

ONE REPORT
NOVA ORGANIC PCL.





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Board of Directors and Sub-Committees



Board of Directors



Mr. Prakrit Tangtisanon
Chairman of Board of Director



Mr. Mongkol Kasaemsun Na Ayudthaya
Independent Director



Mr. Wanchai De-eknamkul
Independent Director



Mr. Sutthichai Sungkamanee
Independent Director



Mr. Apimuk Sukprasit
Independent Director



Mr. Navaphol Chanjuthamard
Director



Mrs. Yuphin Chanjuthamard
Director



Mr. Isaes Janyawannasirir
Director

Audit Committee



Mr. Wanchai De-eknamkul
Member of Audit Committee

Mr. Mongkol Kasaemsun Na Ayudthaya
Chairman of Audit Committee

Mr. Prakit Tangtisanon
Member of Audit Committee

Nomination and Remuneration Committee (NRC)

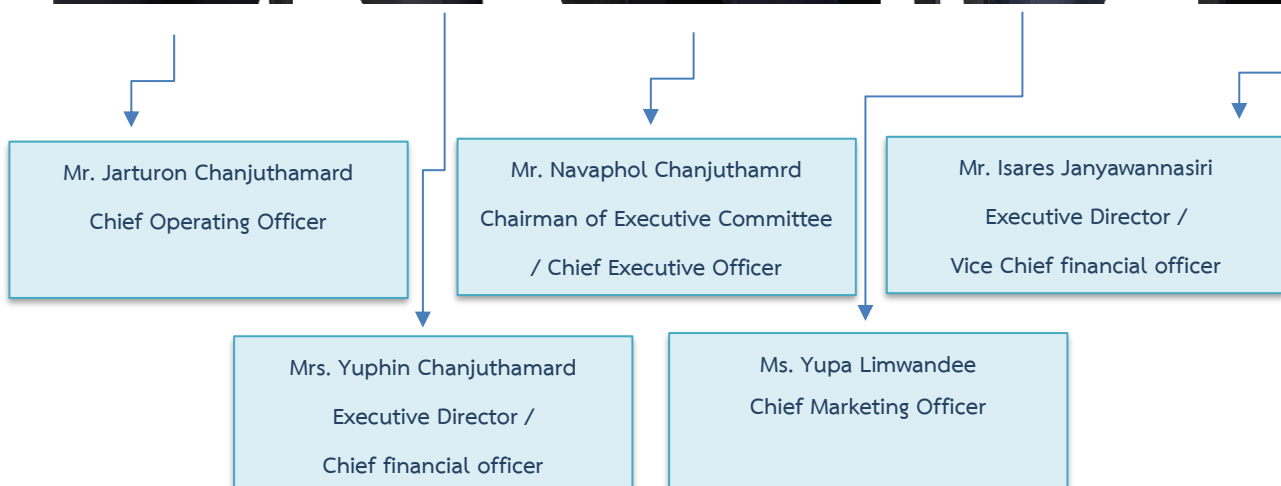


Mr. Navaphol Chanjuthamard
Member of NRC

Mr. Mongkol Kasaemsun Na Ayudthaya
Chairman of NRC

Mr. Prakit Tangtisanon
Member of NRC

Executive Committee and Senior Management



Message from the Chairman

Despite the fact that the COVID-19 virus epidemic was worsening in 2021, many companies, including Nova Organics Public Company Limited (NV), we had an impact as well. But I have admiration for the company itself, the management team, as well as all employees with patience, dedication, and ability, helped the company overcome many obstacles lead the company to become a listed company on the Stock Exchange of Thailand (SET) in December 2021.



May the company strive to maintain the ultimate goal of being the leader in health and beauty supplement products. To create a good quality of life for everyone in a sustainable way. To continue to develop new products for consumers to receive quality products and have a fair price. Focus on good governance and ethics. I am confident that this year 2022 will be another year of success for Nova Organic Public Company Limited (NV).

Mr. Prakrit Tangtisanon
Chairman of Board of Director

Message from CEO

I am honored and very pleased that in the year 2021 I can lead Nova Organic Public Company Limited (NV), the manufacturer and distributor of health and beauty supplement products under the brand DONUTT and LIVNEST, including other brands and Original Equipment Manufacturer (OEM), stepping up to become a listed company on the Stock Exchange of Thailand (SET) in the consumer goods/personal care products and pharmaceuticals category.



As executives and representatives of the company, I promise to be determined to manage the work with good governance. Become a leader in the complete food supplement business, and in 2022, we will expand a new office. We will be increasing the number of telesales staff for the convenience of more customer service, including smart warehouses, extraction plants, and herbal products factory. This helps us to have more product lines. It is more choice for customers. We are ready to create opportunities for stable and sustainable growth forever. To create health and a good quality of life for everyone as a megatrend industry that customers and investors can trust, we sincerely hope to receive your support and cooperation forever.

Mr. Navaphol Chanjuthamrd
Chief Executive Officer

Vision, Mission, and Core value

Vision

To be a leader of health and beauty supplements in Asia with a commitment to all sustainable well-being.

Mission

- Advanced
- technology with international standards
- A wide variety of highest quality products for all customers' needs
- Delivering impressive experience with first class services to maintain brand loyalty
- Organizational escalation through promotion of capability enhancement and employee quality toward excellence
- Dedication to good corporate governance and social responsibility
- Consumer product safety is our top priority

Core Value (S-E-R-V-I-C-E)

<u>S</u> ervice-minded	Pay attention to service
<u>E</u> mpowerment	Work assiduously
<u>R</u> esilience	Prepared for any situation
<u>V</u> alue	Concentrate on adding value.
<u>I</u> ntegration	Enhance integration with creativity
<u>C</u> ommitment	Stick to the commitment
<u>E</u> xcellence	Seeking excellence



NOVA

ORGANIC

PART 1

BUSINESS



POLICIES AND BUSINESS OVERVIEW

HISTORY

NOVA ORGANIC PUBLIC COMPANY LIMITED (“Company”) The company was established on December 11, 2013, with a registered capital of 15.00 million baht. Mr. Navaphol Chanjuthamard is a significant shareholder in the company. The company first focused on the development of food supplements under the DONUTT trademark such as Collagen and Total Fibely products. Teenagers and working-age groups are the target consumers and we were the first company to sell products in modern trade stores for example Watsons and Pure Pharmacy. To grow the company’s market share, we increased its product portfolio in 2018 to target geriatric consumers. Due to the belief that this customer group will continue to grow in the future. Nowadays, Thai society and societies throughout the world are approaching an aging society, putting a greater emphasis on health care, so the company has begun producing Dietary supplements under the LIVNEST Brand. The company established telesales, which is the primary distribution channel, to grow its distribution channels. Also, sell through television-based Home Shopping Channels and through consignees that sell additional product catalogs. The company has created a slogan for the company called “NOVA worth every shopping”

From continual product development and new product launches every year to fulfill the various and ever-changing needs of consumers. As a result, all of the company's products can now satisfy the needs of customers of all ages via a variety of distribution channels such as Telesales, Modern Trade, Home Shopping, and Online Shopping. Also, to create additional revenue-generating channels the company has been hired to manufacture food supplements for outsiders.

The company has previously received Halal certification as well as certification to other private sector quality assurance standards such as Good Manufacturing Practice (GMP), International standards for quality management systems (ISO 9001:2015), and obtain Thailand Trust Mark (Thailand Trust Quality) certification from Thailand's Ministry of Commerce as well. The company's products have become very popular, as seen by the company's growing operating results. The main reason is due to the company's products, which use high-quality raw materials, together with the company's marketing strategy, which focuses on expanding distribution channels through telesales.

Company's Trademark

“DONUTT’s Trademark”



“LIVNEST’s Trademark”



“Q-TIN’s Trademark”

KEY CHANGES AND DEVELOPMENTS**2013**

On December 6, 2013, Mr. Navaphol Chanjuthamard founded NOVA BOTANIC COMPANY LIMITED with a registered capital of 1.00 million baht to act as a distributor of dietary supplements. Later that year, on December 11, 2013, NOVA ORGANIC COMPANY LIMITED was formed with a registered capital of 15.00 million baht and a par value of 100 baht per share to operating a food supplement manufacturing business under the DONUTT’s trademark.



The company has begun to manufacture dietary supplements with collagen as the main ingredient. It's the first product with the names "Collagen Peptide" and "Diatally" that's suitable for young people.



2014 - 2015

The company has developed a collagen-based dietary supplement. Initially, only the Acerola Cherry scent and flavor were offered, but the company has added different flavors to make it easier to eat and give customers more options.



The company received the best-selling product award from Watsons (1st time) in the category of collagen for beautiful skin, as well as the best-selling product award from 1577 Home Shopping Co., Ltd.

2016

The former shareholders of the Chanjuthamard family increased the Company's registered capital from 15.00 million baht to 30.00 million baht on February 26, 2016, to be used in company operations and to aid in the company's growth. To extend warehouse space, the company opened its first branch office at 190/71 Moo 8, Nai Khlong Bang Pla Kot Sub-district, Phra Samut Chedi District, Samut Prakan.

On October 26, 2016, The Extraordinary General Meeting of Shareholders of the company No. 4/2016 approved the payment of interim dividends from retained earnings of 2016 to ordinary shareholders in the amount of 300,000 shares for a total of 36.99 million baht.

The company has developed new products such as Coffee with Collagen for frequent coffee drinkers, Fiberly Mix, and Collagen Tripeptide HACP Plus.



The company received the best-selling product award (2nd time) in the category of collagen for beautiful skin, and the Outstanding Customer Service Award from Watsons as well as the Best Economic Innovators Award from 7Innovation, CP All Business Group Innovation Center.



A second branch office was opened by the company.

Located at 190/1 Moo 8, Nai Khlong Bang Pla Kot Sub-district, Phra Samut Chedi District, Samut Prakan, the factory will be expanded to support growing production capacity.

On December 26, 2016, the company restructured the group of companies to reduce management complexity by transferring the business to the company and registering the dissolution of Nova Botanic Company Limited, which operates as the distributor of a dietary supplement, and adjusting the business structure to be under the operation of only one company. Nova Botanic Company Limited was dissolved and liquidated.

2017

The company leased additional office buildings and opened a third branch office at 174, 176, and 178 Soi Rama 2, Soi 60, Samae Dam Sub-district, Bang Khun Thian district, Bangkok.

On August 31, 2017, the existing shareholders

increased the company's registered capital

from 30.00 million baht to 100.00 million

baht to be used for the purchase of warehouses.

The company produced and commercialized the Cordyceps Plus Multivitamin B dietary supplement, which later became very famous.



To expand distribution channels, the company established an agency for selling products via telesales. Make the company's products more accessible to the general public.



The company received the best-selling product award (3rd time) in the category of collagen for beautiful skin from Watsons and the category of fiber detoxification (1st time) from Watsons.

The company has been certified by a private certifying organization for its quality management system by international standards (ISO 9001:2015).

The Institute of Safety Promotion Occupational Health and Work Environment presented the company with an honorary award for its fostering the development of a safety standard system (Public Organization).

2018

The company registered the trademark LIVNEST for the production of health-related dietary supplements.



The company has developed a Cordyceps-based dietary supplement and introduced a new product named "Instant Coffee Mixed Plus Cordyceps and Lingzhi," which is a blend of several raw materials ideal for coffee lovers.



The company purchased land and building at 190/83 and 190/84 Moo 8, Nai Khlong Bang Pla Kot Sub-district, Phra Samut Chedi District, Samut Prakan for use as a warehouse to support capacity expansion.

The company began to grow into global markets by distributing its products through a dealer in Hong Kong.

The company received the best-selling product award (4th time) in the category of collagen for beautiful skin and the category of fiber detoxification (2nd time) from Watsons.

2019

On June 18, 2019, the Chanjuthamard family established Nova Organic Holding Company Limited with a registered capital of 1.00 million baht to organize a shareholder structure. After being established, the company acquired shares in the shareholding proportion that the Chanjuthamard family previously held, amounting to 500,000 shares, or 50.00 percent of the registered capital.

The company has developed a dietary supplement with a cocoa flavor and launched a new product named "Instant Cocoa Mixed Plus Cordyceps and Lingzhi" to make it easier to drink.



The company sells "Q-Tin Hair Tonic Serum" and capsule dietary supplement products under the trademark "Q-Tin", which is a hair and scalp treatment, as well as collagen goods called "Collagen Dipeptide Plus Calcium".



The Board of Directors Meetings No. 2/2019 and 3/2019, held on November 4 and December 2, 2019 respectively, resolved to approve the interim dividend payment from 2019 retained earnings to ordinary shareholders in the amounts of 54.15 million baht on November 5, 2019, and 27.50 million baht on December 3, 2019.

On December 24, 2019, the company increased its registered capital from 100.00 million baht to 150.00 million baht, which was divided into capital increases by (1) Existing Chanjuthamard family owner number of newly issued shares 385,345 shares at 100 baht per share, or 2.5951 existing shares per 1 new share. (2) SMEs Private Equity Trust Fund 2 (Sub-Fund 2) 63,000 additional shares at 475 baht per share, based on the fair value determined by an independent financial advisor. (3) Other shareholders, the number of additionally issued shares was 51,655 shares at 475 baht per share, resulting in the Chanjuthamard family owning 92.36 percent of the company following the capital increase.

The company received the best-selling product award in the category of fiber detoxification (3rd time) from Watsons, New & Potential Detox Product (Thailand) award from Watsons (Singapore) from selling in Watsons, Singapore, the best-selling product award from Food Ingredient Asia 2019 and Thailand Trust Mark (Thailand Trust Quality) certification from Ministry of Commerce.





2020

Mr. Navaphol Chanjuthamard and Mrs. Yuphin Chanjuthamard, the company's primary shareholders, have sold the land and building for 14.00 million baht to the company. It has been rented out as office space at Soi Rama 2, Soi 60, Samae Dam Sub-district, Bang Khun Thian District, Bangkok, and 1 vacant plot of land from outsiders 8.32 million baht at Nai Khlong Bang Pla Kot Sub-district, Phra Samut Chedi District, Samut Prakan, where the original factory is located, to increase the area of the food supplement factory.

The 2020 Annual General Meeting of Shareholders, held on April 30, 2020, and the Board of Directors Meetings No. 2/2020 and No. 4/2020, held on August 28 and November 12, 2020 respectively, approved the dividend payment to ordinary shareholders in 501.00 million baht. There was also a decision to increase the registered capital from 150.00 million baht to 225.00 million baht, which will be used as working capital in the company.

The company received the award for the best-selling product in the dietary supplement category, Health care category (1st time), and the category of fiber detoxification (4th time) from Watsons.



The company purchased 2 plots of land in the Nai Khlong Bang Pla Kot Sub-district, Phra Samut Chedi District, Samut Prakan, with a total area of 11.80 rai total value is 114 million baht from a third party for the future construction of new factories and warehouses.

To increase manufacturing capacity, the company has invested in a huge number of different types of machines, such as machines for filling and high-speed capsules to support sales that are fast increasing.



The Extraordinary General Meeting of Shareholders No. 1/2021, held on 29 January 2021, resolved to authorize the company to sale the land and buildings consisting of three building, which is a warehouse to Nova Organic Holding Company Limited for 36.00 million baht. To use the proceeds as working capital in the business and as money capital for the development of new factories and warehouses by referring to the purchase price assessed from an appraiser approved by SET to organize assets for use in the company's activities, the company will own just the land and buildings that will be used continually. However, according to the plan of construction, a new plant and warehouse will be finished around the beginning of 2024. The Extraordinary General Meeting of Shareholders No. 2/2021, held on June 7, 2021, resolved to authorize the company to rented back land and buildings from Nova Organic Holding Company Limited for a short term at a total rental price of 253,500 baht per month, which is the rental price assessed by 2

appraisers who has been approved by SET, and the company will terminate the contract when the construction of the new factory and warehouse is done.

The Extraordinary General Meeting of Shareholders No. 2/2021, held on June 7, 2021, resolved to approve the company's registration as a public limited company, change the name to "NOVA ORGANIC PUBLIC COMPANY LIMITED" and register the change in par value from 100.00 baht per share to 0.50 baht per share.

The Extraordinary General Meeting of Shareholders No. 2/2021, held on June 7, 2021, resolved to approved the company's increase in registered capital from 225 million baht to 300 million baht, or from 450 million shares to 600 million shares, by issuing new shares in the amount of 150 million shares at a par value of 0.50 baht per share for Initial Public Offering (IPO).

The company's trademark or logo, as well as the company's seal, have been updated to be more modern and to give them a more unique image.



The company received the award for the best-selling product in the dietary supplement category, Health care category (2nd time), and the category of fiber detoxification (5th time) from Watsons. Awarded the "FAST GROWING COMPANY AWARD" for the best organization of the year, as well as the best product and service award of the year by Business+. Awarded as a Quality Persons in the food and beverage industry from the Foundation of Science and Technology Council of Thailand.

The Company has issued 150 million shares with a par value of 0.50 baht each for its Initial Public Offering, which will be distributed to the Company's benefactors, directors, executives, workers, and the general public. On December 24, 2021 start trading on the Stock Exchange of Thailand.

In addition, the company is a member of various agencies and organizations, including the Department of International Trade Promotion, Ministry of Commerce, Thailand, Center for Building Competitive Enterprises established by the Thai Listed Companies Association, Member of the National Productivity Institute and Investor Club Association.

Report of the capital increase received as a result of the IPO

Ended on December 31, 2021

According to Nova Organic Public Company Limited ("Company"), the company offered 150,000,000 ordinary shares in an initial public offering ("IPO") on December 15-17, 2021 for 6.9 baht per share, and the company's new ordinary shares were listed on the Stock Exchange of Thailand on December 24, 2021.

The company got money from the issuance of new ordinary shares for 1,035.00 million baht, after deducting the underwriting costs and underwriting guarantees in the IPO and other connected expenses.

The remaining amount is 989.12 million baht.

The Company would like to notify you on the capital increase as of December 31, 2021 per following

(Unit: Million baht)

Objective	Plan (Estimate)	Used Amount as of 31 December 2021	Net Amount as of 31 December 2021
1. New office	50.00	-	50.00
2. New factory and warehouse	500.00	-	500.00
3. renovate extraction plant and manufacturers of herbal products	35.00	-	35.00
4. Working capital	404.12	-	404.12
Total	989.12	-	989.12



Other important information

Company information

Company name (Thai)	บริษัท โนวา ออร์แกนิก จำกัด (มหาชน)
Company name (English)	NOVA ORGANIC PUBLIC COMPANY LIMITED
Business type	Manufacturing and distributing dietary supplements
Company registration number	0107564000201
Head office location	190/4, Moo 8, NaiKlongBangPlaKot Sub-district, PhraSamutChedi District, SamutPrakan.
Branch office location	(1) 190/71, Moo 8, NaiKlongBangPlaKot Sub-district, PhraSamutChedi District, SamutPrakan. (2) 190/1, Moo 8, NaiKlongBangPlaKot Sub-district, PhraSamutChedi District, SamutPrakan. (3) 174 176 and 178 Soi Rama 2, Soi 60, SamaeDam Sub-district, BangKhunThian District, Bangkok. (4) 190/83 and 190/84, Moo 8, NaiKlongBangPlaKot Sub-district, PhraSamutChedi District, SamutPrakan.
Telephone number	02-417-1130
Registered and Paid Capital	300,000,000 baht. 600,000,000 ordinary shares with a par value of 0.50 baht per share.
Homepage	https://www.nova-organic.com
Company's Secretary	Ms. Haruethai Sirisinvi boon
Investor relations	Ms. Haruethai Sirisinvi boon

Securities registrar

Company name	Thailand Securities Depository Company Limited
Head office location	93, Ratchadaphisek Road, DinDaeng Sub-district, DinDaeng District, Bangkok,
Telephone number	02-229-2800
Fax number	02-359-1259

Auditor

Company name	Siam Truth Audit Company Limited
Head office location	Preecha Complex Building A, 8 th F, 338, Rachadapisek Road Soi 20, Samsennok Sub-district, Huaykwang District, Bangkok, 10310
Telephone number	02-229-2800
Fax number	02-359-1259

Legal dispute

As of December 31, 2021, the company has no (1) Lawsuits or disputes that may have a negative impact on the company's assets greater than 5% of the shareholders' equity as the end of the latest fiscal year. (2) Lawsuits or disputes that have a major influence on the company's business but can't be quantified and (3) Lawsuits that are not related to the company's regular operations.



Nature of Business

Overview of the company and revenue structure

The company is in the business of manufacturing and distributing dietary supplement products under its trademark, which are primarily made up of a variety of raw materials and can be divided into three groups (1) Dietary supplement group under the “DONUTT” trademark for example Collagen DONUTT and Total Fibely DONUTT etc. (2) Dietary supplement group under the “LIVNEST” trademark, which is a dietary supplement containing the primary ingredients derived from Cordyceps raw materials. (3) Dietary supplement group under other trademarks for example Dietary Supplement Lingzhi Plus, Dietary Supplement Matsutake, and Q-TIN Hair Tonic Serum, etc.

Company’s Trademark



“DONUTT’s Trademark”



“LIVNEST’s Trademark”



“Q-TIN’s Trademark”

Furthermore, the company has been providing in the production of dietary supplements (Original Equipment Manufacturer: OEM). The company will offer guidance and a comprehensive variety of services, including advising customers on product formulas and package design, as well as issuing the Food and Drug Administration Ministry of Health of the food serial number under the customer's trademark.



Revenue structure by product group

Revenue Structure	For the fiscal year that concluded on December 31							
	Year 2018		Year 2019		Year 2020		Year 2021	
	Million baht	Percent	Million baht	Percent	Million baht	Percent	Million baht	Percent
1. Revenue from the sale of the company's trademarked products								
1.1 Dietary supplement group under the “DONUTT” trademark	242.84	68.97	237.50	43.61	278.27	10.75	433.36	33.38
Collagen supplements	115.46	32.79	112.67	20.69	109.78	4.24	281.98	21.72
Dietary fiber supplements	95.18	27.03	98.26	18.04	134.84	5.21	135.40	10.43
Other supplements	32.20	9.15	26.57	4.88	33.65	1.30	15.98	1.32
1.2 Dietary supplement group under the “LIVNEST” trademark	30.85	8.76	218.92	40.20	2,247.79	86.87	846.03	65.17
1.3 Dietary supplement group under other trademarks	78.14	22.27	88.14	16.19	61.48	2.38	18.86	1.45
Total revenue from the sale of the company's trademarked products	352.10	100.00	544.56	100.00	2,587.54	100.00	1,298.25	100.00
Less Trade discount	24.18	-	41.95	-	52.69	-	37.77	-
Less Estimated product returns ^{1/}	2.78	-	20.45	-	9.51	-	(15.06)	-
Less Delivery fee ^{2/}	-	-	4.45	-	65.46	-	39.57	-
Net revenue from the sale of the company's trademarked products	325.14	-	477.71	-	2,459.89	-	1,235.97	-
2. Revenue from Original Equipment Manufacturer (OEM)	2.28	-	0.35	-	1.09	-	0.69	-
Total sales revenue	327.42	-	478.06	-	2,460.97	-	1,236.66	-
Other revenue ^{3/}	4.16	-	0.83	-	8.70	-	10.93	-
Total revenue	331.58		478.89		2,469.68		1,247.59	

Notes:

^{1/} Estimated Product Returns – is an estimate based on the premise that the company will accept future returns, but it does not the actual return amount.

^{2/} Delivery fee – On the Year 2018 – 2019, The company does not charge the customer a delivery cost and began collecting service fees from the end of 2019 onwards, deducting delivery charges from sales revenue so that sales revenue is only represented as net income from sales of goods.

^{3/} Other revenue includes profit from asset sales, the reversal of asset impairment, and interest earned.

The company's products

Dietary supplement group under the “DONUTT” trademark



Dietary supplement group under the “DONUTT” trademark. It all started with the development and production of collagen products, which came in a dietary supplement, a drink with a variety of flavors, and necessary elements suited for both female and male customers. The company will focus on selecting components that meet the needs of each consumer group, which has resulted in the company's products being very popular in the Watsons and receiving the award of best-selling product in the category of collagen for beautiful skin from Watsons HWB Awards for 4 consecutive years, from 2015 and 2018. In 2014, the company added a dietary supplement in the form of a drinking powder containing natural dietary fiber to the product line, which has proven to be popular by earning the company an award for best-selling Food Supplement-Detox & Fiber from Watsons HWB Awards for 5 consecutive years, from 2017 to 2021 detailed information is as follows:

Collagen Products	Product features	box size	Price
1. Collagen peptide 4500 mg.	Powder	4 – 10 sachets	156 – 399 baht
2. Collagen Peptide 10000 mg. Strawberry flavor.	Powder	2 – 10 sachets	65 – 299 baht
3. Collagen Peptide 10000 mg. Inulin Plus Mixed Berry Flavor	Powder	4 – 10 sachets	135 – 299 baht
4. Collagen peptide 15000 mg. M plus grape flavor	Powder	10 sachets	600 baht
5. Collagen Tripeptide Plus	Powder	6 – 15 sachets	114 – 390 baht
6. Collagen Tripeptide HACP	Powder	12 sachets	156 baht
7. Collagen Dipeptide Plus Calcium	Powder	120 g. / can	299 baht

Collagen Products	Product features	box size	Price
Dietary Fiber Products	Product Features	Box size	Price
1. Total Fiberly	Powder	3 – 10 sachets	99 - 297 baht
2. Fiberly Mix	Powder	3 – 10 sachets	99 - 297 baht

Other Products	Product Features	Box size	Price
1. Diatally	Capsules	10 – 40 capsules	99 - 390 baht
2. Z-L	Capsules	30 capsules	590 baht
3. Z-Night	Capsules	30 capsules	590 baht
4. Gluta Plus	Capsules	10 – 30 capsules	99 – 297 baht

Dietary supplement group under the “LIVNEST” trademark



In 2017, the company extended its food supplement segment. Initially, focusing mainly on teenagers and working-age customers, LIVNEST has expanded its target market to include the elderly to gain a larger market share under the LIVNEST name.

the company's products under the LIVNEST brand began developing and producing products for market sale. (1) dietary supplements containing Cordyceps (Cordyceps Sinensis) as the main ingredient, along with multivitamin B (Cordyceps Plus Multivitamin B). The company has mainly sold through telephone channels

(Telesales), and the aforementioned items have proven to be very popular, prompting the company to innovate formulae and make other dietary supplements while preserving cordyceps as the main ingredient such as Instant Coffee mixed Plus Cordyceps and Lingzhi, and Instant Cocoa mixed Plus Cordyceps and Lingzhi, which easy to drink and suited for customers who consume beverages regularly and wish to enhance with food supplements. Instead of utilizing non-dairy creamer, the company has chosen to use coconut oil, a natural fat, as an ingredient. In addition, the company has developed Cordyceps Plus UC-II, Cordyceps Plus Artichoke Extract, and Cordyceps Plus Lutein. Here are some product examples:

Cordyceps Products	Product Features	Box size	Price
1. Cordyceps Plus Multivitamin B ^{1/}	Capsules	4 - 30 capsules	49 - 475 baht
2. Cordyceps Plus UC-II	Capsules	30 capsules	590 baht
3. Cordyceps Plus Finger Root Extract	Capsules	30 capsules	590 baht
4. Cordyceps Plus Lutein	Capsules	30 capsules	590 baht
5. Cordyceps Plus Artichoke Extract	Capsules	30 capsules	590 baht
6. Instant Coffee Mixed Plus Cordyceps and Lingzhi	Powder	10 sachets	199 baht
7. Instant Cocoa Mixed Plus Cordyceps and Lingzhi	Powder	10 sachets	250 baht

Notes: ^{1/} Cordyceps Plus Multivitamin B is grouped under the brand LIVNEST due to the presence of Cordyceps as the main raw ingredient.

Other Products	Product Features	Box size	Price
1. UC-II	Capsules	30 capsules	99 - 297 baht
2. Jiaogulan Extract Plus Garlic Extract	Capsules	30 capsules	99 - 297 baht
3. Bird's Nest Beverage Plus Cordyceps	Beverage	6 bottles	650 baht
4. Instant Coffee Mixed Plus Finger Root Extract and Lingzhi Extract	Powder	5 - 10 sachets	59 - 199 baht
5. Instant Coffee Mixed Plus Moringa Extract	Powder	12 sachets	199 baht
6. Vitamin C	Capsules	4 - 30 capsules	20 - 150 baht
7. Finger Root Extract Plus Emblica Extract	Capsules	4 - 30 capsules	29 - 250 baht
8. B-Complex Garlic 30 Capsules	Capsules	4 - 30 capsules	39 - 250 baht

Dietary supplement group and Other products

The company makes and sells a variety of items in addition to those under the DONUTT and LIVNEST trademarks such as Lingzhi Plus Shitake, Mattsutake, and Chompoo 24. Also, the Q-TIN product line is a hair and scalp care such as Q-TIN that comes in the form of nutritional supplements which are being used orally, along with Q-TIN Hair Tonic Serum, Q-TIN Hair Color Shampoo, and Q-TIN Nourishment Shampoo for external use. Here are some product examples:

Other Products	Product Features	Per-Box size	Price
1. Lingzhi Plus Shitake	Capsules	5 - 60 capsules	75 - 900 baht
2. Mattsutake	Capsules	30 capsules	450 baht
3. Cool Lipobelle Spray	Spray	150 ml.	790 baht
4. Chompoo 24	Capsules	15 capsules	590 baht
5. Q-TIN	Capsules	30 capsules	590 baht
6. Q-TIN Hair Tonic Serum 20ml.	Serum	20 ml.	590 baht
7. Q-TIN Nourishment Shampoo	Shampoo	100 ml.	29 – 250 baht
8. Q-TIN Hair Color Shampoo	Shampoo	30 ml.	- baht

The company distributes its products in the form of gift sets to boost sales and provide value to customers who use it regularly such as ordering a set at a discounted price and having a slew of additional freebies. Furthermore, giving away free company products is one of the tactics for introducing new products to customers. The following are examples of the product series:



Original Equipment Manufacturer: OEM

Furthermore, the company employed an external manufacturer to carry out the product's production and distribution under the company's trademark. The company also has a contract manufacturing business where it advises on product issuance to external clients under the customer's brand or trademark. To comply with the legislation, the company will be the operator to issue the Food and Drug Administration of the food serial number or food product identification number under the customer's brand, which is a complete operation for the customers' cycle. Products that have registered a serial number with the Food and Drug Administration (FDA) based on the recipe and brand. If there is a desire to produce more products next time using the existing food serial number, every time, the production formula and brand must be the same. Customers who previously informed the serial number with the Food and Drug Administration under any brand cannot utilize the company's manufacturing formula to create at another

factory under the original serial number and brand, because the production formula that the company has informed is the company's property, it must be created at the company's factory only because the food serial number will consist of the number establishment that is the factory for the manufacturing of products.



Target Customers

The company's target clients vary depending on the product's features. All of the company's products are diversified and can reach all target groups, on both gender and age. Customers can be classified into three groups:

(1) Early adulthood and adolescent customers



This customers group is interested in shape's beauty and skincare. Under the trademark DONUTT, the most popular products are collagen, dietary fiber, and various vitamin groups.



Middle-aged customers

This customers group is more interested in products that help health problems or deterioration of the body caused by increasing age and body changes over time combined with fatigue from work, such as hair loss and joint pain, etc., for which dietary supplements under the trademarks DONUTT and LIVNEST are suitable.

(2) Elderly Customers

Customers in this group are particularly concerned about their health and physical fitness. The functioning of numerous systems within the body is much less effective as they become older. Customers in this group prefer products such as products containing Cordyceps components, Collagen Tripeptide, and products containing different types of mushrooms. Most of the products suitable for this group of customers are under the brand LIVNEST and the group of dietary supplements containing various mushrooms.



Marketing and Competition

A key to success

- (1) The company's products are well-known and have long been trusted by customers. The company developed product formulae mostly by surveying consumer wants. Furthermore, following the market's trend at the time to design products to fulfill market expectations. The company has built a unique product identity to attract customers by creating a unique packaging design. Choose a brand presenter who has a positive impact on the target audience to persuade people to remember and trust the company's products by advertising through a variety of widely distributed media outlets that can reach a wide range of people.

- (2) **Concentrating on reaching consumers through diverse and comprehensive distribution channels that are easy to access.** Allowing customers rapid and easy access to the company's offerings. Especially distribution from telesales, the increasing number of clients placing orders over the phone from 2018 to the present attests to this. In the future, the company intends to grow the number of telephone lines and expand distribution channels to become more efficient and comprehensive. Both in terms of selling via telephone and online channels, presently major distribution channels. Moreover, the company is expanding its overseas sales. The company's management team including managers, and employees from all departments, have all contributed to the company's success and ability to compete in the market. The operating results of the company in the past show that this has caused the company to develop continuously and sustainably. The company has suitably assigned jobs based on expertise in each line of work and has frequently conducted people development training since the company values excellent personnel as a key factor in its success.
- (3) **The growth of the dietary supplement industry** where present and future trends will continue to grow as customer behavior changes since Thai society, like societies across the world, is transitioning to an aging society that places a greater emphasis on health care. As a result, dietary supplements are becoming increasingly popular.
- (4) **The company has received several achievement awards.** as following:



*Photograph of receiving awards
from HWB Awards 2016 by Watsons*



*Photograph of receiving awards
from HWB Awards 2017 by Watsons*



Photograph of receiving awards
from HWB Awards 2018 by Watsons



Photograph of receiving awards
from HWB Awards 2019 by Watsons



Photograph of receiving awards from
T Mark Ceremony 2019



Photograph of receiving awards
from HWB Awards 2020 by Watsons Singapore



Photograph of receiving awards
from HWB Awards 2020 by Watsons



Photograph of receiving awards from Watsons Year 2021
Photograph of Thailand top company award
Photograph of Product of the year
Photograph of Person of the year

Creating a Diversified Distribution Channel Strategy.

The company sells products through a range of channels to ensure that the company's products are available to all types of customers in all places and customers can easily access the company's products. The company places a high value on distribution channels because efficient distribution methods solve a problem about time and places for customers while also generating revenue for the company. Currently, the company has distribution outlets such as:

- (1) Telesales distribution channels the company has operated and developed on our own to support the sale of products through television advertising, customers who are interested in the product will contact to place an order. Telephone salesman use Customer Relationship Management to record customer information and buy orders, which provides customer care via a dedicated phone line. As of December 31, 2021, the company had 250 telephone lines and 170 telephone salesmen.
- (2) Modern Trade distribution channels are available in large and small retail stores situated in various places for example 7-11, Big C, Watsons, Boots, etc.
- (3) Home Shopping distribution channels are a purchase order for products obtained through advertising on television programs, as well as partner marketing channels and product catalogs for example TV Direct, O Shopping, Friday 24 Catalogue, True Select, etc.
- (4) Online distribution channels such as Shopee, Lazada, and Line Official of The Company.



Advertising through Hone-Krasae



Advertising through Kuizap SHOW



Advertising through 24 Catalogue



Advertising through True Deal

Product quality management strategies

The company places a high priority on maintaining the quality of its products to fulfill industry standards, as product quality is the primary factor in the company's ability to retain a steady and increasing customer base. The company has received quality assurance from private sector quality assurance agencies in terms of Good Manufacturing Practice (GMP), International quality management system standards (ISO 9001:2015), and Thailand Trust Mark (Thailand Trust Quality) by the Thai Ministry of Commerce to ensure product quality and production of products to be the standards. Furthermore, the company has a quality inspection section that is in charge of quality control throughout the manufacturing process, including ingredient inspection, substance weighing, formula mixing, and packing, as well as a consistent process for selecting raw material supplier partners such as Chemical Quality Analysis Report (Certificate of Analysis: COA), Data Sheet on Chemical Safety (Material Safety Data Sheet: MSDS), Certificate of Good Manufacturing Practices (GMP), Certificate of ISO 9001, and Certification of Halal to be a certificate certifying the highest quality of raw materials utilized in the manufacturing process.

Customer - retention and expansion strategies

Aside from providing high-quality items at reasonable pricing, building consumer confidence and loyalty to the product or brand through repeat purchases is another crucial component in ensuring the company's income-generating is sustainable and steady. As a result, the corporation intends to (1) Increase access to more products, whether in provincial areas or abroad, to broaden the market and make it more well-known. (2) Continually inventing and offering new products while keeping the original product's quality. to adapt to the changing needs of customers. (3) Develop a Customer Relationship Management system to enable customer service via phone and social media channels, to reach the goal of creating a unified communication channel (Omni Channel). (4) Marketing and advertising media via multiple channels such as TV shows, Facebook, Instagram, Youtube, and Advertising through Google to existing and new customers are aware of, interested in, and familiar with the company's trademarks.

An effective production strategy

The company plans to apply modern production technology in the manufacturing process to improve efficiency and effectiveness. As a result, the product's quality is consistent, accurate, and dependable, and production time is reduced in some processes. Currently, the company has imported automatic capsule filling machines to boost production capacity more quickly and in larger quantities to meet the ever-increasing amount of requests. Also, the company will keep production data to verify and process the

efficiency of the manufacturing process regularly to minimize losses or errors that may occur during the manufacturing process.

