



Annual Registration Statement /

Annual Report 2022

Form 56-1 One Report

ASIAN PHYTOCEUTICALS PUBLIC COMPANY LIMITED

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Message from the Board of Directors

The COVID-19 pandemic has drastically changed people's way of life around the world. The "new normal" has made individuals more conscious of their health care, leading to a consistent rise in health products despite global inflationary pressures.

In 2022, APCO pursued an aggressive strategy to take advantage of this growing healthy lifestyle market. We aim to be a leader in products that have high efficacy in stimulating Killer T cells - immune cells that can kill foreign cells, cancer cells and cells infected with a virus without adverse side effects. This is made possible through our rigorous R&D, which has yielded the Rejuvenating Innovation of improved formulas named MYLIFE100 and MYLIFE100A. These products can create and stimulate immune Killer T cells to combat various diseases, including HIV/AIDS, cancer, diabetes, cerebrovascular disease, and illnesses caused by various viruses, and restore the health of those suffering from long COVID. In addition to building and stimulating the immune system, this innovation also repairs and lengthens the cap at the end of a chromosome, known as a "Telomere", which protects the chromosome that stores the gene or DNA from being damaged. Telomere rebuilding and lengthening provide anti-aging effects, longevity, and lasting good health. We believe that this Rejuvenating Innovation, our new form of immunotherapy, will help people with health problems, and its two new formulas will become APCO's flagship products in the future.

Furthermore, APCO has expanded its line of dietary supplements based on natural extracts to care for pets and boost their immune system to combat diseases, such as Feline Immunodeficiency Virus (FIV) and leukemia that have been diagnosed in approximately 3% or 18 million of the estimated 600 million pet cats worldwide. Pet owners love and view their pets as family members, and this attachment makes them desire a long life, free of diseases, for their pets. Expanding the pet market is another channel that APCO prioritizes as a way to generate more revenue for the Company.

APCO is committed to meeting the expectations of shareholders, partners, employees, and all groups of stakeholders by creating the highest possible "value" for the organization and its stakeholders. It has also been our mission to incorporate sustainability, covering social, economic, and environmental aspects, into our corporate policies as part of the "value" creation. Our business aligns with the BCG Model (Bio – Circular – Green Economy), which the Thai government has announced as a national agenda. We develop products from natural plants, thereby creating value-added benefits to biological resources in the agricultural sector, in line with the Company's vision of a Bio-Economy. We design products and production processes with minimal waste, including recycling limited resources, to be part of a Circular Economy. To foster a Green Economy, we conduct business by focusing on reducing or not having any negative impact on the environment and making contributions that benefit society.

We sincerely hope that the Company's sustainable business operations will create long-term value for all stakeholders. We would like to express our deepest gratitude to all shareholders, customers, business partners, and employees for supporting us throughout our journey to pursue our business vision, which has resulted in the company's continued steady growth. We pledge that APCO will continue to make progress in the development of its business, while operating with integrity, good governance, and social responsibility to create an ideal and sustainable society long into the future.

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 Phytoceuticals 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 Phytoceuticals 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 2022, 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 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">■ 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.
1991	<ul style="list-style-type: none">■ A new plant was built at the Northern Industrial Estate, Lamphun. All the manufacturing was moved to the new factory.
May 25, 1995	<ul style="list-style-type: none">■ 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.
May 18, 1998	<ul style="list-style-type: none">■ 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.
May 20, 1999	<ul style="list-style-type: none">■ 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.
2003	<ul style="list-style-type: none">■ Green Gold or GG received a certificate of Good Manufacturing Practice from Food and Drug Administration, Ministry of Public Health.
2005	<ul style="list-style-type: none">■ 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">(1) Green Gold Co., Ltd.(2) Asian Life Co., Ltd.(3) Asian Neutraceutical Centre Co.,Ltd.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.

	<ul style="list-style-type: none"> APCO received a certificate of Good Manufacturing Practice from Food and Drug Administration, Ministry of Public Health.
2006	<ul style="list-style-type: none"> 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.
2011	<ul style="list-style-type: none"> 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.
December 2, 2013	<ul style="list-style-type: none"> 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.
2014	<ul style="list-style-type: none"> 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. 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. 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).
June 7, 2014	<ul style="list-style-type: none"> Open BIM Health Center.
March 26, 2015	<ul style="list-style-type: none"> 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.
April 24 & 27-30, 2015	<ul style="list-style-type: none"> 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.
April 8, 2016	<ul style="list-style-type: none"> 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.

October 7 & 10-13, 2016	<ul style="list-style-type: none"> ■ 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. ■ 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.
November 18 & 21-24, 2016	<ul style="list-style-type: none"> ■ 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.
February 2017	<ul style="list-style-type: none"> ■ 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 G Floor, Paradise Park Building, Srinakarin.
April 9, 2018	<ul style="list-style-type: none"> ■ 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).
May 14, 2018	<ul style="list-style-type: none"> ■ SET moves APCO from MAI to SET.
October 28, 2020	<ul style="list-style-type: none"> ■ The Company has invested in Hisold Digital Co.,Ltd., in the proportion of 44.99% of the capital of the Company to expand distribution channels through digital media.
March 21, 2022	<ul style="list-style-type: none"> ■ 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.

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, 2022)
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, 2022)
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 th 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, 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 rd Floor, 99 Ratchadapisek Rd., Dindaeng, Bangkok 10400 Tel. 0-2660-9011
Registration Number	: 0107548000480
Home Page	: www.apco.co.th

1.2 Nature of Business

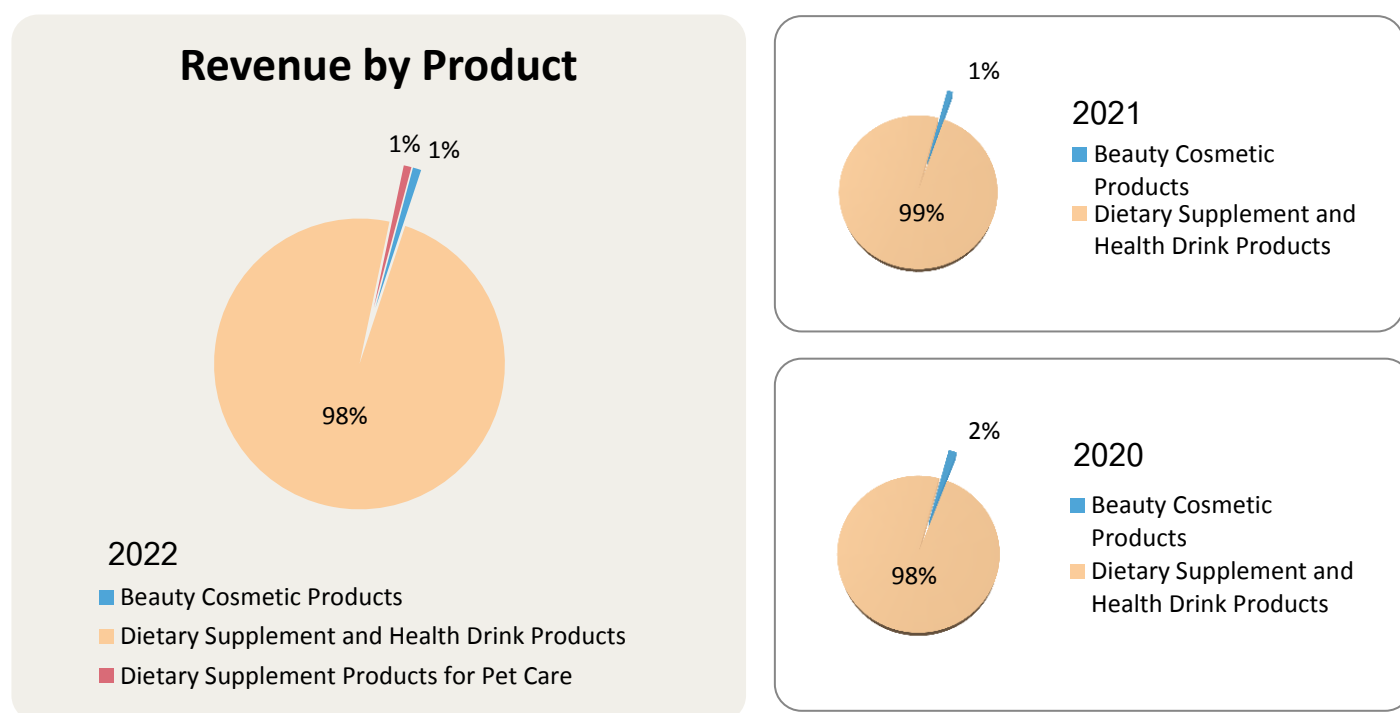
The Company has produced and marketed the healthcare and beauty products from natural extracts from the research of Prof. Dr. Pichaet Wiriyachitra, the main shareholder and CEO. The Company has also work with specialists, including a team from academic institutions in Thailand and research organizations 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	2022		2021		2020	
			Value	Percent	Value	Percent	Value	Percent
Beauty Cosmetic Products	APCO							
- Sliming Products			1.41	0.52	1.48	0.61	2.10	0.76
- Anti-Wrinkle and Anti-Spot Products			0.56	0.21	0.89	0.36	1.41	0.51
- Skincare Products			0.55	0.20	0.62	0.25	1.10	0.40
Total			2.52	0.93	2.99	1.22	4.61	1.67
Dietary Supplement and Health Drink Products	APCO							
- Fat Reduction Products			0.70	0.26	1.98	1.81	4.69	1.70
- Skincare Products			0.00	0.00	0.00	0.00	0.01	0.00
- Healthcare Products			238.52	87.99	210.50	85.86	227.49	82.39
- Health Drink Products			27.01	9.96	29.69	12.11	39.32	14.24
Total			266.23	98.21	242.17	98.78	271.51	98.33
Dietary Supplement Products for Pet Care	Kiler T Cell for Pets Co.,Ltd.	55%	2.33	0.86	-	-	-	-
Total			2.33	0.86	-	-	-	-
Revenue from Sales			271.08	100.00	245.16	100.00	276.12	100.00
Deducting the Compensation of Sales Agent (According to Financial Reporting Standard No. 15)			20.70		21.81		28.40	
Revenue from Sales according to Financial Statements			250.38		223.35		247.72	
Other Revenues ^{1/}			2.08		3.03		5.41	
Finance Revenues ^{2/}			12.40		12.82		12.02	
Share of gain (loss) from investment in associates			0.61		(0.29)		(0.01)	
Total Revenue			265.47		238.91		265.14	

Note: Which were eliminated upon consolidation.

^{1/} Other revenues consist of the accrued commissions, adjusted as income, service income, profit from sale of assets, profit from exchange rate, etc.

^{2/} 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	2022		2021		2020	
	Value	Percent	Value	Value	Percent	Value
Revenue from Domestic Sales	249.31	99.57	217.83	97.53	243.79	98.41
Revenue from International Sales	1.07	0.43	5.52	2.47	3.93	1.59
Total Revenue from Sales	250.38	100.00	223.35	100.00	247.72	100.00
Other Revenues ^{/1}	2.08		3.03		5.41	
Finance Revenues ^{/2}	12.40		12.82		12.02	
Share of gain (loss) from investment in associates	0.61		(0.29)		(0.01)	
Total Revenue	265.47		239.91		265.14	

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 Wiriyaichitra and the research unit continue to research and develop new features of the product of Operation "BIM" for further sustainability.


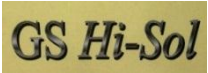
APCO and its subsidiary have beauty cosmetic products, dietary supplement and health drink products that the Company produces and sells at present as follows :



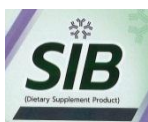







1. Group of Beauty Cosmetic Products

Product	Characteristics and Properties	Herbs Essential	Brand / Trademark		Year
1.1 Slimming Products	Cream or lotion products in bottles/tubes form 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 ^{/1}		2018
1.2 Anti-wrinkle and Anti-Spots Products	Creams, lotions, or serums in bottle/tube form for skin nourishing, focusing on skin conditioning, reducing dullness and dark spots on the face.	GM-1, Centella Asiatica Extract, Licorice, Etc.	Asian Life ^{/1}		2012
1.3 Skin Care Products	Gel, cream or body lotion products in tubes form 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 ^{/1}		1988


Product	Characteristics and Properties	Herbs Essential	Brand / Trademark		Year
	Cream or body lotion products in tubes form for skin caring, sun blocking, and cleansing, which has anti-pigmentation properties resulting in whiter skin.	Extracts from Mangosteen, Centella Asiatica, and Mulberry	Lyfe ^{/1}		2000
	Cream products in tubes form 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 ^{/1}		2010
	Cream products in tubes form 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 ^{/1}		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 capsule form (600 mg) and water-soluble powder , 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 ^{/1 /3}		2014
			GS Hi-Sol ^{/1 /3}		2018

Product	Characteristics and Properties	Herbs Essential	Brand / Trademark		Year
2.2 Health Products ^{/2}	Dietary supplement in capsule form (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 ^{/1 /3}		2007
			MYLIFE ^{/1 /3}		2017
			VVIN Plus ^{/1}		2018
			SIB ^{/1}		2022
			DIABENOX ^{/1 /3}		2009
	Dietary supplement in capsule form (600 mg.) for those with diabetic problems.		BIM.D ^{/1 /3}		2013
	Dietary supplement in capsule form (600 mg.) for those with knees problems.		ARTHRINOX ^{/1 /3}		2009
			BIM.A ^{/1 /3}		2013
	Dietary supplement in capsule form (600 mg.) for those with psoriasis problems.		NORIASIS ^{/1 /3}		2009
	Dietary supplement in capsule form (600 mg.) for those with cancer problems.		TUMORID ^{/1 /3}		2011
			Th 17 ^{/1 /3}		2012
			Th Plus ^{/1 /3}		2016
			BIM C ^{/1 /3}		2021

Product	Characteristics and Properties	Herbs Essential	Brand / Trademark		Year
	Dietary supplement in capsule form (600 mg.) for those with eye problems.		BIM O ^{/1 /3}		2015
			BIM E ^{/1 /3}		2016
	Dietary supplement in capsule form (600 mg.) for those with HIV infected patients.		LIV ^{/1 /3}		2013
			LIV Plus ^{/1 /3}		2017
	Dietary supplement in capsule form (600 mg) for those who want to slow down aging, with the technique of increasing the length of telomeres.		MY Life 100 ^{/1 /3}		2021
			mylife100 A ^{/1 /3}		2022
	Dietary supplement in capsule form (600 mg.) for balancing immunity for those who want to maintain a good health.	Extracts of Mangosteen	I18 ^{/1 /3}		2017
	Food product in hermetically sealed container in the form of sachets (1 kg), boosting immune balance, suitable for those who want to maintain good health.	Black Sesame Extract, Guava, Mangosteen, Soy Protein Extract.	T-gain ^{/1 /3}		2021
2.3 Health Drink Products ^{/2}	Concentrated mangosteen juice in sachets with no sugar or preservative is able to fight against oxidants.	Mangosteen Juice Concentrated	BIM ^{/1 /4}		2010

Product	Characteristics and Properties	Herbs Essential	Brand / Trademark		Year
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 ^{/1}		2021

Note ^{/1} 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)

^{/2} Products in Operation "BIM" group

^{/3} Products granted with Halal Logo

^{/4} 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.

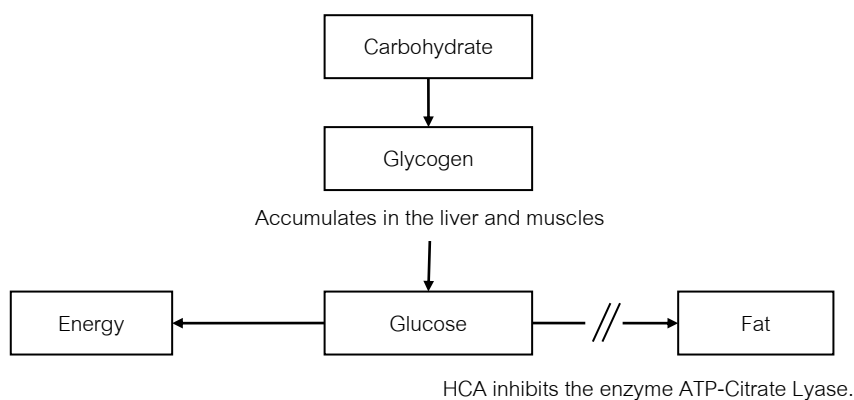
The production licenses that the Company has obtained include a food production license, a food registration certificate, an application for a food label, a Certificate of Good Manufacturing Practice (GMP), and a Certificate of Halal Food Production. In this regard, officials from various departments 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. In addition, the company has applied for 3 patents, of which nutraceutical ingredient patents were on June 22, 2022 and another 2 are pending applications. (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 Wiriyachitra 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,
Chiang Mai University |
| (2) | Associate Professor. Dr.Souwalak Phongpaichit | Department of Microbiology, Faculty of Science, Prince
of Songkla University |
| (3) | Associate Professor Dr. Wilawan Mahabudsarakam | Department of Chemistry, Faculty of Science, Prince
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 β , IL-6, IL-17, TNF- α , and IFN- γ 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 21st 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)		
	2022	2021	2020
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)	2,037,380	-	-
2. The research project "Test the efficacy of various extracts from Centella Asiatica in increasing immunity" (In House)	77,690	-	-
3. The research project "Test the efficacy of Tumorid on volunteers who are hepatitis B virus carriers" (In House)	-	-	14,433.15
4. "Bye Bye HIV" project to test product efficacy with HIV-positive volunteers (In House)	846,780	728,680	631,960

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 "Wattanachiwassakon 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. It is expected to complete and presented for publication in an international academic journal in the first quarter of 2023.

■ 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 3rd floor of Esplanade Department Store and the Ratchadapisek branch is on the 30th floor of AIA Building. There is also a joint service center at G 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. In 2020, the Company joined the capital to set up Hisold Digital Co., Ltd. to develop online contents and expand product distribution channels through online media in order to reach more consumers.

■ **Promote Domestic Sales**

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

www.apco.co.th	Information about APCO history, products, research, and distribution in all channels, both domestic and international.
www.asianlife.co.th	Promoting products distributed through the Sales Agent channel.
www.operationbim.com	Promotion of Operation "BIM" by presenting in-depth relevant research results.
www.bim100.com	Publishing product information, research, and innovation for immunotherapy, including the product user experiences.
www.mangosteenrd.com	Thai Mangosteen Research and Development Center website, presenting research information on natural substances in mangosteen by Professor Dr. Pichaet Wiriyaichitra, the head of the research project.
www.mylife100club.com	Promotion product of APCO Rejuvenating.

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. 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 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 or YouTube: [BIM100 channel](#) and [APCO 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 Wiriyachitra “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

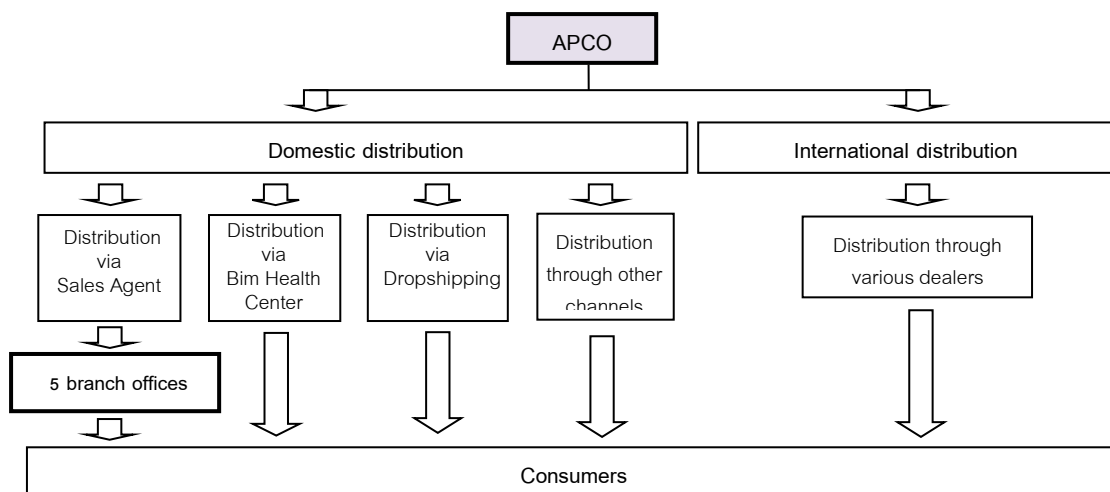
The Company's products are categorized as consumer products and specialty products, which refers to unique products that have a brand. Therefore, the target customers of the Company refers to the end-user who tends to use the unique products, divided into 2 groups:

- (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. 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

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 G 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

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 Phytochemicals 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). 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	2022		2021		2020	
	Value	Percent	Value	Percent	Value	Percent
Revenue from Domestic Sales						
- Sales Agent	59.50	23.76	73.52	32.92	87.19	35.20
- Bim Health Center by Call Center	161.63	64.55	115.82	51.86	124.50	50.26
- Dropship	16.62	6.64	18.61	8.33	22.87	9.23
- TV and Cable TV	-	-	-	-	0.15	0.06
- Others	11.56	4.62	9.88	4.42	9.08	3.67
Total	249.31	99.57	217.83	97.53	243.79	98.41
Revenue from International Sales	1.07	0.43	5.52	2.47	3.93	1.59
Total Sales Revenue	250.38	100.00	223.35	100.00	247.72	100.00
Other Revenue	2.08		3.03		5.41	
Finance Revenue	12.40		12.82		12.02	
Share of gain (loss) from investment in associates	0.61		(0.29)		(0.01)	
Total Revenue	265.47		239.20		265.14	

From the table above, it was found that in 2022, the Company has mainly distributed through the Bim Health Center by Call Center, with sales increasing from 2021 in the amount of 45.81 million baht, an increase from the original product sales in the amount of 7.01 million baht and added from new products "Wattanachewa" amounted to 38.80 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 64.55 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 2020, 2021 and 2022, the Company has income from foreign sales in the amount of 3.93 million baht, 5.52 million baht and 1.07 million baht.

(D) Industry and Competition

Beauty Cosmetics Industry

In 2022, the global economy showed signs of a gradual recovery from the COVID-19 pandemic, with consumers, previously locked down to minimize their exposure to the COVID-19 outbreak, now able to leave their homes and return to work almost like normal times pre-pandemic, leading to a return to growth in the beauty product market.

WGSN, a global trend forecasting company, values the beauty market in Thailand at \$5.42 billion and expects an annual growth rate of 5.4% based on their study that found that consumers prefer brands that rely on scientific innovation and natural raw materials blended together to achieve maximum efficacy, and that 81% of Thai consumers plan to spend more or the same amount on beauty products and services through digital channels. (Source: WGSN: Trend Forecasting & Analytics)

Statista, a market analytics company, sees a similar trend and values Southeast Asia's health, wellness, and personal care segment at \$18.5 billion with an expected annualized growth rate of 16% during 2022-2026. They also forecast the beauty market in Thailand to be valued at \$5.42 billion in 2022 with an expected compound annual growth rate (CAGR) of 5.4% during 2022-2026.

Based on the assessment by the Thai Cosmetic Manufacturers Association, people are starting to leave their homes or return to their offices with many living a normal life like before the pandemic, causing an increase in demand for cosmetic products. As a result, the cosmetic market, worth approximately 3.2 billion Baht, is expected to grow by 4%, with stronger growth expected in the export sector compared to the domestic market. There is also a trend of consumers focusing more on products with natural raw materials and those that cater to their personal hygiene needs. (Source: Bangkok Business, An interview with Ms. Ketmanee Lertkitja, President of the Thai Cosmetic Manufacturers Association)

However, the Thai Cosmetic Manufacturers Association is concerned about the impact of increased consumer demand and rising raw material prices. In particular, the Russo-Ukrainian war has caused prices of energy, product substrate, packaging, and freight to increase overall by 40%. The price of glycerin, which is used to retain moisture and absorb moisture into the skin, has increased by 50%, while the price of palm, a raw material for soap, has also risen.

Euromonitor's analysis forecasts a return to high activity in the beauty market. Thailand's beauty market is the second largest in the SAPMENA region (South Asia Pacific, Middle East, and North Africa), where the beauty industry is expected to grow by 5%. The beauty industry is comprised of 57.5% skin care products, 21% hair products, 15.5% makeup, and 6% fragrance, and is expected to grow by 5%. The skincare market segment, which is 81% facial care products, 12% body care products, 6% sunscreen products, and 1% lip care products, has a total value of 83.4 billion baht and saw a growth of 7.3%. (Source: Euromonitor International)

Dietary Supplement and Health Beverage Industry

Unlike other industries, the health food supplement business market has been minimally affected by the COVID-19 pandemic. The rising health-conscious trend is noticeable in the herbal industry, where the younger generation increasingly uses herbs as an alternative to health care. Many food supplement and Thai herb brands have taken advantage of this trend that became more pronounced during the pandemic to produce more nutritional supplements. They leverage Thailand's strength in the field of dietary supplements, thanks to its abundance of herbs and natural raw materials and increased research and development of dietary supplements, to expand into foreign markets and meet the

needs of consumers who want to improve their health and build immunity to combat COVID-19. The current value of this market in Thailand is not less than 70 billion Baht.

