



# 56-1 ONE REPORT 2024

**Bangkok Lab & Cosmetic  
Public Company Limited**





# CONTENT



MESSAGE FROM THE CHAIRMAN

2

## 01

### BUSINESS COMPOSITION AND OPERATIONAL RESULTS

Company Structure and Operations	3
Risk Management	58
Driving Business for Sustainability	64
Management Discussion and Analysis : MD&A	88
General Information and Other Key Details	99

## 02

### CORPORATE GOVERNANCE

Corporate Governance Policy	101
Corporate Governance Structure	115
Report on Key Performance in Corporate Governance	138
Internal Controls and Related Transactions	153

## 03

### FINANCIAL STATEMENTS

The Board of Directors' Responsibility Report on Financial Reporting	168
Financial Statement	168

## 04

### ATTACHMENT

Attachment 1	
Details regarding directors, executives	169
Attachment 2	
Details regarding subsidiary directors	169
Attachment 3	
Details regarding the head of internal audit	169
Attachment 4	
Assets Used in Business Operations	169
Attachment 5	
Corporate Governance and Code of Conduct	169
Attachment 6	
Audit Committee Report	169
Attachment 7	
Risk Committee Report	169
Attachment 8	
Nomination and Remuneration Committee Report	169



## Message from the Chairman

The year 2024 is considered another important year for Bangkok Lab and Cosmetic Public Company Limited (BLC), which reflects the continued growth in the pharmaceutical industry in Thailand. The company continues to focus on operating its business under the company's purpose of "Trusted solutions for Lifelong Well-being," which will provide answers to all consumers to have good health and be safe from diseases that are increasing in today's aging society. The company is determined to create good quality health products for society and increase access to quality health products to meet these needs.

The company adheres to the principles of good corporate governance, caring for the rights of stakeholders to be equal, and operates its business with a focus on growth from the production of quality medicines and accessible distribution channels, coupled with social development and environmental care, to ensure sustainable growth from the present to the future. The company recognizes the importance of stakeholders as paramount. The company will strive to create consistently good operating results to repay the trust of all stakeholders.

On behalf of the Board of Directors, I would like to thank you for your continued trust and confidence in our company. We remain committed to our business philosophy of being the answer to a healthy and sustainable life. We aspire to be a leading brand that is admired, trusted, and builds confidence among Thai people.



**Asst. Prof. Dr. Mr. Wanchai Sutananta**

**Chairman (Independent Director)**



## Part 1 Business Composition and Operational Results

### 1. Company Structure and Operations

#### 1.1. Policies and Overview of the Company's Business Operations

Bangkok Lab and Cosmetic Public Company Limited (BLC Group) was founded on September 30, 1992, by three pharmacists: Mr. Suvit Ngampoopun, Mr. Subhachai Saibour, and Mr. Somchai Phisphahutharn. The Company is engaged in the current pharmaceutical and health product manufacturing business, starting from the design and development of drug formulas based on pharmaceutical principles, the selection of raw materials and the control and inspection of the production process to ensure the production of safe and high-quality products that meet international standards.

In 2009, the management recognized the importance of herbal ingredients, which are readily available within the country, combined with the knowledge of modern pharmaceutical technology under the current drug quality management system. This recognition served as the starting point for the herbal product manufacturing industry, which has continued to evolve until today.

With the management's vision, the significance of research in the pharmaceutical industry to develop a stable business based on knowledge and innovation was acknowledged. Consequently, the BLC research center was established to foster innovation and technology for the Company's products. Additionally, it aimed to receive technological transfer from various research entities, both public and private.

The Company has been certified in various quality and management standards to instill confidence in its products for customers and consumers. These include GMP (Good Manufacturing Practice), a key criterion and good practice in pharmaceutical production quality assurance; ISO/IEC17025, an international standard for testing laboratories; ISO22000, a food safety management system; GHP (Good Hygiene Practices) for food safety standards; and HACCP (Hazard Analysis and Critical Point System) for production control to ensure the safety of the Company's products. Additionally, the Company places importance on environmental conservation and has been certified with ISO14001, an environmental management system standard.

The company currently manufactures and distributes pharmaceutical products and other health-related products, which can be categorized as follows:

1. Pharmaceuticals Products: these include modern pharmaceutical medicines, generic drugs and new generic drugs, herbal medicines, and animal medicines.
2. Other Health-Related Products: these include cosmetics, food supplements, and other products.

### **1.1.1 Vision Mission and Strategy**

The Board of Directors is committed to sustainable business practices. Each year, they analyze industry trends, stakeholder expectations, risks, and economic changes to refine the strategies and business plans of the group. This ensures the group is prepared for future situations and can maintain uninterrupted business operations.

#### Vision

To be a leader in innovative thinking, fostering ethical business practices, integrating Thai wisdom and creating benefits for consumers.

#### Mission

- Promote innovation and implement standardized management systems in various areas to develop high-quality and safe products.
- Promote the use of technology in work processes to improve operating efficiency.
- Conduct business in compliance with legal requirements, customer needs, and social responsibilities, while minimizing environmental impact

#### Strategy

The group has developed a strategy from 2025 to 2029, which is a growth strategy, with revenue growing from 7 companies in 7 distribution channels and 7 product groups.

Growth from product groups is divided into 2 main groups: 1) drug group, consisting of generic drugs, herbal medicines, economic drugs, 2) non-drug group, consisting of food supplements, cosmetics, pet products and other products. The revenue growth (1) will focus on increasing sales from the existing customer base by existing products by restructuring the sales team to support in-depth work and cover customer groups and can increase the number of stores, hospitals, clinics and pharmacies (2) Increase sales from the existing customer base from new products by introducing new products to build on existing brands to increase choices for consumers (3) Increase sales from a new customer base from existing products. The company has established BKD Viva Company Limited to help increase sales in e-commerce channels, expand markets abroad and have contract manufacturing (4) There is an extension from generic

drugs to biologics, which is considered a high potential future market, including starting to have product products that reach the pet market.

### 1.1.2 Important Changes and Developments

Year	Milestones.
1990	<ul style="list-style-type: none"> <li>Established Bangkok Drug Co., Ltd. (hereinafter referred to as “BDC”) with a registered capital of 1,000,000 Baht to engage in the current pharmaceutical distribution business. The Company acquires pharmaceutical products from other manufacturers for distribution through pharmacy channels.</li> </ul>
1992	<ul style="list-style-type: none"> <li>Established Bangkok Lab and Cosmetic Co., Ltd. (hereinafter referred to as “BLC”) with a registered capital of 1,000,000 Baht to engage in the pharmaceutical and cosmetics manufacturing business. BLC serves as a manufacturing facility for BDC.</li> </ul>
1993	<ul style="list-style-type: none"> <li>Increased the registered capital of BLC from 1,000,000 Baht to 5,000,000 Baht.</li> </ul>
1994	<ul style="list-style-type: none"> <li>Increased the registered capital of BLC from 5,000,000 Baht to 7,000,000 Baht.</li> <li>The factory’s construction has been completed. It has commenced the current pharmaceutical production operations and has obtained GMP certification from the Food and Drug Administration office.</li> </ul>
1999	<ul style="list-style-type: none"> <li>Increased the registered capital of BLC from 7,000,000 Baht to 10,000,000 Baht.</li> </ul>
2000	<ul style="list-style-type: none"> <li>Increased the registered capital of BLC from 10,000,000 Baht to 20,000,000 Baht.</li> <li>Established Farmaline Co., Ltd. (hereinafter referred to as “FLC”) with a registered capital of 1,000,000 Baht to conduct the distribution business of pharmaceutical products, including both existing generic drugs and new generic drugs primarily used in hospitals for diseases related to the digestive and respiratory systems. The founding group of BLC collectively holds 79% of the shares with Mr. Wiroj Phichitnitikorn, Mr. Sirawut Kunchamnan, Mr. Chalermchai Ananwijit and Mr. Pramote Santiboonlert, with shareholding proportions of 10%, 5%, 5% and 1% respectively. These co-founders bring significant experience and</li> </ul>

Year	Milestones.
	<p>expertise in hospital customer sales, and pharmaceuticals particularly in the areas of gastrointestinal and respiratory medications. Since 2014, there have been adjustments in the shareholding structure of FLC. The founding group of BLC now holds a combined 60%, while Mr. Wiroj Phichitnitikorn, Mr. Sirawut Kunchamnan, and Mr. Chalermchai Ananwijit hold 30%, 5%, and 5% of the shares, respectively.</p> <ul style="list-style-type: none"> <li>● Established Berich (Thailand) Co., Ltd. (hereinafter referred to as “BRC”) with a registered capital of 1,000,000 Baht to engage in the business of distributing skincare cosmetics, primarily targeting pharmacies and modern retail outlets.</li> </ul>
2001	<ul style="list-style-type: none"> <li>● Obtained ISO 9001 certification, a globally recognized standard for quality management systems, to enhance internal quality management within the organization, elevate operational efficiency and stimulate continuous organizational development.</li> </ul>
2003	<ul style="list-style-type: none"> <li>● Increased the registered capital of BLC from 20,000,000 Baht to 30,000,000 Baht.</li> </ul>
2004	<ul style="list-style-type: none"> <li>● Increased the registered capital of BLC from 30,000,000 Baht to 60,000,000 Baht.</li> </ul>
2005	<ul style="list-style-type: none"> <li>● Obtained the ISO 14001 certification, which is an environmental management system standard.</li> <li>● Obtained the OHSAS18001 certification, which is the occupational health safety system standard.</li> </ul>
2007	<ul style="list-style-type: none"> <li>● Obtained the TLS8001 certification, a Thai Labor-Standard: TLS 8001 that serves as a standard for labor responsibility and business welfare in Thailand.</li> </ul>
2008	<ul style="list-style-type: none"> <li>● Established Bangkok Medica Co., Ltd. (hereinafter referred to as “BMC”) with a registered capital of 1,000,000 Baht to engage in the distribution of medicinal products for livestock.</li> <li>● Established Pharma Alliance Co., Ltd. (hereinafter referred to as “PAC”) with a registered capital of 1,000,000 Baht to provide services in warehouse management systems, order processing systems, accounting and finance systems, information technology systems and product</li> </ul>



Year	Milestones.
	transportation systems to the corporate group. Additionally, engaging in international partner sourcing and export activities.
2009	<ul style="list-style-type: none"> <li>● The management team of Bangkok Lab and Cosmetic Co., Ltd. signed an agreement to license the rights to “Chili Variety 80,” a petty patent from Khon Kaen University. This license allows for the promotion of cultivation and import of the entire produce into the manufacturing process for Capsicum Tincture, with a high and consistent concentration of the key substance Capsaicin, with the ability to reliably control the production of extracts. This extract is used as a primary ingredient in the production of herbal medicine products, specifically the “Chili Gel” group, aimed at relieving pain. The resulting products, made from chili, can be marketed both domestically and internationally, with the ability to use the term “This product comprises of Chili Variety 80, a research and development achievement of researchers at Khon Kaen University, as an ingredient” in promotional materials.</li> </ul>
2011	<ul style="list-style-type: none"> <li>● Increased the registered capital of BLC from 60,000,000 Baht to 80,000,000 Baht.</li> <li>● Obtained the ISO/IEC 17025 standard, which is an international standard for testing laboratories and calibration laboratories, demonstrating that the laboratory has quality management systems, academic capabilities, and accurate test results.</li> </ul>
2012	<ul style="list-style-type: none"> <li>● Established the BLC Research Center to innovate and develop technologies for the Company’s products, including receiving technology transfers from various research institutions, both public and private.</li> <li>● Increased the registered capital of BLC from 80,000,000 Baht to 100,000,000 Baht.</li> </ul>
2013	<ul style="list-style-type: none"> <li>● Increased the registered capital of BLC from 100,000,000 Baht to 110,000,000 Baht.</li> </ul>
2014	<ul style="list-style-type: none"> <li>● Increased the registered capital from 110,000,000 Baht to 120,000,000 Baht.</li> <li>● Obtained the ISO 22000 certification, a food safety management system developed by Codex. This standard aims to manage a food safety</li> </ul>



Year	Milestones.
	<p>system throughout the food chain, providing a standardized global framework that encompasses all requirements related to the quality of food safety.</p>
2015	<ul style="list-style-type: none"> <li>● Increased the registered capital of BLC from 120,000,000 Baht to 130,000,000 Baht.</li> </ul>
2016	<ul style="list-style-type: none"> <li>● Herbal medicine products, particularly the Black Galangal extract, received the Prime Minister Herbal Awards from the Department of Thai Traditional and Alternative Medicine.</li> </ul>
2017	<ul style="list-style-type: none"> <li>● Herbal medicine products, specifically the Chilli Gel in lotion form, received the Prime Minister Herbal Awards from the Department of Thai Traditional and Alternative Medicine.</li> </ul>
2018	<ul style="list-style-type: none"> <li>● Received the FDA Quality Awards from the Food and Drug Administration (FDA) in the category of establishments producing hazardous substances used in households or public health for three consecutive years, and in the category of pharmaceutical and hazardous substance establishments for three or more consecutive years.</li> <li>● The herbal medicine product, Black Galangal Extract for cell longevity, received a gold medal from the Geneva International Exhibition of Inventions and an award from the National Research Council of Thailand.</li> </ul>
2019	<ul style="list-style-type: none"> <li>● Constructed a solar power plant with a capacity of 1.4 megawatts for internal use within BLC.</li> <li>● Obtained the HACCP certification, a standard for production control management, focusing on critical points that have been analyzed to be crucial or potential crisis points to prevent hazards from reaching consumers, ensuring food safety.</li> </ul>
2020	<ul style="list-style-type: none"> <li>● Increased the registered capital of BLC from 130,000,000 Baht to 180,000,000 Baht.</li> <li>● Restructured the corporate group to prepare for listing on the Stock Exchange of Thailand.</li> <li>● Obtained the ISO 45001 certification, a system for occupational health and safety management.</li> </ul>

Year	Milestones.
	<ul style="list-style-type: none"> <li>● Received the FDA Quality Awards from the Food and Drug Administration (FDA) in the categories of establishments related to food and cosmetics.</li> </ul>
2021	<ul style="list-style-type: none"> <li>● Increased the registered capital of BLC from 180,000,000 Baht to 200,000,000 Baht.</li> <li>● Herbal medicine products, specifically the “Chili Gel and Chilli Variety 80 extract” received the second runner-up award in the economic category at the 7<sup>th</sup> Innovation Award 2021, organized by the CP All Business Group Innovation Center.</li> </ul>
2022	<ul style="list-style-type: none"> <li>● Increased the registered capital of BLC for the 1<sup>st</sup> time in 2022 from 200,000,000 Baht to 240,000,000 Baht.</li> <li>● Increased the registered capital of BLC for the 2<sup>nd</sup> time in 2022 from 240,000,000 Baht to 300,000,000 Baht.</li> <li>● Transformed the Company from a limited Company to a public Company.</li> <li>● Herbal medicine product, specifically the Black Galangal extract, received the Creator Awards in the economic category at the 7<sup>th</sup> Innovation Award 2022, organized by the CP All Business Group Innovation Center.</li> <li>● Signed an MOU regarding the development of knowledge and products from cannabis, hemp, and other related herbs for the formulation development. This collaboration aims to benefit both medical and commercial purposes between the Department of Thai Traditional and Alternative Medicine, the corporate group, and the growers’ enterprise group.</li> <li>● The Company has entered into an agreement to appoint a distributor with Sillic Pharma Co., Ltd. for customers in the hospital and clinic group.</li> </ul>
2023	<ul style="list-style-type: none"> <li>● Received an honorary certificate for the Life Sciences Business Development project to sustainably enter the stock market.</li> <li>● On June 21, the opening trading ceremony was launched for the first day of trading on the Stock Exchange of Thailand.</li> <li>● Received an award honoring importers of high-quality health products from the Food and Drug Administration office.</li> </ul>

Year	Milestones.
	<ul style="list-style-type: none"> <li>● Received the Thailand Trust Mark (T mark) certification from the Department of International Trade Promotion (DITP), Ministry of Commerce.</li> <li>● Received the CSR-DIX Continuous Award for the year 2023 from the Department of Industrial Works.</li> </ul>
2024	<ul style="list-style-type: none"> <li>● The company has entered into an exclusive distribution agreement with Nichi-Iko (Thailand) Co., Ltd. for the sale of Nichi-Iko products through pharmacies.</li> <li>● Launched a new generic drug product, an anti-hepatitis B antiviral medication."</li> <li>● Launched one generic drug product for the treatment of skin diseases.</li> <li>● The pain relief medication product Capsika-75, which is a chili extract, has been included in the National List of Essential Medicines.</li> <li>● The new generic anti-hepatitis B antiviral drug product has been included in the list of innovative drugs.</li> <li>● Received a SET ESG Rating of "BBB".</li> </ul>

### 1.1.3 Objectives for Using Raised Capital

The Company aims to utilize the funds raised from this securities offering, approximately 1,260.00 million Baht (before deducting expenses related to the securities offering) or approximately 1,199.50 million Baht (after deducting such expenses), for specific purposes as outlined in the offering prospectus. These purposes include (1) investing in future projects amounting to 985.00 million Baht, (2) repaying outstanding loans from financial institutions totaling 100.00 million Baht, and (3) using funds as working capital amounting to 144.50 million Baht.

After deducting the expenses related to the offering of the newly issued ordinary shares, there was an immaterial change in the use of funds, which was announced on August 14, 2023, and reported to the 2024 Annual General Meeting of Shareholders on April 1, 2024.

The Company hereby reports the results of the use of the capital increase funds received from the initial public offering of newly issued ordinary shares for the first time, ending on December 31, 2024, as follows:

Objectives of Capital Utilization	Estimated Amount to be Used for the Objectives (Million Baht)	Change in the Use of Proceeds	Amount spent up to December 31, 2023	Balance as of December 31, 2023	Amount spent up to December 31, 2024	Balance as of December 31, 2024
1. To invest in future projects	985.00	(100.00)	9.50	875.50	186.64	688.86
2. To repay loans borrowed from financial institutions	100.00	-	100.00	-	-	
3. To use as working capital	114.50	100	204.50	10	10	
<b>Total</b>	<b>1,199.50</b>	<b>-</b>	<b>314.00</b>	<b>885.50</b>	<b>196.64</b>	<b>668.86</b>

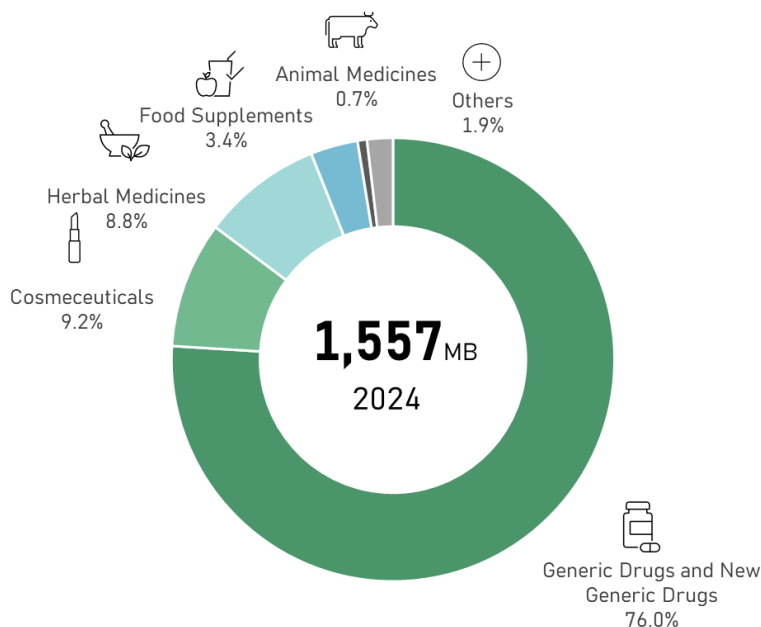
## 1.2 Nature of Business Operations

Manufacture and distribute various pharmaceutical products, including generic drugs and new generic drugs, herbal medicine products, medicine for livestock, cosmetics, nutritional supplements, and other products. The distribution is conducted through business-to-business (B2B) transactions with customers such as pharmacies, both public and private hospitals, private companies, retail stores, and through modern trade channels, including hypermarkets and convenience stores. The products are distributed both domestically and internationally, and direct business sales to consumers (B2C) are also carried out through online channels.



### 1.2.1 Revenue Structure

The company's main revenue structure, classified by product group for the fiscal year ending December 31, 2024, is summarized as follows:



### 1.2.2 Products and Service Information

The Company manufactures and distributes various pharmaceutical products, including generic drugs and new generic drugs, herbal medicine products, medicine for livestock, cosmetics, nutritional supplements, and other products. The distribution is conducted through business-to-business (B2B) transactions with customers such as pharmacies, both public and private hospitals, private companies, retail stores, and through modern trade channels, including hypermarkets and convenience stores. The products are distributed both domestically and internationally, and direct business sales to consumers (B2C) are also carried out through online channels. The Company's products can be classified into two main groups as follows:

#### 1) Nature of Products

##### Pharmaceuticals

##### Generic Drugs and New Generic Drugs

The current pharmaceutical products produced and distributed by the Company consist of generic drugs and new generic drugs. These are medications that have the same active ingredients as the original or patented drugs whose patents have expired. The Company manufactures current generic products, including generic drugs and new generic drugs, under

its trademark. These products have the same active ingredients as the original drugs and come in various forms such as tablets, capsules, powders, liquids, creams and gels. The current generic drugs of the Company cover various therapeutic groups, including those related to bones and joints, skin, digestive system, respiratory system, antimicrobials, pain relievers, blood and blood-forming organs, urinary system, nervous system and antipsychotic drugs, among others.

Examples of the Company's current pharmaceutical products, both generic drugs and new generic drugs, are as follows:



The Company focuses on manufacturing modern pharmaceutical products, specifically current generic drugs and new generic drugs, that meet international standards. This process begins with the careful selection of key active ingredients from reliable sources, and quality control that is maintained at every stage of production, including analysis and bioequivalence studies for new generic drugs. The overall research and development, registration, and approval process for generic and new generic drugs take approximately 3-4 years to ensure consumer confidence in their effectiveness compared to the original drugs. Furthermore, the current generic drugs and new generic drugs of the Company, with their diverse formulations, have been accepted for inclusion in hospital drug formularies across university hospitals. They are then expanded to various healthcare facilities, including leading hospitals, clinics and pharmacies nationwide. In this regard, new generic drugs will have a product life cycle ranging from approximately 4-5 years up to over 10 years, depending on the type of drug, market conditions, competition, the replacement of new drug types, and the emergence of new treatment technologies. New generic drugs entering the market for the first time will initially have lower prices than imported drugs but with similar efficacy. Therefore, in the initial phase of market entry, the profit margin for new generic drugs is relatively high. Subsequently, medium-

sized and small-sized drug manufacturers will produce similar new generic drugs, but with different qualities to compete on price, leading to a decrease in the profit margin for those types of drugs. Both current generic drugs and new generic drugs play a crucial role in increasing patient access to medications, helping the government integrate drugs into the healthcare system in Thailand, saving budgetary expenses on medications and improving the quality of life for patients sustainably.

### Herbal Medicines

These are medicines produced by extracting substances from herbs that can be sourced within the country under the Company's trademark, such as chili, phlai, black galangal, aloe vera, and kariyat. The corporate group has accumulated knowledge to manufacture herbal medicines for consumers who use alternative medicine for treatment. The Company produces and distributes herbal medicine products in the form of tablets, capsules, powders, liquid medicine, creams, and gels. The herbal medicine products of the Company include those related to bones and joints, among others.

Examples of the Company's herbal medicine products are as follows:



The Company has established the BLC Research Center to incorporate modern technology and innovations, along with conducting research and development to enhance the value of its products. This includes current generic medicines, generic drug types, new generic medicines, Thai herbal medicine products, medicine for livestock, cosmetics, nutritional supplements, and other products. The focus of the research and development is to create herbal medicine products as alternative treatments, complementing the current generic medicines, generic drug types and new generic medicines. The important steps involved in this process are as follows:

1. Collaborate with universities and research development organizations in the country to study various types of Thai herbs, including their pharmacological properties.
2. Extract herbal plants into standardized extracts to ensure consistent levels of important active ingredients in all dosage forms, promoting efficacy and reliable safety.
3. Develop production processes adhering to current Good Manufacturing Practice (GMP PIC/S) standards and provide analytical results supporting the quality standards with a Certificate of Analysis (COA) for both raw materials and finished products.
4. Conduct clinical research studies to obtain evidence regarding the efficacy and safety of the products. The results published in medical journals will be considered for advancing innovative herbal products with diverse formats and properties that meet consumer needs.

## Animal Medicines

The Company's manufactured and distributed animal health products will focus on economic animals, such as pigs, poultry, cattle, and aquatic animals, under the Company's trademark. This is to address infectious diseases that may occur in livestock farms.



The Company focuses on producing high-quality products for safe use, starting with research and development to ensure efficient, effective, and safe products for people, animals and the environment. The production of each product is registered with the Food and Drug Administration (FDA), and the manufacturing process complies with FDA standards. The Company carefully selects quality raw materials, conducts laboratory quality checks, and analyzes the products (Certificate of Analysis) to certify the quality standards of both raw materials and finished products. Additionally, the Company provides knowledge for proper veterinary use, and recommends appropriate withdrawal periods, ensuring the health of livestock



is robust and free from residues in meat, milk, and eggs. Moreover, there is a commitment to fostering good relationships and collaboration with partners and customers to meet their needs, providing technical advice tailored to requirements, and leveraging expertise from past experiences to maximize benefits for customers and end consumers.

## Other Health-Related Products

### Cosmetics

Examples of the Company's cosmetic products include:



The Company emphasizes the development of products with key elements, as follows:

- Quality control of the products, starting from the importation of essential ingredients from reliable sources. Clinical studies are conducted to demonstrate the actual therapeutic or problem-solving benefits for consumers. Additionally, there is documentation certifying safety (MSDS). Products related to facial skincare undergo dermatological tests or hypoallergenic tests by dermatologists from reputable institutions. Furthermore, the label information complies with the standards of the ASEAN countries' harmonization regulations.

- Innovative Thinking for Beauty: Emphasis is placed on innovative research formulations and modern manufacturing processes, incorporating state-of-the-art machinery and diverse raw materials. This approach aligns with the preferences of contemporary consumers.

- Products with a Natural Ingredient Focus: The focus is on researching key substances derived from herbal plants and developing formulations. This involves employing modern and efficient extraction techniques to obtain high-quality extracts.

- Environmental Impact Consideration: The Company ensures that product components are not sources of microplastics and are friendly to coral reefs, etc.

- Packaging Tailored to Each Product: For instance, sunblock products require packaging with tubes that have a thickness of 5 layers instead of the usual 3 layers found in typical skincare packaging. This helps protect the cream or lotion from evaporating, ensuring the stability of the SPF value.

The Company produces and distributes dietary supplements under the Company's trademark, focusing on products related to joint care, muscles, bones and eye care. These supplements come in forms such as capsules, powders, etc.

## Other products



**บริษัททำเครื่องสำอาง และเวชสำอางทำในประเทศไทยด้วยมือคนไทย**  
 ผลิตภัณฑ์ เครื่องสำอาง และเวชสำอาง ผลิตขึ้นที่ โรงงานผลิต เครื่องสำอาง 70000 กรุงเทพมหานคร รหัส (0) 3271-9900  
 บริษัทผลิต เครื่องสำอาง และเวชสำอาง 2 โรงงานที่ 6 แขวงตลาดบางเขน กรุงเทพมหานคร รหัส (0) 3271-9900  
 ใบอนุญาตโฆษณาเลขที่ บพ. 586/2566

## **2) Marketing and Competition**

### **Competition strategy**

#### **Customer Acquisition Strategy**

The Company is confident that consistently maintaining the quality of products, manufacturing processes, and continuous product development are key factors that instill confidence and trust in the quality of its products. The Company places importance on communicating product details to customers through experienced sales teams for each sales channel. Additionally, the Company focuses on regularly presenting products through various media, such as organizing medical seminars, participating in exhibition booths, conducting online marketing, etc.

#### **Customer relationship management strategy**

As the main customers of the Company are currently businesses such as state and private hospitals, private companies, pharmacies, and retail stores, the Company emphasizes close care and support from its sales team. This is to ensure the ability to respond to the customers' needs and address any issues that may arise efficiently and swiftly.

#### **Product development strategy**

The Company has established the BLC Research Center to conduct research and develop new products that respond to emerging trends and demands, especially in the market for products catering to the elderly and those who prioritize health. The focus is on creating high-value products to replace imported goods. The Company has continuous investment plans to develop cutting-edge, safe and efficient manufacturing technologies. Examples of product categories include current pharmaceuticals of bone and joint health products, neurological health products, and herbal remedies such as extracts from chili, phlai, black galangal, etc.

#### **Pricing Strategy**

The Company employs a Cost-Plus Pricing strategy, considering production costs and setting a gross profit margin to determine the Transfer Price for subsidiary companies. Subsidiaries are responsible for marketing the products and determining the selling price to external customers. Subsidiaries establish the selling price based on the cost of goods purchased from the Company plus the predetermined gross profit margin. The pricing of products set by subsidiaries depends on the competitive conditions in the market. In this regard, the Company reviews the production and sales plans, with subsidiaries strategizing to increase

the sales of high-profit-margin products and decrease the sales of low-profit-margin products. This strategy is derived from customer demand and market competition data.

### **Customer Characteristics and Target Customer Groups**

- **Pharmaceutical products**

Pharmaceutical products are items that consumers must receive recommendations or prescriptions from a doctor or pharmacist before purchasing. The main customer groups for this type of product include doctors and pharmacists, who operate in various locations such as hospitals, and pharmacies, as well as owners of convenience stores, modern retail stores, and beauty clinics.

- **Other health products**

Other health products are items that consumers can purchase without the need for a prescription. The main customer group for this type of product includes consumers who are end-users of the products.

### **Distribution and Sales Channels**

The Company has a total of 6 distribution channels, as follows:

1. Pharmacy Stores, including wholesalers, general retail pharmacies, and chain retail pharmacies such as drugstore chains (Health Up and Icare, for example), as well as pharmacies within convenience stores (7-Eleven).

2. Hospitals, including government hospitals such as those in universities and medical schools, clinical medical education hospitals, hospitals and medical centers in universities that are not medical production facilities, central hospitals, regional hospitals, and private hospitals both in Bangkok, its vicinity and other provinces. These hospitals may include general medicine clinics, specialized medical clinics, and beauty clinics.

3. Modern trade, including stores located within shopping malls such as Boots, Watsons, Tsuruha and Matsumoto Kiyoshi.

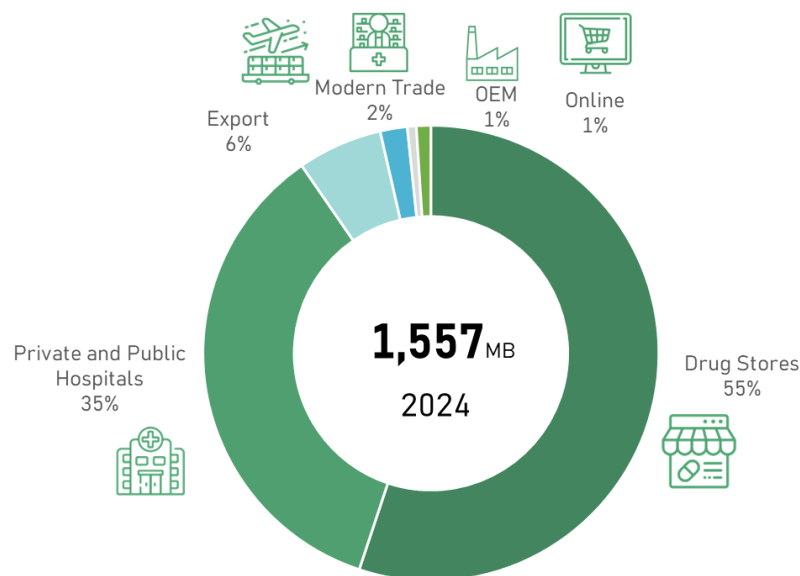
4. Exporting through international distributors (Selling Agent).

5. Original Equipment Manufacturing (OEM)

6. Online media (E-commerce) and others.



**Table showing the revenue distribution by distribution channel for the Year 2024**



## Overview and Industry Trends

### **Current Pharmaceutical Industry<sup>1</sup>**

The pharmaceuticals industry saw continuing expansion through 2024 as domestic economic growth lifted consumer spending power. Demand benefited further from the ongoing rebound in the tourism sector, though the effects of this were naturally most pronounced in the major tourist areas. Against this background, a growing number of both Thai and overseas patients (especially medical tourists) are seeking treatment in Thai hospitals and healthcare centers, and so in the 2024 budget year, 7.9 million individuals accessed public healthcare services, up from an average of 7.6 million in 2022 and 2023. Other changes have also affected the market, including an improvement in the ways in which patients can access medical treatments through the universal health system (e.g., by allowing individuals to collect medicines from pharmacies), and the founding of healthtech startups looking to shake up the industry by developing digital platforms for pharmacies (e.g., Arincare), and so facilitate better communication between doctors and pharmacists on the one hand and patients and consumers on the other. Other innovations in this space include the development of platforms that support the use of 24-hour vending machine-based automated distribution systems, which is then further broadening access to pharmaceuticals. Details of the 2024 market situation are given below.

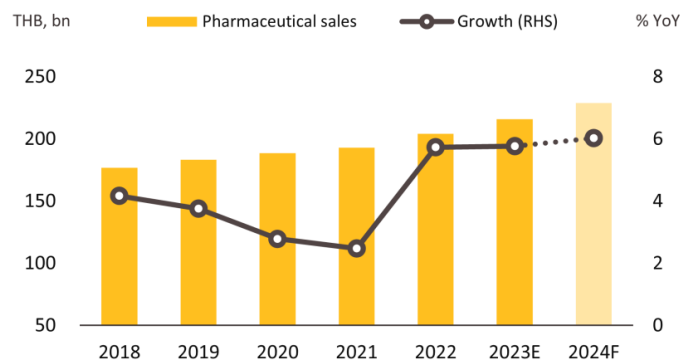
---

<sup>1</sup> Business/Industry Trends

- The volume of goods distributed to the domestic market strengthened 6.5% over 9M24. Demand was raised by an increase in the incidence of seasonal illnesses, with cases of influenza and hand, foot and mouth disease rising by respectively 59.7% and 44.6% YoY, and the impacts of air pollution. Demand for treatments for the latter thus rose 11.3% YoY, split between increases of 14.2% YoY for bronchitis, 14.6% YoY for rhinitis, and 7.8% YoY for conjunctivitis. Alongside this, demand for medicines for the treatment of noncommunicable diseases (e.g., hypertension and diabetes) has remained steady. Overall, the value of sales of tablets (50.3% of total market value) rose 11.8% YoY, largely on an increase in demand for antipyretics and analgesics. Likewise, sales rose for creams (8.7% of the market, +5.5% YoY), capsules (7.1%, +4.8% YoY) and powders (7.1%, +14.9% YoY). The transition to cooler weather will sustain demand growth through the last quarter, and so for the year overall, the value of the domestic market is forecast to grow 6.0-6.5% YoY.

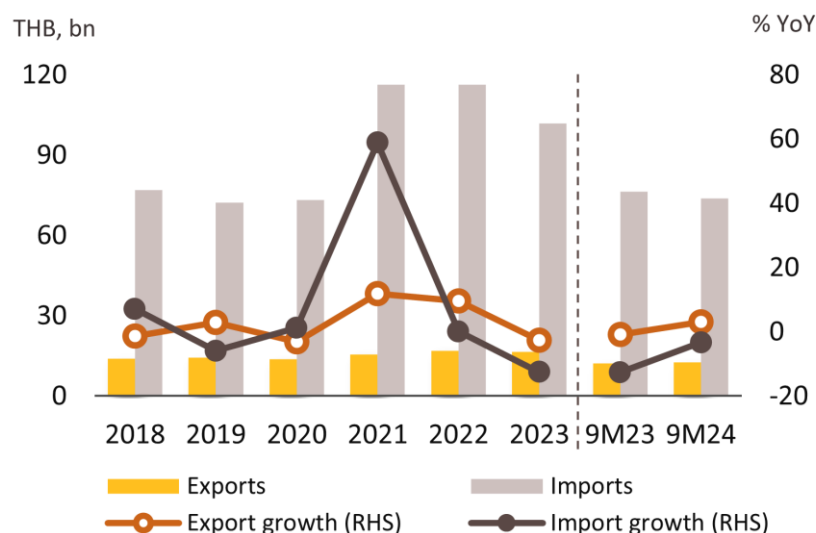
1) Prescription treatments/medicines distributed through hospitals: Sales of generics totaled THB 112 billion, up 5.9% from 2023, while distribution of patented drugs rose 6.1% to THB 74 billion.

2) **OTC treatments distributed through pharmacies:** Sales expanded 5.7% to a value of THB 42 billion as distribution through pharmacies has become a more important feature of the market, especially within the context of the Gold Card system. Pharmacists are therefore taking on a broader role that includes providing health advice and consultations, following up on the efficacy of treatments, providing a collection point for medicines for Gold Card patients, and using apps to communicate with individuals affected by diabetes, asthma, mental health problems, and more straightforward chronic conditions. For these patients, the medications provided through pharmacies are identical to those available from hospitals.