Research and Development strategies for high-quality

The company has a research and development section that is in charge of ongoing product formulation research and development so that the company's products are of higher quality and variety. It will concentrate on the development of new products in response to client demands and in line with current trends, with the primary beneficiaries being consumers. Currently, the company is co-researching with Kasetsart University as part of a research grant project with the Kasetsart Agricultural and Agro-Industrial Product Improvement Institute. For the creation of standardized extracts from Emblica and pure enzyme from pineapple, which will be used in anti-aging cosmetic products. The research from 2021 to 2023, and will involve collaboration with a variety of institutions. The objective is to bring the outcomes of research to market in the form of new products. Also, use research-based information on the features and quality of key compounds as a reference to guarantee customers have confidence in the product quality.

Unique trademarking strategies

The company has a distinctive trademark that consumers can easily identify. Each of the company's trademarks is a symbol that represents the nature of the product under that trademark such as DONUTT's Trademark has a unique appearance with vibrant hues. The product is collagen and dietary fiber group, and the target clients are teenagers and working adults, The LIVNEST's Trademark has a solid appearance. The product group will focus on healthcare products, with working-age and senior clients as target customers, and The Q-TIN's Trademark which are products for hair and scalp care.



Distribution Channels

The company offers its products both directly and indirectly through various distribution channels, reaching out to all target consumer segments. The following are the primary distribution channels:

Distribution Channels	Ended on December 31							
	Year 2018		Year 2019		Year 2020		Year 2021	
	Million baht	Percent	Million baht	Percent	Million baht	Percent	Million baht	Percent
Telesales distribution channel	75.60	21.47	182.30	33.48	1,800.63	69.56	871.12	67.06
Modern Trade distribution channel	181.76	51.63	207.88	38.17	299.46	11.57	199.91	15.39
Home Shopping distribution channel	26.01	7.39	104.42	19.17	401.23	15.50	167.40	12.89
Other distribution channels e.g. Online	68.73	19.51	49.96	9.18	87.33	3.37	59.81	4.66
Total revenue from the sale of the company's trademarked products	352.10	100.00	544.56	100.00	2,588.64	100.00	1,298.93	100.00

Notes: Total revenues before trade discounts, estimated returns, and delivery charges are revenues from sales of products under the company's trademarks.

(1) Telesales distribution channel

The telephone distribution channel is one that the company has operated and developed independently. Over 170 agents work in both in-bound and out-bound telesales. In-bound telesales serve to support product sales generated by digital TV advertising, news programs, talk shows, variety shows, etc. When customers are interested in a product after seeing it presented in various media, they will call to inquire for product details and place an order over the phone easily and promptly, regardless of where they are in the country. The company will compile a database of customers who have called to place an order, which salespeople (Out-bound) will call to propose new products, products that conduct promotional activities (Promotion), or call customers after they've used the product and provide tips on how to use other products. When a customer places an order, the company will use an outside courier to deliver the order; this channel allows the company to serve customers continuously, inquire about customer satisfaction with the company's products, and use the information to improve the company's products. To better meet the needs of customers in the future by implementing Customer Relationship Management to support the delivery of services to customers via a dedicated phone line.

On December 31, 2021, the company has 170 agents for supporting orders and presenting products over a total of 250 phone lines. The telephone sales staff will be stationed at the Rama II office. and Samut Prakan Office which can support customer calls 24 hours a day. Moreover, the organization

arranges staff training roughly twice a month to provide information about product properties, create knowledge, and understanding for employees, to create a standard of quality service, appropriate, and amaze the consumers. So that employees may accurately explain various information to customers.



Modern Trade distribution channel

Another distribution channel that the company pays attention to is the distribution channel through modern retail stores, which have branches all over the country. Consumers can quickly and comprehensively access the products, thus the corporation will select to sell products in stores that can reach the company's customer group, namely:

- Specialty Store focuses on selling high-quality products, having employees on hand to provide advice, and designing product placement for a modern look. Located in a large community or commercial district, and sometimes in the same building as a shopping mall such as Boots and Watsons. The company provides products to retailers through consignment and outright sales.
- Large retail stores (Supermarket/ Hypermarket/ Discount Store) that sells a wide variety of products. Mainly located in the Community for example The Mall, Big C, Tesco Lotus, etc. The company sells its items to large retail stores through outright sales.
- Convenience Stores are small retail stores with a modern management style. The convenience of the location is emphasized by the fact that there are numerous branches and that they are open 24 hours a day such as 7-11. The company sells its items to convenience stores through outright sales.

Selling through modern retail stores, the company will enter into contracts or agreements with merchants to define trade conditions on an annual basis, including details such as selling prices,

discounts, marketing charges, distribution costs, promotional fees, setting sales targets, etc. The merchandise will be delivered by the company's transportation vehicle. There are a total of ten transport vehicles that deliver goods to various retailers' distribution facilities.



(2) Home shopping distribution channel

Home Shopping distribution channel is the purchasing of goods based on advertisements placed in the media and through the marketing channels of partners. TV Home Shopping, which has long been a popular distribution channel, features an appealing and easy-to-understand presentation approach in which information is presented by celebrities, people who have used the product, specialists, or those who have direct experience with the product, so it makes the presentation look credible. By selling through this channel, the company will enter into an annual contract or agreement to set the terms of the trade, in which the company will deliver the products to the partners, and the partners will deliver the goods to the purchaser themselves. Current partners of the company, such as O-Shopping, True Select, and True Shopping. The company has sold products on consignment to the aforementioned partners.

Additionally, the company has sold through product catalogs or publications with a monthly book, such as 24 Shopping, Friday Catalogs, etc.



(3) Online distribution channel

The company distributes its products through online channels, which are websites or applications that sell products over the internet using social media as a means for presenting products such as Shopee, Lazada, Online Marketplace, Facebook, Website, and the company's Line Official.



Product placement examples from the company's numerous distribution channels

In this regard, the company intends to expand its distribution channel via telephone (Telesales) as its main distribution channel; as a result, the company has continuously developed its Customer Relationship Management system to fulfill the needs and give full service to consumers. A system can also gather product sales data to analyze and research consumer behavior. In the future, this will result in the display of products that are more relevant to the target customers.

Advertising and Public Relations

Making the company's trademarks and products well-known increase demand and establish confidence in the product's qualities and quality. The company has established marketing policies and plans for promoting trademarks and goods through the effective use of various marketing communication channels. Also, using a well-known person (Brand Presenter) to present the product to the target audience to inform customers about the product's features. The aforementioned strategies are critical factors that cause consumers to pay attention and select the company's products, as well as influence the popularity of trademarks and products.

(1) Offline Marketing

- Use of television media It's a media that allows you to communicate swiftly and easily while also reaching a large audience. It is conceivable that the audience will remember the media and get interested in the product. The majority of which the company will select to publish promotional materials throughout the period and popular shows, to communicate the company's trademarks and products throughout the country. Telesales are the company's main offline marketing strategy.



TV media example

- Using well-known persons to promote items (Brand Presenter) such as actors, singers, or other well-known people to lead, entice, establish confidence, and support customer decisions. Because there are numerous brands of identical products on the market right now. This could make it tough for customers to make a decision.



Example of using the presenter

- Billboard can help establish observable and easily accessible media recognition, as well as the ability to choose the source and target audience to offer a certain media.

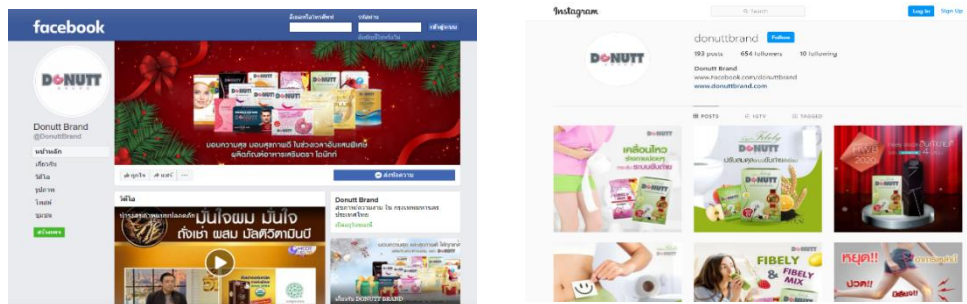


Example of billboard

(2) Online Marketing/ Digital Marketing

Public relations and product communication via various electronic media for the company's trademarks and products for example the company's website and other social media such as

Facebook, Instagram, Youtube, and Google advertisement. Nowadays, online communication has advanced in technology and has grown in popularity. It is yet another efficient channel.



Examples of online advertising media

Competition in the industry

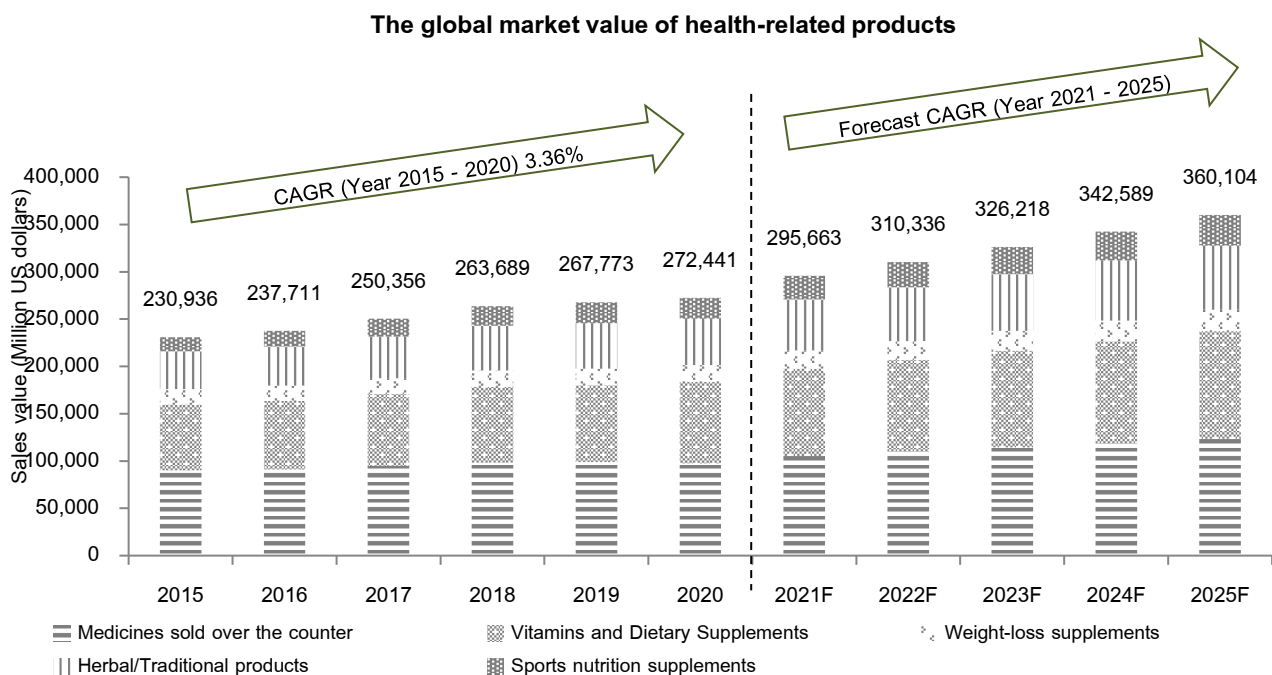
Overview of the Industry

Currently, the dietary supplement market is expanding swiftly and steadily. Entrepreneurs can earn a high return on their investment while also outperforming a large percentage of their market competitors. However, many causes contributed to this, including the social condition that began to emerge in an aging society. Following the COVID-19 outbreak, the population surveyed began to have more purchasing power and changed their healthcare behaviours. As a result, the majority of the population is paying more attention to and caring for their health. Suan Dusit University conducted a survey of 1,123 people across the country between 3 and 7 August 2020 to assess people's willingness to be more cautious and health-conscious following the emergence of the Covid-19 virus. People's willingness to be cautious and take care of their health, including caring for their families, increased by 80.59 percent, purchasing COVID-19 protective equipment increased by 75.78 percent, maintaining the cleanliness of clothing and personal goods increased by 69.01 percent, 67.85 percent increase in food selection, and finding information about sickness an increase of 61.18%. The behaviors that altered were influenced by four factors: food, shelter, clothing, and medicine, particularly the medical factors. Also, it demonstrates the impact of the outbreak on healthcare habits, with people engaging in more self-protective actions.

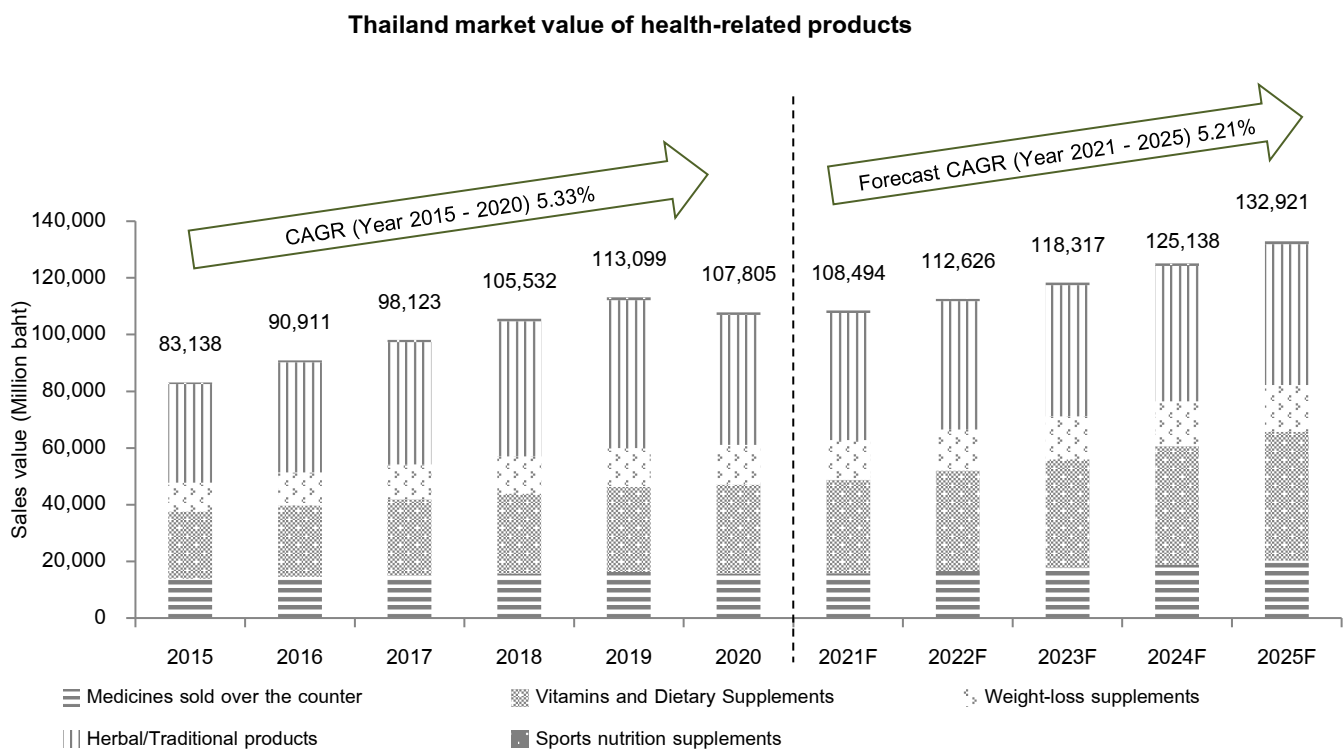
This is to suit the needs of people who want quality of life and excellent health but live a fast-paced lifestyle with a focus on convenience and quickness. Most people think of dietary supplements as a viable option, because there are many convenient and easy-to-eat forms to select from, for example, tablets, capsules, ready-to-drink powder, or in the form of a nutritious drink, etc. making it accessible to all age groups, from the elderly to the teenager. Today's dietary supplements have qualities that can be used to

maintain, prevent, and treat both beauty and health. The market for food supplements has continued to rise and is becoming increasingly popular. Furthermore, those who opt to consume healthy food supplements will be discovered that the food they eat daily lacks all of the nutrients that the body requires. As a result, food supplements are required to ensure that the body receives all of the nutrients it requires.

According to Euromonitor International, the worldwide health care goods market (Euromonitor International Consumer Health in World, March 2021) had a market value of \$272,441 million in 2020. As more individuals focus on healthcare, there has been a steady increase every year from 2015 through 2020, reflecting a compound annual growth rate (CAGR) of 3.36 percent. The majority of product consumption in 2020 will come from (1) Consumption of drugs sold over the counter (OTC) that consumers can buy without a doctor's prescription, such as oral drugs, cough medicines, dermatological drugs, and so on, has a market value of \$97.5 billion, accounting for 35.79% of the global market value of health-related items or products. (2) Vitamin and dietary supplement consumption accounted for \$86,404 million, or 31.71 percent of the global market value of health-related products or services. (3) Consumption of herbal or traditional items other than modern medicine is valued at 49,119.10 million US dollars, accounting for 18.03% of the global market value of health-related products or products. From 2021 to 2025, the worldwide health-related product or product market is expected to grow at a steady rate across all product categories. This can be described by a 5.05 percent compound annual growth rate (CAGR).



Euromonitor International (Euromonitor International Consumer health in Thailand, November 2020) provides an overview of the consumption of health-related products in Thailand, show that the market for health products in Thailand was estimated to be worth 107,805 million baht in 2020, showing a 5.33 percent annual growth rate (CAGR) from 2015 to 2020. However, when compared to the previous year, with a market value of 113,099 million baht, the growth rate fell by 4.68 percent. The domestic economy's instability, the spread of the COVID-19 virus, the drought situation, high household debt, a slowdown in the tourism industry, and technological changes that have changed the working style in various industries all contributed to this. As a result, superfluous layoffs were removed from the system (Technology Disruption), the unemployment rate rose, consumers' purchasing power decreased, and they spent only on necessities



Source: Euromonitor International Consumer Health in Thailand, November 2020

In comparison to previous years, overall growth has slowed. Because of the economic downturn, people are being more cautious with their spending. Consumers will prioritize purchasing necessary things first for example Immunity-boosting products with a mixture of Lingzhi extracts, garlic extracts, ginseng extracts, and a variety of vitamins, etc. Moreover, the elderly population is expected to grow in the future, entrepreneurs must adapt by focusing on the development of products that help the blood circulation

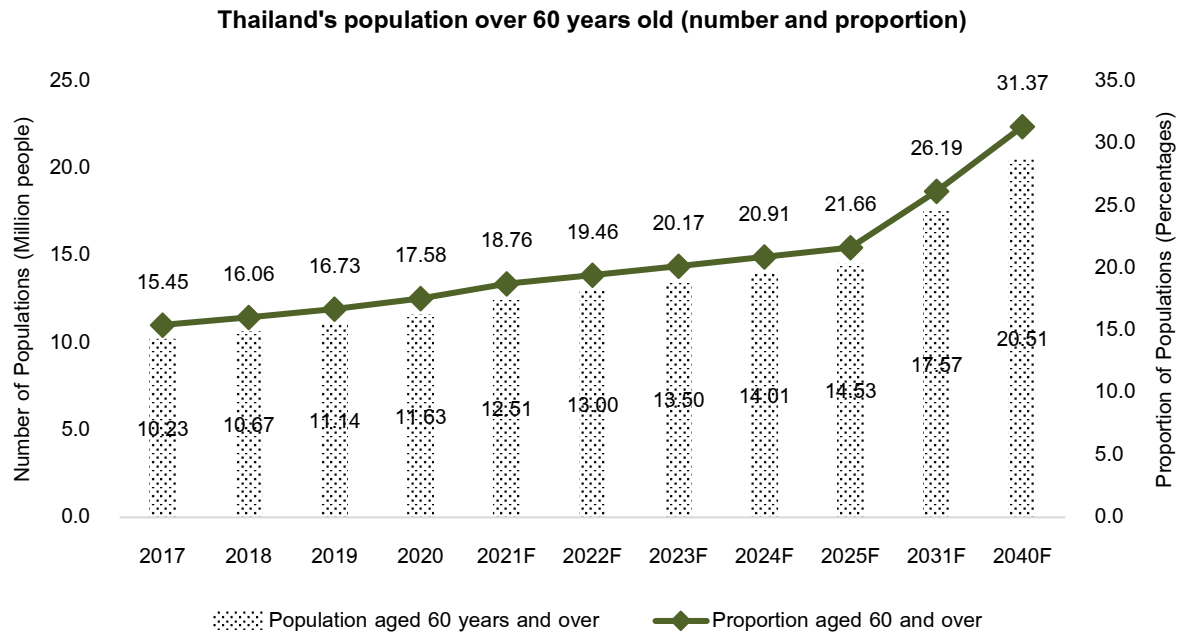
system, bone nutrition, eye care, and memory systems that are primarily targeted at elderly customers, as well as products with skincare and anti-aging properties for female consumers.

As a result of the proliferation of COVID-19, consumers are more likely to purchase health-related products. Other than the consumption of modern medication (Herbal/Traditional Products), there are a variety of vitamins and dietary supplements, herbal products, or traditional medicine that have capabilities to build the immune system of the body and preserve health. As a result, the market value of vitamins and dietary supplements in Thailand increased by 4.73 percent to 31,545 million baht in 2020, accounting for 29.26% of the overall value of healthcare-related products in Thailand. In 2020, the value of herbal products or traditional medicine is 45,836 million baht, accounting for 42.52 percent of Thailand's overall healthcare-related product value. In comparison to the previous year, the value has declined by 12.14 percent. The main reason for the decline was customers purchasing products in the energy drink category (Herbal/traditional Tonics - Traditional), which accounted for two-thirds of herbal products or integrated traditional medicine for example, due to travel limitations, purchases of bird's nest beverages or extracted chicken soup that appear to be souvenirs for visiting sick or elderly relatives were reduced, and the economic conditions that have been influenced by the COVID-19 virus epidemic have reduced purchasing power. a class of herbal products with qualities that help to relieve cough, fever, allergy, and cold symptoms, and also strengthen the immune system such as *Andrographis paniculata* has a sales value of 15,095 million baht in 2020, up 11.48% from the previous year, according to online news outlets that provide information on eating to prevent the spread of COVID-19.

Consumers of young people and working people who pay more attention to health care, and also developing distribution channels both online and offline to reach consumers, will be factors that will encourage the expansion of vitamin and dietary supplements in the future. Unconventional product forms and marketing strategies were used in conjunction with the development of high-quality items to capture consumer attention and encourage them to try the product.

Trends in the next 5 years Euromonitor International forecasted that from 2021 to 2025, the Thai healthcare-related product market will have an average annual growth rate of roughly 5.21 percent, with a total market value in 2025 equal to 132,921 million baht, consisting of Vitamins and Dietary Supplements will have a higher market value in 2025 equivalent to 45,472 million baht. In Thailand, sales increased to 34.21 percent of the total value of healthcare-related items, with an average annual growth rate of 8.42 percent from 2021 to 2025. Herbal/Traditional Products would have a market value of 49,716 million baht in 2025, accounting for 37.40 percent of the overall value of healthcare-related products in Thailand, with an average annual growth rate of 2.61 percent from 2021 to 2025. Traditional medicine will grow slowly

due to the possibility that the economy will not fully recover, and a lack of assistance from foreign tourists who buy herbal goods as souvenirs.



Source: Department of Provincial Administration, Ministry of Interior (the Year 2017 – 2020 data) and Thailand's population forecasts from 2010 to 2040 (revised edition) The Office of the National Economic and Social Development Council (the Year 2021F - 2025F 2031F and 2040F data)

Furthermore, based on Thailand's demographic structure, the number of elderly people aged 60 and up is expected to rise from 15.45 percent of the total population in 2017 to 17.58 percent of the total population in 2020, implying a compound annual growth rate (CAGR) of 4.39 percent per year from 2017 to 2020, with an upward trend. According to the Office of the National Economic and Social Development Council, senior persons aged 60 and up will make up 31.37 percent of the entire population by 2040. The elderly is thought to be a group of people who need and are interested in acquiring a wide variety of nutrients to improve their immune systems, and also a focus on health and physical fitness. During the day, the general food intake may not be full and adequate nourishment. This necessitates the use of additional dietary supplements. From the aforementioned considerations, the need for dietary supplements is expected to grow as the number of senior individuals grows.

Research and Development

The company is dedicated to producing high-quality, standardized dietary supplements. The company places a high value on product variety, searching for new high-quality raw materials to build both original and new goods that will satisfy the needs of all consumer groups. Furthermore, the company's trademarked products have a long-term growth potential. The company's research and development department, which is comprised of employees with competence, is responsible for the development and implementation of the sourcing of new raw materials and product kinds, which are generally developed by third parties. Various departments have collaborated with the research and development department for example marketing and sales departments are aiming to collaborate to produce items that meet market demands including taking into account relevant agencies' regulatory rules.

Furthermore, the company has a positive working connection with its commercial partners. Trends in the dietary supplement business are usually shared regularly, and the company is also developing new products in collaboration with universities and other prominent institutions in the country to research and create new raw materials for use in the company's dietary supplements for example Currently, the company has partnered with the Kasetsart Agricultural and Agro-Industrial Product Improvement Institute to promote research into the creation of standardized extracts from emblica and pure enzymes from pineapples for use in anti-aging cosmetics and given a fellowship to develop research potential with Burapha University's Faculty of Pharmacy: the objective was to examine the activity of bromelain from emblica.

The objective of collaborating with diverse institutions on research is to bring the outcomes of research to market as new products, as well as using research-based information on the properties and quality of essential compounds as a reference to give consumers confidence in the product's quality. The company will select various raw materials depending on their current popularity and market demand trends. Currently, the company is in the initial stages of collaborating with several institutions from January to December 2021. The company has around 2 million baht in research financing expenses. The results of such research financing will be monitored by the company for use in developing the company's business strategy for research guidelines and setting appropriate research expenditures in the future.

Development of new products

The process begins with the marketing department researching market trends and needs to determine the overall image of the new product. The R&D department will then seek active components in collaboration with raw material suppliers. Develop ingredients with attributes that satisfy the needs, and identify the

number of crucial compounds in the desired form or nature of the product. The research and development department will gather data on the product components such as pharmacological details, laws, regulations, experiment with different sensory qualities like appearance, color, smell, and taste, and Chemical properties including sweetness (Brix), acidity (pH), density, and humidity. Also, evaluating the shelf life of the products and summarizing the facts of the new product's components

After that, the production department creates samples for the marketing department to evaluate for taste and physical characteristics, while the research and development department brings the formula to register for a registration number and informs the packaging design department to design the product box. When the Food and Drug Administration or the Provincial Public Health have approved the food serial number, The R&D department will create a document outlining the product's components (Master Formula) for production and release.

Thailand Board of Investment (BOI)

The promotion certificate approved by Board of Investment of Thailand (BOI)

To show that Nova Organic Public Company Limited is a promoted company in the business of producing products from extracts of natural raw materials. category 1.11.2, the business of producing extracts from natural raw materials or the production of products from extracts of natural raw materials that is continuing in the same project, and category 1.18, the business of producing medical food or food supplements from extracts of natural raw materials.

Rights and benefits are summarized as follows:

1. Net profit from promoted businesses will be exempt from corporate income tax for net profit not exceeding 100% of investment.
(not more than 42.78 million baht).

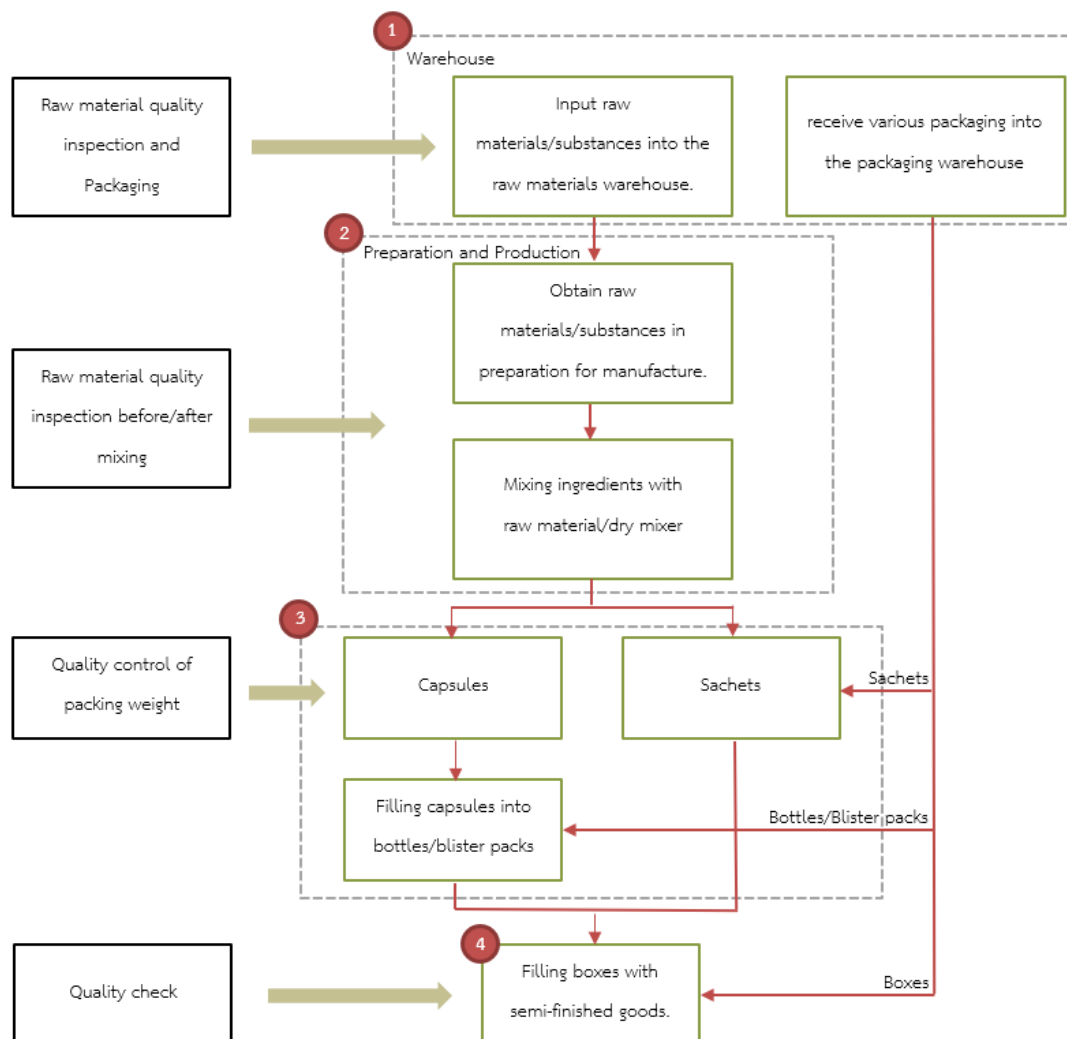
2. Period of 8 years for food supplements from natural raw materials extracted.

3. Period of 5 years for products from natural raw materials extracted

Production processes

The company has two closed-system dry production plants, as well as a factory business license and a license to create a factory to produce food for sale. The company's headquarters are in 190/4 Moo 8, and 190/1 Moo 8, Nai Khlong Pla Kot Subdistrict, Phra Samut Chedi District, Samut Prakan Province. The overall land area is approximately 1 rai 361 square wa (3044 square meters), which can be divided into two parts: the semi-finished product or process product production department, and the packing department. The factory will be built in the style of a cleanroom. The amount of dust, contaminants, temperature and humidity in the laboratory are all controlled to the company's specifications. Before entering the factory, factory employees must clean their bodies and dress in specific clothing.

The production department receives a sales estimate from the sales department to plan production weekly in advance raw materials and packaging, such as weighing the preparation, capsules, foil pouches, and the availability of equipment and machinery, etc. This summarizes the process of generating food supplements as follows:



Capacity

The table shows the capacity of sachet products like collagen sachets, Total fibely, etc.

List	Unit	Average production capacity used in one year			
		2018	2019	2020	2021
Maximum capacity	Million sachets	21.17	24.70	64.21	106.55
The volume of actual production	Million sachets	19.58	21.24	34.37	34.99
Rate of capacity utilization	Percentage	92.49	86.00	53.53	32.84

In 2018, the average maximum production capacity for the year is computed using a total of six machines. The production team works for 8 hours per shift per day in a single shift. As a result, the maximum annual production capacity is 21.17 million sachets. In 2019, the company placed an order for one more machine, bringing the total annual production capacity to 24.70 million sachets. และ In 2020, the company has ordered 13 machines and has two shifts of production personnel, resulting in a maximum production capacity of 64.21 million sachets per year. However, the capacity utilization rate varies throughout the year depending on the volume of orders received; certain periods have full capacity production, requiring staff to work two shifts, resulting in the company ordering additional machines to meet production demands in those periods. Besides, when the annual capacity utilization rate is averaged over the entire production period, some areas of the production are below average, resulting in an annual capacity utilization rate of 53.53 percent and an increase in real production volume to 34.37 million sachets compared to 21.24 million sachets in 2019.

The company ordered another high-speed sachet packing machine in early 2021, which has more nozzles for filling sachets and can produce approximately 10 times faster than normal machines, resulting average a month the maximum production capacity is 106.55 million envelopes and calculating the work of the production staff in two shifts. However, because the company purchased high-speed machinery, the capacity utilization rate has declined since 2020, and the maximum capacity is computed on a 2-shift basis, with the number of orders being fewer than expected due to negative news about dietary supplements. The company anticipates that the utilization rate of sachet capacity will improve slightly in the future as a result of the marketing of the original product, the cordyceps coffee blend, and the release of additional goods, ginger drink mixed with finger root extract, and Instant coffee mixed plus finger root extract. In 2021, the company's actual production volume was 34.99 million sachets, compared to 34.37 million sachets in 2020.

Table showing tablet and capsule production capacity, e.g. cordyceps, etc.

List	Unit	Average production capacity used in one year			
		2018	2019	2020	2021
Maximum capacity	Million capsules	47.04	70.56	385.34	1,124.24
The volume of actual production	Million capsules	8.22	35.14	363.23	134.66
Rate of capacity utilization	Percentage	17.47	49.81	94.26	11.98

In 2018, the total number of 3 machines was used to compute the average maximum production capacity for the year. The production workforce works an 8-hour shift per day. The company ordered four machines in 2019, giving them a total production capacity of 70.56 million capsules per year. In 2020, the company ordered a total of 15 machines by gradually acquiring both automatic and semi-automatic machines throughout the year and high-speed models with additional rows of filling heads that can produce 4-5 times faster than standard machines. Due to a surge in orders, the machine came in December 2021 with two shifts of production employees. As a result, the maximum annual production capacity is 385.34 million capsules. At the beginning of 2021, the company ordered one more machine and calculated the work of the production team of two shifts, in addition to four new machines that arrived in December 2020, resulting in the highest average production capacity of the year 2021 of 1,124.24 million capsules. However, the capacity utilization rate has declined since 2021, owing to the company's orders for machinery arriving at the end of 2020 and a lower-than-expected number of orders due to negative news regarding dietary supplements. The company anticipates that the capsule-type capacity utilization rate will continue to rise in the future as a result of new products that the company plans to market starting in the third quarter of 2021, which already has products on the market: Finger root extract plus Emblica extract dietary supplement product and Vitamin c, which is a product that has gained popularity from the epidemic of the Covid-19 virus. Products planned for release this year for example Black Sesame Extract Plus UC-II dietary supplement product, etc.

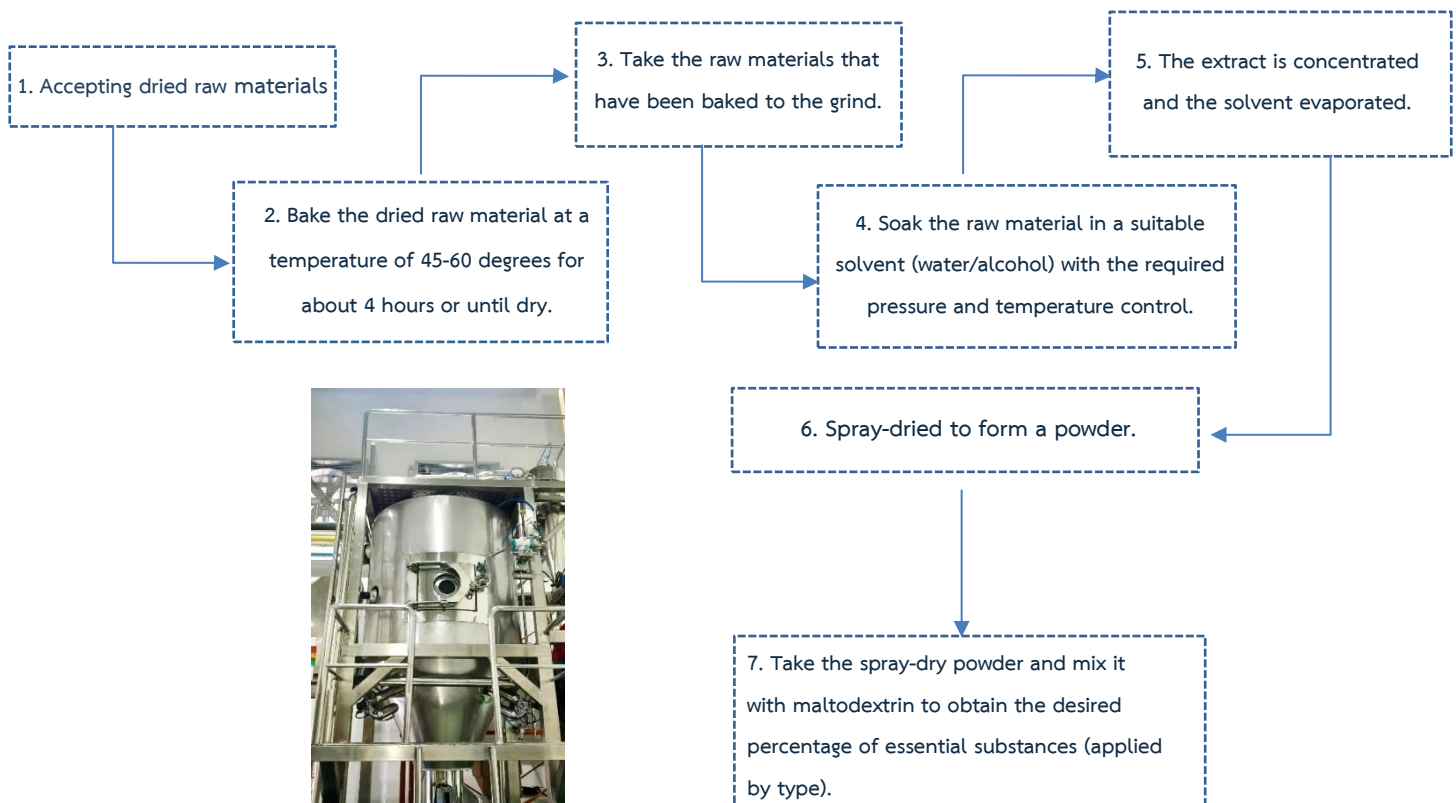
The company expects a temporary decrease in the utilization rate of sachet packing machines and capsule filling machines, but the rate of use of various types of machinery will increase steadily by marketing and sales guidelines that are distributed and constantly launching new products.

