation of Accounting Professions of Thailand.

In any case, if the related party transaction is involved with related persons or subject to possible conflict of interests in the future, the Audit Committee shall provide opinions regarding the necessity and reasonableness of that transaction. In case that the Audit Committee does not have the expertise to review the transaction, the Company shall ask the opinions from independent experts or the auditor of the Company on the matter. The Company shall disclose related party transactions in the audited footnotes to the financial

Management Discussion and Analysis

Overall Economic and Industry Overview

In the second quarter of 2020, the Thai economy and the retail sector were significantly affected by the Covid-19 pandemic which led to the temporary closure of the Company's outlet in accordance to the government lock down measure. June consumer confidence index was at a record low of 49.2, the lowest in 21 years and 9 months reflecting a significant lack of confidence in consumers. [Due to easing of lockdown, it is expected that the retail industry will start to recover in conjunction with the improvement of consumers' purchase sentiment.]

Overall Performance for Q4'20 and the full year period of FY2020

Unit: THB million	4Q20 (Apr – Jun 20)	4Q19 (Apr – Jun 19)	Change	FY2020 (Jul 19 – Jun 20)	FY2019 (Jul 18 – Jun 19)	Change
Sales Revenue	550	729	-24.6%	3,182	3,345	-4.8%
Gross Profit	326	453	-27.9%	1,853	1,990	-6.9%
%Gross Profit Margin	59.4%	62.1%	-2.7%	58.2%	59.5%	-1.3%
SG&A	297	392	-24.3%	1,391	1,518	-8.3%
%SG&A	54.0%	53.8%	0.2%	43.7%	45.4%	-17.7%
Other Revenue	9	1	660.1%	35	35	0.6%
EBITDA before one-off item and discontinued operations	66	131	-49.4%	593	649	-8.7%
%EBITDA before one-off item and discontinued operations	11.9%	17.9%	-6.0%	18.4%	19.27	-0.8%
NPAT before one-off item and discontinued operations	38	146	-73.7%	444	546	18.8%
% NPAT before one-off item and discontinued operations	6.9%	20.0%	-13.1%	13.8%	16.2%	-2.4%
one-off item	-	108	-	39	108	-63.8%
Discontinued operation*	-	-154	-	(38)	-133	101.8%
NPAT	38	-117	132.7%	407	306	33.1%
%NPAT	6.9%	-16.0%	22.8%	12.7%	9.0%	3.7%

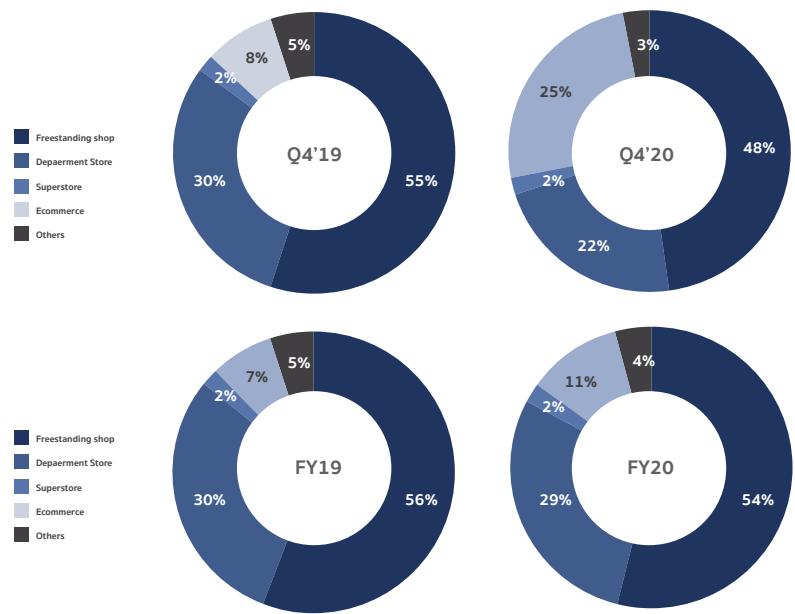
*discontinued operation was Time Deco Corporation Co., Ltd. which was sold on 2nd September 2019

Revenue

The company reported total sales revenue in Q4'20 of THB 550 Million, a decrease of THB 179 million or 24.6% YoY as a result of the Covid-19 pandemic that affected all of the company's offline channel (freestanding shop, department store, and super store) as a consequence of the temporary store closure in accordance to the government lock down measures from 22nd March until 17th May 2020. However, the Company focused on the online sales to generate income and dampen the effect of the shutdown as well as shift the production line to manufacture facial masks, face shield; as a result the company's online sales was increased to 134.3% YoY.

In FY2020 the company reported a consolidated revenue from sales of THB 3,182 million down THB 162 million or a 4.8% YoY decrease from the same period last year which was affected by the revenue decrease in the fourth quarter.

Revenue break down by channel

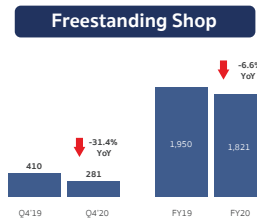


In the fourth quarter of FY20 revenue breakdown by channels consisted of revenue from free-standing shop 48%, Department stores 22%, Superstores 2%, E-commerce 25%, and other channels 3%.

In FY2020 revenue breakdown by channels consisted of free-standing shop 54%, Department stores 29%, Superstores 2%, E-commerce 11%, and other channels 4%.

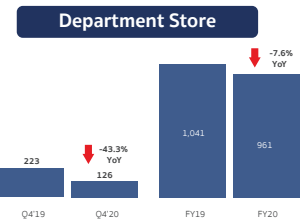
• Free Standing Shop

Sales revenue from free standing shops in Q4'20 was THB 281 million decreased THB 129 million or a decrease of 31.4% YoY. Revenue from free-standing shops in FY2020 was THB 1,821 million decreased THB 129 million or a decrease of 6.6% YoY.



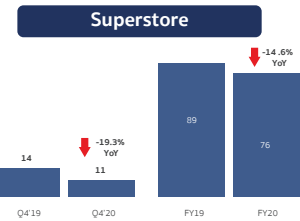
• Department Store

Sales revenue from department store generated THB 126 million in Q4'20 decreased THB 97 million or down 43.3% YoY. For the FY'20 sales revenue was THB 961 million decreased THB 80 million or down 7.6% YoY.



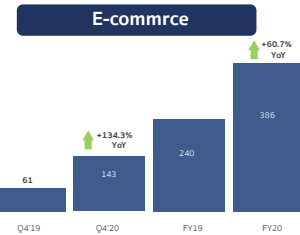
• Superstore

In Q4'20 Sales revenue from superstore was THB 11 million decreased THB 3 million or -19.3%, and for the full year period at THB 76 million a decrease of THB 13 million or -14.6% YoY.



• E-Commerce

Sales revenue from E-Commerce in Q4'20 was THB 143 million, an increase of THB 82 million or +134.3% YoY, and for the full year period revenue was THB 386 million, an increase of THB 146 million or +60.7% YoY.



As of 30 Jun 2020, the Company had a total of 657 point of sales as follows

By Distribution Channel	Apparel and Liftstyle Products under “MC Group”	
	Number of POS	Increase (+) / Decrease (-) from end FY2020
Free-standing Shop	334	+22
Modern Trade	305	-1
Mobile Unit	6	-
Total POS (domestic)	645	+21
International Markets	12	-2
Total	657	+19

Gross Profit

The company reported THB 326 million gross profit in Q4'20 decreased THB 126 million or -27.9% YoY with gross profit margins of 59.4% compared to 62.1% in the same period of the prior year.

For FY'20 the company's gross profit was THB 1,853 million decreased THB 137 million or -6.9% YoY with gross profit margin of 58.2% down from 59.5% in the same period of last year due to increased sales promotions to boost sales.

Selling, General and Administrative Expenses (SG&A)

SG&A expenses in Q4'20 was THB 297 million decreased THB 95 million or -24.3% YoY as a result from cost reduction and cost containment in rental and personnel expenses to mitigate the impact of declined sales revenue that was affected by Covid-19. However, due to the decline in sales in Q4'20, the %SG&A to sales was 54.0% compared to 53.8% in the previous year.

For the full year period of 2020 SG&A was THB 1,391 million down THB 126 million or -8.3% YoY due to the ability to continually manage and contain costs. Hence, %SG&A to sales declined from 45.4% of the previous year to 43.7%.

Earnings before interest, Taxes, Depreciation and Amortization (EBITDA)

EBITDA before one-off item and discontinued operation in Q4'20 was THB 66 million decreased THB 65 million or -49.4% YoY. EBITDA margin in Q4'20 declined to 12% of total revenue compared to that of 18% in the previous year, as a result of the Covid-19 that effectively decrease sales revenue and gross profit.

EBITDA before one-off item and discontinued operation for FY'20 was THB 593 million decreased THB 56 million or -8.7%. EBITDA margin for the year was 18.6% compared to that of 19.4%in the previous year.

Net Profit

In Q4'20 the company reported THB 38 million net profit before one-off item and discontinued operations, a decrease of THB 108 million or -73.7% YoY. Net profit margin was 6.9% a decrease from 20.0% in the previous year, as a result of lower sales revenue and lower gross profit from Covid-19.

In the FY'20 net profit, before one-off item and discontinued operations, was THB 444 million, decreased THB 103 million or -18.8% YoY. Net profit margin was 13.8% of total revenue, reduced from 16.2% of the same period last year.

Financial Position Analysis
Statement of Financial Position

(THB million)	30 June 2020	30 June 2019	% change
Cash and short-term investments	1,481	1,344	10.2%
Account receivables	266	343	-22.5%
Inventory	1,408	1,604	-12.2%
Other assets	929	999	-7.0%
Total Assets	4,084	4,290	-4.8%
Account payables	120	179	-32.6%
Interest-bearing liabilities	-	-	
Other liabilities	369	350	5.9%
Total Liabilities	492	529	-7.1%
Equity attributable to the firm	3,581	3,685	-2.8%
Non-controlling interest	11	75	-85.7%
Shareholders' Equity	3,592	3,760	-4.5%

Assets

As of 30 June 2020, the Company recorded total assets of THB 4,084 million compared with THB 4,290 million as of 30 June 2019. A decrease of THB 206 million as result of:

- 1) A decrease in account receivables of THB 77 million
- 2) A decrease in inventory of THB 196 million
- 3) A decrease of other assets of THB 70 million

Liabilities

As of 30 June 2020, total liabilities were THB 492 million; decreased THB 37 million from THB 529 million on 30 June 2019.

Shareholders' Equity

As of 30 June 2020, the Company reported THB 3,592 million of shareholders' equity, a decrease of THB 168 million from the THB 3,760 million reported on 30 June 2019.

Liquidity

As of 30 June 2020, the Company cash, cash equivalent and short-term investment totaled THB 1,481 million increased THB 137 million from 30 June 2019 because of:

- 1) Cash flow from operation increased THB 502 million, which was mainly contributed by operating profit of THB 457 million, the reduction of inventory, receivables and other current assets that amounted to THB 163 million as well as the net short-term investment of THB 199 million.
- 2) Cash flow from investment activities decreased THB 55 million due to THB 80 million net purchase of property, plant and equipment.
- 3) Cash flow from financing activities decreased THB 520 million due to THB 515 million dividend payment.
- 4) An increase in short term investment of THB 210 million.

Key Financial Ratios

Financial Ratios		For period ended	
		30 June 2020	30 June 2019
Liquidity Ratios			
Current Ratio	times	7.7	7.1
Average Days Receivable	day	34	43
Average Days in Inventory	day	408	448
Average Days Payable	day	41	52
Cash cycle	day	401	439
Efficiency Ratios			
Return on Assets (Annualized)	%	9.7	6.7
Return on Equity (Annualized)	%	11.2	7.7
Leverage Ratios			
Debt to Equity Ratio	times	0.14	0.14

Outlook

The Company progresses stably along its growth journey through continuous development of quality products, brand awareness building, integrated distribution channel management as well as effective cost and expense management. The Company moves forward to expand businesses and invest in growth initiatives in parallel with organization restructuring and information system enhancement with the purpose to become a leading denim-centric lifestyle retailer who meets the changing needs and lifestyles of consumers. With regard to distribution, omni channel will remain the Company's focus to seamlessly connect offline and online channels together to boost sales in existing and new points of sales alike while the Company consistently updates its online site mcshop.com. In addition, customer relationship management will be one of the key strategies leveraging on Mc Club membership as a marketing communication channel offering privileges to customers while customer data will be analyzed to formulate strategies that fit each target groups. For 2020, the Company planned to extend to urban population, women and new generations. At the end of June 2020, Mc Club had a total of over 1.5 million members in the system.

Furthermore, the Company never ceases to lay a strong foundation necessary to gain competitive edge and create value to its brands. Influencers of different lifestyles were deployed to raise brand awareness through their everyday living and dressing styles. Recently, Mc Jeans launched a new collection Mc Lay, fisherman pants made of 100% cotton with breezy and easy-to-wear fabric perfect for both genders. These new products are made more enduring with rivets, just like denim.

DECLARATION OF THE DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Declaration of the Directors' Responsibility for the Financial Statements

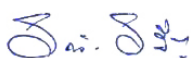
The Board of Directors of MC GROUP Plc has prepared the Company's financial statements to show its financial status and performance for 2019 under the Public Company Limited Act of 1992, the Accounting Act of 2000, the Securities and Exchange Act of 1992 (Including with additional amendments), and the announcement of the Capital Market Supervisory Board concerning the criteria, conditions, and reporting method for the disclosure of information on financial status and performance of companies that issue securities.

The Board recognizes its duties and responsibility for directing a listed company, particularly the responsibility for financial statements of the Company and its subsidiaries – including financial information that appears in the annual report of 2020. Such statements have been prepared under generally accepted accounting standards, which regularly complies with a suitable accounting policies and due and reasonable discretion exercised in the preparation of financial statements. Adequate significant information has been disclosed in the notes to these financial statements for transparent use by shareholders and investors at large.

The Board has instituted and maintained effective risk management and internal control systems to become reasonably confident of accurate, complete, and adequate accounting information to retain Company assets and prevent frauds or significant anomalies in operation.

The Audit Committee, acting on behalf of the Board, has been assigned responsibility for the quality of financial reports and internal control system, and its opinions duly appear in its own report found in this publication.

It is our view that the Company's internal control system is, on the whole, satisfactory and can reasonably assure us that the financial statements of the Company and its subsidiaries ended June 30, 2020 are reliable under generally accepted accounting standards, legally sound, and acceptable to relevant regulations.



