

Nature of Business Operations

Revenue Structure

Revenue structure of business groups *

	2024		2023		2022	
	Thousand baht	%	Thousand baht	%	Thousand baht	%
Total revenue	6,182,087	100.00	6,830,084	100.00	5,959,969	100.00
Cosmetic	4,389,491	71.01	5,064,223	74.43	4,431,219	74.35
Packaging	1,004,147	16.24	983,233	14.07	997,881	16.74
Other business	788,449	12.75	782,628	11.50	530,869	8.91

By Geographical Area or Market *

	2024		2023		2022	
	Thousand baht	%	Thousand baht	Thousand baht	%	Thousand baht
Total revenue	6,182,087	100.00	6,830,084	100.00	5,959,969	100.00
Domestic	4,282,233	69.27	4,450,476	55.92	3,282,653	55.08
International	1,899,854	30.73	2,379,608	44.08	2,677,316	44.92

Remark : Additional information are disclosed in the Notes to Financial Statements for the year ended December 31, 2024

No.25 Financial Information by Segment.

* This shown revenue excludes a Share of profit from investments in associates.

Significant developments during the past year

S & J International Enterprises Public Company Limited

1. Product Design and Service

The company is a leading manufacturer in the beauty and cosmetic industry for over 40 years, offering a full range of comprehensive OEM/ODM manufacturing services, covering research and development processes, product research with new innovations, product and packaging design, product development according to customer's requirement, product manufacturing with modern and standardized machinery and advanced technology, as well as designing business concepts and developing marketing strategies for domestic and overseas customers, including the start-up business. In addition, the company has been certified with world-class quality standards, which creates even more confidence in the quality of products among customers based on these certificates, for example;

- Certificate of GMP Production Standard from Food and Drug Administration (FDA), Ministry of Public Health
- ISO 9001: 2015 Quality Management System Certificate from TUV Asia Pacific Limited – Hong Kong

- ISO 14001: 2015 Environmental Management System Certificate from TUV Asia Pacific Limited – Hong Kong
- ISO 17025 Cosmetics Lotion Type Quality Certificate from the Department of Medical Sciences, Ministry of Public Health
- OHSAS 18001: 2007 Occupational Health and Safety Certificate from TUV Asia Pacific Limited – Hong Kong
- CSR-DW (Corporate Social Responsibility – Department of Industrial Work) Certificate or ISO 26000 equivalent
- ISO 22716: 2007 Quality Certificate from TUV Asia Pacific Limited – Hong Kong
- ESG 100 (Environmental Social Governance 100) certificate from Thaipat Institute
- Halal certification mark from LPPOM MUI Indonesia
- Thai Labor Standard Certificate (TLS.8001:2010)
- The company is a member of the Sedex Members Ethical Trade Audit (SMETA) or SEDEX
- Roundtable on Sustainable Palm Oil (RSPO) Production Standard Certificate from TUV NORD (Thailand)
- CGMP (Current Good Manufacturing Practice)/ 21CFR part 210, 211 standard certificate for producing OTC (Over The Counter) products for sale in the United States of America.
- Carbon Footprint of Organization (CFO) certificate from Thailand Greenhouse Gas Management Organization (Public Organization).
- Green Industry Certificate, Level 4, (Green Culture) from the Ministry of Industry.

2. Market and Competition

(A) Policy and Market of Key Products and Services

● Competitive Strategy

Today, consumers of all genders and ages, from teenagers, students to working-age groups, are increasingly focusing on cosmetics and thus become an integral part of everyday life. Not only female groups but men also have an increasing demand for cosmetic products, including skincare products, hair care products, oral care products, or cosmetic products. It has been found that the market for such products is diverse both in terms of price and quality that can meet the needs of consumers and clearly reach the target group, leading to even more intense competition.

Moreover, there is also increasing consumer demand for natural products that are environmentally friendly and safe. As a result, the research and development of new cosmetic products that use natural herbs as raw materials are likely to grow more rapidly. The company, therefore, focuses on various strategies as follows.

1. Products The company focuses primarily on the quality of products and ingredients or formulas that can respond to the needs of consumers. This is done by having a research and development department to study and develop new products to offer to customers. Also, the product packaging is designed to be visually appealing, modern, and convenient to use. This includes the continuous development of the quality of existing products to create satisfaction in the variety of products. The company produces products with efficient machines and advanced

production technology. It has a quality inspection system at every step, in order to obtain products of a standard and high quality, thus gaining confidence from both domestic and international customers. Additionally, the company is also certified with world-class quality standards.

