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***Annual Registration Statement /***

***Annual Report 2023***

***Form 56-1 One Report***

***ASIAN PHYTOCEUTICALS PUBLIC COMPANY LIMITED***

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## Message from the Board of Directors

The continuous advancement in medical technology, along with people's adjustments to their healthcare, nutrition, and lifestyle based on widely disseminated and easily accessible knowledge, has promoted a longer lifespan for humans. The Thailand Development Research Institute (TDRI) predicts that the average life expectancy for Thais born in 2016 could reach 80-98 years, nearing 100 years. Consequently, Thailand is expected to enter the 'Longevity Society', akin to many developed countries. Preventive healthcare, which focuses on maintaining health rather than treating diseases, allowing people to enjoy robust health with no disease while living a long life, is not just a concern of the elderly but of everyone in a society heading towards an 'Aging Society' with an increased lifespan in the future.

APCO focuses on researching to become the leader in stimulating killer T cells to overcome various diseases. APCO has successfully contributed to the care of patients with cancer, diabetes, knee joint problems, and various viral infections, including HIV/AIDS. With its ByeByeHIV project, APCO has so far been able to provide a new life for 50 HIV-infected individuals who continuously show no detection of HIV, enjoy robust health.

In 2023, APCO announced a milestone with the goal of helping Thai people achieve a lifespan of 100 years with happiness through its Thai "Rejuvenating" innovation. This research produces an age-reversal and age-slowdown product using a synergistic mixture of refined extracts from five types of edible plants, namely mangosteen, black sesame, soybean, guava, and Centella asiatica. The objective is to prevent severe diseases and enhance patients' health by using food as medicine, acting on a chromosomal level to boost the immunotherapeutic potency of white blood cells, leading to a balanced immune system. This product is distinctly different from other age-reversal and age-slowdown products. It not only contributes to increased telomere length for rejuvenation, bringing about youthfulness, maintaining robust health, and lengthening lifespan but also has the property to boost the body's immunity to eliminate cancer cells, rebuild the body that has been damaged by cancer, and prevent the return of cancer. It also reduces the risk of falling ill or dying from noncommunicable diseases (NCDs), the number one global health problem. This innovation addresses the needs of those who want to maintain robust health, as well as those who are entering the Aging Society to have a quality extended lifespan, thus allowing them to use their full potential to continue contributing to society.

APCO operates with the vision of achieving the goal of improving the quality of life for Thai and global citizens. It embraces responsibility for society and considers environmental sustainability since its inception, aligning with Environmental, Social, and Governance (ESG) principles and the current Sustainable Development Economic Model (BCG Model). In the current year, APCO takes a further step in its mission to reduce the carbon footprint at the company level by investing in a renewable energy system that converts solar energy into electricity. This zero-emission process helps reduce global warming caused by the production of electricity, which generates various pollutants in the atmosphere.

We greatly hope that the Company's sustainable business practices will create long-term value for all stakeholders. We would like to express our gratitude to all shareholders, customers, business partners, and employees for their continuous support of APCO in the pursuit of a business that is in accordance with its vision. This support has led to the successive stable growth of the Company. We assure you that APCO will advance its business development with a commitment to governance and social responsibility, aiming to be part of the effort to create a pleasing and sustainable society that will last forever.

**Maleeratna Plumchitchom**  
( Ms. Maleeratna Plumchitchom )  
Chairperson of the Board

**Pichaet Wiriyachitra**  
( Prof. Dr. Pichaet Wiriyachitra )  
Chairman of the Executive Committee

## Part 1

### Business Operations and Performance

## 1. Structure and Operation of the Group of Company

### 1.1 Policies and Overview of APCO Business

Asian Phytochemicals Public Company Limited (“Company” or “APCO”) was founded on June 2, 1998 with the paid-up registered capital at 1 Million THB under the name of “Natural Cosmetics Research Co.,Ltd.” with aims to manufacture and distribute the cosmetics products and dietary supplements from natural extracts. Later in 2005, it was transformed into the public company under the name of “Asian Phytochemicals Public Co., Ltd.” Afterwards, it was registered in the MAI stock market, bearing the symbol “APCO”, on November 4, 2011 and on May 14, 2018, the Company moved its listed securities trading on the Stock Exchange of Thailand (SET) under the consumer products industry

#### 1.1.1 Vision, Mission, Goals for the Company's Overall Operation

The Company has established a business operation guideline as a clear and concrete practice direction for the best interest of the Company and all groups of stakeholders to lead the Company to achieve its goal and can be put into practice. In 2023, the Board of Directors has reviewed the vision, the mission, the business goals and communicated to the employees through training and public relations to be known periodically as well as disclosed on the Company's website [www.apco.co.th](http://www.apco.co.th) as follows:

##### Vision

A leader in innovation of healthcare and beauty products based on Thai researchers' studies and developments of “Thai natural extracts” to promote the life quality of Thais and people worldwide

##### Missions

- Producing the best health supplements and beauty products with the latest technology of the 21st century
- Promoting Thai researchers' research on natural extracts
- Meeting customers' expectations of health and beauty products
- Expanding a variety of modern distribution channels
- Promoting life quality of Thais and the world's people
- Promoting Thai products to international customers
- Building the sustainable industry
- Operating with work ethics that prioritise stockholders, employees and society under the policy of white business
- Promoting creativity to build a good image of the organisation, stockholders, involved parties and society
- Building local and international business partnership
- Building customers and partners' trust
- Maintaining social responsibility in business operations
- Encourage consumers to become shareholders of the company in order to receive all the benefits of the company's performance; aiming to become a public company co-created by the public



## Business Goals

1. Research, develop and sell health care products from natural extracts such as mangosteen, centella asiatica, black sesame, guava fruit, and isolated soy protein to have the ability to balance the immune system in the body. It is a new dimension of healthcare.
2. Research, develop, and sell beauty cosmetic products from natural extracts.
3. Commit to work towards the better of the society, enhance the quality of life of Thai and global citizens.
4. Run business with a White Ocean policy.

### **1.1.2 Important Changes and Development**

June 2, 1988	<ul style="list-style-type: none"><li>■ Natural Cosmetics Research Co.,Ltd. ("NCR") was founded with paid registered capital of 1 Million Baht divided into 10,000 common shares, each of which was worth 100 Baht. The founder, Prof. Dr. Pichaet Wiriyachitra, had 92% of the capital. Natural Cosmetics Research Co.,Ltd.'s initial goal was to manufacture herbal cosmetics products. The first factory was situated in Meung District, Chiang Mai.</li></ul>
1991	<ul style="list-style-type: none"><li>■ A new plant was built at the Northern Industrial Estate, Lamphun. All the manufacturing was moved to the new factory.</li></ul>
May 25, 1995	<ul style="list-style-type: none"><li>■ Green Gold Co., Ltd. ("GG") was established with paid registered capital of 5 Million Baht, divided into 50,000 common shares, each of which was worth 100 Baht. The aim was to produce dietary supplements from natural herbs.</li></ul>
May 18, 1998	<ul style="list-style-type: none"><li>■ Asian Neutraceutical Centre Co.,Ltd. was founded with paid registered capital of 1 Million Baht divided into 10,000 common shares, each of which was worth 100 Baht. The aim was to conduct research and develop cosmetics products and dietary supplements before NCR and GG manufactured the approved products.</li></ul>
May 20, 1999	<ul style="list-style-type: none"><li>■ Asian Life Co.,Ltd. ("ASL") was founded, with paid registered capital of 10 Million Baht divided into 100,000 common shares, each of which was worth 100 Baht. The aim was to sell the cosmetics and health products of the companies through a multi-level direct sales system such as Multi-Level Marketing or MLM.</li></ul>
2003	<ul style="list-style-type: none"><li>■ Green Gold or GG received a certificate of Good Manufacturing Practice from Food and Drug Administration, Ministry of Public Health.</li></ul>
2005	<ul style="list-style-type: none"><li>■ The structure of group companies was adjusted. Natural cosmetics Research Co., Ltd. Increased the registered capital to 9.3 Million Baht, divided into 9.3 Million common shares, each was worth 10 Baht. The money gained from the increased capital was spent buying shares in the ratio of 99.99% in three companies:<ul style="list-style-type: none"><li>(1) Green Gold Co., Ltd.</li><li>(2) Asian Life Co., Ltd.</li><li>(3) Asian Neutraceutical Centre Co.,Ltd.</li></ul>Later, Natural Cosmetics Research Co., Ltd was transformed into a public company and its name was changed to Asian Phytoceuticals Public Company Limited ("APCO"). In addition, the share value was changed from 10 Baht per share to 1 Baht per share. The increase was made to the capital from 93 Million shares to 116.25 in order to comply with a proposal to sell shares to the general public. However, the registration was initially put off.</li></ul>

	<ul style="list-style-type: none"> <li>APCO received a certificate of Good Manufacturing Practice from Food and Drug Administration, Ministry of Public Health.</li> </ul>
2006	<ul style="list-style-type: none"> <li>The Company restructured by transferring The Research and Development Business of Asian Nutraceutical Centre Co.,Ltd. to APCO and closing the account of Asian Nutraceutical Centre Co.,Ltd.</li> </ul>
2011	<ul style="list-style-type: none"> <li>The capital was increased to 200 Million Baht for the initial public offering (IPO) in a total of 45 Million ordinary shares and other 5 Million shares to the Executives and Employees of the Company. Also, the common shares were registered in the MAI stock market.</li> </ul>
December 2, 2013	<ul style="list-style-type: none"> <li>The Company was restructured through the entire business transfer (EBT) from subsidiary companies where 100% of shares in each company were held by APCO such as Asian Life Co.,Ltd, Green Gold Co.,Ltd., Th17 Global Co.,Ltd., and Top Marcom Co.,Ltd. The entire transferred businesses have now been operated by APCO. The subsidiary companies were also deregistered.</li> </ul>
2014	<ul style="list-style-type: none"> <li>The Company paid 40 Million dividend shares on April 28, 2014 and offered the additional shares to the existing shareholders (Right Offering) in a total of 32 Million shares at the equivalent price to the par value at 1.00 Baht during May 7-9, 12 and 14, 2014.</li> <li>The Extraordinary Shareholder Meeting No.1/2014 approved a decrease of the registered capital in sum of 28,000,018 Baht from the previous registered capital in sum of 300,000,000 Baht to the new registered capital in sum of 271,999,982 Baht by excluding 18 remaining shares from the dividend shares and excluding the common shares which are not yet offered to the private placement approximately at 28,000,000 shares.</li> <li>The Extraordinary Shareholder Meeting No.1/2014 also approved an increase of the registered capital in sum of 28,000,018 Baht to form the new registered capital in sum of 300,000,000 Baht from the existing registered capital worth 271,999,982 Baht for the public offering who had sponsored the Company and/or the public before registering such common shares in the Stock Exchange of Thailand (SET).</li> </ul>
June 7, 2014	<ul style="list-style-type: none"> <li>Open BIM Health Center.</li> </ul>
March 26, 2015	<ul style="list-style-type: none"> <li>The Annual General Meeting of Shareholders 2015 approved to change the par value from 1.00 baht per share to 0.10 baht per share and approved the allotment of 28,000,018 new ordinary shares at a par value of Baht 1 per to not more than 280,000,180 newly issued ordinary shares at a par value of Baht 0.10 per share for public offering to the Company's patrons.</li> </ul>
April 24 & 27-30, 2015	<ul style="list-style-type: none"> <li>The Company offered of not more than 280,000,180 new ordinary shares at par value of Baht 0.10 per share for public offering to the Company's patrons. The total subscribed shares were 25,374,825 shares, thus the remaining shares are 254,625,355 shares at par value of Baht 0.10 per share.</li> </ul>
April 8, 2016	<ul style="list-style-type: none"> <li>The Annual General Meeting of Shareholders 2016 approved a decrease of the registered capital for Baht 25,462,535.50, at the par value of Baht 0.10 each, from the existing capital of Baht 300,000,000 to Baht 274,537,464.50 by cancelling the unissued shares for the public offering of 254,625,355 shares at the par value of Baht 0.10 each.</li> </ul>

	<ul style="list-style-type: none"> <li>■ The Annual General Meeting of Shareholders 2016 approved an increase of the registered capital for Baht 25,462,535.10 at the par value of Baht 0.10 each, from the existing paid-up capital of Baht 274,537,464.50 to Baht 300,000,000 for public offering to the Company's patrons. There are remaining shares from the subscription by the Company's patrons, the Company shall allocate such remaining shares to right offering.</li> </ul>
October 7 & 10-13, 2016	<ul style="list-style-type: none"> <li>■ The Company offering of not more than 254,625,355 new ordinary shares at a par value of Baht 0.10 per share for public offering to the Company's patrons. The total subscribed shares were 16,252,060 shares, thus the remaining shares are 238,373,295 shares at par value of Baht 0.10 per share.</li> </ul>
November 18 & 21-24, 2016	<ul style="list-style-type: none"> <li>■ The Company offering of not more than 238,373,295 new ordinary shares at a par value of Baht 0.10 per share to right offering. The total subscribed shares were 238,373,295 shares at par value of Baht 0.10 per share.</li> </ul>
February 2017	<ul style="list-style-type: none"> <li>■ The Company has invested in Bim Health Center Co.,Ltd., in the proportion of 49.99% of the capital of the Company to establish BIM Health Center on 3<sup>rd</sup> Floor, Paradise Park Building, Srinakarin.</li> </ul>
April 9, 2018	<ul style="list-style-type: none"> <li>■ The 2018 Annual General Meeting of Shareholders approved to change the par value from Baht 0.10 per share to Baht 0.50 per share for listing on the Stock Exchange of Thailand (SET).</li> </ul>
May 14, 2018	<ul style="list-style-type: none"> <li>■ SET moves APCO from MAI to SET.</li> </ul>
March 21, 2022	<ul style="list-style-type: none"> <li>■ Established a subsidiary by jointly investing in Killer T Cell for Pets Co., Ltd. in the proportion of 55 percent to operate the business of distribution and marketing of medicinal supplements in the global animal market.</li> </ul>

**1.1.3 Name, Address, Head Office, Business Category, Registration Number, Telephone, Fax, Company Website (if any), Number and Type of Total Paid-up Shares of the Company**

Company Name in Thai	: บริษัท เอเชียัน ไฟytoceuticals จำกัด (มหาชน) (“บริษัทฯ”)
Company Name in English	: ASIAN PHYTOCEUTICALS PUBLIC COMPANY LIMITED
Business Category	: Manufacture and distribute health and beauty products from natural extracts based on the researches and developments of Thai scientists.
Registered Capital	: THB 300 Million, comprising 600 Million common shares, each of which is worth THB 0.5 per share (December 31, 2023)
Issued and Paid-up Share	: THB 300 Million, comprising 600 Million common shares, each of which is worth THB 0.5 per share (December 31, 2023)
Head Office	: 84/3 Moo 4 Northern Region Industrial Estate (West side) Super Highway No.11 Rd., Banklang, Muang Lamphun, Lamphun 51000 Tel. 053 581 374 Fax. 053 581 375
Branch Office	: <u>Ratchadapisek Branch</u> 89, 30 <sup>th</sup> Floor, AIA Capital Center Building, Ratchadapisek Rd., Dindaeng, Bangkok 10400 Tel. 0-2646-4800 : <u>Chiang Mai Branch</u> 61/5 Intawarorot Rd., Sriphum Sub-district, Muang Chiang Mai, Chiang Mai 50200 Tel. 0-5335-8276 : <u>Hat Yai Branch</u> 20,22 Chotivitayakul 5 Rd., Hat Yai Sub-district, Hat Yai, Songkhla 90110 Tel. 0-7455-9464-5 : <u>Chonburi Branch</u> 170/126-128 Moo 3, Samet Sub-district, Muang Chonburi, Chonburi 20000 Tel. 0-3845-5025 : <u>Esplanade Branch</u> Esplanade Building, Room No. 317, 3 <sup>rd</sup> Floor, 99 Ratchadapisek Rd., Dindaeng, Bangkok 10400 Tel. 0-2660-9011
Registration Number	: 0107548000480
Home Page	: <a href="http://www.apco.co.th">www.apco.co.th</a>

## 1.2 Nature of Business

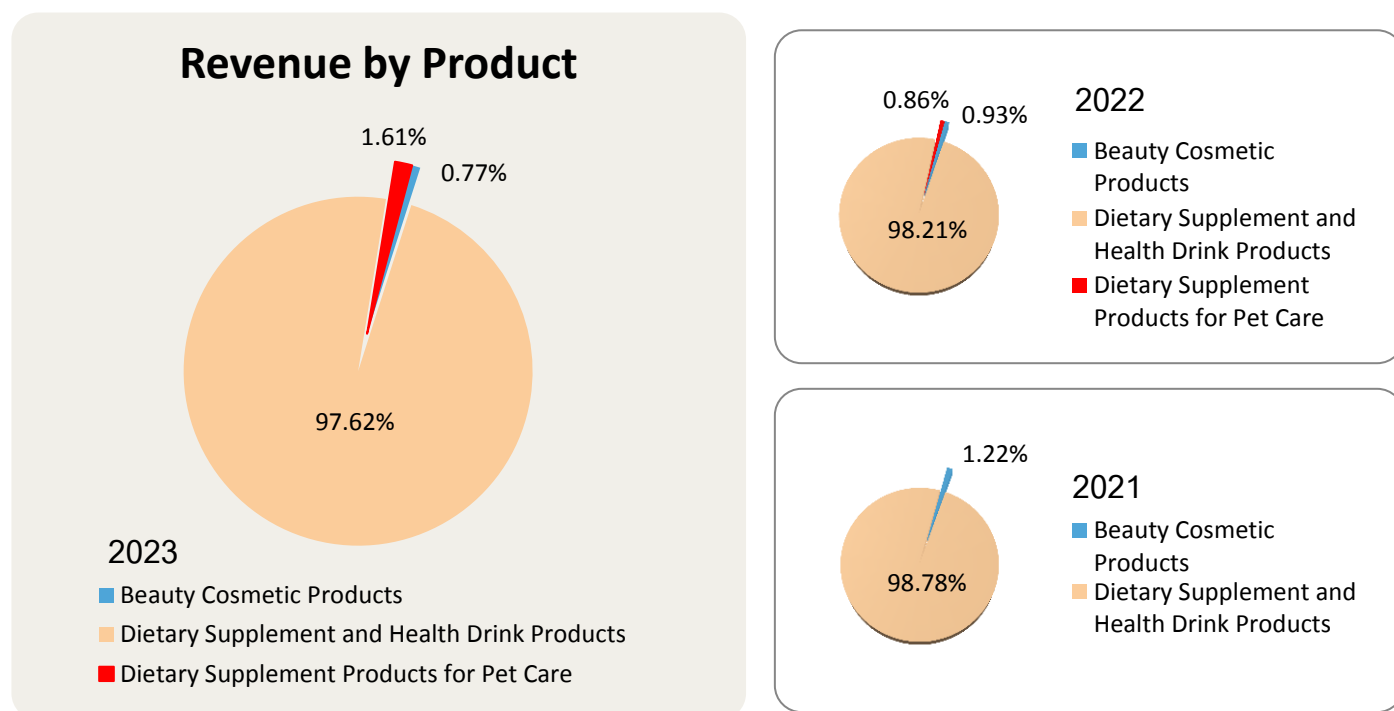
The Company has produced and marketed the healthcare and beauty products from natural extracts from the research of Prof. Dr. Pichaet Wiriyachitra, the main shareholder and CEO. The Company has also work with specialists, including a team from academic institutions in Thailand and research organizations in order to develop new products and improve the existing products. The Company has applied for patent registration and received a safety guarantee from Food and Drug Administration (FDA) with scientific certification.

The Company distributes its products to both domestic and international customers by using multiple marketing channels (Multi-Channel Marketing), For domestic customers, the Company distributes through sales agent, dropship and Bim Health Center, a service center for customers who wish to correctly use the products for their healthcare by following advices from medical scientists who are specialized in Operation BIM products, focusing on the customers who prioritize better figure and healthcared. At present, there are five branches; Chiang Mai, Hat Yai, Chonburi, Ratchadapisek and Esplanade. For foreign countries, the Company distributes to distributors directly including China, Singapore, Malaysia etc.

In 2021, the Company has expanded a new product line in the food supplement category for pet care and set up a subsidiary to market and distribute in 2022 by using the strategy of launching new products into new markets. (Diversification Strategy)

### 1.2.1 Revenue Structure

The revenue structure of the group of companies in the past 3 years, separated by product, is as follows:



Unit: Million Baht

Business Unit	Operated By	% Shareholding of the Company	2023		2022		2021	
			Value	Percent	Value	Percent	Value	Percent
Beauty Cosmetic Products	APCO							
- Sliming Products			1.21	0.38	1.41	0.52	1.48	0.61
- Anti-Wrinkle and Anti-Spot Products			0.66	0.21	0.56	0.21	0.89	0.36
- Skincare Products			0.56	0.18	0.55	0.20	0.62	0.25
<b>Total</b>			<b>2.43</b>	<b>0.77</b>	<b>2.52</b>	<b>0.93</b>	<b>2.99</b>	<b>1.22</b>
Dietary Supplement and Health Drink Products	APCO							
- Fat Reduction Products			0.74	0.23	0.70	0.26	1.98	1.81
- Healthcare Products			284.01	86.68	238.52	87.99	210.50	85.86
- Health Drink Products			24.40	7.70	27.01	9.96	29.69	12.11
<b>Total</b>			<b>309.15</b>	<b>97.62</b>	<b>266.23</b>	<b>98.21</b>	<b>242.17</b>	<b>98.78</b>
Dietary Supplement Products for Pet Care	Kiler T Cell for Pets Co.,Ltd.	55%	5.10	1.61	2.33	0.86	-	-
<b>Total</b>			<b>5.10</b>	<b>1.61</b>	<b>2.33</b>	<b>0.86</b>	<b>-</b>	<b>-</b>
<b>Revenue from Sales</b>			<b>316.68</b>	<b>100.00</b>	<b>271.08</b>	<b>100.00</b>	<b>245.16</b>	<b>100.00</b>
Deducting the Compensation of Sales Agent (According to Financial Reporting Standard No. 15)			23.92		20.70		21.81	
<b>Revenue from Sales according to Financial Statements</b>			<b>292.76</b>		<b>250.38</b>		<b>223.35</b>	
Other Revenues <sup>/1</sup>			1.09		2.08		3.03	
Finance Revenues <sup>/2</sup>			15.69		12.40		12.82	
<b>Total Revenue</b>			<b>309.54</b>		<b>264.86</b>		<b>239.20</b>	
Share of gain (loss) from investment in associates			1.26		0.61		(0.29)	
<b>Total Revenue and share of profit (loss) from investments in associated companies (Consolidation)</b>			<b>310.80</b>		<b>265.47</b>		<b>238.91</b>	

**Note:** Which were eliminated upon consolidation.

<sup>/1</sup> Other revenues consist of the accrued commissions, adjusted as income, service income, profit from sale of assets, profit from exchange rate, etc.

<sup>/2</sup> Financial revenues consists of interest income, profit from the sale of financial assets, dividends received from investments in stocks, etc.

## Revenue Structure from Domestic and International Sales

Unit: Million Baht

Revenue Structure	2023		2022		2021	
	Value	Percent	Value	Value	Percent	Value
Revenue from Domestic Sales	283.28	96.76	249.32	99.57	217.83	97.53
Revenue from International Sales	9.48	3.24	1.06	0.43	5.52	2.47
<b>Total Revenue from Sales</b>	<b>292.76</b>	<b>100.00</b>	<b>250.38</b>	<b>100.00</b>	<b>223.35</b>	<b>100.00</b>
Other Revenues <sup>/1</sup>	1.09		2.08		3.03	
Finance Revenues <sup>/2</sup>	15.69		12.40		12.82	
<b>Total Revenue</b>	<b>309.54</b>		<b>264.86</b>		<b>239.20</b>	
Share of gain (loss) from investment in associates	1.26		0.61		(0.29)	
Total Revenue and share of profit (loss) from investments in associated companies (Consolidation)	<b>310.80</b>		<b>265.47</b>		<b>239.91</b>	

### 1.2.2 Product Information

#### (1) Characteristics of Products or Services and Development of Business Innovation

##### Characteristics of Products

Asian Phytoceuticals Public Company Limited is a manufacturer and distributor of healthcare and beauty products made from natural extracts. Most of the products are innovative products, from the research team led by Professor Dr. Pichaet Wiriyaichitra in collaboration with various research units with scientific evidence confirming efficacy and safety. The Company has the policy to focus on producing and selling products under the following standards.

- Has a scientific basis.
- Safe for the users.
- Has a clear performance of the product with scientific research support.

The Company's products have been made from two main natural extracts that can be found in Thailand that have properties beneficial for health and skin.

(1) *Garcinia atroviridis* fruit extract, which has the ability to inhibit enzymes in the fat building process from consuming foods with high carbohydrates. It has the effect of slimming and accelerating the metabolism of body fat.

(2) GM-1 is mangosteen peel extract. GM-1 has the ability to inhibit bacteria, anti-inflammatory, anti-allergic, antioxidant, etc.

Research on the efficacy of GM-1 on the immune system is called Operation "BIM" (Balancing Immunity). It combines extracts from various fruits and grains with GM-1, then, becoming BIM formulation that has important properties in balancing the immune system according to the latest immunology research by creating a balance of 4 types of white blood cells, namely

- Th1 stimulates the immune system to better deal with fungi, bacteria, viruses, and cancer.
- Th2 stimulates the immune system to better deal with allergens and helminths.
- Th17 stimulates the immune system to deal with foreign bodies left over from the manipulation of Th1. Too much Th1, Th2, and Th17 create over immune which causes autoimmune symptoms.
- Treg stimulates the immune system to return to equilibrium, when there is too much immunity.




That results in consumers who have problems such as infection with uterine fibroids, ovarian cyst, cancer, allergic, sinusitis, chronic gastroenteritis, acid reflux, osteoarthritis/inflammation, itchy skin, psoriasis, hepatitis, cirrhosis, kidney failure, thyrotoxicosis, asthma, diabetes, hyperlipidemia, dizziness, migraine, gout, etc. are better quality of life.

Based on research and the empirical effectiveness of immune stimulation and its effectiveness in dealing with viral infections of BIM formula dietary supplements, the research team has, therefore, done more research and further develop the properties of 5 types of plant and fruit extracts, namely: Mangosteen, black sesame, soybean, centella asiatica, guava for veterinary use in the treatment of cancer, tumors, feline leukemia virus (FeLV) and feline immunodeficiency virus (FIV) infections that cause leukemia and AIDS in the cat respectively. An innovation to stimulate white blood cells in pets that are effective and safe is, therefore, a new innovation of care for sick pets that currently do not have a cure for good health and a better quality of life.




Professor Dr. Pichaet Wiriyachitra and the research unit continue to research and develop new features of the product of Operation “BIM” for further sustainability.

APCO and its subsidiary have beauty cosmetic products, dietary supplement and health drink products that the Company produces and sells at present as follows :



## 1. Group of Beauty Cosmetic Products




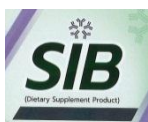








Product	Characteristics and Properties	Herbs Essential	Brand / Trademark		Year
1.1 Slimming Products	Cream or lotion products in <b>bottles/tubes form</b> for massage to tighten the skin and reduce the desired area, and facial lotion products in the form of bottles to create flexibility and tighten the skin on the chin, neck, and cheek.	Extracts from Garcinia, Centella Asiatica, Chili, Ginger, Chinese tea, Mint, Etc.	GS <sup>/1</sup>		2018
1.2 Anti-wrinkle and Anti-Spots Products	Creams, lotions, or serums in <b>bottle/tube form</b> for skin nourishing, focusing on skin conditioning, reducing dullness and dark spots on the face.	GM-1, Centella Asiatica Extract, Licorice, Etc.	Asian Life <sup>/1</sup>		2012
1.3 Skin Care Products	Gel, cream or body lotion products in <b>tubes form</b> for showering, skin caring, sun blocking, and cleansing. They can prevent the imbalance which is the cause of inflammatory symptoms and infections.	GM-1	Garcinia <sup>/1</sup>		1988





Product	Characteristics and Properties	Herbs Essential	Brand / Trademark		Year
	Cream or body lotion products in <b>tubes form</b> for skin caring, sun blocking, and cleansing, which has anti-pigmentation properties resulting in whiter skin.	Extracts from Mangosteen, Centella Asiatica, and Mulberry	Lyfe <sup>/1</sup>		2000
	Cream products in <b>tubes form</b> for strengthening and nourishing the skin to be smooth and elastic, cool and refreshing for those with psoriasis problems.	Extracts from Mangosteen, Centella Asiatica	Noriasis <sup>/1</sup>		2010
	Cream products in <b>tubes form</b> for strengthening and nourishing the skin to be smooth and elastic, cool and refreshing for those with knee and elbow problems.	Extracts from Mangosteen, Centella Asiatica, Soybean	Arthrino <sup>/1</sup>		2019

## 2. Group of Dietary Supplement and Health Drink Products

Product	Characteristics and Properties	Herbs Essential	Brand / Trademark		Year
2.1 Fat Reduction Products	Dietary supplement in <b>capsule form</b> (600 mg) and <b>water-soluble powder</b> , attribute to accelerate the transformation of fat into energy. They also delay the creation of new fat from food and slow down the fat accumulation process.	Extracts from Garcinia	Gold Shape Plus <sup>/1 /3</sup>		2014
			GS Hi-Sol <sup>/1 /3</sup>		2018

Product	Characteristics and Properties	Herbs Essential	Brand / Trademark		Year
2.2 Health Products <sup>/2</sup>	Dietary supplement in <b>capsule form</b> (600 mg) for balancing immunity for those who want to maintain a good health.	Extracts of Centella Asiatica, Black Sesame, Guava, Mangosteen, and Extracted Protein from Soybean	GARCINIA <sup>/1 /3</sup>		2007
			MYLIFE <sup>/1 /3</sup>		2017
			VVIN Plus <sup>/1</sup>		2018
			SIB <sup>/1</sup>		2022
			DIABENOX <sup>/1 /3</sup>		2009
			BIM.D <sup>/1 /3</sup>		2013
	Dietary supplement in <b>capsule form</b> ( 600 mg.) for those with diabetic problems.		ARTHRINOX <sup>/1 /3</sup>		2009
			BIM.A <sup>/1 /3</sup>		2013
	Dietary supplement in <b>capsule form</b> ( 600 mg.) for those with knees problems.		NORIASIS <sup>/1 /3</sup>		2009
			TUMORID <sup>/1 /3</sup>		2011
	Dietary supplement in <b>capsule form</b> ( 600 mg.) for those with psoriasis problems.		Th 17 <sup>/1 /3</sup>		2012
			Th Plus <sup>/1 /3</sup>		2016
	Dietary supplement in <b>capsule form</b> ( 600 mg.) for those with cancer problems.		BIM C <sup>/1 /3</sup>		2021

Product	Characteristics and Properties	Herbs Essential	Brand / Trademark		Year
	Dietary supplement in <b>capsule form</b> ( 600 mg.) for those with eye problems.		BIM O <sup>/1 /3</sup>		2015
			BIM E <sup>/1 /3</sup>		2016
	Dietary supplement in <b>capsule form</b> ( 600 mg.) for those with HIV infected patients.		LIV <sup>/1 /3</sup>		2013
			LIV Plus <sup>/1 /3</sup>		2017
			KTCEL <sup>/1 /3</sup>		2566
	Dietary supplement in <b>capsule form</b> (600 mg) for those who want to slow down aging, with the technique of increasing the length of telomeres.		MY Life 100 <sup>/1 /3</sup>		2021
			mylife100 A <sup>/1 /3</sup>		2022
			Youthlocked <sup>/1</sup>		2023
			Youthlocked A <sup>/1</sup>		2023
	Dietary supplement in <b>capsule form</b> (188 mg) For those who want to nourish the brain.		MMM <sup>/1</sup>		2023
	Dietary supplement in <b>capsule form</b> ( 600 mg.) for balancing immunity for those who want to maintain a good health.	Extracts of Mangosteen	I18 <sup>/1 /3</sup>		2017
	Food product in <b>hermetically sealed container</b> in the form of <b>sachets</b> (1 kg), boosting immune balance, suitable for those who want to maintain good health.	Black Sesame Extract, Guava, Mangosteen, Soy Protein Extract.	T-gain <sup>/1 /3</sup>		2021

Product	Characteristics and Properties	Herbs Essential	Brand / Trademark		Year
2.3 Health Drink Products <sup>/2</sup>	Concentrated mangosteen juice in sachets with no sugar or preservative is able to fight against oxidants.	Mangosteen Juice Concentrated	BIM <sup>/1 /4</sup>		2010
2.4 Dietary Supplement Products for Pet Care	Dietary supplement in capsule form ( 170 and 850 mg.) for care of pets with cancer, tumors, feline leukemia virus (FeLV) and feline Immunodeficiency virus (FIV) infections.	Extracts of Centella Asiatica, Black Sesame, Guava, Mangosteen, and Extracted Protein from Soybean	Canvirol <sup>/1</sup>		2021

Note

<sup>/1</sup> Products that the Company must pay compensation for utilization of research and product development work that developed by Prof.Dr. Pichaet Wiriyachitra. Except for Cleaning Milk products under the Miracles brand. The compensation is calculated as a percentage of the product sales as agreed in the contract. (Details of the contract in attachment 4 License Agreement to Utilization of Research and Product Development)

<sup>/2</sup> Products in Operation "BIM" group

<sup>/3</sup> Products granted with Halal Logo

<sup>/4</sup> Mangosteen juice is produced with ingredients and process supervised by the Company.

In addition to the products that the company produces and sells by itself, the company also produces products under the customer's brand, Jada cosmetics products, which are produced for a company that has a distribution contract to export to Vietnam. The company as a manufacturer has specific duties for registering products to the Food and Drug Administration (FDA), responsible for the formula and quality of the products, not including distribution procedures and methods.

The important factors that give an opportunity to conduct business both domestically and abroad are.

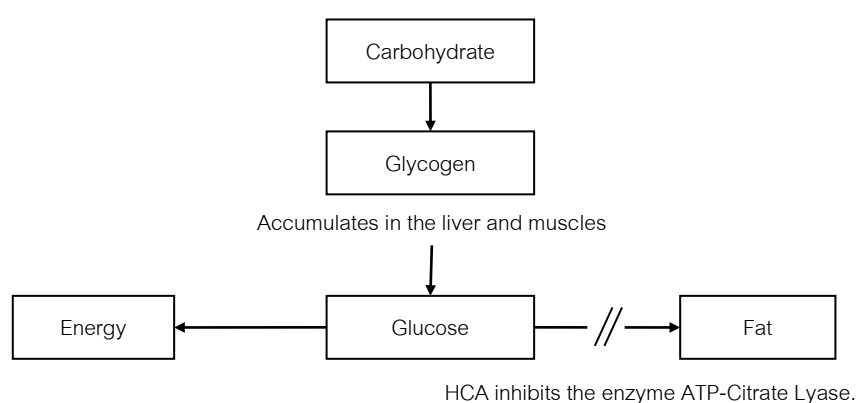
The production licenses that the Company has obtained include a food production license, a food registration certificate, an application for a food label, a Certificate of Good Manufacturing Practice (GMP), and a Certificate of Halal Food Production. In this regard, officials from various departments including the staff of the Food and Drug Administration, auditor of a private company which is an agency registered with the Food and Drug Administration (FDA) to audit the production site, and officials of the Central Islamic Council of Thailand, they will conduct an annual inspection of the Manufacturing Standards for Good Manufacturing Practice (GMP) for cosmetics, food, and inspect the process according to the Islamic principles, along with issuing a certificate of inspection to certify that the production process meets the specified standards, including invention patents that have been registered by the Department of Intellectual Property. (Details are disclosed in attachment 4 The Patent)

## Development of Business Innovation

APCO attaches great importance to the research and development of the new features of plants and herbs that can be found in Thailand. In order to further develop innovative products and meet consumer needs, the Company focuses on the research through collaboration with researchers in various fields, including cooperating with government agencies, universities, and other research units that are specialized in dealing with medicinal plants that are an important component of the Company's products.

### Research of Garcinia Extract

Garcinia extract is one of the key ingredients in The Company's slimming products. Garcinia contains HCA (Hydroxy-citric acid), which inhibits the activity of enzymes involved in the glucose degradation cycle of cells in the body, that has an effect to help inhibit the sugar (Glucose), which comes from carbohydrate foods to turn into fat.



When consume rice, flour, sugar, the body converts these carbohydrates to glycogen and stores in the liver and muscles for energy. When the storage is full, it will automatically make you feel full. Later, glycogen is converted to glucose to provide energy. The excess will be converted to fat. HCA function will inhibit the enzyme ATP-Citrate Lyase, which prohibits glucose to be converted to fat. Therefore, it can be converted to energy for the body only. Glucose consumption will be less. The glycogen will slow down into glucose and remain longer in the liver and muscles. This will lead to a longer feeling of fullness and slow hunger.

In the year 2000, the Company together with researchers from the Department of Internal Medicine, Ramathibodi Hospital, and Research Center, Faculty of Medicine Mahidol University have proven the effectiveness of HCA, At 70% concentration, it was proven to reduce body fat in a group of women weighing 65 - 70 kg. The experimental group showed a reduction in body weight caused by the loss of fat deposits underneath the skin on the upper arm, under the shoulder blade, above the waist, and around the hips without any adverse effects on the subjects. The researchers presented the results at the World Clinical Nutrition Council in Phitsanulok Province in December 2000 and also published in international journals (Asia Pac J. Clin Nutr 2007; 16 (1): 25-29).

The Company relies on the properties of HCA to inhibit such enzymes to produce a dietary supplement to slim the body. It has also developed a cream or lotion that is used in massage for slimming, Results were shown from collaboration with Dearmscan Institute, product performance testing institute from France. The subjects were given a 4-week trial of the product for the average waist circumference. It was found that the average waist circumference of the subjects decreased significantly and the results of the pre-test and post-test blood tests showed no side effects on the subjects.

## Mangosteen Extract Research

Current APCO's research is focused on mangosteen under the project name Operation "BIM", or "Balancing Immunity", which studies the effects of mangosteen extract on the body's immune system balance. The research on mangosteen extract has started in 1971 by Professor Dr. Pichaet Wiriyaichitra along with a team of researchers at Prince of Songkla University. It was found that the mangosteen peel mixed with limewater as used in folk medicine has wound healing properties. With continued research, GM-1 has been extracted and many therapeutic properties were found, such as, inhibiting the growth and killing of bacteria, anti-inflammatory, analgesic, reducing allergic reactions, healing the skin, reducing dark spots on the face, antioxidant, and killing cancer cells in the test tube. It is also safe for consumption. However, the development of GM-1 as a drug constituent has a very high cost and takes at least 10 years. Therefore, GM-1 extract was developed together with other natural extracts as a component of cosmetics and dietary supplements.



With the mangosteen price fell across the country in 2007, the researchers established the Operation "BIM" research team with the aim of developing more mangosteen related products to provide farmers with income and solve the problem of mangosteen oversupply at the time. Professor Dr. Pichaet Wiriyaichitra as the head of the research project has established Thai Mangosteen Research and Development Center and collaborated with other research units such as Chiang Mai University, Biomedical Technology Research Center, etc., and notable expert researchers in various disciplines including.

- |     |  |   |
|-----|--|---|
| (1) | Associate Professor Dr.Ampai Panthong          | Department of Pharmacology, Faculty of Medicine,<br>Chiang Mai University       |
| (2) | Associate Professor. Dr.Souwalak Phongpaichit  | Department of Microbiology, Faculty of Science, Prince<br>of Songkla University |
| (3) | Associate Professor Dr. Wilawan Mahabudsarakam | Department of Chemistry, Faculty of Science, Prince<br>of Songkla University    |

Operation "BIM" project has been successful in the development of natural herbal extracts, "BIM" formulation, which is a combination of GM-1 extract with various kinds of grain that have synergistic effects. It was also found that BIM has immunomodulation properties, which implies auto-immunotherapy effect, and it is supported by a significant research study in which the Company's researchers have done with Professor Dr. Watchara Kasinrer, an expert in immunology who has been awarded the Outstanding Scientist Awards of 2008 (in the field of immunology), and the Director of the Biomedical Technology Research Center. With the following summary,

### Immunotherapy conditions resulting from the equilibrium of Th1, Th2, and Th17.

T helper cell (Th cell) is a type of white blood cell that is essential in balancing the immune system by signaling the stimulation of killer white blood cells (phagocyte, cytotoxic T cells, and NK cells) to deal with antigens effectively.

- Th cell will convert into Th1 when stimulated by fungi, bacteria, viruses, and cancer cells, and will release chemicals that make killer white blood cells deal with foreign substances more efficiently.
- Th cell will convert into Th2 when stimulated by allergens and it will release chemicals that stimulate the bone marrow to produce certain types of white blood cells which produces antibodies to deal with these foreign substances. However, the excessive amount will cause allergies and autoimmune diseases.

- Th cell can convert into Th17 and release chemicals that stimulate certain white blood cells to eliminate the residual foreign bodies that were left by Th1 and Th2.
- Th cell can convert into a T reg that regulates the activity of Th1, Th2, and Th17, preventing allergic reactions and autoimmune disease.

A well-balanced immune system depends on the balance between Th1, Th2, Th17, and T reg.

The research result shows that BIM increases Th1, Th9, and Th17, resulting in better coping with fungi, bacteria, viruses, and cancer cells. It also makes Th2 level slightly lower than Th1 level, which reduced allergic reactions and autoimmune conditions that was caused by excessive Th2. In addition, the increased Th17 level helps in dealing with foreign body substances that were not handled by Th1 and Th2.

In 2010, MD Cancer Center, University of Texas found that Th17 could prevent lung cancer and is effective in reducing lung cancer in mice. Such findings could explain that the improving conditions in cancer patients who consume BIM products is mainly due to the increase in Th17 by BIM products.

These findings have led to the innovation of the BIM formula mixed in many dietary supplements. The formula is adjusted to suit people with different autoimmune problems such as Diabenox for people with diabetes, Arthrinox for people with knee problems, Noriasis for people with psoriasis, Tumorid for people with cancer, and LIV for people infected with HIV, etc. The Company has patented the BIM formula and has organized a project to disseminate research results related to Operation "BIM" in an easy-to-understand formats to consumers. Therefore, the BIM100 project has invited people with imbalance immune system to share their problems and their experiences after using BIM products. This included people with end-stage cancer, AIDS, acne, diabetes, parkinson's disease, intestinal infections, liver degeneration, chronic stomach, psoriasis, eczema, rheumatoid arthritis, kneecap deteriorates, and etc. The Company has interviewed those who have such problems and broadcasted on Facebook Live, Social Media and the Company's website to inform consumers of the product experiences.

In addition, the Company's research on BIM mangosteen juice has found that it could reduce IL-1 $\beta$ , IL-6, IL-17, TNF- $\alpha$ , and IFN- $\gamma$  and increase IL-18, which could help eye degeneration conditions and preserve vision in people with age-related macular degeneration.

Subsequently, APCO's Operation BIM researchers conducted research on "Innovative Plant-Based HIV Immunotherapy" and have achieved immunosuppression to combat HIV by significantly increasing Th1 leukocyte up to 200% and Th17 up to 500%. The white blood cells Th1 and Th17 that stimulate Th17 have the ability to release substances that deal with HIV and various viruses, as well as in conjunction with stimulating another white blood cell in the body, namely the T cell destroyer or Killer T cells, which are primarily responsible for the management of counterfeit fragments that enter the body, by chasing virus-infected cells and decomposing them completely from the body and eventually HIV will continue to decline continuously until not detected in the long run. The body will become healthy and return to have the same level of CD4 as a normal person, approximately 600 cell / cu.mm. entering a Functional Cure or inactivated HIV, meaning that the HIV infection is not continuously detected. It is an innovation in eliminating HIV infection without the use of antiviral drugs that are safe and without side effects.

In 2021, the Company has developed a new product based on the existing product for better efficacy by combining the science of Telomere with the latest 21<sup>st</sup> century immunology to produce an effective formulation to increase the length of Telomere. As a result, there is a reverse aging/slowing down aging and longevity. Symptoms of the diseases caused by shortened telomeres, such as 1. Coronary artery disease, 2. Autoimmune diseases such as SLE, Rheumatoid

arthritis, Psoriasis, and Diabetes, 3. Alzheimer's disease, 4. Chronic and Cirrhosis, 5. Chronic Kidney Disease, 6. Infection and Inflammation, 7. Osteoporosis, 8. high blood pressure, 9. Visceral Fat, Hyperlipidemia, and Obesity, 10. Insomnia will also be reduced.

In addition, the Company has developed dietary supplements for pets such as cats, dogs, etc., using innovative immune therapy with Killer T Cell to take care of pets infected with various infections such as AIDS, other viruses, and cancer that have no cure yet.

The Company expense for supporting research activities over the past 3 years are as follows.

Research Project	Support Value (Baht)		
	2023	2022	2021
1. The research project "Effect of taking a synergistic dietary supplement formula of five edible plant extracts on telomere length in adults" in conjunction with the Institute of Nutrition, Mahidol University. Project duration 1 year, starting from December 16, 2021 – December 15, 2022 (budget 2.40 Million Baht)	359,575	2,037,380	-
2. The research project "Test the efficacy of various extracts from Centella Asiatica in increasing immunity" (In House)	-	77,690	-
3. "Bye Bye HIV" project to test product efficacy with HIV-positive volunteers ( In House )	568,534	846,780	728,680

For future research plans, the researchers believe that BIM still has many unique features. The research team thus focuses on conducting research projects to confirm the efficacy of BIM with immune science as well as improving the efficacy of BIM supplements to meet the needs of people with autoimmune problems in a more diverse and specific ways, including the development of dietary supplements for the elderly's good quality of life.

## (2) Marketing and Competition

**Marketing** divided into:

- (A) Marketing strategy
- (B) Target customers
- (C) Distribution channels
- (D) Industry conditions and competition

### Group of Beauty Cosmetic Products and dietary supplement products

#### (A) Marketing Strategy

The Company has established marketing strategies for the distribution of beauty cosmetics and dietary supplements, which is divided into 2 parts: product strategy and sales strategy as follows:



## ➤ Product Strategy

### ■ Maintain Product Reliability

The Company's main policy is to focus on distributing products that are developed by the research and development of scientific research faculties and the products must have a reliable scientific basis, are safe for consumers, and are backed by research to confirm the effectiveness of the products. This makes the products reliable in the eyes of consumers and differentiates them from the other products in the market. In addition, the production process focuses on cleanliness, safety, standardization, and is environmental-friendly. The Company has been certified to the standards related to manufacturing such as GMP (Good Manufacturing Practice), Halal, and the factory is located in the Northern Region Industrial Estate, which is certified by ISO 14001: 1996.

### ■ Disseminate Researches to Develop Consumer's Understanding of the Product

Building consumer's knowledge and understanding of product properties is an important factor in promoting product reliability. It also affects consumer's purchasing decisions. The Company, together with a team of researchers, has been involving in academic researches related to the effectiveness of the product and the properties of natural extracts that are the component of the product, with in-depth presentations in academic seminars. The Company has been educating dealers and customers about the product in a simple manner and also distributing the product through the media, including TV, website, and social media, in order to reach wider consumers.

### ■ Continuously Improve the Quality of Existing Products and Create New Innovations

Since 2010, the company has been researching and developing products that contain ingredients from natural plant extracts (GM-1 substance in mangosteen mixed with other herbal extracts) that have the ability to balance the immune system to create a variety of innovative dietary supplements. Various formulas are used to increase immunity in people with insufficient immunity causing cancer, such as TUMORID and Bim C, MYLIFE for those who want to increase immunity or prevention of infection, LIV for people with HIV infection. Formulas to balance the immune system in people with hyperimmune conditions are such as DIABENOX for diabetes, ARTHRINOX for knee problems, NORIASIS for psoriasis, BIM O for people who have eye problems, etc.

According to consumers who use immune balancing products, all have good health, beautiful skin and clear face. Therefore, it is hypothesized that the formula may have anti-aging, and longevity effects. Further studies have shown that this formula can increase the length of telomeres, which are the ends of the chromosomes, responsible for protecting the chromosomes from destruction.

APCO researchers have modified this formula to be more effective in increasing the length of telomeres so that it can be a formula that helps consumers to have a better quality of life. At the same time, it will cause slow down aging, and longer life. In consumers who took an average of 5 capsules daily for 2 months, telomere length was 408 base pairs, equivalent to going back 5.8 years of age. Because October of every year is considered a day of International Longevity Day, so in 2021 APCO named this day as "Wattanachiwasakon Day", and used this day to soft launch a new product "mylife100".

To confirm the effectiveness of telomere lengthening with external institutions, APCO has appointed the Institute of Nutrition of Mahidol University to do research with 40 volunteers. The research has been completed and published in foreign academic journals "Food Science & Nutrition 2023"

Full published article, click the link <https://doi.org/10.1002/fsn3.3851>

Praengam, K., Tuntipopipat, S., Muangnoi, C., Jangwangkorn, C., & Piamkulvanich, O. (2023).

Efficacy of a dietary supplement derived from five edible plants on telomere length in Thai adults: A randomized, double-blind, placebo-controlled trial.

- **Develop the Brand in Accordance with the Distribution Channel**

With the business goal of expanding distribution channels to cover a wider customer base and increase profitability, the Company foresees the need to create new brands to be in line with the distribution channels and prevent competition of the products within different distribution channels. In addition, the Company will create promotional activities to build brand awareness widely.

➤ **Sales Strategy**

- **Increase Marketing Channels in Domestic Market**

The Company has the policy to increase the distribution through new channels and the Company greatly emphasizes on increasing the distribution percentage through Bim Health Center by promoting through various online media that could reach more target audience directly. When consumers have been informed through various media and are interested in the products, they can contact and/or order through Call Center 1154, which gives consumers a quick and easy access to the products.

Bim Health Center also provides consultation service for consumers who want to use health care products correctly and most efficiently by consulting with medical scientists or Operation BIM product specialists using the consumers' own physical examination results from the doctor. Bim Health Center is on the 3<sup>rd</sup> floor of Esplanade Department Store and the Ratchadapisek branch is on the 30<sup>th</sup> floor of AIA Building. There is also a joint service center at 3<sup>rd</sup> Floor, Paradise Park Shopping Center, Srinakarin, for the interested consumers to come in for consultation.

In addition, the products from the research and development of the Company will be sold by sales agents, offering research products to consumers with reasonable and fair prices for manufacturers, distributors, and consumers. Therefore, product sales is continuously increased.

Apart from aforementioned channels, the Company has also opened a dropshipping service, an e-commerce system which dealers can accept orders immediately but do not need to keep products in stock. The dealers do not need much start-up capital but will be able to generate sales easily.

- **Promote Domestic Sales**

The Company organizes promotional activities in the country by promoting its products and research results through the website, including:

<a href="http://www.apco.co.th">www.apco.co.th</a>	Information about APCO history, products, research, and distribution in all channels, both domestic and international.
<a href="http://www.asianlife.co.th">www.asianlife.co.th</a>	Promoting products distributed through the Sales Agent channel.
<a href="http://www.operationbim.com">www.operationbim.com</a>	Promotion of Operation "BIM" by presenting in-depth relevant research results.
<a href="http://www.bim100.com">www.bim100.com</a>	Publishing product information, research, and innovation for immunotherapy, including the product user experiences.
<a href="http://www.mangosteenrd.com">www.mangosteenrd.com</a>	Thai Mangosteen Research and Development Center website, presenting research information on natural substances in mangosteen by Professor Dr. Pichaet Wiriyachitra, the head of the research project.

[www.mylife100club.com](http://www.mylife100club.com)  
[www.byebyehiv.com](http://www.byebyehiv.com)

Promotion product of APCO Rejuvenating.  
Publicize the APCO research that received the National Innovation Award by researching and developing continuously Thai edible plants that improve the quality of life for people infected with HIV at all stages, to help these infected people successfully.

Moreover, the Company also encourages distributors to create their own websites to further promote the products.

- Promote, advertise, and sell products via the Company's Facebook page, Hotline1154, LEARN HIV, cancer immunotherapy by killer T cells, mylife100club, byebyehiv. The Company has also organized a live broadcast (Facebook live) to provide product information to consumers regularly, supporting the increase in the activity of consumer's social media behavior.
- Promote products, research results, and product user experience, as well as selling products through the Line application, including Line: @bim100callcenter, Line: @apcocap, Line: @mylife100society, Line : @byebyehiv and Line: @asianlife. This will help the Company to interact with consumers who use Line in a two-way communication, which is convenient and quick.
- Added a channel to watch the past video programs and news announcement on the Company's website [www.bim100.com](http://www.bim100.com) or YouTube: BIM100 channel and APCO Channel and mylife100society channel.
- In 2022, the Company has increased product publicity on TV channels in order to reach a wider audience by focusing on 3 main product groups as follows 1. Immunotherapy products to care for those infected with HIV/AIDS. The "Bye Bye HIV" program helps people with HIV to successfully manage their HIV problem, to have a normal quality of life without relying on antiretroviral drugs that cause side effects. The project has also cooperated with the foundation of Prof. Dr. Pichet - Assoc. Arunee Wiriyaichitra "Phor", to help all those who wish to Bye Bye HIV of the Children's Rights Foundation, Baan Gerda, Suthasinee Noi In Foundation, Baan Home Hug and other foundations to achieve success in a short time. 2.Immunotherapy products to take care of cancer patients 3.Innovative "Wattanachiwa", retro-aging, anti-aging, presented in the program. There is an answer on Channel 9, TNN Health, TNN 16, Hot Line, Health Line, Nation Channel, all of which received attention and response from a large number of new consumers.

#### ■ Build a Quality Dealer

Distribution through a Sales Agent, the dealer will contact consumers directly to recommend the products. The interaction and communication between dealers and consumers will play an important role in creating an image of the product as well as the Company itself. Therefore, the Company has the policy to create quality dealers, with a focus on organizing activities to educate the dealers, such as training on product qualifications and research training related to the products.

#### ■ Maintain Dealer Base

Dealership business (Sales Agent) is highly competitive in the maintaining of dealer base because an efficient dealers can switch to selling another product without any obligation. The Company has the policy to maintain the

dealer base by setting the level of compensation at a similar level within the same industry and also create a difference in the products that is unique from the competitors by using researches to support the confidence of consumers.

■ Foreign Sales Promotion

The Company has the policy to focus more on overseas distribution in foreign markets in order to stimulate sales. In the past, the Company has appointed distributors in various countries intending to bring the products sell in their own countries. It is the duty of distributors to apply for permission to import the products for distribution in that country itself. The Company has an open policy to appoint foreign dealers to increase business opportunities, expand distribution channels and overseas customer base. We have established distributors in China, Hong Kong, Singapore, Malaysia, Indonesia, and USA, etc.

