

Annual Report

ANNUAL REPORT 2021
1 JULY 2020-30 JUNE 2021



MC GROUP

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

mc
mc
OUTLET STORE

M & C

mcshop





MESSAGE FROM CHAIRMAN

■ Dear Shareholders and Partners,

Mc Group PLC (“The Company”) has manufactured and distributed apparel and lifestyle products for over 45 years, in which the Company has ensured the quality of our products are equivalent to those of international brands. Additionally, our products possess many distinctive features - size and shape suit perfectly with Thai consumers, various distribution channels cater an affordable price range – which regularly favor domestic customers. Therefore, the Company has continuously dominated Thailand’s market. The Company also continues to innovate and launch new products, expanding its addressable market.

The spreading of COVID19 has taught us new lessons in adaptation and preparation for an uncertain future. The swift transformation and collaboration by a united Board of Directors, management team and staff highlight the deep passion across the Company to overcome this crisis. Along with its strong foundation, strategy and multi-level initiatives, the Company has remained profitable in 2021 and as a result maintains its consistent dividend payment. In addition, the management team has been preparing the business for an inevitable economic recovery by diversifying its business lines resulting in a revenue model that is sustainable, resilient, efficient and has growth potential in any environment.

2021 has been another year of significant change. The Board of Directors has appointed Mr. James Richard Amatavivadhana as acting Chief Executive Officer to steer the company with confidence. Armed with more than 30 years of experience in retail, lifestyle fashion and e-commerce in Thailand and abroad, James has set a competitive business strategy for the Company to be a leading retail operator in fashion and lifestyle, able to deliver sustainable value to shareholders. This strategy aligns with the Company’s master plan in expanding both online and offline distribution channels to suit its customers’ evolving behaviors.

Aside from the operating performance, the Board of Directors and management team focus on employee’s safety, employment continuity, work productivity adjustment, sustainable cost management as well as community engagement projects during the COVID19 pandemic including the donations of food and personal protective equipment to community hospitals together with essential goods to affected areas and communities in need.

The Company recognizes that good corporate governance practices are important for long-term sustainability. Therefore, the Company educates accountability, transparency, and governance to all its staff to ensure that as the Company diversifies into other business lines in the future, the Company will continue to deliver positive and sustainable returns to all partners subsequently.

On behalf of the Board of Directors of MC Group PLC, I would like to sincerely thank all our shareholders, business partners, supporting customers as well as our management team and every staff member who has collaborated to deliver on our company plans during this pandemic. Please kindly be confident that the Company will remain steadfast in upholding good business ethics and corporate governance for the future.



(Mrs. Kaisri Nuengsigkapan)
CHAIRMAN OF THE BOARD OF DIRECTORS



MESSAGE FROM CHIEF EXECUTIVE OFFICER

■ Dear shareholders and partners,

I am truly honored to be appointed as acting chief executive officer of MC Group PLC (The Company). My primary objective is to deliver long term benefits to all shareholders via a clear and effective strategy. With more than 30 years of management experience and expertise in lifestyle fashion, e-commerce and retail business in domestic and international markets, I am confident that I can steer the Company's in a direction that is congruent with the Company's master strategy. I will incorporate an online distribution channel in order to respond to market changes and aggressive competition whilst ensuring a sustainable and steady business cadence. The Company's culture embodies the value of teamwork, customer satisfaction as well as social and environmental responsibilities. Our reputation depends on the market satisfaction and confidence in our brand and the support we gather being a leading retail company across Thailand.

During 2021, the Company formulated a strategic growth plan aimed online and offline with innovative products to ensure our customers have best experience from our goods and services. Besides our own potent distribution channel "mcshop.com", the Company has strong relationship with partners such as Shopee, Lazada and JD Central. Our unwavering online customer support is evident from our 1.6 million Mc Club members and around 1 million followers on Facebook Page "Mc Jeans". We continue to grow online consistently by developing new features to facilitate and earn more engagements as well as to respond to current customer behavior.

Throughout the current crisis, the Company has maintained its profitability, mindfully reducing cost across every function, and focusing on growing sales revenue. For expansion plans and targets, the Company aims to be a leading fashion and lifestyle retail business in Thailand that creates sustainable value for shareholders by creating brand awareness for customers, organizing unique work experiences for our staff, and utilizing technology for an efficient value chain. Moreover, the Company has developed specific marketing strategies to target specific customer groups such as partnering with PTT PLC Group to expand a new distribution channel "Mc Outlet" across their petrol station network, in preparation for the return of tourists once the economy and travel resumes. In the next 2 years, the Company plans to build both online and offline distribution centers to support the determined sales growth target.

From a comprehensible operation plan, the Company effectively manages product cost which resulted in a high financial liquidity. Along with a complete value chain management, the Company is able to deliver satisfactory levels of income and profits in 2021 despite the COVID19 crisis and subsequent government lockdowns. The Company is confident that once as the pandemic diminishes as vaccination rates accelerate, the Company will continue to expand per its outlined target. In order to support and respond to high kaempfer demand in the market, the Company has disseminated kaempfer extract food supplement capsules under a PMH brand via the Company's online distribution channel www.mcshop.com and Line OA: @mcjeans_official as an alternative for customers as well.

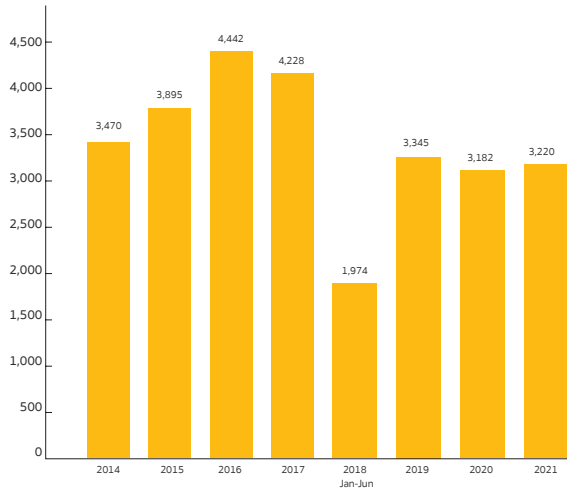
On behalf of management team, I would like to thank all shareholders, directors, management, business partners, staff, and all customers who continuously give trust and support which motivated the Company to be a leading firm sustainably.

Mr. James Richard Amatavivadhana
Acting Chief Executive Officer

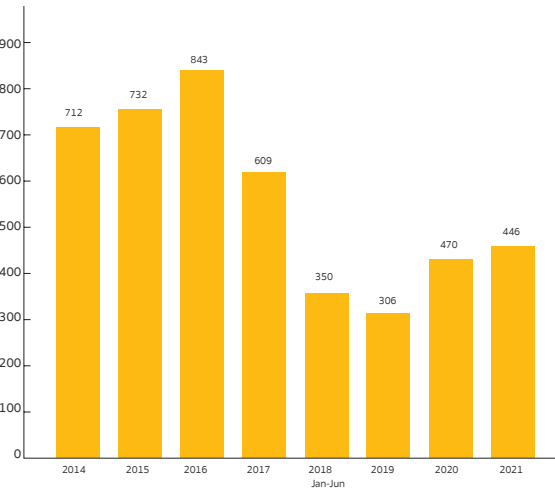
FINANCIAL SUMMARY

Summary of Financial Information (in THB millions)	Consolidated Financial Statements		
	2019	2020	2021
Statements of Comprehensive Income			
Revenue from sale of goods	3,345	3,182	3,220
Total income	3,380	3,217	3,249
Earnings before interest net, taxes, depreciation and amortization	649	593	952
Net profit (loss)	306	407	466
Statements of Financial Position			
Total assets	4,290	4,084	5,214
Total liabilities	529	492	1,612
Total equity	3,760	3,592	3,603
	2019	2020	2021
Profitability (%)			
Gross profit margin	59.5	57.8	59.6
EBITDA margin	19.2	18.4	29.3
Net profit margin	9.0	12.7	13.7
Return on total assets	6.7	10.9	11.9
Return on total equity	7.7	11.2	12.4
Debt to Equity Ratios (Times)			
Total debt to equity ratio	0.1	0.1	0.4
Per Share Information (THB)			
Book value per share	4.7	4.5	4.5
Earnings per share	0.39	0.51	0.56
Dividends per share	0.81	0.55	0.55

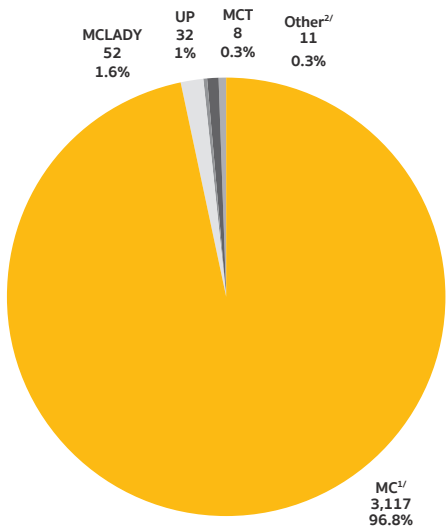
Revenue From Sales of Goods
(in THB millions)



Net Profit
(in THB millions)

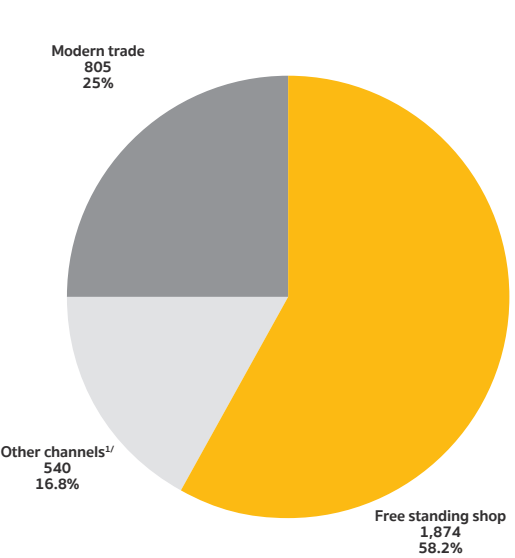


2021 (Jul 2020 – Jun 2021)
Revenue Struture – By Brands
(in THB millions)



Remark :
^{1/} Revenue of Mc including the revenue from sales of accessories to outsource manufactures
^{2/} Other revenue are Product Mc Mc, Mc Mini, Bison, watch.

2021 (Jul 2020 – Jun 2021)
Revenue Struture – By Channels
(in THB millions)



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

BOARD OF DIRECTORS

1



◀ Mrs. Kaisri Nuengsigkapien
Ms. Sunee Seripanu ▶

2



3



◀ Mr. Virach Seripanu

4



◀ Mr. Supasak Chirasavinuprapand
Mr. Somchai Apiwattanapron ▶

5



6



◀ Mr. Lucksananoi Punkrasamee
Mr. Kris Chanthanotok ▶

7



8



◀ Mr. Ekaluck Wangchucherdkul

9



Mrs.Chananyarak Phetcharat ▶

DIRECTORS AND EXECUTIVES

Mrs. Kaisri Nuengsigkapan ¹

1

Chairperson of the Board of Directors / Member of Executive Committee

- 59 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

- Master of Business Administration, Thammasat University
- Bachelor of Accounting, Thammasat University

Seminar on role and responsibility of director Thai Institute of Directors Association

- 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 (AAP), Class 36/2020, Thai Institute of Directors (IOD)
- Certificate, Director Leadership Certification Program (DLCP) Class 0/2020 (Dry Run)

Other seminar

- Capital Market Academy Leadership Program, Class 3, Capital Market Academy

Other Current positions (Director / Executive)

- Listed Companies (2 companies)

Since 2020 : Independent Director / Member of Nomination and Remuneration Committee, Indorama Ventures Plc.

Since 2019 : Independent Director / Chairman of Audit Committee, SCG Packaging Plc.

- Other Business (Non-listed companies not doing business of similar nature and competing with the Company) (6 companies)

Since 2021 : Appeal Committee, Stock Exchange of Thailand

Since 2018 : Chairman , Buono (Thailand) Plc.

Since 2018 : Directors, Thai Institute of Directors

Since 2015 : Member of Corporate Governance Committee, Bank Of Thailand

Since 2015 : Director, TOP T 2015 Co., Ltd.

Since 2015 : Director / Treasurer, Rakkaew Foundation

Experiences

2018-2020 : Directors, P.K. Garment (Import-Export) Co., Ltd.

2018-2020 : Independent Director / Member of Audit Committee, SCG Ceramics Plc

2016-2017 : Advisor, Securities and Exchange Commission, Thailand (SEC)

2005-2014 : Chief Executive Officer, KPMG Thailand

2003-2015 : Director, The Stock Exchange of Thailand (SET)

Ms. Sunee Seripanu

1

2

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

- 57 years old

Date of Director

18 March 2013

Shareholding (Ordinary Shares)

- Held personally : 361,554,820 shares (54.19%)
- Held by spouse or minor children : None

Education

- Master of Business Administration, Assumption University
- Bachelor of Accountancy, Chulalongkorn University

Seminar on role and responsibility of director Thai Institute of Directors Association

- Director Accreditation Program (DAP), Class 98/2012, Thai Institute of Directors (IOD)
- Director Certification Program (DCP), Class 172/2013, Thai Institute of Directors (IOD)

Other seminar

- Capital Market Academy Leadership Program, Class 15/2013, Capital Market Academy

Other Current positions (Director / Executive)

-Listed Companies (0 companies)

-none-

Other Business (Non-listed companies not doing business of similar nature and competing with the Company) (8 companies)

Since 2019 : Board of Directors, Mcmillion (Thailand) Co.,Ltd.

Since 2018 : Chairman of Board of Directors, Aromatique Active Co., Ltd.

Since 2016 : Chairman of Board of Directors, MC JEANIOUS Co., Ltd.

Since 2016 : Chairman of Board of Directors, TOP T 2015 Co., Ltd.

Since 2014 : Chairman of Board of Directors, Wow me Co., Ltd.

Since 2013 : Chairman of Board of Directors, McJeans Manufacturing Co., Ltd.

Since 2013 : Chairman of Board of Directors, Winnerman Co., Ltd.

Since 2012 : President, Mc Group Foundation for Thai Society

Experiences

2014-2020 : Chairman of Board of Directors, Look Balance Co., Ltd.

2014-2020 : Chairman of Board of Directors, Time Deco Corporation Co., Ltd.

2013-2013 : Director, SS Challenge Co., Ltd.

2004-2014 : Director, Amata Apparel Co., Ltd.

2000-2020 : Director, Millennium (1975) Co., Ltd.

2000-2020 : Chairman of Board of Directors, P.K. Garment (Import-Export) Co., Ltd.

2000-2014 : Director, Na Yai Am Real Estate Co., Ltd.

DIRECTORS AND EXECUTIVES

Mr. Virach Seripanu

1

3

Director / Member of Corporate Governance and Sustainable Development Committee / Chief Operation Officer

- 59 years old

Date of Director

18 March 2013

Shareholding (Ordinary Shares)

- Held personally : 15,000,000 shares (1.88%)
- Held by spouse or minor children : None

Education

- Master of Business Administration, Assumption University
- Bachelor of Science in Pharmaceutical Sciences, Chulalongkorn University

Seminar on role and responsibility of director Thai Institute of Directors Association

- Director Certification Program (DCP), Class 155/2012, Thai Institute of Directors (IOD)

Other Current positions (Director / Executive)

-Listed Companies (0 companies)

-none-

Other Business

- (Non-listed companies not doing business of similar nature and competing with the Company)
(7 companies)

Since 2019 : Director, Top T 2015 Co., Ltd.

Since 2018 : Director, McMillion (Thailand) Co., Ltd.

Since 2017 : Director, Aromatique Active Co., Ltd.

Since 2017 : Director, MC JEANIOUS Co., Ltd.

Since 2015 : Director, Wowme Co., Ltd.

Since 2014 : Director, Mc Jeans Manufacturing Co., Ltd.

Since 2014 : Director, Winnerman Co., Ltd.

Experiences

2014-2014 : Director, P.K. Garment (Import-Export) Co., Ltd.

2019-2020 : Director, Time Deco Corporation Co., Ltd.

2015-2020 : Director, Look Balance Co., Ltd.

2012-2014 : Director, P.K. Asset Plus Co., Ltd.

2003-2015 : Director, Amata Apparel, Ltd.

Mr. Supasak Chirasavinuprapand

4

Independent Director/ Member of Audit Committee/ Chairman of Risk Management Committee/ Chairman of Corporate and Governance and Sustainable Development Committee

- 57 years old

Date of Director

18 March 2013

Shareholding (Ordinary Shares)

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

Education

- 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

Seminar on role and responsibility of director Thai Institute of Directors Association

- Director Accreditation Program (DAP), Class 10/2004, Thai Institute of Directors (IOD)

Other Current positions (Director / Executive)

-Listed Companies (0 companies)

-none-

Other Business

- (Non-listed companies not doing business of similar nature and competing with the Company) (17 companies)

Since 2019 : Director, Look Balance Co., Ltd.

Since 2019 : Director, V-Click Technology Co.,Ltd

Since 2018 : Director, Sime Darby Oils Nonthaburi Co., Ltd.

Since 2014 : Director, Sime Darby (Thailand) Co., Ltd.

Since 2013 : Director, S.C. Law Office Co., Ltd.

Since 2006 : Director, Sime Darby Auto Services Co., Ltd.

Since 2005 : Director, Sagawa Express (Thailand) Co., Ltd.

Since 2005 : Director, SG Sagawa (Thailand) Co., Ltd.

Since 2004 : Director, Viking Motors Co., Ltd.

Since 2003 : Director, Sime Darby Vantage (Thailand) Co., Ltd.

Since 2003 : Director, Sime-Darby Holding (Thailand) Co., Ltd.

Since 2003 : Director, Tokio Marine South-East Servicing Co., Ltd

Since 2001 : Director, Sime Darby Mazda (Thailand) Co., Ltd.

Since 2001 : Director, Tokio Marine Insurance (Thailand) Plc.

Since 2001 : Director, Performance Motors (Thailand) Co., Ltd.

Since 2000 : Director, Greenspot Co., Ltd.

Since 1997 : Director, Sime Darby Oils Morakok Pcl.

Experiences

2013-2020 : Director, S.P.C. Precious Metal Co., Ltd.

2010-2020 : Director, Ranhill Utilities Thai Co., Ltd.

DIRECTORS AND EXECUTIVES

Mr. Somchai Apiwattanapron

5

Independent Director / Chairman of Audit Committee

- 71 years old

Date of Director

18 March 2013

Shareholding (Ordinary Shares)

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

Education

- 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.

Seminar on role and responsibility of director Thai Institute of Directors Association

- 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)

Other seminar

- Capital Market Academy Leadership Program, Class 5/2009, Capital Market Academy
- Top Executive Program in Commerce and Trade (TEPCoT), Commerce Academy

Other Current positions (Director / Executive)

- Listed Companies (1 companies)

Since 2020 : Chairman of Board of directors , Dimet (Siam) Pcl.

-Other Business (Non-listed companies not doing business of similar nature and competing with the Company) (3 companies)

Since 2013 : Director, Wowme Co., Ltd.

Since 2012 : Director, McJeans Manufacturing Co., Ltd.

Since 2012 : Director, Winnerman Co., Ltd.

Experiences

2012-2014 : Chairman of the Board of Directors Thailand Tobacco Monopoly, Ministry of Finance

2011-2020 : Director, P.K. Garment (Import-Export) Co., Ltd.

2011-2018 : Independent Director / Chairman of Audit Committee, Ferrum Plc

2020-2019 : Independent Director / Chairman of Audit Committee, Synnex (Thailand) Plc

2006-2020 : Independent Director / Chairman of Audit Committee / Chairman of the Nomination and Remuneration Committee, Robinson Department Store Plc.

Mr. Lucksananoi Punkrasamee

6

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

- 69 years old

Date of Director

1 January 2016

Shareholding (Ordinary Shares)

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

Education

- Master Degree (MBA) Chulalongkorn University
- Bachelor Degree in Accounting Chulalongkorn University

Seminar on role and responsibility of director Thai Institute of Directors Association

- Director Accreditation Program (DAP), Class SCC/2004 , Thai Institute of Directors (IOD)
- Director Certification Program (DCP), Class 122/2009 , Thai Institute of Directors (IOD)

Other seminar

- 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

Other Current positions (Director / Executive)

- Listed Companies (2 companies)

Since 2020 : Independent Director / Chairman of Audit Committee, SCG Ceramics Plc.

Since 2014 : Chairman of the Board / Member of the Nomination and Remuneration Committee, Origin Property Plc.

- Other Business (Non-listed companies not doing business of similar nature and competing with the Company) (4 companies)

Since 2019 : Advisor and director to Tax Accounting, Federation of Accounting Professions
(Under The Royal Patronage of His Majesty The King

Since 2018 : Advisor, Securities & Exchange Commission

Since 2016 : Director, One Origin Co.,Ltd.

Since 2014 : Chairman of Audit Committee/ Member of the Nomination and Remuneration Committee, Buono (Thailand) Plc.

Experiences

2015-2016 : Independent Director , NokScoot Airlines Co., Ltd.

2013-2020 : Director , SC Capital (Thailand) Co., Ltd.

2013-2020 : Chairman of Audit Committee / Independent Director / Member of the Nomination and Remuneration Committee, Singer Thailand Plc.

2013-2018 : Advisor to Vice President-Finance and Investment & CFO, The Siam CementGroup Plc.

2005-2012 : Managing Director, SCG Accounting Company Limited

DIRECTORS AND EXECUTIVES

Mr. Kris Chanthanotok

1

7

Independent Director / Member of Nomination and Remuneration Committee / Member of Risk Management Committee

- 46 years old

Date of Director

- 29 October 2020

Shareholding (Ordinary Shares)

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

Education

- Master of Business Administration Program Assumption University
- Bachelor of Business Administration Program Assumption University

Seminar on role and responsibility of director Thai Institute of Directors Association

- Director Certification Program (DCP)/ Class 143/2011
- Financial Statements for Directors (FSD) / Class 11/2011
- Corporate Governance for Capital Market Intermediaries (CGI)/ Class 4/2015

Other seminar

- Certificate in Executive Program, Class 15, Capital Market Academy
- Certificate of Advanced Insurance Program, Class 6 (Curriculum Vitae), Office of the Commission operate insurance business
- Certificate in Top Executive Program in Trade and Commerce, Class 7 (TEPCoT 7), University of the Thai Chamber of Commerce
- Certificate of Six Sigma Black Belt from General Electric Company
- Super Advanced Leadership Program (Super Vocational Certificate, Class 1, Institute of Advanced Insurance Technology)

Other Current positions (Director / Executive)

- Listed Companies (2 companies)

Since 2019 : Independent Director), Gunkul Engineering Public Company Limited

Since 2015 : Independent Director, Talis Asset Management Company Limited

- Other Business (Non-listed companies not doing business of similar nature and competing with the Company) (1 companies)

Since 2021 : Chief Executive Officer, AIA Thailand

Experiences

2016-2017 : Executive Vice President, Thai Life Assurance Public Company Limited

2015-2015 : Managing Director, Thai Cardiff Life Assurance Public Company Limited

2012-2015 : Senior Executive Vice President, Krungsri Securities Public Company Limited

2010 -2015 : Director (Authorized Signatory), Bank of Ayudhya Public Company Limited

Mr. Ekaluck Wangchucherdkul

8

Director / Member of Executive Committee

- 43 years old

Date of Director

13 May 2019

Shareholding (Ordinary Shares)

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

Education

- Master of Business Administration, Imperial College Business School
- Bachelor Degree in Engineering Chulalongkorn University

Seminar on role and responsibility of director Thai Institute of Directors Association

- Executive Development Program (EDP) ,Class 13, Thai Listed Companies association
- Director Certification Program (DCP) , Class 215, Thai Institute Of Directors

Other Current positions (Director / Executive)

- Listed Companies (0 companies)

-none-

Origin Property Plc.