2. Price In assessing pricing for products, the image of the product, production costs, and marketing costs are taken into consideration as a basis of choosing the right price and quality with the goal of ensuring customer satisfaction.

3. Relationship The company establishes a good relationship with the supplier by placing large orders continuously and paying on time. It has earned the trust of the supplier, thus having the power to negotiate the price of the product. As a result, the company has a cost that is competitive with other companies.

4. Service The company has a customer relations department to meet with and inquire about the needs of customers in order to know the real issue and fix it correctly. The company puts emphasis on creating customer satisfaction by delivering the correct and quality products on time.

5. Corporate Social Responsibility (CSR) The company uses natural and environmentally friendly raw materials or even reusable packaging (Refill) to reduce energy consumption and improve energy efficiency.

- **Customer Characteristics**

The company serves both domestic and overseas customers. The majority of its customers are domestic customers of both local and foreign brands. The company's main customers are reputable multi-national companies and national marketing leaders who have long-term relationships with the company for years. While the company has expanded and added new customers both domestically and internationally, these clients have strong performance and good financial standing.

- **Target Customers**

The company targets middle-class entrepreneurs and above, which are its majority of customers, focusing on the quality of the product at a price that will attract the attention of this target customer group.

- **Sales and Distribution Channels**

The company sells its products both domestically and internationally. Its business model involves contract manufacturing. The company's customers are both direct sales customers (Direct Sales) and department store customers (Counter Sales). The proportion of domestic to export sales ratio is 57 to 43, with products exported to the United Kingdom, USA, Japan, Australia, Malaysia, Hong Kong, Indonesia, and the Philippines.

Additionally, the company plans to expand both its domestic and international markets by participating in trade shows in the country, such as those organized by the Saha Group, as well as international trade fairs in foreign countries, such as France, etc., as another channel to find new customers.

(B) Industry Competition

Competition within the industry will be based on quality, product development and diversity, price, and customer satisfaction. The markets in which the company competes are characterized by high quality. There are two competitors in the same market with similar sizes to the company.

S&J is a leading cosmetics manufacturer with executives who possess knowledge, ability, and experience in administration and management. Employees have consistently cooperated and worked well together to deliver products and services. With its own R&D department, the company continuously develops new products for the market and improves the quality of existing products to increase its expertise in the production of cosmetic products, supported by manufacturing and research expertise from American companies with global technology networks. The management of customer response time is also faster (Quick Response). The company has a factory built on its own land at Sahapat Industrial Park, Sriracha District, and a factory at Pinthong Industrial Park in order to support the continuously increasing competition and keep up with the needs of customers who have confidence in choosing products from S&J. The company has a stable financial position and has good results from the beginning, allowing the company to always have credibility with customers.

(C) Trend of Industry and Future Competition

The competitive trend of the cosmetic market has changed rapidly and quite intensely because of increasing numbers of competitors both large and small. With the growth of online marketing and increasing consumers' awareness of healthcare and the environment, the company, therefore, has a strategy to respond to various changing factors, such as the development of digital technology systems in the organization and the adaptation of corporate culture towards digital technology, research and development of new innovations from natural extracts in lieu of chemical use, and the proposal of green packaging to customers, which includes the use of biodegradable materials, etc.

3. Procurement of Products or Services

The company has two factories as follows.

- **Main factory** is located at 600/4, Moo 11, Sukhapiban 8 road, Nongkham subdistrict, Sriracha district, Chonburi province 20230. In 2024, its production capacity was 173 million pieces per shift.
- **Branch factory** is located at 789/159, Moo 1, Nongkho – Leamchabang Road, Nongkham subdistrict, Sriracha district, Chonburi province 20230. In 2024, its production capacity was 31 million pieces per shift.

Raw materials used in production are depending on the type of product, and come from domestic and foreign sources. Domestic raw materials are purchased directly from manufacturers and importers. For raw materials ordered from abroad, the company will first check whether these raw materials are available in the country before placing the order. The company obtains raw materials from around the world via distributors in Thailand or directly from manufacturers, or through companies with technical assistance and a global network. Presently, raw materials are available from a wide variety of suppliers and are highly competitive. Since they can easily find substitute raw materials, the impact of the loss of raw material procurement on the Company is very low. Raw material producers improve the quality of their products continuously, so there are more sources of raw material available.

The company did not purchase raw materials from suppliers more than 30% of total revenues over the past three years. The selection and procurement of raw materials are based on quality and reasonable price. In 2024, the company had over 478 raw material suppliers, with raw materials bought in local and overseas suppliers in a ratio of 76:24.