Table showing the production capacity of canned products such as canned collagen, etc.

List	Unit	Average production capacity used in one year			
		2018	2019	2020	2021
Maximum capacity	Million cans	-	-	2.23	9.64
The volume of actual production	Million cans	-	-	0.04	1.34
Rate of capacity utilization	Percentage	-	-	1.66	13.90

At the end of 2019, the company ordered one canning machine to test the production and distribution of canned collagen products in the market. One more machine was ordered in April 2020, bringing the average maximum production capacity in 2020 to 2.35 million cans per year, derived from the number of two machines and the working time of production staff in two shifts of 8 hours per day. และ In July and August 2021, four more machines are being ordered to assist marketing efforts to introduce more canned collagen products. As a result, in 2021, the average production capacity climbed to 9.64 million cans, and the capacity utilization rate increased to 13.90 percent, with an actual production volume of 1.34 million cans, compared to 0.04 million cans in 2020. The increase in canning machinery output and capacity utilization rate is attributable to sales and marketing plans being adjusted to cover a wider range of products. In June 2021, the company began selling canned collagen products.

Extraction



Product and quality standards

The company is dedicated to upholding and improving product quality standards following international guidelines, by getting the following licenses and certificates of manufacturing standards:

- Factory Operation Permit (Ror Ngor.4 Form) from the Federation of Thai Industries, Ministry of Industry.
- Food Production License (Or.2 Form) from the Food and Drug Administration (FDA), Ministry of Public Health.
- Food Registration Certification (Sorbor. 5 Form) or Application Form for Permission to Use Food Label (Sorbor. 3 Form) that has been approved by the Food and Drug Administration (FDA), Ministry of Public Health, for each product that the company produces and sells to customers.
- Intetek's international GMP (General Principles of Food Hygiene) certificate for the production of food supplements (capsules, powder, or dry), coffee (powder or dry type), and beverages in sealed containers (dry or powder).
- Intetek Institute's certificate of ISO 9001: 2015 in the production of dietary supplements (natural extracts, synthetic extracts, and Collagen Powder), Instant Coffee Powder, Powdered drink, which is a food safety quality management system and Quality assurance in every production process, from raw material inspection to quality control during production.
- The halal license from the Office of the Central Islamic Council of Thailand, which is verified according to the correct process according to Islamic principles.

Officials from various agencies, such as the Samut Prakan Provincial Public Health Department and the Office of the Central Islamic Council of Thailand, will randomly visit the factory to inspect the quality of goods and products, the wastewater treatment system inside the factory, and the Good Manufacturing Practices (GMP) standards, etc. The investigation found that the company's manufacturing process meets the required criteria.

Furthermore, the corporation has a quality inspection department that inspects and controls quality at every stage of the manufacturing process until it is delivered to customers. Starting with the inspection of raw materials and packaging received from purchase orders, withdrawing raw materials from the warehouse, checking the readiness and cleanliness of the equipment before beginning production, quality inspection after mixing, packaging quality inspection, and packing the substance into the package after mixing. Also, working with external research companies in the delivery of the company's products to check for heavy

metal contamination and some infections that are difficult to detect on their own. This is because inspections necessitate the use of specialist tools.

Impact on the environment

The company aspires to be a sustainable business entrepreneur with a focus on conducting business with quality for the highest level of customer satisfaction. At the same time as focusing on the environment, the company has wastewater treatment within the factory before releasing it to the public, which includes properly disposing of and separating chemical waste.

The company has never had any conflicts or been sued for environmental litigation in its commercial operations and has never been cautioned or punished in such matters, as a result of the company's attention on this issue and rigorous adherence to environmental rules.

Regularly, the company has employed external specialists to monitor and check the environmental quality that may affect the environment's quality and the health of the people in the work area. In the past, the organization was able to perform under government criteria all the time.

Regulations related to business operations

The company's dietary supplement production and distribution are categorized as food with quality or standards under the Food Act B.E. 2522 (and its revisions) ("Food Act"). Food supplement products must be certified by the Food and Drug Administration before being sold, according to a notification from the Ministry of Public Health. As a consequence, the company must adhere to the Food Act and the Ministry of Public Health's notifications relating to the business of selling important dietary supplements, as well as other dietary supplement-related laws, including guidelines for determining nutrients and other substances that are essential components of dietary supplements, using food supplement containers, and providing labels on the products. Furthermore, the company must apply for a food production license and submit a plan of food production, along with a building and food storage facility, machinery, and manufacturing method, to the Food and Drug Administration for approval. After that, the FDA will perform a factory audit and grant a food production license if the plant fits the company's criteria. This license must be renewed every three years.

The production plant will be inspected regularly by the Food and Drug Administration or the provincial department of health. Also, collecting samples of the company's products and sending them to a laboratory to be tested to see if they meet the standard.

The job that hasn't been completed yet

- none -



Assets used in the Business

Fixed assets used in business

1. As of December 31, 2021, the company has fixed assets utilized in its business operations after deducting accumulated depreciation of 358.15 million baht, as stated in the consolidated statement of financial position; details can be summarized as follows:



Lands

Location	Area			Purpose of holding	Nature of holding	Obligation	Net book value Date 31 Dec. 2021 (Million baht)
	Rai	Ngan	Square wa				
1. Thonburi Complex Project, No. 174 and 176, Samae Dam, Bang Khun Thian, Bangkok (Title Deed No.150017 and 150018)	-	-	56	Office	Ownership	None	2.38
2. Thonburi Complex Project, No. 468, No. 470, No. 472, No. 474, No. 476 and No. 478, Samae Dam, Bang Khun Thian, Bangkok (Title Deed No.150061-150066)	-	1	30.4	Office	Ownership	Collateral for credit facilities with a financial institution total loan amount 58.00 million baht ¹	9.52
3. Suptawee Home Factory 3, No. 190/1 Nai Khlong Bang Pla Kot, Phra Samut Chedi, Samut Prakan (Title Deed No.12496 and 12497)	1	-	8	Office and Factory	Ownership		14.13
4. Suptawee Home Factory 3, No. 190/4 Nai Khlong Bang Pla Kot, Phra Samut Chedi, Samut Prakan (Title Deed No.48729)	-	1	45.9	Office and Factory	Ownership		4.02
5. Prachauthit-Khu Sang, Nai Khlong Bang Pla Kot, Phra Samut Chedi, Samut Prakan (Title Deed No.59785 and 59787)	11	3	18	New factory	Ownership	None	120.09
Nai Khlong Bang Pla Kot, Phra Samut Chedi, Samut Prakan (Title Deed No.12498)	-	2	8	Factory expansion	Ownership	None	9.40
6. Thonburi Complex, No. 508, Samae Dam, Bang Khun Thian, Bangkok (Title Deed No.149986)	-	-	21	Office	Ownership	None	0.89
7. Thonburi Complex, No. 510, Samae Dam, Bang Khun Thian, Bangkok (Title Deed No.149987)	-	-	21	Office	Ownership	None	0.90
Total net							161.33

Notes: ¹ There are 14 title deeds of land and other buildings on the property, totaling 58.00 million baht in credit facilities with financial institutions, as follows: Company's land No.150061- 150066, No.12496-12497, and No.48729. Land under the ownership of the Chanjutamard family No.150008-150009 and No.150058-150060. In this regard, the company has redeemed all collaterals owned by the Chanjutamard family as of October 2021. The credit line amount remains at 58.00 million baht.

Buildings, building improvements, and land improvements

Location	Purpose of holding	Nature of holding	Obligation	Net book value Date 31 Dec. '64 (Million baht)
1. Thonburi Complex Project, No. 174 and 176, Samae Dam Sub-district, Bang Khun Thian District, Bangkok (Title Deed No.150017 and 150018)	Office building	Ownership	None	11.20
2. Suptawee Home Factory 3, No. 190/1 Nai Khlong Bang Pla Kot Sub-district, Phra Samut Chedi District, SamutPrakan (Title Deed No.12496 and 12497)	Office buildings and factory buildings	Ownership	Collateral for credit facilities with a financial institution total loan amount 58.00 million baht ¹	58.28
3. Suptawee Home Factory 3, No. 190/4 Nai Khlong Bang Pla Kot Sub-district, Phra Samut Chedi District, Samut Prakan (Title Deed No.48729)	Office buildings and factory buildings	Ownership		9.88
4. Thonburi Complex, No. 508 and 510, Title Deed No.149986 and 149987	Office buildings	Ownership	None	5.92
5. Pracha Uthit-Khu Sang, Nai Khlong Bang Pla Kot Sub-district, Phra Samut Chedi District, Samut Prakan (Title Deed No.59785 and 59787)	Office buildings	Ownership	None	0.25
Total net				85.53

Notes: ¹ There are 14 title deeds of land and other buildings on the property, totaling 58.00 million baht in credit facilities with financial institutions, as follows: Company's land No.150061-150066, No.12496-12497, and No.48729. Land under the ownership of the Chanjutamard family No.150008-150009 and No.150058-150060. In this regard, the company has redeemed all collaterals owned by the Chanjutamard family as of October 2021. The credit line amount remains at 58.00 million baht.

Other fixed assets

Assets	Nature of holding	Obligation	Net book value Date 31 Dec. '64 (Million baht)
1. Machines and factory equipment	Ownership	None	61.95
2. Office equipment	Ownership	None	16.73
3. Vehicles	Ownership	None	6.26
4. Assets under installation	Ownership	None	26.35
Total net			111.29

Intangible assets

As of December 31, 2021, the Company has intangible assets related to computer programs with a net book value of 3.06 million baht and a policy to amortize using the straight-line method over a useful life of 5 years.


Company's Trademark

When selling a variety of products, the company must register the distribution brand with the Trademark Office, the Department of Intellectual Property, and the Ministry of Commerce regularly. Each trademark is valid for ten years after it is registered and can be renewed every ten years. As of December 31, 2021, the company had three trademarks registered in Thailand, three trademarks in the process of being registered, and trademarks registered in nine countries, the following are the details:

Trademark	Sorts	Registration number/ Request number	Duration
	Dietary supplements are made from plants and animals and are not intended for medical use.	181110688	12 July 2016 - 12 July 2026
	Supplements made from herbs	191101204	3 September 2017 - 3 September 2027
	Supplements made from herbs	211118205	It is anticipated that the trademark registration process would be finished in 2022
	Coffee beverages, beverages, instant coffee, instant coffee powder, energy drink, supplements made from herbs, and dietary supplements made from plant extracts	210108565	
	Hair shampoo, hair serum, and supplements made from herbs	200138775	

The company has been registered for 9 trademarks in foreign countries as follows:

Trademark	Country of registration	Registration number	Sorts	Duration
	Hong Kong	304315536	Collagen for medical purpose; Liquid nutritional supplements; Plant and herb extracts for medicinal use; Glucose dietary Supplements; Protein supplements; Vitamin supplements	25 October 2017 - 25 October 2027
	Indonesia	D002016037008	Protein dietary supplements; Nutritional supplements; Fiber (Dietary); Enzyme dietary supplements	7 May 2018 - 7 May 2028
	Laos	38464	Protein dietary supplements; Nutritional supplements; Fiber (Dietary; Enzyme dietary supplements	14 August 2017 - 14 August 2027
	Myanmar	4/22885/2019	Enzyme dietary supplement; Dietary fiber; Nutritional supplements; Protein dietary supplements	25 July 2019 - 25 July 2022
	Philippines	4/2016/00502711	Enzyme dietary supplement; Dietary fiber; Nutritional supplements; Protein dietary supplements	28 December 2017 - 28 December 2027
	Malaysia	2018050453	Protein dietary supplements; nutritional supplements; dietary fiber; enzyme dietary supplements; all included in class 5.	9 January 2018 - 9 January 2028
	Vietnam	312531	Enzyme dietary supplement; Dietary fiber; Nutritional supplements; Protein dietary supplements	7 June 2015 - 7 June 2025
	Singapore	40201822550S	Protein dietary supplements; Dietary fiber; Nutritional supplements; Vitamin preparations; Antioxidant pills; Enzyme dietary supplements; Antiallergic medicines; Medicinal herbs; Herbal medicine; Medicines for alleviating constipation.	31 October 2018 - 31 October 2028

Trademark	Country of registration	Registration number	Sorts	Duration
	Taiwan	2003999	Glucose dietary supplements; Protein dietary supplements; vitamin preparations; nutritional supplements; chemical preparations for medical purposes; yeast dietary supplements; medicinal herbs; medicines for human purposes; collagen for medical purposes; slimming purposes	15 August 2019 - 15 August 2029

Important licenses for doing business

Business license for a factory

The company holds the following factory licenses as of December 31, 2021:

Important documents or licenses	Factory Registration No.
Factory Operation Permit (Ror Ngor.4 Form)	E 3-12(5)-1/13 P.P.
Factory Operation Permit (Ror Ngor.4 Form)	E 3-12(5)-1/14 P.P.

Cancellation of a factory business license renewal (Ror. Ngor.4), as required by Section 10 of the Factory Act (No. 2) B.E. 2562.

Licenses and other important documents used in business

As of December 31, 2021, the company had received important documentation and permits to conduct business.

The following are the specifics:

Important documents or Licenses	License number	Regulatory agencies or issuers of important docs.	Duration
Food Production License (Or.2 Form)	11-1-07356	The Food and Drug Administration (FDA)	31 December 2021 - 31 December 2024
Food Production License (Or.2 Form)	11-1-11259	The Food and Drug Administration (FDA)	31 December 2021 - 31 December 2024
Certificate of Registration (GMP)	Cerf. No. 240F1611001	The Food and Drug Administration (FDA)	4 June 2019 - 3 June 2022
Certificate of Registration (GMP)	Cerf. No. 240F1608003	The Food and Drug Administration (FDA)	21 May 2019 - 9 October 2022
Certificate of Registration (ISO 9001:2015)	Cerf. No. 24111701001	The institute supports ISO standards, Ministry of Industry	26 May 2020 - 22 June 2023
Thailand Trust Mark (T Mark)	PN 0908.2/1568	Department of International Trade Promotion	March 2019 - March 2022
The halal license	CICOT. halal C976/2556	The Office of the Central Islamic Council of Thailand	8 July 2021 - 7 July 2022
Business license that is harmful to health	Book No. 6 No. 22 Year 2021	Nai Khlong Bang Pla Kot SAO	11 June 2021 - 10 June 2022
Business license that is harmful to health	Book No. 6 No. 26 Year 2021	Nai Khlong Bang Pla Kot SAO	15 June 2021 - 14 June 2022

Important contracts related to the company's business operations

Property leasing agreement

As of December 31, 2021, the company has leased commercial and warehouse facilities to establish an office building and a storage space to support the company's expansion. The following are the specifics of the lease agreement:

Lease agreement	Lease agreement details	
1. Commercial building lease agreement No. 178, Soi Rama 2, Soi 6, Samae Dam Sub-district, Bang Khun Thian District, Bangkok	Lessee	: The company
	Lessor	: Director of a company
	Duration	: 5 March 2021 to 2 March 2024
	Usable area	: 30.8 Square wa
	Rental fee	: 30,000 baht per month (Excluding water and electricity bills)
	Objective	: Office buildings

Lease agreement	Lease agreement details	
2. Commercial building lease agreement No. 180, Soi Rama 2, Soi 6, Samae Dam Sub-district, Bang Khun Thian District, Bangkok	Lessee Lessor Duration Usable area Rental fee Objective	: The company : Director of a company : 1 October 2019 to 1 October 2023 : 26.9 Square wa : 30,000 baht per month (Excluding water and electricity bills) : Office buildings
3. Warehouse lease agreement No. 190/71 Soi Suksawat 84, Nai Khlung Bang Pla Kot Sub- district, Phra Samut Chedi District, Samut Prakan	Lessee Lessor Duration Usable area Rental fee Objective	: The company : Director of a company : 13 May 2021 to 31 December 2021 : 105.7 Square wa : 70,500 baht per month (Excluding water and electricity bills) : Warehouse
4. Warehouse lease agreement No. 190/83 Soi Suksawat 84, Nai Khlung Bang Pla Kot Sub- district, Phra Samut Chedi District, Samut Prakan	Lessee Lessor Duration Usable area Rental fee Objective	: The company : NOVA ORGANIC Holding CO., LTD : 13 May 2021 to 31 December 2021 : 159.1 Square wa : 91,500 baht per month (Excluding water and electricity bills) : Warehouse
5. Warehouse lease agreement No. 190/84 Soi Suksawat 84, Nai Khlung Bang Pla Kot Sub- district, Phra Samut Chedi District, Samut Prakan	Lessee Lessor Duration Usable area Rental fee Objective	: The company : NOVA ORGANIC Holding CO., LTD : 13 May 2021 to 31 December 2021 : 158.2 Square wa : 91,500 baht per month (Excluding water and electricity bills) : Warehouse
6. Warehouse lease agreement No. 190/23 Soi Suksawat 84, Nai Khlung Bang Pla Kot Sub- district, Phra Samut Chedi District, Samut Prakan	Lessee Lessor Duration Usable area Rental fee Objective	: The company : People that aren't affiliated with the company : 12 July 2021 to 12 July 2022 : 97.5 Square wa : 72,000 baht per month (Excluding water and electricity bills) : Warehouse location
7. Warehouse lease agreement No. 190/24 Soi Suksawat 84, Nai Khlung Bang Pla Kot Sub- district, Phra Samut Chedi District, Samut Prakan	Lessee Lessor Duration Usable area Rental fee Objective	: The company : People that aren't affiliated with the company : 3 July 2021 to 3 July 2022 : 97.5 Square wa : 72,000 baht per month (Excluding water and electricity bills) : Warehouse

Lease agreement	Lease agreement details	
8. Warehouse lease agreement No. 190/80 Soi Suksawat 84, Nai Khlom Bang Pla Kot Sub- district, Phra Samut Chedi District, Samut Prakan	Lessee	: The company
	Lessor	: People that aren't affiliated with the company
	Duration	: 2 November 2021 to 1 November 2022
	Usable area	: 427.7 Square wa
	Rental fee	: 180,000 baht per month (Excluding water and electricity bills)
	Objective	: Warehouse

Loan and Liabilities under Financial Leases

The company has credit facilities with financial institutions as of December 31, 2021. The following are the details of the loan amount:

Type of loan amount	Liabilities as of September 30, 2021 (baht)	Total loan amount (baht)	Guarantee
O/D short term loan	-	3,000,000	- The company owns title deeds with the no. 150061-150066, 12496-12497, and 48729.
P/N short term loan	-	55,000,000	- Chanjuthamard Family owns title deeds with the no. 150008-150009 and no. 150058-150060 (The redemption date is October 2021.) - Mr. Navaphol Chanjuthamard is the guarantor
L/G guarantee	12,000,000	24,000,000	- Fixed deposit account in the company's name with a balance of 24.00 million baht
Factoring credit	-	-	- Mr. Navaphol Chanjuthamard is the guarantor - Mrs. Yuphin Chanjuthamard is the guarantor

Insurance contract

The company has insurance to protect its assets from loss, and it has the policy to renew various insurance policies when they reach their maturity dates. Currently, the company has the following key insurance policies in place:

Assured	Insurance type	Details of the insured's assets	Beneficiary	Insurance limit (MB.)	Insurance period
Company	Fire insurance	No. 174 and 176, Samae Dam, Bang Khun Thian, Bangkok: buildings and assets inside the building	Company	16.00	15 March 2021 – 15 March 2022
Company	Fire insurance	No. 178 and 180, Samae Dam, Bang Khun Thian, Bangkok: buildings and assets inside the building	A financial institution under the obligation	11.60	3 November 2021 – 3 November 2022
Company	Fire insurance	No. 468, No. 470, No. 472, No. 474, No. 476 and No. 478, Samae Dam, Bang Khun Thian, Bangkok: buildings including building improvements	A financial institution under the obligation	18.00	12 July 2021 – 12 July 2022
Company	Property risk insurance	No. 190/1, Nai Khlong Bang Pla Kot, Phra Samut Chedi, Samut Prakan: buildings, assets inside the building, stock, and machinery	Company	126.60	25 February 2021 – 25 February 2022
Company	Property risk insurance	No. 190/4, Nai Khlong Bang Pla Kot, Phra Samut Chedi, Samut Prakan: buildings, assets inside the building, and machinery	Company	19.80	15 January 2021 – 15 January 2022
Company	Fire insurance	No. 190/23, Nai Khlong Bang Pla Kot, Phra Samut Chedi, Samut Prakan: building	Building lessor	3.60	16 January 2021 – 25 January 2022
Company	Property risk insurance	No. 190/23, Nai Khlong Bang Pla Kot, Phra Samut Chedi, Samut Prakan: buildings, assets inside the building, stock, and machinery	Company	6.30	12 July 2021 – 12 July 2022
Company	Fire insurance	No. 190/24, Nai Khlong Bang Pla Kot, Phra Samut Chedi, Samut Prakan: Building	Building lessor	3.60	16 January 2021 – 25 January 2022
Company	Property risk insurance	No. 190/24, Nai Khlong Bang Pla Kot, Phra Samut Chedi, Samut Prakan: buildings, assets inside the building, stock, and machinery	Company	7.00	12 July 2021 – 12 July 2022
Company	Property risk insurance	No. 190/44, Nai Khlong Bang Pla Kot, Phra Samut Chedi, Samut Prakan: buildings, assets inside the building, stock, and machinery	Company	3.00	12 July 2021 – 12 July 2022
Company	Property risk insurance	No. 190/71, Nai Khlong Bang Pla Kot, Phra Samut Chedi, Samut Prakan: buildings, assets inside the building, and stock	Building lessor	10.90	25 February 2021 – 25 February 2022
Company	Fire insurance	No. 190/80, Nai Khlong Bang Pla Kot, Phra Samut Chedi, Samut Prakan: building	Building lessor	9.50	28 October 2021 – 28 October 2022
Company	Property risk insurance	No. 190/80, Nai Khlong Bang Pla Kot, Phra Samut Chedi, Samut Prakan: buildings, assets inside the building, stock, and machinery	Company	38.00	12 July 2021 – 12 July 2022
any	Property risk insurance	No. 190/83 and No. 190/84, Nai Khlong Bang Pla Kot, Phra Samut Chedi, Samut Prakan: buildings, stock, and machinery	Building lessor	38.40	10 July 2021 – 10 July 2022

Securities and Shareholder Information

Amount of registered and paid-up capital

The company has a registered capital of 300,000,000 baht as of June 7, 2021, divided into 600,000,000 ordinary shares with a par value of 0.50 baht per share, for a total paid-up capital of 225,000,000 baht. On November 23, 2021, the Board of Directors resolved to authorize the distribution of the company's newly issued ordinary shares to be offered for Initial Public Offering (IPO), the company's Sponsors, Directors, Executives, and Employees.

Following the issue and initial public offering, the company will have a paid-up capital of 300,000,000 baht divided into 600,000,000 ordinary shares with a par value of 0.50 baht per share.

Company's shareholder structure

The following is a list of the company's top ten shareholders as of December 31, 2021:

No.	List of shareholders	Number of shares	Shareholding (%)
1	NOVA ORGANIC HOLDING CO., LTD	207,802,200	34.634
2	Mr. Navaphol Chanjuthamard ^{1/}	116,666,400	19.444
3	Mrs. Yuphin Chanjuthamard ^{2/}	91,134,800	15.189
4	SMEs Private Equity Trust Fund 2	18,900,000	3.150
5	Mr. Peerajed Suwannapasri	10,573,300	1.762
6	Mr. Somsak Laosujaritkul	10,000,000	1.667
7	Mr. Yuth Tangtrongsak	3,657,800	0.610
8	Mrs. Sutthinee Tangtrongsak	3,657,800	0.610
9	Mrs. Lawan Wanglee	3,500,000	0.583
10	COSMIC CONCORD CORP.,LTD	3,000,000	0.500
	other shareholders	131,107,700	21.851
Total		600,000,000	100.000

Notes: A Major shareholder is one whose actions have a massive effect on the company's policymaking, management, or operations.

- ^{1/} Mr. Navaphol Chanjuthamard Directors who represent major shareholders
 Chief Executive Officer
 (The person is authorized to sign on the company's behalf according to the company certificate.)
- ^{2/} Mrs. Yuphin Chanjuthamard Directors who represent major shareholders
 Chief Financial Officer
 (The person is authorized to sign on the company's behalf according to the company certificate.)

Issuing other securities

- None -

Dividend Policy

The Company has the dividend policy to pay dividends to shareholders at the rate of not less than 40 percent of the net profit of the separate financial statements after tax and legal reserve and other reserves (if any). However, the dividend payment is subject to change depending on the operating results, financial position, liquidity, business expansion plan, working capital requirement, future investment, economic conditions, suitability and other factors related to the operations and management of the Company under the condition that the Company must have enough liquidity to operate the business and such action must maximize benefit to the shareholders as the Board of Directors and/or the shareholders of the Company deems appropriate.

The Board of Directors' resolution on approval for the annual dividend payment shall be proposed to shareholders' meeting for approval on such payment, except for interim dividend payment which the Board of Directors has authority to approve from time to time when deemed that the Company has appropriate profits. The interim dividend payment will then be reported at the next shareholder meeting.

Information about dividend payments and statutory reserve allocation in 2021

Dividend	Approve by	Amount (Million baht)	Dividend paid per share (baht)
Interim Dividend 2021	Board of Directors Meeting No. 1/2022 dated January 4, 2022	210	0.35
Total		210	



Risk Factors

Policy and Plan for Risk Management

The management of Nova Organic Public Company Limited is focused on ensuring that the company has good corporate governance. The risk management process has been implemented throughout the company following the guidelines set forth by The Committee of Sponsoring Organizations of the Trade Way Commission (COSO). All executives and employees are aware of their responsibilities to follow the risk management policy to keep risks to a manageable level and allow the company to achieve its goals.

- (1) As part of the company's risk management process, all parties are responsible for developing a risk assessment schedule, determining risk indicators, and preparing a risk report.
- (2) The company will design a system for identifying and controlling risks that affect the objectives to reduce the risks to an acceptable level.
- (3) In determining which risks are acceptable; for example, if the cost of managing the risk is so high that the outcome is not worth it, or if the cost of building a system to manage or prevent risks is not worth it, or if the risk is beyond the company's control because it is caused by uncontrollable external factors. The Board of Directors must approve it.
- (4) When employees notice or acknowledge potential threats to the company. The risk must be immediately disclosed to the appropriate parties for further management.
- (5) This risk management policy must be implemented consistently and strictly under the supervision of the company's management.
- (6) Risk management has been managed methodically and continually throughout the company, with input from employees at all levels, and has been managed to have the same standardized risk management procedure throughout the company.
- (7) There must be a frequent follow-up and evaluation of risk management that is reviewed and improved, where risk management is part of normal operations.

Risk Factors for the Company's Business Operations

Investing in the company's common stock carries a high level of risk. Before opting to participate in the company's common stock, investors should carefully consider the information included in this document, particularly the risk considerations in this topic.

The following statements highlight some of the major risk factors that may have an impact on the company and its stock value. In addition to the risk factors identified in this year's report. Other risks may exist that the company is unaware of at this time, or that the company considers being minor at this time. In the future, this could be a significant risk factor. These risks could have a significant impact on the company's operations, revenue, profitability, assets, liquidity, and funding.

Furthermore, these statements are forward-looking statements in this prospectus, for instance, the terms "believe," "expect," "anticipate," "plan," "intend," "estimate," or "project" future project finances, earnings forecasts, business, business expansion plans, changes in laws affecting the company's business operations, state policies, and/or any other similar term or statement. It is a word or statement that expresses uncertainty about what might happen in the future. It is a prediction of future events based on the company's current opinion. It is not a guarantee of future results or events, and actual results may differ considerably from expectations or projections. This section contains information about or relating to the government or the country's overall economy. Obtained from publicly available information or information extracted from government publications or other sources without the company's authentication or confirmation of the accuracy of such material.

Currently, the company is in the business of producing and distributing dietary supplements and personal care products, and it faces the same business risks as other businesses, and also risks particular to the business of the company. The details are as follows:

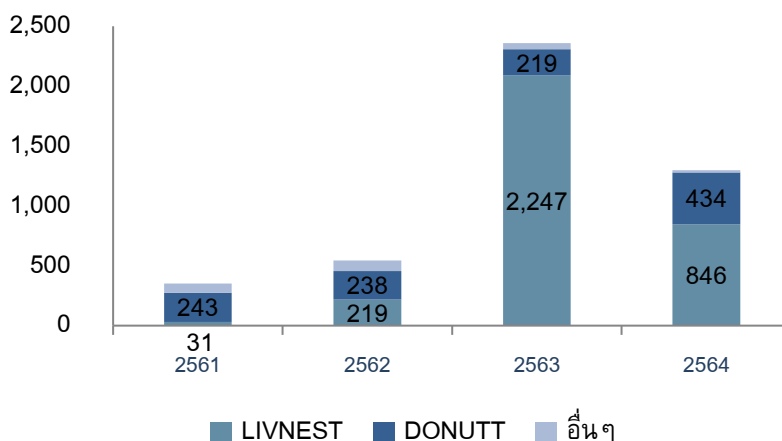
Risks to the Company's Operations

1. Revenue concentration risk in the product group using Cordyceps as the major constituent.

Based on previous performance The company's primary source of revenue is dietary supplements under two different trademarks: 1) beauty supplements under the DONUTT trademark, which include collagen and dietary fiber products, and 2) health food supplements under the LIVNEST trademark, which includes a cordyceps-based product. From the past, The performance of items bearing the LIVNEST trademark has improved dramatically as a result of the company's marketing activities beginning in 2020. In 2018, 2019, 2020, and 2021, revenue from products under the aforementioned trademarks totaled 30.85 million baht, 218.92 million baht, 2,247.79 million baht, and 846.03 million baht, respectively, accounting for 8.76 percent, 40.20 percent, 86.87 percent, and 65.17 percent of total revenue from sales. The distribution of products has increased in 2021, as can be shown. This enables the company to reduce risks in the case of a sales decrease or an occurrence that has a negative impact on a certain product. This could have a substantial impact on the company's overall performance.

However, the company is aware of the aforementioned risks. As a result, the company places a high value on the quality of each of its products, conducting frequent quality control and inspections of the manufacturing

process to ensure customer satisfaction. Moreover, the company continues to develop new items and market other company products to diversify its income ratio and suit the needs of other customer groups. This will increase the number of customers and disperse the risk of relying on the same product category.



2. The risk of controlling product communication and advertising.

Because the company's products are dietary supplements, they are all classified as quality food or standards under the Food Act B.E. 2558 (2015) B.E. 2522 (and revisions) ("Food Act") and other Ministry of Public Health announcements. As a consequence, the corporation must regulate and comply with a variety of restrictions, which include obtaining a production license, registering recipes as required by law, adhering to labeling regulations, and advertising. At this time, the company has fully licensed and registered all of its products, including the use of labels following the law.

for advertising the company's products by investing in the production of advertising material and distributing it through multiple channels following the marketing strategy of the company such as television commercials, or using a well-known presenter to reach consumers and make the product widely known, which such advertisements are risky to advertise information, or insufficient clarification of the warning, or misleading to exaggerate the property. In the past, the company was sued in a lawsuit involving the presentation of material on the company's website and advertising through cable TV channels, which is the distribution of prohibited commercials in a total of two cases. The fine was paid, and the case was closed. However, if similar lawsuits occur in the future, it may harm the company's image and reputation, causing customers to delay orders and negatively impacting overall performance.

The company is aware of the situation and has not neglected the importance of monitoring communication and advertising. The company has established a policy and oversees the development and distribution of advertisements in line with the Food Act and the Consumer Protection Act. This is done by collaborating with

advertising agents or distributors of the company's products regarding the accuracy and appropriateness of the information. Including permission to promote every time, there is regular tracking and random checks on ads, stringent punitive measures are imposed to prevent, and regulate the firm works within the defined legal framework.

3. The risk of negative situation or changes to the presenter.

To make the company more well-known through advertising and public relations, the company has hired well-known people who are well-known among the target customers to present their products and inform consumers about the product's features. which, if a negative situation or change occurs that affects the product's presenter, the company may suffer from the dissemination of negative news in the general media or through social media, or from claims or criticisms of the product's quality or safety, whether such claims or criticisms are true or not. Which could have a substantial negative influence on the company's business, financial position, the company's performance, and the company's cash flow. It is possible that the company will not be able to regain its reputation, which has been deteriorating.

The company is aware of these risks. Although the company is also restrictions on actions, or omissions, or any other actions of the presenter to sell products that may be linked to the company, the company believes that the success of the company in that business depends on various factors, the most significant factor is the quality of the company's products. Therefore, the company focuses on production, selecting modern production technology to increase efficiency and effectiveness. As a result, the product's quality is consistent, accurate, and dependable. Including designing items to fit market demands and avoiding claims about the product's quality and safety.

4. Risks from news flows affecting customer trust in product consumption.

Dietary supplements are a consumer product for the company. As a consequence, the product's dependability in terms of quality is a significant consideration for consumers when purchasing goods. Nowadays, social media is a significant route for getting news in today's period, which produces a big volume of information and spreads it fast and extensively. Such news could include information that hasn't been verified for authenticity or the source of the information. As a result, news content is occasionally mixed with both false and real information, causing the audience to misinterpret and lose trust in the quality of items containing bad raw ingredients, or may have an impact on the company's image. This could cause a halt in consumer orders.

The company is aware of such risks, which are caused by external factors over which the company has no control. However, the company intends to bring high-quality products to market, which is critical for consumers to trust and buy the company's products regularly. Also, The company's executives and marketing departments focus on

keeping track of the movement of news both online and through other channels to provide a public relations plan through advertising media to provide information about the company's products through television and online media and to communicate to consumers the quality of raw materials and production process standards regularly. Currently, the company has a customer base of more than 1 million customers¹ who trust the company's phone sales channels to order products, and some customers make repeat purchases for the same products as well as other sorts of products from the extra company. This is a significant group of customers to whom the company gives special attention in terms of developing connections and correctly promoting product news.

5. The risk from competition in the dietary supplement market

With today's lifestyles of people who are in a rush and have a health-conscious attitude. As a result, dietary supplements have become a viable and popular option. This makes many businesses are increasingly interested in entering the market, leading to an increase in the number of dietary supplements that may be substituted in the same way. Whereby the growth of the dietary supplement business provides consumers with additional options in their consumption This may cause the company to be unable to keep its present customer base and to be ignored by new customers, thereby impacting the company's performance.

However, the company is aware of the aforementioned risks. The company has operated with caution and devised a variety of strategies. The goods that the company produces in its main cordyceps production and collagen itself help the company keep costs under control. As a result, it is possible to set competitive pricing. Furthermore, the company has a plan to develop products to join the market continually and expand consumption alternatives and distribution channels so that consumers can easily access the company's products, including advertising in various media to improve product awareness. Even though the supplement industry is highly competitive and entrepreneurs can readily enter it, the majority of the entrepreneurs in the industry are simply distributors. It could also be a small factory that does contract manufacturing, but the company is both a manufacturer and a distributor, with well-known and distinctive trademarks in the market, based on previous operations. This provides the company with a competitive advantage over other industry competitors.

6. The risk of failing to bring a new product to market.

The company recognizes that the key to success in addressing the continually changing consumer market is sustained and continuous growth, which includes the distribution of the company's product group. The company has implemented a development approach to bring new goods to market continuously. From market research

¹ Accumulated number of buyers in the company's Customer Relationship Management (CRM) system since 2019.

to develop strategies for developing new products based on customer wants and creating a questionnaire to learn more about customer opinions and needs. Moreover, the company maintains a positive working connection with its partners. Normally, information about new dietary supplement industry trends is frequently exchanged domestically and overseas. The company also has partnered with local colleges to research new products for example Currently, the company is collaborating with Kasetsart University on emblica and pineapple extract research. In addition, the company's marketing department and product research and development department collaborate on a product sample trial to verify efficiency and product safety under regulatory standards.