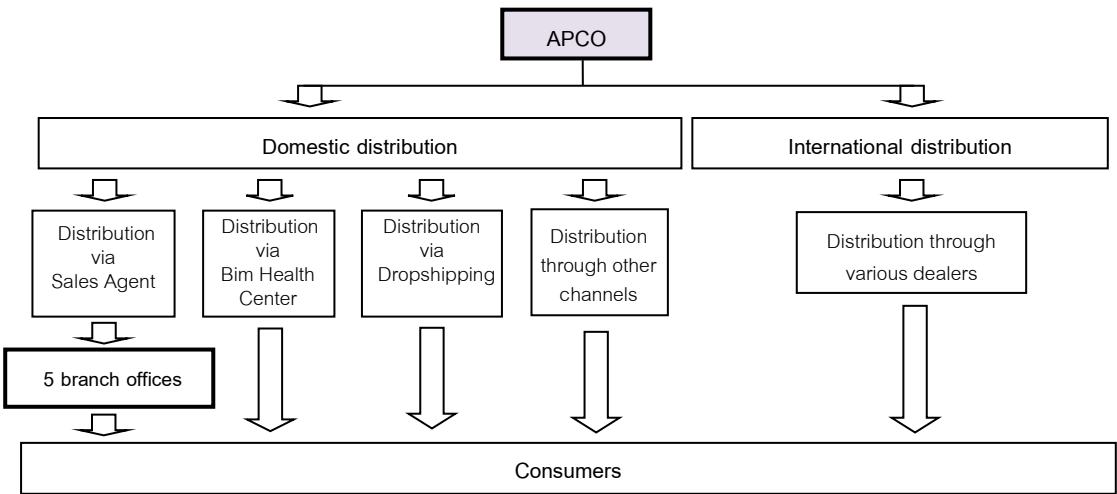
(B) Target Customers

The Company's products are categorized as consumer products and specialty products, which refers to unique products that have a brand. Therefore, the target customers of the Company refers to the end-user who tends to use the unique products, divided into 2 groups:

- (1) Target customers for slimming, skincare, cosmetic beauty products and dietary supplements. This group are adolescent to middle-aged people with moderate to high income and are interested in self-care.
- (2) Target customers for health care products. Most of which are products in the “Operation BIM” group, including concentrated mangosteen juice drinks and “Rejuvenating” innovation. Target customers of the products in this group are working-age groups to elderly with moderate to high income and are interested in health care and also people with imbalance immunity problems, such as people with diabetes, bone disease, osteoarthritis, psoriasis, cancer, and etc. This is because the properties of BIM can help balance the imbalance immune system which causes symptoms of this group.

(C) Distribution Channels

Distribution channels of the products can be divided into domestic and international distribution, which it is shown as in the picture.



For domestic distribution can be divided into 4 channels which are:

- (1) Distribution via Sales Agent through branch offices.
- (2) Distribution via Bim Health Center.
- (3) Distribution via Dropshipping system.
- (4) Distribution through other channels.

■ **Distribution via Sales Agent**

The compensation structure

Sales Agents will receive a percentage compensation from the total sales each month as follows.

<u>Sales per month</u>	<u>Compensation</u>
Less than 300,000 Baht	20.00%
300,001 – 500,000 Baht	25.00%
500,001 – 750,000 Baht	27.50%
750,001 – 1,000,000 Baht	30.00%
1,000,001 – 1,200,000 Baht	32.00%
1,200,001 – 1,500,000 Baht	33.00%
More than 1,500,000 Baht	35.00%

Dealer Service Branch

The Company has 5 branches in 3 different provinces, Chiang Mai, Hat Yai, Chonburi, and 2 branches in Bangkok, in Ratchadaphisek and the Esplanade, to provide sales agent service. Each branch will provide services to dealers such as a shop display. There are stocks prepared to be distributed to dealers and also provide training to educate dealers. Dealers can also request to use the branch office for self-training.

Product replacement and return warranty policy (Sales Agent )

Changing or returning the products that are in perfect condition, can be done within 7 days from the date on the receipt. In addition, the Company offers a satisfaction guarantee on the products. If lesser than 20% of the product has been used within 10 days and the customer is not satisfied, it can be replaced with another product of the same value or a full refund. There is also a full refund and return of the product in the event of user allergic reactions with the certification of the cause of symptoms from the medical certificate and from the Company's pharmacist. In the past, there are very few customers (not more than 15 customers per year) who want to return the products. Most of the reasons for the return are individuals' allergies, not the defect of the product.

■ **Distribution via Bim Health Center**

Bim Health Center has a consultation service for consumers who want to use health care products correctly and most efficiently by consulting with medical scientists or Operation BIM product specialists using the consumers' own physical examination results by the doctor. Up until now, the distribution of this channel has been well received by the consumers.

At present, the Company has 2 branches of Bim Health Center available at Ratchadaphisek branch, AIA Building, 30th floor and on the 3rd floor of Esplanade Department Store. There will be a medical scientist or an expert stationed at Bim Health Center, Ratchadaphisek branch to provide advice on product use to consumers every Saturday from 1:30PM to 4:30PM. At the Esplanade branch, there will be a medical scientist or a specialist every second and fourth

Sundays of the month. There is also a service center by the joint venture Company at 3<sup>rd</sup> Floor, Paradise Park Shopping Center, Srinakarin. In addition to the service provided by medical scientists or experts at the center, the Company has arranged for 10 call center staffs stationed at Bim Health Center, Ratchadaphisek Branch (AIA Building, 30th Floor) during 9:00 AM - 6:00 PM every day to take care and recommend products to the customers via phone call, another 2 staffs at the storefront of Bim Health Center, 3rd floor, Esplanade Department Store during 10:00 AM - 7:00 PM every day. All call center staffs are trained by the Company's pharmacist in order to be able to answer customers questions. Products ordered through the call center will be delivered to customers from the Company within 2 business days via Thai post office or a private delivery Company. Private delivery companies will have a cash on delivery service for customers' convenience.

#### Product replacement and return warranty policy (Bim Health Center)

The Company has a return/exchange policy, whereby the Company will accept product returns in perfect condition with receipt within 7 days or exchange product within 15 days. In the event of the customer allergic reaction from product use, the Company will receive a return and full refund with the certification of the cause of symptoms from the medical certificate and by the Company's pharmacist.

#### ■ Distribution via Dropshipping

BIM Dropship is the channel that Asian Phytoceuticals Public Company Limited or APCO wishes to create good health for consumers by our research work via dropshipping dealers or dropshipper.

#### The format of BIM Dropship



Dropshipper does not need to buy the products or keep the stock but they are able to sell the products to customers immediately. Once the customer purchases the product, dropshipper can place an order and transfer the cost price of the product to the Company by the online platform ([www.bimdropship.com](http://www.bimdropship.com)). After that, the Company will deliver the products to customers on behalf of dropshipper.

#### The return structure

Dropshipper will receive the following rewards:

Step 1: Receive 20% gratuity for every product purchase.

Step 2: Receive an additional 5-10% premium from all purchases of 50,000 baht or more except LIV products (as shown in the table below).

Accumulated order amount per month (baht)	Gratuity add (%)	Gratuity total (%)
50,000	5%	25%
60,000	6%	26%
70,000	7%	27%
80,000	8%	28%
90,000	9%	29%
100,000	10%	30%

Note: The Company will pay a gratuity add according to the above table by transferring money to the Dropshipper bank account within the 15th of the following month.

#### Dropshipper member service

##### 1. Ordering

Dropshipper can order products from the online platform by themselves 24 hours a day (www.bimdropship.com).

##### 2. Shipping

The Company provides delivery service to customers via Kerry Express under the name of dropshipper on Monday - Friday (except public holidays). Dropshipper can check the status of the order and the parcel number online 24 hours a day.

##### 3. Other services

The Company has made sales manuals in the form of documents and video clips for Dropshipper as a publicity tool and as a guide to give advice to customers on how to use the product. As well as providing online training to empower dropshipper in providing accurate information and education to users of the product.

#### ■ International Distribution

For overseas market, the Company distributes the products through distributors in many countries including China, Hong Kong, Singapore, Malaysia, USA, and etc., almost all of which is distributed by APCO except for Jada products sold in Vietnam that is still needed to be distributed by the other Company that is a pioneer in the Vietnamese market from the beginning and still have a binding contract.

Summary of the Company's revenue proportion separated by distribution channels are as follows:

Unit : Million Baht	2023		2022		2021	
	Value	Percent	Value	Percent	Value	Value
<b>Revenue from Domestic Sales</b>						
- Sales Agent	45.16	15.43	59.50	23.76	73.52	73.52
- Bim Health Center by Call Center	204.16	69.74	161.63	64.55	115.82	115.82
- Dropship	15.23	5.20	16.62	6.64	18.61	18.61
- Others	18.73	6.40	11.57	4.62	9.88	9.88
<b>Total</b>	<b>283.28</b>	<b>96.77</b>	<b>249.32</b>	<b>99.57</b>	<b>217.83</b>	<b>97.53</b>
<b>Revenue from International Sales</b>	<b>9.48</b>	<b>3.23</b>	<b>1.06</b>	<b>0.43</b>	<b>5.52</b>	<b>2.47</b>
<b>Total Sales Revenue</b>	<b>292.76</b>	<b>100.00</b>	<b>250.38</b>	<b>100.00</b>	<b>223.35</b>	<b>100.00</b>

From the table above, it was found that in 2023, the Company has mainly distributed through the Bim Health Center by Call Center, with sales increasing from 2022 in the amount of 42.53 million baht, followed by the distribution through sales agents, who sell only Operation BIM products, distribution through dropship, distribution through other channels and international distribution, respectively.

Distribution via Bim Health Center by Call Center is the Company's policy which has been focusing over the past 2-3 years on increasing the proportion of sales which is now considered the main distribution channel of the Company, accounting for 69.74 percent of total sales revenue and is a channel that doesn't have high cost of sales compared to direct sales channel, which the Company has already canceled.

However, in 2021, 2022 and 2023, the Company has income from foreign sales in the amount of 5.52 million baht, 1.06 million baht and 9.48 million baht.

## (D) Industry conditions and competition

### Beauty Cosmetics Industry

The market for beauty and personal care products remains vibrant and continues to grow as the COVID-19 situation subsides and consumers begin to go out of their homes to conduct normal activities. However, the pandemic has heightened consumer awareness of health and beauty concerns, leading to a greater demand for products sourced from natural ingredients, especially cleaning products that offer protection against germs, such as soaps or skin cleansers.

According to the findings of the marketing data analysis company NPD Group, which tracks various sales movements, the beauty product category, particularly beauty cosmetics, has seen continuous sales growth since 2022. Sales in the skincare product category increased year over year by 12%, while the value of Thai cosmetics exports rose by 11.9% compared to the previous year, reaching approximately 85.9 billion baht. The primary export markets include ASEAN countries, Japan, Australia, South Korea, and China, indicating sustained demand for Thai cosmetics in international markets.

This aligns with the evaluation by Krungthai COMPASS that the reopening of many countries around the world after the subsidence of the COVID-19 outbreak would lead to an increase in the market value of beauty cosmetics. It is expected that by 2030, the overall value of the global cosmetics market will reach 12.38 trillion baht, growing at an average rate of 4.2% per year. Meanwhile, in Thailand, the cosmetics market is projected to be worth more than 323 billion baht by 2030, growing at an average annual rate of 5.0%, with significant support from both Thai customers returning to their normal lives and the purchasing power of foreign tourists following the recovery of the Thai tourism sector. Additionally, it is anticipated that certain segments within the cosmetics category, such as the Clean Beauty group, will become strong trends due to the eco-friendly trend valued by consumers and their alignment with the needs of the post-COVID-19 era.

According to the Thai Cosmetic Manufacturers Association, it has estimated that the cosmetics market trend is worth more than 246 billion baht and continues to grow strongly, contrary to the overall economic outlook, which is not very bright. In 2023, the cosmetics market expanded by 9.2%, and it is expected that the market will have a chance to expand by 10% in 2024 due to the government's economic stimulus policy. However, competition in the cosmetics market remains fierce, both from large and small operators, including international brands. (Source: Krungthep Turakij, interview with Ms. Ketmanee Lertkitcha, President of the Thai Cosmetic Manufacturers Association)



## Dietary Supplement and Health Beverage Industry

The recent COVID-19 epidemic has helped to trigger the trend of health consciousness among consumers, resulting in a significant increase in the popularity of the dietary supplement and health drink industry. Particularly, the herbal industry, which is Thailand's strong suit, represents a potential production source for herbs and natural raw materials. Further research has been conducted in the development of various dietary supplements to meet the needs of consumers seeking to enhance their health, with a focus on building immunity against the current and future epidemics.

In addition to the new generation showing increased interest in health, many countries, including Thailand, are entering an aging society that requires the use of dietary supplements to help strengthen the body's immune system and slow down the deterioration of various organs. These factors are contributing to the continuous expansionary trend of the dietary supplement industry in Thailand and abroad.

According to Euromonitor, it is estimated that the dietary supplement industry in Thailand will have a total market value of approximately 87,000 million baht in 2023, which will result in an average cost of approximately 1,036 baht per month per person. This is consistent with data from a survey by the Department of Health Service Support, Ministry of Public Health, which indicated that more than 70% of the people believed that dietary supplements were necessary to be taken regularly. (Source: Krungthep Turakij)

According to Kantar's market survey of Thailand's dietary supplement industry, Thailand's aging society and the impact of the COVID-19 pandemic have heightened health awareness. Consequently, there is an increased demand for dietary supplements among Thai consumers, particularly for products that enhance immunity and promote general well-being. Moreover, there is a growing preference for supplements focusing on weight control, as part of body care.

In addition, Kantar's market survey finds that buyers of dietary supplements in Thailand are predominantly aged 35 years and over, with a significant growth trend in the 50 years and above age group that has seen a growth of as much as 60% compared to the previous year. The data also indicates that the dietary supplement market in Thailand is expanding in every region, particularly in Bangkok and its surrounding areas which have the highest purchase volume and are expected to see even more growth in the future. A deeper analysis reveals an increasing popularity of powder products, which hold the largest share of market value. Meanwhile, tablet and capsule forms, known for their ease of consumption and storage, account for the second highest share. In contrast, liquid dietary supplements are experiencing a continuously decreasing market share in Thailand (Source: Kantar: Health is Wealth: Thailand's Supplement Market in 2023).

### Competition conditions

After the COVID-19 situation subsided and the market returned to normal, the beauty cosmetics industry has continued to expand. However, it remains a market with intense competition involving both large and small operators, including international brands.

Similarly, the health supplements and beverages market remain highly competitive. The number of entrepreneurs in the industry continues to grow, with new competitors constantly entering the market. This surge follows the market expansion after the COVID-19 outbreak, which heightened consumer health awareness, and the advent of an aging society with increased demand for dietary supplements.

In this environment of intense competition, the company sees an opportunity in the demand for products from consumers who are more health conscious, with a focus on herbal products and an emphasis on building the body's immunity. This plays to the strength of the company, which has a team of expert researchers from various fields of study continuously improving product efficacy and researching to create innovations to introduce to the market, providing assurance for the efficacy of its products that increase immunity (Boosting Immunity) for patients with cancer, tuberculosis, hepatitis, fungi, and drug-resistant bacteria. The company's innovations can also adjust the immune system to balance

(Balancing Immunity) for resolving symptoms of diabetes, joint/knee osteoarthritis, eye degeneration, SLE, rheumatoid arthritis, Parkinson's disease, psoriasis, autoimmune symptoms, and infected cells. These innovations achieve the highest efficiency safely, without side effects, responding well to the needs of customers in the fiercely competitive market.

In addition, the company has researched and developed products for individuals with HIV. These products have shown promising test results and received positive feedback from users. They work by stimulating an increase in CD4 immune white blood cells, which leads to a continuous reduction of HIV to undetectable levels over an extended period. This process achieves HIV inactivation without the need for antiretroviral drugs. The project, known as ByeByeHIV, involves 50 participants, split into two groups: 24 had ever received antiretroviral drugs, while the other 26 have not taken any antiretroviral drugs.

Currently, the company has developed an innovation that can help with age reversal, slowing down aging, and promoting longevity by combining scientific knowledge to create a formula effective in increasing telomere length. This innovation has effectively captured the elderly market and distinguished the company from other brands.

Given the industry's growth trend and the advent of an aging society, the company is confident in its potential to compete and grow in a highly competitive market. The company offers products that are distinct from its competitors', addressing current market needs, and boasts various distribution channels, both domestically and internationally.

## Group of Dietary Supplement Products for Pet Care

### (A) Marketing Strategy

The Company's marketing strategy is divided into two parts.

#### 1. Focusing on product reliability through clinical research

Currently, the company has two clinical studies to supplement the treatment of viral diseases in cats.

1.1 The company supports research funding for the Faculty of Veterinary Science, Chulalongkorn University on the research project titled "Study on the antiviral efficacy against feline leukemia virus of extracts of five edible plants that activate the cell-mediated immune system," per Chulalongkorn University announcement number RES\_65\_456\_31\_045\_RE\_1 from May 1, 2022 to June 30, 2024.

1.2 Research funding from the Agricultural Research Development Agency (Public Organization) for the study on the antiviral efficacy against feline leukemia virus of extracts of five edible plants that activate the cell-mediated immune system, from March 2023 – April 2024.

The research from both of these studies can increase confidence among veterinarians and pet owners that the extracts in the product Canviral have an effect on reducing viral loads and stimulating white blood cell immunity, specifically of the T cell type. This information can also be used for presentations at veterinary seminars and by companies interested in distributing products for animals abroad.

#### 2. Building an understanding of product efficacy for veterinarians

2.1 Through offline channels by organizing seminars at animal hospitals and clinics, and joint seminars with veterinary faculties at various universities, and with veterinarian associations related to the product, such as feline disease associations, among others.



#### DKSH sale team (16 people)

- นำเสนอผลิตภัณฑ์แก่สัตวแพทย์
- จัดสัมมนาในกลุ่มเล็กสัตวแพทย์
- จัดสัมมนาร่วมกับคณะสัตวแพทย์ ของมหาวิทยาลัยต่าง
- จัดบูธนำเสนอผลิตภัณฑ์ร่วมกับชมรมสัตวแพทย์

สัมมนาคณะสัตวแพทย์ จุฬาฯ



สัมมนาคณะสัตวแพทย์ ม.เกษตร



• นำเสนอผลิตภัณฑ์แก่สัตวแพทย์

สัมมนาคณะสัตวแพทย์ ม.เชียงใหม่



สัมมนาโรงพยาบาลสัตว์สุวรรณเขต



กิจกรรมออกบูธ ชมรมโรคเริมในสัตว์ เชียงใหม่



Image 1: Marketing activities presenting the product Canviral at veterinary seminars

## 2.2 Through Line add official channel

To provide academic knowledge about the product and offer consultations to veterinarians on the use of extracts for treating various diseases such as viral infections, bacteria, fungi, and cancer.

## (B) Target Customer Group

Veterinary groups in animal hospitals, animal clinics, and faculties of veterinary medicine in various institutions nationwide, comprising approximately 2,500 animal hospitals.

## (C) Distribution Channels

Through the distributor of veterinary products, DKSH (Thailand) Limited, which is a company specialized in distributing products for veterinarians and has veterinary customers nationwide, with distribution beginning in June 2023.

From the operational report of DKSH (Thailand) Limited in 2023, with respect to the distribution of the product Canviral, there were 204 animal hospitals/clinics customers. Among them, customers in the Bangkok Metropolitan Area (BKV) accounted for 38%, customers in the Central, Northeastern, and Northern regions (UPVA) accounted for 34%, customers in the Central, Eastern, Western, and Southern regions (UPVB) accounted for 23%, and key customers accounted for 5% (as shown in Image 2).

### Account Distribution – by region

- However, area who recruited the most distribution is BKVI (Outer Bangkok area)
- UPVA attained 34% of total distribution by strong product knowledge and brand recognition as a key success.

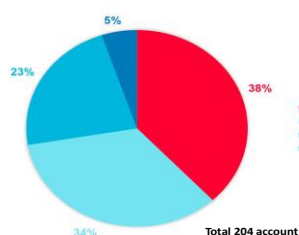


Image 2: The image showing the distribution of customers by area and region

BKV = Bangkok (red), UPVA = Central, Northeastern and Northern regions (light blue), UPVB = Eastern, Western and Southern regions (blue), KEY = Key accounts.

## (D) Industry conditions and competition

The COVID-19 pandemic has had a significant impact on the economy, resulting in reduced purchasing power for consumers. Despite the negative impacts of the pandemic, the pet market has managed to maintain its growth momentum, thanks to the pet humanization trend. This trend highlights the importance of pets as integral members of the family and has boosted the global market value of pet-related businesses, which is expected to reach \$217,651 million or over 6.9 trillion Baht by 2026, with an average growth rate of 7.2% per annum (CAGR). The market value of pet-related businesses in Thailand is expected to grow even faster, with an estimated CAGR of 8.4%, reaching 66,748 million Baht by 2026.

Rebecca A. Johnson, Director, Research Center for Human-Animal Interaction at University of Missouri-Columbia, explains that simply gazing at our beloved pet can trigger the release of oxytocin in our brains, leading to increased happiness and reduced stress and fatigue from work, as well as a bond with our pets, inducing us to provide them with proper care. Thus, it's no surprise that many people are now opting to keep more pets in their homes. The phenomenon of pet humanization has become even more pronounced amidst the worldwide spread of COVID-19, with individuals spending extended periods locked down at home. In such times of stress, one way to find relief is through caring for pets. According to The American Pet Products Association (APPA), by 2021, the proportion of American families with pets (Pet Ownership) will increase to 70% from an average of 67% between 2018-2020. Dogs and cats, in particular, are expected to see a greater increase than other types of pets.

Krungthai COMPASS advises entrepreneurs to accelerate the development of new products and services, to meet the dynamic needs of owners and pets, such as the development of pet food made from proteins sourced from plants and insects. They are also advised to prioritize the use of online marketing channels and take advantage of the privileges provided by the Board of Investment of Thailand (BOI) to facilitate their business expansion.

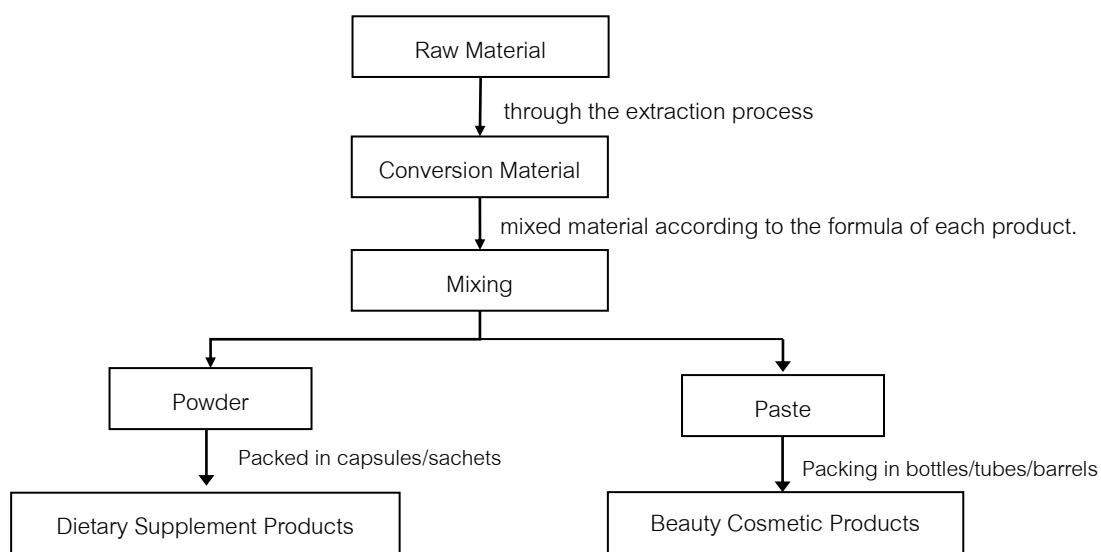
Pets are increasingly being featured in advertising campaigns and used as a selling point for products. Nowadays, even products that are not directly related to or used for pets are often marketed with pets as a selling point or a tie-in, such as tissue paper, insurance companies, or even condominiums that highlight their pet-friendly policies, allowing pets to be raised in the buildings, as a selling point.

This is consistent with the findings of Mandala Analytics ([www.mandalasystem.com](http://www.mandalasystem.com)) that Thai people frequently search the internet for information related to pets based on Google search trends data, reflecting their keen interest in pets, particularly dogs and cats, and the many social media pages related to pets that produce content online. Additionally, advertising that includes the featuring of pets allows brands to connect more with people and become more memorable because people can more easily identify the association between the products and the familiar pets.

The pet supplement business is gaining popularity with consumers. In 2020, the US pet food supplement market showed a sale growth of 21%YoY, reaching a value of nearly \$800 million, according to Packaged Facts' US food supplement market research report. This growth is due, in part, to pet food supplements that help build immunity and promote good health for pets, and food supplements that are specifically for senior pets that support joint and bone health. There are also pet supplement products that use natural and organic ingredients, which have attracted the attention of pet owners and become very popular. The survey found that 77% of pet owners would buy natural pet supplements and 68% would buy organic pet supplements.

### (3) Procurement of Products and Services

Cosmetic and dietary supplement products of the Company uses the same raw materials, garcinia extract and mangosteen as the main component. Each product contains a difference mixture of herbs, grains, or other extracts according to the formula of each product. The production process is as follows:



Agricultural raw materials, such as garcinia and mangosteen, are purchased in dry state. As for other medicinal plants, such as asiatic leaves, they are purchased in both ways: either dried or fresh raw materials. The raw materials in dry condition with proper storage will not make the composition of important chemicals (active ingredients) in the raw materials degrade and they can be stored for more than 10 years. Then, the important chemicals in the dried raw materials will be extracted into their pure form, called the extraction process into converted raw materials, The resulted products will be used as the main ingredients in various products of the company. The converted raw materials can be stored for a long time as well. The company will estimate the sales and inform the production department to plan the production every quarter. Once manufactured, it will be delivered for distribution within 2 weeks, with all types of products last approximately 3 years.

For the concentrated mangosteen juice product, the company has hired 2 private companies in Nakhon Pathom Province and Samut Prakan Province as a manufacturer because the reduction in transportation cost of raw mangosteen flesh and finished products, mangosteen juice, which is heavy. The fresh mangosteen pulp is frozen in Chanthaburi province near the mangosteen cultivation area for production. The company controls the quality of mangosteen juice production by inspecting the Certification of Analysis received from the manufacturer as well as random checks from time to time.

#### Production capacity and utilization rate

APCO production is one shift per day, approximately 300 days per year. There are machines that are bottlenecks (Bottleneck), including cream filling machines, cream mixer for cosmetic beauty products and capsule compressors, and sachet packing machine for dietary supplements. These determine the plant's maximum capacity. The company has the production capacity and the utilization rate, classified by products as follows:

Product type		Packing size		Annual production capacity per shift		
				2023	2022	2021
1	Beauty cosmetic products					
	- Cream / Lotion  (Unit: bottle / tube / bucket)	150 - 200 ml.	Maximum production capacity per year	1,576,800	1,576,800	1,576,800
			Actual production amount	12,927	8,505	6,940
			Utilization rate	0.82%	0.54%	0.44%
		80-100 ml.	Maximum production capacity per year	5,898,400	5,898,400	5,898,400
			Actual production amount	2,790	1,822	-
			Utilization rate	0.18%	0.12%	-
		6 - 70 ml.	Maximum production capacity per year	5,898,400	5,898,400	5,898,400
			Actual production amount	19,716	14,865	8,876
			Utilization rate	0.33%	0.25%	0.15%
2	Dietary supplement					
	- Capsule type  (Unit: capsule)	500 mg.	Maximum production capacity per year	40,880,000	40,880,000	40,880,000
			Actual production amount	19,144,010	17,144,280	15,124,790
			Utilization rate	46.83%	41.94%	37.00%
		850 mg.	Maximum production capacity per year	7,008,000	7,008,000	7,008,000
			Actual production amount	242,010	120,750	60,540
			Utilization rate	3.45%	1.72%	0.86%
		366 mg.	Maximum production capacity per year	7,008,000	7,008,000	7,008,000
			Actual production amount	1,440	123,720	-
			Utilization rate	0.02%	1.77%	-
		170 mg.	Maximum production capacity per year	7,008,000	7,008,000	7,008,000
			Actual production amount	315,720	257,700	105,270
			Utilization rate	4.51%	3.68%	1.50%
	- Sachet type  (Unit: sachet)	All sizes	Maximum production capacity per year	14,716,800	14,716,800	14,716,800
			Actual production amount	279,378	266,476	302,284
		Utilization rate	21.90%	1.81%	2.05%	

From the table of production rates above, it was found that in 2023, the production rate of all sizes of beauty cosmetic products and dietary supplements in the health supplement group have a higher production rate than in 2022 due to the continuously improving economy and increasing care for people's health. This has led to an increase in order, and the slimming product group has also increased its production rate.

#### Source of raw materials

The main raw material of the company and its subsidiary are agricultural raw material. Most of the orders are from farmers in the area where the crops are grown with local intermediaries collecting them from small farmers. For example, garcinia is ordered from the southern region, while mangosteen can be ordered from areas in Rayong, Chanthaburi and Trat, asiatic leaves can be purchased from areas in the North, and etc. Some agricultural raw materials can be produced only once a year. Therefore, the company has a policy to purchase raw materials in sufficient quantities to be used in production for at least 2 years to prevent the shortage of raw materials and reduce transportation costs. This does not have any effect on raw materials since the dried raw materials can be stored for a long time with no deterioration of key ingredients.

Garcinia, an essential ingredient, is pre-ordered in large quantities. Therefore, the company is not affected by the fluctuation of the raw material prices. The amount of garcinia raw material stored by the company as of December 31, 2023, compared with the estimated production quantity, can still be used in continuous production for at least 2-3 years.

Garcinia raw materials are stored in dry condition in warehouse with appropriate temperature and humidity. The company will have an annual physical and chemical quality inspection. This ensures that the key components in garcinia or HCA (Hydroxy-citric acid) are still within the specified standards. Based on the test results from the company, it was found that the HCA content of garcinia stored more than 5 years was still within the standard set. However, the company has a policy to set aside allowance for deteriorated products for raw materials that are over 5 years old.

The company uses mangosteen, which is another important raw material in 2021, 2022 and 2023, for production valued at 3.43 million baht 2.66 million baht and 2.98 million baht respectively, accounting for 13.38%, 12.09% and 12.16% of the total raw material value respectively.

Since the price of mangosteen in each year depends on the crop volume and the market demand in that year, the company has agreed to guarantee the mangosteen price with the farmers group. So, the price will not be affected with the total cost significantly by the fluctuation in the future. The quantity of mangosteen raw materials stored by the company as of December 31, 2023 compared with the estimated production quantity can still be used in continuous production for at least 2-3 years.

Mangosteen peels are stored in dry condition in warehouse with appropriate temperature and humidity and the mangosteen pulp is stored in a frozen state. The company will have an annual physical and chemical quality inspection to ensure that the essential ingredients in mangosteen are still within the criteria set.

Other raw materials, such as chemicals used in production and product container, are commercially available materials, which the company orders from many distributors without relying on any particular suppliers. All raw materials of the company are purchased in Thailand, as a result, there is no foreign exchange risk in the purchasing side.

The value of the main raw materials used in each year is shown in the table.

Raw Material	Raw materials used in production (Million Baht)					
	2023		2022		2021	
	volume	%	volume	%	Volume	%
<b>Agricultural raw materials</b>						
- Garcinia Cambogia*	0.03	0.11%	0.00	0.00%	0.00	0.00%
- Mangosteen	2.98	12.16%	2.66	12.09%	3.43	13.38%
- Others such as Centella Asiatica, ginger, sesame, soybean.	4.63	18.90%	4.66	21.28%	5.13	20.01%
	7.63	31.18%	7.35	33.36%	8.56	33.39%
<b>Chemicals used in production</b>	11.45	46.81%	10.79	48.95%	14.24	55.51%
<b>Container</b>	5.39	22.01%	3.90	17.68%	2.85	11.11%
<b>Total</b>	24.47	100.00%	22.03	100.00%	25.65	100.00%

Note: \* In 2021, 2022 there is no consumption of garcinia material and in 2023 there is a low utilization rate of garcinia material due to reduced sales of slimming products, however, the company plans to market Garcinia Cambogia products to increase sales in the next 2-3 years.

## Environmental impact

The company is greatly concerned of the impact on the environment and the health of employees as well as every individuals involved in the production process and the accommodation nearby. Therefore, the company has a clear and concrete policy in providing training to educate employees on environmental protection. In addition, the company has the policy to provide workers dealing with production processes that may be exposed to chemicals or dust with appropriate protection, such as wearing rubber gloves, overcoats, masks, boots, and etc. The factory has a wastewater treatment system to treat wastewater that resulted from all the production processes, which has been inspected and passed the standards of the Department of Industrial Works, Ministry of Industry. The factory is located in the Northern Industrial Estate that has been certified with the environmental standard ISO 14001: 1996. As of present, the company has never been in any dispute or got any complaint about the environment.

## **(4) Business Assets**

The assets used in business operations as of December 31, 2023, consist of:

### (A) Main non-current assets

- Land and apartment ownership, Total net book value 8,198,424 Baht
- Other fixed assets, Total net book value 38,150,276 Baht
- Right-of-use assets, Total net book value 35,412,909 Baht

The land, ownership in the apartment, and other fixed assets are owned by the company and are without any obligation.

### (B) Trademark

### (C) Patent

### (D) Other important contracts involved in business operations

Details are disclosed in attachment 4.

## **(5) The Work Not Yet Delivered**

As the company business is the manufacturing and distributing of products without being made according to the order from the customer, therefore, there is no job that has not yet been delivered.

## **1.3 Shareholding Structure of the Company Group**

### **1.3.1 Shareholding Structure of the Company Group**

#### Business division policy of companies in the group

The Company operates in the business of manufacturing and distributing beauty cosmetic products, dietary supplements from natural extracts and dietary supplements from natural extracts for pets. The Company manufactures all of them except health drink products

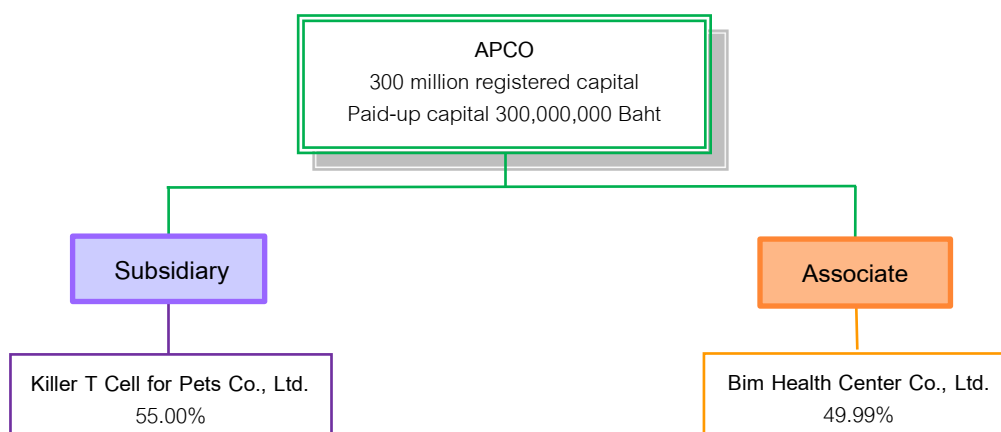
#### Group of the Companies

Killer T Cell for Pets Co., Ltd. (Subsidiary) operates in the business of marketing and distributing medicinal dietary supplements in the animal market worldwide.

Bim Health Center Co., Ltd. (Associate) operates the business of distributing dietary supplements from natural extracts and cosmetics of the company in the form of a service center with medical scientists and product experts as providers to give advice on the correct and most effective use of health care products



As of December 31, 2023, the Company has invested in subsidiary and associate companies under the investment structure as follows:



#### Subsidiary

##### 1. Killer T Cell for Pets Co., Ltd.

Business Category: Research, academic promotion and marketing of pharmaceutical supplements in the global animal market.

Head office: 89 AIA Capital Center Building, 30th Floor, Ratchadaphisek Rd., Dindaeng Subdistrict, Din Daeng District, Bangkok.

Registered capital: 10 million baht, divided into 1 million ordinary shares, par value of 10 baht per share.

Paid-up capital : 5 million baht

#### Associates

##### 1. Bim Health Center Co., Ltd.

Business Category: Buy and sell dietary supplements and cosmetics which are produced from natural extracts.

Head Office: 61 Room No. S065/00, 3<sup>rd</sup> Floor, Srinakarin Road, Nong Bon Subdistrict, Prawet District, Bangkok.

Registered Capital: 10 Million Baht, divided into 1 Million ordinary shares, par value of 10 baht.

Paid-up Capital: 2.5 Million baht.

### **1.3.2 Relationship with Major Shareholder**

-None-

### 1.3.3 Shareholders

(A) The top 10 major shareholders as of March 13, 2024 are as follows:

List of Shareholders	As of March 13, 2024	
	Amount (Share)	Percent
1. Wiriyaচিত্রা Family including		
Mr. Pichaet Wiriyaচিত্রা	295,849,300	49.31
Mrs. Arunee Wiriyaচিত্রা	92,204,144	15.37
Mrs. Wipa Witayawayroj	569,000	0.10
Mr. Sinart Wiriyaচিত্রা	1,033,399	0.17
Ms. Sirirat Wiriyaচিত্রা	1,002,801	0.17
Mrs. Sirithip Wiriyaচিত্রা	221,695	0.04
Mr. Niphon Wiriyaচিত্রা	200,000	0.03
Mr. Thitaphon Wiriyaচিত্রা	5	0.00
Mr. Sasis Wiriyaচিত্রা	591,708	0.10
<b>Entire Wiriyaচিত্রা Family</b>	<b>391,672,052</b>	<b>65.29</b>
2. Mr. Somchai Pongsuriyanan	19,955,900	3.33
3. Hanchanlash family including		
Khunying Chamnongsri Hanchanlash	12,818,169	2.14
Mr. Jingjai Hanchanlash	5,212,187	0.87
<b>Entire Hanchanlash Family</b>	<b>18,030,356</b>	<b>3.01</b>
4. Mr. Prasit Rakthaisangthawee	13,919,100	2.32
5. Mr. Nattapat Rangsan	8,584,300	1.43
6. Mr. Chan Wongchatcharn	6,320,000	1.05
7. Mr. Noppasit Thanarongruk	6,269,449	1.04
8. Thai NVDR Co., Ltd.*	5,070,761	0.85
9. Mr. Krit Panarat	5,000,000	0.83
10. Mr. Parinya Phodaeng	4,910,000	0.82
Other minor shareholders	120,268,082	20.04
<b>Total</b>	<b>600,000,000</b>	<b>100.00</b>

Source: Thailand Securities Depository Co.,Ltd. on March 13, 2024

\* Minor shareholders holding in the name of Thai NVDR Company Limited will receive dividends as shareholders in a listed company. However, they have no right to vote at the shareholders' meeting. Information of investors in Thai NVDR Company Limited can be found on the website. [www.set.or.th/nvdr](http://www.set.or.th/nvdr)

(B) Major shareholders with significant influence over planning and directing the Company's operations

Director representing the Wiriyaচিত্রা Group

- Mr. Pichaet Wiriyaচিত্রা                      Director, Chairman of the Executive Committee, CEO and  
The director who has authorities to sign for the Company

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

The Company has registered capital of 300,000,000 Baht. There are 600,000,000 paid-up ordinary shares calculated at 600,000,000 shares, each of which is worth 0.50 Baht.

## 1.5 Issuance of Other Securities

-None-

## 1.6 Dividend Policy

The Company is required to pay shareholders dividend of not less than 40% of the net profit after deducting corporate income tax and legal reserve. The payment of dividend must take the following factors into consideration such as operation results and the Company's financial status, liquidity, business expansion and other relevant factors related to the Company's management. However, the Company may pay the lower rate of dividend in case the Company needs to spend the money from the net profit expanding the Company's business.

Similarly, subsidiaries and/or associates company are required to pay the Company dividend of 100% of the net profit after deducting corporate income tax and legal reserve. The payment of dividend must take the following factors into consideration such as operation results and the Company's financial status, liquidity, business expansion and other relevant factors related to the Company's management. However, the Company may pay the lower rate of dividend in case the Company needs to spend the money from the net profit expanding the Company's business.

Dividend Payment Information

Particulars	Business Operation Result			
	2023 ( Proposed )	2022 (Adjusted)	2021 (Adjusted)	2020 (Adjusted)
1. Net Profits (Baht) (Separate Financial Statements)	106,792,565	80,554,170	69,786,579	71,881,232
2. Dividend Per Share (Baht/Share)	0.1800	0.1550	0.1234	0.1200
3. Dividend Payout Ratio (Percentage)	101.13	115.37*	106.02	100.10

\* Adjust the amount of dividends paid according to the number of securities that have been revoked from receiving

## 2. Risk management

### 2.1 Risk Management Policy

Asian Phytochemicals Public Company Limited realizes the importance of risk management, therefore, it applies risk management throughout the organization in accordance with the COSO Enterprise Risk Management Framework (COSO ERM) guidelines. Since it is a small company, the risk management committee has not yet been set up. The Board of Directors has established an adequate risk management system by establishing a risk management working group consisting of 1 director and the executives of each department responsible for assessing risk factors, planning and determining risk management measures, assessing risk factors that may affect the Company's business operations as well as providing regular monitoring of the risk management of various departments within the organization of the Internal Audit Department and report the results to the Board of Directors and the Audit Committee of the Company. In this regard, risk

management is assigned to be the responsibility of all executives. Including instilling risk management as part of the operation until it becomes a culture in the organization.

## 2.2 Risk Factors to the Company's Business Operation

### Business Risk

- The risk of personnel with specific expertise

In terms of the academic respect, most of the products that the conglomerate produces and sales recently are from the research and development led by Professor Dr. Pichaet Wiriyaichitra, this makes the risk of relying on the knowledge and expertise of the staff. In addition, Professor Dr. Pichaet Wiriyaichitra also served as a Chief Executive Officer (CEO), who is directly responsible for determining the policies, directions and marketing of the Company. In the future, if the staff is changed it may affect to operations of the Company.

However, Professor Dr. Pichaet Wiriyaichitra is the founder and major shareholder of the Company, thus it is expected that the Company may be able to persuade him to work in a long run. Besides, the Company has formed a research and development team which involves experts in various fields related to our products, and established Thai Mangosteen Research and Development Center. Also, the Company has cooperated with several of research agencies to jointly conduct research and further develop the products continuously without relying on only one person or agency. In addition, we have allocated budget to the research team to participate as an owner and motivated them to stay with the Company in a long period.

Besides, in case there is product research and development related to new raw materials of which the research team has no knowledge, the Company will hire other organizations with such expertise such as the university and other research departments to conduct the research. It was anticipated that it would take less time and fewer costs for the Company to conduct the research and development by itself while reducing the burdens of the personnel. However, all the formulas obtained from the research and developments of Professor Dr. Pichaet Wiriyaichitra and other researchers as well as outside organizations which are in the present or will be in the future belong to the Company. Meanwhile, records of the entire formulas are kept in the Company's safety box and two Executives hold one key each. At present, the Company has already applied for the patent registration for all the formulas and products.

As for the management, the Company has appointed the director as the one who sets up business policies and directions, and the Executive Committees as the administrator who is responsible for the policies from the Board and shareholders. Furthermore, the Company has prepared the adviser Board to consult such over fields as marketing, research and development, CSR (Corporate Social Responsibility), etc. and this year, the Company has considered appointing a person with medical knowledge to the committee to create continuity in management. The Company will continue to consider additional people who have the ability to join in managing the business to reduce the risk of relying on any one person and to enable the business to grow forward efficiently.

- The risk of the business channels

In 2021, 2022 and 2023, the Company has sales revenue through sales agent at 32.92, 23.76 and 15.43 percent of the total sales revenue but distributors or agents can work for any entrepreneurs depending on the structure and return on sales (ROS). So, the better offers can persuade the distributors and agents to change their mind.

As mentioned, we have focused on the good structure of ROS for the agents. So, the policy of remuneration is in the same level as in other company. It has a remuneration structure that motivates sales Agent. The Company believes that the credibility of the product can give consumers confidence and satisfaction to buy in the long time. The increase in sales revenue in this channel has continued to increase coupled with research and development is a variable that puts the risk of reliance on sales agent to become stable. It is a part of the Company's continued growth and for greater growth, the Company has a policy to increase the percentage of sales in other channels such as BIM Health Cente, the Company has received an increase of sales proportion through BIM Health Center around 51.86 percent of the total sales revenue in 2021, is 64.55 and 69.74 percent in 2022 and 2023 respectively. Dropship channels around 8.33, 6.64 and 5.20 percent of total sales revenue in 2021, 2022 and 2023 respectively. Moreover, the Company has establishing a joint venture, Bim Health Center Co.,Ltd. to set up a BIM Health Center for consumers who need advice on how to use BIM health care products correctly and effectively by medical scientists, which has the proportion of distribution of 4.06 percent, 4.49 and 4.57 percent of total revenue in 2021, 2022 and 2023 respectively.

- The risk of product replacement

Beauty products, cosmetics and dietary supplements are the replaceable products with similar features, for example, slimming products are now available numerously. Most of them have similar properties; help consumers lose weight and keep in good shape. Therefore, there are choices for the consumers.

The Company realizes the similar properties of the products in beauty, cosmetics and dietary supplements industry. So, we aim to clarify the differences of the products to the consumers, beginning from publication of research to show that our products are more effective than others, as well as the shared experience and satisfaction of the users. Moreover, the Company focuses on training our sales agent to have better understanding about the properties of products so that they are able to help consumers comprehend the differences between our products and other products.

- The risk from the impact of other non-standard products on the market

There are manufacturers and distributors of cosmetic products and dietary supplements that have less quality, causing consumers to get less benefit from the product as claimed, or suffer from the harmful effects of using such non-standard and ineffective products. This caused, the Food and Drug Administration to have strict inspection and detection, which resulted in consumers panicking. Some consumers did not trust the products on the market. APCO is also affected by the panic and this strict regulation in advertising and public relations. Therefore, the company focuses on public relations to make consumers understand, that its products are of high quality, made from reliable sources, with research results that show its effectiveness and share experiences from real users to confirm the effectiveness of the product to build trust in the product and continue to use the product repeatedly.

### The Risk of Climate Change

- The risk of supplying raw materials

The main raw materials of the Company and subsidiary are garcinia and mangosteen. These are agricultural materials which bear fruits once a year and yield depending on climatic conditions of the year. So, if climate is unusual like floods or drought, we may face a shortage of raw materials. Garcinia is a plant cultivated in the south, including 3 southern provinces which may cause problem for logistic.

The Company realizes that the natural condition cannot be controlled and it affects the supply of raw materials. Therefore, we decide to purchase them in a large quantity, and each production and purchase will cover the sales of least two years. As they are dry-processed and maintained in suitable conditions, they can be stored for longer than 10 years whereas their essential compounds do not decay. For the procurement of such raw materials, the Company also has local agents who supply mangosteen and garcinia in the eastern and southern part of Thailand.

### The Risk of a Shareholder with more than 50 percent of the Company's Shares.

As of March 13, 2024, the Wiriyaichitra family has 391,672,052 company shares, representing 65.29 percent of the shares sold by the Company. The Wiriyaichitra family became the major shareholder that controls the majority in the shareholders meeting. Unless the law or the Articles of Association requires a resolution of no less than three in four of the general meeting of shareholders, such as increasing cost of capital to sell or transfer all or part of such a shareholder, the Company may not be able to gather the votes to determine the balance of the shareholders present.

The Company is aware of such risks. So, the Company has established in accordance with the principles of good corporate governance by arranging for the Board of Directors who are third parties to hold the position of Independent Directors and Audit Committee 3 persons from the total number of 7 persons and 1 Independent Director acting as the Chairperson of the Board of Directors to serve as checks and balances of the Board of Directors and Executives of the Company. Moreover, the Executive and the Board of Directors have a policy by taking into account the shareholders' best interests, the scope of authority of the Board of Directors, the Executive Committee and the Audit Committee clearly. If the Company is required to make transactions with persons who may have conflicts of interest, we will take steps to approve the transaction and the rules of the Stock Exchange of Thailand regulations. The person who may have a conflict will be excluded from voting on the transaction.

## **3. Sustainability**

Sustainability Report is as set out in Chapter 4 of Form 56-1 One Report

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

### 4.1 Audit Report Summary

#### Financial Staements for the Fiscal Year 2021

Audited by Miss Sunanta Kumsuk, Certified Public Accountant No. 8207 from AST Master Company Ltd., whose opinion is that the abovementioned financial statement has shown the financial position as of December 31, 2021. Its performances and cash flow of Asian Phytoceuticals Public Company Limited for the end of its fiscal year are accurate in accordance with the auditing standards.

#### Financial Staements for the Fiscal Year 2022

Audited by Miss Sunanta Kumsuk, Certified Public Accountant No. 8207 from AST Master Company Ltd., whose opinion is that the abovementioned financial statement has shown the financial position as of December 31, 2022. Its performances and cash flow of Asian Phytoceuticals Public Company Limited and its subsidiary and separate financial statement for the end of its fiscal year are accurate in accordance with the auditing standards.

#### Financial Staements for the Fiscal Year 2023

Audited by Miss Sunanta Kumsuk, Certified Public Accountant No. 8207 from AST Master Company Ltd., whose opinion is that the abovementioned financial statement has shown the financial position as of December 31, 2023. Its performances and cash flow of Asian Phytoceuticals Public Company Limited and its subsidiary and separate financial statement for the end of its fiscal year are accurate in accordance with the auditing standards

## 4.2 Summary of Financial Statements of Asian Phytoceuticals Public Company Limited and Subsidiary.

### Statement of Financial Position

Unit: Baht

Statement of Financial Position	Consolidated Financial Statements				Financial Statements in which the equity method is applied	
	As of December 31, 2023		As of December 31, 2022		As of December 31, 2021	
	Amount	Percent	Amount	Percent	Amount	Percent
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents	125,634,651	17.83	82,146,058	12.08	98,593,152	14.49
Trade and other receivables	5,382,750	0.76	5,514,962	0.81	5,279,577	0.78
Inventories	44,017,073	6.25	52,495,261	7.72	58,614,249	8.61
Other current financial assets	125,552,471	17.82	97,004,780	14.26	68,323,294	10.04
Other current assets	229,669	0.03	350,991	0.05	302,224	0.04
<b>Total current assets</b>	<b>300,816,614</b>	<b>42.69</b>	<b>237,512,052</b>	<b>34.92</b>	<b>231,112,496</b>	<b>33.96</b>
<b>Non - current assets</b>						
Deposits pledged as collateral	2,031,455	0.29	2,029,652	0.30	528,867	0.08
Investments in associates	1,615,776	0.23	1,776,142	0.26	1,815,062	0.27
Property, plant and equipment	46,924,499	6.66	50,348,700	7.40	56,832,728	8.35
Right-of-use assets	35,412,909	5.03	13,675,852	2.01	34,375,275	5.05
Intangible assets	786,258	0.11	236,154	0.03	356,280	0.05
Deferred tax assets <sup>/1</sup>	10,749,617	1.53	7,108,886	1.05	5,053,219	0.74
Other non - current financial assets	302,245,738	42.89	363,235,814	53.41	344,918,297	50.68
Other non - current assets	4,141,605	0.59	4,224,384	0.62	5,540,657	0.82
<b>Total non - current assets</b>	<b>403,907,857</b>	<b>57.31</b>	<b>442,635,584</b>	<b>65.08</b>	<b>449,420,385</b>	<b>66.04</b>
<b>Total Assets</b>	<b>704,724,471</b>	<b>100.00</b>	<b>680,147,636</b>	<b>100.00</b>	<b>680,532,881</b>	<b>100.00</b>
<b>Liabilities</b>						
<b>Current liabilities</b>						
Trade and other payables	19,321,176	2.74	17,166,515	2.53	17,014,838	2.50
Current portion of lease liabilities	13,447,545	1.91	12,204,106	1.79	18,743,898	2.75
Accrued income tax	10,772,926	1.53	12,704,868	1.87	9,639,942	1.42
Other current liabilities	2,653,401	0.38	3,020,830	0.44	2,352,633	0.35
<b>Total current liabilities</b>	<b>46,195,048</b>	<b>6.56</b>	<b>45,096,319</b>	<b>6.63</b>	<b>47,751,311</b>	<b>7.02</b>
<b>Non - current liabilities</b>						
Lease liabilities	22,220,555	3.15	1,615,393	0.24	15,485,954	2.28
Employee benefit obligations	19,881,776	2.82	18,891,747	2.78	17,288,546	2.54
Provision for dismantling cost of rental buildings	4,038,030	0.57	4,038,030	0.59	5,012,125	0.74
<b>Total non - current liabilities</b>	<b>46,140,361</b>	<b>6.55</b>	<b>24,545,170</b>	<b>3.61</b>	<b>37,786,625</b>	<b>5.55</b>
<b>Total Liabilities</b>	<b>92,335,409</b>	<b>13.10</b>	<b>69,641,489</b>	<b>10.24</b>	<b>85,537,936</b>	<b>12.57</b>



Statement of Financial Position	Consolidated Financial Statements						Financial Statements in which the equity method is applied
	As of December 31, 2023		As of December 31, 2022		As of December 31, 2021		
	Amount	Percent	Amount	Amount	Percent	Amount	
<b>Shareholders' Equity</b>							
Share capital							
Registered	300,000,000	42.57	300,00,0000	44.11	300,000,000	44.08	
600,000,000 ordinary shares of Baht 0.50 each							
Issued and paid-up							
600,000,000 ordinary shares of Baht 0.50 each	300,000,000	42.57	300,000,000	44.11	300,000,000	44.08	
Premium on share capital	166,944,654	23.69	166,944,654	24.55	166,944,654	24.53	
Surplus from business combinations under common control <sup>1/2</sup>	22,666,575	3.22	22,666,575	3.33	22,666,575	3.33	
Retained earnings							
Appropriated for legal reserve	30,000,000	4.41	30,000,000	4.41	30,000,000	4.41	
Unappropriated	108,959,667	15.46	93,636,819	13.77	74,084,448	10.89	
Other components of equity	(18,875,273)	-2.68	(5,271,563)	-0.78	1,299,268	0.19	
<b>Total Equity Attributable to the Parent Company</b>	<b>609,695,623</b>	<b>86.52</b>	<b>607,976,485</b>	<b>89.39</b>	<b>594,994,945</b>	<b>87.43</b>	
Non-controlling interests of the subsidiary	2,693,439	0.38	2,529,662	0.37	-	-	
<b>Total Shareholders' Equity</b>	<b>612,389,062</b>	<b>86.90</b>	<b>610,506,147</b>	<b>89.76</b>	<b>594,994,945</b>	<b>87.43</b>	
<b>Total Liabilities and Shareholders' Equity</b>	<b>704,724,471</b>	<b>100.00</b>	<b>680,147,636</b>	<b>100.00</b>	<b>680,532,881</b>	<b>100.00</b>	

**Note :** <sup>1/</sup> The Accounting Standards No.12 regarding income tax, which has been effective since January 1, 2013, requires the Company to specify the temporary results caused by differences of the asset values and liabilities between the basis of accounting and taxation to acknowledge the taxation impact as the asset or liability for deferred tax based on the applicable regulations. The Company has changed the accounting policy since 2013 as shown in the financial statement and already audited.

<sup>1/2</sup> Capital surplus on business combinations under the same control is a result of business combinations under the same control whereas the book value of assets is higher than the cost price of exchanges among the subsidiary under the same control.