- Other Business (Non-listed companies not doing business of similar nature and competing with the Company) (3 companies)

Since 2018 : Director, Cobra Advanced Composites Co., Ltd.

Since 2017 : Managing Director, Private Equity (Thailand) Co., Ltd.

Since 2017 : Director, Express Group Food Co., Ltd.

Experiences

2010-2013 : Director, Investment Banking Barclays Bank Singapore

Mrs.Chananyarak Phetcharat

9

Director / Member of Risk Management Committee

- 58 years old

Date of Director

11 November 2015

Shareholding (Ordinary Shares)

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

Education

- 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. Graduate with honor ranking of 5Gs scholarship

Seminar on role and responsibility of director Thai Institute of Directors Association

- 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)

Other seminar

- 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

Other Current positions (Director / Executive)

- Listed Companies (3 companies)
- Independent Director, T.K.S. Technology Plc.
- Independent Director / Member of Audit Committee / Member of the IT Oversight Committee, Thanachart Bank Plc.
- Independent Director / Chairman of the Corporate Governance Committee, Total Access Communication Plc.

-Other Business (Non-listed companies not doing business of similar nature and competing with the Company) (3 companies)

Since 2021 : Director/ Member of Executive Committee, Thailand Post Co.,Ltd.

Since 2021 : Advisor/ Human Resources Development and Management Plans Committee,
Revenue Department

Since 2011 : Director, dtac TriNet Co., Ltd.

Experience

2019-2021 : CEO, Mc Group Pcl

2008-2019 : Managing Director, DHL Express International (Thailand) Co., Ltd.

2004-2011 : Managing Director, Mobile Devices Sector, Motorola (Thailand) Co., Ltd.

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.

BACKGROUND AND KEY DEVELOPMENTS

2015

- Relocated the warehouse and distribution center from Factory 1 to a warehouse rented from WHA Corporation PLC on Romklao 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.

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.



BACKGROUND AND KEY DEVELOPMENTS

Key Changes and Developments in 2021 (during July 2020 to June 2021)

January

-The Company collaborated with international partners to generate a marketing campaign under the name “Legend on Legend” with the concept of “Mc Jeans, Everyday is a match day because everything is a competition”. In addition, the Mc logo was appeared in the Premier League football games of the league’s top teams. Including the addition of world-class football legends Michael Owen and Dimitar Berbatov to join the campaign.



March

-The Company has signed a partnership agreement with a Malaysian partner, Heedspace Sdn Bhd, who is an experienced and specialized brand building partner in Malaysia, and this partnership marks a significant step in our customer base expansion policy to global market.

-The Company collaborated with Thailand Post. to expand the market base and gaining new customer groups in secondary cities and local communities In addition, the business will continue to provide other services such as delivery service by express mail service (EMS) in the country, comprehensive warehouse service at the post office, and delivery of goods to destination recipients across the country. as well as being sold through online channels of the Post Office as well

June

- The Company has appointed Mr. James Richard Amatawiwat as the Acting Chief Executive Officer. effectively from 1 June 2021 onwards.
- The Company launched the Earth Friendly campaign, presenting new collections that care about the environment, highlighting innovation, including the Mc Save the World collection using Dry Dye innovation, the first in Thailand to dye fabrics without water, and the collection. Mc X Toni with “Tony Rakkaen” to create hip fashion. Designed with fabric made from recycled plastic. and hemp fabric (Hemp) that is comfortable to wear, beautiful design, and cares for the environment



August

- The Company received the Consumer Choice award at the Shopee Brand Conference 2021 in the apparel fashion category. The award ceremony for Shopee Brand Conference is held annually. To honor the excellence of the brand's business operations in various fields. until it is accepted by shoppers on the Shopee platform



POLICY AND OVERVIEW OF BUSINESS

Vision, Objectives, Targets and Strategies

The Company formulated its business plan to drive the organization to meet its financial targets in the future by achieving sustainable revenue growth. To enhance its capacity in maximizing profitability, 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 Mc Backpack which is a functional bag for new generations with notebook compartment, inside back support and small compartments for gadgets and electronic devices including USB charger that add convenience to everyday use.

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 and Iran. At the end of June 2021, the Company had in total 9 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.

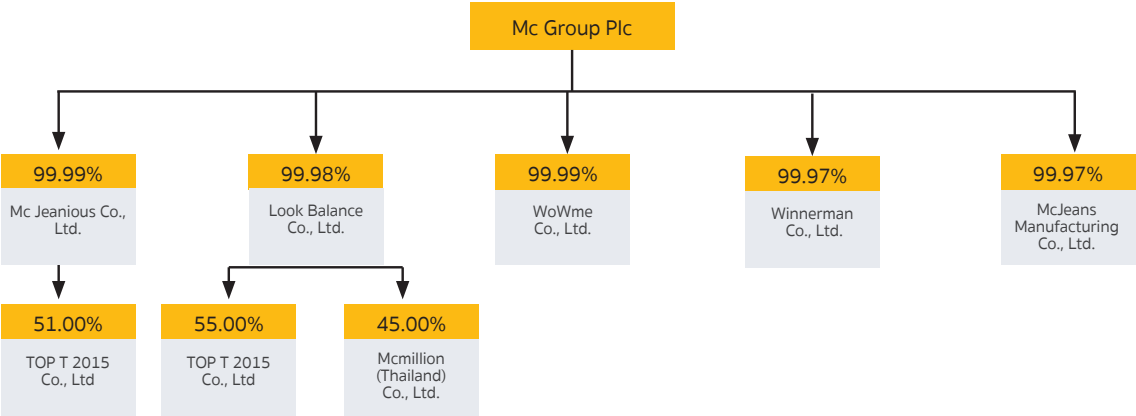
The Company is still active in searching for M&A and joint venture opportunities in related businesses to attain its business expansion goal according to group of companies' strategic plan.

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.	5,000,000	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 apart from watch 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. With regard to watch business, the Company acts as an agent and directly makes orders to brand owners. Therefore, THE COMPANY is able to effectively estimate monthly sales and make monthly orders that are aligned with customers' demand.

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 46 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-19 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.



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.



Revenue Structure

Revenue Structure of MC GROUP and its subsidiaries accounting to financial statement for Y2019 – Y2021 (July 2020 to June 2021) are as follow:

1. Revenue Structure by Product

Consolidated Financial Statements	FY2019 (1 July 2018 – 30 Jun 2019)		FY2020 (1 July 2019 – 30 Jun 2020)		FY2021 (1 July 2020 – 30 Jun 2021)	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from ready-to-wear clothing, related apparels and other lifestyle products						
1. Mc ^{1/}	2,925	79.2	2,969	93.3	3,117	96.8
2. Mc Lady	244	6.7	120	3.8	52	1.6
3. Mc T	97	2.7	19	0.6	8	0.3
4. mc mc	3	0.1	3	0.1	0	0.0
5. Mc Mini	5	0.1	1	0.0	0	0.0
6. Bison	1	0.0	4	0.1	1	0.0
7. UP	16	0.4	20	0.6	32	1.0
8. Other Brands	53	1.4	7	0.2	9	0.3
9. Revenue from watch sales	350	9.6	39	1.2	0	0.0
Total Sales Revenue	3,694	100.0	3,182	100.0	3,220	100.0

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

2. Revenue Structure by Sales Channel

งบการเงินรวม	FY2019 (1 July 2018 – 30 Jun 2019)		FY2020 (1 July 2019 – 30 Jun 2020)		FY2021 (1 July 2020 – 30 Jun 2020)	
	Million Baht	%	Million Baht	%	Million Baht	%
1. Modern trade	1,216	32.9	838	26.3	805	25.0
2. Free standing shop	2,233	60.4	1,819	57.2	1,874	58.2
3. Other channels ^{1/}	245	6.6	525	16.5	540	16.8
Total Sales Revenue	3,694	100.0	3,182	100.0	3,220	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 22.2% , 24.6% and 23.4% of total sales revenue in FY2019, FY2020 and Y2021 respectively.

With regard to revenue by geography of end-customers, upcountry customers contributed 61%, 65% and 66% of total sales revenue in FY2019 , Y2020 and Y2021 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 600 points of sales as of 30 June 2021 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”, “Mc Lady” ,“Mc mini”
 - 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, Tesco Lotus 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, Malaysia, 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 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 magazine as a new channel.

Number of point of sales by company for FY2019, Y2020 and Y2021 (1 July 2020 – 30 June 2021)

Clothing and apparels under “Mc Group”

By Channel	FY2019 (1 July 2018 – 30 Jun 2019)		FY2020 (1 July 2019 – 30 Jun 2020)		FY2021 (1 July 2020 – 30 Jun 2020)	
	จำนวน	ร้อยละ	จำนวน	ร้อยละ	จำนวน	ร้อยละ
Free standing shop	312	48.9	334	50.8	334	52.4
Modern trade	306	48.0	305	46.4	287	45.1
Mobile Unit and Container	6	0.9	6	0.9	6	0.9
Subtotal-domestic points of sales	624	97.8	645	98.1	627	98.3
Point of sales in foreign markets	14	2.2	12	1.8	10	1.6
Total	638	100.0	657	100.0	637	100

Number of point of sales by company for FY2019 , Y2020 and Y2021 (1 July 2020 – 30 June 2021)

Clothing and apparels under “Mc Group”

By Geography	FY2019 (1 July 2018 – 30 Jun 2019)		FY2020 (1 July 2019 – 30 Jun 2020)		FY2021 (1 July 2020 – 30 Jun 2020)	
	จำนวน	ร้อยละ	จำนวน	ร้อยละ	จำนวน	ร้อยละ
Upcountry						
- Free standing shop	456	71.4	475	72.2	495	72.1
- Modern trade	212	33.2	210	31.9	195	30.6
Bangkok and vicinities						
- Free standing shop	162	25.4	170	25.8	168	26.4
- Modern trade	94	14.7	95	14.4	98	15.4
Mobile Unit and Container	6	0.9	6	0.9	6	0.9
Subtotal-domestic point of sales	624	97.8	645	98.1	627	98.4
Point of sales in foreign markets	14	2.2	12	1.8	10	1.6
Total	638	100.0	657	100.0	637	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 in the period of July - December 2020, there was a decrease in the period of October -December 2021 dropped 4.2% , an improvement compared to a 6.4% drop during July-September 2021 compared to the same period of the previous year. Which is considered that in October-December 2020, the overall economy expanded by 1.3%. In 2020, the overall Thai economy decreased by 6.1%, compared to increasing 2.3% expansion. In 2019, in terms of spending Private consumption, a key factor in fashion retail business, grew by 0.9%, partly due to government stimulus measures. Private investment and merchandise exports declined at a slower rate. while public spending and investment expanded The export of services continued to decline.

The overall economy in January 2021 onwards has continued to decline. January - March 2021 decreased by 2.6% , an improvement compared to a 4.2% decrease during October-December 2020, a 0.2% expansion from the aforementioned December 2020 period. spend There was significant support from the return of merchandise export expansion and private investment. including the continued expansion of government expenditure and the accelerated expansion of public investment. Meanwhile, private consumption, which is a key factor in fashion retail business, continued to decline 0.5% and service exports continued to decline. due to the impact of a new wave of COVID-19 epidemic The spending on clothing and footwear decreased by 0.6%and 21.8%, respectively, and when entering the period of April - June 2021. The overall economy has been declining steadily due to the impact of the third wave of COVID-19, which has a broad impact and affects the state of economic stability at the micro to macro level. Changing consumer behavior and spending making private consumption and total investment continued to decline

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 pose 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 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 progress 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 2021, number of owned free standing shops reached 334 locations from 600 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 2021, 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 2021 is summarized below

No	Shareholder	Number of Share	%
1.	Ms. Sunee Seripanu	361,554,820	54.19
2.	MINDO ASIA INVESTMENT LIMITED	70,000,000	8.75
3.	Thai NVDR Company Limited	19,129,258	2.39
4.	Mrs. Pratana Mongkoglul	17,971,700	2.25
5.	Bualuang Basic Dividend LTF	17,924,500	2.24
6.	Bualuang Long-Term Equity Fund	17,346,400	2.17
7.	Mr. Virach Seripanu	15,000,000	1.88
8.	Bualuang Siriphol Corporate Governance Fund	10,373,900	1.30
9.	Mr. Peeranart Chokewattana	10,343,000	1.30
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 56.07% of the Company.

Foreign Limit

The Company has set foreign limit of shareholding at 49% of paid-up capital. As of 31 July 2021, foreign shareholders of the Company held 10.47% of paid-up capital.

Type of Shareholders	Number of Shares	%
Thai shareholders	716,270,010	89.53
Foreign shareholders	83,729,990	10.47
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, Corporate Governance and Sustainable Development Committee and Executive Committee. Roles and responsibilities of these subcommittees are written in page 54-60 of Corporate Governance part.

As of 30 June 2021, the Board of Directors consisted of 9 members- 3 executive directors and 6 non-executive directors as summarized below.

Name	Title/Position	Board Meeting Attendance in 2021
1. Mrs. Kaisri Nuengsigkapan	Chairperson of the Board of Directors / Member of Executive Committee	8/8
2. Ms. Sunee Seripanu ^{1/}	Vice chairpeson / Chairperson of Executive Committee / Member of Nomination and Remuneration Committee	8/8
3. Mr. Virach Seripanu	Director/ Member of Corporate Governance and Sustainable Development Committee / Chief Operation Officer	8/8
4. Mrs.Chananyarak Phetcharat	Director / Member of Risk Management Committee / Chief Executive Officer	7/8
5. Mr. Ekaluck Wangchucherdkul	Director	8/8
6. Mr. Somchai Apiwattanapron	Independent Director / Chairman of Audit Committee	8/8
7.Supasask Chirasavinuprapand ^{2/}	Independent Director / Member of Audit Committee/ Chairman of Risk Management Committee/ Chairman of Corporate and Governance and Sustainable Development Committee	8/8
8. Mr. Lucksananoi Punkrasamee	Independent Director/ Member of Audit Committee/ Member of the Nomination and Remuneration Committee	8/8
9. Mr. Kris Chanthanotok ^{3/}	Independent Director / Member of Nomination and Remuneration Committee/ Member of Risk Management Committee	6/8

Note : ^{1/} Ms. Sunee Seripanu was appointed as the Chairperson of Executive Committee effectively from 9 September 2021 onwards

^{2/} Mr. Supasak Chirasavinuprapand was appointed as the Member of Risk Management Committee instead of Mr. Somchai Apiwattanapron and was appointed to be the Chairman of Risk Management Committee effectively from 9 September 2021 onwards.

^{3/} Mr. Kris Chanthanotok was appointed as the Board of Directors effectively from 29 October 2020 and was appointed as the Member of Risk Management Committee and Member of the Nomination and Remuneration Committee effectively from 11 November 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.

Executives

As of 30 June 2021, MC GROUP Plc consists of 6 executives as definition from Securities and Exchange Commission as follow:

Name	Title/Position
1. Mr. James Richard Amatavivadhana	Acting Chief Executive Officer
2. Mr. Virach Seripanu	Chief Operation Officer
3. Mr. Piya Oranriksuphak	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

Note: Mr. Sirisak Prasitsanha resigned from the company on 1 April 2021

Roles and Responsibilities of the Chief Executive Officer (CEO)

- 1. Determine policies, goals, visions, objectives, missions, strategies, business plans, annual budgets of the Company and its subsidiaries together with the Board of Directors. including the structure and power of administration to propose to the Executive Committee and/or the Board of Directors for further consideration and approval.
- 2. Communicate with management regarding policies, goals, visions, objectives, missions, strategies, business plans and business budgets approved and approved by the Board of Directors. for the management to use as a framework for planning and managing plans
- 3. Supervise the performance of the management's duties in accordance with plans, budgets, goals and business policies as approved and approved by the Board of Directors.
- 4. Supervise the overall management of finance, marketing, production, human resources, risks, internal control systems. and other operational aspects of the Company and its subsidiaries in order to comply with the Company's policies and business plans. As approved and approved by the Board of Directors and in accordance with the law, objectives, and regulations of the Company Board of Directors' Resolutions and resolutions of the shareholders' meeting with responsibility careful and careful and honesty For the best interests of the company and fairness to all related parties
- 5. Coordinate with the Audit Committee and the Risk Management Committee to ensure that the Company's business operations are under the risk management policy set by the Board of Directors.
- 6. Communicate with the Board of Directors and/or sub-committees of the Company To operate the business effectively and achieve the main objectives and goals of the organization.
- 7. Orders issuing regulations, rules, announcements and internal records for the operation of the company. to comply with the company's policy and for the benefit of the company including maintaining good order within the organization
- 8. Supervise and ensure that management is involved in promoting an ethical corporate culture. and good corporate governance
- 9. Develop and improve performance and good results consistently and continually. Support the creation of innovations that create added value. For the organization to grow sustainably and in accordance with the company's strategic plans
- 10. Follow up on the performance measurement of the company, subsidiaries and/or associates (if any) by requiring that the operating results be reported regularly. as well as supervise the preparation of financial reports and disclosures of important information that are accurate, adequate, timely and in accordance with relevant rules and guidelines.
- 11. Determine the rules, regulations, guidelines, and requirements for the organizational structure in positions that are not under the authority of the Board of Directors or the Nomination and Remuneration Committee. including hiring, appointing, transferring, dismissing and laying off employees in positions that are not under the authority of the Board of Directors. Board of Directors or the Nomination and Remuneration Committee
- 12. Determine the recruiting criteria Criteria for performance evaluation, wage rates, compensation,

gratuities, bonuses and salary increases for executives and employees of the Company in positions that are not under the authority of the Board of Directors. Board of Directors or the Nomination and Remuneration Committee as stipulated in the Delegation of Authority and under the framework and policies set by the Board of Directors.

13. Represent the company in communicating with shareholders, and supporting the Board of Directors in establishing appropriate and regular communication channels with shareholders and providing a standard and transparent disclosure of information.

14. Represent the company in public relations of the organization, especially in relation to network building and corporate image at national and international level.

15. Consider and approve operations that are normal transactions as well as operations that support normal business operations of the Company with general trading conditions in the amount not exceeding the budget approved by the Board of Directors. However, under the regulations of the rules of the Securities and Exchange Commission (“SEC”) including the Stock Exchange of Thailand (“SET”) concerning the connected transactions and the acquisition and disposal of assets as well as approve transactions and transactions in accordance with the Delegation of Authority regulations set by the Board of Directors.

16. Operate in accordance with the rules of the SEC, including the SET. Regarding the connected transactions and the acquisition and disposition of assets as well as the Company’s regulations approved by the Board of Directors’ meeting.

17. Consider appointing various consultants necessary for the operation of the company.

18. Delegate and/or delegate any person or group to perform designated tasks on behalf of the Chief Executive Officer, within the scope of the powers specified in the Company’s power of attorney and/or rules, regulations or resolutions of the Board of Directors. Must not cause conflicts of interest or conflicts of any kind with the Company or its subsidiaries, in case of conflict Such transactions must be presented to the Board of Directors, and or the shareholders’ meeting (as the case may be) consider and give approval unless such transaction is a normal transaction of the Company and have the same rules as for transactions with third parties (Arm’s Length)

19. Perform any other tasks as assigned and authorized by the Board of Directors.

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 and MD 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. Chalida Kimyong has been appointed as the Corporate Secretary instead of Mr. Virach Seripanu 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.

Ms. Chalida Kimyong

Age : 33 years

Position : Corporate Secretary

Education Background:

Since 2020 : Master of Business Administration (MBA), National Institute of Development Administration (NIDA)

2011: Bachelor’s Degree, Arts of Business, Assumption University (ABAC)

Seminar on role and responsibility of Corporate Secretary

Thai Listed Companies Association (TLCA)

- Fundamentals Practice for Corporate Secretaries

- Advances for Corporate Secretaries

Thai Institute of Directors Association (IOD)

- Board Reporting Program / Class 26/2018

- Company Reporting Program / Class 20/2017

- Company Secretary Program / Class 82/2017

Experiences

2020-2021 : Company Secretary , Green Earth Power (Thailand) Co.,Ltd.

2018-2020 : Company Secretary, TBSP Pcl (changed the name from Thai British Securities Printing Pcl)

2017-2018 : Assistant to Company Secretary, Thai British Securities Printing Pcl

2016-2017 : Personal Assistant to MD, Atikta (Thailand) Co.,Ltd.

2012-2016 : Personal Assistant to MD, Uni Arc Co.,Ltd.

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 2020, 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 2020 Annual General Meeting of Shareholders on 29 October 2020 reached a resolution to approve the following remuneration for directors for the year 2021 as shown below.

