



Annual Registration Statement / Annual Report

Form 56-1 One Report

For the Year Ended December 31, 2020

ASIAN PHYTOCEUTICALS PUBLIC COMPANY LIMITED

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Part 1

Business Operations and Performance

1. Structure and Operation of the Company Group

1.1 Policies and Overview of APCO Business

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

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

The Company has established a business operation guideline as a clear and concrete practice direction for the best interest of the Company and all groups of stakeholders to lead the Company to achieve its goal and can be put into practice. In 2020, the Board of Directors has reviewed the vision, the mission, the business goals and communicated to the employees through training and public relations to be known periodically as well as disclosed on the Company's website www.apco.com as follows:

Vision

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

Missions

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

Business Goals

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

1.1.2 Important Changes and Development

- | | |
|--------------|---|
| June 2, 1988 | ■ Natural Cosmetics Research Co.,Ltd. (“NCR”) was founded with paid registered capital of 1 Million Baht divided into 10,000 common shares, each of which was worth 100 Baht. The founder, Prof. Dr. Pichaet Wiriyachitra, had 92% of the capital. Natural Cosmetics Research Co.,Ltd.’s initial goal was to manufacture herbal cosmetics products. The first factory was situated in Meung District, Chiang Mai. |
| 1991 | ■ A new plant was built at the Northern Industrial Estate, Lamphun. All the manufacturing was moved to the new factory. |
| May 25, 1995 | ■ Green Gold Co., Ltd. (“GG”) was established with paid registered capital of 5 Million Baht, divided into 50,000 common shares, each of which was worth 100 Baht. The aim was to produce dietary supplements from natural herbs. |
| May 18, 1998 | ■ Asian Neutraceutical Centre Co.,Ltd. was founded with paid registered capital of 1 Million Baht divided into 10,000 common shares, each of which was worth 100 Baht. The aim was to conduct research and develop cosmetics products and dietary supplements before NCR and GG manufactured the approved products. |
| May 20, 1999 | ■ Asian Life Co.,Ltd. (“ASL”) was founded, with paid registered capital of 10 Million Baht divided into 100,000 common shares, each of which was worth 100 Baht. The aim was to sell the cosmetics and health products of the companies through a multi-level direct sales system such as Multi-Level Marketing or MLM. |
| 2003 | ■ Green Gold or GG received a certificate of Good Manufacturing Practice from Food and Drug Administration, Ministry of Public Health. |
| 2005 | ■ The structure of group companies was adjusted. Natural cosmetics Research Co., Ltd. Increased the registered capital to 9.3 Million Baht, divided into 9.3 Million common shares, each was worth 10 Baht. The money gained from the increased capital was spent buying shares in the ratio of 99.99% in three companies:
(1) Green Gold Co., Ltd.
(2) Asian Life Co., Ltd.
(3) Asian Neutraceutical Centre Co.,Ltd.
Later, Natural Cosmetics Research Co., Ltd was transformed into a public company and its name was changed to Asian Phytoceuticals Public Company Limited (“APCO”). In addition, the share value was changed from 10 Baht per share to 1 Baht per share. The increase was made to the capital from 93 Million shares to 116.25 in order to comply with a proposal to sell shares to the general public. However, the registration was initially put off. |

- April 24 & 27-30, 2015
- The Company offered of not more than 280,000,180 new ordinary shares at par value of Baht 0.10 per share for public offering to the Company's patrons. The total subscribed shares were 25,374,825 shares, thus the remaining shares are 254,625,355 shares at par value of Baht 0.10 per share.
- April 8, 2016
- The Annual General Meeting of Shareholders 2016 approved a decrease of the registered capital for Baht 25,462,535.50, at the par value of Baht 0.10 each, from the existing capital of Baht 300,000,000 to Baht 274,537,464.50 by cancelling the unissued shares for the public offering of 254,625,355 shares at the par value of Baht 0.10 each.
 - The Annual General Meeting of Shareholders 2016 approved an increase of the registered capital for Baht 25,462,535.10 at the par value of Baht 0.10 each, from the existing paid-up capital of Baht 274,537,464.50 to Baht 300,000,000 for public offering to the Company's patrons. There are remaining shares from the subscription by the Company's patrons, the Company shall allocate such remaining shares to right offering.
- October 7 & 10-13, 2016
- The Company offering of not more than 254,625,355 new ordinary shares at a par value of Baht 0.10 per share for public offering to the Company's patrons. The total subscribed shares were 16,252,060 shares, thus the remaining shares are 238,373,295 shares at par value of Baht 0.10 per share.
- November 18 & 21-24, 2016
- The Company offering of not more than 238,373,295 new ordinary shares at a par value of Baht 0.10 per share to right offering. The total subscribed shares were 238,373,295 shares at par value of Baht 0.10 per share.
- February 2017
- The Company has invested in Bim Health Center Co.,Ltd., in the proportion of 49.99% of the capital of the Company to establish BIM Health Center on G Floor, Paradise Park Building, Srinakarin.
- April 9, 2018
- The 2018 Annual General Meeting of Shareholders approved to change the par value from Baht 0.10 per share to Baht 0.50 per share for listing on the Stock Exchange of Thailand (SET).
- May 14, 2018
- March 13, 2020
- SET moves APCO from MAI to SET.
- October 28, 2020
- The Company has invested in Apco China Co.,Ltd., in the proportion of 44.99% of the capital of the Company to expand international distribution channels.
 - The Company has invested in Hisold Digital Co.,Ltd., in the proportion of 44.99% of the capital of the Company to expand distribution channels through digital media.

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

Company Name in Thai	: บริษัท เอเชียน ไฟytoceuticals จำกัด (มหาชน) (“บริษัทฯ”)
Company Name in English	: ASIAN PHYTOCEUTICALS PUBLIC COMPANY LIMITED
Business Category	: Manufacture and distribute health and beauty products from natural extracts based on the researches and developments of Thai scientists.
Registered Capital	: THB 300 Million, comprising 600 Million common shares, each of which is worth THB 0.5 per share (December 31, 2020)
Issued and Paid-up Share	: THB 300 Million, comprising 600 Million common shares, each of which is worth THB 0.5 per share (December 31, 2020)
Head Office	: 84/3 Moo 4 Northern Region Industrial Estate (West side) Super Highway No.11 Rd., Banklang, Muang Lamphun, Lamphun 51000 Tel. 053 581 374 Fax. 053 581 375
Branch Office	: <u>Ratchadapisek Branch</u> 89, 30 th Floor, AIA Capital Center Building, Ratchadapisek Rd., Dindaeng, Bangkok 10400 Tel. 0-2646-4800 : <u>Chiang Mai Branch</u> 61/5 Intawarorot Rd., Sripum Sub-district, Muang, Chiang Mai 50200 Tel. 0-5335-8276 : <u>Surat Thani Branch</u> 251/6 Chonkasem Rd., Talad Sub-district, Muang, Surat Thani 84000 Tel. 0-7728-8013 : <u>Chonburi Branch</u> 170/126-128 Moo 3, Samet Sub-district, Muang, Chonburi 20000 Tel. 0-3845-5025 : <u>Esplanade Branch</u> Esplanade Building, Room No. 317, 3 rd Floor, 99 Ratchadapisek Rd., Dindaeng, Bangkok 10400 Tel. 0-2660-9011
Registration Number	: 0107548000480
Home Page	: www.apco.co.th

1.2 Nature of Business

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

The Company distributes its products to both domestic and international customers by using multiple marketing channels (Multi-Channel Marketing), For domestic customers, the Company distributes through sales agent, dropship

and Bim Health Center, a service center for customers who wish to correctly use the products for their healthcare by following advices from medical scientists who are specialized in Operation BIM products, focusing on the customers who prioritize better figure and healthcare. At present, there are five branches; Chiang Mai, Surat Thani, Chonburi, Ratchadapisek and Esplanade. For foreign countries, the Company distributes to distributors directly including China, Hong Kong, Singapore, Malaysia and America etc.

1.2.1 Revenue Structure

The revenue structure classified by types of products in 2018 - 2020 is described as follows:

Unit: Million Baht

Revenue Structure	2020		2019		2018	
	Value	Percent	Value	Percent	Value	Percent
Beauty Cosmetics Products						
- Sliming Products	2.10	0.72	4.07	1.47	5.97	1.59
- Anti-Wrinkle and Anti-Spot Products	1.41	0.48	4.57	1.66	21.43	5.69
- Skincare Products	1.10	0.37	1.52	0.55	2.71	0.72
Total	4.61	1.57	10.16	3.68	30.11	8.00
Dietary Supplement Products						
- Fat Reduction Products	4.69	1.60	1.72	0.62	8.42	2.24
- Healthcare Products	227.49	77.50	208.87	75.65	250.03	66.42
- Skincare Products	0.01	0.00	0.04	0.01	0.16	0.04
- Health Drink Products	39.32	13.39	48.64	17.62	81.11	21.54
Total	271.51	92.49	259.27	93.90	339.72	90.24
Revenue from Sales	276.12	94.06	269.43	97.58	369.83	98.24
Other Revenues ¹	5.41	1.85	0.69	0.25	1.46	0.39
Finance Revenues ²	12.02	4.09	5.99	2.17	5.15	1.37
Total Revenue³	293.55	100.00	276.11	100.00	376.45	100.00

Revenue Structure during 2018 – 2020 from Domestic and International Sales

Unit: Million Baht

Revenue Structure	2020		2019		2018	
	Value	Percent	Value	Value	Percent	Value
Revenue from Domestic Sales	243.79	91.95	242.20	95.23	356.88	94.80
Revenue from International Sales	3.93	1.48	5.45	2.14	12.95	3.44
Total Revenue from Sales	247.72	93.43	247.65	97.37	369.83	98.24
Other Revenues ¹	5.41	2.04	0.69	0.27	1.46	0.39
Finance Revenues ²	12.02	4.53	5.99	2.36	5.15	1.37
Total Revenue³	265.15	100.00	254.33	100.00	376.45	100.00

Note: ¹ Other revenues consist of the accrued commissions, adjusted as income, service income, profit from sale of assets, profit from exchange rate, etc.

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

³ Total revenue before commission paid to customers was 28.39 Million Baht in 2020 and 21.78 Million Baht in 2019 deducted from sales revenue in accordance with Thai Financial Reporting Standard No.15 "Revenue from Contracts with Customer". Therefore, it does not match the financial statements showing total income in 2020 amount of 265.15 Million Baht and year 2019 amounting to 254.33 Million Baht.

1.2.2 Product Information

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

Characteristics of Products

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

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

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

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

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

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

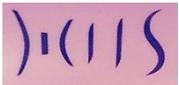
- Th1 stimulates the immune system to better deal with fungi, bacteria, viruses, and cancer.
- Th2 stimulates the immune system to better deal with allergens and helminths.
- Th17 stimulates the immune system to deal with foreign bodies left over from the manipulation of Th1. Too much Th1, Th2, and Th17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

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

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

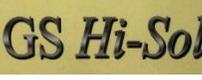
Beauty cosmetics products and dietary supplements products and drinks that the Company produces and sells at present is as follows :

Beauty Cosmetics Products

Product	Characteristics and Properties	Herbs Essential	Brand / Trademark		Year
Slimming Products	Cream or body lotion products in the form of bottle/tube, massaged into the skin to tighten the skin and reduce the proportion of the intended body such as waist, hip, brachium and thigh. Facial lotion products are also available to create flexibility to the skin, chin, throat and cheek.	Extracts from Garcinia, Asiatic Pennywort, chili, ginger, Chinese tea, Mint.	Gold Shape ^{/1}		2003
			TrimOne ^{/1}		2008
			MILS ^{/1}		2009
			GS		2018
Anti-wrinkle and Anti-Spots Products	The lotion, cream and serum products in the form of bottle/tube, used for maintaining the skin, focusing on properties of the skin treatment and hyperpigmentation to naturally maintain the balance of moisture and oil of the skin and to stimulate the production of collagen in the skin.	GM-1 extracted from Asiatic Pennywort, licorice	7 Miracles ^{/1}		2005

Product	Characteristics and Properties	Herbs Essential	Brand / Trademark		Year
			7 Wonders ^{/1}		2008
			Asian Life ^{/1}		2012
			Gold Figor	Gold Figor	2018
Skin Care Product	Gel, cream or body lotion products are used for showering, skin caring, sun blocking, and cleansing. They can prevent the imbalance which is the cause of inflammatory symptoms and infections, the major cause of acne and bacterial diseases. They can decrease inflammation, be anti-inflammatory, anti-oxidant, and help to tighten pores (anti-stringent)	GM-1	Garcinia ^{/1}	GARCÍNIA	1988
	Cream or body lotion products are used for skin caring, sun blocking, and cleansing. Featuring antioxidant properties of melanin, the products yield results of skin whitening.	Extracts from mangosteen, Asiatic pennywort, and mulberry	Lyfe ^{/1}	Lyfe	2000
	Cream products for strengthening and nourishing the skin to be smooth and elastic, cool and refreshing, especially on skin psoriasis.	Extracts from mangosteen, Asiatic pennywort	Noriasis ^{/1}		2010
	Cream products for skin to be flexible and cool for those with knees and elbow problem.	Extracts from mangosteen, Asiatic pennywort, soy	Arthrinio ^{/1}		2019

Dietary Supplement Products and Drinks

Product	Characteristics and Properties	Herbs Essential	Brand / Trademark		Year
Fat Reduction Products	Dietary supplement products attribute to accelerate the transformation of fat into energy. (600 mg.) They also delay the creation of new fat from food and slow down the fat accumulation process. They make consumers feel full more rapidly and longer, fresh and energetic. The products are in the form of capsule and water-soluble powder.	Extracts from Garcinia	Gold Shape ^{/1}		1995
			TrimOne ^{/1}		2008
			Gold Shape Plus ^{/1}		2014
			GS Hi-Sol		2018
	Mangosteen-garcinia drinks in can, contain the properties of excess fat reduction.		Gold Shape ^{/1}		2014
Skin Care Products	The supplements in capsule form (600 mg.) contain antioxidants that are used to balance the hormone level, the cause of freckles and black spots, in the body, and to help moisturize the skin.	French pine bark extracts, glutathione, and extracted protein from soy	Bryte & Spryte		2004

Product	Characteristics and Properties	Herbs Essential	Brand / Trademark		Year
Health Products - Dietary Supplement Health Products "BIM Formula" /2	Supplements in capsule form (600 mg.) for balancing immunity for those who want to maintain a good health.	Extracts of Asiatic pennywort, black sesame, guava, mangosteen, and extracted protein from soy	GARCINIA ^{/1 /3}		2007
			BALANC ^{/1 /3}		2013
			ALLERGINOK ^{/1}		2013
			ULCINOK ^{/1 /3}		2014
			GERMINOK ^{/1 /3}		2015
			MYLIFE ^{/1 /3}		2017
			VVIN Plus		2018
			DIABENOX ^{/1 /3}		2009
			BIM.D ^{/3}		2013
				Supplements in capsule form (600 mg.) for those with diabetic problems	

Product	Characteristics and Properties	Herbs Essential	Brand / Trademark	Year	
	Supplements in capsule form (600 mg.) for people with knee problems		ARTHRI NOX ^{/1 /3}	NOX logo with a green leaf icon" data-bbox="758 158 861 211"/>	2009
			BIM.A ^{/1 /3}		2013
			NORIASIS ^{/1 /3}		2009
	Supplements in capsule form (600 mg.) for people with psoriasis		TUMORID ^{/1 /3}		2011
			Th 17 ^{/1 /3}		2012
			Th Plus ^{/1 /3}		2016
	Supplements in capsule form (600 mg.) for people who have cancer		KTC Plus ^{/1 /3}		2019
			KTC 170 mg ^{/1}		2020
			LIV ^{/1 /3}		2013
Supplements in capsule form (600 mg.) for HIV infected patients					

Product	Characteristics and Properties	Herbs Essential	Brand / Trademark		Year
- BIM Health Care Products ^{/2}			LIV Plus ^{/1 /3}		2017
	Supplements in capsule form (600 mg.) for people with eye problems caused by the degeneration of the eye such as vitreous degeneration, dry eyes, glaucoma, cataracts, retinal disease, macular degeneration.		BIM O ^{/1 /3}		2015
			BIM E ^{/1 /3}		2016
	Supplements in capsule form (600 mg.) for balancing immunity for those who want to maintain a good health.	Extracts of mangosteen	I18 ^{/1 /3}		2017
	Concentrated mangosteen juice in sachets with no sugar or preservative is able to fight against oxidants that are the causes of cancerous cell growth (studied in a research lab). It adjusts the balance of immune system and the symptoms associated with the autoimmune disease itself such as allergy and inflammation. Also, it reduces blood pressure.	Concentrated mangosteen juice	Myhelth ^{/1 /4}		2008
			BIM ^{/1 /4}		2010
		Concentrated mangosteen juice in sachets together with Garcinia extracts have two benefits: balancing the body immune and slimming properties of Garcinia.	Concentrated mangosteen juice, and garcinia extract	BIM & Trim ^{/1 /4}	

Product	Characteristics and Properties	Herbs Essential	Brand / Trademark		Year
- Other Health Care Products	They are supplements "Ginkgo Biloba" in capsule form (112 mg.) for enhancing health and intelligence which can also decrease a migraine attack. They increase the circulation of blood in the brain, enhance the short term memory, and decrease the lack of concentration.	Ginkgo leaf extracts	ANC		1998

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

^{/2} Products in the Operation "BIM" Group

^{/3} Products granted with Halal Logo

^{/4} Mangosteen juice is produced with ingredients and process supervised by the Company.

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

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

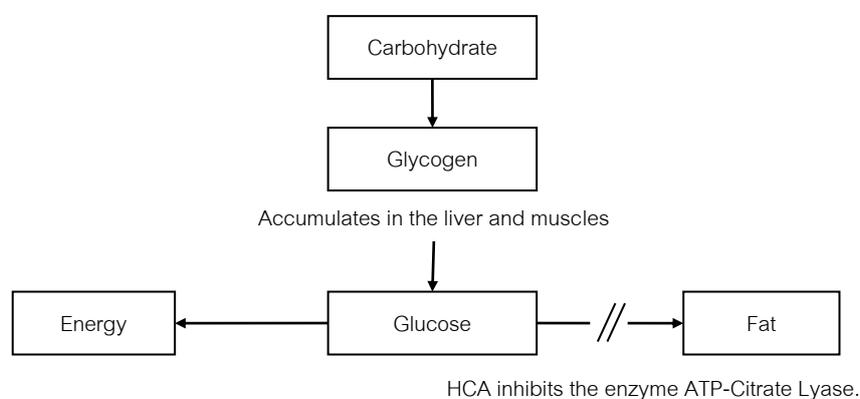
The production licenses that the Company has obtained include a food production license, a food registration certificate, an application for a food label, a Certificate of Good Manufacturing Practice (GMP), and a Certificate of Halal Food Production. In this regard, officials from various departments including the staff of the Food and Drug Administration, auditor of AJA Registrars Co., Ltd., an agency registered with the Food and Drug Administration (FDA) audit the production site. And officials of the Central Islamic Council of Thailand will conduct an annual inspection of the Manufacturing Standards for Good Manufacturing Practice (GMP) for cosmetics, food, and inspect the process according to the Islamic principles, along with issuing a certificate of inspection to certify that the production process meets the specified standards. In addition, the Company is in the process of applying for two patents: component patents to control system response, and patents of phytochemical ingredients and immunization techniques to resist foreign bodies and autoimmune. (Details are disclosed in attachment 4 The Patent)

Development of Business Innovation

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

Research of Garcinia extract

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



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

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

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

Mangosteen extract research

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



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

- | | | |
|-----|--|---|
| (1) | Associate Professor Dr.Ampai Panthong | Department of Pharmacology, Faculty of Medicine,
Chiang Mai University |
| (2) | Associate Professor Dr.Siriwan Ong-chai | Department of Chemistry, Faculty of Medicine,
Chiang Mai University |
| (3) | Associate Professor. Dr.Souwalak Phongpaichit | Department of Microbiology, Faculty of Science, Prince
of Songkla University |
| (4) | Associate Professor Dr. Wilawan Mahabudsarakam | Department of Chemistry, Faculty of Science, Prince
of Songkla University |

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

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

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

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

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

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

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

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

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

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

The Company expense of supporting research activities for the years 2018 – 2020 is as follows.