(Mr.Sunee Seripanu)
Director



(Mr.Virach Seripanu)
Director

GENERAL INFORMATION

Company Name	: MC GROUP Public Company Limited
Address	: Head Office 448,450 On Nut Road, Prawet, Prawet, Bangkok 10250 Telephone : 02-329-1050-6
	: MC Design Center 2 Sukhaphiban 2 Road Soi 5, Prawet, Prawet, Bangkok 10250 Telephone : 02-117-9999
	: MC STUDIO 4 Sukhaphiban 2 Road Soi 7, Prawet, Prawet, Bangkok 10250 Telephone : 02-117-9999
Website	: www.mcgroupnet.com
Registration No.	: 0107556000230
Type of Business	: Managing sales and distributions of apparel & lifestyle under its own brands and other brands as well as invest in other companies.
Registered Capital	: 400,000,000 Baht
Paid-up Capital	: 400,000,000 Baht (made up of 800,000,000 common shares)
Par Value	: 0.50 Baht
Share Registrar	: Thailand Securities Depository Co., Ltd. 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400 : Telephone : 02-009-9000 : Fax. : 02-009-9001
Auditor	: Deloitte Touche Tohmatsu Jaiyos Audit Company Limited AIA Sathorn Tower, Floor 23 - 27 11/1 South Sathorn Road, Yannawa Sub-District, Sathorn District, Bangkok 10120 : Telephone : 02-034-0000 : Fax. : 02-034-0100 : By Mr. Manoon Manusook Certified Public Accountant No. 4292 and/or Mr. Choopong Surachutikarn Certified Public AccountantNo. 4325 and/or Mr. Wonlop Vilaivaravit Certified Public Accountant No.6797

MC GROUP

**MC GROUP PUBLIC COMPANY LIMITED AND ITS
SUBSIDIARIES REPORT AND CONSOLIDATED
FINANCIAL STATEMENTS 30 June 2020**

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS

MC GROUP PUBLIC COMPANY LIMITED

Opinion

We have audited the consolidated financial statements of MC Group Public Company Limited and its subsidiaries (the “Group”) and the separate financial statements of MC Group Public Company Limited (the “Company”) which comprise the consolidated and separate statements of financial position as at June 30, 2020, and the related consolidated and separate statements of profit or loss and comprehensive income, changes in shareholders’ equity, and cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of MC Group Public Company Limited and its subsidiaries and of MC Group Public Company Limited as at June 30, 2020, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing (“TSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group in accordance with the Federation of Accounting Professions’ Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to the audit of the consolidated and separate financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	Key Audit Responses
<p>Major source of revenue</p> <p>The Group's revenue mainly consists of revenue from sales of clothes and accessories through different distribution channels to various customers, including a large number of retail shops, under a variety of sales conditions and promotions. The revenue from sales of clothes and accessories is significant to the financial statements of the Group. We have focused on the occurrence of the revenue recognition from sales of clothes and accessories that was manually recorded or other adjustments made in general ledger whether they have been recognized in accordance with Thai Financial Reporting Standards. Accounting policies of revenues and detail of revenue from sales of clothes and accessories were disclosed in the Notes 3.14 and 27 to the financial statements, respectively.</p>	<p>Our key audit procedures included:</p> <ul style="list-style-type: none">• Understanding the revenue recognition process and related internal control procedures.• Evaluating the design and implementation of the internal control procedures on the revenue recognition, including the use of specialist's work related to information and technology system.• Performing substantive testing as follows:<ul style="list-style-type: none">- Using data analytics to identify transactions which exhibited characteristics of manual recording or other adjustments made in general ledger of sales of clothes and accessories and examining the related supporting documents of those revenues.- Performing substantive analytical procedures and test of detail relating to the revenues from sales of clothes and accessories.

Other Matter

The consolidated statement of financial position of MC Group Public Company Limited and its subsidiaries and the separate statement of financial position of MC Group Public Company Limited as at June 30, 2019, and the related consolidated and separate statements of profit or loss and comprehensive income, changes in shareholders' equity, and cash flows for the year then ended presented herein as comparative information, were audited by another auditor whose report thereon dated August 29, 2019 expressed an unmodified opinion.

Other Information

Management is responsible for the other information. The other information comprises information in the annual report, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and the management of the Company.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Wonlop Vilaivaravit
Certified Public Accountant (Thailand)
Registration No. 6797

BANGKOK
August 25, 2020

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

MC GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT JUNE 30, 2020

UNIT : BAHT

		CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2020	2019	2020	2019
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5	600,538,737	672,889,622	272,842,494	604,597,760
Current investments	6	880,420,526	670,634,215	880,420,526	670,634,215
Trade and other current receivables	7	265,790,712	342,993,621	255,264,952	651,304,390
Short-term loans to related parties	4	1,000,000	-	3,785,011	35,606,368
Short-term loans to other parties	8	10,000,000	-	-	-
Inventories	9	1,408,246,511	1,603,790,100	1,733,547,449	1,870,441,152
Other current assets	10	25,655,078	47,093,239	19,116,714	17,073,613
Total Current Assets		3,191,651,564	3,337,400,797	3,164,977,146	3,849,657,498
NON-CURRENT ASSETS					
Investments in subsidiaries	11	-	-	299,953,305	299,953,305
Investments in joint ventures	12	25,322,095	47,153,459	-	-
Property, plant and equipment	13	404,408,048	417,087,960	389,069,054	366,588,180
Intangible assets	14	152,178,586	162,588,266	150,547,728	160,186,293
Deferred tax assets	22.1	178,895,411	185,711,769	127,025,354	125,945,656
Rental deposits		106,232,120	111,957,796	106,219,620	104,244,332
Other non-current assets		25,262,188	27,700,401	25,146,788	27,506,577
Total Non-current Assets		892,298,448	952,199,651	1,097,961,849	1,084,424,343
TOTAL ASSETS		4,083,950,012	4,289,600,448	4,262,938,995	4,934,081,841

Notes to the financial statements form an integral part of these statements

MC GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT JUNE 30, 2020

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2020	2019	2020	2019
LIABILITIES AND OWNERS' EQUITY					
CURRENT LIABILITIES					
Trade and other current payables	15	282,954,392	343,355,252	327,071,852	1,062,295,566
Current contract liabilities	16	91,587,158	74,154,178	91,587,158	74,154,178
Short-term borrowings from related parties	4	-	-	99,899,112	47,416,589
Corporate income tax payable		2,089,858	10,844,140	-	-
Other current liabilities		35,787,919	40,436,623	28,343,442	24,953,036
Total Current Liabilities		412,419,327	468,790,193	546,901,564	1,208,819,369
NON-CURRENT LIABILITIES					
Non-current provisions for employee benefit	17	48,346,997	52,748,279	27,290,567	33,344,148
Other non-current liabilities	13	31,055,625	7,787,364	30,560,625	720,113
Total Non-current Liabilities		79,402,622	60,535,643	57,851,192	34,064,261
TOTAL LIABILITIES		491,821,949	529,325,836	604,752,756	1,242,883,630
SHAREHOLDER'S EQUITY					
Share capital					
Registered share capital					
800,000,000 ordinary shares of Baht 0.50 each		400,000,000	400,000,000	400,000,000	400,000,000
Issued and paid-up share capital					
800,000,000 ordinary shares of Baht 0.50 each		400,000,000	400,000,000	400,000,000	400,000,000
Premium on ordinary share	18	2,824,925,638	2,824,925,638	2,824,925,638	2,824,925,638
Deficit from the change in the ownership					
interest in subsidiary		-2,626,281	-2,626,281	-	-
Retained earnings					
Appropriated					
Statutory reserves	19	40,000,000	40,000,000	40,000,000	40,000,000
Other reserves	20	87,278,166	87,278,166	87,278,166	87,278,166
Unappropriated		319,014,730	422,640,739	393,260,601	426,272,573
Treasury stocks	20	-87,278,166	-87,278,166	-87,278,166	-87,278,166
Other components income		40,180	40,180	-	-
Equity attributable to owners of the Company		3,581,354,267	3,684,980,276	3,658,186,239	3,691,198,211
Non-controlling interests of the subsidiaries		10,773,796	75,294,336	-	-
Total shareholders' equity		3,592,128,063	3,760,274,612	3,658,186,239	3,691,198,211
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		4,083,950,012	4,289,600,448	4,262,938,995	4,934,081,841

Notes to the financial statements form an integral part of these statements

MC GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2020

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2020	2019	2020	2019
INCOME					
Revenue from sales	25, 27	3,182,376,077	3,344,580,433	3,143,127,952	3,305,279,012
Revenue from services		120,000	8,567,155	15,906,000	59,395,664
Dividend income	11	-	-	479,922,240	419,994,960
Interest income		5,637,388	6,706,962	7,865,732	7,189,403
Other income		29,174,156	19,883,431	26,289,696	18,412,834
Total Income		<u>3,217,307,621</u>	<u>3,379,737,981</u>	<u>3,673,111,620</u>	<u>3,810,271,873</u>
EXPENSES					
Cost of sales		1,329,615,583	1,354,698,301	1,751,816,200	1,925,265,312
Distribution costs		1,005,679,836	1,085,038,030	1,039,509,176	1,135,930,359
Administrative expenses		385,775,612	432,801,559	405,129,866	436,444,470
Impairment loss on investment in a subsidiary	11.1	-	-	-	199,999,999
Impairment loss on goodwill	11.1	-	107,783,356	-	-
Loss on sale of investment in a subsidiary	23	39,003,433	-	-	-
Finance costs		3,597	-	2,556,220	921,567
Total Expenses		<u>2,760,078,061</u>	<u>2,980,321,246</u>	<u>3,199,011,462</u>	<u>3,698,561,707</u>
Share of loss joint ventures	12.2	-625,931	-3,669,158	-	-
PROFIT BEFORE TAX INCOME (EXPENSES)		<u>456,603,629</u>	<u>395,747,577</u>	<u>474,100,158</u>	<u>111,710,166</u>
Tax income (expenses)	22	-50,029,577	-25,080,656	2,401,179	19,271,328
Profit for the year from continuing operation		<u>406,574,052</u>	<u>370,666,921</u>	<u>476,501,337</u>	<u>130,981,494</u>
Profit (loss) for the year from discontinued operation	23	2,351,297	-132,732,297	-	-
PROFIT FOR THE YEAR		<u>408,925,349</u>	<u>237,934,624</u>	<u>476,501,337</u>	<u>130,981,494</u>
OTHER COMPREHENSIVE INCOME					
Component of other comprehensive income that					
will not to be reclassified to profit or loss					
Gains on re-measurements of defined					
benefit plans - net of tax					
		<u>4,087,804</u>	<u>10,017,473</u>	<u>5,285,926</u>	<u>9,208,466</u>
Total component of other comprehensive income that					
will not to be reclassified to profit or loss					
		<u>4,087,804</u>	<u>10,017,473</u>	<u>5,285,926</u>	<u>9,208,466</u>
Other comprehensive income for the year - net of tax		<u>4,087,804</u>	<u>10,017,473</u>	<u>5,285,926</u>	<u>9,208,466</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>413,013,153</u>	<u>247,952,097</u>	<u>481,787,263</u>	<u>140,189,960</u>

MC GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020

UNIT : BAHT					
	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2020	2019	2020	2019
PROFIT ATTRIBUTABLE TO:					
Equity holders of the Company from continuing operation		405,121,033	365,328,972	476,501,337	130,981,494
Equity holders of the Company from discontinued operation		1,964,389	-59,531,629	-	-
		407,085,422	305,797,343	476,501,337	130,981,494
Non-controlling interests of the subsidiaries		1,839,927	-67,862,719	-	-
		408,925,349	237,934,624	476,501,337	130,981,494
TOTAL COMPREHENSIVE INCOME					
ATTRIBUTABLE TO:					
Equity holders of the Company from continuing operation		409,208,837	375,346,445	481,787,263	140,189,960
Equity holders of the Company from discontinued operation		1,964,389	-59,531,629	-	-
		411,173,226	315,814,816	481,787,263	140,189,960
Non-controlling interests of the subsidiaries		1,839,927	-67,862,719	-	-
		413,013,153	247,952,097	481,787,263	140,189,960
BASIC EARNINGS (LOSS) PER SHARE					
	26				
Profit attributable to equity holders of the Company					
from continuing operation (Baht per share)		0.51	0.46	0.60	0.16
Profit (loss) attributable to equity holders of the Company					
from discontinued operation (Baht per share)		0.002	(0.07)	-	-
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES (SHARES)					
		792,000,000	796,025,324	792,000,000	796,025,324

Notes to the financial statements form an integral part of these statements

MCGROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED JUNE 30, 2020

CONSOLIDATED FINANCIAL STATEMENTS													UNIT : BAHT
Notes	Equity attributable to owners of the Company												
	Issued and paid-up share capital	Premium on share capital	Deficit from the change in the ownership interest in subsidiary	Retained earnings		Treasury stocks	Other components of shareholders' equity			Total equity attributable to owners of the Company	Non-controlling interests of the subsidiaries	Total shareholders' equity	
				Appropriated	Other		Share of other comprehensive income from joint venture	Total other components of shareholders' equity					
									Statutory reserve				
Balance as at July 1, 2018	400,000,000	2,824,925,638	-2,626,281	65,000,000	-	766,104,089	-	40,180	40,180	4,053,443,626	145,676,986	4,199,120,612	
Profit for the year	-	-	-	-	-	305,797,343	-	-	-	305,797,343	-67,862,719	237,934,624	
Other comprehensive income for the year	-	-	-	-	-	10,017,473	-	-	-	10,017,473	-	10,017,473	
Total comprehensive income for the year	-	-	-	-	-	315,814,816	-	-	-	315,814,816	-67,862,719	247,952,097	
Treasury stocks	20	-	-	-	-	-	-87,278,166	-	-	-87,278,166	-	-87,278,166	
Reserve for treasury stock	20	-	-	-	87,278,166	-87,278,166	-	-	-	-	-	-	
Dividend paid	29	-	-	-	-	-597,000,000	-	-	-	-597,000,000	-	-597,000,000	
Dividend paid for non-controlling interests of subsidiary		-	-	-	-	-	-	-	-	-	-2,519,931	-2,519,931	
Balance as at June 30, 2019 - previously reported	400,000,000	2,824,925,638	-2,626,281	65,000,000	87,278,166	397,640,739	-87,278,166	40,180	40,180	3,684,980,276	75,294,336	3,760,274,612	
Reclassification	34	-	-	-25,000,000	-	25,000,000	-	-	-	-	-	-	
Balance as at June 30, 2019 - after reclassification	400,000,000	2,824,925,638	-2,626,281	40,000,000	87,278,166	422,640,739	-87,278,166	40,180	40,180	3,684,980,276	75,294,336	3,760,274,612	

MCGROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020

CONSOLIDATED FINANCIAL STATEMENTS												UNIT : BAHT	
Notes	Equity attributable to owners of the Company												
	Issued and paid-up share capital	Premium on share capital	Deficit from the change in the ownership interest in subsidiary	Retained earnings		Treasury stocks	Other components of shareholders' equity			Total equity attributable to owners of the Company	Noncontrolling interests of the subsidiaries		Total shareholders' equity
				Appropriated	Other		Share of other comprehensive income from joint venture	Total other components of shareholders' equity					
34	400,000,000	2,824,925,638	-2,626,281	65,000,000	87,278,166	397,640,739	-87,278,166	40,180	40,180	3,684,980,276	75,294,336	3,760,274,612	
	400,000,000	2,824,925,638	-2,626,281	-25,000,000	-	25,000,000	-	-	-	-	-	-	
	400,000,000	2,824,925,638	-2,626,281	40,000,000	87,278,166	422,640,739	-87,278,166	40,180	40,180	3,684,980,276	75,294,336	3,760,274,612	
Balance as at July 1, 2019 - previously reported													
Reclassification													
Balance as at July 1, 2019 - after reclassification													
Transactions with shareholders which were directly recorded to shareholders' equity													
Changes of interest in a subsidiary													
23	400,000,000	2,824,925,638	-2,626,281	40,000,000	87,278,166	422,640,739	-87,278,166	40,180	40,180	3,684,980,276	-66,285,467	3,693,989,145	
Total transactions with shareholders which were directly recorded to shareholders' equity													
Profit for the year	-	-	-	-	-	407,085,422	-	-	-	407,085,422	1,839,927	408,925,349	
Other comprehensive income for the year	-	-	-	-	-	4,087,804	-	-	-	4,087,804	-	4,087,804	
Total comprehensive income for the year	-	-	-	-	-	411,173,226	-	-	-	411,173,226	1,839,927	413,013,153	
Dividend paid	-	-	-	-	-	-514,799,235	-	-	-	-514,799,235	-	-514,799,235	
Dividend paid for non-controlling interests of subsidiary	-	-	-	-	-	-	-	-	-	-	-75,000	-75,000	
Balance as at June 30, 2020	400,000,000	2,824,925,638	-2,626,281	40,000,000	87,278,166	319,014,730	-87,278,166	40,180	40,180	3,581,354,267	10,773,796	3,592,128,063	