## Statement of Comprehensive Income

Unit: Baht

Statement of Comprehensive Income	Consolidated Financial Statements in which the equity method is applied					
	For the year ended December 31,					
	2023		2022		2021	
	Amount	Percent	Amount	Percent	Amount	Percent
<b>Total Income</b>	309,542,293	100.00	264,866,094	100.00	239,195,981	100.00
Sales	292,761,706	94.58	250,381,378	94.53	223,351,527	93.38
Costs of sales	57,245,104	18.49	47,939,348	18.10	46,263,802	19.34
<b>Gross Profit <sup>/1</sup></b>	235,516,602	76.09	202,442,030	80.85	177,087,725	79.29
Other income	1,089,915	0.35	2,084,322	0.79	3,025,166	1.26
<b>Profit before expenses</b>	236,606,517	76.44	204,526,352	77.22	180,112,891	75.30
Selling expenses	53,382,955	17.25	48,139,928	18.18	35,883,737	15.00
Administrative expenses	66,332,769	21.43	68,353,494	25.81	70,409,300	29.44
<b>Profit from operating activities</b>	116,890,793	37.76	88,032,930	33.24	73,819,854	30.86
Finance income	15,690,672	5.07	12,400,394	4.68	12,818,988	5.36
Finance costs	(661,277)	0.21	(566,231)	0.21	(864,257)	0.36
Loss from impairment of investment in associate	1,264,628	0.41	607,637	0.23	(284,734)	0.12
<b>Profit before income tax</b>	133,184,816	43.04	100,474,730	37.93	85,489,851	35.74
Tax expenses	24,449,605	7.90	19,279,295	7.28	16,790,809	7.02
<b>Profit for the year</b>	108,735,211	35.13	81,195,435	30.66	68,699,042	28.72
<b>Other comprehensive income:</b>						
Other comprehensive income to be reclassified to profit or loss in subsequent periods						
Loss on change in value of financial assets – Net	(692,499)	0.22	(3,359,131)	1.27	(1,313,846)	0.55
Other comprehensive income not to be reclassified to profit or loss in subsequent periods						
Gain (loss) on investments in equity designated at fair value through other comprehensive income - Net	(12,142,254)	3.92	9,415,158	3.55	4,948,504	2.07
Actuarial loss – Net	-	-	-	-	(850,270)	0.36
<b>Other Comprehensive Income for the Year</b>	(12,834,753)	4.15	6,056,027	2.29	2,784,388	1.16
<b>Total Comprehensive Income for the Year</b>	95,900,458	30.98	87,251,462	32.94	71,483,430	29.88
<b>Profit attributable to:</b>						
Equity holders of the parent	107,491,429	98.86	80,915,783	99.99	68,699,042	100.00
Non-controlling interests	1,243,782	1.14	279,652	0.34	-	-
<b>Profit for the year</b>	108,735,211	100.00	81,195,435	100.00	68,699,042	100.00
<b>Total comprehensive income attributable to:</b>						
Equity holders of the parent	94,656,676	98.70	86,971,810	99.68	71,483,430	100.00
Non-controlling interests	1,243,782	1.30	279,652	0.32	-	-
<b>Total comprehensive income for the year</b>	95,900,458	100.00	87,251,462	100.00	71,483,430	100.00
<b>Basic earnings per share</b>						
Profit for the year	0.1792		0.1349		0.1145	

**Note :** <sup>/1</sup> Percentage of gross profit is calculated from the value of gross profit divided by the main income from product sales (excluding other income) which is consistent with the gross profit ratio disclosed in the key financial ratios.

## Statement of Cash Flows

Unit: Baht

Statement of Cash Flows	Consolidated Financial Statements in which equity method is applied		
	For the year ended December 31,		
	2023	2022	2021
<b>Cash Flows from Operating Activities</b>			
Profit before tax	133,184,816	100,474,730	85,489,851
Adjustments to reconcile profit to net cash provided by operating activities			
Loss (gain) on sale of other financial assets	(602,429)	88,951	(2,484,332)
Unrealized loss (gain) from changes in fair value of other financial assets	132,852	(80,171)	(23,813)
Bad debt	-	336,635	-
Allowance for write-down and obsolescence of inventories	1,023,553	696,542	579,862
Gain on disposal of equipment	(8,972)	(121,494)	(177,981)
Profit from termination of lease	-	(408,736)	-
Penalty for termination of the lease	-	1,399,083	-
Depreciation	6,796,509	6,806,186	7,655,701
Depreciation of right-of-use assets	15,180,294	16,319,244	19,155,577
Amortization of intangible assets			
Depreciation	173,896	120,126	146,367
Share of gain from investments in associates	(1,264,628)	(607,637)	284,734
Employee benefit obligations	1,686,588	1,603,201	1,656,004
Revenue from is recognised accrued commission	(969,448)	(1,463,892)	(1,518,747)
Dismantling cost of rental buildings expenses	-	-	1,044,418
Dividends income from financial assets	(2,898,274)	(2,798,352)	(2,688,845)
Interest income	(12,322,821)	(9,610,822)	(7,621,998)
Finance costs	661,277	566,231	864,257
Profit from operating activities before change in operational assets and liabilities	140,773,213	113,319,805	102,361,055
Decrease (Increase) in operating assets			
Trade and other receivables	420,477	128,761	2,865,866
Inventories	7,454,635	5,422,446	1,074,890
Other current assets	121,322	(48,767)	45,313
Other non - current assets	82,779	(82,810)	7,400
Operating Asset (Increase) Decrease	8,079,213	5,419,630	3,993,469
Increase (Decrease) in operating liabilities			
Trade and other payables	3,124,109	1,615,569	(133,612)
Employee benefit obligations	(696,559)	-	(2,882,911)
Provision for dismantling cost of rental buildings	-	(1,057,775)	(972,275)
Other current liabilities	(367,429)	668,197	(223,902)
Operating Liabilities; increase (decrease)	2,060,121	1,225,991	(4,212,700)
Cash received from operations	150,912,547	119,965,426	102,141,824
Income tax paid	(26,813,589)	(19,784,043)	(17,745,297)
<b>Net cash provided by operating activities</b>	<b>124,098,958</b>	<b>100,181,383</b>	<b>84,396,527</b>

Statement of Cash Flows	Consolidated Financial Statements in which equity method is applied		
	For the year ended December 31,		
	2023	2022	2021
<b>Cash Flows from Investing Activities</b>			
Interest income	12,604,554	8,910,061	7,540,923
Proceeds from disposal of other financial assets	340,537,529	276,479,563	327,438,050
Cash paid for acquisition of other financial assets	(323,669,009)	(317,417,312)	(333,567,576)
Increase in fixed deposits pledged as collateral	(1,803)	(785)	(1,045)
Dividends income from investment in associates	854,996	646,557	1,602,643
Dividends income from financial assets	2,898,274	2,798,352	2,688,845
Proceeds from disposal of equipment	11,457	121,495	421,610
Cash paid for acquisition of machinery and equipment	(3,374,793)	(322,159)	(1,174,476)
Cash paid for acquisition of intangible assets	(724,000)	-	-
<b>Net cash provided by (used in) investing activities</b>	<b>29,137,205</b>	<b>(28,784,228)</b>	<b>4,948,974</b>
<b>Cash Flows from Financing Activity</b>			
Dividends paid	(92,937,538)	(73,990,270)	(71,952,000)
Dividends of subsidiary paid to non-controlling interests	(1,080,005)	-	-
Interest paid	(661,277)	(566,231)	(864,257)
Repayment of liabilities under lease agreements	(15,068,750)	(15,537,758)	(18,137,478)
Increase from investment in subsidiary			
Non-controlling interests of the subsidiary	-	2,250,010	-
<b>Net cash used in financing activity</b>	<b>(109,747,570)</b>	<b>(87,844,249)</b>	<b>(90,953,735)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>43,488,593</b>	<b>(16,447,094)</b>	<b>(1,608,234)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>82,146,058</b>	<b>98,593,152</b>	<b>100,201,386</b>
<b>Cash and cash equivalents, end of year</b>	<b>125,634,651</b>	<b>82,146,058</b>	<b>98,593,152</b>

#### Supplement Disclosures of Cash Flows information

##### Non - cash transactions

Decrease in accrued dividends income from investments in associate	(569,998)	-	-
Transfer other financial assets to be fixed deposits pledged as collateral	-	1,500,000	-
Increase in lease liabilities	-	3,651,422	2,354,132
Increase in provision for dismantling cost of rental buildings	-	-	1,544,666
Increase (decrease) in payable from acquisition of assets	-	-	(200,000)

## Important Financial Ratio

Financial Ratio		For the year ended December 31,		
		2023	2022	2021
<b>Current Ratio</b>				
Current Ratio	(Time)	6.51	5.27	4.84
Quick Ratio	(Time)	2.84	1.94	2.18
Current Cash Flow Ratio	(Time)	2.72	2.16	1.75
Account Receivable Turnover	(Time)	313.89	328.59	194.32
Average Collection Period	(Days)	1	1	2
Finished Goods Turnover Ratio	(Time)	6.26	5.53	4.85
Average Sale (Finished Goods ) Period	(Days)	58	66	75
Inventory Turnover	(Time)	1.19	0.86	0.78
Average Sale (Inventory) Period <sup>/1</sup>	(Days)	308	423	469
Account Payable Turnover	(Time)	62.43	36.48	35.28
Payment Period	(Days)	6	10	10
Cash Cycle	(Days)	300	413	462
<b>Profitability Ratio</b>				
Earnings Before Interest, Tax, Depreciation, and Amortization (EBITDA)	(%)	50.40	46.82	47.43
Gross Profit Margin	(%)	80.45	80.85	79.29
Operating Profit Margin	(%)	43.03	37.85	35.78
Cash Per Profitability Ratio	(%)	93.18	99.71	98.72
Net Profit Margin	(%)	35.13	30.59	28.76
Return On Equity	(%)	17.78	13.47	11.54
<b>Efficiency Ratio</b>				
Return on Assets	(%)	15.70	11.93	9.98
Return on Fixed Assets	(%)	237.54	164.21	126.63
Total Asset Turnover	(Time)	0.45	0.39	0.35
<b>Financial Ratio</b>				
Debt/Equity Ratio	(Time)	0.15	0.11	0.14
Rate of Commitment Payment Efficiency	(Time)	1.10	1.11	0.92
Dividend Payout ratio	(%)	99.32	114.54	107.77
Rate of Fully Diluted Net Profit per Share	(Baht)	0.18	0.14	0.11

Note : <sup>/1</sup> The average goods selling time is high, since the inventories consist of some raw materials, such as garcinia, which is seasonally produced and is rare in some years, and it takes time to gather and transport from the areas in the three southern border provinces. Therefore, a large amount of raw material has to be reserved for production.

## 4.3 Financial Status and Performance Description and Analysis

### 4.3.1 Overall of previous performance

APCO manufactures and sells beauty cosmetics and dietary supplements products developed and researched by the Company itself. The products are distributed domestically through Bim Health Center by Call Center, Distributors (Sales Agents) and Dropship and are distributed in many countries such as America, East Asia and Southeast Asia. The important factor to the growth in APCO's revenue is due to the innovative products from the Company's research that are in demand of the market. In addition, APCO has expanded its line of nutritional supplements from natural extracts for caring for and stimulating the immune system in pets. Expanding the pet market is another channel that APCO sees as a channel to create increased income for the company.

The Company and its subsidiary company have growing continuously. The operating results with the total revenue in the year 2021-2023, amounted to 239.20 million baht, 264.86 million baht, and 309.54 million baht respectively. In the year 2022, the total revenue has increased 25.66 million baht or 10.73% from the year 2021. In the year 2023, the total revenue has increased 44.68 million baht or 16.87% from the year 2022. The net profit for the year 2021-2023, amounted to 68.70 million baht, 81.20 million baht, and 108.74 million baht respectively, an increase of 12.50 million baht from the year 2021, or 18.20 % and an increase of 27.54 million baht from the year 2022, or 33.92 percent.

The year 2022, the total revenue was 264.86 million baht, an increase of 25.66 million baht or 10.73 % from the year 2021 as a result of the increased sales of domestic dietary supplements and in the year 2022, the company sold dietary supplements for pet care by selling through Killer T Cell for Pets Co., Ltd., a subsidiary company.

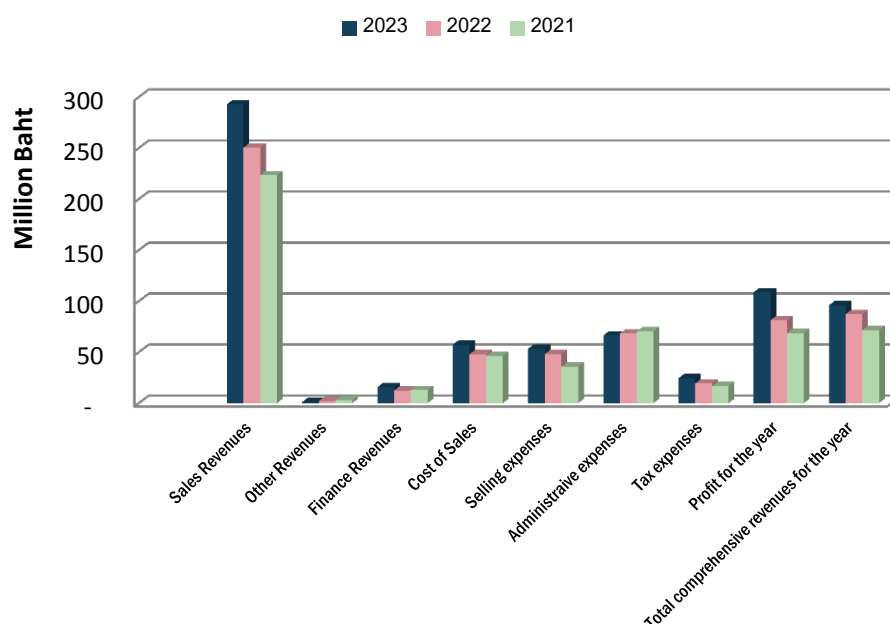
The year 2023, the total revenue was 309.54 million baht, an increase of 44.68 million baht or 16.87% from the year 2022 as a result of the increased sales of domestic and abroad dietary supplements and in the year 2023, the company sold the products MYLIFE100 and MYLIFE100A "Innovation Watthana Cheeva" an increase of 37.39 million baht or 95.93 % from the year 2022.

In the year 2021 to 2022, and 2023, the Company had gained the net profit in sum of 68.70 million Baht, 81.20 million Baht, and 108.74 million Baht respectively, or 28.72%, 30.66%, and 35.13% of the total revenue of each year, respectively. The factors influencing the net profit rate is a distribution channel that has a commission. In 2019, the Company has adjusted its distribution channel strategy. It is distributed through the sales agent channel, where the dealer will receive a percentage of the sales revenue, including giving importance of increasing the proportion of distribution channels through Bim Health Center by Call Center, which is a channel that has no commission, resulting the Company has increased net profit rate in the year 2021,2022 and 2023 respectively.

Currently, the dietary supplement industry is growing steadily. APCO is focusing on research and development of its dietary supplement products. The executives are convinced that the customers who are confident in the products will repeat the purchase. This angle could potentially enhance the security of the revenue base. Moreover, the Operation "BIM" line has been continuously increasing its popularity since it was launched in 2008 and can be expanded into several new products.

#### 4.3.2 Performance analysis

### Comparison of Statment of Comprehensive Income

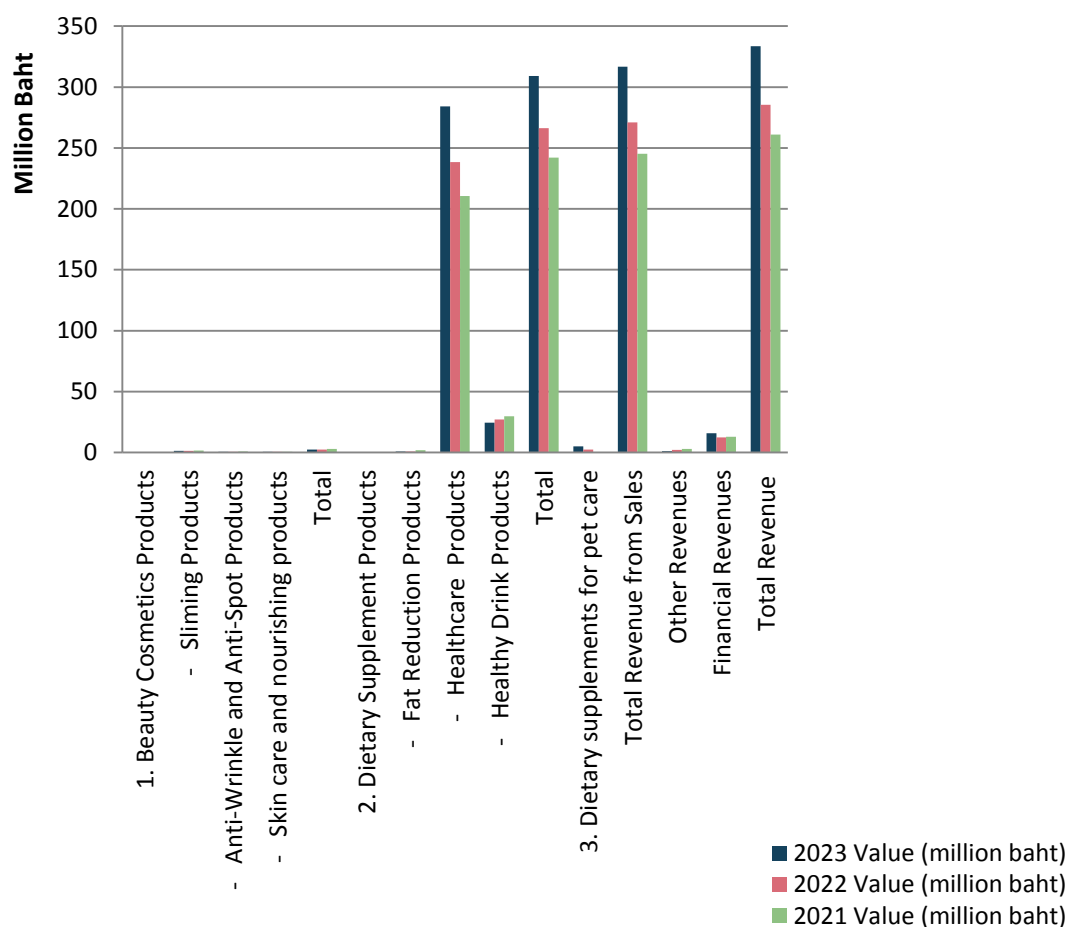


#### Revenue

The total revenue of APCO from 2021 – 2023 amounted to 239.20 Million Baht, 264.86 Million Baht, and 309.54 Million Baht respectively, as shown in the revenue structure below.

Revenue Structure	2023		2022		2021	
	Value	Percent	Value	Percent	Value	Percent
<b>Beauty Cosmetics Products</b>						
- Sliming Products	1.21	0.38	1.41	0.52	1.48	0.61
- Anti-Wrinkle and Anti-Spot Products	0.66	0.21	0.56	0.21	0.89	0.36
- Skin care and nourishing products	0.56	0.18	0.55	0.20	0.62	0.25
<b>Total</b>	<b>2.43</b>	<b>0.77</b>	<b>2.52</b>	<b>0.93</b>	<b>2.99</b>	<b>1.22</b>
<b>Dietary Supplement Products</b>						
- Fat Reduction Products	0.74	0.23	0.70	0.26	1.98	1.81
- Healthcare Products	284.01	89.68	238.52	87.99	210.50	85.86
- Healthy Drink Products	24.40	7.70	27.01	9.96	29.69	12.11
<b>Total</b>	<b>309.15</b>	<b>97.62</b>	<b>266.23</b>	<b>98.21</b>	<b>242.17</b>	<b>98.78</b>
<b>Dietary supplements for pet care</b>	<b>5.10</b>	<b>1.61</b>	<b>2.33</b>	<b>0.86</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>5.10</b>	<b>1.61</b>	<b>2.33</b>	<b>0.86</b>	<b>-</b>	<b>-</b>
<b>Total Revenue from Sales</b>	<b>316.68</b>	<b>100.00</b>	<b>271.08</b>	<b>100.00</b>	<b>245.16</b>	<b>100.00</b>
Deducting the Compensation of Sales Agent (According to Financial Reporting Standard No. 15)	23.92		20.70		21.81	
<b>Revenue from sales according to financial statements</b>	<b>292.76</b>		<b>250.38</b>		<b>223.35</b>	
Other Revenues	1.09		2.08		3.03	
Financial Revenues	15.69		12.40		12.82	
<b>Total Revenue</b>	<b>309.54</b>		<b>264.86</b>		<b>239.20</b>	
Share of gain (loss) from investment in associates	1.26		0.61		(0.29)	
<b>Total Revenue and share of profit (loss) from investments in associated companies (Consolidation)</b>	<b>310.80</b>		<b>265.47</b>		<b>238.91</b>	

## Revenue Structure



### - Sales Revenue

The sales revenue of the Company from 2021 – 2023 was 245.16 million baht, 271.08 million baht and 316.68 million baht respectively, representing a decrease of 11.21% for the year 2021, and an increase of 10.57% for the year 2022, an increase of 16.82% for the year 2023 compared to the same period of the previous year.

The Company obtained the revenues from the production and product distribution in three parts as follow.

(1) **Revenue from cosmetics products;** between 2021 - 2023, the Company gained the sales revenues from cosmetics products amounted to 2.99 million baht, 2.52 million baht and 2.43 million baht, respectively, representing the growth rate a decrease of 35.14%, 15.72%, and 3.57% in 2021, 2022 and 2023, compared to the same period of the previous year. The cosmetic products have a tendency to continually decline in sales, because the cosmetic product market is highly competitive.

Most of the revenues from cosmetics products were slimming products and anti-wrinkle and anti-spot products and skin care products. The revenue from the cosmetics products (year 2021 - 2023) was averagely at 51.64%, 26.57% and 21.79% of the total revenues gained in the cosmetics products respectively. In 2021 - 2023, most of the revenues were from the slimming products, followed by the anti-wrinkle and dark spot products and skin care products. The proportion is



approximately 49.50%, 29.77% and 20.74% respectively in 2021 and approximately 55.95%, 22.22% and 21.83% respectively in 2022 and approximately 49.79%, 27.16% and 23.05% respectively in 2023

(2) **Revenue from dietary supplement products;** between 2021 - 2023, the Company generated the sales revenues from dietary supplements amounted to 242.17 million baht, 266.23 million baht and 309.15 million baht, respectively, representing the growth rate a decrease of 10.81% in 2021 and an increase of 9.95% in 2022, an increase of 16.12% in 2023, compared to the same periods of the previous year. For the year 2021, the revenue from the overall dietary supplements decreased from the year 2020 due to lower sales resulting from the overall recession of the economy. Consumers are more cautious in their spending from the situation of the epidemic of the Covid-19 virus. In the year 2021-2023, the revenue from the overall dietary supplements increased due to the increase in sales of health care products.

(3) **Revenue from dietary supplements for pet care;** in the year 2022, the company's revenue from the sale of dietary supplements for pet care was 2.33 million baht. And in the year 2023, the company's revenue from the sale of dietary supplements for pet care was 5.10 million baht, representing the growth rate an increased of 118.88% in 2023, compared to the same periods of the previous year.

Most of the revenue comes from healthcare products, healthy drink products, fat reduction products and skincare products, The average proportion (2021- 2023) is 89.66%, 9.92%, 0.42% and 0.00% of the total revenues from the dietary supplement products respectively. In the year 2021 - 2023, most of the revenue from dietary supplements are from health care products followed by healthy drink products, fat reduction products and skin care products accounted for 86.92%, 12.26%, 0.82% and 0.00% respectively in 2021, and accounted for 86.59%, 10.15%, 0.26% and 0.00% respectively in 2022, and accounted for 91.87%, 7.89%, 0.24% and 0.00% respectively in the year 2023.

The Company has revenue from sales from both domestic and international customers. The sales revenue for the years 2021 – 2023 is approximately 93.37%, 94.53% and 94.58% of the total revenue, respectively. For the year 2021- 2023, the Company has revenue from sales to domestic customers accounted for approximately 97.53%, 99.58% and 96.76% of the total revenue respectively, as summarized in the table.

Unit: million baht

Revenue Structure	2023		2022		2021	
	Value	Percent	Value	Percent	Value	Percent
Revenue from Domestic Sales	283.28	91.52	249.32	94.13	217.83	91.07
Revenue from International Sales	9.48	3.06	1.06	0.40	5.52	2.31
<b>Total Revenue from Sales</b>	<b>292.76</b>	<b>94.58</b>	<b>250.38</b>	<b>94.53</b>	<b>223.35</b>	<b>93.37</b>
Other Revenues	1.09	0.35	2.08	0.79	3.03	1.27
Financial revenues	15.69	5.07	12.40	4.68	12.82	5.36
<b>Total Revenue</b>	<b>309.54</b>	<b>100.00</b>	<b>264.86</b>	<b>100.00</b>	<b>239.20</b>	<b>100.00</b>
Share of gain (loss) from investment in associates	1.26	0.41	0.61	0.23	(0.29)	-0.12
Total Revenue and share of profit (loss) from investments in associated companies (Consolidation)	310.80		265.47		238.91	

The year 2022, the total sales revenue an increased of 27.03 million baht or 12.10% compared to 2021 due to an increase in sales of dietary supplements from 2021.

The year 2023, the **total** sales revenue an increased of 42.38 million baht, representing 16.93 % compared to 2022 as a result of the increased sales of domestic and abroad dietary supplements and in the year 2023, the company sold the products MYLIFE100 and MYLIFE100A “Innovation Watthana Cheeva” an increase from the year 2022.

- Other Revenues

Other revenues of the Company for the years 2021 - 2023 were equal to 3.03 million Baht, 2.08 million Baht and 1.09 million Baht, or 1.27%, 0.79% 0.35% of total revenues, respectively. In fact, it was regarded as a small amount of the Company’s revenues. Other revenues included the accrued commissions revenues, service revenues, profit from asset sales, and profit from the currency exchange. The year 2021, there are other revenues from the project to promote and maintain employment in SMEs of The Department of Employment amounting to 0.61 million baht and other revenues from the recognition of accrued commissions of 1.52 million baht. In the year 2022 the company has other revenues from accrued commission revenues of 1.46 million Baht, revenues from the project to promote and maintain employment in SMEs of The Department of Employment amounting to 0.24 million baht, other revenues from profit from asset sales of 0.12 million baht and from other revenues of 0.26 million baht. The year 2023, the company has other revenues from accrued commission revenues of 0.97 million baht, other revenues from profit from asset sales of 0.01 million baht, and from other revenues of 0.11 million baht.

- Financial revenues

Financial revenues of the Company for the years 2021 - 2023 were equal to 12.82 million baht, 12.40 million baht and 15.69 million baht, or 5.36%, 4.68% and 5.07% of total revenues, respectively.

In the year 2021, financial revenues consists of revenues from interest income of 7.62 million baht, dividend received from investments in shares of 2.69 million baht, profit from selling financial assets of 2.48 million baht, and profit & loss that have not yet occurred from changes in fair value of 0.02 million baht.

In the year 2022, financial revenues consisted of revenues from interest income 9.61 million baht, dividend received from investments in stocks of 2.80 million baht, profit & loss that have not yet occurred from change in fair value amount 0.08 million Baht, and loss from investment (0.09) million baht.

In the year 2023, financial revenues consisted of revenues from interest income 12.32 million baht, dividend received from investments in stocks of 2.89 million baht, profit & loss that have not yet occurred from change in fair value amount (0.13) million baht, and gains from investments 0.60 million baht.

**Cost of sales and gross profit**

Cost of sales of the Company for the year 2021 - 2023 was 46.26 million baht, 47.94 million baht, and 57.25 million baht, respectively. The gross profit margin was 79.29%, 80.85%, and 76.09% respectively. The annual gross profit margin of the Company was nearly equivalent.

The main components of the cost of sales comes from the cost of raw materials such as agricultural raw materials, chemicals, and packages. The Company has a policy to purchase only sufficient amounts of raw materials for its production at least two years to prevent a shortage of raw materials and to reduce the transportation costs as well as to avoid the risk from any fluctuation of raw material prices. Moreover, other important cost of sales included the labor cost, compensation for the research and development, depreciation cost, and the production cost of mangosteen juice.

### **Selling and Administrative Expenses**

Selling expenses in 2021 – 2023 amounted to 35.88 million baht, 48.14 million baht and 53.38 million baht respectively, accounting for 15%, 18.18% and 17.25% of the total revenues respectively. The important factor that affected the proportion of selling expenses to the total revenue of the Company was the distribution channel. Direct sales require high commissions compared to other channels. In 2019, the Company has adjusted its distribution channel strategy to be a distribution channel through dealers (Sales Agent) as well as giving more importance to product distribution through Bim Health center by Call Center. As a result, the proportion of distribution through Bim Health center by Call Center to total revenue was gradually incrementally from 48.42% in 2021 to 61.02% in 2022 and 41.19% in 2023, thus resulting in a proportion of selling expenses to total revenues in 2023 decline.

Besides, another essential expense is the advertising and marketing campaign, averagely proportioned in 2021 - 2023, about 61.43% of the selling expense. In the year 2021, the Company had advertising and promotion expenses of 20.01 million baht or 55.76% of selling expenses decrease compared to the previous year by 10.18 million baht or 33.72%. In the year 2022, the Company had advertising and promotion expenses of 30.16 million baht or 62.66% of selling expenses an increase compared to the previous year due to an increase in advertising which resulted to an increase sales in the year 2022 from the year 2021.

In the year 2023, the company had advertising and promotion expenses of 34.23 million baht, or 64.14 % of selling expenses, an increase compared to the previous year.

Administrative expenses for 2021 to 2023 amounted to 70.40 million baht, 68.35 million baht, and 66.33 million baht respectively, accounted for 29.44%, 25.81%, and 21.43% of the total revenue respectively. The important administrative expenses included expenses on executives and employees such as salary, bonus and contributions to funds. These expenditures from the year 2021 were averagely at 40.72%, the year 2022 38.90%, and the year 2023 42.37% of administrative expenses. Other administrative expenses are depreciation, rental, banking fees, and utilities expenses of the year 2021 - 2023 accounted for 46.25%, 35.10% and 31.58% of the administrative expenditures respectively.

### **Share of profits from investment in Associates Company**

In February 2017, the Company invested in 499,998 ordinary shares of BIM Health Center Co., Ltd., with a par value of 10 Baht per share (paid-up 2.50 Baht per share) totaling 1.2 million Baht, The shareholding of these 49.99 associates was incorporated on February 2, 2017.

In April 2020, the Company invested in 9,998 ordinary shares of Apco China Co., Ltd., with a par value of 100 Baht per share (paid-up 100 Baht per share) totaling 1.0 million Baht, the shareholding of these 49.99% associates was incorporated on April 9, 2020. Apco China Co., Ltd. has registered for dissolution with the Ministry of Commerce on October 6, 2021 and on October 21, 2022 has completed the liquidation process.

In October 2020, the Company invested in 99,998 ordinary shares of Hisol Digital Co., Ltd., with a par value of 10 Baht per share (paid-up 10 Baht per share) totaling 1.0 million Baht, the shareholding of these 49.99% associates was incorporated on October 28, 2020.

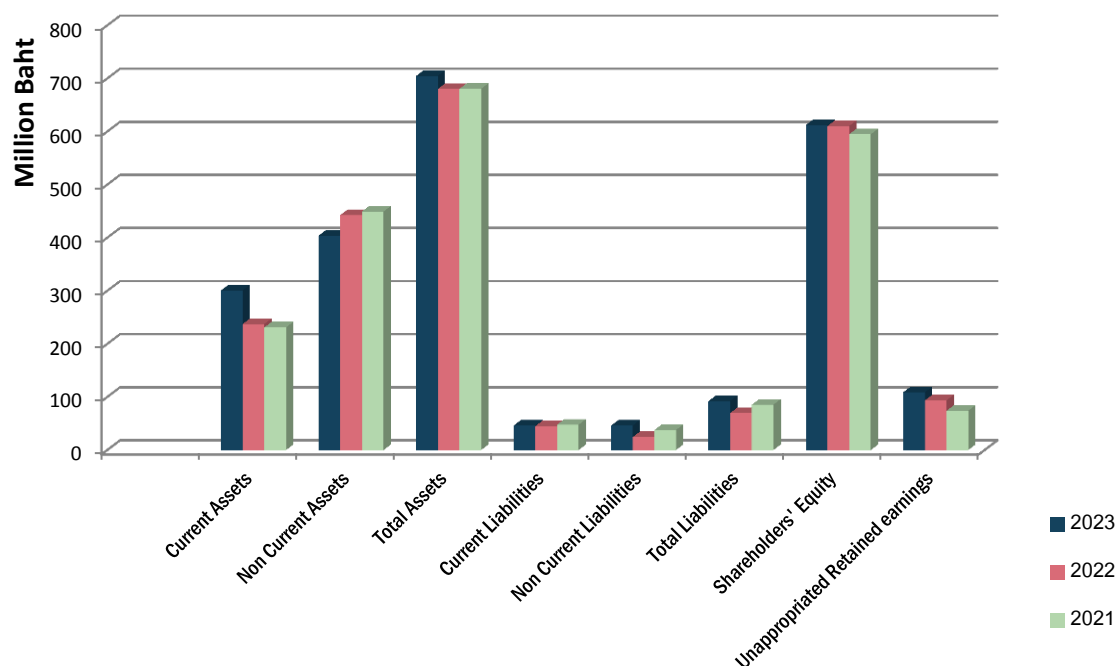
The Company recognized the share of profit (loss) from investments in associates companies. The said amount was (0.28) million baht, (0.61) million baht and 1.26 million baht in the year 2021, 2022 and 2023 respectively.

### **Net Profits**

APCO received the net profits for 2021 - 2023 in the amount of 68.70 million baht, 81.20 million baht, and 108.74 million baht respectively, with an increase in net profit rate in 2021 - 2023, accounted for 28.72%, 30.66%, 35.13%

respectively. This was partly due to the financial revenues of 12.82 million baht, 12.40 million baht and 15.69 million baht each year respectively.

### 4.3.3 Financial status analysis



#### Assets

At the end of the years 2021 to 2023, APCO's total assets amounted to 680.53 million baht, 680.15 million baht, and 704.72 million baht respectively, representing a decrease of 2.33%, a decrease of 0.06%, an increase of 3.61% respectively. Details are as follows:

The current assets at the end of the years 2021 to 2023 amounted to 231.11 million baht, 237.51 million baht and 300.82 million baht respectively, accounted for 33.96%, 34.92% %, and 42.69% of the total assets respectively. The Company's current assets include the following important assets:

(1) Cash and the equivalent at the end of 2021 to 2023 amounted to 98.59 million baht, 82.15 million baht, and 125.63 million baht respectively, accounted for 14.49%, 12.08% and 17.83% of the total assets respectively.

(2) The net number of account receivable and others at the end of 2021 to 2023 amounted to 5.28 million baht, 5.51 million baht, and 5.38 million baht respectively, accounted for 0.78%, 0.81%, and 0.76% of the total assets respectively. The amounts of the account receivable on relevant business, the account receivable on irrelevant business and others are as follows

The amount of trade accounts receivable from related parties at the end of 2021 to 2023 was equivalent to 0.51 million baht, 0.14 million baht, and 0.45 million baht respectively. The receivables from the sale of goods are through its associates BIM Health Center Co., Ltd. and Hisold Digital Co., Ltd.

Accounts receivable unrelated parties at the end of 2021 - at the end of 2023 amounted to 0.04 million Baht, 0.84 million Baht and 0.44 million Baht, respectively. Classified by age of outstanding debt is summarized in the following table.

Account receivable details (Not including related parties)	Value (Baht))		
	As of Dec 31, 2023	As of Dec 31, 2022	As of Dec 31, 2021
Not yet due	438,502	836,560	-
Overdue less than 3 months		-	-
Overdue 3 - 6 months	-	-	-
Overdue 6 - 9 months	-	-	36,400
Overdue 9 - 12 months	-	-	-
Overdue for more than 12	-	-	-
<b>Total</b>	<b>438,502</b>	<b>836,560</b>	<b>36,400</b>
<u>Deduct allowance for doubtful</u>	-	-	-
<b>Net</b>	<b>438,502</b>	<b>836,560</b>	<b>36,400</b>

The Company distributes products through Bim Health Center by Call Center channels and Sales Agent, which are sold mainly by cash. Therefore, there are relatively few trade receivables. The short-term collection period is approximately 2 days, 1 days and 1 days for 2021, 2022 and 2023, respectively, reflecting the Company's liquidity. Customers shop directly with the Company without direct sales representative has the credit term of 30-60 days.

As of December 31, 2021, the Company has accounts receivables from unrelated parties that are overdue for more than 6-9 months in the amount of 0.04 million baht from 1 debtor, which has been fully paid in January 2022. Therefore, the Company has not set up any allowance for doubtful accounts.

Moreover, the amount of other receivables at the end of 2021 - 2023 was equivalent to 4.73 million baht, 4.54 million baht, and 4.49 million baht respectively. The important other receivables were advance payments for goods, prepaid expenses and accrued interest receivable, etc. And as of December 31, 2021, other receivables decreased due to advance payments for goods, revenue receivable and other receivables decreased. And as of December 31, 2022, other receivables decreased due to advance payments for goods decreased. As of December 31, 2023, other receivables decreased due to advance payments for goods and prepaid expenses and accrued interest decreased.

(3) Net inventory as of 2021 through 2023 was equivalent to 58.61 million baht, 52.50 million baht, and 44.02 million baht respectively, accounted for 8.61%, 7.72%, and 6.25% of the total assets respectively. The Company's inventory was divided into finished goods, work in process, convertible raw materials, raw materials, packages, and factory supplies as shown in the table below.

Inventory details	Value (Baht)		
	As of Dec 31,2023	As of Dec 31,2022	As of Dec 31,2021
<b>Inventory</b>			
- Finished goods	9,792,686	8,502,815	8,829,898
- Work in process	693,399	814,606	491,277
- Convertible raw materials	11,509,801	19,760,641	23,234,646
- Raw materials	17,226,956	17,459,416	19,275,411
- Packages, and factory supplies	9,353,871	10,479,417	10,608,109
<b>Total Inventory</b>	<b>48,576,713</b>	<b>57,016,895</b>	<b>62,439,341</b>
Deducting allowance for diminution in value of			
allowance for diminution in value of goods	724,805	720,053	733,579
and deteriorated goods	-	-	-
- Finished goods	5,384	24,906	51,796
- Work in process	589,857	299,111	421,336
- Convertible raw materials	3,239,594	3,477,564	2,618,381
<b>Total</b>	<b>4,559,640</b>	<b>4,521,634</b>	<b>3,825,092</b>
<b>Inventory - net</b>	<b>44,017,073</b>	<b>52,495,261</b>	<b>58,614,249</b>

Most of the inventory was stored in the form of raw materials, more importantly the agricultural ones and finished goods. From 2021-2023, these raw materials were averaged at 32.11% of the total values of inventory. The Company also has the policy to purchase the agricultural products in a large sum for each time to prevent a shortage of raw materials and uncertainty of the supply cultivated each year. In fact, agricultural products can be stored for a long period of time after being extracted into transformation raw materials.

As of December 31, 2021, raw materials decreased 9.37% from the end of 2020. And as of December 31, 2022, raw materials a decreased of 1.82 million baht, or 9.42% from the end of 2021 and as of December 31, 2023, the raw materials decreased by 0.23 million baht, representing 1.33 % from the end of 2022.

Other inventory included finished goods. During 2021 – 2023, it valued averagely at 16.14% of the total values of inventory. At the end of 2021, finished goods inventory decreased by 13.86 % from the end of 2020. And at the end of 2022, finished goods inventory decreased 3.70 % from the end of 2021. And at the end of 2023, finished goods inventories an increased of 1.29 million baht, representing 15.17 % from the end of 2022.

The Company has arranged the allowance for the lower prices of goods and deterioration of quality products, mainly caused by a slow flow of finished goods, raw materials and packaging but not by defects. In fact, these were caused by a slow flow of most Garcinia whereas the amount of Garcinia stored at 31<sup>st</sup> December 2023, compared to an estimation of the annual production, could be used for about 5 years in a row since it was projected that Garcinia would be used for more production. Garcinia raw materials would be stored in the form of dried products in the warehouse with proper temperature and humidity. The Company would annually check the physical and chemical properties to ensure that essential components or Hydroxy-citric acids (HCA) were to accord with the standard criteria. According to the Company's tests, the amount of HCA in Garcinia stored more than 5 years was still in compliance with the set standards.

The year 2023, the company has reviewed and adjusted the policy for setting aside allowance for diminution in value and products with deteriorated of quality raw materials and convertible raw materials appropriately to reflect the accounting value of the raw materials and convertible raw materials remaining in the company's financial statements to be as accurate as possible, the company has therefore reviewed and adjusted the policy for setting aside allowance for diminution in value and deteriorated products as follows:

#### **1. Raw materials and convertible raw materials**

##### **1.1 Raw materials that the company orders from farmers, such as garcinia fruit, mangosteen peel.**

##### **1.2 Transformed raw materials that the company extracts itself, such as Garcinia Cambogia extract, Mangosteen peel extract**

The policy regarding allowance for deterioration of quality raw materials and convertible raw materials are shown below.

- aged over 5-10 years – Allowance for deterioration of quality products made at 5%
- aged over 10-11 years – Allowance for deterioration of quality products made at 10%
- aged over 11-12 years – Allowance for deterioration of quality products made at 20%
- aged over 12-13 years – Allowance for deterioration of quality products made at 40%
- aged over 13-14 years – Allowance for deterioration of quality products made at 60%
- aged over 14-15 years – Allowance for deterioration of quality products made at 80%
- aged over 15 years – Allowance for deterioration of quality products made at 100%

## 2. Other raw materials that the company orders from distributors

aged over 5-8 years – Allowance for deterioration of quality products made at 5%  
aged over 8-10 years – Allowance for deterioration of quality products made at 10%  
aged over 10-12 years – Allowance for deterioration of quality products made at 20%  
aged over 12-13 years – Allowance for deterioration of quality products made at 40%  
aged over 13-14 years – Allowance for deterioration of quality products made at 60%  
aged over 14-15 years – Allowance for deterioration of quality products made at 80%  
aged over 15 years – Allowance for deterioration of quality products made at 100%

As of December 31, 2023, the Company had 9 years 4 months Garcinia valued at 5.62 million baht, with allowance for deterioration of quality products made at 5% of the remaining value for Garcinia aged over 5-10 years. The Company did not have any Garcinia aged over 10 years in its stock. The Company has a policy to buy a lot of Garcinia, since it is a seasonally rare fruit and it is rare in some years. It takes time to gather and transport from the southern border provinces. Therefore, the stock has been reserved for sufficient production.

As of 31<sup>st</sup> December 2021, 2022 and 2023, the amount of stored mangosteen peel aged over 1 year but not over 5 years was worth 5.47 million Baht, 5.26 million Baht and 4.71 million Baht respectively. For the year 2023, there are mangosteen peels with an shelf life of more than 5 years but not more than 6 years, worth 0.95 million baht. The Company therefore has set aside an allowance for deteriorated products in mangosteen peels at 5 %of the remaining value for mangosteen peels with an age of more than 5 years. years – 10 years. Moreover, the mangosteen peel was already under the policy for allowance for deterioration of quality products regarding raw materials. The Company would make its reservation for raw materials aged over 5 years. However, the mangosteen peel contained stable molecular substances with a slim chance of value deterioration. Even though it was stored under humidity, this would not decrease Mangostin (GM-1) obtained from the mangosteen peel.

As of 31<sup>st</sup> December 2021, 2022 and 2023, the amount of stored mangosteen flesh was worth 0.82 million Baht, 0.13 million Baht and 0.00 million Baht, respectively. There was no mangosteen flesh aged over 2 year left in the stock. Therefore, the Company has not arranged the allowance for deterioration of quality products as the mangosteen flesh would be stored in a controlled room with its temperature below -18 C. This would help preserve the physical and chemical properties of mangosteen flesh. According to the Auditing Committee Meeting no.4/2014 dated 10<sup>th</sup> November 2014, the policy for allowance for deterioration of quality products regarding fresh raw materials aged over 3 years was made at 20%.

(4) Other current financial assets at the end of 2021 – at the end of 2023 were 68.32 million baht, 97.00 million baht and 125.55 million baht, respectively, accounted for 10.04%, 14.26% and 17.82% of total assets respectively. At the end of 2021, other current financial assets were 68.32 million baht, consisting of debt instruments (in private funds) in the amount of 31.70 million baht, investment units in the amount of 34.19 million baht, investment units (in private funds) in the amount of 1.90 million baht, and Fixed deposit for 12 months in the amount of 0.54 million. At the end of 2022, other current financial assets amounted to 97.00 million baht, consisting of debt securities (in private funds) in the amount of 61.21 million baht, investment units in the amount of 33.87 million baht, investment units (in private funds) in the amount of 1.88 million baht, and Fixed deposit for 12 months in the amount of 0.04 million baht. and at the end of 2023, other current financial assets amounted to 125.55 million baht, consisting of debt securities (in private funds) in the amount of 72.11 million baht, debt securities in the amount of 29.85 million baht, investment units in the amount of 0.75 million baht, investment units (in private funds) in the amount of 22.79 million baht, and Fixed deposit for 12 months in the amount of 0.04 million baht.

Non-current assets at the end of 2021 – at the end of 2023 were equivalent to 449.42 million baht, 442.64 million baht, and 403.91 million baht respectively, accounted for 66.04 %, 65.08 %, and 57.31% of the total assets respectively. Main non-current assets were other non-current financial assets totaling 344.92 million baht, 363.24 million baht, and 302.25 million baht at the end of 2021 –2023, accounting for 50.68 %, 53.41%, and 42.89 % of total assets respectively, followed by land plots, buildings, and instruments worth at 56.83 million baht, 50.35 million baht, and 48.92 million baht at the end of 2021–2023, or 12.68 % of non-current assets. At the end of 2021, a decrease of 10.86 % from 2020. At the end of 2022, a decrease of 11.41 % from 2021 and at the end of 2023, a decreased of 6.80% from 2022. Other non-current assets consists of insurance money and various deposits. At the end of 2021, other non-current financial assets amounted to 344.92 million baht, consisting of Debt securities (in private funds) of 269.19 million baht, equity securities of listed companies of 65.75 million baht and debt securities of 9.98 million baht. At the end of 2022, other non-current financial assets amounted to 363.24 million baht, accounting for 53.41% of total assets, consisting of debt securities (in private funds) of 241.83 million baht, equity securities of listed companies of 71.41 million baht, and debt securities of 49.99 million baht. And at the end of 2023, other non-current financial assets amounted to 302.25 million baht, accounting for 42.89% of total assets, consisting of debt securities (in private funds) of 226.52 million baht, equity securities of listed companies of 55.71 million baht, and debt securities of 20.02 million baht.

### **Liabilities**

Total liabilities of the Company as at the end of 2021 - 2023 amounted to 85.54 million Baht, 69.64 million Baht and 92.34 million Baht respectively. The Company did not use any source of funds from financial institution loans. Therefore, most of its liabilities are considered the Total current liabilities, amounted to 47.75 million Baht, 45.10 million Baht and 46.20 million Baht, respectively, or 7.02%, 6.63% and 6.56% of liabilities and shareholders' equity respectively. At the end of 2021-2023, the total debt amount has grown as a result of the adoption of TFRS 16, there is an increase in lease liabilities . The Main current liabilities are indicated below.

(1) Accounts payable and other payables at the end of 2021 - 2023, amounted to 17.01 million Baht, 17.17 million Baht and 19.32 million Baht, respectively, or 2.50%, 2.53% and 2.74% of total assets, respectively. Classified as trade accounts payable at the end of 2021 – 2023 amounted to 1.99 million Baht, 0.64 million Baht and 1.20 million Baht, respectively. With the payment period of 10 days, 10 days and 6 days, respectively. Other payables include other payables - related companies and accrued expenses. The creditor-relevant company refers to the creditor subject to compensations for the research and development the Company must pay to ArunPittaya Co.,Ltd. Accrued expenses hereby consist of accrued commissions, accrued rental expense, accrued services and public utilities. As of December 31, 2021, trade and other payables decreased by 1.85 million baht from the end of 2020. As of December 31, 2022, trade and other payables increased from the end of 2021 approximately 0.15 million baht. And as of December 31, 2023, trade and other payables increased from the end of 2022 approximately 2.15 million baht due to increased accrued expenses.

(2) Accrued income tax at the end of 2021 - 2023 amounted to 9.64 million Baht, 12.70 million Baht and 10.77 million Baht, respectively. As at December 31, 2021-2023, Accrued income tax accounted for 20.19%, 28.17% and 23.32% of current liabilities respectively, or 1.42%, 1.87% and 1.53% of total assets, respectively.

Non-current liabilities of the Company as at the end of 2021 - 2023, amounted to 37.79 million Baht, 24.55 million Baht and 46.14 million Baht, respectively, accounted for 5.55%, 3.61% and 6.55% of the total assets respectively. Non-current liabilities of the Company included:

(1) The lease liability at the end of 2021-2023 amounted to 15.49 million baht, 1.62 million baht and 22.62 million baht, or 2.28%, 0.24% and 3.15% of the total assets respectively. Which was the liability from building lease agreements for the operation of the business.



(2) Employee benefit obligations at the end of 2021- 2023, amounted to 17.29 million Baht, 18.89 million Baht and 19.88 million Baht, respectively, accounted for 2.54%, 2.78% and 2.82% of total assets respectively. Segmentation is an estimate of post-employment benefits and gratuity benefits in accordance with the provisions of the Labor Protection Act BE 2541 providing retirement benefits and other long-term benefits to employees based on their rights and working time according to TAS 19, which entered into force in 2011.

(3) Estimated cost in demolishing the rental building, at the end of 2021-2023 amounted to 5.01 million baht, 4.04 million baht and 4.04 million baht, or 0.74%, 0.59% and 0.57% of the total assets, respectively. The estimated cost of demolition at the end of the 3-year rental contract (starting from 1<sup>st</sup> October 2014) of the AIA Building Capital Center (30<sup>th</sup> floor), the new branch at Ratchada and a sales office at Espanad Shopping Center. The Company has renewed the lease for another 3 years in 2017. The Company has renewed the lease every 3 years.

### **Shareholder's Equity**

At the end of 2021 – 2023, Shareholders' equity was equivalent to 594.99 million Baht, 610.51 million Baht and 612.39 million Baht respectively. Retained earnings of the Company as at the end of 2021 - 2023 was equivalent to 104.08 million Baht, 123.64 million Baht and 138.96 million Baht respectively. The Company also paid the dividend from 2021-2023 in sum of 71.95 million Baht 73.99 million Baht and 92.94 million Baht respectively.

In 2014, the Company increased the registered capital from 200.00 million Baht to 300.00 million Baht to comply with the resolution made by the 2014 Annual Shareholder Meeting on 31<sup>st</sup> March 2014 to pay the stock dividend worth 40 million Baht and to decide on the right offering in a total of 32.00 million shares whereas the remaining 28 million shares is subject to the private placement. The Company processed the stock dividend and the right offering in April as well as registration for changing the paid-up capital to 272 million Baht on 20<sup>th</sup> May 2014. According to the Extraordinary Shareholder Meeting No.1/2014 dated 23<sup>rd</sup> September 2014, the capital decrease in sum of 28 million shares was approved whereas the equivalent capital increase was also approved for the public offering in response of their supports.

The 2015 Annual Shareholder Meeting on 26<sup>th</sup> March 2015 approved the change of par value from 1.00 Baht per share to 0.10 Baht per share, which changed a total of 300,000,000 ordinary shares worth 1.00 Baht per share to a total of 3,000,000,000 ordinary shares worth 0.10 Baht. Upon being approved by the shareholders, the public offering will be processed, from a sum of 28,000,018 ordinary shares worth 1.00 Baht per share to 280,000,018 ordinary shares worth 0.10 Baht. On 24<sup>th</sup>, 27<sup>th</sup> – 30<sup>th</sup> April 2015, the Company sold the newly issued ordinary shares in the public offering process in response of their supports in a total of 25,374,825 ordinary shares worth 0.10 Baht each, at the proposed price of 2.7714 Baht per share (The actual sales price was 2.91 Baht per share as when summing up with the complimentary shares of 5% of the total purchased shares, the net price per share that investors paid was equivalent to 2.7714 Baht). The total newly issued ordinary shares offered were worth 70.32 million Baht, shown in the paid new ordinary shares at 2.54 million Baht and the share premium at 65.57 million Baht (Net value after deducting share offering expenses of 2.2 million Baht). As a result, the proportion of shareholders at the end of the year 2015 increased. In this regard, the Company has registered the paid-up capital of 274.54 million Baht to the Ministry of Commerce on 20<sup>th</sup> May 2015.

On April 8, 2016, the Annual General Meeting of Shareholders passed the following resolutions:

1. Approval of the capital reduction by canceling total amount 254,625,355 registered ordinary shares, the par value of 0.10 Baht per share, totaling 25,462,535.50 Baht, from the existing registered capital of Baht 300,000,000, to the registered capital of 274,537,464.50 Baht.

2. Approved the increase of the registered capital 25,462,535.50 Baht divided into 254,625,355 common shares with a par value of 0.10 Baht per share from the existing registered capital. Baht 274,537,464.50 to a registered share capital of Baht 300,000,000 divided into 3,000,000,000 common shares with a par value of 0.10 Baht each.

3. Approved the allocation of up to 254,625,355 new ordinary shares with a par value of 0.10 Baht per share, for Public offering. The offering price is determined by the average market price of the common shares of the Company. In the case of the remaining capital from the public offering, the Company will allocate them to the existing shareholders in proportion (Right Offering) at 0.10 Baht.

The Company has offered for sale to public offering of 254,625,355 shares on October 7<sup>th</sup> and October 10<sup>th</sup> - 13<sup>th</sup>, 2016 whereas the supporters of the Company have subscribed of 16,252,060 newly issued ordinary shares at the price of 1.3455 Baht per share (the selling price of 1.48 Baht per share, including 10% of the paid-up shares, The net price per share paid by the investor is 1.3455 Baht per share), totaling 21.9 million Baht. On October 14, 2016, the Company received the entire paid-up capital. The Company registered the increase of its paid-up capital to the Ministry of Commerce on 18 October 2016, resulting in 238,373,295 new ordinary shares. The Board of Directors' Meeting No. 5/2016 held on 18 October 2016 passed a resolution to approve Allotment of 238,373,295 newly issued ordinary shares to existing shareholders at the offering price of 0.10 Baht, with the allocation ratio of 11.5854 existing shares for 1 new share, On 18 and 21-24 November 2016 has new ordinary shares have been subscribed and paid up shares for the existing shareholders. On November 28, 2016, the Company received the payment of share capital of 23.8 million Baht. The Company registered the increase of its paid-up capital to the Ministry of Commerce on 29 November 2016. The direct expenses associates with the share offering of Baht 2.2 million (net of income tax of Baht 0.4 million) are presented net of share premium.

Later, the Annual General Meeting of Shareholders for the year 2018 on April 9, 2018 passed a resolution to approve the change of the par value from 0.10 baht per share to 0.50 baht per share, which will make the number of ordinary shares from the original 3,000,000,000 Shares at 0.10 baht per share, 600,000,000 ordinary shares at a price of 0.50 baht per share.

The liability ratio per shareholder's equity at the end of 2021 through 2023 was equivalent to 0.14 times, 0.11 times, and 0.15 times respectively. This ratio is quite a low level in line with the facts that the capital sources for business operations in the Company derive from the shareholder's equity and cash flow from its operation. Positively, it also leads to a low level of financial risks and more flexibility for business operations.

### Liquidity

#### Cash flow comparison for the year ended December 31, 2021-2023

list	Consolidated Financial Statements			Financial Statements in which equity method is applied
	For the year ended December 31,			
	2023	2022	2021	
Cash Flows from Operating Activities	124,098,958	100,181,383	84,396,527	
Cash Flow from investing activities	29,137,205	(28,784,228)	4,948,974	
Cash Flows from Financing Activity	(109,747,570)	(87,844,249)	(90,953,735)	
Cash and cash equivalents increased (decreased) - net	43,488,593	(16,447,094)	(1,608,234)	

#### (1) Cash Flow

Cash flow from the Company's operations in 2021 - 2023 remained constantly positive, amounting to 84.40 million Baht, 100.18 million Baht, and 124.10 million Baht respectively. This stemmed from continuous net profits of the Company. The cash flow from investments in 2021 - 2023 amounted to 4.95 million Baht, (28.78) million Baht, and 29.14 million Baht respectively.

For the year 2021, the Company had positive cash flow from investing activities due to an increase in interest revenue from private funds from 2020 by 4.26 million baht, 0.36 million baht from debenture interest revenue, and cash paid for the purchase of machinery and equipment decreased.

For the year 2022, the Company had negative cash flow from investing activities due to an increase in financial assets from investing in debt instruments (private funds) and listed company equity instruments.

For the year 2023, the Company had positive cash flow from investing activities. This is because cash received from financial assets increased from investments in debt instruments (private funds) and equity instruments of listed companies.