7. Risks of marketing and telemarketing (Telesales)

Due to the competitiveness of dietary supplement products on the market, the company focuses on sales strategies that enable the company's products to reach consumers easily, readily, and thoroughly. Currently, the company places a high value on distribution networks. Especially, the main sales operations via telesales channels through the Customer Relationship Management (CRM) system that the company built collaboratively to track sales and monitor customer service. To assist the company's customers, the company now has 250 sales channels via telephone lines and 170 telephone salespeople as of December 30, 2021. From 2018 to 2021, the company has investments and expenses of 20.70 million baht in equipment, system costs, programs, and telephone charges, as well as employee expenses of 3.00 million baht, 5.66 million baht, 41.24 million baht, and 26.83 million baht, respectively. The company may face a risk if sales do not meet the requirements or estimates. This could have an impact on the company's net profit.

However, the company is aware of such risks. The company has created business plans and staffing projections regularly, as well as frequent training of telesales employees on product information and restrictions to give comprehensive services to customers and amaze customers. The company intends to introduce new products in the future to increase product variety and expand into other sorts of dietary supplements. The company believes that the sales channel system through the phone, which it has invested in, will help the company's new products grow.

8. Risk from dependence on key raw material suppliers.

The major raw material (Active Ingredient) for the main product Cordyceps and collagen is utilized in the company's manufacture. In 2020, the company purchased more than 37.49 percent of total raw material purchases and 15.40 percent of total raw material purchases. The company chooses to buy its main raw materials, such as Cordyceps and some collagen, from a single supplier that can provide the raw materials that match the company's requirements while maintaining the raw materials' stable qualities to preserve the company's standards and product's quality. As a result, if the company's primary distributors are unable to supply products

to the company for any reason, it may result in a loss of business continuity and have a substantial impact on the company's performance. Furthermore, the aforementioned purchasing transaction adheres to a sound purchasing policy that includes a comparison of quality and pricing with other sellers.

The company buys some varieties of cordyceps, all types of collagen, and other raw materials from the main distributor, which is a distributor of various chemical products for food supplements imported from abroad that meet certain standards. The purchases from the aforementioned manufacturers accounted for 24.84%, 29.44%, 21.27%, and 24.43% of the company's total raw material acquisitions in 2018, 2019, 2020, and 2021, respectively. This is because product distributors can rapidly and efficiently deliver products with good specifications and specificity that fit the company's objectives, and the company has a long-standing connection with such distributors.

However, the company is aware of the risk of relying on such crucial raw material suppliers. The company handles such risks by distributing raw material procurement from about three additional reputable and similar quality raw material suppliers, particularly the main raw material procurement of cordyceps, to spread the risk and reduce dependence on such raw material suppliers, as well as the risks that may come from a lack of raw materials from such raw material suppliers.

9. The risk of errors in the personal data gathering process according to the Personal Data Protection Act's enforcement.

The operations of the company are governed by regulations and laws that aim to safeguard individuals, either directly or indirectly such as Consumer protection law, Computer Crime Law, Personal Data Protection Laws. As a result of this control, the corporation is exposed to risks related to the collection, use, disclosure, and security of personal data also, any request from the relevant authorities must adhere to these requirements, which tend to be more complex and rigorous.

According to the Personal Data Protection Act B.E. 2562 (the "Act"), which was published in the Government Gazette on May 27, 2019, the entire law will go into effect on May 27, 2020, but, due to the COVID-19 outbreak in Thailand, the enforcement term has been extended until June 2022 to minimize the impact on all parties affected, including government agencies, businesses, and the general people. Due to the nature of the company's operation, which involves sensitive personal information and is sold over telephone channels (Telesales) and other online channels. As a result, the corporation must abide by the Act's terms. Personal data protection in business operations. The company has established a personal data protection policy, implemented it, and appointed a Data Protection Officer (DPO) to ensure that shareholders, directors, employees, partners, business

partners, customers, contractors, participants, and/or anyone associated with the company's operation are fully protected.

The company gathers limited personal information solely as necessary to perform the service through telephone channels (Telesales) and web channels. Taking steps to ensure that the owner of the information is informed and gives consent in writing or electronically. The company gets and stores the following types of personal information: 1) basic individual information such as first and surname name, address, and phone number 2) Facebook Account or Line ID 3) additional data gathered in addition to the survey such as date of birth, gender, and congenital disease. The information will be kept in the company's Customer Relationship Management (CRM) database system throughout your status and relationships with the company as shareholders, directors, employees, alliances, partners, customers, contractors, members, fans, spectators, audiences, and participants. Personal information may have been disclosed or used without consent, resulting in potential violations of the Personal Data Protection Act. Every problem has been brought to the attention of the company. As a result, the company protects it by assigning hierarchical access rights following the information technology security policy, as well as studying and monitoring the progress of the amendment and enforcement of the law and guidelines issued by relevant regulatory bodies, including a policy to protect personal information, which was approved by the Board of Directors Meeting No. 3 for the year 2020 on October 7, 2020.

10. Compliance risk with laws, rules, regulations, and conditions of the Food and Drug Administration.

All of the company's products are classified as dietary supplements and subject to the Food and Drug Administration's ("FDA") laws, regulations, and supervisory rules, as well as those of the Ministry of Public Health and other related agencies. As a result, permission and a valid registration are required. Also, The company must rigorously adhere to the terms of the applicable licenses for example Making product labels or advertisements for the company's products that require approval to operate the product label must be displayed by FDA guidelines so that consumers can see the information properly before making a purchase decision. Furthermore, it is vital to keep an eye on the product's advertising to ensure that it is not misleading or boasting about its benefits in terms of being used for the therapy or treatment of ailments. As a consequence, adherence to laws, rules, regulations, and control standards is essential. Including changes that will occur in the future is critical to the company's business. It is necessary to properly follow all applicable laws, rules, regulations, and terms and conditions relating to business, as failure to do so could harm the company's reputation and operations in the future. Moreover, the company must be monitored to ensure that its operations conform with relevant legislation at all times, which may result in the company incurring additional costs or expenses if the rules change.

However, in the past, the company has strictly adhered to the legislation, criteria, and standards for various controls. Additionally, the company closely monitors any changes, with a product research and development department directly responsible for registration following the regulations, as well as keeping up with the latest developments and trends in the company's laws, rules, regulations, and control standards, so that the organization is ready to deal with a variety of changes that will occur quickly

11. The risk of a contract extension or a change in the terms of renting warehouse space.

To support such expansion, the company has developed fast in terms of the consumer base, distribution methods, and sales over the last three years. Therefore, the company must reserve larger quantities of raw materials, packaging, and finished products for production to distribute goods to customers rapidly. In addition, the number of people working to support the company's operations has increased. As a result, the company's warehouse and office building space are insufficient. The company rented a warehouse and office buildings, totaling 9 contracts with related individuals, juristic entities, and third parties, which are detailed in section 5. Assets used in business operations, section 5.5. Important contracts related to the company's business operations. Accordingly, the company runs the risk of entering a contract and having the rental arrangement renewed with the landlord. There's also the risk of amending the contract's conditions, such as raising the rent or terminating the lease, which could have an impact on the company's operations.

In leasing all of the spaces to the linked person, the legal person, and the third party. To make the rental price reasonable, the company analyzes the rental price to the property's appraised valuation by an independent appraiser, as detailed in Section 14. Connected Transactions. Furthermore, the company is continuing to invest in the construction of new factories, warehouses, and office buildings, which are expected to be able to support all of the company's inventory and will be completed by 2023. In case the company is unable to extend the prior lessor's lease. The company is able to lease warehouse storage space from other landlords in the local area, which includes the factory and ready-made warehouse projects.

12. The risk of relying on directors to guarantee revolving credit loans with financial institutions

The company is relying on its directors to guarantee 58.00 million baht in short-term revolving credit lines from a local financial institution. Mr. Navaphol Chanjuthamard, who is a director, CEO, and main shareholder of the company, is following the borrowing conditions of financial institutions and does not charge any payment from such guarantees. The company had not disbursed such credit lines as of December 31, 2021.

However, after receiving clearance to register its ordinary shares on the Stock Exchange of Thailand, the company sent a written notification to financial institutions asking for the release of the guarantee, by the loan agreement's terms for releasing the guarantor. Furthermore, the company believes that if it is approved as a listed company

on the Thai Stock Exchange, it will be able to expand its opportunities and options for raising funds through the capital market while lowering its financial costs, allowing it to reduce its reliance on guarantees and financial assistance from directors and the group of shareholders in the future.

13. Risk from the impact of the 2019 coronavirus epidemic.

There has been a large outbreak of coronavirus disease 2019 (Covid-19) all over the world since the beginning of 2020, resulting in increased infections, numerous patients, and deaths. Moreover, the aforementioned events have an impact on each country's economy, both in the manufacturing sector and in each industry including the hotel and tourism industries. The coronavirus 2019 pandemic in Thailand is moving in the same way as the rest of the world, reducing the possibility of it spreading to new places. The Thai government has taken several measures to try to keep the situation under control for example The Thai government urged that people stay at home between late March 2020 and May 2021 to prevent germs from spreading throughout the country, affecting earnings in particular industries and causing changes in consumer purchasing. However, the company was less affected than the rest of the market during the outbreak. As consumers become more health-conscious, the company continues to earn money, resulting in positive effects for the company.

On the other hand, the company is well aware of the aforementioned risks. The company's sales strategy has altered, with a concentration on selling through telesales, home shopping, and internet distribution channels, which are becoming increasingly popular and making huge revenue for the company in the year 2020. In addition, the company has taken steps to monitor, prevent, and control the COVID-19 virus to prevent the virus from spreading and to boost confidence in the manufacturing process such as employees are trained through the placement of signage in numerous locations across the offices and factories, There is a strict hygienic safety control, including social distancing, temperature measurement, employees who are at risk of infection will be placed in quarantine, obtaining alcohol-based hand sanitizer for use in the workplace, as well as improving the company's existing BCP operation strategy to support emergencies It can also be put in place by the relevant specifications. Previously, the total company was harmed by consumers who had less purchasing power due to the domestic economy's slowness. During the outbreak, however, the company experienced a good response from certain consumers who became more health-conscious and began using dietary supplements. The company has taken precautions by mandating office workers to wear masks at all times while on the job, and preparing the dining space to have a partition. The company has a dress code for employees in the manufacturing plant to control safety in the work area. Employees must wear a double-layer mask, a hat, and a gown that must be washed daily to avoid dirt and chemicals, and their dress codes will be verified daily. Also, those who enter the factory are disinfected regularly.

Management risk

1. The risk of having a group of big shareholders more than 50 %, influencing voting at the company's annual shareholders' meeting.

As of December 31, 2021, the Chanjutamard family is the company's largest shareholder, owning all of the company's shares, accounting for 69.27 percent of the total number of shares. whereby the said shareholding proportion is the proportion that has the ability to influence the company and practically all shareholder resolution, as well as having control over company policies and management, such as appointing directors or requesting resolutions on other matters requiring a majority vote of the shareholders' meeting, except for matters requiring three-fourths of the vote of the shareholders' meeting, as required by law or the company's Articles of Association. Therefore, other shareholders of the company may be at risk of being unable to collect votes to balance the topics presented to the shareholders' meeting for consideration by the big shareholders.

However, there must be transparency in the company's commercial operations and a power balance. The company has established a management structure that includes the Board of Directors, Audit Committee, Nomination, and Remuneration Committee, Board of Directors, and other working groups, for example, risk Management Working Group, etc. each committee's powers and responsibilities are specified. The company has also appointed independent third parties to join the Board of Directors of 5 people out of a total of 8 directors, three of whom serve on the company's audit committees to serve as checks and balances for decision making, including considering and approving various items before presenting them to the shareholders' meeting. Furthermore, the Company has established a policy on related party transactions, which covers details about entering into transactions with people who might have a conflict of interest by limiting the vote to approve the list of connected people.

In addition, the Company employs an external expert who works independently and directly under the Audit Committee to provide an internal audit unit. Its primary responsibility is to maintain the internal control system in compliance with the specified system. This is to ensure transparency and power balance in the company's management for the shareholders.



1. Details and nature of relationships of persons or businesses that may have conflicts of interest that have a related party with the Company

Person/Juristic Person that may have a conflict	Relationship nature
Nova Organic Holding Co., Ltd.	<ul style="list-style-type: none"> - A group of the Company's major shareholders owns 34.64 percent of the company's registered and paid-up capital. - Mr. Navaphol Chanjuthamard / Mrs. Yuphin Chanjuthamard is a group of Nova Organic PCL.'s major shareholders and directors, as well as a group of Nova Holding's major shareholders and directors. - Operate a Holding Company
Mr. Navaphol Chanjuthamard	<ul style="list-style-type: none"> - Director/ Chairman of Executive Director/ Authorized Director - A group of the Company's major shareholders owns 19.45 percent of the company's registered and paid-up capital. - Is Mrs. Yuphin Chanjuthamard's husband
Mrs. Yuphin Chanjuthamard	<ul style="list-style-type: none"> - Director/ Executive Director/ Authorized Director - A group of the Company's major shareholders owns 15.19 percent of the company's registered and paid-up capital. - Is Mr. Navaphol Chanjuthamard's wife
COSMIC CONCORD CORP.,LTD	<ul style="list-style-type: none"> - A group of the Company's major shareholders owns 0.50 percent of the company's registered and paid-up capital. - Is a partner of the company - Engages in the business of importing and distributing raw materials

2. Related party transactions involving NOVA ORGANIC Public CO., LTD, and persons or businesses that may have conflicts of interest.

Person/Juristic Person that may have a conflict/Nature of business	Nature and details of the transaction	Related Party Value (baht)	The transaction's necessity and reasonableness
		31 December 2021	
Nova Organic Holding CO., LTD - A group of the Company's major shareholders owns 34.64 percent of the company's registered and paid-up capital.	<u>Purchase and sell land and buildings</u> Number 190/71, 190/83 and 190/84	36,000,000.00	The Company sold the land and commercial buildings no. 190/71, 190/83, and 190/84 Samut Prakan to Nova Organic Holding CO., LTD to use the proceeds as capital in the construction of the Company's new factory and warehouse and to gather factories and warehouses in one place. Trading on February 19, 2021, with a value of 36 million baht.
	<u>Rental fee</u> Rental fees for factories and warehouses	1,169,370.00	
	<u>License assets - net</u> <u>Amortization- License assets</u>	8,525,731.53 -	
	<u>Lease liabilities - net</u> <u>Interest receivable - liabilities under the leasehold contract</u>	8,525,731.53 600,268.47	<u>The Audit Committee's Opinion</u> Such transactions, which involve assets or services, are beneficial to the company and have an acceptable trading price. The pricing is based on two independent appraisers' property appraisal reports and traded at the property's average appraisal price.
	<u>Transfer off vehicle</u> Asset book value	20,308,961.86	
	Present Value Lease Liabilities	11,966,198.00	
			Transferred in May 2021

Person/Juristic Person that may have a conflict/Nature of business	Nature and details of the transaction	Related Party Value (baht)	The transaction's necessity and reasonableness
		31 December 2021	
Mr. Navaphol Chanjuthamard - Director/ Chairman of Executive Director / Authorized Director - A group of the Company's major shareholders owns 19.45 percent of the company's registered and paid-up capital. - Is Mrs. Yuphin Chanjuthamard's husband Mrs. Yuphin Chanjuthamard - Director/ Executive Director/ Authorized Director - A group of the Company's major shareholders owns 15.19 percent of the company's registered and paid-up capital. - Is Mr. Navaphol Chanjuthamard's wife	<u>Guarantee limit</u> 1. Kasikorn Bank Type of credit limit for liquidity business 2. Krungthai Bank Type of factoring credit	58,000,000.00 (There is no use.) 30,000,000.00 (There is no obligation to use the limit.) **Withdrawn in September 2021**	Name of the guarantor with Kasikorn Bank: Mr. Navaphol Chanjuthamard Name of the guarantor with Krungthai Bank: Mr. Navaphol Chanjuthamard and Mrs. Yuphin Chanjuthamard (**Withdrawn in December 2021**) <p>Also, Mr. Navaphol Chanjuthamard and Mrs. Yuphin Chanjuthamard have provided private securities as collateral for credit lines from both financial institutions for the company, which conforms with financial institution requirements that major shareholders and/or executives guarantee credit lines without a guarantee fee. However, the company will withdraw the guarantee once it secures better terms from the financial institution.</p> <p>The Audit Committee's Opinion</p> <p>The transaction is a financial assistance transaction that occurs as needed and is advantageous to the company's business operations. This is because it is required to meet the requirements for obtaining credit support from financial institutions for conducting business.</p>
	<u>License assets - net</u>	1,303,899.32	Buildings 178 and 180 in Bangkok are leased by the company. Payment is due on the 5th day of each month at a monthly rental fee of 30,000 baht per building. In this regard, the inter-company rental charge is the rental rate based on the property appraisal report by an independent appraiser. <p>The Audit Committee's Opinion</p> <p>The Audit Committee thinks that the transaction is reasonable. Because the company has entered into a lease contract within the terms set forth, and the price is reasonable when compared to the property valued by an independent appraiser and approved by the Securities and Exchange Commission.</p>
	<u>Amortization- License assets</u>	666,493.23	
	<u>Lease liabilities - net</u>	1,339,805.78	
	<u>Interest receivable - liabilities under</u>	66,558.31	

Person/Juristic Person that may have a conflict/Nature of business	Nature and details of the transaction	Related Party Value (baht)	The transaction's necessity and reasonableness
		31 December 2021	
COSMIC CONCORD CORP.,LTD A group of the Company's major shareholders owns 0.50 percent of the company's registered and paid-up capital.	Deposit-Raw materials Purchase raw materials	764,917.00 56,313,199.60	<p>The company has ordered raw materials from COSMIC CONCORD CORP.,LTD for use in production with a deposit, due to the big quantity orders from the production planning by performing a transaction, there are a price comparison and trade conditions.</p> <p><u>The Audit Committee's Opinion</u></p> <p>The Audit Committee considers that the transaction is reasonable. The purchase of raw materials is in line with the company's routine business operations. For the company to benefit the most, the company compares price and trade conditions.</p>



Approval measures or procedures for related-party transactions

For transactions involving the company and individuals who may be related or have potential conflicts of interest. The company will follow all securities and exchange laws, as well as the Capital Market Supervisory Board's and Thailand's Stock Exchange's regulations, announcements, directives, and stipulations. The related party will be considered under the related party transaction approval policy adopted by the Board of Directors Meeting No. 1/21 on July 12, 2021.

In cases where the law demands consent from a meeting of the Board of Directors or a meeting of shareholders before entering into a related party transaction, The company will arrange for the Audit Committee to attend the meeting to consider and provide opinions on the transaction's need and reasonableness, and the Audit Committee's opinions will be provided to the Board of Directors' meeting or the shareholders' meeting, depending on the case to ensure that the proposed transaction is in the company's best interests. In this regard, the transaction is a commercial agreement with general trading terms and a transaction that is a trade agreement with terms that are not normally commercial. to adhere to the following guidelines:



Case 1: Related Party transactions that are normal commercial transactions

Related party transactions that are normal commercial transactions for example Trading transactions involving goods and services for which the company acts as a distributor or service provider, etc. The company can make such transactions with people who might have a conflict of interest. If the transaction

includes a commercial agreement with general terms of trade in the same way that a reasonable person would do with a general counterparty in the same circumstances with commercial bargaining power without the influence of having the status of a director, executive, or related person. The company will prepare a summary of such transactions for the Audit Committee and the Board of Directors at least quarterly.

Case 2: Other related party transactions other than case 1

The Audit Committee is required by the company to consider and provide opinions on the necessity of engaging in the transaction and the appropriateness of the transaction's pricing by taking into account various variables that are consistent with the nature of normal market trading operations, which can be compared to third-party prices and are based on fair prices, reasonable, and can be verified. If the Audit Committee lacks expertise in analyzing potential related party transactions, the company will appoint an independent expert or the company's auditor to provide an opinion on the transaction, which will be considered in the Board of Directors' or shareholders' decision on a case-by-case basis. However, entering into related party transactions between the company and persons who may have conflicts of interest must be considered by the Audit Committee and approved by the Board of Directors, which must have the Audit Committee present by that meeting directors with conflicts of interest will be unable to vote at that meeting.

However, the Board of Directors must ensure that the company complies with the Securities and Exchange Act, regulation, announcements, orders, or regulations of the Stock Exchange of Thailand, or the Securities and Exchange Commission, or the Capital Market Supervisory Board, also observe of the regulations surrounding the disclosure of related transactions and the acquisition or disposition of significant company assets. In addition, the company will disclose such related party transactions in the notes to the financial statements that have been audited by the company's auditors, Report Form 56-1, and Annual Report Form, or other information as required by the Stock Exchange of Thailand and applicable regulators.

Policy or trend of future related party transactions

If the company needs to undertake a transaction with someone who may have a conflict of interest with the company in the future. Such related party transactions must be considered in accordance with the approval policy established by the Board of Directors' Meeting No. 5/21 to be consistent with the nature of normal trading operations and to be the market price that can be compared or referred to

the price conditions under which the company deals with outsiders. Furthermore, the Audit Committee must determine if any related party transactions are necessary and the price is appropriate. If the Audit Committee lacks expertise in related party transactions that may arise, the company will consider an independent appraiser, independent experts, or the company's auditors to provide opinions on the said related party transactions so that the Audit Committee can make decisions and provide opinions to the Board of Directors or shareholders depending on the case. If the company's ordinary shares are listed on the Stock Exchange of Thailand, such related party transactions will be disclosed in the annual registration statement (Form 56-1) and the company's annual report (Form 56-2), by the rules and laws governing securities and exchange, as well as the Stock Exchange of Thailand's regulations, announcements, directives, and stipulations.

However, the following is a summary of related transactions that are anticipated to occur in the future:

1. Lease of land and building transaction from Mr. Navaphol and Mrs. Yuphin Chanjuthamard for use as an office building.

The company intends to construct a new office at Soi Rama 2, Samae Dam Sub-district, Bang Khun Thian District, Bangkok, with a useable area of approximately 130 square wa, to support the expansion of telephone sales (Telesales) from the company's constant growth over the last year. The construction is expected to be completed in 2022. As a result, until the new office building is constructed, the company will need to lease land and office buildings at No. 178 and No. 180, Samae Dam Sub-district, Bang Khun Thian District, Bangkok.

2. List of people who are guaranteeing Mr. Navaphol Chanjuthamard's loan agreement.

Mr. Navapol, a major shareholder and director of the company, served as the guarantor of the loan agreement with the local financial institution without receiving any remuneration. In this regard, once the SET has approved the company's shares as listed securities, the company will negotiate with financial institutions to request the release of various guarantee obligations above the guarantor Mr. Navaphol, in accordance with the contract's conditions for releasing the guarantor.

3. Lease of land and a building from Nova Organic Holding Company Limited to be used as a warehouse.

Plans for a new factory and warehouse are expected to be finished in 2024. As a result, the company will need to rent a warehouse building for storing finished items, House No. 190/71, No. 190/83, and No. 190/84, total area 423 square meters, in Khlong Bang Pla Kod Sub-district, Phra Samut Chedi District, Samut Prakan.

PART 2

CORPORATE GOVERNANCE



Corporate Governance

Principles of Good Corporate Governance

The company realizes the importance of good corporate governance, believing that good corporate governance entails having an efficient, transparent, and verifiable management system that helps build trust and confidence in the company's shareholders, investors, stakeholders, and all other related parties, resulting in the company's long-term sustainable growth and added value. As a result, it has continued to operate under the aforementioned supervisory principles in the hopes that the company's Board of Directors and management will improve corporate governance and adhere to sound corporate governance principles in compliance with worldwide standard norms. Furthermore, the Stock Exchange of Thailand's principles of good corporate governance are applied to be formulated as the company's principles of good corporate governance, and such principles require monitoring to improve following the Stock Exchange of Thailand's guidelines, which may change in the future to be appropriate and consistent with changing circumstances. Some guidelines cover the following eight principles:



Principle 1 Establish Clear Leadership Role and Responsibilities of the Board

The Board of Directors' roles and responsibilities are specified in the Charter. The Board of Directors understands and is aware of their tasks and obligations, as well as the principles of good corporate governance, as a leader who must supervise the organization. The Board of Directors' main responsibilities includes determining objectives, goals, and important policies and strategies in doing business while considering the maximum benefit to stakeholders, as well as overseeing the company's operations to ensure that it can compete and adapt to changes from various factors for long-term

business growth. The company must consider the ethical treatment of society as a whole, including environmental considerations. Moreover, the company's performance is monitored, evaluated, and reported on to ensure that the company's performance is in line with the expected goals, as well as providing enough internal control that is efficient and effective.

In addition, the Board of Directors has set various policies such as Corporate Social Responsibility Policy, Anti-Corruption Policy, Code of Conduct for Business Operations for doing business ethically for the benefit of society, including respecting the rights and responsibilities of shareholders and stakeholders, as well as developing or reducing the environmental effect. The Board of Directors has communicated numerous policies to executives and employees for acknowledgment, comprehension, and implementation. The Board of Directors is also in charge of reviewing and amending policies for the organization to be able to respond to changing conditions promptly.

Furthermore, the Board of Directors has clearly defined the duties and scope of responsibilities of the sub-committees and the Chief Executive Officer (CEO), as well as supervised the directors and executives in performing their duties with Accountability and Responsibility, Duty of Care and Duty of Loyalty, along with supervising the company's operations following the relevant laws, regulations, and Board of Directors' meeting Policy.

Principle 2 Define Objectives that Promote Sustainable Value Creation

The Board of Directors places a high priority on defining or overseeing the attainment of the business's objectives and key objectives for sustainability. The business's purpose and goals must be consistent with providing value for the company, its customers, and society as a whole involves interacting with everyone in the company to increase employee cooperation at all levels in achieving the company's objectives and major goals. Moreover, it emphasizes the importance of the company's professional management, both from a quality team and experienced management, as well as their knowledge and ability in the related supplement business. It also emphasizes the importance of the company's internal working system being transparent and bringing new ideas to be used in the continuous development of the organization and its products.



The Board of Directors has established and overseen objectives, goals, and strategies for the medium term and/or the company's annual to ensure that the company's main objectives and goals are met. Innovation and technology are used appropriately and safely, and performance is regularly monitored and evaluated. Furthermore, be aware of the risks of targeting, which could lead to unlawful or unethical conduct, as well as overseeing the transmission of objectives and goals throughout the organization through strategies and plans and effectively allocating resources.

Principle 3 Strengthen Board Effectiveness

The Board of Directors places a high premium on the interests of shareholders, investors, and the company as a whole. Therefore, it's critical to choose and designate qualified directors and sub-committees who can help the company grow in the long run. The Nomination and Remuneration Committee has been charged by the Board of Directors with determining the method for nominating eligible candidates and the qualifications of the various committees. It emphasizes a diverse set of credentials in terms of talents, experience, and functional qualities. Also, arranging the recruitment process to be transparent and determining the directors' remuneration by the company's long-term strategy and goals, experience, obligations, the scope of accountability, and responsibility to instill trust in shareholders and outsiders.

The company now has an 8-member Board of Directors, including 5 independent directors to maintain a proper balance while evaluating and voting on various subjects. All of the company's independent directors meet the qualifications outlined in the Capital Market Supervisory Board's Notification, the

Stock Exchange of Thailand's regulations, and other related rules, regulations, and laws. Additionally, all Board members are aware of their responsibilities in carrying out their duties, and adequate time is allotted to carry out their responsibilities. In addition, performance outcomes are recorded, attendance is expected on time, and the Board receives an annual performance review, which compares the Board's performance to the Charter's standards. The outcomes of the assessment will be used by the Board of Directors to consider how they might improve their performance even more.

In addition, the Board of Directors has established the following sub-committees and working groups to assist the Board of Directors and the company's operations: Board of Directors, Audit Committee, Nomination, and Remuneration Committee, and Risk Management Committee. Also, Setting up each sub-charter committee so that the powers, tasks, and responsibilities of the sub-committees are clearly defined. In addition, the Charter has been reviewed regularly in light of changing circumstances.

Principle 4 (Ensure Effective CEO and People Management)

The Board of Directors will work to ensure that the company's directors and senior management are suitable and sufficient for the operation and that the business plan and succession plan are prepared under the company's charter and code of conduct to help the organization achieve its objectives. In addition, working with the Nomination and Remuneration Committee, the Board of Directors has supervised the establishment of an appropriate remuneration structure and appraisal, which will consider the compensation criteria to be appropriate compared to other companies in the same industry to be fair. Furthermore, the Board of Directors regularly analyzes and develops workers by providing knowledge and skill training as well as fostering teamwork to improve the company's employees' experience capacity.

Moreover, the Board of Directors places a high priority on understanding the structure and relationships of shareholders that may affect the company's management, as well as the powers that govern the company's management to avoid impeding the Board of Directors' performance of their duties and will ensure that information that may affect the company's control is properly disclosed.

Principle 5 Nurture Innovation and Responsible Business

The Board of Directors has ensured that management operates in a socially and ecologically responsible manner, which is represented in the operational plan, and that all departments of the organization are operating following the entity's objectives, key goals, and strategic plans.

Furthermore, the Board of Directors emphasizes and supports the development of innovations that add value to the company while also providing benefits to customers or other related parties, as well as social and environmental responsibility, which will promote action to add value to the company in response to the ever-changing environment. This may include the formulation of a Business Model, a way of thinking about product design and development, analysis, and improvement of production and work processes, as well as collaboration with partners.

Moreover, by adhering to business ethics, the Board of Directors has authority over how employees are treated with business operations. The company recognizes that its most significant resource is its employees. Therefore, the company places a high value on compliance with labor regulations and social welfare, as well as encouraging all employees to feel a sense of duty and responsibility, along with pride and belief in the organization, which includes a focus on teamwork. Also, the Board of Directors and the company encourage workers to participate in training on topics that are both relevant and advantageous to their jobs. Employee remuneration will be determined based on fair performance and the company's short- and long-term performance. It is also comparable to the same industry, and there is continuous promotion and development of employees to ensure that they have the necessary knowledge and competence, as well as taking employee rights into account by allowing employees to file complaints if they are not treated fairly through various channels, for example, comment box, or through the human resources department that receives the complaint, etc.

Additionally, the Board of Directors has ensured that there is a mechanism in place to ensure that the company operates with ethics, social and environmental responsibility, and does not violate the rights of stakeholders and that this mechanism serves as a guideline for all parts of the organization to achieve the main objectives and goals in a sustainable. When establishing policies or guidelines, the Board of Directors will consider the company's responsibility to consumers, business partners, and communities, particularly those around the organization. Competitors with whom we will conduct business in a disclosed and transparent manner, avoiding the creation of unfair competitive advantages including anti-corruption and corruption such as employee welfare care, Insured for COVID-19, Training for personnel

development, social contribution (Please see section 2.3 Corporate Social Responsibility for details.), and environment-friendly manufacturing. The company has a wastewater treatment system inside the facility before releasing it to the outside community, and chemical waste is disposed of separately and safely.



Principle 6 Strengthen Effective Risk Management and Internal Control

The Board of Directors will oversee the company to ensure that it has risk management and internal control system in place to effectively achieve the company's goals and that it complies with all applicable laws and standards. Furthermore, the Board of Directors has appointed the Audit Committee, which is comprised of independent directors who do not possess any prohibited characteristics under applicable laws and who are capable of performing duties effectively and independently by performing various functions as assigned by the Board of Directors including the duty for reviewing financial reports, internal control systems, legal compliance, auditor selection, disclosure of corporate information, and the preparation of the Audit Committee's report, etc.

To guarantee that the risk management system and internal controls are effectively overseen by the Board of Directors. The Board has established several policies to assist in the management of governance for example Business Ethics and Code of Conduct, Risk Management Policy, Related Transaction Policy,

Company Insider Policy, Anti-Corruption Policy, Whistleblowing Policy, or Complaints of Misconduct or Corruption, Corporate Social Responsibility Policy, etc.

Furthermore, the Board of Directors establishes a clear anti-corruption policy and communicates it to all levels of the organization to put it into practice. The Board of Directors also sets anti-corruption programs or guidelines, as well as supporting activities, to encourage and instill compliance with applicable laws and regulations in all workers. along with arranging for the receipt of complaints and taking action in the case of clues, and setting clear guidelines in the anti-corruption policy by providing a variety of communication channels to allow employees and stakeholders to conveniently and appropriately report clues or complaints to the company. The company has put in place safeguards to ensure that whistleblowers or complainants, witnesses, and persons providing information in the course of an investigation of facts are not harmed or treated unfairly as a result of their whistleblowing, complaints, witnessing, or providing information to the company.

Principle 7 Maintain financial credibility and disclosure

The Board of Directors is responsible for ensuring that the system of financial reporting and disclosure of important information is accurate, adequate, timely, and compliant with all applicable rules, standards, and guidelines by ensuring that qualified personnel is available to prepare financial reports and disclose the company's information involve monitoring the adequacy of financial liquidity and debt repayment capabilities, as well as a contingency plan in the event of financial difficulties while taking into account stakeholder rights.

Investor Relations has been tasked with communicating and publicizing information that is helpful to shareholders, investors, analysts, and other connected parties in a timely, equitable, and suitable manner, as well as assisting in the oversight of the company's information dissemination in the annual list information form, annual reports, and/or the company's website, in accordance with the criteria set forth by the Office of the Securities and Exchange Commission Stock Exchange of Thailand and related agencies. Along with crucial information that impacts the price of the company's securities, which affects the decision-making process of the company's investors and stakeholders accurately, don't misrepresent, and sufficient for investors' decision-making.

Principle 8 Ensure Engagement and Communication with Shareholders)

The Board of Directors and the company place a high value on shareholders, and the company is committed to ensuring that shareholders are treated fairly and that owners can fully exercise their fundamental rights as shareholders such as The right to buy, sell or transfer shares, The right to share the company's profits, The right to receive sufficient relevant information through the company's website or the SET website, or any other method, and the right to attend the meeting and vote independently in the appointment or removal of directors, consideration of Directors' Remuneration, the appointment of auditors, dividend payment, capital increase, and issuance of new shares, also the right to ask the Board of Directors Questions about the Board of Directors' reports and any other topics brought up at the meeting to consider and approve the right to submit an agenda in advance and to nominate candidates for election to the Board of Directors of the company. and participation in important company decision-making. Each share has one vote, and all shareholders can vote based on the number of shares they own. Each shareholder may use all of his or her votes in the election of directors to elect one or more directors. When several people are elected as directors, the number of votes cannot be divided among them (non-cumulative voting only), and the total number of shares is not less than one-half of the entire number of shares held by the shareholders present and voting.

Furthermore, the Board of Directors acknowledges and values the rights of shareholders, and will not engage in any activity that violates or deprives such rights. It will ensure that shareholders are involved in important company decisions and that operations on the day of the shareholders' meeting are neat, transparent, and efficient, allowing shareholders to exercise their rights. It will also ensure that the disclosure of the shareholders' meeting resolutions and the preparation of the minutes of the shareholders' meeting are accurate and complete. The notice of the Board of Directors' meeting will be sent to shareholders and the registrar for acknowledgment at least seven days before the meeting date. If there is an agenda that includes a related transaction, asset purchase, and disposal, the issue and offering of securities to directors and employees, etc. At least 14 days before the meeting, shareholders and the registrar will receive notice of the meeting. The meeting notice must be published in publications for at least three days previous to the meeting date.



Insider Trading Policy

By adhering to the principles of good governance integrity in business, the company places a high value on the oversight of the use of inside information in accordance with the principles of good corporate governance. To ensure that holders of the company's securities get accurate, timely, and fair information. As a result, in line with securities law and with a focus on openness in business operations, the company has implemented policies to govern the use of inside knowledge and regulations on securities trading by directors, management, and staff. The key points can be summarized as follows:

1. Directors, executives, and employees of the company who have received information are not permitted to use the company's financial information or inside information that is material to changes in the price of securities that have not been disclosed to the public or the Stock Exchange of Thailand for trading in the company's securities for the benefit of themselves or others. by avoiding or refraining from trading in the company's securities for at least one month before the publication of the financial statements to the public and for at least two business days following the release of the information to the public.
2. The company has a responsibility to promptly and thoroughly disclose information about the company's significant operations to the public, using the media and methods prescribed by the SET and the company's information disclosure policy, as well as other media used by the Investor Relations Department and public relations, to ensure that information is available to all investors in a timely and equitable manner.
3. To prevent important information from being disclosed, the company has a strict computer and information security regulations in place. Inside information that has not yet been disclosed to the public is only available to those responsible for related persons, such as accounting and finance officers, the

Investor Relations Officer, and the Corporate Governance Department.

If an activity is taken that violates the aforementioned rules, The company will take disciplinary action to determine the proper punishment in this case, which may include a verbal warning, a written warning, wage cutbacks, layoffs, unpaid termination, or legal action.

The company's internal information usage policy was announced to educate directors, executives, and employees in both the head office and the factory about the procedures, tasks, and obligations in reporting and disclosing potentially relevant information. The company secretary adheres to the directors' and senior executives' internal information usage policy. Before any prospective transaction, HR checks the policy's implementation and advises employees and management.

Anti-Corruption Policy

Nova Organic Public Company Limited will operate business with an emphasis on anti-fraud or anti-corruption and adhere to morals, ethics, and operate with transparency and responsible to all stakeholders. In this regard, the Company has established guidelines for proper conduct of the Board of Directors, management, and employees in both business and employee ethics, which are part of “Corporate Governance” of the Company. Fraud or corruption are defined as “the practice or ignoring to practice in their position or abuse of power in position, violation of the law, ethics, rules or policies of the Company to seek personal benefits in various ways such as calling, receiving, offering, or giving away assets including any other benefits to government officials or any other person doing business with the Company.