Source: BMI/Fitch Solutions, Krungsri Research  
Note: E = estimated

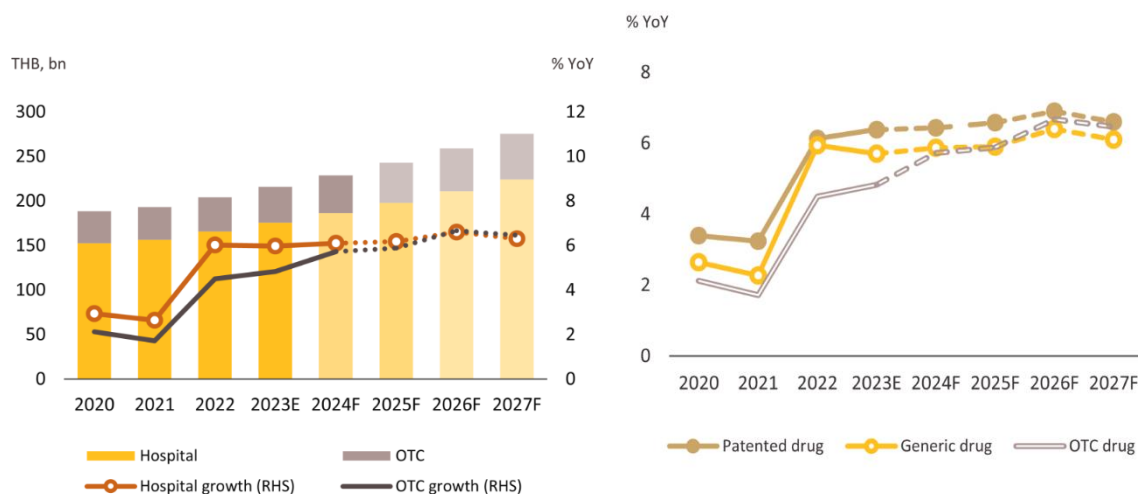
- Domestic production<sup>9/</sup> contracted -7.2% YoY over 9M24, falling to 28,000 tonnes, though the rate of decline slowed from 2023's -9.0%. At 48.0% of output, solutions were the largest single segment of the market, and production of these shrank -6.2% YoY. Similarly, production was down -5.2% YoY for tablets (29.5% of output), -12.5% YoY for powders (9.6% of the total), -23.1% YoY for injectables (3.9%), and -18.6% YoY for capsules (2.0%). However, due to the ongoing need to treat chronic skin conditions, production of creams (7.1% of output) moved against this trend and edged up 1.2% YoY. Capacity utilization also weakened in the period, dropping from 50.5% in 2023 to 46.5% in 2024.
- **Exports strengthened through 9M24, rising 3.5% YoY to THB 12.1 billion** on a 4.0% YoY increase in sales of medical treatments (94.1% of all exports by value), which was in turn driven partly by a 3.1% YoY improvement in sales to the main markets in the CLMV nations (50.5% of export value). However, overseas sales of vaccines (5.9% of all exports by value) fell back by -3.9% YoY on weaker demand from Hong Kong and the ASEAN market, in particular from Myanmar, Lao PDR, and Indonesia. Nevertheless, by value, exports of vaccines to Malaysia (3.6% of vaccine exports) and Saudi Arabia (1.4% of vaccine exports) rose by respectively 65.1% and 302.0% YoY, moving in line with Statista's expectation that in these two countries, the overall value of the market for pharmaceuticals will be up by 5.8% and 6.5% in 2024.
- **Imports traveled in the opposite direction, contracting -3.4% YoY to THB 73.8 billion** as some medicines (e.g., hypertension treatments) came out of patent protection and so Thai players were able to begin production of generic versions of these. Imports from the US and Germany declined by -11.8% and -14.3% YoY, although those from China (2.9% of imports) climbed 5.9% YoY. Growth in exports to the most important overseas markets will continue through the last part of the year, and **so for 2024 in total, export value will strengthen by 3.5-4.5%, while imports will soften by between -4.0% and -5.0%.**



Source: Ministry of Commerce (MOC) HS3001, 3002, 3003, 3004

## Pharmaceutical Industry Trends

Over 2025-2027, the value of the domestic pharmaceuticals market is forecast to grow by 6.0-7.0% per year, split between growth of 6.3% for goods distributed through hospitals and 6.3% for those sold over the counter (OTC) in pharmacies.



Source: FitchSolutions, Estimated and Forecast by Krungsri Research

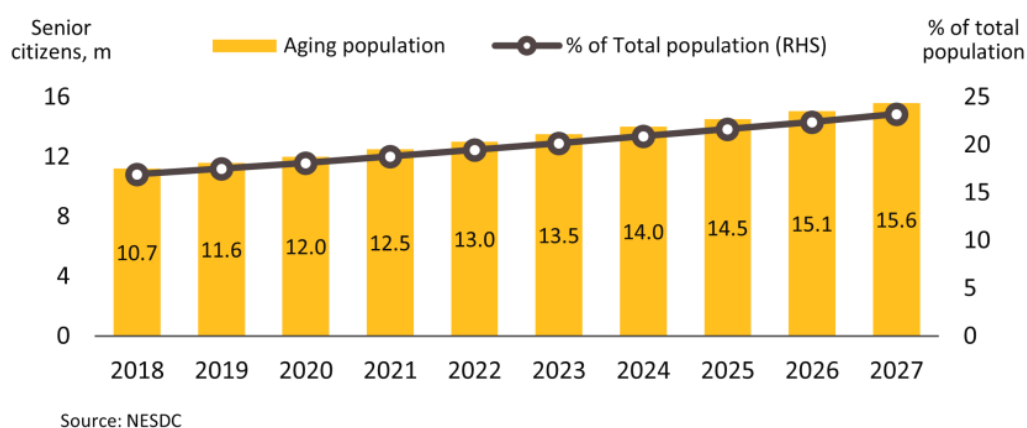
Source: FitchSolutions, Estimated and Forecast by Krungsri Research

## Factors Supporting Growth in the Domestic Pharmaceutical Market Value

- The number of individuals infected with notifiable diseases or affected by non-communicable diseases (NCDs)<sup>10/</sup> will continue to increase, with the most prominent of notifiable diseases being influenza, pneumonia, dengue fever, and of NCDs being hypertension and diabetes. Of the two major sources of illness, NCDs are a more



important cause of death than the former and thus the World Health Organization estimates that as of 2019, 76.6% of deaths in Thailand were attributable to NCDs. This proportion will continue to rise, principally as a result of two factors. **(i) Ongoing demographic changes** will mean that by 2033, Thailand will transition from its current status as an aged society (at present, 20% of the population are over 60) to a super-aged society (i.e., more than 28% of the population will be over 60 years old)<sup>11/</sup> (Figure 11). Naturally, older individuals are more prone to NCDs, and as of 2023, around 75% of all over-60s in Thailand had at least one NCD, of which the most common were hypertension (46.9%<sup>12/</sup> of all over-60s with an NCD had hypertension), diabetes, and stroke. **(ii) Continuing urbanization** is changing consumer behavior by accelerating the pace of life, but this is also worsening health by reducing the amount of exercise that individuals take. In addition, the number of individuals affected by air pollution (as seen in, for example, cases of respiratory diseases, cardiovascular conditions, and lung cancer) is rising every year. Indeed, as of 2023, Thailand ranked 36th worst out of 134 countries regarding air quality, and in the year, average PM2.5 values were 4.7-times the WHO recommended level<sup>13/</sup>. The country's mental health is also worsening, and in 2024, an estimated 2-3% of the country was affected by depression. Given this, overall demand for treatments will strengthen, in particular for patented medicines used to treat more complex conditions.



- **Newly emerging and reemerging disease<sup>14/</sup> will tend to multiply**, both domestically and in other countries. Recent examples of newly emerging diseases include Covid-19 (although this has now become endemic, if it mutates into a more dangerous strain and a new wave of infections occurs, this would qualify as a reemerging disease) and monkeypox or mpox. Some examples of recent reemerging diseases are SARS, MERS, bird flu (cases of which were identified in Cambodia and South Korea in 2024),

diphtheria, and whooping cough. Re-emerging infectious diseases include tuberculosis and malaria.

- **Accelerating climate change has significant potential to damage human health and degrade ecosystems** as summers lengthen, winters shorten, and the morphological transformations of wind patterns significantly modulate the spatial distribution and intensity of PM2.5 pollutants. Indeed, over 2000-2019, global heat-related deaths averaged more than half a million per year, while diseases that are endemic in the tropics are beginning to extend their reach towards the poles, particularly when these rely on parasites as vectors of infection. Most obviously, the spread of mosquitos is now expanding the areas where malaria and dengue fever pose a danger. The WHO is also warning that climate change will likely reduce both the quantity and quality of food that is available to the global population and increase the rate of infections with diseases transmitted via food and drinking water. There is thus an escalating risk through both direct and indirect channels that climate change will increase overall levels of ill-health, whether that be through NCDs, worsening air quality or the emergence or reemergence of diseases. Given this, demand for treatments and for preventative measures (vaccines and pharmaceuticals) will rise.
- **The rollout of the Universal Health Coverage system has expanded access to healthcare**, with 74.2% of the population accessing this through the Gold Card, 18.4% doing so through the Social Security system, and another 6.8% receiving healthcare via the civil service scheme. The 2025 budget for the National Health Security Fund grew by 8.3%, partly to fund the increased access to healthcare for Gold Card holders available through the '30 baht anywhere' and 'cancer anywhere' programs, an expansion in treatments for type-2 diabetes and hypertension, and the extension in telemedicine services provided to individuals with 42 common illnesses that now allow them to receive medications at home. In addition, the A-MED Care Pharma platform has been developed to allow individuals with 32 minor conditions to collect medication directly from participating pharmacists, while 'care cabinets' provide proactive telemedicine services under the '30 baht anywhere' scheme, and this then allows individuals to receive medicines at home or at pharmacies covered by the program. The Social Security Office is also expanding payments for health services, including for the entire course of treatments for cancer. The Economist Intelligence Unit thus estimates that over 2025-2027, spending on healthcare in Thailand will grow at an average rate of 5.8% per year, up from 5.0% over 2022-2024 (Figure 12). Privately funded healthcare

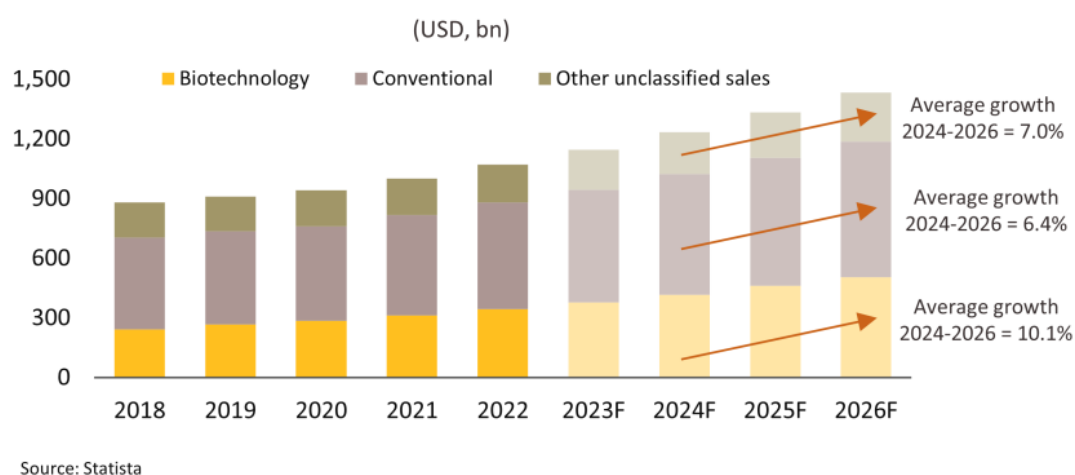
provision is likewise expanding, and so over the first half of 2024, income from private health insurance premiums jumped 14.3% YoY.

- The global health tourism industry is seeing ongoing growth under the twin impacts of the aging of society and the effects of the pandemic on worries over personal health. The Global Wellness Institute estimates that worldwide, income from wellness tourism will grow by 10.2% CAGR over 2023-2028, with the market for wellness treatments expanding to a total value of USD 1.3 trillion by the end of this period (Figure 13). Given Thailand's leading position within the industry, this will naturally benefit the country. The domestic wellness industry is therefore forecast to be generating income worth THB 760 billion by 2027, more than double 2023's total of THB 310 billion<sup>16/</sup>. Among the tailwinds that accelerate growth, the development of the Andaman Wellness Corridor will help to attract a greater number of overseas visitors, and these will comprise an important additional market for the domestic healthcare industry. This will then lift sales of, for example, weight-loss, anti-aging, and sleep-enhancing treatments, though this industry will be concentrated in the major wellness centers of Bangkok and Phuket.
- **Interest in preventative medicine and proactive self-care is growing worldwide** as individuals see the importance of making long-term investments in their own health. As a result, demand is rising for treatments that promise to develop the immune system and to strengthen the body's health generally, including vitamins, herbal treatments, dietary supplements and fortified drinks. Within this area, some players are also using advanced technology to help with the development of personalized precision medicine, which can assist with the planning of self-care routines and the development of personalized treatment plans. This also helps to drive research and development efforts, thus opening up new opportunities for manufacturers of pharmaceuticals.
- **Technological progress and the use of online platforms is increasing manufacturing efficiencies and helping to broaden and improve consumer access to treatments** (for more details, see Box 1). Examples of these include: (i) using AI to speed up the search for new compounds (the global market for AI for use in pharmaceuticals research is forecast to grow by 29.6% annually over 2023-2030<sup>17/</sup>); (ii) the use of machine learning to stimulate and to increase the efficiency of R&D efforts; (iii) leveraging big data analytics to rapidly access in-depth information at all stages of the production process, and using 5G networks to facilitate the delivery of telepharmacy services. The development of online platforms is also allowing supply chains to integrate from upstream production all the way through to downstream consumption, and because this

helps individuals to access medications much more rapidly, it is possible to treat conditions before they become more serious. In addition, using appropriate technology will help manufacturers reduce the environmental impacts arising from their production processes and to increase the sustainability of their operations over both the short and long term.

**Policies aiming to promote investment in the production of pharmaceuticals include the following.**

- 1) To help reduce dependency on imports, ensure that domestic supply is sufficient to meet demand, and underpin the long-term security of the national public health system, the 13th National Economic and Social Development Plan (2023-2027) supports the development of manufacturing facilities that meet international standards for the production of biopharmaceuticals, medicines, herbal treatments, and vaccines, especially vaccines for newly emerging and reemerging diseases. This will also provide an opportunity for players to invest in R&D and in the manufacture of the new drugs needed in the future.
- 2) The government has plans to develop the country as a medical hub and has included this within its designated new S-curve industries, with this particularly relevant within the context of the EEC development. The government is thus promoting an expansion in R&D in high-tech pharmaceuticals through both direct funding and via favorable tax breaks. As a result, over the first 9 months of 2024, investments in industries that qualified for promotions linked to bio-tech R&D jumped to THB 444 million, up from just THB 44 million in 2023. At the same time, Statista sees total global income from the sale of pharmaceuticals (both prescription-only medicines and over-the-counter treatments) expanding at an average annual rate of 7.3% over the period from 2021 to 2026, up from the 3.5% seen over 2016 to 2020. Bio-tech pharmaceuticals' market share will also increase to 35%, up from 30% in 2016.



### 3) The 2023-2027 Action Plan for the Development of the Thai Pharmaceuticals

**Industry** aims to improve the industry's R&D efforts. This is focused on the development and manufacture of innovative products, an increase in the value of exports, and over the short term, greater domestic production of herbal ingredients (e.g., green chiretta extracts) and chemical precursors. The plan also proposes a law for the promotion of the medical and health products industry.

### 4) The Strategic Plan for the Development of the Bio-Circular-Green Economy

**covers the years 2021-2027**, and the implementation of this will help to further enhance industry value chains (Box 2) through improved R&D, an increased use of technology, and the development of innovative production techniques, especially for more specialized products. The effect of this should be to reduce dependency on imports of, for example, advanced therapeutics, biopharmaceuticals (increasingly in demand for e.g., cancer treatments and the production of vaccines) and probiotics. This will therefore help to raise the industry's capacity, add to the value of the pharmaceutical and vaccine markets, and improve domestic access to higher cost treatments.

**Factors that may drag on growth in the coming years will include the following:**

- **The Thai industry still lacks a broad-based ability to manufacture more complex or technology-dependent products** such as advanced therapeutic agents, biopharmaceuticals, and probiotics. The government is addressing these shortfalls by providing grants for R&D and tax incentives for companies making progress in these areas. If these moves pay off, domestic output—and thus the market value—of these products will rise as players adjust to stronger demand for effective, high-quality treatments.

- **Competition will tend to intensify.** (i) New foreign players are entering the market in increasing numbers. These are using Thailand as a base for the production of generics for supply to both the domestic and export markets, and so over 2020-2023, 23 applications worth THB 3.09 billion were made by Chinese players for investment support for projects related to the medical industry, up from just 3 projects worth THB 0.43 billion over 2018 and 2019. In the period, Japanese companies submitted 13 applications worth THB 1.22 billion, up from 7 projects valued at THB 1.07 billion, while South Korean companies made 3 applications worth THB 10.02 billion<sup>19/</sup>. (ii) Players from other industries (e.g., chemicals, petrochemicals and energy) are increasing their involvement in the pharmaceuticals industry. These changes to the market will drag on growth in income for Thai incumbents.
- **Domestic manufacturers' production costs are tending to climb on:** (i) the need to overhaul production processes to meet the GMP-PIC/S standards and the requirement that manufacturers, importers, and retailers of pharmaceuticals need to meet certain standards regarding the storage of medicines and medical equipment; (ii) the rising cost of imports and of raw materials; and (iii) the additional overheads entailed in reducing environmental impacts and operating according to ESG frameworks<sup>20/</sup>. The latter includes: (a) using inputs that carry a lighter carbon footprint; (b) developing and investing in new technologies and procedures that allow manufacturers to cut the greenhouse gas emissions associated with the production of pharmaceuticals, for example by using energy generated from renewables (e.g., solar and wind) rather than fossil fuels, reducing particulate and especially PM2.5 pollution, and improving waste management procedures; and (c) improving corporate transparency with regard to the company's production processes and their environmental impacts, thereby allowing consumers to make better informed purchasing decisions.
- **Joining the CPTPP** (currently under discussion) may have consequences for drug patents<sup>21/</sup> since the length of patent protection may be extended to 20 years, which would then add to uncertainty about the price of some medicines.

### **Herbal Medicine Industry**

The herbal medicine business market can be considered a very interesting business for Thailand today, as it has good growth prospects, expanding in line with the health and beauty trends of today's consumers, resulting in a significant increase in demand for natural and herbal products, including popularity as an alternative medicine for health care that is cheaper,



relatively safe compared to treatment by mainstream medicine. Thai herbs are very popular with both Thais and foreigners such as Chinese, Germans and Japanese, etc., and the government also has a policy to support the Thai herbal market more, to reduce the use and import of modern medicines from abroad, with plans to push Thai herbs as a new economic crop that drives the Thailand 4.0 model, such as the concept of Herb 4.0, which is one of the ideas to transform the Thai economy towards a Value-Based Economy to develop Thai herbs and increase the value of processed products from herbs, so that Thailand can become a leader in the herbal market of Asean.

The Thai herbal product market has seen continuous expansion in recent years, until 2020 when the market size contracted due to the impact of COVID-19 (in 2021, it is estimated to be worth 45,646 million baht). However, it is expected that the Thai herbal market will rebound and grow again from 2022 onwards, at an average rate of 5% per year, and will be worth 78 billion baht in 2026.

However, Thailand is a country with a wide variety of beneficial herbs, suitable for producing medicines that are natural substances, which are purer and safer than synthetic substances in modern medicines, but the problem found is that those herbs are currently not yet being developed, or lack promotion, support from various sectors, including the values of Thai people themselves who do not yet see the value of Thai herbs as much as it should be, therefore, to add value to the Thai herbal medicine store business, in which Thailand has advantages in terms of both raw materials, knowledge and benefits of good products that can be communicated, so it is a gap and an opportunity that can build potential for the Thai herbal medicine industry to grow further.

The government has established the 2nd National Master Plan for Herbal Development (2023-2027). If implemented, it will lead to the production of standardized and high-quality herbs, adding value to herbal products. It will also promote confidence in the use of herbs and enhance competitiveness in both domestic and international markets in a continuous and systematic manner.

- 1) Strategy 1: Promote the production and processing of quality and standardized herbal raw materials that meet market demands. The outcome indicators include groups of farmers or community enterprises that process herbs with basic quality and standards, including the production of herbs throughout the supply chain; farmers or agricultural institutions that have been promoted can access the online market, etc.

- 2) Strategy 2: Develop and enhance the capabilities of entrepreneurs and the herbal industry throughout the supply chain. The outcome indicators include the expansion of the advanced extract industry by at least 5% in 2027; there is an increase in the number of accepted extract standards used in the industry by at least 10%, etc.
- 3) Strategy 3: Promote the marketing of herbal products. The outcome indicators include driving herbs in conjunction with Thai food; exports of herbal products to ASEAN increase by 10% per year; creating awareness and acceptance of the quality herbal symbol.
- 4) Strategy 4: Promote the appropriate consumption of herbal products. The outcome indicators include an increase in the number of registered herbal products by at least 10% in 2027; an increase in the number of herbal medicine prescriptions in the public health system by at least 10% in 2027; and at least 50 herbal medicines included in the National List of Essential Medicines for Herbal Products/Innovation Account by 2027.
- 5) Strategy 5: Develop an ecosystem that supports the efficient and sustainable development of Thai herbs. The outcome indicators include an increase in the economic value generated from herbal products developed from research and innovation by no less than 10% in 2027; and no less than 25 new herbal product items registered and available for sale by 2027.

### **Herbal Industry Trends<sup>2</sup>**

With the rising trend of natural health care and consumers avoiding the use of chemicals, herbs have become one of the natural ingredients in the global health and wellness business. According to Statista, in 2020, businesses related to health and wellness that utilize herbs as ingredients in manufacturing, including cosmetics, pharmaceuticals and dietary supplements had a combined market value of around 91 billion U.S. dollars. This figure is expected to grow to approximately 166 billion U.S. dollars by 2029, with an average annual growth rate of 6.5%.

Thailand has an advantage in herbal raw materials with over 1,800 species that can be industrially utilized, coupled with promoting investments in target industries according to the Bioeconomy development plan, such as comprehensive medical services.

Agriculture and biotechnology may stimulate an increased demand for herbs for production. Additionally, the export market demand, especially in the first 9 months of 2020, amounted to approximately 12.05 million USD, showing a growth of 39.5% (YoY). However, to generate sustainable business development in the future to achieve its goals, there might be a

---

<sup>2</sup> (Source: Kasikorn Research Center, accessed February 21, 2023. <https://www.kasikornresearch.com/th/analysis/k-social-media/Pages/Herb-FB-25-11-20.aspx>)

need to accelerate the distribution of added value to upstream entrepreneurs and create differentiation for Thai herbal products.

Although the government is pushing for an increase in the value of herbal consumption, the returns for herb cultivators at the upstream level remain limited compared to midstream to downstream operators in the production chain. This is because there is still a focus on the production and sale of fresh herbs, or if processed, the innovations are not highly advanced, such as ground powder or tablet/capsule compression. The transformation of herbal processing to an industrial level, utilizing advanced innovations like extracts/precursors or products with herbal components, such as cosmetics, medicine, and dietary supplements, is still confined to large-scale operators with sufficient capital and technology readiness. Currently, the average value of herbal plants sold by farmers at their farms is around 1.2 billion baht per year. However, if these herbs are further sold in the wholesale market in the form of B2B as fresh-dried-powdered products, to be continuously used as raw materials in the industry, the market value is expected to rise to 21.8 billion baht. Furthermore, if the development extends to downstream products, such as in the food and pharmaceutical groups, cosmetics, or spa products, and can enter the consumer market in a B2C selling format, the market value could potentially rise to 68.0 billion baht. This highlights the importance of elevating the quality of herbal production, as it can significantly increase returns. Shifting from an initial 1.2 billion baht per year to an estimated 91 billion baht per year, reflecting a 73-fold increase in added value. This is in comparison to competing countries that have abundant and renowned herbal resources for rare herbal products, such as India, China, or Vietnam. Dealing with potential declining demand in trading partner markets, especially in the group of herbal raw materials that can be grown in various areas without relying on regional uniqueness as a selling point (e.g., black galangal, initially cultivated only in Southeast Asia, now considered a Product Champion of Thai herbs that may be grown in other regions in the future). This shift is a result of advancements in production technology, such as plant factories, enabling certain herbs to be cultivated in closed systems. It also leads to increased quantities of active ingredients and more consistent production. Additionally, there may be competition with alternative products that offer similar benefits.

The aforementioned factors underscore that the sustainability of the growth of the Thai herbal business in the future necessitates elevating production to create more added value and differentiation, covering the entire system. This is especially crucial in increasing the distribution of added value to upstream entrepreneurs (agricultural groups). Key areas for primary development include: 1) Implementing production systems that yield high-quality and high-

quantity outputs, such as organic herbal cultivation or plant factory cultivation, to create opportunities for selection as raw materials in advanced industries, both in the domestic and export markets. 2) Expanding sales opportunities by creating supportive markets for producers through collaboration with major entrepreneurs for researching and developing products or jointly planning marketing strategies. This ensures the access of products or distribution channels by a broader consumer market.

### **Animal Health Industry**

The livestock industry has shown continuous development and growth in production over the past several years, driven by the increasing demand from consumers both domestically and internationally and accepted farming standards. There has also been improved monitoring and control of epidemic diseases, which has positively influenced consumer confidence, leading to an expansion of livestock production, particularly in sectors such as broilers, pork, chicken eggs, beef and raw milk. In 2016, there was a 2.8% expansion in the livestock sector compared to the previous year.

The correlation between the quantity of the population's meat consumption demand and economic growth has consistently been confirmed, showing a positive relationship. This is because the population seeks protein-rich food in high quantities with the rise of purchasing power, especially in developing countries. This, in turn, results in increased sales of animal medicine products, contributing to the overall health and well-being of livestock. The higher demand for animal products ensures the health and safety of animals, leading to safety for consumers of meat products and a healthier body.

The animal health business is a market related to health products that enhance the overall efficiency of animal husbandry. According to data from the Thai Animal Health Products Association and the Animal Health Business Group under Betagro Public Company Limited, between 2013-2017, the animal health business in Thailand showed an average market value growth of 2.48% per year. In 2018, it is expected that the animal health business will have a market value of approximately 34,582 million Baht, increasing by 2.48% compared to the previous year. The expansion of use in livestock production and feed mills contributes to the increased demand for animal health products. Approximately 65% of the total market value of animal health products is distributed in the livestock production and aquaculture sector.

### Animal Health Industry trend<sup>3</sup>

In 2024, the animal drug industry in Thailand is expected to continue to grow steadily, in line with the expansion of the pet market, which is estimated to be worth approximately 75,000 million baht, an increase of 12.4% from 2023. The growth of this pet market has resulted in an increased demand for related products and services, including animal drugs. In addition, the growing trend of pet health care is also a factor supporting the expansion of the animal drug industry in the country. However, competition in the market remains intense. Operators need to focus on developing new products and adjust their marketing strategies to meet the needs of consumers. In order to maintain competitiveness and market share in the long term.

The trend of caring for pets among people in the modern era has a form of caring for pets as if they were family members (Pet Humanization) has been increasing continuously. Both in the group of existing caregivers who have changed the way they care for their pets and in the group of new pet owners. As a result, the cost of caring for pets per pet has increased significantly. ttb analytics has assessed the cost of caring for pets as if they were family members. Owners will have an average expense burden of about 41,100 baht per pet per year, which is much higher than free-range rearing, which will cost only about 7,745 baht per pet per year, with expenses from pet equipment. Care costs, including food, are significantly lower. However, the trend of caring for pets as if they were family members (Pet Humanization) in some groups of owners may have evolved into raising them as family members at will, or may be called "dog and cat slaves" (Petriarchy), which is in the context of indulgent care. Where pets are recipients who cannot refuse what their owners choose to buy for them, or in other words, owners choose to buy things for their pets to satisfy their own satisfaction. It will result in spending on equipment and care costs increasing at an accelerating rate.

However, in addition to the trends of Pet Humanization and Petriarchy in today's society, some pets may develop roles from personal characteristics that can be elevated from "normal family members" to "family members who can generate income" through the unique characteristics of pets that can attract attention from people in the wider society, or Pet Celebrity, and are developed into pets with followers through social media (Petfluencer) when the habits or specific characteristics of that pet are presented through storytelling or Content creation by the owner through social media channels. Which the group of pets that have been upgraded to pets with followers through social media (Petfluencer) that can generate income through various content that the owner has created to present to the group of followers, making

---

<sup>3</sup> <https://www.ttbbank.com/th/newsroom/detail/ttba-pet-market-202>

in addition to expenses related to equipment and pet care costs that increase at an accelerating rate. There is also a very high frequency of spending compared to groups that are raised as virtual family members (Pet Humanization) in a general way. Which from the context of raising pets that tend to move towards "family-style rearing - indulgent - and income generation" resulting in the value of the pet market in Thailand continuing to expand. ttb analytics estimates that the value of the pet market in Thailand in 2024 is expected to reach 75 billion baht, an expansion of 12.4% compared to the previous year, based on the average growth of the market value over the past 5 years (CAGR) of 17.5%. The growth pattern of the pet market in Thailand is divided as follows

The pet food group and animal care services are groups that have benefited from the growing trend of caring for pets as family members (Pet Humanization) in the past 4-5 years. Because owners are aware of pets as if they were family members. As a result, the way pets are cared for has changed from the past, such as food groups that have begun to use more specific foods from appropriate nutritional value. Including reducing the burden of treatment costs in the future that inappropriate feeding affects the long-term health of pets, including animal feed today, there are many forms. Most of this group of pet owners often use high-priced premium grade food such as wet food, including some groups of breeders who choose to use raw food that has not been heat treated (BARF) which is expensive, resulting in the pet food market in 2024 expanding with a value of 4.46 million baht on the average growth of the market value over the past 5 years (CAGR) of 17.0%, consistent with animal care services that have increased in market value from the awareness of pet health care. And need medical treatment when pets are sick, which is like a family member, resulting in the value of animal care services growing continuously at an average of 5 years (CAGR) of 21.7% with a value of 6.64 billion baht in 2024.

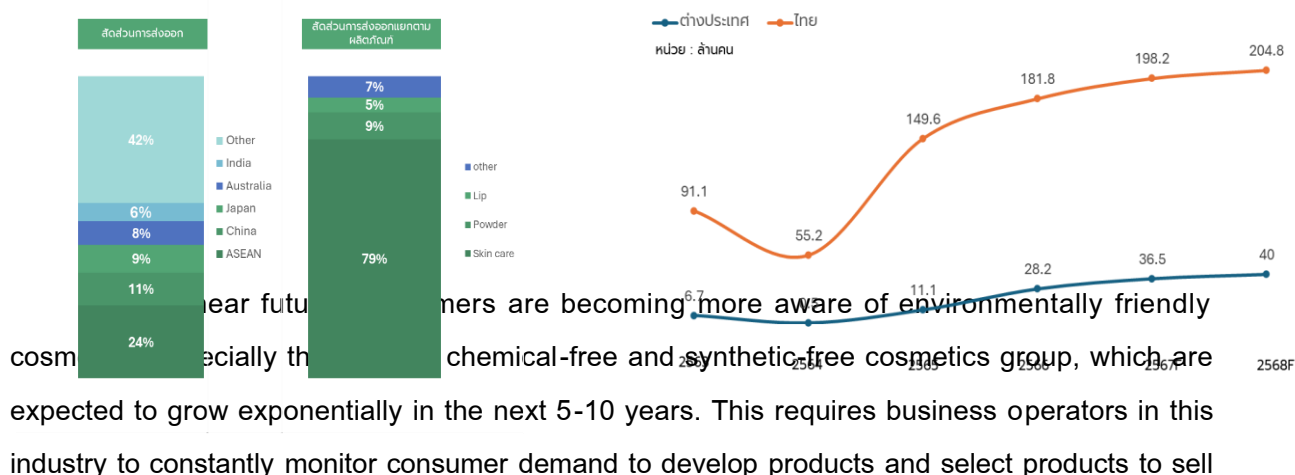
The pet equipment group and pet care services group, in addition to being supported by the trend of caring for pets as if they were family members (Pet Humanization), the value of the industry has also accelerated in the past 2-3 years from the trend of raising them as family members at will (Petriarchy) and family members who can generate income (Petfluencer), which results in an increased frequency of receiving care services and the frequency of procuring pet equipment at an accelerating rate, resulting in the market value of pet equipment and pet care services having an average growth rate over the past 5 years (CAGR) of 17.3% and 16.7%, respectively, with an estimated value of 22.9 billion baht and 0.66 billion baht, respectively, on a trend that still maintains growth at an accelerating rate.

## Cosmetics Industry.

In 2024-2025, the domestic cosmetics market, which accounts for approximately 79% of the total market, continued to expand by 13.0% YoY and 13.3% YoY, respectively, reaching a level higher than before the COVID-19 crisis. This is in line with the growth of import value by 19.1% YoY and 13.3% YoY, respectively, which is one indicator reflecting the demand for the domestic cosmetics market.

As for exports, which account for 21.0%, there is an opportunity for continued expansion to a level higher than before the COVID-19 crisis, as Thai cosmetics are still in demand in foreign markets. It also benefits from tax incentives under the FTA agreements with 18 countries, namely ASEAN, China, Japan, Australia, New Zealand, Hong Kong, Korea, India, Chile and Peru, which helps businesses expand their markets abroad. It is expected that the value of cosmetics exports will expand by 34.4% and 11.7%, respectively, with key markets such as ASEAN, China, Japan, Australia, New Zealand, Hong Kong, Korea, and India showing continued good growth momentum.

The main risk of the cosmetics business is the high level of competition. This is because the cosmetics market is large, has a high market value, and is easy to enter and exit, leading to more entrepreneurs entering the business. In addition, this business also faces other risks such as the risk of product obsolescence and the problem of Fast Beauty or rapid shifts in popularity over a short period of time, including competition from Chinese cosmetics sold online by sellers in China and direct manufacturers.





that best meet consumer needs. It is estimated that the number of foreign tourists will increase to 36.5 and 40.0 million people.

### Cosmetics Industry Trends

In 2024-2025, the overall value of the cosmetics market is expected to continue to expand until it reaches a higher level than before the COVID crisis, which is expected to grow by 17.4% YoY and 12.9% YoY, respectively. It is driven by the improving direction of the Thai economy. With the return to normal living and economic activities, including purchasing power from foreign tourists who are gradually returning, the value of the cosmetics industry is divided into 79.0% domestic market and 21.0%.



Chinese cosmetics have developed rapidly and have been able to penetrate the market and gain acceptance from both Chinese and foreigners, including Thais, which is reflected in the value of cosmetics exports from China to the world in the past 3 years that have continued to expand, with a high growth of 32.7% YoY in 2023. Currently, sales are conducted through online channels directly from the manufacturers, which is a factor that puts pressure on the competitiveness of Thai entrepreneurs.

### Nutritional Supplements Industry <sup>4</sup>

Manufacturers and distributors of nutritional supplements will continue to experience strong growth for many years to come, due to the increasing number of elderly people worldwide, especially in North America, Europe, and Asia Pacific, which are countries with high purchasing power, thus having a large number of Silver Age customers. In marketing terms, the Silver Generation is a group of people aged 55 and over, who are mostly a generation with good income. It is found that over 20-30% of this generation are well-educated, have high incomes and purchasing power, which of course, the demand for dietary supplement products from this group is higher than other groups, making them customers who will help support the growth of the dietary supplement industry. Especially the elderly population who will have a high demand for immune-boosting products. In order to target this type of customer, we believe that

<sup>4</sup> Grandview research

it is necessary to develop innovations in conjunction with advanced medical technology and must not stop at being a dietary supplement product. Because the real challenge of the dietary supplement market is researching and developing products to compare with medical innovations, which requires a large amount of investment and also needs to control the quality to be within the criteria protected by health regulations. In addition, it is also important to focus on brand building and distribution channel development. It was found that interesting data from in-depth data of distribution channels that offline distribution channels dominated the market with a revenue share of 81.34% in 2022, which these channels include supermarkets/hypermarkets, which are still important to the sales of dietary supplements in Europe and North America. The online distribution channel is expected to have the highest average annual growth rate (CAGR) of 9.7%, which is caused by the COVID-19 epidemic accelerating the growth of e-commerce, resulting in increased online sales of dietary supplement products, and the new era with more internet users makes it easier to access brands. In addition, the fast-paced lifestyle of ordinary people, with products available for sale every day, 24 hours a day, convenience in shopping at home, and the availability of a wide variety of products are factors that drive the sales of dietary supplement products through online distribution channels worldwide.

### **Trends in the Nutritional Supplements Industry<sup>5</sup>**

From the global dietary supplement market overview, it is estimated that during the years 2021-2026, the global dietary supplement market will grow by an average of 5.3% per year, or an increase in value of 120 billion US dollars. As for Thailand, the dietary supplement market in the next 6 years will grow by an average of 5.1% as well, which is in line with the Health and Beauty trend of modern people of all generations who are concerned about health and beauty, making this trend a rapid leap. Especially the care of health and beauty from the inside out with dietary supplements that have been developed for all generations to access. In the past, dietary supplements that we may be familiar with were in the form of tablets, capsules, or powder to drink, but now the dietary supplement industry has many technologies that design products to have a variety of forms that are easy for everyone to choose to eat. There are also innovations in the production and extraction of new ingredients to help in health and beauty care. Designing the consumption of dietary supplement products to be diverse, creating interest and excitement for consumers by relying on innovations that allow supplement products to function well, focusing on helping the body absorb nutrients from the product to use efficiently. We can see that there are more forms of dietary supplements or vitamins to choose from,

---

<sup>5</sup> <https://www.cosmexshow.com/th-th/blog/the-technological-leap-of-dietary-supplements-for-consumers-of-e.html>

whether it is a gel or microgel dietary supplement, a sachet that can be put into the mouth, an effervescent tablet, or a snack.

Each form has different advantages, for example, microgel or jelly dietary supplement products that look like snacks, easy to eat, the body can absorb nutrients in dietary supplement products easily and faster, from the original 2-4 hours of absorption time to only about 1 hour. As for effervescent dietary supplement products, they make it easy to drink even for the elderly who have difficulty chewing or swallowing food. The effervescent tablet production process must control the humidity to not exceed 0.5% and the packaging must have a moisture barrier hidden on the lid to maintain the quality of the product. Another popular form of dietary supplement is the chewable type, which attracts attention, is easy to eat, and is suitable for those who don't like to eat tablets that are difficult to swallow. Chewable vitamins make taking dietary supplements easy, uncomplicated, and convenient everywhere. Chewable vitamins are easier to absorb than tablets and capsules because chewing grinds the size into smaller pieces, making it easier for the stomach to digest.