According to Euromonitor International, the food supplement market in Thailand is projected to reach up to 74,247 million Baht, indicating a steady growth trend. This growth supported by Thailand's economic policy to become an innovative economy that emphasizes the production of High-Value Added Products (HVA) that are socially, economically, and environmentally sustainable, instead of the traditional volume-oriented manufacturing model. Euromonitor International forecasts that the dietary supplement market in Thailand will experience a growth rate of 5.1%. (Source: Euromonitor International)

In the post-COVID era, food and beverage trends in Thailand are shifting towards a greater focus on health. This is driven by the concern of 45% of Thai consumers that they won't be able to return to their pre-pandemic lifestyles, resulting in a shift in their behavior towards seeking out food and beverages that can better protect their health. This trend is expected to persist as they care more about the source of their food, with a particular tendency towards paying more attention to plant-based alternatives. (Source: Mintel Global Consumer)

The expected expansion of the market for dietary supplements presents an opportunity for APCO's food supplements, which have been developed to strengthen the immune system in the body to the point of becoming a form of "Immunotherapy" known as "APCO Immunotherapy" (A.I.) that can help prevent viral infections. Developed by Operation BIM researchers and clinically proven in immunology, these supplements can increase Th1 white blood cells and Th17 white blood cells, as well as stimulating white blood cells to produce immune enhancers at the mucosal barrier and throughout the body, with high efficiency, safety, and no side effects, while preventing COVID-19 infection by increasing IL17 and IL22. These products meet the health-conscious demands of the new generation of consumers. To reach these consumers, APCO has employed marketing communications through online media, focusing on consumers who prefer online purchases. The company also works with distributors and builds partnerships both domestically and internationally to expand its distribution channels.

The Department of Business Development has observed that the aging of society, which is expected to occur fully in 2022, will have a significant impact on businesses in the health food supplement industry. In particular, those that utilize modern tools and technology to look after the health of elderly individuals and come up with high-quality products made from natural ingredients or raw materials will inspire confidence in this demographic. In addition, products that can slow down aging and enhance health will be in high demand. (Source: Department of Business Development)

This is consistent with APCO's ongoing market expansion, which includes the introduction of a new innovation called MYLIFE100. This supplement has been formulated to enhance efficacy and increase immunity by combining the science of Telomere (which involves lengthening chromosome tips to reverse aging and promote longevity) with immunology, resulting in a more effective formula for increasing telomere length. In Thailand this product has received a positive response in line with health trends, and the same formula is now being planned for sale in China.

Competition conditions

The COVID-19 pandemic barely affected the market for health and beauty products and the competition therein which remains high with many entrepreneurs in the industry and many more who are ready to enter to increase the competition. Meanwhile, there is a trend of a segment of consumers becoming more interested in their own health, particularly in herbal products that can boost the immune system and prevent new transmission of COVID-19 or other viruses. This customer group presents clear business opportunities with a high market value.

APCO has identified this business opportunity. Thanks to its extensive range of healthcare products, which is the result of long-standing and continuous research over the past 20 years that has allowed it to come up with innovations in the health and beauty industry, APCO has been able to establish a broad customer base and a strong potential to compete in the industry. This gives APCO an edge over new entrants who need to spend time educating consumers about their products' features and differences.

APCO has a core research team comprising Professor Dr. Pichaet Wiriachitra, Chief Executive Officer of the Company, along with researchers from various fields of expertise, working to continuously enhance the performance of existing products and conducting research to create new innovations for the market. The products of the Company include those that boost immunity for individuals with various health conditions, including cancer, tuberculosis, hepatitis, fungi, and drug-resistant bacteria, and those that balance immunity to alleviate symptoms of diabetes, joint/knee osteoarthritis, macular degeneration, SLE, rheumatoid arthritis, Parkinson's disease, psoriasis, autoimmune diseases, and other infections with the highest efficacy and safety without any side effects. These products have been developed by the Operation BIM researchers and clinically proven in immunology to strengthen the immune system in the body to the point of becoming a form of "Immunotherapy" known as "APCO Immunotherapy" (A.I.) that can increase white blood cells Th1 and white blood cells Th17 and help to build immunity for individuals with COVID-19 problems.

On World AIDS Day, APCO launched a Bye Bye HIV campaign to inform the public about the success of its innovative immunotherapy in helping HIV-positive individuals overcome their problems and achieve a normal quality of life without relying on antiretroviral drugs that have side effects. The immunotherapy works by stimulating an increase in CD4 immune leukocytes, resulting in a continuous decrease in HIV infection until it becomes undetectable in the long term, leading to HIV inactivation. The product has received a positive response from the market, being unrivaled in its quality and dominance.

APCO is continuously innovating and has recently developed a product known as the "Rejuvenating" Innovation that can help reverse and slow down the aging process, as well as promote longevity. This innovation combines scientific knowledge to create an effective formula that increases telomere length and is currently unmatched by any competitors in the market.

APCO possesses not only strong products but also marketing strengths, thanks to its multi-channel product distribution. Consumers can conveniently and quickly make inquiries and place orders through APCO's call center. Moreover, the Company has established the BIM Health Center, where specialist doctors provide consultations and advice on the proper use of products. Furthermore, APCO utilizes various public relations channels, such as organizing promotional activities, and disseminating information via its website, Facebook, Facebook Live, and other social media platforms, which enables the Company to communicate with its target consumers through multiple channels.

As for overseas marketing, APCO has established partnerships in China to sell its cosmetic products and slimming products, as well as immune-boosting products for people with conditions such as HIV, COVID-19, cancer, diabetes, rheumatoid arthritis, SLE, degenerative joint disease. Additionally, APCO is preparing to expand into other overseas markets such as Singapore, Malaysia, Indonesia, the Philippines, Saudi Arabia, Kuwait, Qatar, Bahrain, Oman, and the United Arab Emirates.

The growth trends in the beauty and cosmetics industry, the health food supplement business, and the increasing population of aging consumers, one of APCO's main target customers, combined with APCO's current competitiveness, give the management team confidence in APCO's potential to compete and grow in highly competitive businesses. The strengths of APCO's products and its policy of multi-channel product distribution, particularly through APCO's call center with service support from the BIM Health Center, have the potential to increase the proportion of sales

in foreign markets, particularly China, which is a large market. In addition, the Company has appointed distributors in various countries to expand the reach of its products. This provides APCO with a business edge in a highly competitive economic environment. The management team has a policy of focusing on developing more innovations in the food supplement product group due to its promising market potential and believes that once consumers in the food supplement segment has confidence in the products, they are more likely to make continuous purchases compared to consumers in the beauty and cosmetics segment, resulting in a more stable revenue base for the Company.

Group of Dietary Supplement Products for Pet Care

(A) Marketing Strategy

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

1. Focus on product reliability.

The Company has collaborated with the Faculty of Veterinary Medicine, Chulalongkorn University to conduct research on product efficacy. In 2022, the research team participated in the 14th VPAT Regional Veterinary Congress (VRVC) at IMPACT Exhibition and Convention Center, held at Muang Thong Thani on September 20-22, 2022 by submitting their research findings in the form of a poster presentation.



Pictures showing the research team being presented with awards and certificates of honor, and their academic exhibition at the VRVC 2022

2. Creating an understanding of product efficacy for veterinarians

2.1 Through offline and online channels by organizing seminars at animal hospitals or seminars at veterinary faculties in universities.



2.2 Through online channels via Zoom and sharing of information in the online pages of animal hospitals.



2.3 Through the Line add channel

The activities via the above channels are meant to impart academic knowledge and give advice on the use of extracts in conjunction with the treatment of various diseases, including viral, bacterial, and fungal infections, as well as cancer.

(B) Target Customers

The faculties of veterinary medicine at various institutes, as well as veterinary groups in animal hospitals and animal clinics across the country.

(C) Distribution Channels

Through a distributor of veterinary products, namely Merge Companion (Thailand) Co., Ltd., a company that specializes in distributing products for veterinarians and has veterinary customers nationwide.

(D) Industry 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.

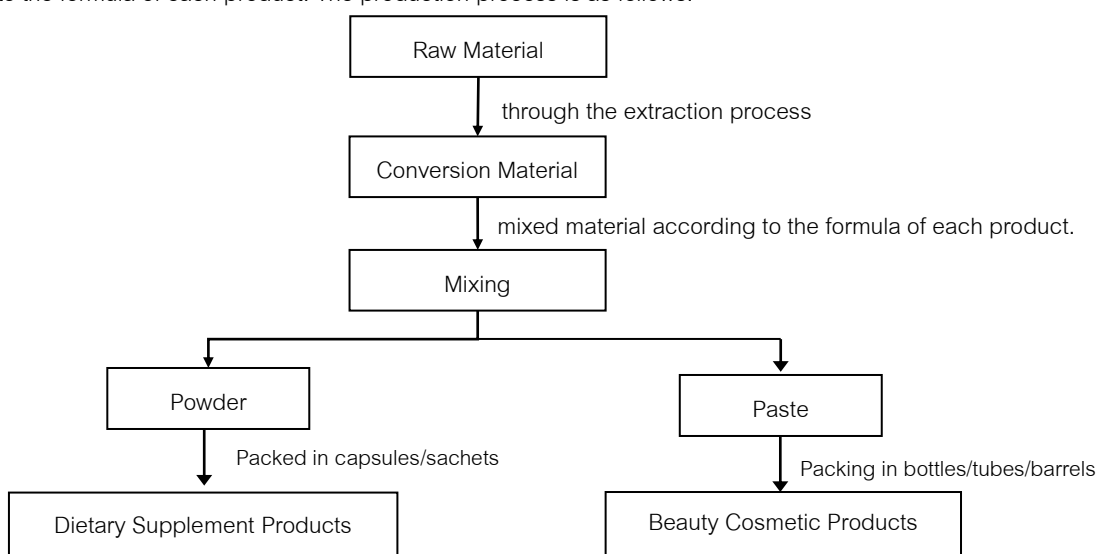
Pets are increasingly being featured in advertising campaigns and used as a selling point for products. Nowadays, even products that are not directly related to or used for pets are often marketed with pets as a selling point or a tie-in, such as tissue paper, insurance companies, or even condominiums 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) 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		
				2022	2021	2020
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	8,505	6,940	7,070
			Utilization rate	0.54%	0.44%	0.45%
		80-100 ml.	Maximum production capacity per year	5,898,400	5,898,400	5,898,400
			Actual production amount	1,822	-	-
			Utilization rate	0.12%	-	-
		6 - 70 ml.	Maximum production capacity per year	5,898,400	5,898,400	5,898,400
			Actual production amount	14,865	8,876	15,733
	Utilization rate	0.25%	0.15%	0.27%		
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	17,144,280	15,124,790	16,725,310
			Utilization rate	41.94%	37.00%	40.91%
		850 mg.	Maximum production capacity per year	7,008,000	7,008,000	7,008,000
			Actual production amount	120,750	60,540	-
			Utilization rate	1.72%	0.86%	-
		366 mg.	Maximum production capacity per year	7,008,000	7,008,000	7,008,000
			Actual production amount	123,720	-	-
			Utilization rate	1.77%	-	-
		170 mg.	Maximum production capacity per year	7,008,000	7,008,000	7,008,000
			Actual production amount	257,700	105,270	100,100
			Utilization rate	3.68%	1.50%	1.43%
	- Sachet type (Unit: sachet)	All sizes	Maximum production capacity per year	14,716,800	14,716,800	14,716,800
			Actual production amount	266,476	302,284	742,592
		Utilization rate	1.81%	2.05%	5.05%	

From the table of production rates above, it was found that in 2022, 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 2021 due to the continuously improving economy and increasing care for people's health after the outbreak of the COVID-19 that is beginning to subside. Only the fat reduction product group had a lower production rate from the previous year due to reduced publicity advertising.

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, 2022, 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 2020, 2021 and 2022, for production valued at 3.20 million baht 3.43 million baht and 2.66 million baht respectively, accounting for 10.50%, 13.38% and 12.09% 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, 2022 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)					
	2022		2021		2020	
	volume	%	volume	%	Volume	%
Agricultural raw materials						
- Garcinia Cambogia*	0.00	0.00%	0.00	0.00%	0.03	0.11%
- Mangosteen	2.66	12.09%	3.43	13.38%	3.20	10.5%
- Others such as Centella Asiatica, ginger, sesame, soybean.	4.66	21.28%	5.13	20.01%	5.81	19.07%
	7.35	33.36%	8.56	33.39%	9.04	29.68%
Chemicals used in production	10.79	48.95%	14.24	55.51%	17.54	57.56%
Container	3.90	17.68%	2.85	11.11%	3.89	12.76%
Total	22.03	100.00%	25.65	100.00%	30.47	100%

Note: * In 2021, 2022 there is no consumption rate of garcinia material and in 2020 there is a low utilization rate of garcinia material due to reduced sales of slimming products.

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, 2022, 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 42,150,276 Baht
- Right-of-use assets, Total net book value 13,675,852 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

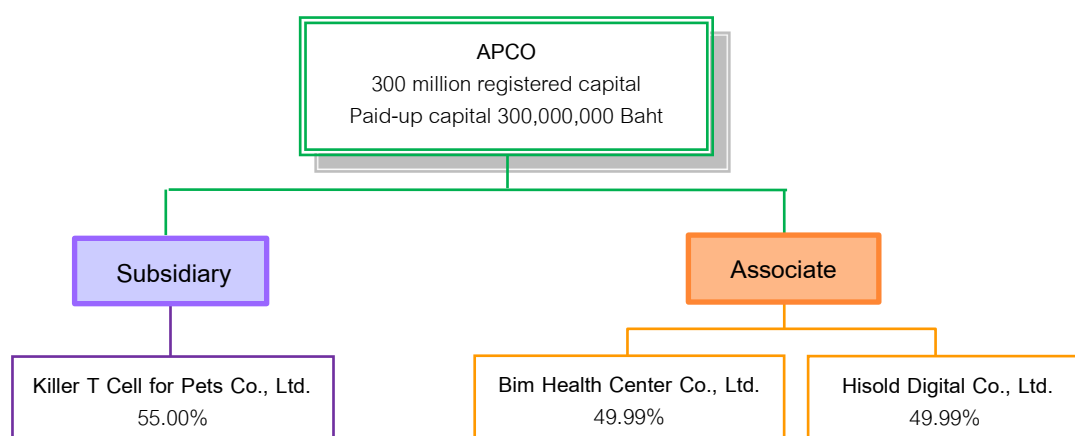
Group of the Companies

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

Hi Sold Digital Co., Ltd. (Associate) operates a business of distributing dietary supplements from natural extracts by focusing on marketing through digital media

As of December 31, 2022, 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 GC078, G 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.

2. Hisold Digital Co., Ltd.

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

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

Registered Capital: 2 Million baht, divided into 200,000 ordinary shares, par value of 10 baht.

Paid-up Capital: 2 Million baht.

1.3.2 Relationship with Major Shareholder

-None-

1.3.3 Shareholders

(A) The top 10 major shareholders as of March 13, 2023 are as follows:

List of Shareholders	As of March 13, 2023	
	Amount (Share)	Percent
1. Wiriyaichitra Family including		
Mr. Pichaet Wiriyaichitra	295,560,500	49.26
Mrs. Arunee Wiriyaichitra	92,204,144	15.37
Mrs. Wilawan Wiriyaichitra	86,526	0.01
Mrs. Wipa Witayawayroj	569,000	0.10
Mr. Sinart Wiriyaichitra	1,033,399	0.17
Ms. Sirirat Wiriyaichitra	1,002,801	0.17
Mrs. Sirithip Wiriyaichitra	221,695	0.04
Mr. Nippon Wiriyaichitra	150,000	0.03
Mr. Thitaphon Wiriyaichitra	5	0.00
Mr. Sasis Wiriyaichitra	591,708	0.10
Entire Wiriyaichitra Family	391,419,778	65.24
2. Mr. Somchai Pongsuriyanan	19,580,200	3.26
3. Hanchanlash family including		
Khunying Chamnongsri Hanchanlash	12,818,169	2.14
Mr. Jingjai Hanchanlash	5,212,187	0.87
Entire Hanchanlash Family	18,030,356	3.01
4. Mr. Prasit Rakthaisangthawee	13,410,000	2.24
5. Mr. Nattapat Rangsarn	8,253,500	1.38
6. Mr. Sakda Sreesangkom	7,000,000	1.17
7. Mr. Chan Wongchatcharn	6,320,000	1.05
8. Mr. Noppasit Thanarongruk	5,655,549	0.94
9. Mr. Parinya Phodaeng	5,390,000	0.90
10. Thai NVDR Co., Ltd.*	4,955,048	0.83
Other minor shareholders	119,985,569	20.00
Total	600,000,000	100.00

Source: Thailand Securities Depository Co.,Ltd. on March 13, 2023

* 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

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

Director representing the Wiriyaichitra Group

- Mr. Pichaet Wiriyaichitra 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			
	2022 (Proposed)	2021 (Adjusted)	2020 (Adjusted)	2019 (Adjusted)
1. Net Profits (Baht) (Separate Financial Statements)	80,554,170	69,786,579	71,881,232	57,115,000
2. Dividend Per Share (Baht/Share)	0.1550	0.1234	0.1200	0.0950
3. Dividend Payout Ratio (Percentage)	115.45	106.02*	100.10*	99.73*

*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 Wiriyachitra, this makes the risk of relying on the knowledge and expertise of the staff. In addition, Professor Dr. Pichaet Wiriyachitra 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 Wiriyachitra 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 Wiriyachitra 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. Such Board consists of ones who have expertise in such fields. The Company has always considered those with additional talent to participate in the business management to give advice about management so that the business can go forward effectively.

- The risk of the business channels

In 2020, 2021 and 2022, the Company has sales revenue through sales agent at 35.20, 32.92 and 23.76 percent of the total 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 50.26 percent of the total revenues in 2020, is 51.86 and 64.55 percent in 2021 and 2022 respectively. Dropship channels around 9.23, 8.33 and 6.64 percent of total revenue in 2020, 2021 and 2022 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 3.63 percent, 4.06 and 4.49 percent of total revenue in 2020, 2021 and 2022 respectively.

It also strengthened its growth by jointly investing in joint companies, Hisold Digital Co., Ltd. to expand distribution channels through digital media

- 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 from the Epidemic Situation of the Coronavirus (COVID-19)

The epidemic situation of the coronavirus 2019 (Covid-19) that has spreaded all over the world has caused a heavy impact on all sectors around the world. Every country has taken strict measures to contain the outbreak. Many businesses have had to suspend operations temporarily, causing APCO to be affected by the supplier's slightly delayed of the product.

Regarding the safety and occupational health risks of employees, the company has provided measures and guidelines to prevent the spread of COVID-19, by checking the temperature before entering the company area, suggesting and educating employees on how to prevent infection through internal communication channels, including enhancing the immunity of employees with the company's products.

However, as consumers have taken more care of their health in the epidemic situation, and have time from work from home, as a result, businesses in health and beauty care products have not been affected much by the situation.

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

As of March 13, 2023, the Wiriyaichitra family has 391,419,778 company shares, representing 65.24 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 6 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 2020

Audited by Miss Nongram Laohaareedilok, Certified Public Accountant No. 4344 from AST Master Company Ltd., whose opinion is that the abovementioned financial statement has shown the financial position as of December 31, 2020. 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 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 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, 2022		As of December 31, 2021		As of December 31, 2020	
	Amount	Percent	Amount	Percent	Amount	Percent
Assets						
Current assets						
Cash and cash equivalents	82,146,058	12.08	98,593,152	14.49	100,201,386	14.38
Trade and other receivables	5,514,962	0.81	5,279,577	0.78	8,064,368	1.16
Inventories	52,495,261	7.72	58,614,249	8.61	60,269,001	8.65
Other current financial assets	97,004,780	14.26	68,323,294	10.04	71,834,714	10.31
Other current assets	350,991	0.05	302,224	0.04	347,537	0.05
Total current assets	237,512,052	34.92	231,112,496	33.96	240,717,006	34.55
Non - Current Assets						
Deposits pledged as collateral	2,029,652	0.30	528,867	0.08	527,822	0.08
Investment in associates	1,776,142	0.26	1,815,062	0.27	3,702,439	0.53
Property, plant and equipment	50,348,700	7.40	56,832,728	8.35	63,757,582	9.15
Right-of-use assets	13,675,852	2.01	34,375,275	5.05	49,632,054	7.12
Intangible assets	236,154	0.03	356,280	0.05	502,647	0.07
Deferred tax assets ^{/1}	7,108,886	1.05	5,053,219	0.74	4,164,146	0.60
Other non – current financial assets	363,235,814	53.41	344,918,297	50.68	328,225,884	47.11
Other non - current assets	4,224,384	0.62	5,540,657	0.82	5,548,057	0.80
Total non - current assets	442,635,584	65.08	449,420,385	66.04	456,060,631	65.45
Total Assets	680,147,636	100.00	680,532,881	100.00	696,777,637	100.00
Liabilities						
Current Liabilities						
Trade and other payables	17,166,515	2.53	17,014,838	2.50	18,867,197	2.71
Current portion of lease liabilities	12,204,106	1.79	18,743,898	2.75	18,421,137	2.64
Accrued income tax	12,704,868	1.87	9,639,942	1.42	9,009,260	1.29
Other current liabilities	3,020,830	0.44	2,352,633	0.35	2,576,535	0.37
Total current liabilities	45,096,319	6.63	47,751,311	7.02	48,874,129	7.01
Non - Current Liabilities						
Lease liabilities	1,615,393	0.24	15,485,954	2.28	31,592,061	4.53
Employee benefit obligations	18,891,747	2.78	17,288,546	2.54	17,452,616	2.50
Provision for dismantling cost of rental buildings	4,038,030	0.59	5,012,125	0.74	3,395,316	0.49
Total non - current liabilities	24,545,170	3.61	37,786,625	5.55	52,439,993	7.53
Total liabilities	69,641,489	10.24	85,537,936	12.57	101,314,122	14.54

Statement of Financial Position	Consolidated Financial Statements in which the equity method is applied					
	As of December 31, 2022		As of December 31, 2021		As of December 31, 2020	
	Amount	Percent	Amount	Amount	Percent	Amount
Shareholders' Equity						
Registered capital	300,000,000	44.11	300,000,000	44.08	300,000,000	43.06
Issued and paid-up	300,000,000	44.11	300,000,000	44.08	300,000,000	43.06
Premium on share capital	166,944,654	24.55	166,944,654	24.53	166,944,654	23.96
Surplus from business combinations under common control ^{/2}	22,666,575	3.33	22,666,575	3.33	22,666,575	3.25
Appropriated for legal reserve	30,000,000	4.41	30,000,000	4.41	30,000,000	4.31
Unappropriated	93,636,819	13.77	74,084,448	10.89	72,593,907	10.42
Other components of equity	(5,271,563)	-0.78	1,299,268	0.19	3,258,379	0.47
Total shareholders' equity	607,976,485	89.39	594,994,945	87.43	595,463,515	85.46
Non-controlling interests of the subsidiary	2,529,662	0.37	-	-	-	-
Total shareholders' equity	610,506,147	89.76	594,994,945	87.43	595,463,515	85.46
Total liabilities and shareholders' equity	680,147,636	100.00	680,532,881	100.00	696,777,637	100.00

Note : ^{/1} 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.