Notes to the financial statements form an integral part of these statements

MC GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020

	Notes	SEPARATE FINANCIAL STATEMENTS						UNIT : BAHT
		Issued and paid-up share capital	Premium on share capital	Retained earnings		Treasury stocks	Total shareholders' equity	
				Statutory reserve	Appropriated	Unappropriated		
Balance as at 1 July 2018		400,000,000	2,824,925,638	40,000,000	-	970,360,779	4,235,286,417	
Profit for the year		-	-	-	-	130,981,494	130,981,494	
Other comprehensive income for the year		-	-	-	-	9,208,466	9,208,466	
Total comprehensive income for the year		-	-	-	-	140,189,960	140,189,960	
Treasury stocks	20	-	-	-	-	-	-87,278,166	
Reserve for treasury stock	20	-	-	-	87,278,166	-87,278,166	-	
Dividend paid	29	-	-	-	-	-597,000,000	-597,000,000	
Balance as at June 30, 2019		400,000,000	2,824,925,638	40,000,000	87,278,166	426,272,573	3,691,198,211	
Balance as at July 1, 2019		400,000,000	2,824,925,638	40,000,000	87,278,166	426,272,573	3,691,198,211	
Profit for the year		-	-	-	-	476,501,337	476,501,337	
Other comprehensive income for the year		-	-	-	-	5,285,926	5,285,926	
Total comprehensive income for the year		-	-	-	-	481,787,263	481,787,263	
Dividend paid	29	-	-	-	-	-514,799,235	-514,799,235	
Balance as at June 30, 2020		400,000,000	2,824,925,638	40,000,000	87,278,166	393,260,601	3,658,186,239	

Notes to the financial statements form an integral part of these statements

MC GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2020

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2020	2019	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES					
Continuing operations					
Profit before income tax		456,603,629	395,747,577	474,100,158	111,710,166
Adjustments to reconcile profit before tax to					
net cash provided by (paid from) operating activities:					
Depreciation and amortisation		98,786,496	124,088,936	95,348,117	113,646,545
Dividend income	11.1	-	-	-479,922,240	-419,994,960
Interest income		-5,637,388	-6,706,962	-7,865,732	-7,189,403
Long-term employee benefit expenses		10,146,547	15,602,447	5,466,890	14,257,281
Financial costs		3,597	-	2,556,220	921,567
Share of loss from investments in joint venture		625,931	3,669,158	-	-
Unrealised gain from changes in fair value current investments	6	-10,339,539	-8,298,534	-10,339,539	-8,298,534
Unrealised loss on exchange		391,625	1,317,755	-	-
Allowance for doubtful accounts (reversal)		-4,353,612	5,063,590	-2,445,128	7,256,682
Reversal reduction of inventory to net realizable value	9	-7,915,932	-6,500,976	-6,442,460	-11,472,958
(Gain) loss on disposal of property, plant and equipment		-1,516,468	-1,366,984	-1,238,116	76,318
Gain on disposal of intangible assets		-2,850	-	-	-
Loss on sale of investments in a subsidiary	23	39,003,433	-	-	-
Loss on investment in a subsidiary		-	-	-	199,999,999
Loss on equipment and other assets		-	20,661,391	-	-
Loss on goodwill		-	107,783,356	-	-
Profit from operating activities before changes in operating assets and liabilities		575,795,469	651,060,754	69,218,170	912,703
Operating assets (increase) decrease					
Trade and other current receivables		21,455,834	106,101,676	99,327,698	175,810,220
Inventories		129,178,510	449,300,941	239,402,942	790,771,725
Other current assets		12,449,352	23,834,979	-1,326,377	14,768,777
Rental deposits		5,725,676	-	-1,975,288	-
Other non-current assets		-4,136,397	406,755	2,359,789	-361,261
Operating liabilities increase (decrease)					
Trade and other current payables		-44,840,233	-78,010,009	-491,633,255	-184,350,962
Current contract liabilities		17,432,980	-63,372,258	17,432,980	-63,372,258
Other current liabilities		-21,223,190	21,989,758	257,828	12,053,285
Other non-current liabilities		24,157,307	74,986	-601,043	-1,130,045
Received transfer of employees		-	-	-	562
Cash flows from (used in) operating activities		715,995,308	1,111,387,582	-67,536,556	745,102,746
Cash paid for acquisition of current investments		-620,986,745	-301,539,974	-620,986,744	-301,539,974
Cash received from sale of current investments		421,539,973	300,000,000	421,539,973	300,000,000
Cash paid for employee benefits obligation		-7,858,208	-	-4,913,064	-
Cash paid for corporate income tax		-9,361,315	-39,637,356	-26,502,309	-8,158,541
Discontinued operation		3,165,284	13,987,275	-	-
Net cash flows from (used in) operating activities		502,494,297	1,084,197,527	-298,398,700	735,404,231

MC GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2020	2019	2020	2019
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash received from interest income		8,047,860	6,826,894	8,047,860	7,308,553
Cash paid for acquisition of property, plant and equipment	5.2	-79,927,197	-53,607,733	-79,799,299	-49,941,734
Cash paid for acquisition of intangible assets	5.2	-11,608,729	-15,586,726	-6,383,314	-14,986,281
Proceeds from disposal of property, plant and equipment		2,719,505	3,898,952	3,561,578	1,759,638
Proceeds from disposal of intangible assets		4,765,894	-	-	-
Cash paid for short-term loans to related parties	4	-2,000,000	-	-185,606,451	-29,661,456
Cash received from short-term loans to related parties	4	1,000,000	-	217,427,808	-
Cash paid for short-term loans to other parties	8	-30,000,000	-	-	-
Cash received from short-term loans to other parties	8	20,000,000	-	-	-
Cash received from sale of investment in a subsidiary - net	23	8,686,026	-	-	-
Cash received from investment reduction in joint ventures		14,343,656	-	-	-
Cash received from dividend income		8,720,943	-	779,918,640	339,995,920
Cash paid from entire business transfer	24	-	-	-305,673,902	-
Net cash provided by (used in) investing activities		<u>-55,252,042</u>	<u>-58,468,613</u>	<u>431,492,920</u>	<u>254,474,640</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash paid for interest expenses		-4,797,140	-101,876	-2,556,220	-921,567
Cash paid for dividend		-514,775,789	-597,238,301	-514,775,789	-597,238,301
Cash paid for treasury stocks		-	-87,278,166	-	-87,278,166
Cash paid for payment of liabilities under finance lease agreements		-20,211	-173,687	-	-
Repayment of short-term loans from financial institutions		-	-15,870,535	-	-
Proceeds from short-term loan from related parties	4	-	-	322,568,572	92,791,996
Repayment of short-term loan from related parties	4	-	-	-270,086,049	-55,175,407
Subsidiary paid dividend to non-controlling interests of subsidiary		-	-2,519,931	-	-
Net cash used in financing activities		<u>-519,593,140</u>	<u>-703,182,496</u>	<u>-464,849,486</u>	<u>-647,821,445</u>
Net increase (decrease) in cash and cash equivalents		<u>-72,350,885</u>	<u>322,546,418</u>	<u>-331,755,266</u>	<u>342,057,426</u>
Cash and cash equivalents as at July 1,		<u>672,889,622</u>	<u>350,343,204</u>	<u>604,597,760</u>	<u>262,540,334</u>
Cash and cash equivalents as at June 30,	5	<u>600,538,737</u>	<u>672,889,622</u>	<u>272,842,494</u>	<u>604,597,760</u>

Notes to the financial statements form an integral part of these statements

MC GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

1. GENERAL INFORMATION AND OPERATIONS

MC Group Public Company Limited (the “Company”) is a public company incorporated and domiciled in Thailand. Its registered address is located at 448, 450, Onnuch Road, Kwang Pravet, Khet Pravet, Bangkok.

As at June 30, 2020 and 2019, the Company’s major shareholder is Khun Sunee Seripanu who holds 42.72% and 45.97% of total shares, respectively.

The principal businesses of the Company and its subsidiaries, together referred as the “Group”, are manufacturing and distribution management of clothing and accessories.

Details of the Company’s subsidiaries as at June 30, are as follows:

Subsidiaries	Type of business	Incorporate country	Ownership interest (%)	
			2020	2019
Direct subsidiaries				
P.K. Garment (Import-Export) Co., Ltd.*	Manufacturing of clothing	Thailand	99.99	99.99
Mc Jeans Manufacturing Co., Ltd.	Manufacturing of clothing	Thailand	99.97	99.97
Winner Man Co., Ltd.	Staff personnel services to the Group	Thailand	99.97	99.97
WoWme Limited	Distribution of goods and service via online channel	Thailand	99.99	99.99
MC INTER LIMITED	Not yet operated. Established to support business operations and investments in foreign countries	Hong Kong	100.00	100.00
Look Balance Co., Ltd.	Holdings company	Thailand	99.98	99.98
MC Jeanious Co., Ltd.	Holdings company	Thailand	99.99	99.99
Indirect subsidiaries				
(Held through Look Balance Co., Ltd.)				
Aromatique Active Co., Ltd.	Distribution of skincare and aromatic products	Thailand	54.99	54.99
Time Deco Corporation Limited**	Import and distribution of the world's leading watch brands	Thailand	-	51.00

- * On August 29, 2019, the Board of Directors’ meeting of P.K. Garment (Import-Export) Co., Ltd. approved the transfer of P.K. Garment (Import-Export) Co., Ltd.’s entire business to the Company. P.K. Garment (Import-Export) Co., Ltd. transferred all of its assets and liabilities at the net book value as of the transfer date. This entire business transfer was completed on November 1, 2019, and registered its dissolution with Ministry of Commerce on the same date (see Note 24).
- ** On September 2, 2019, Look Balance Co., Ltd. entered into the Agreement to sell all shares of Time Deco Corporation Limited to other parties. The Company completely transferred the shares with other parties on September 2, 2019 (see Note 23).

The Company has extensive transactions and relationships with its related parties. Accordingly, the accompanying financial statements may not necessarily be indicative of the conditions that would have existed or the results of operations that would have occurred had the Company operated without such affiliations.

Coronavirus Disease 2019 Pandemic

The Coronavirus disease 2019 (“COVID-19”) pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group has a temporary closure of branches in Bangkok and some provinces in Thailand since March 22, 2020 as a preventive measure over the pandemic of COVID-19 virus of the Government.

Subsequently, on May 17, 2020, the Company has gradually resumed its operations after the Government has relieved the measurement to the opening of department stores in accordance with specific time; however, the Group’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities. The management will exercise judgement in respect of various issues as the situation evolved.

2. BASIS FOR PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS

- 2.1 The Group maintains its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards and accounting practices generally accepted in Thailand.
- 2.2 The Group’s financial statements have been prepared in accordance with the Thai Accounting Standard No. 1 (Revised 2018) “Presentation of Financial Statements”, which was effective for financial periods beginning on or after January 1, 2019 onwards and the Regulation of The Stock Exchange of Thailand (SET) dated October 2, 2017, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2560 and the Notification of the Department of Business Development regarding “The Brief Particulars in the Financial Statement (No.2) B.E. 2559” dated October 11, 2016.
- 2.3 The financial statements have been prepared under the historical cost convention except as disclosed in the significant accounting policies (see Note 3).
- 2.4 The consolidated and separate financial statements for the year ended June 30, 2019, presented herein for comparison, were audited by another auditor.
- 2.5 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

During the year, the Company has adopted the revised and new financial reporting standards and guidelines on accounting issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any material impact on the Company's financial statements.

2.6 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

The Federation of Accounting Professions has issued the Notification regarding Thai Accounting Standards ("TAS"), Thai Financial Reporting Standards ("TFRS"), Thai Accounting Standards Interpretation and Thai Financial Reporting Standard Interpretation ("TFRIC"), which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2020 onwards. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards.

The Group's management will adopt such TFRSs in the preparation of the Group's financial statements when it becomes effective. The Group's management has assessed the impact of these TFRSs and considered that the adoption of these financial reporting standards does not have any material impact on the financial statements of the Group in the period of initial application, except the financial reporting standards as follow:

Group of Financial Instruments Standards

Thai Accounting Standards

TAS 32 Financial Instruments: Presentation

Thai Financial Reporting Standards

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Thai Financial Reporting Standard Interpretations

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These group of Standards make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost; taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model, the calculation of impairment using the expected credit loss method, and the concept of hedge accounting. These include stipulations regarding the presentation and

disclosure of financial instruments. These Standards will supersede the Standards and Interpretations relating to the financial instruments upon its effective date.

The Group's management is in the process of assessing the impact of these Financial Instruments Standards on the financial statements of the Group in the period of initial application.

Thai Financial Reporting Standards No. 16 "Leases"

This TFRS provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors.

This TFRS will supersede the following lease Standards and Interpretations upon its effective date, which are TAS No. 17 "Leases", Thai Accounting Standard Interpretation No. 15 "Operating Lease - Incentives", Thai Accounting Standard Interpretation No. 27 "Evaluating the Substance of Transactions involving the Legal Form of a Lease" and Thai Financial Reporting Standard Interpretation No. 4 "Determining whether an Arrangement contains a Lease".

For lessee accounting, there are significant changes to lease accounting in this TFRS by removing the distinction between operating and finance leases under TAS 17 and requiring a lessee to recognize a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. However, the lessor accounting treatment continues to require a lessor to classify a lease either as an operating lease or a finance lease, using the same concept as TAS 17.

The Group's management is in the process of assessing the impact of these Financial Instruments Standards on the financial statements of the Group in the period of initial application.

In addition, the Federation of Accounting Professions has announced two Accounting Treatment Guidances, which have been announced in the Royal Gazette on 22 April 2020, detail as follows:

Accounting Treatment Guidance on "The temporary relief measures for entities supporting their debtors who effected from the situations that affected Thailand's economy"

The objective of this accounting treatment guidance is to grant the temporary relief measures for entities helping their debtors who effected from the situations that affected Thailand's economy with the helping period during January 1, 2020 to December 31, 2021, or until there are any changes from the Bank of Thailand, which require the compliance for such changes. The entities who support their debtors and elect to apply this accounting treatment guidance should be comply with all relief measures specified in this accounting treatment guidance.

The Group has not adopted such accounting treatment guidance in the preparation of the financial statements for the year ended June 30, 2020.

Accounting Treatment Guidance on “The temporary relief measures for additional accounting alternatives to alleviate the impacts from COVID-19 outbreak”

This accounting treatment guidance is the option for all entities applying Financial Reporting Standards for Publicly Accountable Entities. Since the preparation of financial statements during the period, which COVID-19 situation still be highly uncertainty as at the end of reporting period may cause the entities' management to use the critical judgment in the estimation or the measurement and recognition of accounting transactions. Objective of this accounting treatment guidance is to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation. The entities can apply this accounting treatment guidance for the preparation of financial statements with the reporting period ending within the period from January 1, 2020 to December 31, 2020.

The Group has not adopted such accounting treatment guidance in the preparation of the financial statements for the year ended June 30, 2020.

3. SIGNIFICANT ACCOUNTING POLICIES

The English version of the consolidated and separate financial statements have been prepared from the Thai version of the consolidated and separate financial statements prepared by law. In the event of any conflict or different interpretation of the two different languages, the Thai version consolidated and separate financial statements in accordance with the Thai law is superseded.

The financial statements have been prepared under the measurement basis of historical cost except as disclosed in the accounting policies as follows:

3.1 Basis of preparation of consolidation financial statements

The Consolidated financial statements comprise of the Company and its subsidiaries' financial statements and the Group's interest in associates and joint ventures.

Business combinations

The Group applies the acquisition method for all business combinations except for the business combination under common control.

The Group's control is achieved when the Group (1) has power over the investee (2) is exposed, or has rights, to variable returns from its involvement with the investee and (3) has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Goodwill is measured at the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree, less the net recognized amount (fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. If the net realized amount (fair value) of identifiable assets acquired and liability assumed is higher than the fair value of the consideration transfer, the Group will recognize the surplus as gain in statement of profit or loss and other comprehensive income.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination. If a business combination results in the termination of pre-existing relationships between the Group and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognized as other expenses.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

The Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree or measures using the fair value.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are recognized as expenses when incur.