In terms of the popularity of dietary supplements or vitamins in recent years, essential nutrient vitamins such as Vitamin C, Iron, Zinc, Calcium, Vitamin D, and Omega 3 fatty acids, etc., continue to be in demand as they help boost the body's immunity and enhance the functioning of the body's systems. Probiotics, which focus on gut health, are also still popular as they are beneficial to the intestines and immune system, including beauty. We will see more probiotic dietary supplement products such as lactobacillus and bifidobacterium strains. In addition, extracts or ingredients from herbs are still at the top of dietary supplement products because they are natural and safe. It is predicted that in 2027, Thai herbs will have a market value of up to 100 billion baht, with herbal product groups having the highest market share in dietary supplements, medicines, and cosmetics. Thailand has an advantage because it is ready in terms of raw materials, herbal plants, and has wisdom in using herbs to care for health and beauty.

### 3) Procurement of Products and Services

#### Market Share of Pharmaceutical Companies in Thailand

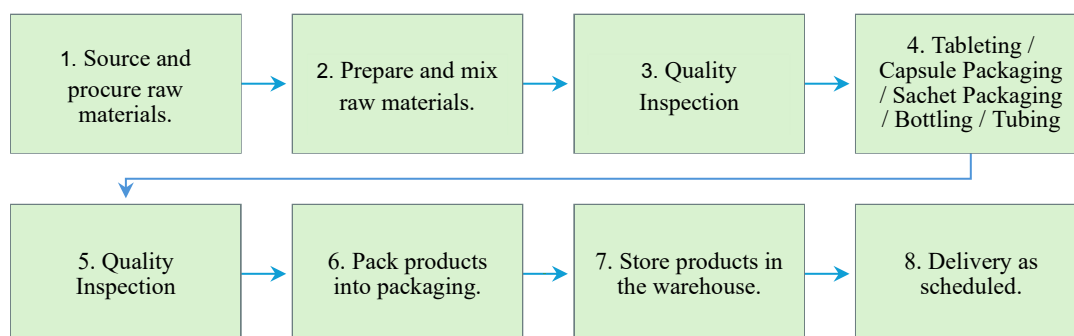
Industry	million	2022			2023			2024		
		Capacity	MAX Capacity	%	Capacity	MAX Capacity	%	Capacity	MAX Capacity	%
Generic drug and New Generic Drugs	Tablet	400.13	468.54	85%	433.70	480.00	90%	354.11	540.00	69%
	Capsule	94.28	148.20	64%	84.77	156.00	54%	109.46	156.00	74%
	Powder Sachets	18.86	23.85	79%	23.25	30	78%	18.20	30.00	64%
	Tubes	8.67	9.86	88%	8.16	14.40	57%	10.72	14.40	78%
	Plastic Jar	0.34	0.44	79%	0.35	0.72	49%	348.43	720.00	51%
	Bottles	2.28	2.28	100%	2.31	2.58	90%	2.74	3.60	80%
	Liquid Sachets	0.34	0.57	59%	0.25	0.60	42%	0.55	0.60	98%
Herbal Medicine	Tubes	2.25	2.74	82%	1.98	2.88	69%	2.79	2.88	102%
	Bottle	0.12	0.40	31%	0.08	0.42	19%	0.11	0.42	28%
Animal Medicine	Bottle	0.03	0.14	22%	0.03	0.14	21%	0.03	0.14	20%
cosmetic	Tube*	0.6	0.80	75%	0.34	0.84	40%	0.48	0.84	61%
	Bottle	0.01	0.40	3%	0.02	0.42	4%	0.002	0.42	0.5%
dietary supplements.	Tablet	5.47	5.47	100%	3.71	5.76	55%	4.14	5.76	76%
	Powder Sachets	0.41	2.05	20%	1.66	2.16	77%	1.80	2.40	88%

#### Purchasing and production processes

#### Raw Materials Sourcing and Procurement

#### Raw Materials Sourcing

The Company emphasizes the efficiency of suppliers and manufacturers as a crucial factor in ensuring the quality of its products. The Company conducts assessments, selects suppliers, and evaluates performance annually to classify and systematically develop suppliers and manufacturers. Collaborative responsibility is taken in managing the supply chain's efficiency, ensuring timely delivery of high-quality products according to specified requirements. This includes managing procurement costs through annual, quarterly, and monthly purchase planning based on necessity, aiming to maximize benefits.



### Details of Raw Materials Procurement

The main raw materials used in the current pharmaceutical production are Active Pharmaceutical Ingredients (APIs) produced abroad. These are purchased through intermediaries in Thailand. The Company does not rely on any specific intermediary, as its products are widely distributed, utilizing different APIs and having numerous distributors. As for the primary raw materials used in traditional medicine production, they are sourced from the extraction of herbal plants within the country.

### Steps in Raw Materials Procurement

The procurement department initiates the purchasing requirements from the material warehouse department, which are purchase requests in the integrated software system. They conduct market surveys from registered suppliers, including new suppliers if they offer better conditions. At least three suppliers are considered for comparison, taking into account specified criteria (being a registered and authorized production source). The evaluation includes delivery schedules, prices, and payment conditions in order of necessity. Once the comparison is approved, the procurement department can then create purchase orders and contracts for authorized signatories to sign. Before sending the purchase orders and contracts to the supplier, the quality control department, in collaboration with the quality assurance department, verifies the accuracy and quality of the products.

### Raw Material Preparation

The production planning and customer service department creates monthly production plans based on the annual sales estimates. Monthly meetings are conducted in collaboration with the sales department.

## **Blending Raw Materials and Manufacturing**

### **Production Process for Solid Products (Tablets, Capsules and Powders)**

The production department will verify the raw material list to ensure it complies with the manufacturing formula before starting the production process. The production process begins with blending raw materials, which can be either wet or dry, depending on the materials used. After blending, the mixture undergoes fine filtration, followed by drying, re-filtering and blending in a dry mixture. Subsequently, the quality assurance department randomly samples the mixture and sends it to the quality control department for analysis before proceeding with the specific form and strength of the medication, such as tablet compression, encapsulation or sachet filling (powder form). For coated tablets, the quality assurance department checks the weight, disintegration, friability, hardness, and thickness of the tablets before coating. After completing the production, the quality assurance department randomly samples the final product, sends it to the quality control department for analysis and finally, the product is packaged into blister packs according to the specified packaging sizes.

### **The production process of semi-solid products (creams and gels) and the production process of liquid products (liquid medications):**

The production department will verify the raw material list to ensure it complies with the manufacturing formula before starting the production process. The production process begins with blending raw materials. Afterward, the quality assurance department randomly samples the mixture and sends it to the quality control department for analysis before packaging it into the specified packaging sizes.

## **Inspection of Manufactured Products**

The quality assurance department inspects the quality of the product at every stage of the production process, from the blending stage, and intermediate stages during the manufacturing process, to the packaging stage, to ensure that the product meets the quality standards specified in the manufacturing formula.

## **Delivery of Products**

The delivery department staff will prepare finished products for delivery each day. They will check against the daily delivery documents and the set of tax invoice documents according to the product delivery plan. If customers are located in Bangkok, the Company will arrange for product delivery to the delivery department in Bangkok to distribute the products to customers. If customers are in other provinces, the Company will use transportation services from a

logistics Company to handle the delivery of its products. Since 2023, the Company has started using services from a comprehensive health business service provider for transportation services, including tracking and payment collection for customers in government hospitals, private hospitals, and clinics sector, aiming to facilitate product distribution and improve the Company's operational flexibility.

### **Research, Development and Manufacturing of New Medicines**

The Company conducts information gathering to research new products, such as market surveys related to the product, to gather data for research and brainstorming for designing new products that align with market needs. The Company collaborates with customers to inquire about information regarding products that have undergone research. This process helps formulate the annual research and development plan. Following this, the research department analyzes, researches and develops production formulas, conducts production experiments, checks various aspects of product quality and tests the bioequivalence in humans before registering the products.

### **Environmental Impact Management**

Recognizing the importance of environmental aspects, the Company has established management guidelines through policies and measures to reduce and prevent the release of pollutants or waste into the environment. This involves continuously improving business activities from the process of receiving goods to the delivery of products to ensure that the Company complies with environmental requirements and standards. Throughout its operation, the Company has never encountered disputes or issues related to environmental impact.

The Company selects high-quality machinery and tools for product manufacturing to reduce electricity consumption and production errors that may lead to waste. The Company has a policy of using alternative energy sources such as solar energy or solar cell systems to generate electricity for production. Additionally, there is continuous improvement in the logistics system, optimizing transportation routes to increase efficiency, reduce transportation costs, and minimize greenhouse gas emissions.

For wastewater and hazardous substance management, the Company treats wastewater and hazardous substances in compliance with legal requirements and international standards. Regarding the management of waste or excess materials from production, the Company sells scrap materials to licensed waste disposal facilities in accordance with the law. Additionally, the Company promotes tree planting campaigns around the factory area to increase green spaces for the community.



#### 4) Business Assets Used in Business Operations

As of December 31, 2024, BLC has the following main assets used in business operations

##### Land owned by BLC

	Deed number	Area (in rai-ngan-square wah)	Usage characteristics	Type of ownership	Book value (million baht) as of December 31, 2024.	Obligations
1	71741	25-3-4	Manufacturing Plant Office and Research Center	Ownership Right	12.88	Mortgaged to the bank.
2	71742	3-0-5	Finished Goods Shipping Building	Ownership Right	1.51	Mortgaged to the bank.
3	71553	46-3-70	Finished Product Plant and Warehouse	Ownership Right	23.46	Mortgaged to the bank.
4	71054	16-1-81.1	Undeveloped area	Ownership Right	8.23	-
5	72023	32-2-62.4	Solar Farm	Ownership Right	16.33	Mortgaged to the bank.
6	72026	20-3-86	Materials warehouse, waste storage and wastewater treatment pond, new production building	Ownership Right	10.48	Mortgaged to the bank.
7	114916	3-2-0	Undeveloped area	Ownership Right	2.41	-
8	14829	0-0-30.8	Office building	Ownership Right	6.16	Mortgaged to the bank.

	Deed number	Area (in rai-ngan-square wah)	Usage characteristics	Type of ownership	Book value (million baht) as of December 31, 2024.	Obligations
9	14830	0-0-29.2	Office building	Ownership Right	7.55	Mortgaged to the bank.
รวม					89.01	

#### Buildings and building improvements.

Deed number	Area (in rai-ngan-square wah)	Usage characteristics	Type of ownership	Book value (million baht) as of December 31, 2024.
Title Deed Numbers 72026, 71553, 71741, and 71742.	Head Office, Production Plant, Research Center, Distribution Center, Warehouse, Waste Storage, and Wastewater Treatment Pond	Ownership Right	94.40	Mortgaged to the bank.
Building number 876/21-22 Rama 6 Road, Ratchathewi District.	Office BDC	Ownership Right	5.53	Mortgaged to the bank.
Building number 876/21-22 Rama 6 Road, Ratchathewi District.	Office BDC	Building tenant	0.44	-

<b>Deed number</b>	<b>Area (in rai-ngan-square wah)</b>	<b>Usage characteristics</b>	<b>Type of ownership</b>	<b>Book value (million baht) as of December 31, 2024.</b>
Building number 874 Phetchaburi Road, Ratchathewi District.	PAC Office	Building tenant	0.06	-
Building number 48 Phetchaburi Road, Ratchathewi District.	BRC Office FLC Office	Building tenant	0.26	-
Building number 44-46 Phetchaburi Road, Ratchathewi District.	PAC Office	Building tenant	0.01	-
			<b>100.70</b>	

## Trademarks of BLC

BLC has approximately 400 trademarks registered with the Department of Intellectual Property. Some notable examples include:

<b>CAPSIKA</b>	<i>DIABEDERM</i>	
CALZA	<i>CLENASCAR</i>	PLAIVANA
CLINIGEL	GASTROBISMOL	Radiara
<b>kachana</b>	Burnova	DRONALIC
<b>SYNOVAR</b>	Raqua  VIVA	

## Key Business Licenses

Key licenses for operating the business of manufacturing and distributing modern medicines (generic and new generic), herbal medicine products, veterinary medicine products, cosmetics, dietary supplements, and other products include factory operating licenses, drug import licenses, manufacturing licenses, product registration certificates, sales licenses, etc. The group of companies has received licenses to operate key businesses which can be summarized as follows:

	Licenses	Types of licenses
1.	Ror.Ngor. 4 Factory Operating License	BLC is permitted to manufacture modern medicines, traditional medicines, dietary supplements, cosmetics

	<b>Licenses</b>	<b>Types of licenses</b>
		and mosquito repellents, and to produce electricity from solar energy.
2.	Nor.Yor. 2 License for Importation or Ordering of Modern Medicines into the Kingdom	BLC and FLC are authorized to import or order modern medicines into the Kingdom (of Thailand).
3.	Or. 7 License for Importation or Ordering of Food into the Kingdom	BLC and FLC are authorized to import food for sale, including food products and dietary supplements.
4.	Sor.Bor.Nor. 1 Medical Device Import Establishment Registration Certificate	BLC is authorized as an establishment for the importation of medical devices.
5.	Por.Yor. 2 License for Manufacturing Modern Medicines	BLC is authorized to manufacture modern medicines for human and animal use, including general medicines and cephalosporins.
6.	Sor.Por. 2 License for Manufacturing Herbal Products	BLC is authorized to manufacture herbal products
7.	Or. 2 Food Manufacturing License	BLC is authorized to establish a factory for the production of food, including dietary supplements, soy milk in airtight containers, as well as beverages and food in airtight containers.
8.	Cosmetic Product Notification Certificate	BLC is authorized to establish a cosmetics manufacturing facility.
9.	Sor.Bor.Por. 1 Medical Device Manufacturing Establishment Registration Certificate	BLC is authorized as a medical device manufacturing establishment.
10.	Khor.Yor. 5 License for Sale of Modern Medicines	BLC is authorized to sell modern medicines at retail at Thai Thad Sane 1, a store located within BLC's factory premises
11.	"Tor. Yor. 8 License for Wholesale of Modern Medicines	Authorized to allow BDC, BMC, BRC, PAC, and FLC to wholesale finished pharmaceutical products.

	<b>Licenses</b>	<b>Types of licenses</b>
12.	Tor. Yor. 2, Registration Certificate for Modern Medicine Formulation (Manufacturing)	BLC registers over 164 formulations of modern medicines for production.
13.	Form Tor. Bor. 2, Registration Certificate for Herbal Product Formulation	BLC registers more than 5 herbal product formulations for production.
14.	Form Tor. Yor. 5, Registration Certificate for Traditional Medicine Formulation (Manufacturing)	BLC registers over 93 traditional medicine formulations.
15.	Form Sor. Bor. 5/1, Food Registration Certificate	BLC registers over 61 types of food supplements for production.
16.	Form Jor. Ror. 1, Cosmetic Manufacturing Service Registration Certificate	BLC registers over 36 types of cosmetics for production.
17.	Form Jor. Por. 1, Cosmetic Manufacturing Notification Certificate for Sale	BLC registers over 18 types of cosmetics for production.
18.	Form Bor. Jor. Jor. Por. 1, Medical Device Manufacturing Notification Certificate	BLC registers to manufacture medical devices.
19.	License for Operating a Health-Hazardous Business	BLC is authorized to manufacture pharmaceuticals, food products, and cosmetics.

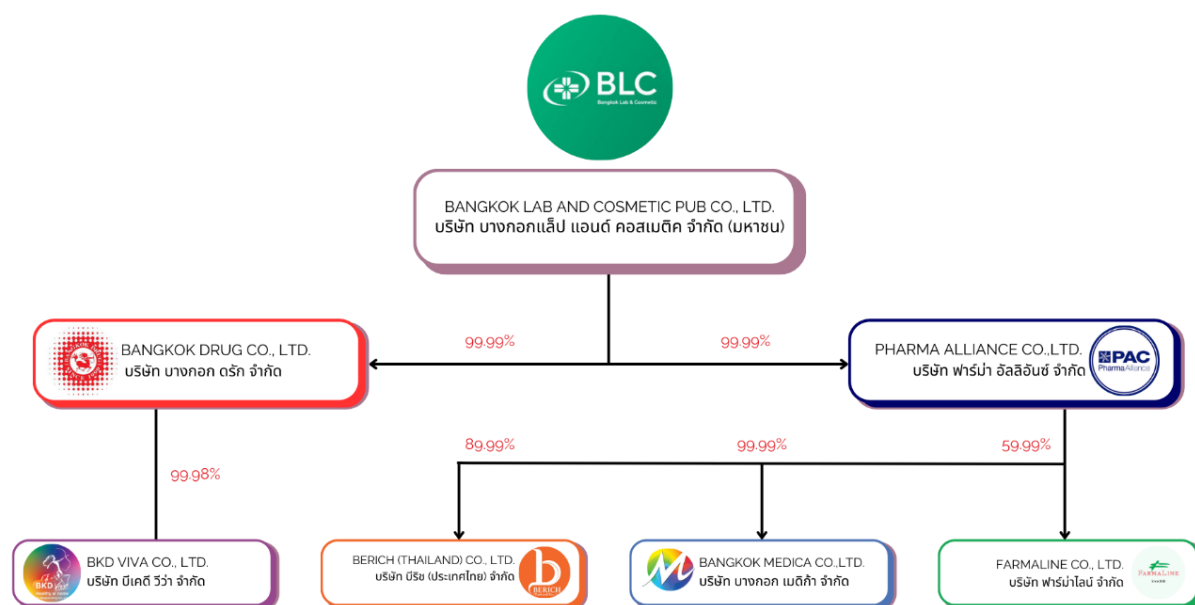
	<b>Licenses</b>	<b>Types of licenses</b>
20.	Form Bor. Kor. Sor. 1, License to Sell Specific Controlled Animal Feed	BMC is authorized to sell specific controlled animal feed.
21.	Form Wor.Or. 2, Hazardous Substance Manufacturing License	BLC is authorized to manufacture 6 types of hazardous substances.
22.	Form Wor.or./Sor. Thor. 2, Hazardous Substance Registration Certificate	BLC registers 8 types of hazardous substances.
23.	Form Wor.Or. 6, Hazardous Substance Export License	BRC is authorized to export 2 types of hazardous substances.
24.	Form Por. Yor. Sor. 3, License to Manufacture Category 3 Narcotics	BLC is authorized to manufacture Category 3 narcotics.
25.	License to Sell or Possess for Sale Narcotics	BLC and BDC are authorized to sell Category 3 narcotics, and BLC is authorized to possess Category 2 and Category 4 narcotics.
26.	Form Jor. Por. 2, Notification Certificate for the Production of Pathogens and Toxins from Animals	BLC is authorized to possess 15 types of pathogens and toxins derived from animals.



	Licenses	Types of licenses
27.	Form Yor. Sor. 27, Registration Certificate for Category 3 Narcotic Drug Formulation	BLC registers one narcotic drug formulation.

### 1.3 Shareholding Structure of the Company Group

#### 1.3.1 Shareholding Structure and Voting Rights of the Company



#### business operations of the group of companies

Subsidiary name	Shareholding ratio	Business activity
1. BANGKOK DRUG CO., LTD. (BDC)	BLC Shareholder 99.99%	Selling modern pharmaceutical products, including both generic and new generic drugs. The product categories emphasize pain relievers, musculoskeletal and joint medications, dermatological medications, etc. Additionally, it distributes herbal medicine products and nutritional supplements.
2. PHARMA ALLIANCE CO., LTD. (PAC)	BLC Shareholder 99.99%	Engaging in business operations that provide services for inventory

Subsidiary name	Shareholding ratio	Business activity
		management, procurement systems, accounting and finance systems, information technology systems, and transportation systems to the Company group. It also conducts activities related to international partner sourcing and export.
3. BANGKOK MEDICA CO., LTD. (BMC)	PAC Shareholder 99.99%	Conducting business in the sale of pharmaceutical products for animals.
4. BERICH (THAILAND) CO., LTD. (BRC)	PAC Shareholder 89.99% Mr. Prasit Chulputipong holds 10%	Conducting business in the sale of skincare and beauty products.
5. FARMALINE CO., LTD. (FLC)	PAC Shareholder 59.99% Mr. Wirot Phichitnitikorn holds 30% Mr. Sirawut Kunchamnan holds 5% Mr. Chalermchai Anantavijit holds 5%	Distributing modern pharmaceutical products, including both generic and new generic drugs, with a focus on medications for the digestive system, respiratory system, and infectious diseases.
6. BKD VIVA CO., LTD. (BKD)	BDC holds 99.99% of the shares Mr. Tira Thanachirawat holds 0.01% of the shares. Mr. Pakorn Payaksiri holds 0.01% of the shares.	For wholesaling and retailing of modern medicines, dietary supplements, cosmeceuticals, over-the-counter drugs, general herbal products, and medical devices, and to conduct direct marketing business.

### 1.3.2 Individuals Who May Pose Conflicts of Interest

- None. There are no other individuals holding shares in the subsidiaries who may pose conflicts of interest with BLC.

### 1.3.3 Relationship With the Business Group of Major Shareholders

- BLC has no significant relationship or involvement with the other businesses within the founding group.

### 1.3.4 Shareholder

Top 10 Major Shareholders of BLC as of December 30, 2024

Order	First Name-Last Name	Share	% Share
1	Mr. Suvit Ngampoopun*	139,000,000	23.17
2	Ms. Sunisa Mongkolareepong	94,500,000	15.75
3	Mr.Somchai Phisphahuthan*	88,750,000	14.79
4	Mr. Subhachai Saibour*	22,500,000	3.75
5	Mr.Ponlatape Saowkaew	22,500,000	3.75
6	Mrs. Kakkanang Porkaew	18,060,000	3.01
7	Mr.Pongpan Porkaew	18,000,000	3.00
8	Mr.Thongchai Phantong	11,250,000	3.20
9	Mrs. Supa Lertwilaiwittaya	10,420,000	1.74
10	Mr.Pruchya Werachattawatchai	5,255,000	0.86
<b>Total</b>		<b>430,235,000</b>	<b>73.02</b>

\*Note: These are the company founders

### Changes in shareholding of directors and executives

Order	First Name-Last Name	Number of shares held		Change (+/-)
		December 28, 2023	December 30, 2024	
1	Mr. Wanchai Sutananta	-	-	-
	Spouse/Minor Child or Spouse/Dependent Child	-	-	-
2	Mr. Worathep Gorgitpoonpol	-	-	-
	Spouse/Minor Child or Spouse/Dependent Child	-	-	-
3	Mr. Thanadol Ruksapol	200,000	200,000	-
	Spouse/Minor Child or Spouse/Dependent Child	-	-	-
4	Mr. Suvit Ngampoopun	131,961,600	139,000,000	7,038,400
	Spouse/Minor Child or Spouse/Dependent Child	94,500,000	94,500,000	-
5	Mr. Subhachai Saibour	22,500,000	22,500,000	-
	Spouse/Minor Child or Spouse/Dependent Child	-	-	-
6	Mr.Somchai Phisphahuthan*	90,000,000	88,750,000	(1,250,000)
	Spouse/Minor Child or Spouse/Dependent Child	-	-	-
7	Mr. Surasilp Ngampoopun	-	-	-

Order	First Name-Last Name	Number of shares held		Change (+/-)
		December 28, 2023	December 30, 2024	
	Spouse/Minor Child or Spouse/Dependent Child	-	-	-
8	Mr. Alongkorn Leelaupathikan	5,000	5,000	-
	Spouse/Minor Child or Spouse/Dependent Child	-	-	-
9	Mr. Wongsathorn Ngam-anak	72,000	73,000	1,000
	Spouse/Minor Child or Spouse/Dependent Child	-	-	-
10	Mr.Rachain Sittisang	2,000	2,000	-
	Spouse/Minor Child or Spouse/Dependent Child	-	-	-
11	Ms.Anuporn Pattavanichkun	124,700	189,700	65,000
	Spouse/Minor Child or Spouse/Dependent Child	-	-	-
12	Ms.Woranuch Kongsupapsiri	40,000	40,000	-
	Spouse/Minor Child or Spouse/Dependent Child	-	-	-
13	Ms.Phiraya Chanpatya	2,500	-	(2,500)
	Spouse/Minor Child or Spouse/Dependent Child	-	-	-
14	Mr.Pakorn Thongklawe	4,000	4,000	-

Order	First Name-Last Name	Number of shares held		Change (+/-)
		December 28, 2023	December 30, 2024	
	Spouse/Minor Child or Spouse/Dependent Child	-	-	-

#### 1.4 Number of Registered Capital and Paid-up Capital

##### 1.4.1 Common Stock

The Company already registered 300,000,000 baht, divided into 600,000,000 common shares with a par value of 0.5 baht per share.

#### 1.5 Issuance of other securities

##### 1.5.1. Convertible securities

- No

##### 1.5.2 Debt instrument (Bond)

- No

#### 1.6 Dividend policy

The Company and its subsidiaries have a policy to distribute dividends to shareholders at a rate not less than 40% of net profits from the financial statements specific to business operations, after deducting corporate income tax and allocating reserves according to laws and regulations and the Company's and subsidiary's regulations. However, the distribution of such dividends may be subject to change. This will be evaluated based on operational performance, investment plans, financial status, liquidity, business expansion plans, the necessity of using working capital for management and the expansion of the Company's and subsidiaries' businesses. Additionally, economic conditions and other relevant considerations, including the future management of the Company and subsidiaries, will be considered.

In this regard, the payment of annual dividends must be approved at the shareholders' meeting, unless it is an interim dividend. In such cases, the Board of Directors has the authority to approve interim dividend payments on a temporary basis when it deems that the Company and its subsidiaries have sufficient profits to distribute without impacting their operations.

Reports on such interim dividend payments will be presented at the next shareholders' meeting for acknowledgment meeting.

In the years 2022-2024, BLC distributed dividends from Separate Financial operations as follows:

	2022	2023	2024
Net Profit Margin (Baht : Share)	0.22	0.25	0.29
Dividend Rate (Baht : Share)	12.66	0.10	0.15
Dividend Payout Ratio (%)	89.99	56.89	56.92

## **2 Risk Management**

### **2.1 Risk Management Policies and Plans**

#### **Risk Management Policies**

The Company is committed to creating value for the Company group and its stakeholders, aiming for sustainable growth and business expansion. However, in the current and future business operations, the group is constantly exposed to risks. The Company acknowledges the importance and necessity of implementing an international standard risk management system within the Company group. Therefore, the Risk Management Policy was established and approved at the Board of Directors Meeting No. 2/2022 on February 28, 2022. The policy became effective on March 28, 2022, and has been annually reviewed and approved at the latest Board of Directors Meeting No. 6/2022 on October 19, 2022. Additionally, a risk management manual has been developed as a guideline for management and all employees, incorporating the principles of COSO ERM 2017 to assess risks. The risk assessment process is divided into three main steps: (1) Preliminary Assessment: This involves evaluating the nature of the business by analyzing data from the business model. (2) Business Unit Assessment: This step assesses the operational practices to determine if there are control processes in key steps to prevent risks. The results are summarized to identify the risk areas, categorized as high, significant, moderate, or low risk. (3) Post-Implementation Assessment: the assessment is conducted after measures have been implemented to reduce risk levels.

In this regard, the Board of Directors emphasizes the importance of risk management in conjunction with strategic planning. A Risk Management Committee has been appointed to establish frameworks, and assess, approve, and monitor risk management plans. Simultaneously, the Audit Committee is tasked with controlling, overseeing, and ensuring appropriate risk management. This is to ensure that risk management systems are being effectively implemented throughout the organization. The Risk Management Committee and the Audit Committee should communicate with each other to understand significant risks and their connection to internal controls. Both committees are required to regularly report to the Board of Directors every quarter.

To ensure the Company's confidence that it has an adequate and appropriate internal control system for risk management, the Company has adopted the Three Lines of Defense Model to assess risk management practices. The model designates the first line as the risk



owners, the second line as the risk management function or supervisory team overseeing risk management, and the third line as the internal audit.

The risk management policies can be summarized as follows:

1. The Company group conducts its business within acceptable risk levels to achieve the objectives of the Company group and respond to the expectations of stakeholders. Risk management is an integral part of business operations, with regular reviews conducted annually. This includes managing operations, decision-making processes, and various project management processes. Identifying and managing risks that impact the achievement of the Company group's objectives will be systematically handled to maintain them within acceptable levels and prevent any losses to the business operations. Continuous monitoring is also implemented.
2. All executives and employees bear responsibility for risk management, and they must adhere to the roles, duties, and responsibilities outlined in the risk management manual of the Company group.
3. Executives and employees are required to report risks, assess their significance based on the guidelines provided in the Company group's risk management manual, and specify the risk management procedures and the individuals responsible for addressing them. This report should be presented to the respective authorities in the hierarchical order for acknowledgment.
4. All executives and employees must integrate risk management and risk management plans into their daily operations at various levels of the organization, including the organizational, departmental, unit, division, and process levels.
5. Upon identifying or becoming aware of any potential risks or risks within the Company group that have not been addressed and may impact on the Company group, executives and employees are required to report such risks to the respective authorities for acknowledgment.
6. All executives and employees bear responsibility for the Company's risk, which involves identifying, assessing, and determining appropriate measures to manage risks, including regular reviews of risk management practices and updates to risk management procedures.
7. The Company group promotes and communicates the integration of risk management into the organizational culture. This includes raising awareness among executives and all employees about the significance of risk management.

The Board of Directors regularly reviews the Company group's risk management policies on a yearly basis.

#### **A risk management plan.**

Risk management plans encompass a minimum of four aspects, as follows:

1) Strategic Risk – Risks arising from the formulation and implementation of strategic plans, including inadequate alignment with policies, strategic objectives, the structure of the Company group, competitive landscape, resources, and the environment. These factors may impact the Company group's objectives or targets.

2) Operational Risk – Risks associated with operational processes at every stage, stemming from poor business supervision or inadequate internal controls. This includes aspects related to current processes, equipment, information technology, personnel in operational roles, and asset security.

3) Financial Report Risk – Risks related to financial flexibility, profit-making capability, and financial reporting.

4) Compliance Risk – Risks arising from non-compliance with laws, regulations, and rules.

#### **2.2 Risk Factors to the Company's Business Operations.**

##### **Strategic risk**

##### **2.2.1 Risk of New Product Development Research Not Meeting the Market Launch Deadline**

The pharmaceutical industry is highly competitive. The company's modern medicine products can be classified as generic drugs and new generic drugs. New generic drugs are drugs with the same active pharmaceutical ingredient as the original brand-name drug, which is often expensive. As the patent protection of these original drugs nears expiration, domestic drug manufacturers will research and develop new generic drug formulas that are like the original drug formula, with comparable quality, safety, and therapeutic effectiveness, to prepare for registration with government agencies and production when the patent protection expires. Manufacturers can then sell the generic drugs, which are more affordable than the original drugs. Currently, there are several operators in Thailand with the potential to produce generic and new generic drugs comparable to the companies.

The impact of the company's new product launch is unsuccessful could lead to revenue not meeting targets and loss of market opportunity. The company's risk control measures include establishing a committee to consider new products to identify and select new products

with future potential, as well as conducting feasibility studies of such products, defining clear marketing strategies for new products, and holding sales and marketing meetings to adjust marketing plans to adapt to changing circumstances.

### **2.2.2 The new production building is not being utilized as planned.**

The company was listed on the Stock Exchange in 2023 with the aim of using some of the raised capital to build a new drug production building to expand the increased production capacity of generic and new generic drugs. The new drug production building is divided into two parts: 1) the drug production building, and 2) the raw material warehouse. The risks that may occur when the utilization of the new production building does not meet the planned

(1) The new production building will not be completed within the year 2026. The company's growth targets will not be met as planned, impacting shareholders and investors who will lose confidence. The company's control measures include the establishment of a working group to inspect, monitor, control, and resolve construction issues. Joint meetings between the contractor and the company are held at least once a month to track construction progress and identify any problems that arise to prevent construction delays beyond the planned schedule.

(2) Regarding corporate income tax incentives (BOI), after the construction of the new production building is completed, the Company can utilize corporate income tax incentives for drugs produced from the new production building. The Company has established a department responsible for claiming tax incentives to monitor and coordinate the use of the incentives.

### **2.2.3 Promotional activities for the product have not been able to increase customer/user awareness.**

Pharmaceutical products are strictly regulated by government agencies. Each sales promotion activity requires permission from the Food and Drug Administration (FDA), which has regulations and timelines for requesting permission, including strict scrutiny from the government. As a result, sales promotion activities may not be able to create the impact that the company expects. In the current era where consumer behavior is changing rapidly, companies with high brand awareness have an advantage in reaching consumers and achieving better sales than competitors. The company manages this by checking the content in advance before sending it to government agencies to reduce the inspection time and finding other communication channels authorized by the authorities, including direct communication with groups of medical professionals, making consumers feel confident because they receive direct advice from experts.

#### **2.2.4 Corporate carbon footprint**

Currently, climate change has become a global issue of significant concern, with organizations across sectors, including businesses, governments, and public agencies, recognizing the need to reduce greenhouse gas emissions, a key factor contributing to global warming. Actions to address climate change are therefore a priority for the company to demonstrate environmental responsibility. The group of companies faces risks from increased greenhouse gas emissions due to increased production, transportation of goods, and various activities. Therefore, measures have been established to reduce the organization's carbon footprint by using renewable energy, such as the second 1.5 MW Solar Farm and a 1 MW Solar Roof, for production, and by implementing measures to reduce greenhouse gas emissions within the company. Additionally, employees are educated and made aware of greenhouse gas emissions from general operations.

### **Operational Risks**

#### **2.2.5 Finished goods inventory exceeds demand**

Due to the limited shelf life of pharmaceutical products and the relatively high cost of storage, there can be an impact on the company's net profit. This can be caused by several factors, such as lower than expected sales, inaccurate sales forecasts, or excessive imports of finished goods. The company's risk management measures include maintaining a weekly record of the movement of finished goods and work-in-progress and using this data to closely adjust sales forecasts. There are regular monthly meetings with the distribution company, which include monthly production planning to align with the current situation. The responsibility for sales forecasting is assigned to individuals directly responsible, with high-level management oversight.

#### **2.2.6 Cybersecurity threatened with information technology systems**

Cyber threats are currently inherent in computer use, whether it is installing programs downloaded for free from the internet, importing files from various sources, or even working through online systems, which greatly affects the company if there is a cyber-attack, whether in terms of confidential business information, sensitive data leakage, or data being stolen for ransom. Therefore, there is a policy to control computer use within the company, continuous business continuity plan exercises to prevent business disruption, and the preparation of a threat response and recovery plan, vulnerability checking of information systems, and testing employee response to threats in simulated situations.

### **2.2.7 Inventory is no longer in demand by distribution channels/cannot be used in the production process**

In the drug manufacturing process, it is necessary to stockpile raw materials for production to ensure stable delivery of goods to customers. However, sometimes the stockpiling of raw materials may be excessive. In addition, there are other factors such as products not being in demand by consumers, resulting in sales below targets, and over-optimistic sales forecasts combined with a relatively short product shelf life. This can result in having to provide for more obsolete inventory, increased inventory storage costs, some products expiring with costs incurred for disposal, or even having to reduce prices/offer promotions to clear inventory, which may affect the company's net profit. The company has measures in place to manage this risk by monitoring and quickly extending the shelf life of products that have passed stability studies, allowing for an extension of the expiration date for products that meet the criteria. There is a product return policy and negotiations to adjust the purchase volume of goods to better suit the needs between the factory and distributors.

## **Financial Reporting and Data Risks**

### **2.2.8 Financial Costs**

In the past year, the global economic situation has faced volatility from the monetary policies of central banks in many countries, including maintaining high interest rates by the US Federal Reserve, forcing the Bank of Thailand to implement appropriate policies to maintain domestic economic stability. The volatility has affected the rising inflation rate and created pressure on business operations in many sectors, including the Company, especially in terms of higher financial costs. The Company has therefore implemented measures to mitigate the impact by planning and managing finances prudently. The main measures implemented by the Company include preparing an annual budget to set spending guidelines and controlling expenses within an appropriate framework, continuously coordinating with banks to maintain interest rates at an acceptable level and studying the feasibility of projects for high-value projects or activities to assess the suitability and cost-effectiveness of investments. These approaches reflect the Company's commitment to adapting amidst economic volatility and maintaining long-term financial stability.

## **Legal, Regulatory, and Compliance Risks**

### **2.2.9 Product complaints**

Product complaints encompass several critical factors, such as product safety, product quality, accuracy of information provided to consumers, and intellectual property infringement, etc. These risks can have severe impacts on the group of companies, whether in terms of corporate image, reduced revenue, or loss of opportunities in the competitive market. The group of companies has established control measures, including quality control of raw materials, packaging, and products throughout the process, from receiving until release for sale, along with regular product stability studies to guarantee product quality in compliance with regulations and prevent product complaints from consumers. In terms of research and development, the company checks patents for the production of generic and new generic drugs and requests permission to use research rights from intellectual property owners to prevent lawsuits for patent infringement.

## **3. Driving Business for Sustainability**

### **3.1 Sustainability Management Policies and Goals**

Bangkok Lab & Cosmetic Public Company Limited ("the Company") recognizes the importance of operating its business for sustainable growth, focusing on conducting business with care and concern for stakeholders with integrity, ethics, and code of conduct, as well as emphasizing sustainable investment that takes into account environmental, social, and governance (ESG) performance. The Company hopes that operating under the concept of sustainability will benefit the community alongside the Company's growth. To this end, the Company has formulated a sustainability policy divided into 9 categories as follows:

#### **1. Conducting business with fairness**

The company is committed to conducting business with honesty, integrity, and ethical conduct, and is determined to compete fairly in accordance with ethical standards, laws, and equitable competition, including rejecting any behavior that hinders fair competition, such as acquiring confidential information from competitors, soliciting, receiving, and providing any unfair commercial benefits, etc. Furthermore, the company respects the intellectual property rights of others, and has a policy requiring personnel to comply with laws or regulations regarding intellectual property rights, such as using computer programs that are legally licensed, etc. The company has developed a Code of Conduct, Corporate Governance Policy, and Social Responsibility Policy to establish principles for conducting business that all employees adhere

to. In addition, the company has projects to promote and instill social responsibility among its personnel at all levels.

## 2. Anti-corruption measures

The company manages its affairs on the basis of transparency, ethical conduct, adherence to good corporate governance principles, and compliance with laws related to the prevention and suppression of fraud and corruption, giving or receiving bribes and gifts to government officials or the private sector. The company has established an organizational structure with clear divisions of duties and responsibilities, work processes, and lines of command in each department to ensure checks and balances and appropriate mutual scrutiny. Details are in the company's Anti-Corruption Policy, which was developed for directors, executives, and employees to adhere to.