Remuneration for the Board and Sub-Committee	2021	
	Monthly Remuneration (Baht/ person/month)	Meeting Allowance (Baht/person/ time)
1. Board of Directors		
Chairman	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	-	40,000
Member	-	30,000
3. Risk Management Committee		
Chairman	-	30,000
Member	-	25,000
4. The Nomination and Remuneration Committee		
Chairman	-	30,000
Member	-	25,000
5. The Corporate Governance and Sustainable Development Committee		
Chairman	-	30,000
Member	-	25,000
6. The executive Committee		
Chairman	-	-
Member	-	-

At the end of June 2021, monetary remuneration as actually paid for the Board of Directors totaled 6.76 Million baht. Details of meeting attendance and remuneration for directors are as follow;

Directors' Name	Title/Position	Meeting Attendance					Meeting Allowance				Subtotal Meeting Allowance	Bonus	Total (Baht)
		Board of Directors	Audit Committee	Nomination and Remuneration Committee	Risk Management Committee	Corporate Governance and Sustainable Development	Subtotal Monthly Remuneration	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Risk Management Committee	Risk Management Committee	
1.Mrs. Kaisri Nuengsigkapan	Director / Member of Risk Management Committee	8/8	X	X	X	X	240,000	640,000	X	X	X	X	999,000
2.Ms. Sunee Seripanu ^{1/}	Vice Chairman / Chairperson of Executive Committee	8/8	X	2/4	X	X	120,000	400,000	X	60,000	X	215,000	675,000
3.Mr. Virach Seripanu	Director/ Member of Corporate Governance and Sustainable Development Committee / Chief Operation Officer	8/8	X	2/4	X	1/1	120,000	400,000	X	50,000	X	215,000	690,000
4.Mrs.Chananyarak Phetcharat	Director / Member of Risk Management Committee	7/8	X	X	4/4	X	120,000	350,000	X	X	100,000	215,000	665,000
5.Mr. Ekaluck Wangchucherdkul	Director/ Member of Executive Committee	8/8	X	X	X	X	120,000	400,000	X	X	X	215,000	615,000
6.Mr. Somchai Apiwatanaporn	Independent Director / Chairman of Audit Committee	8/8	4/4	X	4/4	X	120,000	400,000	130,000	X	120,000	215,000	865,000
7.Mr. SupasakChirasavinurapand	Independent Director / Member of Audit Committee/ Member of Risk Management Committee/ Member of Nomination and Remuneration Committee / chairman of Sustainable Development Committee	8/8	4/4	3/4	2/4	1/1	120,000	400,000	120,000	75,000	X	215,000	840,000
8.Mr.Lucksananoi Punkrasamee ^{2/}	Independent Director/ Member of Audit Committee/ Chairman of Nomination and Remuneration Committee	8/8	4/4	4/4	X	X	120,000	400,000	150,000	110,000	50,000	215,000	925,000
9.Mr.Kris Chanthanotok ^{3/}	Independent Director / Member of Nomination and Remuneration Committee / Member of Risk Management Committee	6/8	X	1/4	1/4	X	120,000	300,000	X	250,000	250,000	145,000	495,000
Total							1,200,000	3,690,000	400,000	320,000	295,000	55,000	6,760,000

Note : 1/ Ms. Sunee Seripanu was appointed as the Member of Nomination and Remuneration Committee instead of Mr.Virach Seripanu and was appointed to be the Chairperson of Nomination and Remuneration Committee effectively from 25 August 2020

2/ Mr.Lucksanoi Pungkrasamee was appointed as the Chairman of Audit Committee effectively from 25 August 2020

3/ Mr. Kris Chanthanotok was appointed as Independent Director effectively from 29 October 2020 and was appointed to be the Member of Risk Management Committee and the Member of Nomination and Remuneration Committee effectively from 11 November 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 2021, the Company paid a total of 44.83 million baht for in remuneration to its executives as detailed below.

Remuneration for Executives	Total Remuneration (Thousand Baht)	
	2020 (Jul 2019– Jun 2020)	2021 (Jul 2020– Jun 2021)
Number of Executives	8	8
Financial Remuneration		
- Salary, bonus and other remunerations	36,928	44,273
- Contributions to provident fund and contribution to social security fund	678	552
Non-Financial Remuneration	None	None

• **Remuneration for the Chief Executive Officer and Managing Director**

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 2019, 30 June 2020 and 30 June 2021 the Company and its subsidiaries had a total of 2,503, 2,293 and 2,199 employees respectively. This can be shown by departments as follow:

Division	2019	2020	2021
Executives	6	8	8
Operation Workgroup	590	627	606
Commercial Workgroup	1,302	1,177	1,133
Marketing Workgroup		14	17
Accounting, Finance and Business Development Workgroup ¹	86	69	65
Information Technology Workgroup	33	31	35
Human Capital and Development Workgroup	33	19	19
Other Businesses 2	198	119	122
Warehouse Logistics and Transportation	198	170	161
Others	57	59	33
Total	2,503	2,293	2,199

• 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 2019, 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 2021, 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 2021, the Company had no a claim from the Labor Union.

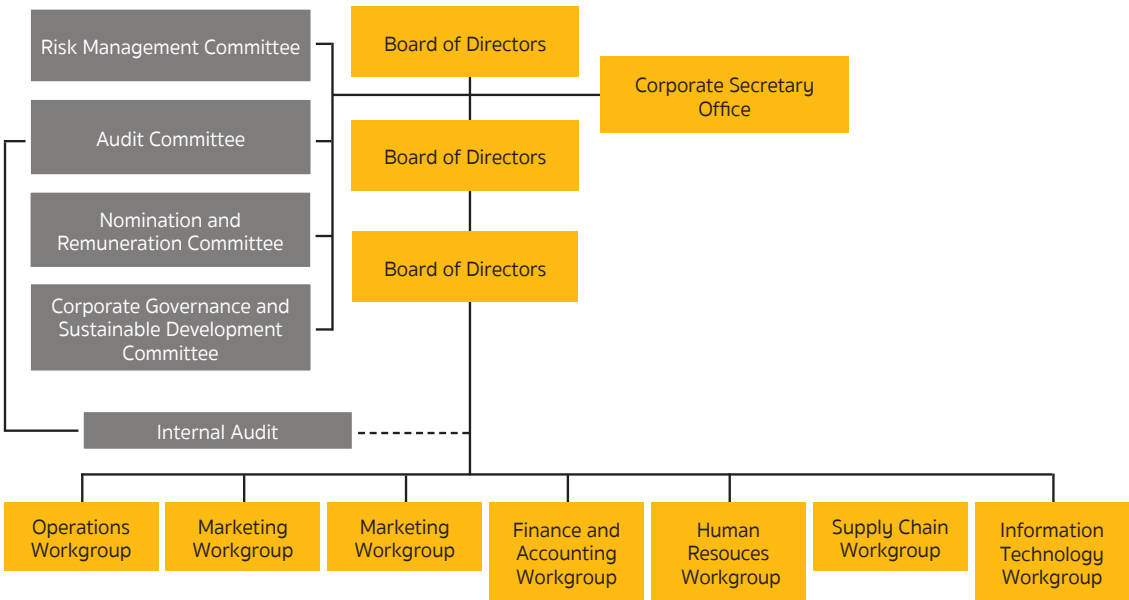
• Human Resource Development

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 2021



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.

Corporate Governance Policy

The company is committed to conducting business with responsibility. Continuously transparent and fair The Board of Directors is a model for following the principles of good corporate governance under the framework of corporate governance and code of conduct. To increase the confidence of shareholders and stakeholders on the basis of balanced and sustainable benefits. The principles of corporate governance and code of conduct have been incorporated into the business policy. The Audit Committee is responsible for reviewing the Company's operation according to the policy and good corporate governance principles. And related laws to consider and recommend to the Board of Directors to review and improve the corporate governance practices to suit business operations and in line with national and international practices. 09 Corporate Governance Corporate Governance Policy The Office of the Securities and Exchange Commission (SEC) has issued good corporate governance principles for listed companies in 2017 (Corporate Governance Code: CG Code) as a practice for the Board of Directors. The company applies it to supervise the business to have a good performance in the long term. It is credible for shareholders and stakeholders for the benefit of creating sustainable value for the business. Most of the content comes from the Good Corporate Governance Principles for Listed Companies 2012 of the Stock Exchange of Thailand (SET), but only adjust the order of presentation methods according to the context of duties of the Board. In each business process and added issues to cover changing ideas or factors. The Board of Directors has considered and reviewed the application of the CG Code in accordance with the Company's business context

Guidelines under Corporate Governance

The Board of Directors considers that Corporate Governance is the guidelines on organizational management that is internationally accepted. It is consistent with ideology and Code of Conduct of the Company therefore the Company gathers knowledge and guidelines on organizational management for operating business by attaching to morality, ethics, and social responsibilities based on the format that has been complied continuously. It can be proved and accepted that those guidelines are consistent and achieved under the same purposes with those of Corporate Governance Code. Consequently, they are compiled as Company's Corporate Governance Handbook that was firstly declared in 2014. The Company considers on occurred social and economic changes plus with environment of global society that is trying to define guidelines and criteria on organizational management that meets with international standards under Corporate Governance Code. This will help to build confidence of stakeholders and support sustainable growth. The Company establishes guidelines based on Corporate Governance under the criteria of the Stock Exchange of Thailand (SET) and Thai Institute of Directors (IOD). They are improved and amended to be consistent with the criteria of ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard) that aims to upgrade standards of Corporate Governance of the listed companies in ASEAN to be

more international. Moreover, the Board of Directors ask has the resolution to approve improvement of the charter of the Audit Committee, the charter of the Risk Management Committee, the charter of Corporate Governance and Sustainable Development Committee, and the charter of Nomination and Remuneration Committee to be consistent with scope of current duties, legal regulations, and good practices. In addition, Code of Conduct Handbook and Corporate Governance Handbook are also improved to be more complete.

Guideline 1 : Establish Leadership Role and Responsibilities of the Board

The company understands on our roles and responsibilities to manage our company to meet with laws, regulations, and resolutions of the meeting of shareholders with honesty and caution as well as to maintain the company's benefits. In addition, the company also cooperates with Management to establish business place and set annual budget of 2020 as the operational framework as well as review operational policies on management in order to achieve our objectives and goals. The company also observes, evaluates, and supervises performance to meet with the goals. Policies are established as follows:

1. Corporate Governance Policy
2. Anti-Corruption Policy
3. Policy on Rights and Equality of Shareholders
4. Risk Management Policy and Business Continuity Policy
5. Code of Conduct
6. Whistleblower Policy

The above policies are concluded in Corporate Governance Handbook that is published via the company's website (www.mcgroupnet.com) as the framework of sustainable business operation.

Guideline 2: Define Objectives that Promote Sustainable Value Creation

The Company has operated business with responsibilities towards all related persons in all sectors for sustainably mutual benefits. The Board of Directors provides management system that can be reliable on acknowledgement on the rights of stakeholders as defined by laws and those defined as the written guidelines in Corporate Governance Code and Code of Conduct. In addition, the Board of Directors is also responsible for supervising to ensure that such rights are protected and treated fairly and equally. The Board of Directors listen to opinions and the company has ideology to operate business daily by attaching with responsibilities towards all stakeholders for sustainably mutual benefits. The framework of sustainable development is defined based on international operational guidelines covering economy, society, and environment under Corporate Governance Code. The company strives to generate value for society continuously through eco-friendly business operation and we are ready to pass on our knowledge, experiences, and success to all sectors through participation process including related businesses, institutes, social and community institutes in all areas with business operation in order to drive Thai society to be grown strongly and sustainably.

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 guidelines 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.

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 correctness, 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 2021, 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 2020 to June 2021 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 4 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. Piya Orarnriksuphak (CFO and Acting Manager -Investor Relations Department)

Address : MC Group Plc, 2 Soi 5 Sukhaphiban Road 2, Prawet, Prawet, Bangkok 10250
Telephone : 02 117-9999 Extension 1215 Fax : 02 117-9998
E-mail: : ir@mcgroupnet.com

Guideline 3 : Strengthen Board Effectiveness

The Board of Directors already realizes that directors play the important role in taking responsibility on corporate governing for the ultimate benefit of the company therefore they are required to understand on their duties and responsibilities whereas their roles and duties are clearly separated between those of the Board of Directors and those of Management. Therefore, the Company defines proper structure of the Board of Directors in order to make performance of the Board of Directors to be efficient and effective. The guidelines are as follows:

3.1 The Structure of the Board of Directors

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 9 directors and 4 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.

3.2 Scope of Authority of the Board Directors

The Company's Board of Directors shall act in a best interest of shareholders (Fiduciary Duty) by observing the following four main practices:

- Performing its duties with responsibility and all due circumspection and caution (Duty of Care).
- Performing its duties with faithfulness and honesty (Duty of Loyalty).
- Performing its duties in compliance with laws, objectives, Articles of Association, the resolutions of the Board of Directors and resolutions of Shareholders' Meetings (Duty of Obedience).
- Disclosing information to shareholders accurately, completely, and transparently with verification and timeliness. (Duty of Disclosure).

The Board of Directors has the following authorities:

3.2.1 Take responsibility as a leader who sustainably bring value to the Company's business - managing business and its subsidiaries to maximize benefit, subsidiaries and shareholders. The Board must review and approve the vision, mission and business strategy, consider ethics, as well as the impact on the environment and society. The Board must also comply responsibly, cautiously and honestly with laws, regulations, and resolutions of the shareholders' meeting.

3.2.2 Set objectives and main goals for sustainability - defining the main operational plans, budgets, goals and operational policies to increase international competitiveness, as well as supervising administration and management in accordance with policies, plans, budgets and goals.

3.2.3 Strengthen the Board of Directors' effectiveness - determining and reviewing the Board's

structure so that it is suitable for business operations. The Board must also have transparent processes for selecting and determining compensation for Board and sub-committee members, and establish supervision mechanisms for directors, and processes to manage subsidiaries and associated companies. It must also put in place structures to conduct an annual performance evaluation of the Board and continuously develop directors' competencies.

3.2.4 Ensure effective high level of Executive and Human Resource Management - considering the organization structure, executive development plan and the Chief Executive Officer's succession plan. The Chief Executive Officer's performance should also be evaluated annually.

3.2.5 Promote innovation and encourage responsible operations - supervising and supporting the creation of innovation that brings value to the Company, its subsidiaries, and stakeholders. It should also monitor the implementation of strategies and work plans of the Company and its subsidiaries.

3.2.6 Strengthen risk management and internal control - establishing the Risk Management Policy that covers the entire organization and ensures effectiveness. The policy must be reviewed and evaluated regularly and when the level of risk changes. The Board must also promote moral and ethical awareness among employees at all levels so that they are able to comply with principles of corporate governance, the Code of Conduct and policies. Also, it must ensure that the Company and its subsidiaries have appropriate internal audit and internal control systems, and provide a process to assess the appropriateness of the Company and subsidiaries' internal control system regularly to reduce corruption risk, and the abuse of power, and prevent illegal acts.

3.2.7 Ensure disclosure and financial integrity - having the Company and its subsidiaries act with integrity when handling the Company's financial reporting system, and ensuring that the Company accurately discloses material information in a way that is consistent with applicable requirements. This includes disclosing appropriate information to stakeholders, persons having a conflict of interest and any related persons, as well as disclosing important information to shareholders in the financial statements and various reports.

3.2.8 Ensure there is engagement and communication with shareholders - giving shareholders the opportunity to make decisions on the Company and subsidiaries' significant corporate matters, as well as holding shareholder meetings as scheduled. These meetings should be conducted properly, with transparency and efficiency, and be inclusive and fair when it comes to shareholders exercising their rights. There should also be accurate and complete disclosure of shareholder meeting minutes. The rights of all shareholders must be respected, they must be treated with fairness and transparency

In addition, the Board of Directors Charter sets out the roles of the Chairman of the Board, the Board of Directors' composition, directors' qualifications and term of office, the Board of Directors' meeting and its required quorum as well as the Board of Directors' approval authority and remuneration. These are discussed in more detail below.

3.3 Scope of Authority of the Chairman

3.3.1 Consider setting the agenda for the Board of Directors meeting with the Chief Executive Officer. and to ensure that the Company's directors receive accurate, complete, clear and timely information before the meeting so that the Company's directors can make the right decision.

3.3.2 Be the leader of the Board of Directors and chaired the meeting of the Board of Directors

3.3.3 Conducting the Board of Directors' meetings according to the agenda Articles of Association and Law

3.3.4 allocate enough time and encourage all directors freely discuss and exchange ideas and use discretion carefully taking into account all stakeholders in its entirety.

3.3.5 Clearly summarize the resolutions at the meeting and what needs to be done next.

3.3.6 Set up a Board of Directors meeting without any directors from the management.

3.3.7 To be the leader in the shareholders' meeting in accordance with the agenda, the Company's Articles of Association and the law. by allocating time appropriately including the opportunity allowing shareholders to express their opinions equally and take care to answer Shareholders' inquiries are appropriate and transparent.

3.3.8 Support and be a good role model in compliance with good corporate governance principles

3.3.9 Strengthen good relationship between the Board of Directors and the Management. and support the performance of duties of the Chief Executive Officer and the Management according to the Company's policy.

3.3.10 Supervise the disclosure of information and transparent management in the event of with conflicts of interest

3.3.11 Supervise the Board of Directors to have an appropriate structure and composition.

3.3.12 Supervise the performance of duties of the Board of Directors as a whole. Various sub-committees and each director is efficient and effective.

3.4 Board of Directors' Meetings

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.

3.5 The Board of Directors' Authorization

The Board of Directors is empowered to authorize various matters in accordance with the scope of authority stipulated by laws, the Company's Articles of Association, the Board of Directors charter, and the shareholders' meeting resolutions. Such matters include defining and reviewing corporate vision, operating strategies, operating plans, risk management policy, annual budget and business plans, and medium-range business plan, Added to this is the defining of the target operating results, following up and assessing the operating results to ensure they are consistent with the plan, and overseeing capital expenditure, merger and acquisition, corporate spin-off, and joint venture deals

3.6 Directors' Term of Service on Board

The Company's regulations state that the number of years for each term of the Company's Director complies to the Public Limited Company Act. At the Annual General Meeting of Shareholders each year, one-third of the total directors must retire from office. If it is not possible to divide the total number of directors evenly by three, the number closest to one-third must retire from the office. In choosing those directors who retire, length of service on the board should be considered, so that those who have served longest are most eligible to retire. The Company has a total of 9 Directors, each with a three-year term. Nevertheless, a retiring director is eligible for re-election.

3.7 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 2021, overall evaluation score in 5 sections was at 93%. 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 2021 are summarized below หน่วย : ร้อยละ

Subcommittee	Self-evaluation Score
Audit Committee	99.00
Risk Management Committee	91.00
Nomination and Remuneration Committee	86.00
Corporate Governance and Sustainable Development Committee	95.00

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.

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, Risk Management Committee, Nomination and Remuneration Committee and Corporate Governance and Sustainable Development Committee, Executive Committee. More information regarding each committee is outlined as follows.

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, 2019, there are 3 independent directors as follows:

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

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.

12. Review and give opinions on the performance of the audit unit. and coordinate with the auditor and arrange a meeting with The auditor without management attends the meeting at least once a year to acknowledge the results of the quarterly financial statements review. Annual financial statements audit results and discuss problems and obstacles that may be encountered in the performance of the auditor

13. Consider and approve the internal audit work plan, budget, and personnel of internal audit

operations. including giving approval In considering the appointment, removal, transfer and dismissal of the head of the internal audit unit or any other agency responsible for internal audits

14.Consider the independence of the internal audit department. Considering the performance of duties and various reports, including the chain of command, and reviewing the internal audit performance evaluation. according to international standards

15.arrange for the Audit Committee to assess the performance of the Overall Audit Committee Including reviewing the Audit Committee Charter at least once a year to present to the Board of Directors for approval.

16.Regularly report progress and performance to the Board of Directors after the Audit Committee meeting.

17.Perform any other acts as required by law or the Board of Directors may assign and approve by the Audit Committee.

Responsibilities of the Audit Committee

1. In case the Audit Committee is informed by the auditor about suspicious behavior of directors, managers or persons responsible for business operation of the Company, which may violate paragraph 2 of Section 281/2, Section 305, 306, 308, 309, 310, 311, 312 or 313 of the Securities and Exchange Act, the Audit Committee is to investigate the case and submit a preliminary report to the Securities and Exchange Commission (SEC), as well as to the auditor, within 30 days of the date it is informed.

2. Upon finding or having doubt about the following actions or transactions, which may significantly affect the financial position and performance of the Company, the Audit Committee is to report such events to the Board of Directors in order to find remedy within a period deemed appropriate by the Audit Committee:

(1) Transactions which may cause conflicts of interest

(2)Fraud or irregular events or material flawsin the internal control system.

(3) Violations of laws pertaining to Securities and the Stock Exchange, the regulations of the Stock Exchange, or laws pertaining to the Company's business. Should the Board of Directors or management fail to remedy the issues within the timeline specifiedby the Audit Committee, a member of the Audit Committee may report the issue to the SEC or the SET

Term of Office

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 2021, Risk Management Committee comprises 3 members as follows

Name	Title/Position
1. Mr. Supasask Chirasavinuprapand	Chairman of the Risk Management Committee
2. Mrs.Chananyarak Phetcharat	Risk Management Committee Member
3. Mr. Kris Chantanotok	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.
7. Regularly report progress and performance on risks and risk management to the Board of Directors after every meeting of the Risk Management Committee.
8. Perform any other acts as required by law or as assigned by the Board of Directors and approved by the Risk Management Committee.

Term of Office

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 2021, Nomination and Remuneration Committee consists of 3 members as appointed by the Board of Directors, namely:

Name	Title/Position
1 Ms. Sunee Seripanu	Chairman of the Nomination and Remuneration Committee
2.Mr. Lucksananoi Punkrasamee	Nomination and Remuneration Committee Member
3.Mr. Kris Chantanotok	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. Consider the budget for the wage increase. change in wages and compensation Annual reward of senior management staff before proposing to the Board of Directors
10. 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.
11. Undertake duties as assigned by the Board of Directors.
12. Consider the remuneration of the Board of Directors and compare compared to other leading listed companies that operate the same business In order for the company to maintain its leadership in that industry and to create incentives for progress in its management.
13. Report progress and performance to the Board of Directors. After every meeting of the Nomination and Remuneration Committee regularly

Term of Office

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.

4.Corporate Governance and Sustainable Development Committee

As of 30 June 2021, The Board of Directors appointed 2 members for the Sustainable Development Committee, namely:

Name	Title/Position
1. Mr. Supasak Chirasavinuprapand	Chairman of the Corporate Governance and Sustainable Development Committee
2. Mr. Virach Seripanu	Corporate Governance and 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
6. Recommend methods for evaluating the performance of the Board of Directors and various sub-committees by reviewing it annually. as well as follow up and summarize the results of the assessment to the Board of Directors for acknowledgment. To improve the efficiency of work and enhance the knowledge and competence of the company's directors.
7. Consider the preparation of a development plan for directors. To enhance and develop knowledge and skills for the various sub-committees of the Company in order to understand the roles and duties of directors, business conditions, economic conditions, technology, laws or rules related to the business of the Company and its subsidiaries and supervise the development of knowledge and expertise of the Board of Directors through various formats, focusing on sustainability issues. To ensure that the board has knowledge and understanding of the sustainability of the organization's business.
8. Provide an assessment of the understanding and effectiveness of governance of the business strategy for corporate sustainability in the annual performance appraisal of the Board of Directors, both in the group and individual assessments. in order to use the results obtained to develop and increase the efficiency of the committee's operations
9. Review and make recommendations to the Board of Directors regarding the structure, duties and responsibilities. including the guidelines of the Board of Directors and sub-committees. including any changes in the Charter and the policies of the Board of Directors. to be appropriate and always up-to-date
10. Supervise the assignment of duties and responsibilities to the relevant departments clearly.
11. Supervise the organization to have an effective stakeholder engagement process. This includes communication and hearings. It should also supervise the disclosure of information obtained from participation. with public stakeholders through various channels
12. Supervise the management to determine the success indicators that are suitable for the business strategy for sustainability. as well as determine the appropriate follow-up time frame.
13. Hold meetings to monitor progress, ask questions, give directions and advice to the department. manage to improve operational guidelines
14. Report progress and performance to the Board of Directors after every meeting. Corporate Governance and Sustainable Development Committee
15. Disclosure about the company's sustainable development to those involved and in the annual report. This must be presented to the Board of Directors for approval first.
16. Perform other duties as assigned by the Board of Directors. In performing duties within the scope of powers and duties, the Corporate Governance and Sustainable Development Committee has the power to summon and direct the management. head of department or employees of related companies to give their opinions, to attend the meeting or submit documents that are deemed relevant and necessary In addition, in the performance of duties under the jurisdiction of this Charter The Corporate Governance and Sustainability Committee may seek advice from independent external consultants or other professional

experts, if deemed necessary and appropriate, at the Company's all costs.