^{/2} 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					
	Financial Statements in which the equity method is applied					
	For the year ended December 31,					
	2022		2021		2020	
	Amount	Percent	Amount	Percent	Amount	Percent
Total Income	265,473,731	100.00	238,910,946	100.00	265,143,559	100.00
Sales	250,381,378	94.31	223,351,527	93.49	247,726,069	93.43
Costs of sales	47,939,348	18.06	46,263,802	19.36	52,873,611	19.94
Gross Profit ^{/1}	202,442,030	80.85	177,087,725	79.29	194,852,458	78.66
Other income	2,084,322	0.79	3,025,166	1.27	5,408,947	2.04
Profit before expenses	204,526,352	77.04	180,112,891	75.39	200,261,405	75.53
Selling expenses	48,139,928	18.13	35,883,737	15.02	48,823,284	18.41
Administrative expenses	68,353,494	25.75	70,409,300	29.47	75,903,620	28.63
Profit from operating activities	88,032,930	33.16	73,819,854	30.90	75,534,501	28.49
Finance income	12,400,394	4.67	12,818,988	5.37	12,019,216	4.53
Finance costs	(566,231)	0.21	(864,257)	0.36	(476,540)	0.18
Share of gain (loss) from investment in associates	607,637	0.23	(284,734)	0.12	(10,674)	0.00
Profit before tax expenses	100,474,730	37.85	85,489,851	35.76	87,066,503	32.84
Tax expenses	19,279,295	7.26	16,790,809	7.03	17,091,187	6.45
Profit for the year	81,195,435	30.59	68,699,042	28.76	69,975,316	26.39
Other comprehensive income						
Other comprehensive income to be reclassified to profit or loss in subsequent periods						
Loss on change in value of financial assets	(3,359,131)	1.27	(1,313,846)	0.55	4,128,313	1.56
Other comprehensive income not to be reclassified to profit or loss in subsequent periods						
Gain on investments in equity designated at fair value through other comprehensive income	9,415,158	3.55	4,948,504	2.07	(869,934)	(0.33)
Actuarial loss	-	-	(850,270)	0.36	-	-
Other comprehensive income for the year	6,056,027	2.28	2,784,388	1.17	3,258,379	1.23
Total comprehensive income for the year	87,251,462	32.87	71,483,430	29.92	73,233,695	27.62

Note : ^{/1} 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		
	Financial Statements in which equity method is applied		
	For the year ended December 31,		
	2022	2021	2020
Cash Flows from Operating Activities			
Profit before tax expenses	100,474,730	85,489,851	87,066,503
Adjustments to reconcile profit to net cash provided by operating activities :			
Loss (Gain) on sale of other financial assets	88,951	(2,484,332)	(8,334,402)
Unrealized loss (gain) from changes in fair value of other financial assets	(80,171)	(23,813)	721,256
Bad debt	336,635	-	-
Allowance for write-down and obsolescence of inventories	696,542	579,862	648,105
Gain on disposal of equipment	(121,494)	(177,981)	(4,581)
Profit from termination of lease	(408,736)	-	-
Penalty for termination of the lease	1,399,083	-	-
Depreciation	6,806,186	7,655,701	11,971,913
Depreciation of right-of-use assets	16,319,244	19,155,577	19,116,357
Amortization of intangible assets			
Depreciation	120,126	146,367	155,355
Share of (gain) loss from investment in associates	(607,637)	284,734	10,674
Employee benefit obligations	1,603,201	1,656,004	1,618,774
Revenue from is recognised accrued commission	(1,463,892)	(1,518,747)	(4,396,363)
Dismantling cost of rental buildings expenses	-	1,044,418	-
Dividends income from financial assets	(2,798,352)	(2,688,845)	(1,249,905)
Interest income	(9,610,822)	(7,621,998)	(3,156,165)
Finance costs	566,231	864,257	476,540
Profit from operating activities before change in operational assets and liabilities	113,319,805	102,361,055	104,644,061
Decrease (Increase) in operating assets			
Trade and other receivables	128,761	2,865,866	(2,784,113)
Inventories	5,422,446	1,074,890	105,594
Other current assets	(48,767)	45,313	(293)
Other non - current assets	(82,810)	7,400	(490,942)
Operating Asset (Increase) Decrease	5,419,630	3,993,469	(3,169,754)
Increase (Decrease) in operating liabilities			
Trade and other payables	1,615,569	(133,612)	2,082,594
Employee benefit obligations	-	(2,882,911)	(142,179)
Provision for dismantling cost of rental buildings	(1,057,775)	(972,275)	-
Other current liabilities	668,197	(223,902)	219,692
Operating Liabilities; increase (decrease)	1,225,991	(4,212,700)	(2,160,107)
Cash received from operations	119,965,426	102,141,824	103,634,414
Income tax paid	(19,784,043)	(17,745,297)	(16,885,564)
Net cash provided by operating activities	100,181,383	84,396,527	86,748,850

Statement of Cash Flows	Consolidated Financial Statements Financial Statements in which equity method is applied		
	For the year ended December 31,		
	2022	2021	2020
Cash Flows from Investing Activities			
Interest income	8,910,061	7,540,923	1,233,684
Proceeds from disposal of other financial assets	276,479,563	327,438,050	1,416,678,204
Cash paid for acquisition of other financial assets	(317,417,312)	(333,567,576)	(1,485,540,329)
Increase in fixed deposits pledged as collateral	(785)	(1,045)	(4,114)
Cash paid for investment in subsidiary	-	-	(1,999,780)
Dividends income from investment in associates	646,557	1,602,643	1,895,242
Dividends income from financial assets	2,798,352	2,688,845	1,249,905
Proceeds from disposal of equipment	121,495	421,610	5,860
Cash paid for acquisition of machinery and equipment	(322,159)	(1,174,476)	(4,175,356)
Net cash provided by (used in) investing activities	(28,784,228)	4,948,974	(70,656,684)
Cash Flows from Financing Activity			
Dividends paid	(73,990,270)	(71,952,000)	(56,961,050)
Interest paid	(566,231)	(864,257)	(476,540)
Repayment of liabilities under lease agreements	(15,537,758)	(18,137,478)	(18,735,213)
Increase from investment in subsidiary			
Non-controlling interests of the subsidiary	2,250,010	-	-
Net cash used in financing activity	(87,844,249)	(90,953,735)	(76,172,803)
Net decrease in cash and cash equivalents	(16,447,094)	(1,608,234)	(60,080,637)
Cash and cash equivalents, beginning of year	98,593,152	100,201,386	160,282,023
Cash and cash equivalents, end of year	82,146,058	98,593,152	100,201,386

Important Financial Ratio

Financial Ratio		For the year ended December 31,		
		2022	2021	2020
Current Ratio				
Current Ratio	(Time)	5.27	4.84	4.93
Quick Ratio	(Time)	1.94	2.18	3.68
Current Cash Flow Ratio	(Time)	2.16	1.75	2.17
Account Receivable Turnover	(Time)	328.59	194.32	185.87
Average Collection Period	(Days)	1	2	2
Finished Goods Turnover Ratio	(Time)	5.53	4.85	5.45
Average Sale (Finished Goods) Period	(Days)	66	75	66
Inventory Turnover	(Time)	0.86	0.78	0.87
Average Sale (Inventory) Period ^{/1}	(Days)	423	469	413
Account Payable Turnover	(Time)	36.48	35.28	80.05
Payment Period	(Days)	10	10	5
Cash Cycle	(Days)	413	462	408
Profitability Ratio				
Earnings Before Interest, Tax, Depreciation, and Amortization (EBITDA)	(%)	46.82	47.43	44.80
Gross Profit Margin	(%)	80.85	79.29	78.66
Operating Profit Margin	(%)	37.85	35.78	32.84
Cash Per Profitability Ratio	(%)	99.71	98.72	99.64
Net Profit Margin	(%)	30.59	28.76	26.39
Return On Equity	(%)	13.47	11.54	11.91
Efficiency Ratio				
Return on Assets	(%)	11.93	9.98	10.55
Return on Fixed Assets	(%)	164.21	126.63	121.30
Total Asset Turnover	(Time)	0.39	0.35	0.40
Financial Ratio				
Debt/Equity Ratio	(Time)	0.11	0.14	0.17
Rate of Commitment Payment Efficiency	(Time)	1.11	0.92	1.08
Dividend Payout ratio	(%)	114.54	107.77	102.89
Rate of Fully Diluted Net Profit per Share	(Baht)	0.14	0.11	0.12

Note : ^{/1} 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.

The year 2020, the total revenue was 265.14 million Baht, an increased of 3.93% from the year 2019 as a result of the increased sales of domestic dietary supplements and financial income from the gain from the sale of financial assets of 8.33 million Baht, dividend income from investments in stocks of 1.25 million Baht, interest revenue from private funds of 2.92 million Baht.

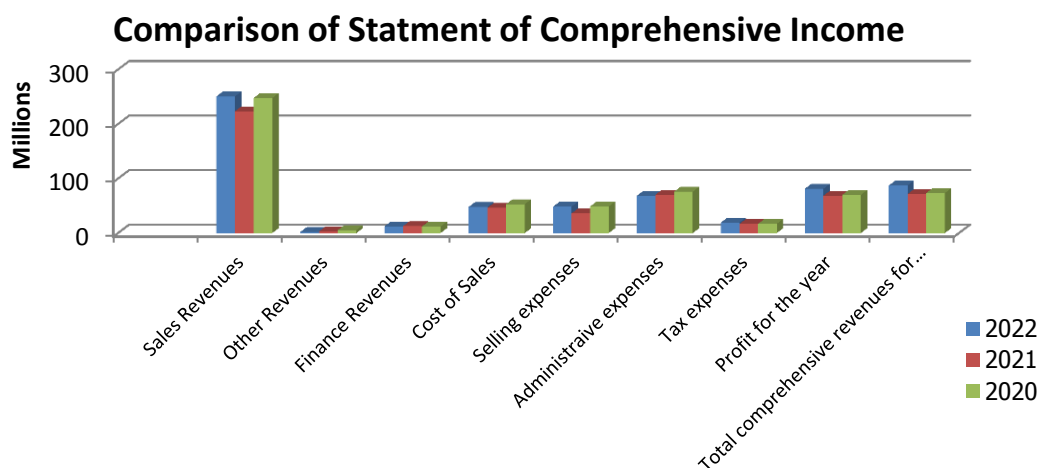
The year 2021, the total revenue was 238.91 million baht, a decrease of 9.89% from the year 2020 as a result of the decreased of the sales of domestic beauty cosmetics products and food supplements.

The year 2022, the total revenue was 265.47 million baht, an increase of 26.56 million baht or 11.12% 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.

In 2020 to 2021, and 2022, the Company had gained the net profit in sum of 69.98 million Baht, 68.70 million Baht, and 81.20 million Baht respectively, or 26.39%, 28.72%, and 30.66% 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 2020, 2021 and 2022 respectively.

Currently, the dietary supplement industry is growing steadily due to the situation of the epidemic of the Covid-19 virus. Consumers have clearly increased their interest in health care. 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



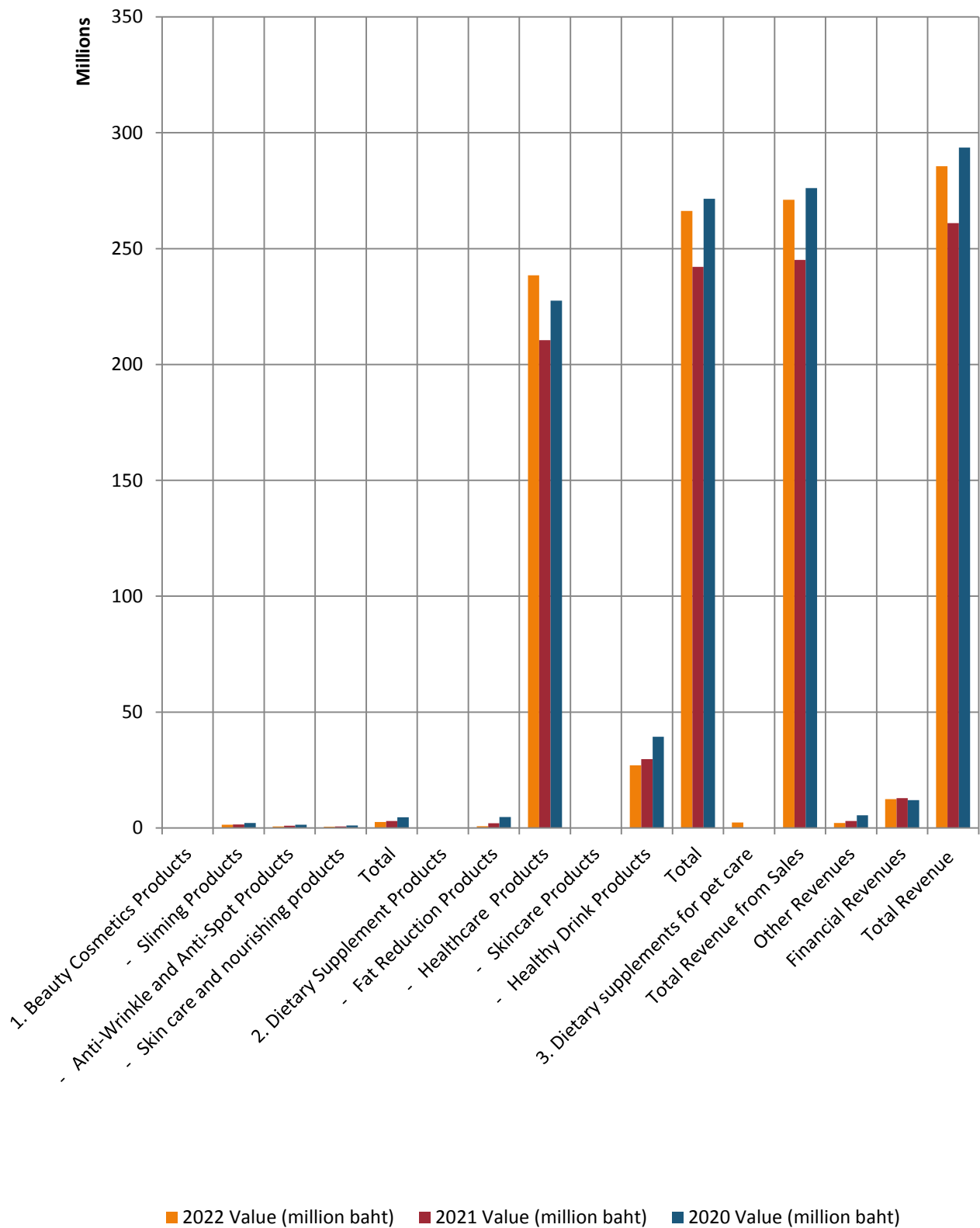
Revenue

The total revenue of APCO from 2020 – 2022 amounted to 265.14 Million Baht, 238.91 Million Baht, and 265.47 Million Baht respectively, as shown in the revenue structure below.

Unit: million baht

Revenue Structure	2022		2021		2020	
	Value	Percent	Value	Percent	Value	Percent
Beauty Cosmetics Products						
- Sliming Products	1.41	0.52	1.48	0.61	2.10	0.76
- Anti-Wrinkle and Anti-Spot Products	0.56	0.21	0.89	0.36	1.41	0.51
- Skin care and nourishing products	0.55	0.20	0.62	0.25	1.10	0.40
Total	2.52	0.93	2.99	1.22	4.61	1.67
Dietary Supplement Products						
- Fat Reduction Products	0.70	0.26	1.98	1.81	4.69	1.70
- Healthcare Products	238.52	87.99	210.50	85.86	227.49	82.39
- Skincare Products	-	-	0.00	0.00	0.01	0.00
- Healthy Drink Products	27.01	9.96	29.69	12.11	39.32	14.24
Total	266.23	98.21	242.17	98.78	271.51	98.33
Dietary supplements for pet care	2.33	0.86	-	-	-	-
Total	2.33	0.86	-	-	-	-
Total Revenue from Sales	271.08	100.00	245.16	100.00	276.12	100.00
Deducting compensation for local dealers (According to Financial Reporting Standard No. 15)	20.70		21.81		28.40	
Revenue from sales according to financial statements	250.38		223.35		247.72	
Other Revenues	2.08		3.03		5.41	
Financial Revenues	12.40		12.82		12.02	
Share of profit (loss) from investments in associated companies	0.61		(0.29)		(0.01)	
Total Revenue	265.47		238.91		265.14	

Revenue Structure



- Sales Revenue

The sales revenue of the Company from 2020 – 2022 was 276.12 million baht, 245.16 million baht and 271.08 million baht respectively, representing an increase in the growth rate of 2.48% for the year 2020, a decrease of 11.21% for the year 2021 and an increase of 10.57% for the year 2022 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 2020 - 2022, the Company gained the sales revenues from cosmetics products amounted to 4.61 million baht, 2.99 million baht and 2.52 million baht, respectively, representing the growth rate a decrease of 54.63%, 35.14%, and 15.72% in 2020, 2021 and 2022, 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. The revenue from the cosmetics products (year 2020 - 2022) was averagely at 49.31%, 28.26% and 22.43% of the total revenues gained in the cosmetics products respectively. In 2020 - 2022, 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 45.55%, 30.59%, 23.86% respectively in 2020, approximately 49.50%, 29.77% and 20.74% respectively in 2021 and approximately 55.95%, 22.22% and 21.83% respectively in 2022

(2) Revenue from dietary supplement products; between 2020 - 2022, the Company generated the sales revenues from dietary supplements amounted to 271.51 million baht, 242.17 million baht and 266.23 million baht, respectively, representing the growth rate an increase of 4.72% in 2020, a decrease of 10.81% in 2021 and an increase of 9.95% in 2022 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 2022, 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.

Most of the revenue comes from healthcare products, healthy drink products, fat reduction products and skincare products. The average proportion (2020- 2022) is 86.74%, 12.31%, 0.94% and 0.00% of the total revenues from the dietary supplement products respectively. In 2020 - 2022, 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 83.79%, 14.48%, 1.73% and 0.00%, respectively in 2020, 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.

The Company has revenue from sales from both domestic and international customers. The sales revenue for the years 2020 – 2022 is approximately 93.43%, 93.49% and 94.32% of the total revenue, respectively. For the year 2020-2022, the Company has revenue from sales to domestic customers accounted for approximately 98.41%, 97.53% and 99.57% of the total revenue respectively, as summarized in the table.

Revenue Structure	2022		2021		2020	
	Value	Percent	Value	Percent	Value	Percent
Domestic sales revenue	249.31	99.57	217.83	97.53	243.79	98.41
Foreign sales Revenue	1.07	0.43	5.52	2.47	3.93	1.59
Total Sales Revenue	250.38	100.00	223.35	100.00	247.72	100.00
Other Revenues	2.08	0.79	3.03	1.27	5.41	2.04
Financial Income	12.40	4.68	12.82	5.36	12.02	4.53
Share of gain (loss) from investments in associats	0.61	0.23	(0.29)	0.12	(0.01)	0.00
Total Revenue	265.47		238.91		265.14	

In the year 2020, domestic sales revenue increased by 0.66% compared to 2019 due to an increase in sales of dietary supplements from 2019. In the year 2021, revenue from domestic sales decreased by 10.65 % compared to the previous year.

In the year 2022, domestic sales revenue increased by 14.45% compared to 2021 due to an increase in sales of dietary supplements from 2021.

- Other Revenues

Other revenues of the Company for the years 2020 - 2022 were equal to 5.41 million Baht, 3.03 million Baht and 2.08 million Baht, or 2.04%, 1.27% 0.79% 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 2020 have other revenues from accrued commission revenues of 4.40 million Baht, service revenues of 0.69 million Baht. In 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.

- Financial revenues

Financial revenues of the Company for the years 2020 - 2022 were equal to 12.02 million baht, 12.82 million baht and 12.40 million baht, or 4.53%, 5.36% and 4.68% of total revenues, respectively.

In the year 2020, financial revenues consists of profit from the sales of financial assets of 8.33 million Baht, revenues from dividends received from investments in stocks of 1.25 million Baht and revenues from interest income of 3.16 million Baht, profit & loss that have not yet occurred from change in fair value amount (0.72) million Baht.

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.

Cost of sales and gross profit

Cost of sales of the Company for the year 2020 - 2022 was 52.87 million baht, 46.26 million baht, and 47.94 million baht, respectively. The gross profit margin was 78.66%, 79.29%, and 80.85% 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. In 2017, the Company has the cost of production mangosteen juice of about 6.66 million baht, which is to produce all BIM Formula mangosteen juice.

Selling and Administrative Expenses

Selling expenses in 2020 – 2022 amounted to 48.82 million baht, 35.88 million baht and 48.14 million baht respectively, accounting for 18.41%, 15% and 18.18.00% 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 46.95% in 2020 to 48.42% in 2021 and 61.02% in 2022, thus resulting in a proportion of selling expenses to total revenues in 2020 - 2022 decline.

Besides, another essential expense is the advertising and marketing campaign, averagely proportioned in 2020 - 2022, about 60.49% of the selling expense. In the year 2020, the Company had advertising and promotion expenses of 30.19 million baht, or 61.84% of selling expenses increased compared to the previous year, due to increased advertising paid. In 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 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.

Administrative expenses for 2020 to 2022 amounted to 75.90 million baht, 70.40 million baht, and 68.35 million baht respectively, accounted for 28.63%, 29.44%, and 25.81% 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 2020 were averagely at 38.73%, 2021 40.72%, and 2022 38.90% of administrative expenses. Other administrative expenses are depreciation, rental, banking fees, and utilities expenses of the year 2020 - 2022 accounted for 49.83%, 46.25% and 35.10% 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.

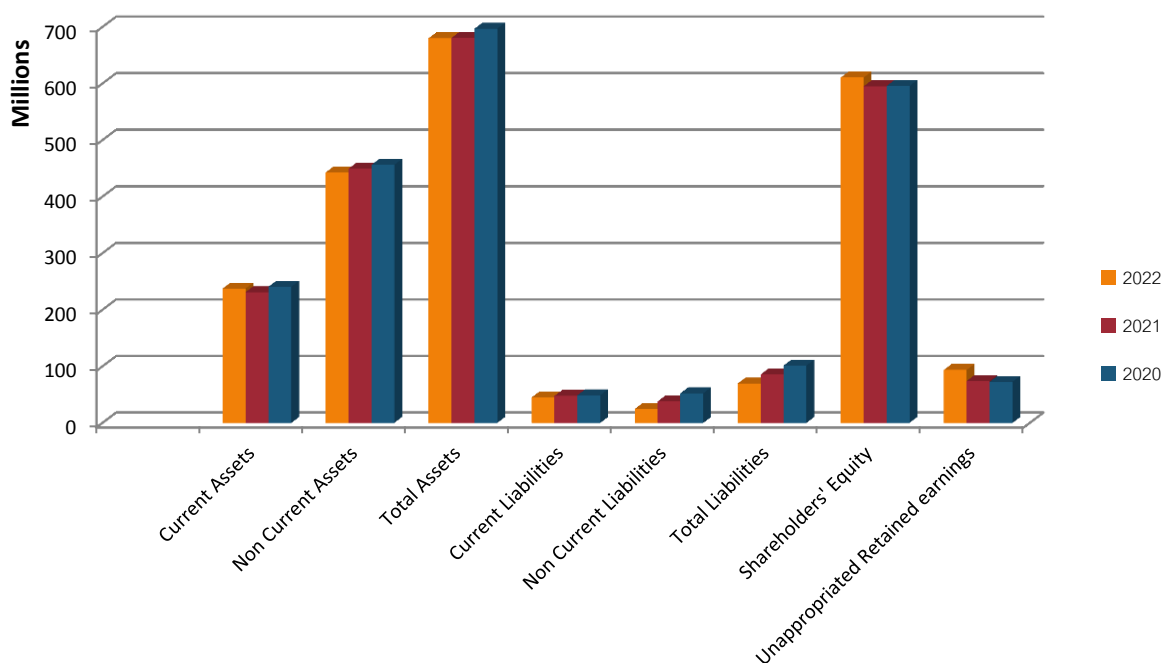
In October 2020, the Company invested in 99,998 ordinary shares of Hisol Digital Co., Ltd., with a par value of 10 Baht per share (paid-up 10 Baht per share) totaling 1.0 million Baht, the shareholding of these 49.99% associates was incorporated on October 28, 2020.

The Company recognized the share of profit (loss) from investments in associates companies. The said amount was (0.01) million baht, (0.28) million baht and 0.61 million baht in 2020, 2021 and 2022 respectively.

Net Profits

APCO received the net profits for 2020 - 2022 in the amount of 69.98 million baht, 68.70 million baht, and 81.20 million baht respectively, with an increase in net profit rate in 2020 - 2022, accounted for 26.39%, 28.76%, 30.59% respectively. This was partly due to the financial revenues of 12.02 million baht, 12.82 million baht and 12.40 million baht each year respectively.

4.3.3 Financial status analysis



Assets

At the end of the years 2020 to 2022, APCO's total assets amounted to 696.78 million baht, 680.53 million baht, and 680.15 million baht respectively, representing an increase of 10.64%, and a decrease of 2.33%, a decrease of 0.06% respectively. Details are as follows:

The current assets at the end of the years 2020 to 2022 amounted to 240.72 million baht, 231.11 million baht and 237.51 million baht respectively, accounted for 34.55%, 33.96% %, and 34.92% of the total assets respectively. The Company's current assets include the following important assets:

(1) Cash and the equivalent at the end of 2020 to 2022 amounted to 100.20 million baht, 98.59 million baht, and 82.15 million baht respectively, accounted for 14.38%, 14.49% and 12.08% of the total assets respectively.

(2) The net number of account receivable and others at the end of 2020 to 2022 amounted to 8.06 million baht, 5.28 million baht, and 5.51 million baht respectively, accounted for 1.16%, 0.78%, and 0.81% 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 2020 to 2022 was equivalent to 1.61 million baht, 0.51 million baht, and 0.14 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 2020 - at the end of 2022 amounted to 0.14 million Baht, 0.04 million Baht and 0.84 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, 2022	As of Dec 31, 2021	As of Dec 31, 2020
Not yet due	836,560	-	-
Overdue less than 3 months		-	142,800
Overdue 3 - 6 months	-	-	-
Overdue 6 - 9 months	-	36,400	-
Overdue 9 - 12 months	-	-	-
Overdue for more than 12 months	-	-	-
Total	836,560	36,400	142,800
Deduct allowance for doubtful	-	-	-
Net	836,560	36,400	142,800

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, 2 days and 1 days for 2020, 2021 and 2022, 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 2020 - 2022 was equivalent to 6.31 million baht, 4.73 million baht, and 4.54 million baht respectively. The important other receivables were advance payments for goods, prepaid expenses and accrued interest receivable, etc. On December 31, 2020, other receivables increased due to an increase in advance payments for goods and accrued interest receivables. 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.