## 3. Respect for human rights

The company has a policy to support and respect the protection of human rights in accordance with international standards, covering all its operations. It provides human rights education within the organization and conducts periodic assessments. This involves treating all stakeholders, including employees, communities, and surrounding society, with respect for human dignity, considering equality and equal freedoms, not violating fundamental rights, and not discriminating on the basis of race, nationality, religion, language, skin color, gender, age, education, physical condition, or social status. This includes ensuring that the company's business is not involved in human rights violations, directly or indirectly, such as child labor and sexual harassment. In addition, the company has protection and remedy mechanisms by allowing employees, communities, and society to participate in expressing their opinions and providing channels for complaints or grievances for those who have suffered harm from human rights violations resulting from the company's operations, and taking appropriate corrective and remedial actions. To ensure effective respect for human rights, the company provides human rights education and instills in its personnel a commitment to comply with human rights principles.

## 4. Employee treatment

The company recognizes the importance of human resource development and fair labor practices as key factors that contribute to increasing the value of the business and enhancing its competitiveness and sustainable growth in the future. The company respects and practices

Adhering strictly to the law and ethical principles. The company has established the following policies and guidelines:

4.1 Respect employees' rights in accordance with human rights principles and comply with labor laws.

4.2 Provide fair hiring processes and employment conditions, including setting compensation and considering merit under a fair performance evaluation process.

4.3 Promote employee development by providing internal and external training, seminars, and workshops, including sending employees to attend various academic seminars and training sessions to enhance their knowledge, abilities, and potential, as well as instilling positive attitudes, ethics, morals, and teamwork in employees.

4.4 Provide various employee benefits as required by law, such as social security, etc., and benefits beyond those required by law, such as accident insurance, funeral assistance, special room allowance, get-well baskets, etc.

4.5 Ensure that employees operate safely and have good hygiene in the workplace by providing measures to prevent accidents and building safety awareness among employees, including providing training and promoting good hygiene for employees, and maintaining a healthy and safe workplace at all times.

4.6 Support and encourage employees to express their opinions, file grievances, or report matters related to ethical conduct or corruption within the organization and any wrongdoing in the company, including providing protection to the employees involved.

## 5. Responsibility towards consumers/customers

The company is committed to using standardized, modern, efficient, and internationally recognized environmentally friendly technology to operate its business and develop its products and services for the satisfaction and maximum benefit of consumers/customers, and is committed to treating consumers/customers with responsibility and honesty. The company adheres to the following practices that are consistent with its business.

5.1 The company focuses on quality manufacturing and emphasizes quality control and safety throughout the production process, as well as the readiness of quality personnel coupled with strict quality assurance measures throughout the production process.

5.2 The company is committed to the continuous development of products and services to meet the needs of consumers/customers, so that consumers/customers can use a



variety of products and services that are diverse, high-quality, meet standards, and meet their needs.

5.3 The company adheres to fair marketing practices, ensuring that consumers/customers receive accurate information about the company's products and services, without distortion, ambiguity, or exaggerated advertising, so that consumers/customers have accurate and sufficient information to make informed decisions.

5.4 The company has a customer relationship management (CRM) system in place to communicate with consumers/customers, including managing complaints about product and service quality efficiently, in order to respond to the needs of consumers/customers quickly.

5.5 The company will keep consumer/customer information confidential and will not use such information in any improper way or in a way that is detrimental to the company, and will comply with policies and laws regarding personal data protection.

## 6. Environmental and energy management

The company prioritizes social responsibility in environmental care. The company operates and ensures that its products and services comply strictly with relevant environmental protection laws, including preventing and mitigating negative environmental impacts. The company uses standardized, modern, efficient, internationally recognized, and environmentally friendly technology in its operations. The company's operations must have the least possible impact on the environment, through pollution prevention, waste management, and wastewater treatment. In addition, the company is committed to reducing greenhouse gases by reducing the use of fossil fuels and increasing the use of renewable energy, reducing the use of plastic bags, encouraging employees to work through electronic systems to reduce paper usage, and properly disposing of waste or garbage.

## 7. Community and social development participation

The company recognizes that it is part of the community and society. Therefore, the company has a policy to provide assistance and develop society, cooperate in various activities with the surrounding communities in the areas where the company operates as appropriate, and respond quickly and effectively to events that affect the community, society, and environment due to the company's operations. In addition, the company encourages its employees to participate in community and social development.

8. Having innovation and disseminating innovations resulting from social responsibility, environmental responsibility, and stakeholder engagement.

The Company is committed to conducting its business efficiently by applying innovation to its operations to maximize benefits for society, the environment, and stakeholders, and will disseminate such innovations, including in the annual report (Form 56-1 One Report) and the sustainability report.





#### 9. Personal data protection and cybersecurity





The Company is committed to operating in compliance with all applicable laws, regulations, and rules to ensure data security for the Company and all stakeholders, including establishing cybersecurity to mitigate the risk of damage to the Company's information systems and data. This includes implementing personal data protection and cybersecurity measures.

The Board of Directors, the Executive Committee, all levels of management, and all employees are responsible for complying with established policies, including supporting, promoting, cooperating, and integrating ESG concepts into the organizational culture to enhance sustainable development capabilities.

#### Overall sustainability goals of the group of companies

Currently, the group of companies is developing draft sustainability targets covering all dimensions of environment, social, governance, and economic aspects to be used in setting the direction for the group's sustainability efforts to be carried out efficiently.

Dimension	Objective	Support for the SDGs
 <b>Environmental</b>	<p><b>Greenhouse Gas Management</b></p> <ul style="list-style-type: none"> <li>Reduce greenhouse gas emissions per product weight by 5% annually, compared to the 2023 baseline year.</li> </ul> <p><b>Pollution and Waste Management</b></p> <ul style="list-style-type: none"> <li>Reduce waste volume by at least 8% of production weight (general and hazardous waste only).</li> </ul> <p><b>Resource Management</b></p> <ul style="list-style-type: none"> <li>Reduce electricity consumption from external sources for the production plant by switching to solar farm energy for at least 50% of total energy use.</li> </ul> <p><b>Environmental Aspect</b></p> <ul style="list-style-type: none"> <li>No environmental complaints.</li> </ul>	  

Dimension	Objective	Support for the SDGs
 <p><b>Social</b></p>	<p><b>Customer Relationship Management</b></p> <ul style="list-style-type: none"> <li>Customer satisfaction not less than 85%.</li> </ul> <p><b>Responsible Marketing</b></p> <ul style="list-style-type: none"> <li>No complaints in marketing and advertising.</li> </ul> <p><b>Human Resources Management</b></p> <ul style="list-style-type: none"> <li>Average employee training hours not less than 85 hours/person/year.</li> <li>Employee satisfaction and/or engagement with the company not less than 90%.</li> </ul> <p><b>Occupational Health and Safety</b></p> <ul style="list-style-type: none"> <li>Zero work-related accidents resulting in lost time.</li> </ul> <p><b>Human Rights</b></p> <ul style="list-style-type: none"> <li>No human rights complaints.</li> </ul> <p><b>Community and Social Development</b></p> <ul style="list-style-type: none"> <li>Satisfaction with community and social development activities not less than 85%.</li> </ul>	
 <p><b>Economy and Corporate Governance</b></p>	<p><b>Quality and Product Confidence</b></p> <ul style="list-style-type: none"> <li>No product recalls due to quality issues.</li> </ul> <p><b>Product Research and Development and Innovation</b></p> <ul style="list-style-type: none"> <li>Launch at least two new generic drugs per year.</li> <li>Obtain approval for at least two herbal product formulations from the internal committee per year.</li> <li>Obtain approval for at least three product formulations from the internal committee per year where environmentally harmful organic solvents have been reduced or eliminated.</li> <li>Transition to environmentally friendly secondary packaging for at least 45% of products by 2029.</li> <li>Implement at least 15 Quality Control Circle (QCC) projects per year.</li> <li>Implement at least 30 Kaizen projects per year.</li> <li>Achieve a total cost savings of at least 100,000 baht.</li> </ul> <p><b>Business Ethics</b></p> <ul style="list-style-type: none"> <li>No violations of business ethics.</li> <li>No corruption or bribery.</li> </ul>	

Dimension	Objective	Support for the SDGs
	<p><b>Cybersecurity Management and Personal Data Protection</b></p> <ul style="list-style-type: none"> <li>Zero successful cyberattacks.</li> </ul> <p><b>Supply Chain Management and Raw Material and Product Inventory Management</b></p> <ul style="list-style-type: none"> <li>50% or more of key vendors to have completed ESG training, with an annual increase of at least 10%.</li> <li>10% or more of key vendors to be compliant with ESG guidelines, with an annual increase of at least 5%.</li> </ul> <p><b>Risk Management and Business Continuity</b></p> <ul style="list-style-type: none"> <li>Reduce high-risk levels to low-risk levels.</li> </ul>	

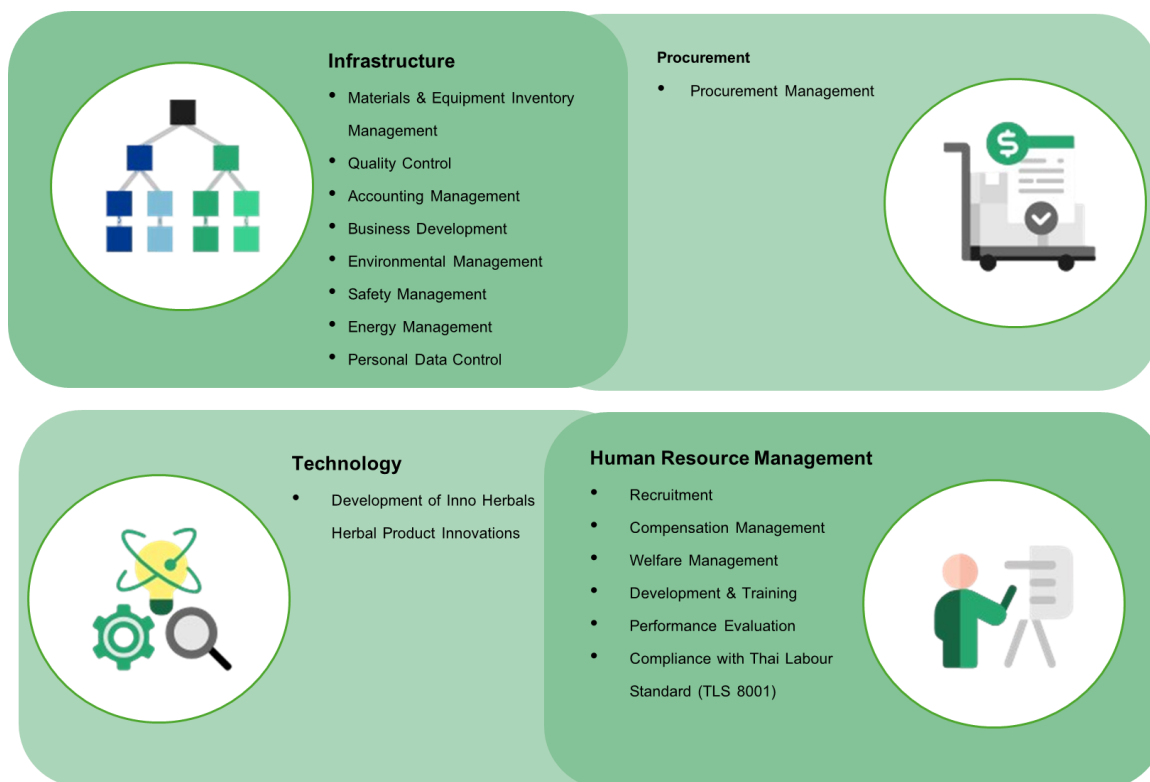
### 3.2 Managing Impacts on Stakeholders in the Business Value Chain

#### 3.2.1 Business Value Chain

The Group places great importance on managing the business's value chain to ensure that the Group's operations are efficient and sustainable, while delivering quality and safe products and services to customers and creating value for all stakeholders. This value chain management



Covering both primary activities and support activities as follows



### 3.2.2 Stakeholder Analysis in the Business Value Chain

Stakeholders	Expectation	Stakeholder engagement	Communication channels
Employee (Individuals with an employment relationship and for whom the company is legally responsible.)	<ul style="list-style-type: none"> <li>Appropriate compensation and benefits, with continuous growth</li> <li>Protection of occupational health and safety</li> <li>Basic benefits as required by law/beyond legal requirements</li> <li>Job security and career advancement</li> </ul>	<ul style="list-style-type: none"> <li>The company sets starting wages in accordance with the law and increases them based on experience and performance</li> </ul>	<ul style="list-style-type: none"> <li>- Comment box</li> <li>- Intranet, Email, LINE, Online meetings</li> <li>- Notice board</li> </ul>

Stakeholders	Expectation	Stakeholder engagement	Communication channels
	<ul style="list-style-type: none"> <li>• Opportunities for learning and self-development</li> <li>• Desire for a good working environment</li> <li>• Need for modern equipment/technology that helps reduce workload</li> </ul>	<p>evaluation results.</p> <ul style="list-style-type: none"> <li>• Employees receive equal rights and benefits.</li> <li>• Skills and knowledge development plans are provided.</li> <li>• Occupational safety is ensured.</li> <li>• A positive work environment is created.</li> </ul>	
Customers/ Consumers (person or entity that receives a company's product for business or	<ul style="list-style-type: none"> <li>- Profit from sales and benefits from marketing promotions to boost sales.</li> <li>- Quality and safe products, with accurate and useful information.</li> <li>- Convenient and fast communication channels.</li> </ul>	<ul style="list-style-type: none"> <li>- The company has sales promotion activities.</li> <li>- The products are high-quality, having received standards from certified bodies.</li> </ul>	<ul style="list-style-type: none"> <li>- Sales agent</li> <li>- Product label</li> <li>- Customer satisfaction survey</li> <li>- BLC letter</li> <li>- website</li> <li>- Plant visit</li> <li>- Telephone / LINE / E-mail</li> </ul>

Stakeholders	Expectation	Stakeholder engagement	Communication channels
personal purposes)  (A person or entity that delivers raw materials/equipment and services to a company)		<ul style="list-style-type: none"> <li>- The company has been certified for various standards systems, including ISO 9001, 14001, 45001, 50001, 22000, and 17025.</li> <li>- Product usage information is communicated to consumers on product labels as required by law.</li> </ul>	<ul style="list-style-type: none"> <li>- Internship for pharmacy students</li> </ul>
third-party service provider  (Individuals or legal entities that supply raw materials/equipment and services to the company)	<ul style="list-style-type: none"> <li>- Receive correct and continuous orders for products or services.</li> <li>- Receive timely payments</li> <li>- Maintaining good buyer-seller relationships.</li> </ul>	<ul style="list-style-type: none"> <li>- Maintain standard product ordering procedures.</li> <li>- Provide transparent payment terms.</li> <li>- Offer operational support to partners via online platforms and consistent phone consultations.</li> </ul>	<ul style="list-style-type: none"> <li>- Maintain regular contact with and solicit feedback from business partners and customers.</li> <li>- Quarterly newsletter</li> </ul>

Stakeholders	Expectation	Stakeholder engagement	Communication channels
		<ul style="list-style-type: none"> <li>- Maintain open channels for complaints via the website and a dedicated phone line.</li> </ul>	
<p>Regulatory agency</p> <p>(monitor and supervise products and operations to ensure compliance with relevant laws and regulations.)</p>	<ul style="list-style-type: none"> <li>- Adhere to the relevant legal and regulatory requirements.</li> <li>- Cooperate in the organization's activities.</li> <li>- Provide support for the organization's activities.</li> <li>- Receive accurate information.</li> </ul>	<ul style="list-style-type: none"> <li>- Adhere to the legal and regulatory requirements set by the governing body.</li> <li>- Cooperate with the activities organized by the regulatory agency.</li> <li>- Provide support to the regulatory agency.</li> </ul>	<p>Newsletter/Email/Exhibition</p> <ul style="list-style-type: none"> <li>- Meeting</li> <li>- Assessment</li> </ul>
<p>Business partner</p> <p>(An entity that collaborates with the company in a business partnership, involving the exchange of information, expertise, and experience, including product research and</p>	<ul style="list-style-type: none"> <li>- Develop collaboration with companies to conduct research within the specified timeframe.</li> <li>- Expect that the research can be further developed for industrial-scale production.</li> <li>- Acquire networks and financial assistance, membership dues, and support for the association's events, while</li> </ul>	<ul style="list-style-type: none"> <li>- We have a research team and communication channels in place to facilitate collaboration.</li> <li>- participate in meetings, pay membership dues, engage in various association</li> </ul>	<ul style="list-style-type: none"> <li>- Phone / Line / Email</li> <li>- Signing a collaboration agreement</li> <li>- Meetings</li> <li>- Surveys</li> <li>- Serving as a speaker</li> </ul>



Stakeholders	Expectation	Stakeholder engagement	Communication channels
development, potentially with revenue and expense sharing over a period.)	being backed by resources from companies in the member group.	activities, cooperate, and exchange information.	
Community (People residing in the vicinity of the establishment, including homes, temples, schools, markets, and government offices, who have the potential to be affected by and benefit from the company's activities.)	<ul style="list-style-type: none"> <li>- Participate in community development, create jobs and income to build stability for people in the surrounding communities.</li> <li>- Require continuous support from the company.</li> <li>- Want the company to consider the environmental impact on the community.</li> </ul>	<ul style="list-style-type: none"> <li>- The company continuously cooperates with and supports the community, for example, by employing teachers</li> <li>- provides transparent information about environmental impacts to the community.</li> <li>- The company prioritizes hiring people from the community.</li> </ul>	<ul style="list-style-type: none"> <li>- Discussion</li> <li>- Contact number of community representative, such as the village headman's number.</li> <li>- Website</li> </ul>
Shareholder/ Investor  (Individuals/entities that hold shares of the company and have the	<ul style="list-style-type: none"> <li>- The availability of accurate, transparent, and timely data supports the analysis of future business viability.</li> </ul>	<ul style="list-style-type: none"> <li>- "Provide returns in line with the expectations of equity holders/investors.</li> <li>- There is a department that</li> </ul>	<ul style="list-style-type: none"> <li>- Conduct Company visits, Opportunity Days, and Analyst meetings every quarter.</li> <li>- Shareholder meeting</li> </ul>

Stakeholders	Expectation	Stakeholder engagement	Communication channels
right to express opinions on its operations and receive benefits from the company's activities, including those who are interested in the company's securities.)		provides information directly to shareholders/investors.	- Company Website
Competitor (An entity that imports or manufactures and distributes products in the same category or substitutable goods.)	- Fair competition	- By collaborating to develop business capabilities, the company remains dynamic and continuously evolves	- The meeting of the Thai Pharmaceutical Manufacturers Association (TPMA)

### 3.3 Environmental Sustainability Management

#### 3.3.1 Environmental policies and practices

The Company recognizes the importance of global warming and greenhouse gas (GHG) emissions, primarily caused by carbon dioxide (CO<sub>2</sub>), which contribute to climate change, rising global surface temperatures, and various natural disasters. Aware of the potential problems and impacts that may arise in the future, as the Company's business operations are directly involved in greenhouse gas emissions, the Company has established a Social and Environmental Responsibility Policy regarding carbon footprint. In addition, the Company has defined strategies

for greenhouse gas management through the use of renewable energy and other important methods.

The Group's Environmental Policy

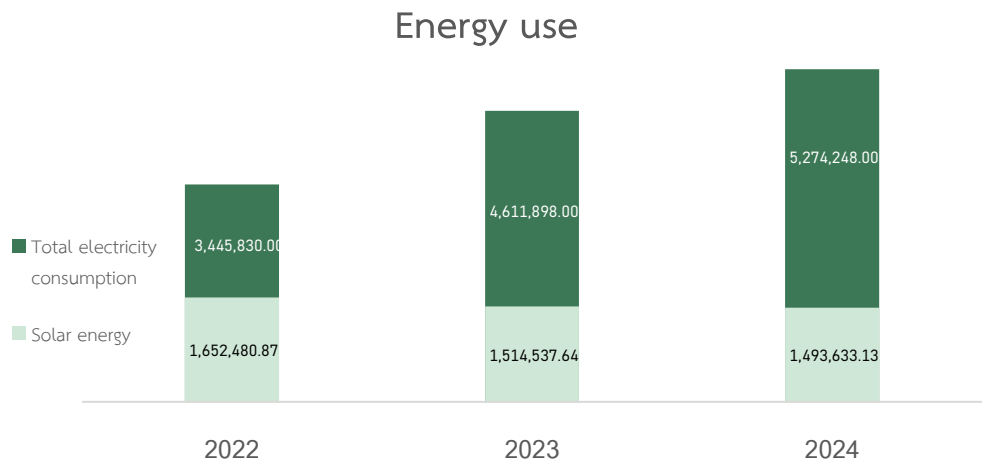


3.3.2 Environmental performance

Energy use

1) Due to the manufacturing processes requiring machinery powered by electricity, the Company has a policy to utilize alternative energy sources or generate electricity using solar energy or solar cell systems. This is aimed at reducing energy consumption and overall costs for the Company. The amount of electricity used is as follows:

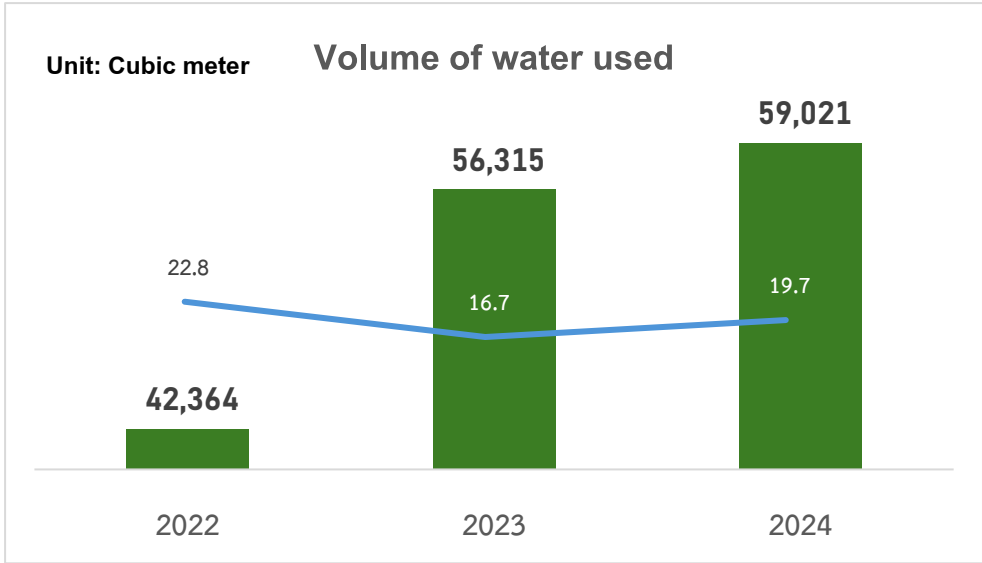
Unit : KWh



Water consumption

The company primarily uses groundwater in its production processes, as well as in various activities within the company. In 2024, the company's water usage was 59,021 cubic meters, an increase of 2,706 cubic meters from 2023, representing a 4.8% increase.

However, when compared to the annual production capacity, the company's water usage per production unit improved from 16.69 tons/liter in 2023 to 19.65 tons/liter in 2024.

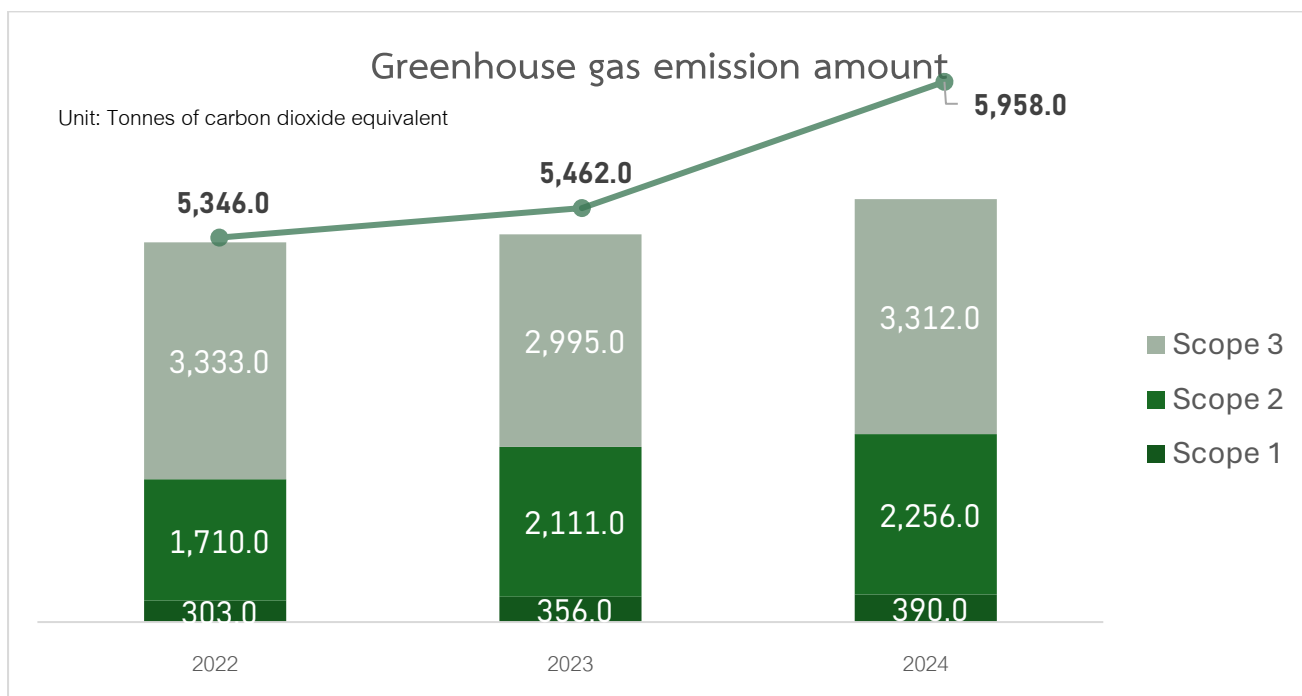


**Greenhouse gas management**

The Company has implemented measures to reduce greenhouse gas emissions, including the use of alternative energy sources, improvements to the product transportation system to decrease emissions, and the selection of high-quality machinery to reduce electricity consumption in the production line. Additionally, the company will expand green areas by promoting tree planting in vacant areas within the factory, thereby increasing green space for the community. The Company has continuously implemented these policies.

The Company has tasked its internal departments with assessing the amount of greenhouse gas emissions from various activities within the Company, such as electricity use and fuel combustion for production, transportation, heating, and steam generation. Currently, the company has completed the assessment of greenhouse gas emissions for 2023 and 2024, as well as the carbon footprint assessment registered with the Thailand Greenhouse Gas Management Organization (Public Organization) or TGO, conducted by TUV NORD (Thailand) Co., Ltd.

As a result of the 2024 organizational greenhouse gas emissions assessment, the greenhouse gas emissions per unit of product in 2024 decreased by 12.98% for Scope 1 and 2 emissions and by 11.53% for Scope 1, 2, and 3 emissions compared to 2023. This achievement meets the Company's target of a 5% reduction in greenhouse gas emissions per unit of product in 2024 compared to 2023."



\*Note: This shows the greenhouse gas emissions figures for Bangkok Lab and Cosmetic Public Company Limited, Ratchaburi Province only.

#### Activities that contribute to greenhouse gas management

##### **Reforestation project to increase green areas: "Planting trees to reduce global warming"**

The Company organized the "Plant Trees, Increase Green Space" activity in collaboration with Village No. 4, Namphu Subdistrict, Mueang District, Ratchaburi Province, to restore green areas. In 2024, the number of participants increased significantly from the previous year by as many as 50 people, as did the planting area. This activity was held in the Community forest area, which, once restored, can be used as a public area for the benefit of people in the Community in the future. This serves as a model for areas within the community to create green spaces, and the project will be expanded to other areas.



2) Improving the logistics system, which is another significant component of the Company's operating costs, is being addressed. Because the company uses trucks for distributing goods to

various locations, whether by its own trucks or by hiring carriers, to reduce transportation costs and reduce greenhouse gas emissions, the Company will efficiently arrange transportation routes, including direct transportation from the company or the product manufacturer (supplier) to customers, by arranging transportation in the same direction.

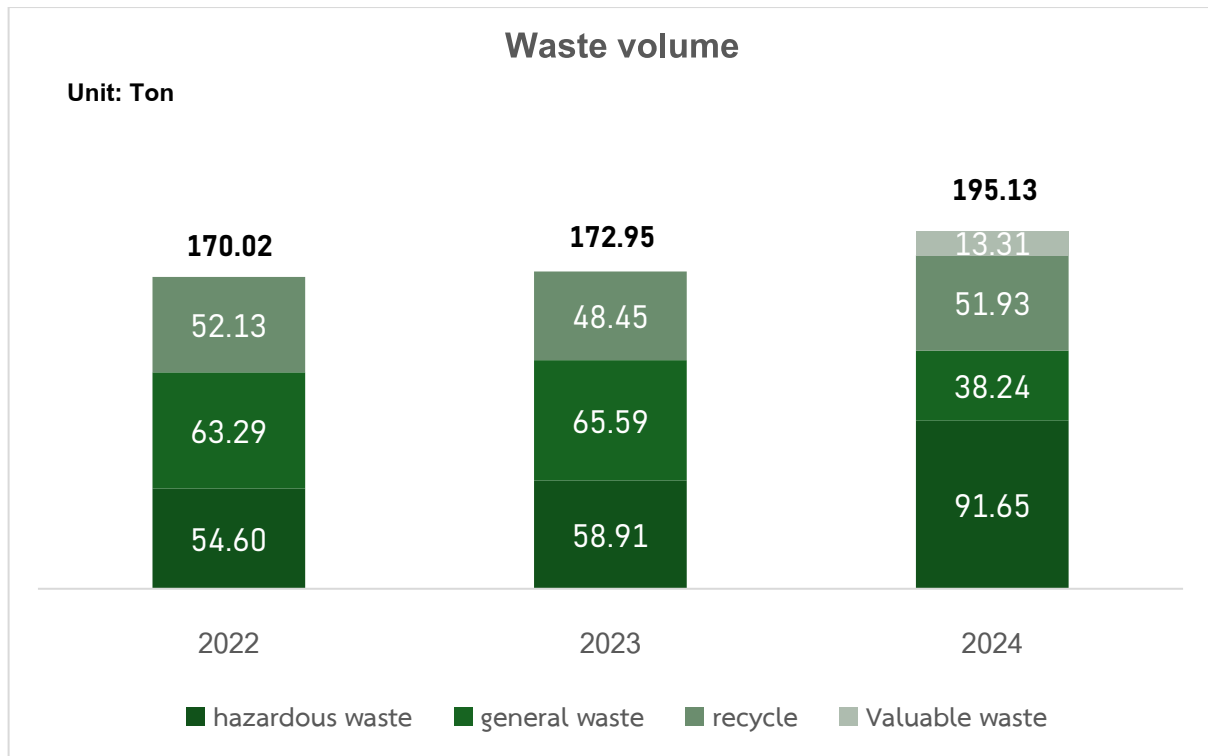
3) The Company has chosen to use high-quality machinery or production line equipment that can help reduce the Company's electricity consumption for production. Although this may increase the Company's production costs, the Company will be able to produce higher quality, more standardized products, which is in line with the Company's marketing strategy that aims to focus on producing high-quality products for customers.

### **Waste, wastewater, and pollution management.**

In managing pollution and waste, BLC operates according to the ISO 14001 environmental management standard policy, by specifying waste types and lists of discarded waste, so that employees can follow the correct waste and discarded waste separation procedures, leading to proper disposal processes as required by law by agencies authorized by the Department of Industrial Works. The company selects contractors to manage waste using the most environmentally friendly disposal methods, although some waste is still landfilled by contractors. The company continues to seek contractors who can use more environmentally friendly disposal methods or improve waste quality to enable disposal through more environmentally friendly methods. Additionally, the company communicates and campaigns to employees to raise awareness of the importance of waste reduction, such as reducing the use of plastic straws by switching to reusable or easily biodegradable straws, using cloth bags or baskets instead of plastic bags, carrying water bottles or glasses instead of plastic bottles, etc. This is to promote sustainable waste reduction and environmental conservation practices.

### **Volume of waste and discharges**

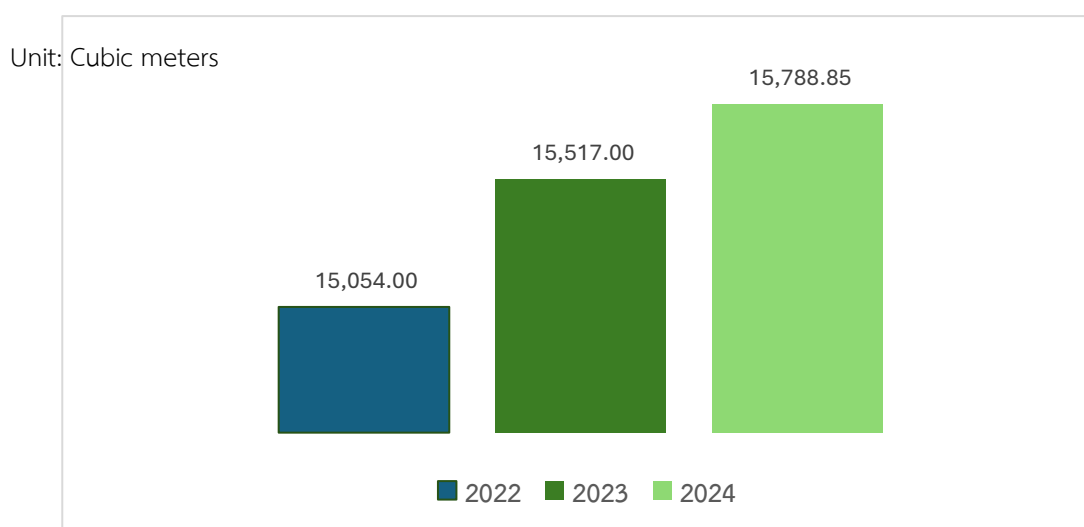
In 2024, the Company will collect data on weight and production weight to analyze waste volume data for the year 2024. This will be used to establish measures for managing waste volume in 2025 and to consider and select waste disposal contractors, with an emphasis on landfill reduction. Landfill reduction is a process or approach aimed at reducing the amount of waste disposed of in landfills, which has both environmental and health impacts. Reducing landfill waste enables more sustainable waste management, helps reduce methane emissions from landfills (a greenhouse gas that contributes to climate change), and also helps conserve natural resources.



#### Wastewater discharge

The Company's wastewater treatment system is divided into 4 zones, each handling wastewater from different production areas. The wastewater undergoes biological treatment, both aerobic and anaerobic. Regular monitoring, analysis, and evaluation of the discharged wastewater quality are conducted. Internal staff perform monthly checks, and external agencies registered with the Department of Industrial Works conduct tests three times a year, as specified in the Ministry of Industry's Notification on Prescribing Standards for Controlling Wastewater Discharge from Factories B.E. 2560. Treated wastewater is not released into the soil or natural water sources. Instead, the company uses the treated wastewater for watering plants within the company premises. The company has an environmental management project to develop the wastewater treatment system and improve wastewater quality.

For wastewater treatment management, the company has a total of four wastewater treatment zones, which handle wastewater from different production areas. The wastewater treatment process uses aerobic and anaerobic biological treatment. The quality of discharged wastewater is monitored, analyzed, and evaluated periodically by internal departments every month, and tested by external agencies registered with the Department of Industrial Works three times per year. The company reuses the treated wastewater for watering plants within the company, with no discharge to the outside. The total amount of treated wastewater in 2024 is summarized in the following image.



### 3.4 Social Sustainability Management

#### 3.4.1 Social Policies and Practices

The Company is committed to developing its business in harmony with economic, social, and environmental balance. We are determined to uphold our position as a good corporate citizen in conducting our business sustainably. We aim to manage our operations for stable growth and social acceptance, grounded in ethical principles and good corporate governance. This includes generating efficient returns for our shareholders while considering the impact of our business operations on all stakeholders.

##### 1) Treatment of employees

#### Employee rights

The Company respects employee rights in accordance with human rights principles and complies with labor laws. We ensure fair employment processes and terms, providing equal opportunities for all, including persons with disabilities and other disadvantaged groups. This



commitment extends to setting compensation and considering performance-based rewards under a fair performance evaluation process.

### **Employee benefits**

In addition, the Company has established an in-house Welfare Committee to represent employees in voicing opinions and consulting with management on welfare development. The Company encourages and supports employees in having channels to express their views, file grievances, or report cases related to misconduct or corruption within the organization, including unethical behavior, while also providing protection to relevant employees to foster a transparent and fair working environment.

<b>Financial benefits</b>	<b>Non-cash benefits</b>	<b>Special benefits</b>
<ol style="list-style-type: none"> <li>1. Funeral assistance benefit</li> <li>2. Marriage assistance benefit</li> <li>3. Ordination assistance benefit</li> <li>4. Get-well gift basket</li> <li>5. Assistance with special room charges (in hospital)</li> <li>6. Housing allowance</li> <li>7. Living allowance</li> <li>8. Transportation allowance</li> <li>9. Provident fund</li> <li>10. Annual bonus</li> </ol>	<ol style="list-style-type: none"> <li>1. Company uniforms</li> <li>2. Training programs</li> <li>3. Establishment of a savings cooperative</li> <li>4. Organizing recreational activities</li> </ol>	<ol style="list-style-type: none"> <li>1. Life insurance or accident insurance</li> <li>2. educational leave</li> <li>3. housing</li> <li>4. Company products at affordable prices</li> </ol>

### **Safety and Occupational Health**

The Company ensures employee safety and well-being in the workplace through measures such as annual fire drills and regular health check-ups. We provide consistent safety training to employees in high-risk groups and strictly adhere to the Occupational Health and Safety Management System standards as defined by ISO 45001.

### **Employee knowledge and skills development**

The Company promotes employee development by providing training, seminars, workshops, and fostering positive attitudes, ethics, morality, and teamwork among employees. The Company has a training plan for employees of no less than 80 hours per year to enhance their skills and knowledge, with most of the training being competency-based for each department.