The Company had cash flow from financing activities in 2021 – 2023 equal to (90.95) million baht and (87.84) and (109.75) million baht, respectively. As the Company annually paid the dividend to shareholders at the proportion higher than 95% of the net profit, cash flow from financial events was negative. In the year 2021, the Company had a negative cash flow from financing activities increased due to dividend payment of 71.95 million baht. In the year 2022, the Company had a negative cash flow from financing activities increased due to dividend payment of 73.99 million baht. And in the year 2023, the Company had a negative cash flow from financing activities increased due to dividend payment of 92.94 million baht.

#### (2) Liquidity Ratio

In the year 2021 – 2023, APCO's liquidity amounted to 4.84 times, 5.27 times and 6.51 times respectively, regarded as a high level since the Company maintained a huge amount of cash from its operation. However, with respect to the cash flow of the Company, it was deemed a long period. From 2021 to 2023, the Company's cash flow was 462, 413, and 300 days respectively. The main cause was the storage of agricultural raw materials and processed materials in a large amount for production exceeding 2 years. In addition, sales of excess fat reduction products decreased. Therefore, there are still finished goods. As a result, the cash cycle in 2021 increased from the previous year. In the year 2023, the cash cycle decreased significantly because inventories decreased from 2022 in the amount of 8.48 million baht due to the storage of agricultural raw materials and converted raw materials in reduced quantities. However, the Company still has sufficient liquidity to manage such long-term cash cycle. Therefore, the Company does not rely on loans from financial institutions.

## 5. General and Other Important Information

### 5.1 General Information

Company Name in Thai	: บริษัท เอเชียัน ไฟytoceuticals จำกัด (มหาชน) (“บริษัทฯ”)
Company Name in English	: ASIAN PHYTOCEUTICALS PUBLIC COMPANY LIMITED
Business Category	: Manufacture and distribute health and beauty products from natural extracts based on the researches and developments of Thai scientists.
Registered Capital	: THB 300 Million, comprising 600 million common shares, each of which is worth THB 0.5 per share (December 31, 2023)
Issued and Paid-up Share	: THB 300 Million, comprising 600 million common shares, each of which is worth THB 0.5 per share (December 31, 2023)
Head Office	: 84/3 Moo 4 Northern Region Industrial Estate (West side) Super Highway No.11 Rd., Banklang, Muang Lamphun, Lamphun 51000 Tel. 053 581 374 Fax. 053 581 375
Branch Office	: <u>Ratchadapisek Branch</u> 89, 30 <sup>th</sup> Floor, AIA Capital Center Building, Ratchadapisek Rd., Dindaeng, Bangkok 10400 Tel. 0-2646-4800 : <u>Chiang Mai Branch</u> 61/5 Intawarorot Rd., Sripum Sub-district, Muang, Chiang Mai 50200 Tel. 0-5335-8276 : <u>Hat Yai Branch</u> 20,22 Choti Wittayakul 5 Rd., Hat Yai Sub-district, Hat Yai, Songkhla 90110 Tel. 0-7455-9464-5 : <u>Chonburi Branch</u> 170/126-128 Moo 3, Samet Sub-district, Muang, Chonburi 20000 Tel. 0-3845-5025 : <u>Esplanade Branch</u> Esplanade Building, Room No. 317, 3 <sup>rd</sup> Floor, 99 Ratchadapisek Rd., Dindaeng, Bangkok 10400 Tel. 0-2660-9011
Registration Number	: 0107548000480
Home Page	: <a href="http://www.apco.co.th">www.apco.co.th</a>
Subsidiary	: Killer T Cells for Pets Co., Ltd. 89 AIA Capital Center Building, 30th Floor, Ratchadapisek Rd., Dindaeng Subdistrict, Din Daeng District, Bangkok.
Business Category	: Research, academic promotion and marketing of pharmaceutical supplements in the global animal market.
Registered Capital	: 10 Million Baht (APCO holds 55.00% of shares)
Associate	: Bim Health Center Co., Ltd. Paradise Park Building, Room No.S065/00, 3 <sup>rd</sup> Floor, 61 Srinakarin Road, Nongbon, Prawet, Bangkok 10250
Business Category	: Buy and sell dietary supplements and cosmetics which are produced from natural extracts.
Registered Capital	: 10 Million Baht (APCO holds 49.99% of shares)

References	: Thailand Securities Depository Co.,Ltd.
Securities Registrar	93 The Stock Exchange of Thailand Building, Ratchadapisek Road, Dindaeng, Bangkok 10400 Tel. 0-2009-9999 Fax.0-2009-9991
Auditor	: Ms. Sunanta Kumsuk, CPA License No.8207 AST Master Co.,Ltd. 790/12 Thonglor Tower Building, Thonglor Soi 18, Sukhumvit Rd., 55 Klongtan, Wattana, Bangkok Tel. 0-2714-8842 Fax. 0-2185-0225

## 5.2 Other Important Information

-None-

## 5.3 Legal Dispute

-None-

## Part 2

### Corporate Governance

#### 6. Corporate Governance Policy

The Company realizes the importance of adhering to the principles of corporate governance in business operations. Therefore, the Board of Directors has the policy to comply with the law, objectives, regulations, and resolutions of the shareholders' meeting of the Company. It also adheres to and follows good corporate governance principles such as the Code of Best Practices for Directors of Listed Company in accordance with the guidelines of the Stock Exchange of Thailand, the criteria under the Corporate Governance Report of Thai Listed Companies (CGR) of the Thai Institute of Directors (IOD), as well as the Good Corporate Governance Code for listed companies 2017 promulgated by the Securities and Exchange Commission (SEC), which the Company has adopted as a guideline for developing policies that include the rights and equality of the shareholders and stakeholders, structure, roles, responsibilities and independence of the Board of Directors, disclosure and transparency, control and risk management, and business ethics. All of these are for promoting the efficiency and transparency of the management and business. The content is reviewed annually in the 1<sup>st</sup> Board of Director meeting, along with preparing a manual on the principles of good corporate governance and business ethics to guide all Directors, Executives and Employees to abide by and published on the Company's website for public to be informed.

Strict and consistent implementation of the good corporate governance policy resulted in the year 2023, where the Company has been assessed on various corporate governance matters as follows:

- The Corporate Governance Report of Thai Listed Companies (CGR) for the year 2023 from the Thai Institute of Directors Association (IOD) at the level of “excellent”.
- The quality assessment of the 2023 Annual General Meeting of Shareholders (AGM Checklist) by the Thai Investors Association, with an overall score of 97.5

The Corporate Governance Code (CG Code) consists of 8 principles as follows:

- Principle 1 Establish Clear Leadership Role and Responsibilities of the Board
- Principle 2 Define Objectives that Promote Sustainable Value Creation
- Principle 3 Strengthen Board Effectiveness
- Principle 4 Ensure Effective CEO and People Management
- Principle 5 Nurture Innovation and Responsible Business
- Principle 6 Strengthen Effective Risk Management and Internal Control
- Principle 7 Ensure Disclosure and Financial Integrity
- Principle 8 Ensure Engagement and Communication with Shareholders

## Principle 1 Establish Clear Leadership Role and Responsibilities of the Board

The Board should demonstrate a thorough understanding of leadership role, assume responsibilities in overseeing the Company, and strengthen good governance, including defining objectives, determining means to attain the objectives, and monitoring, evaluating and reporting on performance for the Company competitiveness and performance with a long-term perspective. Also overseeing having an ethical and responsible business, good corporate citizenship, and corporate resilience. The Board should ensure that all Directors and Executives perform their responsibilities in compliance with their fiduciary duties and that the Company operates in accordance with applicable law and standards.

The Board of Directors has set the duties and responsibilities of the Board of Directors Sub-Committees are clearly separated from management duties and responsibilities in order to achieve a counterbalance. The Company has established roles and duties among the Board of Directors. The management is separated into 3 groups: (1) matters that the Board of Directors should do (2) matters that the Board of Directors should work with the management, and (3) matters that the Board of Directors should not do as follows

Matters that the Board of Directors should perform include:

- 1) Defining vision, mission, and main goals in business operation
- 2) Creating an ethical corporate culture Including behaving as a model
- 3) Work plan and annual budget
- 4) Investment in various projects Make important contracts of the Company and companies in the group
- 5) Management restructuring
- 6) Dividend Policy
- 7) self-assessment of performance and Chief Executive Officer
- 8) Determination of Chief Executive Officer Remuneration
- 9) Appointment of directors issued during the year Appointment of Sub-Committees
- 10) Determination of names of directors who are authorized to bind the Company
- 11) Appointment of employees from the level of Assistant Chief Executive Officer up.

Matters that the Board of Directors should work with the management are:

- 1) Formulation and review of strategies, goals and annual work plans
- 2) Overseeing the adequacy of the risk management system and internal control
- 3) determination of authority that is appropriate to the responsibility of the management
- 4) Establishing a framework for resource allocation, development and budget such as human resource management policies and plans and information technology policies
- 5) Performance monitoring and evaluation
- 6) Ensuring reliable disclosure of financial and non-financial information

Matters that the Board of Directors should not do include:

- 1) Matters that the Board of Directors assigns the management to be the main responsible for performing operations, that is, management (Execution) in accordance with the strategy, policy or plan approved by the Board of Directors in Established policy framework and monitor the results without interfering with the decision or the work of the management unless there is a need

2) Matters that have prohibitions such as approving transactions that directors have interests, etc.

The Chief Executive Officer with duties for business operations and daily operation management as assigned and manages business in accordance with the policies, plans, budgets approved by the Board, and accurately and thoroughly safeguards the interests of the Company and shareholders.

## **Principle 2** Define Objectives that Promote Sustainable Value Creation

The Board should define objectives that promote sustainable value creation and governance outcomes as a framework for the operation of the Company and the Board should ensure that the Company's annual and medium-term objectives, goals, strategies, and plans are consistent with the long-term objectives, while utilising innovation and technology effectively.

## **Principle 3** Strengthen Board Effectiveness

### **Structure of the Board of Directors**

The Board of Directors consists of diverse directors in both sex and knowledge, competency, and business experience that are beneficial to the Company. The Company's Board of Directors is appointed by the general meeting of shareholders. The Company regulates that at least one-third of the Board, but not fewer than 3 persons, is to be Independent Directors representing the minority of shareholders. They have to check and balance the Company's administration of the affairs to provide the best, fairest and most accurate interest to the shareholders. At present, the Board of Directors has a total of 7 directors, three of whom are Independent Directors, one serving as the Chairperson of the Audit Committee (female) and 2 members of the Audit Committee (male). The Chairperson of the Audit Committee has sufficient knowledge in accounting to be able to audit and ensure the reliability of financial statements.

The Company is composed of an Executive Committee, which is the Chief Executive Officer (CEO), and 6 Non-Executive Directors, most of whom have prior experience related to the Company's main business, the industrial sector, or the management of a large organization beneficial to the directing of the Company.

### **Independence of the Chairperson of the Board**

The Chairperson of the Board is an Independent Director and must not be the same person as the Chief Executive Officer to achieve the balance and the review of the management. To achieve this, the Company has clearly set the scopes of power, duties and responsibilities of the Chairperson of the Board and the Chairman of the Executive Committee with the scope of power as described below:

#### ***Scopes of Power for the Chairperson of the Board***

1. Act as the leader in monitoring and supervising the management of the Board of Directors and Sub-Committees to achieve the objectives a planned.
2. Act as the Chairperson for Board meetings and shareholder meetings.
3. Make a final decision in the event of equal votes among the Board of Directors.

#### ***Scopes of Power for the Chief Executive Officer***

1. Manage and supervise the operation relating to the Company's general affairs to accord with the objectives, policy, rules and regulations of the Company.
2. Plan about the investment in businesses and propose to the Executive Committee and the Board of Directors for any further approval.



3. Have the power to enter into the agreements to bind the Company under the scopes as stipulated in the policy and operation guidelines of the Company with respect to the power of approval.

4. Perform any operation as assigned by the resolutions of the Board meeting and/or the resolutions of the shareholder's meeting.

In addition, the Company has clearly set out the scope, power, duty and responsibility of the Board of Directors, the Executive Committee and the Chief Executive Officer to prevent the Executive Committee and the Chief Executive Officer from overpower and approval for unlimited financial credits.

#### **Directorship in Other Companies of the Directors**

The Company also has the policy to limit a number of listed companies for each Board member to serve as their Board of Directors; not more than 3 for listed companies and not more than 5 for subsidiaries which are not the registered companies.

For any of the Company's Board working as its Executive, they are not able to serve in other companies as the Board member exceeding the limit of two companies. As the Chief Executive Officer has his duties to administer the routines, taking a position of a Board member in other companies may disturb the working hours. The Board of Directors has no policy to support the Chief Executive Officer to take any positions in other businesses.

#### **Sub-Committees**

The Board of Directors has appointed the following Sub-Committees to assist in the Company's operations:

- 3 Executive Committees who help facilitate operations with the powers and duties assigned by the Board of Directors.
- The Audit Committee has at least 3 persons to monitor and assist in overseeing the operations of the Company's scope of duties as assigned by the Board of Directors. All members have qualifications stated in the Securities and Exchange Act or in the rules and regulations of the Securities and Exchange Commission or the Securities and Exchange Commission or the Stock Exchange of Thailand.

However, the Company may recruit other Sub-Committees to perform their assigned tasks to alleviate the administrative burden of the Board of Directors in the future.

#### **The Board of Directors' Meeting**

According to the official meeting schedules for the Board throughout the year, the Board of Directors held at least one meeting every three months as well as other special meetings if necessary. A monthly report is also expected to be compiled and distributed among the Board of the Directors to help them direct, control and supervise the operation of the management section promptly and continuously. A meeting invitation has to be sent to the Board of Directors for consideration at least seven days before a meeting is held, except in urgent cases to protect the Company's rights or profits. The Board of Directors can ask for any extra information from the Company Secretary if needed.

The Chairperson who is an independent director and Chief Executive Officer will consider the agenda, and each member of the Board can also propose an agenda. The Chief Executive Officer may join the meeting in order to give extra information in certain occasions.

Prior to the resolution at the Board meeting, the Company has the policy of the minimum quorum at the time of voting not less than 2 out of 3 of the whole Board of Director.

The Company has a policy for Non-Executive Directors to hold a meeting meetings among themselves with the auditors without the management to attend at least once a year in order to discuss about the management-related problems of their interest and inform the Chief Executive Officer of the meeting's result.

#### **Directors' Remuneration**

The remuneration of the Company's Board of Directors is at the level which can motivate them retain the quality directors required and lead the organization to achieve both short-term and long-term. The remuneration will be at the same level as that of other groups in the same industry, and is linked to the Company's performance. The remuneration of the Board of Directors must be presented and approved by the shareholders' meeting.

#### **Orientation for New Directors and Development of the Board of Directors and Executives**

Every time there is a new director, the company secretary will provide information that is useful for the performance of the new director's duties and provide an introduction to the nature of the business and the company's business guidelines for the new director, including encouraging new directors to attend training courses for directors.

In addition, the Board of Directors has the policy to support and provide trainings and workshops to all involved employees in the corporate governance system, such as the Boards, Audit Committee and Managing Directors, in order to continuously help improve their performance. Training and workshops may be arranged in the office or at other external institutes.

#### **Assessment of the Board's Performance**

The Board Self-Assessment is required once a year to serve as the framework for assessing the Board's performance during the previous year and to improve as well as to enhance work efficiency of the Board of Directors. The result of this assessment will be further considered for setting up the working guideline. The Company Secretary should deliver the performance assessment of the Board of Directors for performing self-assessment in 6 headings: (1) Board structure and qualifications (2) Roles, duties and responsibilities of the Board (3) The Board meeting (4) Duties of directors (5) Relationship with management (6) Director's self improvement and management training. The results will be presented to the Board for consideration for further development of the performance of duties.

#### **Assessment of the Sub-Committees's Performance**

The Board has assigned the Audit Committee to perform Self-Assessment once a year to serve as the framework for assessing performance during the previous year for improvement as well as enhancing work efficiency of the Audit Committee. The result of this assessment will be further considered for setting up the working guideline. The Company Secretary should deliver a performance assessment for the Audit Committee to self-assess in 3 headings: (1) The appropriateness of the Board structure and qualifications to do effective work (2) The effectiveness of the committee in performing the meetings (3) The roles and responsibilities of the committee in recognizing the importance and to spend the time to consider, review and abide sufficiently. The results will be presented to the Board for consideration.

## **Principle 4** Ensure Effective CEO and People Management

The Company places great importance on recruiting and developing top executives and personnel management. This is part of driving the organization in accordance with the policy and strategy set by the Board of Directors. In recruiting top management, the Board of Directors will consider the knowledge, skills, experience, and necessary qualifications.

### **Assessment of the Chief Executive Officer**

The Board of Directors requires an annual assessment of the performance of the Chief Executive Officer by using evaluation criteria suitable to the Company as suggested by the Stock Exchange of Thailand. The Company Secretary should deliver a performance assessment of the top management to the Board of Directors to evaluate in 10 headings: (1) leadership (2) the strategic plan (3) the execution of the strategy (4) the planning and executing of debt (5) the relationship with the Board (6) the relationship with the outsiders (7) management and relationships with staff (8) the succession (9) the knowledge of products and services (10) the personal characteristic. The results will be presented to the Board for consideration.

### **Executive Remuneration**

The Board of Directors has a policy of remunerating the Chief Executive Officer and senior management. This is in accordance with the fair policy and criteria set by the Board of Directors. Long-term salary, bonus, and incentive compensation levels are appropriately linked to the Company's performance, operations of each senior management and the workload that has increased from the expansion of the company comparing with the compensation of companies in the same industry. The Board of Directors considers the performance and remuneration of the Executive Directors and the Chief Executive Officer while the Chief Executive Officer considers the performance of the Assistant to Chief Executive Officer of various divisions.

### **Succession Planning**

The Board of Directors prioritizes and supports the development of succession planning in the position of Chief Executive Officer and/or important management positions regarded as a part of human resource strategies by taking into account the person suited to the succession plan. Meanwhile, the second Chief Executive will temporarily act for such a position. However, the permanent one must be approved by the Board of Directors to assure that such a person is professional and capable of managing the Company freely from the influence of the major shareholders or any other person.

### **Personnel Management**

The Board of Directors has a policy to develop human resources to have knowledge and skills at all times, details are disclosed in Clause 7.5 Information about employees under the topic "Employee Training and Development Policy".

## **Principle 5** Nurture Innovation and Responsible Business

### **Business Code of Conduct**

The Company has written a guidelines on the business code of conduct for the Board of Directors, Executives and all Employees to observe. Its key issues are the discretion of the Company's confidentiality, honest and law-abiding operations, respect of the legitimate rights of each other and caution of the resources, both internal and

external environment. This important focus of ethics in business will bring integrity in performances and the efficiency of an internal control, resulting in faith in capital markets and confidence to establish credibility with investors.

The Company has publicized the business codes of conduct through several channels and assigned all the heads to monitor and observe an implementation of the business codes of conduct, including suggestions and consultations in the event of the arising problems beyond the stipulated business codes of conduct. Those suggestions must comply with the law without any conflict against the Company's policy or business codes of conduct. Besides, they must not damage the Company's image and other relevant stakeholders.

In case of any violation to the business codes of conduct, the heads must undertake proper measures to correct the misconduct or give any warning. The wrongdoer is subject to any disciplinary penalty or legal punishment if such misconduct is against the laws.

The Company gives importance to the rights of all groups of stakeholders and has a policy to treat each group of stakeholders as follows:

- Shareholders: In addition to the fundamental rights, the rights specified by the laws and company's regulations include the right to attend the shareholder's meeting and vote, the right to express their opinion freely and others. The Company is committed to dealing businesses with the knowledge and management skills as best as possible in all cases with the honesty and fairness to both major and minor shareholders for the best interest of shareholders as a whole. This includes disclosure of information on a regular basis with completeness and accuracy.
- Employees: The Company will provide fair remuneration to employees, set up the provident fund, maintain good health and safety, maintain the working environment that is safe for life and property through welfare policy, privilege, safety, health and environment in the workplace, the sanitary conditions and working environment, make the rules for work safety for employees along with an appointment of the security officer in charge of monitoring it to ensure the work safety, and give an emphasis on the development of employees' potential thoroughly and consistently. It will also strictly comply with laws and regulations that are employee-related and avoid any action that is deemed unfair which may affect the career integrity of the employees as well as treat the employees with courtesy and respect to their dignity as human beings. In last year, records of accidents, absence, and ailments from work were empty.
- Clients: The Company is committed to produce products and services with quality and standards at a reasonable price while promoting the sustainable relationship by setting up its department in term of recommending the products and giving relevant suggestions to maximize the customers' satisfaction. Moreover, it is committed to very strictly and consistently maintain confidentiality of customers, relentlessly in pursuit of opportunities that will continuously benefit the customers and strictly in compliance with conditions prescribed to its clients.
- Joint Ventures: The Company respects the rights of all joint ventures, will not infringe any intellectual property and performs under the ethics as well as provides good cooperation in order to promote the success in compliance with the joint venture's objectives.
- Partners and creditors: The Company will not practice corruption in dealing businesses with its partners and creditors and is committed to comply with the terms of trade and abide by its commitment strictly prescribed with business partners and creditors, e.g. the purposes of payment, reimbursement, the regulations of the quality of collateral and any other agreements with creditors to achieve mutual benefits. In addition, The Company will manage its finance to create an appropriate financial structure to

support the business and maintain the creditors' confidence. In the event that one of the terms is not fulfilled or there arises a cause for a default, the Company must notify the creditor without concealing facts so as to jointly find solutions on a reasonable basis. In the selection of partners, the Company will consider the reasonableness of the price, quality and service received, a condition to look for and to implement is precise and do not call for money or benefits of any kind support from the partners, support the product that are environmentally friendly, avoid buying products from partners with human rights violations or intellectual property violations, not do business with suppliers that do unlawful business.

**Competitors:** The Company will conduct operations under the rules of good competition, will not seek competitors' confidential information by dishonest or improper means, will not infringe any intellectual property or copy right, will act against any corruption and bribe for the Company's benefit, and will not damage the reputation of its alleged competitors without unfounded grounds.

**Community and Society:** The Company will focus on an operation using the resources efficiently and will not take any action that may result in damage to the natural and social environment. Instead, it seeks opportunities to support creative social activities, knowledge training, and social responsibility among employees at all levels continuously and seriously as well as to promote the principle of a good citizen for the community and society in a sustainable way. Moreover, it is to control the practices or performances strictly in accordance with the spirit of the law and regulations issued by regulatory agencies and will not infringe any intellectual property.

#### **Human Rights**

The Company has established a policy for all Directors, Executives, and Employees to respect the principles of universal human rights by encouraging employees to exercise their rights as legitimate, constitutional, and legal by adhering to the Universal Declaration of Human Rights and the United Nations Guiding Principles on Business and Human Rights ("UNGPs"). The Company has principles for not disclosing or transferring employees personal information such as biography, health history, work history, etc. to the public without the consent of that employee. It also emphasizes fair, equitable, and non-discriminatory labor practices and respect for human rights, both in terms of employment, compensation promotion, employee training, and development without discrimination differences in gender, age, educational institution, race, and religion and to support the employment of disadvantaged groups, such as the disabled, the elderly, to create opportunities, careers, and stable income and is part of the achievement of the Sustainable Development Goals (SDGs) of the country and the world. Violation is a disciplinary offense unless done in accordance with the Company's regulations or by law. This includes not supporting activities that violate international human rights principles and corruption, cultivate all employees not to be offensive or threatening, be it verbal or acts against others on the basis of race, gender, religion, age, physical and mental disability.

#### **Intellectual Property or Copyright**

The Company has a policy not to take any action to infringe intellectual property rights whether it is the copyright, patent, or trademark. The Company has complied with the legal requirements on intellectual property. Careful checking is required before using the work or information that belongs to the third party so as to prevent the violation of intellectual property.

## **Principle 6** Strengthen Effective Risk Management and Internal Control

### **Risk Management**

The Company has realized the importance of risk management, the sufficient risk management system is then created by the Board of Directors through a working group of risk management consisting of 1 director and executives of each division. They need to take charge of risk assessment, plan and creation of risk management measures, risk assessment which might put an impact on the Company's business, and monitoring activities of risk management performed by other internal divisions. They are also required to report to the Board of Directors and Audit Committee. Indeed, risk management is the responsibility of all Executives including the installation of risk management as a part of the a culture in the organization.

### **Internal Control and Internal Audit**

The Company has placed importance on internal control system. Therefore, an appropriate and sufficient internal control system has been established to reasonably ensure that the Company's operations will achieve success in accordance with the objectives, goals, and in accordance with relevant regulations, laws and regulations. The duties and authority of Executives and performers are defined clearly in writing. The Company's resources are controlled to be used efficiently for maximum benefits and not be used improperly or without authority, restructuring is formed to segregate duties with checks and balances so as to give the investors' confidence that the Company operates efficiently and there is an appropriate and adequate internal control, increase the credibility of the financial budget. The Audit Committee has been appointed to review and assess the internal control system and there is an internal auditor that has qualifications, experiences, and training that are suitable and sufficient for performing duties to independently audit and evaluate the internal control results in each department according to the approved annual audit plan and directly report the audit results to the Audit Committee at least every three months.

### **Conflicts of Interest**

The Company's policy on conflict of interest is based on a principle that the Board and all employees are required to act only in the best interest of the Company. Any actions or decisions must be free from influences of the needs of themselves, their family, relatives, siblings, or other parties of their own acquaintances. The company has established guidelines for reporting the interests of oneself and related persons to avoid taking the opportunity of being a director, executive, or employee of the Company for personal gain by establishing a policy that covers 2 matters:

- Transactions: The Company will consider the appropriateness before carefully making any transaction item or determining the price and condition of any transaction as if the Company is making a transaction with a third party (Arm's Length Basis). Also, the Audit Committee will consider and verify the necessity and reasonability of the transaction. If the Company or the subsidiary company make any transaction which is listed in the announcement of the Securities and Exchange Commission Thailand's "Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions 2003," the Company will follow the regulations, conditions, and procedures of the aforementioned announcement and reveal the said item in its annual report and registration statement (Type 56-1). This is done for the transparency of any transaction and to eliminate the problems of conflict of interest and other related situations.

- Other situations that can lead to conflicts of interest can be categorized as follows:

1. General investment: The Company will not allow its employees who are also shareholders, or those who benefit from its competitors, or vendors/suppliers who are in business contact with the Company to take part in any decision making regarding a business relationship, unless approved by the Board of Directors.

2. Receiving gifts: Personnel of all levels should not receive gifts, transportation tickets, sports tickets, travel offers, accommodation or personal offers, etc., if such action can lead the Company to any binding conditions or make the Company lose profit.

3. Accepting work in academia or public service, a lecturer post, or any position: Personnel of all levels can ask the head of their department to approve the acceptance of work in academic institutions or public service, or a lecturer post or any position such as company director or adviser that will help broaden their vision and offer them experience. However, all personnel are not allowed to involve the Company or their position in the Company with any external activity, unless approved by the Board of Directors.

#### **Control of the Use of Insider Trading in Securities**

The Company has established the policy and auditing procedure against the Company's Board members and Executives in using the undisclosed information to the public for their own trading in securities as follows.

1. The Board of Directors and Executives in charge of any duties in the Company must report their own possessions of securities to the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand (SET) under Section 59 and its Announcement of Sor.Chor.12/2009 on Reports and Disclosure of Securities Possessions of the Board, Executives, and Auditors as well as punishments under Section 275 of The Securities and Exchange Act 1992. These also apply to their wives and minors.

2. The Company requires its the Board of Directors and Executives to report any changes of their possessions of securities to the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand (SET) under Section 39 of The Securities and Exchange Act 1992 and its Announcement of Sor.Chor. 12/2009 on Reports and Disclosure of Securities Possessions of the Board, Executives and Auditors to allow the Company to detect the sales and purchases of its all the Board of Directors and Executives subject to inform the Company Secretary at least 1 day prior to trading and to the reports to the Board meeting in the following meetings to acknowledge of such matters.

3. Directors, executives and employees (including spouses and underage children) who acknowledging the essential inside information which may affect the changes of its securities must suspend their trading in securities within one month prior to the disclosure of such financial statements or information to be disclosed in public. In addition, information seen as essential cannot be disclosed to any other person. For any use of inside information which may damage the Company or its shareholders by any of the Board of Executive Committee, proper punishments will be considered by the Board of Directors. Any wrongdoers of Executives in other levels will be punished by the Board of Executive Committee.

#### **Anti-Corruption**

The Company renewed its participation in the Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) on April 1, 2021. because the Company has realized that this is very important. The Board of Directors has also jointly consider policies against corruption. The practical guide for good corporate governance and code of conduct has been written for the Board of Directors, Executive team and all employees to adhere to the practice. The Company prohibit the Board of Directors, Executive team and employees of the Company to perform any activities related to corruption and corrupt for direct or indirect benefits for themselves, their families, friends or acquaintances, whether they be in a position to receive or offer bribes in terms of monetary or non-monetary form to the government agency or private company that has been doing business with the Company. Everybody needs to comply with the anti-corruption policies and corrupt strictly.

All the stakeholders including employees can directly contact or file a complaint or whistle-blowing regarding the offence, fraudulent act, or suspicion of misconducts or any matter which may directly damage the Company by the following methods

- Self-filing with the Audit Committee or Company Secretary or
- Mailing to the Audit Committee of  
Asian Phytoceuticals Public Company Limited  
84/3 Moo 4, Superhighway 11 Road, Ban Klang, Muang, Lamphun 51000 or
- Sending electronic mail to [www.apco.co.th](http://www.apco.co.th) under the heading " Whistleblowing Form"

The informant will be protected without any disclosure of his personal information to any person. The questions, complaints, and suggestions will be forwarded to the relevant authorities to detect and find out the further solutions.

## **Principle 7** Ensure Disclosure and Financial Integrity

The Company recognizes the importance of disclosure of accurate, complete and timely information and meets the standards of the Stock Exchange of Thailand in terms of financial reports and general information as well as other important information affecting stock prices and the decision-making process of investors and stakeholders of the Company. Moreover, to provide all the relevant information equally. The main channels for disclosing information of the Company are: The Stock Exchange of Thailand and the Company's website [www.apco.co.th](http://www.apco.co.th)

The Board of Directors is responsibly aware of the significance of the accurate and reasonable financial report. The statement of the Company was prepared in accordance with the well-accepted accounting standard by the selection of appropriate accounting policies and accounting records which have enough accuracy to maintain the property. This is to identify the weaknesses in order to prevent fraud or irregularities of the material which is consistently implemented and to make sure that the financial statements are adequately disclosed. Furthermore, the Board has appointed a committee to monitor financial reports, transactions and internal control system. The Audit Committee will report the audit results to the Board in every meeting. The Board of Directors, the Audit Committee and the auditor' reports are detailed in the annual report. As for the investor relations, it is assigned to Professor Dr.Pichaet Wiriyachitra, Chief Executive Officer and Ms.Pawatsawan Niyomkrew to be responsible for communicating with shareholders, analysts and those involved

## **Principle 8** Ensure Engagement and Communication with Shareholders

### **The Rights of the Shareholders**

The Company realizes and respects the rights of the shareholders by not proceeding in any action that violates the right of shareholders. Moreover, it will support the shareholders to exercise their basic rights, e.g. sale or transfer of shares, sharing of the Company's profits, receiving adequate information of the Company, attending the shareholder meetings to exercise the right to vote in the removal of directors, selecting auditors and making decisions on matters that affect the Company such as the allocation of the dividend, the provision or amendment of regulations and memorandum of association, the reduction or increase of capital, and the approval of special items.

The Company will support any matter that encourages and facilitates the exercise of rights of the shareholders as follows:

- The Company will assign the Board of Directors to provide a written appointment both in Thai and in English for shareholder meetings with adequate information for the shareholders to be notified about 30 days prior to the date of the meeting on the Company's website at [www.apco.co.th](http://www.apco.co.th) before sending the document to



the shareholders not less than 21 days prior to the date of the meeting or to follow the prescription of the Securities and Exchange Commission and the Stock Exchange of Thailand.

- The shareholders have the right to propose an agenda for the shareholder meetings in advance during October- December of each year and are given opportunities to raise questions with regard to the shareholder meeting's agendas in advance until January 31 of each year. They are informed through the information system of the Stock Exchange of Thailand whereas the clear criteria and procedures are posted on the Company's website at [www.apco.co.th](http://www.apco.co.th).
- The Company used a barcode system for registration based on the reference number already included in the registration form to ensure convenience for shareholders and facilitate the registration. Registration for the Meeting started no less than 2 hours prior to the Meeting.
- In each shareholder meeting, the Chairperson will clarify the rules for the meeting including voting procedures and allocate time sufficiently for the meeting.
- The shareholders will annually approve the remuneration for the Board of Directors including meeting fees and bonus. The policies and clear criteria for such remuneration will also be informed to the shareholders.
- The Company assigned shareholders to vote for an individual director. Each director will be nominated to shareholders to vote.
- The shareholders will be given extreme opportunities to raise questions and give comments and suggestions in any meeting with the presence of the Board members and directors. After the meeting is adjourned, the Company will produce the meeting minutes by showing accurate and complete information for the scrutiny of the shareholders.
- In the case that any shareholder cannot attend the meeting by him- or herself, the Company grants an opportunity to these shareholders the privilege of authorizing any Independent Director or person to attend the meeting in his or her name by using any type of the proxy (The Company has identified recommendations for shareholders to use proxy type B This is where the shareholders can specify their vote) enclosed with the written appointment specifying the document/evidence including suggestions on how to authorize any other person without any difficulty for the shareholders.
- To facilitate the attendance of institutional investors, the Company specifies the documents and evidence to be presented on the meeting date in the letter in details. It is aimed to facilitate the meeting registration of shareholders.
- The Company had the minutes of the Shareholders' Meeting both in Thai and English. The summary of the questions of shareholders, the Board's explanation, the resolution of the Meeting and vote has been clearly explained and submitted to The Securities and Exchange Commission and the Stock Exchange of Thailand within 14 days from the date of the meeting as stipulated by law, including disseminated on the Company's website.
- The Company has no policy to block or interrupt any communication among the shareholders.

#### **The Equal Treatment of the Shareholders**

The Company will treat all shareholders equally and fairly including shareholders who are in the position of director, shareholders who are not in the position of director, foreign shareholders as well as minor shareholders with the following principles:

- The shareholders have the right to nominate any other person to be considered for the Board of Director in advance during October-December of each year. They are informed through the information system of the Stock Exchange of Thailand whereas the clear criteria and procedures are posted on the Company's website at [www.apco.co.th](http://www.apco.co.th).

- The Board of Directors will not raise an additional agenda without informing the shareholders in advance if it is not necessary, especially an important agenda that requires the shareholders time to study before making any decision.
- Even after registration time has expired, the Company also provides opportunities for shareholders who wish to attend the meeting to register and vote on agendas that have not been considered without losing their rights.
- The Company has set up a policy to prevent any unauthorized use of information by prohibiting agencies that were exposed to the information from revealing it to other agencies or non-related persons. In the event that any employee or director reveals the information or use it to benefit themselves or their accomplices, it will be considered a serious offense and will receive a disciplinary punishment.
- In a shareholder meeting, Board members and Chief Executive Officer will share information about their interests in each agenda in order for the Board of Directors to consider any transaction that may be in conflict with the interests. This will allow them to make decisions for the benefit of the Company as a whole. The Board members and the Chief Executive Officer whose interests are in conflict with the Company's will be revoked the right to vote in that agenda.
- The Company has a clear and transparent structure of stockholders without any cross holding with the major stockholders and without the pyramid structure of stockholding among the subsidiary. This can result in no conflict of interest to any party. In fact, the stockholding structure of the Company and its subsidiary including a complete list of securities owned by the Board of Directors are publicly revealed in the annual report.

However, when compared to the principles of good corporate governance of the SEC, there are some rules that the company has not yet complied with, as follows:

- Setting a policy for independent directors to hold office for a term of 3 years, for no more than 3 consecutive terms, with the exception that they may continue to hold office if the Board of Directors has unanimously approved that doing so will not compromise their independence.

The Company currently has three independent directors who have each served more than three terms. The Company believes that these individuals possess the necessary knowledge, expertise, and experience across various fields that are critical to meeting the Company's needs. Furthermore, they have a thorough understanding of the Company's business and are capable of providing high-quality independent and useful advice. Given these factors, the Company deems it appropriate for these directors to continue serving in their positions.

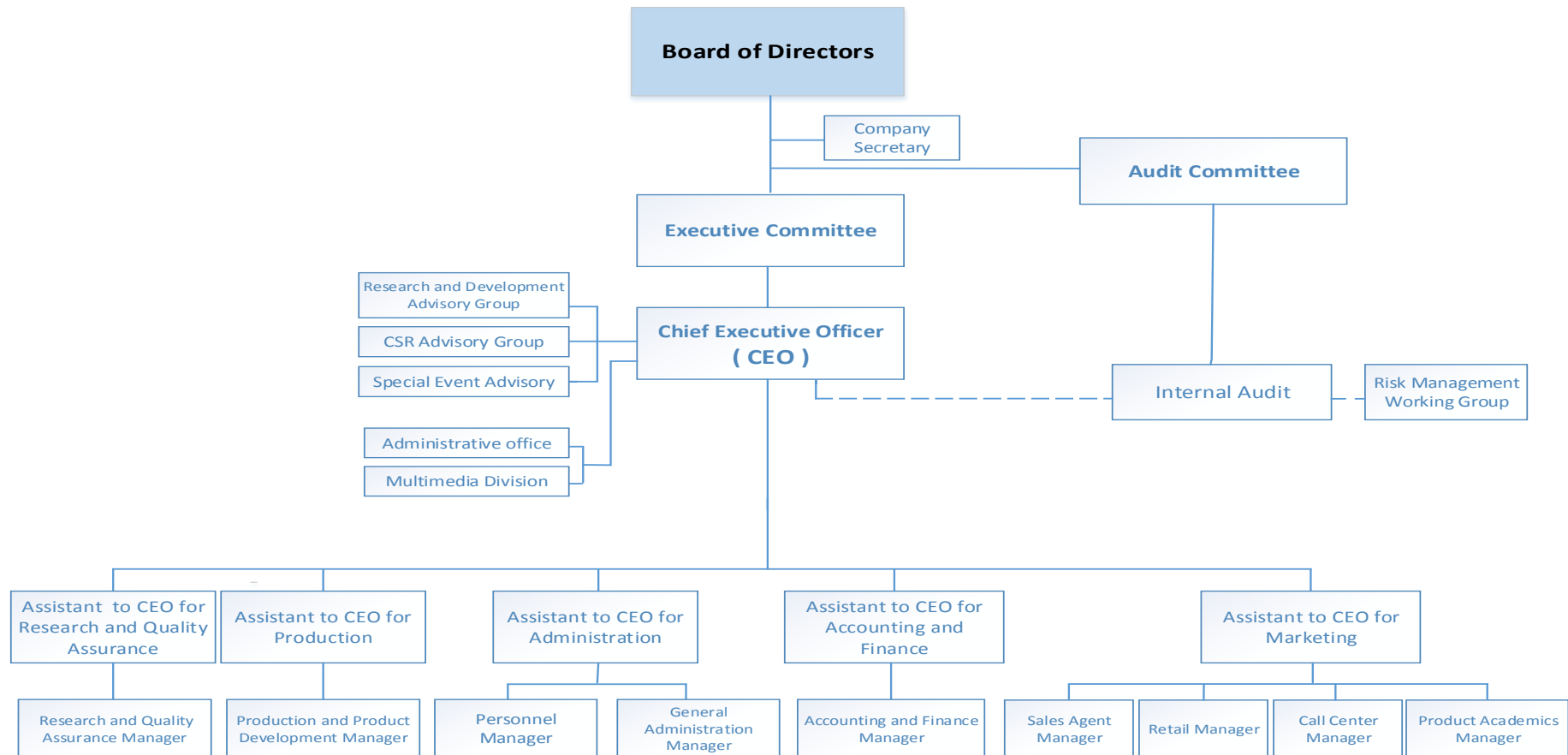
- Establishment of sub-committees.

The Company currently has not yet appointed the Nomination and Remuneration Committee, Risk Management Committee and the CG Committee as it is still a relatively small company. Nevertheless, the Board of Directors has established a working group to handle risk management and has been regularly overseeing and performing its duties related to good corporate governance in accordance with the assigned scope of authority.

## 7. Corporate Governance Structure and Important Information about the Board, Sub-Committees, Management, Employees and Others

### 7.1 Corporate Governance Structure

As of December 31, 2023



The Corporate Governance structure of Asian Phytoceuticals Public Company Limited consists of:

- Board of Directors
- Two Sub-Committees assigned by the Board of Directors, namely the Audit Committee and the Executive Committee.
- Management team with Chief Executive Officer as the highest Executive of the Company.

## 7.2 Board Information

### Board of Directors

As of December 31, 2023, the Company has 7 directors, consisting of

- 6 Non-Executive Directors ( 85.71% of the total number of directors )

These consist of 3 Independent Directors who hold the position of Audit Committee, representing 42.86% of the total number of directors, which is more than one-third of the total number of directors in accordance with the regulations of the Securities and Exchange Commission (SEC) and good corporate governance principles

- One Executive Director as Chief Executive Officer ( 14.29% of the total number of directors )

The Board of Directors has gender diversity, individual's skills and experiences that would contribute to the balance of the Board composition and benefit to the Company's business as follows:

- Diversity of gender

	Director	Audit Committee	Total	%
Male	3	2	5	71.43
Female	1	1	2	28.57

- Diversity of expertise and experiences

	Ms. Maleeratna Plumchitchom	Prof. Dr. Pichaet Wiriyaichitra	Dr. Jingjai Hanchanlath	Assoc. Prof. Arunee Wiriyaichitra	Assoc. Prof. Dr. Varakorn Samakoses	Prof. Dr. Praipol Koomsup	Dr. Montien Sirisuntornlak
Science / Chemistry		✓					
Physician							✓
Accounting / Finance / Business Administration	✓		✓		✓	✓	✓
Economics					✓	✓	
Law / Political Science			✓				
Humanities				✓			
Strategy and Business Plan	✓	✓	✓	✓	✓	✓	✓

	Ms. Maleeratna Plumchitchom	Prof. Dr.PichaetWiriyaichitra	Dr.Jingjai Hanchanlash	Assoc. Prof.Arune Wiriyaichitra	Assoc. Prof. Dr.Varakorn Samakoses	Prof. Dr.Praipol Koomsup	Dr.Montien Sirisuntornlak
Corporate Governance	✓	✓	✓	✓	✓	✓	✓
Audit	✓				✓	✓	
Internal control	✓	✓	✓	✓	✓	✓	✓
Risk Management	✓	✓	✓	✓	✓	✓	✓
Human Resource Development	✓	✓	✓	✓	✓	✓	✓
Innovation		✓					

The list of the Board of Directors of the Company is as follows:



First-Last Name	Title
1. Ms. Maleeratna Plumchitchom	Independent Director / Chairperson of the Board / Chairperson of the Audit Committee
2. Prof. Dr.Pichaet Wiriyaichitra	Director / Chairman of Executive Committee / Chief Executive Officer
3. Dr.Jingjai Hanchanlash	Director / Executive Committee
4. Assoc. Prof. Arune Wiriyaichitra	Director / Executive Committee
5. Assoc. Prof. Dr.Varakorn Samakoses	Independent Director / Audit Committee
6. Prof. Dr.Praipol Koomsup	Independent Director / Audit Committee
7. Dr. Montien Sirisuntornlak	Director

Assoc.Prof. Arune Wiriyaichitra and Mr.Jutirat Promchotchai serve as Company Secretary.

The director who has authorities to sign for the Company are

- (1) Mr.Pichaet Wiriyaichitra signs jointly with Ms.Arune Wiriyaichitra with the Company's seal affixed
- (2) Mr.Pichaet Wiriyaichitra or Ms.Arune Wiriyaichitra signs with the Company's seal affixed only when requests or contacts with the government agencies or state enterprises to obtain the license, certificate and rights, as well as doing

business with private companies for normal transactions of the Company and authentication of documents and / or copies of company documents.

#### **Scope of Duties and Responsibilities of the Board of Directors**

The Board of Directors hold the authority and responsibility to manage the Company in accordance with the law.

The duties and responsibilities can be concluded as follows;

1. Arrange the annual shareholders' meeting within 4 months after the end of the Company's accounting period.
2. Arrange the Board of Directors meeting at least once every three months
3. Prepare the Company's balance sheet and income statement at the end of the Company's accounting period, have them audited by auditors and present them to the shareholders for consideration and approval.
4. The Board of Directors may authorize one director or more or other parties to perform a task under the Board of Directors' supervision, or the Board may delegate authorities to the person in a certain period of time as seen appropriate. The Board has a right to revoke the authority or change the person at any time as seen appropriate.

In addition, the Board gives authority to the managing committees to perform different tasks but the authority is limited by the Board's rights and duties. However, this authority must not give any power to the Board of Directors or the authorized person that will allow them to consider or approve the list of items that they are personally involved in, have profit or loss or have a conflict of interest with the Company or its subsidiaries. An exception is made if the approved list goes along with the Company's policy already considered and approved by the Board. All of this will be according to the law.

5. Set the Company's goals, directions, policies, plans, and budgets. Supervise the Executive Committees' administration and management as agreed in the policy. However, there are some issues that need to be approved by the shareholders first. They are the issues required by law such as the increase or decrease of capital share, the issuance of share, the sales or transfer of the Company's business, whole or partial, to other parties or the purchase or transfer receipt of other parties' business, the amendment of memorandum of association or regulations and etc.

Moreover, the Board of Directors is also responsible for ensuring that the Company complies with the laws and regulations from the Securities and Exchange Act. The regulations of the stock exchange include transactions and trades of assets in accordance with the regulations of the Stock Exchange of Thailand or other laws concerning the Company's business.

6. Examine the management structure and appoint members of Board of Directors, Chief Executive Officer and other committees as appropriate.
7. Continuously monitor the Company's performance to follow plans and budgets.
8. Unless the matter is brought to the Board of Directors prior to appointment, directors shall not engage in any business of the same type or business that is a competition of the Company, become a partner in any ordinary partnership or unlimited liability in any ordinary partnership or be a director of any private company doing the same business, whether it is done for their own or others' benefits.
9. Directors are required to immediately notify the Company in case they benefit or lose profits from, either directly or indirectly, the Company's contract, shares or the increase or decrease of other securities in the Company or subsidiaries.

#### **Authority of Board of Directors**

1. Approve corporate governance policy.
2. Approve the company's ethical policy.
3. Approve anti-corruption measures.
4. Approve the annual budget and the Company's business plan.
5. Approve the obligations regarding the Company's financial burdens such as loan agreements or guarantee.
6. Approve the investment project in a large-scale business.
7. Approve an establishment of the new company
8. Approve the purchase or sales of company's assets based on the regulations of the Stock Exchange Thailand.
9. Approve the Company's transactions based on the regulations of the Stock Exchange of Thailand.
10. Approve the policy to increase the payment and annual bonus rates.
11. Approve the Company's financial sheets.
12. Approve the appointment of Sub-Committees.
13. Approve the new Board of Directors to substitute for those periodically retired.

The Board of Directors also takes charge of approving the transactions to comply with the announcements of the Securities and Exchange Commission and the Stock Exchange of Thailand as well as other applicable laws.

#### **Appointment and term of the Board of Directors.**

1. At every annual general meeting, one-third of all directors will retire. If the number of directors to vacate office cannot be exactly divided into three parts, the closest number to one-third shall be used.

The vacation of the directors under paragraph one, in the first and second years, shall be drawn by drawing lots. In the following years, the directors who have been in office the longest shall retire from office.

If at any given time there are many directors who have been in office for the same length of time, which is more than the number of directors who have to vacate the office at that time, such directors shall vacate their office by drawing lots.

A director who vacates the office may be re-elected to resume his office.

2. In addition to the termination of the office above. Directors retire when:

- (1) Dead.
- (2) Resigned by submitting a letter to the Company.
- (3) Disqualified or prohibited by law.
- (4) The shareholders' meeting resolves to leave with a vote of not less than three-fourths of the number of shareholders attending the meeting and having the right to vote, and having shares amounting to not less than one-half of the number of shares held by the shareholders attending the meeting and having the right to vote.
- (5) The court ordered the removal.

3. If the director's position is vacant for any reason other than the expiration of the term, the Board of Directors shall select a person who has qualifications and does not have any prohibited characteristics by law, to be appointed as the director at the next meeting with a vote of not less than three-fourths of the remaining directors, unless the vacant agenda of the directors is less than two months.

4. In the event that the director's position becomes vacant, less than the number required to constitute a quorum, The remaining directors can act on behalf of the Board of Directors only to hold a shareholders' meeting to elect company directors to replace all vacant positions.

5. The director who has been elected to hold office according to item 3 and item 4 shall hold office only for the remaining term of the director whom he or she replaces.

#### Term of Office of Independent Directors

Each Independent Director has a term of 3 years with no more than 3 consecutive terms of office, unless it is unanimously approved by the Board of Directors that the extended term of office does not impair the independence of the said Independent Director.

## 7.3 Sub-Committees Information

The Company's Sub-Committees consist of

#### 1. Audit Committee

As of December 31, 2023, the Company has 3 Audit Committee members consisting of Independent Directors as follows:

First-Last Name	Title
1. Ms .Maleeratna Plumchitchom	Chairperson of the Audit Committee / Independent Director
2. Assoc. Prof. Dr.Varakorn Samakoses	Audit Committee / Independent Director
3. Prof. Dr.Praipol Koomsup	Audit Committee / Independent Director

Mrs. Maleerata Pluemjitchom graduated in accounting and is, therefore, knowledgeable and experienced in reviewing the accountability of the Company's financial statements and two other members of the Audit Committee, Assoc. Prof. Dr.Varakorn Samakoses and Prof. Dr.Praipol Koomsup have knowledge and experiences in economics and business administration. Ms.Jutirat Promchotchai serves as secretary of Audit Committee

#### Scope of Duties and Responsibilities of Audit Committee

The shareholders' annual meeting agreed to give the Audit Committee the following authorities and responsibilities:

1. Ensure that the Company has an adequately accurate and transparent financial statement by coordinating with external auditors and Executives responsible for preparing quarterly and annual financial reports. The Audit Committee may recommend auditors to review or check any items as seen necessary for the Company's auditing;
2. Ensure that the Company has an internal control and an internal audit system that is appropriate and effective;
3. Monitor the Company's compliance with existing laws and regulations governing the operation of public companies, e.g. Securities Act and Stock Exchange's regulations and other relevant commercial laws;
4. Screen, select and nominate an auditor for the Company. Propose auditing fees after considering the reliability, resource sufficiency, the amount of existing auditing work of an auditing company as well as the experiences of an appointed auditor;



5. Review the disclosure of information in case there are connected transactions or any other transactions that may be the cause of conflict of interest to ensure the accuracy and completion. Also, approve such transactions before presenting them to the Board of Directors and shareholder of the Company;
6. Review the Company's policies of financial management and risk management according to the approval of Board of Directors and Audit Committee;
7. Prepare a report on the Audit Committee's affairs as part of the Company's Annual Report, certified and signed by the Chairperson;
8. Perform and carry out any other duties and tasks as assigned by the Audit Committee.
9. Report to the Board of Directors when finding out or suspecting any of the following items or actions that could have an impact on the Company's financial standing and operation results:
  - A. Items containing a conflict of interest
  - B. Corruption or irregularity or any significant defect of internal control
  - C. Violation of laws and regulations of the Securities Act, the Stock Exchange and other relevant commercial laws.

#### **Term of office of the Audit Committee**

Each member of the Audit Committee will hold office for a term of 3 years, unless it is unanimously approved by the Board of Directors that the over-term of the office does not impair the independence of the said Audit Committee.

## **2. Executive Committee**

As of December 31, 2023, the Company has 3 Executive Committee as follows:

First-Last Name	Title
1. Prof. Dr.Pichaet Wiriyaichitra	Chairman of the Executive Committee
2. Dr.Jingjai Hanchanlash	Executive Committee
3. Assoc. Prof.Arune Wiriyaichitra	Executive Committee

#### **Scope of Duties and Responsibilities of Executive Committee**

The authority and responsibility to manage the ordinary business operation and management, policies, business plans, budgets, management structure, and other relevant business matters of the Company to suit the economic situations. The scope includes monitoring and following the Company's business operations in accordance with the approved policy. The duties and responsibilities can be summed up as follows:

1. Ensure that the Company operates and manages the business in compliance with the objectives, regulations, policies, orders, and resolutions of the Board of Directors and/or shareholders in all aspects.
2. Set the Company policies, strategies goals, company directions, budget plans, human resource management, investment plans, and public relations in compliance with the Board's approval. Control and supervise the appointed operation team to achieve the Company's goals.
3. Prepare annual budgets proposed by the management team and present them to the Board of Directors for consideration and approval. Furthermore, consider and approve changes and increases in annual budgets when there is no Board meeting and present them to the Board of Directors in the next meeting for approval or oath.

4. Set the organization's structure and administrative power including appointment, employment, transfer, salary structure, remuneration, bonus payment policy for directors and layoff.
5. Have a power to authorize one or more committees or any other person to operate one or more task under the supervision of the Board of Directors. Or they may delegate their authority to such a person with power in a period of time as seen appropriate. The Board has a right to revoke, withdraw or change such a person or authority at any time when appropriate. However, they will not authorize any person who may have conflicts of interest in the operation.
6. Have the authority to approve the following financial transactions:
  - A. Approval of reimbursement for normal operation expenses and procurement of properties or other services that benefit the Company in the amount of not exceeding 30 Million Baht per time, not more than 100 Million Baht per quarter. If the budget exceeds this amount, permission needs to be given by the Board of Directors.
  - B. Approval of loan or open credit of the Company, including requests for bank guarantee statements for both normal business conditions and investment expenditures such as investment or property trades and loans to subsidiaries with the amount of not exceeding 20 Million Baht per time and not more than 40 Million per quarter. Permission is required from the Board of Directors if the amount exceeds 40 Million Baht.
  - C. Approval of ordinary sales or services of the Company such as products sales approval and approval of contract of ordinary business operations. The amount of each transaction is not over 50 Million Baht, not over 400 Million Baht per quarter. Permission is required from the Board of Directors if the amount exceeds 40 Million Baht.
  - D. Approval to pledge or mortgage the Company's assets as collateral to the Company's existing or future debt. The amount is not over 20 Million Baht per time, not over 40 Million Baht per quarter. Permission is required from the Board of Directors if the amount exceeds 40 Million Baht.
  - E. Approval of opening and closing all types of accounts with banks or financial institutions with a right to set conditions of the withdrawal or other relevant legal transactions of such account.
  - F. Approval of significant capital expenditures in the annual budget expenditure as specified by the Board of Directors or by the principles approved by the Board of Directors or by the temporary appointment of the Board of Directors.

Nevertheless, the Executive Committee has no authority to consider or approve transactions from which the Executive Committee gain or lose profits or transactions that have a conflict of interest with other companies or subsidiaries unless those transactions are approved and comply with the policies and regulations mutually agreed by the Board of Directors and shareholders as well as the law. However, this can be cancelled, revoked or amended through the agreement of the Board of Directors.

#### **Term of Office of Executive Committee**

According to the term of office of director.