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognized at the carrying amounts recognized previously in the Group controlling shareholder's consolidated financial statements. Surplus arising from business combination under common control represents the difference between the cost of the combination and the carrying amounts of net identifiable assets at the date of combination. The difference arising from common control transactions is recognized under shareholders' equity until disposal of the investment.

Transactions eliminated on consolidation

Significant intra-group balances and transactions have been eliminated in the preparation of the consolidated financial statements. The consolidated financial statements for the years ended June 30, 2020 and 2019 were prepared by using the financial statements of its subsidiaries, associates and joint ventures as of the same date.

3.2 Foreign currencies

Transactions in foreign currencies

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognized as profit or loss in statement of profit or loss and other comprehensive income.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to Thai Baht using the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities for which settlement is neither planned nor likely to occur in a foreseeable future is treated as part of net investment in the foreign operation of the Group. Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation shall be recognized in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g. consolidated financial statements when the foreign operation is a subsidiary), such exchange differences shall be recognized initially in other comprehensive income and reclassified from equity to profit or loss on a disposal of the net investment.

Foreign entities

The assets and liabilities of foreign entities are translated to Thai Baht at the foreign exchange rates ruling at the reporting date.

The revenues and expenses of foreign entities are translated to Thai Baht at rates approximating the foreign exchange rates ruling at the dates of the transactions.

Foreign exchange differences arising on translation are recognized as other comprehensive income in the statement of profit or loss and other comprehensive income and presented as the foreign currency translation reserve in equity until a disposal of the investment.

3.3 Derivative financial instruments

Derivative financial instruments are used to manage exposure to foreign exchange, interest rate and commodity price risks arising from operational, financing and investment activities.

The Group entered into forward foreign exchange contracts in asset and liability management activities to control exposure to fluctuations in foreign exchange rates. Further details of financial instruments are disclosed in Note 30.1.

Gains and losses on forward foreign exchange contracts designated as hedges of existing assets and liabilities are recognized as income or expense in the statement of profit or loss and other comprehensive income.

Amounts to be paid and received are offset in the statement of financial position and included in assets or liabilities category in the statement of financial position.

The Group has no policy to speculate in or engage in the trading of any derivative financial instruments.

3.4 Cash and cash equivalents

Cash and cash equivalents comprise of cash balances, all deposits at financial institutions with the original maturities of three months or less and highly liquid short-term investments, excluding cash at banks used as collateral.

3.5 Trade and other current receivables

Trade receivables and other receivables are stated at their invoice value less allowance for doubtful accounts.

An allowance for doubtful accounts is assessed primarily on analysis of payment histories and analysis of debt aging. Bad debts are written off when incurred.

3.6 Inventories

Finished goods and work in process are valued at the lower of cost under the weighted average method and net realizable value. The cost of inventories is measured using standard cost method, which approximates actual cost and includes production costs and attributable factory overheads.

Raw materials are valued at the lower of average cost and net realizable value and are charged to production costs whenever consumed.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

3.7 Investments

Temporary investment

Temporary investment consisting of deposit at banks having a maturity exceeding 3 months but less than 12 months and is not used as collateral is presented at cost.

Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures in the separate financial statements of the Company are accounted for using the cost method. Investments in associates and joint ventures in the consolidated financial statements are accounted for using the equity method.

Investments in joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Under the equity method, an investment in a joint venture is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the joint venture. When the Group's share of losses of a joint venture equals or exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment is recognized immediately as profit or loss in the statement of profit or loss and other comprehensive income in the period in which the investment is acquired.

The Group discontinues the use of the equity method from the date when the investment ceases to be a joint venture, or when the investment is classified as held-for-sale.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. No re-measurement upon such changes in ownership interests is required.

When the Group reduces its ownership interest in a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss for the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest in the statement of profit or loss and other comprehensive income if that gain or loss would be reclassified to profit or loss upon the disposal of the related assets or liabilities.

When a group entity transacts with a joint venture, profits and losses resulting from such transactions are recognized in the Group's consolidated financial statements only to the extent of interests in the joint venture that are not related to the Group.

3.8 Property, plant and equipment

Recognition and measurement

Property is measured at cost less allowance for impairment losses, if any.

Plant and equipment are measured at cost less accumulated depreciation and allowance for impairment losses, if any.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use. The cost also includes the costs of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for separately by major components.

Gains or losses on disposal of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net as profit or loss in the statement of profit or loss and other comprehensive income.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized as an expense in statement of profit or loss and other comprehensive income as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount of plant and equipment, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged as an expense to the statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Land improvement	5 to 20	years
Building	20	years
Building and leasehold improvement	3 to 20	years
Machinery	5	years
Tools and equipment factory	5 to 10	years
Fixtures and office equipment	3 to 15	years
Vehicles	5 to 10	years

No depreciation is provided on land and construction in progress.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.9 Intangible assets

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and allowance for impairment losses, if any.

Amortization

Amortization is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Amortization is recognized as an expense in the statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of intangible asset, other than goodwill, from the date that they are available for use.

The estimated useful lives are as follows:

Computer software	3 to 15	years
Leasehold right	3 and 5	years

Amortization methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.10 Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amounts are estimated. For goodwill, the recoverable amount is estimated each year at the same time.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognized as an expense in the statement of profit or loss and other comprehensive income unless it reverses a previous revaluation credited to equity and it subsequently impairs in which case it is charged to statement of other comprehensive income.

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the higher of the asset's value in use or fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of goodwill is not reversed.

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognized as an expense in the statement of profit or loss and other comprehensive income.

Impairment losses recognized in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications of impairment the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, as if no impairment loss had been recognized.

3.11 Provision

Provisions are recognized when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

3.12 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity (provident fund) and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in the statement of profit or loss and other comprehensive income in the periods during which services are rendered by employees.

Defined benefit plans

The Company and its subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labour law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plans is determined by a professionally qualified independent actuary based on actuarial techniques, using the Projected Unit Credit Method.

The Group recognizes all actuarial gains or losses arising from defined benefit plans in other comprehensive income.

Past service cost related to the plan amendment is recognized as an expense or income in the income statement when the plan amendment is effective.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted cash flow basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.13 Treasury stocks

Treasury stock is stated at cost in the statements of financial position and presented as a deduction from total shareholders' equity. Gains on disposal of treasury stock are determined by reference to its carrying amount and are taken to premium on treasury stock, losses on disposal of treasury stock are determined by reference to its carrying amount and are taken to premium on treasury stock and retained earnings, consecutively.

The weighted average method is used for computation of the unit cost of treasury stock.

3.14 Revenue recognition

Sales of goods

Revenue from sale of goods is recognized at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting the estimation of returns and discounts.

When a contract provided a customer with a right to exchange the goods, the Company recognizes the amount ultimately expected they will be returned from customers as a refund liability which presented as a part of "Contract liabilities" in the statement of financial position and recognizes the right to receive the goods expected to be returned by customers as goods expected to be returned which presented as a part of "Inventories" in the statement of financial position. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods.

Service income

Service revenue is recognized in the amount to which the Company has a right to invoice as it corresponds directly with the value to the customer.

Dividends

Dividends are recognized when the right to receive the dividends is established.

Interest income and other income

Interest income and other income are recognized on an accrual basis.

3.15 Expense recognition

Expenses are recognized on an accrual basis.

3.16 Finance costs

Finance costs comprise interest expense on borrowings and contingent consideration.

3.17 Lease

Operating leases

Leases which a significant portion of the risks and rewards of ownership have not been transferred to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged as an expense to the statement of profit or loss and other comprehensive income on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period expired, an expense such as a penalty required to be made to the lessor is recognized as an expense in the period in which termination takes place.

Finance leases

Leases of property, plant and equipment which substantially all the risks and rewards of ownership have been transferred to the lessee are classified as finance leases. Finance leases are capitalized at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in liabilities under a finance lease agreement, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases are depreciated over the shorter of the useful lives of the assets or the lease period.

3.18 Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognized as income or expense in the statement of profit or loss and other comprehensive income except to the extent that they relate to a business combination, or items recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable derived from a computation of profit or loss using tax rates enacted and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction in the consolidated financial statement that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period when such a determination is made.

Deferred tax assets and liabilities are offset when they relate to income tax levied by the same taxation authority and the Company and its subsidiaries intend to settle its current tax assets and liabilities on a net basis.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized. The Company recognizes deferred tax liabilities for all taxable temporary differences in the consolidated and separate financial statements.

3.19 Earnings per share

The calculations of basic earnings per share for the year are based on the profit for the year attributable to equity holders divided by the weighted-average number of ordinary shares held by outsiders outstanding during the year. The calculations of diluted earnings per share for the year are based on the weighted-average number of ordinary shares on the assumption that all dilutive potential ordinary shares have been converted to ordinary shares.

3.20 Fair value measurements

Fair value is the price that would be received from selling an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability as market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis.

In addition, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.

- Level 3 inputs are unobservable inputs for the asset or liability.

3.21 Accounting estimates and source of estimation uncertainty

(1) Use of management's judgments

The preparation of financial statements in conformity with TFRSs requires the Group's management to exercise various judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

Critical judgments in applying accounting policies are as follows:

Reclassification of investment in a joint venture

The management of the subsidiary determined whether the subsidiary has joint control over the investee company by considering proportion of voting rights and other relevant conditions as specified in the shareholder agreement. The subsidiary is to classify investment the investee company as investment in a joint venture when the subsidiary and the other shareholders have joint control over this company, whereby shareholders of one party are not entitled to direct significant activities of the investee company without the consent from shareholders of the other party.

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred to the Group, taking into consideration terms and conditions of the arrangement.

Deferred tax assets

Deferred tax assets are recognized for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimate future taxable profits.

Property plant and equipment and depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Employee benefit obligations

The present value of the employee benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions, including the discount rate. Any changes in these assumptions will have an impact on the carrying amount of such obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the employee benefit obligations. In determining the appropriate discount rate, the Group's considers the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related obligations. Additional information is disclosed in Note 17.

Contract liabilities

Major of contract liabilities is liabilities from obligation to customers with respect to exchange of goods after sales to customers. The management is required to use judgement regarding experience of the goods exchange which the amount is variable based on sales volume of each period. Moreover, contract liabilities are consist of marketing support that the Company expected to have obligation under contracts to local credit customers. The management estimates from the past experience and related information of marketing promotion.

(2) Key sources of estimation uncertainty

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgment and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Goodwill and intangible assets

The initial recognition and measurement of goodwill and intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Reduce cost to net realizable value of inventories

In determining a reduce cost to net realizable value of inventories, the management needs to make judgement in estimating the losses that will be incurred on the sale of the inventories, taking into account net realizable value, aging profile of outstanding inventories, the stock-keeping conditions and business situation, among other factors etc.

Impairment of investments

The Company and its subsidiaries treat investments as impaired when there has been a significant or prolonged decline in the fair value or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgment of the management.

4. RELATED PARTY TRANSACTIONS

Related person or parties of the Company are defined as persons or entities that control the Company or are controlled by the Company, whether directly or indirectly or are under the same control as the Company including holding companies. In addition, related person or parties also include individuals owning an interest in the voting shares of the Company, directly or indirectly, and have significant influence over the Company, key management personnel, directors or officers of the Company. This also applies to the close members of the family of such individuals and companies associated with these individuals.

In considering each possible related person or parties relationship, attention is directed to the substance of the relationship, over the legal form.

Transactions with related person or parties are conducted at market prices or, where no market price exists, at contractually agreed prices.

The relationship between the Company and the related parties which had significant business transactions during the years ended June 30, 2020 and 2019 are as follows:

Name of related parties	Country of incorporation	Nature of relationships
P.K.Garment (Import-Export) Co., Ltd.	Thailand	Subsidiary Company
Mc Jeans Manufacturing Co., Ltd.	Thailand	Subsidiary Company
Winner Man Co., Ltd.	Thailand	Subsidiary Company
WoWme Limited	Thailand	Subsidiary Company
MC INTER LIMITED	Hong Kong	Subsidiary Company
Look Balance Co., Ltd.	Thailand	Subsidiary Company
MC Jeanious Co., Ltd.	Thailand	Subsidiary Company
Aromatique Active Co., Ltd.	Thailand	Subsidiary Company (held by a subsidiary)
Time Deco Corporation Co., Ltd.	Thailand	Subsidiary Company (held by a subsidiary)
TOP-T 2015 Co., Ltd.	Thailand	Joint venture (held by a subsidiary)
Mcmillion (Thailand) Co., Ltd.	Thailand	Joint venture (held by a subsidiary)
Millenium (1975) Co., Ltd.	Thailand	Common major shareholders and directors
S.S.Challenge Co., Ltd.	Thailand	Common major shareholders
Panamera Fashion Co., Ltd.	Thailand	Common directors and shareholders
Panapat Co., Ltd.	Thailand	Common directors and shareholders
Time Deco Services Co., Ltd.	Thailand	Common directors and shareholders
Data Hunter Co., Ltd.	Thailand	Common shareholder

Name of related parties	Country of incorporation	Nature of relationships
Nature Touch International Co., Ltd.	Thailand	Common directors and shareholder with a subsidiary
S.C. Law Office Co., Ltd.	Thailand	Common directors
Sataporn Co., Ltd.	Thailand	Shareholder and director is family member of the Company's director
Tyche Co., Ltd.	Thailand	Common directors and shareholder with a joint venture
Director and key management of the Company	-	Management personnel

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Revenue from sales	Contractual price
Rendering of services	Contractual price
Purchase of goods / raw materials / services	Contractual price
Sale/purchase of property, plant and equipment	Contractual price
Purchase of intangible assets	Agreed price
Interest on loan / loan to	Average cost of fund
Rental and service fee	Contractual price
Dividend received	As declared

During the year, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarized below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

	Consolidated financial statements		Unit: Thousand Baht Separate financial statements	
	2020	2019	2020	2019
<u>Transactions with subsidiaries</u> <u>(Eliminated from the consolidated</u> <u>financial statements)</u>				
Revenue from sales or services	-	-	84	76
Purchase of goods or receiving of services	-	-	830,247	885,353
Purchase of fixed assets	-	-	1,309	-
Dividend income	-	-	479,922	419,995
Interest income	-	-	15,786	486
Service income	-	-	1,062	50,829
Other income	-	-	2,240	3,915
Other expenses	-	-	19,118	11,430
Commission expenses	-	-	90,616	-
Interest expenses	-	-	2,553	922
Personnel service expenses	-	-	339,586	366,064
<u>Transactions with joint venture</u>				
Purchase of goods	-	90,029	-	90,029
Return of goods	-	10,541	-	10,541
Service income	153	8,567	153	8,567
Other income	-	5,904	-	5,904
Other expenses	44,311	4,898	44,311	4,898
<u>Transactions with related parties and personnel</u>				
Revenue from sales or services	60	793	-	-
Purchase of goods or receiving of services	6,048	11,559	3	21
Purchase of intangible assets	-	8,366	-	8,366
Other expenses	15,105	15,798	12,223	12,842

	Consolidated financial statements		Unit: Thousand Baht Separate financial statements	
	2020	2019	2020	2019
<u>Transactions with key management personnel</u>				
Key management personnel compensation				
Short-term employee benefits	36,988	36,257	36,988	36,257
Post-employment benefits	3,704	3,972	3,704	3,972
Others	-	4,231	-	4,231
Total key management personnel compensation	40,692	44,460	40,692	44,460

The balances of the accounts as at June 30, between the Company and those related parties are as follows:

	Consolidated financial statements		Unit: Thousand Baht Separate financial statements	
	2020	2019	2020	2019
<u>Trade and other current receivables - related parties (see Note 7)</u>				
Subsidiaries(Eliminated from the consolidated financial statements)	-	-	819	373,419
Joint venture	107	17,239	-	17,293
Related companies	-	173	-	-
Total trade and other current receivables - related parties	107	17,412	819	390,712
<u>Short-term loans to related parties</u>				
Subsidiaries (Eliminated from the consolidated financial statements)	-	-	3,785	35,606
Joint venture	1,000	-	-	-
Total short-term loans to related parties	1,000	-	3,785	35,606
<u>Other current assets - related parties</u>				
Related companies	10,134	11,932	-	-
<u>Other non-current assets - related parties</u>				
Related companies	932	912	932	912
<u>Trade and other current payables - related parties (see Note 15)</u>				
Subsidiaries (Eliminated from the consolidated financial statements)	-	-	68,752	910,699
Joint venture	9,821	707	9,820	707
Related companies	498	1,138	485	949
Directors	67	67	67	67
Total trade and other current payables - related parties	10,386	1,912	79,124	912,422
<u>Short-term loans from related parties</u>				
Subsidiaries (Eliminated from the consolidated financial statements)	-	-	99,899	47,417

Short-term loans to related parties

The balance of short-term loans between the Company and the related parties as at June 30, and the movement for the year then ended, are as follows:

		Unit: Thousand Baht			
As at June 30, 2020		Consolidated financial statements			
Borrower	Interest rate (% per annum)	Balance as at July 1, 2019	Increase	(Decrease)	Balance as at June 30, 2020
Joint venture					
Mcmillion (Thailand) Co., Ltd.	3.25	-	2,000	(1,000)	1,000
		-	2,000	(1,000)	1,000

(As at June 30, 2019: Nil)

		Unit: Thousand Baht			
As at June 30, 2020		Separate financial statements			
Borrower	Interest rate (% per annum)	Balance as at July 1, 2019	Increase	(Decrease)	Balance as at June 30, 2020
Subsidiaries					
Look Balance Co., Ltd.	3.25	14,050	38,805	(52,855)	-
Mc Jeans Manufacturing Co., Ltd.	3.25	21,556	146,802	(164,573)	3,785
		35,606	185,607	(217,428)	3,785

		Unit: Thousand Baht			
As at June 30, 2019		Separate financial statements			
Borrower	Interest rate (% per annum)	Balance as at July 1, 2018	Increase	(Decrease)	Balance as at June 30, 2019
Subsidiaries					
WoWme Limited	3.25	145	13,682	(13,827)	-
Look Balance Co., Ltd.	3.25	5,800	11,250	(3,000)	14,050
Mc Jeans Manufacturing Co., Ltd.	3.25	-	76,507	(54,951)	21,556
		5,945	101,439	(71,778)	35,606

The short-term loans to related parties are unsecured loans and repayable on call.