## **2) Responsibility to customers and consumers**

The Company maintains stringent control over its production operations in accordance with Good Manufacturing Practice (GMP) guidelines, GMP/PICs standards, and the Hazard Analysis Critical Control Point (HACCP) management system. Our laboratory standards are controlled under the ISO/IEC 17025 system, and operations adhere to various international standards, including the Quality Management System (ISO 9001) and Food Safety Management System (ISO 22000). The Company has developed a Product Quality Risk Management Manual and production quality plans for various product types to ensure that products meet quality standards before being delivered to consumers. The company has been certified under various standards for over 10 years and has consistently received awards from the Food and Drug Administration (FDA Quality Award) in the categories of drugs, food, cosmetics, and hazardous substances. As a result, consumers can be confident that they will receive quality products that meet standards, building trust with the Group's business partners.

## **3) Community or social development participation**

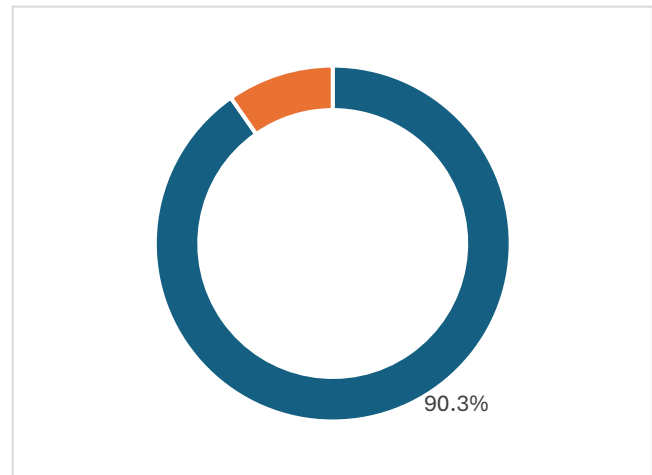
The Group recognizes the current social challenges, including economic inequality, access to education, and public health access. Therefore, the Group is committed to conducting business with responsibility towards communities and society, especially those surrounding its establishments. This is done by engaging in community development with local people to improve their environment and well-being, and promote good health through various activities such as educational support, knowledge sharing, and healthcare assistance. The Group has been continuously working on this for over 30 years, with ongoing development and improvement of activities to address future challenges and changes, thereby promoting sustainable business practices.

## **Social Performance Results**

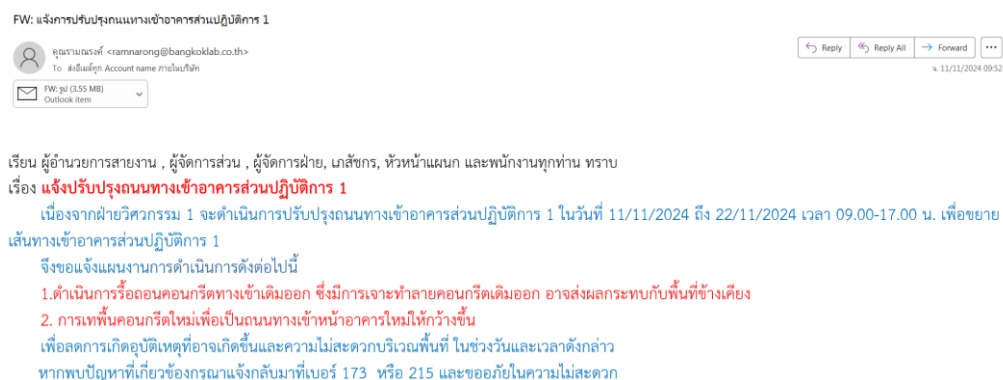
### **Human Resources**

The company conducts assessments of employee satisfaction and engagement with the organization, targeting a score of no less than 90%. The latest assessment resulted in a score

of 90.29%, with no complaints regarding employee rights violations. The Welfare Department, Human Resources Development Department, and the Welfare Committee utilize the assessment results from each section to make improvements that enhance the quality of life for employees within the organization.



In terms of occupational health and safety, the Group provides annual health check-ups and conducts yearly evacuation drills to ensure employee preparedness for emergencies. Employees are also notified via email about areas with potential accident risks. The Group has set a target of zero work-related accidents resulting in lost time, and in 2024, no such accidents have occurred.



The Group has established an annual personnel development plan to enhance employees' knowledge and necessary skills. This plan includes both internal and external training programs, categorized by job function and focusing on expanding work-related knowledge. In 2024, the Group has prioritized Environmental, Social, and Governance (ESG) factors, leading to participation in the ESG DNA initiative to deepen employee understanding in this area. The personnel development plan aims to equip employees with greater knowledge and expertise to

drive the organization's sustainable growth. In 2024, employees received an average of 83 training hours per person.

### **Customers and consumers**

In terms of marketing and advertising, the Group regularly conducts monthly training sessions for sales personnel. These sessions focus on enhancing product knowledge and keeping them up-to-date with the latest information in the pharmaceutical industry. This aims to improve the expertise of sales personnel in providing accurate and current information to customers, including pharmacies and hospitals, thereby enhancing product-related communications.



In addition, the Group also participates in academic events and fitness venues to educate and inform users about the company's products, as well as to address any questions or concerns. For example, at CPHI South East Asia 2024, representatives from the Group shared insights on the use of Philevana for office syndrome. In November, Bangkok Drug Co., Ltd. (BDC) hosted an academic seminar on "Innovations in Synbiotics and Superfoods" to exchange knowledge and promote understanding of gut balance. The event also included activity booths providing information about other company products. In 2024, there were no complaints regarding products or advertising.

The Group has also set targets for customer relationship management by surveying customer satisfaction with the company's products and services. For 2567, the target satisfaction score was set at 80%. The survey of 692 customers, divided into (1) 348 pharmacy customers, (2) 339 hospital and clinic customers, and (3) 7 international customers, revealed a customer satisfaction level of 84%. Customers expressed satisfaction with the company's product and service sales processes. However, the Group remains committed to developing products and services to meet the needs and satisfaction of all customer groups.

### **Community and society**

The Group is committed to the surrounding communities, regularly organizing social activities and measuring satisfaction levels to improve the effectiveness of future projects. Examples of such activities include:

### Teaching Medication Use in the Community Project

The "Medication Education for the Community" project at the Child Development Center School, Nam Phu Health Promoting Hospital, is an initiative focused on empowering elderly individuals in the community with accurate medication knowledge. Participants are encouraged to share this knowledge with family members and those around them, promoting self-care confidence. Expert pharmacists from the company deliver information through lectures and activities. The project has seen increasing participation in the past year, with an additional 100 attendees compared to the previous year. Project outcomes show satisfaction rates of 81.20% in 2023 and 89.38% in 2024, indicating increased satisfaction year over year.



#### 4. Management Discussion and Analysis : MD&A

##### Financial performance for the 3-month and for the year ended December 31, 2024

Statement of profit or loss Unit : Million Baht	Q4 of 2024	Q4 of 2023	Q3 of 2024	Change		12M 2024	12M 2023	Change
	4Q2024	4Q2023	3Q2024	%YoY	%QoQ	FY2024	FY2023	%YoY
Revenue from sales and rendering services	423.0	395.2	398.5	7.0%	6.2%	1,557.0	1,406.2	10.7%
<b>Gross profit</b>	<b>239.6</b>	<b>222.0</b>	<b>219.8</b>	<b>7.9%</b>	<b>9.0%</b>	<b>872.2</b>	<b>791.1</b>	<b>10.3%</b>
<b>Gross profit Margin (%)</b>	<b>56.6%</b>	<b>56.2%</b>	<b>55.2%</b>	<b>0.8%</b>	<b>2.7%</b>	<b>56.0%</b>	<b>56.3%</b>	<b>-0.4%</b>
Other income	5.8	5.7	4.3	1.8%	34.9%	21.9	11.0	99.1%
Selling expenses	106.7	95.7	100.5	11.5%	6.2%	395.6	348.8	13.4%
Administrative expenses	67.7	66.2	67.1	2.3%	0.9%	268.0	253.1	5.9%
<b>EBIT</b>	<b>71.0</b>	<b>65.8</b>	<b>56.5</b>	<b>7.9%</b>	<b>25.7%</b>	<b>230.5</b>	<b>200.2</b>	<b>15.1%</b>
<b>EBITDA</b>	<b>85.7</b>	<b>79.4</b>	<b>70.8</b>	<b>7.9%</b>	<b>21.0%</b>	<b>287.6</b>	<b>253.1</b>	<b>13.6%</b>
Finance costs	2.7	4.0	2.7	-32.5%	0.0%	12.4	25.7	-51.8%
Tax expense	13.5	11.7	10.5	15.4%	28.6%	42.0	23.7	77.2%
<b>Net profit</b>	<b>54.8</b>	<b>50.1</b>	<b>43.3</b>	<b>9.4%</b>	<b>26.6%</b>	<b>176.1</b>	<b>150.8</b>	<b>16.8%</b>
<b>Net profit margin (%)</b>	<b>13.0%</b>	<b>12.7%</b>	<b>10.9%</b>			<b>11.3%</b>	<b>10.7%</b>	

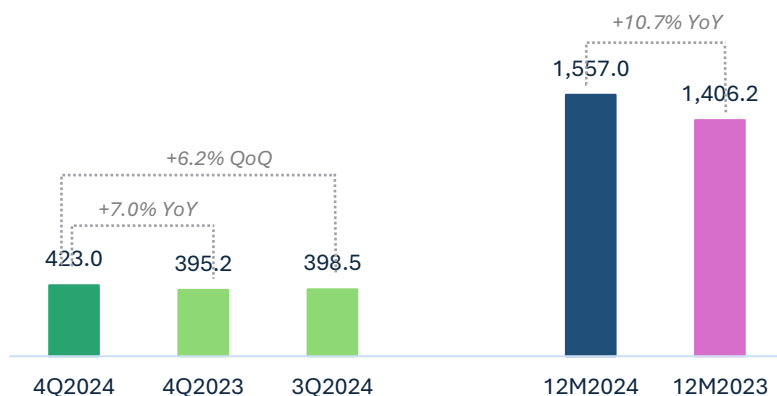
#### Overall business

Overall, Thailand's pharmaceutical and healthcare industry has been growing steadily. The average growth rate of the industry for FY2024 was approximately 6% (Source: IQVIA), driven by various factors that positively impacted BLC Group. Firstly, the number of patients from communicable diseases and non-communicable diseases (NCDs) increased. Secondly, policies supported by the Ministry of Public Health encouraged the use of herbal medicines. Thirdly, the recovery of the tourism industry led to an increase in foreign tourists visiting Thailand compared to 2023, with further growth anticipated for 2025. Additionally, the National Health Security Office (NHSO) now allows patients to receive medication from pharmacies without the need for a diagnosis for minor ailments, which has positively supported the overall demand for medicines. Finally, Thailand's healthcare expenditure is expected to continue growing due to an aging society and health risks from pollution. Separately, seasonal factors in Thailand at year's end also boosted demand for pharmaceutical and healthcare products.

#### Significant events in the 4<sup>th</sup> quarter in 2024

<b>October 2024</b>	- Serving as a main sponsor of 'Miss Grand Kalasin 2025' and promoting Clena and Deeday products to help build brand awareness
<b>November 2024</b>	- Promoting Clena Ex on television and online platforms contributed to the Group's most significant increase in cosmetics sales during the fourth quarter of 2024 - Introducing the Arotika brand to support the TAAP Qualifier 3 sports competition
<b>December 2024</b>	- Announcing the SET ESG Ratings sustainable stock evaluation with a BBB rating for the year 2024

#### Revenue from operations

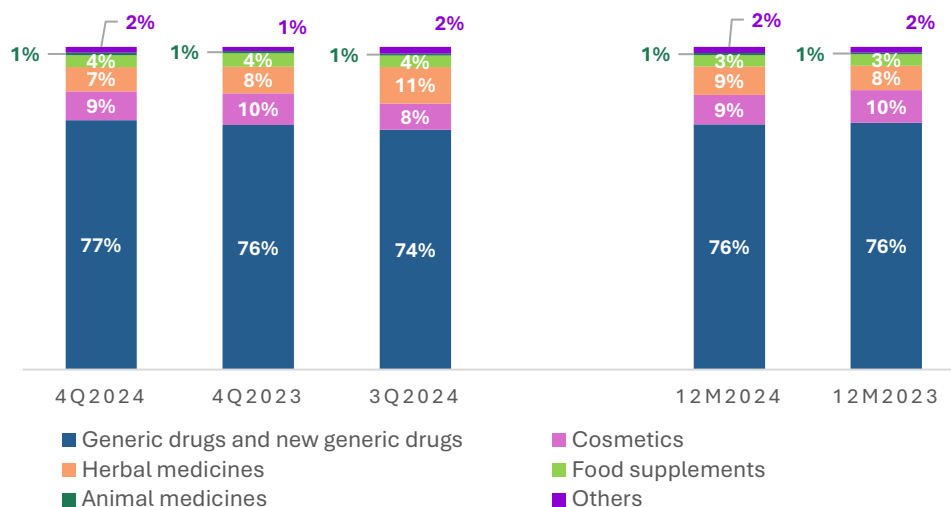


Bangkok Lab and Cosmetic Public Company Limited (“the Company”) and its subsidiaries had revenue from sales and rendering services in 2024 (12M2024) in the amount of 1,557.0 million baht, which increased by 150.8 million baht, or 10.7%, compared to the year 2023 (12M2023). The growth in sales was driven by establishing more business partnerships, launching new products, increasing overall demand for medicines, and the continual implementation of aggressive marketing strategies. The strategies included sales promotions and exhibition booths set up to advertise and raise brand awareness focusing on both offline and online platforms. Moreover, the establishment of a subsidiary, BKD Viva Co., Ltd. (“BKD VIVA”), to expand distribution channels across all platforms, along with driving the B2P (Business to Professional) strategy in overseas sales channels through direct sales to hospitals and clinics, enhances competitive capabilities. Accordingly, those caused the rise in sales quantity and the Group’s revenue compared to the prior year. Moreover, revenue in the last quarter of 2024 increased by 7.0% and 6.2% compared to 4Q2023 and 3Q2024, respectively.

#### Revenue by types of products

Revenue by types of products Unit : Million Baht	Q4 of 2024	Q4 of 2023	Q3 of 2024	Change		12M 2024	12M 2023	Change
	4Q2024	4Q2023	3Q2024	%YoY	%QoQ	FY2024	FY2023	%YoY
Generic drugs and new generic drugs	327.1	299.6	296.1	9.2%	10.5%	1,183.0	1,075.5	10.0%
Cosmetics	37.5	38.8	32.7	-3.4%	14.7%	143.4	142.9	0.3%
Herbal medicines	32.1	32.7	45.0	-1.8%	-28.7%	136.9	106.4	28.7%
Food supplements	15.4	16.3	14.0	-5.5%	10.0%	53.7	49.1	9.4%
Animal medicines	3.5	2.9	2.5	20.7%	40.0%	10.7	7.6	40.8%
Others	7.4	4.9	8.2	51.0%	-9.8%	29.3	24.7	18.6%
<b>Total revenue from sales and rendering services</b>	<b>423.0</b>	<b>395.2</b>	<b>398.5</b>	<b>7.0%</b>	<b>6.2%</b>	<b>1,557.0</b>	<b>1,406.2</b>	<b>10.7%</b>

## REVENUE STRUCTURE BY PRODUCTS (%)



**Generic drugs and new generic drugs:** According to a continually aggressive marketing strategy, revenue increased by 107.5 million baht, or 10.0% compared to the prior year. In the fourth quarter of 2024, revenue grew by 9.2% and 10.5% compared to the same period in the prior year and the third quarter of 2024, respectively. The contributing factors were the growth potential of health and wellness trends. In addition, medical information is more accessible owing to current technology usage, and the increase in the number of tourists and foreign patients visiting domestic hospitals has caused a higher demand for medical products. Furthermore, the Group has continued to strengthen relationships with business partners. As a result, revenue from generic drugs and new generic drugs increased, particularly from the Clinoderm, Tradolgesic, Diabederm, and Cleanoze brands. In addition, several new products were launched in 2024, including the cream that relieves skin conditions caused by fungal infections from the Fango brand, the dermatological medicine from the Vitara brand, and the hepatitis B antiviral medication 'Hepivir', which was announced to be listed as an innovative drug. This designation increases the opportunity to sell products to public hospitals.

**Herbal medicines and food supplements:** these products were increasingly distributed to hospitals and pharmacies, and new products were launched on the market during the year including Kachalis and Deeday. In addition, the expansion of distribution channels through online platforms operated by BKD Viva, along with marketing strategies supporting sports competitions and involvement in television series projects to build and reach a new customer base, contributed to the growth in revenue from herbal medicines and revenue from food supplements in 2024, which increased by 28.7% and 9.4%, respectively. However, in the fourth quarter of 2024, revenue from herbal medicines dropped by 1.8% and 28.7% compared to 4Q2023 and 3Q2024, respectively, from the sales to hospital customers who made large orders during the fourth quarter of the fiscal year 2023 and the third quarter of 2024. Moreover, revenue from food supplements decreased by 5.5% compared to 4Q2023, mainly due to the fiber dietary supplement, whose market share declined due to other fiber products that have been registered. On the other hand, sales grew by 10.0% due to new products launched by the Deeday brand in the last quarter of the year.



**Cosmetics:** The marketing across online platforms and the launch of new products during the year including sunscreen, contributed to the slight increase in revenue from cosmetics. In 2024, revenue from cosmetics grew by 0.3% compared to the previous year. In the fourth quarter of 2024, revenue decreased by 3.4% compared to the same period in the prior year due to a decline in OEM skincare products. On the other hand, sales of cosmetic products rose by 14.7% compared to the third quarter of 2024 resulting from a promotion of 'Clena Ex' through influencers and other online platforms in the fourth quarter of 2024.

**Animal medicines:** The situation of livestock diseases has improved along with the expansion of the overseas customer base. Therefore, revenue from animal products increased by 3.1 million baht in 2024 compared to the prior year. Additionally, the Group will expand its product category beyond animal medicines to include cat treats and pet supplements, which will be launched in the first quarter of 2025.

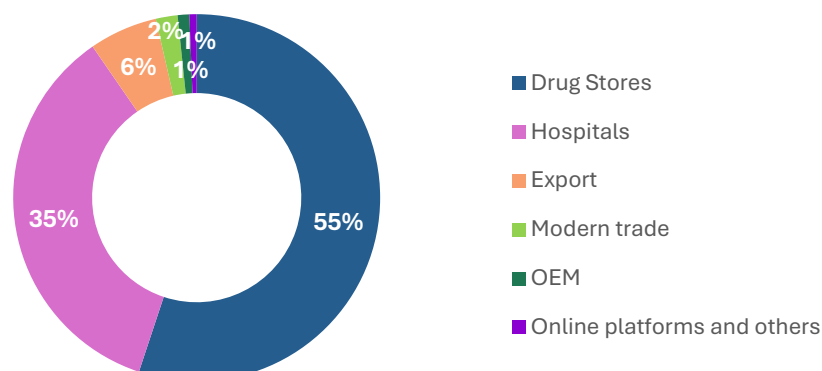
**Others:** Other products, including silicone scar gel, medical lubricants, mosquito repellent spray, and wound care supplies, increased by 4.6 million baht in 2024 with a growth rate of 18.6% compared to the previous year. The growth corresponds with marketing strategies aimed at building greater brand awareness.

#### Revenue by channels

#### Consolidated FS

Revenue by channels Unit : Million Baht	Q4 of 2024	Q4 of 2023	Q3 of 2024	Change		12M 2024	12M 2023	Change
	4Q2024	4Q2023	3Q2024	%YoY	%QoQ	FY2024	FY2023	%YoY
Drug Stores	248.7	199.2	224.9	24.9%	10.6%	857.9	754.4	13.7%
Hospitals	131.2	145.1	139.7	-9.6%	-6.1%	549.6	504.4	9.0%
Export	28.9	35.1	19.4	-17.7%	49.0%	93.7	96.8	-3.2%
Modern trade	7.7	7.0	6.7	10.0%	14.9%	29.9	27.8	7.6%
OEM	4.1	6.8	4.0	-39.7%	2.5%	16.0	15.1	6.0%
Online platforms and others	2.4	2.0	3.8	20.0%	-36.8%	9.9	7.7	28.6%
<b>Total revenue from sales and rendering services</b>	<b>423.0</b>	<b>395.2</b>	<b>398.5</b>	<b>7.0%</b>	<b>6.2%</b>	<b>1,557.0</b>	<b>1,406.2</b>	<b>10.7%</b>

#### REVENUE STRUCTURE BY CHANNELS (%) 2024

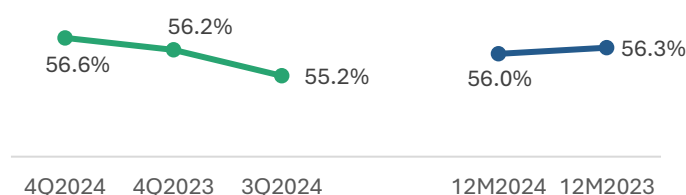


**Drug stores:** The Group primarily generated revenue from drug stores by 55% of total revenue from sales and rendering services with a growth rate of 13.7% compared to 2023 due to aggressive marketing strategies.

**Hospitals:** The Group's revenue from public and private hospitals, as well as clinics, constituted 35% of the total revenue from sales and services. This segment experienced a growth rate of 9.0% compared to 2023, attributed to more products being listed in hospitals and supportive government policies.

**Export:** In 2024, the Group's export revenue accounted for 6% of total revenue from sales and services, decreasing by 3.2% compared to the previous year. The main reason for this decline was revenue from Hong Kong, which was impacted by relevant government policies. However, revenue from Laos PDR increased, in line with enhanced marketing activities during the year.

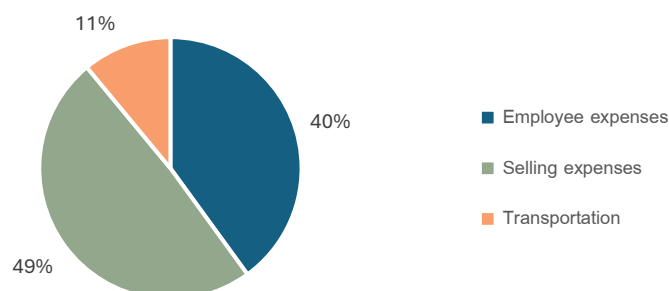
### Gross profit margin

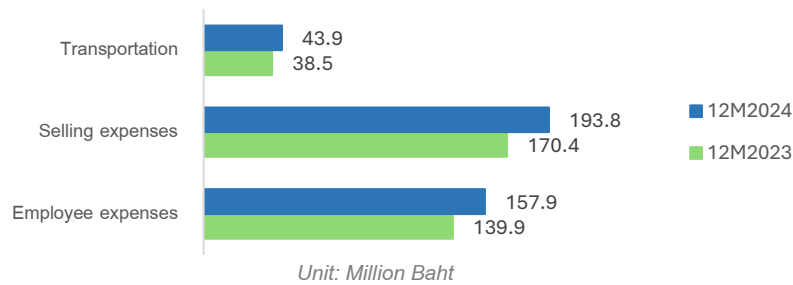


The Group's gross profit margin for the year 2024 was 56.0%, showing a slight decline compared to last year. The decrease was attributed to higher material costs, such as plai oil, and the depreciation of the Thai Baht against the USD during the first half of 2024, which led to increased unit costs and higher manufacturing overhead per unit. However, the Group is currently focusing on market strategies and brand building for high-profit-margin products and plans to drive sales of these products. Moreover, in the last quarter of 2024, the Group reduced the recognition of loss on obsolete inventory and the decline in the value of inventories compared to the prior quarter. Additionally, the appreciation of the Thai Baht against the USD in the second half of 2024, driven by the monetary policies of major economies and domestic factors, led to a slight decrease in the cost per unit. The proportion of BLC's raw materials imported in U.S. dollars represented approximately 8% of the total raw materials purchased. Furthermore, the reduction in the policy interest rate in October 2024 and the announcement to maintain the interest rate in December 2024 did not significantly affect the Thai Baht exchange rate compared to the previous quarter (Source: BOT).

### Selling and administrative expenses

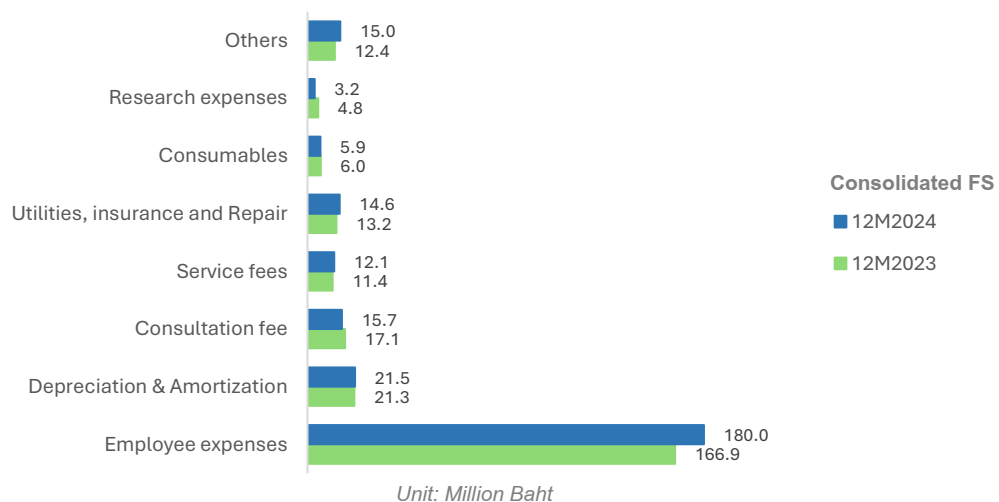
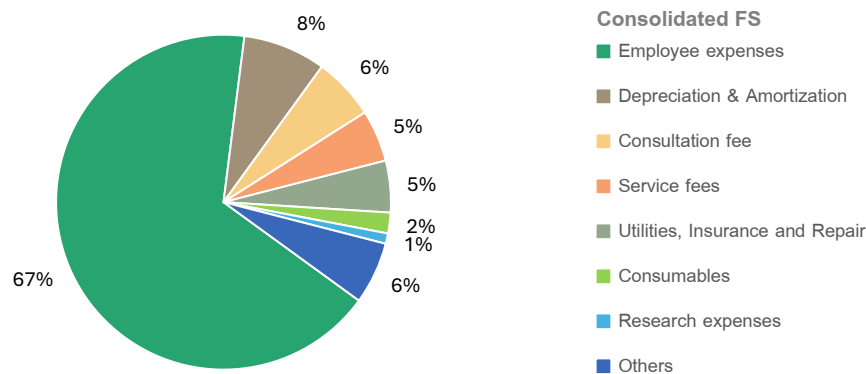
#### SELLING EXPENSES STRUCTURE 2024





For the year ended December 31, 2024, selling expenses rose by 46.8 million baht, or 13.4%, compared to the previous year, mainly because (1) selling expenses increased from commissions, advertising, branding, and distribution fees associated with revenue growth during the year, and (2) employee expenses climbed from higher headcounts to support revenue growth.

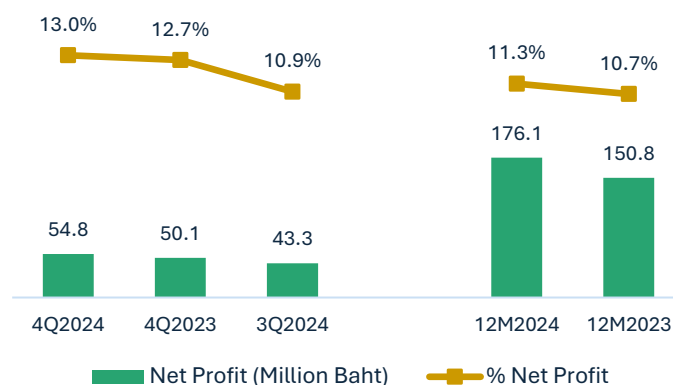
### ADMINISTRATIVE EXPENSES STRUCTURE 2024



Administrative expenses for the year ended December 31, 2024, rose by 14.9 million baht, or 5.9%, compared to the prior year. The main reasons for this increase were (1) employee expenses due to the rise in the number of management staff, (2) service expenses related to software system maintenance, the addition and renewal of copyrights for information systems, and fees for human resource sourcing service, (3) repair and maintenance costs

including expenses for waste transportation and disposal, repairing drainage pipes, excavating soil, and (4) the increase in other expenses such as fees for relevant services after listing on the Stock Exchange of Thailand, as well as expenses related to land evaluation, advertising permits, trade registration, and the renewal of drug registrations for the distribution of products both domestically and internationally.

## Net profit



The Group's net profit for the year ended December 31, 2024, was 176.1 million baht, or 11.3%, up from 10.7% in 2023. This growth was driven by higher revenue from marketing strategies, domestic and international business partnerships, and customer base expansion through increased brand awareness across both online and offline platforms. Furthermore, the Company increased in other income mainly due to interest income from short-term investments during the year, along with a reduction in financial costs thanks to the repayment of loans. However, the Group's corporate income tax increased from the prior year, as the Company had IPO-related expenses in 2023 that could be additionally deducted for tax purposes. This led to an effective tax rate of 13.6% in 2023 while no such transactions occurred in 2024. As a result, the effective tax rate increased to 19.3%.

Additionally, the net profit for the fourth quarter of 2024 was 54.8 million baht, representing 13.0%, up from 12.7% in the same quarter of the previous year (4Q2023) and 10.9% in the third quarter of this year (3Q2024). This improvement was driven by a decrease in administrative expenses during the fourth quarter of 2024 such as lower consulting fee and research expenses, as well as a reduction in interest expenses due to the repayment of loans.

## Statement of financial position

Statement of financial position	December 31, 2024		December 31, 2023		Change	
	Million Baht	%	Million Baht	%	Million Baht	%
Total assets	2,237.6	100.0%	2,240.3	100.0%	(2.7)	-0.1%
Total liabilities	551.9	24.7%	644.9	28.8%	(93.0)	-14.4%
Total shareholders' equity	1,685.7	75.3%	1,595.4	71.2%	90.3	5.7%

## Assets

As of December 31, 2024, the Group's total assets were 2,237.6 million baht, representing a decrease of 2.7 million baht from the end of 2023. This decrease was primarily due to a reduction in current assets of 227.3 million baht, offset by an increase in non-current assets by 224.6 million baht, as detailed below:

- **Cash and cash equivalents and Short-term investments** decreased by 245.9 million baht from the end of 2023, mainly due to loan repayments, dividend payments, and investment in new plant and machines during the year.
- **Trade receivables** increased by 33.6 million baht from the end of 2023, mainly due to an increase in revenue for the Group during the fourth quarter of 2024 compared to the last quarter of 2023 (the normal credit term granted by the Group ranges from 30 days to 180 days). Furthermore, the Group recognized allowance for expected credit loss of 1.1 million baht as at December 31, 2024. Overdue receivables accounted for 4.6% of total trade receivables (as of December 31, 2023: the allowance for expected credit loss was 1.7 million baht, and overdue receivables accounted for 5.0% of total receivables).
- **Other receivables** increased by 5.8 million baht from the end of 2023 due to accrued interest income from financial institutions.
- **Inventories** decreased by 19.6 million baht from the prior year in line with the Group's policy to accelerate inventory turnover, aiming to improve inventory management efficiency. Furthermore, the Group recognized the allowance for decline in value of inventories of 0.7 million baht as at December 31, 2024 (as of December 31, 2023: the allowance for decline in value of inventories was 0.9 million baht).
- **Property, plant, and equipment** rose by 132.6 million baht from 2023 due to the construction of a new plant and the acquisition of machinery to support the expansion of production capacity at the Ratchaburi plant, as well as the revaluation of land to fair value by 7.4 million baht.
- **Intangible assets** increased by 8.7 million baht compared to the end of 2023, primarily due to development costs for new generic drugs and investment in software to assist with data recording and operational process control, as well as promoting the policy of reducing paper usage within the company.
- **Other non-current assets** increased by 97.1 million baht from the end of 2023, mainly from advance payments paid for new plant construction and machinery.

## Liabilities

Total liabilities of the Group were 551.9 million baht as at December 31, 2024, which declined by 93.0 million baht compared to 2023. The reasons were mainly from a decrease in current liabilities by 76.2 million baht and a decrease in non-current liabilities by 16.8 million baht, as follows:

- **Bank overdrafts and borrowings from financial institutions** decreased by 174.0 million baht from repayments to financial institutions during the year. The interest rates on these loans ranged from 3.9% to 8.0% per annum.

- **Trade payables** rose by 40.8 million baht from the previous year. The reason was mainly due to the increase in purchasing materials and finished goods to support revenue growth.
- **Accrued income tax** increased by 19.8 million baht compared to the prior year, mainly because of an increase in profits from operation in 2024. Additionally, the Company had IPO-related expenses in 2023 that could be additionally deducted for tax purposes, while no such transactions occurred in 2024.
- **Other current liabilities** decreased by 4.5 million baht from last year, resulting from a revision in accounting estimation related to goods returned.
- **Provision for employee benefits** increased by 23.9 million baht from the previous year due to current service costs and interest costs during this period, and actuarial loss as determined by actuarial calculations.

### Shareholders' equity

Total shareholders' equity increased by 90.3 million baht from total comprehensive income for the year 2024 by 172.1 million baht, offset by a dividend announcement by 81.8 million baht during the year.

### Key financial ratios

Ratios	12M 2024	12M 2023
<b><u>Liquidity (X)</u></b>		
Current ratio	4.1	3.9
Quick ratio	3.1	3.0
<b><u>Returns (%)</u></b>		
Return on Assets (ROA)	10.3%	11.6%*
Return on Equity (ROE)	10.6%	15.8%*
<b><u>Assets &amp; Liabilities Management (Days)</u></b>		
Average Collection Period	85.4	84.2
Average Inventory Period	204.7	235.4
Average Payable Period	62.5	74.0
Cash cycle	227.6	245.6
<b><u>Leverage Ratios</u></b>		
Total Liabilities to Equity (X)	0.3	0.4
Loans from financial institutions to interest bearing debt (%)	19.2%	43.5%
Interest Coverage Ratio (X)	23.2	9.8

*\*Note: The formulas for calculating Return on Assets (ROA) and Return on Equity (ROE) as of December 31, 2023, have been revised to comply with the financial ratio calculation guidelines published by the Stock Exchange.*

**Liquidity Ratios:** As at December 31, 2024, the current ratio and quick ratio, standing at 4.1 times and 3.1 times, respectively, increased from the end of 2023. This improvement was primarily due to the repayments to financial institutions during the year and enhanced efficiency in inventory turnover compared to the previous year.

Returns Ratios: As at December 31, 2024, the return on assets and return on equity decreased compared to December 31, 2023, due to the increase in average assets and equity following the company's listing on the Stock Exchange of Thailand in 2023.

Assets & Liabilities Management: As at December 31, 2024, the cash cycle was 227.6 days, a decrease from the end of 2023. This improvement was driven by a reduction in the average inventory period which decreased from 235.4 days at the end of 2023 to 204.7 days, thanks to the Group's policy to enhance efficiency in inventory management. Additionally, the average collection period slightly increased from 84.2 days to 85.4 days, while the average payable period decreased from 74.0 days to 62.5 days.

Leverage Ratios: Total liabilities to equity were at 0.3 times, a small decrease from the end of 2023. The percentage of loans from financial institutions to interest-bearing debt fell from 43.5% to 19.2% as at December 31, 2024. The main reason was because of the repayments to financial institutions during the year.

The interest coverage ratio as at December 31, 2024, significantly increased from 9.8 times at the end of 2023 to 23.2 times. The growth was mainly due to a lower proportion of finance costs resulting from repayments to financial institutions during the current year, in line with the objectives of utilization outlined in the Company's prospectus.

## Cash flows

Net cash flows (million baht)	12M 2024	12M 2023
Net cash from Operating activities	187.8	126.0
Net cash from (used in) Investing activities	199.1	(944.5)
Net cash (used in) from Financing activities	(297.8)	871.1
<b>Net increase in cash and cash equivalents</b>	<b>89.1</b>	<b>52.6</b>
cash and cash equivalents as at 1 January	90.4	37.8
cash and cash equivalents as at 31 December	179.5	90.4

Operating activities: In 2024, net cash flows from operations amounted to 187.8 million baht or 106% of the net profit for the year, resulting from changes in operating assets and liabilities from normal business activities.

Investing activities: Net cash flows increased by 199.1 million baht in 2024, primarily due to 346.4 million baht from matured short-term investments and fixed deposits, and 13.1 million baht from interest received. On the other hand, cash outflows included 149.1 million baht for new plant and machinery, which are expected to be completed in 2026, as well as investment of 11.2 million baht in intangible assets such as software and new generic drug development.

Financing activities: Net cash flow decreased by 297.8 million baht, primarily due to loan repayments to financial institutions of 174.0 million baht, lease liability payments of 29.5 million baht, dividend payments to shareholders of 81.8 million baht, and interest payments of 12.5 million baht.

## Sustainability Development

BLC has established sustainability management policies and goals across three key dimensions: the environment, society, and good corporate governance, emphasizing transparency and verification. These objectives aim to strengthen the Company's sustainable practices. BLC has also set goals for sustainable business operations covering all dimensions, including increasing the use of renewable energy, managing stakeholder relationships, developing innovative product research and development, and conducting business in accordance with good corporate governance principles. Furthermore, BLC received a SET ESG Ratings assessment of BBB for 2024 and participated in the second generation of the Sustainability Disclosure Enhancement Project for Listed Companies to ensure ongoing improvement. Finally, BLC was evaluated at a 'Good' level in the Corporate Governance Report of Thai Listed Companies 2024 and is committed to continuous sustainability enhancement.



## 5. General Information and Other Key Details

### 5.1. General Information

Company Name : Bangkok Lab and Cosmetic Public Company Limited.