In addition, the Company has set a policy on anti-fraud or anti-corruption as a guideline for implementation as follows:

- Directors, executives, and employees will not act or support fraud or corruption in any case and will strictly follow the measures against fraud or corruption.
- Directors, executives, and employees are obliged to comply with the Corporate Governance Policy and anti-corruption policy. The Board of Directors has assigned the management to implement anti-fraud and anti-corruption measures for communication and compliance.
- Create a corporate culture with the honesty and adherence to integrity.

- Provide internal employee training to encourage the honesty in their duties and strictly apply the principles and ethics as stated in the Corporate Governance Policy as guidelines for operating throughout the organization.
- The Company provides human resource management processes that reflect the Company's commitment regarding anti-fraud and anti-corruption intention starting from selection, training, performance evaluation, reward, and promotion.
- The Company shall ensure that the internal control system will support the Company to achieve the goals and also monitors the operations of all departments to ensure compliance with the requirements, rules and regulations, and discover flaws and weaknesses couple with providing advice for an efficient and effective operating system development according to Corporate Governance guidelines.
- Cooperate with the government agency in stipulating all department that are contracting parties with the government agency to disclose the revenue and expenses accounts to the Office of the National Anti-Corruption Commission (NACC).
- Assign the Company Secretary and the Internal Audit Manager as the person who responsible for corporate governance supervision.
- Require the executives to report to the Board of Directors as soon as the incident has occurred or suspected serious fraud or violation of the law that potentially affects the reputation and financial position of the Company to consider and resolve promptly.

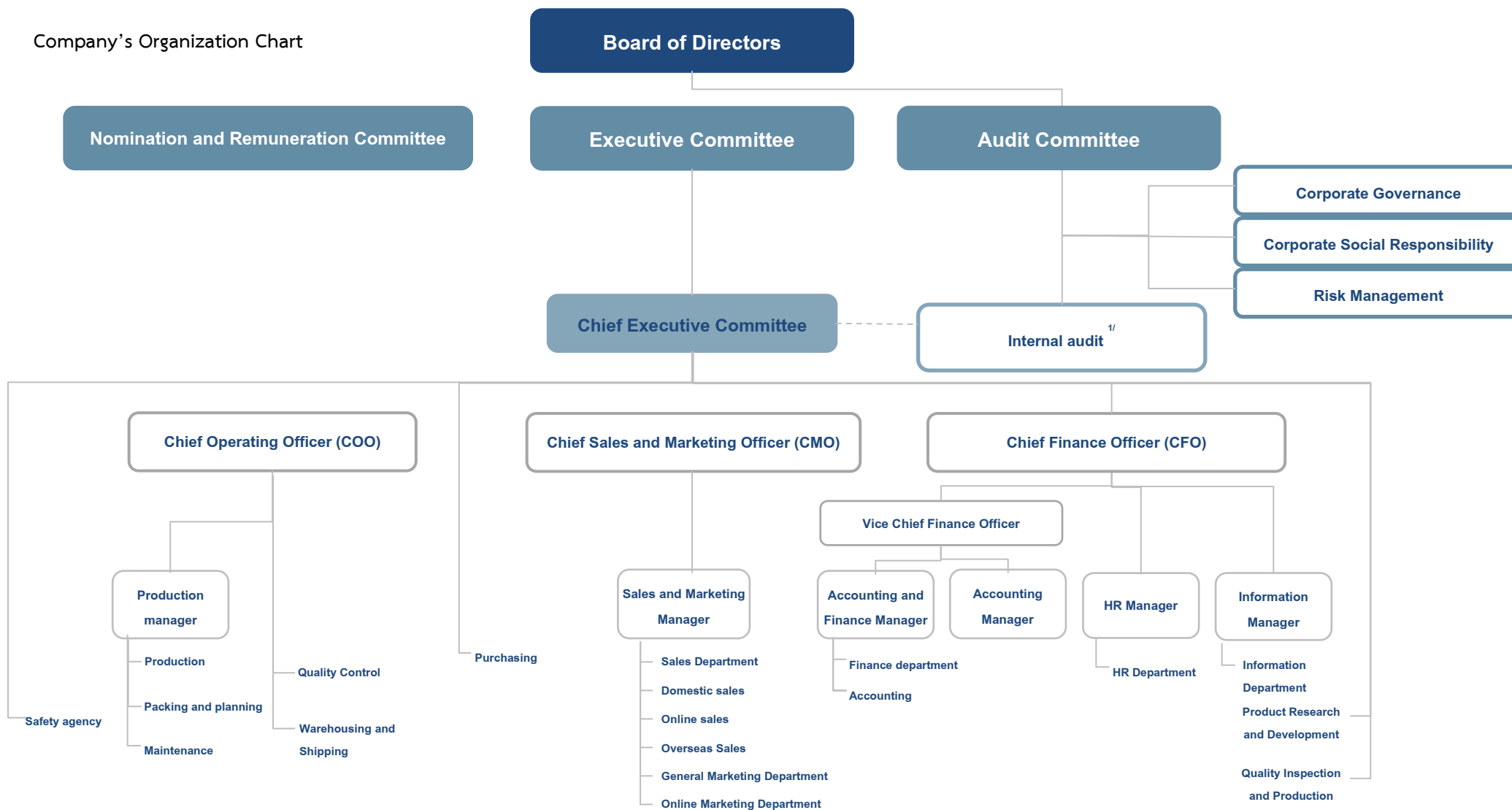


Compliance with good corporate governance principles in other matters

-None-

Corporate Governance Structure and important information about the board's sub-committees, executives, employees, etc.

Company's Organization Chart



Notes: On October 6, 2021, the Board of Directors No. 3/21 approved Organization Chart.

^{1/} The internal control audit has been delegated to Audit House Co., Ltd. by the company.

The company's corporate governance structure is comprised of the Board of Directors and three sub-committees, which are as follows: 1) Nomination and Remuneration Committee 2) Executive Committee 3) Audit Committee It is comprised of highly qualified professionals with a wide range of skills, abilities, and experiences in numerous industries, and there are enough directors to oversee the company's operations.

Board of Directors



From the bottom left

- | | |
|-------------------------------------------------------------|---------------------------------------------|
| 1 st Person Mr. Mongkol Kasaemsun Na Ayudthaya | Independent Director |
| 2 nd Person Assoc. Prof. Dr. Prakrit Tangtisanon | Chairman of the Board/ Independent Director |
| 3 rd Person Prof. Dr. Wanchai De-Eknamkul | Independent Director |

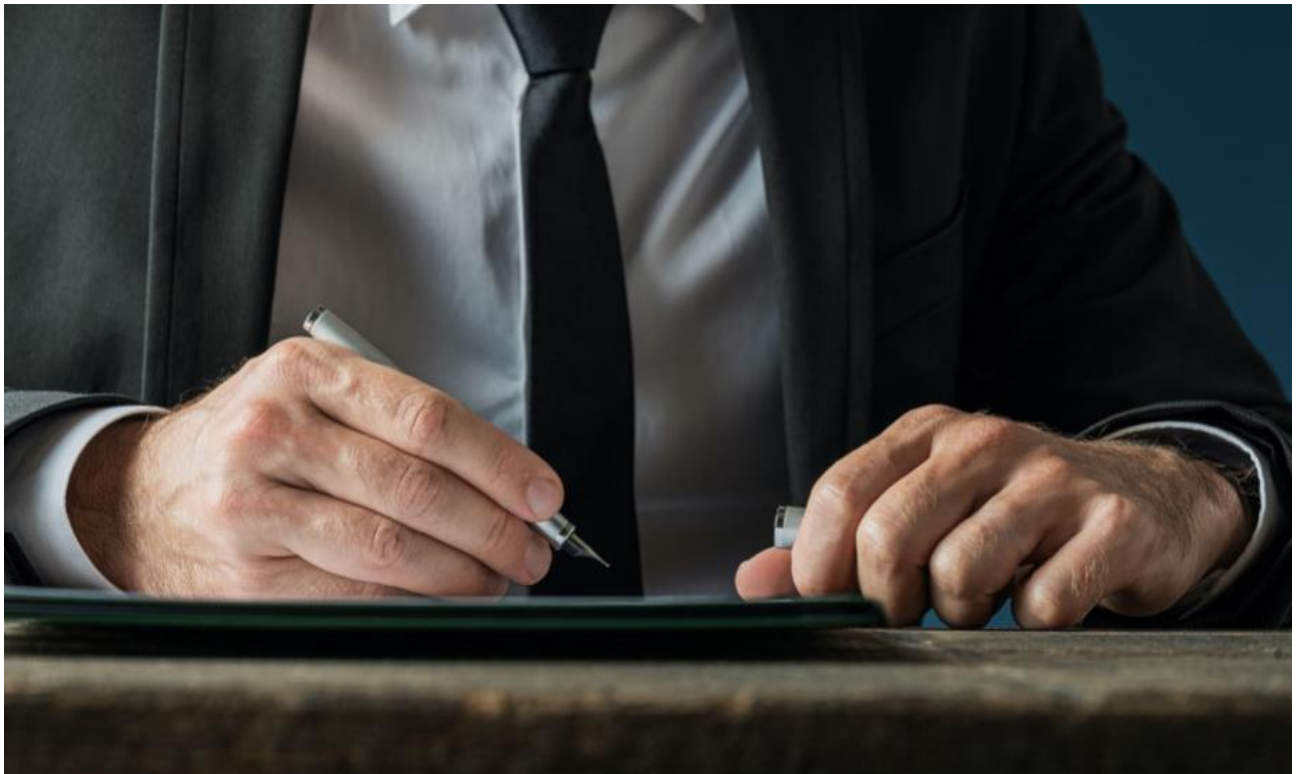
From the top left

- | | |
|---------------------------------------------------|----------------------|
| 4 th Person Mr. Apimuk Sukprasit | Independent Director |
| 5 th Person Mr. Sutthichai Sungkamanee | Independent Director |
| 6 th Person Mrs. Yuphin Chanjuthamard | Director |
| 7 th Person Mr. Navaphol Chanjuthamard | Director |
| 8 th Person Mr. Isares Janyawannasiri | Director |

As appointed at the Board of Directors Meeting No. 1/21 on July 12, 2021, with Ms. Haruethai Sirisinviboon serving as secretary of the Board of Directors

Authorized director to bind the company

Mr. Navaphol Chanjuthamard, Mrs. Yuphin Chanjuthamard, or Mr. Isares Janyawannasiri are the directors entitled to sign on behalf of the company, and two out of three directors sign jointly and seal the company's seal.



Director's profile

1. Assoc. Prof. Dr. Prakit Tangtisanon

Chairman of the Board / Independent Director / Audit Committee Member and Nomination and Remuneration Committee Member (Aged 79 years)

Educational Qualifications

- Ph.D., Honorary Doctorate, Tokai University, Japan
- Master's degree in Communication Engineering, Faculty of Engineering, The University of Electro-Communications, Japan
- Bachelor's degree in Communication Engineering, Faculty of Engineering, Tokai University, Japan
- IOD Training programs
DCP 185/2014
AACP 25/2017

The proportion of shareholding in the company (percent) (including spouse and minor children): None

The family relationship between executives: None

Work experience in the past 5 years:

2017 - Present:

Chairman of the Board / Independent Director / Audit Committee Member and Nomination and Remuneration Committee Member of Nova Organic PCL.

2013 - Present:

Chairman of Nomination and Remuneration Committee / Independent Director / Audit Committee Member of Masterkool International PCL.

2019 - Present:

President of the Japanese Alumni Association under the Royal Patronage
Japanese Alumni Association under the Royal Patronage

2. Mr. Mongkol Kasaemsun Na Ayudthaya

Director / Independent Director / Chairman of the Audit Committee / Chairman of Nomination and Remuneration Committee (Aged 62 years)

Educational Qualifications

- Master's degree in Administrative Studies, Southeastern Oklahoma State University, USA
- Bachelor's degree in Agricultural Engineering, Kasetsart University
- IOD Training programs
DAP 70/2008

The proportion of shareholding in the company (percent) (including spouse and minor children): 31
December 2021, the number of shares is 300,000, or 0.05 percent.

The family relationship between executives: None

Work experience in the past 5 years:

2017 - Present

Director / Independent Director / Chairman of the Audit Committee / Chairman of Nomination and Remuneration Committee of Nova Organic PCL.

2017 - Present

Chairman of the Board / Independent Director of Innov Green Solution Co., Ltd.

2017 - Present

Director of PMP Advisory Co., Ltd.

2013 - Present

Director / Independent Director / Chairman of the Audit Committee / Nomination and Remuneration Committee Member of Masterkool International PCL.

2020 - 2021

Vice Chief Financial Officer of PatRangsit Hospital

2017 - 2019

Director / Independent Director of Digital Focus Co., Ltd.

2014 - 2018

Ministry of Education of Director of the Welfare Fund

3. Prof. Dr. Wanchai De-Eknamkul

Director / Independent Director / Audit Committee
Member (Aged 66 years)

Educational Qualifications

- Postdoctoral Researcher in Phytochemistry,
University of Munich, Germany
- Ph.D., Honorary Doctorate in Plant Biochemistry,
University of Guelph, Canada
- Master's degree in Biochemistry, Mahidol University
- Bachelor's degree in Biochemistry, Chulalongkorn
University
- IOD Training programs
DAP 139/2560

The proportion of shareholding in the company
(percent) (including spouse and minor children): 31
December 2021, the number of shares is 400,000, or 0.07
percent.

The family relationship between executives: None

Work experience in the past 5 years:

2017 - Present:

Director / Independent Director / Audit Committee
Member of Nova Organic PCL.

2015 - Present:

Professor Level 10
Faculty of Pharmacy, Chulalongkorn University

4. Mr. Sutthichai Sungkamanee

Director / Independent Director (Aged 65 years)

Educational Qualifications

- Honorary Doctorate of Philosophy Management for
Development, Rajabhat Rajanagarindra University
- Bachelor of Finance, Financial Management,
University of the Thai Chamber of Commerce (M.A.)
- IOD Trading course
DCP 209/2558
DAP 118/2558
- CMA batch 22

The proportion of shareholding in the company
(percent) (including spouse and minor children): None

The family relationship between executives: None

Work experience in the past 5 years:

2020 - Present:

Director / Independent Director of
Nova Organic PCL.

2018 - 2020:

Independent Director / Chairman of the Audit Committee
of White Group Public PCL.

2017 - 2019:

Director of National Credit Bureau Co., Ltd.

2015 - 2018:

Director of the Ministry of Finance,
Government Savings Bank

2010 - 2018:

Director of the College of Commerce, Burapha University

5. Mr. Apimuk Sukprasit

Director / Independent Director (Aged 67 years)

Educational Qualifications

- Post - Graduate Program in International Law, Australian National University, Australia
- Bachelor of Laws Program, Ramkhamhaeng University
- IOD Training programs
DCP 216/2559
RCL 11/2561
RCP 42/2561
BMT 8/2562

The proportion of shareholding in the company (percent) (including spouse and minor children): None

The family relationship between executives: None

Work experience in the past 5 years:

2020 - Present:

Director / Independent Director of
Nova Organic PCL.

2018 – Present:

Director of Nirvana Daii PCL.

2014 – 2019:

Director of Industrial Estate Authority of Thailand

2013 – 2015:

Vice Secretary-General of the Council of State of
Office of the Council of State

6. Mr. Navaphol Chanjuthamard

Executive Director / Nomination and Remuneration

Committee Member / Chief Executive Officer (Aged 51 years)

Educational Qualifications

- Master Degree in Business Administration, Ramkhamhaeng University
- Bachelor Degree in Engineering, King Mongkut's Institute of Technology Ladkrabang
- IOD Training programs
DCP 242/2560

The proportion of shareholding in the company (percent) (including spouse and minor children): 31 December 2021, the number of shares is 207,801,200 or 34.64 percent.

The family relationship between executives: Mrs. Yuphin Chanjutamard's husband

Work experience in the past 5 years:

2013 - Present:

Executive Director / Nomination and Remuneration
Committee Member / Chief Executive Officer of
Nova Organic PCL.

7. Mrs. Yuphin Chanjuthamard

Executive Director / Chief Financial Officer (Aged 52 years)

Educational Qualifications

- Bachelor's degree in General Management, Suan Sunandha Rajabhat University
- IOD Training programs
DCP 242/2560
- CFO's Orientation for New IPOs program

The proportion of shareholding in the company (percent) (including spouse and minor children): 31
December 2021, the number of shares is 207,801,200 or 34.64 percent.

The family relationship between executives: Mr. Navaphol Chanjuthamard's wife

Work experience in the past 5 years:

2013 - Present:

Director / Member of the Nomination and Remuneration Committee / Chairman of Executive Director of Nova Organic PCL.

8. Mr. Isaes Janyawannasiri

Director / Vice Chief Financial Officer (Aged 43 years)

Educational Qualifications

- Master's degree in Business Information Technology, Chulalongkorn University
- Bachelor's degree in Accounting, Burapha University
- IOD Training programs
DCP 186/2564
- CFO's Orientation for New IPOs program

The proportion of shareholding in the company (percent) (including spouse and minor children): 31
December 2021, the number of shares is 300,000, or 0.05 percent.

The family relationship between executives: None

Work experience in the past 5 years:

2020 - Present:

Director / Vice Chief Financial Officer of Nova Organic PCL.

2016 - 2020:

Assistant Vice President of Finance and Accounting of Berli Jucker Public Co., Ltd.

Ms. Haruethai Sirisinviboon

Secretary (Aged 34 years)

Educational Qualifications

- Bachelor's degree in Chinese Language and Culture, Huachiew Chalermprakiet University
- Exchange Student at Guangxi University for Nationalities
- Certificate Programs at The Sydney Business and Travel Academy and The Sydney English Language Academy
- IOD Training programs
CSP 190/2562
BRP 36/2564
CRP 30/2564
EMT 49/2564

The proportion of shareholding in the company (percent) (including spouse and minor children): 31
December 2021, the number of shares is 120,000, or 0.02 percent.

The family relationship between executives: None

Work experience in the past 5 years:

2017 - Present:

Company Secretary of Nova Organic PCL.

Directors' terms of office and appointments

stated that the company's directors serve for a term of three years and may be re-elected as directors at each annual general meeting of shareholders after that term expires. At that time, one-third of the company's board of directors will retire from office. If the number of directors cannot be divided precisely into three parts, the number closest to one-third of the directors who must depart from office in the first and second years after the company's registration shall be issued by drawing lots. In the years ahead, the director who has held the position for the longest will retire in addition to quitting office according to the terms set forth above. A company director may resign if he or she

- (1) Dies
- (2) Resignation
- (3) Lack of qualifications as a director or having prohibited characteristics under the law governing, public limited companies, or having characteristics indicating ineligibility to be entrusted with the management of a business with public shareholders, as stipulated in Section 89/3 of the Securities and Exchange Act (No. 4) B.E. 2551.
- (4) The shareholders' meeting decided that the position should be vacated. (by a vote of not less than three-fourths (3/4) of the number of shareholders present and voting, and holding shares totaling not less than one-half of the number of shares owned by shareholders present and voting)
- (5) The court has issued an order.

A resignation letter must be submitted to the Chairman of the Board by any director who desires to resign from his or her position. If a company's director position becomes vacant for reasons other than the expiration of the term, the company's directors will be appointed at the next board meeting by persons who are qualified and do not have any prohibited characteristics by law to become a replacement director, unless the remaining term of that director is less than two months. The individual nominated as a replacement director will only serve as a director for the remainder of the replacing director's term.

Board of Directors' Responsibilities

1. Manage the company with honesty, caution, and protection of the company's interests in compliance with the law, aims, regulations, and decisions of the shareholders' meeting.
2. Establish the company's goals, rules, policies, plans, and budgets. Supervise the administrative department's administration and management, or the person assigned to it, following the board of directors' policy.

3. Consider the managerial structure. As needed, appoint the Executive Committee, Managing Director, and other sub-committees.
4. Review and approve the management's policies, orientations, strategies, and business plans for big investment projects.
5. Follow up on the plan's performance and the ongoing budget.
6. Organize a shareholders' meeting as an annual general meeting within four months of the end of the company's fiscal year.
7. Organize a Board meeting every three months at the absolute least.
8. Prepare the company's balance sheet and income statement after the accounting period, which the auditor has audited, and present to the shareholders' meeting for approval and consideration.
9. Consider and authorize any other business that is important to the company or that it deems appropriate for the company's maximum advantage.
10. The board may delegate powers to one or more directors, subcommittees, or any other person to perform any activity on behalf of the Board of Directors under its supervision, or assign the power to such person as the board deems suitable and within the time frame the board deems appropriate. The Board has the authority to cancel, revoke, change, or adjust a person's authorization or power when the company sees it fit.
11. Directors must not engage in business that is similar to or competes with the company's business, become a partner in an ordinary partnership or a partner with unlimited liability in a limited partnership, or serve as a director of private companies or other companies that operate in the same industry and whether it is for one's advantage or the benefit of others, it is a competition with the company's business. Unless the shareholders' meeting is notified before the appointment resolution.

except for the following powers: This can only be done with the shareholders' meeting's prior approval. In this regard, if a director has an interest or has any other conflicts of interest with the company or a subsidiary, the directors who have interests or have a conflict of interest cannot vote on that matter.

- a) Matters that the shareholders' meeting is obligated by law to resolve
- b) Transactions in which directors have an interest and which fall within the scope of Thai law or the Stock Exchange's regulations and which require approval from the shareholders' meeting.

The following matters must be authorized by the Board of Directors meeting with a majority vote of the directors present, as well as the shareholders meeting with a vote of not less than three-fourths of the total votes cast by shareholders present and voting.

- a) Sale or transfer of all or a considerable portion of the company's business
- b) The purchase or acceptance of a transfer of another company or a private company to the company
- c) Making, revising, or terminating contracts relating to the leasing of all or substantially all of the company's business; Assigning other persons to run the company's business or merging operations with other persons for profit and loss sharing.
- d) Amendments to the Articles of Association or the Memorandum of Association
- e) Capital increase, Capital reduction, Issuance of debentures merger or dissolution
- f) Any additional action required by the Securities Law and/or the Stock Exchange of Thailand's regulations must be approved by the Board of Directors' meeting and the shareholders' meeting with the aforementioned votes.

Sub-committees

(1) Audit Committees

Name – Surname	Position
1. Mr. Mongkol Kasaemsun Na Ayudthaya	Independent Director/ Chairman of the Audit Committee/ Chairman of Nomination and Remuneration Committee
2. Assoc. Prof. Dr. Prakrit Tangtisanon	Independent Director/ Audit Committee Member/ Nomination and Remuneration Committee Member
3. Prof. Dr. Wanchai De-Eknamkul	Independent Director/ Audit Committee Member

Mr. Mongkol Kasaemsun Na Ayudthaya is a Chairman of the Audit Committee with knowledge and experience in analyzing financial accounts, and details of his educational background and work experience may be found in Attachment 1, including details of Directors, Executives, and Persons with Controlling Authority Persons with the highest accounting and financial responsibilities, as well as those who are directly responsible for accounting supervision.

Scope, duties, and responsibilities of the Audit Committee

1. To ensure that the company's financial reports (quarterly and annual) are correct and appropriately reveal essential information before presenting them to the Board of Directors.
2. Check to see if the company has an acceptable, sufficient, and efficient internal control system and internal audit system, including considering the internal audit unit's independence and authorizing the appointment, transfer, and firing of the internal audit unit's head or any other agency responsible for internal audits
3. Check to see if the company has a risk assessment system in place, as well as proper risk management and effective risk management.
4. Examine the company's compliance with the Securities and Exchange Act, the Stock Exchange of Thailand's regulations, and other relevant legislation.
5. Consider and choose an independent individual to nominate and set the remuneration of the company's auditors. Coordinate with the auditor on the audit's objectives, scope, guidelines, plans, difficulties identified during the audit, and any topics the auditor considers relevant. At least once a year, attend a meeting with the auditor without the management meeting.
6. Consider associated transactions or items that may have conflicts of interest to be accurate and complete to comply with the laws and regulations of the Thai Stock Exchange, as well as honestly and totally disclose information about the transaction This is to guarantee that the transaction is fair and in the company's best interests.
7. 7. Prepare a report on the Audit Committee's corporate governance performance, which will be included in the company's annual report. The Chairman of the Audit Committee must sign the said report. This document contains the following information:
 - Opinion on the accuracy, completeness, and reliability of the company's financial reports
 - Opinions on the adequacy of the company's internal control system
 - Comments on securities and stock exchange laws compliance, stock exchange regulations, or laws relating to the company's operations
 - Opinion on the auditor's suitability
 - Comments on transactions that could lead to a conflict of interest
 - The number of audit committee meetings held and the number of audit committee members in attendance
 - The Audit Committee's overall conclusions or observations resulting from the discharge of tasks under the Charter.

- Other issues that shareholders and general investors should be aware of as part of the Board of Directors' duties and obligations.
- 8. Perform any other duties as assigned by the Board of Directors, with the Audit Committee's consent.

Risk Management Committee

The Risk Management Working Group's roles and responsibilities were established at the Board of Directors Meeting No. 1/21 on July 12, 2021. It encompasses the creation of risk management policies and the risk management framework for the company's business operations and monitoring risk management plans and processes across the organization, as well as determining the limit or type of business based on the risks recommended to the Board of Directors for approval and also arranging for a systematic and ongoing assessment and analysis of potential damage.

Corporate Governance Committee

The Corporate Governance Committee's roles and responsibilities were established during the Board of Directors Meeting No. 1/21 on July 12, 2021. It encompasses the consideration of setting standards, recommending policies/practices on business ethics to the Board of Directors, and business ethics according to the good corporate governance system, and management. It also supervises, advises, evaluates, and reviews policies and practices to ensure that they are in line with good corporate governance and commercial ethics to develop the company's corporate governance framework and bring it up to international standards.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee's roles and responsibilities were established at the Board of Directors Meeting No. 1/21 on July 12, 2021. It entails supervising, consulting, evaluating, and reviewing policies, as well as the implementation of social responsibility policies, to improve and update the company's corporate governance structure to international standards.

(2) Nomination and Remuneration Committees

Name – Surname	Position
1. Mr. Mongkol Kasaemsun Na Ayudthaya	Independent Director/ Chairman of the Nomination and Remuneration Committee
2. Assoc. Prof. Dr. Prakrit Tangtisanon	Independent Director/ The Nomination and Remuneration Committee Member
3. Mr. Navaphol Chanjutamard	The Nomination and Remuneration Committee Member

Scope, Duties, and Responsibilities of the Nomination and Remuneration Committee on Recruitment

1. Establish rules and policies for nominating company directors and subcommittees, taking into account the appropriateness of the Board's size, structure, and composition. Determine the qualifications of directors to recommend to the Board of Directors and/or to the shareholders' meeting for approval, if applicable.
2. Consider recruiting, selecting, and nominating qualified individuals to replace directors who have completed their terms and/or fill vacancies and/or appointing more.
3. Consider the nomination and selection of the company's executives, particularly the position of Managing Director or Chief Executive Officer.
4. To perform any additional recruiting-related tasks as assigned by the Board of Directors.

Remuneration

1. Prepare rules and policies for establishing the remuneration of the Board of Directors, Subcommittees, and Chief Executive Officer to present to the Board of Directors and/or to the shareholders' meeting for approval, as applicable.
2. Determine the necessary and appropriate monetary and non-monetary remuneration of the Board of Directors individually by determining the remuneration of the Board of Directors and Chief Executive Officer, taking into account the suitability of the duties, responsibilities, performance, and comparison with companies in similar businesses, as well as expected benefits from directors and Chief Executive Officer of the company to propose to the Board of Directors for consideration and approval.
3. Responsibility for the Board of Directors and is responsible for providing explanations and answering questions concerning the directors' remuneration Sub-committees and the company's Chief Executive Officer at the shareholders' meeting.

4. The Policy report, principles/rationale for determining director and executive remuneration by the Stock Exchange of Thailand's regulations. This shall be stated in the annual registration statement (56-1) and the annual report of the company.
5. Complete any additional remuneration-related activities as assigned by the Board of Directors.

Board Skill Matrix Assessment

The company realizes the importance of recruiting, selecting, and appointing suitable people to serve as directors of the company and sub-committees by forming a BOARD SKILL MATRIX, which helps to ensure the selection of directors has the required components and is in line with the company's business direction. In order to ensure that the composition of the Board of Directors is complete and in the best interests of the company, the details can be summarized as follows:

No.	Director's Name	Independent Director	Female Director	Educations and Experiences										
				Engineering	Accounting	Finance	Legal	Information Technology	Marketing	Business Administration / CG	International Trading	Economics	Sciences and Innovation,	Risk Management
1	Mr.Prakit Tangtisanon	✓		✓				✓		✓		✓		✓
2	Mr.Mongkol Kasaemsun Na Ayudthaya	✓			✓	✓				✓		✓		✓
3	Mr.Wanchai De-Eknamkul	✓						✓				✓	✓	✓
4	Mr.Sutthichai Sungkamanee				✓	✓	✓			✓		✓		✓
5	Mr.Apimuk Sukprasit						✓			✓		✓		✓
6	Mr.Navaphol Chanjuthamard			✓					✓	✓	✓	✓		✓
7	Mrs.Yuphin Chanjuthamard		✓						✓	✓				✓
8	Mr.Isares Janyawannasiri				✓	✓		✓						✓
Total		3	1	2	3	3	2	3	2	6	1	6	1	8

(3) Executive Committee and Senior Management

(a) Executive Committee

Name – Surname	Position
1. Mr. Navaphol Chanjuthamard	Chief Executive Officer
2. Mrs. Yuphin Chanjuthamard	Chief Finance Officer
3. Mr. Isares Janyawannasiri	Vice Chief Finance Officer

Scope, duties, and responsibilities of the Executive Committee

1. Manage the company with honesty, caution, and protection of the company's interests by having an Executive Committee meeting at least once a month in line with the legislation, objectives, rules, shareholder resolutions, and Board of Directors Resolutions.
2. Have a responsibility to complete the following tasks as needed for the business's operation, which must be presented to the Board of Directors for approval or disapproval.
 - 2.1 Company's policies, goals, and annual work plans
 - 2.2 Company's annual budget
 - 2.3 Management should use guidelines, policies, and investment goals as a framework for their work.
 - 2.4 Wage structure and employee welfare to encourage employees to work appropriately.
3. Operate as assigned by the Board of Directors.
4. Have the authority to hire, appoint, transfer, dismiss, or terminate employment, as well as set wage rates, rewards, salary increases, compensation, and bonuses for all employees of the company since the position of Chief Executive Officer and other positions down the line.
5. Have the authority to approve the opening of a deposit account and to manage deposit accounts with local and international banks that are appropriate for overall money management.
6. Have the authority and responsibility to act on the following subjects within the scope stated on the subject matter, as detailed below:
 - 6.1 Control and establish investment management rules for the company's other operations, as allocated by the Board of Directors and in compliance with the legislation.
 - 6.2 Have the authority to issue orders, regulations, announcements, and records to ensure that activities are in accordance with the company's policies and benefits, as well as to maintain organizational discipline
 - 6.3 Approve the appointment of consultants in a variety of fields that are necessary for operation.
 - 6.4 Other approval powers shall be in accordance with the scope of the approval authority approved in Board of Directors Meeting No. 1/21, dated July 12, 2021, and amended.

(2) Senior Management

	Name – Surname	Position
1.	Mr. Navaphol Chanjuthamard	Chief Executive Officer
2.	Mrs. Yuphin Chanjuthamard	Chief Financial Officer
3.	Mr. Jarturon Chanjuthamard	Chief Operating Officer
4.	Ms. Yupa Limwandee	Chief Sales and Marketing Officer
5.	Mr. Isares Janyawannasiri	Vice Chief Financial Officer

Scope, duties, and responsibilities of the Chief Executive Officer approved at the Board of Directors Meeting No. 1/21 on July 12, 2021

1. Manage and supervise business operations relating to the company's general management.
2. Operate as assigned by the Board of Directors or the Executive Committee.
3. Have the authority to hire, appoint, transfer, dismiss, terminate employment, determine wage rates, reward, enhance salaries, remuneration, and bonuses for all workers of the company beginning with the position of Vice Chief Officer.
4. Consider and approve the payment of routine operational expenses in the amount set by the Board of Directors.
5. Consider and approve investments in instruments and securities for the company account that are within the Board of Directors' permitted limits.
6. Promote the growth of directors', executives', and employees' knowledge, abilities, and potential to maximize the organization's potential.
7. Have the authority to take any action in the company's normal business administration and is required for the company's general management. based on the following information:
 - 7.1 Have the authority to issue instructions, regulations, announcements, and records to guarantee that operations are carried out in accordance with the company's policies and benefits, as well as to maintain organizational discipline.
 - 7.2 Have the authority to act and represent the company in relevant and advantageous business actions with outsiders.
 - 7.3 Approve the appointment of consultants in various fields necessary for the operation.

7.4 Other tasks as delegated by the Board of Directors or the Executive Committee from time to time.

7.5 Additional authorizations shall be in line with the scope of authorization authority and at various levels of authorization granted in the Board of Directors' meeting, with further changes.

Company's Secretary

The Board of Directors Meeting No. 1/21, held on July 12, 2021, decided to appoint Ms. Haruethai Sirisinviboon as Company Secretary, with the following duties and responsibilities:

1. Arrange and carry out matters about shareholder meetings.
2. Prepare and maintain a board of directors' register, a notice of meeting and minutes of the Board of Directors' meeting, a notice of meeting and minutes of the shareholders' meeting, and the company's annual report.
3. Notify the relevant executives of the Board of Directors' and shareholders' resolutions and policies, as well as monitor their implementation through the Executive Chairman.
4. Keeping stakeholder reports from directors and senior management and presenting them to the Chairman of the Board and Chairman of the Audit Committee within the legal deadlines.
5. Provide preliminary advice and recommendations on legal concerns, regulations, and procedures for corporate governance to the Board of Directors and sub-committees constituted by the Board of Directors.
6. Ensuring that the company secretary is the central repository for corporate records such as a juristic person registration letter, Memorandum of Association, Articles of Association, Shareholder Registration, and other types of business licenses, etc.
7. Supervise the disclosure of information and information reporting in the supervisory agency's role by the law, rules, and regulations for company information disclosure.
8. Maintain contact and communication with general shareholders to keep them informed of their rights and corporate news.
9. Provide news and information to directors on matters concerning the company's business operations for the benefit of the directors' fulfillment of their duties.
10. Assist newly appointed directors with orientation and fulfill any other obligations mandated by law.

Persons tasked with managing bookkeeping on a direct basis

Ms. Pintupol Buppachote is the person in charge of managing bookkeeping, which is in charge of ensuring that the company's accounting and payment operations are efficient and in conformity with the company's rules,

regulations, and accounting standards. From September 26, 2019, to the present, she served as the company's Accounting and Finance Manager or Accountant. Ms. Pintupol meets all of the requirements set forth by the Securities and Exchange Commission, where Ms. Pintupol has a bachelor's degree in accounting from Ramkhamhaeng University and has working experience in accounting for a total of not less than 3 years during the last 5 years before the filing of the application to the Office. Furthermore, the company has employed Ms. Gritiya Siwatkulnet as an Account Manager to prepare financial reports, annual budgets, and design and control operations to maintain a good internal control system. Ms. Gritiya was hired as a company employee on November 11, 2020, and has been with the company since then. (Details appear in attachment 1, details of directors, executives, and the controlling person, as well as the person with the greatest accounting and financial duty and those who are directly responsible for monitoring accounting)



Report on key performance in corporate governance

Self-Assessment of Directors and Chief Executive Officer (CEO) Year 2021

Self-Assessment of the Board and Sub-Committees, it is intended to be used as a guideline for auditing the performance of the duties of the Board of Directors in accordance with the established good corporate governance policy, including reviewing the problems and obstacles that occurred in the past year.

The performance appraisal of Chief Executive Officer should be done annually. To motivate the management of the business in accordance with the objectives, goals, strategies and in accordance with the long-term interests of the business. By means of assessment Each non-executive director assesses the performance of the CEO individually.

Topic	Score	Percent
Subject: Self-Assessment of the Board of Directors		
Set 1 Self-Assessment Form for each committee		
- Board of Directors Audit Committee Nomination Committee	3.85	96.31
Set 2 Self-Assessment Form for each person (for board and sub-committees)	3.89	97.20
Subject: Performance Appraisal of the Chief Executive Officer (CEO)		
Performance measurement	3.86	96.46

The result of the score 0 – 1 : Level needs to be improved.

The result of the score >1 – 2 : Fair level

The result of the score >2 – 3 : Good level

The result of the score >3 – 4 : Excellent level

Board meetings and individual board remuneration

To comply with good corporate governance principles, directors must attend at least 75% of the meetings of the Board of Directors and sub-committees that occur throughout the year. The details of the meeting attendance of the Board of Directors for the year 2021 are as follows:

Director's List	All meetings attend / All meetings (times)		
	Board of Directors	Audit Committee	Nomination and Remuneration Committee
	Year 2021	Year 2021	Year 2021
1. Mr. Navaphol Chanjuthamard	8/9		1/1
2. Mrs. Yuphin Chanjuthamard	9/9		
3. Mr. Isares Janyawannasiri ^{/1}	7/7		
4. Assoc. Prof. Dr. Prakrit Tangtisanon	9/9	7/7	1/1
5. Prof. Dr. Wanchai De-Eknamkul	8/9	6/7	
6. Mr. Mongkol Kasaemsun Na Ayudthaya	9/9	7/7	1/1
7. Mr. Apimuk Sukprasit	9/9		
8. Mr. Sutthichai Sungkamanee	9/9		

Notes: ^{/1} Mr. Isares Janyawannasiri was appointed as a director of the company by a decision of the 2021 Annual General Meeting of Shareholders held on April 30, 2021.