Short-term loans from related parties

The balance of short-term loans between the Company and the related parties as at June 30, and the movement for the year then ended, are as follows:

		Unit: Thousand Baht			
As at June 30, 2020		Separate financial statements			
Lender	Interest rate (% per annum)	Balance as at July 1, 2019	Increase	(Decrease)	Balance as at June 30, 2020
Subsidiaries					
Look Balance Co., Ltd.	3.25	-	14,000	(10,244)	3,756
WoWme Limited	3.25	26,617	91,062	(88,648)	29,031
MC Jeanious Co., Ltd.	3.25	20,800	42,000	-	62,800
Winner Man Co., Ltd.	3.25	-	175,506	(171,194)	4,312
		47,417	322,568	(270,086)	99,899

As at June 30, 2019		Unit: Thousand Baht Separate financial statements			
Lender	Interest rate (% per annum)	Balance as at July 1, 2018	Increase	(Decrease)	Balance as at June 30, 2019
Subsidiaries					
WoWme Limited	3.25	-	81,792	(55,175)	26,617
MC Jeanious Co., Ltd.	3.25	9,800	11,000	-	20,800
		<u>9,800</u>	<u>92,792</u>	<u>(55,175)</u>	<u>47,417</u>

The short-term loans from related parties are unsecured loans and repayable at call.

Significant agreements with related parties

“Mc” Branded Goods Purchase Agreements

On September 1, 2012, the Company has entered into “Mc” Branded Goods Purchase Agreements with two subsidiaries whereby such subsidiaries agree to manufacture the products pursuant to the specifications for each product under model or sample, accessories, material and package as specified by the Company. The Company has agreed to purchase the products at the price based on the percentage of selling price and cost plus as specified in the agreements. The agreements both have a term of 2 years and 4 months each and are renewable for successive periods, except in case where either party would like to change and gives written notice 30 days in advance to the other party.

Building rental and services agreement

On April 1, 2017, the Company made the amendment to the rental agreement of office space in the rental rate since April 1, 2017 of Baht 0.5 million per annum. The term of this agreement has a period of 1 year and is renewable with the same condition until one of both parties agrees to change the condition by giving written notice 30 days in advance.

On May 3, 2019, the Company has entered into warehouse rental agreement with a subsidiary to use as a product storage facility for distribution in the rental rate since October 1, 2018 was Baht 1.5 million per annum. The term of this agreement has a period of 3 years and is renewable with the same condition until one of both parties agrees to change the condition by giving written notice 30 days in advance.

Warehouse rental and services agreements

On October 22, 2018, the Company entered into a warehouse rental and service agreement with a subsidiary at the total rental and service rate of Baht 0.9 million per annum. The term of this agreement is for a period of 3 years and is renewable for a further 3 years upon agreement of both parties in writing. Under this agreement, only the lessor has the right to terminate this warehouse agreement before the end of the rental term. In case the warehouse rental agreement is terminated, the service agreement will also be terminated also.

Office rental and services agreements

The Company has entered into office rental and service agreements with related companies at the rental and service rate as agreed in the period of contracts.

Personnel service agreement

On September 1, 2012, the Company has entered into personnel service agreement with a subsidiary whereby such subsidiary has agreed to provide staffs to the Company to work for sale personnel and warehouse personnel in the agreed rates as specified in the agreement.

Management service agreements

1. The Company has entered into management services agreements with related companies whereby the Company will provide service relating to accounting and taxation, financial, purchasing services, etc. at the service rate as agreed in the period of contracts.

Subsequently, the Company made the amendment to the management services agreements with a subsidiary whereby the subsidiary will provide service relating to system platform, selling products on a platform, marketing and customer relations. In consideration thereof, charged the service fee in the certain rate of net sale amount, as agreed in the period of contracts.

2. On August 20, 2015, the Company has entered into management services agreements with the joint venture whereby the Company will provide service relating to sales, distribution of product, storage of product including marketing and advertising and charged the service fee in the certain rate, as agreed, of net sale amount. The Company and the joint venture agreed that within 3 years after the effective date of these agreements, both shall have no right to terminate these agreements unless both parties are agrees and made the written cancellation document.
3. On February 17, 2017, the Company has entered into management services agreements-distributor with a subsidiary whereby the Company will provide service relating to management as distributor. In consideration thereof, the subsidiary agreed to pay service fees in the certain rate, as agreed, of net sales amount. Both parties can agree to terminate the agreement by giving written notice or one party giving written notice to another party 30 days in advance.

In November 2018, January 2019, and February 2019, the subsidiary signed a memorandum of understanding with respect to an agreement that the subsidiary will support sales promotion in accordance with the amount, price and period as specified in the memorandum.

4. On September 21, 2018, the Company entered into warehouse management and delivery services agreements with a joint venture whereby the joint venture agrees to provide services relating to warehouse management, goods packing, goods delivery, labor sourcing, material, equipment tools supplying as well as providing computer operating systems to manage goods and efficient warehouses management. The Company agrees to pay monthly service fees based on the number of shipments at the agreed rates. The period of the agreements is 1 year and are renewable for successive periods with the same conditions upon a written notification provided at least 45 days in advance.

Other memorandum

On March 29, 2019, both investors of TOP T 2015 Co., Ltd., a joint venture, signed a memorandum of understanding with respect to an agreement that the Company will purchase inventories in accordance with the amount, price and period as specified in the memorandum.

5. ADDITIONAL CASH FLOW INFORMATION

5.1 CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at June 30, were as follows

	Consolidated		Unit: Thousand Baht	
	financial statements		Separate	
	2020	2019	2020	2019
Cash on hands	7,459	6,930	7,297	6,402
Bank deposits - current accounts	593,080	665,960	265,545	598,196
Total	600,539	672,890	272,842	604,598

As at June 30, 2020 and 2019, bank deposits in current accounts carried interests between 0.00 and 1.20 percent per annum.

- 5.2 Non-cash transactions of property, plant and equipment for the years ended June 30, were as follows:

	Consolidated		Unit: Thousand Baht	
	Financial statements		Separate	
	2020	2019	2020	2019
Payables-Assets acquisition brought forward	41,596	42,884	41,596	42,884
<u>Add</u> Purchases of property, plant and equipment	68,882	54,727	68,754	51,061
<u>Add</u> Purchases of intangible assets	14,057	13,179	8,831	12,579
<u>Less</u> Provision for dismantling cost	(30,441)	-	(30,441)	-
<u>Less</u> Cash paid for acquisition of property, plant and equipment	(79,927)	(53,607)	(79,799)	(49,942)
<u>Less</u> Cash paid for acquisition of intangible assets	(11,609)	(15,587)	(6,383)	(14,986)
Payables-Assets acquisition carried forward	2,558	41,596	2,558	41,596

6. CURRENT INVESTMENTS

Current investments as at June 30, are as follows:

	Consolidated financial statements		Unit: Thousand Baht Separate financial statements	
	2020	2019	2020	2019
Fixed deposits at financial institutions	100,987	101,540	100,987	101,540
Equity securities held for trading -				
Unit trusts	779,434	569,094	779,434	569,094
Total current investments	880,421	670,634	880,421	670,634

As at June 30, 2020 and 2019, fixed deposits at the financial institution have interest rate at 1.00% to 1.80% per annum and 1.80% per annum, respectively.

Movements during the years ended June 30, of equity securities held for trading are as follows:

	Consolidated financial statements		Unit: Thousand Baht Separate financial statements	
	2020	2019	2020	2019
Equity securities held for trading -				
Unit trust				
As at July 1,	569,094	560,796	569,094	560,796
Purchases during the year	520,000	300,000	520,000	300,000
Sales during the year	(320,000)	(300,000)	(320,000)	(300,000)
Fair value adjustments	10,340	8,298	10,340	8,298
As at June 30,	779,434	569,094	779,434	569,094

7. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables as at June 30, were as follows:

	Consolidated financial statements		Unit: Thousand Baht Separate financial statements	
	2020	2019	2020	2019
<u>Trade receivables - related parties (see Note 4)</u>				
Aged on the basis of due dates				
Not yet due	105	-	350	53,700
Total trade receivables - related parties	105	-	350	53,700
<u>Trade receivables - other parties</u>				
Aged on the basis of due dates				
Not yet due	171,896	233,991	171,869	191,351
Past due				
Less than 3 months	47,773	33,614	47,230	32,556
3 - 6 months	8,523	14,826	8,411	14,468
6 - 12 months	5,410	4,078	5,410	4,732
Over 12 months	11,205	13,804	11,195	11,705
Total	244,807	300,313	244,115	254,812
<u>Less</u> Allowance for doubtful accounts	(14,014)	(18,368)	(14,015)	(16,460)
Total trade receivables - other parties - net	230,793	281,945	230,100	238,352
Total trade receivables - net	230,898	281,945	230,450	292,052
<u>Other receivables</u>				
Other receivables - related parties (see Note 4)	2	17,412	469	37,016
Other receivables - other parties	164	2,525	-	-
Interest receivables	566	797	566	797
Prepaid expenses	22,201	25,681	21,965	18,920
Accrued income	1	-	1	-
Advance payment	11,959	14,633	1,814	2,523
Dividend receivable (see Note 4)	-	-	-	299,996
Total other receivables - net	34,893	61,048	24,815	359,252
Total trade and other current receivables - net	265,791	342,993	255,265	651,304

8. SHORT-TERM LOANS TO OTHER PARTIES

Short-term loans to other parties as at June 30, 2020, were as follows:

As at June 30, 2020		Unit: Thousand Baht Consolidated financial statements			
		Balance as at July 1, 2019	Increase	(Decrease)	Balance as at June 30, 2020
Borrower	Interest rate (% per annum)				
Other parties	-	-	30,000	(20,000)	10,000
		-	30,000	(20,000)	10,000

Such short-term loans are unsecured loans and totaling repayment on August 31, 2020 or extent to other 3 months (2019:Nil).

9. INVENTORIES

Inventories as at June 30, were as follows:

Unit: Thousand Baht					
Consolidated financial statements					
Allowance of diminution in value to					
	Cost		net realizable value		Inventories - net
	2020	2019	2020	2019	
Finished goods	1,293,518	1,664,061	(7,364)	(160,766)	1,286,154
Work in process	57,091	46,412	-	-	57,091
Goods in transit	-	113	-	-	-
Raw materials	69,256	58,223	(4,254)	(4,253)	65,002
Total	1,419,865	1,768,809	(11,618)	(165,019)	1,408,247

Unit: Thousand Baht					
Separate financial statements					
Allowance of diminution in value to					
	Cost		net realizable value		Inventories - net
	2020	2019	2020	2019	
Finished goods	1,625,036	1,885,327	(9,581)	(15,281)	1,615,455
Work in process	57,091	-	-	-	57,091
Raw materials	63,849	395	(2,848)	-	61,001
Total	1,745,976	1,885,722	(12,429)	(15,281)	1,733,547

Allowance of diminution in value to net realizable value which were recognized as expenses and included in the cost of sales for the years ended June 30, consisted of the following:

Unit: Thousand Baht			
Consolidated		Separate	
financial statements		financial statements	
2020	2019	2020	2019
Transfer out from sale of investment in a subsidiary - Time Deco Corporation Limited	(145,485)	-	-
Transfer in from the entire business transfer - P.K. Garment (Import-Export) Co., Ltd.	-	-	3,590
Record of allowance for diminution in value of inventories of discontinued operation	-	132,721	-
Reversal record of allowance for diminution in value of inventories during the years	(7,916)	(6,501)	(6,442)
	(153,401)	126,220	(11,473)

As at June 30, 2020 and 2019, finished goods in consolidated and separate financial statements composed of inventories which the Company expected to be returned amounting of Baht 18.77 million and Baht 24.82 million, respectively.

The right to returned goods asset represents the Group's right to recover products from customers where customers exercise their right of return under the Group's policy. The Group uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method.

10. OTHER CURRENT ASSETS

Other current assets as at June 30, were as follows:

	Consolidated financial statements		Unit: Thousand Baht Separate financial statements	
	2020	2019	2020	2019
Other receivables - revenue department	19,821	32,777	13,381	9,356
Input VAT suspense	1,564	2,415	1,489	2,043
Others	4,270	11,902	4,247	5,675
Total	25,655	47,094	19,117	17,074

11. INVESTMENTS IN SUBSIDIARIES

11.1 Details of investments in subsidiaries as presented in the separate financial statements as at June 30, are as follows:

Company	Separate financial statements						Unit: Thousand Baht	
	Paid-up capital		Investments percentage		Investment - cost		Dividend received for the years ended June 30,	
	2020	2019	2020 (%)	2019 (%)	2020	2019	2020	2019
P.K. Garment (Import-Export) Co., Ltd.**	250,000	250,000	99.99	99.99	249,996	249,996	229,997	419,995
Mc Jeans Manufacturing Co., Ltd.	1,000	1,000	99.97	99.97	1,000	1,000	-	-
Winner Man Co., Ltd.	1,000	1,000	99.97	99.97	1,000	1,000	249,925	-
WoWme Limited	19,000	19,000	99.99	99.99	19,000	19,000	-	-
MC INTER LIMITED*	HKD 1	HKD 1	100.00	100.00	-	-	-	-
Look Balance Co., Ltd.	213,000	213,000	99.98	99.98	212,957	212,957	-	-
MC Jeanious Co., Ltd.	16,000	16,000	99.99	99.99	16,000	16,000	-	-
Total investments in subsidiaries					499,953	499,953	479,922	419,995
<u>Less</u> Allowance for impairment loss					(200,000)	(200,000)	-	-
Investments in subsidiaries - net					<u>299,953</u>	<u>299,953</u>	<u>479,922</u>	<u>419,995</u>

* Its financial statement is prepared by the management of the subsidiary and has not yet been audited by its auditor.