As part of its production process, the company raises awareness among all employees and ensures that problems that harm the environment are prevented. As can be seen from its environmental policy, the company promotes the use of resources in its production process economically and with maximum efficiency, and strictly adheres to environmental laws and regulations.

4. Products or Services pending for Delivery

- None -

Top Trend Manufacturing Company Limited

1. Product Design and Service

Top Trend Manufacturing Co., Ltd. manufactures plastic packaging for cosmetics, food, and medical products, namely tubes, bottles, jars, powder cartridges, and lipstick sticks. Other than its own products, the company also supplies packaging produced by others such as pump caps to provide full service to customers.

2. Market and Competition

(A) Policy and Market of Key Products and Services

- **Competitive Strategy**

The company focuses on producing the products that are of standard quality and meet customers' needs to establish confidence and satisfaction in our products. Most products are manufactured according to the order of each customer and are of different characteristics. Hence, the company requires proper production planning and a good delivery system to be able to arrange shipments in full at the quality as customer require and right on schedule. The company attaches great importance to and closely controls every step of the production process. Also, it focuses on improving the competency of its employees to increase production efficiency and reduce the loss rate during production. This results in the reduction of production costs and the better quality of the products. Furthermore, the company has emphasized on maintaining good relationships with customers and offering technical service to enable customers and end users have a good understanding of the products.

- **Customer Characteristics**

The company serves both domestic and foreign customers. Our customers are mainly local companies that have been doing business with each other for a long time, have good stability, be the market leader, and have a long track record of relationships as "business partner" with the company.

The overseas customers are mostly expanded in a group of AFTA counties, such as Malaysia and Singapore, and are well known for their leading position in the packaging business, especially in tube products. This market is growing every year and the company also plans to expand our business to other regions, for example Australia and European countries.

- **Target Customers**

Our main customers are still cosmetics companies. Whereas the company's goal is to expand our business to other groups of customers, such as cosmeceuticals, food and medicine, hair products, and others to enlarge our market for sustainable growth.

- **Sales and Distribution Channels**

The company's products are distributed through manufacturers of, for example cosmetics and hair products, which are passed to consumers in various channels, namely direct sales, over-the-counter sales, and sales in supermarket and discount store. The company will expand into the business of sourcing of products according to customer needs.

(B) Industry Competition

The packaging industry is highly competitive both in terms of quality, pricing, and design of products and the services that require comprehensive delivery and efficient communication and services. There are about 7 major market leaders in this business. Compared to market leaders, the company is ranked in the middle of the group with stable financial status, good operating results, a highly efficient management team, and readiness for the competition.

(C) Trend of Industry and Future Competition

Whilst the expansion of the plastic packaging industry in the country continues to grow, the competition in price and speed are still the key demand of the market. The company focuses on human resources development and quality management throughout the organization to satisfy the needs of our customers and build relationships with them in order to expand our business in the country and overseas.

3. Procurement of Products or Services

The company supplies products to meet customer needs, where customers specify the quality and competitive pricing in the market. Additionally, the company continues to develop new products with added value in response to the demand of domestic and international customers. With awareness as a service provider, the company focuses on delivering good services to its customers, both before and after sales services, to ensure that the products delivered are of good quality and corresponded to the demand of the customers.

4. Products or Services pending for Delivery

- None -

S & J International (UK) Limited

1. Product Design or Service

The company's main business is to develop market and supply cosmetic and toiletries products on behalf of brands and retailers across the UK and Europe..

2. Market and Competition

(A) Policy and Market of Key Products and Services

- **Competitive Strategy**

Main customers are brand owners and retailers of cosmetic and toiletries where S&J are able to deliver high quality performance driven products at a competitive price, meeting the needs of our customers. The company provides marketing, technical and logistic support to deliver a full service to our partners

- **Customer Characteristics**

At present, the company customers are primarily based in the UK and Republic of Ireland. A proportion of our customers operate in the retail arena. Our brand partners often combine a small retail footprint with larger wholesale operations supporting mainstream retailers.

- **Target Customers**

The company's goal is to expand and diversify its business through developing existing customers as well as introducing new partners on regular basis to ensure growth.

- **Sales and Distribution Channels**

The company offers services directly to business partners with a focus to bringing on trend, innovative product ideas with a focus on the quality, price, and speed of response.

(B) Industry Competition

The competition in this industry continues to focus on product innovation, speed to market, quality, price, and service. As the UK and Europe remains an important market for beauty care and healthcare products, consumer preferences are therefore the determinant of the style and design of products. Hence, the company closely monitors the trend of these market to fully meet these needs.