## 7.4 Management Information

### Management Team

As of December 31, 2023, the Company has 5 Executives according to the definition of the Securities and Exchange Commission as follows:

First-Last Name	Title
1. Prof. Dr.Pichaet Wiriyaichitra	Chief Executive Officer
2. Mrs. Jannatthabhorn Janprasert	Assistant to Chief Executive Officer for Production
3. Mrs. Apinya Ulumpanon	Assistant to Chief Executive Officer for Accounting and Finance
4. Mrs. Sirithip Wiriyaichitra	Assistant to Chief Executive Officer for Research and Quality Assurance
5. Ms. Ornphimol Prasertwit	Assistant to Chief Executive Officer for Marketing

### Scope of Duties and Responsibilities of Chief Executive Officer

1. Have an authority as administrator to manage, control, and operate the Company's business;
2. Implement duties assigned by the Board of Directors and/or the Executive Committee and be able to delegate power and task to other individuals as seen appropriate by Chief Executive Officer. However, no authority shall be delegated to those who may have a conflict of interest in the operation;
3. Have power to issue orders, regulations, announcements and memos to ensure that the operation complies with the Company's policies and benefits as well as to maintain the disciplines in the organization;
4. Act on behalf of the Company or be a representative to external parties in issues related to the Company and its benefits.
5. Investigate investment opportunities in order to present them to the Board of Directors and/or the Executive Committee;
6. Consider appointing consultants necessary to the operation of company business to present them to the Board of Directors and/or the Executive Committee;
7. Have authority to approve the following financial transactions:
  - A. Approval of reimbursement for normal operation expenses and procurement of properties or other services that benefit the Company in the amount of not exceeding 10 Million Baht per time, not more than 30 Million Baht per quarter. However, the amount does not include operations such as the Company's loan or trust approval or approval of investment expenditures such as investment capital trades or permanent assets. The above operations require permission from the Board of Directors and/or the Executive Committee.
  - B. Approval of ordinary sales or services of the Company such as products sales approval and approval of contract of ordinary business operations. The amount of each transaction is not over 30 Million Baht, not over 100 Million Baht per quarter. Permission is required from the Board of Directors if the amount exceeds 100 Million Baht.
8. Perform and carry out any other duties and tasks as assigned by the Company's Board of Directors and/or the Executive Committee.

In this regard, the Chief Executive Officer has no authority to consider or approve transactions from which he/she gains or loses profits or transactions that have a conflict of interest with other companies or subsidiaries unless those

transactions are approved and comply with the policies and regulations mutually agreed by the Board of Directors and shareholders as well as the law. However, the Chief Executive Officer's decision can be cancelled, revoked or amended through the agreement of the Board of Directors.

#### Remuneration policy for the Executive Committees and top management

Remuneration for the Executive Committees and top management is in accordance with the fair policies and criteria set by the Board of Directors. Long-term salary, bonus, and incentive compensation levels are appropriately linked to the Company's performance, operations of each senior management, and the workload that has increased from the expansion of the Company. Including comparing with the compensation of companies in the same industry. The Board of Directors considers the performance and remuneration of the Executive Committees and the Chief Executive Officer. While the Chief Executive Officer considers the performance and compensation of the Chief Operating Officer (COO) and the Assistant to Chief Executive Officer of various divisions.

#### Remuneration for the Executive Committees and management team

	2023	2022	2021
Number of Management Team	6 persons	6 persons	8 persons
Total remuneration (Baht)	15,510,596	14,973,456	17,702,751
Form of Compensation	Salaries and Bonuses		

#### Additional Compensation

The Company has established the Retirement Mutual Fund for management team which requires each member to contribute at the rate of 3 percent of their salaries. In 2023, the Company has made contributions to the provident fund for the Executives totaling 410,616 baht.

## 7.5 Employees Information

#### Number of Employees

The Company's employees can be classified as follows.

No.	Main Departments	Number of Employee (Person) on December 31, 2023
1.	Production and Product Development	37
2.	Sales and Marketing	26
3.	Office Administration	25
4.	Account and Finance	11
5.	Research and Development	3
Total		102

### Employee Remuneration

The Company has set out the remuneration, privileges, and welfares based on the position and ability of all-level employees in the Company subject to the review of work performance suitable for the Company's business operations and economy compared to the business in the same industry. It is therefore to ensure that all the employees obtain the proper remuneration, privileges, and welfares. Throughout the period, the Company has no labor disputes.

The payments paid to its employees include the salary, bonus, and others applicable e.g. provident fund contributions, social security fund contributions, overtime pay, allowance totally calculated as follows.

	2023	2022	2021
Number of employees (Person)	102	99	106
Remuneration (Baht)*	36,774,614	34,409,790	32,264,630

\* excluding the remuneration paid to the Executives

### Provident Fund

The Company has established the Retirement Mutual Fund for management team and employees since 2005 which requires each member to contribute at the rate of 3 percent of their salaries and the same amount will be contributed by the employers which has the proportion of the number of employees participating as follows:

	2023	2022	2021
Number of employees participating in the provident fund (person)*	68	61	71
The proportion of employees participating in the provident fund / Total Employees	66.67%	61.62%	61.74%

The Company has the policy to support the provident fund committee to select fund managers who comply with the Investment Governance Code ("I Code") for institutional investors and is a fund manager who manages investments responsibly taking into account Environmental, Social, and Governance: "ESG". Good compliance with investment governance principles and disclose the guidelines for selecting fund managers to members. This will lead to investment management that takes into account the best interests of the provident fund members over the long term.

### Significant change in the number of employees in the past 3 years

-None-

### Significant labor disputes over the past 3 years

-None-

### Policy on employee training and development

The Company has its policy on personnel developments mainly aimed at developing and promoting the human resources with better knowledge and understanding on their effective performance, promoting their advancements of career path, and enhancing the Company's competitiveness in its core businesses.

Therefore, the training plans for developing its human resources are divided into three sessions.

1. Developing the Company's key potential whereas all employees are educated about its core businesses, acknowledgement of the targets and goals, and awareness of the Company's changes as well as adjustment for the future change
2. Developing the employee's efficacy for better knowledge and expertise by allowing them to take courses relating to their duties in order to master their work skills while providing useful books and reading materials to help promote their knowledge
3. Developing the leadership especially the departmental heads and other higher positions to lead the roles and teamwork to prepare for the business targets and changes

In 2023, the Employees of Asian Phytoceuticals Public Co., Ltd. have attended training courses such as:

- Biosafety and Biosecurity (BSL-2) training and practical training For Biosafety Officers (BSO)
- Safety Officer Supervisory level
- Knowledge about pathogens and animal toxins
- Increasing efficiency in operations with the principles of good governance and anti-corruption in the organization.
- Training on fire prevention and first aid knowledge in 2023.

## 7.6 Other Important Information

### Advisory Group

The Company has two advisory groups giving advice on various aspects of operations to the Company:

Advisory Group for Research and Development consists of

1. Assoc. Prof. Dr.Ampai Panthong
2. Assoc. Prof. Dr.Souwaluk Phongpaichit
3. Assoc. Prof. Dr.Wilawan Mahabusarakam
4. Assoc. Prof. Dr.Preeya Leelahagul

Their roles are to give advice on product research and development and to be a part of the research and development team in order to further improve and develop the Company's products. All the members are professors who specialize in different research fields from Chiang Mai University and Prince of Songkla University and Mahidol University

Advisory Group for CSR (Corporate Social Responsibility) consists of

1. Assoc. Prof.Arune Wiriyaichitra
2. Dr.Jingjai Hanchanlash

Their roles are to give advice on arranging activities for the society and environment such as budget sponsoring events for research and development in government-owned institutions, money and item donations for the underprivileged and victims of natural disasters and etc. Those activities are part of the Company's continuous policies to pay back to the society and environment.

and Advisor for Special Events consists of

1. Miss Natchapat Tantiwivat

In charge of developing the marketing strategies as well as directing the project's sales team of BIM Health Center.

#### Company Secretary

The Board of Directors has resolved to appoint Assoc. Prof.Arunee Wiriyaichitra to be the Company Secretary since July 2, 2011 and on February 22, 2021, Miss Jutirat Promchotichai has been appointed as an additional company secretary (Details of the person holding the position of the Company Secretary appears in Attachment 1).

#### The Person taking the Highest Responsibility in Finance and Accounting and the Person Supervising Accounting

The Board of Directors has resolved to appoint Mrs. Apinya Ulumpanont as Chief Financial Officer and Ms.Jareerat Jintana, an accountant who has the qualifications and conditions of being an accountant according to the criteria specified in the announcement of the Department of Business Development as Chief Accountant from November 11, 2011. Details of the person holding the position of Chief Financial Officer and Chief Accountant appears in Attachment 1.

#### Head of Internal Audit

The Board of Directors has approved the appointment of Ms. Jutirat Promchotichai as the Head of Internal Audit, from April 21, 2011, details of the person holding the position as the Head of Internal Audit appears in Attachment 3.

#### Head of Compliance Department

The Company has not set up the compliance department. Compliance to supervise operations in order to comply with the laws, rules, regulations, policies and requirements of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand of Thailand and other relevant government agencies under the supervision of the Company Secretary department.

#### Investor Relations Supervisor

The Company assigns Prof. Dr.Pichet Wiriyaichitra, Chief Executive Officer and Ms. Pawatsawan Niyomkaew to deal with shareholders, analysts and related persons.

#### The Auditors' Remuneration

1. Audit fee: In the fiscal year 2023, the Company paid audit fees to

- The auditor's office (AST Master Co., Ltd.), the total amount is 1,200,000 baht. No other audit fee had been paid to the auditors or related parties to the auditors and the auditor's office.

2. Non-audit fee

-None-

## 8. Performance of Corporate Governance Report

### 8.1 Summary of the Performance of the Committee for the Past Year

#### 8.1.1 Recruiting, Developing, and Evaluating Board Performance

The Company has not appointed a Nomination Committee for Directors and Executives because the Company is still small.

##### Factors and appointment of the Board of Directors

To elect individuals to be the Board of Directors according to the policies, the Board of APCO has considered candidates based on their gender, knowledge, competency, experiences, expertise, essential skills, and their constant participation in the Board meeting as well as qualifications specified by law. The Board of Directors must consist of at least 5 directors as specified in the Company's Articles of Association and the Board of Directors must consist of no less than half (1/2) of the total number of directors whose residency is in the Kingdom of Thailand.

Also during October to December each year, the Company has allowed shareholders the right to nominate persons to be appointed to the Board at the General Meeting of Shareholders on the basis of the Company regulation. The Board of Directors will then consider the appropriate person. After the Board has selected and been approved by the Board of Directors, the Company will propose the name to be approved by the AGM. The election of directors by the shareholders' meeting shall be in accordance with the following rules and procedures:

1. A shareholder shall have one vote for one share according to the number of shares they possess.
2. Each shareholder shall use all his or her votes under (1) to elect one or several persons as a director. However, he or she may not divide his or her votes among the candidates.
3. The persons who receive the most votes in ranking order will be elected as directors. In case the persons elected in subsequent order have equal votes, the Chairperson of the meeting shall have a casting vote.

At each annual general meeting of shareholders, one-third of the Company's directors shall retire in rotation. Should the number of directors to retire in rotation not be divisible by three, the number of directors nearest to one-third (1/3) of all directors shall retire. In the first and second year of the registration of the Company, directors shall draw lots to decide who shall retire the longest-serving directors shall retire in the third and subsequent years. Directors who retire may be re-elected.

##### Factors and appointment of Independent Directors

The Board of Directors considers the primary qualifications of the persons who will be Independent Directors. The qualifications of Independent Directors are considered along with the Public Companies Act, Laws on Securities and Stock Exchange, Notification of the Capital Market Supervisory Board, the regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand as well as other relevant announcements and/or regulations. Other qualifications are also considered such as work experiences and competency. The selected persons shall be presented to the shareholders for formal appointment. Independent Directors shall consist of one-third (1/3) of all directors and no less than 3 persons.



#### Qualifications of Independent Directors

1. Holding not more than 1% of the total shares with voting rights of the Company, a subsidiaries or associates company thereof, a person with controlling interest or a juristic person with a potential conflict of interest. The amount of shares includes those held by related parties.
2. Not or never being a director involved in management, an employee, staff or consultant with a regular salary or a person with controlling interest in the Company, a subsidiaries, associates company or affiliate thereof, a major shareholder or a juristic person with a potential conflict of interest, except that such characteristics have lapsed for at least two years. Furthermore, the above prohibited qualifications do not include cases where individuals were government officials or consultants to government institutions that are major shareholders or have a controlling authority over the Company.
3. Not having a relation by blood or lawful registration as father, mother, spouse, sibling, offspring, including spouse of the offspring of an Executive, a major shareholder, a person with controlling interest or a person being nominated as an Executive or a person with controlling interest of the Company and a subsidiary thereof.
4. Not having or never having a business relationship with the Company, a subsidiaries or associates company thereof, or a juristic person with a potential conflict of interest in a manner that may impede the exercise of his/her independent judgment, including a person being or having been a major shareholder, a Non-Independent Director, or an Executive with a business relationship with the Company, a subsidiaries or associates company thereof, or a juristic person with a potential conflict of interest, except that such characteristics have lapsed for at least two years prior to the appointment.

The business relationship above includes normal transactions of business, rent or lease of real property, transactions related to assets or services, or a provision or receipt of financial assistance by receiving or granting a loan, guarantee, allowing the use of an asset as collateral for a debt, including other similar acts that result in the Company or its party being liable to the other party from three percent of a tangible asset or 20 Million Baht, whichever is smaller. The calculation of such obligation shall comply, mutatis mutandis, with the method used in the calculation of connected transactions under the Office of the Securities and Exchange Commission's Notification Re: Information Disclosure and Practices of Listed Companies on Connected Transactions. The amount of the obligation shall include the amount incurred one year prior to the date of business relationship with the same person.
5. Not or never being an auditor of the Company, a subsidiaries or associates company thereof, or a juristic person with a potential conflict of interest and not being a major shareholder, Non-Independent Director or managing partner of an audit firm which has its auditor as an auditor of the Company, a subsidiaries or associates company thereof, or a juristic person with a potential conflict of interest, except that such characteristics have lapsed for at least two years.
6. Not or never being a provider of any professional service including legal service or financial advisor service with a service fee amounting to over two Million Baht per year from the Company, a subsidiaries or associates company thereof, or a juristic person with a potential conflict of interest. In case the professional service provider is a juristic person, a major shareholder, Non-Independent Director, Executive, or managing partner of the professional service provider is included, except that such characteristics have lapsed for at least two years prior to the appointment.
7. Not being appointed to represent a director, major shareholder or related person of a major shareholder of the Company such as having a shareholders agreement on the election of the directors to represent and look after the benefit of a particular group of shareholders.

8. Not being a director of other listed companies, which is the parent company, subsidiary or same level subsidiary. Not being a director who participates in administration, service and staff section or a permanent consultant with a regular salary. Not being a shareholder of more than 1 percentage of all voting shareholders belonging to other listed companies that are the competitors of the Company and subsidiaries.
9. Being able to perform duties, or express opinions or reports as assigned by the Board of Directors without any characteristics, which render him/her incapable of expressing independent opinions with regard to the Company's business affairs. Being free from influences of a particular individual or group of people or circumstances that may affect his/her explicit opinion expression.

#### Factors and appointment of Audit Committee

The Board of Directors will appoint the Audit Committee, consisting of at least 3 members from the Independent Directors. The extended qualifications of Audit Committee are as follows:

1. Not being a director appointed to by the Board of Directors, where he or she is allowed to make any decision on company business, parent company, subsidiaries, associates company or same level subsidiary, major holders or persons with controlling power of the Company.
2. Not being a director in any registered parent company, subsidiaries or same level subsidiary.
3. Having enough knowledge and experiences to perform as Audit Committee. The Audit Committee must be able to devote sufficient time to perform the duties of Audit Committee.
4. Not being a director of over 5 listed companies since it might influence the performance of one company unless he/she is an important part in providing advice to companies and able to allocate appropriate time for the Company.
5. At least one Audit Committee shall have enough knowledge, comprehension or experience in accounting to perform a reliable audit of financial report.

### 8.1.2 Meeting attendance and remuneration for individual directors

In the year 2023, details of the Annual General Meeting of Shareholders, Board of Directors' meetings and the number of directors' meetings attendance will be 95.32 percent of the whole meeting as follows:

First-Last Name	Title	Record of Meeting Attendance (Times)		
		AGM (Physical Meeting)	Board of Directors	
			(Physical Meeting)	(Hybrid Meeting)
1. Ms. Maleeratna Plumchitchom	Independent Director / Chairperson of the Board / Chairperson of the Audit Committee	1/1	4/4	1/1
2. Prof. Dr.Pichaet Wiriyaichitra	Director / Chairman of the Executive Committee / CEO	1/1	4/4	1/1
3. Dr.Jingjai Hanchanlash	Director / Executive Committee	1/1	4/4	0/1
4. Assoc. Prof. Arunee Wiriyaichitra	Director / Executive Committee	1/1	4/4	1/1
5. Assoc. Prof. Dr.Varakorn Samakoses	Independent Director / Audit Committee	1/1	4/4	1/1
6. Prof. Dr.Praipol Koomsup	Independent Director / Audit Committee	1/1	3/4	1/1
7. Dr.Montien Sirisuntornlak (Appointed on April 24, 2023)	Director	-	2/2	1/1

## Directors' Remuneration

The Company has determined the remuneration for the directors at the same level with the same type of industry with regard to the appropriateness and consistency with the responsibilities of the Board, which can motivate the organization to operate both short and long term goals, before presenting to the shareholders' meeting for final approval.

### (1) Monetary Remuneration

The 2023 annual general meeting of shareholders which was held on April 26, 2023 has specified the remuneration for Board members, Audit Committee and Executive Committee in the form of Board meeting allowance and Independent Directors' bonus as displayed in the following table

Title	Meeting Allowance
<i>The Board of Directors meeting</i>	
Chairperson of the Board	25,000 Baht/time
Director	20,000 Baht/time
<i>Audit Committee meeting</i>	
Chairperson of the Audit Committee	25,000 Baht/time
Audit Committee	20,000 Baht/time
<i>Executive Committee meeting</i>	
Executive Committee	15,000 Baht/time

Note: Directors participating in the administration will not receive meeting allowances because they have received remuneration in the form of salary.

The bonus of the Independent Directors for the year 2023 which is the bonus from the revenue from sales of 2022 is at the rate of 0.125 percent. The said bonus shall be averaged by the number of the Independent Directors.

Remuneration for directors regarding the meeting allowance and Independent Directors' bonus is summarized in the following table

First-Last Name	2023			
	Meeting Allowance as Company's Board	Meeting Allowance as Audit Committee	Annual Independent Directors' bonus	Total (Baht)
1. Ms. Maleeratna Plumchitchom <sup>/1, /2, /3</sup>	115,000	95,000	104,326	314,326
2. Prof. Dr.Pichaet Wiriyaichitra	-	-	-	-
3. Dr.Jingjai Hanchanlash	70,000	-	-	70,000
4. Assoc. Prof.Arune Wiriyaichitra	-	-	-	-
5. Assoc. Dr.Varakorn Samakoses <sup>/3</sup>	90,000	75,000	104,326	269,326
6. Prof. Dr.Praipol Koomsup <sup>/3</sup>	70,000	55,000	104,326	229,326
7. Dr.Montien Sirisuntornlak	60,000			60,000

Note : <sup>/1</sup> Chairperson of the Board

<sup>/2</sup> Chairperson of the Audit Committee

<sup>/3</sup> 2023 Bonus for the Board is paid to the Independent Directors, calculated from the 2022 sales

### (2) Additional Remuneration

-None-

### 8.1.3 Supervision of Subsidiaries and Associated Companies

#### Policy on Supervision of Operations of Subsidiaries and Associated Companies

The Company has the policy to nominate and exercise voting rights to appoint persons to be directors of subsidiaries or affiliated companies subject to the approval of the Board of Directors. The persons who are appointed as directors in subsidiaries or affiliated companies are responsible for action in the best interests of that subsidiary or associated company. The Company assigned the appointed person to be approved by the Board of Directors, before going to vote or exercise the right to vote on important matters at the same level that it requires approval from the Board of Directors, if it is operated by the Company itself.

In addition, in the case of a subsidiary, the person appointed by the Company must ensure that the subsidiary has regulations on connected transactions that are consistent with the Company acquisition or disposition of assets or any other significant transaction to be completed and correct and to apply the above disclosure and transaction rules in the same manner as the Company's criteria, including the needs to supervise the storage of information and accounting records of subsidiaries so that the Company can check and compile to prepare the consolidated financial statements on time as well.

### 8.1.4 Following up to Ensure Compliance with Corporate Governance Policies and Practices

The Company realizes the importance of good corporate governance by establishing policies and guidelines related to the corporate governance policy of the Company and business ethics, along with promoting real action to build confidence among all groups of stakeholders.

Over the past year, the Company has followed up to ensure compliance with good corporate governance, covering the following matters:

Code of conduct according to CG Code	Performance in the past year
1. Reviewing the vision, mission, goals in business operations	In 2023, the Board of Directors has jointly reviewed the Company's vision, mission, business goals as disclosed in the topic "Vision, Objectives, and Operating Objectives of the Company as a whole".
2. Violation of regulations by regulators	In 2023, the Company has not acted in violation of regulations of regulatory agencies such as the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).
3. Directorship in other companies of the directors	In 2023, none of the 7 directors of the Company holds director positions in more than 3 listed companies, or more than 5 listed companies and non-listed subsidiaries.
4. Board meeting	In 2023, there were a total of 5 Board of Directors meetings (Physical 4 time, Hybrid 1 time), 4 Audit Committee meetings (Physical 3 time, Hybrid 1 times), with an attendance rate of both individual directors was 94.29 percent and 91.67 percent of the entire meeting of the year.

5. Director development	Currently, all 7 directors (100%) have attended training courses related to their roles and duties. Organized by the Thai Institute of Directors Association (IOD) : The Director Certificate Program (DAP) and the Director Accreditation Program (DCP), totaling 5 and 3 persons, respectively.
6. Performance evaluation of the Board of Directors	Board of Directors' performance assessment for the Year 2023 was assessed by self-assessment 7 out of 7 directors have overall average score of 3.90% (good-excellent).
7. Performance evaluation of the Sub-committees	By self-assessment of the Audit Committee for the Year 2023, totaling 3 out of 3 persons with the overall average score is 3.57% (good – excellent) and the self-assessment of the Executive Committee totaling 3 out of 3 persons with the overall average score of 3.91% (good – excellent)
8. Performance evaluation of the top management	Annual performance assessment results in 2023 of Chief Executive Officer by the assessment of the Board of Directors has overall average score of 3.82% (good – excellent)
9. Important disclosures	In 2023, Chief Executive Officer including the investor relations section have disclosed both financial reports and general information accurately, completely, transparently, and on time through the following channels: <ul style="list-style-type: none"> <li>● The Stock Exchange of Thailand, 9 times.</li> <li>● Newsletters via LINE application and e-mail to shareholders 57 times.</li> <li>● Meeting with Investors Opportunity day 3 time.</li> <li>● Mass media, newspaper, magazine, journal, television.</li> <li>● The Company's website (www.apco.co.th) and various social media.</li> </ul>
10. Corruption offenses	In 2023, there were no cases where the Board of Directors committed fraud (Fraud). There is no news or cases of fines, accusations, or civil cases by regulators or the National Anti-Corruption Commission (NACC).
11. Resignation due to corporate governance issues	In 2023, there was no case of the non-executive board of directors resigning due to corporate governance issues of the Company.
12. The offense comes from ethical issues.	In 2023, there were no cases that Company's directors commit a crime on ethical issues.

In addition, the Company has followed up to achieve the following 4 issues of good corporate governance as follows:

#### (1) Prevention of Conflicts of Interest

The Company has established a policy that the Board of Directors, Executives, and Employees must perform their duties for the best interests of the Company only. In the event that any person has a conflicts of interest or is involved in a transaction, such person must notify the Board of Directors meeting and do not take part in the consideration of such transactions.

In the past year, the Company Secretary has communicated to related parties the policy and guidelines. including following up on transactions that may cause conflicts of interest. No transactions that may cause a conflict of interest were found.

## (2) Using inside information for profit

The Company has established a policy to govern the use of inside information for benefits to prevent the use of the information for the trading the Company's securities by communicating to the Board of Directors and the Executives, including the departments involved with important information to know the policy and practice guidelines for refraining from trading the Company's securities during one month before the financial statements or inside information are disclosed to the public and requiring Directors and Executives to notify the Company at least 1 day before trading securities. In addition, the Board of Directors and the Executives are required to report changes in their securities holding to the Securities and Exchange Commission in accordance with Section 59 of the Securities and Exchange Act B.E. 2535 within 3 business days from the date of change holding of securities and to notify the Company secretary in order to record the changes and summarize the number of securities of individual Directors and Executives to present to the Board of Directors in the next meeting.

In recent years, the Board of Directors and the Executives were not found trading securities during the period specified to stop trading. This is the use of inside information that is implied in a way that makes the Company or the shareholders have been damaged or to find wrongful benefits for oneself or others.

### Possessions of securities owned by Board of Directors and Executive Committee

First-Last Name	Title	Balance as of		Increase (Decrease) during the year
		Jan. 1, 2023	Dec. 31, 2023	
1. Ms. Maleeratna Plumchitchom	Independent Director / Chairperson of the Board / Chairperson of the Audit Committee	-	-	-
2. Prof. Dr.Pichaet Wiriyaichitra	Director / Chairman of the Executive Committee / CEO	295,560,500	295,560,500	-
3. Dr.Jingjai Hanchanlash - Spouse	Director / Executive Committee	5,212,187	5,212,187	-
		12,818,169	12,818,169	-
4. Assoc. Prof. Arunee Wiriyaichitra	Director / Executive Committee	92,204,144	92,204,144	-
5. Assoc. Prof. Dr.Varakorn Samakoses - Spouse	Independent Director / Audit Committee	-	-	-
		29,754	29,754	-
6. Prof. Dr.Praipol Koomsup	Independent Director / Audit Committee	-	-	-
7. Dr.Montien Sirisuntornlak - Spouse	Director	105	105	-
		3	3	-
8. Ms. Jannatthabhorn Janprasert	Assistant to Chief Executive Officer for Production	219,561	219,561	-
9. Ms. Sirithip Wiriyaichitra	Assistant to Chief Executive Officer for Research and Quality Assurance	221,695	221,695	-
10. Ms. Apinya Ulumpanon	Assistant to Chief Executive Officer for Accounting and Finance	400,963	400,963	-
11. Ms. Ompimol Prasertwit	Assistant to Chief Executive Officer for Marketing	260,194	260,194	-

### (3) Anti-corruption

The Company renewed its participation in anti-corruption project, the Collective Anti-Corruption (CAC) project on April 1, 2021.

The Company has operated in accordance with the anti-corruption and corruption policy as follows:

(1) The Company has communicated to both Directors, Executives, and Employees to strictly adhere to the anti-corruption and corruption policy.

(2) The Company provides a channel for reporting if any violations are found or if seeing acts of corruption. Protection measures have covered for the reporter.

(3) The Company has organized training to provide knowledge and create understanding about anti-corruption policies and practices for employees.

The Company has disclosed details of policies and actions to prevent involvement with corruption on the Company's website, [www.apco.co.th](http://www.apco.co.th), under the topic of good corporate governance.

In the past year, the Company has not received any complaints related to corruption, violations, or non-compliance with laws, regulations, requirements, orders, and announcements of the Company. Including good corporate governance and the Company's business ethics.

### (4) Whistleblowing

The Company has provided a channel for all stakeholders including employees to contact/complain/report clues about rights violations, offense incidents of fraud or suspected fraud, or matters that may directly cause damage to the Company via mail or the Company's website. Informants will be protected in accordance with the measures of the Company.

In the past year, the Company has not received any complaints or whistleblowers regarding fraud or violations of the Company's policies and practices.

## 8.2 Report on the performance of the Audit Committee for the past year

In the year 2023, details of the Audit Committee meetings and the number of their attendance are as follows:

First-Last Name	Title	Record of Meeting Attendance (Times)	
		(Physical Meeting)	(Hybrid Meeting)
1. Ms. Maleeratna Plumchitchom	Chairperson of the Audit Committee / Independent Director	3/3	1/1
2. Assoc. Prof. Dr.Varakorn Samakoses	Audit Committee / Independent Director	3/3	1/1
3. Prof. Dr.Praipol Koomsup	Audit Committee / Independent Director	3/3	0/1

The Audit Committee held a total of 4 meetings (3 Physical Meeting and 1 Hybrid Meetings ) and attended meetings with the management, internal auditor, and auditors to acknowledge, give approval, join discussions, and exchange ideas on various matters, covering the following matters.

1. The Audit Committee has oversight of the internal audit department. This covers the main mission, scope of work, scope of duties and responsibilities, independence in performing audit work. By reviewing and approving the 2023

internal audit plan prepared in accordance with the Company's risk assessment. There is an opinion that the performance of the Company's internal audit department is independent, suitable, adequate, and effective.

2. The Audit Committee has approved the quarterly and annual financial statements for the year 2023 which have been reviewed and audited by the auditor, before presenting to the Board of Directors for approval. The auditors and management were inquired about the accuracy, completeness of the financial statements, the adequacy of disclosures, as well as the exercise of their discretion in preparing the financial reports. There is an opinion that the Company's financial reporting process has adequate control, to ensure that the Company's financial reports are correct in accordance with accounting standards and adequate disclosure of information.

3. The Audit Committee has reviewed the risk management system by reviewing the management's risk management report on various risk factors and things that need to be corrected in order to be in line with the established policies and strategies, to assess whether the current risk management policies and strategies cover all types of risks and has implemented such policies and strategies with efficiency and effectiveness.

4. The Audit Committee has supervised the Company to operate in accordance with good corporate governance principles, in order to operate in a transparent manner. This includes the consideration of connected transactions or transactions that may lead to conflicts of interest to ensure that such transactions are reasonable and in the best interest of the Company.

5. The Audit Committee has considered proposals to appoint an auditor, including the determination of the audit fee for the year 2023, by considering its performance and independence. With a resolution to propose to the Board of Directors to seek approval from the shareholders' meeting to appoint an auditor from AST Master Co., Ltd. to be the auditor for the year 2023 for another term including the determination of the audit fee.

6. The Audit Committee has a meeting with the auditor without the management attending (Private Session) every year at least once a year.



## 9. Internal Control and Related Transactions

### 9.1 Internal Control

The Company puts importance on internal control for efficiency. To achieve the Company's objectives, we focus on comprehensive internal controlling programs that are suitable with our business model in order to enhance efficiency in human resources management and assets and property maintenance. We are also equipped with highly-efficient accounting and financial reporting system that are credible and compliant with related rules and regulations. The Company conducts an internal audit who work independently in assessing and evaluating. The Company's Board assigns the Audit Committee to review the internal audit report and provide advice on the development plan of internal auditing system regularly.

#### **Sufficiency Assessment of Internal Control System by the Board of Directors**

In the Board of Directors' Meeting No. 1/2024 on February 28, 2024, with all 3 independent directors and the Audit Committee also attended the meeting convened and assessed the availability and appropriateness of the Company's internal control in accordance with the Assessment of the adequacy of the internal control system, which developed by the Securities and Exchange Commission (SEC) in accordance with the COSO 2013 Framework Guidelines while discussing about proper actions of a good internal control system. The assessment of its internal control system consists of five components which include control environment, risk assessment, control activities, information and communication, and monitoring activities. They all agreed that the Company's internal control system was sufficient and appropriate, able to protect company assets from improper or powerless use by Directors or Executives and no report of faults relating to the major internal control was found. The Company has provided sufficient personnel to operate the system efficiently and independently. In addition, the audit committee has endured that the person holding the position of head of the internal audit office has education, experience and training that are suitable and adequate for performing such duties. Therefore, it appointed Ms.Jutirat Promchotchai, as the Company's internal auditor and as the secretary to the Audit Committee because Ms.Jutirat Phromchotchai is an experienced internal audit and has received training in courses related to the internal audit operations such as the Certified Professional Internal Audit of Thailand (CPIAT) and courses organized by other departments as well as being a person with knowledge and understanding of the activities and operations of the Company. The results of internal audit will be presented to the Audit Committee at least every three months. In this regard, the internal auditor will conduct the risk assessment and prepare the internal audit plan each year, perform the audit and monitor the results of system improvement, and directly report to the Audit Committee at least every quarter. The main objective is to assess the efficiency and sufficiency of the internal control system, operation, implementation of policy and relevant operational guidelines, and reliability of the Company's financial statements. The internal auditor has audited the Company's performance and given some suggestions to improve the work performance whereas the Executives always pay their attention and conduct an improvement as recommended by the internal auditor.

In this regard, any consideration and approval, appointment, removal, and transfer of the person in charge of the head of internal auditor shall be approved (or given a consent) by the Audit Committee. The qualifications of a person holding the position shown in Attachment 3.

## 9.2 Related Transactions of the Company Group and Persons who may have a Conflict of Interest

Relevant Person(s) or Juristic Person(s) and Relationships	Description	Transaction Value (Baht)			Balance (Baht)			Necessity and Reasonability	Auditor Committee's Opinion
		2023	2022	2021	Dec 31, 2023	Dec 31, 2022	Dec 31, 2021		
<b>Arun Pittaya Co.,Ltd.</b> <u>Relationship</u> Board members and shareholders; Mr.Pichaet Wiriyachitra and Ms.Arune Wiriyachitra hold 64.68% of shares in APCO and 100% of shares in Arun Pittaya Co.,Ltd.	Royalty fee for research and product development /Payable	7,214,400	6,104,839	5,821,581	589,873	669,866	655,517	Such remuneration is for the research and product development (not the copyright fees) for the products made from mangosteen and Garcinia developed by Dr.Pichaet Wiriyachitra on behalf of Arun Pittaya Co.,Ltd., which has developed these products from the past to present and to the future.  The Company agreed to pay remuneration for the research and development in percentage 5% from sales volumes made from the factory, and 2% from sales volumes of branch offices.	Such transaction is reasonable for Mr.Pichaet Wiriyachitra, who does research and develop the products for the Company.
	Rental fee	420,000	420,000	420,000	-	-	-	The transaction is for the rental fee of Chiang Mai Branch Office at the rate of 35,000 Baht per month. The lease contract is 1 year term, starting from July 1, 2023 – June 30, 2024. The rate has been the same rate since the year 2011, with no addition of rental fee.	The transaction is reasonable and it is the same rate.

Relevant Person(s) or Juristic Person(s) and Relationships	Description	Transaction Value (Baht)			Balance (Baht)			Necessity and Reasonability	Auditor Committee's Opinion
		2023	2022	2021	Dec 31, 2023	Dec 31, 2022	Dec 31, 2021		
	Product Sales	4,206	-	-	-	-	-	This transaction is another distribution channel for the Company. The company sells products at price which had been agreed upon that excess cost value.	The transaction is normal.
<b>Juristic Body</b> Ms.Arune Wiriyaichitra And Ms.Wipa Wittayaveroj <u>Relationship</u> Board Members and Shareholders; (Totally shareholding 15.47%)	Rental fee	-	-	78,000		-	-	The transaction is for the rental fee of Surat Thani Branch Office at the rate of 13,000 Baht per month. The lease contract is 1 year term, starting from July 1, 2020 – June 30, 2021. However, the lease agreement was terminated at the end of the contract due to branch relocation.	The transaction is reasonable and it is the same rate.
<b>Bim Health Center Co.,Ltd.</b> <u>Relationship</u> An associate company; APCO holds 49.99% of shares in this company.	Product Sales/ Receivable	6,931,070	5,557,522	4,509,880	447,615	142,704	304,290	This transaction is another distribution channel for the Company. The company sells products at price which had been agreed upon that excess cost value.	The transaction is normal.
	Other Income	-	646,556.74	-		-	-	APCO receives dividends income from Bim Health Center Co., Ltd.	The transaction is normal.

Relevant Person(s) or Juristic Person(s) and Relationships	Description	Transaction Value (Baht)			Balance (Baht)			Necessity and Reasonability	Auditor Committee's Opinion
		2023	2022	2021	Dec 31, 2023	Dec 31, 2022	Dec 31, 2021		
<b>Hisold Digital Co.,Ltd.</b> <u>Relationship</u> An associate company; APCO holds 49.99% of shares in this company.	Product Sales	536,495	613,458	1,779,028	-	-	204,000	This transaction is another distribution channel for the Company. The company sells products at price which had been agreed upon that excess cost value.	The transaction is normal.
<b>APCO China Co.,Ltd.</b> <u>Relationship</u> An associate company; APCO holds 49.99% of shares in this company.	Other Income / Other Receivables	-	-	319,575	-	-	461,675	APCO Charges Management Fee from APCO China Co., Ltd.	The transaction is normal.
<b>Killer T Cell for Pets Co., Ltd.</b> <u>Relationship</u> A subsidiary company; APCO holds 55% of shares in this company.	Product Sales/ Receivable	2,754,986	1,504,256	-	270,412	292,656	-	This transaction is another distribution channel for the Company. The company sells products at price which had been agreed upon that excess cost value.	The transaction is normal.
<b>Prof. Dr. Pichaet – Assoc. Prof. Arunee Wiriyachitra Foundation</b> <u>Relationship</u> Board Members and Shareholders; (Totally shareholding 64.68%)	Product Sales	224,389	-	-	-	-	-	This transaction is another distribution channel for the Company. The company sells products at price which had been agreed upon that excess cost value.	The transaction is normal.

### **9.2.1 Measures or Approval Procedures for Inter-Company Transactions**

The Company and its subsidiaries ensure transparency in measures or approval procedures of inter-company transactions with the principle of fairness while protecting the benefits of the Company and its subsidiaries as our priority. In handling the issue with individuals who may have conflict of interest, the issue needs to be reported to the Audit Committee for consideration and approval for the ultimate benefits of each transaction and also to protect investors and related parties. In dealing with such transaction, rules, regulations, requirements, orders and conditions of the Securities and Exchange Commission (SEC) or concerned laws need to be strictly followed and observed. Those who may have conflict of interest or their benefits or loss are at stake in such transaction shall have no participation in approving such transaction.

As for a normal trade transaction i.e. purchasing of a product or product selling, etc., the Company has the right to set conditions and requirements in line with normal trade transaction, fair practices, and market prices which can be used as a reference point incurring to external parties. The Company's Audit Committee is in charge of deliberating the issue and granting the approval as well as reporting to the Company's Board every quarter. The justification of the transaction will be deliberated based upon the market price including other factors such as conditions and the inevitable business impacts i.e. delivery timeline, specific characteristics of a product, etc. for the ultimate benefit of the Company.

The future guideline on setting the rental rate for a renewal of lease contracts between relevant people and the Company or the Company and relevant people will be based on the rates applicable at present. In the event of any addition to the rental rates, the evaluation company as approved by the Securities and Exchange Commission will evaluate the rental fees and/or utilize the rental fees of nearby places. In this regard, the Audit Committee will take charge of consideration and approval for such transaction regarding the reasonability and necessity while keeping the Board of Directors informed every quarter.

### **9.2.2 Tendency of Future Inter-Company Transactions**

For future inter-company transactions, conditions shall be set according to normal trade characteristic by using market price and its appropriate conditions as a reference point. The Company and/or its company group will have the Audit Committee or Independent Directors provide the opinion about the remuneration rate and the necessity as well as the appropriateness of such transaction. Should there be a transaction processed by a person that may have conflict of interest in the future, the Company will apply rules, regulations, announcement and/or requirements of SEC and/or Stock Exchange of Thailand to the case whereby the Company may have independent specialists or the Company's audit or provide the opinion on the transaction which will be used to support the deliberation of the Board or shareholders, depending on each case. The Company shall disclose the inter-company transactions in the appendix attached to audited financial budget and publish it in the Company's annual report.

## **Part 3**

### **Financial Statements**

#### **Report of the Board of Directors' Responsibilities for Financial Statements**

The financial statements of Asian Phytocueticals Public Company Limited have been prepared in accordance with the regulations of the Securities and Exchange Commission, the Securities and Exchange Act B.E. 2535, and the notification of the Department of Business Development, issued under the third paragraph of Section 11 of the Accounting Act B.E. 2000 and comply with the financial reporting standards set by the Federation of Accounting Professions.

The Board of Directors is responsible for the financial statements of Asian Phytocueticals Public Company Limited, to ensure that it shows the financial position, results of operations and cash flows for the year ended December 31, 2023, by providing accounting records that are accurate, complete, and sufficient to maintain assets, as well as preventing fraud and abnormal operations. In the preparation of financial statements, the appropriate accounting policy has been selected, as well as using careful and reasonable discretion in the preparation of the Company's financial statements and practice, including adequate disclosure of important information in the notes to the financial statements, and the financial statements have been audited and given an unbiased opinion from an independent licensed auditor.

In this regard, the Board of Directors has appointed the Audit Committee, which consists of 3 independent directors, to review the quality of financial statements and the adequacy of the internal control system. The auditor has commented that the Company's operation is efficient and effective, has a good internal control system, did not find any significant issues or defects. The opinion of the Audit Committee on this matter appears in the Audit Committee's report which is presented in this annual report.

***Maleeratna Plumchitchom***  
( Ms.Maleeratna Plumchitchom )  
Chairperson of the Board

***Pichaet Wiriyachitra***  
( Prof.Dr.Pichaet Wiriyachitra )  
Chairman of the Executive Committee

**ASIAN PHYTOCEUTICALS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**FINANCIAL STATEMENTS**  
**AND INDEPENDENT AUDITOR'S REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**  
**EXPRESSED IN THAI BAHT**

## Independent Auditor's Report

To the Board of Directors and Shareholders of  
**Asian Phytochemicals Public Company Limited**

### Opinion

I have audited the accompanying consolidated financial statements of **Asian Phytochemicals Public Company Limited and its subsidiary** ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2023, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of **Asian Phytochemicals Public Company Limited** for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position as at 31 December 2023, and their financial performance and cash flows for the year then ended of **Asian Phytochemicals Public Company Limited and its subsidiary** and separate of **Asian Phytochemicals Public Company Limited** in accordance with Thai Financial Reporting Standards.

### Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Key Audit Matter

Key audit matter is the matter that, in my professional judgement, was of most significance in my audit of the financial statements of the current period. This matter was addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on this matter.

*Sumanta k.*



## AST MASTER

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Key audit matter and how audit procedures respond are described below.

### Revenue Recognition

The Group generally recognizes revenues when the control of goods have been transferred to the customers. The Group's revenues from sales are considered as a material amount to the statement of comprehensive income. In addition, the Group's revenues from sales typically derives from multi-channel distribution, for example sales through agents, sales through referrals by call center and other channels. Because of the diversity of distribution channels, the Group requires the special considerations of the net consideration from customer and the timing that the Group transfers the control of goods to customer. Therefore, I determine that this matter is significant to my audit.

I conducted the audit to obtain the reasonable assurance that the Group recognized revenues in compliance in accordance with the Group's accounting policies by understanding the process and testing the effectiveness of significant internal controls related to revenue recognition. I focused on the test that responded to the accuracy and the timing in which revenues were recognized in the Group's financial statements. I tested the samples of sale transactions to determine the amount of consideration expects to be entitled to, in order to verify the accuracy and the appropriateness of the revenue recognition and to determine whether they were in compliance with the condition set out in the agreement or sales documents and the Group's revenue recognition policy. I tested supporting evidence for the sales incurred during the year and close to year end, tested the credit notes issued after year end and tested the significant adjustments to revenues. I also analyzed revenues by distribution channels to determine the appropriateness of revenues recognized throughout the accounting period.

### Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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

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

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

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

*Sumanta K.*

**Auditor's Responsibilities for the Audit of the Financial Statements**

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

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

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

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

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

*Sumanta K.*

## AST MASTER

บริษัท เอเอสที มาสเตอร์ จำกัด

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

*Sumanta K.*

SUNANTA KUMSUK  
Certified Public Accountant  
Registration No. 8207

AST Master Co., Ltd.  
28 February 2024

ASIAN PHYTOCEUTICALS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

		In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
	Notes	2023	2022	2023	2022
<u>Assets</u>					
Current assets					
Cash and cash equivalents	6	125,634,651	82,146,058	119,674,613	77,160,822
Trade and other receivables	7	5,382,750	5,514,962	5,294,242	4,977,358
Inventories	8	44,017,073	52,495,261	43,868,264	52,416,290
Other current financial assets	9	125,552,471	97,004,780	125,552,471	97,004,780
Other current assets		229,669	350,991	228,788	350,851
Total current assets		300,816,614	237,512,052	294,618,378	231,910,101
Non - current assets					
Deposits pledged as collateral	10	2,031,455	2,029,652	2,031,455	2,029,652
Investment in subsidiary	11.1	-	-	2,749,990	2,749,990
Investments in associates	12	1,615,776	1,776,142	1,349,975	2,249,975
Property, plant and equipment	13	46,924,499	50,348,700	46,884,349	50,319,349
Right-of-use assets	14	35,412,909	13,675,852	35,412,909	13,675,852
Intangible assets	15	786,258	236,154	786,258	236,154
Deferred tax assets	23	10,749,617	7,108,886	10,906,902	7,100,317
Other non - current financial assets	9	302,245,738	363,235,814	302,245,738	363,235,814
Other non - current assets		4,141,605	4,224,384	4,141,605	4,224,384
Total non - current assets		403,907,857	442,635,584	406,509,181	445,821,487
Total assets		704,724,471	680,147,636	701,127,559	677,731,588

The accompanying notes are an integral part of the financial statements.



ASIAN PHYTOCEUTICALS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2023

		In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
	Notes	2023	2022	2023	2022
<u>Liabilities and shareholders' equity</u>					
<b>Current liabilities</b>					
Trade and other payables	16	19,321,176	17,166,515	19,269,036	17,134,324
Current portion of lease liabilities	17	13,447,545	12,204,106	13,447,545	12,204,106
Accrued income tax		10,772,926	12,704,868	10,551,471	12,641,804
Other current liabilities		2,653,401	3,020,830	2,562,702	2,999,283
<b>Total current liabilities</b>		46,195,048	45,096,319	45,830,754	44,979,517
<b>Non - current liabilities</b>					
Lease liabilities	17	22,220,555	1,615,393	22,220,555	1,615,393
Employee benefit obligations	18	19,881,776	18,891,747	19,768,201	18,848,903
Provision for dismantling cost of rental buildings	19	4,038,030	4,038,030	4,038,030	4,038,030
<b>Total non - current liabilities</b>		46,140,361	24,545,170	46,026,786	24,502,326
<b>Total liabilities</b>		92,335,409	69,641,489	91,857,540	69,481,843
<b>Shareholders' equity</b>					
Share capital					
Registered					
600,000,000 ordinary shares of Baht 0.50 each		300,000,000	300,000,000	300,000,000	300,000,000
Issued and paid-up					
600,000,000 ordinary shares of Baht 0.50 each		300,000,000	300,000,000	300,000,000	300,000,000
Premium on share capital		166,944,654	166,944,654	166,944,654	166,944,654
Surplus from business combinations					
under common control		22,666,575	22,666,575	22,666,575	22,666,575
Retained earnings					
Appropriated for legal reserve	20	30,000,000	30,000,000	30,000,000	30,000,000
Unappropriated		108,959,667	93,636,819	108,534,063	93,910,079
Other components of equity	9	(18,875,273)	(5,271,563)	(18,875,273)	(5,271,563)
Total equity attributable to the parent company		609,695,623	607,976,485	609,270,019	608,249,745
Non-controlling interests of the subsidiary	11.2	2,693,439	2,529,662	-	-
<b>Total shareholders' equity</b>		612,389,062	610,506,147	609,270,019	608,249,745
<b>Total liabilities and shareholders' equity</b>		704,724,471	680,147,636	701,127,559	677,731,588

The accompanying notes are an integral part of the financial statements.

**ASIAN PHYTOCEUTICALS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

		In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
Notes		2023	2022	2023	2022
	Sales	292,761,706	250,381,378	287,658,720	248,052,434
	Costs of sales	(57,245,104)	(47,939,348)	(57,314,942)	(48,018,318)
	<b>Gross profit</b>	<b>235,516,602</b>	<b>202,442,030</b>	<b>230,343,778</b>	<b>200,034,116</b>
	Other income	1,089,915	2,084,322	1,089,908	2,084,320
	<b>Profit before expenses</b>	<b>236,606,517</b>	<b>204,526,352</b>	<b>231,433,686</b>	<b>202,118,436</b>
	Selling expenses	(53,382,955)	(48,139,928)	(53,325,481)	(47,958,581)
	Administrative expenses	(66,332,769)	(68,353,494)	(64,346,555)	(66,659,126)
	Total expenses	(119,715,724)	(116,493,422)	(117,672,036)	(114,617,707)
	<b>Profit from operating activities</b>	<b>116,890,793</b>	<b>88,032,930</b>	<b>113,761,650</b>	<b>87,500,729</b>
22	Finance income	15,690,672	12,400,394	18,414,275	13,044,407
	Finance costs	(661,277)	(566,231)	(661,277)	(566,231)
12	Loss from impairment of investment in associate	-	-	(900,000)	-
12	Share of gain from investment in associates	1,264,628	607,637	-	-
	<b>Profit before income tax</b>	<b>133,184,816</b>	<b>100,474,730</b>	<b>130,614,648</b>	<b>99,978,905</b>
23	Tax expenses	(24,449,605)	(19,279,295)	(23,822,083)	(19,424,735)
	<b>Profit for the year</b>	<b>108,735,211</b>	<b>81,195,435</b>	<b>106,792,565</b>	<b>80,554,170</b>
	<b>Other comprehensive income:</b>				
	<b>Other comprehensive income to be reclassified</b>				
	<b>to profit or loss in subsequent periods</b>				
	Loss on change in value of financial assets	(865,624)	(4,198,914)	(865,624)	(4,198,914)
23	<u>Less</u> : Income tax effect	173,125	839,783	173,125	839,783
	Net	(692,499)	(3,359,131)	(692,499)	(3,359,131)
	<b>Other comprehensive income not to be reclassified</b>				
	<b>to profit or loss in subsequent periods</b>				
	Gain (loss) on investments in equity designated at fair value through other comprehensive income	(15,177,818)	11,768,948	(15,177,818)	11,768,948
23	<u>Less</u> : Income tax effect	3,035,564	(2,353,790)	3,035,564	(2,353,790)
	Net	(12,142,254)	9,415,158	(12,142,254)	9,415,158
	<b>Other comprehensive income for the year</b>	<b>(12,834,753)</b>	<b>6,056,027</b>	<b>(12,834,753)</b>	<b>6,056,027</b>
	<b>Total comprehensive income for the year</b>	<b>95,900,458</b>	<b>87,251,462</b>	<b>93,957,812</b>	<b>86,610,197</b>

The accompanying notes are an integral part of the financial statements.

**ASIAN PHYTOCEUTICALS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

		In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
Notes		2023	2022	2023	2022
<b>Profit attributable to:</b>					
	Equity holders of the parent	107,491,429	80,915,783	106,792,565	80,554,170
	Non-controlling interests	1,243,782	279,652	-	-
	<b>Profit for the year</b>	<u>108,735,211</u>	<u>81,195,435</u>	<u>106,792,565</u>	<u>80,554,170</u>
<b>Total comprehensive income attributable to:</b>					
	Equity holders of the parent	94,656,676	86,971,810	93,957,812	86,610,197
11.2	Non-controlling interests	1,243,782	279,652	-	-
	<b>Total comprehensive income for the year</b>	<u>95,900,458</u>	<u>87,251,462</u>	<u>93,957,812</u>	<u>86,610,197</u>
<b>Basic earnings per share</b>					
	Profit for the year	<u>0.1792</u>	<u>0.1349</u>	<u>0.1780</u>	<u>0.1343</u>

The accompanying notes are an integral part of the financial statements.

**ASIAN PHYTOCEUTICALS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

In Baht									
Consolidated financial statements									
Equity attributable to the parent company									
Notes	Issued and Paid - up Share Capital	Premium on share capital	Surplus from business combinations under common control	Retained earnings		Other components of equity Gain (loss) on measurement of financial assets	Total shareholders' equity of the parent	Non - controlling interests of the subsidiary	Total shareholders' equity
				Appropriated for legal reserve	Unappropriated				
Balance as at 1 January 2022	300,000,000	166,944,654	22,666,575	30,000,000	74,084,448	1,299,268	594,994,945	-	594,994,945
Non-controlling interests of the subsidiary									
Increase from investment in subsidiary	-	-	-	-	-	-	-	2,250,010	2,250,010
Decrease in gain from sale of investment									
in equity - net of income tax	9	-	-	-	12,626,858	(12,626,858)	-	-	-
Dividend paid	21	-	-	-	(73,990,270)	-	(73,990,270)	-	(73,990,270)
Profit for the year		-	-	-	80,915,783	-	80,915,783	279,652	81,195,435
Other comprehensive income for the year		-	-	-	-	6,056,027	6,056,027	-	6,056,027
Total comprehensive income for the year		-	-	-	80,915,783	6,056,027	86,971,810	279,652	87,251,462
Balance as at 31 December 2022	300,000,000	166,944,654	22,666,575	30,000,000	93,636,819	(5,271,563)	607,976,485	2,529,662	610,506,147
Balance as at 1 January 2023	300,000,000	166,944,654	22,666,575	30,000,000	93,636,819	(5,271,563)	607,976,485	2,529,662	610,506,147
Decrease in gain from sale of investment									
in equity - net of income tax	9	-	-	-	768,957	(768,957)	-	-	-
Dividend paid	21	-	-	-	(92,937,538)	-	(92,937,538)	-	(92,937,538)
Dividends of subsidiary paid to									
non-controlling interests	11.2	-	-	-	-	-	-	(1,080,005)	(1,080,005)
Profit for the year		-	-	-	107,491,429	-	107,491,429	1,243,782	108,735,211
Other comprehensive income for the year		-	-	-	-	(12,834,753)	(12,834,753)	-	(12,834,753)
Total comprehensive income for the year		-	-	-	107,491,429	(12,834,753)	94,656,676	1,243,782	95,900,458
Balance as at 31 December 2023	300,000,000	166,944,654	22,666,575	30,000,000	108,959,667	(18,875,273)	609,695,623	2,693,439	612,389,062

The accompanying notes are an integral part of the financial statements.



**ASIAN PHYTOCEUTICALS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

In Baht							
Separate financial statements							
Notes	Issued and Paid - up Share Capital	Premium on share capital	Surplus from business combinations under common control	Retained earnings		Other components of equity Gain (loss) on measurement of financial assets	Total shareholders' equity
				Appropriated for legal reserve	Unappropriated		
Balance as at 1 January 2022	300,000,000	166,944,654	22,666,575	30,000,000	74,719,321	1,299,268	595,629,818
Decrease in gain from sale of investment in equity - net of income tax	9	-	-	-	12,626,858	(12,626,858)	-
Dividend paid	21	-	-	-	(73,990,270)	-	(73,990,270)
Profit for the year	-	-	-	-	80,554,170	-	80,554,170
Other comprehensive income for the year	-	-	-	-	-	6,056,027	6,056,027
Total comprehensive income for the year	-	-	-	-	80,554,170	6,056,027	86,610,197
Balance as at 31 December 2022	<u>300,000,000</u>	<u>166,944,654</u>	<u>22,666,575</u>	<u>30,000,000</u>	<u>93,910,079</u>	<u>(5,271,563)</u>	<u>608,249,745</u>
Balance as at 1 January 2023	300,000,000	166,944,654	22,666,575	30,000,000	93,910,079	(5,271,563)	608,249,745
Decrease in gain from sale of investment in equity - net of income tax	9	-	-	-	768,957	(768,957)	-
Dividend paid	21	-	-	-	(92,937,538)	-	(92,937,538)
Profit for the year	-	-	-	-	106,792,565	-	106,792,565
Other comprehensive income for the year	-	-	-	-	-	(12,834,753)	(12,834,753)
Total comprehensive income for the year	-	-	-	-	106,792,565	(12,834,753)	93,957,812
Balance as at 31 December 2023	<u>300,000,000</u>	<u>166,944,654</u>	<u>22,666,575</u>	<u>30,000,000</u>	<u>108,534,063</u>	<u>(18,875,273)</u>	<u>609,270,019</u>

The accompanying notes are an integral part of the financial statements.