Stock Symbol : BLC

Listed Capital : 300,000,000 Baht

Taxpayer ID Number : 0107565000701

Head Office Address : 48/1 Village No. 5, Nong Chae Sao Road, Namphu Subdistrict,  
Mueang Ratchaburi District

Website : <https://www.blcplc.com>

Phone : 032-719900

Fax : 032-719917

### ติดต่อบริษัทฯ

#### Company Secretary

Email : [blc.ocs@bangkoklab.co.th](mailto:blc.ocs@bangkoklab.co.th)

Phone : 032-719900

#### Investor Relations

Email : [ir@blcplc.com](mailto:ir@blcplc.com)

Phone : 091-7735757, 097-1906336

### Other References

Securities Registrar : Securities Registrar Division  
93 Stock Exchange Building, 1<sup>st</sup> Floor, Ratchadaphisek Road  
Din Daeng Sub-district, Din Daeng District, Bangkok  
Telephone: 02-009-9000

Auditing Office : KPMG Phoomchai Audit Ltd.  
Floors 48-50, Empire Tower Building No. 1, South Sathorn  
Road, Yannawa Sub-district, Sathorn District, Bangkok 101

Telephone: 02-677-2000

Auditor : Mr. Bunyarit Thanomcharoen, Certified Public Accountant,  
Registration Number 7900

Internal Auditor: Dharmniti Internal Audit Co., Ltd.

178 Dharmniti Building, 5<sup>th</sup> Floor, Soi Permsap (Prachachuen20)  
Prachachuen Road, Bang Sue Sub-district, Bang Sue District,  
Bangkok 10800

Telephone: 02-596-0500 Ext. 327

## **5.2. Legal Disputes**

- None –

## Part 2 Corporate Governance

### 6. Corporate Governance Policy



Corporate  
Governance  
Policy

#### 6.1 Overview of the Policy and Governance Practices

The Company recognizes the significance of effective corporate governance as a crucial factor that contributes to the efficient and sustainable operation of the Company. Such governance is essential for the benefit of all stakeholders, including employees, investors, shareholders and other stakeholders involved. In light of this, the Company's Board of Directors deems it necessary to establish a robust Corporate Governance Policy, covering key principles that include the structure, roles, responsibilities and accountabilities of the Board of Directors, subcommittees, and executives. This includes the recruitment and determination of compensation for directors and executives, the independence of the board from management, the development of the board, the evaluation of the board's performance, the oversight of subsidiaries and affiliated companies, and the principles of transparent, clear, and auditable executive management. These principles adhere to the guidelines for good corporate governance for companies registered in 2017 by the Securities and Exchange Commission ("SEC") to serve as a framework for the Company's Board of Directors in ensuring effective and trustworthy long-term business performance for shareholders, investors, and all stakeholders. As a Company registered on the Stock Exchange of Thailand ("SET"), and as a guideline for organizational management, the Company ensures confidence that all its operations are conducted with fairness, considering the utmost benefit of shareholders and stakeholders. The Company strives for efficiency, ethical conduct, beneficial contributions to society, sustainable development, environmental impact reduction, adaptability to changes in the business environment, and the creation of long-term value for the business. This aligns with the interests of the business sector, investors, capital markets and society as a whole.

In addition, the Company's Board of Directors has appointed subcommittees to oversee the internal audit system, internal controls, risk management, and the supervision of corporate governance of the Company. This is done in tandem with promoting transparency and fairness in the conduct of executives and employees, ensuring that all stakeholders have confidence that the Company adheres to good corporate governance principles are assured that the Company will continue to grow sustainably. The Board of Directors emphasizes the importance of adhering to good corporate governance practices, covering the 8 principles of the Corporate Governance Policy, as a means to create sustainable value for the Company and instill confidence in

investors, leading to positive governance outcomes. These outcomes will be considered by the Company's Board of Directors within the framework of:

- The Company emphasizes the ability to compete effectively and strives for good business outcomes, considering long-term impacts.
- The Company is committed to conducting business ethically, respecting rights, and being responsible to shareholders and stakeholders.
- The Company aims to be beneficial to society, contributing to development or reducing negative environmental impacts.
- The Company values the ability to adapt to changes in various factors.

In summary, the overview of the Company's Corporate Governance Policy can be summarized as mentioned above. For detailed information, the full version of the Corporate Governance Policy and Corporate Governance Practices can be referred to in Attachment 5: Corporate Governance Policy and Corporate Governance Practices

### **6.1.1 Policies and Practices Regarding the Board of Directors**

#### **Composition of the Board of Directors**

The Company's Board of Directors comprises independent directors, executive directors (4 persons) and non-executive directors (3 persons). All seven directors meet the qualifications as stipulated in Section 68 of the Public Limited Companies Act B.E. 2535 (1992) and comply with the regulations outlined in the Capital Market Supervisory Board Announcement No. 39/2016 regarding the approval and authorization for the issuance of new shares, dated September 30, 2016, including all subsequent amendments.

#### Term of Office

Directors shall serve a term of 3 years and upon completion of the term, they may be considered for re-election. Independent directors may serve consecutively for a maximum of 9 years from the date of their initial appointment as independent directors. If the reappointment of an independent director is under consideration, the Board of Directors shall thoroughly assess the necessity of such continuation.

During each annual general meeting of shareholders, one-third of the directors should retire from their positions. If the number of directors is not divisible by three, the closest integer to one-third should retire. For the first and second years following the Company's listing as a public limited Company, the retiring directors should be selected by drawing lots. In subsequent

years, the director with the longest tenure should retire. In addition to ceasing to hold office according to the specified term, a director shall be removed from office in the event of:

- Death
- Resignation
- Attainment of 72 years of age. In this case, they shall retire from the position of director at the end of the fiscal year.
- Lacking the qualifications to be a Company director or possessing characteristics prohibited by laws related to public limited companies and/or securities and stock markets.
- The shareholders' meeting may pass a resolution to remove a director with the affirmative votes of no less than three-fourths (3/4) of the total votes from the shareholders present and entitled to vote, holding not less than half of the total shares.
- A court issues an order for removal.

Any director who wishes to resign from the position must submit a resignation letter to the Chairman of the Board of Directors.

In the event that a director position becomes vacant for reasons other than the expiration of the term, the Board of Directors shall follow the recommendations of the Nomination and Remuneration Committee and appoint an individual who possesses the qualifications and does not have characteristics prohibited by the Charter of the Board of Directors to serve as a replacement director in the next board meeting, with a vote of not less than three out of four remaining directors. If the term of said director is less than 2 months, the board may choose not to appoint a replacement director. The appointed director will serve only for the remaining term of the director being replaced.

### **Oversight of Subsidiaries and Affiliated Companies**

The Company has a policy to invest in companies that align with its goals, vision, and strategic growth plans. This serves as a crucial guideline for overseeing the operations of subsidiaries and affiliated companies, contributing to increased Company performance or profits. The aim is to enhance stability or invest in businesses with synergy with the Company. The Company, subsidiaries, and/or affiliated companies may consider additional investments in other businesses with growth potential, expansion opportunities, or benefits to the corporate group's

business, which can generate favorable returns on investment. In this regard, the Company will assess the investment proportion, anticipated profits, potential risks, the financial status of the Company, and conduct a feasibility analysis of the investment and consider its potential before making decisions on various projects. The approval of such investments must undergo consideration at the Board of Directors and/or shareholders' meetings (as applicable). The request for approval of the aforementioned investments must comply with and adhere to the laws governing public limited companies, securities and exchange laws, as well as relevant announcements, regulations, and criteria related to the Capital Market Supervisory Board, Office of the SEC, and the SET. The Company will consider the guidelines concerning the acquisition or disposal of interconnected transactions and the disclosure of information.

Furthermore, to align with the principles of effective corporate governance in terms of establishing frameworks and mechanisms for overseeing policies and operations in subsidiaries and the Company's significant invested ventures at a level appropriate to each business. The Company has thus defined a framework for governance and monitoring of the performance of subsidiaries and affiliated companies at an appropriate level to effectively safeguard the investment benefits of the Company. This is intended to enhance confidence among the Company's shareholders, with details as follows:

1. The Company will appoint individuals as representatives of the Company to serve as directors or executives of subsidiary companies and/or affiliated companies in proportion to the shareholding in each company. They will be responsible for overseeing the subsidiaries and/or affiliated companies to ensure compliance with various policies, regulations, laws, and guidelines related to good corporate governance of listed companies. This includes regulations and criteria relevant to the Capital Market Supervisory Board, the SEC, and the Stock Exchange unless the Company's Board of Directors determines that the structure of the board and management representation in the subsidiaries or affiliated companies with a shareholding of less than that of the Company, subsidiaries, or affiliated companies will not impact the authority of the Company in setting policies and operations in matters that significantly affect or have an impact on the financial status and operational performance of the subsidiary and affiliated companies, or where there has been a reasonable exercise of power in the subsidiaries or affiliated companies, or in accordance with the provisions of the shareholders' agreement of the subsidiaries or affiliated companies.

In this regard, the appointment of representatives of the Company to serve as directors or executives in each subsidiary and/or affiliated company shall be subject to consideration and

approval by the Board of Directors of the Company, taking into account the suitability of each company. Unless the subsidiaries or affiliated companies are small-sized enterprises that serve as operating arms of the business, in which case the Board of Directors may delegate the authority to the Chief Executive Officer for appointment.

2. The directors and executives of each subsidiary shall have defined powers, duties, and significant responsibilities in accordance with relevant laws, such as disclosing financial status and operational results to the Company, in compliance with applicable laws, announcements, regulations, and criteria related to the Capital Market Supervisory Board, SEC, and the SET to be enforced *mutatis mutandis*. This includes providing and transmitting their own and related party's interests to the Company's Board of Directors, disclosing relationships and transactions with the Company and/or its subsidiaries in a manner that may cause conflicts of interest, and prevent transactions that may lead to conflicting interests.

3. For any transactions or operations by subsidiaries that are significant or have an impact on the financial status and operations of the Company, or fall within the scope of assets disposed of according to the relevant announcements, or connected transactions related to the relevant announcements, the Company shall be required to seek approval from the Company's Board of Directors and/or the shareholders' meeting of the Company, and/or approval from the relevant authorities in accordance with the law before proceeding with such transactions (as applicable). The subsidiary may proceed with the transactions or operations only upon obtaining approval from the Company's Board of Directors and/or the shareholders' meeting of the Company, and/or the relevant authorities (as applicable).

Furthermore, in the event of certain transactions or occurrences involving a subsidiary that fall within the scope of the stock market's requirements regarding the disclosure of information and the conduct of listed companies in connection with the acquisition or disposal of assets of listed companies, the Company is obligated to disclose information related to such transactions to the stock market according to the criteria specified in the relevant announcements. The representatives of the concerned subsidiaries are responsible for promptly notifying the management of the Company as soon as they become aware of the subsidiary's plans to engage in such transactions or occurrences.

4. The Company will establish plans and take necessary actions to ensure that subsidiaries and/or affiliated companies disclose information regarding their operational and financial performance. The Company will implement necessary measures and monitoring to ensure that

subsidiaries and/or affiliated companies have adequate and appropriate systems for disclosing information and internal controls in conducting their business.

5. Representatives of the Company on the boards of subsidiaries and/or affiliated companies must monitor and undertake necessary actions for the periodic review and improvement of various policies and significant plans related to the business operations of subsidiaries and/or affiliated companies to ensure they are consistently up-to-date and suitable for the business conditions.

6. In the event that the affiliated Company holds the status of a subsidiary, the representative directors in the subsidiary must consider and provide necessary guidance to the subsidiary. This includes implementing internal control systems, risk management systems, and anti-corruption systems. Measures should be established to monitor the operational performance of the subsidiary appropriately and with sufficient rigor. Additionally, clear, efficient, and effective operational systems should be implemented.

7. Representatives of the Company must obtain approval from the Board of Directors before voting on resolutions at the subsidiary's board meetings, especially those related to significant matters. This includes the appointment or nomination of directors in the subsidiary, at least in proportion to the shareholding of the Company in that subsidiary. This also encompasses the purchase or sale of shares, significant business or assets, the increase or decrease of subsidiaries, as well as the merger or dissolution of subsidiaries. Approval is required for the subsidiary's annual budget, considering its status as a subsidiary of the Company unless specified in the Company's Delegation of Authority. This encompasses any other transactions deemed significant, with potential material impact on the Company.

### **Roles and Responsibilities of the Chairman of the Board**

To align with the principles of good corporate governance for listed companies and to ensure that management activities are in line with the Company's objectives and business strategies, Bangkok Lab and Cosmetic Public Company Limited (hereinafter referred to as the "Company") has established the scope of authority, duties, and responsibilities of the Chairman of the Board as follows. The Chairman of the board is tasked with leading the Board of Directors, ensuring that the components and operations of the board contribute to independent decision-making, and separating powers and responsibilities in policy setting and management practices of the Company clearly and distinctly.



1. The Chairman of the Board is appointed by the Board of Directors to hold the position of Chairman of the Company. The person appointed as Chairman of the Board must be an independent director and must not be the same person as the Chief Executive Officer or hold an equivalent position under a different title.
2. Oversee, monitor and support the efficient performance of the Board of Directors, achieving the organization's main objectives and goals.
3. The Chairman of the Board or the person designated by the Chairman has the responsibility to convene meetings of the Board of Directors and encourage directors to attend board meetings.
4. The Chairman of the Board has a role in determining the agenda for board meetings by consulting with the CEO and/or the management team. Measures are in place to ensure that important matters are included on the meeting agenda.
5. In cases where the person holding the position of Chairman of the Board is not an independent director, and if the Chairman of the Board and the CEO are individuals within the same family, or if the Chairman of the Board is a member of the management or has been assigned responsibilities in management, the Board of Directors will appoint an independent director to jointly consider and establish the agenda for board meetings to ensure compliance with good corporate governance principles.
6. Presides over board meetings to ensure that they are conducted in accordance with the meeting agenda, Company regulations, and relevant laws. This includes controlling the meetings to be efficient, allocating sufficient time for the management or relevant parties to present supporting information, providing opportunities for the directors to ask questions and express independent opinions, managing discussion topics, and summarizing resolutions.
7. Presides over shareholders' meetings to ensure they adhere to the meeting agenda, Company regulations, and relevant laws. This includes controlling the meetings to be efficient, allocating appropriate time, providing opportunities for shareholders to ask questions and express opinions equally, and ensuring that shareholder queries are addressed.
8. Support every director's involvement in promoting an organizational culture with ethics and good corporate governance.
9. Encourage directors to fulfill their duties within the scope of authority, roles, responsibilities and relevant laws, including adhering to principles of good corporate

governance, such as abstaining from voting or leaving the meeting room during discussions on agenda items where there is a conflict of interest.

10. Promote positive relationships between executive and non-executive directors, as well as between the board and management.
11. Communicate essential information to the Board of Directors.

### **Roles and Responsibilities of the Chief Executive Officer**

The Board of Directors appoints the Chief Executive Officer (CEO) to lead the management and operation of the Company within the following scope of responsibilities. The CEO is tasked with understanding their role, duties, and responsibilities, and they are expected to perform their duties with responsibility, vigilance, integrity, and in the best interests of the Company. The CEO must act in accordance with the law, Company objectives, regulations, and resolutions passed at board meetings and shareholder meetings. This is to ensure effective management, compliance with the law, alignment with Company objectives, adherence to Company regulations, and compliance with resolutions passed at board meetings and shareholder meetings. All actions are to be carried out within the terms and conditions stipulated by relevant laws and the principles of good corporate governance.

1. Manage, administer and oversee the overall operations of the Company to align with the objectives, regulations, policies, rules, directives, business strategies, operational goals and plans, financial goals, budgets, resolutions passed at board meetings, and/or resolutions passed at shareholder meetings of the Company.
2. Implement the development and delivery of the Company's business policies, including business plans and budgets. Propose these to the Board of Directors for approval and ensure the timely and appropriate reporting of progress according to approved plans and budgets to the Board of Directors on a regular basis.
3. Execute management and control to ensure operational practices align with business policies, objectives, operational plans, and the approved annual budget efficiently and effectively. This involves maintaining a systematic internal control framework and consistently managing risks.
4. Set operating goals, allocate resources in line with business policies and management directives, and monitor the performance of the management team. Provide recommendations for addressing various issues, ensuring that executives and management implement the business plan as outlined in accordance with the Company's policies.

5. Define the organizational structure, and management methods, including the selection, training, hiring, transfer and termination of employees. Establish salary rates, wages, compensation, bonuses and various benefits for employees within the framework specified by the Company's regulations.
6. Enforce commands, communicate, issue instructions and engage in signing legal documents, contracts, important documents, letters, notices, or any correspondence with other organizations or individuals. This is done to ensure the Company's operations are carried out efficiently and effectively, as assigned and/or delegated by the Board of Directors.
7. Possess the authority to delegate and/or assign others to perform specific tasks on their behalf, either through delegation and/or assignment within the scope outlined in the letter of authorization. The aforementioned delegation, and/or assignment, shall be within the scope of the power as defined in the power of attorney and/or in accordance with the regulations, terms or orders set by the Company's Board of Directors and/or the Company. Such delegation, duties, and responsibilities of the CEO shall not involve delegating authority or assignments that could enable the CEO or the delegate to approve transactions in which they, or persons with whom they may have a conflict of interest, stand to gain a benefit or may have any other conflicting interests with the Company or its subsidiaries (as defined in the announcements of the Securities and Exchange Commission or Capital Market Supervisory Board). The presented transactions must be submitted for consideration and approval (if applicable) at a meeting of the Board of Directors or shareholders, as required by the Company's regulations or relevant laws unless it is a routine commercial transaction of the Company that complies with the policies and criteria approved by the Board of Directors.
8. Be a leader and conduct oneself as an exemplary model following the ethical and Code of Conduct of the Company. This includes promoting, overseeing, and monitoring sustainable management practices, good corporate governance, social responsibility, and compliance with measures and practices against corruption.
9. Possess authority, duties, and other responsibilities as assigned or in accordance with policies assigned by the Company's Board of Directors.

### **6.1.2 Policies and Practices Related to Shareholders and Stakeholders'**

#### **Rights**

The Company respects the fundamental rights of shareholders and adheres strictly to protecting these rights. The Company is committed to providing shareholders with sufficient and timely information, supporting their rights to attend meetings and exercise their voting rights, and refraining from any actions that may infringe upon shareholder rights. This is in accordance with the good corporate governance policy as resolved by the Board of Directors at meeting No. 6/2565 on October 19, 2565.

#### **Shareholders Meeting**

The Company has scheduled an annual shareholders' meeting to be held within a period not exceeding 4 months from the end of the fiscal year. In urgent cases that require prompt attention and may impact the shareholders' benefits, the Company may call for an extraordinary meeting on a case-by-case basis.

The 2024 Annual General Meeting of Shareholders was held on April 1, 2025. The Company has provided an opportunity for shareholders to submit additional agenda items and propose candidates for directors in advance of the shareholders' meeting for a period of 3 months from October 1, 2024, to December 30, 2024. Additionally, investors are allowed to submit questions in advance of the meeting from March 1, 2024, to March 22, 2024, via the company's website and the Stock Exchange of Thailand's website.

## **Anti-Corruption Policy**

### Whistleblowing and Reporting Complaints Regarding Corruption

Receiver: Chairman of the Audit Committee

By Email: [fraud-complaint@bangkoklab.co.th](mailto:fraud-complaint@bangkoklab.co.th)

By Mail: Bangkok Lab and Cosmetics Public Company Limited.

48/1 Village No. 5, Nong Chae Sao Road, Nampu Sub-district, Mueang District,  
Ratchaburi Province, 70000



Please scan the QR code to read the  
information

## **Policy on Preventing Conflicts of Interest**



Please scan the QR code to read the information.

## **Whistleblowing or Complaint Policy**



Please scan the QR code to read the information.

## **Policy on Internal Data Usage and Securities Trading by Directors, Executives and Employees**



Please scan the QR code to read the information.

## Personal Data Protection Policy



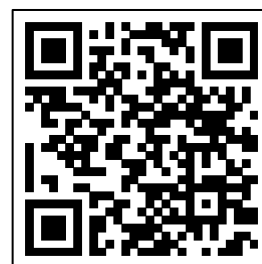
Please scan the QR code to read the information.

### 6.2 Code of Conduct

To ensure the efficient operation of Bangkok Lab & Cosmetic Public Company Limited (“the Company”) and the attainment of the stated objectives and goals, including conducting business based on responsibility, transparency, and integrity, the Company has established a code of conduct for the directors, executives, and employees to adhere to as a guideline, as follows:

#### Section 1: Code of Conduct for Directors, Executives, and Employees

1. Compliance with laws and relevant regulations.
2. Ethical conduct.
3. Fulfillment of responsibilities.
4. Maintenance of the Company’s confidential information.
5. Safeguarding of the Company’s assets and information.
6. Exercise of social and political rights.



Please scan the QR code to read the information.

#### Section 2: Code of Conduct for the Company

1. Treatment of Shareholders and Investors.
2. Treatment of Customers.
3. Treatment of Business Partners and/or Creditors.
4. Treatment of Competitors in the Business Sector.
5. Treatment of Employees.
6. Treatment of Governmental Agencies.
7. Treatment of Communities, Society, and the Environment.

For detailed information on the code of conduct, please refer to Attachment 5 Policies and Guidelines for Corporate Governance and Code of Conduct.

(<https://www.blcplc.com/th/sustainability/sustainability-in-governance-dimension>)

### **6.3 Changes and significant developments in policies, practices, and corporate governance systems over the past year.**

#### **6.3.1 Changes and significant developments related to the review of policies, practices, and corporate governance systems or board charters over the past year.**

The Company mandates that the Board of Directors and Sub-Committee Charters, work manuals, approval authority schedules, and various corporate governance policies be reviewed for suitability annually, to ensure alignment with the Company's objectives, goals, management strategies, and compliance with relevant regulations. In 2024, the Board of Directors revised and approved the following policies:

- (1) Risk Management Policy, by adding item 8, 'The company will disclose risk management results to shareholders and stakeholders through various media, such as Form 56-1 One Report,' to align with the company's actual disclosure practices.
- (2) Business Continuity Management Manual, by updating the continuity management team structure, risk and impact assessment, revising prevention and mitigation plans in the event of an epidemic, updating the list of company contact partners, and updating fire assumptions to be current.
- (3) Succession Plan, by revising definitions, updating responsible positions to align with the organizational structure chart, and revising the development period and development methods in certain skill and knowledge topics for each job position.
- (4) Whistleblowing or Complaint Policy, by updating the channels for reporting tips or complaints to be current, with other content remaining the same.
- (5) Policy on Related Party Transactions, by updating relevant definitions for clarity.
- (6) Policy on Information Disclosure and Submission of Financial Statements, by updating communication information channels through the website to be current, with other content remaining the same.
- (7) Code of Business Conduct, by amending the relevant policy from 'Corporate Social Responsibility Policy' to 'Sustainability Policy' to ensure consistency.
- (8) Sustainability Policy. Approved the revision of the Corporate Social Responsibility Policy to replace it with the Sustainability Policy, adding matters concerning personal data protection and cybersecurity to encompass sustainability operations.

- (9) Sustainability Performance Goals of the Group of Companies. Approved for use in determining the direction of the Group of Companies' sustainability operations to be efficient.

### 6.3.2 Matters where the Company has not complied with good corporate governance principles.

The Company has established an anti-corruption policy but has not yet joined the CAC network. This will be presented to the Board of Directors for consideration after the establishment of the Corporate Governance and Sustainable Development Committee to oversee the sustainability working group. The specific approach to establishing this committee will be clarified after the 2025 Annual General Meeting of Shareholders.

### 6.3.3 Practices in other areas following good corporate governance principles

The Group has developed a plan to continuously review and reinforce employees' understanding of company policies to prevent policy violations. These educational efforts include online training, internal email communications, and announcements through the company's LINE Official account. To assess comprehension, employees are also tested on the policy content and asked to sign and confirm their understanding via Google Forms. This ensures everyone is knowledgeable about best practices in accordance with good corporate governance principles. All company personnel, at every level, are required to strictly adhere to the disclosed policies and guidelines.

Explaining the policy	Participation Percentage in Training			Average test scores of trainees (%)			จำนวนการละเมิดนโยบาย (ครั้ง)		
	Committee	Executives	Employees	Committee	Executives	Employees	Committee	Executives	Employees
Policy and guidelines on the use of insider information	100	100	100	100	100	87.50	N/A	N/A	N/A
Policy and Guidelines on Prevention of Conflicts of Interest	100	100	100	100	100	83.02	N/A	N/A	N/A
Policy and Guidelines on Anti-Corruption	100	100	100	100	100	77.85	N/A	N/A	N/A

N/A: Not applicable to post-training test



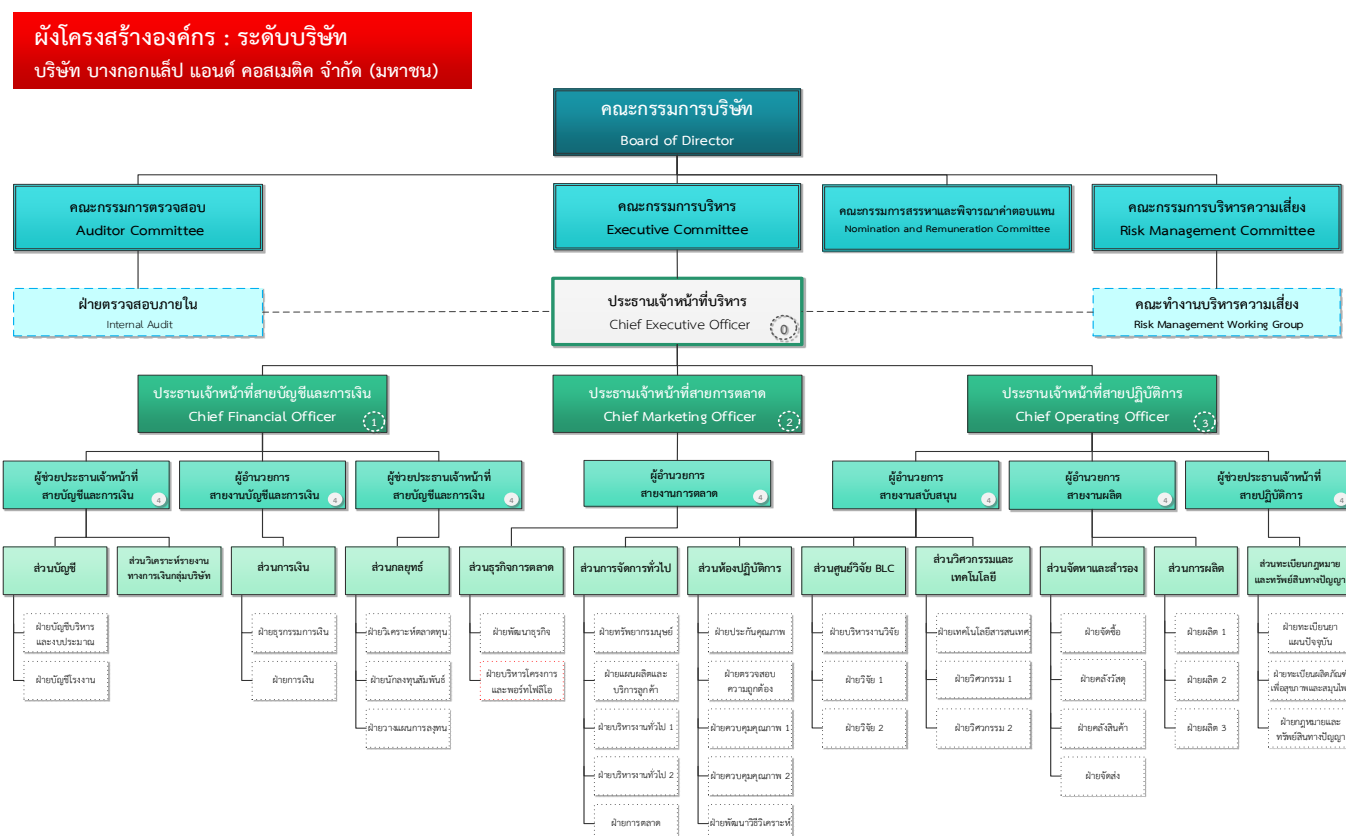
The company held the following investor and shareholder meetings in 2024:

Activities	Number of Times
Company Visits	4
Company-registered Investor Meetings	4
Analyst Meetings	4
One-on-one Meetings	7

## 7. Corporate Governance Structure and Key Information about the Board of Directors, Subcommittees, Executives, Employees, and Others

### 7.1 Corporate Governance Structure

The Company has a management structure approved at the 5/2024 Board Meeting on November 13, 2024, as follows:



The Board of Directors has established four sub-committees to oversee various matters, as follows:

1. Audit Committee.
2. Executive Committee.
3. Risk Management Committee.
4. Nomination and Remuneration Committee.

The Company appointed Dharmniti Internal Audit Company Limited as the internal control system evaluator, through an annual contractual agreement for internal control system evaluation, terminating in December 2024. The Company maintains a policy for continuous engagement of external evaluators for the internal control system.

**Table of Approval Authority for Important Matters**

	Chief Executive Officer	Executive Committee	Board of Directors	Shareholders
Annual Budget	-	-	✓	-
Approval for Budget Increase – During the Year	≤ 1 million baht	≤ 3 million baht	> 3 million baht	-
Fixed Asset Procurement according to Capital Expenditure	≤ 5 million baht	≤ 10 million baht	Size of Transaction < 50% <sup>1</sup>	Size of Transaction ≥ 50% <sup>1</sup>
Sale of Fixed Assets	≤ 0.5 million baht	≤ 1 million baht	Size of Transaction < 50% <sup>1</sup>	Size of Transaction ≥ 50% <sup>1</sup>
Short-term Investments	≤ 1 million baht	≤ 3 million baht	> 3 million baht	-
Request for Long-term Loan	≤ 10 million baht	≤ 30 million baht	> 30 million baht	-

<sup>1</sup> Refer to the calculation of the transaction size according to the announcement of the Stock Exchange of Thailand Board regarding the disclosure of information and operations of listed companies in the acquisition or disposal of assets B.E. 2547 (2004).

## 7.2 Board of Directors Information

### 7.2.1 Individual Information About the Board of Directors and Controlling Persons

The list of the Company's Board of Directors, totaling seven individuals, is as follows:

Name	Position
1. Mr.Wanchai Sutananta	Chairman / Independent Director / Chairman of the Audit Committee / Chairman of the Nominating and Remuneration Committee
2. Mr.Worathep Gorgitpoonpol	Director / Independent Director / Member of the Audit Committee / Member of the Nominating and Remuneration Committee
3. Mr.Thanadol Ruksapol	Director / Independent Director / Member of the Audit Committee / Chairman of Risk Management Committee
4. Mr.Suvit Ngampoopun	Director / Chairman of Executive Director / Member of the Nominating and Remuneration Committee
5. Mr.Subhachai Saibour	Director / Executive Director / Member of Risk Management Committee
6. Mr.Somchai Phisphahutharn	Director / Executive Director / Member of Risk Management Committee
7. Mr. Suraslip Ngampoopun	Director / Executive Director

Directors authorized to sign on behalf of the Company

Directors authorized to sign on behalf of the Company are Mr. Suvit Ngampoopun, Mr. Somchai Phisphahutharn, and Mr. Subhachai Saibour. Two out of the three directors sign collectively and affix the Company's official seal.

Composition of the Board of Directors

Detail	Number (person)	%
Directors	7	100.00
Executive directors	3	42.86
Non-executive directors	4	57.14
- Independent directors	3	42.86
- Not serving as an independent director	1	14.28

## 7.2.2 Roles and Responsibilities of the Board of Directors

During the Board of Directors meeting No. 6/2022 held on October 19, 2022, the scope of duties and authority of the Board of Directors was defined as follows:

1) Perform duties with a sense of responsibility, diligence, and integrity, ensuring compliance with laws, objectives, Company regulations, and resolutions passed at shareholders' meetings. Exceptions are matters that require prior approval from shareholders' meetings before implementation, such as transactions mandated by law to obtain shareholders' approval, related transactions, and significant asset acquisitions or disposals according to the criteria set by the Stock Exchange of Thailand or other government agencies, etc.

2) Supervise the business operations to ensure ethical conduct, such as establishing corporate governance policies, guidelines, and a code of conduct for the directors, executives, and employees of the Company. This includes providing disclosure, setting standards for compliance, and monitoring implementation.

3) Review and approve business policies, objectives, operational plans, business strategies, and the annual budget of the Company. Regularly scrutinize and review the appropriateness of various policies on a yearly basis.

4) Consider and approve the appointment of individuals with qualifications and without disqualifications specified in the Public Company Limited Act B.E. 2535 (1992) (and its amendments), securities laws, and the Stock Exchange of Thailand. This includes compliance with regulations and/or rules related to holding the position of a Company director in cases where the directorship becomes vacant for reasons other than the expiration of the term.

5) Consider the appointment of independent directors, taking into account the qualifications and disqualifications of independent directors as stipulated by securities laws, the Stock Exchange of Thailand, Capital Market Supervisory Board Announcement, and related regulations and/or rules of the Stock Exchange of Thailand. Propose such appointments to the shareholders' meeting for approval, following the recommendations of the Nomination and Remuneration Committee.

6) Consider the appointment of the Audit Committee, ensuring that the members meet the qualifications required by securities laws, the Stock Exchange of Thailand, the Capital Market Supervisory Board Announcement, and relevant regulations and/or rules of the Stock Exchange of Thailand. This is carried out in accordance with the recommendations of the Nomination and Remuneration Committee.

7) Consider the appointment of the Executive Committee, selecting from the Company's Board of Directors, executives, or external individuals. Specify the scope, authority,

responsibilities, and duties of the Executive Committee, following the recommendations of the Nomination and Remuneration Committee.

8) Consider appointing other sub-committees to assist in carrying out responsibilities as delegated by the Board of Directors.

9) Consider establishing and amending the list of authorized signatories on behalf of the company.

10) Appoint other individuals to conduct the Company's business under the control of the Board of Directors or delegate authority to ensure that such individuals have authority as deemed appropriate by the Board of Directors within the time frame set by the Board. The Board may cancel, revoke, modify, or amend such authority.

11) Consider approving the acquisition or disposal of the Company's or its subsidiaries' assets, investments in new businesses, and any operations, except that such transactions must receive approval from the shareholders' meeting. In this regard, the consideration for approval will comply with securities and exchange laws, the Capital Market Supervisory Board Announcement, and/or relevant regulations and announcements of the Stock Exchange of Thailand.

12) Consider approving related-party transactions unless such transactions must receive approval from the shareholders' meeting. In this regard, the consideration for approval will comply with securities and exchange laws, the Capital Market Supervisory Board Announcement, and/or relevant regulations and announcements of the Stock Exchange of Thailand.

13) Consider approving the distribution of interim dividends to shareholders when it is deemed appropriate given the Company's profits, and report such dividend payments to shareholders in the next shareholders' meeting.

14) Ensure the preparation of the financial statements as of the year-end of the Company's accounting period, audited by an auditor, for presentation at the Annual General Meeting of Shareholders and approval.

15) Ensure the preparation of financial statements as of the quarter-end of the Company's accounting period, subject to review by the auditor.

16) Perform any other duties related to the Company's operations as assigned by the shareholders.

### 7.3 Sub-committee Information

The Board of Directors has appointed four sub-committees, namely the Audit Committee, Executive Committee, Risk Management Committee, and Nomination and Remuneration Committee.

#### 7.3.1 Audit Committee

The Audit Committee consists of three independent directors, as follows:

Name	Position
1. Mr. Wanchai Sutananta	Chairman of the Audit Committee
2. Mr. Worathep Gorgitpoonpol	Member of the Audit Committee
3. Mr. Thanadol Ruksapol	Member of the Audit Committee

Mr. Thanadol Ruksapol serves as an Audit Committee member, bringing sufficient knowledge and experience in accounting and finance to assess the reliability of financial statements (please refer to Dr. Thanadol Ruksapol's experience details in Attachment 1). Additionally, Ms. Pattharanan Chuvangcha holds the position of Audit Committee Secretary, appointed during the Board of Directors meeting no. 6/2022 on October 19, 2022.

An Audit Committee member holds the position for a term aligned with the Company director's term, which is every 3 years. The conclusion of the term occurs at the Annual General Meeting of Shareholders. If an Audit Committee member, upon completion of the term, is not automatically re-elected but is instead appointed by the Board of Directors to resume the position, they may serve for additional terms, not exceeding three consecutive terms. The outgoing committee member who has completed the term retains the role temporarily until a replacement is appointed unless the outgoing member has completed the full term but is not re-elected to return. In the event that the position of an Audit Committee member becomes vacant, resulting in the number of members being less than three, the Board of Directors or the shareholders' meeting, following the Nomination and Remuneration Committee's recommendations, shall appoint a qualified individual without disqualifications to serve as an Audit Committee member, ensuring the committee's completeness as per legal requirements promptly or, at the latest, within 3 months from the date the membership falls below the required number. The newly appointed Audit Committee member will serve for the remaining term of the replaced committee member.

The Audit Committee shall possess the following qualifications:

1. The Audit Committee, appointed by the Board of Directors or the shareholders' meeting of the Company, in accordance with the recommendations of the Nomination and

Remuneration Committee, shall consist of not less than three independent members, including a Chairman of the Audit Committee, selected by the Board of Directors or the Audit Committee, and at least two other Audit Committee members. At least one member must have knowledge, understanding, and experience in accounting or finance, with the ability to audit the reliability of financial statements. This member should have continuous knowledge related to factors affecting financial reporting changes, and ongoing development of accounting or financial knowledge to assess the impact on the reliability of financial statements.

2. Audit Committee members must not hold shares in the Company or hold shares not exceeding 1% of the total voting shares of the Company, its subsidiaries, affiliates, major shareholders, or controlling persons. In this regard, the shareholding of individuals related to each Audit Committee member should be cumulatively considered.
3. Audit Committee members must not be, or have been, involved in the management of the Company, including not being or having been an employee, consultant receiving a fixed monthly salary, or a controlling person of the Company, its subsidiaries, affiliates, or major shareholders of the Company or the controlling persons, unless exempted from such characteristics for a period of at least 2 years prior to their appointment. This prohibition does not include cases where the Audit Committee members were or are civil servants or consultants for government agencies that are major shareholders or controlling persons of the Company.
4. Audit Committee members must not have any blood relations or be registered under the law in a capacity such as parents, spouses, siblings, and children, including the spouses of the children, of other board members, executives, major shareholders, controlling persons, or individuals proposed to become directors, executives, or controlling persons of the Company or its subsidiaries.
5. Audit Committee members must not have or have had any business relationships with the Company, its subsidiaries, affiliates, major shareholders, or controlling persons of the Company in a manner that could impede the independent judgment of the Committee members. Additionally, they must not have been or currently be shareholders with a significant interest, or controlling persons of those with business relationships with the Company, its subsidiaries, affiliates, major shareholders, or controlling persons of the

Company unless exempted from such characteristics at least 2 years prior to their appointment.