(C) Trend of Industry and Future Competition

The competition continues to focus on product quality, delivery, price, and service. As the United Kingdom is a key market for cosmetics and beauty care products, consumer preferences are therefore the determinant of the style and design of products. Hence, the company closely monitors the trend of this market in order to truly respond to the needs.

3. Procurement of Products or Services

With such a broad scope and variety need of a number of products in the United Kingdom and nearby countries, the company can select high-quality goods for customers for the global market.

4. Products or Services pending for Delivery

- None –

Guangzhou S & J Cosmetic Company Limited

1. Product Design or Service

The company's main businesses are the provider of marketing services and the distributor of raw material and packaging relating to the cosmetic manufacturing and beauty care products industry.

2. Market and Competition

(A) Policy and Market of Key Products and Services

- **Competitive Strategy**

Main customers are companies in the cosmetic manufacturing and beauty care products industry. The company focuses on the distribution of raw material and packaging that are of varieties, with regard to quality, price,

and the speed of responding to the needs of customers. Furthermore, the company also provides marketing services to customers who want to expand their consumer base to the People's Republic of China.

- **Customer Characteristics**

The company has overseas customers, of which most of them are in the cosmetic manufacturing and beauty care products industry. The company's main customers are the parent companies and their subsidiaries that are reputable multi-national companies or the leader in cosmetic manufacturing in Thailand.

- **Target Customers**

Major customers are currently companies in the cosmetic manufacturing and beauty care products industry, where the company's goal is to expand its business to other business groups, for example cosmeceuticals, food and medicine, and others to enlarge the market for further growth.

- **Sales and Distribution Channels**

The company offers services directly to top executives of the target customers, focusing on the quality and price of the products and the speed in responding to the needs.

(B) Industry Competition

The competition in this industry continues to focus on product quality, delivery, price, and services. As China is also an important market for beauty care and healthcare products, consumer preferences are therefore the determinant of the style and design of products. Hence, the company closely monitors the trend of this market in order to supply and truly respond to the needs.

(C) Trend of Industry and Future Competition

The competition continues to focus on product quality, delivery, price, and services. As China is a key market for cosmetics and beauty care products, consumer preferences are therefore the determinant of the style and design of products. Hence, the company closely monitors the trend of this market in order to truly respond to the needs.

3. Procurement of Products or Services

With such a broad scope and variety of a number of manufacturers in China and nearby countries, the company can select high-quality raw materials and packaging for customers to use to produce their products for the global market.

4. Products or Services pending for Delivery

- None –

4WD Vision (HK) Limited

1. Product Design or Service

The company's main businesses are the provider of marketing services and the distributor of raw material and packaging relating to the cosmetic manufacturing and beauty care products industry.

2. Market and Competition

(A) Policy and Market of Key Products and Services

- **Competitive Strategy**

Main customers are companies in the cosmetic manufacturing and beauty care products industry. The company focuses on the distribution of raw material and packaging that are of varieties, with regard to quality, price, and the speed of responding to the needs of customers. Furthermore, the company also provides marketing services to customers who want to expand their consumer base to China.

- **Customer Characteristics**

At present, the company has overseas customers, of which most of them are in the cosmetic manufacturing and beauty care products industry. The company's main customers are the parent companies and their subsidiaries that are reputable multi-national companies or the leaders in cosmetic manufacturing in Thailand.

- **Target Customers**

Major customers are currently companies in the cosmetic manufacturing industry and beauty care products, where the company's goal is to expand its business to other business groups, for example cosmeceuticals, food and medicine, and others to enlarge the market for further growth.

- **Sales and Distribution Channels**

The company offers services directly to top executives of the target customers, focusing on the quality and price of the products and the speed in responding to the needs.

(B) Industry Competition

The competition in this industry continues to focus on product quality, delivery, price, and service. As Hong Kong is also an important market for beauty care and healthcare products, consumer preferences are therefore the determinant of the style and design of products. Hence, the company closely monitors the trend of this market in order to supply and truly respond to the needs.

(C) Trend of Industry and Future Competition

The competition continues to focus on product quality, delivery, price, and service. As Hong Kong is a key market for cosmetics and beauty care products, consumer preferences are therefore the determinant of the style and design of products. Hence, the company closely monitors the trend of this market in order to truly respond to the needs.

3. Procurement of Products or Services

With such a broad scope and variety of a number of manufacturers in Hong Kong and nearby countries, the company can select high-quality raw materials and packaging for customers to use to produce their products for the global market.