(3) Net inventory as of 2020 through 2022 was equivalent to 60.27 million baht, 58.61 million baht, and 52.50 million baht respectively, accounted for 8.65%, 8.61%, and 7.72% 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, 2022	As of Dec 31, 2021	As of Dec 31, 2020
Inventory			
- Finished goods	8,502,815	8,829,898	10,250,305
- Work in process	814,606	491,277	-

Inventory details	Value (Baht)		
	As of Dec 31, 2022	As of Dec 31, 2021	As of Dec 31, 2020
- Convertible raw materials	19,760,641	23,234,646	21,310,918
- Raw materials	17,459,416	19,275,411	21,269,024
- Packages, and factory supplies	10,479,417	10,608,109	10,683,984
Total Inventory	57,016,895	62,439,341	63,514,231
<u>Deducting</u> allowance for diminution in value of goods and deteriorated goods			
- Finished goods	720,053	733,579	668,288
- Work in process	-	-	-
- Convertible raw materials	24,906	51,796	57,553
- Raw materials	299,111	421,336	416,324
- Packages, and factory supplies	3,477,564	2,618,381	2,103,065
Total	4,521,634	3,825,092	3,245,230
Inventory - net	52,495,261	58,614,249	60,269,001

Most of the inventory was stored in the form of raw materials, more importantly the agricultural ones and finished goods. From 2020-2022, these raw materials were averaged at 31.70% 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, 2020, the raw material decreased by 8.21% from the end of 2019. As of December 31, 2021, raw materials decreased 9.37% from the end of 2020. And as of December 31, 2022, raw materials decreased 9.42% from the end of 2021.

Other inventory included finished goods. During 2020 – 2022, it valued averagely at 15.08% of the total values of inventory. As of December 31, 2020, finished goods inventory increased 11.93% from the end of 2019. 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.

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 31st December 2022, 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 policy regarding allowance for deterioration of quality raw materials is shown below.

Raw materials aged over 5-10 years – Allowance for deterioration of quality products made at 20%

Raw materials aged over 10-11 years – Allowance for deterioration of quality products made at 40%

Raw materials aged over 11-12 years – Allowance for deterioration of quality products made at 60%

Raw materials aged over 12-13 years – Allowance for deterioration of quality products made at 80%

Raw materials aged over 13 years – Allowance for deterioration of quality products made at 100%

In the year 2019, the Company has revised the policy to set allowance for diminution in value of products and deteriorated Garcinia products appropriately. To reflect the book value of Garcinia Remaining in the Company's financial statements as accurately as possible. The Company has therefore adjusted the policy to reserve the deterioration of Garcinia as follows:

Garcinia aged over 5 - 10 years - Allowance for deterioration of quality products made at 5%

Garcinia, aged over 10 - 11 years - Allowance for deterioration of quality products made at 20 %

Garcinia, aged over 11 - 12 years- Allowance for deterioration of quality products made at 40 %

Garcinia, aged over 12 - 13 years- Allowance for deterioration of quality products made at 60 %

Garcinia, over the age of 13 - 14 years- Allowance for deterioration of quality products made at 80 %

Garcinia, aged over 14 years– Allowance for deterioration of quality products made at 100%

As of December 31, 2022, the Company had 8 years 4 months Garcinia valued at 5.65 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 31st December 2020, 2021 and 2022, the amount of stored mangosteen peel aged over 1 year but not over 5 years was worth 3.03 million Baht, 5.47 million Baht and 5.26 million Baht respectively. The Company did not need the allowance for deterioration of quality products regarding the mangosteen peel. 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 31st December 2020, 2021 and 2022, the amount of stored mangosteen flesh was worth 2.15 million Baht, 0.82 million Baht and 0.13 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 10th 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 2020 – at the end of 2022 were 71.83 million baht, 68.32 million baht and 97.00 million baht, respectively, accounted for 10.31%, 10.04% and 14.26% 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. And 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.

Non-current assets at the end of 2020 through 2022 were equivalent to 456.06 million Baht, 449.42 million Baht, and 442.64 million Baht respectively, accounted for 65.45%, 66.04%, and 65.08% of the total assets respectively. Main non-current assets were other non-current financial assets totaling 328.23 million baht at the end of 2020, consisting of Debt securities (in private funds) of 255.49 million baht and equity securities of listed companies 72.73 million baht, followed by land plots, buildings, and instruments worth at 63.76 million Baht, 56.83 million Baht, and 50.35 million Baht at the end of 2020-2022 or 12.68% of non-current assets. At the end of 2020, a decreased of 10.65% from 2019. At the end of 2021, a decrease of 10.86 % from 2020. And at the end of 2022, a decrease of 11.41 % from 2021. 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. And 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.

Liabilities

Total liabilities of the Company as at the end of 2020 - 2022 amounted to 101.31 million Baht, 85.54 million Baht and 69.64 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 48.87 million Baht, 47.75 million Baht and 45.10 million Baht, respectively, or 7.01%, 7.02% and 6.63% of liabilities and shareholders' equity respectively. respectively. As of the end of 2020, the total debt amount has grown as a result of the first implementation of TFRS 16, there is an increase in lease liabilities in 2020 by 50.01 million baht. Main current liabilities are indicated below.

(1) Accounts payable and other payables at the end of 2020 - 2022, amounted to 18.87 million Baht, 17.01 million Baht and 17.17 million Baht, respectively, or 2.71%, 2.50% and 2.53% of total assets, respectively. Classified as trade accounts payable at the end of 2020 - 2022 amounted to 0.63 million Baht, 1.99 million Baht and 0.64 million Baht, respectively. With the payment period of 5 days, 10 days and 10 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, 2020, trade and other payables decreased by 2.11 million baht from the end of 2019. As of December 31, 2021, trade and other payables decreased by 1.85 million baht from the end of 2020. And as of December 31, 2022, trade and other payables increased from the end of 2021 approximately 0.15 million baht.

(2) Accrued income tax at the end of 2020 - 2022 amounted to 9.01 million Baht, 9.64 million Baht and 12.70 million Baht, respectively. As at December 31, 2020-2022, Accrued income tax accounted for 18.43%, 20.19% and 28.17% of current liabilities respectively, or 1.29%, 1.42% and 1.87% of total assets, respectively.

Non-current liabilities of the Company as at the end of 2020 - 2022, amounted to 52.44 million Baht, 37.79 million Baht and 24.55 million Baht, respectively, accounted for 7.53%, 5.55% and 3.61% of the total assets respectively. Non-current liabilities of the Company included:

(1) The lease liability at the end of 2020-2022 amounted to 31.59 million baht, 15.49 million baht and 1.62 million baht, or 4.53%, 2.28% and 0.24% of the total revenues which was the liability from building lease agreements for the operation of the business.

(2) Employee benefit obligations at the end of 2020- 2022, amounted to 17.45 million Baht, 17.29 million Baht and 18.89 million Baht, respectively, accounted for 2.50%, 2.54% and 2.78% 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 2020-2022 amounted to 3.40 million baht, 5.01 million baht and 4.04 million baht, or 0.49%, 0.74% and 0.59% of the total assets, respectively. The estimated cost of demolition at the end of the 3-year rental contract (starting from 1st October 2014) of the AIA Building Capital Center (30th 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 2020 – 2022, Shareholders' equity was equivalent to 595.46 million Baht, 594.99 million Baht and 610.51 million Baht respectively. Retained earnings of the Company as at the end of 2020 - 2022 was equivalent to 102.59 million Baht, 104.08 million Baht and 123.64 million Baht respectively. The Company also paid the dividend from 2020-2022 in sum of 56.96 million Baht 71.95 million Baht and 73.99 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 31st 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 20th May 2014. According to the Extraordinary Shareholder Meeting No.1/2014 dated 23rd 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 26th 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 24th, 27th – 30th 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 20th 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 7th and October 10th - 13th, 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 2020 through 2022 was equivalent to 0.17 times, 0.14 times, and 0.11 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

(1) Cash Flow

Cash flow from the Company's operations in 2020 - 2022 remained constantly positive, amounting to 86.75 million Baht, 84.40 million Baht, and 100.18 million Baht respectively. This stemmed from continuous net profits of the Company. The cash flow from investments in 2020 - 2022 amounted to (70.66) million Baht, 4.95 million Baht, and (28.78) million Baht respectively.

For the year 2020, 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 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.

The Company had cash flow from financing activities in 2020 – 2022 equal to (76.17) million baht and (90.95) and (87.84) 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 2019 the Company had a negative cash flow from financing activities due to dividend payment of 92.88 million baht. In 2020 the Company had a negative cash flow from financing activities due to dividend payment of 56.96 million baht. In the year 2021, the Company had a negative cash flow from financing activities increased due to dividend payment of 71.95 million baht..And in the year 2022, the Company had a negative cash flow from financing activities increased due to dividend payment of 73.99 million baht.

(2) Liquidity Ratio

In the year 2020 – 2022, APCO's liquidity amounted to 4.93 times, 4.84 times and 5.27 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 2020 to 2022, the Company's cash flow was 408, 462, and 413 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. 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, 2022)
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, 2022)
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 th 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 rd Floor, 99 Ratchadapisek Rd., Dindaeng, Bangkok 10400 Tel. 0-2660-9011
Registration Number	: 0107548000480
Home Page	: www.apco.co.th
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 (1)	: Bim Health Center Co., Ltd. Paradise Park Building, Room No.GC078, G 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)

Associate (2)	: Hisold Digital Co., Ltd. 89, 30 th Floor, AIA Capital Center Building, Ratchadapisek Rd., Dindaeng, Bangkok 10400
Business Category	: Buy and sell dietary supplements and cosmetics which are produced from natural extracts.
Registered Capital	: 2 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 1st 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 2022, 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 2022 from the Thai Institute of Directors Association (IOD) with an overall score of 87.
- The quality assessment of the 2022 Annual General Meeting of Shareholders (AGM Checklist) by the Thai Investors Association, with an overall score of 100.

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 6 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 5 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 August 4, 2017. 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 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

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 Wiriyaichitra, 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 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.
- 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.

- 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.

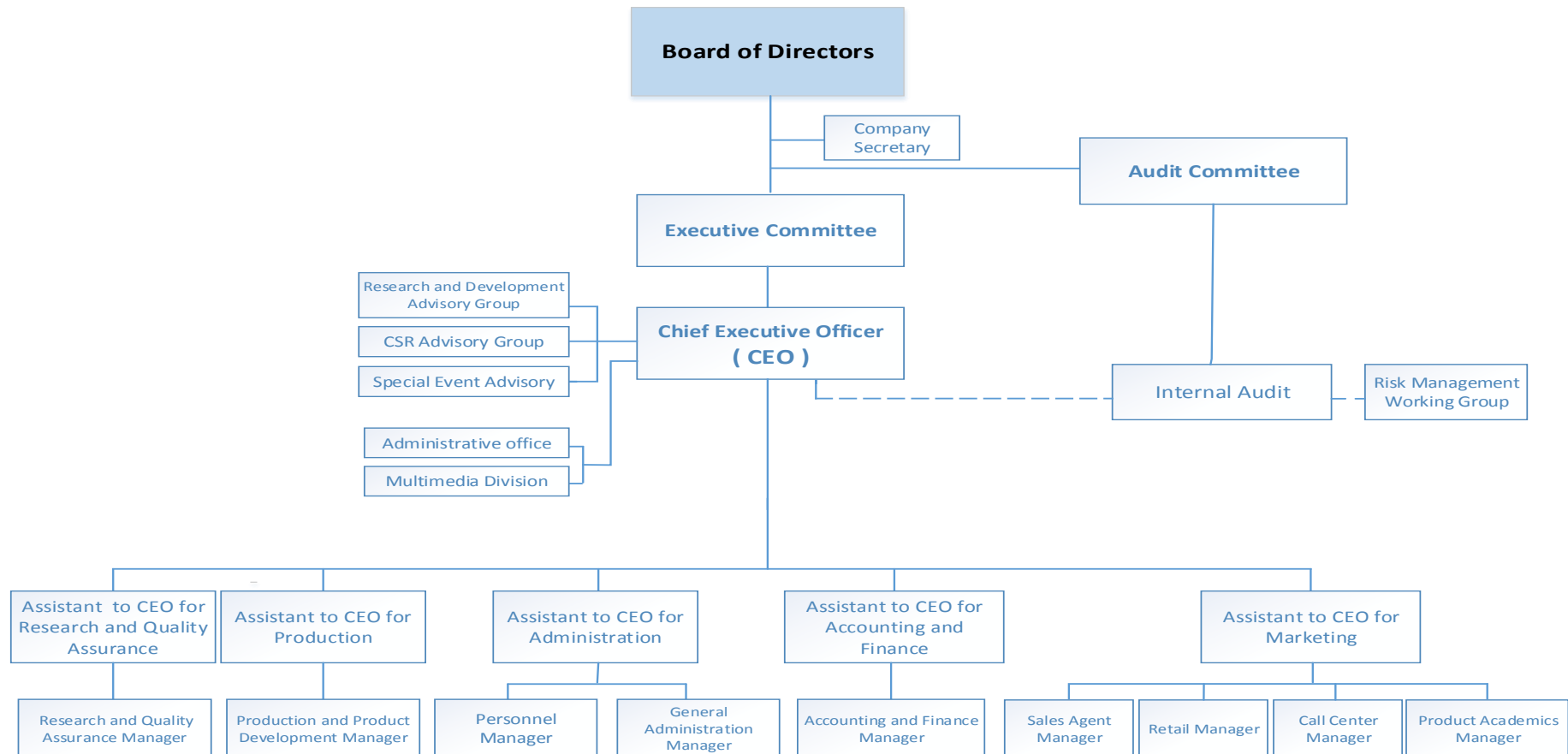
- Establishment of sub-committees.

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, 2022



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, 2022, the Company has 6 directors, consisting of

- 5 Non-Executive Directors (83.33% of the total number of directors)

These consist of 3 Independent Directors who hold the position of Audit Committee, representing 50% 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 (16.67% 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	2	2	4	66.67
Female	1	1	2	33.33

- Diversity of expertise and experiences

	Ms. Maleeratha Plunchitchom	Prof. Dr.Pichaet Wiriyachitra	Dr.Jingjai Hanchanlash	Assoc. Prof.Aruneer Wiriyachitra	Assoc. Prof. Dr.Varakorn Samakoses	Prof. Dr.Praipol Koomsup
Science / Chemistry		✓				
Accounting / Finance / Business Administration	✓		✓		✓	✓
Economics					✓	✓
Law / Political Science			✓			
Humanities				✓		
Strategy and Business Plan	✓	✓	✓	✓	✓	✓

	Ms. Maleeratna Plumchitchom	Prof. Dr.PichaetWiriyaichitra	Dr.Jingjai Hanchanlash	Assoc. Prof.Arunee Wiriyaichitra	Assoc. Prof. Dr.Varakorn Samakoses	Prof. Dr.Praipol Koomsup
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. Arunee Wiriyaichitra	Director / Executive Committee
5. Assoc. Prof. Dr.Varakorn Samakoses	Independent Director / Audit Committee
6. Prof. Dr.Praipol Koomsup	Independent Director / Audit Committee

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

The director who has authorities to sign for the Company are

- (1) Mr.Pichaet Wiriyaichitra or Ms.Arunee Wiriyaichitra signs jointly with Mr.Jingjai Hanchanlash with the Company's seal affixed
- (2) Mr.Pichaet Wiriyaichitra or Ms.Arunee Wiriyaichitra or Mr.Jingjai Hanchanlash 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 of 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, 2022, 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, 2022, 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 Directors

According to the term of office of director.

7.4 Management Information

Management Team

As of December 31, 2022, 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

	2022	2021	2020
Number of Management Team	6 persons	8 persons	8 persons
Total remuneration (Baht)	14,973,456.40	17,702,751	18,246,852
Form of Compensation	Salaries and Bonuses		

The remuneration for the Chief Executive Officer is 4,944,000 baht per year, the same for all 3 years.

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 2022, the Company has made contributions to the provident fund for the Executives totaling 402,138 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, 2022
1.	Production and Product Development	35
2.	Sales and Marketing	25
3.	Office Administration	25
4.	Account and Finance	11
5.	Research and Development	3
Total		99

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.

	2022	2021	2020
Number of employees (Person)	99	106	110
Remuneration (Baht)*	34,409,790	32,264,630	36,061,497

* 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:

	2022	2021	2020
Number of employees participating in the provident fund (person)*	61	71	76
The proportion of employees participating in the provident fund / Total Employees	61.62%	61.74%	69.09%

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 2022, the Employees of Asian Phytochemicals Public Co., Ltd. have attended training courses such as:

- Knowledge about GMP and Halal of food supplements according to the announcement of the Ministry of Public Health (No. 420) B.E. 2563.
- Promoting the use of the system e-Withholding Tax of the Revenue Department.
- Boiler Operator (standard 36 hours).
- Develop the safety officer's potential to work with the workplace safety law.
- Fire prevention and first aid knowledge training for the year 2022.
- Reduction of errors from moisture analysis and pH measurements to increase work efficiency.
- Cyber Security Auditing for None IT-Auditors.
- Job development, developing people to increase work efficiency in the new normal era.

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 Tantiwawat

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 2022, 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 2022, details of the Annual General Meeting of Shareholders, Board of Directors' meetings and the number of directors' meetings attendance will be 100 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	1/1	4/4
2. Prof. Dr.Pichaet Wiriyaichitra	Director / Chairman of the Executive Committee / CEO	1/1	1/1	4/4
3. Dr.Jingjai Hanchanlash	Director / Executive Committee	1/1	1/1	4/4
4. Assoc. Prof. Arunee Wiriyaichitra	Director / Executive Committee	1/1	1/1	4/4
5. Assoc. Prof. Dr.Varakorn Samakoses	Independent Director / Audit Committee	1/1	1/1	4/4
6. Prof. Dr.Praipol Koomsup	Independent Director / Audit Committee	1/1	1/1	4/4

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 2022 annual general meeting of shareholders which was held on April 18, 2022 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	20,000 Baht/time
Director	15,000 Baht/time
<i>Audit Committee meeting</i>	
Chairperson of the Audit Committee	20,000 Baht/time
Audit Committee	15,000 Baht/time
<i>Executive Committee meeting</i>	
Executive Committee	12,000 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 2022 which is the bonus from the revenue from sales of 2021 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	2022			
	Meeting Allowance as Company's Board	Meeting Allowance as Audit Committee	Annual Independent Directors' bonus	Total (Baht)
1. Ms. Maleeratna Plumchitchom ^{/1, /2, /3}	100,000	80,000	93,063	273,063
2. Prof. Dr.Pichaet Wiriyaichitra	-	-	-	-
3. Dr.Jingjai Hanchanlash	75,000	-	-	75,000
4. Assoc. Prof.Arune Wiriyaichitra	-	-	-	-
5. Assoc. Dr.Varakorn Samakoses ^{/3}	75,000	60,000	93,063	228,063
6. Prof. Dr.Praipol Koomsup ^{/3}	75,000	60,000	93,063	228,063

Note : ^{/1} Chairperson of the Board

^{/2} Chairperson of the Audit Committee

^{/3} 2022 Bonus for the Board is paid to the Independent Directors, calculated from the 2021 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 2022, 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 2022, 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 2022, none of the 6 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 2022, there were a total of 5 Board of Directors meetings (Physical 1 time, Hybrid 4 time), 4 Audit Committee meetings (Physical 1 time, Hybrid 3 times), with an attendance rate of both individual directors at 100 percent of the entire meeting of the year.

5. Director development	<p>Currently, all 6 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 4 and 3 persons, respectively.</p> <p>In 2022 the directors have their provides knowledge in various courses as follows:</p> <ul style="list-style-type: none"> • Public Economics Management Course for Senior Executives, King Prajadhipok's Institute • Politics and Governance in Democratic Systems for Senior Executives, King Prajadhipok's Institute • Higher Diploma Program in Public Administration and Public Law, King Prajadhipok's Institute
6. Performance evaluation of the Board of Directors	Board of Directors' performance assessment for the Yea 2022 was assessed by self-assessment 6 out of 6 directors have overall average score of 3.86% (good-excellent).
7. Performance evaluation of the Sub-committees	By self-assessment of the Audit Committee for the Year 2022, totaling 3 out of 3 persons with the overall average score is 3.55% (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 2022 of Chief Executive Officer by the assessment of the Board of Directors has overall average score of 3.78% (good – excellent)
9. Important disclosures	<p>In 2022, 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:</p> <ul style="list-style-type: none"> • The Stock Exchange of Thailand, 8 times. • Newsletters via LINE application and e-mail to shareholders 32 times. • Meeting with Investors Opportunity day 3 time. • Mass media, newspaper, magazine, journal, television. • The Company's website (www.apco.co.th) and various social media.
10. Corruption offenses	In 2022, 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 2022, 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 2022, 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, 2022	Dec. 31, 2022	
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 12,818,169	5,212,187 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. Ms. Jannatthabhorn Janprasert	Assistant to Chief Executive Officer for Production	219,561	219,561	-
8. Ms. Sirithip Wiriyaichitra	Assistant to Chief Executive Officer for Research and Quality Assurance	221,695	221,695	-
9. Ms. Apinya Ulumpanon	Assistant to Chief Executive Officer for Accounting and Finance	400,963	400,963	-
10. Ms. Ornpimol 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.

The Company has disclosed details of policies and actions to prevent involvement with corruption on the Company's website, 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 2022, 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	1/1	3/3
2. Assoc. Prof. Dr.Varakorn Samakoses	Audit Committee / Independent Director	1/1	3/3
3. Prof. Dr.Praipol Koomsup	Audit Committee / Independent Director	1/1	3/3

The Audit Committee held a total of 4 meetings (1 Physical Meeting and 3 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 2022 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 2022 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 2022, 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 2022 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. 1/2023 on February 26, 2023, 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
		2022	2021	2020	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020		
Arun Pittaya Co.,Ltd. <u>Relationship</u> Board members and shareholders; Mr.Pichaet Wiriyachitra and Ms.Arune Wiriyachitra hold 64.63% of shares in APCO and 100% of shares in Arun Pittaya Co.,Ltd.	Royalty fee for research and product development /Payable	6,104,839	5,821,581	6,438,941	669,866	655,517	693,075	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, 2022 – June 30, 2023. 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
		2022	2021	2020	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020		
Juristic Body Ms.Arune Wiryachitra And Ms.Wipa Wittayaveroj <u>Relationship</u> Board Members and Shareholders; (Totally shareholding 15.47%)	Rental fee	-	78,0000	156,000	-	-	-	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.
Bim Health Center Co.,Ltd. <u>Relationship</u> An associate company; APCO holds 49.99% of shares in this company.	Product Sales/ Receivable	5,557,522	4,509,880	4,231,348	142,704	304,290	659,470	This transaction is another distribution channel for the Company whereby the Company can distribute the product at the market price equivalent to the outsiders.	The transaction is normal.
	Other Income	646,556.74	-	18,387	-	-	-	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
		2022	2021	2020	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020		
Hisold Digital Co.,Ltd. <u>Relationship</u> An associate company; APCO holds 49.99% of shares in this company.	Product Sales	613,458	1,779,028	889,570	-	204,000	951,840	This transaction is another distribution channel for the Company whereby the Company can distribute the product at the market price equivalent to the outsiders.	The transaction is normal.
APCO China Co.,Ltd. <u>Relationship</u> An associate company; APCO holds 49.99% of shares in this company.	Other Income / Other Receivables	-	319,575	142,100	-	461,675	142,100	APCO Charges Management Fee from APCO China Co., Ltd.	The transaction is normal.
Killer T Cell for Pets Co., Ltd. <u>Relationship</u> A subsidiary company; APCO holds 55% of shares in this company.	Product Sales/ Receivable	1,504,256	-	-	292,656	-	-	This transaction is another distribution channel for the Company whereby the Company can distribute the product at the market price equivalent to the outsiders.	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, 2022, 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 Wiriyaচিত্রা
(Prof.Dr.Pichaet Wiriyaচিত্রা)
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 2022
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 2022, 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 2022, 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.



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.

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.