**ASIAN PHYTOCEUTICALS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
<b>Cash flows from operating activities</b>				
Profit before tax	133,184,816	100,474,730	130,614,648	99,978,905
Adjustments to reconcile profit to net cash provided by operating activities				
Loss (gain) on sale of other financial assets	(602,429)	88,951	(602,429)	88,951
Unrealized loss (gain) from changes in fair value of other financial assets	132,852	(80,171)	132,852	(80,171)
Bad debt	-	336,615	-	336,615
Allowance for write-down and obsolescence of inventories	1,023,553	696,542	1,023,553	696,542
Loss from impairment of investment in associate	-	-	900,000	-
Gain on disposal of equipment	(8,972)	(121,494)	(8,972)	(121,494)
Profit from termination of lease	-	(408,736)	-	(408,736)
Penalty for termination of the lease	-	1,399,083	-	1,399,083
Depreciation	6,796,509	6,806,186	6,789,525	6,801,248
Depreciation of right-of-use assets	15,180,294	16,319,244	15,180,294	16,319,244
Amortization of intangible assets	173,896	120,126	173,896	120,126
Share of gain from investments in associates	(1,264,628)	(607,637)	-	-
Employee benefit obligations	1,686,588	1,603,201	1,615,857	1,560,357
Revenue from is recognised accrued commission	(969,448)	(1,463,892)	(969,448)	(1,463,892)
Dividends income from financial assets	(2,898,274)	(2,798,352)	(2,898,274)	(2,798,352)
Dividends income from investments in subsidiary	-	-	(1,319,995)	-
Dividends income from investments in associate	-	-	(1,424,994)	(646,557)
Interest income	(12,322,821)	(9,610,822)	(12,301,435)	(9,608,278)
Finance costs	661,277	566,231	661,277	566,231
Profit from operating activities before change in operational assets and liabilities	140,773,213	113,319,805	137,566,355	112,739,822
Decrease (Increase) in operating assets				
Trade and other receivables	420,477	128,761	(28,619)	666,365
Inventories	7,454,635	5,422,446	7,524,473	5,501,417
Other current assets	121,322	(48,767)	122,063	(48,627)
Other non - current assets	82,779	(82,810)	82,779	(82,810)
Increase (Decrease) in operating liabilities				
Trade and other payables	3,124,109	1,615,569	3,104,160	1,583,378
Provision for dismantling cost of rental buildings	-	(1,057,775)	-	(1,057,775)
Other current liabilities	(367,429)	668,197	(436,581)	646,650
Employee benefit obligations	(696,559)	-	(696,559)	-
Cash received from operations	150,912,547	119,965,426	147,238,071	119,948,420
Income tax paid	(26,813,589)	(19,784,043)	(26,510,312)	(19,784,018)
Net cash provided by operating activities	124,098,958	100,181,383	120,727,759	100,164,402

The accompanying notes are an integral part of the financial statements.

ASIAN PHYTOCEUTICALS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
<b>Cash flows from investing activities</b>				
Interest income	12,604,554	8,910,061	12,583,168	8,907,517
Proceeds from disposal of other financial assets	340,537,529	276,479,563	340,537,529	276,479,563
Cash paid for acquisition of other financial assets	(323,669,009)	(317,417,312)	(323,669,009)	(317,417,312)
Increase in fixed deposits pledged as collateral	(1,803)	(785)	(1,803)	(785)
Dividends income from financial assets	2,898,274	2,798,352	2,898,274	2,798,352
Cash paid for investment in subsidiary	-	-	-	(2,749,990)
Dividends income from investment in subsidiary	-	-	1,319,995	-
Dividends income from investments in associate	854,996	646,557	854,996	646,557
Proceeds from disposal of equipment	11,457	121,495	11,457	121,495
Cash paid for acquisition of machinery and equipment	(3,374,793)	(322,159)	(3,357,010)	(287,870)
Cash paid for acquisition of intangible assets	(724,000)	-	(724,000)	-
Net cash provided by (used in) investing activities	29,137,205	(28,784,228)	30,453,597	(31,502,473)
<b>Cash flows from financing activities</b>				
Dividends paid	(92,937,538)	(73,990,270)	(92,937,538)	(73,990,270)
Dividends of subsidiary paid to non-controlling interests	(1,080,005)	-	-	-
Interest paid	(661,277)	(566,231)	(661,277)	(566,231)
Repayment of liabilities under lease agreements	(15,068,750)	(15,537,758)	(15,068,750)	(15,537,758)
Increase from investment in subsidiary				
Non-controlling interests of the subsidiary	-	2,250,010	-	-
Net cash used in financing activity	(109,747,570)	(87,844,249)	(108,667,565)	(90,094,259)
Net increase (decrease) in cash and cash equivalents	43,488,593	(16,447,094)	42,513,791	(21,432,330)
Cash and cash equivalents, beginning of year	82,146,058	98,593,152	77,160,822	98,593,152
Cash and cash equivalents, end of year	125,634,651	82,146,058	119,674,613	77,160,822
<b>Supplement Disclosures of Cash Flows information</b>				
Non - cash transactions				
Decrease in accrued dividends income from investments in assoc	(569,998)	-	(569,998)	-
Transfer other financial assets to be fixed deposits				
pledged as collateral	-	1,500,000	-	1,500,000
Increase in lease liabilities	-	3,651,422	-	3,651,422

The accompanying notes are an integral part of the financial statements.



**ASIAN PHYTOCEUTICALS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**1. GENERAL INFORMATION**

Asian Phytoceuticals Public Company Limited (“the Company”) is a public company limited on 12 July 2005. The Company is engaged in business of research and development, manufacturing and distribution of its products of healthcare and beauty from the natural extracts.

The Company is located at 84/3 Moo 4 Highway No.11 Road, Banklang, Muang Lamphun, Lamphun.

**2. BASIS FOR FINANCIAL STATEMENTS PREPARATION**

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRs); guidelines promulgated by the Federation of Accounting Professions (TFAC) and applicable rules and regulations of the Thai Securities and Exchange Commission.

The financial statements are presented in Baht, which is also the Group' functional currency.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses in the reported periods. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

The consolidated and separate financial statements have been prepared on the basis that the Company's ability to continue as a going concern by using the historical cost convention except for the revaluation of certain assets and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period as disclosed in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and service at transaction date.

The financial statements includes the financial statements of Asian Phytoceuticals Public Company Limited and its subsidiary (collectively as “the Group”). The interim financial statements included the accounts of subsidiary that the Company being influence over the control is as follow:

Name of entity	Nature of business	Country of incorporation	Percentage of shareholding of ordinary shares
			(%)
Killer T Cell for Pets Co., Ltd.	Engages in the business of distribution and marketing of pharmaceutical food supplements in the global animal market	Thailand	55

The Company is deemed to have control over an investee or subsidiary if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.

Subsidiary is fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

The financial statements of the subsidiary is prepared using the same significant accounting policies as the Company.

Material balances and transactions between the Group have been eliminated from the consolidated financial statements.

Non-controlling interests represent the portion of profit or loss and net assets of the subsidiary that is not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

The separate financial statements present investments in subsidiary, investments in associates under the cost method less allowance for impairment (if any).

**ASIAN PHYTOCEUTICALS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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For the convenience of the user, an English translation of the financial statements has been prepared from the financial statements that are issued in the Thai language.

**Acquisitions from entities under common control**

Business combinations of entities or businesses under common control are accounted for using a method similar to the pooling of interest method and in accordance with Guidelines issued in 2009 by the TFAC.

The excess of book value of net assets acquired in subsidiaries under common control over the price at which they were exchanged is presented in shareholders' equity in the consolidated statement of financial position under the caption "Surplus from business combinations under common control".

**3. NEW FINANCIAL REPORTING STANDARDS**

**3.1 Financial reporting standards that became effective in the current year**

During current year, the Group has adopted several revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2023, onwards. The adoption of these standards does not have any significant impact on the Group's financial statements.

**3.2 New financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2024, onwards**

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2024, onwards. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards making financial reporting standards clearer and more appropriate.

The Group's management believe that the amended financial reporting standards shall not have significant impacts to the Group.

**4. SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of these financial statements are set out below;

**4.1 Revenue recognition**

Revenue from sale of healthcare and beauty products is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods. A receivable is recognized when the goods are delivered to the customer's specific location at which the Company has right to receive payment of that consideration is due. Revenue is measured at the amount of the consideration received or receivable.

Payments to customers or on behalf of customers to other parties, including credited or subsequent discounts, are recognised as a reduction in revenue unless the payment constitutes consideration of distinct goods or service from the customer.

Interest income is recognized on a time proportion basis that reflects the effective yield on the asset.

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

**4.2 Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand, cash at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

Deposits at financial institutions that are restricted in use are presented as "Fixed deposits pledged as collateral" under non - current assets in the statement of financial position.



#### 4.3 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the first-in, first-out method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity), but excludes borrowing costs. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses. Allowance is made, where necessary, for obsolete, slow moving and defective inventories.

#### 4.4 Investments

##### Investments in subsidiary

Subsidiary is entity controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognized in the statement of comprehensive income. Any interest retained in the former subsidiary is measured at fair value when control is lost.

In the separate financial statements, investments in subsidiary is accounted for using cost method less allowance for impairment (if any).

##### Investments in associate

Associate is entity in which the Company has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Company holds between 20% and 50% of the voting power of another entity.

Investment in associate is accounted for in the financial statements in which the equity method is applied (equity-accounted investees) and is recognised initially at cost.

Investment in associate is accounted for in the financial statements in which the equity method is applied include the Company's share of profit or loss from the date that significant influence commences until the date that significant influence ceases. When the Company's share of losses exceeds its interest in an associate, the Company's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

In the separate financial statements, investments in associate is accounted for using cost method less allowance for impairment (if any).

#### 4.5 Property, plant and equipment

Property, plant and equipment are initially recorded at cost. All assets except for land are stated at historical cost less accumulated depreciation and allowance for loss on impairment of asset (if any).

Decommissioning costs are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any). Depreciation is calculated on a straight-line basis over the expected period of the decommissioning.

**ASIAN PHYTOCEUTICALS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

Depreciation of plant and equipment is calculated on the straight line method over their estimated useful lives are as follows:

Land improvement	10	years
Building and improvement	3-20	years
Machinery and equipment	5-10	years
Tools	5-10	years
Office equipment	3-10	years
Vehicles	5-10	years

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

Repairs and maintenance are charged in profit or loss during the financial period in which they are incurred. The cost of the replacement part is included in the carrying amount of the asset is depreciated over the remaining useful life of the related asset.

When assets are sold or retired, the Group will eliminate their costs and accumulated depreciation from the accounts and recognize any gain or loss resulting from their disposal in the statement of comprehensive income.

#### **4.6 Leases**

##### **Right-of-use assets**

The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised through initial measurement, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received. The Group has used a practical expedient to account non-lease components as a single arrangement.

Unless the Group is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Depreciation of right-of-use assets are calculated by reference to their costs on a straight-line basis over the shorter of their estimated useful lives and the lease term, as follows:

Building	3 years
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##### **Lease liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

##### **Short-term leases and Leases of low-value assets**

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

##### **The lease liability is subsequently measured**

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



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

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

#### **4.7 Intangible assets and amortization**

Intangible asset is computer software which is stated at historical cost less any accumulated amortisation and allowance for loss on impairment of assets (if any). Amortized using the straight line method over its useful live of 10 years.

#### **4.8 Impairment of land, building and equipment and other intangible assets**

The Group annually reviewed the impairment of land, building and equipment, Right-of-use assets and other intangible assets, whenever events or changes in circumstances indicate that the recoverable amount of assets is below the carrying amount. The Group recognizes the impairment losses and a reversal of impairment loss is recognized as income when there is an indication that the expected recoverable amount is higher than the amount recognized provided that such a reversal should not exceed the carrying amount that would have been determined (net of amortization and depreciation) had no impairment loss been recognized for the asset in prior periods. Recoverable value is the higher of an amount between fair value less costs to sell and value in use.

#### **4.9 Provisions**

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. An increase in the provision due to the time value of money is recognized as interest expense.

#### **4.10 Employee benefits**

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group contributions are recognised as expenses when the employee have rendered service to the Group during the year.



#### Defined benefit plans

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

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in other comprehensive income that will not be reclassified.

#### 4.11 Foreign currency transactions

Foreign currency transactions are translated into Thai Baht using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated to Thai Baht at the exchange rate prevailing at the balance sheet date. Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognized in profit or loss.

#### 4.12 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

##### Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

##### Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

#### 4.13 Basic earnings per share

Basic earnings per share are calculated by dividing the income attributable to shareholders by the weighted average number of common shares during the year.

#### 4.14 Related persons and companies

The related persons and parties with the Group meant individuals or enterprises which have the controlling power over the Group or are controlled by Group either directly or indirectly, or under the same control with the Group. Furthermore, the related persons or related parties also meant the companies and the parties whose holding the shares with voting rights, either directly or indirectly, and have significant influence to the Group, important management, directors or the employees of the Group who have the power to plan and control the operations of the Group including the family members close to the said persons which could persuade or power to persuade the said persons to act in compliance with and business that the said persons have control power or significant influence, either directly or indirectly.

#### 4.15 Financial instruments

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component are measured at the transaction price.

##### **Classification and measurement of financial assets**

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

##### **Financial assets of debt instruments classified as at amortised cost**

The Group measures financial assets of debt instruments classified as at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

##### **Financial assets of debt instruments classified as at FVOC**

The Group measures financial assets of debt instruments classified as at FVOCI if the financial asset is held to collect contractual cash flows and selling and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

##### **Financial assets designated of equity instruments classified as at FVOCI**

Upon initial recognition, the Group can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in other comprehensive income on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in profit or loss, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised in other comprehensive income.



Equity instruments designated at FVOCI are not subject to impairment assessment.

#### **Financial assets at FVTPL**

Financial assets that do not meet criteria for being measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on listed equity investments are recognised as finance income in profit or loss.

#### **Classification and measurement of financial liabilities**

At initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any discounts or premiums on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

#### **Derecognition of financial instruments**

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

#### **Impairment of financial assets**

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

#### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### 4.16 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

#### 4.17 Significant accounting judgements and estimates

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures and actual results could differ from these estimates. Significant judgements and estimates are as follows:

##### **Allowance for net realizable value**

The Group considers the allowance for net realizable value based on the estimate of selling price in the ordinary course of business and normal condition of inventory. The net realizable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

##### **Property plant and equipment/Depreciation**

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

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

##### **Deferred tax assets**

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

##### **Post-employment benefits under defined benefit plans**

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.



ASIAN PHYTOCEUTICALS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2023

5. TRANSACTIONS WITH RELATED PARTIES

5.1 Relationship and pricing policies

	Relationship
<b>Subsidiary</b>	
Killer T Cell for Pets Co., Ltd.	Common shareholders and directorship
<b>Associates</b>	
Bim Health Center Co., Ltd.	Shareholding by the Company
Hisold Digital Co., Ltd.	Shareholding by the Company and directorship
<b>Related company</b>	
Arun Pitaya Co., Ltd.	Common shareholders and directorship
Prof. Dr. Pichaet - Assoc. Prof. Arunee Wiriyaichitra Foundation	Common shareholders and directorship
<b>Related persons</b>	Director and shareholder

Pricing policies for related parties are as follows:

	Pricing policy
Sales	At price which had been agreed upon that excess cost value.
Service fee of utilization from products' research and development	At contract price which had been agreed upon.
Rental expense	At contract price which had been agreed upon.

5.2 Balances of transactions with related parties

Significant balances with related parties as at 31 December 2023 and 2022 are as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
<b>Trade accounts receivable</b>				
Subsidiary	-	-	270,412	292,656
Associates	447,615	142,704	447,615	142,704
Total	447,615	142,704	718,027	435,360
<b>Other payables</b>				
Related company	589,873	669,866	589,873	669,866

5.3 Revenues and expenses with related parties

Significant transactions with related parties for the years ended 31 December 2023 and 2022 are as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
<b>Sales</b>				
Subsidiary	-	-	2,754,986	1,504,256
Associates	7,467,565	6,170,980	7,467,565	6,170,980
Related company	228,594	-	228,594	-
Total	7,696,159	6,170,980	10,451,145	7,675,236

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	In Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
<b>Dividend Received</b>				
Subsidiary	-	-	1,319,995	-
Associates	-	-	1,424,994	646,557
Total	-	-	2,744,989	646,557
<b>Service fee of utilization from products' research and development</b>				
Related company	7,214,400	6,104,838	7,214,400	6,104,838
<b>Rental expense</b>				
Related company	420,000	420,000	420,000	420,000

**Directors and management's benefits**

The Company had employee benefit expenses of its directors and management for the years ended 31 December 2023 and 2022, as below

	In Baht	
	Consolidated and Separate financial statements	
	2023	2022
Short-term employee benefits	15,687,329	15,341,249
Post-employment benefits	453,267	436,405
Total	16,140,596	15,777,654

**6. CASH AND CASH EQUIVALENTS**

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash	192,000	187,000	162,000	157,000
Regular checking accounts	1,569,668	919,594	1,539,668	919,594
Saving accounts	123,872,983	81,039,464	117,972,945	76,084,228
Total	125,634,651	82,146,058	119,674,613	77,160,822

As at 31 December 2023, the interest rates of deposits at financial institutions were 0.15 % to 0.60 % per annum (2022 : 0.05 % to 0.35 % per annum).

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**7. TRADE AND OTHER RECEIVABLES**

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Trade accounts receivable - associates (Note 5.2)	447,615	142,704	718,027	435,360
Trade accounts receivable - other	438,502	836,560	79,582	6,300
Total trade accounts receivable	886,117	979,264	797,609	441,660
Advances for inventories	255,352	385,552	255,352	385,552
Prepaid expenses	904,890	919,175	904,890	919,175
Accrued interest income	2,422,584	2,704,317	2,422,584	2,704,317
Accrued dividends income	569,998	-	569,998	-
Others	343,809	526,654	343,809	526,654
Total	5,382,750	5,514,962	5,294,242	4,977,358

Aging of trade accounts receivable as at 31 December 2023 and 2022 are as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
<b>Trade accounts receivable - associate</b>				
Within credit terms	446,040	142,704	716,452	142,704
Overdue less than 1-3 months	1,575	-	1,575	292,656
Total	447,615	142,704	718,027	435,360
<b>Trade accounts receivable - other companies</b>				
Within credit terms	438,502	836,560	79,582	6,300

As at 31 December 2023 and 2022, the Company have considered that these is no loss of lifetime expected credit losses for trade and other receivable to recognised.

**8. INVENTORIES**

	In Baht					
	Consolidated financial statements					
	At cost		Allowance for obsolescence of inventories		Inventories-net	
			2023	2022	2023	2022
Finished goods	9,792,686	8,502,815	(724,805)	(720,053)	9,067,881	7,782,762
Work in process	693,399	814,606	-	-	693,399	814,606
Transform raw material	11,509,801	19,760,641	(5,384)	(24,906)	11,504,417	19,735,735
Raw material	17,226,956	17,459,416	(589,857)	(299,111)	16,637,099	17,160,305
Packaging and supplies	9,353,871	10,479,417	(3,239,594)	(3,477,564)	6,114,277	7,001,853
Total	48,576,713	57,016,895	(4,559,640)	(4,521,634)	44,017,073	52,495,261

During the current year, the Group reduced cost of inventories by Baht 1.02 million to reflect the net realizable value. This was included in cost of sales. The Group's has written off defective inventories which reduced cost of inventories in the prior period amounting to Baht 0.98 million (2022 : The Group recorded allowance for obsolescence of inventories by Baht 0.70 million. This was included in cost of sales).



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	In Baht					
	Separate financial statements					
	At cost		Allowance for obsolescence of inventories		Inventories-net	
	2023	2022	2023	2022	2023	2022
Finished goods	9,643,877	8,423,844	(724,805)	(720,053)	8,919,072	7,703,791
Work in process	693,399	814,606	-	-	693,399	814,606
Transform raw material	11,509,801	19,760,641	(5,384)	(24,906)	11,504,417	19,735,735
Raw material	17,226,956	17,459,416	(589,857)	(299,111)	16,637,099	17,160,305
Packaging and supplies	9,353,871	10,479,417	(3,239,594)	(3,477,564)	6,114,277	7,001,853
Total	48,427,904	56,937,924	(4,559,640)	(4,521,634)	43,868,264	52,416,290

During the current year, the Company reduced cost of inventories by Baht 1.02 million to reflect the net realizable value. This was included in cost of sales. The Company's has written off defective inventories which reduced cost of inventories in the prior period amounting to Baht 0.98 million (2022 : The Company recorded allowance for obsolescence of inventories by Baht 0.70 million. This was included in cost of sales).

**9. OTHER FINANCIAL ASSETS**

	In Baht			
	Consolidated and Separate financial statements			
	31 December 2023			
	Amortised cost	Fair value through profit or loss	Fair value through other comprehensive income	Total
<b>Other current financial assets</b>				
Fixed deposits 12 month	43,633	-	-	43,633
Unit Trust (in private fund)	-	22,792,182	-	22,792,182
Unit Trust	-	751,579	-	751,579
Debt securities (in private fund)	-	-	72,111,097	72,111,097
Debt securities	-	-	29,853,980	29,853,980
Total	43,633	23,543,761	101,965,077	125,552,471
<b>Other non - current financial assets</b>				
Debt securities (in private fund)	-	-	226,517,106	226,517,106
Debt securities	-	-	20,021,872	20,021,872
Equity instruments of listed companies	-	-	55,706,760	55,706,760
Total	-	-	302,245,738	302,245,738
<b>Total other financial assets</b>	43,633	23,543,761	404,210,815	427,798,209

	In Baht			
	Consolidated and Separate financial statements			
	31 December 2022			
	Amortised cost	Fair value through profit or loss	Fair value through other comprehensive income	Total
<b>Other current financial assets</b>				
Fixed deposits 12 month	38,872	-	-	38,872
Unit Trust (in private fund)	-	1,883,601	-	1,883,601
Unit Trust	-	33,868,462	-	33,868,462
Debt securities (in private fund)	-	-	61,213,845	61,213,845
Total	38,872	35,752,063	61,213,845	97,004,780



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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
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	In Baht			
	Consolidated and Separate financial statements			
	31 December 2022			
	Amortised cost	Fair value through profit or loss	Fair value through other comprehensive income	Total
<b>Other non - current financial assets</b>				
Debt securities (in private fund)	-	-	241,833,801	241,833,801
Debt securities	-	-	49,994,288	49,994,288
Equity instruments of listed companies	-	-	71,407,725	71,407,725
Total	-	-	363,235,814	363,235,814
<b>Total other financial assets</b>	<b>38,872</b>	<b>35,752,063</b>	<b>424,449,659</b>	<b>460,240,594</b>

The movement in other financial assets during the year ended 31 December 2023 are summarised as below :

		In Baht				
		Consolidated and Separate financial statements				
		As at 1 January 2023	Invested	Sale maturity and transfer out	Increase (Decrease) in fair value adjustment	As at 31 December 2023
Fixed deposits 12 month	Amortised cost	38,872	4,761	-	-	43,633
Debt securities	Measured at fair value through other comprehensive income	353,041,934	139,641,196	(143,313,451)	(865,624)	348,504,055
Unit Trust	Measured at fair value through profit or loss	35,752,063	159,009,055	(171,084,505)	(132,852)	23,543,761
Equity instruments of listed companies	Measured at fair value through other comprehensive income	71,407,725	25,013,997	(25,537,144)	(15,177,818)	55,706,760
Total		460,240,594	323,669,009	(339,935,100)	(16,176,294)	427,798,209

The movement in other financial assets during the year ended 31 December 2022 are summarised as below :

		In Baht				
		Consolidated and Separate financial statements				
		As at 1 January 2022	Invested	Sale maturity and transfer out	Increase (Decrease) in fair value adjustment	As at 31 December 2022
Fixed deposits 12 month	Amortised cost	537,807	1,001,065	(1,500,000)	-	38,872
Debt securities	Measured at fair value through other comprehensive income	310,864,705	126,689,893	(80,313,750)	(4,198,914)	353,041,934
Unit Trust	Measured at fair value through profit or loss	36,088,879	130,150,894	(130,567,881)	80,171	35,752,063
Equity instruments of listed companies	Measured at fair value through other comprehensive income	65,750,200	59,575,460	(65,686,883)	11,768,948	71,407,725
Total		413,241,591	317,417,312	(278,068,514)	7,650,205	460,240,594

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Details of listed companies' equity instruments measured at fair value through other comprehensive income as at 31 December 2023 and 2022 are as follows:

Name	Initials	In Baht			
		Consolidated and Separate financial statements			
		Value of investments		Dividends income	
		2023	2022	2023	2022
ELECTRICITY GENERATING PUBLIC COMPANY LIMITED	EGCO	12,646,400	17,043,000	642,200	642,200
PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED	PTTEP	-	-	-	841,800
RATCH GROUP PUBLIC COMPANY LIMITED	RATCH	4,725,000	6,412,500	240,000	255,000
PTT OIL AND RETAIL BUSINESS PUBLIC COMPANY LIMITED	OR	-	-	-	76,000
THAI OIL PUBLIC COMPANY LIMITED	TOP	16,435,460	22,031,775	718,574	983,352
PTT PUBLIC COMPANY LIMITED	PTT	-	10,640,000	224,000	-
BANPU PUBLIC COMPANY LIMITED	BANPU	5,035,400	10,144,850	740,500	-
BANGKOK BANK PUBLIC COMPANY LIMITED	BBL	9,390,000	5,135,600	197,100	-
STAR PETROLEUM REFINING PUBLIC COMPANY LIMITED	SPRC	7,474,500	-	135,900	-
Total		55,706,760	71,407,725	2,898,274	2,798,352

In the during years 2023 and 2022, the Company sold the investments in equity designated at fair value through other comprehensive income, therefore, write-off and transfer of related accounts resulted in Gain on investments in equity as follows:

	In Baht	
	Consolidated and Separate financial statements	
	2023	2022
Price to sell of investments in equity	25,604,575	65,830,400
<u>Less</u> Cost of disposal	(67,431)	(143,517)
Net	25,537,144	65,686,883
Book value		
Cost	24,575,948	49,903,311
Increase in fair value adjustment in prior periods	1,036,252	1,972,110
Total book value	25,612,200	51,875,421
Gain (loss) from the disposal of investments in equity carried in other comprehensive income for the year	(75,056)	13,811,462
Transfer gain from the disposal of investments in equity to retained earnings		
Decrease in gain of investments in equity	961,196	15,783,572
<u>Less</u> Income tax effect	(192,239)	(3,156,714)
Net	768,957	12,626,858

**ASIAN PHYTOCEUTICALS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
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Other components of equity - Gain (loss) on measurement of financial assets

	In Baht	
	Consolidated and Separate financial statements	
	2023	2022
Gain (loss) on measurement of financial assets at the beginning of year	(6,589,453)	1,624,085
<u>Less</u> Deferred tax at the beginning of year	1,317,890	(324,817)
Net	(5,271,563)	1,299,268
Transactions during the year - Other comprehensive income for the year		
Loss on investments in debt securities at fair value through other comprehensive income	(865,624)	(4,198,914)
<u>Less</u> Income tax effect	173,125	839,783
Net	(692,499)	(3,359,131)
Gain (loss) on investments in equity designated at fair value through other comprehensive income	(15,177,818)	11,768,948
<u>Less</u> Income tax effect	3,035,564	(2,353,790)
Net	(12,142,254)	9,415,158
Transfer gain from the disposal of investments in equity to retained earnings		
Decrease in gain of investments in equity	(961,196)	(15,783,572)
<u>Less</u> Income tax effect	192,239	3,156,714
Net	(768,957)	(12,626,858)
Loss on measurement of financial assets at the end of year	(23,594,091)	(6,589,453)
<u>Less</u> Deferred tax at the end of year	4,718,818	1,317,890
Net	(18,875,273)	(5,271,563)

#### 10. DEPOSITS PLEDGED AS COLLATERAL

As at 31 December 2023, the Group has fixed deposits in the amounts of Baht 2.0 million (2022 : Baht 2.0 million), bears interest at the rates ranging from 0.60% to 1.15% per annum (2022 : interest at the rates ranging from 0.15% to 0.40% per annum).

These deposits are pledged as collateral for bank guarantees from financial institutions for government and private agency as discussed in Note 28.2.

#### 11. INVESTMENTS IN SUBSIDIARY

##### 11.1 Details of investments in subsidiary

Details of investments in subsidiary as presented in the separate financial statements as at 31 December 2023 and 2022 are as follows:

Company's name	Registered	Paid-up capital	Percentage of shareholding (%)	In Baht			
				Carrying amounts based on the cost method		Dividends income for the year	
				2023	2022	2023	2022
Killer T Cell for Pets Co., Ltd.	10,000,000	5,000,000	55	2,749,990	2,749,990	1,319,995	-



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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**11.2 Details of investment in subsidiary non-controlling interests are as below:**

Company's name	Proportion of equity interest held by non-controlling interests (%)	In Baht					
		Accumulated balance of non-controlling interests of the subsidiary		Comprehensive income allocated to non-controlling interests during the year		Dividend paid to non-controlling interests during the year	
		2023	2022	2023	2022	2023	2022
Killer T Cell for Pets Co., Ltd.	45	2,693,439	2,529,662	1,243,782	279,652	1,080,005	-

Investment and establishment of subsidiary

The Company's Board of Directors Meeting dated 28 February 2022, the meeting passes a resolution to approve the investment in Killer T Cell for Pets Co., Ltd. by establishment the new company. The new established company's main objective shall be engages in the business of distribution and marketing of pharmaceutical food supplements in the global animal market. The Company with the registered share capital of Baht 10 million (1,000,000 ordinary shares of Baht 10 par value). On 21 March 2022, such company registered with the Ministry of Commerce. The Company has invested in 549,998 ordinary shares at a par of Baht 10 per share. The subsidiary call-up at Baht 5 per share, totaling Baht 2.7 million, in the proportion of 55% of the ordinary share capital. Subsequently on 1 April 2022.

Dividend payment of subsidiary

On 30 April 2023, the Annual General Shareholders' meeting of a subsidiary passed a resolution to approve for the annual dividend payment at Baht 0.58 per share to the shareholders of 1 million shares, totaling dividend payment of Baht 0.58 million. The subsidiary paid dividend on 10 May 2023.

On 18 December 2023, the Board of Directors' meeting of a subsidiary passed a resolution to approve for the annual dividend payment at Baht 1.82 per share to the shareholders of 1 million shares, totaling dividend payment of Baht 1.82 million. The subsidiary paid dividend on 21 December 2023.

**11.3 Summarised financial information that based on amounts before inter-company elimination about subsidiary that have material non-controlling**

	In Baht	
	Killer T Cell for Pets Co., Ltd.	
	2023	2022
<b>Summarised information about financial position:</b>		
Statements of financial position		
Current assets	6,670,826	6,035,831
Non - current assets	62,865	37,920
Current liabilities	(634,706)	(409,458)
Non - current liabilities	(113,575)	(42,844)
Net assets	5,985,410	5,621,449

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	In Baht	
	Killer T Cell for Pets Co., Ltd.	
	For the year ended 31 December 2023	For the period from 21 March 2022 to 31 December 2022
<b>Summarised information about comprehensive income</b>		
Statements of comprehensive income		
Sales	7,857,972	3,833,200
Other income	21,392	2,546
Costs of sales	(2,593,954)	(1,256,877)
Selling expenses	(66,709)	(182,917)
Administrative expenses	(2,007,218)	(1,719,983)
Profit before income tax	3,211,483	675,969
Tax expenses	(447,522)	(54,520)
Profit for the year	2,763,961	621,449
Total comprehensive income for the year	2,763,961	621,449

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**12. INVESTMENTS IN ASSOCIATES**

Name	Nature of business	Paid-up Capital (In Baht)	Holdings (%)	In Baht									
				Consolidated and Separate financial statements		Separate financial statements							
						Net book value - Cost		Allowance for impairment of investment		Book value		Dividends income for the years ended	
				2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Bim Health Center Co., Ltd.	Engaged in business of buying and selling supplements and cosmetics manufactured from natural extracts.	2,500,000	49.99	1,502,003	1,637,254	1,249,995	1,249,995	-	-	1,249,995	1,249,995	1,424,994	646,557
Hisold Digital Co., Ltd.	Engaged in business of buying and selling supplements and cosmetics manufactured from natural extracts.	2,000,000	49.99	113,773	138,888	999,980	999,980	(900,000)	-	99,980	999,980	-	-
Total				1,615,776	1,776,142	2,249,975	2,249,975	(900,000)	-	1,349,975	2,249,975	1,424,994	646,557

During the current year 2023, the Company recorded the allowance for impairment of investment amount of Baht 0.9 million, in the statement of comprehensive income. Hisold Digital Co., Ltd. registered their dissolution with the Ministry of Commerce on 4 December 2023. Currently in the process of liquidation.

**Share of gain(loss) from investment in associates**

The Company recognized its share of gain(loss) from investment in the consolidated financial statements for the year ended 31 December 2023 and 2022, as follows:

Name	In Baht	
	2023	2022
Bim Health Center Co., Ltd.	1,289,743	901,284
Hisold Digital Co., Ltd.	(25,115)	(293,647)
Total	1,264,628	607,637

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
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**Summary financial information of associates**

	In Baht			
	Bim Health Center Co., Ltd.		Hisold Digital Co., Ltd.	
	2023	2022	2023	2022
<b>Statements of financial position</b>				
Current assets	6,562,825	4,805,829	305,352	322,697
Non - current assets	699,065	379,602	-	24,316
Total assets	7,261,890	5,185,431	305,352	347,013
Current liabilities	3,318,671	1,030,144	77,802	56,449
Non - current liabilities	102,225	79,079	-	-
Total liabilities	3,420,896	1,109,223	77,802	56,449
Net assets (100%)	3,840,994	4,076,208	227,550	290,564
Company's share of net assets (49.99% hold)	1,920,489	2,038,096	113,773	145,279
Elimination of unrealised profit on inventories, end of year	(418,486)	(400,842)	-	(6,391)
Carrying amount of interest in an associates	1,502,003	1,637,254	113,773	138,888

	In Baht			
	Bim Health Center Co., Ltd.		Hisold Digital Co., Ltd.	
	2023	2022	2023	2022
<b>STATEMENTS OF COMPREHENSIVE INCOME</b>				
Sales	14,153,658	11,899,956	1,329,236	1,728,174
Interest income	166,950	2,938	21,842	369
Costs of sales	(6,852,131)	(5,005,432)	(568,262)	(734,720)
Selling expenses	(2,625,776)	(2,824,174)	(634,749)	(1,322,374)
Administrative expenses	(1,812,356)	(1,476,102)	(211,081)	(301,644)
Profit (loss) before tax expenses	3,030,345	2,597,186	(63,014)	(630,195)
Tax expenses	(415,559)	(357,237)	-	-
Profit (loss) for the year	2,614,786	2,239,949	(63,014)	(630,195)
Total comprehensive income for the year (100%)	2,614,786	2,239,949	(63,014)	(630,195)
Total comprehensive income for the year (49.99% hold)	1,307,388	1,119,970	(31,506)	(315,091)
Decrease (Increase) in elimination of unrealised profit on inventories	(17,645)	(218,686)	6,391	21,444
Company's share of total comprehensive income	1,289,743	901,284	(25,115)	(293,647)



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**13. PROPERTY, PLANT AND EQUIPMENT**

	In Baht						
	Consolidated financial statements						
	Land & Improvement	Buildings & Improvement	Machinery & Equipment	Tools	Office Equipment	Vehicles	Total
As at 1 January 2022							
Cost	8,287,320	91,043,511	39,384,256	12,126,628	17,422,346	13,807,226	182,071,287
Less Accumulated depreciation	(88,897)	(60,813,320)	(28,407,962)	(11,230,712)	(16,832,579)	(7,865,089)	(125,238,559)
Net book amount	8,198,423	30,230,191	10,976,294	895,916	589,767	5,942,137	56,832,728
For the year ended 31 December 2022							
Net book value, beginning of year	8,198,423	30,230,191	10,976,294	895,916	589,767	5,942,137	56,832,728
Acquisition assets	-	25,701	-	133,898	162,560	-	322,159
Disposals	-	-	-	-	-	(1)	(1)
Depreciation	-	(2,777,846)	(2,692,725)	(312,305)	(263,648)	(759,662)	(6,806,186)
Net book value, end of year	8,198,423	27,478,046	8,283,569	717,509	488,679	5,182,474	50,348,700
As at 31 December 2022							
Cost	8,287,320	91,069,212	39,384,256	12,260,526	17,584,906	13,257,450	181,843,670
Less Accumulated depreciation	(88,897)	(63,591,166)	(31,100,687)	(11,543,017)	(17,096,227)	(8,074,976)	(131,494,970)
Net book amount	8,198,423	27,478,046	8,283,569	717,509	488,679	5,182,474	50,348,700

As at 31 December 2022, certain asset items of the Group has been fully depreciated. The gross carrying amount before deducting accumulated depreciation of those assets amounted to Baht 71.3 million.



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	In Baht						
	Consolidated financial statements						
	Land & Improvement	Buildings & Improvement	Machinery & Equipment	Tools	Office Equipment	Vehicles	Total
As at 1 January 2023							
Cost	8,287,320	91,069,212	39,384,256	12,260,526	17,584,906	13,257,450	181,843,670
Less Accumulated depreciation	(88,897)	(63,591,166)	(31,100,687)	(11,543,017)	(17,096,227)	(8,074,976)	(131,494,970)
Net book amount	8,198,423	27,478,046	8,283,569	717,509	488,679	5,182,474	50,348,700
For the year ended 31 December 2023							
Net book value, beginning of year	8,198,423	27,478,046	8,283,569	717,509	488,679	5,182,474	50,348,700
Acquisition assets	-	2,649,050	188,000	223,200	314,543	-	3,374,793
Disposals	-	-	(1,384)	(507)	(594)	-	(2,485)
Depreciation	-	(2,885,475)	(2,680,362)	(259,590)	(252,382)	(718,700)	(6,796,509)
Net book value, end of year	8,198,423	27,241,621	5,789,823	680,612	550,246	4,463,774	46,924,499
As at 31 December 2023							
Cost	8,287,320	93,718,263	39,466,256	12,141,158	17,841,890	13,257,450	184,712,337
Less Accumulated depreciation	(88,897)	(66,476,642)	(33,676,433)	(11,460,546)	(17,291,644)	(8,793,676)	(137,787,838)
Net book amount	8,198,423	27,241,621	5,789,823	680,612	550,246	4,463,774	46,924,499

As at 31 December 2023, certain asset items of the Group has been fully depreciated. The gross carrying amount before deducting accumulated depreciation of those assets amounted to Baht 77.9 million.

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	In Baht						
	Separate financial statements						
	Land & Improvement	Buildings & Improvement	Machinery & Equipment	Tools	Office Equipment	Vehicles	Total
As at 1 January 2022							
Cost	8,287,320	91,043,511	39,384,256	12,126,628	17,422,346	13,807,226	182,071,287
<u>Less Accumulated depreciation</u>	<u>(88,897)</u>	<u>(60,813,320)</u>	<u>(28,407,962)</u>	<u>(11,230,712)</u>	<u>(16,832,579)</u>	<u>(7,865,089)</u>	<u>(125,238,559)</u>
Net book amount	8,198,423	30,230,191	10,976,294	895,916	589,767	5,942,137	56,832,728
For the year ended 31 December 2022							
Net book value, beginning of year	8,198,423	30,230,191	10,976,294	895,916	589,767	5,942,137	56,832,728
Acquisition assets	-	25,701	-	133,898	128,271	-	287,870
Disposals	-	-	-	-	-	(1)	(1)
Depreciation	-	(2,777,846)	(2,692,725)	(312,305)	(258,710)	(759,662)	(6,801,248)
Net book value, end of year	8,198,423	27,478,046	8,283,569	717,509	459,328	5,182,474	50,319,349
As at 31 December 2022							
Cost	8,287,320	91,069,212	39,384,256	12,260,526	17,550,617	13,257,450	181,809,381
<u>Less Accumulated depreciation</u>	<u>(88,897)</u>	<u>(63,591,166)</u>	<u>(31,100,687)</u>	<u>(11,543,017)</u>	<u>(17,091,289)</u>	<u>(8,074,976)</u>	<u>(131,490,032)</u>
Net book amount	8,198,423	27,478,046	8,283,569	717,509	459,328	5,182,474	50,319,349

As at 31 December 2022, certain asset items of the Company has been fully depreciated. The gross carrying amount before deducting accumulated depreciation of those assets amounted to Baht 71.3 million.

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	In Baht						
	Separate financial statements						
	Land & Improvement	Buildings & Improvement	Machinery & Equipment	Tools	Office Equipment	Vehicles	Total
As at 1 January 2023							
Cost	8,287,320	91,069,212	39,384,256	12,260,526	17,550,617	13,257,450	181,809,381
<u>Less</u> Accumulated depreciation	<u>(88,897)</u>	<u>(63,591,166)</u>	<u>(31,100,687)</u>	<u>(11,543,017)</u>	<u>(17,091,289)</u>	<u>(8,074,976)</u>	<u>(131,490,032)</u>
Net book amount	<u>8,198,423</u>	<u>27,478,046</u>	<u>8,283,569</u>	<u>717,509</u>	<u>459,328</u>	<u>5,182,474</u>	<u>50,319,349</u>
For the year ended 31 December 2023							
Net book value, beginning of year	8,198,423	27,478,046	8,283,569	717,509	459,328	5,182,474	50,319,349
Acquisition assets	-	2,649,050	188,000	223,200	296,760	-	3,357,010
Disposals	-	-	(1,384)	(507)	(594)	-	(2,485)
Depreciation	-	<u>(2,885,475)</u>	<u>(2,680,362)</u>	<u>(259,590)</u>	<u>(245,398)</u>	<u>(718,700)</u>	<u>(6,789,525)</u>
Net book value, end of year	<u>8,198,423</u>	<u>27,241,621</u>	<u>5,789,823</u>	<u>680,612</u>	<u>510,096</u>	<u>4,463,774</u>	<u>46,884,349</u>
As at 31 December 2023							
Cost	8,287,320	93,718,263	39,466,256	12,141,158	17,789,817	13,257,450	184,660,264
<u>Less</u> Accumulated depreciation	<u>(88,897)</u>	<u>(66,476,642)</u>	<u>(33,676,433)</u>	<u>(11,460,546)</u>	<u>(17,279,721)</u>	<u>(8,793,676)</u>	<u>(137,775,915)</u>
Net book amount	<u>8,198,423</u>	<u>27,241,621</u>	<u>5,789,823</u>	<u>680,612</u>	<u>510,096</u>	<u>4,463,774</u>	<u>46,884,349</u>

As at 31 December 2023, certain asset items of the Company has been fully depreciated. The gross carrying amount before deducting accumulated depreciation of those assets amounted to Baht 77.9 million.

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**14. RIGHT-OF-USE ASSETS**

Movements of the right-of-use assets - building during for the years ended 31 December 2023 and 2022 are summarized below.

	In Baht	
	Consolidated and Separate financial statements	
	2023	2022
As at 1 January		
Cost	54,962,547	59,342,726
<u>Less Accumulated depreciation</u>	<u>(41,286,695)</u>	<u>(24,967,451)</u>
Net book amount	<u>13,675,852</u>	<u>34,375,275</u>
For the year ended 31 December		
Net book value, beginning of year	13,675,852	34,375,275
Increase during year	36,917,351	3,735,102
The termination of lease	-	(8,115,281)
<u>Depreciation</u>	<u>(15,180,294)</u>	<u>(16,319,244)</u>
Net book value, end of year	<u>35,412,909</u>	<u>13,675,852</u>
As at 31 December		
Cost	91,879,898	54,962,547
<u>Less Accumulated depreciation</u>	<u>(56,466,989)</u>	<u>(41,286,695)</u>
Net book amount	<u>35,412,909</u>	<u>13,675,852</u>

**15. INTANGIBLE ASSETS**

The net book value of computer software as at 31 December 2023 and 2022 is presented below.

	In Baht	
	Consolidated and Separate financial statements	
	2023	2022
As at 1 January		
Cost	2,420,302	2,420,302
<u>Less Accumulated amortization</u>	<u>(2,184,148)</u>	<u>(2,064,022)</u>
Net book value	<u>236,154</u>	<u>356,280</u>
Transactions during the year ended 31 December		
Net book value, beginning of year	236,154	356,280
Acquisition assets	724,000	-
<u>Amortization</u>	<u>(173,896)</u>	<u>(120,126)</u>
Net book value, end of year	<u>786,258</u>	<u>236,154</u>
As at 31 December		
Cost	3,144,302	2,420,302
<u>Less Accumulated amortization</u>	<u>(2,358,044)</u>	<u>(2,184,148)</u>
Net book value	<u>786,258</u>	<u>236,154</u>



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**16. TRADE AND OTHER PAYABLES**

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Trade accounts payable	1,198,130	635,842	1,198,130	605,791
Other payables - related parties (Note 5.2)	589,873	669,866	589,873	669,866
Accrued expenses	15,881,445	13,790,508	15,881,445	13,788,368
Advance received from sales of goods	258,592	307,293	258,592	307,293
Others	1,393,136	1,763,006	1,340,996	1,763,006
Total	19,321,176	17,166,515	19,269,036	17,134,324

**17. LEASE LIABILITIES**

	In Baht	
	Consolidated and Separate financial statements	
	2023	2022
Lease liabilities	38,235,543	14,057,233
Less Deferred interest expense	(2,567,443)	(237,734)
Total	35,668,100	13,819,499
Less Current portion	(13,447,545)	(12,204,106)
Lease liabilities - net of current portion	22,220,555	1,615,393

The Group has entered into the lease agreements of building for use in their operation. The terms of the agreements are generally 3 years.

Future minimum lease payments required under the lease agreements were as follows:

	In Baht		
	Consolidated and Separate financial statements		
	31 December 2023		
	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	14,955,680	23,279,863	38,235,543
Deferred interest expenses	(1,508,135)	(1,059,308)	(2,567,443)
Present value of future minimum lease payments	13,447,545	22,220,555	35,668,100

	In Baht		
	Consolidated and Separate financial statements		
	31 December 2022		
	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	12,404,331	1,652,902	14,057,233
Deferred interest expenses	(200,225)	(37,509)	(237,734)
Present value of future minimum lease payments	12,204,106	1,615,393	13,819,499

**ASIAN PHYTOCEUTICALS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
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The movements of lease liabilities for the years ended 31 December 2023 and 2022, are presented below:

	In Baht	
	Consolidated and Separate financial statements	
	2023	2022
Balance, beginning of year	13,819,499	34,229,852
Addition from lease agreement entered during the year	36,917,351	3,651,422
The termination of lease	-	(8,524,017)
Payments	(15,068,750)	(15,537,758)
Balance as at the end of year	35,668,100	13,819,499

Expenses related to the lease agreements for the years ended 31 December 2023 and 2022, recognised in profit or loss as follows:

	In Baht	
	Consolidated and Separate financial statements	
	2023	2022
Depreciation of right-of-use assets	15,180,294	16,319,244
Interest expense on lease liabilities	661,277	566,231
Profit from termination of lease	-	(408,736)
Penalty for termination of the lease	-	1,399,083
Expense relating to short-term lease	708,000	708,000
Leases of low-value underlying assets	291,333	285,585
Total	16,840,904	18,869,407

## 18. EMPLOYEE BENEFIT OBLIGATIONS

Movements of the employee benefit obligation account during the years ended 31 December 2023 and 2022 are summarised below.

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Defined benefit obligations at 1 January	18,891,747	17,288,546	18,848,903	17,288,546
Included in profit or loss:				
Current service cost	1,257,562	1,207,293	1,186,831	1,164,449
Interest cost	429,026	395,908	429,026	395,908
Total	1,686,588	1,603,201	1,615,857	1,560,357
Benefits paid during the year	(696,559)	-	(696,559)	-
Defined benefit obligations at 31 December	19,881,776	18,891,747	19,768,201	18,848,903

Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Costs of sales	473,293	461,945	473,293	461,945
Administrative expenses	1,213,295	1,141,256	1,142,564	1,098,412
Total expenses recognised in profit or loss	1,686,588	1,603,201	1,615,857	1,560,357

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The Company expected to pay Baht 2.27 million of long-term employee benefits during the next year. (2022 : Baht 0.4 million).

As at 31 December 2023, the weighted average duration of the liabilities for long-term employee benefit is 11 years (2022 : 12 years).

Principal actuarial assumptions at the reporting date

For the years ended 31 December 2023 and 2022

Discount rate	2.29% per annum
Salary increase rate	4.00%
Employee turnover rate	Scale related to Age ranging from 1.43 - 17.19%
Mortality rate	According to Thailand TMO 2017 male and female

**Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Effect on the non-current provisions for defined benefit plans at 31 December 2023 and 2022 are as follows:

	In Baht			
	Consolidated and Separate financial statements			
	2023		2022	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(782,356)	838,979	(799,444)	858,522
Discount rate (1% movement)	(1,512,847)	1,739,857	(1,544,866)	1,781,743
Future salary growth (1% movement)	2,093,538	(1,840,147)	1,912,173	(1,685,520)
Future salary growth (2% movement)	4,478,660	(3,464,788)	4,087,645	(3,175,488)
Turnover rate (20% movement)	(829,151)	901,325	(752,175)	815,624
Turnover rate (40% movement)	(1,594,989)	1,885,411	(1,448,465)	1,703,683

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

**19. PROVISION FOR DISMANTLING COST OF RENTAL BUILDINGS**

	In Baht	
	Consolidated and Separate financial statements	
	2023	2022
Beginning of year	4,038,030	5,012,125
Increase during the year	-	83,680
Utilised during the year	-	(1,057,775)
End of year	4,038,030	4,038,030

**20. LEGAL RESERVE**

Under the provisions of the Limited Public Company Act B.E 2535, the Company is required to appropriate at least 5% of its annual net income after deduction of the deficit brought forward (if any) as legal reserve until the reserve equal to 10% of authorized share capital. The reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.



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**21. DIVIDENDS**

Dividends paid in during the years 2023 and 2022 are as follows :

		In Baht	
		Consolidated and Separate financial statements	
	Approved by	Cash dividend paid	Dividend per share
Dividend for year 2022 paid from the retained earnings and profit for the year 2022	Annual General Meeting of the shareholders on 26 April 2023	92,937,538	0.1550
Dividend for year 2021 paid from the retained earnings and profit for the year 2021	Annual General Meeting of the shareholders on 18 April 2022	73,990,270	0.1234

**22. FINANCE INCOME**

Finance income for the years ended 31 December 2023 and 2022 are as follows:

		In Baht			
		Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Interest income		12,322,821	9,610,822	12,301,435	9,608,278
Dividends income from financial assets		2,898,274	2,798,352	2,898,274	2,798,352
Dividends income from investment in subsidiary		-	-	1,319,995	-
Dividends income from investment in associate		-	-	1,424,994	646,557
Gain (loss) on sale of other financial assets		602,429	(88,951)	602,429	(88,951)
Unrealized gain (loss) from changes in fair value		(132,852)	80,171	(132,852)	80,171
Total		15,690,672	12,400,394	18,414,275	13,044,407

**23. INCOME TAX**

Income tax expenses for the years ended 31 December 2023 and 2022 are as follows:

		In Baht			
		Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
<b>Current income</b>					
Corporate income tax charge for the year		24,689,408	19,692,255	24,227,740	19,629,166
<b>Deferred tax</b>					
Relating to origination and reversal of temporary differences		(239,803)	(412,960)	(405,657)	(204,431)
<b>Income tax expense presented in profit or loss</b>		<b>24,449,605</b>	<b>19,279,295</b>	<b>23,822,083</b>	<b>19,424,735</b>



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	In Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
<b>Other comprehensive income tax</b>				
<b>Items that will be reclassified subsequently to profit or loss</b>				
Loss on change in value of debt securities	(173,125)	(839,783)	(173,125)	(839,783)
<b>Items that are not recorded subsequently to profit or loss</b>				
Gain (loss) on change in value of investments in equity	(3,035,564)	2,353,790	(3,035,564)	2,353,790
Total	(3,208,689)	1,514,007	(3,208,689)	1,514,007

The reconciliation between accounting profit and income tax are as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Accounting profit before corporate income tax	133,184,816	100,474,730	130,614,649	99,978,905
Applicable tax rate	0 - 20%	0 - 20%	20%	20%
Accounting profit before corporate income tax multiplied by applicable tax rate	26,525,962	20,016,148	26,122,930	19,995,781
Effects of:				
Tax exempted revenue	(732,254)	(354,200)	(1,017,252)	(483,511)
Addition expenses deductible for tax purposes	(383,671)	(580,089)	(383,671)	(580,089)
Promotional privileges	(1,250,000)	-	(1,250,000)	-
Expenses not deductible for tax purposes	770,106	703,679	755,733	696,985
Share of gain from investment in associate	(252,926)	(121,527)	-	-
Effect of elimination entries on the consolidated financial statements	12,191	28,244	-	-
Current income tax	24,689,408	19,692,255	24,227,740	19,629,166
Relating to origination and reversal of temporary differences	(239,803)	(412,960)	(405,657)	(204,431)
Income tax expenses	24,449,605	19,279,295	23,822,083	19,424,735

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Deferred tax assets in the statements of financial position as at 31 December 2023 and 2022 are summarised below.

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
<b>Deferred tax assets</b>				
Allowance for obsolescence of inventories	911,928	904,327	911,928	904,327
Impairment loss for investments in associate	-	-	180,000	-
Employee benefit obligations	3,976,355	3,778,349	3,953,640	3,769,780
Provisions	95,875	110,558	95,875	110,558
Lease liabilities	56,618	171,813	56,618	171,813
Provision for dismantling cost	802,026	664,523	802,026	664,523
Unrealized loss from changing value on investment	4,914,993	1,514,066	4,914,993	1,514,066
Total deferred tax assets	10,757,795	7,143,636	10,915,080	7,135,067
<b>Deferred tax liabilities</b>				
Unrealized gain from changing value on investment	8,178	34,750	8,178	34,750
Total deferred tax liabilities	8,178	34,750	8,178	34,750
<b>Deferred tax assets – Net</b>	<b>10,749,617</b>	<b>7,108,886</b>	<b>10,906,902</b>	<b>7,100,317</b>

## 24. PROVIDENT FUND

The Company and their employees established a contributory registered provident fund in accordance with the provident fund Act, B.E.2530. The Company and employees contribute monthly the amounts equivalent 3% of their basic. The provident fund has been managed by Kasikorn asset management Co., Ltd. The fund contributed to employee in accordance with the terms and conditions prescribed following their provident funds. During 2023, the Company's contribution to the provident fund recorded amounting of Baht 1.0 million (2022 : Baht 1.1 million).

## 25. SEGMENT INFORMATION

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Group operates business of manufacturing and distribution of dietary supplement from herb. The management has considered this operation to be supported to each other. The Group operates in one geographical area in Thailand. Therefore revenue from operation and all assets in the financial statement involve in one business and geographical. The Group has revenues at the point in time from domestic sale and export sale. For the year ended 31 December 2023, domestic revenue 96.8% (2022: 99.6%), export revenue were 3.2% (2022: 0.4%) of total sales revenues and The Company has revenues at the point in time from domestic sale and export sale. For the year ended 31 December 2023, domestic revenue 96.7% (2022: 99.6%), export revenue were 3.3% (2022: 0.4%) of total sales revenues.

Major customers,

For the year 2023 and 2022, the Group has no major customer with revenues of 10% or more of total revenues.