4. Products or Services pending for Delivery

- None –

4WD Vision Company Limited

1. Product Design or Service

4WD Vision Co., Ltd. is a fully integrated beauty service trading company, focusing on the trading of raw materials, packaging, and other beauty related items. The company primarily supplies to the Thai market and the AEC.

2. Market and Competition

(A) Policy and Market of Key Products and Services

- **Competitive Strategy**

The core of the business is to develop an efficient procurement system that can increase the business of the manufacturer and distributor of cosmetic products in Thailand and the AEC.

- **Customer Characteristics**

As a new business, the company has developed a customer base that will bring products and services from overseas networks.

- **Target Customers**

While most of the target customers are from, but not limited to, the beauty care industry, the company, as a fully integrated trading company, is also looking for opportunities in other industries.

- **Sales and Distribution Channels**

The diversity of channels will be considered, including those relating to the rapid growth of digital opportunities and new media.

(B) Industry Competition

The offering of effective and cost-efficient service that is different from others with the innovation and a good design will ensure that the business will be well received in the industry.

(C) Trend of Industry and Future Competition

As Thailand is the key trading center in the region, and as related markets are increasingly expanding, the circulation of commodities and services between countries has become easier and opens up important opportunities for Thai companies to participate in new growth businesses. Hence, the company has expanded its business to the Netherlands to distribute cosmetic products and gift sets and provide marketing services.

3. Procurement of Products or Services

Initially, 4WD Vision Co., Ltd. works in close co-operation with other S & J entities to source the products and raw materials from Europe, Asia, and America, to build supply chain system and operations that have the potential for its AEC businesses.

4. Products or Services pending for Delivery

- None –

1. Product Design or Service

The company is a fully integrated beauty service trading company, focusing on the trading of raw materials, packaging, and other beauty-related items to its main customers in Thailand and the AEC.

2. Market and Competition

(A) Policy and Market of Key Products and Services

- **Competitive Strategy**

The core of the business is to develop an efficient procurement system that can increase the business of the manufacturer and distributor of cosmetic products in Thailand and the AEC.

- **Customer Characteristics**

As a new business, the company has developed a customer base that will bring products and services from overseas networks.

- **Target Customers**

While most of the target customers are from, but not limited to, the beauty care industry, the company, as a fully integrated trading company, is also looking for opportunities in other industries.

- **Sales and Distribution Channels**

The diversity of channels will be considered, including those relating to the rapid growth of digital opportunities and new media.

(B) Industry Competition

The offering of effective and cost-efficient service that is different from others with the innovation technology and a good design will ensure that the business will be well received in the industry.

(C) Trend of Industry and Future Competition

The company will promote and increase business opportunities. Additionally in the future, the company will apply new technologies in health and hygiene products to help expand the product portfolio of its products and services.

3. Procurement of Products or Services

The company works in close co-operation with a subsidiary of S & J group that is responsible for sourcing the products and raw materials from Europe, Asia, and America, to build supply chain system and operations that have the potential for its AEC businesses.

4. Products or Services pending for Delivery

- None –

1. Product Design or Service

The company is a provider of services relating to the production and maintenance of power plants under the Private Power Producer project and industrial plants both locally and overseas, the rental service of power generation machinery, and technical quality assessment (due diligence) of power plants for financial advisor.

2. Market and Competition

(A) Policy and Market of Key Products and Services

- **Competitive Strategy**

The company's executives and operators operate under the quality management standard certification ISO9001:2015 from BSI Certification Services (Thailand) Ltd. Also, it has been certified with the environment quality management standard ISO14001:2015 from the same certifier, BSI Certification Services (Thailand) Ltd.

- **Customer Characteristics**

Customers of the production and maintenance of power plants business are owners and investors who are granted a license as private power producer. Most of them are joint venture companies in Thailand that are granted investment promotion privileges and have a contract to generate and supply electricity to the Electricity Generating Authority of Thailand (EGAT) and directly to electricity users who live in the area around the power plant.

- **Target Customers**

The company seeks customers from the private power producer group, the reputable and reliable real estate projects from the fast-growing markets, and industrial plants in various industries, notably those related to power, which has a vision to expand their production capacities to keep up with the country's economic growth.

- **Sales and Distribution Channels**

The company offers services directly to the top executives of the target customers. The company also continuously strives to maintain the quality and performance of services provided to existing customers, along with efforts to expand the customer base to projects that are under construction and new projects that are being promoted, such as electricity generation from agricultural products. Moreover, the company aims to expand the business to the distribution of materials related to the factory industry and service industry that are rapidly growing.