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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.
26 February 2023

ASIAN PHYTOCEUTICALS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

Assets	Notes	In Baht			
		Consolidated	Financial statements	Separate	
		financial statements	in which equity method is applied	financial statements	
		2022	2021	2022	2021
Current assets					
Cash and cash equivalents	6	82,146,058	98,593,152	77,160,822	98,593,152
Trade and other receivables	7	5,514,962	5,279,577	4,977,358	5,279,577
Inventories	8	52,495,261	58,614,249	52,416,290	58,614,249
Other current financial assets	9	97,004,780	68,323,294	97,004,780	68,323,294
Other current assets		350,991	302,224	350,851	302,224
Total current assets		237,512,052	231,112,496	231,910,101	231,112,496
Non - current assets					
Deposits pledged as collateral	10	2,029,652	528,867	2,029,652	528,867
Investments in subsidiary	11.1	-	-	2,749,990	-
Investments in associates	12	1,776,142	1,815,062	2,249,975	2,249,975
Property, plant and equipment	13	50,348,700	56,832,728	50,319,349	56,832,728
Right-of-use assets	14	13,675,852	34,375,275	13,675,852	34,375,275
Intangible assets	15	236,154	356,280	236,154	356,280
Deferred tax assets	23	7,108,886	5,053,219	7,100,317	5,253,179
Other non - current financial assets	9	363,235,814	344,918,297	363,235,814	344,918,297
Other non - current assets		4,224,384	5,540,657	4,224,384	5,540,657
Total non - current assets		442,635,584	449,420,385	445,821,487	450,055,258
Total assets		680,147,636	680,532,881	677,731,588	681,167,754

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 2022

		In Baht			
		Consolidated	Financial statements	Separate	
		financial	in which equity	financial statements	
		statements	method is applied		
Liabilities and shareholders' equity	Notes	2022	2021	2022	2021
Current liabilities					
Trade and other payables	16	17,166,515	17,014,838	17,134,324	17,014,838
Current portion of lease liabilities	17	12,204,106	18,743,898	12,204,106	18,743,898
Accrued income tax		12,704,868	9,639,942	12,641,804	9,639,942
Other current liabilities		3,020,830	2,352,633	2,999,283	2,352,633
Total current liabilities		45,096,319	47,751,311	44,979,517	47,751,311
Non - current liabilities					
Lease liabilities	17	1,615,393	15,485,954	1,615,393	15,485,954
Employee benefit obligations	18	18,891,747	17,288,546	18,848,903	17,288,546
Provision for dismantling cost of rental buildings	19	4,038,030	5,012,125	4,038,030	5,012,125
Total non - current liabilities		24,545,170	37,786,625	24,502,326	37,786,625
Total liabilities		69,641,489	85,537,936	69,481,843	85,537,936
Shareholders' equity					
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		93,636,819	74,084,448	93,910,079	74,719,321
Other components of equity	9	(5,271,563)	1,299,268	(5,271,563)	1,299,268
Total equity attributable to the parent company		607,976,485	594,994,945	608,249,745	595,629,818
Non-controlling interests of the subsidiary	11.2	2,529,662	-	-	-
Total shareholders' equity		610,506,147	594,994,945	608,249,745	595,629,818
Total liabilities and shareholders' equity		680,147,636	680,532,881	677,731,588	681,167,754

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 2022

	Notes	In Baht			
		Consolidated	Financial statements	Separate	
		financial statements	in which equity method is applied	financial statements	
		2022	2021	2022	2021
Sales		250,381,378	223,351,527	248,052,434	223,351,527
Costs of sales		(47,939,348)	(46,263,802)	(48,018,318)	(46,263,802)
Gross profit		202,442,030	177,087,725	200,034,116	177,087,725
Other income		2,084,322	3,025,166	2,084,320	3,025,166
Profit before expenses		204,526,352	180,112,891	202,118,436	180,112,891
Selling expenses		(48,139,928)	(35,883,737)	(47,958,581)	(35,883,737)
Administrative expenses		(68,353,494)	(70,409,300)	(66,659,126)	(70,409,300)
Total expenses		(116,493,422)	(106,293,037)	(114,617,707)	(106,293,037)
Profit from operating activities		88,032,930	73,819,854	87,500,729	73,819,854
Finance income	22	12,400,394	12,818,988	13,044,407	14,421,631
Finance costs		(566,231)	(864,257)	(566,231)	(864,257)
Loss from impairment of investment in associate	12	-	-	-	(999,800)
Share of gain (loss) from investment in associates	12	607,637	(284,734)	-	-
Profit before tax expenses		100,474,730	85,489,851	99,978,905	86,377,428
Tax expenses	23	(19,279,295)	(16,790,809)	(19,424,735)	(16,590,849)
Profit for the year		81,195,435	68,699,042	80,554,170	69,786,579
Other comprehensive income:					
Other comprehensive income to be reclassified to profit or loss in subsequent periods					
Loss on change in value of financial assets		(4,198,914)	(1,642,308)	(4,198,914)	(1,642,308)
Less : Income tax effect	23	839,783	328,462	839,783	328,462
Net		(3,359,131)	(1,313,846)	(3,359,131)	(1,313,846)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods					
Gain on investments in equity designated at fair value through other comprehensive income		11,768,948	6,185,630	11,768,948	6,185,630
Less : Income tax effect	23	(2,353,790)	(1,237,126)	(2,353,790)	(1,237,126)
Net		9,415,158	4,948,504	9,415,158	4,948,504
Actuarial loss		-	(1,062,837)	-	(1,062,837)
Less : Income tax effect	23	-	212,567	-	212,567
Net		-	(850,270)	-	(850,270)
Other comprehensive income for the year		6,056,027	2,784,388	6,056,027	2,784,388
Total comprehensive income for the year		87,251,462	71,483,430	86,610,197	72,570,967

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 2022

		In Baht			
		Consolidated financial statements	Financial statements in which equity method is applied	Separate financial statements	
Notes		2022	2021	2022	2021
Profit attributable to:					
	Equity holders of the parent	80,915,783	68,699,042	80,554,170	69,786,579
	Non-controlling interests	279,652	-	-	-
	Profit for the year	81,195,435	68,699,042	80,554,170	69,786,579
Total comprehensive income attributable to:					
	Equity holders of the parent	86,971,810	71,483,430	86,610,197	72,570,967
11.2	Non-controlling interests	279,652	-	-	-
	Total comprehensive income for the year	87,251,462	71,483,430	86,610,197	72,570,967
Basic earnings per share					
	Profit for the year	0.1349	0.1145	0.1343	0.1163

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 2022

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		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

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 2022

		In Baht								
		Financial statements in which equity method is applied								
		Retained earnings				Other components of equity				
		Issued and Paid - up Share Capital	Premium on share capital	Surplus from business combinations under common control	Appropriated for legal reserve	Unappropriated	Gain on measurement of financial assets	Total shareholders' equity		
Notes		Share Capital	capital	common control	reserve	Unappropriated	financial assets	equity		
		Balance as at 1 January 2021	300,000,000	166,944,654	22,666,575	30,000,000	72,593,907	3,258,379	595,463,515	
		Decrease in gain from sale of investment in equity - net of income tax	9	-	-	-	5,593,769	(5,593,769)	-	
		Dividend paid	21	-	-	-	(71,952,000)	-	(71,952,000)	
		Profit for the year		-	-	-	68,699,042	-	68,699,042	
		Other comprehensive income for the year		-	-	-	(850,270)	3,634,658	2,784,388	
		Total comprehensive income for the year		-	-	-	67,848,772	3,634,658	71,483,430	
		Balance as at 31 December 2021		300,000,000	166,944,654	22,666,575	30,000,000	74,084,448	1,299,268	594,994,945

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 2022

		In Baht						
		Separate financial statements						
		Retained earnings				Other components of equity		
		Issued and Paid - up Share Capital	Premium on share capital	Surplus from business combinations under common control	Appropriated for legal reserve	Unappropriated	Gain (loss) on measurement of financial assets	Total shareholders' equity
Notes								
		300,000,000	166,944,654	22,666,575	30,000,000	72,141,243	3,258,379	595,010,851

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 2022

	In Baht			
	Consolidated financial statements	Financial statements in which equity method is applied	Separate financial statements	
	2022	2021	2022	2021
Cash flows from operating activities				
Profit before tax expenses	100,474,730	85,489,851	99,978,905	86,377,428
Adjustments to reconcile profit to net cash provided by operating activities				
Loss (gain) on sale of other financial assets	88,951	(2,484,332)	88,951	(2,484,332)
Unrealized gain from changes in fair value of other financial assets	(80,171)	(23,813)	(80,171)	(23,813)
Bad debt	336,615	-	336,615	-
Allowance for write-down and obsolescence of inventories	696,542	579,862	696,542	579,862
Loss from impairment of investment in associate	-	-	-	999,800
Gain on disposal of equipment	(121,494)	(177,981)	(121,494)	(177,981)
Profit from termination of lease	(408,736)	-	(408,736)	-
Penalty for termination of the lease	1,399,083	-	1,399,083	-
Depreciation	6,806,186	7,655,701	6,801,248	7,655,701
Depreciation of right-of-use assets	16,319,244	19,155,577	16,319,244	19,155,577
Amortization of intangible assets	120,126	146,367	120,126	146,367
Share of (gain) loss from investments in associates	(607,637)	284,734	-	-
Employee benefit obligations	1,603,201	1,656,004	1,560,357	1,656,004
Revenue from is recognised accrued commission	(1,463,892)	(1,518,747)	(1,463,892)	(1,518,747)
Dismantling cost of rental buildings expenses	-	1,044,418	-	1,044,418
Dividends income from investments in associate	-	-	(646,557)	(1,602,643)
Dividends income from financial assets	(2,798,352)	(2,688,845)	(2,798,352)	(2,688,845)
Interest income	(9,610,822)	(7,621,998)	(9,608,278)	(7,621,998)
Finance costs	566,231	864,257	566,231	864,257
Profit from operating activities before change in operational assets and liabilities	113,319,805	102,361,055	112,739,822	102,361,055
Decrease (Increase) in operating assets				
Trade and other receivables	128,761	2,865,866	666,365	2,865,866
Inventories	5,422,446	1,074,890	5,501,417	1,074,890
Other current assets	(48,767)	45,313	(48,627)	45,313
Other non - current assets	(82,810)	7,400	(82,810)	7,400
Increase (Decrease) in operating liabilities				
Trade and other payables	1,615,569	(133,612)	1,583,378	(133,612)
Employee benefit obligations	-	(2,882,911)	-	(2,882,911)
Provision for dismantling cost of rental buildings	(1,057,775)	(972,275)	(1,057,775)	(972,275)
Other current liabilities	668,197	(223,902)	646,650	(223,902)
Cash received from operations	119,965,426	102,141,824	119,948,420	102,141,824
Income tax paid	(19,784,043)	(17,745,297)	(19,784,018)	(17,745,297)
Net cash provided by operating activities	100,181,383	84,396,527	100,164,402	84,396,527

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 2022

	In Baht			
	Consolidated	Financial statements	Separate	
	financial	in which equity	financial statements	
	statements	method is applied		
	2022	2021	2022	2021
Cash flows from investing activities				
Interest income	8,910,061	7,540,923	8,907,517	7,540,923
Proceeds from disposal of other financial assets	276,479,563	327,438,050	276,479,563	327,438,050
Cash paid for acquisition of other financial assets	(317,417,312)	(333,567,576)	(317,417,312)	(333,567,576)
Increase in fixed deposits pledged as collateral	(785)	(1,045)	(785)	(1,045)
Cash paid for investment in subsidiary	-	-	(2,749,990)	-
Dividends income from investments in associate	646,557	1,602,643	646,557	1,602,643
Dividends income from financial assets	2,798,352	2,688,845	2,798,352	2,688,845
Proceeds from disposal of equipment	121,495	421,610	121,495	421,610
Cash paid for acquisition of machinery and equipment	(322,159)	(1,174,476)	(287,870)	(1,174,476)
Net cash provided by (used in) investing activities	(28,784,228)	4,948,974	(31,502,473)	4,948,974
Cash flows from financing activities				
Dividends paid	(73,990,270)	(71,952,000)	(73,990,270)	(71,952,000)
Interest paid	(566,231)	(864,257)	(566,231)	(864,257)
Repayment of liabilities under lease agreements	(15,537,758)	(18,137,478)	(15,537,758)	(18,137,478)
Increase from investment in subsidiary				
Non-controlling interests of the subsidiary	2,250,010	-	-	-
Net cash used in financing activity	(87,844,249)	(90,953,735)	(90,094,259)	(90,953,735)
Net decrease in cash and cash equivalents	(16,447,094)	(1,608,234)	(21,432,330)	(1,608,234)
Cash and cash equivalents, beginning of year	98,593,152	100,201,386	98,593,152	100,201,386
Cash and cash equivalents, end of year	82,146,058	98,593,152	77,160,822	98,593,152

Supplement Disclosures of Cash Flows information

Non - cash transactions

Transfer other financial assets to be fixed deposits

pledged as collateral	1,500,000	-	1,500,000	-
Decrease in payable from acquisition of assets	-	(200,000)	-	(200,000)
Increase in provision for dismantling cost				
of rental buildings	-	1,544,666	-	1,544,666
Increase in lease liabilities	3,651,422	2,354,132	3,651,422	2,354,132

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 2022

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's 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 (2021 : The financial statements in which equity method is applied 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.

As at 31 December 2022, 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 invests in Killer T Cell for Pets Co., Ltd. which is the new established company, during current year (Note 11).

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).

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. FINANCIAL REPORTING STANDARDS ISSUED BY THE FEDERATION OF ACCOUNTING PROFESSIONS

3.1 Financial reporting standards that became effective in the current year

During current year, the revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022 were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, for some financial reporting standards, providing temporary reliefs or temporary exemptions for users of the standards. However, these standards does not have any significant impact on the Group's financial statements.

3.2 Financial reporting standard that will become effective for fiscal years beginning on or after 1 January 2023 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 2023 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 and for some standards, providing temporary reliefs or temporary exemptions for users.

The Group's management believes that the adoption of these amendments will not have any significant impact on the Group's financial statements.

4. 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.

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.

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 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 FVOCI

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.

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5. TRANSACTIONS WITH RELATED PARTIES

5.1 Relationship and pricing policies

	Relationship
Subsidiary	
Killer T Cell for Pets Co., Ltd.	Common shareholders and directorship
Associates	
Bim Health Center Co., Ltd.	Shareholding by the Company
Apco China Co., Ltd.	Shareholding by the Company
(Registered dissolution on 6 October 2021 and on 21 October 2022, the liquidation process is complete according to Notes 12)	
Hisold Digital Co., Ltd.	Shareholding by the Company and directorship
Related company	
Arun Pitaya Co., Ltd.	Common shareholders and directorship
Related persons	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.
Income Management	At price which had been agreed upon.
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 2022 and 2021 are as follows:

	In Baht			
	Consolidated financial statements	Financial statements in which equity method is applied	Separate financial statements	
	2022	2021	2022	2021
Trade accounts receivable				
Subsidiary	-	-	292,656	-
Associates	142,704	508,290	142,704	508,290
Total	142,704	508,290	435,360	508,290
Other receivable				
Associate	-	461,675	-	461,675
Other payables				
Related company	669,866	655,517	669,866	655,517

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5.3 Revenues and expenses with related parties

Significant transactions with related parties for the years ended 31 December 2022 and 2021 are as follows:

	In Baht			
	Consolidated financial statements	Financial statements in which equity method is applied	Separate financial statements	
	2022	2021	2022	2021
Sales				
Subsidiary	-	-	1,504,256	-
Associates	6,170,980	6,288,908	6,170,980	6,288,908
Total	6,170,980	6,288,908	7,675,236	6,288,908
Income Management				
Associates	-	319,575	-	319,575
Dividend Received				
Associate	-	-	646,557	1,602,643
Service fee of utilization from products' research and development				
Related company	6,104,838	5,821,581	6,104,838	5,821,581
Rental expense				
Related company	420,000	420,000	420,000	420,000
Related persons	-	78,000	-	78,000
Total	420,000	498,000	420,000	498,000

Directors and management's benefits

The Company had employee benefit expenses of its directors and management for the years ended 31 December 2022 and 2021, as below

	In Baht			
	Consolidated financial statements	Financial statements in which equity method is applied	Separate financial statements	
	2022	2021	2022	2021
Short-term employee benefits	15,341,249	17,976,591	15,341,249	17,976,591
Post-employment benefits	436,405	560,817	436,405	560,817
Total	15,777,654	18,537,408	15,777,654	18,537,408

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6. CASH AND CASH EQUIVALENTS

	In Baht			
	Consolidated financial statements	Financial statements in which equity method is applied	Separate financial statements	
	2022	2021	2022	2021
Cash	187,000	160,024	157,000	160,024
Regular checking accounts	919,594	799,619	919,594	799,619
Saving accounts	81,039,464	97,633,509	76,084,228	97,633,509
Total	82,146,058	98,593,152	77,160,822	98,593,152

As at 31 December 2022, the interest rates of deposits at financial institutions were 0.05 % to 0.35 % per annum (2021: 0.05 % to 0.25 % per annum).

7. TRADE AND OTHER RECEIVABLES

	In Baht			
	Consolidated financial statements	Financial statements in which equity method is applied	Separate financial statements	
	2022	2021	2022	2021
Trade accounts receivable - associates (Note 5.2)	142,704	508,290	435,360	508,290
Trade accounts receivable - other	836,560	36,400	6,300	36,400
Total trade accounts receivable	979,264	544,690	441,660	544,690
Other receivable - associate (Note 5.2)	-	461,675	-	461,675
Advances for inventories	385,552	1,325,096	385,552	1,325,096
Prepaid expenses	919,175	668,149	919,175	668,149
Accrued interest	2,704,317	2,003,556	2,704,317	2,003,556
Others	526,654	276,411	526,654	276,411
Total	5,514,962	5,279,577	4,977,358	5,279,577

Aging of trade accounts receivable as at 31 December 2022 and 2021 are as follows:

	In Baht			
	Consolidated financial statements	Financial statements in which equity method is applied	Separate financial statements	
	2022	2021	2022	2021
Trade accounts receivable - associate				
Within credit terms	142,704	508,290	142,704	508,290
Overdue less than 1-3 months	-	-	292,656	-
Total	142,704	508,290	435,360	508,290
Trade accounts receivable - other companies				
Within credit terms	836,560	-	6,300	-
Overdue less than 7-12 months	-	36,400	-	36,400
Total	836,560	36,400	6,300	36,400

As at 31 December 2022 and 2021, the Company have considered that there is no loss of lifetime expected credit losses for trade and other receivable to recognised.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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8. INVENTORIES

	In Baht					
	At cost		Allowance for obsolescence of inventories		Inventories-net	
	Consolidated financial statements	Financial statements in which equity method is applied	Consolidated financial statements	Financial statements in which equity method is applied	Consolidated financial statements	Financial statements in which equity method is applied
	2022	2021	2022	2021	2022	2021
Finished goods	8,502,815	8,829,898	(720,053)	(733,579)	7,782,762	8,096,319
Work in process	814,606	491,277	-	-	814,606	491,277
Transform raw material	19,760,641	23,234,646	(24,906)	(51,796)	19,735,735	23,182,850
Raw material	17,459,416	19,275,411	(299,111)	(421,336)	17,160,305	18,854,075
Packaging and supplies	10,479,417	10,608,109	(3,477,564)	(2,618,381)	7,001,853	7,989,728
Total	<u>57,016,895</u>	<u>62,439,341</u>	<u>(4,521,634)</u>	<u>(3,825,092)</u>	<u>52,495,261</u>	<u>58,614,249</u>

	In Baht					
	Separate financial statements					
	At cost		Allowance for obsolescence of inventories		Inventories-net	
	2022	2021	2022	2021	2022	2021
Finished goods	8,423,844	8,829,898	(720,053)	(733,579)	7,703,791	8,096,319
Work in process	814,606	491,277	-	-	814,606	491,277
Transform raw material	19,760,641	23,234,646	(24,906)	(51,796)	19,735,735	23,182,850
Raw material	17,459,416	19,275,411	(299,111)	(421,336)	17,160,305	18,854,075
Packaging and supplies	10,479,417	10,608,109	(3,477,564)	(2,618,381)	7,001,853	7,989,728
Total	<u>56,937,924</u>	<u>62,439,341</u>	<u>(4,521,634)</u>	<u>(3,825,092)</u>	<u>52,416,290</u>	<u>58,614,249</u>

During the current year, the Company recorded allowance for obsolescence of inventories by Baht 0.7 million (2021 : Baht 0.6 million.) to reflect the net realisable value. This was included in cost of sales.

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9. OTHER FINANCIAL ASSETS

	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
Other current financial assets				
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
Other non - current financial assets				
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
Total other financial assets	38,872	35,752,063	424,449,659	460,240,594

	In Baht			
	Financial statements in which equity method is applied and Separate financial statements			
	31 December 2021			
	Amortised cost	Fair value through profit or loss	Fair value through other comprehensive income	Total
Other current financial assets				
Fixed deposits 12 month	537,807	-	-	537,807
Unit Trust (in private fund)	-	1,902,518	-	1,902,518
Unit Trust	-	34,186,361	-	34,186,361
Debt securities (in private fund)	-	-	31,696,608	31,696,608
Total	537,807	36,088,879	31,696,608	68,323,294
Other non-current financial assets				
Debt securities (in private fund)	-	-	269,192,123	269,192,123
Debt securities	-	-	9,975,974	9,975,974
Equity instruments of listed companies	-	-	65,750,200	65,750,200
Total	-	-	344,918,297	344,918,297
Total other financial assets	537,807	36,088,879	376,614,905	413,241,591

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The movement in other financial assets during the year ended 31 December 2022 are summarised as below :

		In Baht				
		Consolidated and Separate financial statements				
	Measurement of financial assets	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

The movement in other financial assets during the year ended 31 December 2021 are summarised as below :

		In Baht				
		Financial statements in which equity method is applied and Separate financial statements				
	Measurement of financial assets	As at 1 January 2021	Invested	Sale and maturity	Increase (Decrease) in fair value adjustment	As at 31 December 2021
Fixed deposits 12 month	Amortised cost	534,096	3,711	-	-	537,807
Debt securities	Measured at fair value through other comprehensive income	255,492,509	155,807,223	(98,792,719)	(1,642,308)	310,864,705
Unit Trust	Measured at fair value through profit or loss	71,300,618	142,639,034	(177,874,586)	23,813	36,088,879
Equity instruments of listed companies	Measured at fair value through other comprehensive income	72,733,375	35,117,608	(48,286,413)	6,185,630	65,750,200
Total		400,060,598	333,567,576	(324,953,718)	4,567,135	413,241,591

Details of listed companies' equity instruments measured at fair value through other comprehensive income as at 31 December 2022 and 2021 are as follows:

		In Baht			
		Consolidated and Separate financial statements			
		Value of investments		Dividends income	
Name	Initials	2022	2021	2022	2021
ELECTRICITY GENERATING PUBLIC COMPANY LIMITED	EGCO	17,043,000	17,339,400	642,200	666,900
PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED	PTTEP	-	33,110,800	841,800	973,700
RATCH GROUP PUBLIC COMPANY LIMITED	RATCH	6,412,500	4,500,000	255,000	240,000
PTT OIL AND RETAIL BUSINESS PUBLIC COMPANY LIMITED	OR	-	10,800,000	76,000	-
THAI OIL PUBLIC COMPANY LIMITED	TOP	22,031,775	-	983,352	-
INTOUCH HOLDINGS PUBLIC COMPANY LIMITED	INTUCH	-	-	-	808,245
PTT PUBLIC COMPANY LIMITED	PTT	10,640,000	-	-	-
BANPU PUBLIC COMPANY LIMITED	BANPU	10,144,850	-	-	-
BANGKOK BANK PUBLIC COMPANY LIMITED	BBL	5,135,600	-	-	-
Total		71,407,725	65,750,200	2,798,352	2,688,845

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In the during years 2022 and 2021, 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	Financial statements in which equity method is applied and Separate financial statements
	2022	2021
Price to sell of investments in equity	65,830,400	48,379,900
<u>Less</u> Cost of disposal	(143,517)	(93,487)
Net	65,686,883	48,286,413
Book value		
Cost	49,903,311	41,294,202
Increase in fair value adjustment in prior periods	1,972,110	2,376,866
Total book value	51,875,421	43,671,068
Gain from the disposal of investments in equity carried in other comprehensive income for the year	13,811,462	4,615,345
Transfer gain from the disposal of investments in equity to retained earnings		
Decrease in gain of investments in equity	15,783,572	6,992,211
<u>Less</u> Income tax effect	(3,156,714)	(1,398,442)
Net	12,626,858	5,593,769

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Other components of equity - Gain on measurement of financial assets

	In Baht	
	Consolidated and Separate financial statements	Financial statements in which equity method is applied and Separate financial statements
	2022	2021
Gain on measurement of financial assets at the beginning of year	1,624,085	4,072,974
<u>Less</u> Deferred tax at the beginning of year	(324,817)	(814,595)
Net	1,299,268	3,258,379
Transactions during the year - Other comprehensive income for the year		
Loss on investments in debt securities at fair value through other comprehensive income	(4,198,914)	(1,642,308)
<u>Less</u> Income tax effect	839,783	328,462
Net	(3,359,131)	(1,313,846)
Gain on investments in equity designated at fair value through other comprehensive income	11,768,948	6,185,630
<u>Less</u> Income tax effect	(2,353,790)	(1,237,126)
Net	9,415,158	4,948,504
Transfer gain from the disposal of investments in equity to retained earnings		
Decrease in gain of investments in equity	(15,783,572)	(6,992,211)
<u>Less</u> Income tax effect	3,156,714	1,398,442
Net	(12,626,858)	(5,593,769)
Gain (loss) on measurement of financial assets at the end of year	(6,589,453)	1,624,085
<u>Less</u> Deferred tax at the end of year	1,317,890	(324,817)
Net	(5,271,563)	1,299,268

10. DEPOSITS PLEDGED AS COLLATERAL

As at 31 December 2022, the Group has fixed deposits in the amounts of Baht 2.0 million (2021 : Baht 0.5 million), bears interest at the rates ranging from 0.15% to 0.40% per annum (2021 : interest at the rates ranging from 0.15% per annum).