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**26. EXPENSES BY NATURE**

Significant expenses by nature for the years ended 31 December 2023 and 2022 are as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Changes in finished goods and work in process	(1,168,664)	3,754	(1,098,826)	82,725
Raw materials and consumable used	26,773,632	18,291,726	26,773,632	18,291,726
Production fee	2,374,713	1,837,122	2,374,713	1,837,122
Service fee of utilization from products' research and development	7,214,400	6,104,839	7,214,400	6,104,839
Commission	2,062,960	1,664,082	2,062,960	1,664,082
Employees costs	37,981,820	35,222,583	36,774,614	34,409,740
Managements' remuneration	16,140,596	15,777,654	16,140,596	15,777,654
Depreciation and amortization	22,150,699	23,245,556	22,143,714	23,240,618

**27. PROMOTIONAL PRIVILEGES**

The Company was granted certain privileges on its manufactures and distributing electric motors pursuant to the Investment Promotion Act B.E.2520, subjected to certain imposed conditions, the privileges included among the others as follows :

According to investment promotion certificate number 66-0970-2-04-1-0, the Company is exempt from corporate income tax on the net profit generated from business operations that have received investment promotion, in the proportion of 50% of the investment made for efficiency improvement, excluding land and working capital. This tax exemption has a three-year duration, and the exempted corporate income tax has a cap of 1,250,000 Baht, counted from the date of income earned after receiving the investment promotion certificate (19 July 2023). For the year ending on 31 December 2023, the Company has already utilized this tax incentive in the amount of 1,250,000 Baht, which is the full tax amount allowable by the incentive based on the investment made

As a promoted industry, the Company must comply with certain conditions and restrictions provided for the promotional certificate.

Sales classified as promoted and non-promoted business for the years ended 31 December 2023 are summarised as follows:

	In Baht		
	Promoted business	Non-promoted business	Total
Sales	127,152,941	160,505,779	287,658,720

**28. COMMITMENTS AND CONTINGENT LIABILITIES**

**28.1 Operating lease commitments and service agreements**

As at 31 December 2023 and 2022, the Company has commitment on rental and service agreements are as follows:

	In Million Baht	
	2023	2022
Within 1 year	0.34	0.34



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**28.2 Contingent liabilities**

As at 31 December 2023, the Company has contingent liabilities for letters of guarantee issued by banks to government and private agency amounting to Baht 1.96 million (2022 : Baht 1.96 million), which are pledged by fixed deposits of the Company.

**28.3 Capital commitments**

As at 31 December 2023, the Company had capital commitments of approximately Baht 0.03 million (2022 : Baht 0.30 million).

**29. LICENSE OF UTILIZATION FROM PRODUCTS' RESEARCH AND DEVELOPMENT**

The Company has made a research and development contract with Arun Pitaya Co., Ltd. (the contractor), which is related company with conditions as follows:

Research and Development means Research and Development of mangosteen extract and/or Garcinia Cambogia extract that licensor has researched and developed from the past until now including the derivatives from the abovementioned extracts which comes from the specific innovation of the extracts production process.

The licensee agrees to pay a 5% service fee of sales of products of the head office and 2% service fee of sales of products of the branches. The service fees will be paid on a monthly basis.

Contractor will work in cooperation with both public and private sectors in this research and development. The request for any documents to confirm the qualification and safety during processing will bring no charge against the Company, unless the expenses are actually disbursed to the participants (both public and private sectors). However, they must notify the Company from time to time for approval.

Contractor must deliver 1 unit of formulation and production process from product research and development to the Company. It's also forbidden to release such formulas and procedures to be released to others.

Termination of contract must be in writing. The contract shall be terminated only when receiving the consent of both parties.

**30. LEVEL OF FAIR VALUE**

As at 31 December 2023 and 2022, the Group had certain assets and liabilities that were measured or disclosed at fair value using different levels inputs as follows:

	In Million Baht							
	Consolidated and Separate financial statements							
	Level 1		Level 2		Level 3		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
<b>Assets measured at fair value</b>								
Debt securities	-	-	348.5	353.0	-	-	348.5	353.0
Unit Trust	-	-	23.5	35.8	-	-	23.5	35.8
Equity instruments of listed companies	55.7	71.4	-	-	-	-	55.7	71.4

### 31. FINANCIAL INSTRUMENTS

#### 31.1 Financial risk management policies

The Group's financial instruments principally comprise cash and cash equivalents, trade accounts receivable, investments and trade accounts payable. The financial risks associated with these financial instruments and how they are managed is described below.

##### **Credit risk**

###### Trade and other accounts receivables

The Group was exposed to credit risk. However, due to the large number and diversity of the entities comprising the Group's customer base, most of the sales of products are in cash. The Group does not anticipate material losses from its debt collection. The Group estimated the allowance for doubtful accounts from the ending balance of accounts receivable. The estimate was made by considering the customer's past collection experiences. An impairment analysis is performed at each reporting date to measure expected credit losses. The provision for expected credit losses rates are based on days past due for groupings of various customer segments with similar credit risks. The calculation reflects the reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade and other receivables are written-off in accordance with the Group's policy.

###### Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed in accordance with the Group's policy. Investments are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate risk through a counterparty's potential failure to make payments.

##### **Foreign exchange risk**

The Group has no material business transactions in foreign currencies thus the risk arising from exchange rate fluctuation does not significantly have impacts to the Group.

##### **Interest rate risk**

The Group's exposure to interest rate risk relate primarily to their deposits at bank, other financial assets and lease liabilities. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate. Therefore, the Group does not use derivative financial instruments to hedge such risk.

###### Interest rate sensitivity analysis

The Group does not have any significant impact of the Group's profit before tax to a reasonably possible change in interest rates on that portion of floating rate financial assets and long-term loans affected, with all other variables held constant.

##### **Liquidity risk**

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

**ASIAN PHYTOCEUTICALS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

The table below summarises the maturity profile of the Group's non-derivative financial liabilities as at 31 December 2023 and 2022 based on un discounted contractual cash flows to present value. It can be represented as follows:

	In Baht			
	Consolidated financial statements			
	31 December 2023			
	Less than 1 year	1 to 5 years	> 5 years	Total
<b>Financial liabilities</b>				
Trade and other payables	19,321,176	-	-	19,321,176
Liabilities under lease agreements	14,955,680	23,279,863	-	38,235,543
<b>Total financial liabilities</b>	<b>34,276,856</b>	<b>23,279,863</b>	<b>-</b>	<b>57,556,719</b>

	In Baht			
	Consolidated financial statements			
	31 December 2022			
	Less than 1 year	1 to 5 years	> 5 years	Total
<b>Financial liabilities</b>				
Trade and other payables	17,166,515	-	-	17,166,515
Liabilities under lease agreements	12,404,331	1,652,902	-	14,057,233
<b>Total financial liabilities</b>	<b>29,570,846</b>	<b>1,652,902</b>	<b>-</b>	<b>31,223,748</b>

The table below summarises the maturity profile of the Company's non-derivative financial liabilities as at 31 December 2023 and 2022 based on un discounted contractual cash flows to present value. It can be represented as follows:

	In Baht			
	Separate financial statements			
	31 December 2023			
	Less than 1 year	1 to 5 years	> 5 years	Total
<b>Financial liabilities</b>				
Trade and other payables	19,269,036	-	-	19,269,036
Liabilities under lease agreements	14,955,680	23,279,863	-	38,235,543
<b>Total financial liabilities</b>	<b>34,224,716</b>	<b>23,279,863</b>	<b>-</b>	<b>57,504,579</b>

	In Baht			
	Separate financial statements			
	31 December 2022			
	Less than 1 year	1 to 5 years	> 5 years	Total
<b>Financial liabilities</b>				
Trade and other payables	17,134,324	-	-	17,134,324
Liabilities under lease agreements	12,404,331	1,652,902	-	14,057,233
<b>Total financial liabilities</b>	<b>29,538,655</b>	<b>1,652,902</b>	<b>-</b>	<b>31,191,557</b>



**31.2 Fair value of financial instruments**

Since the majority of the Group's financial instruments are short-term in nature, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

A fair value is the amount for which an asset can be exchanged between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

**32. CAPITAL MANAGEMENT**

The primary objective of the Group's capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

As at 31 December 2023, the Debt to Equity ratios according to the consolidated and separate financial statement are 0.15 : 1 (2022 : 0.11 : 1).

**33. EVENTS AFTER THE REPORTING PERIOD**

On 28 February 2024, the Company's Board of Directors meeting No.1/2024 passed the following resolutions to approve the payment of dividend to its shareholders of 600,000,000 shares at the rate of Baht 0.18 per share, totaling of Baht 108.0 million, paid from the retained earnings and profit for the year 2023. However, these resolutions will be further propose for the shareholders' approval in the Ordinary General Meeting of Shareholders for the fiscal year of 2024.

**34. APPROVAL OF FINANCIAL STATEMENTS**

These financial statements have been approved by the Company's Board of Directors on 28 February 2024.

## Attachment 1

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Details of the Board of Directors,  
Management, Controller, Chief Financial Officer,  
Chief Accountant and Company Secretary



First-Last Name / Date of Appointment / Title	Age (years)	Education / Training	% of Shareholding in the Company	Family Relationship between Management	Work Experience during the recent 5 years		
					Year	Title	Company
Director							
Ms. Maleeratna Plumchitchom/  April 30, 2011 <ul style="list-style-type: none"><li>Independent Director</li><li>Chairperson of the Board</li><li>Chairperson of the Audit Committee</li></ul>	78	- Master of Business Administration, Michigan State University  - Bachelor of Accountancy, Chulalongkorn University. (Honors)  - Diploma of Directors Certification Program (DCP) 45/2004, Thai Institute of Directors Association (IOD)  - Diploma, National Defence College of Thailand, The Joint State-Private Sector Course, Class 11  - Diploma of Power of the Land Program, Chulalongkorn University, Class 2/2013  - Diploma of Senior Executive Program, Capital Market Academy, Class 6/2008  - Diploma of Advanced Security Management Program, The Association National Defence College of Thailand, Class 3/2012  - Diploma of Chief Executive Course for Urban Development Management (Mahanakorn), Urban Green Development Institute Bangkok	-	-	2011 – Present	Independent Director / Chairperson of the Board / Chairperson of the Audit Committee	Asian Phytoceuticals Public Co., Ltd.
					2018 – Present 2017 – Present	Director Chairperson of the Board	Thara 12 Co.,Ltd. Nara 12 Co., Ltd.
					Holding a position of director / executive in other organization		
					Director Chairperson of the Board	<u>Listed companies</u> -None-  <u>Non-listed companies</u> Thara 12 Co.,Ltd. Nara 12 Co., Ltd.	

First-Last Name / Date of Appointment / Title	Age (years)	Education / Training	% of Shareholding in the Company	Family Relationship between Management	Work Experience during the recent 5 years		
					Year	Title	Company
Prof. Dr.Pichaet Wiriyachitra  April 30, 2011 <ul style="list-style-type: none"><li>● Director</li><li>● Chairman of the Executive Committee</li><li>● CEO</li><li>● Authorized Director</li></ul>	79	- Honorary Doctorate Degree in Science (Chemistry), Prince of Songkla University  - Post-Doctoral Fellow Chemistry/Natural Products, University of Connecticut, USA  - Post-Doctoral Fellow Chemistry/Natural Products, University of Pennsylvania, USA  - Doctor of Philosophy in Organic Chemistry, University of Tasmania, Australia  - BSc. (Hons) in Science, University of Western Australia, Australia         - Diploma of Director Accreditation Program (DAP) 43/2005, Thai Institute of Directors Association (IOD)	49.26%	Spouse of Assoc. Prof. Arunee Wiriyachitra	1988 – Present	Director / Chairman of the Executive Committee / CEO	Asian Phytoceuticals Public Co., Ltd.
					2023	Chairman	Prof. Dr. Pichaet – Assoc. Prof. Arunee Wiriyachitra Foundation.
					2022 – Present	Director	Killer T Cell for Pets Co.,Ltd.
					2000 – Present	Director	Arun Pittaya Co., Ltd.
					Holding a position of director / executive in other organization		
						<div>Listed companies</div> <div>-None-</div> <div>Non-listed companies</div> <div>Killer T cell for Pets Co., Ltd.</div> <div>Arun Pittaya Co., Ltd.</div>	

First-Last Name / Date of Appointment / Title	Age (years)	Education / Training	% of Shareholding in the Company	Family Relationship between Management	Work Experience during the recent 5 years		
					Year	Title	Company
<b>Dr.Jingjai Hanchanlash /</b> April 30, 2011 <ul style="list-style-type: none"> <li>● Director</li> <li>● Executive Committee</li> <li>● Authorized Director</li> </ul>	81	- Doctor of Philosophy in Public Law, CAEN, France - Diploma in Project Analysis, Connecticut, USA - Diploma in Mid-Career Management Training, Western Ontario, Canada - Diploma of Director Accreditation Program (DAP) 1/2003, Thai Institute of Directors Association (IOD) - Audit Committee Program (ACP) 19/2007, Thai Institute of Directors Association (IOD)	0.87%	-	2005 – Present	Director and Executive Committee	Asian Phytoceuticals Public Co., Ltd.
					2022 – Present	Risk Management Committee	National Science and Technology Development Agency (NSTDA)
					2020 – Present	Advisor to the Executive Chairman	Loxley Public Co.,Ltd.
					2017 – Present	Vice-Chairman	Muang Thai Insurance Public Co.,Ltd.
					2017 – Present	Advisor	Thai Chamber of Commerce University Council
					2017 – Present	Director	Thai Environmental Institute Foundation
					2016 – Present	Executive Committee	The Centre for European Studies (CES)
					2016 – Present	Chairman	Thai-Canadian Economic Cooperation Foundation
					2014 – Present	Promotion Committee	Princess Galyani Vadhana Institute of Music
					2004 – Present	President	The French Association
					2004 – Present	Honorary Consuls	Honorary Consulate of Jamaica in Thailand.
					2001 – Present	Independent Director	Laguna Resorts and Hotel Public Co., Ltd.
					2000 – 2023	Independent Director	Thai Wah Food Products Public Co., Ltd.
					1999 – Present	Executive Chairman	Rutnin-Gimbel LASIK Centre

First-Last Name / Date of Appointment / Title	Age (years)	Education / Training	% of Shareholding in the Company	Family Relationship between Management	Work Experience during the recent 5 years		
					Year	Title	Company
						<i>Holding a position of director / executive in other organization</i>	
						Vice-Chairman Independent Director	<u>Listed companies</u> Muang Thai Insurance Public Co.,Ltd. Laguna Resorts and Hotel Public Co., Ltd. .
						Executive Chairman	<u>Non-listed companies</u> Rutnin-Gimbel LASIK Centre

First-Last Name / Date of Appointment / Title	Age (years)	Education / Training	% of Shareholding in the Company	Family Relationship between Management	Work Experience during the recent 5 years		
					Year	Title	Company
<b>Assoc. Prof.Arune Wiriya</b> <b>chitra /</b> April 30, 2011 <ul style="list-style-type: none"> <li>● Director</li> <li>● Executive Committee</li> <li>● Authorized Director</li> </ul>	77	- Honorary Doctorate Degree in English Language Studies, Thammasat University. - Honorary Doctorate Degree in English for Communication, Ubon Ratchathani University. - MEd. in Bilingual Education, University of Connecticut, USA - BA in Linguistics, Thammasat University - Diploma of English Language Teaching, Perth Technical College, Australia - Diploma of Director Accreditation Program (DAP) 43/2005, Thai Institute of Directors Association (IOD)	15.37%	Spouse of Prof. Dr. Pichaet Wiriya	2012 – Present	Chairperson of Corporate Sustainability	Asian Phytoceuticals Public Co., Ltd.
					2005 – Present	Director / Executive Committee and Company Secretary	Asian Phytoceuticals Public Co., Ltd.
					2023	Chairman of the Working Group	Working group to explore the talents of early childhood children of the Secretary-General of the Education Council.
					2023	Working Group	The working group promotes education management for people with special needs. (In the case of people with special abilities), Educational Council on Educational Policy and Planning.
					2022 – Present	Director	Killer T Cell for Pets Co.,Ltd.
					2023	Vice-President	Prof. Dr. Pichaet – Assoc. Prof. Arune Wiriya
					2012 – Present	Association President	Association of Developing Human Potential and Giftiness
					2000 – Present	Managing Director	Arun Pittaya Co., Ltd.
						<i>Holding a position of director / executive in other organization</i>	
						Director Managing Director	<u>Listed companies</u> -None-  <u>Non-listed companies</u> Killer T Cell for Pets Co., Ltd. Arun Pittaya Co., Ltd.

First-Last Name / Date of Appointment / Title	Age (years)	Education / Training	% of Shareholding in the Company	Family Relationship between Management	Work Experience during the recent 5 years		
					Year	Title	Company
<b>Assoc. Prof. Dr.Varakorn Samakose /</b> April 30, 2011 <ul style="list-style-type: none"> <li>● Independent Director</li> <li>● Audit Committee</li> </ul>	76	- Doctor of Philosophy in Economics, University of Kansas, USA - MSc. in Economics, University of Kansas, USA - BSc. in Economics, University of Western Australia, Australia  - Diploma of Director Accreditation Program 14/2002, Thai Institute of Directors Association (IOD) - Diploma of the Rule of Law for Democracy, Class 2/2014, The Constitutional Court	-	-	2011 – Present	Independent Director / Audit Committee	Asian Phytoceuticals Public Co., Ltd.
					2018 – Present	Vice-Chairman	The National Strategy on Developing and Strengthening Human
					2017 – Present	Council Committee	The National Economics and Social Development Council NESDC) Thai
					2017 – Present	Advisor	Health Promotion Foundation (ThaiHealth)
					2016 – Present	Director	The Public Sector Development Commission (OPDC)
					Holding a position of director / executive in other organization		
							<u>Listed companies</u> -None-  <u>Non-listed companies</u> -None-



First-Last Name / Date of Appointment / Title	Age (years)	Education / Training	% of Shareholding in the Company	Family Relationship between Management	Work Experience during the recent 5 years		
					Year	Title	Company
<b>Prof. Dr.Praipol Koomsup /</b> April 30, 2011 ● Independent Director ● Audit Committee	76	- Doctor of Philosophy in Economics, Yale University, USA - MSc. in Economics, Thammasat University - BSc. in Economics, University of Western Australia, Australia  - Diploma of Director Accreditation Program (DAP) 52/2006, Thai Institute of Directors Association (IOD) - Diploma of Director Certificate Program (DCP) 91/2007, Thai Institute of Directors Association (IOD)	-	-	2011 – Present	Independent Director / Audit Committee	Asian Phytochemicals Public Co., Ltd.
					2019 – 2020	Minister's Advisor	Minister of Energy
					2014 – Present	Fund Committee	Energy Policy and Planning Office
					Holding a position of director / executive in other organization		
							<u>Listed companies</u> -None-  <u>Non-listed companies</u> -None-

First-Last Name / Date of Appointment / Title	Age (years)	Education / Training	% of Shareholding in the Company	Family Relationship between Management	Work Experience during the recent 5 years		
					Year	Title	Company
<b>Dr.Montien Sirisuntornlak /</b> April 26, 2023 ● Director	61	- Master of Public and Private Management (M.P.P.M), National Institute of Development Administration. - Specialist in Orthopedic Surgery, Ramathibodi Hospital - Doctor of Medicine Program, Chiang Mai University	-	-	2023	Director	Asian Phytoceuticals Public Co., Ltd.
					2017 – Present	Medical Physician	Department of Orthopedic Surgery, Samitivej Sriracha Hospital.
					2017 – Present	Managing Director	Bim Health Center Co.,Ltd.
					2006 – 2016	Medical Physician	Department of Orthopedic Surgery, Phyathai Sriracha Hospital.
					1993 - 2005	Medical Physician	Department of Orthopedic Surgery, Chonburi Hospital.
					<i>Holding a position of director / executive in other organization</i>		
						Managing Director	<u>Listed companies</u> -None-  <u>Non-listed companies</u> Bim Health Center Co.,Ltd.

First-Last Name / Date of Appointment / Title	Age (years)	Education / Training	% of Shareholding in the Company	Family Relationship between Management	Work Experience during the recent 5 years		
					Year	Title	Company
Executive							
Mrs. Jannatthabhorn Janprasert November 11, 2011 ● Assistant to Chief Executive Officer for Production	58	- Master of Science in Chemistry Chiang Mai University - Bachelor of Science in Chemistry Prince of Songkla University	0.04%	-	1995 – Present	Assistant to Chief Executive Officer for Production	Asian Phytoceuticals Public Co., Ltd.
Mrs. Sirithip Wiriyachitra November 11, 2011 ● Assistant to Chief Executive Officer for Research and Quality Assurance	57	- Master of Science (Microbiology) Mahidol University - Bachelor of Science (Medical Technology) Mahidol University	0.04%	Niece Prof. Dr. Pichaet Wiiriyachitra	2009 – Present	Assistant to Chief Executive Officer for Research and Quality Assurance	Asian Phytoceuticals Public Co., Ltd.
Ms. Ornphimol Prasertwit November 11, 2011 ● Assistant to Chief Executive Officer for Marketing	58	- Master of Business Administration Bangkok University - Bachelor of Science, Mahidol University	0.04%	-	2013 – Presnt	Assistant to Chief Executive Officer for Marketing	Asian Phytoceuticals Public Co., Ltd.
Chief Financial Officer							
Mrs. Apinya Ulumpanon November 11, 2011 ● Assistant to Chief Executive Officer for Accounting and Finance	55	- Bachelor of Accounting Prince of Songkla University  <u>Continuing Professional Development in 2023</u> - Corporate income tax For closing financial statements, 6.30 hours. - Accounting for production costs and updating inventories, 6.30 hours	0.07%	-	2011 – Present	Assistant to Chief Executive Officer for Accounting and Finance	Asian Phytoceuticals Public Co., Ltd.

First-Last Name / Date of Appointment / Title	Age (years)	Education / Training	% of Shareholding in the Company	Family Relationship between Management	Work Experience during the recent 5 years		
					Year	Title	Company
Chief Accountant							
Ms. Jareerat Jintana November 11, 2011 ● Chief Accountant	55	- Bachelor of Accounting Ramkhamhaeng University  <u>Continuing Professional Development in 2023</u>  - Corporate income tax problems, 7 hours  - Financial statement analysis, 6 hours	-	-	2011 – Present	Chief Accountant	Asian Phytoceuticals Public Co., Ltd.
Company Secretary							
Assoc. Prof.Arune Wiriyaichitra / July 2, 2011 ● Company Secretary	77	- Honorary Doctorate Degree in English Language Studies, Thammasat University.  - Honorary Doctorate Degree in English for Communication, Ubon Ratchathani University.  - MEd. in Bilingual Education, University of Connecticut, USA  - BA in Linguistics, Thammasat University   - Diploma of English Language Teaching, Perth Technical College,	15.37%	Spouse of Prof. Dr. Pichaet Wiriyaichitra	2012 – Present  2005 – Present   2023  2023   2022 – Present	Chairperson of Corporate Sustainability Director / Executive Committee and Company Secretary   Chairman of the Working Group   Working Group   Director	Asian Phytoceuticals Public Co., Ltd.  Asian Phytoceuticals Public Co., Ltd.   Working group to explore the talents of early childhood children of the Secretary-General of the Education Council. The working group promotes education management for people with special needs. (In the case of people with special abilities), Educational Council on Educational Policy and Planning. Killer T Cell for Pets Co.,Ltd.

First-Last Name / Date of Appointment / Title	Age (years)	Education / Training	% of Shareholding in the Company	Family Relationship between Management	Work Experience during the recent 5 years		
					Year	Title	Company
		Australia - Diploma of Director Accreditation Program (DAP) 43/2005, Thai Institute of Directors Association (IOD)			2023  2012 – Present  2000 – Present	Vice-President  Association President  Managing Director	Prof. Dr. Pichaet – Assoc. Prof. Arunee Wiriyaichitra Foundation. Association of Developing Human Potential and Giftiness Arun Pittaya Co., Ltd.
<b>Ms. Jutirat Promchotchai /</b> February 22, 2021 <ul style="list-style-type: none"> <li>Company Secretary</li> </ul>	50	- Bachelor of Laws Chiang Mai University - Bachelor of Business Administration Bangkok University - Certified Professional Internal Audit of Thailand (CPIAT), The Institute of Internal Auditors of Thailand  - Certificate Course for Internal Auditors of Thailand (CPIAT 49), The Institute of Internal Auditors of Thailand. - Critical Thinking for Internal Auditors, The Institute of Internal Auditors of Thailand. - Financial statement analysis, Department of Business Development Ministry of Commerce	-	-	2011 – Present 2021 – Present	Head of Internal Audit Company Secretary	Asian Phytoceuticals Public Company Limited.

First-Last Name / Date of Appointment / Title	Age (years)	Education / Training	% of Shareholding in the Company	Family Relationship between Management	Work Experience during the recent 5 years		
					Year	Title	Company
		<ul style="list-style-type: none"> <li>- Understanding the guidelines in accordance with the Personal Data Protection Act (PDPA), Federation of Accounting Professions under the Royal Patronage of His Majesty the King.</li> <li>- Top Risk for Internal Audit 2023, The Institute of Internal Auditors of Thailand.</li> </ul>					



## Company Secretary duties and responsibilities

The Board agreed to appoint Assoc.Prof. Arunee Wiriyachitra as Company Secretary since July 2, 2011, whereby the Company Secretary must perform the duties prescribed under Section 89/15 of the Securities and Exchange Act 1992, and Section 89/16 of the Securities and Exchange Act 2008 (No.4), effective since August 31, 2008, with the responsibility, carefulness, and honesty as well as any operation in accordance with the Company's objectives, resolutions of the Board of Directors, and resolutions of the shareholder's meetings. The Company Secretary's duties and responsibilities are as follows:

1. Prepare and preserve directors registration documents;
2. Prepare and preserve meeting agendas (Board of Directors/ shareholders), meeting reports (Board of Directors/ shareholders) and annual reports;
3. Preserve reports of conflict of interest reported by both directors and the Board of directors. Submit the copies to the Chairperson to audit within seven working days.
4. Manage other matters as announced by the Federation of Thai Capital Market Organization.

In addition, the Company Secretary is responsible for other duties assigned by the Company (or the Board of Directors) below.

1. Organize the meetings of the Board of Directors and shareholders.
2. Coordinate with the Company's internal divisions to follow the resolutions of the Board of Directors and shareholders.
3. Perform other duties as assigned by the Company.

Information on the positions of directors, management and controller of the Company in the subsidiary, associate or related companies

A = Chairman of the Board, B = Company Directors, C = Executive Committee, D = Executive,  
E = Advisor / Advisory Board  
X = Chairman of the Audit, Y = Audit Committee, Z = Independent Director

<div> <div>Name- Surname</div> <div>List of Companies</div> </div>	Ms. Maleeratna Plumchitchom	Prof. Dr.Pichaet Wiriyachitra	Dr.Jingjai Hanchanlath	Assoc. Prof. Arunee Wiriyachitra	Assoc. Prof. Dr.Varakorn Samakoses	Prof. Dr.Praipol Koomsup	Dr.Montien Sirisuntornlak	Mrs. Jannathabhorn Janprasert	Mrs. Apinya Ulumpanon	Mrs. Sirithip Wiriyachitra	Ms. Omphimol Prasertwit
Asian Phytoceuticals Public Co. Ltd.	A,X,Z	B,C,D	B,C	B,C,D	B,Y,Z	B,Y,Z	B	D	D	D	D
<u>Subsidiary</u>											
Killer T Cell for Pets Co.,Ltd.		B		B							
<u>Associates</u>											
Bim Health Center Co., Ltd.							B,D				
<u>Related company</u>											
Arun Pittaya Co., Ltd.		B		B,D							

## Attachment 2

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### Details of the Directors of the Subsidiary

A = Directors, B = Executive

<div>List of Subsidiary</div> <div>Name – Surname</div>	Killer T Cell for Pets Co.,Ltd.
Prof. Dr.Pichaet Wiriyachitra	A
Assoc. Prof.Aruneewiriyachitra	A
Ms. Chuleekorn Warinrak	A,B
Ms. Podchara Dechapraphun	A

## Attachment 3

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### Details of the Head of Internal Audit and the Head of the Company's Compliance

First-Last Name / Date of Appointment / Title	Age (years)	Education / Training	% of Sharehold- ing in the Company	Family Relationship between Management	Work Experience during the recent 5 years		
					Year	Title	Company
Head of Internal Audit							
Ms. Jutirat Promchotchai / April 21, 2011  ● Head of Internal Audit	50	<div>- Bachelor of Laws Chiang Mai University</div> <div>- Bachelor of Business Administration Bangkok University</div> <div>- Certified Professional Internal Audit of Thailand (CPIAT), The Institute of Internal Auditors of Thailand</div> <div>- Certificate Course for Internal Auditors of Thailand (CPIAT 49), The Institute of Internal Auditors of Thailand.</div> <div>- Critical Thinking for Internal Auditors, The Institute of Internal Auditors of Thailand.</div> <div>- Financial statement analysis, Department of Business Development Ministry of Commerce</div> <div>- Understanding the guidelines in accordance with the Personal Data Protection Act (PDPA), Federation of Accounting Professions under the Royal Patronage of His Majesty the</div>	-	-	2011 – Present  2021 – Present	Head of Internal Audit  Company Secretary	Asian Phytoceuticals Public Company Limited.

First-Last Name / Date of Appointment / Title	Age (years)	Education / Training	% of Shareholding in the Company	Family Relationship between Management	Work Experience during the recent 5 years		
					Year	Title	Company
		King. - Top Risk for Internal Audit 2023, The Institute of Internal Auditors of Thailand.					

For supervising operations, the Company has not established a supervisory unit of the Company. The supervisory work is under the supervision of the Company Secretary Department. It will have the responsibility to be the center of supervision of the business operations to comply with laws, rules, regulations, policies, and requirements of the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand, and other government agencies related. The Board of Directors has approved the Compliance Policy by requiring the Board of Directors, Audit Committee, Executive Committee, Senior Management, Departments, and Employees to comply with the law. Also communicates with employees to recognizes that all employees have a duty and responsibility to study and understand the applicable laws and regulations in the work they are responsible for and perform them correctly and completely strictly adhere to the rules.



## Attachment 4

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### Business Assets

(A) Main non-current assets

Assets that the Company and its subsidiary used in business operations as of December 31, 2023, consist of:

■ Land and apartment ownership

Title deed number/apartment ownership	The location	Area	Ownership	Net value (baht)	Holding purpose
27416	84/3 M.4 Northern Region Industrial Estate (West) T.Banklang, A.Muang Lamphun	5 Rai 7 Square Wah	APCO	2,582,423	To be used as the location of the manufacturing plant
76768,76769 (Commercial building 3 floors, 2 booths)	22 A.Hat Yai, Songkhla	135 Square meters	APCO	5,000,000	To be used as the location of the branch office
449, 450, 4491, 6579,8680	11th Floor, SV City Apartment, Building 2, Rama 3 Road Chong Nonsi, Yannawa, Bangkok	63.19 Square meters	APCO	1	To be used as accommodation for staff
159123,159124,159125 Land number 503,504,505 Commercial building 3 floors, 3 booths	170/126-8 M.3 Phayasatja Road, T.Samed A.Muang Chonburi	520 Square meters	APCO	616,000	To be used as the location of the branch office
Total				8,198,424	

The land and ownership of all apartments are owned by the Company and without any obligation.

■ Other fixed assets

Asset type	Ownership	Net residual value (Baht) After deducting accumulated depreciation
Buildings and building improvements	Own	27,241,619.57
Machinery and equipment	Own	5,789,822.85
Tools and utensils	Own	680,612.17
Office decoration	Own	27,391.26
Office supplies	Own	522,855.15
Vehicle	Own	4,463,774.27
Total		38,726,075.27

Other fixed assets as shown in the table are owned by ACPO and without any obligation.

■ Leasehold rights

Rental space	Contract details
1. APCO's warehouse. Located at 269 Krungthep Kreetha Road, Huamark, Bangkok, Bangkok.	Tenant: APCO Lessor: Mrs. Nadear Suwinai Duration: June 1, 2021 – May 30, 2024 Rental: 67,430 Baht per month
2. APCO, Chiang Mai Branch Located at 61/5 Inthawarorot Road, Sripum, Mueang, Chiang Mai.	Tenant: APCO Lessor: Arun Pithaya Co., Ltd. (a related person of the Company) Period: July 1, 2023 – June 30, 2024 Rental: 35,000 Baht per month
3. APCO, Esplanade Branch Located at 317, 3 <sup>rd</sup> floor, Esplanade Shopping Center	Leasehold assignee: APCO Lessor: Siam Future Property Company Limited Duration: 3 years from January 1, 2022 – December 31, 2024 Rental area: about 65.54 square meters Rental: 1,672.96 Baht per month per square meter or approximately 109,645.97 Baht per month
4. APCO, Ratchadapisek Branch Located on the 30 <sup>th</sup> floor, AIA Capital Center Building	Tenant: APCO Lessor: AIA Company Limited Duration: 3 years from October 1, 2023 – September 30, 2026. Rental area: approximately 1,894.72 square meters Rent: 825 Baht per month per square meter or roughly 1,108,564.89 Baht per month






**Note:** For the 1<sup>st</sup>, 2<sup>nd</sup>, and 4<sup>th</sup> leases as mentioned in the table. The tenant can renew the lease again by agreeing on the rental price together with the tenant. For the 3<sup>rd</sup> lease, there are no details on the renewal of the lease agreement. Usually, at the close of the contract expiration date, the lessor will have a letter informing the tenant of details of the lease renewal.


(B) Trademark

The Company registered its trademark with the Trademark Office, the Department of Intellectual Property for each product to prevent infringement. The trademark will last for 10 years, details are as follows:

Product Type	Trademark	Owner	Registration Date	Expiration date
Skincare cream	GARCININS	APCO	September 26, 2007	September 25, 2027
	Goldfigor	APCO	September 26, 2007	September 25, 2027
	Joint&Shoulder	APCO	September 26, 2007	September 25, 2027
	Joynts&Shoulder	APCO	November 22, 2007	November 21, 2027
	De-Arthritis	APCO	September 26, 2007	September 25, 2027
	Arthrinon	APCO	September 26, 2007	September 25, 2027
	Arthrinox	APCO*	September 26, 2007	September 25, 2027
	TRDMONE	APCO	June 8, 2018	June 7, 2028

Product Type	Trademark	Owner	Registration Date	Expiration date
		APCO	June 14, 2018	June 13, 2028
		APCO	August 20, 2019	August 19, 2029
Cosmetics, face cream, body lotion, sunscreen		APCO	May 26, 2000	May 25, 2030
		APCO*	March 23, 2011	March 22, 2031
		APCO*	April 27, 2001	April 26, 2031
Supplements from fruit extracts pellets.	GREENLINE	APCO	October 10, 2006	October 9, 2026
	TRIMONE	APCO*	February 11, 1997	February 10, 2027
	FIGOR	APCO	May 23, 1997	May 22, 2027
Dietary supplements made from plants	Diabenox	APCO*	September 26, 2007	September 25, 2027
	Arthrinox	APCO*	September 26, 2007	September 25, 2027
	GARCININS	APCO	September 26, 2007	September 25, 2027
	UlcinOK	APCO	September 26, 2007	September 25, 2027
	Ulcinon	APCO	September 26, 2007	September 25, 2027
	De-Arthritis	APCO	September 26, 2007	September 25, 2027
	Joynts&Shoulder	APCO	November 22, 2007	November 21, 2027
	Joynts	APCO	November 22, 2007	November 21, 2027
	BIM&TRIM	APCO	September 17, 2009	September 16, 2029
	Noriasis	APCO*	September 4, 2009	September 3, 2029
	Tumorid	APCO*	September 4, 2009	September 3, 2029
	HoNo	APCO	September 24, 2009	September 23, 2029
		APCO	April 30, 2009	April 29, 2029

Product Type	Trademark	Owner	Registration Date	Expiration date
		APCO*	April 30, 2009	April 29, 2029
	<b>Dethritis</b>	APCO	April 20, 2010	April 19, 2030
	<b>Debetes</b>	APCO	April 20, 2010	April 19, 2030
	<b>Imm</b>	APCO	May 11, 2010	May 10, 2030
	<b>LIV CAPSULE</b>	APCO*	January 29, 2015	January 28, 2025
	<b>BIMXTRA</b>	APCO	May 7, 2015	May 6, 2025
	<b>EYELAST</b>	APCO	May 7, 2015	May 6, 2025
	<b>BIMEYE</b>	APCO	May 7, 2015	May 6, 2025
	<b>MACULAST</b>	APCO	May 7, 2015	May 6, 2025
	<b>BIMPLUS</b>	APCO	May 7, 2015	May 6, 2025
	<b>BIMOPLUS</b>	APCO	September 17, 2015	September 16, 2025
	<b>ECZENOK</b>	APCO	July 21, 2016	July 20, 2026
Dietary supplements from plant extracts.		APCO	June 25, 2021	June 24, 2031
		APCO	June 25, 2021	June 24, 2031
		APCO	March 18, 2021	March 17, 2031
		APCO	March 18, 2021	March 17, 2031
	<b>Arthrinox</b>	APCO	March 24, 2021	March 23, 2031
	<b>Diabenox</b>	APCO	March 24, 2021	March 23, 2031
Herbal weight loss		APCO*	December 19, 1996	December 18, 2026
		APCO	December 19, 1996	December 18, 2026
Fruit juice		APCO	January 10, 1997	January 9, 2027
		APCO	February 11, 1997	February 10, 2027

Product Type	Trademark	Owner	Registration Date	Expiration date
		APCO	May 23, 1997	May 22, 2027
		APCO	October 10, 2006	October 9, 2026

Note: \* Currently available trademarks

- In the event that the trademark is expired and the Company did not renew, other persons can apply for the trademark to be registered as the owner. However, the Company has the policy to follow up and submit a trademark registration renewal so that they can be used in the next trade.

### (C) Patent

The company owns 3 invention patents, which has been registered with the Department of Intellectual Property, Ministry of Commerce.

Details of the patent application summarized as follows:

Invention patent <sup>/1</sup>	Detail		
Invention name	Nutritional pharmaceutical ingredients	Phytochemical compositions and techniques for immunomodulation, including anti - pathogen and anti-autoimmune-disorder immunomodulation <sup>/2</sup>	Components to regulate the immune response
Patent number	88631	94526	96905
Date of patent issue	June 22, 2022	June 23, 2023	November 15, 2023
Applicant Name	Asian Phytoceuticals Public Co. Ltd.	Asian Phytoceuticals Public Co. Ltd.	Asian Phytoceuticals Public Co. Ltd.
Inventor's name	Mr. Pichaet Wiriyaichitra	Mr. Pichaet Wiriyaichitra	Mr. Pichaet Wiriyaichitra Mrs. Ampai Panthong Mrs. Siriwan Ong-chai Ms. Souwalak Phongpaichit Ms. Wilawan Mahabudsarakam

**Note:** <sup>/1</sup> To get a patent, the law will provide protection for 20 years from the date of filing the patent application. After that, the public can take advantage of that patent. But if there is a technological development that has been noted, then can apply for a new patent.

<sup>/2</sup> The Company is pending patent applications in the United States, Singapore, and Malaysia for the same.

(D) Other important contracts involved in business operations

1. License Agreement to Utilize Product Research and Development

Counterparty	: Party 1: Asian Phytoceuticals Public Co. Ltd. ("Licensee") Which holds 64.59 percent of shares by Professor Dr.Pichaet Wiriyachitra and his wife, Associate Professor Arunee Wiriyachitra. Party 2: Arun Pithaya Company Limited ("Licensor") Which holds 100 percent of shares by Professor Dr.Pichaet Wiriyachitra and his wife, Associate Professor Arunee Wiriyachitra.
Signing date	: December 1, 2013
Summary of the Contract	: 1. Permission to use research and product development, which means research and development on mangosteen extract and/or Garcinia extract that Professor Dr.Pichaet Wiriyachitra has researched and developed in past to present are elements, including the works that are further from the said extracts. 2. Licensor is responsible for experiments and research and development. In order to continuously improve product quality. 3. The licensee will keep the production formulas obtained from the licensor's research and product development work and forbid the formula and production process to be published to others.
Compensation	: 5 percent of product sales, if it is sold from the factory. 2 percent of product sales, if it is sold out from the branch office. Compensation once a month after the sales summary.
Contract period	: Until the contract is terminated from both parties.

Research and development contract for the said product is originated because most of the Company's products in the past was produced from the research results of extracts from mangosteen and garcinia by Professor Dr.Pichaet Wiriyachitra together with his research teams and allow the Company to do production for free. However, Professor Dr.Pichaet Wiriyachitra has granted APCO to apply the patent application for all products and formulas and pay compensation for utilizing research and development at the rate of 5% of the sales of the products produced from his research, including new products that may occur in the future from the said research. Such principles were approved by the Board of Directors' Meeting No. 1/2006 on February 27, 2006. The Board's meeting considered that the remuneration was similar to the remuneration that the National Research Council gave to researchers who can bring their research into the industry. The agreement was entered into on January 1, 2008, and has been effective retrospectively since January 1, 2006. Subsequently, the Board of Directors' Meeting No. 6/2011 on September 23, 2011, has a resolution to approve a new contract to improve the content of the original contract to be more clear and changed the parties from Greens to Gold Ordinary Partnership with Professor Dr.Pichaet Wiriyachitra as Managing Partner, to be Arun Pithaya Company Limited which holds 100 percent of shares by Professor Dr. Pichaet Wiriyachitra and his wife, Associate Professor Arunee Wiriyachitra. The new contract was effective from January 2011 onwards.

The Extraordinary General Meeting of Shareholders No. 1/2013 on September 20, 2013, approved the restructuring of the Group of Companies. The Company completed restructuring on November 30, 2013, by accepting



the entire business transfer (EBT) of its subsidiaries, namely Asian Life Co., Ltd., Green Gold Co., Ltd., TH17 Global Co., Ltd., and Top Makom Co., Ltd. ("Group of Companies"), in which the Company holds approximately 100% of the shares entered operations under APCO and registered the dissolution of the subsidiary companies. After the restructuring of the Company, "License Agreement for Utilization of Research and Product Development" has been prepared and has revised the compensation conditions in the contract. The Company agrees to pay compensation for the utilization of research and development at the rate of 5 percent of product sales if it is sold from the factory and 2 percent of product sales, if it is sold out from the branch office with effect from December 1, 2013., and paying remuneration once a month after-sales summary. The details of the contract are summarized in the table above. Products not included in the compensation calculation are Bryte & Spryte, Ginkgo Biloba, and certain products in the Miracles and Jada.

For future research and development approaches in the event that there are a research and development of new raw material products that our current research team had no expertise, the Company has a policy of hiring outside agencies such as universities or other research units with expertise as a researcher. It is expected that it will take less time and expenses than the Company own conducts research and development.

## 2. Product Research Consultant Contract

Counterparty : Party 1: Asian Phytoceuticals Public Co. Ltd. ("Company")  
Party 2: Associate Professor Dr. Wilawan Mahabudsarakam

Signing date : March 1, 2010

Summary of the Contract : 1. The Company hires such experts as a consultant on product research.  
2. The expert is a research group participant in the Operation "BIM" project, headed by Professor Dr.Pichaet Wiriyaichitra. The product resulting from the said research is the copyright of the Company together with researchers. Pay wages on a monthly basis.

Contract period : Until the contract is terminated from both parties.

## 3. Research and development consultant contract

Counterparty : Party 1: Asian Phytoceuticals Public Co. Ltd. ("Company")  
Party 2: Associate Professor Dr. Pharm. Ampai Panthong

Counterparty : Party 1: Asian Phytoceuticals Public Co. Ltd. ("Company")  
Associate Professor Dr. Pharm. Souwalak Phongpaichit

Signing date : January 1, 2012

Summary of the Contract : Associate Professor Dr. Pharm.Ampai Panthong is the Chairman of the Research and Development Committee and Associate Professor Dr. Pharm.Souwalak Phongpaichit is the Research and Development Committee. The Company hires the aforementioned experts to be a consultant to educate consumers about products through various public relations media as specified by the Company, including giving advice to members of the branch by going to the branches of the specified

company for consultation 2 times a week in which the Company will pay monthly wages. The Chairman of the Research and Development Committee will work with the Chief Executive Officer in planning research and product development are research group participants in the Operation “BIM” project, headed by Professor Dr.Pichaet Wiriyachitra. The product resulting from the said research is the copyright of the Company together with researchers.

Contract period : Until the contract is terminated from both parties.

#### 4. Employment expert contract

Counterparty : Party 1: Asian Phytoceuticals Public Co. Ltd. (“Company”)  
Party 2: Dr. Valairat Dhamcharee, MD. (“Expert”)

Signing date : January 2, 2016

Summary of the Contract : 1. The Company hires expert to provide advice on the use of Operation BIM products to consumers in all activities of Bim Health Center.  
2. Experts will give advice to consumers at the Company's office. Ratchadaphisek Branch, 30th Floor, AIA Capital Center Building, Ratchadaphisek, every Monday and Wednesday of the week from 2.00 pm - 4.00 pm. The Company will pay monthly wages.

Contract period : Until the contract is terminated from both parties

#### 5. Research and development consultant contract

Counterparty : Party 1: Asian Phytoceuticals Public Co. Ltd. (“Company”)  
Party 2: Associate Professor Dr. Preeya Leelahagul

Signing date : January 3, 2022

Summary of the Contract : 1. The Company hires expert to to conduct research and act as consultants to provide knowledge about products to consumers through various public relations media as specified by the company, including giving advice to branch members by visiting the branch as specified by the company.  
2. Experts will give advice to consumers at the Company's office. Ratchadaphisek Branch, 30th Floor, AIA Capital Center Building, Ratchadaphisek. The Company will pay monthly wages.

Contract period : Until the contract is terminated from both parties.

#### **Investment Policy in the Company Subsidiaries and/or Joint Companies.**

The Company has the policy to invest in the Company subsidiary or associated company which has an objective to operate businesses that support the Company's business. This will make the Company has higher operating results on profits or businesses that benefit the Company (Synergy) which can support the core business of the Company.

The investment in the Company subsidiaries and the associated company will be under the control and audit of the Audit Committee. The Company will send the Company's Directors or select the Executives who have qualifications and experience suitable for business operations to represent management to formulate important policies and control the Company's business operations.

## Attachment 5

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### Code of Conduct

## Code of Conduct

In order to declare the intention to be a role model for employees to behave and act honestly as well as taking care of the interests of all groups of stakeholders equally, the Board of Directors has established a code of business ethics to emphasize to the Executives and Employees to strictly abide by. It has an important objective to promote the values and corporate culture which resulted in sustainable growth as follows:

1. The Company adheres to the rule of law in business operations. Therefore the duty of the Executives and employees to know the regulations, relevant laws including laws that will be enacted in the near future which will affect their management and work. Therefore, the Executives and employees shall study and understand their duties and responsibilities in following regulations of government organizations and related agencies, both currently enforced and will be enforced in the near future, that are mainly used in performing their duties. The Executives and Employees must perform their duties strictly in compliance with laws relevant to the business of the Company and work regulations of the Company, and avoid any acts that might cause negative impact on the Company's reputation.
2. The Executives and Employees shall not seek competitors' trade secrets or inside information by illegal means such as theft, espionage or violation of agreement not to disclose competitors' information, whether received from customers or other persons.
3. The Company is decision making and business operations is transparent and can be disclosed to stakeholders for their information and verification under the laws and rules, regulations and practices of the Company that are related to protect trade secrets from being leaked to competitors and respect shareholders' rights to receive the necessary information to assess the Company equally and will disclose the financial performance and financial position with accurate and truthful supporting information according to the Stock Exchange of Thailand and the Securities and Exchange Commission set.
4. In the event that a director or employee has a connected transaction with the Company, the Company will act as the Company has done with outsiders. Director or employee must not participate in the approval.
5. The Executives, Employees, and close relatives shall not receive money, benefits or items from others related to the business of the Company if such receiving causes misunderstanding in the way that the receiver is inclined or specially related in business with the giver, causing damages to the Company.
6. The Executives, Employees, Family members, and Person living under the same roof shall not engage in any business/activity that may cause other persons to consider that the business/activity has conflict of interest with the Company, whether directly or indirectly.

7. The Executives and Employees who are responsible for using the Company's inside information must be careful not to let others overhear, eavesdrop, wiretap, or audio record the inside information. In addition, they should not converse in public through mobile phones or converse with family members and close persons which may lead to dissemination of inside information to others.
8. The Executives and Employees must strictly manage, store and classify inside information according to the Company's rules and regulations.
9. The Executives and Employees shall not disclose the Company's inside information to unauthorized persons, especially the customer's confidentiality, unless having received written approval from authorized persons and the responsible unit.
10. While working for the Company and after the termination of operating conditions, employees must not disclose the Company's confidential information for the benefit of anyone at all, whether it is electronic information, financial information, operations, business information, future plans of the Company, etc.
11. The Executives and Employees do not use the specification for securities trading or transmit it to others for securities trading.
12. The Executives and Employees must perform their duties with honesty, without bias, and do not exercise their power in seeking for the benefit of oneself or others.
13. The Executives and Employees must not intentionally make reports or records with untrue or inaccurate information and must not intentionally conceal or present untrue or inaccurate information to the Company. Whenever untrue or inaccurate information is found, such persons must report their superior immediately.
14. The Executives and Employees must not utilize the communication and computer systems to conduct any activities that are illegal or against the Company's policy or utilize the Internet or similar services in the manner that could cause damages, disgrace, lack of trust or discredit including must utilize the communication and computer systems with full responsibility and must not cause disharmony, damage others' reputation, discourage others' morale, or discourage amity in workplace.
15. The Executives and Employees shall keep the Company's assets in a good condition and utilize them to fully generate benefits for the Company's business and must not use them for their own or others' benefit in a misconduct way including must not take, utilize, sell, give, borrow, owe, distribute or transfer the Company's assets without permission, regardless of their value or condition.

16. The Executives and Employees are responsible for helping or attempting to gain patent, copyright, or protect the Company's intellectual property trademarks and must not take any action that violates the intellectual property of others or competitors.
17. The Executives and Employees must conform to the Company's safety regulations when using tools, equipment and work environment.
18. The Executives and Employees shall encourage working environment, avoid activity that violates the privacy, respect each other, collaboration, suggest and solve problem together in the workplace.
19. The Executives and Employees must not provoke, slander or imitate others causing disharmony and shall omit claiming others' work as one's own. In addition, must not be have in the way that marks dislike, molest people in the opposite sex, bully others, be in debt, addict gambling, take drugs, consume alcohol drinks while performing work, or commit any acts deemed ethically disgraceful.
20. The Executives and Employees must not commit any acts causing sexual harassment among colleagues. If sexual harassment among employees is found, such matter shall be reported to the superior immediately.
21. The Company respects and supports stakeholders to exercise their individual rights and freedoms under the constitution. The Company will be neutral and not involved in politics.
22. The Executives and Employees shall be fair and shall not discriminate in hiring including recruitment of personnel, consideration of remuneration and benefits, job promotion, job relocation, performance evaluation, training, adherence to regulations, job termination, layoff and reemployment, and participation in society and recreational activities, etc.
23. The Executives and Employees must recognize the importance of helping conserve natural resources and the environment and must try to prevent the companul from engaging in activities that harm or pollute natural resources, the environment and related ecosystems.



## Attachment 6

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### Audit Committee Report

The Audit Committee of Asian Phytoceuticals Public Co., Ltd. is comprised of 3 members as follows:

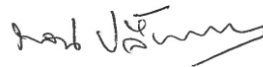
- |  |                                    |
|--|------------------------------------|
| 1. Ms. Maleeratna Plumchitchom               | Chairperson of the Audit Committee |
| 2. Associate Professor Dr.Varakorn Samakoses | Audit Committee                    |
| 3. Professor Dr.Praipol Koomsup              | Audit Committee                    |

The 3 Audit Committee members have the qualifications required by the Stock Exchange of Thailand's qualifications and Scope of Work of the Audit Committee (No.2) 2009.

In 2023, the Audit Committee held 4 meetings and has done their duties discreetly and employed their skills and knowledge in undertaking their duties and responsibilities independently. They have collaborated with the administrative section, internal auditors and account auditors for the benefit of the stakeholders. The summary is as follows:

1. To verify the regularity of the quarterly financial statements and the 2023 annual financial statements of the Company and its subsidiary. To provide adequate open information to ensure that the accounting system and the financial reports are done in accordance to the general accounting principles and to also provide complete and reliable information.
2. Review of Related Party Transactions, the Audit Committee regularly reviewed the related party transactions and transactions which potentially conflicted with the Company's interest based on business normality, transparency, adequate disclosure and at arm's length.
3. To examine the internal control system and internal audit system to ensure that the Company's internal control system and internal audit system are suitable, sufficient and effective.
4. To inspect the actions of the Company to ensure that it follows the guidelines determined by the law regarding property and the stock exchange, the rules and regulations of the stock exchange and other laws which is relevant to the business of the Company.
5. To check the adequacy and effectiveness of the Risk Management System.
6. To ensure the Company has good corporate governance in order to operate its business transparently.
7. To consider, nominate, appoint account auditors for the Company at the same time determine and offer their remuneration package to present at the shareholders' meeting for approval.

In summary, the Audit Committee sees that the Company has a good internal control system. The financial statements are in adherence with the general accounting principles. An amount adequate of information is disclosed. Furthermore, the Company has a suitable risk management system, has good corporate governance, transparent and reliable. In addition, the Company continuously tries to improve and develop the effectiveness of its performances.



(Ms. Maleeratna Plumchitchom)  
Chairperson of the Audit Committee

## Part 4

### Sustainability Report



### About this Report

Asian Phytoceuticals Public Company Limited has prepared the sustainability report since 2013. This 2023 Sustainability Report has been prepared according to the Global Reporting Initiative (GRI), GRI Standards 2021 at the reporting level with reference to the GRI Standards, the report has been linked to the Sustainable Development Goals (SDGs) of the United Nations, and the BCG economic model (BCG Model: Bio – Circular – Green Economy) that the government have announced as a national agenda.

The contents of the report reflect the results of operations of the Company related to the sustainable economic, social and environment (ESG). The aims are for the shareholders, stakeholders and investors to learn about the overview of the Company's business operation and its CSR activities in the fiscal year covering the period from January 1 to December 31, 2023. The report details the overall information of only Asian Phytoceuticals Public Company Limited. It does not cover the subsidiary and the associated companies that the Company has less than half of its investment and not directly involved in management. In 2023, the Company has no significant changes related to the organization and supply chain. The report is published in book form in both English and Thai and online at [www.apco.co.th](http://www.apco.co.th)

## APCO Sustainable Development Policy

Asian Phytoceuticals Public Company Limited is committed to drive the organization and operate the business with social responsibility by focusing on sustainable development and adding value to society and all stakeholders. The Board of Directors has developed a sustainable business operating framework for the concept, practice, and operating guidelines in a direction that is in line with the corporate sustainability policy and goals as follows:

- 1. Conduct business with a balanced economy, society, and environment, within the framework of good corporate governance, legal compliance, business ethics, anti-corruption, and promoting compliance with human rights principles. To create sustainable business growth and for the utmost benefit that is fair to all groups of stakeholders.*
- 2. Increase positive impact and reduce the negative impact of operations along with business growth by covering economic, social, and environmental aspects, including creating a sense of performance with social and environmental responsibility.*
- 3. Grow business through the creation of environmentally friendly innovations with an emphasis on the economy and sustainable environment.*
- 4. Disclose transparent sustainability performance in line with the accepted international standard guidelines for continuous development.*

The Board of Directors, the Executives, and all APCO employees are responsible for supporting, advocating, and operating in accordance with the established sustainability management policies and framework.