Term of Office

The Corporate Governance and 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 Corporate Governance and Sustainable Development 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 June2018, the Executive Committee comprises of 3 members, namely:

Name	Title/Position
1. Ms. Sunee Seripanu	Chairman of Executive Committee Member
2. Mrs. Kaisri Nuengsigkapan	Executive Committee Member
3. Mr. Ekaluck Wangchucherdkul	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. Consider and approve the entering into the contract and/or any transaction relating to the normal business operations of the Company (such as trading, investing or joint ventures with others for normal company transactions and for the benefit of operating the Company's objectives) in accordance with the Direct Obligation Authority and/or as specified by the Board of Directors.
4. Consider and approve the loan and any request for credit from financial institutions, lending, as well as pledges, mortgages, or becomes a guarantor of the Company and its subsidiaries and/or take any action related to such matters until completion according to the Direct Obligation Authority and/or as prescribed by the Board of Directors and/or in accordance with relevant laws and regulations
5. To consider, screen, approve or approve the important business activities that are normal for the business and general administration of the company. within the framework of the powers that can be done and report to the Board of Directors about the progress
6. Manage overall risks of the whole organization Assess risks and lay out the organization's risk management structure.
7. Has the power to authorize one or more other persons to perform a particular action. under the control of the Executive Committee or may authorize such person to have powers as the Executive Committee deems appropriate. and within the period the Executive Committee deems appropriate The Executive Committee may cancel, revoke, change or amend the person assigned to such authority or delegation as it deems appropriate.
8. Consider and approve contacting, proceeding and registering with government agencies on behalf of the company for the benefit of operating the company's objectives.
9. Determine the work regulations of the company's employees. without contradicting or inconsistent with relevant regulations and laws
10. Consider and approve the position structure and salary structure. Annual bonus and other benefits of employees, as well as to approve the management structure for employees except the Executive Director
11. To consider, screen, approve or approve the appointment or hire of consultants including external experts to give opinions and take any other action related to the Company's business operations.
12. To consider, screen, approve or approve the appointment or employment of a consultant including external experts to give opinions and take any other action related to the Company's business operations
13. Perform other tasks as assigned by the Board of Directors. or according to the policy set by the Board of Directors
14. Review the charter of the Executive Committee annually.

Term of Office

The Executive 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 Executive Committee may be re-appointed.

• 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.

Guideline 4 : Ensure Effective CEO and People Management

The Board of Directors realizes that Personnel who will take the position of senior management at all levels who are important personnel and are part of To drive the company towards its goals, therefore, the Board of Directors is responsible for Supervise the recruitment of such personnel to be appropriate and transparent. by considering the knowledge and experience including supervising the management and Develop personnel in line with the company's strategy. Management Directors and high-level executives of the Company are encouraged to attend training courses as recommended by the Office of the Board of Directors. Securities and Exchange Commission (SEC) organized by the Thai Institute of Directors Association (IOD) to develop knowledge of directors. senior management and the company secretary to be informed of the rules and regulations and practices for Being a director and executive of the company is sufficient, in order to be able to perform duties honestly, with caution and for the best interests of the company and shareholders as a whole.

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.

Criteria and method for nominating company directors and sub-committees

Principle :

The Board of Directors deems it appropriate to prescribe rules and procedures for recruiting directors and sub-committees with the realization that the selection and selection of directors is an extremely important matter. This is because the Board of Directors is considered to be a key player in setting vision, mission, policies, key goals, strategies and business guidelines to maintain rights, benefits and sustainable growth of the Company and its subsidiaries in accordance with the good corporate governance policy. of the company

Criteria and method for nominating company directors and sub-committees :

As shown in the charter of the Board of Directors The Board of Directors consists of directors who are fully qualified and do not have any prohibited characteristics as stipulated by law. and should be diverse Both in terms of skills, experience, knowledge and expertise that are beneficial to the company. and does not limit or discriminate on gender, age, race and nationality to enable the Company to achieve its business objectives and goals as well as promoting and supporting the Company's management in accordance with the good corporate governance policy. which creates fairness, transparency, can generate returns and add long-term value for shareholders and builds confidence to all stakeholders as well as for sustainable growth

Qualifications of the Company's Directors :

The Nomination and Remuneration Committee is selected from qualified persons with background and expertise from various professions, leadership, vision Being a person of morality and ethics Have a transparent and unblemished work history as well as having the ability to express opinions independently. The following main components should be taken into account.

1. Characteristics required for each director

The Board of Directors consists of directors who are fully qualified and do not have any prohibited characteristics as required by law and as shown in the Board of Directors' charter.

2. Knowledge and expertise required to be included in the committee

The Nomination and Remuneration Committee considers the composition of specific knowledge and expertise required in the Board of Directors, including those that are necessary for the company in the next 3-5 years and to prepare Board Skills Matrix to assist in the selection and nomination of suitable persons to be directors with specialized knowledge in such necessary fields to encourage the Board of Directors to formulate strategies and policies, as well as supervise the implementation of strategies effectively

3. Diversity of Directors

In addition to defining the two elements mentioned above, The Nomination and Remuneration Committee may also consider setting guidelines on the diversity of other qualifications of the entire Board, such as gender, age, race and nationality, etc.

Nomination and selection process of directors

Nomination and selection of new directors It consists of a total of 4 steps, details as follows:

1. Planning

In order for the Nomination and Remuneration Committee to formulate guidelines and plans for selecting qualified persons to be considered for election as new directors carefully and at the right time The company secretary has the following duties and proposes to the Nomination and Remuneration Committee for consideration.

2. Recruitment of contacts

The selection of a list of qualified persons to be elected as new directors should be considered from various sources.

2.1 Nomination of new directors by company directors

2.2 Nomination of new directors by shareholders

2.3 Gathering lists from reliable sources

3. Selection

The company secretary collects the names obtained from step 2 and presents them to the Nomination and Remuneration Committee meeting for consideration.

Nomination and Remuneration Committee Meeting (Excluding directors who have interests) will consider the suitability of directors from the Board Skills Matrix to screen the list of suitable persons as new directors, by considering the diversity in the structure of the Board of Directors and selecting persons with knowledge, expertise or experience to provide useful advice in formulating business strategies and policies in accordance with sustainable development guidelines to propose to the Board of Directors' meeting for consideration.

The company secretary will examine the preliminary qualifications of nominated persons from public sources relating to directorships or executives in other businesses that may cause conflicts of interest to the Company and qualifications of being an independent director

4. Elections

4.1 Election of directors to replace those who retire by rotation

4.2 Election of directors to replace directors retired interim

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.

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.4 directors enrolled in Director Accreditation Program (DAP) and 8 directors participated in Director Certification Program (DCP) from a total of 9 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 2021, the Company's directors attended the training as follows:

Mrs. Kaisri Nuengsigkapan, Training Course Director Leadership Certification Program (DLCP), Class 0/2000, from the Thai Institute of Directors Association (IOD).

Attending a director's course according to the recommendation of the SEC organized by the Thai Institute of Directors Association

Director / Training Course	Director Accreditation Program (DAP)	Director Certification Program (DCP)	Audit Committee Program (ACP)	Advanced Audit Committee Program (AACP)	Financial Statement for Directors (FSD)
Mrs.Kaisri Nuengsigkapan		DCP 0/2000		AACP 36/2020	
Ms.Sunee Seripanu	DAP 98/2012	DCP 172/2013			
Mr.Virach Seripanu		DCP 155/2012			
Mr.Somchai Apiwattanapron	DAP 14/2004	DCP 74/2006	ACP 21/2008		FSD 17/2012
Mr.Supasak Chirasavinuprapand	DAP 10/2004				
Mrs.Chananyarak Phetcharat	DAP 162/2019	DCP 49/2004			
Mr.Lucksananoi Punkrasamee	SCC/2004	DCP 122/2009			
Mr.Ekaluck Wangchucherdkul		DCP 215/2016			
Mr.Kris Chanthanotok		DCP 143/2011			FSD 11/2011

Director / Training Course	Role of the Chairman Program (RCP)	Role of the Compensation Committee (RCC)	Director Leadership Certification Program (DLCP)	Corporate Governance for Capital Market Intermediaries (CGI)	Anti-Corruption for Executive Program (ACEP)
Mrs.Kaisri Nuengsigkapan	RCP 30/2013	RCC 16/2013			
Ms.Sunee Seripanu					
Mr.Virach Seripanu					
Mr.Somchai Apiwattanapron					
Mr.Supasak Chirasavinuprapand					
Mrs.Chananyarak Phetcharat					
Mr.Lucksananoi Punkrasamee					
Mr.Ekaluck Wangchucherdkul					
Mr.Kris Chanthanotok				CGI 4/2015	ACEP 7/2013

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)

Guideline 5 : Nurture Innovation and Responsible Business

The Board of Directors emphasizes on business operation along with generating benefits for society and environment under management based on Corporate Governance Code as defined by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand. This emphasis has been performed under ethics and Code of Conduct with good, transparent, and fair management system for all stakeholders. To make shareholders reliable and confident with investment in the company's business, Corporate Governance and Social Responsibility Committee is established to supervise and monitor Management to operate business with social and environmental responsibilities in order to make all practices meet with major objectives and goals sustainably. The company emphasizes on personnel development that are considered as the important resources by promoting work environment and fostering organizational values in order to reinforce innovations enabling personnel to dare to think, take action, and initiate under transparent and open work environment. In addition, the company also promotes additional trainings to improve skills and potential to enable employees to grown with their duties and positions while being happy. This helps to promote work environment in order to make all employees to be proud of and confident with the company. For innovative development, the company supports researches and development of new products in order to be consistent with increasing demands in the future. This will increase business opportunities on operations. In addition, the company also develops and improves information technology as the tools for supporting work process, for example, reduction of time and costs, etc.

Guideline 6 : Strengthen Effective Risk Management and Internal Control

The Board of Directors establishes the audit committee and Risk Management Sub-Committee to govern risk management system and internal control system appropriately in order to control compliance to meet with related laws and standards. The Internal Audit Unit is independent to perform their duties and take this responsibility that must be reported in Annual Report. The following policies and matters are defined as the guidelines: Risk Management Policy

1. Risk management is defined as responsibility of the Board of Directors, executives, and employees in all levels to realize on possible risks in operations in their units and corporate. In addition, they are also required to emphasize on risk management sufficiently and appropriately.

2. All business units of the company are defined to have risk management process, risk indicators, guidelines on risk prevention and mitigation, systematical and continuous assessment and monitoring. The process must be regularly improved to meet with business changes at least once a year. In addition, they are required to make the reports on risks under the operational framework and risk management procedures

3. Risk assessment is defined as a part of Annual Plan of all departments by considering all risks throughout the company and considering on internal and external risk factors. In addition, the company also defines risk management and generates appropriate alarm.

4. Risk Management Committee is responsible for monitoring risk management and proposing their opinions to the Board of Directors

5. Organizational culture is built to build mutual understanding and consciousness on risks in order to foster realization on importance and responsibility on risk management in all personnel

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.

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), 65

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 2021 ^{1/}

Directors	Current Amount	Increase during fiscal year	Decrease during fiscal year	At 30 July 2021
Mrs.Kaisri Nuengsigkapan	2,534,500	-	-	2,534,500
Spouse	-	-	-	-
Ms.Sunee Seripanu	359,345,920	2,208,900	-	361,554,820
Mr.Virach Seripanu	15,000,000	-	-	15,000,000
Mr.Somchai Apiwattanapron	-	-	-	-
Spouse	-	-	-	-
Mr.Supasak Chirasavinuprapand	-	-	-	-
Spouse	-	-	-	-
Mrs.Chananyarak Phetcharat	2,100,000	229,900	2,329,900	-
Spouse	-	-	-	-
Mr. Lucksananoi Punkrasamee	-	-	-	-
Spouse	-	-	-	-
Mr.Ekaluck Wangchucherdkul	-	-	-	-
Spouse	-	-	-	-
Mr. Kris Chanthanotok	-	-	-	-
Spouse	-	-	-	-

Note: 1. The Company has a registered capital of 400,000,000 Baht and paid-up 400,000,000 Baht (800,000,000 shares)
2. According to SEC regulation, ordinary shares of a company held by the directors include those held by a spouse, in a de facto relationship and minor children

Report of Changes in Securities Holdings of Directors

Executives	Current Amount	Increase during fiscal year	Decrease during fiscal year	At 30 July 2021
Mr. James Richard Amatavivadhana	-	-	-	-
Spouse	-	-	-	-
Mr. Nopadol Tangdenchai	15,000	-	15,000	-
Spouse	-	-	-	-
Mr. Sakesan Serksiri	-	-	-	-
Spouse	-	-	-	-
Mr. Piya Orarnriksuphak	-	-	-	-
Spouse	-	-	-	-
Ms. Kittima Wacharopas	22,000	22,000	-	44,000
Spouse	-	-	-	-
Mr. Sirisak Prasitsanha	-	-	-	-
Spouse	-	-	-	-
Mr. Sirisak Prasitsanha				

- Note:
1. The Company has a registered capital of 400,000,000 Baht and paid-up 400,000,000 Baht (800,000,000 shares)
 2. In reference to the Notification of Capital Market Supervisory Board No. Sor Jor. 38/2561, "ExecutivesW means the manager, the nest four executives succeeding the manager, every person holding an equivalent position to the fourth executive and shall include the persons holding an executive position in accounting or finance at a managerial or equivalent or higher level.
 3. Accordning to SEC regulation, ordinary shares of a company held by the directors include those held by a spouse, partners in a de facto relationship and minor children
 4. Mr. Piya Orarnriksuphak was appointed as Chief of Financial Officer instead of Mr. Apichai Polkosol effectively 1 November 2020
 5. Mr. Sirisak Prasitsanha resigned from the Company effectively 1 April 2021
 6. Executives no. 3 and no. 6 holds an executive position in accounting
 7. Mr. James Richard Amatavivadhana was appointed as Acting Chief Executive Officer effectively 1 June 2021

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 par-ties 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 con-forming 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 mat-ter 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).

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.

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.

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;

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 Limited448,450 On Nut Road, Prawet, Bangkok 10250
- By E-mail :
 - 1) The Chairman of the Audit Committee : auditcommittee@mcgroupnet.com
 - 2) Chief Executive Officer : james.a@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, DL-Complain@mcgroupnet.com, Facebook : mcjeans, 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 2021, there was no complaint or whistleblowing from stakeholders.

Guideline 7 : Ensure Disclosure and Financial Integrity

The Board of Directors highly emphasizes on disclosing news and information including financial information and other information that is not public information to public. The important information of the company consists of financial information and non-financial information. In 2020, disclosure of financial information, especially information on financial statements, is reviewed/audited by the auditor whether its subject matter is correct based on Generally Accepted Accounting Principles and approved by the Audit Committee/Board of Directors before disclosing to shareholders. The Board of Directors will report on their responsibilities towards financial report in Annual Report and disclose details on remuneration of the Board of Directors in the section of “Management Structure”. To disclose nonfinancial information, the Company will disclose information based on the criteria of the Stock Exchange of Thailand and SEC including related transactions and Management’s analysis via the website of the Stock Exchange of Thailand (www.set.or.th) and website of the Office of the Securities and Exchange Commission (www.sec.or.th) as defined by the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission as well as the company’s website (www.mcgroupnet.com). Information will be regularly updated in order to enable users to perceive news and information timely and conveniently for the ultimate benefits. In the event of any inquiry, users are able to contact Department of Investor Relation and Corporate Communication (Tel. 02-117-9999 ext. 1215, email: ir@mcgroupnet.com) in order to enable all shareholders and stakeholders to obtain news and information equally.

Guideline 8 : Ensure Engagement and Communication

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 2020 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 2020 Annual General Meeting of Shareholders on 29 October 2020 at 14:00 hrs at Suvarnabhumi A&B, Novotel Suvarnabhumi Airport Hotel 999 Moo 1, Nongprue, Bangplee, Samutprakan, various kinds of mass transportation were available for shareholders to use in attending the meeting.

Before the Shareholders’ Meeting

- The Company prepared the notice to shareholders’ meeting in both Thai and English. For the 2020 Annual General Meeting of the Shareholders, the Company posted the meeting notice on its website since 25 September 2020, 35 days prior to the meeting date and sent out the meeting notice to the shareholders 21 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.

Compensation to Auditors

The annual General Shareholder Meeting of 2020 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 2,005,000 baht fee for the Company, 1,275,000 baht for subsidiaries.

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.

Important Issues in Sustainable Development

Impacts to stakeholders	High		• Innovation and Dissemination	• Fair business conduct • Responsibilities to Consumers
	Medium		• Respect for Human Rights • Anti-Corruption • Equitable Treatment of Employees • Environmental Conservation	
	Low	• 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 time-frames. 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

From the determination above as a result, the Company has been awarded a membership renewal certificate from the Thai Private Sector Collective Action Coalition against Corruption (CAC) committee for the second consecutive period, which shows its intent and determination. in the against all forms of corruption through transparent management in accordance with good governance and sustainable development Along with taking care of society and the environment Build confidence for all stakeholders

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

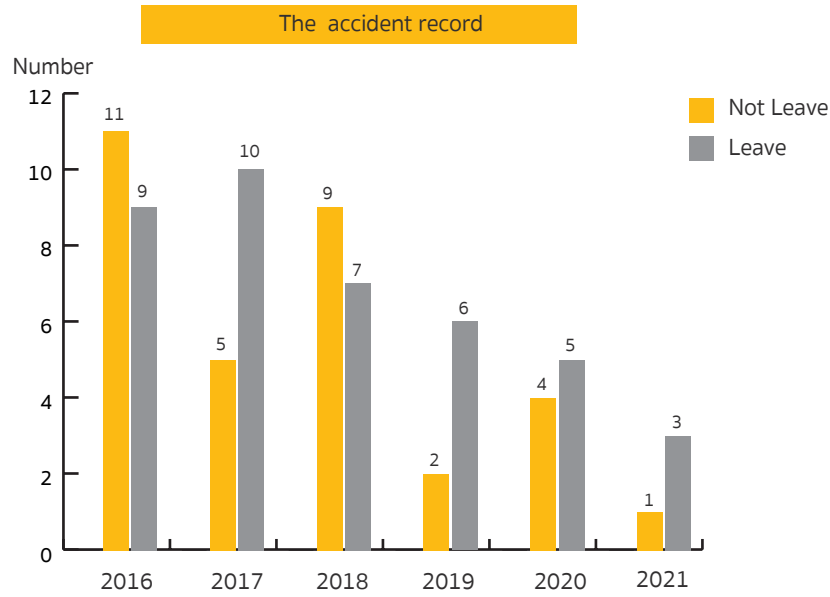
check-up, 5S activity, safe working environment, educational scholarships for employees' children are provided to employees. The Company also participated in a pilot organization development project on preterm labor prevention for pregnant employees. These compensations and benefits are rewarded based 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.

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 2021, the Company enrolled employees in 42 curriculum with accumulative hours of 18,038 hours or equivalent to 14 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 Selvage Walker” sneakers apply uniqueness of red selvage 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 2021, the Company had a total of 600 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.

As of 30 June 2021, the Company conducted a number of major projects that help promote the development of community, the society and the nation as summarized below.

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

In the situation of the COVID-19 crisis, the Company Emphasis on employee health is important to prevent infection with COVID-19. By allowing employees to work from home, work from home, but there is still an annual health check program for employees to check the physical condition of employees to keep them working.



COVID-19 Pandemic Protection Program

During the epidemic of COVID-19, the Company still keep great importance to and finds ways to prevent the infection of COVID-19. to employees throughout the organization Recommend preventive measures by having a body temperature check at entrance of workplace. If found that employees are at risk groups, they will be sent to check and stay quarantine for 14 days in order to reduce the risk and monitor the symptoms of the employees themselves. The date of the government policy announced and allocated a set of equipment to prevent infection distributed to employees, including monitoring the situation, informing employees about the movement of the COVID-19 situation and has provided 100% of the COVID-19 vaccine to inject to employees to prevent serious infections for employees and to ensure customers. Including working from home measures for employees to pay attention to employees, including customers across the country who come to use the service in the company's stores.



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

In the increasingly severe situation of the COVID-19 crisis, the Company keep importance to government and private agencies in order to build good relationships between the Company by providing assistance to doctors and nurses at Sirindhorn Hospital, Prawet Subdistrict, Prawet District, Bangkok and workers of the Ministry of Transport and medical personnel staff and volunteers working at the Bang Sue Central Vaccination Center, which is the front line for treating COVID-19 and vaccinating against COVID-19. to the people by giving rice boxes, face shields, masks in order to build morale and morale for the team of doctors and nurses.



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 2020 Tug-Of-War. 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 Project to support research for Master's Degree Students

The company has supported Master's Degree students. Srinakarinwirot University Department of Design Innovation which conducted a research project on Research and development of fashion clothing innovations from clothes that have defects and are unusable. With the principle of circular economy, the Company highly hopes that the support of Master's Degree students will be further developed in the product.



Mc Sewing Training for Occupation Development No.5

For Mc Sewing training program, professional development The Company has cooperated with the Community Development and Social Welfare Department. Prawet District Office Bangkok which is a project that helps encourage people who are interested to gain knowledge and useful experience and can be implemented and used in practice or can be used as a professional practice And the project has been organized continuously and is now the 5th generation, which is held at Krathum Chae Phatthana Community, Dok Mai Subdistrict, Prawet District, Bangkok. The project is considered to help support the government in developing communities and society as well.



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.



such as Baan Nokkamin Foundation, Suan Kaew Foundation, Mirror Foundation, Foundation for the Blind in Thailand, Luang Ta Noi Foundation and Red Pao School This project is organized every year to alleviate suffering and help society.