Research Project	Support Value (Baht)		
	Year 2020	Year 2019	Year 2018
The research project "Effectiveness and safety of innovative cream from Thai herbs (Garcinia ® / Arthrinox ® / Bim A ®) compared with Diclofenac Gel for the treatment of osteoarthritis symptoms" together with the Faculty of Medicine, Chiang Mai University. Project duration 1 year starting from January 3, 2018 – January 2, 2019 (Budget 1.3 Million Baht). It is part of a research project to develop a treatment cream for osteoarthritis symptoms from Thai herbs to be as effective as Diclofenac Gel that is a standard drug for treating osteoarthritis patients by the Research and Development Department of Asian Phytoceuticals Public Co. Ltd., the project period is 2 years, starting from January 3, 2017, ending January 2, 2019 (total budget of 1.7 Million Baht).	-	130,824	1,276,468.38

For future research plans, the researchers believe that BIM still has many unique features. The research team thus focuses on conducting research projects to confirm the efficacy of BIM with immune science as well as improving the efficacy of

BIM supplements to meet the needs of people with autoimmune problems in a more diverse and specific ways, including the development of dietary supplements for the elderly's good quality of life.

(2) Marketing and Competition

Marketing divided into:

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

(A) Marketing Strategy

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

➤ Product strategy

○ Maintain product reliability

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

○ Disseminate researches to develop consumer's understanding of the product.

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

○ Continuously improve the quality of existing products and create new innovations.

The Company has been continuously improving the formulas of the distributed products in order to achieve higher efficiency and meet consumer demands. Moreover, the Company also has the policy to focus on creating innovative products for the market, such as the research and development of products containing BIM (GM-1 in mangosteen mixed with the extracts from various herbs) that have immune-balancing properties. The unique properties of BIM have been developed as innovative dietary supplements such as Diabenox for people with diabetes, Arthrinox for knee problems, Noriasis for people

with psoriasis, Tumorid for people with cancer, Liv for people with HIV, BIM O for people with eye problems, and etc. The Company aims to develop BIM into many new related products in the future.

- **Develop the brand in accordance with the distribution channel.**

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

➤ **Sales strategy**

- **Increase marketing channels in domestic market**

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

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

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

Apart from aforementioned channels, the Company has also opened a dropshipping service, an e-commerce system which dealers can accept orders immediately but do not need to keep products in stock. The dealers do not need much start-up capital but will be able to generate sales easily. In 2020, the Company joined the capital to set up Hisold Digital Co., Ltd. to develop online contents and expand product distribution channels through online media in order to reach more consumers.

- **Promote domestic sales**

The Company has a policy of continuously organizing promotional activities. The main objective is to inform consumers about the different products and their efficacy guaranteed by the research, including the real experiences from product users. Furthermore, the activities include educating dealers with the knowledge and understanding in order to accurately recommend products and to reach more target customers. The Company has several promotional approaches as follows:

Solution 1: Organizing promotional activities

- Organize a meeting between dealers, provide trainings by pharmacists on the product information and the New Dealer Standardization Project Test, twice a month on Wednesdays at the Ratchadapisek branch.
- Organize a product experience sharing activity once a month via Facebook Live at the Ratchadapisek branch.
- Organize the Operation "BIM" seminars which scholars come to talk about new academic information related to the products and also have real product users with different health problems share their testimonials and experience of using BIM products every Sunday at the Ratchadapisek branch.

Solution 2: Public relations through media

- Promote the products, various research results through the website.

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

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

- Promote, advertise, and sell products via the Company's Facebook page named Hotline1154, LEARN HIV. The Company has arranged staffs to take care of social media work, supporting the increase in the activity of consumer's social media behavior.
- Promote products, research results, and product user experience, as well as selling products through the Line application, including Line: @ bim100callcenter, Line: @apcocap, and Line: @asianlife. This will help the Company to interact with consumers who use Line in a two-way communication, which is convenient and quick.
- Added a channel to watch the past video programs and news announcement on the Company's website www.bim100.com or YouTube: [BIM100 channel](#) and [APCO Channel](#).

○ **Build a quality dealer**

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

○ **Maintain dealer base**

Dealership business (Sales Agent) is highly competitive in the maintaining of dealer base because an efficient dealers can switch to selling another product without any obligation. The Company has the policy to maintain the dealer base by setting the level of compensation at a similar level within the same industry and also create a difference in the products that is unique from the competitors by using researches to support the confidence of consumers.

○ **Foreign sales promotion**

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

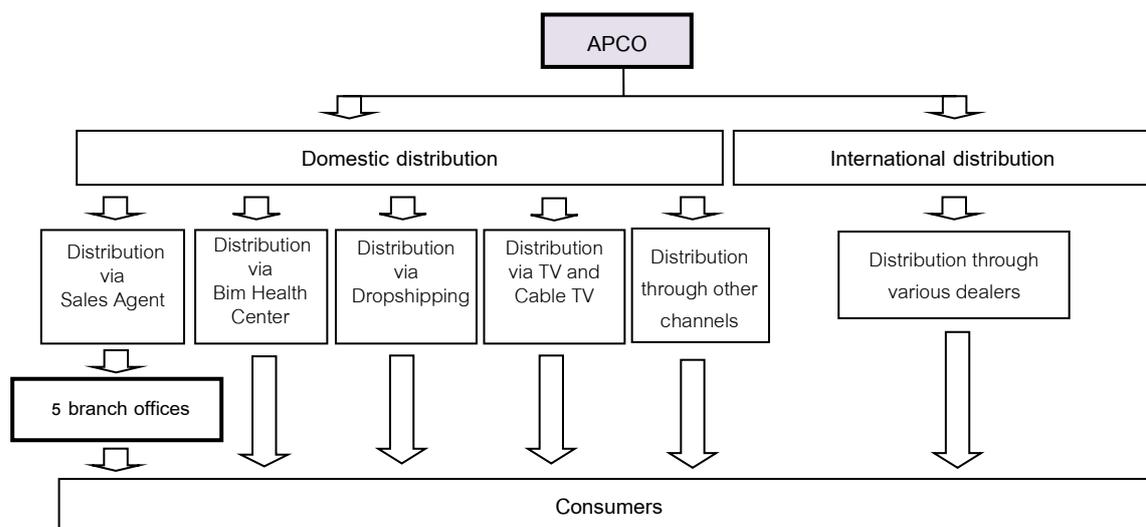
(B) Target Customers

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

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

(C) Distribution Channels

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



For domestic distribution can be divided into 5 channels which are:

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

- ***Distribution via Sales Agent***

The compensation structure

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

<u>Sales per month</u>	<u>Compensation</u>
Less than 100,000 Baht	10.00%
100,001 – 300,000 Baht	20.00%
300,001 – 500,000 Baht	25.00%
500,001 – 750,000 Baht	27.50%
750,001 – 1,000,000 Baht	30.00%
1,000,001 – 1,200,000 Baht	32.00%
1,200,001 – 1,500,000 Baht	33.00%
More than 1,500,000 Baht	35.00%

Dealer Service Branch

The Company has 5 branches in 3 different provinces, Chiang Mai, Surat Thani, Chonburi, and 2 branches in Bangkok, in Ratchadaphisek and the Esplanade, to provide sales agent service. Each branch will provide services to dealers such as a shop display. There are stocks prepared to be

distributed to dealers and also provide training to educate dealers. Dealers can also request to use the branch office for self-training.

Product replacement and return warranty policy

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

● ***Distribution via Bim Health Center***

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

At present, the Company has 2 branches of Bim Health Center available at Ratchadaphisek branch, AIA Building, 30th floor and on the 3rd floor of Esplanade Department Store. There will be a medical scientist or an expert stationed at Bim Health Center, Ratchadaphisek branch to provide advice on product use to consumers every Saturday from 1:30PM to 4:30PM. At the Esplanade branch, there will be a medical scientist or a specialist every second and fourth Sundays of the month. There is also a service center by the joint venture Company at G Floor, Paradise Park Shopping Center, Srinakarin. In addition to the service provided by medical scientists or experts at the center, the Company has arranged for 10 call center staffs stationed at Bim Health Center, Ratchadaphisek Branch (AIA Building, 30th Floor) during 9:00 AM - 6:00 PM every day to take care and recommend products to the customers via phone call, another 2 staffs at the storefront of Bim Health Center, 3rd floor, Esplanade Department Store during 10:00 AM - 7:00 PM every day. All call center staffs are trained by the Company's pharmacist in order to be able to answer customers questions. Products ordered through the call center will be delivered to customers from the Company within 2 business days via Thai post office or a private delivery Company. Private delivery companies will have a cash on delivery service for customers' convenience.

Product replacement and return warranty policy

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

- **Distribution via Dropshipping**

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

The format of BIM Dropship



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

The return structure

Dropshipper will receive the following rewards:

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

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

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

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

Dropshipper member service

1. Ordering

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

2. Shipping

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

3. Other services

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

● *International distribution*

For overseas market, the Company distributes the products through distributors in many countries including China, Hong Kong, Singapore, Malaysia, USA, and etc., almost all of which is distributed by APCO except for Jada products sold in Vietnam that is still needed to be distributed by the other Company that is a pioneer in the Vietnamese market from the beginning and still have a binding contract. However, the Company sees China as a large market in the world. Therefore, the Company focuses on expanding the Chinese market even more. In 2020, the Company has a joint venture with Singaporean businessmen to establish "Apco China Company Limited" with the objective of expanding the distribution base of APCO products in China. Apco China Co., Ltd. will do marketing with partners in China to distribute APCO products to different sectors all over china. There are 3 groups of products that are distributed in China: 1. Dietary supplements: BIM Product, 2. Slimming products, and 3. Beauty products. In addition, Indonesia is another country that the Company foresees a high growth due to the large population. Recently, the Company has appointed a dealer and it is in the process of applying for the license to sell product from the Food and Drug Administration (FDA), Indonesia, in order for dealers to sell the products as planned. After the situation of the COVID-19 epidemic resolves, the Company plans to expand the market to Nigeria.

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

Unit : Million Baht	2020		2019		2018	
	Value	Percent	Value	Percent	Value	Percent
Revenue from Domestic Sales						
- Direct Sales	-	-	66.54	26.16	237.70	63.14
- Sales Agent	87.19	32.88	61.46	24.17	-	-
- Bim Health Center by Call Center	124.50	46.95	77.77	30.58	97.33	25.85
- Dropship	22.87	8.62	28.60	11.25	-	-
- TV and Cable TV	0.15	0.06	1.14	0.42	6.64	1.76
- Others	9.08	3.43	6.69	2.63	14.55	3.87
Total	243.79	91.94	242.20	95.24	356.88	94.80
Revenue from International Sales	3.93	1.49	5.45	2.14	12.95	3.44
Total Sales Revenue	247.72	93.43	247.65	97.38	369.83	98.24
Other Revenue	5.41	2.04	0.69	0.27	1.46	0.39
Finance Revenue	12.02	4.53	5.99	2.36	5.15	1.37
Total Revenue	265.15	100.00	254.33	100.00	376.45	100.00

From the table above, in 2020, the Company has mainly distributed through Bim Health Center by Call Center, which increased the sales from year 2019 at the amount of 46.73 million baht, followed by sales agents which sold only Operation BIM products and distributed through dropshipping, TV distribution and cable TV, distribution through other channels, and international distribution respectively.

Distribution via Bim Health Center by Call Center is a policy that the Company has been focusing on over the past 2-3 years to increase the sales percentage since it is a channel that doesn't have high cost of sales compared to direct sales channel that has approximately 70-75% of the total selling expenses. The Company has discontinued the direct sales channel at the end of the first quarter of 2019. For distribution through TV and cable channels in 2018-2020, the proportion has continued to decline because less product information can be published on TV.

In the year 2018, 2019 and 2020, the Company has an income from foreign sales in the amount of 12.95 million baht, 5.45 million baht, and 3.93 million baht respectively.

(D) Industry and Competition

- Beauty cosmetics industry

According to the data of "The Market Data Analytics Company Statists" and "The Global Beauty and Personal Care Market" in 2020, the industry was valued at approximately \$497,277 million. It will grow 4.9% annually (in Period 2020-2023), with the largest market being the body care products which is valued at \$221,551 million with the growth of 4.5% per year (during 2020-2023). The skincare market is valued at \$135,104 million with the growth of 5.1% per year (during 2020-2023). The cosmetic product market is valued at approximately \$89,670 million with the growth of 6.3% per year (during 2020-2023) (source: Small and Medium Enterprise Development Institute).

Thai cosmetics market has been growing steadily over the past 10 years and is expected to grow by approximately 6% during 2020-2023.

Although the COVID-19 pandemic affects the overall world economy and slows down the purchasing power of consumers, the market for beauty and body care products are continuously expanding in the world market. As consumers still pay a great deal of attention to health and beauty. Along with having to stay at home and work from home, they have time to take care of themselves and are more interested in beauty enhancement.

The New Normal and Work from Home lifestyle during COVID-19 pandemic has caused the makeup cosmetics and fragrance market to "slow down" as more and more workers work from home and avoid going out, while skincare products and personal hygiene are likely to be a top priority. As consumers become more aware of health and safety protection, behaviors and attitudes towards beauty, therefore, have shifted to the focus more on the "health and hygiene" and this trend tends to continue for a long time. This results in skincare products and personal hygiene having up to 42% of the cosmetics market share (Source: <https://www.unboxbkk.com/beauty-trend-covid-19/> Sep 4, 2020). This is consistent with the data

from Euromonitor, one of the world's most famous market research companies, who viewed the problem from the COVID-19 crisis affecting the whole Thailand market, causing many businesses in Thailand to slow down or slump, including the beauty market in Thailand as well. It is estimated that the value of the beauty market in Thailand in 2020 will be approximately 2.22 billion baht and it is expected that the group with the greatest impact will be cosmetics (Makeup), which will be more than 50% negative due the mask wearing policy and working from home make people less likely to wear makeup. The least affected groups in the beauty market are the Skincare group and personal hygiene (Personal Care) (Source: Euromonitor International) because consumers are aware and have a positive attitude towards health care, especially the face acne problem caused by wearing a mask for a long time. This is a great opportunity for the company to focus on promoting products to the skincare and personal hygiene market. The company has Garcinia Acne Cream product that contains GM-1 to increase the efficacy in reducing inflammation and infections in the sebaceous glands under the hair follicles which are the main cause of acne problems, along with healing the skin and tightening pores without leaving scars. Facial cleanser "Garcinia Facial Cleansing Gel" and shower cream "Garcinia Cleansing Cream" contain natural GME extracts to protect the skin health from bacteria. This product group is suitable for all genders and ages and is designed especially for Thai skin. The company uses online marketing communication to reach its target audience by focusing on promoting on online channels according to the online shopping lifestyle of consumers.



- Dietary supplement and health drink industry

The dietary supplement market is likely to have a bright future and having a high growth rate opposing to another markets after Thailand has passed the COVID-19 crisis. As the behavior of Thai consumers begins to change to a new way of life or New Normal, people are paying more attention to their health. As a result, the value of the dietary supplement market has grown exponentially. The business was not affected by the COVID-19 epidemic; on the contrary, it was another supporting factor.

The survey results of Suan Dusit Poll, Suan Dusit University, states that 45.39% of Thais have turned their attention to health care more, (Source: Online Economics Route December 11, 2020) whether outdoor or indoor exercising, to strengthen the immune system for various diseases, including taking supplements and vitamins and receiving consultations from various medical specialists.

Euromonitor has estimated the market value of the health food business or dietary supplement and vitamin group in Thailand in 2020 at 23,916.80 million baht, growing 5-10% from the previous year with a total value of 20,876.30 million baht from the New Normal trend on health that positively affects the market. (Source: Thai Post December 11, 2020)

Therefore, the dietary supplement market is expected to continue growing. This is a great opportunity for the company as the products are focused on supplements that increase immune function in the body to the state of “Immunotherapy” and prevent viral infections. This is the property of “APCO Immunotherapy” that Operation BIM researchers have developed and have been proven by clinical immunology to increase Th1 and Th17 lymphocyte. APCO Immunotherapy also stimulates white blood cells to produce immune-enhancing agents in the mucosal barrier and all parts of the body with high efficacy, safety, without side effects, and could help prevent COVID-19 infection by increasing IL17 and IL22. The company uses online marketing communication to reach its target audience by focusing on promoting on online channels according to the online shopping lifestyle of consumers, including distributing through sale agents and focusing on building alliances with both domestic and foreign countries for more distribution channels.



The health and beauty market is highly competitive. There are many entrepreneurs in the industry and new entrepreneurs are coming in to the market all the time because there is a distinct target customer group that has a high market value and many business opportunities, which only small starting capital is needed.

Even though the health and beauty products business is highly competitive and easy to enter, new entrepreneurs entering this business will need time to educate consumers on the features and differences of their products. As a result, new entrepreneurs haven't generated a relatively large business base, but the company has been building a business base for health and beauty products for more than 20 years, having a large customer base and competitive potential in the industry.

- The highlight of the products.
 - The Company products are the innovation developed from research results, which testify the effectiveness of the products.
 - The company has a core research team consisting of Prof. Dr. Pichaet Wiriyachitra, Chief Executive Officer, together with expert researchers from various disciplines, which is continuously researching to

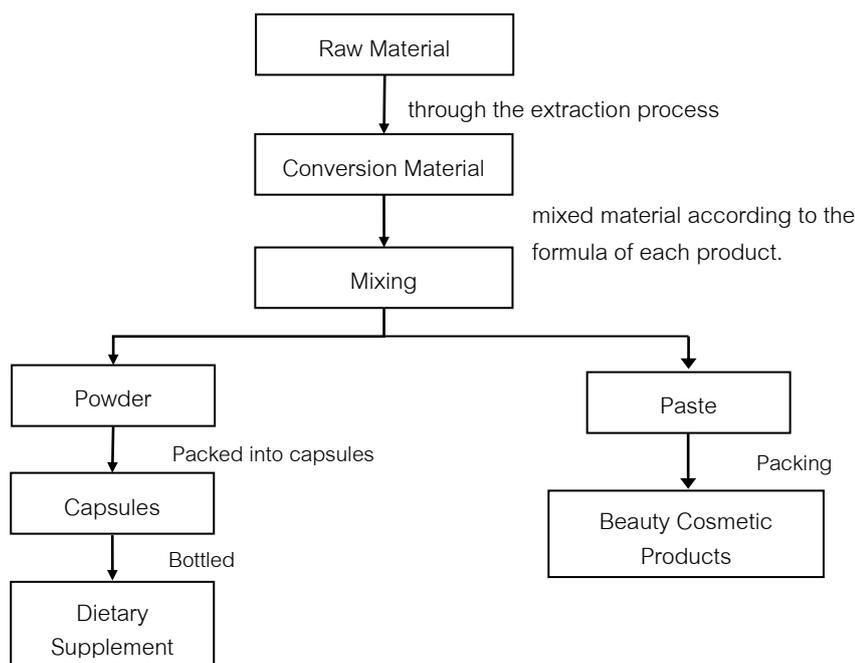
improve the product performance and quality, including conducting research to create new innovations for the market.

- The company's offered products for people with HIV has come up with good test results and responses from the infected group by causing HIV to be ineffective and also increasing the immunosuppressive lymphocytes CD4, resulting in decreased HIV.
- The company has products for cancer patients that is well received by the market.
- The company has a product to stimulate enough immunity in the body until reaching the state of "Immunotherapy" that can prevent COVID-19 infections. This is the property of "APCO Immunotherapy" that Operation BIM researchers have developed and have been proven by clinical immunology to increase Th1 and Th17 lymphocyte.
- Marketing highlights
 - The company has many distribution channels. Consumers can inquire and/or order products through the Call Center, which is convenient and quick. In addition, the company also has a health service center or Bim Health Center, which has specialist doctors to provide health care advice and advice on product usage.
 - There are various publicity instruments, organizing promotional activities, publishing on the website, cable television media, as well as social media, to create communication with the target consumers in multiple channels.
 - The company has appointed an Indonesian company to distribute the products with the permission from the government to sell products properly, which is expected to increase sales, especially those with HIV, COVID-19, cancer, and other pathogens in Indonesia, which has four times the population of Thailand.
 - The company will start selling products in China by appointing an agent to distribute slimming products and immune-enhancing products for people with HIV, COVID-19, cancer, diabetes, rheumatoid, SLE, joint / knee degeneration, and cosmetic products.