Remuneration

Director's Remuneration

1) Monetary remuneration

The directors' remuneration, Audit Committee, and Member of the Nomination and Remuneration Committee were all decided at the Extraordinary General Meeting of Shareholders No. 2/21 on June 7, 2021, which are as follows:

Position	Meeting allowance ^{/1} (baht/meeting) Year 2021
<u>Board of Directors</u>	
Chairman of the Board	30,000
Director	20,000
<u>Audit Committee</u>	
Chairman of the Audit Committee	25,000
Audit Committee	20,000
<u>Nomination and Remuneration Committee</u>	
Chairman of the Nomination and Remuneration Committee	25,000
Nomination and Remuneration Committee	20,000

Notes:

^{/1} The company does not pay remuneration to directors every month.

In this regard, Mr. Navaphol Chanjuthamard, Mrs. Yuphin Chanjuthamard, and Mr. Isares Janyawannasiri have stated their intention not to earn the director's remuneration, and directors who are executives of the company will not be eligible to receive such remuneration. Details of meeting attendance and meeting allowances for the Board of Directors, Audit Committee, and the Nomination and Remuneration Committee in the fiscal year 2021 are as follows:

Name - Surname	Board of Directors	Audit Committee	Nomination and Remuneration Committee
	Year 2021	Year 2021	Year 2021
1. Mr. Navaphol Chanjuthamard			
2. Mrs. Yuphin Chanjuthamard			
3. Mr. Isares Janyawannasiri			
4. Assoc. Prof. Dr. Prakrit Tangtisanon	270,000	140,000	20,000
5. Prof. Dr. Wanchai De-Eknamkul	160,000	140,000	
6. Mr. Mongkol Kasaemsun Na Ayudthaya	180,000	175,000	25,000

Name - Surname	Board of Directors	Audit Committee	Nomination and Remuneration Committee
	Year 2021	Year 2021	Year 2021
7. Mr. Apimuk Sukprasit	180,000		
8. Mr. Sutthichai Sungkamanee	180,000		

Other remuneration or accrued benefits (if any)

Prof. Dr. Wanchai De-Eknamkul gets paid 40,000 baht in consultation fees for research on extracts from raw materials utilized in products, which is a one-time charge.

Executive's remuneration

1) Monetary remuneration

In 2021, the Company paid remuneration to the Executive as follows:

Details	Remuneration (Million baht) Year 2021
Number of Executives (persons) ^{1/}	5
Salary, bonus, and overtime earnings	20.94
Other remuneration such as provident fund, social security, and other welfare	0.46
Total	21.40

Notes: ^{1/} The number of executives excluding Accounting and Finance Manager (Accountants) and Accounting Manager.

Other remuneration

- None -

Auditor's Remuneration

The company paid audit fees to Siam Truth Audit Company Limited for the year 2021, totaling 2,550,000 baht, excluding other expenses.

Personnel

Number of Personnel

The following is a breakdown of the company's employees (excluding executives) by a line of work:

Line of work / main unit	Number (Persons)			
	On December 31, 2018,	On December 31, 2019,	On December 31, 2020,	On December 31, 2021,
Production department	77	154	455	178
Production department (Operations - Full-time)	26	28	32	32
Production department (Operations - Daily)	51	126	423	146
Sales and Marketing department	24	36	161	187
Accounting and Finance department	12	13	18	27
Human Resources department	9	11	19	17
Information department	1	3	7	6
Product Research and Development department	2	3	2	3
Purchasing department	2	2	2	3
Warehouse department	18	24	53	35
Warehouse department (Full-time staff)	12	13	17	13
Warehouse department (Daily staff)	6	11	36	22
Delivery department	5	6	8	10
Quality Control department	9	12	19	13
Others including Company's Secretary, Safety officers, and DCC officers	2	2	3	3
Total	161	266	747	482

Notes: The number of employees in the production department, warehousing department, particularly daily employees, and Sales and Marketing department (including Telesales) changed depending on the amount of production and product orders.

Remuneration

Details	Remuneration (Million baht)	
	Year 2020	Year 2021
Salary, bonus, and overtime earnings	88.58	110.07
Other remuneration such as provident fund, social security, and other welfare (including commission)	36.82	23.89
Total	125.40	133.96

Other Remuneration

- None -

Provident Fund

The company has set up a provident fund, which is managed by Thanachart Asset Management Company Limited, to motivate employees to stay with the company in the long run. Since June 1, 2021, the company has been contributing to the provident fund for employees.

Personnel development policy

The company realizes the importance of personnel within the organization. Employees are thus encouraged and developed to have job-specific knowledge, skills, and attitudes based on their abilities including providing personnel with an annual training and development plan every year, encouraging employees to increase their knowledge through various electronic media, Organizing seminars with guest speakers who have relevant knowledge and skills, supervisory guidance on the job, gaining knowledge through real practice, along with knowledge sharing among coworkers and joint learning between executives and employees

Labor dispute

- None -

Monitoring to ensure compliance with corporate governance policies and practices

Hold a meeting at least once a year by inviting the management, executives, or employees of the company. relevant or necessary, or those who deem it appropriate to attend the meeting to give opinions or submit documents as they deem relevant or necessary.

Report the performance of the Good Corporate Governance Working Group to the Board of Directors for acknowledgement and prepare a report of the Good Corporate Governance Working Group to be disclosed in the company's annual report.



Driving business for sustainability

Sustainability Management

Nova Organic Public Company Limited does the business by sustainable development criteria, recognizing the value of the environment, society, corporate governance, and the responsibility of conducting business (ESG). For this reason, the company formed the Environmental, Social, and Corporate Governance Code of Conduct, which includes the following five principles: Fairness in business, Anti-Corruption, Laborers are treated fairly, Responsibility to Stakeholders, and Community, Society, and Environment Responsibilities. The details are as follows:

Fairness in business

- Not requesting, accepting, or agreeing to receive property or other benefits that are not included in the trade agreement or trade terms.

- Focus on developing relationships and good cooperation with partners to maximize the potential and efficiency of long-term business collaboration.
- Maintain the confidentiality of business partner information and do not utilize it for personal gain or to assist those who are wrongfully involved.
- The company will take no action in response to intellectual property infringement, including encouraging executives and employees to make optimal use of company resources and assets. Use copyrighted goods and services and refuse to support things or acts that violate intellectual property rights.
- The company is opposed to unfair competition. The company will not intervene on the following issues: price consolidation and pricing to eliminate competitors. The company's pricing is influenced by market conditions, buyer demand, and other cost-related factors, or it can be said that it is the product's pricing according to the cost of products and expenses to compete/the company's purchasing policy has clearly defined procurement techniques and operational procedures to be fair.
- The company has established a channel for complaints regarding unfair treatment, as well as a location to accept such complaints at the company, as well as on the company's website.

Anti-Corruption

- Create awareness, values, and attitudes among employees for them to follow regulations with honesty (as per the company's code of conduct).
- Create a system of internal control that is efficient and effective, also checks and balances in place to ensure that power is used appropriately and that personnel is not corrupted or participating in corruption.
- Company directors, executives, and employees are prohibited from claiming or accepting property or other benefits for themselves or others that would be in the way of motivation to act or stop from fulfilling obligations, or that would cause the company to lose its legitimate interests.
- Directors, executives, and employees of a company are prohibited from giving or offering to give assets or any other benefit to a third party to persuade that person to do or refrain from doing something illegal or against his position.

Laborers are treated fairly

- Employee remuneration will be handled appropriately and fairly by the company without the need for employees to file a claim.
- The company will not discriminate. Employees shall be treated equitably at the same time.
- If there are any complaints from employees. Employee complaints are handled by the company's policies and processes. The company will devise a method of terminating promptly and fairly to resolve the issue in the context of not spreading far and wide.

Responsibility to Stakeholders

- Deliver high-quality products and services at reasonable rates that meet consumer expectations.
- Provide customers with accurate, adequate, and timely information about products and services without exaggerating facts that cause customers to misunderstand the product or service's quality.
- Communicate with customers politely, effectively, and be trusted by customers. Set up a way for customers to file complaints about any issues that develop.
- Protecting privacy, secrecy, and disclosure, and not using it for personal benefit or the benefit of those implicated in wrongdoing.
- The company provides a variety of marketing communications, such as product information communication via sales agents' recommendations, communication channels via the company's website, etc.

Community, Society, and Environment Responsibilities

- The methods for dealing with waste from operations are well-defined.
- Take care of the environment around the project to reduce the impact of the company's operations. Participate in community development in the areas where the company's projects are located.

Managing the impact on the business value chain's stakeholders

Business Value Chain

The company considers stakeholder groups while also emphasizing the sustainability management of activities along the business value chain by fostering stability and prosperity through products and services that fulfill the demands of all groups, as well as effective risk management. The following is the value chain for the company's business:

Business Value Chain - Main Activities			
Procurement process	Production process	Standard	Sales of goods, services
1. There are criteria for evaluating, comparing pricing, and fairly selecting partners. 2. Do not demand or accept any unethical benefits. 3. Treat and adhere to various terms agreed upon with partners.	1. Before accepting items from partners into the company's warehouse, raw materials, and other products are inspected for quality. 2. There is a process in place to monitor the dispersal of raw materials from the warehouse. 3. There is a quality inspection process in production.	1. GMP 2. ISO9001 3. TTM 4. HALAL 5. GHP in process 6. HACCP in process	1. A modern customer relationship management system is in place. 2. Selling high-quality goods, adhering to service standards, and selling goods at a fair price 3. Customer confidential information should not be disclosed unless the customer has given permission, and customer information should not be used for personal benefit. 4. There is a process in place for accepting customer complaints and resolving them as quickly as possible. 5. Personal information security

Business Value Chain - Additional Activities		
Employees	Community and Society	Environment
1. Every year, there is an organizing and training plan for employees. 2. Have established employees with suitable skills in each department, where employees will be able to operate as efficiently as possible in their areas of expertise 3. Employees' provident funds are set up in the proportions needed by law. 4. Encourage employees to get involved in the company's CSR activities.	1. Provide assistance that benefits the community and society. 2. Plan CSR activities to give back to communities and society.	1. Controlling a company's carbon footprint 2. Use resources wisely, get the best value, and have energy-saving measures. 3. Encourage executives and employees to focus on actions that will improve safety, occupational health, and environmental quality. 4. Provide a safe and sanitary work environment free of accidents and disease.

Stakeholder Analysis of the Business Value Chain

The company has formed a group of stakeholders, both internal and external to the company, who are involved in the business value chain, and has established the following guidelines to meet the stakeholders' expectations:

Stakeholders	stakeholders' expectations	Stakeholder communication channel	Meeting stakeholders' expectations
Internal Organizational Stakeholders			
Shareholder	1. Increased profitability and business growth. 2. Investing the profits from operations to continue to bring value to the company. 3. Dividends are paid out when a company grows over a set period.	1. Disclosure of earnings quarter to shareholders 2. Annual shareholder meeting and other meetings 3. Press releases and shareholder communications via multiple routes	An annual business plan is formed to ensure company growth and the optimum use of capital.
Director, Employee	1. Personnel management and skill development 2. Path to a successful career 3. Intercommunication 4. Performance appraisal	1. A group meeting (Townhall) 2. Communication via e-mail 3. Employee Participation Survey 4. Employees' activities are planned. 5. Employee Training	1. Employee Training Program 2. Annual Assessment
External Organizational Stakeholders			
Customers	Products of high quality, presenting and delivering products in a timely and accurate manner to suit customer expectations.	1. Satisfaction survey 2. Reporting an incident when encountering a problem	Monthly quality indicators and service level agreements are monitored to ensure that all issues are quickly rectified.
Partner	Conduct business with fairness and professionalism.	Regular and ad hoc meetings to coordinate various activities	There is a price comparison and follow-up liaisons with partners to ensure seamless business operations.
Community and Society	Conduct business responsibly and safely.	Social responsibility activities	Planning and executing corporate social responsibility activities.

Sustainability Management in Environmental Dimensions

Policies and Practices Concerning the Environment

The company has the policy to promote and educate employees at all levels on social and environmental issues so that they can be used as a common guideline for community development and environmental responsibility by supporting projects or activities that benefit the community and society in the long term. Along with complying with environmental rules and regulations, businesses must evaluate and monitor the performance of various environmental aspects continuously.

Environmental performance

The company has currently undertaken the following projects to ensure that its business operations are ecologically friendly.

Paper reduction project

The company promotes and encourages paperless work by integrating the processing storage unit into an internet system that allows for more efficient and environmentally responsible collaboration. Included are investments in providing Cloud HR software Solutions to manage personnel in an ecologically responsible manner, as well as the usage of apps such as Microsoft Office and Google Drive for work. Furthermore, the company has begun a campaign to limit paper consumption by placing a warning label on the printer area to raise awareness among staff every time they use it.

Reuse project

The company has launched a campaign to encourage the reuse of equipment to reduce resource waste such as reuse plates, spoons, forks, coffee mugs, and water bottles instead of single-use plastic bottles.

Energy-saving project

To save energy in the office, the company has launched a campaign encouraging employees to check and assist in turning off the lights. Also, electronic equipment in the office during off-hours is always turned off, and communication and advice on lowering energy use are provided regularly at several locations across the company.

The company also understands the importance of managing the risks of climate change from energy usage, industrial development, transportation, and environmental devastation, all of which are key contributors to global warming. The company has the policy to minimize greenhouse gas emissions, with a commitment to carry out various activities in compliance with the legislation and requirements.

It gathers essential information by identifying all of the organization's operations in both the office and production sectors, calculates greenhouse gas emissions, and generates the organization's greenhouse gas (GHG) emissions assessment form by taking into account eight different types of greenhouse gases such as Carbon dioxide (CO₂), Methane (CH₄), Nitrous oxide (N₂O), Hydrofluorocarbon group (HFCs), Perfluorocarbon Group (PFCS), Sulfur hexafluoride (SF₆), Nitrogen trifluoride (NF₃), and chlorodifluoromethane (HCFC-22). Gather data on greenhouse gas emissions activities to compute the carbon footprint, which will be used to determine how to successfully reduce greenhouse gas emissions for long-term industrial development and to boost the company's competitiveness. For the first time, the company has created a company carbon footprint assessment report to serve as a baseline. Based on data collected over a year, from January 1, 2020, to December 31, 2020. In the field of eco-energy, there is a center of excellence. Thammasat University is a reviewer, which is a legal person verification agency that is registered in the external assessor registration system for requesting the Greenhouse Gas Management Organization (Public Organization) Carbon's Footprint certification mark, as well as from the Greenhouse Gas Management Organization Committee meeting (Public Organization) No. 3/2021 on May 27, 2021. By receiving the Carbon Foot mark company print, the company has passed the consideration of carbon label registration. There is a thorough report on the organization's greenhouse gas emissions and absorption from January 1 to December 31, 2020. Which is the first report to be used as the base year as follows:

Scope of work	List of greenhouse gas emissions	The volume of greenhouse gas emissions in the base year (tonCO ₂ e)
Scope 1	1. Diesel oil for cars	60.12
	2. Gasoline for cars	21.57
	3. LPG for fire drills	0.05
	4. CO ₂ fire extinguishers for fire drills	0.09
	5. Refrigerant for air conditioning	-
	6. Methane gas	60.64
Scope 2	7. Electricity use in factories	455.10
Scope 3	-	-
Other separate reports	8. Vegetable oil for fire drills	0.001
	9. Refrigerant Chiller Type R-22	34.32

The company has a policy that requires it to create annual reports to enhance the management system, promote, and campaign to reduce greenhouse gas emissions from various activities inside the organization, such as the use of raw materials, fuels, energy, etc. Employees will be more aware of society and the environment as a result of the knowledge they gain. The 2021 report is currently being prepared.

Sustainability Management in Social Dimensions

Policy and Practice in the Social

The company recognizes the importance of social responsibility and stakeholders, which will contribute to the company's long-term development, and wishes to conduct business with human rights respect throughout the entire value chain. Working by ethical standards, including excellent corporate governance principles. The company aspires to be a part of a long-term social movement. As a result, the company is prepared to focus on social development in numerous aspects for the company's company to run following the Stock Exchange of Thailand's corporate social responsibility rules. A working committee for social responsibility has been formed by the company. Assign the Executive Committee to appoint the Social Responsibility Working Group, with a minimum of three members and a maximum of seven, and the Social Responsibility Working Group chooses one member to serve as the Chair of the Social Responsibility Working Group.

Creating a plan of action and reporting on performance results

Assign the Corporate Social Responsibility Working Group the task of preparing a Corporate Social Responsibility Plan and presenting it to the Executive Committee on an annual basis, as well as setting the operating budget for that year, taking into account the framework of social responsibility activities, as well as the suitability of the company's financial status and operating results, and preparing a performance report to be presented to the Executive Committee at least once a year.

Activities for social and environmental benefits of the company (CSR After Process)

In addition to clear and strong policies and practices that prioritize social responsibility, the environment, and stakeholders. The company also wants to provide extra advantages to society through its numerous activities, which include:

Activities for social and environmental benefits of the company in 2018

- (1) On the 18th of July, the 21st of August, and the 26th of December, 2018, the company giveaway products to the elderly in Ban Bang Khae.



Product giveaway activity on July 18, 2018



Product giveaway activity on 21 August 2018



Product giveaway activity on 26 December 2018

Activities for social and environmental benefits of the company in 2019

- (1) On the 29th of March and the 19th of September, 2019, the company giveaway products to the elderly in Ban Bang Khae.



Product giveaway activity on 29 March 2019



Product giveaway activity on 19 September 2019

(2) On the 25th and 26th of May 2019, activities to maintain, repair, and paint school buildings and bathrooms took place at Ban Nong Wai School in Bo Ploy District, Kanchanaburi Province.



(3) On October 4, 2019, activities to donate Cordyceps mixed with Vitamin B products at Phrabatnampu Temple in Lopburi Province.



Activities for the company's social and environmental benefits in 2020

(1) Between 15 April and 27, May 2020, money donation activities and cordyceps products to assist villages suffering from Covid-19 in the Chalerm Anusorn, Ruen Ruedi, and Panchang Paniat communities.



Activities for the company's social and environmental benefits in 2021

- (1) On March 16, 2021. Provide lunch for the disabled at the Phra Pradaeng Home for the Disabled and Handicapped.



- (2) On April 9, 2021, activities to donate 1 million baht worth of ventilator (CPAP) medical equipment to the Chest Disease Institute.



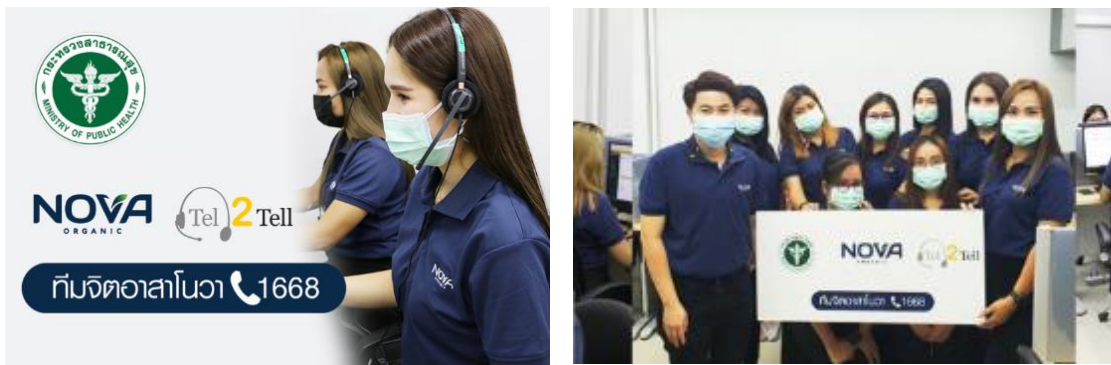
- (3) On May 7, 2021, blood donation activities also give coffee and cocoa beverages mixed with cordyceps and lingzhi extract to the Thai Red Cross Society's National Blood Center.



- (4) On May 11, 2021, Tent handing activities at Phra Narai Maharaj Hospital.



- (5) From 6 to 23 May 2021, volunteers service for the Special Hotline 1668 Department of Medical Services in bed management for Covid-19 patients by assisting in the finding of beds for Covid patients in Bangkok and more than 1,617 beds in other provinces.



- (6) On May 25, 2021, Survivor Bag Giving Activity with Nai Khlong Bang Pla Kot Subdistrict Administrative Organization.



Audit Committee Report

February 22, 2022

Dear shareholders

Nova Organic Public Company Limited

The Audit Committee of Nova Organic Public Company Limited consists of independent directors, who are fully qualified in accordance with the rules of the Audit Committee and requirements of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), consisting of Mr. Mongkol Kasaemsun Na Ayudthaya as the Chairman of the Audit Committee, Assoc. Prof. Dr. Prakrit Tangtisanon and Prof. Dr. Wanchai De-Eknamkul is the Audit Committee Member, with Ms. Haruethai Sirisinviboon as the secretary of the Audit Committee.

The Audit Committee has performed its duties independently as assigned by the Board of Directors. and the Charter of the Audit Committee It has a policy to focus on the company's compliance with good corporate governance principles. There is risk management that has a significant impact on the organization. as well as reviewing the internal control system and conducting an internal audit that are appropriate and efficient.

The Audit Committee held a total of 7 meetings with discussions with the management, internal auditor, and auditor on related matters, which can summarize the important matters in the performance of duties as follows:

1. Examine financial statements

The Audit Committee has considered and reviewed the quarterly financial statements and the company's financial statements for the year 2021 together with the management and auditors before submitting them to the company's directors. The Audit Committee asked the auditor about the accuracy and completeness of the financial statements. Important things to check important account entries Direction of Thai Financial Reporting Standards Appropriacy of accounting policies Changes in accounting estimates and errors Accounting method Account update Disclosure of information about related parties Observations and recommendations in 2021, the auditor did not have any material remarks. It has reported an unconditional investigation but includes information and incident paragraphs that focus on the epidemic situation of the coronavirus (COVID-19) as a dangerous communicable disease.

2. Internal control and risk management

The company realizes and gives importance to having an internal control system in order to comply with the principles of good corporate governance. The Audit Committee has assessed the internal control system.

company's management and answered the company's internal control sufficiency assessment form according to the Internal Control System Sufficiency Assessment Form of the Securities and Exchange Commission and stock exchange.

3. Examine Disclosure of Related Transactions or Transactions That May Contain a Conflict of Interest.

The Audit Committee considered that the transaction was reasonable, normal business and has adequate information disclosure. Correct and complete according to the law on securities and exchange stock exchange requirements and laws related to the company's business.

4. Review of the Risk Management Assessment System

The company has established a corporate risk management system. The executives in each department are the coordinators and are responsible for risk management. The Audit Committee and the Board of Directors are under consideration.

5. Compliance with the law and rules and regulations of the SEC Office, the Stock Exchange of Thailand, and laws related to the company's business.

The company provides monitoring, analysis, and reporting of changes in the law, rules related to the company and operate for the company correctly abide by the law rules.

6. Self-Assessment of the Audit Committee

The Audit Committee has assessed the performance in accordance with the Audit Committee Charter. The Audit Committee has fully complied according to the charter and has reported the performance, including offering suggestions, to the Board of Directors.

7. Auditor Appointment Considerations and Proposal

The Audit Committee has made a proposal to the Board of Directors. To request approval from the shareholders' meeting to appoint Siam True Audit Company Limited as the company's auditor, including proposing and approving the audit fee for the year 2022.

In summary, the overview The Audit Committee has performed its duties independently. Using knowledge and ability, as well as providing constructive opinions and suggestions, for equal benefits to stakeholders.

Mr. Mongkol Kasaemsun Na Ayudthaya

The Chairman of the Audit Committee

Internal Control and Risk Management.

At Audit Committee Meeting No. 1/2022, held on February 22, 2022, the Audit Committee assessed the internal control system. asked for information from the company's management and answered the company's internal control sufficiency assessment form according to the Internal Control System Sufficiency Assessment Form of the Securities and Exchange Commission. and stock exchange. It consists of five components:

1. Control Environment

- The organization demonstrates its commitment to the values of integrity and ethics.
- The board of directors is independent from the management and is responsible for oversight and development of internal control operations.
- The management has established a reporting line structure. determining the appropriate authority and responsibility for the organization to achieve its objectives. Under the supervision (oversight) of the Board.
- The organization demonstrates its commitment to motivating, developing, and maintaining competent personnel.
- The organization assigns personnel to have duties and responsibilities in internal control. to achieve the objectives of the organization.

2. Risk Assessment

- The organization has clearly defined objectives. It is necessary to be able to identify and assess various risks related to the achievement of organizational objectives.
- The organization identifies and analyzes all types of risks that may affect the achievement of objectives comprehensively throughout the organization.
- The organization has considered the potential for fraud in assessing the risks to achieving the organization's objectives.
- The organization can identify and assess changes that may affect its internal control system.

3. Control Activities

- The organization has control measures that reduce the risk of failure to achieve the organization's objectives to an acceptable level.
- The organization selects and develops general control activities with a technological system to help support the achievement of objectives.
- The organization provides control activities through policies, which define what to expect and procedures so that the established policies can be put into practice.

4. Information & Communication

- The organization has relevant and quality information. To enable the internal control to function as expected.
- Internal control is a communication organization that includes the objectives and responsibilities of internal control necessary to support the functioning of internal control.
- The organization communicates with external agencies about issues that may affect internal control.

5. Monitoring Activities

- Internal control monitoring and evaluation organization to ensure that the internal control continues to operate in a complete and appropriate manner.
- The organization assesses and communicates deficiencies in internal control in a timely manner to the responsible persons. This includes senior management and the Board of Directors as appropriate.

Head of Internal Audit (Outsource)

The Audit Committee has considered the qualifications of Audit House Company Limited as the company's annual internal auditor. and appointed Mr. Thana Wongsangnak as the head of internal audit. It was seen that the educational qualifications, experience, and training were appropriate enough to perform the duties of the company's internal auditors, including being independent in operation to conduct an audit and assess the adequacy of the internal control system and compliance with the company's system of internal control. The internal auditors have coordinated with the personnel of all departments of the company. Follow up on the improvement of the internal control system in accordance with the recommendations of the internal auditors, including preparing a report on the results of the evaluation and audit of the company's internal control system and presenting the report directly to the Audit Committee meeting. on a regular basis.

in accordance with the Audit Committee's powers, duties, and responsibilities the Audit Committee has the power, together with the management, to evaluate the performance and determine the merit, and to remove, transfer, or dismiss the head of the company's internal audit unit.

Details about the Head of Internal Audit and Head of Compliance Department

Nova Organics Public Company Limited has appointed Audit House Company Limited to be the company's internal auditor. The Managing Director operates as the main responsible person for performing the duties of the company's internal auditors, and to report the audit results to the Audit Committee and the Chief Executive Officer on a quarterly basis. The Audit Committee has considered the qualifications of Audit House Company Limited and Mr. Thana Wongsangnak and has made an opinion that they are appropriate enough to perform such duties due to their independence and experience in the performance of internal audits.

Name - Surname / Position	Educational qualifications and Training history	Percentage of shareholding in the company (percent)	Family relationship between executives	Work experience in the past 5 years		
				Period	Position	Name of organization
Mr. Thana Wongsangnak Managing Director	<ul style="list-style-type: none"> - Master of Accounting, Utah State University, USA - Graduate Diploma in Auditing, Thammasat University - Bachelor of Accounting, Thammasat University - Certified Internal Auditor, "CIA" - Certified Public Accountant, "CPA" - Operational Auditing by The Institute of Internal Auditors of Thailand - Audit Project Management by The Institute of Internal Auditors of Thailand - Internal Quality Assessment by The Institute of Internal Auditors of Thailand - Facilitating Results Using CSA by The Institute of Internal Auditors of Thailand. - Risk-based audit planning by the Federation of Accounting Professions. - Risk assessment methods for internal audit planning by the Federation of Accounting Professions. - Internal audit management by the Federation of Accounting Professions - Corporate Governance Audit by the Federation of Accounting Professions - Diploma Tax law by the Central Tax Court. - Taxes and duties for international transactions by the Federation of Accounting Professions. - Thai Auditing Standards (TSA) by the Federation of Accounting Professions. 	-	-	1991 – Present	Managing Director	Audit House Co., Ltd.

PART 3

OPERATIONAL OUTCOMES AND FINANCIAL SITUATION



NOVA
ORGANIC

AUDITOR'S REPORT

To the Shareholders of Nova Organic Public Company Limited

Opinion

I have audited the accompanying financial statements of Nova Organic Public Company Limited (“the Company”), which comprise the statement of financial position as at December 31, 2021, and the related statements of comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Nova Organic Public Company Limited as at December 31, 2021, its financial performance and cash flows for the year then ended 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 Company in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

I draw attention to note 1 to the financial statements, the situation of Coronavirus disease 2019 Pandemic (COVID-19), a dangerous communicable disease, tends to spread and severe expanding impacts continually, resulting to the Company’s business activities in terms of consumer products distribution. Due to the measures of the Government sector regarding to travel restrictions on domestic travelling and others measures in order to restrict and protect the communicable disease, including the decrease in the domestic purchasing power resulting from the avoidance and limits of consumers in buying the consumer goods from supermarket and department stores, there is significantly impacts to the Company’s financial position, operating results, and cash flows at present, and is expected to do so in the future. The Company’s management has continuously monitored ongoing that situation to assess the financial impact in respect of the valuation of assets, provisions

and contingent liabilities. As the situation has evolved, the management's judgements and significant accounting estimates will be reviewed.

My opinion on the financial statements is not modified in according to the matters which I draw attention above.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were 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 these matters.

<i>The key audit matter</i>	<i>Audit procedures</i>
<p><i>Revenue from sales</i></p> <p>The Company is engaged the business in production and distribution of food supplements through a variety of distribution channels. The revenue from sales in each distribution channels are recognized in according to its type of sale at the various terms and condition on delivery of the goods. For the year ended December 31, 2021, the book value of revenue from sales was of Baht 1,220 million as disclosed in note 19 to the financial statements. Those revenue from sale is significant high value transaction.</p> <p>I have identified revenue from sales to be the key audit matters as its high value is significant to the financial statements and a various delivery terms of distribution channels.</p>	<p>Other than making the inquiries, the audit procedures for revenue from sales included sampling test as follows:</p> <ul style="list-style-type: none"> - assessing the efficiency and test of internal control relates to the sales system; - inspecting sale documents occurred during the year, including, before and after the end of accounting year to test the delivery terms and the proper period of revenue recognition in accordance to the contract regarding the control of the goods transferred to the customers in each distribution channel.

<i>The key audit matter</i>	<i>Audit procedures</i>
<p><i>Inventories</i></p> <p>Inventories are significant high value transaction and are principal assets for the Company's business operations. As at December 31, 2021, the net book value of inventories was of Baht 116 million as disclosed in note 8 to the financial statements. Due to inventories are food supplements deteriorating based on its shelf-life period, affecting to the valuation at the end of accounting year measured at the lower of cost or net realizable value. That is required the management exercise the judgement to estimate the net realizable value of inventories.</p> <p>I have identified inventories to be the key audit matters as its high value is significant to the financial statements and a deteriorated goods on its shelf-life period.</p>	<p>Other than making the inquiries, the audit procedures for inventories included sampling test as follow:</p> <ul style="list-style-type: none"> - assessing the appropriateness on the calculation of net realizable value of inventories at the end of reporting period, the consideration of reasonableness of market price, the inventory turnovers and expected sale opportunity, and necessary cost to make sales, including inspecting to the related documents.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report of the Company, but does not include the financial statements and my auditor's report thereon. The annual report of the Company is expected to be made available to me after the date of this auditor's report.

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.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 judgment 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 Company'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 Company'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 Company 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.

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.

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.

Bunjong Pichayaprasat

Certified Public Accountant

Registration Number 7147

Siam Truth Audit Company Limited

Bangkok, February 22, 2022

NOVA ORGANIC PUBLIC COMPANY LIMITED

FINANCIAL STATEMENTS AND AUDITOR'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2021



NOVA ORGANIC PUBLIC COMPANY LIMITED
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021
Baht

	Note	2021	2020
Assets			
Current assets			
Cash and cash equivalents	5	489,684,247	333,844,078
Short-term investments	6	707,742,833	20,000,000
Trade and other receivables	7	44,128,401	182,020,800
Inventories	8	115,586,064	127,699,144
Other current assets	4, 9	40,711,806	39,975,193
Total current assets		1,397,853,351	703,539,215
Non-current assets			
Restricted bank deposits	10	24,000,000	66,000,000
Property, plant and equipment	4, 11	358,150,096	344,282,911
Right-of-use assets	4, 12	16,614,973	8,763,684
Intangible assets	13	4,005,910	3,032,137
Deferred tax assets	27	7,078,828	12,460,217
Other non-current assets		8,071,180	13,207,019
Total non-current assets		417,920,987	447,745,968
Total assets		1,815,774,338	1,151,285,183

The accompanying notes are an integral part of these financial statement

NOVA ORGANIC PUBLIC COMPANY LIMITED
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021
Baht

	Note	2021	2020
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables	4, 14	76,799,899	253,495,475
Current portion of liabilities	12	5,726,716	3,904,929
Income tax payable		-	200,923,056
Provisions	16	2,083,795	2,083,795
Other current liabilities	17	36,117,825	73,028,575
Total current liabilities		120,728,235	533,435,830
Non-current liabilities			
Long-term leases liabilities	4, 12	11,055,849	20,037,506
Provision for employee benefit	18	10,358,218	7,895,024
Total non-current liabilities		21,414,067	27,932,530
Total liabilities		142,142,302	561,368,360
Shareholders' equity			
Share capital			
Ordinary shares	21, 22	300,000,000	225,000,000
Premium on ordinary shares		969,986,499	41,618,919
Retained earnings			-
Appropriated - legal reserve	23, 24	19,400,000	15,000,000
Unappropriated		384,245,537	308,297,904
Total shareholders' equity		1,673,632,036	589,916,823
Total liabilities and shareholders' equity		1,815,774,338	1,151,285,183

The accompanying notes are an integral part of these financial statement

NOVA ORGANIC PUBLIC COMPANY LIMITED
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2021

Baht

	Note	2021	2020
Revenue from sales	19, 20	1,236,659,544	2,460,972,136
Cost of sales	4, 8, 26	(466,419,852)	(571,586,872)
Gross profit		770,239,692	1,889,385,264
Other income		2,321,201	1,056,007
Selling expenses	26	(596,989,904)	(829,607,345)
Administrative expenses	4, 26	(95,322,520)	(80,823,243)
Profit from operations		80,248,469	980,010,683
Finance income	4	390,316	491,421
Reversal of loss from impairment of assets		883,827	7,148,999
Gain (loss) from disposal of assets		6,024,207	(1,123,259)
Reversal of expected credit (loss)		1,314,925	(1,403,340)
Finance costs	4	(984,664)	(578,800)
Profit before income tax		87,877,080	984,545,704
Tax expense	27	(7,529,447)	(203,737,134)
Profit for the year		80,347,633	780,808,570
Other comprehensive loss :			
Items that will never be reclassified subsequently to profit or loss			
Defined benefit plan actuarial loss	27	-	(1,724,644)
Income tax relating to items that will never be reclassified subsequently to profit or loss	27	-	344,929
Other comprehensive loss - net of tax		-	(1,379,715)
Total comprehensive income		80,347,633	779,428,855
Earnings per share			
Basic earnings per share	28	0.18	2.55
Weighted average number of ordinary shares (shares)		454,931,507	306,173,200

The accompanying notes are an integral part of these financial statement

NOVA ORGANIC PUBLIC COMPANY LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2021
Baht

	Note	Issued and paid-up share capital	Premium on share capital	Retained earnings		Total
				Appropriated - legal reserve	Unappropriated	
Balance as at January 1, 2020		150,000,000	41,618,919	7,082,500	37,786,549	236,487,968
Increase in ordinary shares	21	75,000,000	-	-	-	75,000,000
Dividend payment	23	-	-	-	(501,000,000)	(501,000,000)
Total comprehensive income		-	-	-	779,428,855	779,428,855
Legal reserve	23, 24	-	-	7,917,500	(7,917,500)	-
Balance as at December 31, 2020		225,000,000	41,618,919	15,000,000	308,297,904	589,916,823
Increase in ordinary shares	21	75,000,000	928,367,580	-	-	1,003,367,580
Total comprehensive income		-	-	-	80,347,633	80,347,633
Legal reserve	24	-	-	4,400,000	(4,400,000)	-
Balance as at December 31, 2021		300,000,000	969,986,499	19,400,000	384,245,537	1,673,632,036

The accompanying notes are an integral part of these financial statement

NOVA ORGANIC PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021
Baht

	2021	2020
Cash flows from operating activities		
Profit before income tax	87,877,080	984,545,704
Adjustments to reconcile profit before income tax to cash generated		
(paid) from operating activities		
Depreciation and amortization	18,279,944	11,056,235
Expected credit loss (reversal)	(1,314,925)	1,403,340
Reversal of loss from impairment of assets	(883,827)	(7,148,999)
(Gain) loss from sale of assets	(6,024,207)	1,123,259
Interest income	(390,316)	(491,421)
Finance costs	984,664	578,800
Profit from operations before changes in operating assets and liabilities	98,528,413	991,066,918
Changes in operating assets and liabilities		
Trade and other receivables	144,629,187	(92,272,423)
Inventories	12,113,080	(30,999,194)
Other current assets	12,949,066	(32,063,656)
Restricted bank deposits	-	(66,000,000)
Other non-current assets	303,640	(9,993,845)
Trade and other payables	(176,416,411)	139,687,892
Other current liabilities	(36,910,752)	43,139,367
Provisions for employee benefit	2,351,210	2,788,396
Cash received from operating activities	57,547,433	945,353,455
Interest received	357,094	545,577
Income tax returned	-	6,247,094
Income tax paid	(216,756,794)	(29,595,054)
Net cash provided by (used in) operating activities	(158,852,267)	922,551,072

The accompanying notes are an integral part of these financial statement

NOVA ORGANIC PUBLIC COMPANY LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2021

Baht

	2021	2020
Cash flows from investing activities		
Increase in short - term investments	(645,742,833)	(20,000,000)
Cash received from loan to related parties	-	13,000,000
Disposal of property, plant and equipment	38,170,127	1,729,273
Purchase of property, plant and equipment	(74,826,830)	(200,267,675)
Purchase of intangible assets	(2,170,645)	(1,050,530)
Net cash used in investing activities	(684,570,181)	(206,588,932)
Cash flows from financing activities		
Repayment for lease liabilities	(3,232,283)	(10,935,558)
Increase in ordinary shares	1,003,367,580	75,000,000
Dividend paid	-	(501,000,000)
Interest paid	(872,680)	(382,116)
Net cash provided by (used in) financing activities	999,262,617	(437,317,674)
Net increase in cash and cash equivalents	155,840,169	278,644,466
Cash and cash equivalents at the beginning of the year	333,844,078	55,199,612
Cash and cash equivalents at the end of the year	489,684,247	333,844,078

The accompanying notes are an integral part of these financial statement

NOVA ORGANIC PUBLIC COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

1. GENERAL INFORMATION

Nova Organic Public Company Limited (“the Company”) is incorporated in Thailand and has its registered office at 190/4 Moo 8, Nai Khlong Bang Pla Kot, Phra Samut Chedi, Samut Prakan. The Company has 4 branches in Bangkok and upcountry.