8) 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 Earth Friendly campaign consists of two new collections that care about the environment. Starting from the Mc Save the World collection, the innovation of Dry Dye is used to dye fabrics without using water. First time in Thailand with properties for the world energy saving Reduce CO2 emissions and Mc x Toni campaign with fashion design by Toni Rakkaen, a fabric derived from the innovative recycling of PET plastic bottles through innovative manufacturing that makes the fabric soft and wearable. Comfortable, sweat well. suitable for the weather in Thailand



Earth Friendly

Me x TONI RAKKAEN



HEMP YARN

ใยคันทรง เป็นพืชที่ไม่ใช้ยาฆ่าแมลง ในการปลูก และ ใช้ใบในการปลูกน้อยกว่าฝ้าย ถึง 30% สวมใส่เย็นสบายในหน้าร้อน ให้ความอบอุ่นในหน้าหนาว



Earth Friendly

Me x TONI RAKKAEN



RECYCLE PLASTIC

Diagram showing the process: PLASTIC BOTTLE -> FIBER -> YARN -> FABRIC



Earth Friendly

Me

DRYDYE

นวัตกรรมย้อมผ้าไม่ใช้น้ำ

ครั้งแรกในไทยกับ คุณสมบัติเพื่อโลก



- ประหยัดพลังงาน 50%
- ลดการปล่อยก๊าซคาร์บอนไดออกไซด์ 50-70%
- ปราศจากการเติมสารเคมี



Earth Friendly

Me

DRYDYE

นวัตกรรมย้อมผ้าไม่ใช้น้ำ

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- ปราศจากการเติมสารเคมี

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 2021 there were 4 meetings. All audit committee members attended every meeting, details of which are as follows:

Name	Position	Meeting Attendance
1. Mr. Lucksananoi Punkrasamee	Chairman of the Audit Committee	4/4
2. Mr. Somchai Apiwattanaporn	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 2021 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 2021, 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 2021 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 99.00%. 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.



Lucksananoi Punkrasamee
The Chairman of the Audit Committee
25 August 2021

RISK MANAGEMENT COMMITTEE REPORT

• Risk Management

Risk management committee has examined its risk management policy, annual risk management plan and regularly acknowledges all works in progress handled by the risk management team by reviewing any new risk indicators, setting additional risk management measures, and developing suitable work procedures.

Risk management committee has considered that the Company has sufficient and satisfactory risk management system.

The Company has adopted a firm-wide risk appraisal framework that aims to pursue the highest standards of risk management processes. To ensure best practice of its policy, the risk management committee appoints the risk management team that consists of top management from every function, empowered to identify, evaluate, and establish control measures for all systematic risks.



Mr. Somchai Apiwattanapron
Chairman of Risk Management Committee
25 August 2021

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 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	38 years
Education	MBA Accounting, Ramkhamhaeng University
Position	Internal Audit Manager
Number of year in the position	2 year 10 months (started 27 August 2018)

Training

- 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

Experience

Since 2018 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 2021, 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 2021 (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.	10.24	
	Look Balance Co., Ltd., a subsidiary rented building and service from Blurista	0.15	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
	A Joint Venture company, McMillion (Thailand) Co.,Ltd. Rented space and warehouse services by setting the rental fee comparing with other company in the same area and there was exactly timeline.	2.42	
2. Data Hunter Co., Ltd. Relationships: Mr. Viwat Seripanu as a shareholder together with the company (the Majority shareholder of Data Hunter Co., ltd. is a brother of Majority shareholders and the Directors)	Data Hunter Co., Ltd. provided the information technology services to MC GROUP Plc.	1.55	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.	0.01	
	Aromatique Active Co., Ltd., a subsidiary bought instant products and other materials	10.98	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.

Related Party	Type of Transactions	Value as of 2021 (Million Baht)	Rationale
4. S.C. Law Office Co.Ltd. Relationships: Mr. Panu Narongchaikul and Mr. Supasak Chirasavinuprapand as directors.	MC GROUP Plc has used legal advisory services with the consulting fee is based on standard and comparing with the market price.	0.06	S.C. Law Office Co.Ltd, provided professional advisory to MC GROUP Plc as a specializes in providing legal services. Terms of service are subject to Service Agreement and the Audit Committee reviewed that all transactions were fair, reasonable and for the best interests of the Company.
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	2.36	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 statements.

Management Discussion and Analysis

for the operation results of fiscal year 2021 (1 Jul 2020 – 30 Jun 2021)

MC Group Public Company Limited and its subsidiaries (“the Company”) summarized the operating results of fiscal year 2021 (1 Jul 2021 – 30 Jun 2021) as follows:

Overall Economic and Industry Overview

In the last quarter of fiscal year 2021 (1 Apr - 30 Jun 2021), the Thai economy, retail industry and domestic consumption has been continuously affected by a new wave of COVID-19 outbreak since the beginning of April 2021, which virus were mutation make them faster and widespread in Thailand. In this quarter Consumer Confidence Index dropped to 43.1 compared to 48.5 in March 2021 due to concerns of COVID-19 situation and concerns over unstable of Thailand political situation, including number of vaccinating people was not meet the target. As a result, consumers are not confident about the recovery of the Thai economy. Although the government's measures to stimulate the economy especially the “Rou Chana” project and other projects will help to stimulate the purchasing power to improve to a certain extent throughout the country

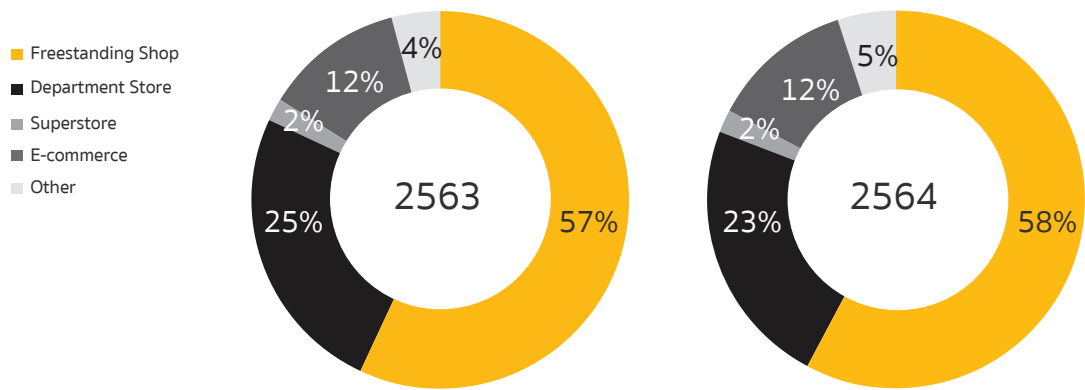
Overall Performance for Q4’21 and Full year period of FY2021

Unit: THB million	FY2021 (Jul 19–Jun 21)	FY2020 (Jul 19–Jun 20)	Change
Sales Revenue	3,220	3,182	+1.2%
Gross Profit	1,919	1,839	+4.4%
Gross Profit Margin	59.6%	57.8%	+1.8%
SG&A	1,401	1,377	+1.7%
%SG&A	43.5%	43.3%	-0.2%
Other Revenue	29	35	-16.3%
EBITDA before one-off item and discontinued operations*	952	593	+60.6%
%EBITDA before one-off item and discontinued operations	29.3%	18.4%	+10.9%
NPAT before one-off item and discontinued operations*	446	444	+0.4%
% NPAT before one-off item and discontinued operations	13.7%	13.8%	-0.1%
one-off item	-	39	N/A
Discontinued operation*	-	2	N/A
NPAT	446	407	+9.4%
%NPAT	13.7%	12.7%	+1.1%

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

Revenue

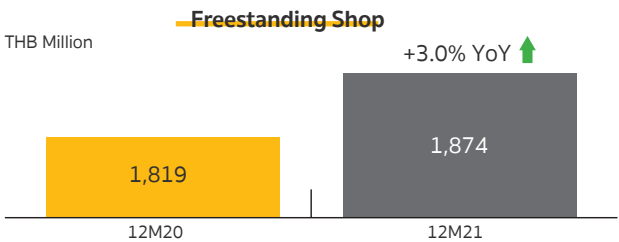
In FY2021, The company reported sales revenue of THB 3,220 million an increase of THB 38 million or 1.2% YoY. Impacted by 2nd and 3rd waves of COVID-19 pandemic in Thailand was directly affected to sales revenue of quarter 3 and 4 which company closely manage. The mainly sales increase was from channel free-standing and E-commerce



In fiscal year 2021 revenue breakdown by channels consisted of revenue from free-standing shop 58%, Department stores 23%, E-commerce 12%, Superstores 2%, and other channels 5%.

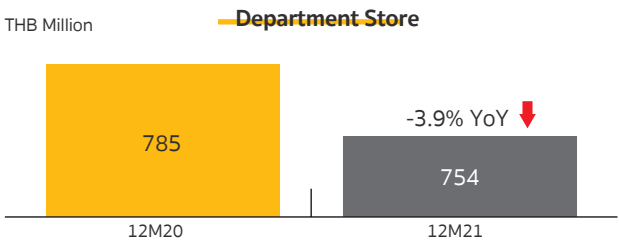
• Freestanding Shop

Sales revenue from free standing shops in FY2021 was THB 1,874 million increased THB 55 million or +3.0% YoY.



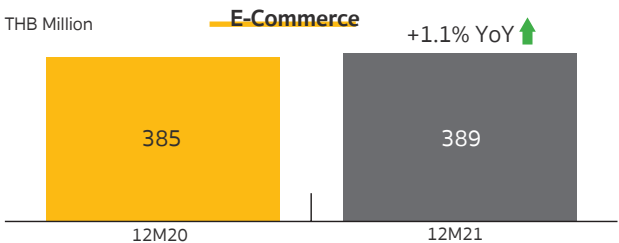
• Department Store

Sales revenue from Department Stores in FY2021 period was THB 754 million decreased THB 31 million or -3.9% YoY.



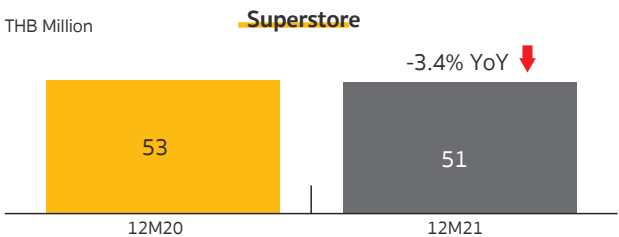
• E-commerce

Sales revenue from E-commerce in in FY2021 was THB 389 million increased THB 4 million or +1.1% YoY.



• Superstore

Sales revenue in FY2021 was THB 51 million decreased THB 2 million or -3.4% YoY.



As of 30 Jun 2021 and 2020, the Company had a total of 636 point of sales as follows

By Distribution Channel	Apparel and Lifestyle Products under “MC Group”		
	2021	2020	Increase (+) / Decrease (-) from end FY2020
Free-standing Shop	334	334	-
Modern Trade	287	305	-18
Mobile Unit	6	6	-
Total POS (domestic)	627	645	-18
International Markets	9	12	-3
Total	636*	657	-21

* the second and third waves of the COVID-19 outbreak in Thailand affected temporary close for some POS as per government announcement and policy which all will resume when situation normal

Gross Profit

For FY2021, the company’s gross profit was THB 1,919 million increased THB 80 million or 4.4% YoY, with gross profit margin of 59.6% up from 57.8% from the same period of last year form continuing manage marketing strategy product mix channel mix during COVID 19 situation.

Selling, General and Administrative Expenses (SG&A)

For FY2021, SG&A was THB 1,401 million higher THB 24 million or 1.7% YoY. SG&A to sales slightly change to 43.5% from 43.3% previous year. 360 degree cost controlling are continue and manage.

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

EBITDA before one-off item and discontinued operation for the FY2021 was THB 952 million increased THB 359 million or 60.6%. EBITDA margin for FY2021 was 29.3% compared to that of 18.4% in the previous year. The change was from adoption of TFRS 16 which shift operating expense to interest.

Net Profit

For FY2021, net profit was THB 446 million. Inline to the FY2020 net profit, before one-off item and discontinued operations (slightly increased THB 2 million or increased 0.4% YoY). In compare to FY2020 net profit shown increased THB 39 million or increased 9.4%.

Financial Position Analysis
Statement of Financial Position

(THB million)	31 Jun 2021	30 June 2020	% change
Cash and short-term investments	1,864	1,481	+26%
Account receivables	202	286	-29%
Inventory	1,250	1,408	-11%
Right-of-use assets	1,126	-	N/A
Other assets	771	909	-15%
Total Assets	5,214	4,084	+28%
Account payables	171	120	+42%
Interest-bearing liabilities	-	-	N/A
Lease liabilities	1,113	-	N/A
Other liabilities	328	371	-12%
Total Liabilities	1,612	492	+228%
Equity attributable to the firm	3,591	3,581	0%
Non-controlling interest	11	11	3%
Shareholders' Equity	3,603	3,592	0%

Assets

As of 30 June 2021, the Company reported total assets of THB 5,214 million, increased 28% or THB 1,130 million from 30 June 2020 from:

- 1) THB 1,126 million Right-of-use assets increased because of the adoption of the Thai Financial Reporting Standard 16 leases.
- 2) Cash and short-term investments increased THB 383 million, from THB 1,481 million on 30 June 2020 to THB 1,864 million on 30 Jun 2021.
- 3) And offset with decrease in Inventories and Account receivables 158 million and 84 million respectively

Liabilities

As of 30 June 2021, total liabilities were THB 1,612 million compared to THB 492 million on 30 June 2020, an significant increase of THB 1,120 million which was contributed mainly from THB 1,113 million lease liabilities resulted from the adoption of the Thai Financial Reporting Standard 16 lease.

Shareholders' Equity

As of 30 June 2021, the Company reported THB 3,603 million of shareholders' equity, an increase of THB 10 million from the THB 3,592 million on 30 June 2020 from 2021 performance of THB 446 million offset with dividend paid of THB 433 million.

Liquidity

- As of 30 June 2021, the Company's cash, cash equivalent and short-term investment of THB 1,864 million increased THB 383 million from 30 June 2020 due to:
 - Net Cash inflow from operation of THB 721 million, which was mainly contributed by profit before income tax expense of THB 524 million, the decrease of inventory THB 141 million and decrease of Trade and other current receivables of THB 76 million
 - Net Cash outflow from investment activities of THB 12 million mainly due to THB 20 million purchase of property, plant and equipment net off THB 10 million cash received from short term loan.
 - Net Cash outflow from financing activities was THB 582 million from dividend payment of THB 433 million and lease liabilities payment of THB 149 million.

Key Financial Ratios

Financial Ratios		For period ended	
		30 June 2021	30 June 2020
Liquidity Ratios			
Current Ratio	times	4.6*	7.7
Average Days Receivable	days	28	36
Average Days in Inventory	days	373	409
Average Days Payable	days	41	41
Cash cycle	days	360	405
Efficiency Ratios			
Return on Assets (Annualized)	%	11.9	10.9
Return on Equity (Annualized)	%	12.4	11.2
Leverage Ratios			
Debt to Equity Ratio	times	0.45	0.14

* Exclude Current portion of lease liabilities 308.0 MB, Current Ratio were 8.0 times

Thai Financial Reporting Standard No. 16 Leases (TFRS 16)

In the fiscal year 2021 Company has applied the Thai Financial Reporting Standard No. 16 Leases (TFRS 16), using the cumulative catch-up approach and therefore comparative information has not been restated and is presented under TAS 17. The new financial reporting standard affected the former lease contracts, which was recorded as operating lease, an off-balance sheet financing according to TAS 17; and therefore, impacted asset and liabilities as mentioned in earlier sections.

Former operating lease

- Recognizes right-of-use assets and lease liabilities in the consolidated statement of financial position, initially measured at the present value of the future lease payments, with the right-of-use asset adjusted by the amount of any prepaid or accrued lease payments in accordance with TFRS 16.
- Recognizes depreciation of right-of-use assets and interest on lease liabilities in the consolidated statement of profit or loss and other comprehensive income.
- Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities) in the consolidated statement of cash flows.

Short term lease and low value lease contracts

The Company has adopted to recognize a lease expense on a straight-line basis as permitted by TFRS 16. This expense is presented within “administrative expenses” in the statement of profit or loss and other comprehensive income. The Group has used the following practical expedients when applying adjustments to leases previously classified as operating leases applying TAS 17.

- The Group has elected not to recognize right-of-use assets and lease liabilities to leases for which the lease term end within 12 months of the date of initial application.
- The Group has used hindsight when determining the lease term when the contract contains options to extend or terminate the lease.

Former financial lease

For leases that were classified as finance leases, the carrying amount of the leased assets and obligations is reclassified to right-of-use assets and lease liabilities respectively without any adjustments, except in cases where the Company has elected to apply the low-value lease recognition exemption.

REPORT OF RESPONSIBILITY OF THE BOARD TO FINANCIAL REPORTS

The Board of Directors of MC GROUP Plc has prepared the Company's financial statements to show its financial status and performance for 2021 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 2021. 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, 2021 are reliable under generally accepted accounting standards, legally sound, and acceptable to relevant regulations.



(Mr. Sunee Seripanu)
Director



(Virach Seripanu)
Director

GENERAL INFORMATION

Company Name	: MC GROUP Public Company Limited
Address	: Head Office 448,450 OnNut Road, Prawet Sub-District, Prawet District, Bangkok 10250 Telephone : 02-329-1050-6 : MC Design Center 2 Sukhaphiban 2 Road Soi 5, Prawet Sub-District, Prawet District, Bangkok 10250 Telephone : 02-117-9999 : MC STUDIO 4 Sukhaphiban 2 Road Soi 7, Prawet Sub-District, Prawet District, Bangkok 10250 Telephone : 02-117-9999
Website	: www.mcgroupnet.com
Registration No.	: 0107556000230
Type of Business	: MC GROUP Public Company Limited's core business is 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
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 Accountant No. 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 2021**

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, 2021, and the related consolidated and separate statements of profit or loss and other 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, 2021, 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. 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 Information

Management is responsible for the other information. The other information comprises information in the annual report, but does not include the consolidated and separate financial statements and our auditor's report thereon, 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 management and those charged with governance for correction of the misstatement.

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 the 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 Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group'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.

BANGKOK
August 25, 2021

Wonlop Vilaivaravit
Certified Public Accountant (Thailand)
Registration No. 6797
DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

MC GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
 STATEMENTS OF FINANCIAL POSITION
 AS AT JUNE 30, 2021

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2021	2020	2021	2020
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5	727,535,075	600,538,737	390,914,985	272,842,494
Current investments	2.4 , 9	-	880,420,526	-	880,420,526
Trade and other current receivables	6	202,491,335	285,612,075	183,361,662	268,645,520
Short-term loans to related parties	4	1,000,000	1,000,000	2,062,541	3,785,011
Short-term loans to other parties	7	-	10,000,000	-	-
Inventories	8	1,250,323,534	1,408,246,511	1,464,776,938	1,733,547,449
Other current financial assets	2.4 , 9	1,136,123,879	-	1,136,123,879	-
Other current assets		6,490,575	5,833,715	6,462,253	5,736,146
Total Current Assets		3,323,964,398	3,191,651,564	3,183,702,258	3,164,977,146
NON-CURRENT ASSETS					
Investments in subsidiaries	10	-	-	298,953,601	299,953,305
Investments in joint ventures	11	25,232,690	25,322,095	-	-
Property, plant and equipment	2.4 , 12	342,973,884	404,408,048	325,296,817	389,069,054
Right-of-use assets	13	1,126,327,162	-	1,126,327,162	-
Intangible assets	14	135,386,249	152,178,586	131,985,598	150,547,728
Deferred tax assets	23	150,019,570	178,895,411	108,509,429	127,025,354
Rental deposits		105,927,230	106,232,120	105,914,105	106,219,620
Other non-current assets		4,373,552	25,262,188	4,233,152	25,146,788
Total Non-current Assets		1,890,240,337	892,298,448	2,101,219,864	1,097,961,849
TOTAL ASSETS		5,214,204,735	4,083,950,012	5,284,922,122	4,262,938,995

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, 2021

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2021	2020	2021	2020
LIABILITIES AND OWNERS' EQUITY					
CURRENT LIABILITIES					
Trade and other current payables	15	282,512,535	282,954,392	301,980,853	327,071,852
Current contract liabilities	16	106,139,557	91,587,158	106,139,557	91,587,158
Current portion of lease liabilities	17	307,953,051	-	307,953,051	-
Short-term borrowings from related parties	4	-	-	149,548,206	99,899,112
Corporate income tax payable		1,979,330	2,089,858	1,775,875	-
Other current liabilities		22,129,970	35,787,919	19,103,306	28,343,442
Total Current Liabilities		720,714,443	412,419,327	886,500,848	546,901,564
NON-CURRENT LIABILITIES					
Lease liabilities	17	804,919,493	-	804,919,493	-
Non-current provisions for employee benefit	18	52,622,717	48,346,997	32,314,364	27,290,567
Other non-current liabilities		33,394,725	31,055,625	33,231,725	30,560,625
Total Non-current Liabilities		890,936,935	79,402,622	870,465,582	57,851,192
TOTAL LIABILITIES		1,611,651,378	491,821,949	1,756,966,430	604,752,756
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, fully paid		400,000,000	400,000,000	400,000,000	400,000,000
Premium on ordinary share	19	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	20	40,000,000	40,000,000	40,000,000	40,000,000
Other reserves	21	87,278,166	87,278,166	87,278,166	87,278,166
Unappropriated		329,120,197	319,014,730	263,030,054	393,260,601
Treasury stocks	22	-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		3,591,459,734	3,581,354,267	3,527,955,692	3,658,186,239
Non-controlling interests of the subsidiaries		11,093,623	10,773,796	-	-
Total shareholders' equity		3,602,553,357	3,592,128,063	3,527,955,692	3,658,186,239
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		5,214,204,735	4,083,950,012	5,284,922,122	4,262,938,995