From the rising trend of cosmetic, beauty, and health food industries with the increasing of the elderly population, which is one of the company main target customers, together with the competitiveness of the company at present makes the directors confident that the company has the potential to compete and grow in this highly competitive business. Due to the strength of the product and the distribution policy in many channels, especially distribution through the Call Center under the service model of Bim Health Center. Also, with the increasing market share in international markets, especially China that has a large market, as well as has appointed distributors in various countries, making the products more accessible to consumers. This creates a business advantage in a competitive economic environment. In addition, the director has the policy to focus on the development of new innovations in the dietary supplement product category because there is great market potential and it is believed that when the consumers in the dietary supplements group are confidence in the product, they are more likely to continue to buy, which is expected increase stable income base for the company.

(3) Procurement of Products and Services

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



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

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

Production capacity and utilization rate

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

Product type	Packing size		Annual production capacity per shift		
			2020	2019	2018
1	Beauty cosmetic products				
- Cream / Lotion (Unit: bottle / tube / bucket)	150 - 200 ml.	Maximum production capacity per year	1,576,800	1,576,800	1,576,800
		Actual production amount	7,070	5,142	14,100
		Utilization rate	0.45%	0.33%	0.89%
	6 - 70 ml.	Maximum production capacity per year	5,898,400	5,898,400	5,898,400
		Actual production amount	15,733	20,344	26,098
		Utilization rate	0.27%	0.34%	0.44%
	50 kg.	Maximum production capacity per year	6,000	6,000	6,000
		Actual production amount	0	64	76
		Utilization rate	0.00%	1.07%	1.27%
2	Dietary supplement				
- Capsule type (Unit: capsule)	500 mg.	Maximum production capacity per year	40,880,000	40,880,000	40,880,000
		Actual production amount	16,725,310	13,446,905	15,973,380
		Utilization rate	40.91%	32.89%	39.07%
	100 mg.	Maximum production capacity per year	7,008,000	7,008,000	7,008,000
		Actual production amount	-	-	48,600
		Utilization rate	-	-	0.69%
	170 mg.	Maximum production capacity per year	7,008,000	7,008,000	7,008,000
		Actual production amount	100,100	-	70,400
		Utilization rate	1.43%	-	1.00%
- Sachet type (Unit: sachet)	All sizes	Maximum production capacity per year	14,716,800	14,716,800	14,716,800
		Actual production amount	742,592	371,256	1,484,970
		Utilization rate	5.05%	2.52%	10.09%

From the table of production rates above, it was found that in 2018 - 2020, the rate of 150-200 ml. cosmetic beauty products has a slightly higher rate. The same applies to the production rate of dietary supplements in both the health supplement product group and the slimming product group. This may be due to the spread of COVID-19 that makes people become more health conscious, together with having to live at home and work from home, which provides more time for self-care. But, the spread of the COVID-19 virus has an impact on the export of goods abroad, causing no production of 50 Kg. (Bulk) in 2020.

Source of raw materials

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

Garcinia, an essential ingredient, is pre-ordered in large quantities. Therefore, the company is not affected by the fluctuation of the raw material prices. The amount of garcinia raw material stored by the company as of December 31, 2020, compared with the estimated production quantity, can still be used in continuous production for approximately 2 – 2.5 years.

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

The company uses mangosteen, which is another important raw material in 2018, 2019 and 2020, for production valued at 7.47 million baht, 3.86 million baht, and 3.20 million baht respectively, accounting for 19.95%, 22.01%, and 10.50% of the total raw material value respectively.

Since the price of mangosteen in each year depends on the crop volume and the market demand in that year, the company has agreed to guarantee the mangosteen price with the farmers group. So, the price will not be affected with the total cost significantly by the fluctuation in the future. The quantity of mangosteen raw materials stored by the company as of December 31, 2020 compared with the estimated production quantity can still be used in continuous production for about 1 year - 2 years.

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

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

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

Raw Material	Raw materials used in production (Million Baht)					
	Year 2020		Year 2019		Year 2018	
	volume	%	volume	%	Volume	%
Agricultural raw materials	9.04	29.68%	3.89	22.16%	9.78	26.12%
- Garcinia Cambogia*	0.03	0.11%	0.00	0.00%	0.00	0.00%
- Mangosteen	3.20	10.5%	3.86	22.01%	7.47	19.96%
- Others such as Centella Asiatica, ginger, sesame, soybean.	5.81***	19.07%	0.03	0.15%	2.30**	6.15%
Chemicals used in production	17.54	57.56%	10.80	61.54%	21.16	56.54%
Container	3.89	12.76%	2.86	16.30%	6.49	17.34%
Total	30.47	100%	17.56	100.00%	37.43	100.00%

Note: * In 2018, 2019 there is no consumption rate of garcinia material and in 2020 there is a low utilization rate of garcinia material as Garcinia powder processed in 2017 is still sufficient to be used for production. In addition, sales of slimming products decreased due to the limited distribution of product information through TV media

** The rate of use of asiatic of the year 2018 in the table above. It is the introduction of fresh asiatic leaves into the drying process in the form of converted raw materials. In order to prepare for production as an extract from asiatica and be used as an ingredient in products. In 2019 there is no drying of fresh asiatic leaves because the previously dried asiatic are still in sufficient quantity for a year-round production and this year the company has bought asiatic leaves in the dry state to prepare for use in the next year.

*** The usage rate of asiatic in 2020 is the use of dried asiatic purchased in 2019.

Environmental impact

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

(4) Business Assets

The assets used in business operations as of December 31, 2020, consist of:

(A) Main non-current assets

- Land and apartment ownership, Total net book value 8,199,852 Baht
- Other fixed assets, Total net book value 55,557,730 Baht
- Right-of-use assets, Total net book value 49,632,054 Baht

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

(B) Trademark

(C) Patent

(D) Other important contracts involved in business operations.

Details are disclosed in attachment 4.

(5) The Work Not Yet Delivered

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

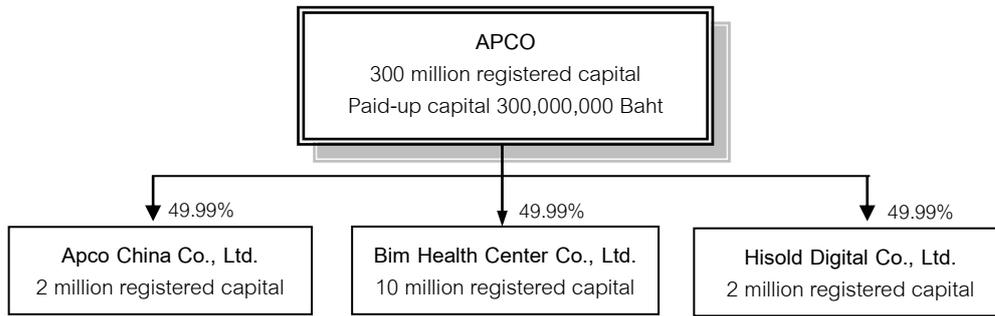
1.3 Shareholding Structure of the Company Group

1.3.1 Shareholding Structure of the Company Group

Business division policy of companies in the group

The company has a policy for each company in the group to have its own policy and management. Business transactions are subject to general commercial terms and the criteria is as agreed between companies, which is a normal business.

As of December 31, 2020, The company has 3 associated companies, with the shareholding structure of the group of companies as follows:



Associated Company Information

1. Bim Health Center Co., Ltd.

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

Head Office: 61 Room GC078, G Floor, Srinakarin Road, Nong Bon Subdistrict, Prawet District, Bangkok.

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

Paid-up Capital: 2.5 Million baht.

2. APCO China Co., Ltd.

Business Category: Buying, selling, exporting dietary supplements and cosmetics which are produced from natural extracts.

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

Registered Capital: 2 Million baht, divided into 20,000 ordinary shares, par value of 100 baht.

Paid-up Capital: 2 Million baht.

3. Hisold Digital Co., Ltd.

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

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

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

Paid-up Capital: 2 Million baht.

1.3.2 Relationship with Major Shareholder

-None-

1.3.3 Shareholders

(A) The top 10 major shareholders as of March 8, 2021 are as follows:

List of Shareholders	As of March 8, 2021	
	Amount (Share)	Percent
1. Wiryachitra Family including		
Mr.Pichaet Wiryachitra	295,560,500	49.26
Mrs.Arune Wiryachitra	92,204,144	15.37
Mrs.Wilawan Wiryachitra	186,526	0.03
Mrs.Wipa Witayawayroj	618,951	0.10
Mr.Sinart Wiryachitra	1,033,399	0.17
Ms.Sirirat Wiryachitra	1,002,801	0.17
Mrs.Sirithip Wiryachitra	217,695	0.04
Mr.Niphon Wiryachitra	2,338,000	0.39
Mr.Thitaphon Wiryachitra	5	0.00
Mr.Sasis Wiryachitra	1,271,908	0.21
Entire Wiryachitra Family	394,433,729	65.74
2. Hanchanlash family including		
Khunying Chamnongsri Hanchanlash	12,818,169	2.14
Mr.Jingjai Hanchanlash	5,212,187	0.87
Entire Hanchanlash Family	18,030,356	3.01
3. Mr.Somchai Pongsuriyanan	16,717,653	2.79
4. Mr.Nattapat Rangsana	12,687,200	2.11
5. Mr.Sakda Sreesangkom	8,000,000	1.33
6. Thai NVDR Cp., Ltd.	7,100,837	1.18
7. Mr.Chan Wongchatcharn	6,340,000	1.06
8. Mr.Prasit Rakthaisangthawee	5,755,560	0.96
9. Mr.Chaiyaphong Kosolsak	5,388,700	0.90
10. Mr.Noppasit Thanarongruk	5,168,549	0.86
Other minor shareholders	120,377,416	20.06
Total	600,000,000	100.00

Source: Thailand Securities Depository Co.,Ltd. on March 8, 2021

* Minor shareholders holding in the name of Thai NVDR Company Limited will receive dividends as shareholders in a listed company

However, they have no right to vote at the shareholders' meeting. Information of investors in Thai NVDR Company Limited can be found on the website. www.set.or.th/nvdr

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

Director representing the Wiriyachitra Group

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

1.4 Amount of Registered Capital and Paid-up Capital

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

1.5 Issuance of Other Securities

-None-

1.6 Dividend Policy

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

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

Dividend Payment Information

Particulars	Business Operation Result			
	2020 (Proposed)	2019	2018	2017
1. Net Profits (Baht) (Separate Financial Statements)	71,881,232	57,115,000	93,851,479	107,534,686
2. Dividend Per Share (Baht/Share)	0.1200	0.0950	0.1549	0.0360
3. Dividend Payout Ratio (Percentage)	100.17	99.80	99.03	100.43

2. Risk management

2.1 Risk Factors to the Company's Business Operation

- The risk of personnel

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

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

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

As for the management, the Company has appointed the director as the one who sets up business policies and directions, and the Executive Committees as the administrator who is responsible for the policies from the Board and shareholders. Furthermore, the Company has prepared the adviser Board to consult such over fields as marketing, research and development, CSR (Corporate Social Responsibility), etc. Such Board consists of ones who have expertise in such fields. The Company has always considered those with additional talent to participate in the business management to give advice about management so that the business can go forward effectively.

- The risk of the business channels

One part of the Company's income has been from direct marketing. In 2017, 2018, and 2019 the Company profited from direct distribution of overall income at 66.31 percent, 63.14 percent, and 50.33 percent 8% of the total revenue respectively. However, due to direct sales channels on advertising, the Company has re-adjusted the distribution channels to a sales channel through a sales agent since the end of 2019.

In 2020, the Company has sales revenue through sales agent at 32.88 percent of the total revenue but such business is very competitive with several of entrepreneurs. In addition, many direct distributors or agents can work for any

entrepreneurs depending on the structure and return on sales (ROS). So, the better offers can persuade the distributors and agents to change their mind

As mentioned, we have focused on the good structure of ROS for the agents. So, the policy of remuneration is in the same level as in other company. It has a remuneration structure that motivates sales Agent. There are also other types of returns such as giving special prizes to members who make sales up to a certain level and the Company believes that the credibility of the product can give consumers confidence and satisfaction to buy in the long time. The increase in sales revenue in this channel has continued to increase coupled with research and development is a variable that puts the risk of reliance on sales agent to become stable. It is a part of the Company's continued growth.

But for greater growth, the Company has a policy to increase the percentage of sales in other channels such as BIM Health Cente, the Company has received an increase of sales proportion through BIM Health Center around 25.85 percent of the total revenues in 2018, is 30.58 and 46.95 percent in 2019 and 2020 respectively. Dropship channels around 11.25 percent and 8.62 percent of total revenue in 2019 and 2020 respectively. Moreover, the Company has establishing a joint venture, Bim Health Center Co.,Ltd. to set up a BIM Health Center for consumers who need advice on how to use BIM health care products correctly and effectively by medical scientists, which has the proportion of distribution of 2.34 percent, 3.01 percent and 3.63 percent of total revenue in 2018, 2019 and 2020 respectively.

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

- **The risk of supplying raw materials**

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

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

- **The risk of product replacement**

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

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

- **The risk of the exchange rate**

The Company distributes a very few of our products in foreign countries. In 2018, 2019 and 2020, the Company has the proportion of foreign sales of 3.44 percent, 2.14 percent, and 1.48 percent when compared to the total sales respectively. We mainly set up the aboard marketing policies with Bath currency, except for some customers who preferred trading with U.S. dollars currency. By the year 2018 – 2020, the proportion of sales in the foreign currency was approximately 0.04 percent of the total circulations. This can be considered that the Company has a low risk of exchange rate.

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

As of March 8, 2021, the Wiriyachitra family has 394,433,729 company shares, representing 65.74 percent of the shares sold by the Company. The Wiriyachitra family became the major shareholder that controls the majority in the shareholders meeting. Unless the law or the Articles of Association requires a resolution of no less than three in four of the general meeting of shareholders, such as increasing cost of capital to sell or transfer all or part of such a shareholder, the Company may not be able to gather the votes to determine the balance of the shareholders present.

The Company is aware of such risks. So, the Company has established in accordance with the principles of good corporate governance by arranging for the Board of Directors who are third parties to hold the position of Independent Directors and Audit Committee 3 persons from the total number of 6 persons and 1 Independent Director acting as the Chairperson of the Board of Directors to serve as checks and balances of the Board of Directors and Executives of the Company. Moreover, the Executive and the Board of Directors have a policy by taking into account the shareholders' best interests, the scope of authority of the Board of Directors, the Executive Committee and the Audit Committee clearly. If the Company is required to make transactions with persons who may have conflicts of interest, we will take steps to approve the transaction and the rules of the Stock Exchange of Thailand regulations. The person who may have a conflict will be excluded from voting on the transaction.

3. Sustainability

The Company has the policy to drive business with corporate social responsibility (CSR) to lead to sustainable development throughout the business period. The Company has a policy of preparing a sustainability report since 2013 and has adopted a process for assessing important issues in accordance with the report standards in accordance with the GRI Standards Global Reporting Initiative (GRI) Sustainability Reporting Guidelines (GRI) version of the GRI Standards to create a sustainability report at the core level since 2016. By prioritizing sustainability issues from the impacts that may arise from the operations, which stakeholders both inside and outside the organization give importance, covering sustainable development in 3 areas: economic, social, and environmental, including management reporting on the aforementioned matters.

In 2020, the Company divides stakeholders throughout the business value chain into seven groups: 1. Shareholders and Investors, 2. Employees, 3. Customers, 4. Venturers, 5. Business Partners and Creditors, 6. Competitors, and 7. Community and Society, then review the organization of key issues for economic, social, and environmental sustainability as follows:

Economic



1. Corporate governance
2. Anti-corruption
3. Fair Operating Practices
4. Risk management
5. Innovation Development

Social



6. Employee Development and Caring
7. Compliance with Human Rights and Fair Labor Practices
8. Safety and Occupational Health
9. Responsibility for Consumer and Society

Environment



10. Implementation of Environmental Law
11. Environmental Management and Greenhouse Gas Emissions

Additional information can be found in the Sustainability Report 2020, which uses the GRI Sustainability Reporting Standards (GRI Standards) reporting guidelines available on the Company's website. www.apco.co.th

4. Management Discussion and Analysis : MD&A

4.1 Audit Report Summary

Financial Statements for the Fiscal Year 2018

Audited by Mr.Pradit Rodloituk, Certified Public Accountant No. 218 from AST Master Company Ltd., whose opinion is that the abovementioned financial statement has shown the financial position as of December 31, 2018. Its performances and cash flow of Asian Phytoceuticals Public Company Limited for the end of its fiscal year are accurate in accordance with the auditing standards.

Financial Statements for the Fiscal Year 2019

Audited by Miss Nongram Laohaareedilok, Certified Public Accountant No. 4344 from AST Master Company Ltd., whose opinion is that the abovementioned financial statement has shown the financial position as of December 31, 2019. Its performances and cash flow of Asian Phytoceuticals Public Company Limited for the end of its fiscal year are accurate in accordance with the auditing standards.

Financial Statements for the Fiscal Year 2020

Audited by Miss Nongram Laohaareedilok, Certified Public Accountant No. 4344 from AST Master Company Ltd., whose opinion is that the abovementioned financial statement has shown the financial position as of December 31, 2020. Its performances and cash flow of Asian Phytoceuticals Public Company Limited for the end of its fiscal year are accurate in accordance with the auditing standards.

4.2 Summary of Financial Statements of Asian Phytoceuticals Public Company Limited.

Statement of Financial Position

As at December 31, 2018, 2019 and 2020

Unit: Baht

Statement of Financial Position	Financial Statements in which the equity method is applied					
	As of December 31, 2020		As of December 31, 2019		As of December 31, 2018	
	Amount	Percent	Amount	Percent	Amount	Percent
Assets						
Current Assets						
Cash and cash equivalents	100,201,386	14.38	160,282,023	25.45	182,356,167	27.39
Short - term investments	-	-	319,512,353	50.74	313,394,106	47.08
Trade and other receivables	8,064,368	1.16	3,357,774	0.53	7,569,970	1.14
Inventories	60,269,001	8.65	61,022,700	9.69	65,472,339	9.83
Other current financial assets	71,834,714	10.31	-	-	-	-
Other current assets	347,537	0.05	347,244	0.06	623,145	0.09
Total current assets	240,717,006	34.55	544,522,094	86.47	569,415,727	85.53
Non - Current Assets						
Deposits pledged as collateral	527,822	0.08	523,708	0.08	519,084	0.08
Investment in associates	3,702,439	0.53	3,608,575	0.57	2,819,420	0.43
Property, plant and equipment	63,757,582	9.15	71,355,418	11.33	83,606,998	12.56
Right-of-use assets	49,632,054	7.12	-	-	-	-
Intangible assets	502,647	0.07	658,002	0.10	814,806	0.12
Deferred tax assets ^{/1}	4,164,146	0.60	4,033,291	0.64	3,090,863	0.46
Other non - current financial assets	328,225,884	47.11	-	-	-	-
Other non - current assets	5,548,057	0.80	5,057,115	0.80	5,454,236	0.82
Total non - current assets	456,060,631	65.45	85,236,109	13.53	96,305,407	14.47
Total Assets	696,777,637	100.00	629,758,203	100.00	665,721,134	100.00
Liabilities						
Current Liabilities						
Trade and other payables	18,867,197	2.71	20,980,966	3.33	21,996,012	3.30
Current portion of liabilities under lease agreements	18,421,137	2.64	-	-	-	-
Accrued income tax	9,009,260	1.29	7,858,187	1.25	12,173,182	1.83
Other current liabilities	2,576,535	0.37	2,356,843	0.37	2,749,490	0.41
Total current liabilities	48,874,129	7.01	31,195,996	4.95	36,918,684	5.54
Non - Current Liabilities						
Liabilities under lease agreements	31,592,061	4.53	-	-	-	-
Employee benefit obligations	17,452,616	2.50	15,976,021	2.54	11,243,928	1.69
Provision for dismantling cost of rental buildings	3,395,316	0.49	3,395,316	0.54	3,395,316	0.51
Total non - current liabilities	52,439,993	7.53	19,371,337	3.08	14,639,244	2.20
Total liabilities	101,314,122	14.54	50,567,333	8.03	51,557,928	7.74

Statement of Financial Position	Financial Statement in which the equity method is applied					
	As of December 31, 2020		As of December 31, 2019		As of December 31, 2018	
	Amount	Percent	Amount	Percent	Amount	Percent
Shareholders' Equity						
Registered capital	300,000,000	43.06	300,000,000	47.64	300,000,000	45.06
Issued and paid-up	300,000,000	43.06	300,000,000	47.64	300,000,000	45.06
Premium on share capital	166,944,654	23.96	166,944,654	26.51	166,944,654	25.08
Surplus from business combinations under common control ^{/2}	22,666,575	3.25	22,666,575	3.60	22,666,575	3.41
Retained earnings – Appropriated for legal reserve	30,000,000	4.31	30,000,000	4.76	30,000,000	4.51
Retained earnings – Unappropriated	72,593,907	10.72	59,579,641	9.46	94,551,977	14.20
Other components of equity	3,258,379	0.47	-	-	-	-
Total shareholders' equity	595,463,515	85.46	579,190,870	91.97	614,163,206	92.26
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	696,777,637	100.00	629,758,203	100.00	665,721,134	100.00

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

^{/2} Capital surplus on business combinations under the same control is a result of business combinations under the same control whereas the book value of assets is higher than the cost price of exchanges among the subsidiaries under the same control.