The business relationship, as stated in the first paragraph, includes engaging in regular commercial transactions to support business operations, leasing or renting real estate, transactions related to assets or services, and providing or receiving financial assistance through loans, guarantees, asset-based collateral, or similar financial support. This has led to a debt obligation of at least 3% of the Company's net tangible assets or an amount exceeding 20 million baht, whichever is lower.

In this regard, the calculation of this debt obligation shall follow the valuation method specified in the Capital Market Supervisory Board Announcement regarding criteria for related transactions based on reasonable practices. Furthermore, in assessing the debt obligation, all debts incurred during the one-year period prior to the date of establishing the business relationship with the same individual should be included.

In this regard, the calculation of this debt obligation shall follow the valuation method specified in the Capital Market Supervisory Board Announcement regarding criteria for related transactions based on reasonable practices. Furthermore, in assessing the debt obligation, all debts incurred during the one-year period prior to the date of establishing the business relationship with the same individual should be included.

6. Audit Committee members must not be, or have been, an auditor of the Company, its subsidiaries, affiliates, major shareholders, or controlling persons of the Company. They must not be a shareholder with a significant interest, a controlling person, or a partner in the auditing office that has audited the Company, its subsidiaries, affiliates, major shareholders, or controlling persons of the Company, unless exempted due to not having held such characteristics for a minimum of 2 years before the appointment.
7. Audit Committee members must not be, or have been, a professional service provider, including providing legal or financial consulting services, that received remuneration exceeding 2 million baht annually from the Company, its subsidiaries, affiliates, major shareholders, or controlling persons of the Company. They must not be a shareholder with a significant interest, a controlling person, or a partner in the service provider's shares unless exempted due to having not held such characteristics for a minimum of 2 years before the appointment.



8. Audit Committee members must not be a director appointed to represent the director of the Company, major shareholders, or shareholders associated with the major shareholders of the Company.
9. Audit Committee members must not engage in a business that is of a similar nature and competes with the business of the Company or its subsidiaries, or be a partner with interests in a partnership, or be a director who actively participates in the management, an employee, a consultant receiving a regular salary, or hold shares exceeding 1% of the total voting shares of another company that operates a similar and competing business with that of the Company or its subsidiaries.
10. Audit Committee members must not have any other characteristics that would compromise their ability to provide independent opinions on the Company's operations.

Following their appointment as an Audit Committee member in accordance with points 2) to 10), the Audit Committee members may be assigned by the Board of Directors to make decisions regarding the operations of the Company, its subsidiaries, affiliates, major shareholders, or controlling persons of the Company, utilizing a collective decision format.

11. Not being a director appointed by the Board of Directors to make decisions regarding the operations of the Company, its subsidiaries, affiliates, major shareholders, or controlling persons of the Company.
12. Not being a director of subsidiaries, specifically listed companies.
13. Audit Committee members must possess other qualifications as stipulated by the Capital Market Supervisory Board, the Stock Exchange of Thailand, and/or the Securities and Exchange Commission.
14. The Board of Directors or the Audit Committee appoints the Secretary of the Audit Committee to assist in the committee's operations regarding meeting appointments, agenda preparation, document submission, meeting proceedings, minutes recording, and other tasks as delegated by the Audit Committee.

#### **Roles and Responsibilities of the Audit Committee**

- 1) Verify that the Company reports its financial information accurately and adequately discloses it.
- 2) Ensure that the Company has appropriate and effective internal control and internal audit systems and assess the independence of the internal audit unit (or company), as well as

providing approval for the appointment, transfer, or termination of the head of the internal audit unit (or company).

- 3) Supervise to ensure there is a process for employees to report concerns regarding inappropriate financial reporting or other issues.
- 4) Examine to ensure that the Company complies with securities and exchange laws, stock market regulations, and laws related to the Company's business.
- 5) Prepare the Audit Committee's report for presentation to the Board of Directors, disclosed in the One Report (Form 56-1) of the Company. The report, signed by the Audit Committee Chairman, includes the following information:
  - Comments on the accuracy, completeness, and reliability of the Company's financial reports.
  - Comments on the adequacy of the Company's internal control system.
  - Comments on compliance with securities and exchange laws.
  - Comments on stock exchange regulations or laws related to the Company's business.
  - Comments on the suitability of the auditors.
  - Comments on items that may have conflicting interests.
  - Number of Audit Committee meetings and attendance of each committee member.
  - General comments or observations made by the Audit Committee during the performance of its duties according to the charters.
  - Other items that shareholders and general investors should be aware of within the scope of responsibilities assigned by the Board of Directors.
  - Other actions as assigned by the Company's directors with the approval of the Audit Committee.
- 6) Perform any other duties as required by law or within the scope of authority, duties, and responsibilities defined in the charters or as assigned by the Board of Directors, with the approval of the Audit Committee.

### 7.3.2 Executive Committee

The Executive Committee consists of a total of 11 members, as follows:

Name	Position
1. Mr. Suvit Ngampoopun	Chairman of Executive Director
2. Mr. Subhachai Saibour	Member of Executive Director
3. Mr. Somchai Phisphahutharn	Member of Executive Director
4. Mr.Surasilp Ngampoopun	Member of Executive Director
5. Mr.Alongkorn Leela-Uppatikarn	Member of Executive Director
6. Mr. Wongsatorn Ngam-Anek	Member of Executive Director
7. Mr.Rachain Sittisang	Member of Executive Director
8. Ms. Anuporn Pattravanichkun	Member of Executive Director
9. Ms.Woranuch Kongsupapsiri	Member of Executive Director
10. Ms. Phiraya Chanpatya	Member of Executive Director
11. Mr.Pakorn Thongklawe	Member of Executive Director

### Roles and Responsibilities of the Executive Committee

- 1) Establish policies, objectives, strategies, operational plans, annual budgets, and managerial authorities of the Company for presentation to the Board of Directors for approval.
- 2) Supervise the Company's business operations in accordance with the objectives, regulations, rules, requirements, directives, policies, goals, strategies, operational plans, and annual budgets approved by the Board of Directors, Board of Directors' meeting resolutions and/or resolutions at shareholders' meetings, ensuring effectiveness and alignment with business conditions. Provide advice and guidance on senior management, including approving appointments of necessary consultants within the framework of the budget approved by the Board of Directors.
- 3) Consider and approve normal business operations of the Company and its subsidiaries, including expenditures for investments, financial transactions with financial institutions for account opening, loans, pledges, guarantees, and any other transactions, including buying/selling or registering land rights for the normal course of business of the Company and its subsidiaries. This is subject to the approved financial limit and/or the Table of Authority set by the Board of Directors.

- 4) Establish the organizational structure of the Company at the management level and ensure efficient management, covering the selection, training, hiring, and termination of employees, including executives and senior management of the Company. This may include delegating the authority to the Chief Executive Officer, the Chief Administrative Officer, the Managing Director, or Assistant General Managers of the Company, empowering them to act on behalf of the Company and sign labor contracts.
- 5) Supervise and approve matters related to the Company's operations and may appoint or delegate any individual or individuals to perform any acts on behalf of the Executive Committee as deemed appropriate. The Executive Committee has the authority to revoke, modify, or amend such powers.
- 6) Review and provide recommendations on matters requiring approval from the Board of Directors, except for activities for which the Board of Directors has assigned another sub-committee to act as the executor.
- 7) Present candidates for the role of Company Secretary to the Company for consideration, subject to approval by the Executive Committee.
- 8) Perform any other duties as assigned by the Board of Directors.

The delegation of authority, duties, and responsibilities of the Executive Committee shall not involve the granting of powers or responsibilities that would enable the Executive Committee or individuals delegated authority by the Executive Committee to approve transactions in which they, or persons with potential conflicts of interest (as defined by the Securities and Exchange Commission), have a direct or indirect interest, or may receive any benefits, or may have any other conflicting interests with the Company or its subsidiaries. Approvals for such transactions of the aforementioned nature shall be presented to the Board of Directors and/or shareholders of the subsidiary, as the case may be, unless it involves the approval of normal business transactions with clearly defined scope and is in accordance with the policies and criteria approved by the shareholders' meeting or the Board of Directors.

### 7.3.3 Risk Management Committee

The Risk Management Committee consists of a total of three members, as follows:

Name	Position
1. Mr. Thanadol Ruksapol	Chairman of Risk Management Committee
2. Mr. Subhachai Saibour	Member of Risk Management Committee
3. Mr. Somchai Phisphahutharn	Member of Risk Management Committee

Risk Management Committee members are appointed by the Board of Directors or the shareholders' meeting, subject to screening by the Nomination and Remuneration Committee. Independent members of the Risk Management Committee have terms of office and perform their duties in accordance with the terms set by the Board of Directors. The Risk Management Committee members, whether executive or employees of the Company, have a term of office of 3 years from the date of their appointment, unless the Board of Directors passes a different resolution. For external individuals serving as Risk Management Committee members, who do not hold positions as directors or executives of the company, they also have a term of office of 3 years from the date of their appointment. When a Risk Management Committee member completes their term, they have the right to be reappointed if approved by the Board of Directors or at a shareholders' meeting, based on the recommendations of the Nomination Committee and consideration of remuneration.

#### **Roles and Responsibilities of the Risk Management Committee**

- 1) Establish and review organizational policies, objectives, and frameworks for the overall risk management, including integrated risk management and the core business risk management. This encompasses strategic risks, business risks, operational risks, compliance risks, as well as corruption and ESG risks associated with environmental, social, and governance issues, including emerging risk. Ensure that these risk management practices are appropriately aligned with business operations, meet international standards, and align with operational strategies, business plans, and evolving scenarios over time to enhance efficiency.
- 2) Consider and provide input on drafts of organizational risk management policies and frameworks before presenting them to the Board of Directors for review and approval.
- 3) Evaluate and provide feedback on the results of risk assessments, guidelines, risk management measures, and action plans to manage and mitigate the risks of the Company. Ensure that the Company has sufficient and appropriate risk management practices.

- 4) Oversee and support the organization's successful risk management by recommending preventive measures and methods to reduce risk levels to an acceptable level. Monitor the implementation of action plans to mitigate risks consistently and appropriately in line with the business environment, ensuring confidence in the adequate and suitable management of risks.
- 5) Provide guidance and support to the Board of Directors, management, and the risk management team on organizational-level risk management. This includes promoting and supporting continuous improvement and development of the internal risk management system regularly and consistently.
- 6) Oversee and support the regular examination and review of the organization's risk management policies and frameworks, at least annually, to ensure that aforementioned policies and frameworks continue to align with and suit the overall business environment and risk management activities of the Company.
- 7) Report on significant organizational risks, including the status of risk management, progress, and outcomes of risk management activities to the Board of Directors regularly.
- 8) Perform duties as assigned by the Board of Directors.

#### **7.3.4 Nomination and Remuneration Committee**

The Nomination and Remuneration Committee consists of three members, as follows:

<b>Name</b>	<b>Position</b>
1. Mr. Wanchai Sutananta	Chairman of the Nominating and Remuneration Committee
2. Mr. Worathep Gorgitpoonpol	Member of the Nominating and Remuneration Committee
3. Mr. Suvit Ngampoopun	Member of the Nominating and Remuneration Committee

Nomination and Remuneration Committee members are appointed by the Board of Directors or at shareholders' meetings, serving a term of three years, aligned with the tenure of the Company's director. Upon completion of their term, members may be reappointed based on the discretion of the Board of Directors or the shareholders' meetings if deemed appropriate.

#### **Roles and Responsibilities of the Nomination and Remuneration Committee**

- 1) Establish criteria and policies for selecting the Company's board members and sub-committee members, considering the appropriateness of the number, structure, and composition of the committee. Define the qualifications of the board members and

present recommendations to the Board of Directors and/or propose for approval at shareholders' meetings, as applicable.

- 2) Evaluate, select, and propose suitable individuals to serve as board members or sub-committee members upon the completion of terms and/or to fill vacancies and/or additional appointment.
- 3) Evaluate the qualifications of the Chief Executive Officer deemed suitable for managing the Company's business to achieve the established vision. This assessment should encompass education, experience, knowledge, expertise, and key related business environmental factors, such as economic and industry trends and conditions, as well as business competitiveness.
- 4) Develop and periodically review the Chief Executive Officer Succession Plan to ensure preparedness for seamless transition and have individuals ready to assume responsibilities to facilitate the continuous management of the Company's operations, subject to approval by the Board of Directors.
- 5) Perform any other tasks related to the nomination as assigned by the Board of Directors.
- 6) Evaluate the performance of sub-committees and the Chief Executive Officer to provide recommendations to the Board of Directors for consideration of appropriate compensation.
- 7) Develop criteria and policies for determining the compensation of the Board of Directors, sub-committee members, and the Chief Executive Officer. Present these to the Board of Directors for approval or propose them for consideration at shareholders' meetings, as applicable.
- 8) Establish necessary and appropriate compensation, both monetary and non-monetary, for individual members of the Board of Directors, sub-committee members, and the Chief Executive Officer, considering factors such as duties, responsibilities, performance, and comparisons with similar companies in the industry. Align compensation with the overall performance of the Company to motivate and retain capable and qualified members of the Board of Directors, sub-committees, and the Chief Executive Officer. Present these compensation proposals to the Board of Directors for consideration and approval, and/or submit them for approval at shareholders' meetings.
- 9) Establish criteria and methods for evaluating the performance of the Board of Directors, sub-committee members, and the Chief Executive Officer. Be responsible for providing

explanations and addressing questions related to the compensation of Company directors at shareholders' meetings.

- 10) Report on the policies, principles/rationale for determining the compensation of the Board of Directors, sub-committee members, and Chief Executive Officer in accordance with the requirements of the Stock Exchange of Thailand. This information should be disclosed in the Company's annual report (Form 56-1 One Report) (refer to section 7.4.2 for further details).
- 11) Perform any other tasks related to remuneration as assigned by the Board of Directors through the management, and various departments must report or present information and documents relevant to the Nomination and Remuneration Committee to support the committee's functions in fulfilling its assigned duties.

## 7.4 Executive Information

### 7.4.1 List of Executives and Positions

As of December 31, 2024 the Company has a total of 10 executives, as follows:

Name	Position
1. Mr.Suvit Ngampoopun	Chief Executive officer /Chief Marketing officer
2. Mr.Suphachai Saibour	Chief Operating Officer
3. Mr.Somchai Phisphahutharn	Chief Financial Officer
4. Ms.Anuporn Pattravanichkun	Executive Director of Accounting & Financial
5. Ms.Phiraya Chanpatya	Assistant Chief Financial Officer
6. Mr.Pakorn Thongklawe	Assistant Chief Financial Officer
7. Ms.Woranuch Kongsupapsiri	Executive Director of Marketing
8. Mr.Wongsatorn Ngam-Anek	Executive Director of Support
9. Mr.Rachain Sittisang	Executive Director of Manufacture
10. Mr.Alongkorn Leela-Uppatikarn	Assistant Chief Operation Officer

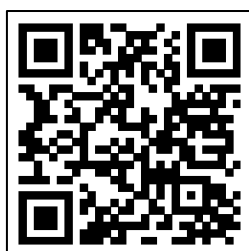
### 7.4.2 Compensation Policy of the Executive Committee and Management

The compensation for the Board of Directors and sub-committees must receive approval at the shareholders' meeting, with input from the Nomination and Remuneration Committee. The Nomination and Remuneration Committee will provide feedback, considering the roles, responsibilities, job performance, and the Company's performance. A comparison will be made with the compensation of directors in similar industries. This proposal will then be presented to the Board of Directors for their consideration. The Board of Directors will approve the



compensation for the Chief Executive Officer to align with job performance, with input from the Nomination and Remuneration Committee. The Chief Executive Officer will be responsible for considering and proposing compensation (both monetary and non-monetary), including other benefits, in accordance with the appropriateness of duties, responsibilities, and the Company's performance. The compensation consideration will aim for long-term motivation without reaching levels that overly prioritize short-term performance. Additionally, the compensation for executives each year will be within the budget framework approved by the Board of Directors.

The compensation for company executives includes salary, bonuses, and other forms of compensation such as social security contributions and provident fund contributions.



Please scan the QR code to read the information.

#### 7.4.3 Total Compensation for Executive Committee and Management

##### Monetary compensation

Executive Committee members serving in executive roles do not receive any compensation beyond what is provided for their executive roles. The compensation for executives is as follows:

Type of executive compensation	2022		2023		2024	
	Number (person)	Value (million baht)	Number (person)	Value (million baht)	Number (person)	Value (million baht)
Salary	10	26.79	10	28.18	10	28.84
Bonus	4	0.27	7	0.98	7	1.03
Other compensations*	10	0.43	10	1.10	10	1.19
<b>total</b>		<b>27.92</b>		<b>31.36</b>		<b>32.25</b>

Other forms of compensation include social security contributions, provident fund contributions at a rate of 3%, overtime pay, compensation for vacation days, and personal insurance premiums (including incentives, car allowance, and retroactive payments).

### Non-monetary compensation

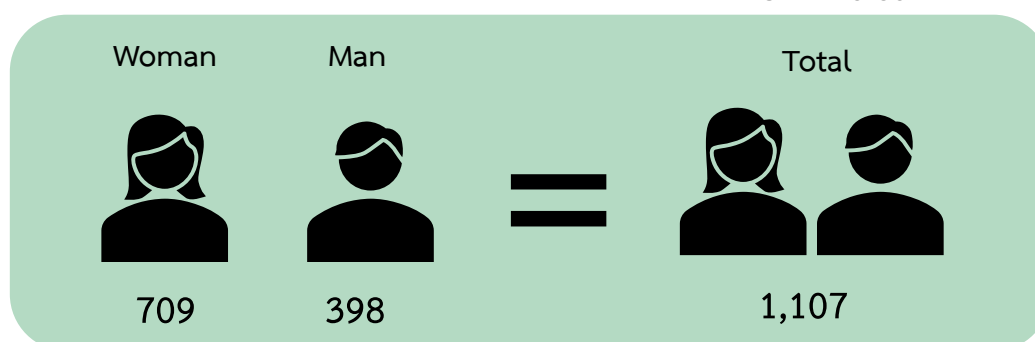
Non-monetary compensation includes Company cars, fuel expenses, insurance premiums, and the right to purchase IPO stocks.

Note: Executives holding positions in both the Company and its subsidiaries will not receive additional compensation from the subsidiaries

## **7.5 Employee Information**

The number of employees of the Company and its subsidiaries (including executive directors) - The Group's employees are 100% Thai nationals, and as of December 31, 2024, are as follows:

Unit: Person



The Company has employed 10 people with disabilities or other disadvantaged groups and has fully contributed to the fund in accordance with the law.

In 2024, there were 200 voluntary resignations, representing 19.00%.

### **Employee Compensation**

The company's employee compensation details are as follows:

(Unit : Baht)	2022	2023	2024
Employee Compensation	349,383,051.06	393,200,266.09	428,322,928.37

### **The Provident Fund**

The Company has established a provident fund under the management of TISCO Asset Management Co., Ltd., under the name "TISCO Master Fund." The Company selects the provident fund manager based on (1) the fund's performance history, (2) the fund's size, and (3) related expenses.

The Company registered and established the provident fund on October 1, 2022. It has set a contribution policy at the rate of 3% of the employee's salary as of December 31, 2024.

BLC and its subsidiaries have a total of 568 employees participating in the fund, accounting for 53.94% of the total employees.

	2022	2023	2024
Number of employees participating PVD (People)	573	599	656
Employee membership ratio PVD (%)	57.59	56.67	62.30

#### **Key Labor Disputes in the Last 3 Years**

- None –

#### **Human Resource Management Policy**

The Human Resource Management Policy focuses on developing a competitive workforce to accommodate business expansion. It aims to establish an organizational structure and appropriate staffing levels. The policy emphasizes the development of employees at all levels to be ready for job performance, ensuring the creation of quality work that aligns with business objectives and enables continuous growth in the respective fields. Additionally, it includes efforts to foster employee engagement with the organization and retain employees to work for the organization.

### **7.6 Other Important Information**

#### **7.6.1 Company Secretary**

At the 6/2022 Board of Directors meeting on October 19, 2022, a resolution was passed to appoint Ms. Phattharanan Chuwangcha as the Company Secretary. This appointment is effective following the conversion to a public limited Company. Ms. Phattharanan Chuwangcha has been serving as the Company Secretary since the resolution passed at the 8/2021 Board of Directors meeting on December 28, 2021, with the appointment taking effect from January 1, 2022, onwards.

Name        Ms.Pattarnan Chuwangcha

Position     Company Secretary

(Detailed information is in the attached 1)

**Scope of duties and responsibilities of the Company Secretary:**

1. Conducting board meetings and shareholders' meetings in accordance with the Company's regulations and relevant laws.
2. Monitoring and coordinating to ensure that the Company and the Board of Directors act in compliance with the law, objectives, regulations of the Company, and principles of good corporate governance. This includes resolutions passed during board meetings and shareholders' meetings.
3. Supporting initiatives for directors and executives to acquire knowledge and participate in training courses related to their duties as directors and ad hoc committee.
4. Arrange training and orientation sessions, providing relevant documents and information related to the current and newly appointed directors' responsibilities.
5. Provide basic information on the Company's laws, rules, and regulations that the Board of Directors and executives should be aware of, including best practices for governing the Company's operations in accordance with the law.
6. Implement performance evaluations for the Board of Directors and sub-committees to assess their job performance.
7. Coordinate with regulatory authorities such as the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). Ensure accurate and complete disclosure of information and reports to regulatory bodies and the public.
8. Serve as a central hub for communication, facilitating the exchange of information and news between the Board of Directors, executives, and shareholders.
9. Prepare and maintain essential Company documents, including directors register, meeting notices, reports of board meetings, shareholders' meeting notices and reports, as well as the Company's annual reports.
10. Conduct an annual examination of items of interest involving directors and executives, presenting the information to the Audit Committee and the Board of Directors at least once a year.
11. Maintain documents reporting the interests of directors and executives as reported by the directors or executives. Distribute copies of such reports to the Chairman of the

Board of Directors and of the Audit Committee within 7 business days from the date the Company receives the report.

12. Carry out other duties as specified by the Capital Market Supervisory Board.

#### **7.6.2 Chief Financial Officer**

Name	Mr.Somchai Phisphahutharn
Education	M.Sc. MBA Thammasat University  M.Sc. Information Technology in Business Chulalongkorn University  B.Sc. Pharmaceutical Science (First-class honors)  Mahidol University
Experience	1992 – Present Chief Financial Officer  (Detailed information is in the attached 1)

#### **7.6.3 The person supervising accounting**

Name	Ms.Phiraya Chanpatya
Education	Bachelor's degree  Accounting, Srinakharinwirot University
Experience	2022 - Present Assistant Chief Financial Officer and  Accountancy  Bangkok Lab and Cosmetic Public Company Limited  2021 Auditor Senior Manager  Deloitte Touche Tohmatsu Jaiyos Co., Ltd  (Detailed information is in the attached 1)

#### **7.6.4 Head of Investor Relation**

Name	Mr.Pakorn Thongklaew
------	----------------------

Address	Bangkok Lab and Cosmetic Public Company Limited
	No. 48/1 Moo 5, Nong Chae Sao Road, Nam Phu Subdistrict,
	Mueang Ratchaburi, Ratchaburi 70000
e-mail	<a href="mailto:ir@blcplc.com">ir@blcplc.com</a>
Website	<a href="http://www.blcplc.com">www.blcplc.com</a>
Telephone No.	091-7735757,097-1906336

#### **7.6.5 Haed of Internal Audit**

Company name	Dharmniti Internal Audit Co.,Ltd
Assignment Name	Ms. Anatsaya Raksasorn
Education	Master of Faculty of Commerce and Accountancy Statistics and Insurance Chulalongkorn University Bachelor of Faculty Of management Sciences Accounting Prince Of Songkla University

(Detailed information is in the attached 1)

#### **7.6.6 Remuneration for the Auditor**

The Audit Committee will consider the qualifications of the auditors along with management in terms of reliability, independence, knowledge, and experience in auditing. This includes providing advice on accounting standards, timely certification of financial statements, and the appropriateness of remuneration. The committee will present these considerations to the Board of Directors for approval and appointment at the Annual General Meeting of Shareholders of the auditors from KPMG Phoomchai Audit Limited, as listed below:

- |                                 |                                      |    |
|---------------------------------|--------------------------------------|----|
| 1) Mr. Bunyarit Thanomcharoen,  | Certified Public Accountant No. 7900 | or |
| 2) Ms. Sirinuch Wimonsathit,    | Certified Public Accountant No.8413  | or |
| 3) Mr. Sumet Jangsamsee,        | Certified Public Accountant No.9362  | or |
| 4) Mr. Yutthaphong Sunthalinka, | Certified Public Accountant No.10604 |    |

The proposed auditors from KPMG Phoomchai Audit Limited must not have any relationship or financial interest with the Company.

In the year 2024, the Company paid auditing fees to KPMG Phoomchai Audit Limited, with Mr. Boonyarit Thanomcharoen as the certified public accountant, registered under number 7900, for the amount of 5.8 million baht. At the 2024 Annual General Meeting of Shareholders

The Company and its subsidiaries use non-audit services, which is the observation of product destruction for the Company from the auditing firm to which the auditor belongs in the past fiscal year, amounting to 0.10 million baht.

## **8. Report on Key Performance in Corporate Governance**

### **8.1 Summary of Board's Performance for the Past Year**

#### **8.1.1 Nomination, Development, and Evaluation of the Board's Performance**

- **Board and Subcommittee Nomination**

The Company recruits individuals to be appointed as directors and top-level executives through the Nomination and Remuneration Committee, consisting of two independent directors out of a total three members. The committee is responsible for considering the selection and screening of individuals with suitable qualifications according to the Company's regulations. It proposes candidates with appropriate qualifications to ensure the appointment of professional and diverse board members, considering the structure, size, and composition of the board. The committee presents its recommendations to the board for approval and submits the proposed names to the shareholders' meeting for further appointment. Criteria and methods for nominating board members have been established as follows:

- 1) Provide an opportunity for minor shareholders to nominate individuals with suitable qualifications to be considered for election as directors. The nomination period is open from October 16, 2023, to January 16, 2024. The Company also accepts nominations from major shareholders.
- 2) Qualifications for candidates to be considered must comply with relevant laws and regulations, including the Public Limited Companies Act, Securities and Exchange Act of 2535 B.E. (1992), Company regulations, and the Company's principles of good corporate governance.
- 3) Evaluate candidates based on the criteria for nominating Company directors set by the SET.
- 4) Emphasize the importance of individuals with skills, professional experience, and specific qualifications in various diverse areas, especially those that the board currently lacks and are crucial to the business. This includes a commitment to diversity without limitations or distinctions based on gender, ethnicity, or any differences, aiming for a comprehensive and maximally beneficial composition of the board for the Company.
- 5) Consider the appropriateness of knowledge, experience, and specific capabilities in the industry or core sectors where the Company operates. This ensures that the Board of Directors possesses a well-rounded understanding of business, strategy, legal aspects,



finance, accounting, economics, international business, and information technology, merging expertise for the benefit of the Company's operations.

- 6) Consider the commitment of directors, and if the same directors are returning for another term, evaluate their performance during their current term. This assessment should also include a consideration of the number of directorships each individual holds to ensure compatibility with the nature or condition of the Company's business. This ensures confidence that the effectiveness of their work will not diminish.
- 7) In the case of appointing independent directors, assess the independence of the individuals proposed for the role based on the criteria set by the SEC and in accordance with the Company's definition of an independent director, ensuring that they possess qualities of independence outlined in the Company's guidelines for good corporate governance, as well as those disclosed on the Company's website.
- 8) Performance results from the past year (if available).
- 9) Providing useful suggestions and comments.

Following this, the nominated directors will be presented for appointment at the shareholders' meeting.

The appointment of each director at the shareholders' meeting requires obtaining an approval vote, as follows:

- 1) Each shareholder has voting rights equivalent to one vote per share.
- 2) In voting for the election of directors, the Company allows shareholders to use voting cards to individually cast their votes. However, the total number of votes available to each shareholder must be used to elect one or more directors, and votes cannot be divided among candidates to any extent.
- 3) Individuals receiving the highest number of votes, in descending order, will be elected as directors, up to the number of directors to be elected in that round. In case of a tie in votes for individuals in subsequent positions, exceeding the available number of directors to be elected, the chairperson of the meeting will have the deciding vote.

In the event that a director position becomes vacant due to reasons other than the expiration of the term, the board shall consider appointing an individual with the qualifications and without disqualifications according to the law as a director to fill the vacancy until the next board meeting, unless the remaining term of the director being replaced is less than 2 months. The person appointed as a replacement director will hold the position only for the

remaining term of the director being replaced. The appointment of such an individual as a director must receive a vote of no less than three out of four of the remaining directors.

● **Independence Criteria for Directors**

- 1) Holding shares not exceeding 1% of the total voting shares of the Company, subsidiaries, affiliates, major shareholders, or controllers of the Company. This includes counting the shares held by related persons of that independent director as well.
- 2) Not being, or ever having been a director who participated in management, staff personnel, employee, salaried consultant, or a person having control of the Company, its subsidiaries, affiliated companies, or companies at the same level, major shareholders, or a person having control of the Company. This exception applies if the individual has been free from such affiliations for at least 2 years before the date of applying for permission from the SEC or the date of appointment.
- 3) Not having blood relations, legal relationships such as parents, spouses, siblings, children, and spouses of children of other directors, executives, major shareholders, controlling persons, or individuals proposed to be directors, executives, or controlling persons of the Company or its subsidiaries.
- 4) Not having current or past business relationships with the Company, subsidiaries, affiliated companies, major shareholders, or controlling persons of the Company that may interfere with their independent judgment. This includes not being or ever been a shareholder with interests or a controlling person of an individual with a business relationship with the Company, subsidiaries, affiliated companies, major shareholders, or controlling persons of the Company unless released from such conditions for at least 2 years before the date of appointment. Business relationships include engaging in commercial transactions conducted for business purposes, leasing or renting real estate, transactions related to assets or services, or providing or receiving financial assistance through loans, guarantees, providing assets as collateral, or other similar arrangements. This results in the Company or the counterparty having a debt obligation of at least 3% of the Company's net tangible assets or at least 20 million baht, whichever is lower. The calculation of this debt obligation should follow the valuation method of related transactions according to the Capital Market Supervisory Board's announcement regarding criteria for related transactions, *mutatis mutandis*. In considering such debt obligations, those incurred within one year prior to the date of having a business relationship with the same party should be included.

- 5) Not being or ever having been an auditor of the Company, subsidiaries, affiliated companies, major shareholders, or those with controlling power over the Company, and not being a significant shareholder, or having controlling power, or shares in the accounting office, which has auditors of the Company, subsidiaries, affiliated companies, major shareholders, or those with controlling power over the Company, unless released from such conditions for at least 2 years before the date of appointment.
- 6) Not being or ever having been a professional service provider, including providing legal or financial consulting services, receiving fees exceeding 2 million baht per year from the Company, subsidiaries, affiliated companies, major shareholders, or those with controlling power over the Company. Also, not being a significant shareholder, controlling power, or partner in that professional service provider, unless released from such conditions for at least 2 years before the date of appointment.
- 7) Not being a director appointed to represent the directors of the Company, major shareholders, or shareholders associated with major shareholders.
- 8) Not engaging in a business similar in nature and competitive with the Company or its subsidiaries, not holding significant shares in a partnership, and not being a managerial director, staff personnel, employee, salaried consultant, or holding shares exceeding 1% of the total voting shares of another Company engaged in a similar and competitive business with the Company or its subsidiaries.
- 9) Having no other characteristics that would prevent the ability to provide independent opinions regarding the operations of the Company.
- 10) Not being a director appointed by the Company's board to make decisions regarding the operations of the Company, its subsidiaries, affiliated companies, same-level subsidiaries, major shareholders, or individuals with controlling power over the Company.
- 11) Not serving as a director of a subsidiary Company or same-level subsidiary Company, specifically for listed companies.

- **Nomination of Top-level Executives**

The Company's Board of Directors has considered and delegated the Nomination and Remuneration Committee to establish criteria and methods for selecting individuals with suitable qualifications for executive and top management positions. This is to ensure the appointment of individuals with the necessary knowledge, skills, experience, and characteristics to drive the organization toward its goals. The committee will propose

suitable candidates with reasons for consideration by the Company's board for appointment. The Nomination and Remuneration Committee will oversee the establishment of a compensation structure and performance evaluation at appropriate levels. Additionally, it will monitor the management and development of personnel to ensure they possess the knowledge, skills, experience, and motivation required.

In this regard, the Company has designated key positions that require succession planning, including:

1. Chief Executive Officer
2. Chief Finance Officer
3. Chief Marketing Officer
4. Chief Operating Officer
5. Director of Accounting and Finance
6. Director of Support Division
7. Production Line Director
8. Director of Marketing Division
9. Assistant Chief Operating Officer
10. Assistant Chief Finance Officer
11. Account Manager

The Company has designated that the individuals holding the 11 aforementioned positions collaborate with the management in defining the key responsibilities, qualifications, behaviors, and specific professional characteristics for each position.

The selection of individuals for succession planning will utilize human resources management strategies, such as developing high-potential individuals or external recruitment plans. Currently, the 11 individuals holding these positions will work together with the management to define the strategies used in developing high-potential individuals for succession planning.

#### ● **Personnel Development**

The Company aims to continuously promote the development of its workforce at all levels, fostering knowledge and capabilities for progress in job responsibilities. This is achieved by providing training and basic organizational knowledge to incoming board members to enhance their understanding of roles and responsibilities. Additionally, there is a commitment to

promoting ongoing knowledge and understanding development for board members, covering all aspects to efficiently carry out their duties in the face of external changes, for the sustainable development of the Company In 2024, the directors attended training in the following important courses or topics:

Name	Position	Training Topics	Training provider
Mr.Wanchai Sutananta	Chairman of the Board	AC Focus Knowledge for Growth and Sustainability in the Capital Market	The Stock Exchange of Thailand
Mr.Subhachai Saibour	Director	Subsidiary Governance Program (SGP 10/2024)	Thai Institute of Directors Association (IOD)
Mr.Somchai Phisphahutharn	Director	Subsidiary Governance Program (SGP 5/2023)	Thai Institute of Directors Association (IOD)

#### ● Board Performance Evaluation

The Company mandates a performance evaluation to be conducted at least once a year in both individual and board capacities. The evaluation results serve as a framework for reviewing job performance, identifying issues, and addressing various challenges. The assessment outcomes are analyzed to evaluate the board's performance and are used to generate recommendations for improvements, contributing to the continuous development of the operations.