These deposits are pledged as collateral for bank guarantees from financial institutions for government and private agency as discussed in Note 27.2.

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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 2022 are as follows:

Company's name	In Baht			
	Registered	Paid-up capital	Percentage of shareholding (%)	Carrying amounts based on the cost method
Killer T Cell for Pets Co., Ltd.	10,000,000	5,000,000	55	2,749,990

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.

11.2 Details of investments in subsidiary non-controlling interests are as below:

Company's name	In Baht		
	Proportion of equity interest held by non-controlling interests (%)	Accumulated balance of non-controlling interests of the subsidiary	Comprehensive income allocated to non-controlling interests of the subsidiary during 21 March 2022 to 31 December 2022
Killer T Cell for Pets Co., Ltd.	45	2,529,662	279,652

11.3 Summarised financial information that based on amounts before inter-company elimination about subsidiary that have material non-controlling.

	In Baht
Summarised information about financial position:	Killer T Cell for Pets Co., Ltd.
Statements of financial position as at 31 December 2022	
Current assets	6,035,831
Non - current assets	29,351
Current liabilities	(452,302)
Net assets	5,612,880
Summarised information about comprehensive income	
Statements of comprehensive income for the period from 21 March 2022 to 31 December 2022	
Sales	3,833,200
Other income	2,546
Costs of sales	(1,256,877)
Selling expenses	(182,917)
Administrative expenses	(1,719,983)
Profit before tax expenses	675,969
Tax expenses	(54,520)
Profit for the period	621,449
Total comprehensive income for the period	621,449

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12. INVESTMENTS IN ASSOCIATES

Name	Nature of business	Paid-up Capital (In Baht)	Holdings (%)	In Baht									
				Consolidated and Separate financial statements	Financial statements in which equity method is applied	Separate financial statements							
						Net book value - Cost		Allowance for impairment of investment		Book value		Dividends income for the years ended	
				2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Bim Health Center Co., Ltd.	Operates as a distributor for products of Asian Phytochemicals Public Company Limited.	2,500,000	49.99	1,637,254	1,382,527	1,249,995	1,249,995	-	-	1,249,995	1,249,995	646,557	1,602,643
Apco China Co., Ltd.	Engaged in business of buying, selling and export supplements and cosmetics manufactured from natural extracts.	2,000,000	49.99	-	-	-	999,800	-	(999,800)	-	-	-	-
Hisold Digital Co., Ltd.	Engaged in business of buying and selling supplements and cosmetics manufactured from natural extracts.	2,000,000	49.99	138,888	432,535	999,980	999,980	-	-	999,980	999,980	-	-
Total				1,776,142	1,815,062	2,249,975	3,249,775	-	(999,800)	2,249,975	2,249,975	646,557	1,602,643

During the current year 2021, the Company recorded the allowance for impairment of investment full amount 1.0 million, in the statement of comprehensive income. Apco China Co., Ltd. registered their dissolution with the Ministry of Commerce on 6 October 2021 and on 21 October 2022, the liquidation process is complete.

Share of gain(loss) from investment in associates

The Company recognized its share of gain(loss) from investment in the consolidated financial statements (2021: the associates in the financial statements in which equity method is applied) for the year ended 31 December 2022 and 2021, as follows:

Name	In Baht	
	2022	2021
Bim Health Center Co., Ltd.	901,284	633,619
Apco China Co., Ltd.	-	(457,058)
Hisold Digital Co., Ltd.	(293,647)	(461,295)
Total	607,637	(284,734)

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Summary financial information of associates

	In Baht					
	Bim Health Center Co., Ltd.		Apco China Co., Ltd.		Hisold Digital Co., Ltd.	
	2022	2021	2022	2021	2022	2021
STATEMENT OF FINANCIAL POSITION						
Current assets	4,805,829	3,464,654	765,152	765,152	322,697	1,263,545
Non - current assets	379,602	406,617	32,489	32,489	24,316	41,709
Total assets	5,185,431	3,871,271	797,641	797,641	347,013	1,305,254
Current liabilities	1,030,144	741,893	767,645	767,645	56,449	384,496
Non - current liabilities	79,079	-	-	-	-	-
Net assets (100%)	4,076,208	3,129,378	29,996	29,996	290,564	920,758
Company's share of net assets (49.99% hold)	2,038,096	1,564,683	-	-	145,279	460,370
Elimination of unrealised profit on inventories, end of year	(400,842)	(182,156)	-	-	(6,391)	(27,835)
Carrying amount of interest in an associates	1,637,254	1,382,527	-	-	138,888	432,535

ASIAN PHYTOCEUTICALS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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	In Baht					
	Bim Health Center Co., Ltd.		Apco China Co., Ltd.		Hisold Digital Co., Ltd.	
	2022	2021	2022	2021	2022	2021
STATEMENTS OF COMPREHENSIVE INCOME						
Sales	11,899,956	9,703,240	-	-	1,728,174	5,125,394
Interest income	2,938	24,268	-	27	369	12,820
Costs of sales	(5,005,432)	(4,588,467)	-	-	(734,720)	(2,028,841)
Selling expenses	(2,824,174)	(2,474,655)	-	-	(1,322,374)	(3,552,006)
Administrative expenses	(1,476,102)	(1,288,009)	-	(884,330)	(301,644)	(636,922)
Profit (loss) before income tax expenses	2,597,186	1,376,377	-	(884,303)	(630,195)	(1,079,555)
Tax expenses	(357,237)	(161,474)	-	-	-	-
Profit (loss) for the year	2,239,949	1,214,903	-	(884,303)	(630,195)	(1,079,555)
Total comprehensive income for the year (100%)	2,239,949	1,214,903	-	(884,303)	(630,195)	(1,079,555)
Total comprehensive income for the year (49.99% hold)	1,119,970	607,449	-	(457,058)	(315,091)	(539,767)
Decrease (Increase) in elimination of unrealised profit on inventories	(218,686)	26,170	-	-	21,444	78,472
Company's share of total comprehensive income	901,284	633,619	-	(457,058)	(293,647)	(461,295)

ASIAN PHYTOCEUTICALS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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13. PROPERTY, PLANT AND EQUIPMENT

	In Baht						
	Financial statements in which equity method is applied and Separate financial statements						
	Land & Improvement	Buildings & Improvement	Machinery & Equipment	Tools	Office Equipment	Vehicles	Total
As at 1 January 2021							
Cost	8,287,320	94,766,221	38,873,064	11,856,654	18,036,409	17,267,226	189,086,894
<u>Less</u> Accumulated depreciation	(87,468)	(60,920,155)	(25,780,620)	(10,903,933)	(17,280,641)	(10,356,495)	(125,329,312)
Net book amount	<u>8,199,852</u>	<u>33,846,066</u>	<u>13,092,444</u>	<u>952,721</u>	<u>755,768</u>	<u>6,910,731</u>	<u>63,757,582</u>
For the year ended 31 December 2021							
Net book value, beginning of year	8,199,852	33,846,066	13,092,444	952,721	755,768	6,910,731	63,757,582
Acquisition assets	-	-	511,192	288,946	174,338	-	974,476
Disposals	-	(40,084)	-	(1)	(3,544)	(200,000)	(243,629)
Depreciation	<u>(1,429)</u>	<u>(3,575,791)</u>	<u>(2,627,342)</u>	<u>(345,750)</u>	<u>(336,795)</u>	<u>(768,594)</u>	<u>(7,655,701)</u>
Net book value, end of year	<u>8,198,423</u>	<u>30,230,191</u>	<u>10,976,294</u>	<u>895,916</u>	<u>589,767</u>	<u>5,942,137</u>	<u>56,832,728</u>
As at 31 December 2021							
Cost	8,287,320	91,043,511	39,384,256	12,126,628	17,422,346	13,807,226	182,071,287
<u>Less</u> Accumulated depreciation	<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	<u>8,198,423</u>	<u>30,230,191</u>	<u>10,976,294</u>	<u>895,916</u>	<u>589,767</u>	<u>5,942,137</u>	<u>56,832,728</u>

As at 31 December 2021, certain asset items of the Company has been fully depreciated. The gross carrying amount before deducting accumulated depreciation of those assets amounted to Baht 72.2 million.

ASIAN PHYTOCEUTICALS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

	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
<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	<u>8,198,423</u>	<u>30,230,191</u>	<u>10,976,294</u>	<u>895,916</u>	<u>589,767</u>	<u>5,942,137</u>	<u>56,832,728</u>
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	<u>8,198,423</u>	<u>27,478,046</u>	<u>8,283,569</u>	<u>717,509</u>	<u>488,679</u>	<u>5,182,474</u>	<u>50,348,700</u>
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
<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>(17,096,227)</u>	<u>(8,074,976)</u>	<u>(131,494,970)</u>
Net book amount	<u>8,198,423</u>	<u>27,478,046</u>	<u>8,283,569</u>	<u>717,509</u>	<u>488,679</u>	<u>5,182,474</u>	<u>50,348,700</u>

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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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

	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</u> 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	<u>8,198,423</u>	<u>30,230,191</u>	<u>10,976,294</u>	<u>895,916</u>	<u>589,767</u>	<u>5,942,137</u>	<u>56,832,728</u>
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	<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>
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</u> Accumulated depreciation	(88,897)	(63,591,166)	(31,100,687)	(11,543,017)	(17,091,289)	(8,074,976)	(131,490,032)
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>

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.

ASIAN PHYTOCEUTICALS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

14. RIGHT-OF-USE ASSETS

Movements of the right-of-use assets - building during for the years ended 31 December 2022 and 2021 are summarized below.

	In Baht	
	Consolidated and Separate financial statements	Financial statements in which equity method is applied and Separate financial statements
	2022	2021
As at 1 January		
Cost	59,342,726	68,748,411
<u>Less</u> Accumulated depreciation	(24,967,451)	(19,116,357)
Net book amount	34,375,275	49,632,054
For the year ended 31 December		
Net book value, beginning of year	34,375,275	49,632,054
Increase during year	3,735,102	3,898,798
The termination of lease	(8,115,281)	-
Depreciation	(16,319,244)	(19,155,577)
Net book value, end of year	13,675,852	34,375,275
As at 31 December		
Cost	54,962,547	59,342,726
<u>Less</u> Accumulated depreciation	(41,286,695)	(24,967,451)
Net book amount	13,675,852	34,375,275

15. INTANGIBLE ASSETS

The net book value of computer software as at 31 December 2022 and 2021 is presented below.

	In Baht	
	Consolidated and Separate financial statements	Financial statements in which equity method is applied and Separate financial statements
	2022	2021
As at 1 January		
Cost	2,420,302	2,420,302
<u>Less</u> Accumulated amortization	(2,064,022)	(1,917,655)
Net book value	356,280	502,647
Transactions during the year ended 31 December		
Net book value, beginning of year	356,280	502,647
Amortization	(120,126)	(146,367)
Net book value, end of year	236,154	356,280
As at 31 December		
Cost	2,420,302	2,420,302
<u>Less</u> Accumulated amortization	(2,184,148)	(2,064,022)
Net book value	236,154	356,280

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FOR THE YEAR ENDED 31 DECEMBER 2022

16. TRADE AND OTHER PAYABLES

	In Baht			
	Consolidated financial statements	Financial statements in which equity method is applied	Separate financial statements	
			2022	2021
Trade accounts payable	635,842	1,992,200	605,791	1,992,200
Other payables - related parties (Note 5.2)	669,866	655,517	669,866	655,517
Accrued expenses	13,790,508	13,412,463	13,788,368	13,412,463
Unearned revenue	307,293	321,013	307,293	321,013
Others	1,763,006	633,645	1,763,006	633,645
Total	17,166,515	17,014,838	17,134,324	17,014,838

17. LEASE LIABILITIES

	In Baht	
	Consolidated and Separate financial statements	Financial statements in which equity method is applied and Separate financial statements
	2022	2021
Lease liabilities	14,057,233	34,882,795
<u>Less</u> Deferred interest expense	(237,734)	(652,943)
Total	13,819,499	34,229,852
<u>Less</u> Current portion	(12,204,106)	(18,743,898)
Lease liabilities - net of current portion	1,615,393	15,485,954

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 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

	In Baht		
	Financial statements in which equity method is applied and Separate financial statements		
	31 December 2021		
	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	19,259,816	15,622,979	34,882,795
Deferred interest expenses	(515,918)	(137,025)	(652,943)
Present value of future minimum lease payments	18,743,898	15,485,954	34,229,852

ASIAN PHYTOCEUTICALS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

The movements of lease liabilities for the years ended 31 December 2022 and 2021, are presented below:

	In Baht	
	Consolidated and Separate financial statements	Financial statements in which equity method is applied and Separate financial statements
	2022	2021
Balance, beginning of year	34,229,852	50,013,198
Addition from lease agreement entered during the year	3,651,422	2,354,132
The termination of lease	(8,524,017)	-
Payments	(15,537,758)	(18,137,478)
Balance as at the end of year	13,819,499	34,229,852

Expenses related to the lease agreements for the years ended 31 December 2022 and 2021, recognised in profit or loss as follows:

	In Baht	
	Consolidated and Separate financial statements	Financial statements in which equity method is applied and Separate financial statements
	2022	2021
Depreciation of right-of-use assets	16,319,244	19,155,577
Interest expense on lease liabilities	566,231	864,257
Profit from termination of lease	(408,736)	-
Penalty for termination of the lease	1,399,083	-
Expense relating to short-term lease	708,000	992,682
Leases of low-value underlying assets	285,585	300,676
Total	18,869,407	21,313,192

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

18. EMPLOYEE BENEFIT OBLIGATIONS

Movements of the employee benefit obligation account during the years ended 31 December 2022 and 2021 are summarised below.

	In Baht			
	Consolidated financial statements	Financial statements in which equity method is applied	Separate financial statements	
			2022	2021
Defined benefit obligations at 1 January	17,288,546	17,452,616	17,288,546	17,452,616
Included in profit or loss:				
Current service cost	1,207,293	1,144,826	1,164,449	1,144,826
Interest cost	395,908	511,178	395,908	511,178
Included in other comprehensive income:				
Remeasurements of post-employment benefit obligations				
Actuarial loss (gain) arising from				
Financial assumptions changes	-	(368,113)	-	(368,113)
Demographic assumptions changes	-	1,090,973	-	1,090,973
Experience adjustments	-	339,977	-	339,977
Total	-	1,062,837	-	1,062,837
Benefits paid during the year	-	(2,882,911)	-	(2,882,911)
Defined benefit obligations at 31 December	18,891,747	17,288,546	18,848,903	17,288,546

Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows:

	In Baht			
	Consolidated financial statements	Financial statements in which equity method is applied	Separate financial statements	
			2022	2021
Costs of sales	461,945	479,902	461,945	479,902
Administrative expenses	1,141,256	1,176,102	1,098,412	1,176,102
Total expenses recognised in profit or loss	1,603,201	1,656,004	1,560,357	1,656,004

The Company expected to pay Baht 0.4 million of long-term employee benefits during the next year. (2021 : The Company expect to not pay of long-term employee benefits during the next year).

As at 31 December 2022, the weighted average duration of the liabilities for long-term employee benefit is 12 years (2021 : 13 years).

Principal actuarial assumptions at the reporting date

For the years ended 31 December 2022 and 2021

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

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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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 2022 and 2021 are as follows:

	In Baht			
	Consolidated and Separate financial statements		Financial statements in which equity method is applied and Separate financial statements	
	2022		2021	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(799,444)	858,522	(804,978)	866,037
Discount rate (1% movement)	(1,544,866)	1,781,743	(1,554,216)	1,799,055
Future salary growth (1% movement)	1,912,173	(1,685,520)	1,732,413	(1,529,567)
Future salary growth (2% movement)	4,087,645	(3,175,488)	3,699,954	(2,883,758)
Turnover rate (20% movement)	(752,175)	815,624	(676,302)	731,376
Turnover rate (40% movement)	(1,448,465)	1,703,683	(1,303,852)	1,525,278

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	Financial statements in which equity method is applied and Separate financial statements
	2022	2021
Beginning of year	5,012,125	3,395,316
Increase during the year	83,680	-
Included in profit or loss	-	1,044,418
Included dismantling cost of rental buildings	-	1,544,666
Utilised during the year	(1,057,775)	(972,275)
End of year	4,038,030	5,012,125

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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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

21. DIVIDENDS

Dividends paid in during the years 2022 and 2021 are as follows :

		In Baht	
		Consolidated and Separate financial statements	
	Approved by	Cash dividend paid	Dividend per share
Dividend for year 2021	Annual General Meeting of the shareholders on 18 April 2022	73,990,270	0.1234
		In Baht	
		Financial statements in which equity method is applied and Separate financial statements	
	Approved by	Cash dividend paid	Dividend per share
Dividend for year 2020	Annual General Meeting of the shareholders on 19 April 2021	71,952,000	0.1200

22. FINANCE INCOME

Finance income for the years ended 31 December 2022 and 2021 are as follows:

		In Baht			
		Financial statements in			
		Consolidated financial statements	which equity method is applied	Separate financial statements	
		2022	2021	2022	2021
Interest income		9,610,822	7,621,998	9,608,278	7,621,998
Dividends income from financial assets		2,798,352	2,688,845	2,798,352	2,688,845
Dividends income from investment in associate		-	-	646,557	1,602,643
Gain (loss) on sale of other financial assets		(88,951)	2,484,332	(88,951)	2,484,332
Unrealized gain from changes in fair value		80,171	23,813	80,171	23,813
Total		12,400,394	12,818,988	13,044,407	14,421,631

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

23. INCOME TAX

Income tax expenses for the years ended 31 December 2022 and 2021 are as follows:

	In Baht			
	Consolidated financial statements	Financial statements in which equity method is applied	Separate financial statements	
			2022	2021
Current income				
Corporate income tax charge for the year	19,692,255	16,977,537	19,629,166	16,977,537
Deferred tax				
Relating to origination and reversal of temporary differences	(412,960)	(186,728)	(204,431)	(386,688)
Income tax expense presented in profit or loss	<u>19,279,295</u>	<u>16,790,809</u>	<u>19,424,735</u>	<u>16,590,849</u>
Other comprehensive income tax				
Items that will be reclassified subsequently to profit or loss				
Loss on change in value of debt securities	(839,783)	(328,462)	(839,783)	(328,462)
Items that are not recorded subsequently to profit or loss				
Gain on change in value of investments in equity	2,353,790	1,237,126	2,353,790	1,237,126
Actuarial loss	-	(212,567)	-	(212,567)
Total	<u>1,514,007</u>	<u>696,097</u>	<u>1,514,007</u>	<u>696,097</u>

The reconciliation between accounting profit and income tax are as follows:

	In Baht			
	Consolidated financial statements	Financial statements in which equity method is applied	Separate financial statements	
			2022	2021
Accounting profit before corporate income tax	100,474,730	85,489,851	99,978,905	86,377,428
Applicable tax rate	0 - 20%	20%	20%	20%
Accounting profit before corporate income tax multiplied by applicable tax rate	20,016,148	17,097,970	19,995,781	17,275,486
Effects of:				
Tax exempted revenue	(354,200)	(376,120)	(483,511)	(696,649)
Addition expenses deductible for tax purposes	(580,089)	(195,294)	(580,089)	(195,294)
Expenses not deductible for tax purposes	703,679	394,034	696,985	593,994
Share of (gain)loss from investment in associate	(121,527)	56,947	-	-
Effect of elimination entries on the consolidated financial statements	28,244	-	-	-
Current income	<u>19,692,255</u>	<u>16,977,537</u>	<u>19,629,166</u>	<u>16,977,537</u>
Relating to origination and reversal of temporary differences	<u>(412,960)</u>	<u>(186,728)</u>	<u>(204,431)</u>	<u>(386,688)</u>
Income tax expenses	<u>19,279,295</u>	<u>16,790,809</u>	<u>19,424,735</u>	<u>16,590,849</u>

ASIAN PHYTOCEUTICALS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
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FOR THE YEAR ENDED 31 DECEMBER 2022

Deferred tax assets in the statements of financial position as at 31 December 2022 and 2021 are summarised below.

	In Baht			
	Consolidated financial statements	Financial statements in which equity method is applied	Separate financial statements	
			2022	2021
Deferred tax assets				
Allowance for obsolescence of inventories	904,327	765,018	904,327	765,018
Impairment loss for investments in associate	-	-	-	199,960
Employee benefit obligations	3,778,349	3,457,709	3,769,780	3,457,709
Provisions	110,558	42,480	110,558	42,480
Lease liabilities	171,813	279,365	171,813	279,365
Provision for dismantling cost	664,523	693,975	664,523	693,975
Unrealized loss from changing value on investment	1,514,066	541,808	1,514,066	541,808
Total deferred tax assets	7,143,636	5,780,355	7,135,067	5,980,315
Deferred tax liabilities				
Unrealized gain from changing value on investment	34,750	727,136	34,750	727,136
Total deferred tax liabilities	34,750	727,136	34,750	727,136
Deferred tax assets – Net	7,108,886	5,053,219	7,100,317	5,253,179

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 2022, the Company's contribution to the provident fund recorded amounting of Baht 1.1 million (2021 : 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 2022, domestic revenue 99.6% (2021: 97.5%), export revenue were 0.4% (2021: 2.5%) of total sales revenues.

Major customers

For the year 2022 and 2021, 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 2022 and 2021 are as follows:

	In Baht			
	Consolidated financial statements	Financial statements in which equity method is applied	Separate financial statements	
			2022	2021
Changes in finished goods and work in process	323,090	929,130	323,090	929,130
Raw materials and consumable used	18,291,726	14,654,753	18,291,726	14,654,753
Production fee	1,837,122	2,311,074	1,837,122	2,311,074
Service fee of utilization from products' research and development	6,104,839	5,821,581	6,104,839	5,821,581
Commission	1,664,082	1,187,691	1,664,082	1,187,691
Employees costs	34,409,740	32,264,630	34,409,740	32,264,630
Managements' remuneration	15,777,654	18,537,408	15,777,654	18,537,408
Depreciation and amortization	23,240,618	26,957,645	23,240,618	26,957,645

27. COMMITMENTS AND CONTINGENT LIABILITIES

27.1 Operating lease commitments and service agreements

As at 31 December 2022 and 2021, the Company has commitment on rental and service agreements are as follows:

	In Million Baht	
	2022	2021
Within 1 year	0.3	0.3

27.2 Contingent liabilities

As at 31 December 2022, the Company has contingent liabilities for letters of guarantee issued by banks to government and private agency amounting to Baht 2.0 million (2021 : Baht 0.5 million), which are pledged by fixed deposits of the Company.

27.3 Capital commitments

As at 31 December 2022, the Company had capital commitments of approximately Baht 0.3 million relating to the computer software.

28. 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.

29. LEVEL OF FAIR VALUE

As at 31 December 2022 and 2021, 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 (2021: Financial statements in which equity method is applied) and Separate financial statements							
	Level 1		Level 2		Level 3		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Assets measured at fair value								
Debt securities	-	-	353.0	310.9	-	-	353.0	310.9
Unit Trust	-	-	35.8	36.1	-	-	35.8	36.1
Equity instruments of listed companies	71.4	65.8	-	-	-	-	71.4	65.8

30. FINANCIAL INSTRUMENTS

30.1 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.

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FOR THE YEAR ENDED 31 DECEMBER 2022

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.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities as at 31 December 2022 based on un discounted contractual cash flows to present value. It can be represented as follows:

	In Baht			
	Consolidated financial statements			
	Less than 1 year	1 to 5 years	> 5 years	Total
Financial liabilities				
Trade and other payables	17,166,515	-	-	17,166,515
Liabilities under lease agreements	12,404,331	1,652,902	-	14,057,233
Total financial liabilities	29,570,846	1,652,902	-	31,223,748

	In Baht			
	Separate financial statements			
	Less than 1 year	1 to 5 years	> 5 years	Total
Financial liabilities				
Trade and other payables	17,134,324	-	-	17,134,324
Liabilities under lease agreements	12,404,331	1,652,902	-	14,057,233
Total financial liabilities	29,538,655	1,652,902	-	31,191,557

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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The table below summarises the maturity profile of the Group's non-derivative financial liabilities as at 31 December 2021 based on un discounted contractual cash flows to present value. It can be represented as follows:

	In Baht			
	Financial statements in which equity method is applied and Separate financial statements			
	Less than 1 year	1 to 5 years	> 5 years	Total
Financial liabilities				
Trade and other payables	17,014,838	-	-	17,014,838
Liabilities under lease agreements	19,259,816	15,622,979	-	34,882,795
Total financial liabilities	36,274,654	15,622,979	-	51,897,633

30.2 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.