Statement of Comprehensive Income

For the year ended December 31, 2018, 2019 and 2020

Unit: Baht

Statement of Comprehensive Income	Financial Statements in which the equity method is applied					
	2020		2019		2018	
	Amount	Percent	Amount	Percent	Amount	Percent
Total Income	265,154,232	100.00	254,332,409	100.00	376,451,769	100.00
Sales	247,726,069	93.43	247,654,452	97.37	369,833,979	98.24
Costs of sales	52,873,611	19.94	51,805,199	20.37	64,889,414	17.24
Gross Profit^{/1}	194,852,458	78.66	195,849,253	79.08	304,944,565	82.45
Other income	5,408,947	2.04	690,651	0.27	1,463,695	0.39
Profit before expenses	200,261,405	75.53	196,539,904	77.28	306,408,260	81.39
Selling expenses	48,823,284	18.41	52,787,655	20.76	114,393,997	30.39
Administrative expenses	75,903,620	28.63	78,172,493	30.74	80,406,345	21.36
Profit from operating activities	75,534,501	28.49	65,579,756	25.79	111,607,918	29.65
Finance income	12,019,216	4.53	5,987,306	2.35	5,154,095	1.37
Finance costs	(476,540)	0.18	-	-	-	-
Share of gain (loss) from investment in associates	(10,672)	0.00	789,155	0.31	894,092	0.24
Profit before tax expenses	87,066,503	32.84	72,356,217	28.45	117,656,105	31.25
Tax expenses	17,091,187	6.45	14,452,062	5.68	22,910,534	6.09
Profit for the year	69,975,316	26.39	57,904,155	22.77	94,745,571	25.17
Other comprehensive income						
Other comprehensive income to be reclassified to profit or loss in subsequent periods						
Gain on change in value of financial assets	4,128,313	1.56	-	-	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods						
Actuarial loss	-	-	-	-	(893,760)	0.24
Loss on investments in equity designated at fair value through other comprehensive income	(869,934)	(0.33)	-	-	-	-
Other comprehensive income for the year	3,258,379	1.23	-	-	(893,760)	0.24
Total comprehensive income for the year	73,233,695	27.62	57,904,155	22.77	93,851,811	24.93

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

Statement of Cash Flows

For the year ended December 31, 2018, 2019 and 2020

Unit: Baht

Statement of Cash Flows	Financial Statements in which equity method is applied		
	2020	2019	2018
Cash Flows from Operating Activities			
Profit before tax expenses	87,066,503	72,356,217	117,656,105
Adjustments to reconcile profit to net cash provided by operating activities :			
Gain on sale of other financial assets	(8,334,402)	-	-
Unrealized loss (gain) from changes in fair value of other financial assets	721,256	(1,347,895)	-
Allowance for write-down and obsolescence of inventories	648,105	746,926	(116,895)
Loss (Gain) on disposal of equipment	(4,581)	1,496	(11,011)
Depreciation	11,971,913	13,456,660	13,621,801
Depreciation of right-of-use assets	19,116,357	-	-
Amortization of intangible assets	155,355	156,804	156,803
Share of (gain) loss from investment in associates	10,674	(789,155)	(894,092)
Employee benefit obligations	1,618,774	4,732,093	1,068,655
Revenue from is recognised accrued commission	4,396,363	-	-
Dividends income from financial assets	(1,249,905)	-	-
Interest income	(3,156,165)	(4,639,411)	(5,154,096)
Finance costs	476,540	-	-
Profit from operating activities before change in operational assets and liabilities	113,436,787	84,673,735	126,327,270
Decrease (Increase) in operating assets			
Trade and other receivables	(2,784,113)	3,788,095	(559,180)
Inventories	105,594	3,702,713	(14,301,253)
Other current assets	(293)	275,901	245,164
Other non - current assets	(490,942)	397,121	(92,407)
Operating Asset (Increase) Decrease	(3,169,754)	8,163,830	(14,707,676)
Increase (Decrease) in operating liabilities			
Trade and other payables	(6,710,132)	(1,015,046)	(677,254)
Employee benefit obligations	(142,179)	-	(216,477)
Other current liabilities	219,692	(392,647)	(409,186)
Operating Liabilities; increase (decrease)	(6,632,619)	(1,407,693)	(1,302,917)
Cash received from operations	103,634,414	91,429,872	110,316,677
Interest paid	-	-	-
Income tax paid	(16,885,564)	(19,709,485)	(23,078,560)
Net cash provided by operating activities	86,748,850	71,720,387	87,238,117

Statement of Cash Flows	Financial Statements in which equity method is applied		
	2020	2019	2018
Cash Flows from Investing Activities			
Interest income	1,233,684	5,063,512	5,025,858
Increase in other financial assets	(68,862,125)	(4,770,352)	(42,874,036)
Increase in fixed deposits pledged as collateral	(4,114)	(4,624)	(4,543)
Cash paid for investment in associate	(1,999,780)	-	-
Dividends income from investment in associate	1,895,242	-	-
Dividends income from financial assets	1,249,905	-	-
Proceeds from disposal of equipment	5,860	-	98,730
Cash paid for acquisition of machinery and equipment	(4,175,356)	(1,206,576)	(3,429,587)
Cash paid for acquisition of intangible assets	-	-	-
Net cash used in investing activities	(70,656,684)	(918,040)	(41,183,620)
Cash Flows from Financing Activity			
Dividends paid	(56,961,050)	(92,876,491)	(108,000,000)
Interest paid	(476,540)	-	-
Repayment of liabilities under lease agreements	(18,735,213)	-	-
Net cash used in financing activity	(76,172,803)	(92,876,491)	(108,000,000)
Net decrease (increase) in cash and cash equivalents	(60,080,637)	(22,074,144)	(61,945,503)
Cash and cash equivalents, beginning of year	160,282,023	182,356,167	244,301,670
Cash and cash equivalents, end of year	100,201,386	160,282,023	182,356,167

Important Financial Ratio

For the year ended December 31, 2018, 2019 and 2020

Financial Ratio	2020	2019	2018
Current Ratio			
Current Ratio (Time)	4.93	17.45	15.42
Quick Ratio (Time)	3.68	15.49	13.63
Current Cash Flow Ratio (Time)	2.17	2.11	2.34
Account Receivable Turnover (Time)	43.38	45.33	51.18
Average Collection Period (Days)	8.41	8.05	7.13
Inventory Turnover (Time)	0.87	0.82	1.11
Average Sale(Inventory)Period ¹ (Days)	413	440	323
Account Payable Turnover (Time)	80.05	42.72	39.53
Payment Period (Days)	5	8.54	9
Cash Cycle (Days)	408	431	314
Profitability Ratio			
Gross Profit Margin (%)	78.66	79.08	82.45
Operating Profit Margin (%)	32.84	28.45	31.25
Cash Per Profitability Ratio (%)	99.64	99.12	74.15
Net Profit Margin (%)	26.39	22.77	25.17
Return On Equity (%)	11.91	9.70	15.25
Efficiency Ratio			
Return on Assets (%)	10.55	8.94	14.09
Return on Fixed Assets (%)	121.30	92.10	122.19
Total Asset Turnover (Time)	0.40	0.39	0.56
Financial Ratio			
Debt/Equity Ratio (Time)	0.17	0.09	0.08
Rate of Commitment Payment Efficiency (Time)	1.08	0.76	0.78
Dividend Payout ratio (%)	102.89	98.44	98.09
Rate of Fully Diluted Net Profit per Share (Baht)	0.12	0.097	0.158

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

The average goods selling time for **finished goods** in 2020 is 66 days, 2019 is 81 days and 2018 is 74 days.

4.3 Financial Status and Performance Description and Analysis

4.3.1 Overall of previous performance

The Company manufactures and sells beauty cosmetics products and dietary supplements products developed and researched by the Company itself. The products are distributed domestically through Bim Health Center by Call Center, Sales Agent, Dropship and are distributed in many countries such as America, East Asia and Southeast Asia. The important factor to the growth in the Company's revenue is the innovative products from the Company's research that are in demand in the market. As the Company has consistently responded to the market demands.

In 2018, the total revenue was 376.45 Million Baht, 11.23% lower than that of the year 2017 as a result of the sales of domestic dietary supplements decreased. In the year 2019, the total revenue was 254.33 Million Baht, 32.44% lower than that of the year 2018 as a result of the sales of domestic beauty cosmetics products and dietary supplements decreased. In addition the Company has adjusted sales expenses in the financial statements for the year 2019 in accordance with Thai Financial Reporting Standard No.15 "Revenue from Contracts with Customers (IFRS15)" by showing the net amount in sales revenue. This results in a drop in sales revenue and gross profit by 21.78 Million Baht. However, this standard has no effect on the Company's profit or loss. The year 2020, the total revenue was 265.15 Million Baht, an increase of 4.25% from the year 2019 as a result of the increased sales of domestic dietary supplements and financial income from the gain from the sale of financial assets of 8.33 Million Baht, dividend income from investments in stocks of 1.25 Million Baht, interest revenue from private funds of 2.92 Million Baht.

In 2018 to 2019, and 2020, the Company had gained the net profit in sum of 94.75 Million Baht, 57.90 Million Baht, and 69.98 Million Baht respectively, or 25.17%, 22.77%, and 26.39% of the total revenue of each year, respectively. The factors influencing the net profit rate include the marketing channels whereas direct sales marketing lead to a quite large sum of commissions and promotion expenses compared to other marketing channels. The Company realizes the importance of increasing the sales proportion through its Call Center as there are no commissions. The commission proportion in the total revenue then continued to reduce from the previous years. Even though the proportion has been reduced from the previous year, there is an increase in the depreciation, rental and utilities expenses of the new office. Therefore the net profit of the Company was reduced. In the year 2019, sales of the Company's products greatly reduced due to the is our frequency of the dissemination of product information through TV media because of regulatory restrictions from relevant government agencies that are not conducive to our business, This is another reason for the decrease in net profit. In 2018, sales of domestic dietary supplement products decreased, and in 2019, sales of domestic beauty cosmetics products and dietary supplements decreased from the previous year. But in 2020, the sales of domestic dietary supplements increased from the previous year.

The Company is focusing on research and development on its dietary supplement products as the tendency of the market is positive and the executives expect repeated and continuous purchase from the customers who are confident in the products. This angle could potentially enhance the security of the revenue base. Moreover, the Operation "BIM" line has been continuously increasing its popularity since it was launched in 2008 and can be expanded into several new products.

4.3.2 Performance analysis

Revenue

The total revenue of The Company from 2018 - 2020 amounted to 376.45 Million Baht, 254.33 Million Baht, and 265.15 Million Baht respectively, as shown in the revenue structure below.

Unit : Million Baht

Revenue Structure	2020		2019		2518	
	Value	Percent	Value	Percent	Value	Percent
Beauty Cosmetics Products						
- Sliming Products	2.10	0.72	4.07	1.47	5.97	1.59
- Anti-Wrinkle and Anti-Spot Products	1.41	0.48	4.57	1.66	21.43	5.69
- Skincare Products	1.10	0.37	1.52	0.55	2.71	0.72
Total	4.61	1.57	10.16	3.68	30.11	8.00
Dietary Supplement Products						
- Fat Reduction Products	4.69	1.60	1.72	0.62	8.42	2.24
- Healthcare Products	227.49	77.50	208.87	75.65	250.03	66.42
- Skincare Products	0.01	0.00	0.04	0.01	0.16	0.04
- Healthy Drink Products	39.32	13.39	48.64	17.62	81.11	21.54
Total	271.51	92.49	259.27	93.90	339.72	90.24
Total Sales Revenue	276.12	94.06	269.43	97.58	369.83	98.24
Other Revenues	5.41	1.85	0.69	0.25	1.46	0.39
Finance Revenues	12.02	4.09	5.99	2.17	5.15	1.37
Total Revenue	293.55	100.00	276.11	100.00	376.45	100.00

Sales Revenue

(Sales revenue shown in the 2019-2020 financial statements in the amount of 247.65 Million Baht and 247.73 Million Baht, is because the commission of 21.78 Million Baht and 28.39 Million Baht paid to the customer was deducted from the sales revenue, according to the classification in accordance with Thai Financial Reporting Standard No.15 Revenue from Contracts with customers)

The sales revenue of the Company from 2018-2020 was 369.83 Million Baht, 269.43 Million Baht, and 276.12 Million Baht respectively, representing the growth rate of 11.04 %, a decrease of 27.15 % and an increase of 2.48 % for the year 2018, 2019 and 2020 compared to the same period of the previous year respectively. The Company obtained the revenues from the production and product distribution in two ways as follow.

(1) Revenue from cosmetics products; between 2018-2020, the Company gained the sales revenues from cosmetics products amounted to 30.11 Million Baht, 10.16 Million Baht, and 4.61 Million Baht respectively, accounted for the growth rate an increase of 73.54 %, a decrease of 66.26% and 54.63% in 2018, 2019 and 2020 compared to the same period of the previous year. In the year 2018, cosmetic products have increased sales from the previous year due to the increased revenue from anti-aging products and dark spots. In 2019 and 2020, the revenue from cosmetics sales was 54.63% due to the decrease in sales of cosmetic products from the previous year.

Most of the revenues from cosmetics products were anti-wrinkle and slimming products and anti-spot products. The revenue from the nourishment products (2018-2020) was averagely at 61.07%, 27.05%, and 11.88% of the total revenues gained in the cosmetics products respectively. While in 2018, the majority of income comes from anti-wrinkle and dark spots products, followed by slimming products and skin care products. They accounted for 71.17%, 19.83% and 9.00%, respectively because customers purchased from the company and sold through cable TV. There are more orders for anti-wrinkle and dark spots cosmetics, instead of ordering Gold Shape slimming products because of the less information disseminated through TV. For the year 2019, most of the revenue were from the anti-aging and dark spots products, next is revenue from Sliming products and the revenue from the skin care product, the proportion is 44.98%

40.06 % and 14.96 % respectively. In 2020, most of the revenues were from the slimming products, followed by the anti-wrinkle and dark spot products and skin care products. The proportion is approximately 45.55 %, 30.59 %, 23.86 %, respectively.

(2) Revenue from dietary supplement products; between 2018-2020, the Company generated the sales revenues from dietary supplements amounted to 339.72 Million Baht, 259.27 Million Baht, and 271.51 Million Baht respectively, or a decrease of 14.73%, 23.68% in 2018-2019 and an increase 4.72% in 2020 respectively, compared to the same periods of the previous year. However, the sale revenue of the dietary supplement products in 2018 encountered a slightly decrease continuing from the previous year, mainly as a result of the reducing sales volumes of the slimming product, "Gold Shape." The order of the product placed by one customer was reduced 50%, compared to the previous year. Their customer bought the products directly from the Company in full price and carried out her own marketing and sales promotion campaigns through cable television programs. In addition, there is a decrease of sales volumes of skincare products due to a high competition. For the year 2019, the revenue from the overall dietary supplements decreased from 2018 due to sales declining as a result of the overall economic downturn. Most of the revenue comes from healthcare products, healthy drinks products, fat reduction products and skincare products, The average proportion (2018-2020) is 78.85%, 19.42%, 1.70%, and 0.03% of the total revenues from the dietary supplement products respectively. The sales volumes of healthcare products and healthy drinks had decreased from 331.14 Million Baht in 2018 to 257.51 Million Baht in 2019 and an increase of 266.81 Million Baht in 2020. Meanwhile, in 2018 - 2020, the Company revenue from dietary supplements are from health care products followed by healthy drinks products, fat reduction products and skin care products accounted for 73.60%, 23.88%, 2.48% and 0.05%, respectively in 2018, accounted for 80.56%, 18.76%, 0.66% and 0.02%, respectively in 2019. and accounted for 83.79%, 14.48%, 1.73% and 0.00%, respectively in 2020.

The Company has revenue from sales from both domestic and international customers. The sales revenue for the years 2018 – 2020 is approximately 98.24%, 97.37% and 93.43% of the total revenue, respectively. For the year 2018-2019 and 2020, the Company has revenue from sales to domestic customers accounted for approximately 94.80%, 95.23% and 91.95% of the total revenue respectively, as summarized in the table.

Unit : Million Baht

Revenue Structure	2020		2019		2018	
	Value	Percent	Value	Percent	Value	Percent
Revenue from Domestic Sales	243.79	91.95	242.20	95.23	356.88	94.80
Revenue from International Sales	3.93	1.48	5.45	2.14	12.95	3.44
Total Revenue from Sales	247.72	93.43	247.65	97.37	369.83	98.24
Other Revenues	5.41	2.04	0.69	0.27	1.46	0.39
Finance Revenues	12.02	4.53	58.99	2.36	5.15	1.37
Total Revenue	265.15	100.00	254.33	100.00	376.45	100.00

The decreased sales volumes of dietary supplement products, resulting in a decrease in revenue from domestic sales by 14.12% and 26.03% in 2018 and 2019 when compared to the previous year. Revenue from health care products continued to decline in Year 2019. Domestic sales revenue increased 0.66 % in 2020 compared to the previous year, due to an increase in sales of dietary supplements from 2019.

In 2018, the Company has revenue from International Sales 12.95 Million Baht, or 3.44 % of total revenue. For the year 2019, revenue from foreign sales amounted to 5.45 Million Baht, or 2.14% of total revenue. For the year 2020, revenue from foreign sales amounted to 3.93 Million Baht, or 1.48 % of total revenue.

Other Revenues

Other revenues of the Company for the years 2018 - 2020 were equal to 1.46 Million Baht, 0.69 Million Baht and 5.41 Million Baht, or 0.39%, 0.27% 2.04% of total revenues, respectively. In fact, it was regarded as a small amount of the Company's revenues with the proportion not exceeding 3% of total revenue. Other revenues included the accrued commissions revenues, service revenues, profit from asset sales, and profit from the currency exchange. The year 2020 have other revenues from accrued commission revenues of 4.40 Million Baht, service revenues of 0.69 Million Baht.

Financial Revenues

In the year 2020, financial revenues consists of Profit from the sales of financial assets of 8.33 Million Baht, other revenues from dividends received from investments in stocks of 1.25 Million Baht and other revenues from personal fund interest revenues of 2.92 Million Baht, interest received from bank deposits of 0.24 Million Baht, profit & loss that have not yet occurred from change in fair value amount (0.72) Million Baht.

Cost of sales and gross profit

Cost of sales of the Company for the year 2018 - 2020 was 64.89 Million Baht, 51.81 Million Baht and 52.87 Million Baht, respectively. The gross profit margin was 82.45%, 79.08% and 78.66%, respectively. The annual gross profit margin of the Company was nearly equivalent.