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, 2021

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2021	2020	2021	2020
INCOME					
Revenue from sales	27	3,219,548,203	3,182,376,077	3,186,966,951	3,143,127,952
Revenue from services		120,000	120,000	1,365,000	15,906,000
Dividend income	10	-	-	-	479,922,240
Other income		26,644,861	29,174,156	26,714,920	26,289,696
Total Income		<u>3,246,313,064</u>	<u>3,211,670,233</u>	<u>3,215,046,871</u>	<u>3,665,245,888</u>
EXPENSES					
Cost of sales		1,300,676,608	1,343,581,569	1,411,239,855	1,764,308,713
Distribution costs		998,399,465	1,049,990,989	1,005,014,600	1,083,820,329
Administrative expenses		402,960,791	327,498,473	399,448,996	348,326,200
Impairment loss on investment in a subsidiary		-	-	999,700	-
Loss on sale of investment in a subsidiary	24	-	39,003,433	-	-
Total Expenses		<u>2,702,036,864</u>	<u>2,760,074,464</u>	<u>2,816,703,151</u>	<u>3,196,455,242</u>
PROFIT FROM OPERATING ACTIVITIES		<u>544,276,200</u>	<u>451,595,769</u>	<u>398,343,720</u>	<u>468,790,646</u>
Finance income		2,503,315	5,637,388	2,523,717	7,865,732
Finance costs		-28,085,042	-3,597	-31,339,827	-2,556,220
Share of gain (loss) joint ventures					
accounted for using equity method	11.2	5,474,452	-625,931	-	-
PROFIT BEFORE INCOME TAX (EXPENSES)		<u>524,168,925</u>	<u>456,603,629</u>	<u>369,527,610</u>	<u>474,100,158</u>
Income tax income (expenses)	23	-78,143,631	-50,029,577	-64,158,157	2,401,179
Profit for the year from continuing operation		<u>446,025,294</u>	<u>406,574,052</u>	<u>305,369,453</u>	<u>476,501,337</u>
Profit for the year from discontinued operation	24	-	2,351,297	-	-
PROFIT FOR THE YEAR		<u>446,025,294</u>	<u>408,925,349</u>	<u>305,369,453</u>	<u>476,501,337</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		-	4,087,804	-	5,285,926
Total component of other comprehensive income that					
will not to be reclassified to profit or loss - net of tax		-	4,087,804	-	5,285,926
Other comprehensive income for the year		-	4,087,804	-	5,285,926
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>446,025,294</u>	<u>413,013,153</u>	<u>305,369,453</u>	<u>481,787,263</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, 2021

		UNIT : BAHT			
	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2021	2020	2021	2020
PROFIT ATTRIBUTABLE TO:					
Equity holders of the Company from continuing operation		445,705,467	405,121,033	305,369,453	476,501,337
Equity holders of the Company from discontinued operation		-	1,964,389	-	-
		<u>445,705,467</u>	<u>407,085,422</u>	<u>305,369,453</u>	<u>476,501,337</u>
Non-controlling interests of the subsidiaries		319,827	1,839,927	-	-
		<u>446,025,294</u>	<u>408,925,349</u>	<u>305,369,453</u>	<u>476,501,337</u>
TOTAL COMPREHENSIVE INCOME					
ATTRIBUTABLE TO:					
Equity holders of the Company from continuing operation		445,705,467	409,208,837	305,369,453	481,787,263
Equity holders of the Company from discontinued operation		-	1,964,389	-	-
		<u>445,705,467</u>	<u>411,173,226</u>	<u>305,369,453</u>	<u>481,787,263</u>
Non-controlling interests of the subsidiaries		319,827	1,839,927	-	-
		<u>446,025,294</u>	<u>413,013,153</u>	<u>305,369,453</u>	<u>481,787,263</u>
BASIC EARNINGS (LOSS) PER SHARE					
Profit attributable to equity holders of the Company	26				
from continuing operation (Baht per share)		<u>0.56</u>	<u>0.51</u>	<u>0.39</u>	<u>0.60</u>
Profit attributable to equity holders of the Company					
from discontinued operation (Baht per share)		<u>-</u>	<u>0.002</u>	<u>-</u>	<u>-</u>
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES (SHARES)		792,000,000	792,000,000	792,000,000	792,000,000

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, 2021

	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 July 1, 2019		400,000,000	2,824,925,638	40,000,000	87,278,166	426,272,573	-87,278,166	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	-87,278,166	3,658,186,239	
Balance as at July 1, 2020		400,000,000	2,824,925,638	40,000,000	87,278,166	393,260,601	-87,278,166	3,658,186,239	
Profit for the year		-	-	-	-	305,369,453	-	305,369,453	
Total comprehensive income for the year		-	-	-	-	305,369,453	-	305,369,453	
Dividend paid	29	-	-	-	-	-435,600,000	-	-435,600,000	
Balance as at June 30, 2021		400,000,000	2,824,925,638	40,000,000	87,278,166	263,030,054	-87,278,166	3,527,955,692	

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, 2021

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2021	2020	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES					
Continuing operations					
Profit before income tax		524,168,925	456,603,629	369,527,610	474,100,158
Adjustments to reconcile profit before tax to					
net cash provided by (paid from) operating activities:					
Depreciation of fixed assets, right-of-use asset					
and amortization of intangible assets		400,487,226	98,786,496	400,933,394	95,348,117
Dividend income	10.1	-	-	-	-479,922,240
Finance income		-2,503,315	-5,637,388	-2,523,717	-7,865,732
Financial costs		28,085,042	3,597	31,339,827	2,556,220
Non-current provisions for employee benefit expenses		6,905,309	10,146,547	5,023,797	5,466,890
Share of (gain) loss from investment in joint ventures					
accounted for using equity method	11.2	-5,474,453	625,931	-	-
Unrealized gain from changes in fair value					
of unit trust held for trading	9	-6,690,098	-10,339,539	-6,690,098	-10,339,539
Unrealized loss on exchange rate		-	391,625	-	-
Loss on expected credit losses		125,790	-	124,790	-
Reversal doubtful debts expense		-	-4,353,612	-	-2,445,128
Recorded reduction of inventories to net realizable value (reversal)	8	23,412,910	-7,915,932	23,802,358	-6,442,460
Gain on disposal of property, plant and equipment		-1,891,011	-1,516,468	-1,891,011	-1,238,116
Loss (gain) on disposal / write off of intangible assets		350,000	-2,850	350,000	-
Loss on sale of investments in a subsidiary	24	-	39,003,433	-	-
Loss on impairment of investments in a subsidiary		-	-	999,700	-
The differences from lease discount		-31,957,958	-	-31,957,958	-
Profit from operating activities before changes in operating assets and liabilities		935,018,367	575,795,469	789,038,692	69,218,170
Operating assets (increase) decrease					
Trade and other current receivables		76,080,814	21,455,834	84,603,525	99,327,698
Inventories		141,464,889	129,178,510	244,968,153	239,402,942
Other current assets		-656,860	12,449,352	-726,107	-1,326,377
Rental deposits		304,890	5,725,676	305,515	-1,975,288
Other non-current assets		20,888,636	-4,136,397	20,913,636	2,359,789
Operating liabilities increase (decrease)					
Trade and other current payables		-159,419,566	-44,840,233	-184,068,706	-491,633,255
Current contract liabilities		14,552,399	17,432,980	14,552,399	17,432,980
Other current liabilities		-13,657,949	-21,223,190	-9,240,136	257,828
Other non-current liabilities		2,339,100	24,157,307	2,671,100	-601,043
Cash flows from (used in) operating activities		1,016,914,720	715,995,308	963,018,071	-67,536,556
Cash paid for acquisition of other current financial assets	9	-487,930,640	-	-487,930,640	-
Cash received from sale of other current financial assets	9	238,917,385	-	238,917,385	-
Cash paid for acquisition of current investments	9	-	-620,986,745	-	-620,986,744
Cash received from sale of current investments	9	-	421,539,973	-	421,539,973
Cash paid for employee benefits obligation		-2,629,589	-7,858,208	-	-4,913,064
Cash paid for corporate income tax		-43,808,094	-9,361,315	-43,577,597	-26,502,309
Discontinued operation		-	3,165,284	-	-
Net cash flows from (used in) operating activities		721,463,782	502,494,297	670,427,219	-298,398,700

MC GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2021	2020	2021	2020
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash received from finance income		2,705,845	8,047,860	3,040,079	8,047,860
Cash paid for acquisition of property, plant and equipment	5.2	-20,529,962	-79,927,197	-20,471,864	-79,799,299
Proceeds from disposal of property, plant and equipment		2,455,361	2,719,505	2,455,361	3,561,578
Cash paid for acquisition of intangible assets	5.2	-6,316,365	-11,608,729	-2,712,760	-6,383,314
Proceeds from disposal of intangible assets		-	4,765,894	-	-
Cash paid for short-term loans to related parties	4	-	-2,000,000	-40,362,209	-185,606,451
Cash received from short-term loans to related parties	4	-	1,000,000	42,084,679	217,427,808
Cash paid for short-term loans to other parties	7	-	-30,000,000	-	-
Cash received from short-term loans to other parties	7	10,000,000	20,000,000	-	-
Cash received from sale of investment in a subsidiary - net	24	-	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
Cash paid from entire business transfer	25	-	-	-	-305,673,902
Net cash provided by (used in) investing activities		-11,685,121	-55,252,042	-15,966,714	431,492,920
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash paid for finance costs		-	-4,797,140	-3,254,785	-2,556,220
Cash paid for dividend		-433,355,190	-514,775,789	-433,355,190	-514,775,789
Cash paid for payment of liabilities under finance lease agreements		-	-20,211	-	-
Cash paid for payment of lease liabilities	5.3	-149,427,133	-	-149,427,133	-
Proceeds from short-term loan from related parties	4	-	-	632,073,060	322,568,572
Repayment of short-term loan from related parties	4	-	-	-582,423,966	-270,086,049
Net cash used in financing activities		-582,782,323	-519,593,140	-536,388,014	-464,849,486
Net increase (decrease) in cash and cash equivalents		126,996,338	-72,350,885	118,072,491	-331,755,266
Cash and cash equivalents as at July 1,		600,538,737	672,889,622	272,842,494	604,597,760
Cash and cash equivalents as at June 30,	5.1	727,535,075	600,538,737	390,914,985	272,842,494

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, 2021

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, 2021 and 2020, the Company's major shareholder is Khun Sunee Seripanu who holds 42.73% and 42.72% 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	Incorporated Ownership interest (%)		
		country	2021	2020
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
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

* 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 25).

** On August 29, 2019, the Board of Directors' meeting of MC INTER LIMITED approved for deregistration of MC INTER LIMITED. Subsequently, the Company already deregistered with Hong Kong Companies Registry on November 6, 2020.

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 Company has a temporary closure of branches in some provinces in Thailand since July 12, 2021 as a preventive measure over the pandemic of COVID-19 virus of the Government of each country.

Nevertheless, 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 has 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 “Presentation of Financial Statements”, which was effective for financial periods beginning on or after January 1, 2020 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.3) B.E. 2562” dated December 26, 2019 which become effective for fiscal years beginning on or after January 1, 2020 onwards.
- 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 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

During the period, the Group 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, 2020. 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 significant impact on the Group's financial statements, except the following financial reporting standards:

Group of Financial Instruments Standards

Thai Accounting Standards (“TAS”)

TAS 32 Financial Instruments: Presentation

Thai Financial Reporting Standards (“TFRS”)

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Thai Financial Reporting Standard Interpretations (“TFRIC”)

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

In the current year, the Group has initially applied Group of Financial Instruments Standards. TFRS 9 introduced new requirements for:

- 1) The classification and measurement of financial assets and financial liabilities;
- 2) Impairment of financial assets; and
- 3) General hedge accounting.

The Group has applied TFRS 9 in accordance with the transition provisions set out in TFRS 9 as follows:

(a) Classification and measurement of financial assets

The date of initial application is July 1, 2020. Accordingly, the Group has applied the requirements of TFRS 9 to instruments that continue to be recognized as at July 1, 2020 and has not applied the requirements to instruments that have already been derecognized as at July 1, 2020. Comparative amounts in relation to instruments that continue to be recognized as at July 1, 2020 have not been restated.

All recognized financial assets that are within the scope of TFRS 9 are required to be measured subsequently at amortized cost or fair value on the basis of the entity’s business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, specifically:

- All other and equity investments are measured subsequently at fair value through profit or loss (FVTPL).

The director of the Company reviewed and assessed the Group’s existing financial assets as at July 1, 2020 based on the facts and circumstances that existed at that date and concluded that there are no any significant impacts of reclassification and remeasurement on the financial position, profit or loss, and other comprehensive income.

(b) Impairment of financial assets

In relation to the impairment of financial assets, TFRS 9 requires an expected credit loss model. The expected credit loss model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

Specifically, TFRS 9 requires the Group to recognize a loss allowance for expected credit losses on;

- (1) Debt investments measured subsequently at amortized cost or at FVTOCI;
- (2) Trade receivables and contract assets

In particular, TFRS 9 requires the Group to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the Group is required to measure the loss allowance for that financial instrument at an amount equal to 12-months ECL. TFRS 9 also requires a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables, contract assets and lease receivables in certain circumstances.

The table below shows information relating to financial assets that have been reclassified as a result of transition to TFRS 9.

CONSOLIDATED FINANCIAL STATEMENTS				Unit: Thousand Baht
	TAS 105	Reclassification	TFRS 9	Category
	Carrying amounts June 30, 2020	ns	Carrying amounts July 1, 2020	
Financial assets				
Cash and cash equivalents	600,539	-	600,539	Amortized cost
Current investment	880,421	(880,421)	-	Amortized cost/ Fair value through profit and loss
Trade and other current receivables	265,791	-	265,791	Amortized cost
Short-term loans to related parties	1,000	-	1,000	Amortized cost
Short-term loans to other parties	10,000	-	10,000	Amortized cost
Other current financial assets	-	880,421	880,421	Amortized cost/ Fair value through profit and loss
Investments in subsidiaries	25,322	-	25,322	Amortized cost

Financial liabilities				
Trade and other current payables	282,954	-	282,954	Amortized cost

Unit: Thousand Baht				
SEPARATE FINANCIAL STATEMENTS				
	TAS 105	Reclassification	TFRS 9	Category
	Carrying amounts	ns	Carrying amounts	
	June 30, 2020		July 1, 2020	
Financial assets				
Cash and cash equivalents	272,842	-	272,842	Amortized cost
Current investment	880,421	(880,421)	-	Amortized cost/ Fair value through profit and loss
Trade and other current receivables	255,265	-	255,265	Amortized cost
Short-term loans to related parties	3,785	-	3,785	Amortized cost
Other current financial assets	-	880,421	880,421	Amortized cost/ Fair value through profit and loss
Investments in joint ventures	299,953	-	299,953	Amortized cost
Financial liabilities				
Trade and other current payables	327,072	-	327,072	Amortized cost
Short-term borrowings from related parties	99,899	-	99,899	Amortized cost

The adoption of TFRS 9 has no impact to the total cash flows of the Group

Thai Financial Reporting Standards No. 16 “Leases” (“TFRS 16”)

The Group has applied TFRS 16 which does not restate the comparative information and continue to present comparative information under TAS 17 “Leases” and TFRIC 4 “Determining Whether an Arrangement Contains a Lease”.

a) Impact of the new definition of a lease

The change in definition of a lease mainly relates to the concept of control. TFRS 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on “risk and rewards” in TAS 17 and TFRIC 4.

The Group applies the definition of a lease and related guidance set out in TFRS 16 to all lease contracts entered into or changed on or after July 1, 2020 (whether it is a lessor or a lease in the lease contract). In preparation for the first-time application of TFRS 16, the Group has carried out an implementation project. The project has shown that the new definition in TFRS 16 will not significantly change the scope of contracts that meet the definition of a lease for the Group.

b) Impact on Lessee Accounting

Former operating leases

TFRS 16 changes how the Group accounts for lease previously classified as operating leases under TAS 17, which were off statement of financial position.

Applying TFRS 16, for all leases (except as noted below), the Group:

- 1) Recognizes right-of-use assets and lease liabilities in the consolidated statement of financial position, initially measured at the present value of the future lease payments, with the right-of-use asset adjusted by the amount of any prepaid or accrued lease payments in accordance with TFRS 16.
- 2) Recognizes depreciation of right-of-use assets and interest on lease liabilities in the consolidated statement of profit or loss and other comprehensive income.
- 3) Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities) in the consolidated statement of cash flows.

Lease incentives (e.g. rent free period) are recognized as part of the measurement of the right-of-use assets and lease liabilities whereas under TAS 17 they resulted in the recognition of a lease incentive, amortized as a reduction of rental expenses on a straight - line basis.

Under TFRS 16, right-of-use assets are tested for impairment in accordance with TAS 36.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (which includes tablets and personal computers, small items of office furniture and telephones), the Company has adopted to recognize a lease expense on a straight-line basis as permitted by TFRS 16. This expense is presented within “administrative expenses” in the statement of profit or loss and other comprehensive income.

The Group has used the following practical expedients when applying the cumulative catch-up approach to leases previously classified as operating leases applying TAS 17.

- The Group has elected not to recognize right-of-use assets and lease liabilities to leases for which the lease term end within 12 months of the date of initial application.
- The Group has used hindsight when determining the lease term when the contract contains options to extend or terminate the lease.

Former finance leases

For leases that were classified as finance leases applying TAS 17, the carrying amount of the leased assets and obligations under finance leases measured applying TAS 17 immediately before the date of initial application is reclassified to right-of-use assets and lease liabilities respectively without any adjustments, except in cases where the Group has elected to apply the low-value lease recognition exemption.

The right-of-use asset and the lease liability are accounted for applying TFRS 16 from July 1, 2020.

Financial impact of the initial application of TFRS 16

The Group recognized lease liabilities in relation to leases, which had previously been classified as operating leases under the principles of TAS 17. The right-of-use assets were measured at amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position immediately before the date of initial application. These liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rates. The weight average lessees incremental borrowing rate applied to lease liabilities recognized in the statement of financial position on July 1, 2020 is 2.24%.

The following table shows the operating lease commitments disclosed applying TAS 17 at June 30, 2020, discounted using incremental borrowing rate at the date of initial application and the lease liabilities recognized in the statement of financial position at the date of initial application.

	Unit: Thousand Baht	
	Consolidated financial statements	Separate financial statements
Operating lease commitments at June 30, 2020	825,114	825,114
Value of the variable lease payments that depend on a rate or index	(293,893)	(293,893)
Value of the lease payments due in periods covered by extension options that are included in the lease term and not previously included in operating lease commitments	814,558	814,558
Effect of discounting the above amounts	(66,313)	(66,313)
Lease liabilities recognized at July 1, 2020	<u>1,279,466</u>	<u>1,279,466</u>

The table below show the amount of adjustment for each financial statement line item affected by the application TFRS 16 for the current year:

	Unit : Thousand Baht		
	Consolidated financial statements		
	As previously reported	Adjustments TFRS 16	Amount after adjusted
<u>Statement of financial Position</u>			
As at July 1, 2020			
Assets			
Property, plant and equipment	404,408	(25,828)	378,580
Right-of-use assets	-	1,307,918	1,307,918
Liabilities			
Current portion of lease liabilities	-	297,407	297,407
Lease liabilities	-	982,059	982,059

Unit : Thousand Baht

	Separate financial statements		
	As previously reported	Adjustments TFRS 16	Amount After adjusted
<u>Statement of financial Position</u>			
As at July 1, 2020			
Assets			
Property, plant and equipment	389,069	(25,828)	363,241
Right-of-use assets	-	1,307,918	1,307,918
Liabilities			
Current portion of lease liabilities	-	297,407	297,407
Lease liabilities	-	982,059	982,059

The Rent Concessions related to COVID-19

The Group elected to adopt the amendments to TFRS 16 Leases relating to COVID-19 related Rent Concessions. The amendment permits lessees, as a practical expedient, not to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications. Any reduction in lease payments affects only payments originally due on or before June 30, 2022 and there is no substantive change to other terms and conditions of the lease.

2.5 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, Thai Financial Reporting Standards, Thai Accounting Standards Interpretation and Thai Financial Reporting Standard Interpretation, 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, 2021 onwards. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revisions to references to the Conceptual Framework in TFRSs, except for the revisions of definitions and accounting requirements as follows:

Conceptual Framework for Financial Reporting

The revised Conceptual Framework for Financial Reporting consisted of the revised definitions and recognition criteria of asset and liability as well as new guidance on measurement, derecognition of asset and liability, presentation and disclosure. In addition, this Conceptual Framework for Financial Reporting clearly clarifies management's stewardship of the entity's economic resources, prudence, and measurement uncertainty of financial information.

Definition of Business

The revised Thai Financial Reporting Standard No. 3 “Business Combinations” clearly clarifies the definition of business and introduce an optional concentration test. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. This revised financial reporting standard requires prospective method for such amendment. Earlier application is permitted.

Definition of Materiality

The revised definition of materiality resulted in the amendment of Thai Accounting Standards No. 1 “Presentation of Financial Statements” and Thai Accounting Standards No. 8 “Accounting Policies, Changes in Accounting Estimates and Errors”, including other financial reporting standards which refer to materiality. This amendment is intended to make the definition of material to comply with the Conceptual Framework which requires prospective method for such amendment. Earlier application is permitted.

The Interest Rate Reform

Due to the interest rate reform, there are the amendments of specific hedge accounting requirements in Thai Financial Reporting Standard No. 9 “Financial Instruments” and Thai Financial Reporting Standard No. 7 “Financial Instruments: Disclosures”.

TFRS 16

The Amendment to TFRS 16 added the requirements for the temporary exception arising from the Phase 2 of the interest rate benchmark reform amendments, which an entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. This revised TFRS 16 has been announced in the Royal Gazette on January 27, 2021.

In addition, the Federation of Accounting Professions has issued the Notification regarding the amendments to Thai Financial Reporting Standards No. 4 “Insurance Contracts”, Thai Financial Reporting Standards No. 7 “Financial Instruments: Disclosures”, and Thai Financial Reporting Standards No. 9 “Financial Instruments”, which have been announced in the Royal Gazette on June 28, 2021 and will be effective for the financial statements for the period beginning on or after January 1, 2022 onwards with earlier application permitted. The amendment to such Thai Financial Reporting Standards are relevant to the Phase 2 of the interest rate benchmark reform amendments which provided practical expedients for the modification of the contractual cash flows of financial assets or financial liabilities resulted from the interest rate benchmark reform, including temporary exceptions from specific hedge accounting requirements, and additional disclosure requirements of TFRS 7.

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 is in the process to assess the impact of these TFRSs on the financial statements of the Group in the period of initial application.

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 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.

3.4 Trade and other current receivables

a) Policies applicable prior to July 1, 2020

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

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

b) Policies applicable from July 1, 2020

Trade receivables and other receivables are stated at their invoice value less allowance for expected credit losses.

The allowance for expected credit losses has disclosed in Note 3.7.

3.5 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.

3.6 Investments

Policies applicable prior to July 1, 2020

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.

Policies applicable prior and after July 1, 2020

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.

3.7 Financial Instruments

Policies applicable from July 1, 2020

Financial assets and financial liabilities are recognized in the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortized cost;

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI);

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

(i) Amortized cost and effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period.

Interest income is recognized in profit or loss and is included in the “finance income” line item.

(ii) Financial assets at FVTPL

Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent.

Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost, trade receivables and contract assets. The amount of expected credit losses is updated at each reporting period date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognizes lifetime ECL for trade receivables and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over 2 years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the asset's gross carrying amount at the reporting date, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

Financial liabilities

All financial liabilities are measured subsequently at amortized cost using the effective interest method or at FVTPL.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

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
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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.