(B) Industry Competition

In the market for power plant operation and maintenance service providers, there is a high level of competition with both domestic and foreign experts entering the market. In spite of the fact that backup power generation is in oversupply and the demand for electricity tends to stabilize with economic growth. Hence, the company try to maintain its customer base.

(C) Trend of Industry and Future Competition

The COVID-19 epidemic situation has hindered the growth of the power plant business expansion to stumble even further. Manufacturers of consumer goods and service providers have reduced their production capacity. Thus, the consumption of electricity has decreased proportionally. Consequently, both the government and the private

sector have slowed down their investments in electricity production. Nevertheless, the Company will accelerate its efforts to generate apparent results for current customers in general which can serve as a reference.

3. Procurement of Products or Services

The company aims to maintain the quality and performance of the supply of products or services by evaluating the performance of its suppliers or service providers, as well as seeking for new suppliers or quality service providers in order to improve the management.

4. Products or Services pending for Delivery

- None -

Yamahatsu (Thailand) Company Limited

1. Product Design or Service

The company is a manufacturer of hair coloring products, hair perming products, and a distributor of hair care products.

2. Market and Competition

(A) Policy and Market of Key Products and Services

- **Competitive Strategy**

The company has developed its manufacturing operation by installing efficient machinery in the production, making it capable of producing quality goods at a more reasonable price. In addition, the company has continually been certified for goods manufacturing standards (GMP) by the Food and Drug Administration (FDA).

- **Customer Characteristics**

The company categorized its customers into 2 groups, which are;

1. Domestic customers

The products for this group of customers are the products that targeted users in working age group and customers of beauty salon.

2. Overseas customers

The company has groups of customers in many countries, namely Japan, the People's Republic of China, Australia, New Zealand, Korea, Taiwan, Singapore, Malaysia, India, and the Philippines, etc.

- **Target Customers**

The company has expanded the series of products to attract new customers in Asia and has upgraded its products under the original brand to maintain the old customer base that has used the company's products. At the same time, it also added more product categories for existing customers to have more variety of products.

- **Sales and Distribution Channels**

The company still uses the same distribution channel, which is through distributors both domestically and abroad. The percentage of overseas distribution has increased compared to domestic distribution at a ratio of 90 :10.

(B) Industry Competition

Albeit the volatility of the economy, the company has managed to maintain and continue growing the business. However, amongst the intense competition in both domestic and overseas markets and the marketing activities to increase market shares, such as advertising and promotion, the company has been adapted to the use of efficient machinery in production to ensure that the product is of standard quality and to provide efficient production so that the cost of the product is at the right level to support the price to be competitive in the market.

(C) Trend of Industry and Future Competition

The company continues to develop new products every year and launch new products every three months. In terms of the product formula, the company continues to improve the quality of the formula and try to use non-specific substances for each formula as necessary, so that the company does not need to purchase a variety of raw materials but order a few items in a large amount at low price. This economy of scale keeps the production costs competitive in the market. Moreover, increasing order volume from customers across Asia also helps the company better manage its procurements.

3. Procurement of Products or Services

The company purchases quality raw materials at a reasonable price, both chemical and packaging raw materials, to use in producing products. The company sources materials from both local and overseas manufacturers by comparing quality and price before concluding the order. Apart from this, it also selects raw materials that are harmless to consumers and inspects manufacturers on the standard of employment. With regard to our social responsibility, the company will purchase from suppliers that hire the right labor and provide appropriate treatment to employees.

The procurement of quality raw materials will create consumer confidence and trust in the company's products. Furthermore, the company has improved the logistic management to ensure efficient production management.

The company has properly defined the process to ensure the appropriate disposal of waste and industrial waste by hiring industrial waste disposal service company that has been certified by the government in order not to create harmful effects on the environment. Furthermore, the company uses the sewage pits for the disposal of wastewater. This demonstrates environmental awareness and compliance with the regulations of the Ministry of Industry.

4. Products or Services pending for Delivery

- None –

Osoth Inter Laboratories Company Limited

1. Product Design and Service

Osoth Inter Laboratories Company Limited (OSI) aims to be a center of health and well-being hub for customers. OSI is the only company under the Sahapat Group (Saha Pathanapibul) authorized to manufacture, distribute (wholesale and retail), import and export modern medicine, pharmaceutical and medical supplies, cosmetics, and dietary supplements that meet international standards for over 30 years. Additionally, the Company focuses on social development by providing health-related knowledge to benefit society and the community through its Facebook page, Mor Ya Yak Bok (Pharmacist Wants to Tell).

In this regard, the Company is always seeking new health innovations in preparation for the upcoming aging society.