รายละเอียดการประเมินผลการปฏิบัติงานที่ของคณะกรรมการประจำปี 2567

List of Directors	Assessment Format	Average Grade Received	Grade/Full Score
Board of Directors	Collective Board Evaluation	3.64	4.00
	Individual Evaluation (Self-Assessment)	3.71	4.00
Audit Committee	Collective Board Evaluation	3.92	4.00
	Individual Evaluation (Self-Assessment)	3.89	4.00
Nomination and Remuneration Committee	Collective Board Evaluation	3.38	4.00
	Individual Evaluation (Self-Assessment)	3.58	4.00
Risk Management Committee	Collective Board Evaluation	3.95	4.00
	Individual Evaluation (Self-Assessment)	3.79	4.00

### 8.1.2 Meeting Attendance and Remuneration of Individual Committee Members

The attendance record of the board of directors and subcommittees for the year 2024 is as follows

Name	Shareholders' meeting	Board of directors	Audit committee	Nomination and remuneration committee	Risk management committee	Executive committee
1. Mr.Wanchai Sutananta	1/1	6/6	4/4	1/1	-	-
2. Mr.Worathep Gorgitpoonpol	1/1	6/6	4/4	1/1	-	-
3. Mr.Thanadol Ruksapol	1/1	6/6	4/4	-	4/4	-
4. Mr.Suvit Ngampoopun	1/1	6/6	-	-	-	7/7
5. Mr.Subhachai Saibour	1/1	6/6	-	-	4/4	7/7
6. Mr.Somchai Phisphahutharn	1/1	6/6	-	-	4/4	7/7
7. Mr.Suraslip Ngampoopun	1/1	5/6	-	1/1	-	5/7

#### ● The remuneration of the board of directors and subcommittees for the year 2024







































































In 2024, the remuneration for directors and sub-committee directors was in the form of a cash attendance fee per meeting, exclusively for independent directors. There were no other forms of remuneration. Directors received an attendance fee for each meeting attended, summarized as follows:

Name	Shareholders' meeting	Board of directors	Audit committee	Nomination and remuneration committee	Risk management committee	Executive committee
1. Mr.Wanchai Sutananta	30,000	180,000	120,000	30,000	-	360,000
2. Mr.Worathep Gorgitpoonpol	25,000	150,000	100,000	25,000	-	300,000
3. Mr.Thanadol Ruksapol	25,000	150,000	100,000	-	120,000	395,000
4. Mr.Suvit Ngampoopun	-	-	-	-	-	-
5. Mr.Subhachai Saibour	-	-	-	-	-	-
6. Mr.Somchai Phisphahutharn	-	-	-	-	-	-
7. Mr.Suraslip Ngampoopun	-	-	-	-	-	-
<b>Total</b>	<b>80,000</b>	<b>480,000</b>	<b>320,000</b>	<b>55,000</b>	<b>120,000</b>	<b>1,055,000</b>

\* Positions 4-7 not independent directors and therefore do not receive compensation for directors

● **Board Skill Matrix**

Board Skills Matrix

order	List / Specific area of expertise	Pharmaceutical industry Proficiency level 1-4	Accounting/Finance Proficiency level 1-4	Law/Corporate governance Proficiency level 1-4	Strategic planning Proficiency level 1-4	Organizational management Proficiency level 1-4	Sales and marketing Proficiency level 1-4	Information technology Proficiency level 1-4	Risk management Proficiency level 1-4	ESG practices Proficiency level 1-4	Engineering / Digital Innovation Proficiency level 1-4
1	Mr.Wanchai Sutananta	 ✓ 3	 ✓ 3	 ✓ 3	 ✓ 4	 ✓ 4	 ✓ 1	 ✓ 4	 ✓ 4	 ✓ 3	 ✓ 3
2	Mr.Worathep Gorgitpoonpol	 ✓ 4	 ✓ 2	 ✓ 3	 ✓ 4	 ✓ 4	 ✓ 4	 ✓ 2	 ✓ 3	 ✓ 2	 ✓ 2
3	Mr.Thanadol Ruksapol	 ✓ 1	 ✓ 4	 ✓ 3	 ✓ 2	 ✓ 2	 ✓ 1	 ✓ 2	 ✓ 4	 ✓ 3	 ✓ 1
4	Mr.Suvit Ngampoopun	 ✓ 4	 ✓ 3	 ✓ 3	 ✓ 4	 ✓ 4	 ✓ 4	 ✓ 3	 ✓ 3	 ✓ 3	 ✓ 2
5	Mr.Subhachai Saibour	 ✓ 4	 ✓ 3	 ✓ 3	 ✓ 4	 ✓ 4	 ✓ 3	 ✓ 2	 ✓ 3	 ✓ 3	 ✓ 3
6	Mr.Somchai Phisphahutha	 ✓ 4	 ✓ 3	 ✓ 1	 ✓ 4	 ✓ 3	 ✓ 3	 ✓ 2	 ✓ 3	 ✓ 1	 ✓ 1
7	Mr.Suraslip Ngampoopun	 ✓ 1	 ✓ 3	 ✓ 3	 ✓ 4	 ✓ 4	 ✓ 4	 ✓ 3	 ✓ 3	 ✓ 3	 ✓ 2
	amount	7	7	7	7	7	7	7	7	7	7
	ratio	75 %	75 %	68 %	93 %	89 %	71 %	64 %	82 %	64 %	50 %

### 8.1.3 Position Holding of Directors, Executives, and Controlling Persons

Related companies		1 Mr.Wanchai Sutananta	2.Mr.Worathep Gorgitpoonpol	Mr.Thanadol Ruksapol	4. Mr.Suvit Ngampoopun	5. Mr.Subhachai Saibour	6. Mr.Somchai Phisphahutharn	7. Mr. Surasilp Ngampoopun	8. Mr.Alongkorn Leela-Uppatikam	Mr.Rachain Sittisang	10. Mr.Wongsatorn Ngam-Anek	11. Ms.Anuporn Pattavanichkun	12 Ms.Woranuch Kongsupapsiri	13. Ms.Phiraya Chanpatya	14. Mr.Pakorn Thongklawe
1	BANGKOK LAB AND COSMETICS PLC.	X / Ax / Nx / ID	D / A / N / ID	D / A / Rx / ID	D / N / Ex / M	D / R / E / M	D / R / E / M	D / E	M / E	M / E	M / E	M / E	M / E	M / E	M / E
2	BANGKOK DRUG CO., LTD.	-	-	-	D / M	D	D	M	-	-	-	-	-	-	-
3	BERICH (THAILAND) CO., LTD.	-	-	-	D	D	D	-	-	-	-	-	-	-	-
4	PHARMA ALLIANCE CO., LTD.	-	-	-	D / M	D / M	D / M	-	-	-	-	-	-	-	-
5	FARMALINE CO., LTD.	-	-	-	D	D	D	-	-	-	-	-	-	-	-
6	BANGKOK MEDICA CO., LTD.	-	-	-	D	D	-	-	-	-	-	-	-	-	-
7	BKD VIVA CO., LTD.	-	-	-	-	-	-	-	-	-	-	D	-	-	-
8	THANA BROTHERS CO., LTD	-	-	D	-	-	-	-	-	-	-	-	-	-	-
9	THANA 34 CO., LTD	-	-	D	-	-	-	-	-	-	-	-	-	-	-



Related companies		1 Mr.Wanchai Sutananta	2.Mr.Worathep Gorgitpoonpol	Mr.Thanadol Ruksapol	4. Mr.Suvit Ngampoopun	5. Mr.Subhachai Saibour	6. Mr.Somchai Phisphahutham	7. Mr. Suraslip Ngampoopun	8. Mr.Alongkorn Leela-Uppatikam	Mr.Rachain Sittisang	10. Mr.Wongsatorn Ngam-Anek	11. Ms.Anuporn Pattravanichkun	12 Ms.Woranuch Kongsupapsiri	13. Ms.Phiraya Chanpatya	14. Mr.Pakom Thongklawe
10	THANA 40 CO., LTD	-	-	D	-	-	-	-	-	-	-	-	-	-	-
11	THANA 42 CO., LTD	-	-	D	-	-	-	-	-	-	-	-	-	-	-
12	THANA 44 CO., LTD	-	-	D	-	-	-	-	-	-	-	-	-	-	-
13	THANA 65 CO., LTD	-	-	D	-	-	-	-	-	-	-	-	-	-	-
14	THANA 65.1 CO., LTD	-	-	D	-	-	-	-	-	-	-	-	-	-	-
15	THANA 57 CO., LTD	-	-	D	-	-	-	-	-	-	-	-	-	-	-
16	THANA 57.1 CO., LTD	-	-	D	-	-	-	-	-	-	-	-	-	-	-
17	THANA 75 CO., LTD	-	-	D	-	-	-	-	-	-	-	-	-	-	-
18	THANA 71 CO., LTD	-	-	D	-	-	-	-	-	-	-	-	-	-	-
19	THANA RESIDENCE CO., LTD	-	-	D	-	-	-	-	-	-	-	-	-	-	-

Related companies		1 Mr.Wanchai Sutananta	2.Mr.Worathep Gorgitpoonpol	Mr.Thanadol Ruksapol	4. Mr.Suvit Ngampoopun	5. Mr.Subhachai Saibour	6. Mr.Somchai Phisphahutham	7. Mr. Suraslip Ngampoopun	8. Mr.Alongkorn Leela-Uppatikam	Mr.Rachain Sittisang	10. Mr.Wongsatorn Ngam-Anek	11. Ms.Anuporn Pattravanichkun	12 Ms.Woranuch Kongsupapsiri	13. Ms.Phiraya Chanpatya	14. Mr.Pakom Thongklawe
20	THANA MANAGEMENT CO., LTD	-	-	D	-	-	-	-	-	-	-	-	-	-	-
21	THANA ACCOUNTING CO., LTD	-	-	D	-	-	-	-	-	-	-	-	-	-	-
22	THANA 34 CO., LTD	-	-	D	-	-	-	-	-	-	-	-	-	-	-
23	THANA DRAGON CO., LTD	-	-	D	-	-	-	-	-	-	-	-	-	-	-
24	ARROW METALSHEET COMPANY LIMITED	-	-	-	-	-	-	-	-	-	-	D	-	-	-
25	ARROW STEEL PRODUCTS CO., LTD.	-	-	-	-	-	-	-	-	-	-	D	-	-	-

#### **8.1.4 Compliance Monitoring of Corporate Governance Policies and Practices**

- **Adherence to Laws, Regulations, and Policies**

The corporate group places significant importance on compliance with local, national, and regional laws and regulations related to environmental, occupational health, and safety matters. This also extends to adhering to international business ethics standards. The Board of Directors, executives, and employees are required to operate within the framework of laws, rules, and regulations, refraining from having knowledge, aiding, or engaging in any actions that violate applicable laws or regulations.

The Company does not endorse activities that involve intellectual property infringement. The Board of Directors, executives, and employees are required to operate within the framework of laws, rules, and regulations, refraining from having knowledge, aiding, or engaging in any actions that violate intellectual property laws and other related regulations.

In 2024, the Company had no non-compliance with laws, rules, and regulations.

- **Conflict of Interest Prevention**

The Company's board members, executives, and employees adhere to the policy on conflict of interest prevention. The Company Secretary monitors the disclosure of interests by board members, and the accounting and finance departments scrutinize transactions with interested parties, reporting to the Audit Committee quarterly throughout the fiscal year 2024.

- **Internal Data Usage Management**

The Company's board members, executives, and employees adhere to the policy on internal data usage. In 2024, there have been no complaints regarding the inappropriate use of internal data by the Company for personal gain.

- **Anti-Corruption Measures**

The directors, executives, and employees of the Company adhere to the policy regarding anti-corruption. In 2024, the Company had no complaints regarding corruption.

- **Complaints Reception and Whistleblowing**

The Company establishes a policy for receiving and disclosing complaints and whistleblowing related to the management or supervision of business operations. These complaints may come from any stakeholder, including internal personnel or external individuals. The Company requires complaints to be submitted in writing and ensures the process of receiving or following up on complaints is conducted as follows:

### Whistleblowing and Complaints (Non-Corruption Related Matters)

Whistleblowing Recipient	Human Resources Manager
By Email	<a href="mailto:complaint@bangkoklab.co.th">complaint@bangkoklab.co.th</a>
By Company Post	Bangkok Lab and Cosmetic Public Company Limited 48/1 Village No. 5, Nong Chae Sao Road, Nampu Subdistrict, Mueang Ratchaburi District Ratchaburi Province 70000

In addition, the Company has adhered to the principles of good corporate governance very well. In 2024, no complaints or tip-offs were received from external parties via email or mail, nor were any letters requesting clarification of news or information received from the Securities and Exchange Commission and the Stock Exchange of Thailand.

### **8.2 Audit Committee Performance Report**

In the past year, the Audit Committee has performed its duties in accordance with the Stock Exchange of Thailand's announcement regarding the qualifications and scope of work of the Audit Committee 2015, which covers the following matters:

1. Overseeing the performance of the internal auditors and reviewing the adequacy and appropriateness of the company's internal control system;
2. Overseeing the preparation of the company's financial statements, including inquiring with management about the use of judgment in preparing the financial statements;
3. Communicating important matters between the Audit Committee and the auditors;
4. Reviewing conflict of interest and related party transactions.

### 8.3 Summary of the performance of other subcommittees.

#### 8.3.1 Executive Committee Performance Report

##### ● Meeting Attendance

Details of Executive Committee meeting attendance for the period from 2022 to March 2024 are as follows:

Name	Number of meetings attended/total meetings		
	2022	2023	2024
1. Mr. Suvit Ngampoopun	12/12	11/11	7/7
2. Mr. Subhachai Saibour	12/12	11/11	7/7
3. Mr. Somchai Phisphahutharn	12/12	11/11	7/7
4. Mr. Suraslip Ngampoopun <sup>1</sup>	0/12	10/11 <sup>4</sup>	5/7 <sup>6</sup>
5. Mr. Alongkorn Leela-Uppatikarn	12/12	11/11	7/7
6. Mr. Wongsatorn Ngam-Anek	12/12	11/11	7/7
7. Mr. Rachain Sittisang	12/12	11/11	7/7
8. Ms. Anuporn Pattravanichkun	12/12	11/11	7/7
9. Ms. Supaporn Kumyoo <sup>5</sup>	12/12	11/11	-
10. Ms. Woranuch Kongsupapsiri <sup>2</sup>	4/12	11/11	6/7 <sup>7</sup>
11. Ms. Phiraya Chanpatya <sup>3</sup>	1/12	11/11	7/7
12. Mr. Pakorn Thongklawe <sup>3</sup>	1/12	11/11	7/7

Note : <sup>1</sup> Mr. Suraslip Ngampoopun Appointed by the Board of Directors' meeting No. 6/2022 on October 19, 2022. In 2022, he did not attend the Executive Committee meeting due to personal duties

<sup>2</sup> Ms. Woranuch Kongsupapsiri Appointed by the Board of Directors Meeting No. 5/2022 on 15 August 2022.

<sup>3</sup> Ms. Phiraya Chanpatya and Mr. Pakorn Thongklawe Appointed by the Board of Directors' Meeting No. 7/2022 on 14 November 2022. Excom Meeting No. 11/2022 was held on 11 November 2022 and Excom Meeting No. 12/2022 was held on 12 December, 2022

<sup>4</sup> Mr. Suraslip Ngampoopun did not attend the Executive Board meeting on June 15, 2023, due to personal commitments.

<sup>5</sup> Ms. Supaporn Khumyu has completed her term of employment with the company, effective January 31, 2024, due to a transfer to a subsidiary company.

<sup>6</sup> Mr. Suraslip Ngampoopun did not attend the Executive Board meeting on February 13, 2024, due to personal commitments.

<sup>7</sup> Ms. Woranuch Kongsupapsiri did not attend the Executive Board meeting on July 30, 2024, due to hospitalization.

##### ● Remuneration

The Company does not provide compensation to the Executive Committee as they are employees of the Company and receive compensation in the form of salaries, bonuses, and other benefits (additional details can be found in section 7.4.2).

In the past year, the Executive Committee has controlled, supervised, and monitored the Company's performance in accordance with the policies, objectives, business operation plans, business strategies, and budgets set forth. They have exercised various management powers as approved by the Board of Directors to ensure effective and efficient operations, as well as providing advice and guidance to senior executives, contributing to the continuous growth of the Company in terms of revenue and net profit.

### **8.3.2 Risk Management Committee Performance Report**

In the past year, the Risk Management Committee collaborated with the Company's risk management team to control, supervise, and monitor the results of the Company's risk management. This was done to align with the policies, objectives, business operation plans, business strategies, and budgets set forth. The committee exercised various management powers as approved by the Board of Directors, ensuring effective and efficient operations that enhance the business conditions. They provided advice and guidance to senior executives, aiming to mitigate potential risks that could impact the continuous growth of the Company in terms of revenue and net profit, as well as ensuring sustainable business operations.

### **8.3.3 Nomination and Remuneration Committee Performance Report**

In the past year, the Nomination and Remuneration Committee has fulfilled its duties in accordance with the Nomination and Remuneration Committee Charter. They have considered and proposed guidelines for determining compensation for sub-committees and the Chief Executive Officer to align with the Company's performance and that of other companies in the same industry. This information is presented to the Committee and/or the shareholders' meeting for approval. This includes evaluating the Chief Executive Officer's performance criteria and presenting recommendations to the Board of Directors for consideration, review, and proposing a succession plan in case the Chief Executive Officer or senior executives in those positions retire or are unable to perform their duties. This aims to ensure the Company's management can continue seamlessly, subject to the Board of Directors' consideration and opinions.

## **9. Internal Controls and Related Transactions**

### **9.1 Internal Controls**

#### **9.1.1 Adequacy and Suitability of Internal Controls**



Please scan  
the QR code  
to read the  
information.

The Company is committed to having effective internal control and internal audit systems by applying the principles of internal control in accordance with the guidelines and framework of the COSO (Committee of Sponsoring Organizations of the Treadway Commission) Internal Control-Integrated Framework. This framework serves as the international standard for internal control, guiding the Company and its subsidiaries in implementing internal control and internal audit. The audit process will emphasize a risk-based audit, providing guidance for auditing and evaluating internal control systems

The Company recognizes the importance of internal control and internal audit as fundamental elements for conducting business successfully, ensuring stable and sustainable growth. Therefore, efficient and effective internal control and internal audit systems are established, tailored to the nature, size, and environment of the operations. This is to ensure that various units within the Company and its subsidiaries adhere to relevant laws, rules, and regulations. Reporting is done in a reliable, accurate, and complete manner, and operations are carried out efficiently and effectively. The Company places importance on preventing losses or damages, focusing on proactive measures and improvements rather than post-incident investigations after losses or damages occur.

The Company has established an independent internal auditor, reporting directly to the Audit Committee. This is to assist both the Audit Committee and the Board of Directors in gaining confidence that the core operations and key activities of the Company are conducted efficiently, effectively, and with adequate controls. This ensures that internal control and internal audit cover all aspects comprehensively.

During the Board of Directors Meeting No. 6/2022 on October 19, 2022, with the participation of all three Audit Committee members, an evaluation of the adequacy of the internal control system was conducted based on the COSO framework. The evaluation encompassed the following components:

- 1) Control Environment
- 2) Risk Assessment
- 3) Control Activities
- 4) Information & Communication

## 5) Monitoring Activities

The Board of Directors is of the opinion that the internal control system of BLC and all its subsidiaries is adequate and suitable for the conduct of BLC's business. Dharmniti Internal Audit Company Limited ("DIR") has been appointed to assess the adequacy of the internal control system and monitor the operations related to the Company's internal controls. This includes conducting audits of IT Application Control to provide reasonable assurance that the organization's management is effectively managing and operating under good corporate governance principles. There is sufficient and appropriate internal controls and risk management in place to achieve the business objectives efficiently and effectively, prevent fraud against assets, and ensure that assets are not used improperly by directors or executives. Additionally, accurate and reliable accounting records and reports are maintained. The Audit Committee shares the same opinion as the Board of Directors

The Audit Committee acknowledges that DIR possesses the qualifications and expertise in internal auditing and has a good understanding of the Company's business. During the Audit Committee meeting No. 1/2022 on February 28, 2022, DIR was considered and appointed to perform the internal audit function to monitor and evaluate internal control results for the year 2022. This includes conducting an IT audit to assess information technology systems. DIR will report its operational findings directly to the Audit Committee. For the year 2022, Ms. Anatsaya Raksasorn has been appointed as the Head of Internal Audit. The Audit Committee deems the change in the Head of Internal Audit to be appropriate. This decision is based on Ms. Anatsaya Raksasorn being a longstanding member of the team since 2021 and serving as the primary point of contact. She possesses a good understanding of the Company's operational processes and has demonstrated knowledge and expertise in internal auditing, as outlined in the Appendix 3 regarding the Head of Internal Audit and Head of Compliance, audit plan for the 2022, and the anticipated audit schedule. The Audit Committee is of the opinion that DIR possesses the qualifications and expertise in internal auditing and has a good understanding of the Company's business. During the Audit Committee meeting No. 1/2023 on February 21, 2023, DIR was considered and appointed to perform the internal audit function to monitor and evaluate internal control results for the year 2023. DIR will report its operational findings directly to the Audit Committee. For the year 2023, Ms. Anatsaya Raksasorn has been appointed as the Head of Internal Audit.



### 9.1.2 Observations from Auditors Regarding Internal Control System of BLC

For the financial statements ending on December 31, 2024, KPMG did not identify any observations or recommendations concerning the internal control system from the financial audit.

### 9.1.3 Observations from Internal Auditors Regarding Internal Control System of BLC

BLC has engaged DIR to perform an audit and assess the adequacy of BLC's internal control system for reporting to the Audit Committee. DIR conducted audits of various operational systems covering key business processes. The details of the internal control system audit conducted by DIR are as follows:

#### Year 2024: Audit in accordance with the audit plan for the first quarter of 2024

Company	Date of Report	Audit Period	Scope of Audit
BLC	April 29, 2024	March 22-29, 2024 and April 1-3, 2024	1) Inventory Management Efficiency
BDC	April 29, 2024	March 22-29, 2024 and April 1-3, 2024	1) Inventory Management Efficiency 2) Cost Control (Sales Promotion Expenses)
FLC	April 29, 2024	March 22-29, 2024 and April 1-3, 2024	1) Inventory Management Efficiency
BRC	April 29, 2024	March 22-29, 2024 and April 1-3, 2024	1) Inventory Management Efficiency
BMC	April 29, 2024	March 22-29, 2024 and April 1-3, 2024	1) Inventory Management Efficiency
PAC	April 29, 2024	March 22-29, 2024 and April 1-3, 2024	1) Inventory Management Efficiency 2) Security Process Control (Security Guards)

- DIR found no issues in the internal audit for No. 1/2024 Controlling BDC's Expenses (Sales Promotion Costs)

#### Year 2024: Audit in accordance with the audit plan for the second quarter of 2024

Company	Date of Report	Audit Period	Scope of Audit
BLC	July 24, 2024	June 4-11, 2024	1) Product Research and Development 2) Security Process Control (Security Guards)

DIR identified issues in the internal audit No. 2/2023. Regarding the outstanding issues from the internal audit 1/2024, they are currently in progress, with a scheduled completion date in July.

**Year 2024:** Follow-up on outstanding issues and audit in accordance with the audit plan for the fourth quarter of 2024.

Company	Date of Report	Audit Period	Scope of Audit
BLC	October 29, 2024	October 7-10, 2024	1) Production Control System
BDC	October 29, 2024	October 2-10, 2024	1) Expense Control (Sales Promotion Costs)

- DIR found no issues in the internal audit for No. 3/2024. The two outstanding issues have been resolved.

**Year 2024:** Follow-up on outstanding issues and audit in accordance with the audit plan for the fourth quarter of 2024.

Company	Date of Report	Audit Period	Scope of Audit
BLC	February 17, 2025	January 27-30, 2025	1) Investment Allocation and Spending
BDC	February 17, 2025	January 16, 2025	1) Investment Allocation and Spending
FLC	February 17, 2025	January 16, 2025	1) Investment Allocation and Spending
BRC	February 17, 2025	January 16, 2025	1) Investment Allocation and Spending
BMC	February 17, 2025	January 16, 2025	1) Investment Allocation and Spending
PAC	February 17, 2025	January 16, 2025	1) Investment Allocation and Spending

DIR found an issue in the internal audit 4/2024

Regarding the control of investment expenditure of PAC, expected to be completed in Quarter 1/2025 For outstanding issues previously found in past rounds, all have been resolved.

#### **9.1.4 Head of Internal Audit of BLC**

The Audit Committee is of the opinion that DIR has the qualifications and expertise in internal audit and has an understanding of the Company's business. Therefore, at the Audit Committee Meeting No. 1/2024 held on February 20, 2024, it was resolved to propose the appointment of DIR, and the Board of Directors Meeting No. 1/2024 approved the appointment of DIR to perform internal audit duties to monitor and evaluate internal controls for the year 2024. DIR will report directly to the Audit Committee. For the 2024 audit, Ms. Anatsaya Raksasorn is the Head of Internal Audit. The Audit Committee is of the opinion that the Head of Internal Audit is appropriate because Ms. Anatsaya Raksasorn is knowledgeable, experienced, and expert in internal audit work, has no affiliation with the directors, executives, and the Company or its subsidiaries, and has a good understanding of the Company's work processes, as shown in Attachment 3: Details about the Head of Internal Audit and the Head of Compliance, and the 2024 Audit Plan, and the audit period. The Audit Committee is of the opinion that DIR's audit plan is sufficient and appropriate to ensure that the Company and its subsidiaries operate correctly and in compliance with relevant regulations and laws. The Audit Committee Meeting No. 1/2024 held on February 20, 2024, approved the 2024 Audit Plan, and DIR will report directly to the Audit Committee.

#### **9.1.5 Appointment, Removal, and Transfer of Head of Internal Audit**

The consideration, approval, appointment, removal, and transfer of the Head of the Internal Audit at BLC must undergo scrutiny and approval from the Audit Committee. The qualifications for individuals holding the position of Head of the Internal Audit are outlined in Appendix 3.

## 9.2 Related Transactions

### 9.2.1 Information on Related Transactions with Potentially Conflicting Individuals

#### Related Transactions

Between 2023 and 2024, BLC had the following related party transactions with potential conflicts of interest.

Individuals with Potential Conflicts of Interest	Relationships with BLC
1. Ms. Sunisa Mongkolareepong ("Ms. Sunisa")	<ul style="list-style-type: none"><li>• Spouse of Mr. Suvit Ngampoopun</li><li>• A major shareholder of BLC, accounting for 15.78% (as of December 30, 2024)</li><li>• Not serving as a board member.</li></ul>
2. Ms. Amporn Charoensomsak ("Ms. Amporn")	<ul style="list-style-type: none"><li>• Spouse of Mr. Somchai Phisphahutharn</li><li>• Does not hold a position as a director or shareholder of BLC and its subsidiaries.</li></ul>

For the years 2023 and 2024, BLC engaged in transactions with individuals who may pose a conflict of interest, as detailed below (please refer to additional related transactions in the notes to the financial statements).

Related Individuals	Nature of Transactions	2023	2024	Details of Transactions
1. Ms. Sunisa (Landlord) and BLC (Tenant)	Land rent  Outstanding  Balance	720,000  -	720,000  -	<p>Source and Necessity of the Transaction</p> <ul style="list-style-type: none"> <li>● The Company has entered into a land lease agreement with Ms. Sunisa, Title Deed Number 72025, covering a land area of 15 <i>rai</i> 3 <i>ngan</i> 7 square <i>wah</i>. The land is located adjacent to the office and BLC factory on Khao Sai Kruat-Nong Chae Sao Road, Nampu Subdistrict, Mueang Ratchaburi District, Ratchaburi. The purpose of the lease is to utilize the land for: 1) Parking space for executives, employees, and visitors to the factory. 2) Recreational area, including a football field and gathering points. 3) Serving as the location for the “Thai That” store, which sells the Company’s products to external individuals and visitors to the factory. The area allocated for this purpose is approximately 188 square meters.</li> <li>● The land where the BLC office and factory in Ratchaburi are currently situated has an approximate area of 145-2-45.5 <i>rai</i> and is under the ownership of BLC. However, a portion of this land was originally owned by Ms. Sunisa in the past, dating back to the Company’s founding in 1992. BLC gradually acquired the land from Ms. Sunisa in around 1993, 1995, and 2015, totaling approximately 49-2-95 <i>rai</i>. This acquisition was deemed necessary to meet the land requirements for constructing manufacturing facilities or other essential</li> </ul>

Related Individuals	Nature of Transactions	2023	2024	Details of Transactions
				<p>operational buildings. The aforementioned land that BLC currently leases has been rented since 2013. This decision was prompted by BLC's business expansion, leading to the construction of manufacturing facilities and an increase in production capacity. Consequently, there has been a significant rise in the number of employees who commute to work, necessitating the need for convenient parking facilities and additional recreational areas. It's important to note that BLC does not have plans to purchase the aforementioned land to own outright. This is because there is currently no essential need to use the land for constructing core assets, and BLC aims to retain cash flow for investments in primary assets. Therefore, BLC has chosen to lease the land from Ms. Sunisa</p> <p><b>Pricing</b></p> <ul style="list-style-type: none"> <li>● In accordance with the land lease agreement dated February 1, 2021, with a duration of 3 years (January 1, 2024, to December 31, 2026), and with the option to extend the lease for an additional term of no more than 3 years, the monthly rental rate is set at 60,000 baht. The specified rental rate is referenced from the property valuation report conducted by an independent property appraiser approved by the Securities and Exchange Commission (SEC), namely UK Valuation and Agency Company Limited, on October 19, 2020. This valuation was conducted to fulfill public interest objectives and to</li> </ul>

Related Individuals	Nature of Transactions	2023	2024	Details of Transactions
				<p>determine a market-appropriate rental rate for the land over the 3-year period. The independent property appraiser concluded that a reasonable monthly land rental rate is 70,953.8 baht. Therefore, the contracted land rental rate of 60,000 baht per month is lower than the appraised land rental rate by 10,953.8 baht per month or approximately 15%. Due to rental rate reduction negotiations with Ms. Sunisa.</p> <p><b>Audit Committee's Opinion</b></p> <ul style="list-style-type: none"> <li>The Audit Committee approves the mentioned transaction, considering it necessary, reasonable, and beneficial to the Company. The land lease provides additional parking and recreational space for employees and facilitates a retail space for the products of the BLC group. This expansion is expected to increase revenue and enhance the visibility of BLC group products within the community. With a 15% discount, which benefits the company's liquidity. Additionally, the lease terms are comparable to general lease terms. .</li> </ul>
2. Ms. Amporn (Compensation Recipient) and BMC (Compensation Payer)	Compensation for Pharmacist License Outstanding Balance	5,000	-	<p><b>Source and Necessity of the Transaction</b></p> <ul style="list-style-type: none"> <li>BMC engages in the wholesale distribution of veterinary drugs. To comply with the Drug Act B.E. 2510 (1967), it stipulates the requirement for a pharmacist or authorized personnel to perform pharmaceutical duties. At that time, BMC had a total of two employees, with none being a pharmacist. Consequently, BMC found it necessary to contract the services of Ms. Amporn, an external</li> </ul>

Related Individuals	Nature of Transactions	2023	2024	Details of Transactions
		-		<p>pharmacist, to act as the authorized personnel. An agreement was established between the licensee (BMC) and the authorized personnel (Ms. Amporn) effective from January 1, 2015. The compensation was set at 5,000 baht per month, and the agreement concluded on December 31, 2021, given that Mr. Pongphan Tangkittiwat, an external pharmacist, has taken over the responsibilities as the authorized personnel in place of Ms. Amporn</p> <ul style="list-style-type: none"> <li>● Subsequently, BMC entered into an agreement with the authorized personnel, Mr. Pongphan Tangkittiwat ("Mr. Pongphan"), who is a pharmacist with no affiliation to the BLC group. The compensation was set at 5,000 baht per month, effective from February 15, 2022. However, Mr. Pongphan notified BMC of his termination of duties on July 1, 2022, citing personal commitments as the reason.</li> <li>● Meanwhile, BMC found it necessary to appoint Ms. Amporn as an external pharmacist to perform the duties of the responsible person ahead of time. A new agreement was executed between the licensee and the responsible person, Ms. Amporn, with an effective date of July 22, 2022. The compensation was set at the same rate that Ms. Amporn had received since 2015, which is 5,000 baht per month. This is equivalent to the compensation rate provided to Mr. Pongphan</li> </ul>



Related Individuals	Nature of Transactions	2023	2024	Details of Transactions
				<ul style="list-style-type: none"> <li>On February 1, 2023, BMC terminated the services of Ms. Amporn and entered into an agreement with Mr. Somchai, an executive of the Company Group, to act as the responsible person. This decision was made to eliminate dependency on individuals associated with BLC. Mr. Somchai has graciously opted not to receive any compensation for these services</li> </ul> <p><b>Pricing</b></p> <p>The compensation provided to Ms. Amporn is equal to 5,000 baht per month, which is comparable and equitable to the compensation offered to Mr. Pongphan. It is noteworthy that Mr. Pongphan is an unrelated individual without any affiliation with the BLC group or its related parties. Therefore, the remuneration for Ms. Amporn is considered fair and commensurate with the compensation provided to external individuals</p> <p><b>Audit Committee's Opinion</b></p> <p>The Audit Committee acknowledges that the mentioned arrangement relies on individuals associated with BLC. Accordingly, BMC should seek a pharmacist who is not affiliated with the Company. In this regard, the Audit Committee is aware of the change in the person responsible for the operations, with Mr. Somchai replacing Ms. Amporn</p>

### Summary of Land Lease Agreement with Ms. Sunisa

Contract Name	Land Lease Agreement
Leased Property	Land with Title Deed Number 72025, located at 82 Nampu Subdistrict, Mueang Ratchaburi District, Ratchaburi, with an area of 15 <i>rai</i> 3 <i>ngan</i> 7 square <i>wah</i> .
Contracting Parties	Ms. Sunisa Mongkolareepong (Landlord) and BLC (Tenant)
Contract Duration	<ul style="list-style-type: none"> <li>● January 1, 2024, to December 31, 2026 (3 years)</li> <li>● In the event of the tenant's desire to extend the lease, a one-month prior written notice is required. The landlord may extend the lease for a period not exceeding 3 years under the original terms and conditions, except for rental fee, which shall be determined based on mutual agreement and in accordance with market prices.</li> </ul>
Objectives	<ul style="list-style-type: none"> <li>● The landlord agrees to allow the tenant to construct buildings and structures on the leased land.</li> <li>● The tenant leases the land for the purpose of establishing their own business operations, with ownership rights over the constructed structures belonging to the tenant.</li> <li>● Upon the expiration of the lease term, the tenant is obligated to demolish the structures on the land and transfer ownership of the land back to the landlord.</li> </ul>
Rent Rates	<ul style="list-style-type: none"> <li>● Monthly rent of 60,000 baht</li> <li>● Rent payment due at the end of each month</li> <li>● Rent payment to be made through a bank transfer to the landlord's bank deposit account</li> <li>● In case of late payment, the tenant agrees to be liable for damages at a rate of 5% per annum or as specified by applicable laws, whichever is higher.</li> </ul>

Other Conditions	<ul style="list-style-type: none"> <li>● Prohibited to sublease or transfer the leasing rights to another person.</li> <li>● The tenant agrees to pay for electricity, water, telephone bills, or any other services provided on the leased land.</li> <li>● Fees, land taxes, and building taxes, as well as other expenses payable to the government, are the responsibility of the tenant.</li> <li>● If the landlord decides to sell the land, the landlord must offer the tenant the right of first refusal before selling to another party.</li> </ul>
Applicable Laws	<ul style="list-style-type: none"> <li>● The agreement is enforceable and interpreted according to Thai laws.</li> </ul>

## **9.2.2 Policies or Trends Regarding Future Related Transactions.**

### **Measures or Procedures for Approving Related Transactions.**

At the Board of Directors Meeting No. 6/2022 on October 19, 2022, resolutions were passed approving the policy for conducting related transactions and connected transactions, as well as the policy on conflicts of interest. BLC recognizes the importance of conducting business with transparency and fairness to all shareholders equally. Therefore, the Company has established policies and standards for controlling related transactions of the Company and its subsidiaries with related parties (major shareholders, directors, executives, or individuals associated with those parties who may have conflicts of interest, gain or loss, or potential conflicts of interest in the future) in accordance with the securities and exchange laws. The details are as follows:

1. The Company shall conduct transactions in accordance with the Company's policy, securities and exchange laws, as well as regulations, announcements, and orders issued by the Capital Market Supervisory Board, the SEC, and/or the Stock Exchange of Thailand (SET). In this regard, any such transactions shall not involve the transfer or transfer of benefits between the Company and its shareholders. Instead, they must be transactions that the Company has carefully considered for the maximum benefit of the Company and all shareholders.
2. In the case of transactions that occur regularly or support normal business operations and are expected to continue in the future, the Company will adhere to criteria and guidelines for conducting transactions in accordance with general commercial practices. This includes referencing appropriate prices and conditions, ensuring fairness and reasonableness, verifiability, and compliance with approved terms from the Board of Directors' meetings. The management will prepare a summary of such transactions for quarterly reporting to the Audit Committee.
3. Related transactions or transactions interrelated as trade agreements not meeting general trade conditions shall undergo consideration and evaluation by the Audit Committee regarding the necessity and appropriateness of the transaction pricing. This involves assessing fair and reasonable pricing and conditions, aligning with normal business practices in the industry, and/or comparing with prices from external parties and/or market prices. The transaction prices and conditions should be comparable to those of external parties and/or at the market level. Additionally, it should be evident that the transaction is priced or conditioned reasonably and fairly. The proposal for such transactions will then be presented to the Board of Directors for approval. If the transaction is of significant size according to the regulations of the

SET, the Capital Market Supervisory Board, and the SEC, after approval by the Board of Directors, it must be presented for further approval at the shareholders' meeting.

4. In considering the approval of related transactions or transactions interrelated with major shareholders, directors, executives, or individuals who may have conflicts of interest or related individuals of the Company, participating directors with vested interests and/or related directors will not attend the meeting and will not have the right to vote on the approval of such transactions. This ensures confidence that participating in such transactions will not result in the transfer or diversion of Company benefits but rather involves transactions that have taken into account the maximum benefit of the Company, with shareholders being of significant importance

5. The disclosure of related transactions or transactions related to the Company shall comply with the laws and regulations set forth by the SEC, as well as the SET. Additionally, it shall adhere to accounting standards related to the Company or related persons in the accounting profession.

### **9.2.3 Future Trends in Related Transactions**

The recurring related-party transactions in the future are the land lease from Khun Sunisa and the sales of promotional products at employee prices to executives and employees. These transactions will be conducted in compliance with the Securities and Exchange Act, regulations, announcements, orders, or requirements of the Capital Market Supervisory Board, the Securities and Exchange Commission (SEC), and the Stock Exchange of Thailand. The execution of these transactions will not result in the transfer or shift of benefits from BLC or its shareholders. Instead, these transactions are undertaken by BLC with the primary consideration of maximizing the benefits for BLC and all its shareholders.

## Part 3 Financial Statements

### **The Board of Directors' Responsibility Report on Financial Reporting**

The financial statements of Bangkok Lab and Cosmetic Public Company Limited and its subsidiaries have been prepared in accordance with the provisions of the Public Limited Companies Act B.E. 2535 (1992), Securities and Exchange Act B.E. 2535 (1992), and Accounting Act B.E. 2543 (2000), adhering to the accounting standards set by the Federation of Accounting Professions.

The Company's Board of Directors is responsible for the financial reporting of the Company, which is prepared to ensure confidence that the financial position, income, expenses, and cash flows are accurately and reasonably presented. Effective internal control systems are established to ensure accurate and adequate accounting records to safeguard assets and prevent fraud and significant irregularities. The financial reporting is prepared by selecting appropriate accounting policies and consistently applying them in accordance with generally accepted accounting standards. Sufficient key disclosures are made in the notes to the financial statements, and the auditors have provided their opinion on the financial statements of Bangkok Lab and Cosmetic Public Company Limited and its subsidiaries in the Certified Public Accountant Report.

Mr. Wanchai Sutananta

Chairman

Mr. Suvit Ngampoopun

Chief Executive Officer



Please scan the QR code

To view the Certified Public Accountant's report

## **Attachment 1**

Details regarding directors, executives, the highest responsible person in the accounting and finance line, the accounting supervisor, and the company secretary.

## **Attachment 2**

Details regarding subsidiary directors

## **Attachment 3**

Details regarding the head of internal audit and the head of company compliance.

## **Attachment 4**

Assets Used in Business Operations

## **Attachment 5**

Corporate Governance and Code of Conduct

## **Attachment 6**

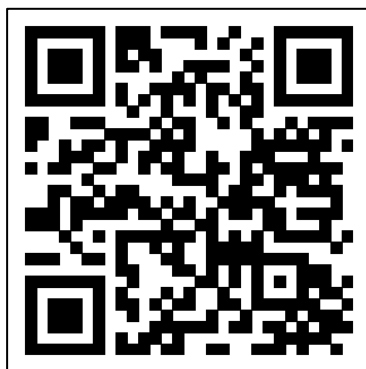
Audit Committee Report

## **Attachment 7**

Risk Committee Report

## **Attachment 8**

Nomination and Remuneration Committee Report



Scan the QR code to read the information.



**BLC**  
Bangkok Lab & Cosmetic

Trusted solutions For  
Lifelong Well-Being

## Bangkok Lab and Cosmetic Public Company Limited

No. 48/1 Moo 5, Nong Chae Sao Road, Nam Phu Subdistrict,  
Mueang Ratchaburi, Ratchaburi 70000

For More Information, Please Contact  
Our Customer Service at :



032-719900



032-719917



btc@bangkoklab.co.th

[www.btcplc.com](http://www.btcplc.com)