Finance income

Finance income is recognized using the effective interest method

Other income

Other income is 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

The Group has applied TFRS 16 using the cumulative catch-up approach and therefore comparative information has not been restated and is presented under TAS 17. The details of accounting policies under both TAS 17 and TFRS 16 are as follows;

a) Policies applicable from July 1, 2020

The Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognizes a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lease, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (which includes tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leases assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lease under residual value guarantees;

- The exercise price of purchase options, if the lease is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under TAS 37 - Provisions, Contingent Liabilities and Contingent Assets. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-

of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies TAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the “Property, plant and equipment” policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognized as expenses in the period in which the event or condition that triggers those payments occurs and are included in the line “Administrative expenses” in profit or loss.

As a practical expedient, TFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

b) Policies applicable prior to July 1, 2020

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 18.

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*

Calculation of expected credit loss

When measuring expected credit losses the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Percentage of loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of defaults is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

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, 2021 and 2020 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)
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
Data Hunter Co., Ltd.	Thailand	Common shareholder
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
Finance cost / 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	
	2021	2020	2021	2020
<u>Transactions with subsidiaries</u>				
<u>(Eliminated from the consolidated financial statements)</u>				
Revenue from sales or services	-	-	-	84
Purchase of goods or receiving of services	-	-	16,651	830,247
Purchase of fixed assets	-	-	-	1,309
Dividend income	-	-	-	479,922
Finance income	-	-	45	15,786
Service income	-	-	1,245	1,062
Other income	-	-	488	2,240
Other expenses	-	-	3,482	19,118
Commission expenses	-	-	84,000	90,616
Finance costs	-	-	3,255	2,553
Personnel service expenses	-	-	339,234	339,586
<u>Transactions with joint venture</u>				
Service income	120	153	120	153
Other expenses	29,441	44,311	29,441	44,311
<u>Transactions with related parties and personnel</u>				
Revenue from sales or services	-	60	-	-
Purchase of goods or receiving of services	10,986	6,048	6	3
Other expenses	16,744	15,105	11,842	12,223
<u>Transactions with key management personnel</u>				
Key management personnel compensation				
Short-term employee benefits	44,315	36,988	44,315	36,988
Post-employment benefits	3,596	3,704	3,596	3,704
Total key management personnel compensation	<u>47,911</u>	<u>40,692</u>	<u>47,911</u>	<u>40,692</u>

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	
	2021	2020	2021	2020
<u>Trade and other current receivables - related parties (see Note 6)</u>				
Subsidiaries (Eliminated from the consolidated financial statements)	-	-	580	819
Joint venture	4,988	107	4,986	-
Total trade and other current receivables - related parties	4,988	107	5,566	819
<u>Short-term loans to related parties</u>				
Subsidiaries (Eliminated from the consolidated financial statements)	-	-	2,062	3,785
Joint venture	1,000	1,000	-	-
Total short-term loans to related parties	1,000	1,000	2,062	3,785
<u>Other current assets - related parties</u>				
Related companies	6,009	10,134	-	-
<u>Other non-current assets - related parties</u>				
Related companies	932	932	932	932
<u>Trade and other current payables - related parties (see Note 15)</u>				
Subsidiaries (Eliminated from the consolidated financial statements)	-	-	37,646	68,752
Joint venture	5,711	9,821	5,711	9,820
Related companies	1,001	498	1,001	485
Directors	-	67	-	67
Total trade and other current payables - related parties	6,712	10,386	44,358	79,124
<u>Short-term loans from related parties</u>				
Subsidiaries (Eliminated from the consolidated financial statements)	-	-	149,548	99,899

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, 2021		Consolidated financial statements			
Borrower	Interest rate (% per annum)	Balance as at July 1, 2020	Increase	(Decrease)	Balance as at June 30, 2021
Joint venture					
Mcmillion (Thailand) Co., Ltd.	2.47	1,000	-	-	1,000
		1,000	-	-	1,000

		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

		Unit: Thousand Baht			
As at June 30, 2021		Separate financial statements			
Borrower	Interest rate (% per annum)	Balance as at July 1, 2020	Increase	(Decrease)	Balance as at June 30, 2021
Subsidiaries					
Mc Jeans Manufacturing Co., Ltd	2.47	3,785	40,362	(42,085)	2,062
		3,785	40,362	(42,085)	2,062

		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

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, 2021		Separate financial statements			
Lender	Interest rate (% per annum)	Balance as at July 1, 2020	Increase	(Decrease)	Balance as at June 30, 2021
Subsidiaries					
Look Balance Co., Ltd.	2.47	3,756	36,461	(6,202)	34,015
WoWme Limited	2.47	29,031	74,145	(72,581)	30,595
MC Jeanious Co., Ltd.	2.47	62,800	4,200	-	67,000
Winner Man Co., Ltd.	2.47	4,312	517,267	(503,641)	17,938
		<u>99,899</u>	<u>632,073</u>	<u>(582,424)</u>	<u>149,548</u>

		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
		<u>47,417</u>	<u>322,568</u>	<u>(270,086)</u>	<u>99,899</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.

Warehouse rental and services agreements

On February 1, 2020, the Company entered into a warehouse rental and service agreement with a subsidiary at the total rental and service rate of Baht 0.3 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 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 July 1, 2020, 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.

On September 24, 2019 The term of this agreement has a period of 1 year and is renewable with the same 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 or one party giving written notice to another party 30 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 financial statements		Unit: Thousand Baht Separate financial statements	
	2021	2020	2021	2020
Cash on hands	4,522	7,459	4,350	7,297
Bank deposits - current accounts	723,013	593,080	386,565	265,545
Total	<u>727,535</u>	<u>600,539</u>	<u>390,915</u>	<u>272,842</u>

As at June 30, 2021 and 2020, bank deposits in current accounts carried interests between 0.00 to 0.40 and 0.00 to 1.20 percent per annum, respectively.

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

	Consolidated Financial statements		Unit: Thousand Baht Separate Financial statements	
	2021	2020	2021	2020
Payables-Assets acquisition brought forward	2,558	41,596	2,558	41,596
<u>Add</u> Purchases of property, plant and equipment	21,863	68,882	21,804	68,754
<u>Add</u> Purchases of intangible assets	3,863	14,057	265	8,831
<u>Less</u> Provision for dismantling cost	-	(30,441)	-	(30,441)
<u>Less</u> Cash paid for acquisition of property, plant and equipment	(20,530)	(79,927)	(20,472)	(79,799)
<u>Less</u> Cash paid for acquisition of intangible assets	(6,316)	(11,609)	(2,713)	(6,383)
Payables-Assets acquisition carried forward	<u>1,438</u>	<u>2,558</u>	<u>1,442</u>	<u>2,558</u>

5.3 Movements of interest-bearing liabilities from financing activities.

Movements of interest-bearing liabilities arising from financing activities for the years ended June 30, 2021, are as follows:

	Consolidated financial statements	Unit: Thousand Baht Separate financial statements
Lease liabilities as at July 1, 2020 (Consequence from initial apply to TFRS 16, see Note 2.4)	1,279,466	1,279,466
Non-cash flows items		
Finance costs	28,085	28,085
Other non-cash changes ⁽¹⁾	(45,251)	(45,251)
Total non-cash flows items	<u>(17,166)</u>	<u>(17,166)</u>
Cash flows item:		
Repayments	(149,427)	(149,427)
Total cash flows item	<u>(149,427)</u>	<u>(149,427)</u>
Lease liabilities as at June 30, 2021	<u>1,112,873</u>	<u>1,112,873</u>

The Company does not have non-cash transactions that related to short-term borrowings from financial institutions during the years ended June 30, 2021 and 2020.

⁽¹⁾ Such changes occurred from the reduction of lease fee and debts that are due but not yet paid.

6. 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	
	2021	2020	2021	2020
<u>Trade receivables - related parties (see Note 4)</u>				
Aged on the basis of due dates				
Not yet due	4,986	105	5,099	350
Total trade receivables - related parties	4,986	105	5,099	350
<u>Trade receivables - other parties</u>				
Aged on the basis of due dates				
Not yet due	127,217	171,896	127,194	171,869
Past due				
Less than 3 months	26,835	47,773	26,749	47,230
3 - 6 months	2,695	8,523	2,695	8,411
6 - 12 months	992	5,410	696	5,410
Over 12 months	9,036	11,205	9,036	11,195
Total	166,775	244,807	166,370	244,115
<u>Less</u> Allowance for doubtful accounts	-	(14,014)	-	(14,015)
<u>Less</u> Allowance for expected credit loss	(14,140)	-	(14,140)	-
Total trade receivables - other parties - net	152,635	230,793	152,230	230,100
Total trade receivables - net	157,621	230,898	157,329	230,450
<u>Other receivables</u>				
Other receivables - related parties (see Note 4)	2	2	467	469
Other receivables - other parties	18,657	19,985	4,678	13,381
Interest receivables	281	566	281	566
Prepaid expenses	20,211	22,201	19,586	21,965
Accrued income	-	1	-	1
Advance payment	5,719	11,959	1,021	1,814
Total other receivables - net	44,870	54,714	26,033	38,196
Total trade and other current receivables - net	202,491	285,612	183,362	268,646

The following table shows the movement in lifetime ECL that has been recognized for trade receivables in accordance with the simplified approach set out in TFRS 9 for the year ended June 30, 2021.

	Consolidated financial statements	Unit: Thousand Baht Separate financial statements
Balance as at July 1, 2020	(14,014)	(14,015)
Net remeasurement of loss allowance	(126)	(125)
Balance as at June 30, 2021	(14,140)	(14,140)

Movements in the allowance for doubtful debts for the year ended June 30, 2020

	Consolidated	Unit: Thousand Baht Separate
	financial statements	financial statements
Balance as at July 1, 2019	(18,368)	(16,460)
Reversal allowance for doubtful accounts	2,445	2,445
Discontinued and entire business transfer	1,909	-
Balance as at June 30, 2020	<u>(14,014)</u>	<u>(14,015)</u>

7. SHORT-TERM LOANS TO OTHER PARTIES

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

		Unit: Thousand Baht			
As at June 30, 2021		Consolidated financial statements			
Borrower	Interest rate (% per annum)	Balance as at July 1, 2020	Increase	(Decrease)	Balance as at June 30, 2021
Other parties	-	10,000	-	(10,000)	-
		<u>10,000</u>	<u>-</u>	<u>(10,000)</u>	<u>-</u>

		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
Other parties	-	-	30,000	(20,000)	10,000
		<u>-</u>	<u>30,000</u>	<u>(20,000)</u>	<u>10,000</u>

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

Subsequently, on July 6, 2020, the Group granted the borrowers to extent the repayment to November 30, 2020, which the Group received all payment on December 9, 2020.

8. INVENTORIES

Inventories as at June 30, were as follows:

Unit: Thousand Baht						
Consolidated financial statements						
	Cost		Allowance of diminution in value to net realizable value		Inventories - net	
	2021	2020	2021	2020	2021	2020
Finished goods	1,177,298	1,293,518	(13,274)	(7,364)	1,164,024	1,286,154
Work in process	47,619	57,091	-	-	47,619	57,091
Raw materials	60,438	69,256	(21,757)	(4,254)	38,681	65,002
Total	1,285,355	1,419,865	(35,031)	(11,618)	1,250,324	1,408,247

Unit: Thousand Baht						
Separate financial statements						
Allowance of diminution in value to						
Cost		net realizable value		Inventories - net		
2021	2020	2021	2020	2021	2020	
Finished goods	1,396,030	1,625,036	(15,192)	(9,581)	1,380,838	1,615,455
Work in process	47,619	57,091	-	-	47,619	57,091
Raw materials	57,359	63,849	(21,039)	(2,848)	36,320	61,001
Total	1,501,008	1,745,976	(36,231)	(12,429)	1,464,777	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	
	2021	2020	2021	2020
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 (Reverse) of allowance for diminution in value of inventories during the years	23,413	(7,916)	23,802	(6,442)
	23,413	(153,401)	23,802	(2,852)

As at June 30, 2021 and 2020, finished goods in consolidated and separate financial statements composed of inventories which the Company expected to be returned amounting of Baht 18.77 million.

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.

9. CURRENT INVESTMENTS AND OTHER CURRENT FINANCIAL ASSETS

Other current financial assets as at June 30, 2021, are as follows:

	Consolidated financial statements	Unit : Thousand Baht Separate financial statements
Financial assets measured at fair value through profit or loss		
- Unit trusts held for trading	1,136,124	1,136,124
Total	1,136,124	1,136,124

Current investments as at June 30, 2020, are as follows:

	Consolidated financial statements	Unit: Thousand Baht Separate financial statements
Fixed deposits at financial institutions	100,987	100,987
Equity securities held for trading		
- Unit trusts held for trading	779,434	779,434
Total	880,421	880,421

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

Movements during the year ended June 30, 2021, of other current financial assets are as follows:

As at June 30, 2021	Unit : Thousand Baht				
	Consolidated financial statements / Separate financial statements				
	Balance				Balance
	as at July 1, 2020	Purchases	Sales	Valuation adjustments	as at June 30, 2021
Fixed deposits at financial institutions	100,987	-	(100,987)	-	-
Unit trusts held for trading	779,434	487,930	(137,930)	6,690	1,136,124
Total	<u>880,421</u>	<u>487,930</u>	<u>(238,917)</u>	<u>6,690</u>	<u>1,136,124</u>

Movements during the year ended June 30, 2020, of current investments are as follows:

As at June 30, 2020	Unit : Thousand Baht				
	Consolidated financial statements / Separate financial statements				
	Balance				Balance
	as at July 1, 2019	Purchases	Sales	Valuation adjustments	as at June 30, 2020
Fixed deposits at financial institutions	101,540	100,987	(101,540)	-	100,987
Unit trusts held for trading	569,094	520,000	(320,000)	10,340	779,434
Total	<u>670,634</u>	<u>620,987</u>	<u>(421,540)</u>	<u>10,340</u>	<u>880,421</u>

10. INVESTMENTS IN SUBSIDIARIES

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

Company	Separate financial statements						Dividend received for the years ended June 30,	
	Paid-up capital		Investments percentage		Investment - cost			
	2021	2020	2021	2020	2021	2020		
			(%)	(%)				
P.K. Garment (Import-Export) Co., Ltd.*	250,000	250,000	99.99	99.99	249,996	249,996	-	229,997
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	-	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
Less Allowance for impairment loss					(200,999)	(200,000)	-	-
Investments in subsidiaries - net					298,954	299,953	-	479,922

Unit: Thousand Baht

* 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 25).

** On August 29, 2019, the Board of Directors' meeting of MC INTER LIMITED approved for deregistration of MC INTER LIMITED. Subsequently, the Company already deregistered with Hong Kong Companies Registry on November 6, 2020.

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 24).

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 25).

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

Company	Unit: Thousand Baht							
	Proportion of equity interest held by non-controlling interests as at		Accumulated balance of non-controlling interests in a subsidiary as at		Profit (loss) allocated to non-controlling interests in a subsidiary for the year ended		Dividend paid to non-controlling interests for the years ended	
	June 30,		June 30,		June 30,		June 30,	
	2021	2020	2021	2020	2021	2020	2021	2020
	(%)	(%)						
Time Deco Corporation Limited*	-	-	-	-	-	387	-	-

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

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

Summarized information about comprehensive income

	Unit: Thousand Baht
	Time Deco Corporation Limited
	For the period
	from July 1, -
	September 1, 2019
Revenue	108,908
Net Profit	57,592

11. INVESTMENTS IN JOINT VENTURE

11.1 Details of joint ventures:

Investments in joint venture represent investment in entity which are jointly controlled by its subsidiary and other company. Details of these investments as at June 30, are as follows:

Unit: Thousand Baht										
Joint ventures	Nature of business	Country of incorporation	Issued and paid-up share capital		Consolidated financial statements					
					Percentage of investment		Cost		Carrying amounts based on the equity method	
					2021	2020	2021	2020	2021	2020
					(%)	(%)				
Top T 2015 Co., Ltd.	Trading	Thailand	1,875	1,875	51.00	51.00	956	956	14,048	14,005
Mcmillion (Thailand) Co., Ltd.	Service and warehousing management	Thailand	5,000	5,000	45.00	45.00	11,250	11,250	11,185	11,317
							12,206	12,206	25,233	25,322

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.

11.2 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	
	2021	2020	2021	2020
TOP T 2015 Co., Ltd.	5,606	(1,985)	-	8,720
Mcmillion (Thailand) Co., Ltd.	(132)	1,359	-	-
	<u>5,474</u>	<u>(626)</u>	<u>-</u>	<u>8,720</u>

During the years ended June 30, 2021 and 2020, there is no other comprehensive income from investments in joint ventures

11.3 Summarized financial information about material joint ventures

Summarized information about financial position as at June 30,

	Unit: Thousand Baht TOP T 2015 Co., Ltd.	
	2021	2020
Cash and cash equivalent	1,078	1,260
Current investment	22,317	22,071
Other current assets	4,261	4,261
Trade accounts payable	(109)	(130)
Other current liabilities	(2)	(1)
Net assets	<u>27,545</u>	<u>27,461</u>
Shareholding percentage	<u>51%</u>	<u>51%</u>
Carrying amounts of joint ventures based on the equity method	<u>14,048</u>	<u>14,005</u>

Summarized information about comprehensive income for the years ended June 30,

	Unit: Thousand Baht TOP T 2015 Co., Ltd.	
	2021	2020
Other income	247	71
Selling and administrative expenses	(163)	(318)
Net profit (loss)	<u>84</u>	<u>(247)</u>

12. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment as at June 30, were as follows:

As at June 30, 2021	Unit: Thousand Baht Consolidated financial statements					Balance as at June 30, 2021
	Balance as at July 1, 2020	Consequen ce from initial apply to TFRS 16 (see Note 2.4)	Additions	Disposals	Transfer in / (out)	
Cost						
Land	143,470	-	-	-	-	143,470
Land improvement	11,479	-	-	-	-	11,479
Building	211,746	-	-	-	-	211,746
Building and leasehold improvement	483,723	(30,441)	-	(7,858)	10,668	456,092
Machinery	201,078	-	-	(26,100)	-	174,978
Tools and factory equipment	59,605	-	172	-	14	59,791
Fixture and office equipment	267,423	-	3,621	(2,472)	6,813	275,385
Vehicle	92,595	-	-	(4,279)	-	88,316
Total cost	<u>1,471,119</u>	<u>(30,441)</u>	<u>3,793</u>	<u>(40,709)</u>	<u>17,495</u>	<u>1,421,257</u>
Accumulated depreciation						
Land improvement	(3,380)	-	(450)	-	-	(3,830)
Building	(165,031)	-	(3,078)	-	-	(168,109)
Building and leasehold improvement	(374,669)	4,613	(24,815)	7,370	-	(387,501)
Machinery	(197,459)	-	(742)	26,097	-	(172,104)
Tools and factory equipment	(39,485)	-	(4,367)	-	-	(43,852)
Fixture and office equipment	(225,528)	-	(16,830)	2,405	-	(239,953)
Vehicle	(61,442)	-	(6,629)	4,279	-	(63,792)
Total accumulated depreciation	<u>(1,066,994)</u>	<u>4,613</u>	<u>(56,911)</u>	<u>40,151</u>	<u>-</u>	<u>(1,079,141)</u>
Property, plant and equipment - net	404,125					342,116
Assets under installation and construction	283	-	18,070	-	(17,495)	858
Total property, plant and equipment	<u>404,408</u>					<u>342,974</u>

As at June 30, 2020		Consolidated financial statements					Unit: Thousand Baht
	Balance	Additions	Disposals	Transfer	Discontin- ed operation (see Note 24)	Balance	
	as at July 1, 2019			in / (out)		as at June 30, 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	
<u>Less</u> 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>	
Depreciations for the years ended June 30,							
2021					Thousand Baht	<u>56,911</u>	
2020					Thousand Baht	<u>80,674</u>	

As at June 30, 2021		Separate financial statements				Unit: Thousand Baht
	Balance	Consequence	Additions	Disposals	Transfer	Balance
	as at July 1, 2020	from initial apply to TFRS 16 (see Note 2.4)			in / (out)	as at June 30, 2021
Cost						
Land	143,470	-	-	-	-	143,470
Land improvement	11,479	-	-	-	-	11,479
Building	204,518	-	-	-	-	204,518
Building and leasehold improvement	469,067	(30,441)	-	(7,858)	10,668	441,436
Machinery	123,478	-	-	(26,100)	-	97,378
Tools and factory equipment	55,636	-	153	-	14	55,803
Fixture and office equipment	236,596	-	3,581	(2,471)	6,813	244,519
Vehicle	75,372	-	-	(4,279)	-	71,093
Total cost	<u>1,319,616</u>	<u>(30,441)</u>	<u>3,734</u>	<u>(40,708)</u>	<u>17,495</u>	<u>1,269,696</u>
Accumulated depreciation						
Land improvement	(3,380)	-	(450)	-	-	(3,830)
Building	(164,261)	-	(2,717)	-	-	(166,978)
Building and leasehold improvement	(363,137)	4,613	(24,412)	7,370	-	(375,566)
Machinery	(118,853)	-	(2,907)	26,097	-	(95,663)
Tools and factory equipment	(35,618)	-	(4,429)	-	-	(40,047)
Fixture and office equipment	(194,934)	-	(16,879)	2,405	-	(209,408)
Vehicle	(50,647)	-	(7,397)	4,279	-	(53,765)
Total accumulated depreciation	<u>(930,830)</u>	<u>4,613</u>	<u>(59,191)</u>	<u>40,151</u>	<u>-</u>	<u>(945,257)</u>
Property, plant and equipment - net	<u>388,786</u>					<u>324,439</u>
Assets under installation and construction	<u>283</u>	<u>-</u>	<u>18,070</u>	<u>-</u>	<u>(17,495)</u>	<u>858</u>
Total property, plant and equipment	<u>389,069</u>					<u>325,297</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 (see Note 25)	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	<u>(47,423)</u>	<u>(7,437)</u>	<u>9,331</u>	<u>-</u>	<u>(5,118)</u>	<u>(50,647)</u>
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>-</u>	<u>283</u>
Total property, plant and equipment	<u>366,588</u>					<u>389,069</u>
Depreciations during the years ended June 30,						
2021					Thousand Baht	<u>59,191</u>
2020					Thousand Baht	<u>76,872</u>

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.

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.

As at June 30, 2021 and 2020, the Company had certain items of plant and equipment that were fully depreciated but are still in use. The gross carrying amounts before deducting accumulated depreciation of those assets amounted to approximately Baht 734.88 million and Baht 714.35 million, respectively.