31. 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 2022, the Debt to Equity ratios according to the consolidated and separate financial statement are 0.11 : 1 (2021, the Debt to Equity ratios according to the Financial statements in which equity method is applied and separate financial statements are 0.14 : 1).

32. EVENTS AFTER THE REPORTING PERIOD

On 26 February 2023, the Company's Board of Directors meeting No.1/2023 passed the following resolutions to approve the payment of dividend to its shareholders of 600,000,000 shares at the rate of Baht 0.155 per share, totaling of Baht 93.0 million, from the retained earnings and profit for the year 2022.

However, these resolutions will be further propose for the shareholders' approval in the Ordinary General Meeting of Shareholders for the fiscal year of 2023.

33. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's Board of Directors on 26 February 2023.

Attachment 1

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">Independent DirectorChairperson of the BoardChairperson of the Audit Committee	77	<ul style="list-style-type: none">- 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	-	-	2018 – Present	Director	Thara 12 Co.,Ltd.
					2018 – 2019	Director	Knowledge Plus Institute.
					2017 – Present	Chairperson of the Board	Nara 12 Co., Ltd.
					2011 – Present	Independent Director / Chairperson of the Board / Chairperson of the Audit Committee	Asian Phytoceuticals Public Co., Ltd.
					2007 – 2018	Director	SYNNEX Public Co., Ltd. (Thailand)
			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">● Director● Chairman of the Executive Committee● CEO● Authorized Director	78	- 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	2022 – Present	Director	Killer T Cell for Pets Co.,Ltd.
					2000 – Present	Director	Arun Pittaya Co., Ltd.
					1988 – Present	Director / Chairman of the Executive Committee / CEO	Asian Phytoceuticals Public Co., Ltd.
					Holding a position of director / executive in other organization		
						Director	<u>Listed companies</u> -None-
						Director	<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
Dr.Jingjai Hanchanlash / April 30, 2011 <ul style="list-style-type: none"> ● Director ● Executive Committee ● Authorized Director 	80	- 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%	-	2022 – Present	Risk Management Committee	National Science and Technology Development Agency (NSTDA)
					2020 – Present	Advisor to the Executive Committee	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
					2017 – Present	Academic committee	King Prajadhipok's Institute
					2016 – Present	Executive Committee	The Centre for European Studies (CES)
					2016 – Present	Chairman	Thai-Canadian Economic Cooperation Foundation
					2015 – Present	Executive Committee	King Prajadhipok's Institute
					2014 – Present	Promotion Committee	Princess Galyani Vadhana Institute of Music
						Director and Executive Committee	Asian Phytoceuticals Public Co., Ltd.
					2005 – Present	President	The French Association
					2004 – Present	Honorary Consuls	Honorary Consulate of Jamaica in Thailand.
					2004 – Present		
					2001 – Present	Independent Director	Laguna Resorts and Hotel Public Co., Ltd.
					2000 – Present	Independent Director	Thai Wah Food Products Public Co., Ltd.
					1999 – Present	Executive Chairman	Rutnin-Gimbel LASIK Centre
					1999 – Present	Advisor	French-Thai Business Council (FTBC)
					1999 – Present	Director	The Development Cooperation Foundation
					1996 – Present	Director	Mekong Region Law Center

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	<u>Listed companies</u>
						Independent Director	Muang Thai Insurance Public Co.,Ltd. Laguna Resorts and Hotel Public Co., Ltd.
						Independent Director	Thai Wah Food Products 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
Assoc. Prof.Arune Wiriya chitra / April 30, 2011 <ul style="list-style-type: none"> • Director • Executive Committee • Authorized Director 	76	<ul style="list-style-type: none"> - 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	2022 – Present	Director	Killer T Cell for Pets Co.,Ltd.
					2012 – Present	Chairperson of Corporate Sustainability	Asian Phytoceuticals Public Co., Ltd.
					2012 – Present	Vice-President	Association of Developing Human Potential and Giftiness
					2005 – Present	Director / Executive Committee and Company Secretary	Asian Phytoceuticals Public Co., Ltd.
					2000 – Present	Managing Director	Arun Pittaya Co., Ltd.
					Holding a position of director / executive in other organization		
						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
Assoc. Prof. Dr.Varakorn Samakose / April 30, 2011 ● Independent Director ● Audit Committee	75	- 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	-	-	2018 – Present	Vice-Chairman	The National Strategy on Developing and Strengthening Human
					2017 – Present	Council Committee	The National Economics and Social
					2017 – Present	Advisor	Development Council NESDC) Thai
					2016 – Present	Director	Health Promotion Foundation (ThaiHealth)
					2011 – Present	Audit Committee/ Independent Director	The Public Sector Development Commission (OPDC)
					Holding a position of director / executive in other organization		
					Listed companies -None-		
Non-listed companies -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
Prof. Dr.Praipol Koomsup / April 30, 2011 <ul style="list-style-type: none">● Independent Director● Audit Committee	75	<ul style="list-style-type: none">- 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)	-	-	2019 – 2020	Minister's Advisor	Minister of Energy
					2014 – Present	Fund Committee	Energy Policy and Planning Office
					2011 – Present	Independent Director / Audit Committee	Asian Phytoceuticals Public Co., Ltd.
					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
Executive							
Mrs. Jannatthabhorn Janprasert November 11, 2011 ● Assistant to Chief Executive Officer for Production	57	- 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	56	- 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	57	- 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	54	- Bachelor of Accounting Prince of Songkla University <u>Continuing Professional Development in 2022</u> - Provision for impairment of financial instruments (TFRS9) 6 hours - Summary of important mistakes for bookkeepers along with practical	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
		guidelines to be correct according to accounting rules 6 hours					
Chief Accountant							
Ms. Jareerat Jintana November 11, 2011 • Chief Accountant	54	- Bachelor of Accounting Ramkhamhaeng University <u>Continuing Professional Development in 2022</u> - Closing financial statements professionally 7 hours - Preparation of consolidated financial statements (Basic) 7.30 hours	-	-	2011 – Present	Chief Accountant	Asian Phytoceuticals Public Co., Ltd.
Company Secretary							
Assoc. Prof.Arune Wiriyaichitra / July 2, 2011 • Company Secretary	76	- 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	15.37%	Spouse of Prof. Dr. Pichaet Wiriyaichitra	2022 – Present 2012 – Present 2012 – Present 2005 – Present 2000 – Present	Director Chairperson of Corporate Sustainability Vice-President Director / Executive Committee and Company Secretary Managing Director	Killer T Cell for Pets Co.,Ltd. Asian Phytoceuticals Public Co., Ltd. Association of Developing Human Potential and Giftiness Asian Phytoceuticals Public 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
		<ul style="list-style-type: none"> - Diploma of English Language Teaching, Perth Technical College, Australia - Diploma of Director Accreditation Program (DAP) 43/2005, Thai Institute of Directors Association (IOD) 					
Ms. Jutirat Promchotchai / February 22, 2021 <ul style="list-style-type: none"> ● Company Secretary 	49	<ul style="list-style-type: none"> - 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. - Cyber Security Auditing for None IT-Auditors - Future Trends Cybersecurity in Internal Audit, The Institute of 	-	-	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
		<p>Internal Auditors of Thailand.</p> <p>- Top Risks for Internal Audit 2022, The Institute of Internal Auditors of Thailand.</p> <p>- Perspectives of Senior Executives and Internal Audit, The Institute of Internal Auditors of Thailand.</p> <p>- Combating Fraud using Modern Technology, The Institute of Internal Auditors of Thailand.</p> <p>- Third-party Risk Management, The Institute of Internal Auditors of Thailand.</p> <p>- Prepare the organization for compliance with the PDPA, PDPA Consultant & Training Co., Ltd.</p> <p>- Income, The difference between accounting and tax, Department of Business Development Ministry of Commerce</p>					

Company Secretary duties and responsibilities

The Board agreed to appoint Assoc.Prof. Arunee Wiriyaichitra 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 Plunchitchom	Prof. Dr.Pichaet Wiriyaichitra	Dr.Jingjai Hanchanlath	Assoc. Prof. Arunee Wiriyaichitra	Assoc. Prof. Dr.Varakorn Samakoses	Prof. Dr.Praipol Koomsup	Mrs. Jannathabhorn Janprasert	Mrs. Apinya Ulumpanon	Mrs. Sirthip Wiriyaichitra	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	D	D	D	D
<i>Subsidiary</i>										
Killer T Cell for Pets Co.,Ltd.		B		B						
<i>Associates</i>										
Hisold Digital Co., Ltd.		B								
<i>Related company</i>										
Arun Pittaya Co., Ltd.		B		B,D						

Attachment 2

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.Aruneer Wiriyachitra	A
Ms. Chuleekorn Warinrak	A,B
Ms. Podchara Dechapraphun	A

Attachment 3

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	49	<ul style="list-style-type: none">- 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.- Cyber Security Auditing for None IT-Auditors- Future Trends Cybersecurity in Internal Audit, The Institute of Internal Auditors of Thailand.- Top Risks for Internal Audit 2022, The Institute of Internal Auditors of Thailand.- Perspectives of Senior Executives and Internal Audit, The Institute of Internal Auditors of Thailand.	-	-	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"> - Combating Fraud using Modern Technology, The Institute of Internal Auditors of Thailand. - Third-party Risk Management, The Institute of Internal Auditors of Thailand. - Prepare the organization for compliance with the PDPA, PDPA Consultant & Training Co., Ltd. - Income, The difference between accounting and tax, Department of Business Development Ministry of Commerce. 					

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 recognize 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

Business Assets

(A) Main non-current assets

Assets that the Company and its subsidiary used in business operations as of December 31, 2022, 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 Phayasadja 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	27,478,044.72
Machinery and equipment	Own	8,283,569.27
Tools and utensils	Own	717,508.87
Office decoration	Own	40,195.56
Office supplies	Own	448,483.27
Vehicle	Own	5,182,474.35
Total		42,150,276.04

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, 2022 – June 30, 2023 Rental: 35,000 Baht per month
3. APCO, Esplanade Branch Located at 317, 3 rd 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 th floor, AIA Capital Center Building	Tenant: APCO Lessor: AIA Company Limited Duration: 3 years from October 1, 2020 – September 30, 2023. Rental area: approximately 1,894.72 square meters Rent: 760 Baht per month per square meter or roughly 1,438,205.00 Baht per month



Note: For the 1st, 2nd, and 4th 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 3rd 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
	Arthrionon	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
	Dethritis	APCO	April 20, 2010	April 19, 2030
	Debetes	APCO	April 20, 2010	April 19, 2030
	Imm	APCO	May 11, 2010	May 10, 2030
	LIV CAPSULE	APCO*	January 29, 2015	January 28, 2025
	BIMXTRA	APCO	May 7, 2015	May 6, 2025
	EYELAST	APCO	May 7, 2015	May 6, 2025
	BIMEYE	APCO	May 7, 2015	May 6, 2025
	MACULAST	APCO	May 7, 2015	May 6, 2025
	BIMPLUS	APCO	May 7, 2015	May 6, 2025
	BIMOPLUS	APCO	September 17, 2015	September 16, 2025
	ECZENOK	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
	Arthrinox	APCO	March 24, 2021	March 23, 2031
	Diabenox	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, 2017**

Product Type	Trademark	Owner	Registration Date	Expiration date
	FIGOR	APCO	May 23, 1997	May 22, 2027
	GREENLINE	APCO	October 10, 2006	October 9, 2026

Note: * Currently available trademarks

** Under renewal

- 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 the invention patent, which has been registered with the Department of Intellectual Property, Ministry of Commerce in the amount of 1 copy, including the patent for "nutritional pharmaceutical ingredients" registration number 88631, registered on June 22, 2022 and is in the process of applying for registration of two more patent applications.

Details of the patent application summarized as follows:

Invention patent ^{/1}	Detail	
Patent name	Components to regulate the immune response	Phytochemical compositions and techniques for immunomodulation, including anti - pathogen and anti-autoimmune-disorder immunomodulation ^{/2}
Request number	1001001545	1601002466
Application submission date	5 October 1990	28 April 2016
Applicant Name	Asian Phytoceuticals Public Co. Ltd.	Asian Phytoceuticals Public Co. Ltd.
Inventor's name	Mr. Pichaet Wiriyaichitra Mrs. Ampai Panthong Mrs. Siriwan Ong-chai Ms. Souwalak Phongpaichit Ms. Wilawan Mahabudsarakam	Mr. Pichaet Wiriyaichitra
Status	Submit an amendment request before registration	Submit an amendment request before registration

Note: ^{/1} 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.

^{/2} 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 Wiriyaichitra and his wife, Associate Professor Arunee Wiriyaichitra. Party 2: Arun Pithaya Company Limited ("Licensor") Which holds 100 percent of shares by Professor Dr.Pichaet Wiriyaichitra and his wife, Associate Professor Arunee Wiriyaichitra.
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 Wiriyaichitra 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 Wiriyaichitra together with his research teams and allow the Company to do production for free. However, Professor Dr.Pichaet Wiriyaichitra 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 Wiriyaichitra as Managing Partner, to be Arun Pithaya Company Limited which holds 100 percent of shares by Professor Dr. Pichaet Wiriyaichitra and his wife, Associate Professor Arunee Wiriyaichitra. 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

The contract was made between APCO and

(1) Associate Professor Dr. Wilawan Mahabudsarakam Dated March 1, 2010

The Company hires such experts as a consultant on product research. Pay wages on a monthly basis. It is effective from the date of the contract until the contract is terminated. The expert is a research group participant 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.

3. Research and development consultant contract

The contract was made between APCO and

(1) Associate Professor Dr. Pharm. Ampai Panthong Dated January 1, 2012

(2) Associate Professor Dr. Pharm. Souwalak Phongpaichit Dated January 1, 2012

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 and the contract is effective from the date of the contract until the contract is terminated. 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.

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	:	<ol style="list-style-type: none">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

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

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

Audit Committee Report

The Audit Committee of Asian Phytoceuticals Public Co., Ltd. is comprised of 3 members as follows:

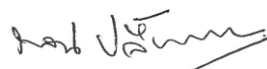
- | | |
|--|------------------------------------|
| 1. Ms. Maleeratna Plumchitchom | Chairperson of the Audit Committee |
| 2. Associate Professor Dr.Varakorn Samakoses | Audit Committee |
| 3. Professor Dr.Praipol Koomsup | Audit Committee |

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 2022, 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 2022 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 Phytochemicals Public Company Limited produces a report on sustainable report for the 7th year in according to the Global Reporting Initiative (GRI) – GRI Standards at CORE level. In 2021, the report has been linked to the Sustainable Development Goals (SDGs) of the United Nations, and in 2022, it was linked to the BCG Model: Bio-Circular-Green. Economy) that the government have announced as a national agenda. Reporting of water management data, safety and occupational health data and waste management data has been disclosed in accordance with the new GRI Standards reporting guidelines (GRI Standards 2021).

The contents of the report reflect the results of operations of the Company related to the sustainable economic, social and environment. 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, 2022. The report details the overall information of only Asian Phytochemicals 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. The report is published in book form in both English and Thai and online at 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

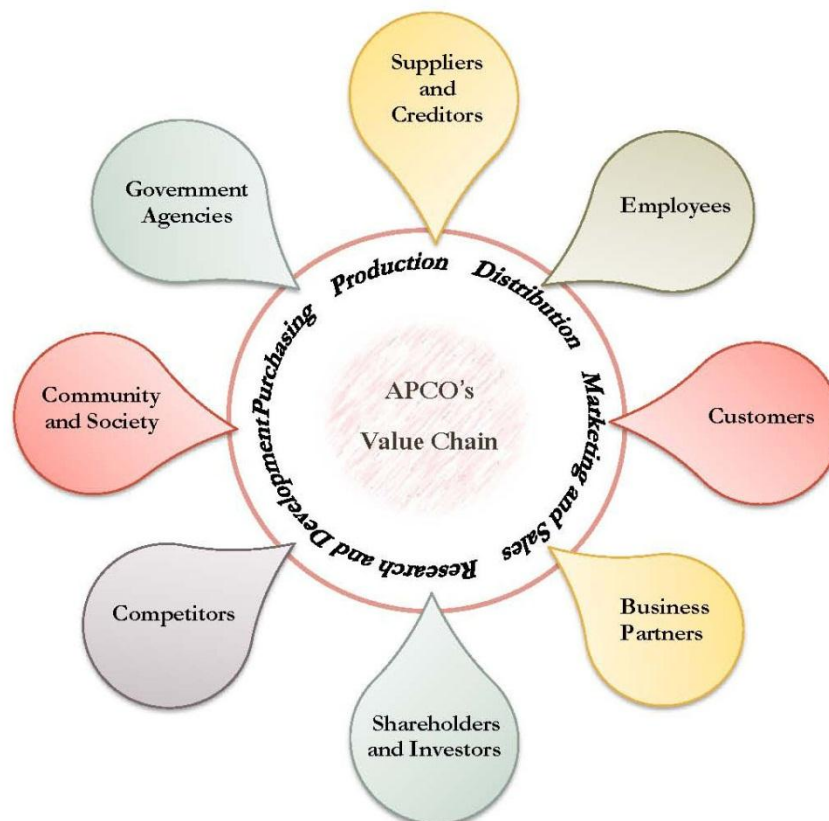
"APCO" has appointed an advisory team to oversee the Company's sustainable development

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 2022, the Company has reviewed and classifies stakeholders into 8 groups: 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"> ➤ Contract which is legally binding by law ➤ Follow-up on progress in the ongoing work plan as well as listening and solving problems in working together 	<ul style="list-style-type: none"> ➤ Compliance with the terms and conditions of the obligation ➤ Being a good business partner and having a long term relationship ➤ Financial discipline and competence to pay off debt on time ➤ Fair and transparent business operations 	<ul style="list-style-type: none"> ➤ Fairly comply with the business terms of the agreed parties and have good ethics ➤ Build a good relationship with suppliers ➤ Pay the debt on schedule ➤ Comply with laws and regulations related
Employees	<ul style="list-style-type: none"> ➤ Employee meetings ➤ Executives VS employees meeting ➤ Line : Communication within APCO ➤ Announcement ➤ Message from CEO to Employee ➤ Comment box 	<ul style="list-style-type: none"> ➤ Equitable and fair compensation and welfare ➤ Employee development ➤ Career advancement and security ➤ Compliance with the terms and conditions of the employment contract ➤ Good environment and work safety 	<ul style="list-style-type: none"> ➤ Establish a policy to comply with labor laws and pay fair compensation. ➤ Provide appropriate training for knowledge and skills. ➤ Promote training / seminars ➤ Take care of safety and Good hygiene at work
Customers	<ul style="list-style-type: none"> ➤ Newsletter ➤ Counseling by Medical Scientist ➤ Social media such as Facebook, Line Official ➤ Factory visit ➤ Meet with customers ➤ Website : http://www.apco.co.th ➤ APCO Contact Center 1154 ➤ Comment box 	<ul style="list-style-type: none"> ➤ Product quality ➤ Consultation on the use of the product ➤ Right product price ➤ Ability to respond to customer needs ➤ Accurate disclosure ➤ Security and privacy of customer data 	<ul style="list-style-type: none"> ➤ Develop products and services to be able to standards for both quality and safety ➤ Set product prices appropriately ➤ Increase communication channels promotion ➤ Train staff for serving and solve problems for customers appropriately ➤ Business operations with transparency and have a code of conduct
Business Partners	<ul style="list-style-type: none"> ➤ Integrative negotiation (win-win) ➤ Meeting ➤ E-mail, Telephone 	<ul style="list-style-type: none"> ➤ Fair and transparent business practices according to contracts and regulations ➤ Accurate, complete, timely, and transparent information 	<ul style="list-style-type: none"> ➤ Conduct business fairly and transparently ➤ Agreed mutually on fair compensation and determined in writing. ➤ Disclosure of correct, complete, timely and transparent information


Shareholders and Investors	<ul style="list-style-type: none"> ➤ Annual General Meeting ➤ 56-1 One Report ➤ Investor Relations ➤ Website : http://www.apco.co.th ➤ Shareholders & investors meeting through various activities ➤ Opportunity day 	<ul style="list-style-type: none"> ➤ Return on performance ➤ Risk Management and Good Corporate Governance ➤ Equal and fair treatment ➤ Accurate, complete, timely, and transparent information 	<ul style="list-style-type: none"> ➤ Proper dividend payment to shareholders ➤ Managing the organization according to the principles of good governance effectively. ➤ Disclosure of correct, complete, timely and transparent information
Competitors	<ul style="list-style-type: none"> ➤ Website : http://www.apco.co.th ➤ Company news 	<ul style="list-style-type: none"> ➤ Ethical business operation ➤ Free and fair trade policy ➤ No policy in trade competition to obtain illegal and unethical information from competitors 	<ul style="list-style-type: none"> ➤ Treat competitors fairly and transparently. ➤ Behave within the framework of fair competition.
Community and Society	<ul style="list-style-type: none"> ➤ Social activities and campaigns ➤ Visiting of community representatives 	<ul style="list-style-type: none"> ➤ Potential impact of the Company's operations ➤ Promotion of the quality of life and the creation of the community ➤ Environmental Stewardship 	<ul style="list-style-type: none"> ➤ Follow the law and various regulations related to the environment ➤ Job creation, career promotion for the community and community economic development ➤ Cultivating consciousness and educating employees to maintain and care for the environment
Government Agencies	<ul style="list-style-type: none"> ➤ Monitoring government policies from various channels ➤ Meetings with government agencies ➤ Mail, E-mail, Telephone 	<ul style="list-style-type: none"> ➤ Compliance with government rules, regulations and laws ➤ Product quality and safety ➤ Advertising/Packaging Labels and Consumer Protection ➤ Social and Environmental Responsibility 	<ul style="list-style-type: none"> ➤ Strict compliance with rules, regulations and laws ➤ Policy acceptance and cooperation

Materiality Assessment Process

The Company has a 4 step processes to assess the materiality of sustainability by


Identification

Step 1 The Company considered and reviewed material issues in 2022 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



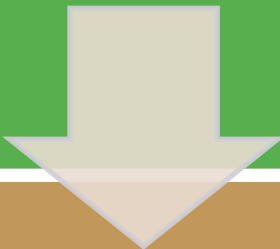
Prioritization

Step 2 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

Step 3 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

Step 4 The Company reviews material issues to develop and continuously improve the content of information disclosure for the following year.