On June 21, 2021, the Company has registered to convert to public company limited with the Ministry of Commerce and changed name from “Nova Organic company Limited” to “Nova Organic Public Company Limited”

The principal activities of the Company involve production and distribution of food supplements and health beverages.

The Company was listed on the Stock Exchange of Thailand on December 24, 2021.

Major shareholders were as follow:

Major shareholders	Country/ Nationality	Shareholding	
		December 31,	
		2021	2020
Nova Organic Holding Co., Ltd.	Thailand	34.63	46.18
Chanjuthamard group	Thai	34.63	46.18

The financial statements have been approved for issue by the Company’s Board of Directors on February 22, 2022.

Coronavirus disease 2019 Pandemic

The situation of Coronavirus disease 2019 Pandemic (COVID-19), a dangerous communicable disease, tends to spread and severe expanding impacts continually, resulting to the Company’s business activities in terms of consumer products distribution. Due to the measures of the Government sector regarding to travel restrictions on domestic travelling and others measures in order to restrict and protect the communicable

disease, including the decrease in the domestic purchasing power resulting from the avoidance and limits of consumers in buying the consumer goods from supermarket and department stores, there is significantly impacts to the Company's financial position, operating results, and cash flows at present, and is expected to do so in the future. The Company's management has continuously monitored ongoing that situation to assess the financial impact in respect of the valuation of assets, provisions and contingent liabilities.

As the situation has evolved, the management's judgements and significant accounting estimates will be reviewed.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements are prepared in accordance with Thai Financial Reporting Standards ("TFRS"), including the related interpretations and guidelines promulgated by the Federation of Accounting Professions ("TFAC") and the financial reporting requirements of the Securities and Exchange Commission.

The financial statements in Thai language are presented in Thai Baht, which is the Company's functional currency. The preparation of these official statutory financial statements is issued for Thai reporting purposes. The financial statements in English language have been translated from the financial statements in Thai language.

The preparation of the financial statements in conformity with Thai Financial Reporting Standards ("TFRS") requires management to make judgments estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Subsequent actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that accounting period, and in the accounting period of the revision and future periods, if the revision affects both current and future accounting periods.

New financial reporting standards

a) New financial reporting standards that became effective in the current year

During the year, the Company has adopted the revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after January 1, 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of

the changes directed towards revision and clarification of accounting practices and accounting guidances and disclosures in the notes to the financial statements to users of TFRSs.

b) Financial reporting standard that will become effective in the future

The Federation of Accounting Professions promulgated the numbers of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after January 1, 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the clarification of accounting practices and accounting guidance to users of TFRSs.

The management of the Company believes that the revision of TFRSs does not have any significant impact on the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The measurement bases used in preparing the financial statements

Other than those disclosed elsewhere in the significant accounting policies and other notes to the financial statements, the financial statements are prepared on the historical cost basis.

Revenue

Revenue is recognized when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Company expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

The Company accounts for a contract with a customer when it has entered into an agreement between counter parties that creates enforceable rights and obligations. The Company has to identify its performance obligations and allocate a transaction price to each obligation on an appropriate basis.

Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services, net of value added tax ("VAT"). Depending on the terms of the contract and the laws that apply to the contract, control of the asset may be transferred over time or at a point in time.

Revenues from contracts with multiple elements are allocated by fair value of standalone selling price in each performance obligation. In case of contracts have both obligations to perform at point of time and overtime, difference from revenue recognition and performance obligations at the beginning of contracts is recognized as contract assets or contract liabilities and recognized over the contract periods.

Revenue for rendering of services is recognized as services are provided.

Sale of goods and rendering of services

Revenue from sales of goods is recognized when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Therefore, the amount of revenue recognized is adjusted for estimated returns.

For bundled packages, the Company accounts for individual products and services separately if they are distinct, or a product or service is separately identifiable from other items and a customer can benefit from it, or the multiple services are rendered in different reporting periods. The consideration received is allocated based on their relative stand-alone selling prices of products and services.

Revenue from sales is measured at the amount of consideration received or expected to be received for delivered goods after deduction of returns.

Advances

Advances received from customers is classified as current liabilities and recognized as revenue when the Company transferred control over the goods to the customers. For the advances that contain a significant financing component, they include the interest expense accreted on the contract liability under the effective interest method. The Company uses practical expedient which is not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

Interest income

Interest income is recognized using the effective interest method.

Interest income is calculated by applying the effective interest rate to the gross book value of financial assets.

When financial assets are determined to credit impair, interest income is calculated by applying the effective interest rate to the net book value (gross book value less allowance for expected credit losses) of the financial assets. If the financial assets are not credit impaired, interest income is calculated basing on the original gross book value.

Other income

Other income is recognized on an accrual basis.

Consideration payable to the customer

The Company recognizes the consideration payable to the customer as a reduction of the revenue from contract with customers.

Expenses

Finance cost

All other borrowing costs are expensed in the period they are incurred basing on the effective interest method. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds, unwinding of the discount on provisions and contingent consideration.

The interest component of finance lease payments are recognized using the effective interest method.

Interest expenses are recognized as an expense over the term of loan. Interest expenses are calculated from the outstanding of loan principal on an accrual basis using the effective interest method.

Expenses are recognized on an accrual basis.

Financial instruments

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

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

Classification and measurement of financial assets and financial liabilities

Financial assets classified as debt instruments

The Company classifies financial assets that are debt instruments as financial assets that are subsequently measured at amortized cost or fair value depends on the Company's business model for managing financial assets and the contractual cash flow characteristics of the financial assets as follows:

- Financial assets measured at amortized cost

The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially recognized at fair value on trade date and subsequently measured at amortized cost net of allowance for expected credit losses (if any).

Amortized cost basing on the effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. Interest income is recognized in profit or loss and is included in the “interest income” item.

- Financial assets measured at fair value through other comprehensive income

The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets as well as and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially recognized at fair value and subsequently measured at fair value. The unrealized gains or losses from changes in their fair value realized, after which such gains or losses on disposal of the instruments will be recognized as gain or losses in profit or loss. The gains or losses on foreign exchange, expected credit losses, and interest income which calculated using the effective interest rate method are recognized in profit or loss.

- Financial assets measured at fair value through profit or loss

Unless the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows or the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially recognized at fair value and are subsequently measured at fair value. Unrealized gains and losses from change in fair value, and gains and losses on disposal of instruments are recognized as gains (losses) on financial instruments.

Debt instruments that meet either the amortized cost criteria or the fair value through other comprehensive income criteria may be designated as at the fair value through profit or loss upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called “accounting mismatch”) that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

Financial assets classified as equity instruments

- Financial assets measured at fair value through profit or loss

The Company has classified investment in equity instruments that held for trading but not held for strategic purposes as the financial asset measured at fair value through profit or loss, where an irrevocable election has been made. Such classification is determined on an instrument-by-instrument basis. Gains and losses arising from subsequently changes in fair value is recognized in profit or loss and gain or loss from disposal is recognized in profit or loss when disposal.

- Financial assets measured at fair value through other comprehensive income

The Company has classified investment in equity instruments that not held for trading but held for strategic purposes or for securities with potential for high market volatility as the financial asset measured at fair value through other comprehensive income, where an irrevocable election has been made. Such classification is determined on an instrument-by-instrument basis. Gains and losses arising from subsequently changes in fair value is recognized in other comprehensive income and not subsequently transferred to profit or loss when disposal, instead, it is transferred to retained earnings.

Dividends on these investments are recognized in profit or loss, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividend income is recognized in profit or loss and is included in the “finance income” item.

The fair value of marketable securities is based on the latest bid price of the last working day of the reporting period as quoted on the Stock Exchange of Thailand.

The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association.

The fair value of investment units is determined from their net asset values.

Purchase and sales of investments are recorded on trade date.

The weighted average method is used for computation of the cost of investments.

In case of investments are interest-bearing, interest calculated using the effective interest method is recognized in profit or loss.

Losses on impairment of investments (if any) are included in profit or loss.

Offsetting

Financial assets and financial liabilities are offset, and the net amount is presented in the statement of financial position when the Company has a legal right to offset the amounts and intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

Derecognition of financial assets

The Company derecognizes a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows on the financial asset in a transaction in which all or substantially all the risks and rewards of ownership are transferred. Any interest from transferred financial assets, which is created, controlled or retained by the Company, are still recognized as financial assets and recognized as borrowing which have collateral for proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

On derecognition of an investment in a debt instrument classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Write-off

The Company writes off debts (either partially or in full) when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the legal criteria for bad debts written-off, whichever occurs sooner. Bad debt written-off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. However, the Company continues to execute the case, in order to comply with the Company's recovery policy.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognized as a reversal of impairment in profit or loss in the period in which the recovery occurs.

Allowance for expected credit losses on financial assets

The Company applies the Simplified Approach for recognition of expected credit losses of financial assets - debt instruments which are deposit at financial institutions, trade receivables and the contractual assets, investment in debt instruments, loans and certain of other assets.

The Company recognizes allowance for expected credit losses at an amount equal to the lifetime expected credit losses in cases where there has been a significant increase in credit risk since initial recognition, but the assets are not credit impaired, or where the assets are credit impaired.

At every reporting date, the amount of allowance for expected credit losses is reassessed to reflect changes in credit risk of financial assets since initial recognition of related financial instruments.

Simplified Approach

The measurement of expected credit losses on financial assets by applying the Simplified Approach is a calculation to estimate using a provision matrix depended on the Company's historical credit loss experience adjusted with the factors that are specific to the receivables, general economic conditions, an assessment of both the current as well as the forecast direction of conditions at the reporting date, and time value of money, as appropriate. In addition, the Company shall principally determine the past due status of the customers and also their capability to maintain the value of collateral relative to the terms of contract.

At every reporting date, the Company determines whether the credit risk of other debt instruments and deposit at financial institutions has increased significantly since initial recognition, by mainly taking into account internal and external credit rating of the counterparties as well as overdue status.

The Company assesses whether the credit risk has increased significantly from the date of initial recognition on an individual or collective basis. In order to perform collective evaluation of impairment, the Company classifies financial assets on the basis of shared credit risk characteristics, such as the type of instrument, internal credit rating, overdue status, and other relevant factors.

Financial assets are assessed to be credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the counterparties have occurred, there are indications that the borrower is experiencing significant financial difficulties, or there is a breach of contract, as well as delinquency.

The Company recognizes an allowance for expected credit losses by adjusting to the carrying amount of related accounts. For the increase (decrease) in an allowance for expected credit losses is recognized as expenses during the period in the statements of income, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognized in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Financial liabilities

Financial liabilities are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method or at fair value through profit or loss.

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

Financial liabilities designated at fair value through profit or loss

Financial liabilities may be designated at fair value through profit or loss upon initial recognition if;

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis.

Financial liabilities that are designated at fair value through profit or loss are measured at fair value, with any gains or losses arising on changes in fair value recognized in profit or loss.

Financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognized in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in other comprehensive income are transferred to retained earnings upon derecognition of the financial liability.

Derecognition of financial liabilities

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

When the Company exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Company accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective date is at least 10 percent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between; (1) the carrying amount of the liability before the modification; and (2) the present value of cash flows after modification should be recognized in profit or loss as the modification gain or loss within other gains and losses.

Trade and other accounts receivable and contract assets

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

A receivable is recognized when the Company has an unconditional right to receive consideration. If revenue has been recognized before the Company has an unconditional right to receive consideration, the amount is recognized as a contract asset that means accrued income.

Employee benefits

Short-term benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Post-employment benefits

The Company and its employees have jointly established the provident funds which is a monthly contributed and defined contribution plan. The fund's asset of the provident fund is separated from the Company's asset and has been managed by a licensed fund manager.

The provident fund receives a cash contribution from employee and the Company. The contribution expenditure of the provident fund and obligation in respect of defined contribution plan is recognized as expense in profit or loss for the period that transaction incurred.

Post-employment benefits

The employee benefit obligations in relation to the severance payment under the labor law are recognized as a charge to results of operations over the employee's service period. It is calculated by the estimation of the amount of future benefit to be earned by the employee in return for the service provided to the Company through the service period up to the retirement age and the amount is discounted to determine the present value. The reference discount rate is the yield rate of government bonds as at the reporting date. The calculation is based on the actuarial technique using the Projected Unit Credit Method.

When the employee benefits are improved, the portion of the increased benefit relating to past service rendered by employee is recognized in profit or loss on a straight-line basis over the average period until the benefits become vested.

When the actuarial assumptions are changed, the Company recognizes actuarial gains (losses) immediately in other comprehensive income.

Past service costs relating the amendment of plan are recognized as an expense in other comprehensive income when the plan amendment is effective.

Termination benefits

Termination benefits are recognized as liability and as expense in profit or loss when the Company are committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy or the Company have made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the end of the reporting period, then they are discounted to their present value.

Income tax

Income tax for the year comprises current tax and deferred tax.

Current tax and deferred taxes are recognized in profit or loss.

Deferred tax in the extent that they relate to items recognized directly in shareholders' equity are recognized other comprehensive income.

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the end of reporting period date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the end of reporting period date.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change their judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized, including unutilized taxable losses. Deferred tax assets are reviewed at the end of reporting period date and reduced its carrying amount 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 utilized against to the temporary differences and unutilized taxable losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash, cash at banks type current accounts and saving accounts, cash at bank with an original maturity not exceeding 3 months, including negotiable certificate of deposit and highly liquid short-term investments in bill of exchange or promissory notes issued by financial institutions due at call or with original maturities of three months or less, excluded deposits at bank on obligation or subject to withdrawal restrictions and insignificant risk of change in value.

Inventories

Inventories are stated at the lower of cost or net realizable value.

Cost of inventories is calculated by using the first in – first out method.

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and goods in process, cost includes an appropriate share of overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

The Company records the allowance for devaluation of inventories for all deteriorated, damaged, obsolete and slow-moving inventories.

A right to recover returned products is recognized when the products are expected to be returned by customers and measured by reference to the former carrying amount of the sold inventories less any expected costs to recover those products.

Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The refund liability is reassessed at each reporting date and make a corresponding change to the amount of revenue recognized.

Property, plant and equipment**Owned assets**

Land is stated at cost less allowance for impairment losses (if any).

Building and equipment are stated at cost less accumulated depreciation and allowance for impairment losses (if any).

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalized borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, plant and equipment have different consumption patterns or useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds less cost to sale and the carrying amount of property, plant and equipment, and are recognized net within other income or other expenses in profit or loss.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognized.

Leased assets

Leases in terms of which the Company substantially assume all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalized at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and allowance for impairment losses (if any).

Lease payments are apportioned between the finance cost and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance cost are recognized in the statement of profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment and cost of renovations are recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company within more than one accounting period, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount of plant and equipment, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Assets from cost of replacement and cost of renovations are depreciated over the remaining useful life of the related asset.

Depreciation is calculated basing on a straight-line basis over the estimated useful lives of each component of an item of assets. The estimated useful lives are as follows:

	<i>Years</i>
Buildings	30
Machinery and factory equipment	5 - 12
Office equipment	5
Vehicles	5

Depreciation is recognized as an expense in profit or loss.

No depreciation is provided on freehold land or assets under construction.

Depreciation for the lease assets is charged as expense for each reporting period. The depreciation method for leased assets is consistent with that for depreciable assets that are owned by the Company.

The residual value of an asset is the estimated amount that the Company would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

The depreciation method, residual value and useful life of an asset should be reviewed at least at each financial year-end and, if expectations differ from previous estimates, any change is accounted for prospectively as a change in estimate.

Intangible assets

Intangible assets are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and allowance for impairment losses (if any).

Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates.

All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

Amortization

Amortization is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use.

The estimated useful lives are as follows:

	<i>Years</i>
Software licences	5

No amortization is provided on intangible assets under development and installation.

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

Gains and losses on disposal are determined by comparing the proceeds from disposal with the carrying amount, and are recognized in profit or loss.

Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets in respect of property, plant and equipment, intangible assets, right-of-use assets and other assets, are reviewed at each reporting period to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognized in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

When a decline in the fair value of an available-for-sale financial asset has been recognized directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognized directly in equity is recognized in profit or loss even though the financial asset has not been derecognized. The amount of the cumulative loss that is recognized in profit or loss is the difference between the current fair value and acquisition cost, less any impairment loss on that financial asset previously recognized in profit or loss.

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the

Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

Reversals of impairment

An impairment loss in respect of financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognized in profit or loss.

Impairment losses recognized in prior periods in respect of other non-financial assets are assessed at each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of accumulated depreciation or accumulated amortization, if no impairment loss had been recognized.

Leases

As a lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes right-of-use assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses (if any) and adjusted for any remeasurement of lease liabilities.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, such provision is recognized and measured to the extent that the costs relate to a right-of-use asset.

In case that the lessee is unable to allocate the consideration in the contract to each lease component and non-lease component on the basis of its relative stand-alone prices, as a practical expedient, a lessee may elect not to separate non-lease components and account for the lease and non-lease components as a single lease component.

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

	<i>Years</i>
Buildings	3
Office equipment	5

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost of such asset reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

If the Company is unable to obtain reasonable assurance that the ownership of the underlying asset is substantially transferred to the Company at the end of the lease term, the right-of-use assets will be depreciated on the straight-line method from the commencement date to the end of the useful lives or the end of the lease term, which is earlier.

The Company applies the derecognition and impairment requirements, in according to the financial instrument principle, to the net investment in the lease. The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease payments included fixed payments less any lease incentive receivable and amounts expected to be payable under a residual value guarantee. The lease payments also include amount under purchase, extension or termination option if the Company is reasonably certain to exercise option.

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. Interest expense is recognized in profit or loss.

The lease liability is remeasured when there is a change in lease term, change in lease payments, change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of purchase, extension or termination options. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company recognized payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, as expenses on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which economic benefits from the lease assets are consumed.

Foreign currencies**Functional and presentation currency**

The financial statements of the Company are presented in the functional currency which is the currency of the primary economic environment in which the entity operates. The financial statements of the Company are presented in the presentation currency as Thai Baht in accordance with the regulatory requirements in Thailand. The functional currency of the Company in Thailand is Thai Baht.

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency using the exchange rate at the date of transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency using the exchange rate at that date.

Non-monetary assets and liabilities in foreign currencies measured at cost at the reporting date are translated to the functional currency using the exchange rate at the date of transaction.

Foreign currency differences arising from the translation are recognized in profit or loss in the reporting period as incurred.

Provisions

A provision is recognized in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expected future cash flows are discounted by using a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The unwinding of the discount is recognized as a finance cost.

Provision for decommissioning

The Company is obligated to remove decoration and fixtures and restore the rental spaces before returning them to the lessors at the end of the rental agreements. The Company records a provision for decommissioning whenever it is highly probable that an obligation will arise as a result of a past event and the amount of the obligation can be reliably estimated. In estimating of decommissioning costs, the

management exercises judgement in predicting future decommissioning costs, discount rate and economic useful lives of the assets.

Dividends

Dividend and interim dividend payment are recorded in the period in which they are approved by Shareholders' meeting and Board of Directors' meeting.

Basic earnings per share

Basic earnings per share is calculated by dividing the profit for the years attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares issued during the years.

Judgements of management

The preparation of financial statements in conformity with financial reporting standards requires management to make subjective judgments to determine the accounting policies, estimates regarding matters that are inherently uncertain and various assumptions.

Significant judgements and accounting estimates are as follow:

a) Recognition and derecognition of assets and liabilities

In considering whether to recognize or to derecognize assets or liabilities, the management is required to make judgment on whether significant risk and rewards of those assets or liabilities have been transferred, based on their best knowledge of the current circumstances and arrangements.

b) Fair value of financial instruments

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercise judgment, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risks, liquidity, correlation and long-term volatility of financial instruments. Any changes in assumption related to the inputs may affect to the fair value stated in the financial statements and disclosure of fair value hierarchy.

c) Allowances for expected credit loss for financial assets

Allowances for expected credit loss for financial assets are intended to adjust the value of receivables for probable credit losses. The management is required to use judgement in estimating allowance for expected credit losses for financial assets. The Company's calculation of allowance for expected credit losses depends on the criteria used for assessment of a significant increase in credit risk, the development of a model, the risk that collateral value cannot be realized, collective and individual analyses of the status of receivables, the probability of debt collection and the selection of the forecasted macroeconomic data inputs used in the model. However, the use of different estimates and assumptions

could affect the amounts of allowances for expected credit loss and adjustments to the allowances may therefore be required in the future.

d) Allowance for impairment on investments

The Company treats investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgment of the management.

e) Property, plant and equipment

The recognition of cost incurred in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

In determining depreciation of buildings and equipment, the management is required to make estimates of the useful lives and residual values of buildings and equipment and to review estimated useful lives and residual values when circumstance changes.

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 judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

f) Intangible assets

The initial recognition and measurement of intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

g) Deferred tax assets

The Company recognizes deferred tax assets for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences can be utilised, including unutilized taxable loss. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimate future taxable profits.

h) Leases

The Company assesses whether a contract is or contains a lease, at inception of the contract. The management is required to use judgement in evaluating the condition and term of a contract to consider whether the Company transfers or is transferred risks and rewards of leased assets.

Determining the lease term of contracts with renewal and termination options

In determining the lease term, the management is required to use judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease considering all relevant facts and circumstances that create an economic incentive for it to exercise either the renewal or termination.

Incremental borrowing rate

In the case that the Company cannot readily determine the interest rate implicit in the lease, the Company is required to use its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

i) **Post-employment benefits**

The obligation under the defined benefit plan is determined based on actuarial techniques which depends on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

j) **Litigation**

The contingent liabilities as a result of commercial disputes and litigation, the management is required to use judgement to assess of the results of the commercial disputes and litigation based on the causes of the commercial disputes and litigation and other evidence documents including consulting with legal counsel for significant commercial disputes and litigation. The provision of contingent liabilities is recognized at the end of reporting period. In the event that the management believes that no loss will incur, therefore, no contingent liabilities are recorded as at the end of reporting period.

k) **Impairment of non-financial assets**

The carrying amounts of the Company's non-financial assets are reviewed at each reporting period to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

l) **Revenue from contracts with customers**

Identification of performance obligations

In identifying performance obligations, the management is required to use judgement regarding whether each promise to deliver goods or services is considered distinct, taking into consideration terms and conditions of the arrangement. In other words, if a good or service is separately identifiable from other promises in the contract and if the customer can benefit from it, it is accounted for separately.

Determination of timing of revenue recognition

In determining the timing of revenue recognition, the management is required to use judgement regarding whether performance obligations are satisfied over time or at a point in time.

m) Advance received from sales

Sales of contract made with customers stipulates that the Company is entitled to receive partial payments from customers when the contract has commenced such as booking payment, contract payment and down payment. The Company determines that there are no significant financing components arising from the payments received from customers because they are not the Company's funding but the customers' guarantee for contractual performance.

n) Allowance for diminution in value of inventories

The Company treats inventory as impaired when a significant decline in the fair value is noted. The management determines the devaluation based on net realisable value. However, the determination of what is "significant" and the amount of devaluation requires the management to exercise judgment.

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 Company applied 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 Company measured fair value using valuation techniques 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 categories within the fair value hierarchy into three levels based on categories 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 Company determined 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. TRANSACTIONS WITH RELATED PARTIES

A related party is a person or entity that has control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies, and a person which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, or officers with authority in the planning and direction of the Company's operations, including, close family members of mentioned person and entity that has control or significant influence whether directly or indirectly.

Significant transactions with related parties for the years ended December 31, 2021 and 2020 were as follows:

	<i>Baht</i>	
	2021	2020
Disposal of land with constructions		
Nova Organic Holding Co., Ltd.	36,000,000	-
Purchase of land with constructions		
Mr. Navaphol Chanjuthamard	-	14,000,000
Transfer-out of vehicles under the lease agreement		
Nova Organic Holding Co., Ltd.		
Vehicle	20,308,962	-
Lease liabilities	11,966,198	-
Purchase of raw material		
Cosmic Concord Corp., Ltd.	56,313,200	74,422,566
Interest income		
Nova Organic Holding Co., Ltd.	-	240,553
Amortization of the right-of-use assets		
Mr. Navaphol Chanjuthamard	666,493	416,936
Rental		
Mr. Navaphol Chanjuthamard	-	210,000
Nova Organic Holding Co., Ltd.	1,929,871	-
Interest expenses		
Mr. Navaphol Chanjuthamard	66,558	57,662

Key management personnel compensation

Key management personnel compensation for the years ended December 31, 2021 and 2020 consisted of:

	<i>Baht</i>	
	2021	2020
Short-term benefits	22,370,376	26,080,403
Post-employment benefits	1,769,253	2,472,315
Total	24,139,629	28,552,718

Directors' remuneration

Directors' remuneration represents benefits paid to the director of the Company in accordance with Section 90 of the Public Company Limited Act, exclusive of salaries and related benefit payable to directors who hold executive positions.

For the year ended December 31, 2021 and 2020, the Company paid directors' remuneration in the amount of Baht 1.51 million and Baht 0.84 million, respectively.

The significant balances of assets and liabilities with related parties as at December 31, 2021 and 2020 were as follows:

		<i>Baht</i>
	<u>2021</u>	<u>2020</u>
Inventory deposits		
Cosmic Concord Corp., Ltd.	764,917	1,182,195
Other payables		
Mr. Navaphol Chanjuthamard	-	170,291
Right-of-use assets		
Mr. Navaphol Chanjuthamard	1,303,899	1,636,343
Nova Organic Holding Co., Ltd.	8,525,732	-
Lease liabilities		
Mr. Navaphol Chanjuthamard	1,339,806	1,660,941
Nova Organic Holding Co., Ltd.	8,525,732	-

Short-term loans to related parties

Movements of short-term loans to related parties for the year ended December 31, 2020 were as follows:

	<i>Baht</i>
Beginning balance	13,000,000
Increase	-
Decrease	<u>(13,000,000)</u>
Ending balance	<u><u>-</u></u>

Significant agreements

The Company entered into 2 building rental agreements with related person for a rental period of 3 years, one starting from October 1, 2020 to September 30, 2023 with a monthly rental of Baht 30,000 and another starting from March 5, 2021 to March 4, 2024 with a monthly rental of Baht 30,000.

The Company entered into a building rental agreement with Nova Organic Holding Co., Ltd. for a rental period of 8 months starting from May 13, 2021 to December 31, 2021 with a monthly rental of Baht 0.25 million.

On January 29, 2021, the Company entered into a sales agreement of land with constructions to Nova Organic Holding Company Limited at the agreement value of Baht 36 million, accordingly, the Company recognized gain from disposal of assets of Baht 6.32 million.

On April 16, 2021, and May 5, 2021, the Company entered into a right transfer agreement relating to vehicle lease and long-term leases liabilities to Nova Organic Holding Co., Ltd., with the agreement value of Baht 11.97 million in according to the installment and residual value as per lease agreement. However, the Company recognized gain from transfer lease agreement in the amount of Baht 0.19 million.

On April 27, 2020, the Company entered into the purchase agreement on land with constructions from Mr. Navaphol Chanjuthamard, at the agreement value of Baht 14 million.

Co-guarantee for liabilities

As at December 31, 2021, related parties had co-guarantee liabilities as follows:

The Company's directors mortgaged land with constructions as collateral for credit facilities from financial institution (see note 15)

Nature of relationship

Name	Country/ Nationality	Relation	Type of relation
Nova Organic Holding Co., Ltd.	Thailand	Related company	Common shareholder and related director
Cosmic Concord Corp., Ltd.	Thailand	Related company	Direct shareholder
Mr. Navaphol Chanjuthamard	Thai	Related Person	Shareholder and director of the Company

Bases of measurement for intercompany revenues and expenses

	Pricing policies
Purchase and disposal of land with constructions	Referred to the independent appraiser's report
Value of transfer-out of vehicles under the lease agreement	Referred to the leases agreement
Purchase of inventory	Referred to market price
Rental expenses	Referred to market price
Interest income - expenses	Referred to the commercial bank's interest rate

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2021 and 2020 consisted of:

	<i>Baht</i>	
	2021	2020
Cash	60,065	17,192
Cash at banks	489,624,182	333,826,886
Total	489,684,247	333,844,078

6. SHORT-TERM INVESTMENTS

Short-term investments as at December 31, 2021 and 2020 consisted of:

	<i>Baht</i>	
	2021	2020
Investment measured at amorized cost		
Fixed deposit with a maturity more than 3 months but not over 1 year	62,186,573	20,000,000
Government bonds	99,962,803	
Treasury bills	19,991,768	-
Debenture	38,565,358	-
Investment measured at fair value through profit or loss		
Income fund	487,036,331	-
Total	707,742,833	20,000,000

Movements of debt instruments were as follows:

	<i>Baht</i>			
	As at		Fair value	As at
Debt instruments	January 1	Purchase	adjustment	December 31
2021				
Debt instruments measured at				
- Amortized cost	20,000,000	200,757,892	(51,390)	220,706,502
- Fair value through profit or loss	-	487,000,000	36,331	487,036,331
Total	20,000,000	687,757,892	(15,059)	707,742,833

	<i>Baht</i>			
	As at		Fair value	As at
Debt instruments	January 1	Purchase	adjustment	December 31
2020				
Debt instruments measured at				
- Amortized cost	-	20,000,000	-	20,000,000

7. TRADE AND OTHER RECEIVABLES

Trade and other receivables as at December 31, 2021 and 2020 consisted of:

	<i>Baht</i>	
	2021	2020
Trade receivables	42,380,736	156,898,583
Other receivables	2,184,303	26,873,780
Total	44,565,039	183,772,363
Less Allowance for expected credit loss	(436,638)	(1,751,563)
Trade and other receivables - net	44,128,401	182,020,800

Movements of allowance for expected credit loss for the year ended December 31, 2021 and 2020 were as follows:

	<i>Baht</i>	
	2021	2020
Beginning balance	1,751,563	1,382,514
Add Expected credit loss	-	1,403,341
Less Reversal of expected credit loss	(1,314,925)	(1,034,292)
Ending balance	436,638	1,751,563

As at December 31, 2021 and 2020, the Company had outstanding balances of trade receivables aged by number of months as follows:

	<i>Baht</i>	
	2021	2020
Current	31,010,012	119,427,643
Overdue		
Not over 3 months	11,112,544	36,956,253
Over 3 months up to 6 months	23,709	161,484
Over 6 months up to 12 months	76,818	70,612
Over 12 months	157,653	282,591
Total	42,380,736	156,898,583

The currencies denomination of trade and other receivables as at December 31, 2021 and 2020 were as follows:

	<i>Baht</i>	
	2021	2020
Thai Baht (THB)	44,565,039	183,623,422
Singapore Dollars (SGD)	-	148,941
Total	44,565,039	183,772,363

8. INVENTORIES

Inventories as at December 31, 2021 and 2020 consisted of:

	<i>Baht</i>	
	2021	2020
Raw materials	46,509,815	51,172,641
Goods in transit	2,209,776	4,176,543
Finished goods	46,947,025	60,546,101
Right to recover returned products	7,323,996	10,453,350
Supplies and packaging	27,378,306	29,444,009
Total	130,368,918	155,792,644
Less Allowance for devaluation of inventories	(14,782,854)	(28,093,500)
Inventories-net	115,586,064	127,699,144

For the year ended December 31, 2021 and 2020, cost of inventories was included in cost of sale

	<i>Baht</i>	
	2021	2020
Cost of sale	479,730,498	551,328,341
Adjustment for allowance for devaluation of inventories	(13,310,646)	20,258,531
Net	<u>466,419,852</u>	<u>571,586,872</u>

Movements of allowance for devaluation of inventories for the years ended December 31, 2021 and 2020 were as follows:

	<i>Baht</i>	
	2021	2020
Beginning balance	28,093,500	7,834,969
Add (Less) Loss from devaluation of inventories (reversal)	(13,310,646)	20,258,531
Ending balance	<u>14,782,854</u>	<u>28,093,500</u>

9. OTHER CURRENT ASSETS

Other current assets as at December 31, 2021 and 2020 consisted of:

	<i>Baht</i>	
	2021	2020
Goods deposit	16,364,360	15,699,938
Intermediate value added tax	4,878,590	6,681,006
Prepaid expenses	11,956,581	17,258,147
Prepaid corporate income tax	7,038,152	-
Others	474,123	336,102
Total	<u>40,711,806</u>	<u>39,975,193</u>

10. RESTRICTED BANK DEPOSITS

Restricted bank deposits as at December 31, 2021 and 2020 consisted of:

	<i>Baht</i>			
Accounts	2021	2020	Note	Collaterals
Fixed	<u>24,000,000</u>	<u>66,000,000</u>	15, 29	Credit for letter of guarantee

11. PROPERTY, PLANT AND EQUIPMENT

Movements of property, plant and equipment for the years ended December 31, 2021 and 2020 were as follows:

	<i>Baht</i>						
				Office		Construction	
	Land	Buildings	Machinery	Equipment	Vehicles	in progress	Total
Cost							
At January 1, 2020	41,999,210	48,599,640	40,518,897	6,799,829	10,987,927	19,968,972	168,874,475
Purchase / transfer-in	126,678,548	18,153,437	32,674,462	10,744,169	30,082,204	8,384,069	226,716,889
Disposal / transfer-out	-	-	(3,659,764)	(953,003)	(3,153,970)	(3,445,185)	(11,211,922)
At December 31, 2020	168,677,758	66,753,077	69,533,595	16,590,995	37,916,161	24,907,856	384,379,442
Purchase / transfer-in	6,984,449	43,419,059	19,479,622	8,978,602	-	17,515,170	96,376,902
Disposal / transfer-out	(14,329,139)	(15,541,977)	(972,623)	(439,253)	(25,734,550)	(16,066,739)	(73,084,281)
At December 31, 2021	161,333,068	94,630,159	88,040,594	25,130,344	12,181,611	26,356,287	407,672,063
Accumulated depreciation							
At January 1, 2020	-	6,614,191	18,950,894	4,261,772	5,404,112	-	35,230,969
Depreciation	-	2,158,023	4,073,071	1,681,300	1,229,017	-	9,141,411
Disposal / transfer-out	-	-	(2,754,695)	(846,295)	(1,558,686)	-	(5,159,676)
At December 31, 2020	-	8,772,214	20,269,270	5,096,777	5,074,443	-	39,212,704
Depreciation	-	2,162,796	6,714,737	3,742,599	1,408,099	-	14,028,231
Disposal / transfer-out	-	(1,842,349)	(885,210)	(432,457)	(558,952)	-	(3,718,968)
At December 31, 2021	-	9,092,661	26,098,797	8,406,919	5,923,590	-	49,521,967

	Baht						
	Land	Buildings	Machinery	Office Equipment	Vehicles	Construction in progress	Total
Allowance for impairment							
At January 1, 2020	-	-	6,101,158	-	-	-	6,101,158
Loss on impairment	-	-	-	-	-	-	-
Reversal of impairment loss	-	-	(5,217,331)	-	-	-	(5,217,331)
At December 31, 2020	-	-	883,827	-	-	-	883,827
Loss on impairment	-	-	-	-	-	-	-
Reversal of impairment loss	-	-	(883,827)	-	-	-	(883,827)
At December 31, 2021	-	-	-	-	-	-	-
Net book value							
Owned assets							
At December 31, 2020	168,677,758	57,980,863	48,380,498	11,494,218	7,464,366	24,907,856	318,905,559
At December 31, 2021	161,333,068	85,537,498	61,941,797	16,723,425	6,258,021	26,356,287	358,150,096
Assets under finance leases							
At December 31, 2020	-	-	-	-	25,377,352	-	25,377,352
At December 31, 2021	-	-	-	-	-	-	-
Total							
At December 31, 2020	168,677,758	57,980,863	48,380,498	11,494,218	32,841,718	24,907,856	344,282,911
At December 31, 2021	161,333,068	85,537,498	61,941,797	16,723,425	6,258,021	26,356,287	358,150,096

	<i>Baht</i>	
	2021	2020
At December 31, 2021		
Book value before deducting accumulated depreciation		
which is fully depreciated but is still in use	6,517,429	6,016,418

Movements of the right-of-use assets recognized as equipment for the year ended December 31, 2021 and 2020 were summarized as follows:

	<i>Baht</i>
	Vehicles
Net book value	
At January 1, 2020	2,461,135
Increase	25,734,550
Lease termination	(2,004,835)
Less Amortization	(813,498)
At December 31, 2020	25,377,352
Disposal / transfer-out	(20,309,352)
Lease termination	(4,207,000)
Less Amortization	(861,000)
At December 31, 2021	-

The Company entered into the lease agreement for vehicles with related parties and other parties. The Company recognized the right-of-use assets as part of equipment.