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

Selling and Administrative Expenses

Selling expenses in 2018 - 2020 amounted to 114.39 Million Baht, 52.79 Million Baht, and 48.82 Million Baht respectively, accounted for 30.39%, 20.76% and 18.41% of the total revenues respectively. The important factor that affected the proportion of selling expenses to the total revenue of the Company was the distribution channel. Direct sales require high commissions compared to other channels. As a result, the Company centered on more distribution through the Call Center to total revenues with a gradual increased from 28.85% in 2018 to 30.58% in 2019, and 48.47% in 2020 thus resulting in a proportion of selling expenses to total revenues in 2018-2020 continuous decline.

In the year 2019-2020, the commission expenses, the main expenses in the selling expenses, were greatly reduced in 2019 compared to the previous year. The commission proportion is averagely at 54.52% of the selling expenses In the year 2019 and 2020 compared to the previous years. When compared with the total revenues, the commission expense is subject to a continuous reduction, from 21% of the total revenues in 2018 to 15% of the total revenues in 2019, and the remaining 11.54% of total revenues in 2020. Besides, another essential expense is the advertising and marketing campaign, averagely proportioned in 2018-2020, about 29.67% of the selling expense. In the year 2019, the Company has reduced advertising and sales expenses to 5.89% of the total revenue, as less product information was disseminated via TV make advertising expenses decrease. In the year 2020, the Company had advertising and promotion expenses of 30.18 Million Baht, an increase of 11.38% of the total revenues compared to the previous year, due to increased advertising paid.

Administrative expenses for 2018 - 2020 amounted to 80.41 Million Baht, 78.17 Million Baht, and 75.90 Million Baht respectively, accounted for 21.36%, 30.74%, and 28.63% of the total revenue respectively. As for 2018 and 2019, the proportion of the administrative expenses increased as the Company moved its Bangkok office to AIA Building, incurring in increased rental and utilities expenses. The important administrative expenses included expenses on executives and employees such as salary, bonus and contributions to funds. These expenditures from 2018 were averagely at 35%, 2019 34%, and 2020 38.73% of administrative expenses. Other administrative expenses are depreciation, rental, banking fees, and utilities expenses of the year 2018-2020 accounted for 44%, 41% and 41% of the administrative expenditures respectively.

Share of profits from investment in Associate Company

In February 2017, the Company invested in 499,998 ordinary shares of BIM Health Center Co., Ltd., with a par value of 10 Baht per share (paid-up 2.50 Baht per share) totaling 1.2 Million Baht, the shareholding of these 50 associates was incorporated on February 2, 2017.

In April 2020, the Company invested in 9,998 ordinary shares of Apco China Co., Ltd., with a par value of 100 Baht per share (paid-up 100 Baht per share) totaling 1.0 Million Baht, the shareholding of these 49.99% associates was incorporated on April 9, 2020.

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

The Company recognized the share of profit (loss) from investments in associated companies. The said amount was 0.89 Million Baht, 0.79 Million Baht and (0.01) Million Baht in 2018, 2019 and 2020 respectively.

Net Profits

The Company received the net profits for 2018 - 2023 in the amount of 94.75 Million Baht, 57.90 Million Baht, and 69.98 Million Baht respectively, accounted for 25.17%, 22.77%, and 26.39% respectively. The Company's net profit margin decreased, varying with product sales of the year 2018 - 2019. In 2020, the Company's net profit margin was increased, partly from financial revenues of 12.02 Million Baht.

4.3.3 Financial status analysis

Assets

At the end of the years 2018 - 2020, the Company's total assets amounted to 665.72 Million Baht, 629.76 Million Baht, and 696.78 Million Baht respectively, representing the decrease of 1.92%, 5.40% and an increase of 10.64%, respectively as follows:

The current assets at the end of the years 2018 - 2020 amounted to 569.42 Million Baht, 544.52 Million Baht, and 240.72 Million Baht respectively, accounted for 85.53%, 86.47%, and 34.55% of the total assets respectively. The Company's current assets include the following important assets:

(1) Cash and the equivalent at the end of 2018 - 2020 amounted to 182.36 Million Baht, 160.28 Million Baht, and 100.20 Million Baht respectively, accounted for 27.39%, 25.45%, and 14.38% of the total assets respectively.

(2) Temporary invested capital at the end of 2018 and 2020 was equivalent to 313.39 Million Baht, 319.51 Million Baht and 0.00 Million Baht, or 47.08%, 50.74% and 0.00% of the total assets. In the year 2019, this temporary invested

capital was investment in the TMB Thana plus Open Fund in the amount of 196.02 Million Baht and investment in the Thana Permpoon Open Fund of 122.97 Million Baht. In the year 2020, temporary invested capital amounted to zero, because the Company switched to investing in financial assets of 400.06 Million Baht, part of which would be other current financial assets of 71.83 Million Baht.

(3) The net number of account receivable and others at the end of 2018 to 2020 amounted to 7.57 Million Baht, 3.36 Million Baht, and 8.06 Million Baht respectively, accounted for 1.14%, 0.53%, and 1.16% of the total assets respectively. The amounts of the account receivable on relevant business, the account receivable on irrelevant business and others are as follows:

The amount of trade accounts receivable from related parties at the end of 2018 to 2020 was equivalent to 1.23 Million Baht, 0.25 Million Baht, and 1.61 Million Baht respectively. At the end of 2018-2020, the receivables from the sale of goods are through its associate BIM Health Center Co., Ltd. and Hisold Digital Co., Ltd.

Accounts receivable unrelated parties at the end of 2018 - at the end of 2020 amounted to 3.02 Million Baht, 0.66 Million Baht and 0.14 Million Baht, respectively. Classified by age of outstanding debt is summarized in the following table.

Trade Accounts Receivable Details (Excluding related parties)	Value (Baht)		
	As of Dec 31, 2020	As of Dec 31, 2019	As of Dec 31, 2018
Undue Payment	-	92,800	55,125
Overdue Less than 3 months	142,800	142,800	218,856
Overdue 3 - 6 months	-	-	44,910
Overdue 6 - 9 months	-	-	2,704,162
Overdue 9 - 12 months	-	118,600	-
Overdue more than 12 months	-	445,558	-
Total	142,800	662,733	3,023,053
<u>Deducting</u> Allowance for Doubtful	-	-	-
Net	142,800	662,733	3,023,053

The Company distributes products through BIM Health Center by Call Center and Sales Agent channels, which are sold mainly by cash. Therefore, there are relatively few trade receivables. The short-term collection period is approximately 7 days, 8 days and 8 days for 2018, 2019 and 2020, respectively, reflecting the Company's liquidity. Customers shop directly with the Company without direct sales representative has the credit term of 30-60 days.

As of December 31, 2018, the Company has overdue accounts receivable 6 - 9 months, amount of 2.70 Million Baht from one debtor who is in the process of repayment.

As of December 31, 2019, the Company has accounts receivables from unrelated parties that are overdue for more than 9 months in the amount of 0.56 Million Baht from 1 debtor, which is in the process of payment gradually and will be fully settled within the first quarter of 2020. Therefore, the Company has not set up any allowance for doubtful accounts

Moreover, the amount of other receivables at the end of 2018 through 2020 was equivalent to 3.32 Million Baht, 2.45 Million Baht, and 6.31 Million Baht respectively. The important other receivables were advance payments for goods, prepaid expenses and accrued interest receivable, etc. As of December 31, 2018, other receivables increased due to prepaid expenses increasing from the previous year. As of December 31, 2019, other receivables decreased due to the decrease in accrued interest receivables. On December 31, 2020, other receivables increased due to an increase in advance payments for goods and accrued interest receivables.

(4) Net inventory as of 2018 through 2020 was equivalent to 65.47 Million Baht, 61.02 Million Baht, and 60.27 Million Baht respectively, accounted for 9.83%, 9.69%, and 8.65% of the total assets respectively. The Company's

inventory was divided into finished goods, work in process, convertible raw materials, raw materials, packages, and factory supplies as shown in the table below.

Details of Inventory	Value (Baht)		
	As of Dec 31, 2020	As of Dec 31, 2019	As of Dec 31, 2018
Inventory			
- Finished Goods	10,250,305	9,157,575	14,224,589
- Work in Process	-	494,052	358,377
- Convertible raw materials	21,310,918	20,761,003	14,575,528
- raw materials	21,269,024	23,171,655	28,052,546
- Packages and Factory Supplies	10,683,984	10,035,540	10,111,498
Total of Inventory	63,514,231	63,619,825	67,322,538
<u>Deducting</u> Allowance for Lower Prices of Goods			
- Finished Goods	668,288	491,953	491,250
- Work in Process	-	-	-
- Convertible raw materials	57,553	35,504	-
- raw materials	416,324	419,668	23,018
- Packages and Factory Supplies	2,103,065	1,650,000	1,335,931
Total	3,245,230	2,597,125	1,850,199
Inventories - net	60,269,001	61,022,700	65,472,339

Most of the inventory was stored in the form of raw materials, more importantly the agricultural ones and finished goods. From 2018-2020, these raw materials were averaged at 37.28% of the total values of inventory. The Company also has the policy to purchase the agricultural products in a large sum for each time to prevent a shortage of raw materials and uncertainty of the supply cultivated each year. In fact, agricultural products can be stored for a long period of time after being extracted into transformation raw materials. Raw material as of December 31, 2017 and 2018 increased 53.76% and 52.68%, due to the increase in mangosteen procurement to be sufficient for 2 years production, as the Company plans to use more mangosteen as raw material for its production. As of December 31, 2019, raw materials decreased by 17.40% from 2018, as there was no additional purchase of mangosteen in 2019, and as of December 31, 2020, the raw material decreased by 8.21% from the end of 2019.

Other inventory included finished goods. During 2018 – 2020, it valued averagely at 17.30% of the total values of inventory. As of December 31, 2018, finished goods increased by 6.20% from the end of 2017, as of December 31, 2019, finished goods decreased 35.62% from the end of 2018, and as of December 31, 2020, finished goods inventory increased 11.93% from the end of 2019.

The Company has arranged the allowance for the lower prices of goods and deterioration of quality products, mainly caused by a slow flow of finished goods raw materials and packaging but not by defects. In fact, these were caused by a slow flow of most Garnicia whereas the amount of Garnicia stored at December 31, 2020, compared to an estimation of the annual production, could be used for about 5 years in a row since it was projected that Garnicia would be used for more production. Garnicia raw materials would be stored in the form of dried products in the warehouse with proper temperature and humidity. The Company would annually check the physical and chemical properties to ensure that essential components or Hydroxy-citric acids (HCA) were to accord with the standard criteria. According to the Company's tests, the amount of HCA in Garnicia stored more than 5 years was still in compliance with the set standards. The policy regarding allowance for deterioration of quality raw materials is shown below.

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

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

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

As of December 31, 2020, the Company had 6 years 4 months Garcinia valued at 5.65 Million Baht, with allowance for deterioration of quality products made at 5% of the remaining value for Garcinia aged over 5-10 years. The Company did not have any Garcinia aged over 10 years in its stock. The Company has a policy to buy a lot of Garcinia, since it is a seasonally rare fruit and it is rare in some years. It takes time to gather and transport from the southern border provinces. Therefore, the stock has been reserved for sufficient production.

As of December 31, 2018, 2019 and 2020, the amount of stored mangosteen peel aged over 1 year but not over 5 years was worth 0.70 Million Baht, 0.46 Million Baht and 3.03 Million Baht respectively. The Company did not need the allowance for deterioration of quality products regarding the mangosteen peel. Moreover, the mangosteen peel was already under the policy for allowance for deterioration of quality products regarding raw materials. The Company would make its reservation for raw materials aged over 5 years. However, the mangosteen peel contained stable molecular substances with a slim chance of value deterioration. Even though it was stored under humidity, this would not decrease Mangostin (GM-1) obtained from the mangosteen peel.

As of December 31, 2018, 2019 and 2020, the amount of stored mangosteen flesh aged over 1 year was worth 0.00 Million Baht, 5.34 Million Baht and 2.15 Million Baht, respectively. There was no mangosteen flesh aged over 2 year left in the stock. Therefore, the Company has not arranged the allowance for deterioration of quality products as the mangosteen flesh would be stored in a controlled room with its temperature below -18 C. This would help preserve the physical and chemical properties of mangosteen flesh. According to the Auditing Committee Meeting no.4/2014 dated 10th November 2014, the policy for allowance for deterioration of quality products regarding fresh raw materials aged over 3 years was made at 20%.

Non-current assets at the end of 2018 through 2020 were equivalent to 96.31 Million Baht, 85.24 Million Baht, and 456.06 Million Baht respectively, accounted for 14.47%, 13.53%, and 65.45% of the total assets respectively. Main non-current assets were other non-current financial assets totaling 328.23 Million Baht at the end of 2020, consisting of Debt securities (in private funds) of 255.49 Million Baht and equity securities of listed companies 72.73 Million Baht, land plots, buildings, and instruments worth at 83.61 Million Baht, 71.36 Million Baht, and 63.76 Million Baht at the end of 2018-2020 or 34.30% of non-current assets. At the end of 2018, a decreased of 10.84% from 2017, at the end of 2019, a decreased

of 14.65% from 2018 and at the end of 2020, a decreased of 10.65% from 2019. Other non-current assets Consists of insurance money and various deposits.

Liabilities

Total liabilities of the Company as at the end of 2018 - 2020 amounted to 51.56 Million Baht, 50.57 Million Baht and 101.37 Million Baht respectively. The Company did not use any source of funds from financial institution loans. Therefore, most of its liabilities are considered the Total current liabilities, amounted to 36.92 Million Baht, 31.20 Million Baht and 48.87 Million Baht, respectively, or 5.54%, 4.95% and 5.04% of total assets respectively. As of the end of 2020, the total debt amount has grown as a result of the first implementation of TFRS 16, there is an increase in lease liabilities in 2020 by 50.01 Million Baht. Main current liabilities are indicated below.

(1) Accounts payable and other payables at the end of 2018 - 2020, amounted to 21.99 Million Baht, 20.98 Million Baht and 18.87 Million Baht, respectively, or 3.30%, 3.33% and 2.71% of total assets, respectively. Classified as trade accounts payable at the end of 2018 - 2020 amounted to 1.74 Million Baht, 0.69 Million Baht and 0.63 Million Baht, respectively. With the payment period of 9 days, 9 days and 5 days, respectively. Other payables include other payables - related companies and accrued expenses. The creditor-relevant Company refers to the creditor subject to compensations for the research and development the Company must pay to Arun Pittaya Co.,Ltd. Accrued expenses hereby consist of accrued commissions, accrued rental expense, accrued services and public utilities, and accrued advertisement expenses. As of 31 December 2018, trade and other payables decreased from the end of 2017 about 2.49 Million Baht, as of December 31, 2019, trade and other payables decreased by 1.02 million baht from the end of 2018, and as of December 31, 2020, trade and other payables decreased by 2.11 Million Baht from the end of 2019.

(2) Accrued income tax at the end of 2018 - 2020 amounted to 12.17 Million Baht, 7.86 Million Baht and 9.01 Million Baht, respectively. As at December 31, 2018-2020, Accrued income tax accounted for 32.97.96%, 25.19% and 18.43% of current liabilities respectively, or 1.83%, 1.25% and 1.29% of total assets, respectively.

Non-current liabilities of the Company as at the end of 2018 - 2020, amounted to 14.64 Million Baht, 19.37 Million Baht and 52.44 Million Baht, respectively, accounted for 2.20%, 3.08% and 7.53% of the total assets respectively. Non-current liabilities of the Company included:

(1) The lease liability at the end of 2020 amounted to 31.59 Million Baht or 4.53% of the total revenues which was the liability from building lease agreements for the operation of the business.

(2) Employee benefit obligations at the end of 2018- 2020, amounted to 11.24 Million Baht, 15.98 Million Baht and 17.45 Million Baht, respectively, accounted for 1.69%, 2.54% and 2.50% of total assets respectively. Segmentation is an estimate of post-employment benefits and gratuity benefits in accordance with the provisions of the Labor Protection Act BE 2541 providing retirement benefits and other long-term benefits to employees based on their rights and working time according to TAS 19, which entered into force in 2011.

(3) Estimated cost in demolishing the rental building, at the end of 2018-2020 and December 31, 2019 amounted to 3.40 Million Baht or 0.51%, 0.54% and 0.49% of the total assets, respectively. The estimated cost of demolition at the end of the 3-year rental contract (starting from October 1, 2014) of the AIA Building Capital Center (30th floor), the new branch at Ratchada. The Company has renewed the lease for another 3 years in 2017. The Company has renewed the lease every 3 years.

Shareholder's Equity

At the end of 2018 – 2020, Shareholders' equity was equivalent to 614.16 Million Baht, 579.19 Million Baht and 595.46 million Baht respectively. Retained earnings of the Company as at the end of 2018 - 2020 was equivalent to 124.55

Million Baht, 89.58 Million Baht and 102.59 Million Baht respectively. The Company also paid the dividend from 2018-2020 in sum of 108 Million Baht 92.88 Million Baht and 56.96 Million Baht respectively.

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

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

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

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

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

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

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

shareholders. On November 28, 2016, the Company received the payment of share capital of 23.8 Million Baht. The Company registered the increase of its paid-up capital to the Ministry of Commerce on November 19, 2016. The direct expenses associated with the share offering of Baht 2.2 Million (net of income tax of Baht 0.4 Million) are presented net of share premium.

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

The liability ratio per shareholder's equity at the end of 2018 through 2020 was equivalent to 0.08 times, 0.09 times, and 0.17 times respectively. This ratio is quite a low level in line with the facts that the capital sources for business operations in the Company derive from the shareholder's equity and cash flow from its operation. Positively, it also leads to a low level of financial risks and more flexibility for business operations.

Liquidity

(1) Cash Flow

Cash flow from the Company's operations in 2018 through 2020 remained constantly positive, amounting to 87.24 Million Baht, 71.72 Million Baht, and 86.75 Million Baht respectively. This stemmed from continuous net profits of the Company. The cash flow from investments in 2018 through 2020 amounted to (41.18) Million Baht, (0.92) Million Baht, and (0.07) Million Baht respectively.

For the year 2018, the Company had negative cash flows from investing activities due to the increase in temporary investments from fixed deposits in Kiatnakin Bank.

For the year 2019, the Company had negative cash flows from investing activities because of the temporary increase in investment from the TMB Thanapulus Fund, and Thanaperm Pool.

For the year 2020, the Company had negative cash flow from investing activities due to an increase in financial assets from investing in debt instruments (private funds) and listed Company equity instruments.

In addition, cash flow from financial events in 2018 through 2020 was equivalent to (108) Million Baht, (92.88) Million Baht, and (76.17) Million Baht respectively. As the Company annually paid the dividend to shareholders at the proportion higher than 95% of the net profit, cash flow from financial events was negative. In 2018, the Company had a negative cash flow from financing activities due to dividend payment of 108 Million Baht, in 2019 the Company had a negative cash flow from financing activities due to dividend payment of 92.88 Million Baht, and in 2020 the Company had a negative cash flow from financing activities due to dividend payment of 56.96 Million Baht.

(2) Liquidity Ratio

In the year 2018 – 2020, the Company's liquidity amounted to 15.42 times, 17.45 times and 4.93 times respectively, regarded as a high level since the Company maintained a huge amount of cash from its operation. However, with respect to the cash flow of the Company, it was deemed a long period. From 2018 to 2020, the Company's cash flow was 314, 431, and 408 days respectively. The main cause was the storage of agricultural raw materials and processed materials in a large amount for production exceeding 2 years. In addition, sales of excess fat reduction products decreased. Therefore, there are still finished goods. As a result, the cash cycle in 2018 and 2019 increased from the previous year. However, the Company still has sufficient liquidity to manage such long-term cash cycle. Therefore, the Company does not rely on loans from financial institutions.