** On August 29, 2019, the Board of Directors' meeting of P.K. Garment (Import-Export) Co., Ltd. approved the transfer of P.K. Garment (Import-Export) Co., Ltd.'s entire business to the Company. P.K. Garment (Import-Export) Co., Ltd. transferred all of its assets and liabilities at the net book value as of the transfer date.

This entire business transfer was completed on November 1, 2019, and registered its dissolution with Ministry of Commerce on the same date (see Note 24).

Look balance Co., Ltd.

On March 11, 2019, Look Balance Co., Ltd. a subsidiary, received the Letter of Intent from other two shareholders of Time Deco Corporation Limited, an indirect subsidiary, dated on March 1, 2019, notifying of their intention to sell their shares totaling 49%. However, Look Balance Co., Ltd. is considering the terms and intention of the shareholders' agreement within the period of time as agreed by both parties.

Subsequently, in May 2019, Time Deco Corporation Limited was requested by an overseas watch supplier to discontinue as a distributor of its watches after since December 31, 2019. Time Deco Corporation Limited has a distribution agreement with such supplier with the sales of products under this agreement being approximately 70 percent of the total revenues of Time Deco Corporation Limited. As a result, the Company set aside a provision for the impairment of investment in Look Balance Co., Ltd. amounting to Baht 200 million in the separate financial statement and the Company set up a provision for impairment of goodwill amounting to Baht 108 million, including related assets in the consolidated financial statement such as inventories, deferred tax assets, equipment, intangible assets and other assets.

On September 2, 2019, Look Balance Co., Ltd. entered into the Agreement to sell all shares of Time Deco Corporation Limited to other parties. The Company completely transferred the shares with other parties on September 2, 2019 (see Note 23).

P.K. Garment (Import-Export) Co., Ltd.

On August 29, 2019, the Board of Directors' meeting of P.K. Garment (Import-Export) Co., Ltd., a subsidiary, approved the transfer of P.K. Garment (Import-Export) Co., Ltd.'s entire business to the Company. P.K. Garment (Import-Export) Co., Ltd. transferred all of its assets and liabilities at the net book value as of the transfer date. This entire business transfer was completed on November 1, 2019, and registered its dissolution with Ministry of Commerce on the same date (see Note 24).

11.2 Details of investments in subsidiaries that have material non-controlling interests:

Company	Unit: Thousand Baht							
	Proportion of equity interest held by		Accumulated balance of non-controlling		Profit (loss) allocated to non-controlling interests		Dividend paid to non-controlling interests	
	non-controlling		interests in		in a subsidiary		non-controlling interests	
	interests as at June 30,		a subsidiary as at June 30,		for the year ended June 30,		for the years ended June 30,	
	2020	2019	2020	2019	2020	2019	2020	2019
	(%)	(%)						
Time Deco Corporation Limited*	-	49	-	65,898	387	(73,201)	-	-

* It is indirect subsidiary of the Company which is held by Look Balance Co., Ltd.

11.3 Summarized financial information about subsidiaries that have material non-controlling interest that based on amounts before inter-company elimination.

Summarized information about financial position as at June 30,

	Unit: Thousand Baht	
	Time Deco Corporation Limited	
	2020	2019
Current assets	-	165,800
Non-current assets	-	1,424
Current liabilities	-	(30,971)
Non-current liabilities	-	(1,754)
Shareholders' equity	-	(134,499)

Summarized information about comprehensive income

	Unit: Thousand Baht	
	Time Deco Corporation Limited	
	For the period from July 1, - September 1, 2019	For the year ended June 30, 2020
Revenue	108,908	299,463
Profit (loss)	57,592	(149,403)

12. INVESTMENTS IN JOINT VENTURE

12.1 Details of joint venture:

Investments in joint venture represent investment in entity which are jointly controlled by its subsidiary and other company. Details of these investments as at June30, are as follows:

Unit: Thousand Baht										
Joint ventures	Nature of business	Country of incorporati on	Issued and paid-up share capital		Consolidated financial statements					
					Percentage of investment		Cost		Carrying amounts based on the equity method	
			2020	2019	2020 (%)	2019 (%)	2020	2019		
TOP T 2015 Co., Ltd.	Trading	Thailand	1,875	30,000	51.00	51.00	956	15,300	14,005	37,196
Mcmillion (Thailand) Co., Ltd.	Service and warehouse management	Thailand	5,000	5,000	45.00	45.00	11,250	11,250	11,317	9,957
							12,206	26,550	25,322	47,153

The investments in Top T 2015 Co., Ltd. are treated as the investments in joint venture since this company is jointly controlled by the subsidiary and another shareholder.

On October 7, 2019, the General Shareholders' meeting of Top-T 2015 Co., Ltd. had unanimous resolved to reduce the registered share capital from Baht 30,000,000 to Baht 7,500,000 by reducing the par value from Baht 100 per share to Baht 25 per share in order to be in line with business operation and return capital to shareholders. Top-T 2015 Co., Ltd. had amended the registered capital and paid the share price back on December 2, 2019. The capital reduction does not affect the percentage of investment of the Company.

On January 10, 2020, the General Shareholders' meeting of Top-T 2015 Co., Ltd. had extraordinary unanimous resolved to reduce the registered share capital from Baht 7,500,000 to Baht 1,875,000 by reducing the par value from Baht 25 per share to Baht 6.25 per share in order to be in line with business operation and return capital to shareholders. Top-T 2015 Co., Ltd. had amended the registered capital and paid the share price back on February 24, 2020. The capital reduction does not affect the percentage of investment of the Company.

On October 31, 2018, Look Balance Co., Ltd, a subsidiary, invested in 22,500 shares of Mcmillion (Thailand) Co., Ltd., equivalent to 45% of the total registered capital of such company, with the investment value of Baht 11.25 million. The investment will enhance efficiency and capacity of warehouse management to support e-commerce growth and seek opportunities for retail business. These investments treated as the investments in joint venture since this company is jointly controlled by the subsidiary and other shareholders.

12.2 Share of gain (loss) and dividend received from investments in joint ventures

Share of gain (loss) and dividend received from investments in joint ventures for the years ended June 30, are as follows:

Joint ventures	Unit: Thousand Baht			
	Consolidated financial statements			
	Share of gain (loss) from investments		Dividend received	
	2020	2019	2020	2019
TOP T 2015 Co., Ltd.	(1,985)	(2,377)	8,720	31,365
Mcmillion (Thailand) Co., Ltd.	1,359	(1,292)	-	-
	<u>(626)</u>	<u>(3,669)</u>	<u>8,720</u>	<u>31,365</u>

During the years ended June 30, 2020 and 2019, there is no other comprehensive income from investments in joint ventures

12.3 Summarized financial information about material joint ventures

Summarized information about financial position as at June 30,

Unit: Thousand Baht TOP T 2015 Co., Ltd.		
	2020	2019
Cash and cash equivalent	1,260	89,620
Current investment	22,071	-
Other current assets	4,261	4,253
Trade accounts payable	(130)	(20,537)
Other current liabilities	(1)	(402)
Net assets	27,461	72,934
Shareholding percentage (%)	51%	51%
Carrying amounts of joint venture based on the equity method	14,005	37,196

Summarized information about comprehensive income for the years ended June 30,

Unit: Thousand Baht TOP T 2015 Co., Ltd.		
	2020	2019
Revenue	-	119,296
Cost of sales	-	(66,536)
Selling and administrative expenses	(247)	(24,696)
Income tax expenses	-	(1,865)
Net (loss) profit	(247)	26,199

13. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment as at June 30, were as follows:

Unit: Thousand Baht						
As at June 30, 2020	Consolidated financial statements					
	Balance	Additions	Disposals	Transfer	Discontinued	Balance
	as at July 1,			in / (out)	operation (see Note 23)	as at June 30,
	2019					2020
Cost						
Land	143,470	-	-	-	-	143,470
Land improvement	11,479	-	-	-	-	11,479
Building	211,746	-	-	-	-	211,746
Building and leasehold improvement	451,431	30,441	(12,667)	20,494	(5,976)	483,723
Machinery	213,118	696	(12,736)	-	-	201,078
Tools and factory equipment	61,507	146	(2,220)	172	-	59,605
Fixture and office equipment	295,144	7,487	(3,507)	6,447	(38,148)	267,423
Vehicle	102,637	1,077	(13,887)	3,969	(1,201)	92,595
Total cost	<u>1,490,532</u>	<u>39,847</u>	<u>(45,017)</u>	<u>31,082</u>	<u>(45,325)</u>	<u>1,471,119</u>
Accumulated depreciation						
Land improvement	(2,930)	(450)	-	-	-	(3,380)
Building	(161,952)	(3,079)	-	-	-	(165,031)
Building and leasehold improvement	(350,819)	(40,201)	11,184	-	5,167	(374,669)
Machinery	(208,127)	(3,155)	13,823	-	-	(197,459)
Tools and factory equipment	(36,728)	(5,016)	2,259	-	-	(39,485)
Fixture and office equipment	(239,449)	(21,111)	3,505	-	31,527	(225,528)
Vehicle	(67,854)	(7,662)	13,043	-	1,031	(61,442)
Total accumulated depreciation	<u>(1,067,859)</u>	<u>(80,674)</u>	<u>43,814</u>	<u>-</u>	<u>37,725</u>	<u>(1,066,994)</u>
Property, plant and equipment - net	422,673					404,125
Assets under installation and construction	2,402	29,035	-	(31,082)	(72)	283
Less allowance for impairment of machinery	<u>(7,987)</u>	<u>-</u>	<u>775</u>	<u>-</u>	<u>7,212</u>	<u>-</u>
Total property, plant and equipment	<u>417,088</u>					<u>404,408</u>

As at June 30, 2019		Consolidated financial statements				Unit: Thousand Baht
	Balance as at July 1, 2018	Additions	Disposals	Transfer in / (out)	Balance as at June 30, 2019	
Cost						
Land	143,470	-	-	-	143,470	
Land improvement	11,479	-	-	-	11,479	
Building	211,746	-	-	-	211,746	
Building and leasehold improvement	456,784	140	(30,129)	24,636	451,431	
Machinery	214,374	90	(1,346)	-	213,118	
Tools and factory equipment	61,453	95	(47)	6	61,507	
Fixture and office equipment	282,732	6,392	(2,971)	8,991	295,144	
Vehicle	92,081	5,399	(4,527)	9,684	102,637	
Total cost	<u>1,474,119</u>	<u>12,116</u>	<u>(39,020)</u>	<u>43,317</u>	<u>1,490,532</u>	
Accumulated depreciation						
Land improvement	(2,216)	(714)	-	-	(2,930)	
Building	(158,874)	(3,078)	-	-	(161,952)	
Building and leasehold improvement	(330,778)	(49,726)	29,685	-	(350,819)	
Machinery	(206,693)	(2,172)	738	-	(208,127)	
Tools and factory equipment	(30,759)	(6,016)	47	-	(36,728)	
Fixture and office equipment	(213,470)	(28,928)	2,949	-	(239,449)	
Vehicle	(64,360)	(6,563)	3,069	-	(67,854)	
Total accumulated depreciation	<u>(1,007,150)</u>	<u>(97,197)</u>	<u>36,488</u>	<u>-</u>	<u>(1,067,859)</u>	
Property, plant and equipment - net	466,969				422,673	
Assets under installation and construction	3,108	42,611	-	(43,317)	2,402	
<u>Less</u> allowance for impairment of machinery	<u>-</u>	<u>(7,987)</u>	<u>-</u>	<u>-</u>	<u>(7,987)</u>	
Total property, plant and equipment	<u>470,077</u>				<u>417,088</u>	
Depreciations for the years ended June 30,						
2020				Thousand Baht	<u>80,674</u>	
2019				Thousand Baht	<u>97,197</u>	

As at June 30, 2020		Separate financial statements				Unit: Thousand Baht
	Balance as at July 1, 2019	Additions	Disposals	Transfer in / (out)	Assets received from transfer (see Note 24)	Balance as at June 30, 2020
Cost						
Land	129,900	-	-	-	13,570	143,470
Land improvement	8,016	-	-	-	3,463	11,479
Building	45,729	-	-	-	158,789	204,518
Building and leasehold improvement	385,660	30,442	(12,114)	20,494	44,585	469,067
Machinery	4,013	696	(75)	-	118,844	123,478
Tools and factory equipment	50,739	138	-	48	4,711	55,636
Fixture and office equipment	191,542	7,440	(73)	6,571	31,116	236,596
Vehicle	74,507	1,076	(10,430)	3,969	6,250	75,372
Total cost	<u>890,106</u>	<u>39,792</u>	<u>(22,692)</u>	<u>31,082</u>	<u>381,328</u>	<u>1,319,616</u>
Accumulated depreciation						
Land improvement	(2,931)	(449)	-	-	-	(3,380)
Building	(5,712)	(2,572)	-	-	(155,977)	(164,261)
Building and leasehold improvement	(295,231)	(39,275)	10,900	-	(39,531)	(363,137)
Machinery	(3,661)	(2,172)	74	-	(113,094)	(118,853)
Tools and factory equipment	(26,409)	(4,898)	-	-	(4,311)	(35,618)
Fixture and office equipment	(144,554)	(20,069)	64	-	(30,375)	(194,934)
Vehicle	(47,423)	(7,437)	9,331	-	(5,118)	(50,647)
Total accumulated depreciation	<u>(525,921)</u>	<u>(76,872)</u>	<u>20,369</u>	<u>-</u>	<u>(348,406)</u>	<u>(930,830)</u>
Property, plant and equipment net	364,185					388,786
Assets under installation and construction	<u>2,403</u>	<u>28,962</u>	<u>-</u>	<u>(31,082)</u>		<u>283</u>
Total property, plant and equipment	<u><u>366,588</u></u>					<u><u>389,069</u></u>

Unit: Thousand Baht					
Separate financial statements					
As at June 30, 2019	Balance as at July 1, 2018	Additions	Disposals	Transfer in / (out)	Balance as at June 30, 2019
Cost					
Land	129,900	-	-	-	129,900
Land improvement	8,016	-	-	-	8,016
Building	45,729	-	-	-	45,729
Building and leasehold improvement	391,685	109	(29,120)	22,986	385,660
Machinery	4,013	-	-	-	4,013
Tools and factory equipment	50,659	74	-	6	50,739
Fixture and office equipment	179,887	5,837	(1,133)	6,951	191,542
Vehicle	62,805	5,399	(3,381)	9,684	74,507
Total cost	872,694	11,419	(33,634)	39,627	890,106
Accumulated depreciation					
Land improvement	(2,217)	(714)	-	-	(2,931)
Building	(3,426)	(2,286)	-	-	(5,712)
Building and leasehold improvement	(276,437)	(47,539)	28,745	-	(295,231)
Machinery	(3,247)	(414)	-	-	(3,661)
Tools and factory equipment	(20,588)	(5,821)	-	-	(26,409)
Fixture and office equipment	(121,561)	(24,114)	1,121	-	(144,554)
Vehicle	(42,891)	(6,454)	1,922	-	(47,423)
Total accumulated depreciation	(470,367)	(87,342)	31,788	-	(525,921)
Property, plant and equipment - net	402,327				364,185
Assets under installation and construction	2,388	39,642	-	(39,627)	2,403
Total property, plant and equipment	404,715				366,588
Depreciations during the years ended June 30,					
2020				Thousand Baht	76,872
2019				Thousand Baht	87,342

As at June 30, 2020, the Company has provision for cost of demolition recorded as part of leasehold improvement and building improvement and provision for demolition, which recognized as part of other non-current liabilities by Baht 30.44 million (2019: Nil).

For the year ended June 30, 2020, the Company has recognized demolition cost of building and leasehold improvement by Baht 4.61 million as administrative expenses in the statement of profit or loss and other comprehensive income in consolidated and separate financial statements (2019: Nil).