Step 1: Identifying Materiality

In 2021, 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 2022, 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



- ✓ Good Performance
- ✓ Corporate Governance
- ✓ Anti-Fraud and Corruption
- ✓ Risk Management
- ✓ Innovation Development and Value Creation

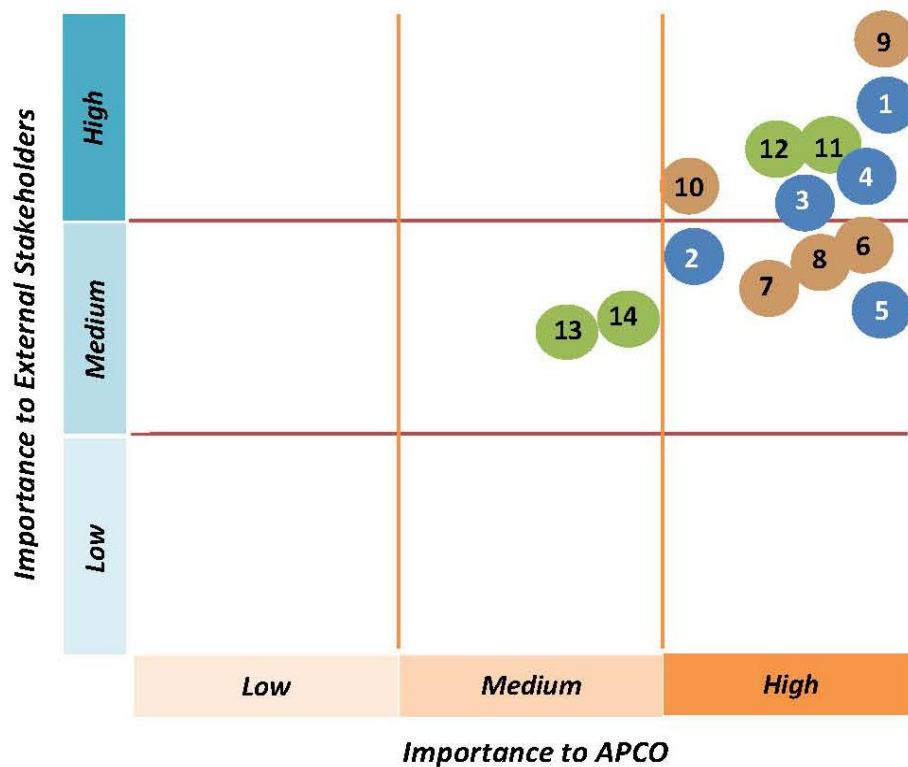


- ✓ Employee Development and Caring
- ✓ Human Rights and Labor Practices
- ✓ Safety and Occupational Health
- ✓ Responsibility for Consumer
- ✓ Community Development and Support



- ✓ Implementation of Environmental Law
- ✓ Energy Management and Climate Change
- ✓ Water Management
- ✓ Waste Management

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

	Internal		External						
	APCO	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

	SDGs	BCG Model
Economic		
<ul style="list-style-type: none"> ➤ Good Performance ➤ Corporate Governance ➤ Anti-Fraud and Corruption ➤ Risk Management ➤ Innovation Development and Value Creation 	   	<div>(Bio Economy)</div>
Social		
<ul style="list-style-type: none"> ➤ Employee Development and Caring ➤ Human Rights and Labor Practices ➤ Safety and Occupational Health ➤ Responsibility for Consumer ➤ Community Development and Support 	    	<div>Green Economy</div>
Environment		
<ul style="list-style-type: none"> ➤ Implementation of Environmental Law ➤ Energy Management and Climate Change ➤ Water Management ➤ Waste Management 	  	<div>Circular Economy</div>

Sustainability Management, *The Company has done the following*

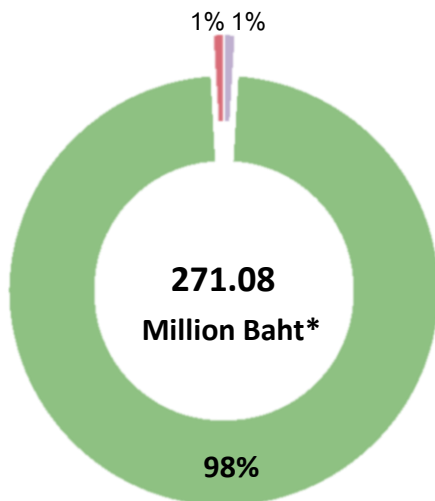
Economic

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 2022



Unit: Million Baht

Beauty Cosmetic Products	2.52
Dietary Supplement and Health Drink Products	266.23
Dietary Supplement Products for Pet Care	2.33
Total	271.08

*Before deducting the Sales Agent's compensation according to the Financial Reporting Standard No. 15

Sales Revenue

Unit: Million Baht

2022	271.08
2021	245.16
2020	276.12

Net Profit

Unit: Million Baht

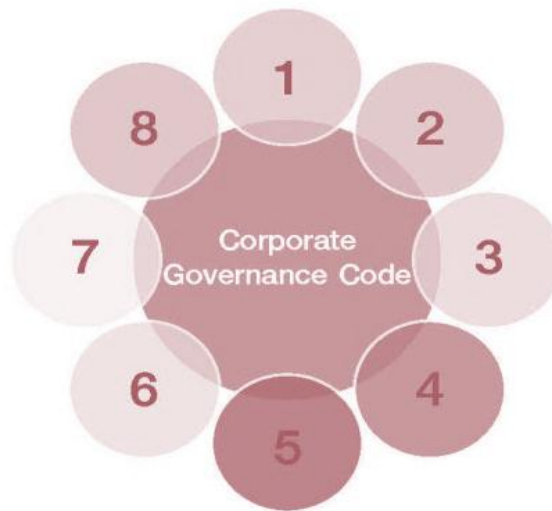
2022	81.20
2021	68.70
2020	69.88

Dividend Payout Ratio

Unit: Million Baht

2022	115.45
2021	106.02
2020	100.10

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

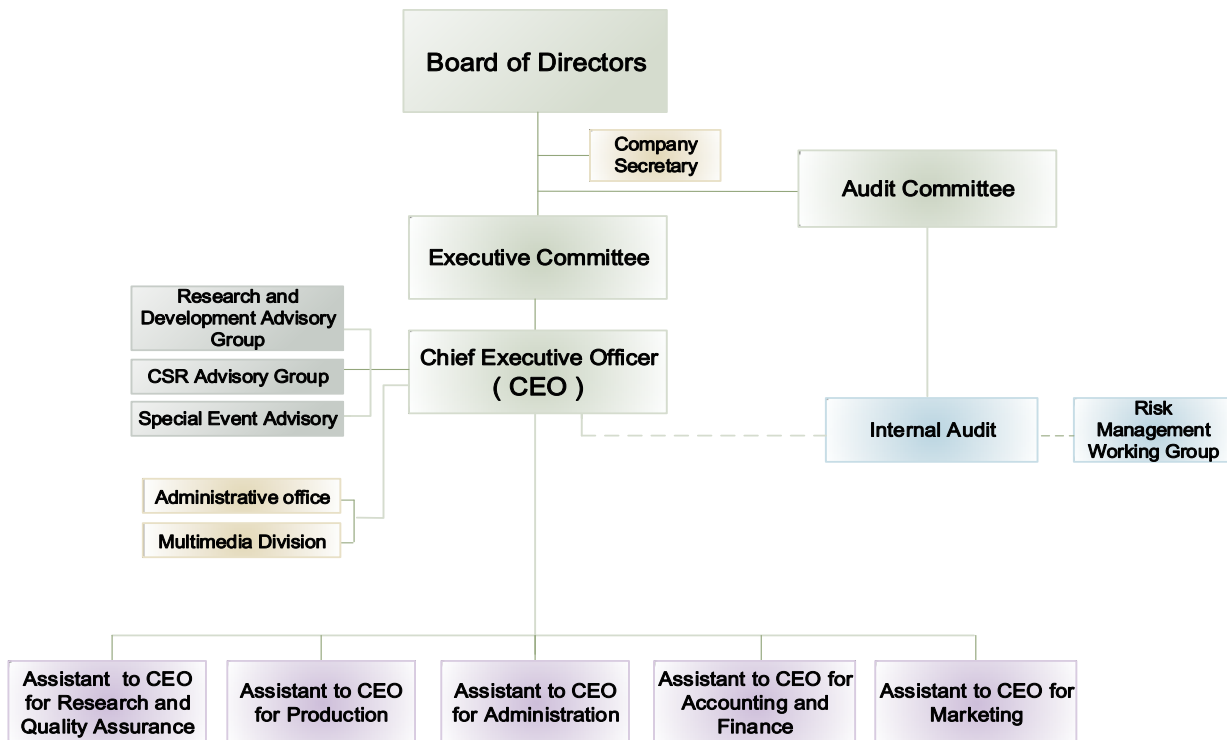
The Company utilizes the 8 principles of Good Corporate Governance for listed companies 2017 of The Securities and Exchange Commission, Thailand (SEC) in guiding the policy development through consideration and approval from the Board of Directors and made in a manual form as guidelines in accordance 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:

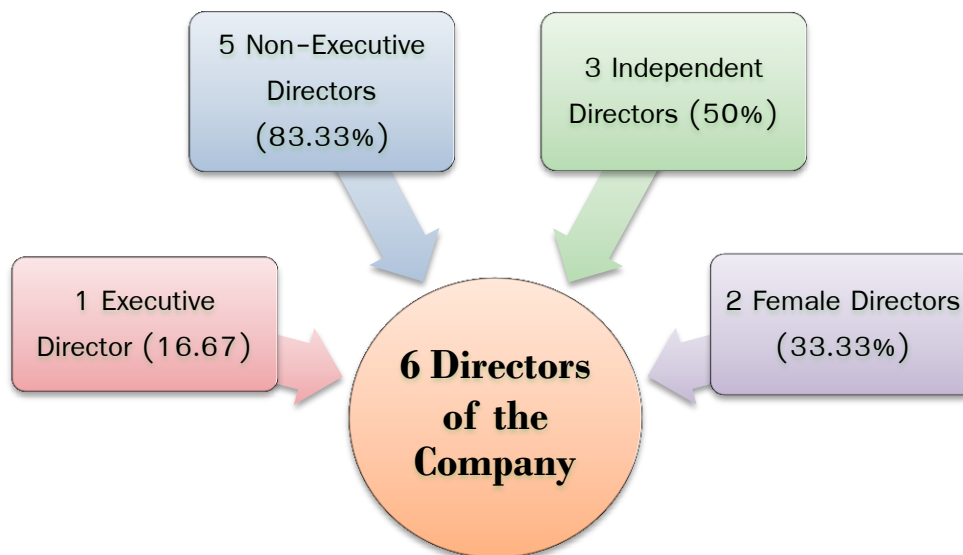
- ✓ The Board of Directors
- ✓ 2 sub-committees assigned by the Board of Directors, namely the Audit Committee and the Executive Committee
- ✓ Management team



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 6 directors, 4 males and 2 females

- ✓ One Executive Director (16.67%)
- ✓ 5 Non-Executive Directors (83.33%) being 3 independent directors (50%) 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.

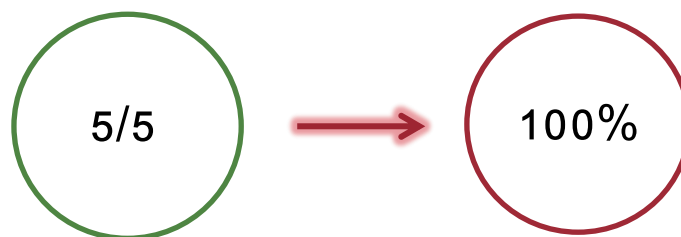


Chairperson



Chief Executive Officer

The Board of Directors Meeting



In the year 2022, the Company held 5 meetings of the Board of Directors. The attendance rate of individual directors is 100% 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 6 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 4 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.

The results of the annual performance evaluation in 2022 are as follows:



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 65

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 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



Mailing

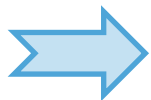
*to the Audit Committee of the Company 84/3 Moo 4, Superhighway 11 Road, Ban Klang,
Muang, Lamphun 51000*



Sending electronic mail

to 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.



Overall Operation

In 2022, 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:

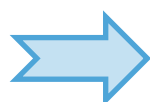
Policy for Risk Management

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 2022, 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

APCO's innovation stems from its research and development efforts to create and distribute products made from Thai edible plants, aligned with the sustainable economic development model known as the BCG Economy Model

1) Innovative Cosmetic Products Made from Mangosteen Peel Extracts

The use of mangosteen peel mixed with limewater has long been established in Thai folk medicine for its wound-healing properties. This piqued the interest of APCO's research team, who dedicated further research to develop an extract called GM-1. This extract exhibits four therapeutic properties, including the inhibition and eradication of bacteria growth, anti-inflammatory effects on the skin, antioxidant properties, and the prevention of skin cell degradation.



Despite its benefits, the mangosteen peel contains tannins and other potentially harmful substances for users. Thus, APCO conducted additional research to refine the GM-1 extract and obtain a pure state suitable for the production of skin care cosmetics. This pure GM-1 extract exhibits healing properties for skin inflammation, acne, and various rashes, while also helping to tighten pores and naturally adjust the skin to become firmer and smoother, all without the use of harmful chemicals or any side effects.

2) Innovative Slimming Products Made from HCA Extract of Garcinia Atroviridis Fruit

Hydroxy Citric Acid (HCA) is a substance extracted from the fruit of *Garcinia atroviridis*. It possesses the property of inhibiting the activity of ATP-Citrate Lyase, an enzyme responsible for converting sugar (glucose) from carbohydrate foods into stored fat in the body, and instead converting it into energy for the body. Any excess glucose is used to produce glycogen, which is stored in the liver and muscles, providing the body with energy reserves. This leads to a prolonged feeling of fullness and helps slow down hunger.



Leveraging the properties of HCA to inhibit the activity of ATP-Citrate Lyase, APCO conducted research and development to create an innovative extract from the fruit of *Garcinia atroviridis*. This extract is used in the production of cosmetic products and dietary supplements designed to promote bodyslimming and firming safely, without debilitation or any impact on the central nervous system.

3) Innovative Dietary Supplements Made from Extracts of Mangosteen, Black Sesame, Soybean, Guava, and Centella Asiatica to Create Balance in the Immune System

Research on the efficacy of GM-1 on the immune system, called Operation "BIM" (Balancing Immunity), combines GM-1, the substance extracted from mangosteen, with extracts from various fruits and grains, namely black sesame, soybean, guava and Centella asiatica, to come up with the BIM formula that possesses a crucial property to create balance in the immune system in line with the principles of immunology by acting to balance among four types of white blood cells, namely

- ✓ Th1 – which stimulates the immune system to more efficiently eliminate fungi, bacteria, viruses, and cancer cells
- ✓ Th2 – which stimulates the immune system to more efficiently eliminate allergens and helminths
- ✓ Th17 – which stimulates the immune system to eliminate the residual foreign bodies that were not dealt with by Th1 and Th2. Overstimulation of Th1, Th2, and Th17 will cause an excess state of immunity leading to autoimmune diseases
- ✓ Treg – which adjusts the overactive immune system back to equilibrium

The BIM series of dietary supplements is an innovation created to promote immune system balance and improve the quality of life for consumers who have problems such as infection, uterine fibroids, ovarian cysts, allergies, sinusitis, chronic gastroenteritis, acid reflux, osteoarthritis or inflammation of the joints, itchy skin rash, psoriasis, hepatitis, cirrhosis, kidney failure, thyrotoxicosis, asthma, Parkinson's Disease, diabetes, clots in the arteries, dizziness, migraine, gout, and other conditions.



4) Innovative Dietary Supplements Made from Extracts of Mangosteen, Black Sesame, Soybean, Guava, and Centella Asiatica as Immunotherapy for Cancer and AIDS

Research on the efficacy of GM-1 extract found that it was able to kill cancer cells in the test tube. The APCO researchers furthered their work by applying synergism to the research on the properties of various fruits and grains, creating an innovative immunotherapy capable of stimulating white blood cells, namely Th1 up to 200% and Th17 up to 500%, as well as Killer T cells, a type of white blood cell that plays a crucial role in eliminating foreign bodies that enter the body by capturing and destroying virus-infected cells and cancer cells, completely clearing them from the body. Therefore,



this innovative immunotherapy can be used for cancer, HIV and various viruses. It is capable of causing a continual decrease in HIV levels, leading to a strong body, normal CD4 levels, and an undetected level of HIV over a long period, thus resulting in a functional cure or the eradication of HIV. This innovative immunology-based dietary supplement can be considered a safe immunotherapy that is used to eliminate cancer and eradicate HIV without the use of antiretroviral drugs and without side effects.

5) Innovative Dietary Supplements Developed from the Innovation in Item 3 as “Rejuvenation” for Slowing Down and Reversing Aging

Drawing on the immune system-stimulating and balancing properties of dietary supplements based on the BIM formula, APCO researchers further studied and enhanced the efficacy of the product by combining scientific knowledge of telomeres with immunology. This resulted in a dietary supplement innovation called "Rejuvenation", which



not only boosts the immune system but also repairs and lengthens telomeres - the protective ends of chromosomes that store genes or DNA. When telomeres become significantly shortened, cells stop dividing and begin to die, and the lack of replacement by new cells

can lead to degenerative diseases such as cancer, cardiovascular disease, Alzheimer's, and diabetes. By repairing and lengthening telomeres, we can slow down aging, reverse the aging process, and increase lifespan. As a result, consumers can enjoy continuously better and stronger health.

6) Innovative Dietary Supplements Developed from the Innovation in Item 3 to Treat Cancer and Viruses in Pets

Drawing on the research on and efficacy of immune system-stimulating and antiviral properties of dietary supplements based on the BIM formula, the research team further studied the properties of extracts from five kinds of plants and fruits for veterinary use. These plants and fruits are mangosteen, black sesame, soybean, Centella asiatica, and guava, and were studied for their effectiveness in treating cancer, tumors, and infections caused by feline leukemia virus (FeLV) and feline immunodeficiency virus (FIV) which cause leukemia and AIDS in cats, respectively. The resulting innovation safely and effectively stimulates white blood cells in pets and is a groundbreaking product in caring for sick pets, as currently there is no drug available to maintain their good health and improve their quality of life.



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

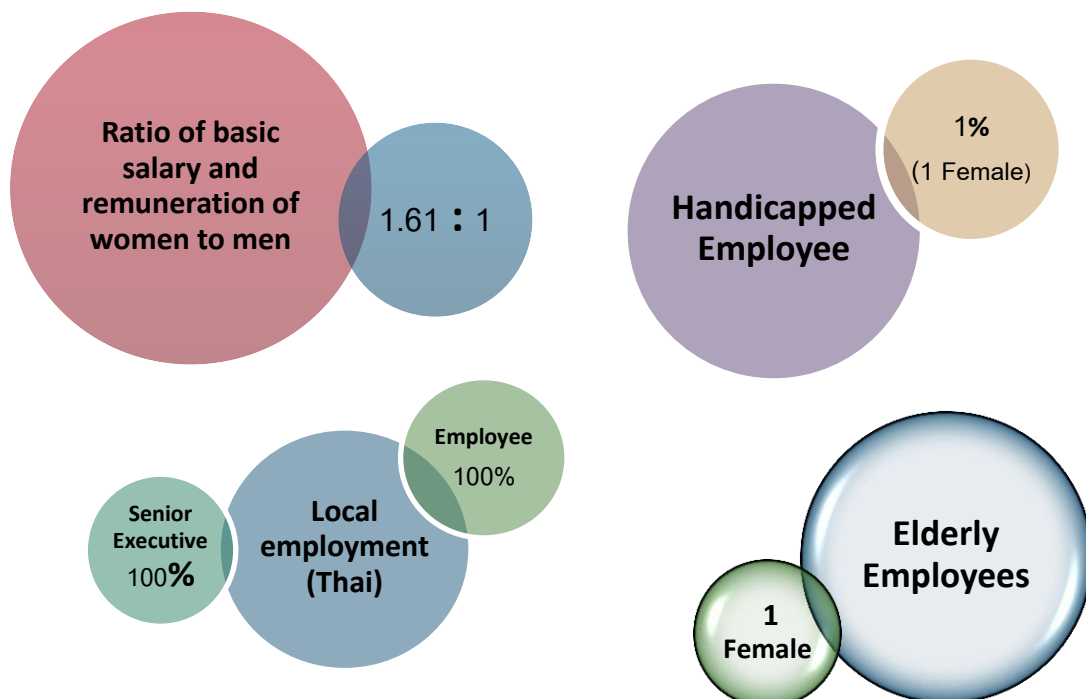
- External Sustainable Development

- 9. Responsibility for Consumer
- 10. Community Development and Support

- Internal Sustainable Development

6. Employee Development and Caring

Employee information for the year 2022



	2022		2021		2020	
	(Persons)	%	(Persons)	%	(Persons)	%
Sex						
Male	41	41.41	44	41.51	45	40.91
Female	58	58.59	62	58.49	65	59.09
Workplace						
Head Office	47	47.47	50	47.17	49	44.54
Ratchadapisek Branch	42	42.42	46	43.40	48	43.64
Chiang Mai Branch	3	3.03	3	2.83	3	2.73
Chonburi Branch	3	3.03	3	2.83	3	2.73
Hat Yai Branch	4	4.04	4	3.77	7	6.36
Employment type						
Monthly Employee	85	85.86	89	83.96	95	86.36
Daily Employee	14	14.14	17	16.04	15	13.64
Age						
18-35 Years	54	24.24	31	29.25	28	25.46
35-50 Years	56	56.57	56	52.83	61	55.45
50 Years or more	19	19.19	19	17.92	21	19.09
Level						
Executive	8	8.08	9	8.49	9	8.18
Management	12	12.12	14	13.21	15	13.64
General	79	79.80	83	78.30	86	78.18

New Employees

Male	7	7.07	4	3.77	4	3.64
Female	6	6.06	1	0.94	4	3.64
Employment Type						
Monthly Employee	3	23.08	1	20.00	2	25.00
Daily Employee	10	76.92	4	80.00	6	75.00

Employees Resign

Male	10	10.10	4	3.77	5	4.55
Female	7	7.07	2	1.89	7	6.36
Employment Type						
Monthly Employee	6	35.29	2	33.33	3	25.00
Daily Employee	11	64.71	4	66.67	9	75.00
Turnover Rate						
% to total employees		17.17		5.66		10.91

* As December 31, 2022

“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:

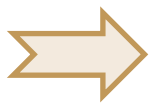
Employee Development

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 2022, Asian Phytoceuticals Public Company Limited has arranged training courses for employees both In-house training and external training in various fields, average training 6 hours/person/year representing 4.47 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.

Caring for employees during the COVID-19 situation

Although in 2022, the situation of the spread of the COVID-19 virus has continued to improve, the company still maintains preventive measures and strengthens employee health care as follows:

- ✓ Provide the Company's immune-boosting products to take care of employees during the COVID-19 virus outbreak.
- ✓ Give alcohol gel to employees, including setting up alcohol gel spots at various points of the office building and work area.
- ✓ Measure the body temperature of employees every time before entering the workplace.
- ✓ All employees are screened for COVID-19 with an Antigen Test Kit (ATK) on a weekly basis and on the first day of returning to work after a long holiday.
- ✓ All employees are required to wear masks in crowded areas while working.
- ✓ Set measures for office buildings for outsiders who come to contact the Company. They must wear a mask at all times and measure body temperature before coming in contact and provide alcohol gel at the entrance-exit of the office.

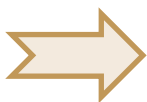
7. Human Rights and Labor Practices

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 2022, there is 1 employee taking parental leave and returning to work afterwards)
- ✓ 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 2022, **no practice was found** to be inconsistent with the non-violating human rights policy and no complaints were found about such human rights violations.

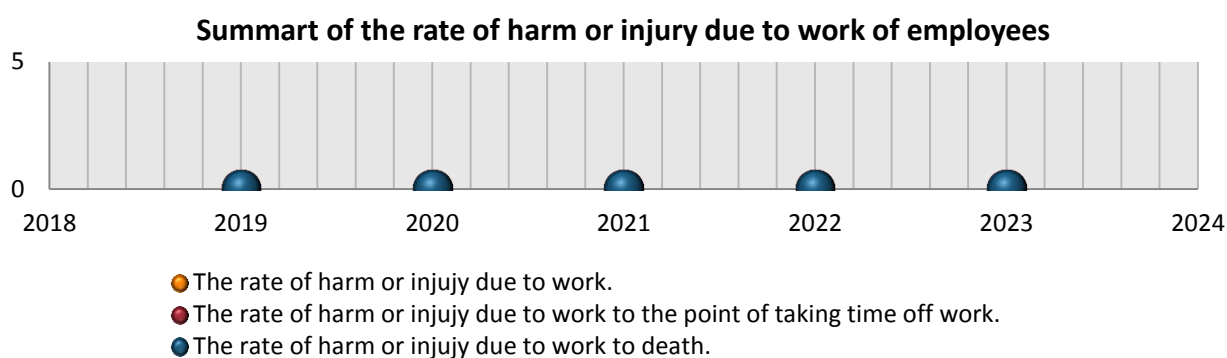
8. Safety and Occupational Health

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 2022, the rate of harm or injury due to work, injuries to the point of losing work and death = 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



- ✓ 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.
- ✓ Highly qualified academicians are stationed at the regional office branches to give advices and answer questions.
- ✓ 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, Lopburi Province and providing activities to educate the children. This has been done continuously for the 11th year with the aim of enhancing the quality of life of infected orphans, by giving products for free for life. In 2022, the Company has given products to infected orphans a total of 600 bottles.



- ✓ Given to people infected with HIV who have entered the Company's product testing program totaling 2,500 bottles.

- ✓ Donating the Company's products for the care of deprived cancer patients to enhance their in their entire life.

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



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 2022, the Company has the amount of electricity and LPG consumption as follows:



Overall Operation

	2022	2021	2020	2019	2018
Electricity [Kilowatt-Hours]	295,624	274,836	292,780	281,840	347,260
LPG [Kg]	5,835	4,365	6,543	5,007	10,392

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

Renewable Energy Projects

The Company is aware of the impact of climate change and is determined to be a part of helping to mitigate the impact. In late 2022, the Company, therefore, has a project to use renewable energy to benefit the company. There is a plan to invest in installing solar panels to generate electricity from solar cells (Solar Rooftop) in order to reduce electricity consumption from the Provincial Electricity Authority, as well as reducing greenhouse gas emissions by using renewable energy, which is clean energy that does not burn and emits carbon dioxide or CO₂ in the electricity generation process into the atmosphere like other fuels. Currently, it is in the process of requesting permission from various agencies, which is expected to be installed and used around the middle of 2023.

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.

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 2022, the Company's tap water consumption decreased as follows:



Overall Operation

	2565	2564	2563	2562	2561
Water (Cubic Meter)	4,193	5,334	4,245	9,660	5,990

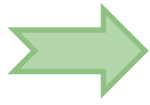
Wastewater Management

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

	2022	2021	2020	2019	2018
Degradable Waste (Tons)*	17.55	18.75	19.95	21.75	15.40
General Waste (Tons)	2.43	2.56	2.97	3.35	4.48
Recycled Waste (Tons)	1.17	1.00	2.20	3.80	5.00

* only agricultural raw materials left over from production

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Contact Point

For additional information or inquiries on this report, Please contact us at

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