5. General and Other Important Information

5.1 General Information

Company Name in Thai	: บริษัท เอเชียัน ไฟytoceuticals จำกัด (มหาชน) (“บริษัทฯ ”)
Company Name in English	: ASIAN PHYTOCEUTICALS PUBLIC COMPANY LIMITED
Business Category	: Manufacture and distribute health and beauty products from natural extracts based on the researches and developments of Thai scientists.
Registered Capital	: THB 300 Million, comprising 600 million common shares, each of which is worth THB 0.5 per share (December 31, 2020)
Issued and Paid-up Share	: THB 300 Million, comprising 600 million common shares, each of which is worth THB 0.5 per share (December 31, 2020)
Head Office	: 84/3 Moo 4 Northern Region Industrial Estate (West side) Super Highway No.11 Rd., Banklang, Muang Lamphun, Lamphun 51000 Tel. 053 581 374 Fax. 053 581 375
Branch Office	: <u>Ratchadapisek Branch</u> 89, 30 th Floor, AIA Capital Center Building, Ratchadapisek Rd., Dindaeng, Bangkok 10400 Tel. 0-2646-4800 : <u>Chiang Mai Branch</u> 61/5 Intawarorot Rd., Sripum Sub-district, Muang, Chiang Mai 50200 Tel. 0-5335-8276 : <u>Surat Thani Branch</u> 251/6 Chonkasem Rd., Talad Sub-district, Muang, Surat Thani 84000 Tel. 0-7728-8013 : <u>Chonburi Branch</u> 170/126-128 Moo 3, Samet Sub-district, Muang, Chonburi 20000 Tel. 0-3845-5025 : <u>Esplanade Branch</u> Esplanade Building, Room No. 317, 3 rd Floor, 99 Ratchadapisek Rd., Dindaeng, Bangkok 10400 Tel. 0-2660-9011
Registration Number	: 0107548000480
Home Page	: www.apco.co.th
Associated Company (1)	: Bim Health Center Co., Ltd. Paradise Park Building, Room No.GC078, G Floor, 61 Srinakarin Road, Nongbon, Prawet, Bangkok 10250
Business Category	: Buy and sell dietary supplements and cosmetics which are produced from natural extracts.
Registered Capital	: 10 Million Baht (APCO holds 49.99% of shares)
Associated Company (2)	: Apco China Co., Ltd. 89, 30 th Floor, AIA Capital Center Building, Ratchadapisek Rd., Dindaeng, Bangkok 10400
Business Category	: Buying, selling, exporting dietary supplements and cosmetics which are produced from natural extracts.
Registered Capital	: 2 Million Baht (APCO holds 49.99% of shares)

Associated Company (3)	: Hisold Digital Co., Ltd. 89, 30 th Floor, AIA Capital Center Building, Ratchadapisek Rd., Dindaeng, Bangkok 10400
Business Category	: Buy and sell dietary supplements and cosmetics which are produced from natural extracts.
Registered Capital	: 2 Million Baht (APCO holds 49.99% of shares)
References	: Thailand Securities Depository Co.,Ltd.
Securities Registrar	93 The Stock Exchange of Thailand Building, Ratchadapisek Road, Dindaeng, Bangkok 10400 Tel. 0-2009-9999 Fax.0-2009-9991
Auditor	: Ms. Nongram Laohaareedilok, CPA License No.4334 AST Master Co.,Ltd. 790/12 Thonglor Tower Building, Thonglor Soi 18, Sukhumvit Rd., 55 Klongtan, Wattana, Bangkok Tel. 0-2714-8842 Fax. 0-2185-0225

5.2 Other Important Information

-None-

5.3 Legal Dispute

-None-

Part 2

Corporate Governance

6. Corporate Governance Policy

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

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

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

Principle 1 Establish Clear Leadership Role and Responsibilities of the Board

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

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

Matters that the Board of Directors should perform include:

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

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

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

Matters that the Board of Directors should not do include:

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

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

Principle 2 Define Objectives that Promote Sustainable Value Creation

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

Principle 3 Strengthen Board Effectiveness

Structure of the Board of Directors

The Board of Directors consists of diverse directors in both sex and knowledge, competency, and business experience that are beneficial to the Company. The Company's Board of Directors is appointed by the general meeting of shareholders. The Company regulates that at least one-third of the Board, but not fewer than 3 persons, is to be Independent Directors representing the minority of shareholders. They have to check and balance the Company's administration of the affairs to provide the best, fairest and most accurate interest to the shareholders. At present, the Board of Directors has a total of 6 directors, three of whom are Independent Directors, one serving as the Chairperson of the Audit Committee (female) and 2 members of the Audit Committee (male). The Chairperson of the Audit Committee has sufficient knowledge in accounting to be able to audit and ensure the reliability of financial statements.

The Company is composed of an Executive Committee, which is the Chief Executive Officer (CEO), and 5 Non-Executive Directors, most of whom have prior experience related to the Company's main business, the industrial sector, or the management of a large organization beneficial to the directing of the Company.

Independence of the Chairperson of the Board

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

Scopes of Power for the Chairperson of the Board

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

Scopes of Power for the Chief Executive Officer

1. Manage and supervise the operation relating to the Company's general affairs to accord with the objectives, policy, rules and regulations of the Company.
2. Plan about the investment in businesses and propose to the Executive Committee and the Board of Directors for any further approval.
3. Have the power to enter into the agreements to bind the Company under the scopes as stipulated in the policy and operation guidelines of the Company with respect to the power of approval.
4. Perform any operation as assigned by the resolutions of the Board meeting and/or the resolutions of the shareholder's meeting.

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

Directorship in Other Companies of the Directors

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

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

Sub-Committees

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

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

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

The Board of Directors' Meeting

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

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

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

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

Directors' Remuneration

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

Board of Directors and Executives' Development

For any change in the Board of Directors, the Company Secretary will provide useful documents to the new members, as well as arrange for advice on the business type and model to be given to the new Board of Directors.

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

Assessment of the Board's Performance

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

Assessment of the Sub-Committees's Performance

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

Principle 4 Ensure Effective CEO and People Management

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

Assessment of the Chief Executive Officer

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

Executive Remuneration

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

Succession Planning

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

Personnel Management

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

Principle 5 Nurture Innovation and Responsible Business

Business Code of Conduct

The Company has written a guidelines on the business code of conduct for the Board of Directors, Executives and all Employees to observe. Its key issues are the discretion of the Company's confidentiality, honest and law-abiding operations, respect of the legitimate rights of each other and caution of the resources, both internal and external environment. This important focus of ethics in business will bring integrity in performances and the efficiency of an internal control, resulting in faith in capital markets and confidence to establish credibility with investors.

The Company has publicized the business codes of conduct through several channels and assigned all the heads to monitor and observe an implementation of the business codes of conduct, including suggestions and consultations in the event of the arising problems beyond the stipulated business codes of conduct. Those suggestions

must comply with the law without any conflict against the Company's policy or business codes of conduct. Besides, they must not damage the Company's image and other relevant stakeholders.

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

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

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

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

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

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

Human Rights

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

Intellectual Property or Copyright

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

Principle 6 Strengthen Effective Risk Management and Internal Control

Risk Management

Regarded as a small-sized company, the risk management committee is not yet formed. As the Company has realized the importance of risk management, the sufficient risk management system is then created by the Board of Directors through a working group of risk management consisting of Executives of each division. They need to take charge of risk assessment, plan and creation of risk management measures, risk assessment which might put an impact on the Company's business, and monitoring activities of risk management performed by other internal divisions. They are also required to report to the Board of Directors and Audit Committee. Indeed, risk management is the responsibility of all Executives including the installation of risk management as a part of the performance.

Internal Control and Internal Audit

The Company has placed much importance on internal control system so that all the management and the performance level will be effective. The duties and authority of Executives and performers are defined clearly in writing. The Company's resources are controlled to be used efficiently for maximum benefits, restructuring is formed to segregate duties with checks and balances so as to give the investors' confidence that the Company operates efficiently and to increase the credibility of the financial budget.

Moreover, the Company has set up an internal audit division, under the Audit Committee and appointed the person who has thorough training from the Institute of Internal Auditors of Thailand to be responsible. The duty is to independently audit and evaluate according to the annual audit plan of the internal audit division and directly report to the Audit Committee at least once every three months.

Conflicts of Interest

The Company's policy on conflict of interest is based on a principle that the Board and all employees are required to act only in the best interest of the Company. Any actions or decisions must be free from influences of the needs of themselves, their family, relatives, siblings, or other parties of their own acquaintances. The policy covers two following issues:

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

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

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

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

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

Control of the Use of Insider Trading in Securities

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

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

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

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

Anti-Corruption

The Company renewed its participation in the Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) on August 4, 2017. because the Company has realized that this is very important. The Board of Directors has also jointly consider policies against corruption. The practical guide for good corporate governance and code of conduct has been written for the Board of Directors, Executive team and all employees to adhere to the practice. The Company prohibit the Board of Directors, Executive team and employees of the Company to perform any activities related to corruption and corrupt for direct or indirect benefits for themselves, their families, friends or acquaintances, whether they be in a position to receive or offer bribes in terms of monetary or non-monetary form to the government agency or private company that has been doing business with the Company. Everybody needs to comply with the anti-corruption policies and corrupt strictly.

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

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

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

Principle 7 Ensure Disclosure and Financial Integrity

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

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

Principle 8 Ensure Engagement and Communication with Shareholders

The Rights of the Shareholders

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

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

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

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

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

The Equal Treatment of the Shareholders

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

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

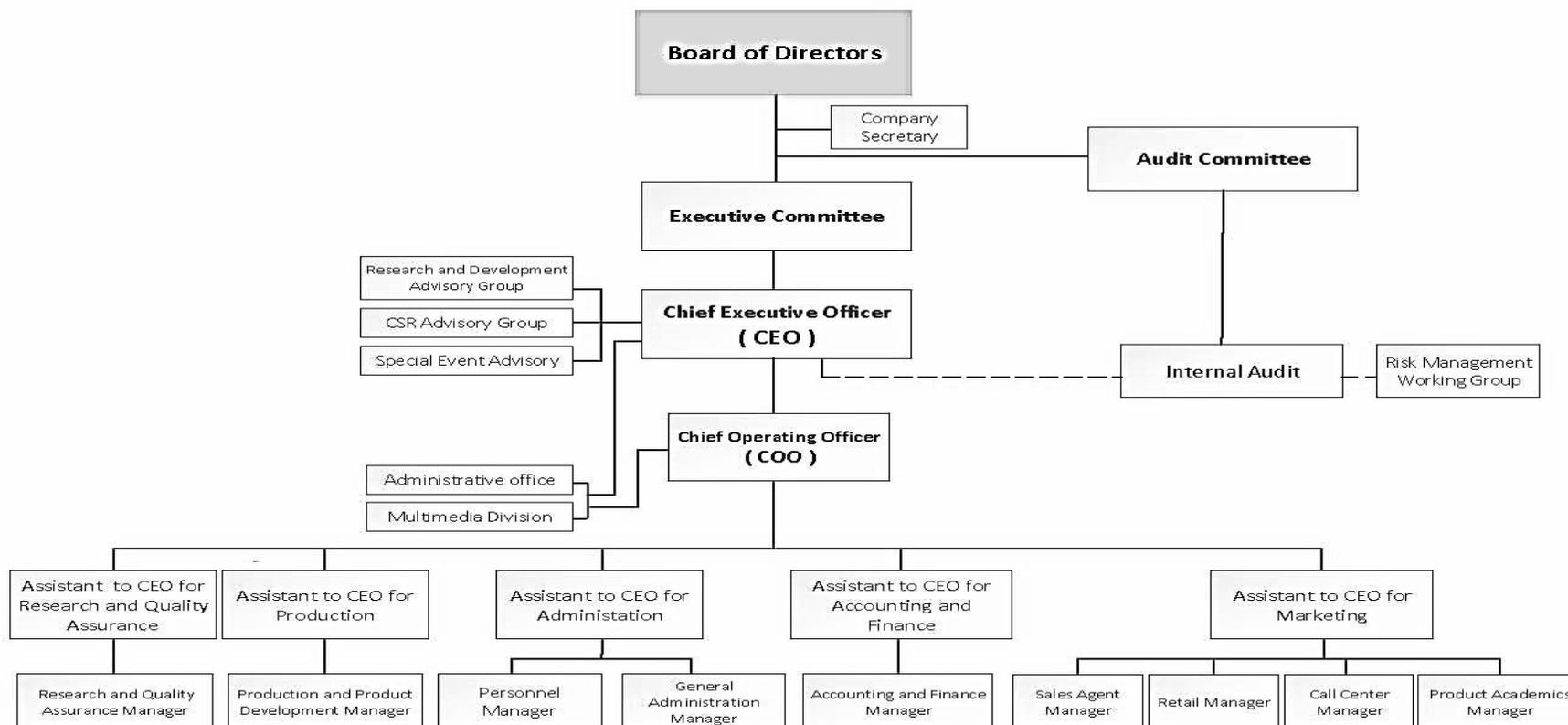
Strict and consistent implementation of the good corporate governance policy resulted in the year 2020, where the Company received awards and passed various assessments as follows:

- Thailand's SMEs Reputation Awards 2019 from the Faculty of Communication Arts, Chulalongkorn University
- The Corporate Governance Report of Thai Listed Companies (CGR) for the year 2020 from the Thai Institute of Directors Association (IOD) with an overall score of 84.
- The quality assessment of the 2020 Annual General Meeting of Shareholders (AGM Checklist) by the Thai Investors Association, with an overall score of 97.

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

7.1 Corporate Governance Structure

As of December 31, 2020



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

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

7.2 Board Information

Board of Directors

As of December 31, 2020, the Company has 6 directors, consisting of

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

These consist of 3 Independent Directors who hold the position of Audit Committee, representing 50% of the total number of directors, which is more than one-third of the total number of directors in accordance with the regulations of the Securities and Exchange Commission (SEC) and good corporate governance principles

- One Executive Director as Chief Executive Officer (16.67% of the total number of directors)

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

- Diversity of gender

	Director	Audit Committee	Total	%
Male	2	2	4	66.67
Female	1	1	2	33.33

- Diversity of expertise and experiences

	Ms. Maleeratha Plumchitchom	Prof. Dr.Pichaet Wiriyachitra	Dr.Jingjai Hanchanlath	Assoc. Prof.Arunee Wiriyachitra	Assoc. Prof. Dr.Yarakorn Samakoses	Prof. Dr.Praipol Koomsup
Science / Chemistry		✓				
Accounting / Finance / Business Administration	✓		✓		✓	✓
Economics					✓	✓
Law / Political Science			✓			
Humanities				✓		
Strategy and Business Plan	✓	✓	✓	✓	✓	✓

	Ms. Maleeratna Plumchitchom	Prof. Dr.PichaetWiryachitra	Dr.Jingjai Hanchanlash	Assoc. Prof.Aruneee Wiryachitra	Assoc. Prof. Dr.Varakorn Samakoses	Prof. Dr.Praipol Koomsup
Corporate Governance	✓	✓	✓	✓	✓	✓
Audit	✓				✓	✓
Internal control	✓	✓	✓	✓	✓	✓
Risk Management	✓	✓	✓	✓	✓	✓
Human Resource Development	✓	✓	✓	✓	✓	✓
Innovation		✓				

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

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

Assoc.Prof. Aruneee Wiryachitra and Mr.Jutirat Promchotchai serve as Company Secretary.

The director who has authorities to sign for the Company are

(1) Mr.Pichaet Wiryachitra or Ms.Aruneee Wiryachitra signs jointly with Mr.Jingjai Hanchanlash with the Company's seal affixed

(2) Mr.Pichaet Wiryachitra or Ms.Aruneee Wiryachitra or Mr.Jingjai Hanchanlash signs with the Company's seal affixed only when requests or contacts with the government agencies or state enterprises to obtain the license, certificate and rights, as well as doing business with private companies for normal transactions of the Company and authentication of documents and / or copies of company documents.

Scope of Duties and Responsibilities of the Board of Directors

The Board of Directors hold the authority and responsibility to manage the Company in accordance with the law. The duties and responsibilities can be concluded as follows;

1. Arrange the annual shareholders' meeting within 4 months after the end of the Company's accounting period.
2. Arrange the Board of Directors meeting at least once every three months

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

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

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

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

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

Authority of Board of Directors

1. Approve the annual budget and the Company's business plan.
2. Approve the obligations regarding the Company's financial burdens such as loan agreements or guarantee.
3. Approve the investment project in a large-scale business.
4. Approve an establishment of the new company
5. Approve the purchase or sales of company's assets based on the regulations of the Stock Exchange of Thailand.
6. Approve the Company's transactions based on the regulations of the Stock Exchange of Thailand.

7. Approve the policy to increase the payment and annual bonus rates.
8. Approve the Company's financial sheets.
9. Approve the appointment of Sub-Committees.
10. Approve the new Board of Directors to substitute for those periodically retired.

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

Appointment and term of the Board of Directors.

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

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

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

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

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

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

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

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

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

Term of Office of Independent Directors

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

7.3 Sub-Committees Information

The Company's Sub-Committees consist of

1. Audit Committee

As of December 31, 2020, the Company has 3 Audit Committee members consisting of Independent Directors as follows:

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

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

Scope of Duties and Responsibilities of Audit Committee

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

1. Ensure that the Company has an adequately accurate and transparent financial statement by coordinating with external auditors and Executives responsible for preparing quarterly and annual financial reports. The Audit Committee may recommend auditors to review or check any items as seen necessary for the Company's auditing;
2. Ensure that the Company has an internal control and an internal audit system that is appropriate and effective;
3. Monitor the Company's compliance with existing laws and regulations governing the operation of public companies, e.g. Securities Act and Stock Exchange's regulations and other relevant commercial laws;
4. Screen, select and nominate an auditor for the Company. Propose auditing fees after considering the reliability, resource sufficiency, the amount of existing auditing work of an auditing company as well as the experiences of an appointed auditor;
5. Review the disclosure of information in case there are connected transactions or any other transactions that may be the cause of conflict of interest to ensure the accuracy and completion. Also, approve such transactions before presenting them to the Board of Directors and shareholder of the Company;
6. Review the Company's policies of financial management and risk management according to the approval of Board of Directors and Audit Committee;
7. Prepare a report on the Audit Committee's affairs as part of the Company's Annual Report, certified and signed by the Chairperson;
8. Perform and carry out any other duties and tasks as assigned by the Audit Committee.
9. Report to the Board of Directors when finding out or suspecting any of the following items or actions that could have an impact on the Company's financial standing and operation results:
 - A. Items containing a conflict of interest
 - B. Corruption or irregularity or any significant defect of internal control
 - C. Violation of laws and regulations of the Securities Act, the Stock Exchange and other relevant commercial laws.

Term of office of the Audit Committee

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

2. Executive Committee

As of February 22, 2021, the Company has 4 Executive Committee as follows:

First-Last Name	Title
1. Prof. Dr.Pichaet Wiriyachitra	Chairman of the Executive Committee and Chief Executive Officer
2. Dr.Jingjai Hanchanlash	Executive Committee
3. Assoc. Prof.Arunee Wiriyachitra	Executive Committee
4. Mr.Sakda Sreesangkom	Executive Committee

Scope of Duties and Responsibilities of Executive Committee

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

1. Ensure that the Company operates and manages the business in compliance with the objectives, regulations, policies, orders, and resolutions of the Board of Directors and/or shareholders in all aspects.
2. Set the Company policies, strategies goals, company directions, budget plans, human resource management, investment plans, and public relations in compliance with the Board's approval. Control and supervise the appointed operation team to achieve the Company's goals.
3. Prepare annual budgets proposed by the management team and present them to the Board of Directors for consideration and approval. Furthermore, consider and approve changes and increases in annual budgets when there is no Board meeting and present them to the Board of Directors in the next meeting for approval or oath.
4. Set the organization's structure and administrative power including appointment, employment, transfer, salary structure, remuneration, bonus payment policy for directors and layoff.
5. Have a power to authorize one or more committees or any other person to operate one or more task under the supervision of the Board of Directors. Or they may delegate their authority to such a person with power in a period of time as seen appropriate. The Board has a right to revoke, withdraw or change such a person or authority at any time when appropriate. However, they will not authorize any person who may have conflicts of interest in the operation.
6. Have the authority to approve the following financial transactions:
 - A. Approval of reimbursement for normal operation expenses and procurement of properties or other services that benefit the Company in the amount of not exceeding 30 Million Baht per time, not more than 100 Million Baht per quarter. If the budget exceeds this amount, permission needs to be given by the Board of Directors.
 - B. Approval of loan or open credit of the Company, including requests for bank guarantee statements for both normal business conditions and investment expenditures such as investment or property trades

and loans to subsidiaries with the amount of not exceeding 20 Million Baht per time and not more than 40 Million per quarter. Permission is required from the Board of Directors if the amount exceeds 40 Million Baht.