13. RIGHT-OF-USE ASSETS

Right-of-use assets as at June 30, 2021 were as follows:

As at June 30, 2021	Unit: Thousand Baht CONSOLIDATED / SEPARATE FINANCIAL STATEMENTS				
	Balance	Consequenc	Additions	Disposal	Balance
	as at July 1, 2020	e from initial apply to TFRS 16 (see Note 2.4)			as at June 30, 2021
Cost					
Buildings	-	46,785	78,322	-	125,107
Warehouse	-	122,489	-	-	122,489
Leasehold right	-	1,104,624	60,130	(1,720)	1,163,034
Other right	-	33,065	302	(254)	33,113
Vehicles	-	5,568	2,928	-	8,496
Total cost	-	1,312,531	139,708	(1,974)	1,452,239
Accumulated depreciation					
Buildings	-	-	(9,842)	-	(9,842)
Warehouse	-	-	(26,248)	-	(26,248)
Leasehold right	-	-	(272,336)	1,720	(270,616)
Other right	-	(4,613)	(11,140)	246	(15,507)
Vehicles	-	-	(3,699)	-	(3,699)
Total accumulated depreciation	-	(4,613)	(323,265)	1,966	(325,912)
Total right-of-use assets	-				1,126,327
Depreciation for the year ended June 30, 2021				Thousand Baht	323,265

The Group leases several assets including buildings, warehouse, vehicles, leasehold right and other right. The average lease term is 3 - 20 years.

The Group has options to purchase certain vehicles for a nominal amount at the end of the lease term. The Group's obligations are secured by the lessors' title to the leased assets for such leases.

The maturity analysis of lease liabilities is presented in Note 17.

Unit: Thousand Baht CONSOLIDATED/SEPARATE FINANCIAL STATEMENTS 2021	
Amounts recognized in profit or loss	
Depreciation on right-of-use assets	323,265
Interest expense on lease liabilities	28,085
Expense relating to leases of low value assets	1,476
Expense relating to variable lease payments not included in the measurement of the lease liability	177,617

At June 30, 2021, the Group have some of the property leases in which the Group is the lessee contain variable lease payment terms that are linked to sales generated from the leased stores. Variable payment terms are used to link rental payments to store cash flows and reduce fixed cost. The breakdown of lease payments for these stores is as follows:

	Unit: Thousand Baht CONSOLIDATED/SEPARATE FINANCIAL STATEMENTS 2021
Fixed payments	149,427
Variable payments	146,414
Total payments	<u>295,841</u>

Overall the variable payments constitute up to 49% of the Group's entire lease payments. The Group expects this ratio to remain constant in future years. The variable payments depend on sales and consequently on the overall economic development over the next few years. Taking into account the development of sales expected over the next 1 - 20 years, variable rent expenses are expected to continue to present a similar proportion of store sales in future years.

For the year ended June 30, 2021, the total cash outflow for leases amount to Baht 149.43 million.

There are no termination options on the lease.

14. INTANGIBLE ASSETS

Intangible assets as at June 30, were as follows;

As at June 30, 2021	Unit: Thousand Baht				
	Balance as at July 1, 2020	Consolidated financial statements Additions	Disposals/ Write off	Transfer in / (out)	Balance as at June 30, 2021
Cost					
Computer software	281,431	3,844	-	24	285,299
Leasehold right	688	-	-	-	688
Total cost	<u>282,119</u>	<u>3,844</u>	<u>-</u>	<u>24</u>	<u>285,987</u>
Accumulated amortization					
Computer software	(129,602)	(20,311)	-	-	(149,913)
Leasehold right	(688)	-	-	-	(688)
Total accumulated amortization	<u>(130,290)</u>	<u>(20,311)</u>	<u>-</u>	<u>-</u>	<u>(150,601)</u>
Intangible assets under installation	350	24	(350)	(24)	-
Total intangible assets	<u>152,179</u>				<u>135,386</u>

Unit: Thousand Baht						
Consolidated financial statements						
As at June 30, 2020	Balance	Additions	Disposals / Write off	Transfer in / (out)	Discontin- ed 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	<u>(730)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>730</u>	<u>-</u>
Total intangible assets	<u>162,588</u>					<u>152,179</u>
Amortizations for the years ended June 30,						
2021					Thousand Baht	<u>20,311</u>
2020					Thousand Baht	<u>19,744</u>

Unit: Thousand Baht					
Separate financial statements					
As at June 30, 2021	Balance as at July 1, 2020	Additions	Disposals/ Write off	Transfer in / (out)	Balance as at June 30, 2021
Cost					
Computer software	273,530	241	-	24	273,795
Leasehold right	385	-	-	-	385
Total cost	<u>273,915</u>	<u>241</u>	<u>-</u>	<u>24</u>	<u>274,180</u>
Accumulated amortization					
Computer software	(123,332)	(18,477)	-	-	(141,809)
Leasehold right	(385)	-	-	-	(385)
Total accumulated amortization	<u>(123,717)</u>	<u>(18,477)</u>	<u>-</u>	<u>-</u>	<u>(142,194)</u>
Intangible assets under installation	350	24	(350)	(24)	-
Total intangible assets	<u>150,548</u>				<u>131,986</u>

As at June 30, 2020		Unit: Thousand Baht		
	Balance	Separate financial statements		Balance
	as at		Transfer	Assets
	July 1,		in / (out)	received
	2019			from transfer
				entire
				business
				(see Note 25)
				2020
Cost				
Computer software	261,912	2,460	6,384	2,774
Leasehold right	385	-	-	-
Total cost	<u>262,297</u>	<u>2,460</u>	<u>6,384</u>	<u>2,774</u>
				<u>273,915</u>
Accumulated amortization				
Computer software	(102,089)	(18,476)	-	(2,767)
Leasehold right	(385)	-	-	-
Total accumulated amortization	<u>(102,474)</u>	<u>(18,476)</u>	<u>-</u>	<u>(2,767)</u>
				<u>(123,717)</u>
Intangible assets under installation	363	6,371	(6,384)	-
Total intangible assets	<u>160,186</u>			<u>350</u>
				<u>150,548</u>
Amortizations for the years ended June 30,				
2021				Thousand Baht
2020				Thousand Baht
				<u>18,477</u>
				<u>18,476</u>

15. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at June 30, consisted of follows:

		Unit: Thousand Baht	
		Consolidated	Separate
		financial statements	financial statements
		2021	2020
		2021	2020
Trade payables - related parties (see Note 4)	5,711	9,820	9,613
Trade payables - other parties	104,248	94,697	103,955
Other payables - related parties (see Note 4)	1,001	566	34,745
Other payables - other parties	59,803	15,413	58,523
Accrued expenses	111,750	162,458	95,145
Total trade and other current payables	<u>282,513</u>	<u>282,954</u>	<u>301,981</u>
			<u>327,072</u>

16. CURRENT CONTRACT LIABILITIES

Current contract liabilities as at June 30, consisted of follows:

		Unit: Thousand Baht	
		Consolidated	Separate
		financial statements	financial statements
		2021	2020
		2021	2020
Liabilities from goods return	37,533	37,533	37,533
Liabilities from marketing support to customer according to contracts	68,607	54,054	68,607
Total current contract liabilities	<u>106,140</u>	<u>91,587</u>	<u>106,140</u>
			<u>91,587</u>

17. LEASE LIABILITIES

Lease liabilities as at June 30, were as follows:

	Unit: Thousand Baht Consolidated / Separate Financial statements 2021
Maturity analysis:	
Year 1	329,745
Year 2 - 5	748,916
Over than 5 years	<u>94,822</u>
Total	1,173,483
<u>Less</u> unearned interest	<u>(60,610)</u>
Net	<u>1,112,873</u>
Analyzed as:	
Non-current	804,920
Current	<u>307,953</u>
Total	<u>1,112,873</u>

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

Additionally, the Group has benefited from a lease payment. The payment reduces in statement of profit or loss by Baht 31.96 million.

18. 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	
	2021	2020	2021	2020
Non-current provisions for employee benefit as at July 1,	48,347	52,748	27,291	33,344
Included in profit or loss:				
Current service cost	6,443	9,044	4,770	4,790
Interest cost	463	1,089	253	677
Past service cost	-	14	-	-
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
- Demographic assumptions changes	-	(2,703)	-	(1,652)
- Financial assumptions changes	-	3,530	-	1,944
- Experience adjustments	-	(5,937)	-	(6,899)
Benefit payment during the years	(2,630)	(7,858)	-	(4,913)
Discontinued operation	-	(1,580)	-	-
Non-current provisions for employee benefit as at June 30,	<u>52,623</u>	<u>48,347</u>	<u>32,314</u>	<u>27,291</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	
	2021	2020	2021	2020
Cost of sales	1,578	1,668	337	389
Selling and administrative expenses	5,328	8,479	4,686	5,467

Principal actuarial assumptions as at June 30,

	Consolidated financial statements		Unit: percent per annum Separate financial statements	
	2021	2020	2021	2020
Discount rate	1.0	1.0	1.0	1.0
Salary increase rate	2.5 - 4.0	2.5 - 4.0	2.5 - 4.0	2.5 - 4.0
Turnover rate	0.0 - 6.2	0.0 - 6.2	0.0 - 6.2	0.0 - 6.2
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, 2021			
	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	2	(2)	1	(1)
Turnover rate	(3)	3	(2)	2

	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

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.

19. 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.

20. 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, 2021 and 2020, the Company's legal reserve equaled to one-tenth of the registered share capital.

21. 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.

22. EXPENSES BY NATURE

Significant expenses classified by nature for the years ended June 30, were as follows:

	Consolidated		Unit: Thousand Baht	
	financial statements		Separate	
	2021	2020	2021	2020
Provision of diminution in value and stock loss	43,803	451	40,053	1,794
Purchases goods, raw materials and supplies	1,110,730	1,219,744	1,218,102	1,639,391
Employee benefits expenses	699,250	708,682	394,401	371,300
Depreciation and amortization	400,487	100,418	400,933	95,348
Rental and service expenses	33,887	347,171	29,101	342,960
Advertising expenses	55,118	38,442	52,616	34,469
Professional fees	29,415	38,924	29,405	39,409
Personnel services fees	-	-	320,233	340,205

23. INCOME TAX

23.1 Deferred tax assets

Deferred tax assets as at June 30, were as follows:

	Consolidated financial statements		Unit: Thousand Baht Separate financial statements	
	2021	2020	2021	2020
Deferred tax assets	150,020	178,895	108,509	127,025

Movements of deferred tax assets during the years were as follows:

As at June 30, 2021	Unit: Thousand Baht Consolidated financial statements			
	As at July 1, 2020	Recognized in profit or loss	Recognized in other comprehensive income	As at June 30, 2021
Allowance for doubtful accounts	2,803	(2,803)	-	-
Expected credit loss	-	2,828	-	2,828
Inventories	51,881	(5,449)	-	46,432
Right of use assets	-	7,690	-	7,690
Provision for long-term employee benefits	7,070	854	-	7,924
Consignment sales	66,168	207	-	66,375
Unused tax losses	31,041	(31,041)	-	-
Others	19,932	(1,161)	-	18,771
Deferred tax assets - net	178,895	(28,875)	-	150,020

As at June 30, 2020	Unit: Thousand Baht Consolidated financial statements			
	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 sales	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

As at June 30, 2021	Unit: Thousand Baht			
	Separate financial statements			As at June 30, 2021
	As at July 1, 2020	Recognized in profit or loss	Recognized in other comprehensive income	
Allowance for doubtful accounts	2,803	(2,803)	-	-
Expected credit loss	-	2,828	-	2,828
Inventories	1,768	4,760	-	6,528
Right of use assets	-	7,690	-	7,690
Provision for long-term employee benefits	5,313	1,004	-	6,317
Consignment sales	66,168	207	-	66,375
Unused tax losses	31,041	(31,041)	-	-
Others	19,932	(1,161)	-	18,771
Deferred tax assets - net	127,025	(18,516)	-	108,509

As at June 30, 2020	Unit: Thousand Baht			
	Separate financial statements			As at June 30, 2020
	As at July 1, 2019	Recognized in profit or loss	Recognized in other comprehensive income	
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 sales	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

As at June 30, 2021 and 2020, the subsidiary has deductible temporary differences and unused tax losses totaling Baht 164 million and Baht 180 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 losses are summarized as below:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
June 30, 2023	1	1	-	-
June 30, 2024	2	34	-	31
June 30, 2025	29	32	-	-
June 30, 2026	1	-	-	-
	33	67	-	31

23.2 Income tax income (expenses)

Income tax income (expenses) for the years ended June 30, are made up as follows:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	2021	2020	2021	2020
Continuing operations				
Current income tax:				
Corporate income tax for the years	(49,269)	(44,234)	(45,642)	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(28,875)	(5,795)	(18,516)	2,401
Income tax income (expenses) reported in the statements of profit or loss or other comprehensive income	(78,144)	(50,029)	(64,158)	2,401

23.3 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 financial statements		Unit: Thousand Baht Separate financial statements	
	2021	2020	2021	2020
Deferred tax relating to gains on re-measurements of defined benefit plan	-	1,022	-	1,321

23.4 The reconciliation between income tax income (expense) and accounting profit for the years ended June 30, is as follows;

	Consolidated financial statements		Unit: Thousand Baht Separate financial statements	
	2021	2020	2021	2020
Accounting profit before income tax expense				
- income tax exemption business	-	(113,759)	-	-
Accounting profit before income tax expense				
- non-income tax exemption business	(524,169)	(342,845)	(369,528)	(474,100)
Applicable tax rate	20%	20%	20%	20%
Corporate income tax	(104,834)	(68,569)	(73,906)	(94,820)
Tax effects for:				
Non-deductible expenses	(2,694)	(1,508)	(2,487)	(1,347)
Additional expense deductions allowed	2,081	2,728	2,052	2,581
Tax exempted revenue	-	-	-	95,984
Write-off deferred tax assets	(396)	(235)	-	(235)
Others	27,699	17,555	10,183	238
Total	26,690	18,540	9,748	97,221
Income tax income (expenses) reported in the Statements profit or loss and other comprehensive income	(78,144)	(50,029)	(64,158)	2,401

24. 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 "Non-current Assets Held for Sale and Discontinued Operations".

The Group has presented the operating result of discontinued segment for the year ended June 30, 2020, 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 year ended June 30, are as follows:

	Unit : Thousand Baht CONSOLIDATED FINANCIAL STATEMENTS 2020
Revenues from sales	47,602
Cost of sales	(23,063)
Selling expenses	(15,551)
Administrative expenses	(6,636)
Finance costs	(1)
Profit for the year from discontinued operation	<u>2,351</u>
Other comprehensive income for the year from discontinued operation	<u>2,351</u>

The statement of financial position of disposed subsidiary on September 1, 2019 are as follows:

	Unit : Thousand Baht As at September 1, 2019
STATEMENT OF FINANCIAL POSITION OF DISPOSED SUBSIDIARY	
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 12)	460
Other non-current assets	6,575
Total assets of disposed subsidiary	<u>166,166</u>
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	<u>30,877</u>
Total net assets of disposed subsidiary	<u>135,289</u>

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 CONSOLIDATED FINANCIAL STATEMENTS
Cash received from sale of investments - net of selling expenses	30,000
<u>Less</u> Cash and cash equivalents of disposed subsidiary	(21,314)
Cash received from sale of investments	8,686

25. 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 12)	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	(3,133)
Net assets as at November 1, 2019	305,754
	Unit : Thousand Baht SEPARATE FINANCIAL STATEMENTS

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.

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	
	2021	2020	2021	2020
Continuing operation				
Profit for the year attributable to owners of the Company (Thousand Baht)	445,705	405,121	305,369	476,501
Weighted average number of ordinary shares (Thousand shares)	<u>792,000</u>	<u>792,000</u>	<u>792,000</u>	<u>792,000</u>
Basic earnings per share (Baht per share)	<u>0.56</u>	<u>0.51</u>	<u>0.39</u>	<u>0.60</u>
Discontinued operation				
Profit for the year attributable to owners of the Company (Thousand Baht)	-	1,964	-	-
Weighted average number of ordinary shares (Thousand shares)	<u>792,000</u>	<u>792,000</u>	<u>792,000</u>	<u>792,000</u>
Basic earnings per share (Baht per share)	<u>-</u>	<u>0.002</u>	<u>-</u>	<u>-</u>

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 2 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

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 24).

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	
	2021	2020	2021	2020
External revenue	3,219	3,182	3,219	3,182
Total revenue	<u>3,219</u>	<u>3,182</u>	<u>3,219</u>	<u>3,182</u>
Depreciation and amortization	(400)	(100)	(400)	(100)
Capital expenditure	26	52	26	52
Share of loss from investments in joint venture	5	(1)	5	(1)
Profit before tax expenses	<u>524</u>	<u>457</u>	<u>524</u>	<u>457</u>
Income tax expenses	(78)	(50)	(78)	(50)
Profit for the years from continuing operation	<u>446</u>	<u>407</u>	<u>446</u>	<u>407</u>
Profit for the years from discontinued operation			-	2
Profit for the years			<u>446</u>	<u>409</u>

Assets and liabilities classified by segment as at June 30, are as follows:

	Unit : Thousand Baht	
	2021	2020
Total assets	<u>5,214,205</u>	<u>4,083,950</u>
Total liabilities	<u>1,611,651</u>	<u>491,822</u>

Revenue from contracts with customers

	Consolidated financial statements		Unit: Thousand Baht Separate financial statements	
	2021	2020	2021	2020
Type of goods or service:				
Revenue from sales	3,219,548	3,182,376	3,186,967	3,143,128
Revenue from services	120	120	1,365	15,906
Timing of revenue recognition:				
Revenue recognized at a point in time	3,219,548	3,182,376	3,186,967	3,143,128
Revenue recognized over time	120	120	1,365	15,906

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 information

The Group have no major customer with revenue of 10 percent or more of an entity's revenues for the years ended June 30, 2021 and 2020.

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, 2021 and 2020 amounting to Baht 3 million and Baht 5 million, respectively, in consolidated and 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, 2019 - 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
		<u>514,799</u>	<u>0.65</u>
Interim dividend for the operating result for the period of July 1, 2019 - June 30, 2020	Annual General Meeting 2020 of the Shareholders on October 29, 2020	158,400	0.20
Interim dividend for the operating result for the period of July 1, 2020 - December 31, 2020	Meeting of the Board of Directors February 11, 2021	277,200	0.35
		<u>435,600</u>	<u>0.55</u>

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, 2021			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss				
Unit trusts held for trading	-	1,136	-	1,136

	Unit: Million Baht			
	Consolidated / Separate financial statements			
	As at June 30, 2020			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Unit trusts held for trading	-	779	-	779

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 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, 2021 and 2020, 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 Group do not expect any material incremental effect on their interest expense because the loans of the Company and its subsidiaries are immaterial amounts.

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, lease liabilities, 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.

31.3 Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest cash flows are floating rate, the undiscounted amount is derived from interest rate curves at the reporting date.

Unit: Thousand Baht

CONSOLIDATED FINANCIAL STATEMENTS

As at June 30, 2021

	Weighted average effective interest rate %	Within 1 year	After 1 year but within 5 years	After 5 years	Total
Trade and other current payables	-	282,496	17	-	282,513
Current contract liabilities	-	106,140	-	-	106,140
Other current liabilities	-	22,130	-	-	22,130
Lease liabilities	2.24 - 2.33	307,953	716,513	88,407	1,112,873

Unit: Thousand Baht

CONSOLIDATED FINANCIAL STATEMENTS

As at June 30, 2020

	Weighted average effective interest rate %	Within 1 year	After 1 year but within 5 years	After 5 years	Total
Trade and other current payables	-	281,374	1,580	-	282,954
Current contract liabilities	-	91,587	-	-	91,587
Other current liabilities	-	35,788	-	-	35,788

Unit: Thousand Baht

SEPARATE FINANCIAL STATEMENTS

As at June 30, 2021

	Weighted average effective interest rate %	Within 1 year	After 1 year but within 5 years	After 5 years	Total
Trade and other current payables	-	301,593	388	-	301,981
Current contract liabilities	-	106,140	-	-	106,140
Short-term borrowings from related parties	2.47	149,548	-	-	149,548
Other current liabilities	-	19,103	-	-	19,103
Lease liabilities	2.24 - 2.33	307,953	716,513	88,407	1,112,873

Unit: Thousand Baht

SEPARATE FINANCIAL STATEMENTS

As at June 30, 2020

	Weighted average effective interest rate %	Within 1 year	After 1 year but within 5 years	After 5 years	Total
Trade and other current payables	-	324,978	2,094	-	327,072
Current contract liabilities	-	91,587	-	-	91,587
Short-term borrowings from related parties	3.25	99,899	-	-	99,899
Other current liabilities	-	28,343	-	-	28,343

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, 2021 and 2020, the Group's debt-to-equity ratio was 0.45:1 and 0.14:1, respectively and the Company's was 0.50:1 and 0.16:1, respectively.

33. COMMITMENTS AND CONTINGENT LIABILITIES

33.1 Capital commitments

As at June 30, 2021 and 2020, the Company had outstanding commitments of Baht 4.98 million and Baht 0.20 million, respectively, in respect of construction of building improvement and purchase of intangible assets.

33.2 Lease and service agreements commitments

As at June 30, 2021, the Group has office equipment lease agreements which are short-term agreements and the lease agreements of low-value assets and as at June 30, 2020, 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 are summarized as follows:

	Unit : Million Baht			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS 2021	2020	FINANCIAL STATEMENTS 2021	2020
Maturity				
Within one year	1	363	1	363
Over one year to five years	2	462	2	462

For the years ended June 30, 2021 and 2020, the Group recorded lease and service expenses according to the lease and service agreements in the consolidated statements of profit or loss and other comprehensive income of Baht 34 million and Baht 347 million, respectively, and separate statements of profit or loss and comprehensive income of Baht 29 million and Baht 343 million, respectively.

33.3 Guarantees

As at June 30, 2021 and 2020, the Group have outstanding bank guarantees of approximately Baht 10 million in the consolidated and 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, 2021 and 2020, the credit facilities of the Group which have not yet been drawn down amounting to Baht 1,146 million and 980 million, respectively.

34. RECLASSIFICATIONS

Reclassifications have been made in the statement of financial position as at June 30, 2020 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 Amount	Separate Financial Statements Amount
STATEMENTS OF FINANCIAL POSITION				
Account receivable - Revenue Department	Other current assets	Trade and other receivables	19,821	13,381
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME				
Provision for diminution in value of inventory	Administrative expenses	Cost of sales	13,966	12,493
Transportation cost	Administrative expenses	Distribution costs	44,311	44,311

35. EVENTS AFTER THE REPORTING PERIOD

On August 25, 2021, the Board of Directors' Meeting No. 4/2021 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 2021 and retained earnings as at June 30, 2021. The dividend will be paid on November 25, 2021.

36. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Company's Board of Directors on August 25, 2021.



1 JULY 2020-30JUNE 2021
MC GROUP PUBLIC COMPANY LIMITED