As at December 31, 2021 and 2020, the Company mortgaged land with constructions as collateral for loan from financial institutions (see note 15) which its net book value was summarized as follow:

	<i>Baht</i>	
	2021	2020
Land	27,670,071	30,818,513
Building	23,359,831	47,692,463
Total	51,029,902	78,510,976

12. LEASES

Right-of-use assets

Movements of the right-of-use assets for the year ended December 31, 2021 and 2020 were summarized as follows:

	<i>Baht</i>
	<u>Building</u>
Net book value	
At January 1, 2020	1,697,904
Increase	7,988,155
Less Amortization	(922,375)
At December 31, 2020	8,763,684
Lease Modification	10,907,929
Less Amortization	(3,056,640)
At December 31, 2021	<u>16,614,973</u>

The Company entered into a number of warehouse and plant lease agreements for 3 years, with extension options at the end of lease term. The rental is payable monthly as specified in the agreement.

The Company leased a photocopier for 2-5 years and paid fixed and variable lease payment that are based on usage over the lease term. These payment terms are common.

		<i>Baht</i>
	2021	2020
For the year December 31		
Fixed payment	435,167	185,942

Extension options

Some property leases contain extension options exercisable by the Company up to one year before the end of the non-cancellable contract period. Where practicable, the Company seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Company and not by the lessors. The Company assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

Leases liabilities

As at December 31, 2021 and 2020, leases liabilities consisted of:

		<i>Baht</i>
	2021	2020
Amounts of lease payment	17,922,942	28,380,503
Less Deferred interest	(1,140,377)	(4,438,068)
Lease liabilities	16,782,565	23,942,435
Less Current portion	(5,726,716)	(3,904,929)
Long-term lease liabilities	11,055,849	20,037,506

The Company entered into the lease agreement for land and construction, plant, office area, machinery and vehicles.

Movements of leases liabilities for the years ended December 31, 2021 and 2020 were as follows:

		<i>Baht</i>
	2021	2020
Beginning balance	23,942,435	3,258,224
Enter into the lease	-	31,237,654
Lease modification	10,907,930	-
Amortized interest	279,165	382,115
Lease payment	(3,232,283)	(10,935,558)
Transfer out	(12,249,500)	-
Lease termination	(2,865,182)	-
Ending balance	16,782,565	23,942,435

As at December 31, 2021 and 2020, lease liabilities presented by term of repayment period were summarized as follow:

							<i>Baht</i>
	2021			2020			
	Present value	Deferred interest expenses	Minimum lease payment	Present value	Deferred interest expenses	Minimum lease payment	
Due of payment							
Within 1 year	5,726,716	644,684	6,371,400	3,904,929	1,554,758	5,459,687	
More than 1 year but not over 5 years	11,055,849	495,693	11,551,542	20,037,506	2,883,310	22,920,816	
Total	16,782,565	1,140,377	17,922,942	23,942,435	4,438,068	28,380,503	

Lessor

	<i>Baht</i>	
	2021	2020
For the year ended December 31		
Recognized in profit or loss		
Interest expense from lease liabilities	279,165	385,115
Expenses relating to short-term leases	3,851,043	817,500

As at December 31, 2021 and 2020, the Company had the minimum lease payment under short-term lease relating to low-value-assets and non-cancellable agreement other than those lease liabilities as follow:

	<i>Baht</i>	
Due of payment	2021	2020
Within 1 year	864,000	135,000

13. INTANGIBLE ASSET

Movements of intangible asset for the years ended December 31, 2021 and 2020 were as follows:

	<i>Baht</i>		
	Computer software	Computer software under installation	Total
Cost			
At January 1, 2020	4,976,524	-	4,976,524
Purchase/ transfer-in	279,650	770,880	1,050,530
Disposal/ transfer-out	-	-	-
At December 31, 2020	5,256,174	770,880	6,027,054
Purchase/ transfer-in	2,003,125	167,520	2,170,645
Disposal/ transfer-out	-	-	-
At December 31, 2021	7,259,299	938,400	8,197,699

	<i>Baht</i>		
	Computer software	Computer software under installation	Total
Accumulated amortization			
At January 1, 2020	2,002,467	-	2,002,467
Amortization	992,450	-	992,450
Disposal / transfer-out	-	-	-
At December 31, 2020	2,994,917	-	2,994,917
Amortization	1,196,872	-	1,196,872
Disposal / transfer-out	-	-	-
At December 31, 2021	4,191,789	-	4,191,789
Net book value			
At December 31, 2020	2,261,257	770,880	3,032,137
At December 31, 2021	3,067,510	938,400	4,005,910

14. TRADE AND OTHER PAYABLES

Trade and other payables as at December 31, 2021 and 2020 consisted of:

	<i>Baht</i>	
	2021	2020
Trade payables	26,555,794	103,872,275
Other payables		
Accrued expenses	49,533,918	149,065,315
Advance receipt	-	170,291
Others	710,187	387,594
Total	50,244,105	149,623,200
Grand total	76,799,899	253,495,475

15. BANK OVERDRAFT AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Bank overdraft and short-term loans from financial institutions as at December 31, 2021 and 2020 consisted of:

	<i>Million Baht</i>		<i>%</i>	
	Credit limit		Referred interest rate	
Type of credit facilities	2021	2020	2021	2020
Bank overdraft	3	3	MOR	MOR
Promissory notes	55	66	MLR	MLR
Letter of guarantee	24	66	Fixed	Fixed
Factoring	-	30	-	MRR, MOR

Collateral

The Company mortgaged the land with constructions as collateral, including the rights to claim under the insurance policy of such assets (see note 11).

The Company's directors mortgaged land with constructions (see note 4).

The Company pledged the fixed deposit accounts as collateral (see note 10).

The Company's directors guaranteed for the credit facilities.

Terms and conditions of loan agreement with financial institution are summarized as follow:

- a) Restrictions on transfers, sales, leases, disposals or encumbrances except in the case of normal trade.
- b) Maintain of debt to equity ratio
- c) Maintain of debt service coverage ratio

16. PROVISIONS

Movements of provision for the years ended December 31, 2021 and 2020 were summarized as follows

	<i>Baht</i>
	<u>Dispute</u>
As at January 1, 2020	2,083,795
Increase	-
Actual payment	-
Reversal of provision	-
As at December 31, 2020	2,083,795
Increase	-
Actual payment	-
Reversal of provision	-
As at December 31, 2021	<u><u>2,083,795</u></u>

Litigation

First litigation

The Company and the management were accused by the prosecutor as a plaintiff for jointly offending in false deceptive advertising of the quality, usefulness or indication of a food and jointly advertising of the quality, usefulness or indication of a food without permission.

On February 11, 2021, the Court ordered the Company and the management for the fine payment of Baht 150,000 and the suspension of imprisonment sentence was 1 year for each management. Accordingly, the Company and the management did not continue to appeal, the case was ended.

Second litigation

On August 16, 2021, the Company was sued against for a breach of contract and infringement of copyright of others for profit in the amount of Baht 1.80 million. Those prosecution was resulted from a company, who bought the products of the Company for sale, had republished the video filmed by the plaintiff in a talk show for the purpose to advertise and distribute the products of the Company and other distributor in the normal course of business, without permission and any commission for the plaintiff.

The case is in the process of consideration of the Court. The management assessed that the information of such accusation is explicitly insufficient and expected that the Company would not be affected any damages from those litigation.

Dispute

The Company has contingent dispute with the subcontractor of Baht 9 million. However, the management assessed the impact from such dispute as a provision in the amount of Baht 2.08 million presented under the current liabilities.

17. OTHER CURRENT LIABILITIES

Other current liabilities as at December 31, 2021 and 2020 consisted of:

	<i>Baht</i>	
	2021	2020
Intermediate value added tax	-	15,445,927
Intermediate withholding tax	2,250,719	3,822,603
Advance received	730,863	4,105,793
Refund liabilities	17,687,929	32,693,792
Provision for discounts	15,121,409	16,666,519
Others	326,905	293,941
Total	36,117,825	73,028,575

18. PROVISIONS FOR EMPLOYEE BENEFIT

Provisions for employee benefit as at December 31, 2021 and 2020 consisted of:

		<i>Baht</i>
	2021	2020
Post employment benefits		
Present value of obligations	10,358,218	7,895,024
Provisions for long-term employee benefit	10,358,218	7,895,024

Movements of the present value of provisions for employee benefit for the years ended December 31, 2021 and 2020 were summarized as follows:

		<i>Baht</i>
	2021	2020
Post-employment benefit plan		
Present value of provision for employee benefit		
At January 1	7,895,024	3,310,528
Included in profit or loss:		
Current service cost	2,351,210	2,804,896
Interest cost	111,984	71,456
Included in other comprehensive income (loss):		
Actuarial (gain) loss incurred from		
- Demographic assumptions	-	(63,642)
- Financial assumptions	-	124,743
- Experience adjustments	-	1,663,543
Employee benefit paid during the current year	-	(16,500)
At December 31	10,358,218	7,895,024

Principal actuarial assumptions as at December 31, 2021 and 2020 were as follow:

	%
Discount rate	1.42
Salary increase rate	6.00
Turnover rate	0 - 28
Disability rate	5

Discount rate were the market yields on government's bond for legal severance payments plan and pension.

Salary increases rate depended on the management's policies.

Turnover rate depended on the length of service.

Mortality rate were the reference rate from TMO2017: Thai Mortality Ordinary Table 2017.

Sensitivity analysis

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term provisions for employee benefit as at December 31, 2021 and 2020 are summarized below:

	2021		2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(933,227)	1,052,061	(749,846)	845,418
Salary increase rate (1% movement)	1,098,719	(990,353)	797,406	(724,556)
Turnover rate (1% movement)	(982,387)	161,489	(784,252)	94,071

The Company presented in the statement of comprehensive income for the year ended December 31, 2021 and 2020 as follow:

	Baht	
	2021	2020
Cost of sale and service	170,923	96,314
Administrative expenses	411,036	236,267
Management remuneration	1,769,251	2,472,315
Finance cost	111,984	71,456
Total	2,463,194	2,876,352

19. REVENUE FROM CONTRACT WITH CUSTOMERS

Disaggregation of revenue for the years ended December 31, 2021 and 2020 as follow:

	<i>Baht</i>	
	2021	2020
Type of goods or services		
Revenue from sale	1,220,140,930	2,366,347,183
Freight income	16,518,614	94,624,953
Total	1,236,659,544	2,460,972,136
Other income	2,321,201	1,056,007
Grand total	1,238,980,745	2,462,028,143
Timing of revenue recognition		
At a point in time	1,238,980,745	2,462,028,143

20. OPERATING SEGMENT

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 measured basing on segment operating profit or loss on a basis consistent with that used to measure operating profit or loss in the financial statements.

The chief operating decision maker has been identified as the Board of Directors of the Company.

Business segment

The Company operates its core business on the production and distribution of supplements and healthy drinks Therefore, the management considers that the Company has only one business segment.

Information about geographic area

The company operates in a single geographical segment principally in Thailand. Therefore, revenue and assets presented in the financial statements are geographical segment reporting.

Geographical segments

The Company operate in a single geographical segment principally in Thailand. The Company operates only in the country. There are no material revenues derived from or assets located in foreign countries.

Major customers

For the year ended December 31, 2021 and 2020:

The Company has revenue from major customers in each segment as follow:

	<i>Person</i>		<i>Baht</i>	
	Major customers		Revenue	
	2021	2020	2021	2020
Distribution of supplements and healthy beverages	1	1	159,284,236	253,712,110

Geographic information

Revenue in primary geographical markets for the year ended December 31, 2021 and 2020 consisted of:

	<i>Baht</i>	
	2021	2020
Thailand	1,232,467,282	2,459,075,559
Southeast Asia	2,940,427	1,029,517
Europe	272,000	-
Hong Kong	979,835	867,060

21. SHARE CAPITAL

Movement of share capital for the years ended December 31, 2021 and 2020 were summarized as follows:

				<i>Baht</i>	
	Par value	2021		2020	
	per share	Number	Amount	Number	Amount
Share capital					
Ordinary shares					
At January 1	100	2,250,000	225,000,000	1,500,000	150,000,000
Increase of new shares	100	-	-	750,000	75,000,000
Change the par value of shares	0.50	447,750,000	-	-	-
Increase of new shares	0.50	150,000,000	75,000,000	-	-
At December 31		600,000,000	300,000,000	2,250,000	225,000,000
Issued and paid-up shares					
Ordinary shares					
At January 1	100	2,250,000	225,000,000	1,500,000	150,000,000
Increase of new shares	100	-	-	750,000	75,000,000
Change the par value of shares	0.50	447,750,000	-	-	-
Increase of new shares	0.50	150,000,000	75,000,000	-	-
At December 31		600,000,000	300,000,000	2,250,000	225,000,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

Registered share capital

The Extraordinary General Meeting of Shareholders held on June 7, 2021 passed the resolutions to approve as follows:

- a) Change the par value of share capital from Baht 100 each to Baht 0.50 each.
- b) Convert the company limited to a public company.
- c) Increase the Company's authorized share capital from Baht 225 million to Baht 300 million by issuing the Company's new ordinary shares of 150 million shares with the par value of Baht 0.50 each.

The Company has registered to convert to a public company, change its par value and the increase and reduction of its registered share capital with the Ministry of Commerce on June 21, 2021.

- d) Allot new ordinary shares of 150 million shares, with the par value of Baht 0.50 each for the Initial Public Offering as follows:

Allot new ordinary shares to sponsors, employee, directors and executives not exceeding 25 percent of the Initial Public Offering. As divide to:

- Allot to the Company's sponsors in the proportion of 15% of the Initial Public Offering.
- Allot to the Company's and subsidiary's employee who is not as directors, executives, major shareholder in the proportion of 5% of the Initial Public Offering.
- Allot to the Company's directors and the executives in the proportion of 5% of the Initial Public Offering.

Allot the remaining shares for the Initial Public Offering.

- e) Approval to registered the ordinary shares as listed securities on the Market for Alternative Investment (mai).
- f) Assign a person to sign the securities offering documents and the Company's draft prospectus.
- g) Appoint The Thailand Securities Depository Co., Ltd. to be the Company's securities registrar.
- h) Appoint the authorized person to report information to the Market for Alternative Investment (mai).
- i) Assign the authorisation to the Board of Directors or Chief Executive Officer or the person assigned by the Board of Directors or Chief Executive Officer to determine the related details and conditions regarding the mentioned share offering such as offering period, offering price, share repayment and appointment of underwriters, etc.

- j) During December 15 - 17, 2021, the Company offered the share capital in the amount of 150 million shares to the public for subscription shares at the offering price of Baht 6.90 per share.

The Company received the proceeds from the public for subscription shares, total in the amount of Baht 1,035 million (the Company recorded expenses for selling increase share capital in the amount of Baht 31.63 million deducted from share premium account).

The Company had already registered the change in its paid-up share capital with the Ministry of Commerce on December 20, 2021 due to the Company had received share subscription for the increased ordinary shares from Baht 450 million to Baht 600 million.

22. PREMIUM ON SHARE CAPITAL

According to the Public Companies Act B.E. 2535, Section 51 the Company is required to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("premium on share capital"). Premium on share capital is not available for dividend distribution.

23. DIVIDEND

								<i>Baht</i>
<u>Dividend</u>	<u>Approval</u>	<u>Approval date</u>	<u>Dividend payment date</u>	<u>Number of shares</u>	<u>Dividend per share</u>	<u>Interim dividend per share</u>	<u>Dividend paid</u>	<u>Legal reserve</u>
2020	Meeting of Shareholders	Apr 30, 2020	May 8, 2020	1,500,000	14	-	21,000,000	1,050,000
	The Board of Directors'	Aug 28, 2020	Sep 11, 2020	1,500,000	-	100	150,000,000	6,867,500
	The Board of Directors'	Nov 12, 2020	Nov 20, 2020	1,500,000	-	220	330,000,000	-
Total							501,000,000	7,917,500

24. LEGAL RESERVE

According to the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any) until the reserve reaches 10 percent of the registered share capital. The statutory reserve is not available for dividend distribution.

25. EMPLOYEE BENEFIT EXPENSES

Employee benefit expenses for the year ended December 31, 2021 and 2020 were summarized as follow:

	<i>Baht</i>	
	2021	2020
Salaries and wages	110,414,263	115,857,940
Defined benefit plans	18,864,249	30,162,999
Termination benefits	2,351,210	2,804,896
Others	8,702,650	4,146,802
Total	140,332,372	152,972,637

Provident fund

The provident funds established by the Company for its employees under the Provident Fund Act B.E. 2530 comprises contributions made monthly by the employees and by the Company. The provident fund will be paid to the employees upon termination in accordance with the rules of the Fund. At the present, the provident funds are managed by Thanachart Fund Eastspring.

	<i>Baht</i>
For the year ended December 31, 2021	
Contributions paid to the provident fund	1,107,147

26. EXPENSES BY NATURE

Expenses by nature for the year ended December 31, 2021 and 2020 were summarized as follow:

	<i>Baht</i>	
	2021	2020
Changes in finished goods and work in process	25,423,727	(51,257,725)
Raw materials and consumables used	404,499,747	476,179,826
Expected credit losses (reversal)	(1,314,925)	1,403,341
Employee benefits	140,332,372	152,972,637
Depreciation and amortisation	18,279,944	11,056,235
Advertising costs	409,499,188	488,428,517
Promotional costs	128,634,135	281,178,604
Lease-related expenses	3,851,043	817,500

27. INCOME TAX

Income tax of the Company for the years ended December 31, 2021 and 2020 was calculated at a rate specified by the Revenue Department on net earnings after adjusting certain conditions according to the Revenue Code. The Company recorded the corporate income tax as expense for the years and recorded the accrued portion as liabilities in the statements of financial position.

Tax expense for the year ended December 31, 2021 and 2020 were as follow:

	<i>Baht</i>	
	2021	2020
Income tax recognized in profit or loss		
Current tax expense		
Current year	(6,652,726)	(211,323,952)
Overstated prior year income tax	4,504,668	-
Deferred tax		
Movements in temporary differences	(5,381,389)	7,586,818
Tax expense	(7,529,447)	(203,737,134)

	<i>Baht</i>		
	2020		
	Before tax	Tax income (expense)	Net of tax
Income tax			
Recognized in other comprehensive income			
Defined benefit plan actuarial losses	(1,724,644)	344,929	(1,379,715)

Reconciliation of effective tax rate

	2021		2020	
	%		%	
	Tax rate	<i>Baht</i>	Tax rate	<i>Baht</i>
Profit before income tax expense		87,877,080		984,545,704
Income tax using the Thai corporation tax rate	20	(17,575,416)	20	(196,909,141)
Expenses not deductible for tax purposes		2,763,511		(11,553,782)
Addition expenses deductible for tax purposes		7,924,908		1,217,321
Income not subject to tax		234,271		(4,078,350)
Current tax	8	(6,652,726)	21	(211,323,952)
Overstated prior year income tax		4,504,668		-
Movement in temporary differences		(5,381,389)		7,586,818
Income tax expense	9	(7,529,447)	21	(203,737,134)

Deferred tax

Deferred tax as at December 31, 2021 and 2020 consisted of:

		<i>Baht</i>
	2021	2020
Deferred tax assets	10,947,316	15,693,513
Deferred tax liabilities	(3,868,488)	(3,233,296)
Deferred tax assets - net	7,078,828	12,460,217

Movement of deferred tax assets and liabilities occurred during the year were summarized as follows:

	As at January 1, 2020	Profit or loss	Other comprehensive income	As at December 31, 2020	Profit or loss	<i>Baht</i> As at December 31, 2021
Deferred tax assets						
Inventories	(472,628)	4,000,658	-	3,528,030	(2,036,258)	1,491,772
Intangible assets	175,900	108,942	-	284,842	86,913	371,755
Lease liabilities	(31,335)	44,149	-	12,814	20,704	33,518
Refund liabilities	4,647,373	1,891,386	-	6,538,759	(3,001,174)	3,537,585
Provisions for discount	-	3,333,304	-	3,333,304	(309,021)	3,024,283
Provisions for employee benefit	662,105	571,972	344,928	1,579,005	492,639	2,071,644
Provisions	416,759	-	-	416,759	-	416,759
Total	5,398,174	9,950,411	344,928	15,693,513	(4,746,197)	10,947,316
Deferred tax liabilities						
Property, plant and equipment	(869,704)	(2,363,592)	-	(3,233,296)	(635,192)	(3,868,488)

28. EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share for the year ended December 31, 2021 and 2020 is calculated by dividing profit for the years attributable to the ordinary shareholders of the Company the Company by the weighted average number of ordinary shares issued and paid-up during the years which were summarized as follow:

During the year 2021, the Company change the par value of shares (see note 21). The Company adjusted the number of ordinary shares held by the ordinary shareholders existing before change the par value of shares at the changed proportion of the ordinary shares held by ordinary shareholders, as though the change the par value of shares had been issued at the beginning of the earliest reporting period.

For the years ended December 31, 2021 and 2020 were as follows:

	<i>Baht</i>	
	2021	2020
Profit for the year	81,806,005	780,808,570
Weighted average number of ordinary shares (Shares)		
Ordinary shares at the beginning of year	450,000,000	300,000,000
Increase of new shares	4,931,507	6,173,200
Weighted average number of ordinary shares	454,931,507	306,173,200
Basic earnings per share	0.18	2.55

29. COMMITMENTS AND CONTINGENT LIABILITIES

As at December 31, 2021 and 2020, the Company has commitments and contingent liabilities as follows:

Commitments

- a) As at December 31, 2021 and 2020, the Company has letters of guarantee issued by the banks regarding to the obligation under the agreement as follow:

		<i>Baht</i>	
	Note	2021	2020
Letters of guarantee for contractual performance	10	24,000,000	66,000,000

b) As at December 31, 2021 and 2020, the Company has commitments regarding to the agreements as follow:

	<i>Baht</i>	
	2021	2020
Constructions	14,376,094	8,804,564
Maintenance and other services expenses	6,456,500	5,805,427
Advertising costs	98,293,000	68,692,000
Consulting expenses	1,803,388	3,163,451

30. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial instruments of the Company principally comprise cash and cash equivalents, deposits at banks, short-term investments, trade and other receivables, trade and other payables and lease liabilities.

Risk management policy

The Company are exposed to risks from changes in interest rates and currency exchange rates and risks from non-performance of contractual obligations by counterparties. The Company uses derivatives, as and when it considers appropriate, to manage such risks. In addition, the Company has a policy to enter into contracts with creditworthy counterparties. Therefore, the Company does not expect any material financial losses to arise from that the counterparties will fail to discharge their obligations as stipulated in the financial instruments contracts.

a) Interest rate risk

Interest rate risk is the risk that future fluctuations in market interest rates will affect the operating result and cash flows of the Company.

The exposure to interest rate risk of the Company relates primarily to their deposits at financial institutions, investments in debt instruments, bank overdrafts, loan from financial institution, and debt issued and borrowings. However, as most of the financial assets and liabilities carry floating interest rate which fluctuates in line with the market interest rates or carry fixed interest rate which approximates to the current market interest rate, the Company do not use derivatives to manage their interest rate risk.

	2021		2020	
	Interest rate		Interest rate	
	Variable	Fixed	Variable	Fixed
As at December 31,				
Financial assets	648,144,112	86,186,573	333,826,886	86,000,000
Financial liabilities	-	(16,782,565)	-	(23,942,435)

b) Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations, resulting in a financial loss to the Company.

The Company is exposed to credit risk primarily with respect to trade and other receivables. However, the Company controls such risk by establishing credit limits for clients and counter parties and analysing their financial position as an ongoing basis. The Company is not expected to have much concentration risk of credit exposure and the maximum possible credit loss is the carrying amount shown in the statement of financial position.

The Company determines the impairment of trade receivables and other receivables basing on an expected credit loss model which the Company have established and maintain an appropriate credit loss model. The risk management department periodically reviews the parameters and the data used in the credit loss model.

c) Liquidity risk

Liquidity risk is the risk that the Company will be unable to liquidate financial assets and/or procure sufficient funds to discharge obligations in a timely manner, resulting in a financial loss.

The maturity dates of financial instruments held as of December 31, 2021 and 2020, counting from the statements of financial position date were as follows:

Baht

	As at December 31, 2021				
	At call	Within 1 year	1 - 5 years	No maturity	Total
Financial assets					
Short-term investments	549,222,904	158,519,929	-	-	707,742,833
Trade and other receivables	-	44,128,401	-	-	44,128,401
Restricted bank deposits	-	24,000,000	-	-	24,000,000
Financial liabilities					
Trade and other payables	-	76,676,961	122,938	-	76,799,899
Lease liabilities	-	5,726,716	11,055,849	-	16,782,565

Baht

	As at December 31, 2020				
	At call	Within 1 year	1 - 5 years	No maturity	Total
Financial assets					
Short-term investments	20,000,000	-	-	-	20,000,000
Trade and other receivables	-	182,020,801	-	-	182,020,800
Restricted bank deposits	-	-	-	66,000,000	66,000,000
Financial liabilities					
Trade and other payables	-	252,547,416	948,059	-	253,495,475
Lease liabilities	-	3,904,929	20,037,506	-	23,942,435

d) Foreign exchange risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates.

e) Fair value

The fair value disclosures of financial instruments, considerable judgment is necessarily required in estimation of fair value. Accordingly, the estimated fair value presented herein is not necessarily indicative of the amount that could be amid in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value.

The fair value information disclosure does not include fair value information for financial assets and financial liabilities measured at amortized cost if the carrying amount is a reasonable approximation of fair value.

		<i>Baht</i>
		Fair value
		Level 2
<i>As at December 31, 2021</i>		
Financial assets		
Measured at fair value		
Investment in debt instrument		
Income funds	487,036,331	487,036,331

Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.

Level 2: inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.

Level 3: inputs are unobservable inputs for the asset or liability such as the future cash flow estimated by the Company.

31. RECLASSIFICATION

The Company had reclassified certain accounts in the financial statement for the year ended December 31, 2020 to conform to the presentation of statements of current year as follow:

		<i>Baht</i>
		Fair value
		Level 2
Statement of comprehensive income		
Revenue from sale	2,231,288,371	2,460,972,136
Selling expense	(599,923,580)	(829,607,345)

32. EVENTS AFTER THE REPORTING PERIOD

The Board of Director's Meeting held on January 4, 2022 passed a resolution to approve the interim dividend payment at the rate of Baht 0.35 per share, totaling of Baht 210 million.

Nova Organic Public Company Limited

The Management's discussion and Analysis of the Financial Statement for the year ended 31 December 2021

Summary of operating performance

	2020	2021	Increase	% Increase
	Baht	Baht	(Decrease)	(Decrease)
Revenue from sales	2,460,972,136	1,236,659,544	(1,224,312,592)	(49.75)
Cost of sales	(571,586,872)	(466,419,852)	105,167,020	(18.40)
Gross profit	1,889,385,264	770,239,692	(1,119,145,572)	(59.23)
Other income	1,056,007	2,321,201	1,265,194	119.81
Selling expenses	(829,607,345)	(599,312,590)	230,294,755	(27.76)
Administrative expenses	(80,823,243)	(92,999,834)	(12,176,591)	15.07
Profit from operating activities	980,010,683	80,248,469	(899,762,214)	(91.81)
Finance income	491,421	390,316	(101,105)	(20.57)
Reversal of loss from impairment of assets	7,148,999	883,827	(6,265,172)	(87.64)
Gain (loss) from sale of assets	(1,123,259)	6,024,207	7,147,466	(636.32)
Reversal of expected credit loss	(1,403,340)	1,314,925	2,718,265	(193.70)
Finance costs	(578,800)	(984,664)	(405,864)	70.12
Profit before income tax	984,545,704	87,877,080	(896,668,624)	(91.07)
Tax expense	(203,737,134)	(7,529,447)	196,207,687	(96.30)
Profit for the year	780,808,570	80,347,633	(700,460,937)	(89.71)

Revenue structure

	2020		2021		Increase	% Increase
	Mb.	%	Mb.	%	(Decrease)	(Decrease)
1. Revenue from products under the Company's trademark						
1.1 Dietary Supplement Product "DONUTT"	278.27	10.75	433.36	33.38	155.09	55.73
Collagen products	109.78	4.24	281.98	21.72	172.20	156.86
Fiber products	134.84	5.21	135.40	10.43	0.56	0.42
Other products	33.65	1.30	15.98	1.23	(17.67)	(52.51)
1.2 Dietary Supplement Product "LIVNEST"	2,247.79	86.87	846.03	65.17	(1,401.76)	(62.36)
1.3 Other products	61.48	2.38	18.86	1.45	(42.62)	(69.32)
Total Revenue from products under the Company's trademark	2,587.54	100.00	1,298.25	100.00	(1,289.29)	(49.83)
<u>Less</u> Trade discount	52.69	-	37.77	-		
<u>Less</u> Estimated sales return	9.51	-	(15.06)	-		
<u>Less</u> Transportation fee	65.46	-	39.57	-		
Net income from products under the Company's trademark	2,459.88	-	1,235.97	-	(1,223.91)	(49.75)
2. Revenues from Original Equipment Manufacturer (OEM)	1.09	-	0.69	-	(0.40)	(36.70)
Revenues from Sale	2,460.97	-	1,236.66	-	(1,224.31)	(49.75)

The Company's total sales revenue for the year ended December 31, 2021 was 1,236.66 million Baht, down 1,224.31 million Baht or 49.75 percent from the previous year. The sales revenue for Cordyceps-containing products under the trademark "LIVNEST" had dropped significantly and reduced in the quantity of purchasing orders since February 2021, as a result of news about dietary supplement consumption and news about a lawsuit of exaggerated advertising quality of products under the brand "LIVNEST," as well as the types of marketing that are not permitted. Therefore, the Company had to delay advertising that has been planned for sales and marketing and updated its marketing approach by advertising a variety of products, including cordyceps coffee and calcium-fortified collagen dipeptide, in addition to cordyceps blended with multivitamin vitamins. As a result, LIVNEST's revenue had decreased significantly to 846.03 million Baht or accounted to

65.17 percent of the total sales, comparing to previous period that was 2,247.79 million Baht or accounted to 86.87 percent of the total sales. However, revenue under “DONUTT” and revenue proportion increased to 433.36 million Baht or accounted to 33.38 percent of the total sales from 278.27 million Baht or accounted to 10.75 percent of the total sales in the previous period.

Gross Profit

For the year ended 31 December 2021, the Company's gross profit margin decreased to 62.28%. This is because at the beginning of 2021, the Company was affected by the negative news about the consumption of dietary supplements and news of lawsuits about exaggerated advertising quality of products. Orders were being held up by customers. As a result, the Company had delayed the advertisements about products under the LIVNEST brand that were affected by the news. The percentage of LIVNEST revenue with a high profit margin and a low cost of production had declined.

During the second quarter of 2021, the Company's marketing and advertising strategy had been changed by advertising a variety of products which did not have a cost advantage in terms of production, comparing to Cordyceps-containing products. As a result, total cost of products sold went up and gross profit went down and the percentage of LIVNEST revenue with a high profit margin declined. The percentage of LIVNEST revenue was 86.87 percent for the year ended December 31, 2020, but fell to 65.17 percent for the year ended December 31, 2021. The future profit margin may vary in proportion to each product's revenue, which has different gross margins depending on competitive conditions, strategy for pricing, higher manufacturing volumes result in cost savings and trade discounts from importers of extracts in the case of purchasing raw materials in quantities specified by the seller.

Selling Expenses

Selling expenses for the year ended December 31, 2021, were 829.61 million Baht, up 230.29 million Baht or 27.76 percent, due mostly to a rise in investment of advertising and promotional expenses including TV broadcasting time rental fee, advertising media production fee, salary of an actor and promotional expenses. This is due to the company's preference for selling products through its own telesales channels.

Administrative Expenses

Administrative expenses for the year ended December 31, 2021 were 93.00 million Baht, increasing 12.18 million Baht or 15.07 percent due to an increase in the number of employees, office supplies, depreciation of office equipment and computers, as well as other administrative costs such as information system and computer program charges and donation.

Financial Cost

For the year ended December 31, 2021, the Company's financial cost was 0.98 million Baht, increasing 0.41 million Baht due to an increase in interest on liabilities under financial leasing contracts from the lease of office buildings and warehouses, as well as fees charged by financial institutions for transfer transaction fees and the usage of a Letter of Guarantee.

Net Profit

The Company's net profit for the year ended December 31, 2021 was 80.35 million Baht, a decrease of 700.46 million Baht or a decrease of 89.71 percent, the negative news about the consumption of dietary supplements and news of lawsuits about exaggerated advertising quality of products. The Company's marketing and advertising strategy had been changed by advertising a variety of products and not relying solely on the distribution of a single product for long term growth. The Company's production costs increased as a result of new strategy because some products have a high production cost. In addition, the quantity of raw materials purchased at the start of production is insufficient to negotiate pricing with trading partners. The Company also experienced significantly selling costs as a result of increased product awareness through television advertising. As a result, net profit for the year ended December 31, 2021 had declined significantly.

Financial Position

Unit : Baht

	31 December 2020	31 December 2021	Increase (Decrease)	% Increase (Decrease)
Total Assets	1,151,285,183	1,815,774,338	664,489,155	57.72
Total Liabilities	561,368,360	142,142,302	(419,226,058)	(74.68)
Shareholders' equity	589,916,823	1,673,632,036	1,083,715,213	183.71

Total Assets

Total assets were 1,815.77 million Baht as of December 31, 2021, an increase of 664.49 million Baht due to an increase in cash and cash equivalents as a raising capital from initial public offering and decrease as a result of tax payments and a decrease in trade accounts receivable as a result of lower product sales volume.

Total Liabilities

Total liabilities were 142.14 million Baht as of December 31, 2021, a decrease of 419.23 million Baht, due mostly to the payment of accrued income tax and decrease in trade account payable.

Shareholders' equity

As of December 31, 2021, shareholders' equity was 1,673.63 million Baht, increasing 1,083.72 million Baht due to an increase in retained earnings from operations and a raising capital from initial public offering.



Key Financial Ratios

	Unit	31 December 2020	31 December 2021
Current ratio	times	1.32	11.59
Finished Goods Turnover Ratio	times	9.87	8.68
Average Finished Goods Period	days	37.00	42.00
Inventory Turnover Ratio	times	5.09	3.83
Average Inventory Period	days	72.00	95.00
Gross Profit Margin	%	76.77	62.28
Net Profit Margin	%	31.62	6.48
Return on Equity	%	188.97	7.10
Return on Assets	%	100.24	5.42
Debt to Equity ratio	times	0.95	0.08

Liquidity ratio

As of December 31, 2021, the Company's a raising capital from initial public offering and current liabilities decreased from the payment of income tax. As a result, the Company's liquidity ratio increased to 11.59 times.

The Company had Average Finished Goods Period and Average Inventory Period as of December 31, 2021 were 42 days and 95 days, respectively, increasing due to the impact of negative news about dietary supplement consumption. As a result, orders and sales of products slowed down.

Profitability Ratios

For the year 2021, the Company's profit had declined due to the impact of negative news about dietary supplement consumption and news of lawsuits about exaggerated advertising quality of products under the LIVNEST brand. Orders are being slowed by customers, resulting in a drop in revenue. The Company had delayed the advertisements for products under the LIVNEST brand that were affected by the news. Also, the Company had changed marketing and advertising strategy to advertise other products with low margin instead of LIVNEST products with a high profit, and the Company also paid in advance for advertisement services, but the adverts

were delayed and some were not focused to the targeted clients. As a result, overall sales, profit margin and Return on Equity all declined.

Operating efficiency ratio

The operating efficiency ratio for the year ended December 31, 2021 had decreased because the Company was affected by the negative news of dietary supplements and the news of unsuitable advertising lawsuits in early 2021. These affected the operating results and caused the operating efficiency ratio to decline.

Financial Policy Ratio

Debt to equity ratio for the year ended December 31, 2021 was 0.08 times decreased from the previous year because the Company had not had any credit with any financial institution and a raising capital from initial public offering.



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