2. Market and Competition

(A) Policy and Market of Key Products and Services

- **Competitive Strategy**

The Company focuses on developing both its products and distribution channels. In terms of products, the Company plans to develop new generic drugs and dietary supplements for the elderly and also focuses on importing pharmaceutical products, medical supplies, cosmetics, and dietary supplements to address various health issues faced by customers. The Company also working to identify additional selling points and further develop its existing products in collaboration with educational agencies, including leading universities, in an effort to maintain its original product base and expand the usage of its products more widely.

Furthermore, the Company continually focuses on increasing both domestic and international distribution channels and its manufacturing.

- **Customer Characteristics & Target Customers**

The Company has divided customers into 2 groups, which are

1. Domestic customer groups

The Company's customers in this group are public and private hospitals, clinics, pharmacies, and wholesale pharmaceutical products and medical supplies companies across the country.

2. Foreign customer groups

Wholesale pharmaceutical products and medical supplies companies in Lao, Myanmar, Cambodia, the Philippines, with a target to expand to other ASEAN countries.

- **Sales and Distribution Channels**

The Company has more than 50 sales representatives operating in every direct target channel across the country to provide information, distribute products, and offer after-sales services directly to customers. Additionally, they cater to retail drug stores and Mor Ya Yak Bok, a Facebook page used directly for communication with patients or consumers.

(B) Industry Competition

Entrepreneurs operating in the pharmaceutical industry can be classified into two groups, which are:

Group 1 Government agencies, which are (1) Government Pharmaceutical Organization (GPO), a major producer of drugs, including some imported drugs, specifically drugs that treat chronic non-communicable diseases such as lipid-lowering drugs and antidiabetic drugs, for sale at affordable prices and (2) Defence Pharmaceutical Factory focuses on producing generic drugs for sale within the country in place of imported drugs. According to the Government Procurement and Supplies Management Act B.E.2560, the Government Pharmaceutical Organization is classified as entrepreneur, the same as the private sector in

the same industry. This has increased competition in the market between the Government Pharmaceutical Organization and private sector operators, which include foreign operators that producing cheap drugs for sale, such as India and China.

Group 2 Private sector pharmaceutical companies are divided into two categories: (1) Thai pharmaceutical companies owned by Thai entrepreneurs who are the major shareholders, Most of these companies manufacture generic name medicine at a price that is not expensive and some are also contract manufacturers and (2) multinational pharmaceutical companies (MNCs) with the majority of shares owned by foreigners. Some of these companies import original or patented drugs at a high price and some have established factories for medicine production in Thailand. In 2021, multinational pharmaceutical companies generated the highest revenue due to the benefit from the manufacture and import of COVID-19 vaccines.

Presently, private pharmaceutical manufacturers in Thailand are facing pressure from (1) the competition from cheap drugs imported from India and China that have lower production costs than Thai drugs, (2) some private manufacturers are somewhat disadvantaged compared to government agencies in terms of production costs and access to distribution channels, (3) the Ministry of Public Health and the Comptroller General's Department determine the Median price of drugs to control costs and enable the government hospitals to purchase medicines at reasonable prices, hence a restriction on increasing the price of certain types of drugs, (4) the need to comply with GMP-PIC/S standards due to Thailand is a member of the European Union's pharmaceutical inspection co-operation scheme, which adds to their production costs, and (5) the need to provide suitable and adequate drug storage and distribution facilities, according to the criteria of the Ministry of Public Health regarding the distribution of modern medicine in 2021, effective from 1 January 2022.

(C) Trend of Industry and Future Competition

The value of drug sales is expected to continue growing, driven by factors such as the increasing number of patients, both from communicable diseases that require monitoring and non-communicable diseases (NCDs), the emergence and re-emergence of infectious diseases, climate change, and the access to universal health coverage (particularly the gold card scheme) that has made it more convenient for patients to access medicines and medical supplies.

However, competition in the industry is anticipated to intensify due to the entry of new foreign players, who possess superior technological capabilities and greater financial resources, as well as the ongoing increase in costs due to rising prices of imported raw materials. Moreover, competition from imported finished medicines (such as those from India and China), which have lower production costs than in Thailand, is a major pressure for manufacturers to reduce product costs in order to remain competitive in the market.

Additionally, the establishment of a standardized price (by the Ministry of Public Health and the Comptroller General's Department) to allow public healthcare facilities to purchase medicines at appropriate price has limited

manufacturers from rising the price of certain types of medicines, even though the production cost has increased following rising wages and other expenses. The aforementioned pressures force pharmaceutical manufacturers to adapt in order to remain competitive in an increasingly challenging market.