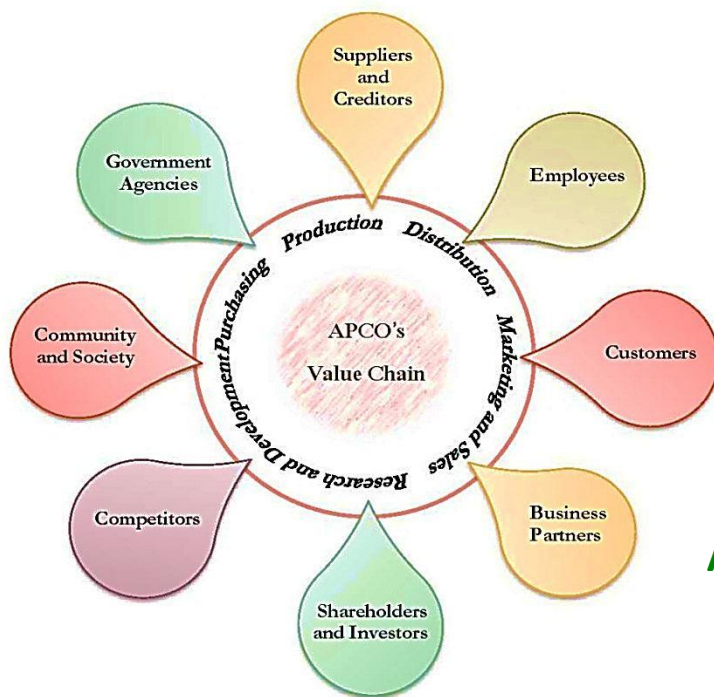
## Sustainable Development Structure

"APCO" has appointed an advisory team to oversee the Company's sustainable development

The 2 advisory boards consisting of social, economic and educational experts

as follows:

1. Assoc. Prof. Arunee Wiriyaichitra
2. Dr. Jingjai Hanchanlash



## APCO's Value Chain

The Company places importance on the participation of stakeholders throughout the supply chain and delivers value to stakeholders involved in each activity in the entire supply chain from upstream to downstream. The value-creating activities consist of 2 types: Primary Activities, namely procurement, production, distribution, marketing and sales and research and development and Support Activities, such as human resource management organization management, etc.

## Analysis of stakeholders and engagement channels

APCO identifies direct and indirect stakeholders from the impact of the Company's operations throughout the value chain, including purchasing, production, distribution, marketing and sales and research and development. In 2023, the Company has reviewed and classifies stakeholders into 8 groups as before: shareholders and investors, employees, customers, business partners, suppliers and creditors, competitors, community and society, government agencies. The Company

then communicates with stakeholders from various channel of participation in order to hear their opinions and expectations on the key sustainability issues of interest to each stakeholder group and integrate with decision-making processes, plan sustainable business operations and find ways to respond appropriately to the expectations of stakeholders.

Stakeholders	Method of Engagement	Expectations / Requirements	Our Responses
Suppliers and Creditors	<ul style="list-style-type: none"> <li>➤ Contract which is legally binding by law</li> <li>➤ Follow-up on progress in the ongoing work plan as well as listening and solving problems in working together</li> </ul>	<ul style="list-style-type: none"> <li>➤ Compliance with the terms and conditions of the obligation</li> <li>➤ Being a good business partner and having a long term relationship</li> <li>➤ Financial discipline and competence to pay off debt on time</li> <li>➤ Fair and transparent business operations</li> </ul>	<ul style="list-style-type: none"> <li>➤ Fairly comply with the business terms of the agreed parties and have good ethics</li> <li>➤ Build a good relationship with suppliers</li> <li>➤ Pay the debt on schedule</li> <li>➤ Comply with laws and regulations related</li> </ul>
Employees	<ul style="list-style-type: none"> <li>➤ Employee meetings</li> <li>➤ Executives VS employees meeting</li> <li>➤ Line : Communication within APCO</li> <li>➤ Announcement</li> <li>➤ Message from CEO to Employee</li> <li>➤ Comment box</li> </ul>	<ul style="list-style-type: none"> <li>➤ Equitable and fair compensation and welfare</li> <li>➤ Employee development</li> <li>➤ Career advancement and security</li> <li>➤ Compliance with the terms and conditions of the employment contract</li> <li>➤ Good environment and work safety</li> </ul>	<ul style="list-style-type: none"> <li>➤ Establish a policy to comply with labor laws and pay fair compensation.</li> <li>➤ Provide appropriate training for knowledge and skills.</li> <li>➤ Promote training / seminars</li> <li>➤ Take care of safety and Good hygiene at work</li> </ul>
Customers	<ul style="list-style-type: none"> <li>➤ Newsletter</li> <li>➤ Counseling by Medical Scientist</li> <li>➤ Social media such as Facebook, Line Official</li> <li>➤ Factory visit</li> <li>➤ Meet with customers</li> <li>➤ Website : <a href="http://www.apco.co.th">http://www.apco.co.th</a></li> <li>➤ APCO Contact Center 1154</li> <li>➤ Comment box</li> </ul>	<ul style="list-style-type: none"> <li>➤ Product quality</li> <li>➤ Consultation on the use of the product</li> <li>➤ Right product price</li> <li>➤ Ability to respond to customer needs</li> <li>➤ Accurate disclosure</li> <li>➤ Security and privacy of customer data</li> </ul>	<ul style="list-style-type: none"> <li>➤ Develop products and services to be able to standards for both quality and safety</li> <li>➤ Set product prices appropriately</li> <li>➤ Increase communication channels promotion</li> <li>➤ Train staff for serving and solve problems for customers appropriately</li> <li>➤ Business operations with transparency and have a code of conduct</li> </ul>
Business Partners	<ul style="list-style-type: none"> <li>➤ Integrative negotiation (win-win)</li> <li>➤ Meeting</li> <li>➤ E-mail, Telephone</li> </ul>	<ul style="list-style-type: none"> <li>➤ Fair and transparent business practices according to contracts and regulations</li> <li>➤ Accurate, complete, timely, and transparent information</li> </ul>	<ul style="list-style-type: none"> <li>➤ Conduct business fairly and transparently</li> <li>➤ Agreed mutually on fair compensation and determined in writing.</li> <li>➤ Disclosure of correct, complete, timely and transparent information</li> </ul>

Shareholders and Investors	<ul style="list-style-type: none"> <li>➤ Annual General Meeting</li> <li>➤ 56-1 One Report</li> <li>➤ Investor Relations</li> <li>➤ Website : <a href="http://www.apco.co.th">http://www.apco.co.th</a></li> <li>➤ Shareholders &amp; investors meeting through various activities</li> <li>➤ Opportunity day</li> </ul>	<ul style="list-style-type: none"> <li>➤ Return on performance</li> <li>➤ Risk Management and Good Corporate Governance</li> <li>➤ Equal and fair treatment</li> <li>➤ Accurate, complete, timely, and transparent information</li> </ul>	<ul style="list-style-type: none"> <li>➤ Proper dividend payment to shareholders</li> <li>➤ Managing the organization according to the principles of good governance effectively.</li> <li>➤ Disclosure of correct, complete, timely and transparent information</li> </ul>
Competitors	<ul style="list-style-type: none"> <li>➤ Website : <a href="http://www.apco.co.th">http://www.apco.co.th</a></li> <li>➤ Company news</li> </ul>	<ul style="list-style-type: none"> <li>➤ Ethical business operation</li> <li>➤ Free and fair trade policy</li> <li>➤ No policy in trade competition to obtain illegal and unethical information from competitors</li> </ul>	<ul style="list-style-type: none"> <li>➤ Treat competitors fairly and transparently.</li> <li>➤ Behave within the framework of fair competition.</li> </ul>
Community and Society	<ul style="list-style-type: none"> <li>➤ Social activities and campaigns</li> <li>➤ Visiting of community representatives</li> </ul>	<ul style="list-style-type: none"> <li>➤ Potential impact of the Company's operations</li> <li>➤ Promotion of the quality of life and the creation of the community</li> <li>➤ Environmental Stewardship</li> </ul>	<ul style="list-style-type: none"> <li>➤ Follow the law and various regulations related to the environment</li> <li>➤ Job creation, career promotion for the community and community economic development</li> <li>➤ Cultivating consciousness and educating employees to maintain and care for the environment</li> </ul>
Government Agencies	<ul style="list-style-type: none"> <li>➤ Monitoring government policies from various channels</li> <li>➤ Meetings with government agencies</li> <li>➤ Mail, E-mail, Telephone</li> </ul>	<ul style="list-style-type: none"> <li>➤ Compliance with government rules, regulations and laws</li> <li>➤ Product quality and safety</li> <li>➤ Advertising/Packaging Labels and Consumer Protection</li> <li>➤ Social and Environmental Responsibility</li> </ul>	<ul style="list-style-type: none"> <li>➤ Strict compliance with rules, regulations and laws</li> <li>➤ Policy acceptance and cooperation</li> </ul>



## Materiality Assessment Process

The Company has a 4 step processes to assess the materiality of sustainability by



### **Identification**

The Company considered and reviewed material issues in 2023 covering 3 dimensions of sustainability development:

- 1) economy
- 2) society and
- 3) environment

aspects from both internal and external factors such as the Company's strategy, issues related to the food supplement and cosmetic industry including issues that all 8 stakeholder have expressed their expectations and needs through various forms of engagement approach

### **Prioritization**

The Company brings the issues that are analyzed, prioritized in two criteria: the key issues affecting the business operations of the organization by the stakeholders within the organization (Horizontal) and the key issues that affect the expectations of stakeholders outside the organization (Vertical) in the materiality matrix

### **Validation**

The Company verifies the completeness of the material issues before presenting to the Executive, advisory team and the board of directors to approve the content and present in the sustainability report

### **Continuous Improvement**

The Company reviews material issues to develop and continuously improve the content of information disclosure for the following year.

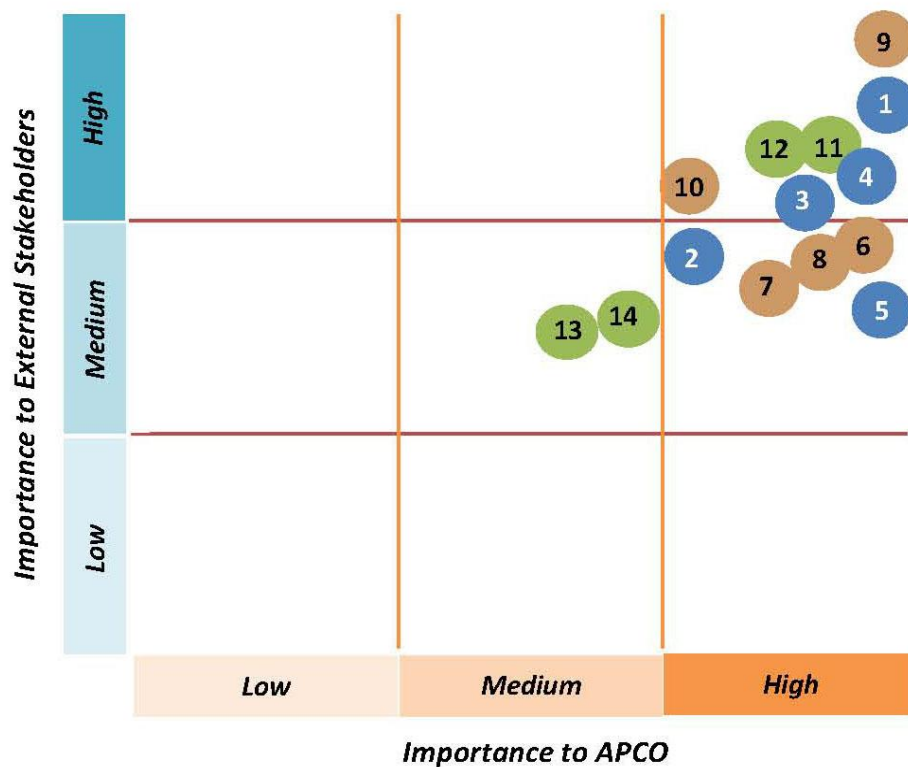
## Step 1: Identifying Materiality

The Company reviews material sustainability issues to ensure that the Company's material issues are truly consistent and responsive to the expectations and needs of stakeholders, and after reviewing the key sustainability issues of the company in 2023, it was found that there were 14 sustainability issues that the company and stakeholders agreed about its importance, covering issues in the dimensions of economy, society, environment, and corporate governance as follows:

### 1.1 Material Issues



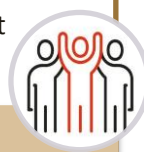
## Step 2: Prioritization



- (1) Good Performance
- (2) Corporate Governance
- (3) Anti-Fraud and Corruption
- (4) Risk Management
- (5) Innovation Development and Value Creation



- (6) Employee Development and Caring
- (7) Human Rights and Labor Practices
- (8) Safety and Occupational Health
- (9) Responsibility for Consumer
- (10) Community Development and Support



- (11) Implementation of Environmental Law
- (12) Energy Management and Climate Change
- (13) Water Management
- (14) Waste Management



## Impact Boundary

Material Issues	Internal		External						
	The Company	Employees	Shareholders and Investors	Customers	Business Partners	Partners and Creditors	Competitors	Community and Society	Government Agencies
Economic									
1. Good Performance	✓	✓	✓	✓	✓	✓			
2. Corporate Governance	✓	✓	✓	✓	✓	✓	✓	✓	✓
3. Anti-Fraud and Corruption	✓	✓	✓	✓		✓		✓	✓
4. Risk Management	✓	✓	✓	✓	✓	✓			
5. Innovation Development and Value Creation	✓	✓	✓	✓	✓		✓		
Social									
6. Employee Development and Caring	✓	✓						✓	✓
7. Human Rights and Labor Practices	✓	✓	✓	✓		✓		✓	✓
8. Safety and Occupational Health	✓	✓							✓
9. Responsibility for Consumer	✓	✓	✓	✓	✓			✓	✓
10. Community Development and Support	✓	✓				✓			
Environment									
11. Implementation of Environmental Law	✓	✓	✓					✓	✓
12. Energy Management and Climate Change	✓	✓	✓					✓	✓
13. Water Management	✓	✓	✓					✓	✓
14. Waste Management	✓	✓	✓					✓	✓

## Step 3: Validation

The responsible section of the Company provides a summary of material sustainability issues aligning with GRI standard and presenting results to prioritize management and advisory team to verify correctness and consider the completeness of material issues of the Company before presenting the conclusion to the Board of Directors of the Company for approval and then including in the annual sustainability report.

## Step 4: Continuous Improvement

The Company reviews material issues from its performance and hearing the opinions and suggestions of all groups of stakeholders regarding the Company's sustainable business operations to ensure that the communicated material issues are truly consistent with and meet stakeholder expectations of stakeholders and to continue to develop and improve the direction of operations and the content of information disclosure.

### Sustainability Management Framework

APCO has ongoing business development goals for sustainability and is committed to its efforts to support the achievement of the United Nations Sustainable Development Goals (SDGs) including the BCG economic model (BCG Model), which will develop a 3-dimensional economy at the same time, including the Bio Economy (Bio Economy) that focuses on using biological resources to create added value by focusing on the development of high-value products linked to the Circular Economy, which takes into account the reuse of

materials as much as possible and under the Green Economy (Green Economy), which is an economic development that does not focus only on economic development but must be developed in parallel with social development and environmental preservation in a balanced way to achieve stability and sustainability at the same time. APCO assessed the alignment of corporate sustainability issues according to the performance report prepared by APCO according to GRI. (Global Reporting Initiative) as follows

## Economic



- Good Performance
- Corporate Governance
- Anti-Fraud and Corruption
- Risk Management
- Innovation Development and Value Creation

## Social



- Employee Development and Caring
- Human Rights and Labor Practices
- Safety and Occupational Health
- Responsibility for Consumer
- Community Development and Support

## Environment



- Implementation of Environmental Law
- Energy Management and Climate Change
- Water Management
- Waste Management

## BCG Model



Bio Economy



Circular Economy



Green Economy

## Sustainability Management, *The Company has done the following*



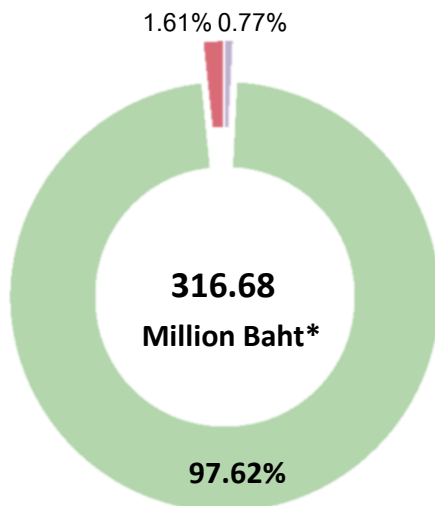
# Economic

The economic operations for sustainable development of the organization are divided into the following main activities:

1. Good Performance
2. Corporate Governance
3. Anti-Fraud and Corruption
4. Risk Management
5. Innovation Development and Value Creation

### 1. Good Performance

#### Proportion of Sales Revenue in 2023



Unit: Million Baht

Beauty Cosmetic Products	2.43
Dietary Supplement and Health Drink Products	309.15
Dietary Supplement Products for Pet Care	5.10
<b>Total</b>	<b>316.68</b>

\*Before deducting the Sales Agent's compensation according to the Financial Reporting Standard No. 15

#### Sales Revenue

Unit: Million Baht

2023	316.68
2022	271.08
2021	245.16

#### Net Profit

Unit: Million Baht

2023	108.74
2022	81.20
2021	68.70

#### Dividend Payout Ratio

Unit: Million Baht

2023	101.13
2022	115.37
2021	106.02



## 2. Corporate Governance



1. Establish Clear Leadership Role and Responsibilities of the Board
2. Define Objectives that Promote Sustainable Value Creation
3. Strengthen Board Effectiveness
4. Ensure Effective CEO and People Management
5. Nurture Innovation and Responsible Business
6. Strengthen Effective Risk Management and Internal Control
7. Ensure Disclosure and Financial Integrity
8. Ensure Engagement and Communication with Shareholders

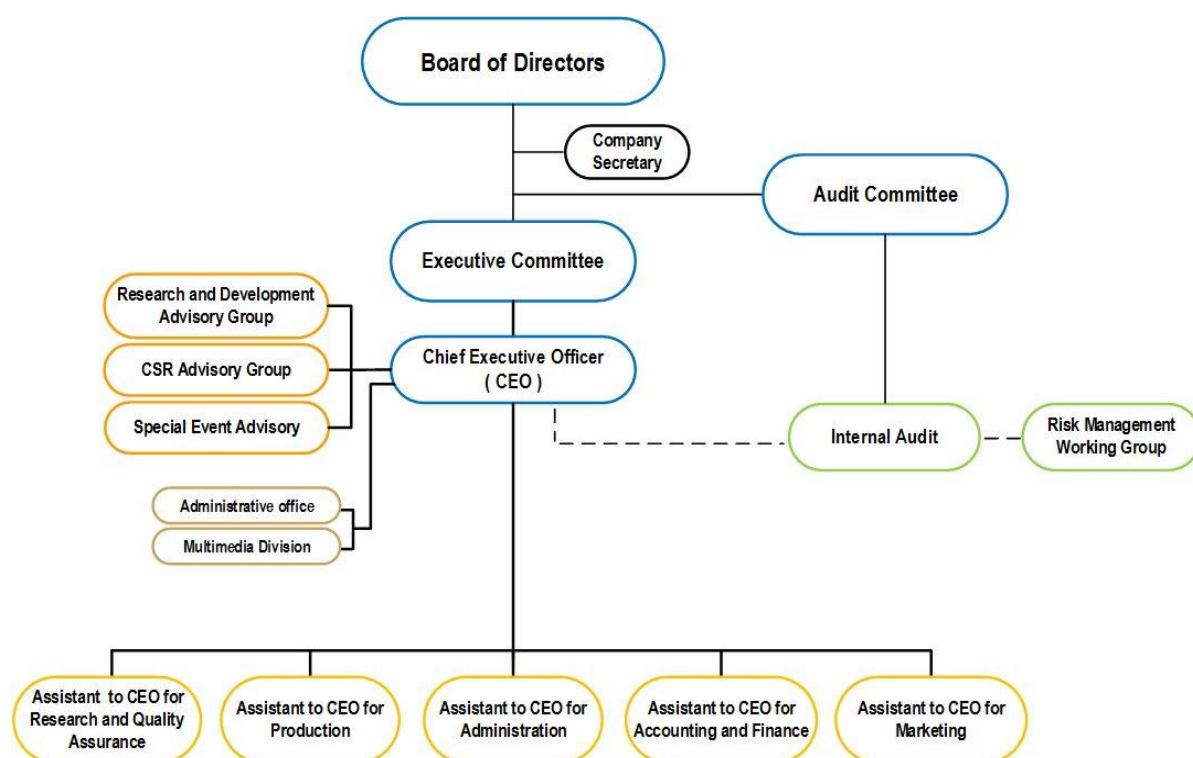
The Company utilizes the 8 principles of Good Corporate Governance for listed companies 2017 of The Securities and Exchange Commission, Thailand (SEC) in guiding the policy development through consideration and approval from the Board of Directors and made in a manual

form as guidelines in accordance with the said principles to be used by the Board of Directors, Executives and Employees. The Board of Directors has always reviewed and improved the principles of corporate governance.

## Governance Structure

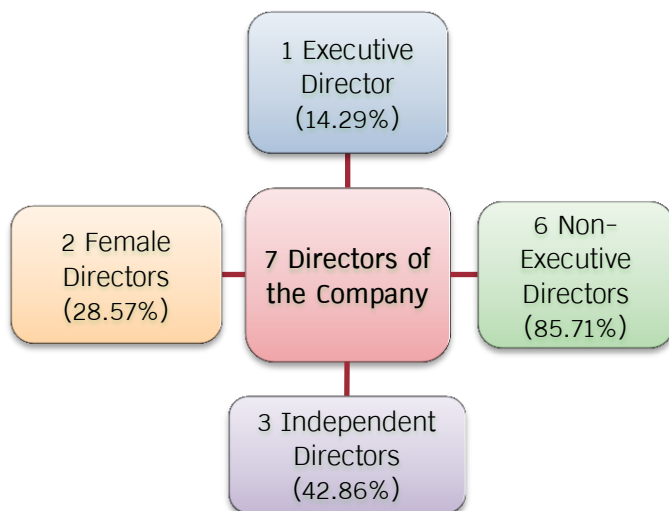
The corporate governance structure of Asian Phytoceuticals Public Company Limited consists of:

- The Board of Directors
- 2 sub-committees assigned by the Board of Directors, namely the Audit Committee and the Executive Committee
- Management team



The Board of Directors is the top executive of the organization and represents shareholders. It has an important role in corporate governance to monitor the Company's objectives, define vision, mission and business goals and conduct business according to strategies and plans with responsibility, prudence and honesty within the scope of the Company's Articles of Association and according to the law for the maximum benefit of the Company, shareholders and all groups of stakeholders.

The Board of Directors consists of both male and female directors who have knowledgeable abilities and experiences in conducting business that are beneficial to the Company. At present, the Board of Directors has a total of 7 directors, 5 males and 2 females.

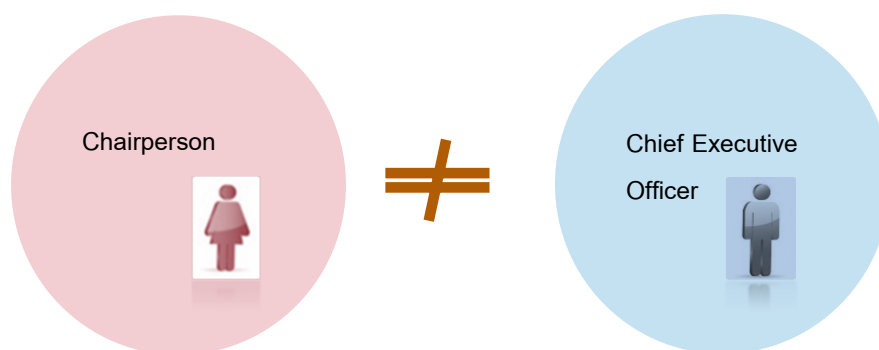


- One Executive Director (14.29%)
  - 6 Non-Executive Directors (85.71%) being 3 independent directors (42.86%) who act as the Chairperson of the Audit Committee, one female and two male members of the Audit Committee.
- The Chairperson of the Audit Committee is knowledgeable and experienced in reviewing the accountability of the Company's financial statements

### Diversity of knowledge and expertise

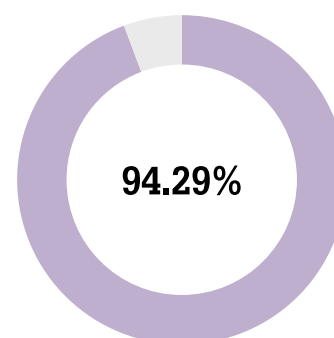


In terms of management, the Company has the Chief Executive Officer as the highest leader of the management acts in receiving goals, policies and strategies from the Board of Directors. The Company determines that the Chairperson of the Board of Directors must not be the same person as the Chief Executive Officer to achieve the balance and the review of the management and clearly separated the power and duty of the Board of Directors and the management.



### The Board of Directors Meeting

In the year 2023, the Company held 5 meetings of the Board of Directors. The attendance rate of individual directors is 94.29 of the entire meeting of the year in order to monitor various operations of the Company including determining the business direction of the Company for sustainability and achieving the goals.



### The Board of Directors' Development

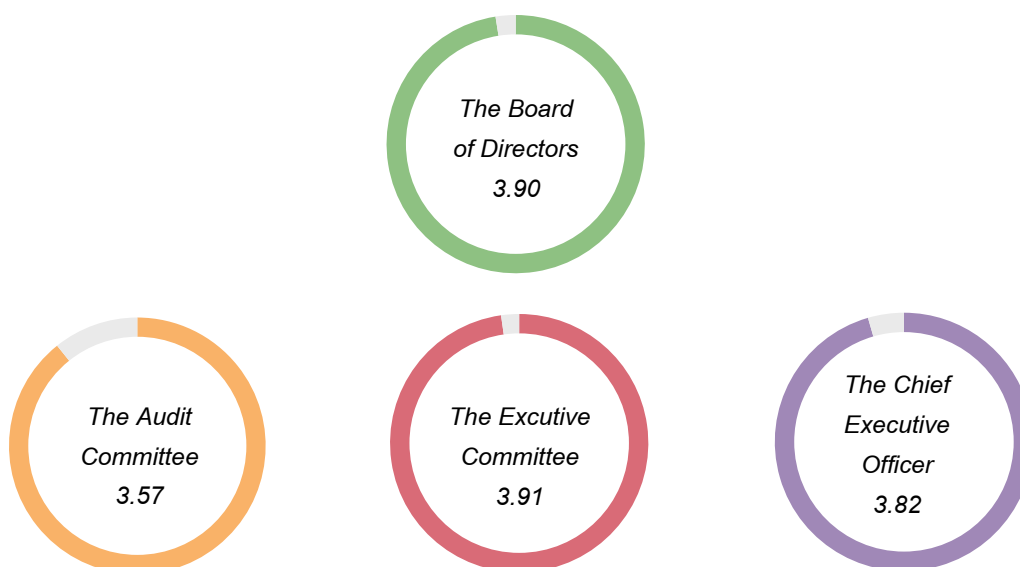
The Board of Directors has the policy to support and provide trainings and workshops to all involved employees in the corporate governance system, such as the Boards, Audit Committee and Executive Committee in order to continuously help improve their performances. Trainings and workshops may be arranged in the office or at other external institutes. All of the Board of Directors must receive training to

understand the performance of duties as directors, board members and high-level executives.

Currently, all 7 directors (100%) have attended training courses related to their roles and duties. Organized by the Thai Institute of Directors Association (IOD) : The Director Certificate Program (DAP) and the Director Accreditation Program (DCP), totaling 5 and 3 persons, respectively.

## Performance Assessment

The Company has evaluated the annual performance of the Board, Audit Committee and Executive Committee as a whole and evaluated the annual performance of the Chief Executive Officer at least once a year to consider his work and suggest further improvements.



Note: Based on 4 points from the following scoring criteria

0 = Strongly disagree or there is no action in that regard

1 = Disagree or have a minor action

2 = Agree or proceed with the matter

3 = Quite agree or have an action that is good

4 = Strongly agree or has an excellent process for that matter

APCO has published additional details about corporate governance in Part 2 “Corporate Governance Policy” page 66

### 3. Anti-Fraud and Corruption



From its inception, the Company consistently and strictly upholds the policy of white business in its law, morals and ethics. The Company has also made its commitment against corruption by joining the Thailand's Private Sector Collective Action Coalition Against Corruption or “CAC.” Moreover, it is determined, as the main policy of the Company, that everyone in the Company shall refrain from asking for or accepting any corrupted benefits from the business partners, as indicated in the Business Code of Conduct. Everyone in the Company is expected to have good understanding on anti-corruption and

to conform to the policy. Also, it is expected that the stakeholders learn about the Company's determination to fight corruption. The investigation procedures and penalties for malpractice, which are as severe as disemployment, are stated in the Manual on Good Corporate Governance and Business Code of Conduct.

All the stakeholders including employees can directly contact or file a complaint or whistleblowing regarding the offence, fraudulent act, or suspicion of misconducts or any matter which may directly damage the Company by the following methods



The informant will be protected without any disclosure of his personal information to any person. The questions, complaints, and suggestions will be forwarded to the relevant authorities to detect and find out the further solutions.



#### Overall Operation

In 2023, the Company organized a training course "Increasing operational efficiency with good governance and anti-corruption in organizations" to create knowledge and understanding about corruption as well as instill and create an anti-corruption culture for employees and there were **no complaints** regarding corruption, violations or not complying with laws, regulations, regulations, orders, announcements of the Company including good corporate governance and business ethics of the Company.

## 4. Risk Management

The Company attaches great importance to effective risk management because it is an important process in business operations that will lead the business to sustainable growth. The risk management process follows the risk management policy approved by the Board of Directors as follows:

### Policy for Risk Management

Regarded as a small-sized company, the risk management committee is not yet formed. As the Company has realized the importance of risk management, the sufficient risk management system is then created by the Board of Directors through a working group of risk management team consisting of executives of each division who need to take charge of risk assessment, plan and creation of risk management measures, assessing risk which might put an impact on the Company's business, and monitoring activities of risk management performed by other internal divisions. In this regard, risk management is the responsibility of all executives including the installation of risk management as a part of performance.

### Risk Management Process

The Company uses the risk management process in accordance with the COSO ERM Framework of COSO (Committee of Sponsoring Organizations of the Treadway Commission). Starting by defining the scope of potential risk to the business, the Risk Management Working Group will work with the head of each department as the risk owners to consider risk factors on a regular basis. When risks are known then they enter the procedure of risk analysis process, risk assessment and risk ranking by assessing the likelihood, impact and then entering the risk reduction process or risk control to be at an appropriate and acceptable level. The internal audit department will monitor and evaluate the efficiency and effectiveness of the risk management plan and method.



### Overall Operation

In the year 2023, the Risk Management Working Group holds a meeting with senior executives from all departments to consider risk factors, including the efficiency and effectiveness of the risk management approach to reduce the opportunity or impact on the business, image or stakeholders to be at an appropriate and acceptable level in accordance with the Company's risk management policy, especially considering the backup plan for the parties in case of unexpected events such as epidemic risk, Cyber Threat Risk.

APCO has published additional details on various risk factors, potential impact and management guidelines in Part 1 "Risk Management" page 39



## 5. Innovation Development and Value Creation

Through its research and development efforts aimed at discovering new attributes of edible plants in Thailand, Asian Phytoceuticals Public Company Limited (APCO) has created six innovative products, namely:

1. Innovative cosmetic products made from mangosteen peel extracts
2. Innovative slimming products made from HCA extract of *Garcinia atrovirdis* fruit
3. Innovative dietary supplements made from extracts of mangosteen, black sesame, soybean, guava, and *Centella asiatica* to promote immune system balance
4. Innovative dietary supplements made from extracts of mangosteen, black sesame, soybean, guava, and *Centella asiatica*, functioning as immunotherapy for cancer and AIDS
5. Innovative “Rejuvenating” dietary supplements developed to slow down and reverse aging
6. Innovative dietary supplements for treating cancer and viruses in pets

APCO’s “Rejuvenating” innovation represents an advanced creation by the company’s researchers to help delay and reverse aging while also offering protection against malignancies, without causing side effects on normal cells. This innovation was developed between 2022 and 2023, building upon APCO’s earlier success in the development of innovative immunotherapy. It is based on the principles of repairing and lengthening telomeres, the caps at the ends of chromosomes, to counteract their natural shortening, which occurs with every cell division. Telomere shortening contributes to bodily deterioration, weakened immune systems, and increased susceptibility to chronic diseases or malignant cell formation.





APCO's "Rejuvenating" innovation is unequivocally supported by research conducted by the Institute of Nutrition, Mahidol University, and the Operation BIM research team which has over 40 years of experience in immunotherapy. Clear findings confirm that it can extend telomere length by up to 20% (1,612+ base pairs), equivalent to reversing aging by 5.8 years in just 8 weeks. This innovation helps promote a more youthful body. Additionally, it enhances the efficacy of killer T cells in defending against malignancies and fighting various pathogens effectively and without side effects. With these attributes distinguishing it from other age-delay and reversal products, this innovation will contribute to creating a rejuvenating society where people can enjoy good health, be free from diseases, and joyfully live beyond 100 years.





# Social

Social Action for Sustainable Development is divided into the following main activities:

**- Internal Sustainable Development**

- 6. Employee Development and Caring
- 7. Human Rights and Labor Practices
- 8. Safety and Occupational Health

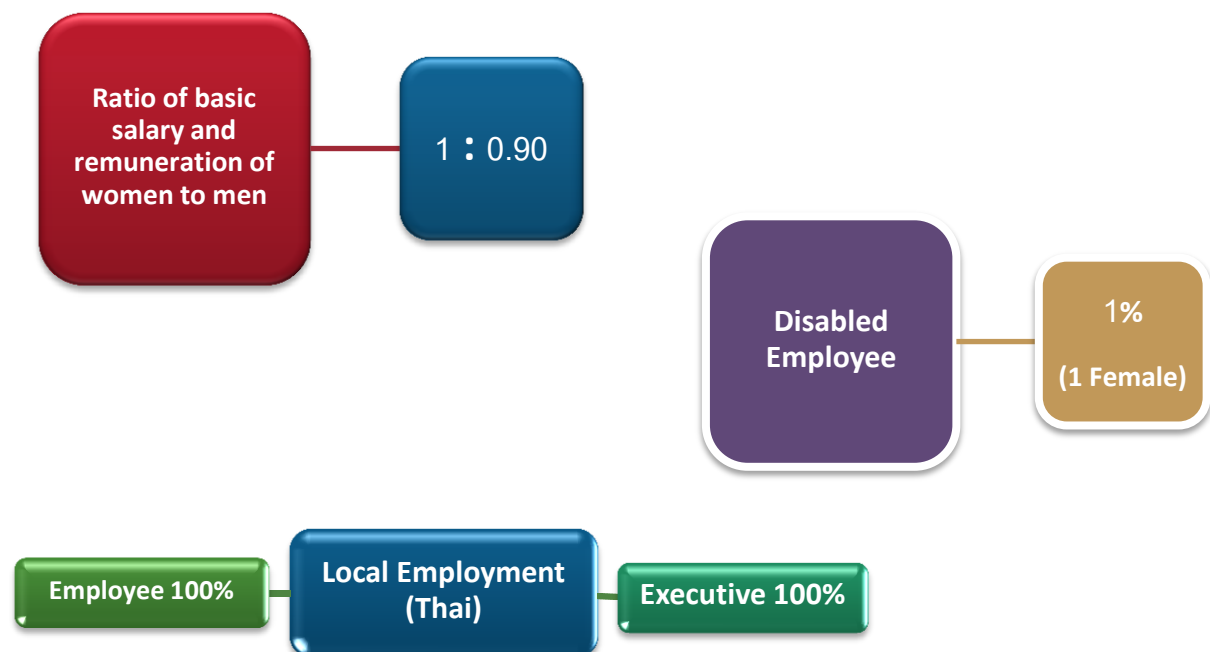
**- External Sustainable Development**

- 9. Responsibility for Consumer
- 10. Community Development and Support

***- Internal Sustainable Development***

***6. Employee Development and Caring***

**Employee information for the year 2023**



	2023						2022		2021		
	Male	%	Female	%	Total	%	(Persons)	%	(Persons)	%	
Gender	44	43.14	58	56.86	102	100					
Male							41	41.41	44	41.51	
Female							58	58.59	62	58.49	
Workplace											
Head Office	27	26.47	22	21.57	49	48.04	47	47.47	50	47.17	
Ratchadapisek Branch	15	14.71	29	28.43	44	43.14	42	42.42	46	43.40	
Chiang Mai Branch	1	0.98	2	1.96	3	2.94	3	3.03	3	2.83	
Chonburi Branch	-	-	2	1.96	2	1.96	3	3.03	3	2.83	
Hat Yai Branch	1	0.98	3	2.94	4	3.92	4	4.04	4	3.77	
Employment type											
Monthly Employee	35	34.31	51	50.00	86	84.31	85	85.86	89	83.96	
Daily Employee	9	8.82	7	6.86	16	15.69	14	14.14	17	16.04	
Age											
18-30 Years	4	3.92	3	2.94	7	6.86	12	12.12	16	15.09	
30-50 Years	33	32.35	43	42.16	76	74.51	68	68.69	71	66.98	
Over 50 Years	7	6.86	12	11.77	19	18.63	19	19.19	19	17.93	
Level											
Senior Executives	1	0.98	1	0.98	2	1.96	2	2.02	2	1.89	
Administer	-	-	4	3.92	4	3.92	18	18.18	21	19.81	
Operation	43	42.16	53	51.96	96	94.12	79	79.80	83	78.30	
New Hires											
Age											
18-30 Years	3	25.00	1	8.33	4	33.33	8	61.54	4	80.00	
30-50 Years	5	41.67	3	25.00	8	66.67	4	30.77	1	20.00	
Over 50 Years	-		-		-		1	7.69	-	-	
Employment type											
Monthly Employee	1	8.33	3	25.00	4	33.33	3	23.08	1	20.00	
Daily Employee	7	6.86	1	8.33	8	66.67	10	76.92	4	80.00	
Turnover											
Age											
18-30 Years	3	37.50	1	12.50	4	50.00	9	52.94	4	66.67	
30-50 Years	3	37.50	1	12.50	4	50.00	7	41.18	2	33.33	
Over 50 Years	-		-		-		1	5.88	-	-	
Employment type											
Monthly Employee	2	25.00	1	12.50	3	37.50	6	35.29	2	33.33	
Daily Employee	4	50.00	1	12.50	5	62.50	11	64.71	4	66.67	
Turnover Rate											
% to total employees						7.84			17.17	5.66	

\* As December 31, 2023



"Personnel" is an important resource that drives the Company to achieve its goals. The development and care of personnel will enable the staff to perform at their full potential. This is an important mechanism to help the organization grow steadily and sustainably. The Company has done the following:

### Employee Development

The Company has the policy to develop and promote the human resources with better knowledge and understanding to bring effective performance, promoting their advancements of career path, and enhancing the Company's competitiveness in its core businesses.

The training plans for developing its human resources are divided into three parts

(1) Developing the Company's key potential whereas all employees are educated about its core businesses, acknowledgement of the targets and goals, and awareness of the Company's changes as well as adjustment for the future change.

(2) Developing the employee's efficacy

for better knowledge and expertise by allowing them to take courses relating to their duties in order to master their work skills and providing useful books and reading materials to help promoting their knowledge.

(3) Developing the leadership especially the departmental heads and other higher positions to lead the roles and teamwork to prepare for the business targets and changes.



Overall Operation

In 2023, Asian Phytochemicals Public Company Limited has arranged training courses for employees both In-house training and external training in various fields, average training 5.71 hours/person/year representing 54.90 percent of the total number of employees



## Employee Benefits and Caring

The Company provides equitable benefits and benefits to employees according to the standards and higher than the standard of Labor Protection Act, such as

- Annual bonus and salary adjustment
- Giving gold as a token of appreciation to the employees working with the Company for 5, 10, 20 and 30 years
- Retirement money
- Provident fund, social security
- Overtime wage, night shift, incentive pay, allowance for food and engine oil, uniforms
- Providing annual medical check-up for employees to prevent the risk from work-related diseases
- Granting the employees the privilege to buy the Company's products at 50% off prices, up to 1,000 baht/month
- Financial support for funeral in the event that the father, mother, spouse or child of the employee is deceased
- Group insurance
- Annual party
- New year gifts for employees



Overall Operation

As a result, most employees have long working period and the turnover rate of employees is low.



## 7. Human Rights and Labor Practices

The Company clearly shows its intention to conduct business with respect for human rights. It has been announced in the Human Rights Policy that the Company will respect human values and do not take any action that will cause a violation of human rights both directly and indirectly. This covers all groups of stakeholders throughout the supply chain, such as employees, communities, customers and business partners including setting guidelines for treatment

of employees by stipulating fair treatment to all employees. Moreover, the Company carefully protects the personal information of employees, keeping their information confidential. The Company does not tolerate discrimination of race, nationality, religion, gender, age, disability, or sexual orientation. All illegal acts of discrimination are deemed unacceptable.

The Company adheres to the labor law provisions as a minimum requirement that all employees will receive and some are higher than those prescribed by the Labor Protection Act to ensure equality and fairness for employees. Conclusions of action are as follows:

- No child labor
- Providing a fair compensation according to qualifications and experiences
- Allowing the employees to choose days and time of working (Flexible Hour)
- Allowing functions switched in order to be appropriate for pregnant employees (In the year 2023, no employees on maternity leave.)
- Having systematic evaluation process on the employees work performance to be considered for salary adjustment and bonus payment
- Giving opportunities for the employees to voice their opinions regarding the Company's operations
- In the event of termination , the Company pays appropriate severance pay to employees based on the conditions defined by Labor Protection Law
- Employing of persons above 60 years and over
- Proportional employment of persons with disabilities is not less than those required by law.



Overall Operation

In 2023, **no practice was found** to be inconsistent with the non-violating human rights policy and no complaints were found about such human rights violations.



## 8. Safety and Occupational Health

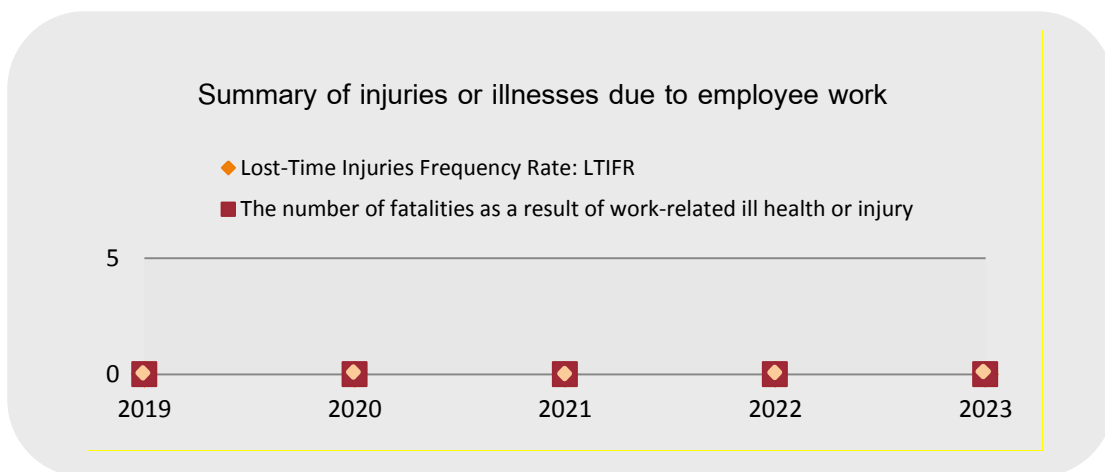
The Company prescribed "Safety, Occupational Health and Working Environment Policy" and disseminated to employees to practice along with the regular duties. The Company appointed the safety officer, Occupational Safety, Health and Environmental Committee according to the law that establishments with 50 or more employees must have a Safety, Occupational Health and Working Environment Committee. The working

group has one chairman and three representatives from employers and employees for operating safety and health systematically in accordance with the Company standards and strict legal requirements to achieve a more secure operation. The aim is to be a non-accidental organization, a safe place to work and a good environment for employee hygiene.



### Overall Operation

In 2023, the lost time injury frequency rate (LTIFR) and the number of fatalities as a result of work-related ill health or injury = 0



In addition, the Company has taken safety measures by

- Training fire prevention systems and fire drills for employees at least once a year, including regular checks of fire extinguishing equipment to be ready for use.
- Annual safety inspection for 500 kg boiler and pressure vessel inspection.
- Annual check the cooking gas tank, gas piping system and equipment.
- Test and inspect the fire prevention and suppression system with sprinkler heads, for the location of the liquefied petroleum gas tank.



The Company pays attention to the care of its employees both physically and mentally by providing annual medical check for employees and additional examinations according to risk factors for employees working in risky areas in each type of activity. This includes providing work environment measurements and assessments, which include measuring the intensity of light, noise, and dust in the work area, to ensure that employees

work under the proper environment harmless to health, and encourage employees to take care of their health. Employees must leave 30 minutes before the normal time every Thursday - Saturday in order to exercise. The Company provides support for the venue and exercise equipments, including the provision of green space around the workplace for staff to relax and provide a sanitary canteen to employees.

## – External Sustainable Development

### 9. Responsibility for Consumer

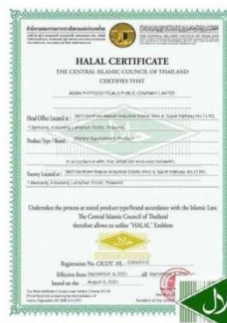
The Company presses an importance on consumers and society by implementing sustainable development through enterprise products and services. Focus on the manufacturing procedure to deliver products that are up to international standards, valuable and safe, as well as rendering the highest benefit to the consumers. There is a quality inspection system from the quality inspection department before the product is sold to consumers. The Company serves the customers honestly with its White Business Policy.

#### Standard and Safety

The Company has been accredited with standards and systems to build confidence for customers



- Every product is certified by Food and Drug Administration (FDA)



- The Company's products have received Halal certification
- The factory has received Good Manufacturing Practice (GMP) certification

#### Product Disclosures

The Company has a product information channel to build confidence for customers as follows:



- Television program providing academic information on the effectiveness of the products through the interviews with doctors, nutritionists who are experts in anti-aging nutrition, academicians and consumers, hosted by well-recognized moderators. This information can help the consumers to make a decision before buying.



- Many communication channels are available to provide products' information for the consumers, for examples, Facebook, Facebook live, YouTube, Website.
- Lectures to educate faculty, staff and students from various universities.
- Magazine articles and news in newspapers.
- The consumers can buy the products from well-trained sales agent through sales agent channel and obtain close suggestions.
- The instruction on product usage is thoroughly explained on the label for the best interest of the consumer.
- Doctors, nutritionists who are experts in anti-aging nutrition, highly qualified academicians are stationed at the regional office branches to give advices and answer questions.

## มาร่วมกันเป็นส่วนหนึ่งของ “สังคมวัฒนชีวา” ชีวปัญญา

**เดลินิวส์**  
 Daily News  
 Circulation: 500,000  
 Ad Rate: 2,100

Section: กีฬา/-  
 วันที่: พุธ 23 กุมภาพันธ์ 2565  
 วันที่: -  
 Col.Inch: 55.35  
 Ad Value: 116,235  
 Ad Rate: 2,100

หน้า: 17 (ล่างซ้าย)  
 PRValue (x3): 348,705  
 คติปล: เสี

ดร.พิเชษฐ์ วิริยะจิตรา หัวหน้าคณะนักวิจัย Operation BIM

ดร.ดร.ปริยา สัมพกุล ผู้เชี่ยวชาญด้านโภชนาการ และกับรักษาทางวัย APCO

นวัตกรรม “วัฒนชีวา”

ย่อนวัยได้

ป้องกันมะเร็งด้วย

รายการ ปายนี้มีคำตอบ

ช่อง 9 MCOT HD หมายเลข 30

วันพฤหัสบดีที่ 14 ส.ค. 2566

เวลา 13.00น.

ฟรี

คุณธีรวัฒน์ พึ่งทอง | คุณยุตนา พึ่งทอง

“จะเห็นว่า เทคโนโลยีชีวภาพ... (text continues with details about the technology and its benefits for anti-aging and cancer prevention).”

“นวัตกรรมวัฒนชีวาจากพืชและศาสตร์ย่อนวัย... (text continues with details about the product and its benefits for anti-aging and cancer prevention).”

- Product testing activities were organized both nationally and internationally in order to show the consumers to the effectiveness of the product.
- Permission must be granted by the interviewees prior to every interviews and data collection. Consumers' information will be kept confidential.
- The return policy and product recall policy are prescribed as guidelines in case there are problems relating with the products.



### High Quality Products

- The research and product development team comprises experts in interdisciplinary fields from the universities around Thailand and abroad.
- Products have been researched and developed for continuous improvement.
- Using natural raw materials that are not harmful to the environment.
- Packaging made from recyclable materials.

## 10. Community Development and Support

The Company places importance on participation in community and social development along with its business growth. This is done through activities and projects as follows:

### Quality of Life

- Donating the Company's products for the care of HIV orphaned children of the Baan Gerda, Children's Rights Foundation, Lopburi Province and providing activities to educate the children. This has been done continuously for the 12<sup>th</sup> year with the aim of enhancing the quality of life of infected orphans, by giving products for free for life. In 2023, the Company has given products to infected orphans totaling 210,600 baht.
- Project to support APCO's innovative immune therapy health supplements for infected children to enter rehabilitation and treatment programs with the goal of no detection of HIV of Baan Home Hug, Suthasinee Noi In Foundation for Children and Youth, Yasothon Province, including organizing lunch activities and donated 1,000,000 baht to help orphans of the foundation.



- Given to people infected with HIV who have entered the Company's product testing program totaling 90,290 bath.
- Donating the Company's products for the care of deprived cancer patients to enhance their in their entire life.



- Carrying out public charity activities together with Prof. Dr. Pichet - Assoc. Prof. Arunee Wiriyachitra (“Por”) Foundation by supporting the company's products at a price lower than the market for use in the foundation's activities, totaling 240,000 baht.

#### Economic

- Purchasing centella asiatica, a biennial weed that farmers will dispose after harvesting to produce products that add value to agricultural crops and increase farmers' income according to the Bio-Economy.
- Improving the quality of life of villagers by creating jobs to supplement incomes from collecting and slicing Garcinia atroviridis, Mangosteen peel.
- Price Assurance and increase the price of agricultural products such as mangosteen, soybean, black sesame and guava.
- Creating jobs and incomes for business partners, for examples, packaging companies, cold storage industry, shipping industry, etc.
- Building Thailand’s reputation through the products which are resulted from high-quality researches.

#### Knowledge, Education

- Providing the information on alternative treatments for illness to the hospitals’ personnel.
- Support educational institution and granting scholarships to students
- Supporting sports equipment for schools in the community.







# Environment

Environmental Action for Corporate Sustainability are divided into the following main activities:

11. Implementation of the Environmental Law
12. Energy Management and Climate Change
13. Water Management
14. Waste Management

## ***11. Implementation of the Environmental Law***

The Company focuses on environmental stewardship for sustainable growth along with business, thus establishing guidelines for business activities along the value chain to be carried out with minimal impact on the environment and climate change, as well as to promote continually conserving natural resources, adhering to compliance with laws, local regulations, and measures

related to the environment, including the United Nations Sustainable Development Goals (SDGs), recognizing that promoting environmental quality and maintaining ecological balance is a shared mission of all sectors, also a means of building trust among stakeholders, including customers, shareholders, employees, business partners, and local communities.

## ***12. Energy Management and Climate Change***

Energy is a necessity in industry and the trend of energy consumption continues to increase with population and consumption activities. However, energy consumption leads to both direct and indirect emissions of greenhouse gases which are the main cause of the climate change. Therefore, the Company has a policy to use energy efficiently and for maximum benefits by improving, modifying and developing the production process to increase

energy efficiency in production. Reduce energy waste in all activities and production processes including mitigating environmental impacts arising from business operations. Conclusions of action are as follows:

## Management of electricity and fuel consumption

The Company has important goals in using electricity and fuel efficiently, including aiming to reduce energy consumption and to instill energy conservation awareness and to change the energy consumption behavior of employees in daily life because it not only bring benefits at the enterprise level, does is also a participatory energy conservation and cooperation in preserving the environment as well. In 2023, the Company has the amount of electricity and LPG consumption as follows:



### Overall Operation

	2023	2022	2021	2020	2019
<b>Electricity</b> (Kilowatt-Hours)	205,828	295,624	274,836	292,780	281,840
<b>LPG</b> (Kg.)	8,655	5,835	4,365	6,543	5,007

### Renewable energy projects

APCO increases channels to participate in reducing the impact of global warming, lowering carbon footprint, and creating a positive impact on the environment in line with the Net Zero Emissions goal, which is an important national and global agenda. This is accomplished by developing a renewable energy project plan at the end of 2022 and executing it until completion as scheduled in April 2023.

The renewable energy project aims to convert solar energy, a clean and infinitely recyclable energy source, into electrical energy. This initiative entails APCO's investment in installing a 100 kW solar cell system in the form of a rooftop solar array on the factory building. Consequently, APCO has reduced its dependency on electrical energy from the Provincial Electricity Authority's distribution system by 30-40% compared to 2022, thereby contributing to the sustainable action to mitigate global warming and address the crisis of extreme climate change.



### Other management to reduce greenhouse gas emission

- Promoting the recycling of materials, especially the Company's main supplies such as paper to be used on both sides before being digested for use as a shockproof material
- Promoting the adjusting method of document storage from hardcopy documents to scanning and saving documents as soft files
- Choosing appliances that are energy-saving label 5, green label
- Adjusting the air conditioner at 25 degrees. It is required to turn off the air conditioner in the break time and during cold weather
- Always cleaning the air conditioner filter
- Turning off the lights in the factory, and in places where there is no need and during lunch time
- Replacing the lamp to save energy and always clean the bulbs
- Using water-saving sanitary ware
- Using dried leaves to make fertilizer
- Increasing green area to improve and maintain the scenery of the workplace

## 13. Water Management

The Company is still aware of the risk of the crisis of scarcity of water resources that are becoming more severe and widening, therefore, there is a policy to encourage employees to use water economically by adopting 3R principles is to reduce, reuse and recycle to be adapted as appropriate for the organization.



### Overall Operation

All water used by the Company is tap water produced by Global Utilities Service Co., Ltd., which supplies water to customers in the Northern Industrial Estate. In 2023, the Company's tap water consumption was increased due to water pipe leaks in early 2023. The Company has already inspected and repaired.

	2023	2022	2021	2020	2019
Water (Cubic Meter)	6,545	4,193	5,334	4,245	9,660

## Wastewater Management

Wastewater from production processes and activities of the company will be tested monthly for wastewater quality by a utility service company to various industries (Global Utilities Service Co., Ltd.) on a monthly basis to ensure that it meets the standards of wastewater quality as required, before discharging

into the central wastewater treatment system of the industrial estate, this ensures that the treated wastewater meets the standards of relevant laws and regulations. It does not affect the community, environment and creatures living in natural water sources.

## 14. Waste Management

The Company has integrated waste management policy according to the nature of waste and in accordance with the concept of the circular economy, starting from reducing the generation of waste at the source or process that generates waste (Source Reduction),

reuse of waste / materials that can still be used (Reuse), Recirculation (Recycle) before using the parts that cannot be used for treatment (Treatment) and disposal of waste safely (Disposal) by dividing waste management into

- Organic waste such as food scraps will be brought to the landfill as fertilizer to nourish the soil.
- Agricultural raw materials left over from production will be given to the villagers to use as fertilizer.
- General waste such as plastic bags, foam boxes and non-recyclable waste is stored for delivery to landfill operations by Thao Boonruang Limited Partnership, the authorized person.
- Recycled waste such as plastic bottles are sent to the buyer for recycling.



#### Overall Operation

	2023	2022	2021	2020	2019
<b>Degradable Waste (Tons)*</b>	15.45	17.55	18.75	19.95	21.75
<b>General Waste (Tons)</b>	3.59	2.43	2.56	2.97	3.35
<b>Recycled Waste (Tons)</b>	2.65	1.17	1.00	2.20	3.80

\* only agricultural raw materials left over from production

## GRI Content Index

**Statement of use** Asian Phytoceuticals Public Company Limited has reported the information cited in this GRI content index for the period 1<sup>st</sup> January - 31<sup>st</sup> December 2023 with reference to the GRI Standards

**GRI 1 used** GRI 1: Foundation 2021

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**Contact Point**

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