- C. Approval of ordinary sales or services of the Company such as products sales approval and approval of contract of ordinary business operations. The amount of each transaction is not over 50 Million Baht, not over 400 Million Baht per quarter. Permission is required from the Board of Directors if the amount exceeds 40 Million Baht.
- D. Approval to pledge or mortgage the Company's assets as collateral to the Company's existing or future debt. The amount is not over 20 Million Baht per time, not over 40 Million Baht per quarter. Permission is required from the Board of Directors if the amount exceeds 40 Million Baht.
- E. Approval of opening and closing all types of accounts with banks or financial institutions with a right to set conditions of the withdrawal or other relevant legal transactions of such account.
- F. Approval of significant capital expenditures in the annual budget expenditure as specified by the Board of Directors or by the principles approved by the Board of Directors or by the temporary appointment of the Board of Directors.

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

Term of Office of Executive Directors

According to the term of office of director.

7.4 Management Information

Management Team

As of December 31, 2020, the Company has 7 Executives according to the definition of the Securities and Exchange Commission as follows:

First-Last Name	Title
1. Prof. Dr.Pichaet Wiryachitra	Chief Executive Officer
2. Mr. Sakda Sreesangkom*	Chief Operating Officer
3. Mrs. Jannatthabhorn Janprasert	Assistant to Chief Executive Officer for Production
4. Ms. Sureeporn Teeyaprechaya	Assistant to Chief Executive Officer for Management
5. Mrs. Apinya Ulumpanon	Assistant to Chief Executive Officer for Accounting and Finance
6. Mrs. Sirithip Wiryachitra	Assistant to Chief Executive Officer for Research and Quality Assurance
7. Ms. Ornpimol Prasertwit	Assistant to Chief Executive Officer for Marketing

* Appointed on March 1, 2020

Scope of Duties and Responsibilities of Chief Executive Officer

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

In this regard, the Chief Executive Officer has no authority to consider or approve transactions from which he/she gains or loses profits or transactions that have a conflict of interest with other companies or subsidiaries unless those transactions are approved and comply with the policies and regulations mutually agreed by the Board of Directors and shareholders as well as the law. However, the Chief Executive Officer's decision can be cancelled, revoked or amended through the agreement of the Board of Directors.

Remuneration policy for the Executive Committees and top management

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

Remuneration for the Executive Committees and management team

	2020	2019	2018
Number of Management Team	8 persons	7 persons	7 persons
Total remuneration (Baht)	18,246,852	17,086,174	15,674,163
Form of Compensation	Salaries and Bonuses		

Additional Compensation

The Company has established the Retirement Mutual Fund for management team which requires each member to contribute at the rate of 3 percent of their salaries. In 2020, the Company has made contributions to the provident fund for the Executives totaling 459,924 baht.

7.5 Employees Information

Number of Employees

The Company's employees can be classified as follows.

No.	Main Departments	Number of Employee (person) on December 31, 2020
1.	Production and Product Development	34
2.	Sales and Marketing	38
3.	Office Administration	23
4.	Account and Finance	12
5.	Research and Development	3
Total		110

Employee Remuneration

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

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

	2020	2019	2018
Number of employees (Person)	110	114	123
Remuneration (Baht)*	36,061,497	35,943,543	35,554,686

* excluding the remuneration paid to the Executives

Provident Fund

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

	2020	2019	2018
Number of employees participating in the provident fund (person) *	76	82	86
The proportion of employees participating in the provident fund / Total Employees	69.09%	71.93%	71.07%

* Provident fund members give the right to only monthly employees.

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

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

-None-

Significant labor disputes over the past 3 years

-None-

Policy on employee training and development

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

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

Developing the Company's key potential whereas all employees are educated about its core businesses, acknowledgement of the targets and goals, and awareness of the Company's changes as well as adjustment for the future change

Developing the employee's efficacy for better knowledge and expertise by allowing them to take courses relating to their duties in order to master their work skills while providing useful books and reading materials to help promote their knowledge

Developing the leadership especially the departmental heads and other higher positions to lead the roles and teamwork to prepare for the business targets and changes

In 2020, the Employees of Asian Phytochemicals Public Co., Ltd. have attended training courses such as:

- Boiler or boiler used liquid as a heat medium.
- Reducing losses with increasing work efficiency
- Financial statements for management purposes.

- Updating accounting and auditing standards and adaptation of accountants and auditors in the Covid 19.
- Summarizing of the Financial Reporting Standard in the performance of listed companies and the difference from the Financial Reporting Standard No. 3, Business Combination, revised 2020.
- Preparing for changing of the Financial Reporting Standard
- Google Ads. & Analytics
- Greenhouse Gas Reduction Policy: Opportunities, Challenges, and Assessment Methods

7.6 Other Important Information

Advisory Group

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

Advisory Group for Research and Development consists of

1. Assoc. Prof. Dr.Ampai Panthong
2. Assoc. Prof. Dr.Souwaluk Phongpaichit
3. Assoc. Prof. Dr.Wilawan Mahabusarakam
4. Assoc. Prof. Dr.Siriwan Ong-chai
5. Assoc. Prof. Dr.Preeya Leelahagul

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

Advisory Group for CSR (Corporate Social Responsibility) consists of

1. Assoc. Prof.Arunee Wiryachitra
2. Dr.Jingjai Hanchanlash
3. Mr.Sakda Sreesangkom

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

and Advisor for Special Events consists of

1. Miss Natchapat Tantiwivat

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

Company Secretary

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

Chief Financial Officer and Accounting and Finance Manager

The Board of Directors has resolved to appoint Mrs. Apinya Ulumpanont as Chief Financial Officer and Ms.Jareerat Jintana as Accounting and Finance Manager from November 11, 2011. Details of the person holding the position of Chief Financial Officer and Accounting and Finance Manager appears in Attachment 1.

Chief Audit Executive

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

Head of Compliance Department

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

Investor Relations Supervisor

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

The Auditors' Remuneration

1. Audit fee: In the fiscal year 2020, the Company paid audit fees to

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

2. Non-audit fee

-None-

8. Performance of Corporate Governance Report

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

8.1.1 Recruiting, Developing, and Evaluating Board Performance

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

Factors and appointment of the Board of Directors

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

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

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

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

Factors and appointment of Independent Directors

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

Qualifications of Independent Directors

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

The business relationship above includes normal transactions of business, rent or lease of real property, transactions related to assets or services, or a provision or receipt of financial assistance by receiving or granting a loan, guarantee, allowing the use of an asset as collateral for a debt, including other similar acts that result in the Company or its party being liable to the other party from three percent of a tangible asset or 20 Million Baht, whichever is smaller. The calculation of such obligation shall comply, mutatis mutandis, with the method used in the calculation of connected transactions under the Office of the Securities and Exchange Commission's Notification Re: Information Disclosure and Practices of Listed Companies on Connected Transactions. The amount of the obligation shall include the amount incurred one year prior to the date of business relationship with the same person.

5. Not or never being an auditor of the Company, a subsidiary or associated company thereof, or a juristic person with a potential conflict of interest and not being a major shareholder, Non-Independent Director or managing partner of an audit firm which has its auditor as an auditor of the Company, a subsidiary or associated company thereof, or a juristic person with a potential conflict of interest, except that such characteristics have lapsed for at least two years.
6. Not or never being a provider of any professional service including legal service or financial advisor service with a service fee amounting to over two Million Baht per year from the Company, a subsidiary or associated company thereof, or a juristic person with a potential conflict of interest. In case the professional service provider is a juristic person, a major shareholder, Non-Independent Director, Executive, or managing partner of the professional service provider is included, except that such characteristics have lapsed for at least two years prior to the appointment.
7. Not being appointed to represent a director, major shareholder or related person of a major shareholder of the Company such as having a shareholders agreement on the election of the directors to represent and look after the benefit of a particular group of shareholders.

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

Factors and appointment of Audit Committee

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

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

8.1.2 Meeting attendance and remuneration for individual directors

In the year 2020, details of the Board of Directors' meetings and the number of directors' meetings attendance will be 100 percent of the whole meeting as follows:

First-Last Name	Title	Record of Meeting Attendance (Times)	
		AGM	Board of Directors
1. Ms. Maleeratna Plumchitchom	Independent Director / Chairperson of the Board / Chairperson of the Audit Committee	1/1	5/5
2. Prof. Dr.Pichaet Wiriyachitra	Director / Chairman of the Executive Committee / CEO	1/1	5/5
3. Dr.Jingjai Hanchanlash	Director / Executive Committee	1/1	5/5
4. Assoc. Prof. Arunee Wiriyachitra	Director / Executive Committee	1/1	5/5
5. Assoc. Prof. Dr.Varakorn Samakoses	Independent Director / Audit Committee	1/1	5/5
6. Prof. Dr.Praipol Koomsup	Independent Director / Audit Committee	1/1	5/5

Directors' Remuneration

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

(1) Monetary Remuneration

The 2020 annual general meeting of shareholders which was held on August 4, 2020 has specified the remuneration for Board members, Audit Committee and Executive Committee in the form of Board meeting allowance and Independent Directors' bonus as displayed in the following table.

Title	Meeting Allowance
<i>The Board of Directors meeting</i>	
Chairperson of the Board	20,000 Baht/time
Director	15,000 Baht/time
<i>Audit Committee meeting</i>	
Chairperson of the Audit Committee	20,000 Baht/time
Audit Committee	15,000 Baht/time
<i>Executive Committee meeting</i>	
Executive Committee	12,000 Baht/time

Note : Any Board member who is also in the position of an Executive will not receive Board meeting pension since he or she already receives remuneration as an Executive.

The bonus of the Independent Directors for the year 2019 which is the bonus from the revenue from sales of 2018 is at the rate of 0.125 percent. The said bonus shall be averaged by the number of the Independent Directors.

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

First-Last Name	2020				
	Meeting Allowance as Company's Board	Meeting Allowance as Audit Committee	Meeting Allowance as Executive Committee	Annual Independent Directors' bonus	Total (Baht)
1. Ms. Maleeratna Plumchitchom ^{/1, /2, /4}	100,000	80,000	-	103,189	283,189
2. Prof. Dr.Pichaet Wiriyachitra	-	-	-	-	-
3. Dr.Jingjai Hanchanlash ^{/3}	75,000	-	12,000	-	87,000
4. Assoc. Prof.Arunee Wiriyachitra	-	-	-	-	-
5. Assoc. Dr.Varakorn Samakoses ^{/4}	75,000	60,000	-	103,189	238,189
6. Prof. Dr.Praipol Koomsup ^{/4}	75,000	60,000	-	103,189	238,189

Note : ^{/1} Chairperson of the Board

^{/2} Chairperson of the Audit Committee

^{/3} Executive Committee

^{/4} 2020 Bonus for the Board is paid to the Independent Directors, calculated from the 2019 sales

(2) Additional Remuneration

-None-

8.1.3 Supervision of Subsidiaries and Associated Companies

Policy on Supervision of Operations of Subsidiaries and Associated Companies

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

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

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

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

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

Code of conduct according to CG Code	Performance in the past year
1. Reviewing the vision, mission, goals in business operations	In 2020, the Board of Directors has jointly revised the Company's vision, mission, business goals as disclosed in the topic "Vision, Objectives, and Operating Objectives of the Company as a whole".
2. Directorship in other companies of the directors	In 2020, none of the 6 directors of the Company holds director positions in more than 3 listed companies, or more than 5 listed companies and non-listed subsidiaries.
3. Board meeting	In 2020, there were a total of 5 Board of Directors meetings, 4 Audit Committee meetings, with an attendance rate of both individual directors at 100 percent of the entire meeting of the year.
4. Director development	Currently, there are company directors who have attended training courses related to their roles and duties. Organized by the Thai Institute of Directors Association (IOD),

	<p>especially the Director Certificate Program (DAP) and the Director Accreditation Program (DCP), totaling 4 and 3 persons, respectively, from a total of 6 directors and in 2020 the directors shared their knowledge by being a lecturer who provides knowledge in various courses as follows:</p> <ul style="list-style-type: none"> ● Connecting ASEAN in the Thai context ● Corporate Governance Course, Class 22 "Good Corporate Governance for the Private Sector in Thailand" ● GMS (Greater Mekong Subregional Economic Cooperation) ● Conflict Management Process in the present Thai society ● The process of developing the thinking skills of young leaders. ● Public Economy Administration for Executives King Prajadhipok's Institute
5. Performance evaluation of the Board of Directors	Board of Directors' performance assessment for the Year 2020 was assessed by self-assessment 6 out of 6 directors have overall average score of 3.78% (good-excellent).
6. Performance evaluation of the Sub-committees	By self-assessment of the Audit Committee, the overall average score is 3.68% (good – excellent) and the self-assessment of the Executive Committee totaling 3 out of 3 persons (not including 1 new person) with the overall average score of 3.89% (good – excellent)
7. Performance evaluation of the top management	Annual performance assessment results in 2020 of Chief Executive Officer by the assessment of the Board of Directors has overall average score of 3.73% (good – excellent)
8. Important disclosures	<p>In 2020, Chief Executive Officer including the investor relations section have disclosed both financial reports and general information accurately, completely, transparently, and on time through the following channels:</p> <ul style="list-style-type: none"> ● The Stock Exchange of Thailand, 18 times. ● Newsletters to shareholders 26 times. ● Meeting with Investors Opportunity day 1 time. ● The analyst meeting 1 time. ● Mass media, newspaper, magazine, journal, television. ● The Company's website (www.apco.co.th) and various social media.

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

(1) Prevention of Conflicts of Interest

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

In the past year, the Company has investigated cases that may cause conflicts of interest and no transactions that may cause a conflict of interest were found.

(2) Using inside information for profit

The Company has established a policy to govern the use of inside information for benefits to prevent the use of the information for the trading of the Company's securities. In this way, the Board of Directors and the Executives, including the departments involved with important information, do not trade in the Company's securities during one month before the financial statements or inside information are disclosed to the public and requiring Directors and Executives to notify the Company at least 1 day before trading securities. In addition, the Board of Directors and the Executives are required to report changes in their securities holding to the Securities and Exchange Commission in accordance with Section 59 of the Securities and Exchange Act B.E. 2535 within 3 business days from the date of change holding of securities and to notify the Company secretary in order to record the changes and summarize the number of securities of individual Directors and Executives to present to the Board of Directors in the next meeting.

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

Possessions of securities owned by Board of Directors and Executive Committee

First-Last Name	Title	Balance as of		Increase (Decrease) during the year
		Jan.1, 2020	Dec. 31, 2020	
1. Ms. Maleeratna Plumchitchom	Independent Director / Chairperson of the Board / Chairperson of the Audit Committee	-	-	-
2. Prof. Dr.Pichaet Wiriyachitra	Director / Chairman of the Executive Committee / CEO	295,153,000	295,560,500	407,500
3. Dr.Jingjai Hanchanlash - Spouse	Director / Executive Committee	5,212,187 12,818,169	5,212,187 12,818,169	- -
4. Assoc. Prof. Arunee Wiriyachitra	Director / Executive Committee	92,204,144	92,204,144	-
5. Assoc. Prof. Dr.Varakorn Samakoses - Spouse	Independent Director / Audit Committee	- 29,754	- 29,754	- -
6. Prof. Dr.Praipol Koomsup	Independent Director / Audit Committee	-	-	-
7. Mr. Sakda Sreesangkom	Chief Operating Officer	-	8,000,000	8,000,000
8. Ms. Jannatthabhorn Janprasert	Assistant to Chief Executive Officer for Production	219,561	219,561	-
9. Ms. Sirithip Wiriyachitra	Assistant to Chief Executive Officer for Research and Quality Assurance	217,695	217,695	-
10. Ms. Sureeporn Teeyaprechaya	Assistant to Chief Executive Officer for Management	325,243	325,243	-
11. Ms. Apinya Ulumpanon	Assistant to Chief Executive Officer for Accounting and Finance	400,963	400,963	-
12. Ms. Ornpimol Prasertwit	Assistant to Chief Executive Officer for Marketing	260,194	260,194	-

(3) Anti-corruption

The Company renewed its participation in anti-corruption project, the Collective Anti-Corruption (CAC) project on August 4, 2017.

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

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

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

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

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

(4) Whistleblowing

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

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

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

In the year 2020, details of the Audit Committee meetings and the number of their attendance are as follows:

First-Last Name	Title	Record of Meeting Attendance (Times)
1. Ms. Maleeratna Plumchitchom	Chairperson of the Audit Committee / Independent Director	4/4
2. Assoc. Prof. Dr.Varakorn Samakoses	Audit Committee / Independent Director	4/4
3. Prof. Dr.Praipol Koomsup	Audit Committee / Independent Director	4/4

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

1. The Audit Committee has oversight of the internal audit department. This covers the main mission, scope of work, scope of duties and responsibilities, independence in performing audit work. By reviewing and approving the 2020 internal audit plan prepared in accordance with the Company's risk assessment. There is an opinion that the performance of the Company's internal audit department is independent, suitable, adequate, and effective.

2. The Audit Committee has approved the quarterly and annual financial statements for the year 2020 which have been reviewed and audited by the auditor, before presenting to the Board of Directors for approval. The auditors and management were inquired about the accuracy, completeness of the financial statements, the adequacy of disclosures, as well as the exercise of their discretion in preparing the financial reports. There is an opinion that the Company's financial reporting process has adequate control, to ensure that the Company's financial reports are correct in accordance with accounting standards and adequate disclosure of information.

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

4. The Audit Committee has considered proposals to appoint an auditor, including the determination of the audit fee for the year 2020, by considering its performance and independence. With a resolution to propose to the Board of Directors to seek approval from the shareholders' meeting to appoint an auditor from AST Master Co., Ltd. to be the auditor for the year 2020 for another term including the determination of the audit fee.

8.3 Report on the performance of duties of other committees

In the year 2020, details of the Executive Committee meetings and the number of attendance are as follows:

First-Last Name	Title	Record of Meeting Attendance (Times)
1. Prof. Dr.Pichaet Wiriyachitra	Chairman of Executive Committee / Chief Executive Officer	3/3
2. Dr.Jingjai Hanchanlash	Executive Committee	3/3
3. Assoc. Prof. Arunee Wiriyachitra	Executive Committee	3/3

The Executive Committee holds 3 meetings and reports the operations to the Board of Directors every quarter. Important operations have been undertaken, such as considering a joint venture of Apco China Co., Ltd. to expand its distribution channels abroad and Hisold Digital Co., Ltd. to expand distribution channels through digital media with an investment proportion of 49.99 percent.

9. Internal Control and Related Transactions

9.1 Internal Control

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

9.1.1 Sufficiency Assessment of Internal Control System by the Board of Directors

In the Board of Directors' Meeting No. 1/2021 on February 22, 2021, with the Board of Directors, 3 Independent Directors and Audit Committee also attended the meeting convened and assessed the availability and appropriateness of the Company's internal control in accordance with the Assessment of the adequacy of the internal control system, which developed by the Securities and Exchange Commission (SEC) in accordance with the COSO 2013 Framework Guidelines while discussing about proper actions of a good internal control system. The assessment of its internal control system consists of five components which include control environment, risk assessment, control activities, information and communication, and monitoring activities. They all agreed that the Company's internal control system was sufficient and appropriate, able to protect company assets from improper or powerless use by Directors or Executives and no report of faults relating to the major internal control was found. The Company has set up the internal audit section to assess the Company freely and present the result directly to the Audit Committee and assist the Audit Committee to perform its task effectively. The assessment conducted by the outside independent experts subject to the standard performance will be conducted later when necessary. However, the Audit Committee put an emphasis on strict operations under the Company's corporate governance to promote its performance with transparency and efficiency.