3. Procurement of Products or Services

Osoth Inter Laboratories Company Limited has its head office located at 600/9, Moo 11, Sukhaphiban 8 Road, Nong Kham Subdistrict, Sriracha District, Chonburi Province 20230 and sales office located at no.10, K.N.T.Building, 5th, 7th-8th Floor, Soi Narathiwat Ratchanakarin 8, Narathiwat Ratchanakarin Road, Thung Wat Don Subdistrict, Sathorn District, Bangkok 10120.

The Company follows good manufacturing practices (GMP) and has continually received GMP certification for producing modern medicines from the Food and Drug Administration, Ministry of Public Health.

In 2002, the Company began implementing the ISO 9001:2000 quality system and received certification from UKAS and NAC in October 2003. Then, the Company developed the quality system from ISO 9001:2000 to ISO 9001:2008 and received certification on 8 December 2009.

In 2003, the Company expanded its production scope adding another division for the manufacture of dietary supplements and obtained a license in 2003. The production started in 2004 and passed the GMP assessment for food production from the Food and Drug Administration, Ministry of Public Health, in August 2004.

In 2006, the Company received the certification of the ISO 9001:2015 quality system on 14 December 2006 from SGS, UKAS, and NAC and has continuous quality inspections every year.

In 2022, the Company received the certification for meeting modern medicine distribution standards given to places that import or order modern medicine into the Kingdom on 20 June 2022 from the Food and Drug Administration, Ministry of Public Health.

In 2022, the Company also received the certification of ISO 9001:2015 quality system on 14 December 2022 from SGS, UKAS, and NAC and has continuous quality inspections every year.

In 2023, the company expanded its scope and obtained GMP standards certification for the manufacture of dietary supplements in the category of liquid medicine on 12 August 2023 from the Food and Drug Administration, Ministry of Public Health. The Company also received the certification of the ISO 14001:2015 quality system on 31 October 2023 from SGS, UKAS, and NAC. In addition, the Company has been audited and is in the process of certifying the ISO laboratory standard certification ISO/IEC 17025:2017 from the Bureau of Laboratory Standards, Department of Medical Sciences.

In 2024, Osoth Inter Laboratories Co., Ltd. received ISO/IEC 17025:2017 laboratory accreditation for pharmaceutical testing from the Bureau of Laboratory Standards, Department of Medical Sciences on 17 May 2024. This achievement reflects the company's commitment to enhancing its export capabilities and building consumer

confidence. By adhering to high-quality standards, the company strengthens its competitiveness in the market and expands its opportunities to supply products to hospitals.

4. Products or Services pending for Delivery

-None-

Atika Beauty Manufacturing Sdn.Bhd.

1. Product Design or Service

The company's products under the main objective of the business are the sale of makeup cosmetic products with the "HALAL" certification under its own brand, such as face powder, lipstick, eyeshadow, mascara to meet the needs of customers through various channels, with an emphasis on primarily domestic Muslim customers.

2. Market and Competition

(A) Policy and Market of Key Products and Services

- **Competitive Strategy**

The company is a distributor of cosmetic products under its own brand, where it hires manufacturers that is Halal-certified and have technical expertise in product development, which is a key competitive factor. The company employs the market strategy that emphasizes the quality of its products at a high level, including packaging design that is beautiful, modern, and convenient to use. Additionally, it emphasizes the suitability of price and quality that attracts the attention of customers, taking into account the highest level of customer satisfaction.

- **Customer Characteristics**

Muslim customers who are looking for high-quality makeup products at reasonable price.

- **Target Customers**

The company's target customers are teenagers and working people who want quality cosmetics at an affordable price.

- **Sale and Distribution Channels**

The company sells products through modern trade channels.

(B) Industry Competition

Growth in Muslim populations and increasing purchasing power are factors driving the increasing demand for makeup products. Additionally, the Muslims' interest in makeup products has been increasing dramatically, providing potential growth opportunities for the Halal cosmetics industry.

Currently, the number of Muslim consumers using cosmetic products is increasing every year, allowing the company's products to have a market share in order to meet consumer needs and reach target groups.

(C) Trend of Industry and Future Competition

The Halal cosmetics industry is growing and highly competitive. However, the company believes that its growth strategy will allow it to maintain its business growth, improve its operating results in the future, and strengthen its leadership position in the makeup category of the Halal cosmetics market.

3. Procurement of Products or Services

The company hires manufacturers from both domestic and foreign factories that specialize in specialized production, have advanced manufacturing technology and machinery, and have a standardized quality control system in place to meet the needs of customers.

4. Products or Services pending for Delivery

- None -