14. INTANGIBLE ASSETS

Intangible assets as at June 30, were as follows;

Unit: Thousand Baht						
Consolidated financial statements						
As at June 30, 2020	Balance as at July 1, 2019	Additions	Disposals	Transfer in / (out)	Discontinued operation	Balance as at June 30, 2020
Cost						
Computer software	290,411	7,686	(9,275)	6,384	(13,775)	281,431
Leasehold right	688	-	-	-	-	688
Total cost	<u>291,099</u>	<u>7,686</u>	<u>(9,275)</u>	<u>6,384</u>	<u>(13,775)</u>	<u>282,119</u>
Accumulated amortization						
Computer software	(127,456)	(19,744)	4,512	-	13,086	(129,602)
Leasehold right	(688)	-	-	-	-	(688)
Total accumulated amortization	<u>(128,144)</u>	<u>(19,744)</u>	<u>4,512</u>	<u>-</u>	<u>13,086</u>	<u>(130,290)</u>
Intangible assets under installation	363	6,371	-	(6,384)	-	350
<u>Less</u> Allowance for diminution in value of computer software	(730)	-	-	-	730	-
Total intangible assets	<u>162,588</u>					<u>152,179</u>

Unit: Thousand Baht						
Consolidated financial statements						
As at June 30, 2019	Balance as at July 1, 2018	Additions	Disposals	Transfer in / (out)		Balance as at June 30, 2019
Cost						
Computer software	275,538	12,037	-	2,836		290,411
Leasehold right	688	-	-	-		688
Total cost	<u>276,226</u>	<u>12,037</u>	<u>-</u>	<u>2,836</u>		<u>291,099</u>
Accumulated amortization						
Computer software	(99,333)	(28,123)	-	-		(127,456)
Leasehold right	(688)	-	-	-		(688)
Total accumulated amortization	<u>(100,021)</u>	<u>(28,123)</u>	<u>-</u>	<u>-</u>		<u>(128,144)</u>
Intangible assets under installation	2,057	1,142	-	(2,836)		363
<u>Less</u> Allowance for diminution in value of computer software	-	(730)	-	-		(730)
Total intangible assets	<u>178,262</u>					<u>162,588</u>

Amortizations for the years ended June 30,				
2020			Thousand Baht	<u>19,744</u>
2019			Thousand Baht	<u>28,123</u>

		Unit: Thousand Baht				
As at June 30, 2020		Separate financial statements				
	Balance as at July 1, 2019	Additions	Disposals	Transfer in / (out)	Assets received from transfer entire business (see Note 24)	Balance as at June 30, 2020
Cost						
Computer software	261,912	2,460	-	6,384	2,774	273,530
Leasehold right	385	-	-	-	-	385
Total cost	<u>262,297</u>	<u>2,460</u>	<u>-</u>	<u>6,384</u>	<u>2,774</u>	<u>273,915</u>
Accumulated amortization						
Computer software	(102,089)	(18,476)	-	-	(2,767)	(123,332)
Leasehold right	(385)	-	-	-	-	(385)
Total accumulated amortization	<u>(102,474)</u>	<u>(18,476)</u>	<u>-</u>	<u>-</u>	<u>(2,767)</u>	<u>(123,717)</u>
Intangible assets under installation	363	6,371	-	(6,384)	-	350
Total intangible assets	<u>160,186</u>					<u>150,548</u>

		Unit: Thousand Baht				
As at June 30, 2019		Separate financial statements				
	Balance as at July 1, 2018	Additions	Disposals	Transfer in / (out)		Balance as at June 30, 2019
Cost						
Computer software	247,639	11,437	-	2,836		261,912
Leasehold right	385	-	-	-		385
Total cost	<u>248,024</u>	<u>11,437</u>	<u>-</u>	<u>2,836</u>		<u>262,297</u>
Accumulated amortization						
Computer software	(75,785)	(26,304)	-	-		(102,089)
Leasehold right	(385)	-	-	-		(385)
Total accumulated amortization	<u>(76,170)</u>	<u>(26,304)</u>	<u>-</u>	<u>-</u>		<u>(102,474)</u>
Intangible assets under installation	2,057	1,142	-	(2,836)		363
Total intangible assets	<u>173,911</u>					<u>160,186</u>

Amortizations for the years ended June 30,

2020	Thousand Baht	<u>18,476</u>
2019	Thousand Baht	<u>26,304</u>

15. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at June 30, consisted of follows:

	Consolidated financial statements		Unit: Thousand Baht Separate financial statements	
	2020	2019	2020	2019
Trade payables - related parties (see Note 4)	9,820	-	78,052	675,346
Trade payables - other parties	94,697	162,230	94,632	2,099
Other payables - related parties (see Note 4)	566	1,912	1,072	237,076
Other payables - other parties	15,413	14,596	13,670	11,687
Accrued expenses	162,458	164,617	139,646	136,088
Total trade and other current payables	<u>282,954</u>	<u>343,355</u>	<u>327,072</u>	<u>1,062,296</u>

16. CURRENT CONTRACT LIABILITIES

Current contract liabilities as at June 30, consisted of follows:

	Consolidated financial statements		Unit: Thousand Baht Separate financial statements	
	2020	2019	2020	2019
Liabilities from goods return	37,533	48,040	37,533	48,040
Liabilities from marketing support to customer according to contracts	54,054	26,114	54,054	26,114
Total current contract liabilities	<u>91,587</u>	<u>74,154</u>	<u>91,587</u>	<u>74,154</u>

17. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFITS

Non-current provisions for employee benefit as at June 30, which consist compensation payable to employees after they retire. Movements in the present value of the defined benefit obligations, were as follows:

	Consolidated financial statements		Unit: Thousand Baht Separate financial statements	
	2020	2019	2020	2019
Non-current provisions for employee benefit as at July 1,	52,748	49,676	33,344	30,037
Included in profit or loss:				
Current service cost	9,044	7,760	4,790	6,918
Interest cost	1,089	757	677	689
Past service cost	14	7,085	-	6,650
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	(2,703)	3,586	(1,652)	1,715
Financial assumptions changes	3,530	(3,730)	1,944	(1,983)
Experience adjustments	(5,937)	(12,386)	(6,899)	(11,244)
Transfer of employees	-	-	-	562
Payment during the years	(7,858)	-	(4,913)	-
Discontinued operation	(1,580)	-	-	-
Non-current provisions for employee benefit as at June 30,	<u>48,347</u>	<u>52,748</u>	<u>27,291</u>	<u>33,344</u>

The Group recognized expenses in the statement of profit or loss and other comprehensive income for the years ended June 30, as follows:

	Consolidated financial statements		Unit: Thousand Baht Separate financial statements	
	2020	2019	2020	2019
Cost of sales	1,668	816	-	-
Selling and administrative expenses	8,479	14,786	5,467	14,257
Principal actuarial assumptions as at June 30,				

	Consolidated financial statements		Unit: percent per annum Separate financial statements	
	2020	2019	2020	2019
Discount rate	1.0	2.1	1.0	2.1
Salary increase rate	2.5 - 4.0	3.0 - 4.0	2.5 - 4.0	3.0 - 4.0
Turnover rate	0.0 - 6.2	0.0 - 59.0	0.0 - 6.2	0.0 - 59.0
Mortality rate	Thai mortality Table 2017	Thai mortality Table 2017	Thai mortality Table 2017	Thai mortality Table 2017

Significant actuarial assumptions for the determination of the defined employee benefit obligations were discount rate and expected salary increase rate. The sensitivity analysis below was determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period, while holding all other assumptions constant.

The impact of changes of significant actuarial assumptions to the present value of the non-current provisions for employee benefits as at June 30, were as follows:

	Unit: Million Baht			
	As at June 30, 2020			
	Consolidated financial statements		Separate financial statements	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(1)	2	(1)	1
Salary increase rate	1	(1)	1	(1)
Turnover rate	(3)	3	(1)	1

	Unit: Million Baht			
	As at June 30, 2019			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(2)	2	(1)	1
Salary increase rate	2	(1)	1	(1)
Turnover rate	(2)	3	(1)	1

The sensitivity analysis presented above might not be representative of the actual change in the defined employee benefit obligations as it was unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions might be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation was calculated using the Projected Unit Credit Method at the end of the report period, which was the same as that applied in calculating the post-employment benefit obligations liability recognized in the statement of financial position.

The Labor Protection Act (No. 7) B.E. 2562 has been announced in the Royal Gazette on April 5, 2019, which was effective after 30 days from the date announced in Royal Gazette. This Labor Protection Act stipulated additional legal severance pay rates for employees who had worked for an uninterrupted period of twenty years or more. Such employees were entitled to receive compensation of not less than 400 days at the employees' latest wage rate. This change was considered an amendment to post-employment benefits plan. The Group reflected the effect of such change by recognizing past service cost as an expense in the income statement of profit or loss and other comprehensive income for the year ended June 30, 2019 in which the law was effective.

18. SHARE PREMIUM

Section 51 of the Public Limited Companies Act B.E. 2535, requires a company to set aside share subscription monies received in excess amount of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

19. LEGAL RESERVE

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

As at June 30, 2020 and 2019, the Company's legal reserve equaled to one-tenth of the registered share capital.

20. TREASURY STOCKS

On August 28, 2018, a meeting of the Board of Directors of the Company No. 4/2018 passed a resolution approving the treasury stock for financial management purposes by repurchasing shares not exceeding Baht 120 million, from September 12, 2018 until March 11, 2019, and the resale will begin within 6 months after the end of the program.

The Company set aside an amount from retained earnings equal to the cost of the treasury shares to a separate reserve account with such reserve to remain outstanding until either the shares are sold or paid - up capital is reduced by the cancellation of any remaining unsold shares. As at June 30, 2019, the Company has set aside approximately Baht 87 million, with the Company recording the reserve as "Appropriated retained earnings - others" in the statement of financial position.

21. EXPENSES BY NATURE

Significant expenses classified by nature for the years ended June 30, were as follows:

	Consolidated		Unit: Thousand Baht	
	financial statements		Separate	
	2020	2019	2020	2019
Changes in inventories	358	429	203	791
Purchases goods, raw materials and supplies	1,219,744	1,925,265	1,639,391	-
Employee benefits expenses	708,682	745,312	371,300	304,572
Depreciation and amortization	100,418	125,320	95,348	113,646
Rental and service expenses	347,171	393,315	342,960	388,252
Advertising expenses	38,442	39,873	34,469	39,509
Professional fees	38,924	36,025	39,409	38,809
Personnel services fees	-	-	340,205	366,064

22. INCOME TAX

22.1 Deferred tax assets

Deferred tax assets as at June 30, were as follows:

	Consolidated		Unit: Thousand Baht	
	financial statements		Separate	
	2020	2019	2020	2019
Deferred tax assets	178,895	185,712	127,025	125,945

Movements of deferred tax assets during the years were as follows:

As at June 30, 2020	Consolidated financial statements			Unit: Thousand Baht
	As at July 1, 2019	Recognized in profit or loss	Recognized in other comprehensive income	As at June 30, 2020
Allowance for doubtful accounts	3,674	(871)	-	2,803
Inventories	51,134	747	-	51,881
Provision for long-term employee benefits	7,648	444	(1,022)	7,070
Consignment	57,573	8,595	-	66,168
Unused tax losses	39,177	(8,136)	-	31,041
Others	26,506	(6,574)	-	19,932
Deferred tax assets - net	185,712	(5,795)	(1,022)	178,895

		Unit: Thousand Baht		
As at June 30, 2019		Consolidated financial statements		
			Recognized in other comprehensive income	
	As at July 1, 2018	Recognized in profit or loss		As at June 30, 2019
Allowance for doubtful accounts	2,661	1,013	-	3,674
Inventories	98,656	(47,522)	-	51,134
Provision for long-term employee benefits	7,215	2,939	(2,506)	7,648
Consignment	78,142	(20,569)	-	57,573
Unused tax losses	3,405	35,772	-	39,177
Others	4,162	22,344	-	26,506
Deferred tax assets - net	194,241	(6,023)	(2,506)	185,712

		Unit: Thousand Baht		
As at June 30, 2020		Separate financial statements		
			Recognized in other comprehensive income	
	As at July 1, 2019	Recognized in profit or loss		As at June 30, 2020
Allowance for doubtful accounts	3,292	(489)	-	2,803
Inventories	3,056	(1,288)	-	1,768
Provision for long-term employee benefits	6,523	111	(1,321)	5,313
Consignment	57,573	8,595	-	66,168
Unused tax losses	39,177	(8,136)	-	31,041
Others	16,324	3,608	-	19,932
Deferred tax assets - net	125,945	2,401	(1,321)	127,025

		Unit: Thousand Baht		
As at June 30, 2019		Separate financial statements		
			Recognized in other comprehensive income	
	As at July 1, 2018	Recognized in profit or loss		As at June 30, 2019
Allowance for doubtful accounts	1,841	1,451	-	3,292
Inventories	5,351	(2,295)	-	3,056
Provision for long-term employee benefits	5,974	2,851	(2,302)	6,523
Consignment	73,710	(16,137)	-	57,573
Unused tax losses	-	39,177	-	39,177
Others	21,309	(4,985)	-	16,324
Deferred tax assets - net	108,185	20,062	(2,302)	125,945

As at June 30, 2020 and 2019, the subsidiary has deductible temporary differences and unused tax losses totaling Baht 180 million and Baht 170 million, respectively, on which deferred tax assets have not been recognized as the subsidiary believes future taxable profits may not be sufficient to allow utilization of the temporary differences and unused tax losses.

Details of expiry date of unused tax loss are summarized as below:

	Consolidated		Unit: Million Baht	
	financial statements		Separate	
	2020	2019	2020	2019
June 30, 2020	-	1	-	-
June 30, 2023	1	1	-	-
June 30, 2024	34	40	31	39
June 30, 2025	32	-	-	-
	<u>67</u>	<u>42</u>	<u>31</u>	<u>39</u>

22.2 Tax income (expenses)

Tax income (expenses) for the years ended June 30, are made up as follows:

	Consolidated		Unit : Thousand Baht	
	financial statements		Separate	
	2020	2019	2020	2019
Continuing operations				
Current income tax:				
Corporate income tax for the year	(44,234)	(19,058)	-	(791)
Deferred tax:				
Relating to origination and reversal of temporary differences	(5,795)	(6,023)	2,401	20,062
Tax income (expenses) reported in the statements of profit or loss	<u>(50,029)</u>	<u>(25,081)</u>	<u>2,401</u>	<u>19,271</u>
Discontinued operations				
Current income tax:				
Corporate income tax for the year	-	(12,664)	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	-	-	-	-
	<u>-</u>	<u>(12,664)</u>	<u>-</u>	<u>-</u>
Tax income (expenses) reported in the statements of profit or loss	<u>(50,029)</u>	<u>(37,745)</u>	<u>2,401</u>	<u>19,271</u>

22.3 The amounts of income tax relating to each component of other comprehensive income

The amounts of income tax relating to each component of other comprehensive income for the years ended June 30, were as follows:

	Consolidated		Unit: Thousand Baht	
	financial statements		Separate	
	2020	2019	2020	2019
Deferred tax relating to gains on re-measurements of defined benefit plans	<u>1,022</u>	<u>2,506</u>	<u>1,321</u>	<u>2,302</u>

22.4 The reconciliation between tax income (expense) and accounting profit for the years ended June 30, is as follows;

	Consolidated financial statements		Unit: Thousand Baht Separate financial statements	
	2020	2019	2020	2019
Accounting profit before income tax expense				
- income tax exemption business	(113,759)	(124,824)	-	-
Accounting profit before income tax expense				
- non-income tax exemption business	(342,845)	(270,924)	(474,100)	(111,710)
Applicable tax rate	20%	20%	20%	20%
Corporate income tax	(68,569)	(54,185)	(94,820)	(22,342)
Tax Effects for:				
Non-deductible expenses	(1,508)	(3,205)	(1,347)	(43,049)
Additional expense deductions allowed	2,728	1,961	2,581	1,349
Tax exempted revenue	-	-	95,984	83,998
Write-off deferred tax assets	(235)	(1,493)	(235)	-
Others	17,555	31,841	238	(685)
Total	18,540	29,104	97,221	41,613
Tax income (expenses) reported in the statements of comprehensive income	(50,029)	(25,081)	2,401	19,271

23. DISCONTINUED OPERATIONS AND SALE OF INVESTMENTS IN SUBSIDIARIES

On September 2, 2019, Look Balance Co., Ltd. entered into the Agreement to sell all shares of Time Deco Corporation Limited to other parties. The Company completely transferred the shares with other parties on September 2, 2019.

Selling shares in the subsidiary caused the Company to lose the significant business segment of watches. Therefore, the Company has classified such sale of shares in the subsidiary as discontinued operation in accordance with Thai Financial Reporting Standard No. 5 (Revised 2019) "Non-current Assets Held for Sale and Discontinued Operations".

The Group has presented the operating result of discontinued segment for the years ended June 30, 2020 and 2019, as "Profit for the period from discontinued operation" in the statement of profit or loss and other comprehensive income.

The details of discontinued operation for the years ended June 30 are as follows:

	Unit : Thousand Baht Consolidated financial statement	
	2020	2019
Revenues from sales	47,602	349,722
Other income	-	7,547
Cost of sales	(23,063)	(174,767)
Selling expenses	(15,551)	(118,149)
Administrative expenses	(6,636)	(184,319)
Finance costs	(1)	(102)
Profit (loss) before income tax expenses	2,351	(120,068)
Income tax expenses	-	(12,664)
Profit (loss) for the year from discontinued operation	2,351	(132,732)
Other comprehensive income for the year from discontinued operation	2,351	(132,732)

The statement of financial position of disposed subsidiary on September 1, 2019 are as follows:

	Unit : Thousand Baht
STATEMENT OF FINANCIAL POSITION OF DISPOSED SUBSIDIARY	
	As at September 1, 2019
Assets	
Cash and cash equivalents	21,314
Trade and other current receivables	57,690
Inventories	72,737
Other current assets	7,390
Property, plant and equipment (see Note 13)	460
Other non-current assets	6,575
Total assets of disposed subsidiary	166,166
Liabilities	
Trade and other current payables	12,669
Current portion of liabilities under finance lease agreements	41
Current income tax payable	1,892
Other current liabilities	13,806
Employee benefit obligations	1,580
Other non-current liabilities	889
Total liabilities of disposed subsidiary	30,877
Total net assets of disposed subsidiary	135,289

Loss on sale of investments and cash received from sale of investments consist of the following:

	Unit : Thousand Baht CONSOLIDATED FINANCIAL STATEMENTS
Carrying amount of net assets of disposed subsidiaries	135,289
<u>Less</u> Non-controlling interest of disposed subsidiaries	(66,285)
	69,004
<u>Less</u> Cash received from sales of investments - net of selling expenses	(30,000)
Loss on sale of investments in subsidiary	(39,004)

Unit : Thousand Baht
CONSOLIDATE
D FINANCIAL
STATEMENTS

Cash received from sale of investments - net of selling expenses	30,000
<u>Less</u> Cash and cash equivalents of disposed subsidiary	<u>(21,314)</u>
Cash received from sale of investments	<u>8,686</u>

24. ENTIRE BUSINESS TRANSFER

On November 1, 2019, P.K. Garment (Import-Export) Co., Ltd. transferred the entire business of P.K. Garment (Import-Export) Co., Ltd. to the Company, which is a company under common control. P.K. Garment (Import-Export) Co., Ltd. transferred all of its assets, liabilities, employees and commitments and contingent liabilities as at November 1, 2019, to the Company. Assets and liabilities of the transfer are as follows:

Unit : Thousand Baht

Assets Transferred

Cash and cash equivalents	80
Trade and other current receivables	555,276
Inventories	96,067
Other current assets	716
Property, plant and equipment (see Note 13)	32,922
Intangible assets (see Note 14)	7

Liabilities Transferred

Bank overdraft	(9,905)
Trade and other current payables	(340,344)
Income tax payable	(25,932)
Other current liabilities	<u>(3,133)</u>

Net assets as at November 1, 2019

305,754

Unit : Thousand Baht
SEPARATE
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Cash paid from entire business transferred - net assets	(305,754)
<u>Less</u> Cash and cash equivalents of entire business transferred subsidiary	<u>80</u>
Cash paid from entire business transferred	<u>(305,674)</u>

The Company has no profit or loss from such business transferred.

25. PROMOTIONAL PRIVILEGES

A subsidiary has been granted privileges by the Board of Investment related to manufacturing garments 2 promotional certificates as follows:

For manufacturing garments in promotional certificate no. 2135(5)/2554 dated on 16 September 2011. The significant privileges consisted of exemption from payment of import duty on machinery which will be imported during period specified by the certificate and exemption from payment of income tax for certain operation for a period of eight years from the date on which the income is first derived which was November 17, 2011.

For manufacturing costumes in promotional certificate no. 1673(5)/2555 dated on May 30, 2012. The significant privileges consisted of exemption from payment of import duty on machinery which will be imported during period specified by the certificate and exemption from payment of income tax for certain operation for a period of eight years from the date on which the income is first derived which was February 21, 2013.

The Company and its subsidiaries' operating revenues for the years ended to June 30, divided between promoted and non-promoted operations, are summarized below.

	Unit: Thousand Baht							
	Promoted operations		Non-promoted operations		Elimination entries		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Sales								
Domestic sales	279	432	3,774	3,782	(871)	(894)	3,182	3,320
Export sales	-	-	-	25	-	-	-	25
Total	279	432	3,774	3,807	(871)	(894)	3,182	3,345

26. BASIC EARNINGS PER SHARE

Basic earnings per share for the years ended June 30, were based on the profit for the years attributable to ordinary shareholders of the Company and the number of weighted ordinary shares outstanding during the years held by shareholders as follows:

	Consolidated financial Statements		Separate financial Statements	
	2020	2019	2020	2019
Continuing operation				
Profit for the year attributable to owners of the Company (Thousand Baht)	405,121	365,329	476,501	130,981
Weighted average number of ordinary shares (Thousand shares)	792,000	796,025	792,000	796,025
Basic earnings per share (Baht per share)	0.51	0.46	0.60	0.16
Discontinued operation				
Profit for the year attributable to owners of the Company (Thousand Baht)	1,964	(59,532)	-	-
Weighted average number of ordinary shares (Thousand shares)	792,000	796,025	792,000	796,025
Basic earnings per share (Baht per share)	0.002	(0.07)	-	-

27. **SEGMENT INFORMATION**

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the Company's Board of Directors.

The Group has two reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the chief operating decision maker reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

- Clothing and accessories
- Watches

No operating segments have been aggregated to form the above reportable operating segments.

On September 2, 2019, Look Balance Co., Ltd. entered into the Agreement to sell all shares of Time Deco Corporation Limited to other parties, which caused the Company to lose business segment of watches of the Group (see Note 23).

The chief operating decision maker monitors the operating results of each business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets and total liabilities in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue and profit and total assets/total liabilities information regarding the Company's and its subsidiaries' operating segments for the years ended June 30, respectively.

	Unit: Million Baht			
	Business of clothing and accessories		Total	
	2020	2019	2020	2019
External revenue	3,182	3,345	3,182	3,182
Total revenue	3,182	3,345	3,182	3,182
Depreciation and amortization	(100)	(120)	(100)	(120)
Capital expenditure	52	(65)	52	(65)
Share of loss from investments in joint venture	(1)	(4)	(1)	(4)
Profit (loss) before tax expenses	457	396	457	396
Tax expenses	(50)	(25)	(50)	(25)
Profit for the years from continuing operation	407	371	407	371
Profit (loss) for the years from discontinued operation			2	(133)
Profit for the year			409	238

Assets and liabilities classified by segment as at June 30, are as follows:

	2020	Unit : Thousand Baht 2019
Total assets	4,081,284	4,289,600
Total liabilities	489,156	529,326

Revenue from contracts with customers

	Consolidated financial statements		Unit: Thousand Baht Separate financial statements	
	2020	2019	2020	2019
Type of goods or service:				
Revenue from sales	3,182,376	3,344,580	3,143,128	3,305,279
Revenue from services	120	8,567	15,906	59,396
Timing of revenue recognition:				
Revenue recognized at a point in time	3,182,376	3,344,580	3,143,128	3,305,279
Revenue recognized over time	120	8,567	15,906	59,396

Geographic information

The Group operate in Thailand only. As a result, all of revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

Major customers

The Group have no major customer with revenue of 10 percent or more of an entity's revenues for the years ended June 30, 2020 and 2019.

28. PROVIDENT FUND

The Company and its employees, and the subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company, its subsidiaries and employees contribute to the fund monthly at the rate of 3 percent of basic salary. The funds, which is managed by an asset management company, will be paid to employees upon termination in accordance with the fund rules. The Group recognized contributions for the years ended June 30, 2020 and 2019 amounting to Baht 5 million and Baht 6 million, respectively, in consolidated financial statements and Baht 5 million and Baht 5 million, respectively, in separate financial statements.

29. DIVIDEND PAID

Dividend paid during the years ended June 30, were as follows:

Dividend	Authorized by	Dividend paid (Thousand Baht)	Dividend paid (Baht per share)
Interim dividend for the operating result for the period of January 1, 2018 - June 30, 2018	Annual General Meeting 2018 of the Shareholders on October 30, 2018	319,800	0.40
Interim dividend for the operating result for the period of July 1, 2018 - December 31, 2018	Meeting of the Board of Directors on February 13, 2019	277,200	0.35
		597,000	0.75
Interim dividend for the operating result for the period of July 1, 2018 - June 30, 2019	Annual General Meeting 2019 of the Shareholders on October 15, 2019	237,600	0.30
Interim dividend for the operating result for the period of July 1, 2019 - December 31, 2019	Meeting of the Board of Directors February 6, 2020	277,199	0.35
		514,799	0.65

30. FAIR VALUE OF FINANCIAL INSTRUMENT

Certain financial assets and financial liabilities of the Group are measured at fair value at the end of reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined.

As of June 30, the Group has the following assets that were measured at fair value using levels of inputs as follows:

Unit: Million Baht				
Consolidated / Separate financial statements				
As at June 30, 2020				
Level 1	Level 2	Level 3	Total	
Assets measured at fair value				
Trading securities - Unit trusts	-	779	-	779

Unit: Million Baht				
Consolidated / Separate financial statements				
As at June 30, 2019				
Level 1	Level 2	Level 3	Total	
Assets measured at fair value				
Trading securities - Unit trusts	-	569	-	569

Valuation techniques and inputs to Level 2 valuations

The fair value of unit trusts held for trading has been determined by using the net asset value of the last working day of the reporting period as announced by the asset management company.

During the period, there were no transfers within the fair value hierarchy.

31. FINANCIAL INSTRUMENTS

31.1 Financial risk management

The Company and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, current investments, trade and other current receivables, short-term loans to related parties, short-term loans to other parties, trade and other current payables, liabilities under finance lease agreements, and short-term borrowings from related parties. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade and other current receivables, short-term loans to related parties and short-term loans to other parties. The Group manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Group do not have high concentrations of credit risk since they have a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables and loans as stated in the statement of financial position.

Interest rate risk

As at June 30, 2020 and 2019, interest rate risk arises from the potential for a change in an interest rate which will have an adverse effect on the Group in the current reporting periods and future periods. The Company and its subsidiaries do not expect any material incremental effect on their interest expense because the loans of the Company and its subsidiaries are immaterial amounts.

Foreign currency risk

The Group exposure to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies. The subsidiary seeks to reduce this risk by entering into forward exchange contracts when it considers appropriate. Generally, the forward contracts mature within one year.

As at June 30, balances of financial assets and liabilities denominated in foreign currencies of the subsidiaries are summarized below.

Foreign currencies	Financial liabilities		Average exchange rate	
	2020	2019	2020	2019
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
USD	-	0.7	-	31.98

Forward foreign exchange contracts

As at June 30, 2019, the subsidiary has forward exchange contracts outstanding as summarized below.

As at June 30, 2019			
Foreign currency	Bought amount by the subsidiary (Million)	Contractual exchange rate	Contractual maturity date
USD	0.6	31.5 - 31.6 Baht per 1 USD	December 2019

31.2 Fair values of financial instruments

Since the majority of the Group’s financial assets and liabilities which comprise deposit at financial institutions, trade and other current receivables, short-term loans to related parties, short-term loans to other parties, trade and other current payables, liabilities under finance lease agreement, and short-term borrowings from related parties are short-term in nature or bear floating interest rates, their fair values are not expected to be materially different from the amounts presented in the statements of financial position.

The fair value of investments in unit trusts has been determined from their net asset value as announced by Asset Management Company.

During the current year, there were no transfers within the fair value hierarchy

32. CAPITAL MANAGEMENT

The primary objective of the Company and its subsidiaries' capital management is to ensure that they have appropriate capital structure in order to support their business and maximize shareholder value. As at June 30, 2020 and 2019, the Group's debt-to-equity ratio was 0.14:1 and the Company's was 0.16:1 and 0.34:1, respectively.

33. COMMITMENTS AND CONTINGENT LIABILITIES

33.1 Capital commitments

As at June 30, 2020 and 2019, the Company had outstanding commitments of Baht 0.2 million and Baht 5 million, respectively, in respect of construction of building improvement and purchase of intangible assets.

33.2 Operating lease and service agreements commitments

The Group have entered into lease agreements and service agreements with department stores, retail shops, warehouses and commercial buildings in Bangkok and upcountry areas to operate shopping stores for distribution and storage of the Group's products and car leases. The terms of the agreements are between 1 and 10 years.

Future minimum lease payments required under these non-cancellable operating leases and service agreements of the Group for the years ended June 30, were as follows:

	Consolidated financial statements		Unit: Million Baht Separate financial statements	
	2020	2019	2020	2019
<u>Payable within:</u>				
Less than 1 year	363	315	363	305
1 to 5 years	462	297	462	287
Over 5 years	-	29	-	29

The Group paid the lease, service and car rental and recorded as expenses for the years ended June 30, 2020 and 2019 of Baht 292 million and Baht 338 million, respectively, in consolidated financial statements and separate financial statements

33.3 Guarantees

As at June 30, 2020 and 2019, the Group have outstanding bank guarantees of approximately Baht 10 million and Baht 7 million, respectively, in the consolidated financial statements and Baht 10 million and Baht 1 million, respectively, in the separate financial statements issued by the banks on behalf of the Group in respect of certain performance bonds as required in the normal course of business.

33.4 As at June 30, 2020 and 2019, the credit facilities of the Group which have not yet been drawn down amounting to Baht 980 million.

34. RECLASSIFICATIONS

Reclassifications have been made in the statement of financial position as at June 30, 2019 to conform to the classification used in current period's financial statements. Such reclassifications have no effect to previously reported net profit and shareholders' equity. The reclassifications are as follows:

Item	Previous presentation	Current presentation	Unit : Thousand Baht	
			Consolidated Financial Statements	Separate Financial Statements
			Amount	Amount
As at June 30, 2019				
Prepaid expenses and Advance payment	Other current assets	Trade and other current receivables	40,314	21,443
Unappropriated retained earnings	Appropriated legal reserve	Unappropriated retained earnings	25,000	-
Current portion of liabilities under finance lease agreements	Current portion of liabilities under finance lease agreement	Other current liabilities	61	-

35. EVENTS AFTER THE REPORTING PERIOD

On August 25, 2020, the Board of Directors' Meeting No. 5/2020 approved the dividend payment to shareholders in amounting to Baht 0.20 per share, or a total of Baht 158.40 million from the operating results for the year 2020 and retained earnings as at June 30, 2020. The dividend will be paid on November 25, 2020.

36. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Company's Board of Directors on August 25, 2020.



1 JULY 2019 - 30 JUNE 2020
MC GROUP PUBLIC COMPANY LIMITED