9.1.2 Internal Audit Policy

The Company has its own policy to conduct the internal control under the international standards for internal audit. Therefore, it appointed Ms.Jutirat Promchotchai, as the Company's internal auditor and as the secretary to the Audit Committee because Ms.Jutirat Phromchotchai is an experienced internal audit and has received training in courses related to the internal audit operations such as the Certified Professional Internal Audit of Thailand (CPIAT) and courses organized by other departments as well as being a person with knowledge and understanding of the activities and operations of the Company. The results of internal audit will be presented to the Audit Committee at least every three months. In this regard, the internal auditor will conduct the risk assessment and prepare the internal audit plan each year, perform the audit and monitor the results of system improvement, and directly report to the Audit Committee at least every quarter. The main objective is to assess the efficiency and sufficiency of the internal control system, operation, implementation of policy and relevant operational guidelines, and reliability of the Company's financial statements. The

internal auditor has audited the Company's performance and given some suggestions to improve the work performance whereas the Executives always pay their attention and conduct an improvement as recommended by the internal auditor.

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

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

Relevant Person(s) or Juristic Person(s) and Relationships	Description	Transaction Value (Baht)			Balance (Baht)			Necessity and Reasonability	Auditor Committee's Opinion
		2020	2019	2018	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018		
Arun Pittaya Co.,Ltd. <u>Relationship</u> Board members and shareholders; Mr.Pichaet Wiriyachitra and Ms.Arune Wiriyachitra hold 64.63% of shares in APCO and 100% of shares in Arun Pittaya Co.,Ltd.	Royalty fee for research and product development /Payable	6,438,941	5,873,388	8,437,861	693,075	612,742	743,765	Such remuneration is for the research and product development (not the copyright fees) for the products made from mangosteen and Garcinia developed by Dr.Pichaet Wiriyachitra on behalf of Arun Pittaya Co.,Ltd., which has developed these products from the past to present and to the future. The Company agreed to pay remuneration for the research and development in percentage 5% from sales volumes made from the factory, and 2% from sales volumes of branch offices.	Such transaction is reasonable for Mr.Pichaet Wiriyachitra, who does research and develop the products for the Company.
	Rental fee	420,000	420,000	420,000	-	-	-	The transaction is for the rental fee of Chiang Mai Branch Office at the rate of 35,000 Baht per month. The lease contract is 1 year term, starting from July 1, 2020 – June 30, 2021. The rate has been the same rate since the year 2011, with no addition of rental fee.	The transaction is reasonable and it is the same rate.

Relevant Person(s) or Juristic Person(s) and Relationships	Description	Transaction Value (Baht)			Balance (Baht)			Necessity and Reasonability	Auditor Committee's Opinion
		2020	2019	2018	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018		
Juristic Body Ms.Arunee Wiriyachitra And Ms.Wipa Wittayaverroj <u>Relationship</u> Board Members and Shareholders; (Totally shareholding 15.47%)	Rental fee	156,000	156,000	156,000	-	-	-	The transaction is for the rental fee of Surat Thani Branch Office at the rate of 13,000 Baht per month. The lease contract is 1 year term, starting from July 1, 2020 – June 30, 2021. The rate has been the same rate since the year 2011, with no addition of rental fee.	The transaction is reasonable and it is the same rate.
Bim Health Center Co.,Ltd. <u>Relationship</u> An associate company; APCO holds 49.99% of shares in this company.	Rental fee	4,231,348	2,529,319	4,399,502	659,470	248,775	1,231,537	This transaction is another distribution channel for the Company whereby the Company can distribute the product at the market price equivalent to the outsiders. APCO Charges Management Fee from Bim Health Center Co., Ltd.	The transaction is normal. The transaction is normal.
	Product Sales/ Receivable								
	Other Income / Other Receivables	18,387	216,943	201,064	-	55,525	51,479		

Relevant Person(s) or Juristic Person(s) and Relationships	Description	Transaction Value (Baht)			Balance (Baht)			Necessity and Reasonability	Auditor Committee's Opinion
		2020	2019	2018	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018		
<p>Hisold Digital Co.,Ltd.</p> <p><u>Relationship</u></p> <p>An associate company; APCO holds 49.99% of shares in this company.</p>	Rental fee	889,570	-	-	951,840	-	-	This transaction is another distribution channel for the Company whereby the Company can distribute the product at the market price equivalent to the outsiders.	The transaction is normal.
	Product Sales/ Receivable								
	Other Income / Other Receivables	550,460	-	-	550,460	-	-	APCO Charges Management Fee from Hisold Digital Co., Ltd.	The transaction is normal.
<p>APCO China Co.,Ltd.</p> <p><u>Relationship</u></p> <p>An associate company; APCO holds 49.99% of shares in this company.</p>	Rental fee	-	-	-	-	-	-	This transaction is another distribution channel for the Company whereby the Company can distribute the product at the market price equivalent to the outsiders.	The transaction is normal.
	Product Sales/ Receivable								
	Other Income / Other Receivables	142,100	-	-	-	142,100	-	APCO Charges Management Fee from APCO China Co., Ltd.	The transaction is normal.

9.2.1 Measures or Approval Procedures for Inter-Company Transactions

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

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

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

9.2.2 Tendency of Future Inter-Company Transactions

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

Part 3

Financial Statements

ASIAN PHYTOCEUTICALS PUBLIC COMPANY LIMITED

FINANCIAL STATEMENTS

AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

EXPRESSED IN THAI BAHT

Independent Auditor's Report

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

Opinion

I have audited the accompanying financial statements in which the equity method is applied of **Asian Phytochemicals Public Company Limited** ("the Company"), which comprise the statement of financial position in which the equity method is applied as at 31 December 2020, and the related statements of comprehensive income in which the equity method is applied, changes in shareholders' equity in which the equity method is applied and cash flows in which the equity method is applied for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of **Asian Phytochemicals Public Company Limited** for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Asian Phytochemicals Public Company Limited** as at 31 December 2020, their 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 Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matter

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

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

Revenue Recognition

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

I conducted the audit to obtain the reasonable assurance that the Company recognized revenues in compliance with key principles under Thai Financial Reporting Standards 15 "Revenue from Contracts with Customers" by understanding the process and testing the effectiveness of significant internal controls related to revenue recognition. I focused on the test that responded to the accuracy and the timing in which revenues were recognized in the Company's financial statements. I tested the samples of sale transactions to determine the amount of consideration expects to be entitled to, in order to verify the accuracy and the appropriateness of the revenue recognition and to determine whether they were in compliance with the condition set out in the agreement or sales documents and the Company's revenue recognition policy. I tested supporting evidence for the sales incurred during the year and close to year end, tested the credit notes issued after year end and tested the significant adjustments to revenues. I also analyzed revenues by distribution channels to determine the appropriateness of revenues recognized throughout the accounting period.

Other Information

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

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of the 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 judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of equity-accounted investees of the Company to express an opinion on the financial statements in which the equity method is applied. I am responsible for the direction, supervision and performance of the audit of the financial statements in which the equity method is applied. I remain solely responsible for my audit opinion.

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

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

AST MASTER

บริษัท เอเอสที มาสเตอร์ จำกัด

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

NONGRAM LAOHAAREEDILOK
Certified Public Accountant
Registration No. 4334

AST Master Co., Ltd.
22 February 2021

ASIAN PHYTOCEUTICALS PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Notes	In Baht			
		Financial statements in which equity method is applied		Separate financial statements	
		2020	2019	2020	2019
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	7	100,201,386	160,282,023	100,201,386	160,282,023
Short - term investments	4	-	319,512,353	-	319,512,353
Trade and other receivables	8	8,064,368	3,357,774	8,064,368	3,357,774
Inventories	9	60,269,001	61,022,700	60,269,001	61,022,700
Other current financial assets	10	71,834,714	-	71,834,714	-
Other current assets		347,537	347,244	347,537	347,244
Total current assets		240,717,006	544,522,094	240,717,006	544,522,094
NON - CURRENT ASSETS					
Deposits pledged as collateral	11	527,822	523,708	527,822	523,708
Investments in associates	12	3,702,439	3,608,575	3,249,775	1,249,995
Property, plant and equipment	13	63,757,582	71,355,418	63,757,582	71,355,418
Right-of-use assets	14	49,632,054	-	49,632,054	-
Intangible assets	15	502,647	658,002	502,647	658,002
Deferred tax assets	22	4,164,146	4,033,291	4,164,146	4,033,291
Other non - current financial assets	10	328,225,884	-	328,225,884	-
Other non - current assets		5,548,057	5,057,115	5,548,057	5,057,115
Total non - current assets		456,060,631	85,236,109	455,607,967	82,877,529
TOTAL ASSETS		696,777,637	629,758,203	696,324,973	627,399,623

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

ASIAN PHYTOCEUTICALS PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2020

		In Baht			
		Financial statements in which equity method is applied		Separate financial statements	
LIABILITIES AND SHAREHOLDERS' EQUITY	Notes	2020	2019	2020	2019
CURRENT LIABILITIES					
Trade and other payables	16	18,867,197	20,980,966	18,867,197	20,980,966
Current portion of liabilities under lease agreements	17	18,421,137	-	18,421,137	-
Accrued income tax		9,009,260	7,858,187	9,009,260	7,858,187
Other current liabilities		2,576,535	2,356,843	2,576,535	2,356,843
Total current liabilities		48,874,129	31,195,996	48,874,129	31,195,996
NON - CURRENT LIABILITIES					
Liabilities under lease agreements	17	31,592,061	-	31,592,061	-
Employee benefit obligations	18	17,452,616	15,976,021	17,452,616	15,976,021
Provision for dismantling cost of rental buildings		3,395,316	3,395,316	3,395,316	3,395,316
Total non - current liabilities		52,439,993	19,371,337	52,439,993	19,371,337
Total liabilities		101,314,122	50,567,333	101,314,122	50,567,333
SHAREHOLDERS' EQUITY					
Share capital					
Registered					
600,000,000 ordinary shares of Baht 0.50 each		300,000,000	300,000,000	300,000,000	300,000,000
Issued and paid-up					
600,000,000 ordinary shares of Baht 0.50 each		300,000,000	300,000,000	300,000,000	300,000,000
Premium on share capital		166,944,654	166,944,654	166,944,654	166,944,654
Surplus from business combinations					
under common control		22,666,575	22,666,575	22,666,575	22,666,575
Retained earnings					
Appropriated for legal reserve	19	30,000,000	30,000,000	30,000,000	30,000,000
Unappropriated		72,593,907	59,579,641	72,141,243	57,221,061
Other components of equity		3,258,379	-	3,258,379	-
Total shareholders' equity		595,463,515	579,190,870	595,010,851	576,832,290
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		696,777,637	629,758,203	696,324,973	627,399,623

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

ASIAN PHYTOCEUTICALS PUBLIC COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	In Baht				
	Financial statements in which equity method is applied		Separate financial statements		
	2020	2019	2020	2019	
	<u>Notes</u>				
Sales		247,726,069	247,654,452	247,726,069	247,654,452
Costs of sales		(52,873,611)	(51,805,199)	(52,873,611)	(51,805,199)
Gross profit		194,852,458	195,849,253	194,852,458	195,849,253
Other income		5,408,947	690,651	5,408,947	690,651
Profit before expenses		200,261,405	196,539,904	200,261,405	196,539,904
Selling expenses		(48,823,284)	(52,787,655)	(48,823,284)	(52,787,655)
Administrative expenses		(75,903,620)	(78,172,493)	(75,903,620)	(78,172,493)
Total expenses		(124,726,904)	(130,960,148)	(124,726,904)	(130,960,148)
Profit from operating activities		75,534,501	65,579,756	75,534,501	65,579,756
Finance income	21	12,019,216	5,987,306	13,914,458	5,987,306
Finance costs		(476,540)	-	(476,540)	-
Share of gain (loss) from investment in associates	12	(10,674)	789,155	-	-
Profit before tax expenses		87,066,503	72,356,217	88,972,419	71,567,062
Tax expenses	22	(17,091,187)	(14,452,062)	(17,091,187)	(14,452,062)
Profit for the year		69,975,316	57,904,155	71,881,232	57,115,000
Other comprehensive income:					
Other comprehensive income to be reclassified to profit or loss in subsequent periods					
Gain on change in value of financial assets		5,160,391	-	5,160,391	-
Less : Income tax effect	22	(1,032,078)	-	(1,032,078)	-
Net		4,128,313	-	4,128,313	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods					
Loss on investments in equity designated at fair value through other comprehensive income		(1,087,417)	-	(1,087,417)	-
Less : Income tax effect	22	217,483	-	217,483	-
Net		(869,934)	-	(869,934)	-
Other comprehensive income for the year		3,258,379	-	3,258,379	-
Total comprehensive income for the year		73,233,695	57,904,155	75,139,611	57,115,000
Basic earnings per share					
Profit for the year		0.1166	0.0965	0.1198	0.0952

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

ASIAN PHYTOCEUTICALS PUBLIC COMPANY LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

Financial statements in which equity method is applied

	Notes	In Baht						Total shareholders' equity
		Issued and Paid - up Share Capital	Premium on share capital	Surplus from business combinations under common control	Retained earnings		Other components of equity Gain on measurement of financial assets	
					Appropriated for legal reserve	Unappropriated		
Balance as at 1 January 2019		300,000,000	166,944,654	22,666,575	30,000,000	94,551,977	-	614,163,206
Dividend paid	20	-	-	-	-	(92,876,491)	-	(92,876,491)
Profit for the year		-	-	-	-	57,904,155	-	57,904,155
Other comprehensive income for the year		-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	57,904,155	-	57,904,155
Balance as at 31 December 2019		<u>300,000,000</u>	<u>166,944,654</u>	<u>22,666,575</u>	<u>30,000,000</u>	<u>59,579,641</u>	<u>-</u>	<u>579,190,870</u>
Balance as at 1 January 2020		300,000,000	166,944,654	22,666,575	30,000,000	59,579,641	-	579,190,870
Dividend paid	20	-	-	-	-	(56,961,050)	-	(56,961,050)
Profit for the year		-	-	-	-	69,975,316	-	69,975,316
Other comprehensive income for the year		-	-	-	-	-	3,258,379	3,258,379
Total comprehensive income for the year		-	-	-	-	69,975,316	3,258,379	73,233,695
Balance as at 31 December 2020		<u>300,000,000</u>	<u>166,944,654</u>	<u>22,666,575</u>	<u>30,000,000</u>	<u>72,593,907</u>	<u>3,258,379</u>	<u>595,463,515</u>

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

ASIAN PHYTOCEUTICALS PUBLIC COMPANY LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

		Separate financial statements						
		In Baht						
		Retained earnings				Other components of equity		
		Issued and Paid - up	Premium on share capital	Surplus from business combinations under common control	Appropriated for legal reserve	Unappropriated	Gain on measurement of financial assets	Total shareholders' equity
Notes	Share Capital	capital	-	-	-	-	-	
	Balance as at 1 January 2019	300,000,000	166,944,654	22,666,575	30,000,000	92,982,552	-	612,593,781
20	Dividend paid	-	-	-	-	(92,876,491)	-	(92,876,491)
	Profit for the year	-	-	-	-	57,115,000	-	57,115,000
	Other comprehensive income for the year	-	-	-	-	-	-	-
	Total comprehensive income for the year	-	-	-	-	57,115,000	-	57,115,000
	Balance as at 31 December 2019	<u>300,000,000</u>	<u>166,944,654</u>	<u>22,666,575</u>	<u>30,000,000</u>	<u>57,221,061</u>	<u>-</u>	<u>576,832,290</u>
	Balance as at 1 January 2020	300,000,000	166,944,654	22,666,575	30,000,000	57,221,061	-	576,832,290
20	Dividend paid	-	-	-	-	(56,961,050)	-	(56,961,050)
	Profit for the year	-	-	-	-	71,881,232	-	71,881,232
	Other comprehensive income for the year	-	-	-	-	-	3,258,379	3,258,379
	Total comprehensive income for the year	-	-	-	-	71,881,232	3,258,379	75,139,611
	Balance as at 31 December 2020	<u>300,000,000</u>	<u>166,944,654</u>	<u>22,666,575</u>	<u>30,000,000</u>	<u>72,141,243</u>	<u>3,258,379</u>	<u>595,010,851</u>

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

ASIAN PHYTOCEUTICALS PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	In Baht			
	Financial statements in which equity method is applied		Separate financial statements	
	2020	2019	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax expenses	87,066,503	72,356,217	88,972,419	71,567,062
Adjustments to reconcile profit to net cash provided by operating activities				
Gain on sale of other financial assets	(8,334,402)	-	(8,334,402)	-
Unrealized loss (gain) from changes in fair value of other financial assets	721,256	(1,347,895)	721,256	(1,347,895)
Allowance for write-down and obsolescence of inventories	648,105	746,926	648,105	746,926
Loss (gain) on disposal of equipment	(4,581)	1,496	(4,581)	1,496
Depreciation	11,971,913	13,456,660	11,971,913	13,456,660
Depreciation of right-of-use assets	19,116,357	-	19,116,357	-
Amortization of intangible assets	155,355	156,804	155,355	156,804
Share of loss (gain) from investments in associates	10,674	(789,155)	-	-
Employee benefit obligations	1,618,774	4,732,093	1,618,774	4,732,093
Revenue from is recognised accrued commission	4,396,363	-	4,396,363	-
Dividends income from investment in associate	-	-	(1,895,242)	-
Dividends income from financial assets	(1,249,905)	-	(1,249,905)	-
Interest income	(3,156,165)	(4,639,411)	(3,156,165)	(4,639,411)
Finance costs	476,540	-	476,540	-
Profit from operating activities before change in operational assets and liabilities	113,436,787	84,673,735	113,436,787	84,673,735
Decrease (Increase) in operating assets				
Trade and other receivables	(2,784,113)	3,788,095	(2,784,113)	3,788,095
Inventories	105,594	3,702,713	105,594	3,702,713
Other current assets	(293)	275,901	(293)	275,901
Other non - current assets	(490,942)	397,121	(490,942)	397,121
Increase (Decrease) in operating liabilities				
Trade and other payables	(6,710,132)	(1,015,046)	(6,710,132)	(1,015,046)
Employee benefit obligations	(142,179)	-	(142,179)	-
Other current liabilities	219,692	(392,647)	219,692	(392,647)
Cash received from operations	103,634,414	91,429,872	103,634,414	91,429,872
Income tax paid	(16,885,564)	(19,709,485)	(16,885,564)	(19,709,485)
Net cash provided by operating activities	86,748,850	71,720,387	86,748,850	71,720,387

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

ASIAN PHYTOCEUTICALS PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

	In Baht			
	Financial statements in which equity method is applied		Separate financial statements	
	2020	2019	2020	2019
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	1,233,684	5,063,512	1,233,684	5,063,512
Increase in other financial assets	(68,862,125)	(4,770,352)	(68,862,125)	(4,770,352)
Increase in fixed deposits pledged as collateral	(4,114)	(4,624)	(4,114)	(4,624)
Cash paid for investment in associate	(1,999,780)	-	(1,999,780)	-
Dividends income from investment in associate	1,895,242	-	1,895,242	-
Dividends income from financial assets	1,249,905	-	1,249,905	-
Proceeds from disposal of equipment	5,860	-	5,860	-
Cash paid for acquisition of machinery and equipment	(4,175,356)	(1,206,576)	(4,175,356)	(1,206,576)
Net cash used in investing activities	<u>(70,656,684)</u>	<u>(918,040)</u>	<u>(70,656,684)</u>	<u>(918,040)</u>
CASH FLOWS FROM FINANCING ACTIVITY				
Dividends paid	(56,961,050)	(92,876,491)	(56,961,050)	(92,876,491)
Interest paid	(476,540)	-	(476,540)	-
Repayment of liabilities under lease agreements	(18,735,213)	-	(18,735,213)	-
Net cash used in financing activity	<u>(76,172,803)</u>	<u>(92,876,491)</u>	<u>(76,172,803)</u>	<u>(92,876,491)</u>
Net decrease in cash and cash equivalents	(60,080,637)	(22,074,144)	(60,080,637)	(22,074,144)
Cash and cash equivalents, beginning of year	<u>160,282,023</u>	<u>182,356,167</u>	<u>160,282,023</u>	<u>182,356,167</u>
Cash and cash equivalents, end of year	<u>100,201,386</u>	<u>160,282,023</u>	<u>100,201,386</u>	<u>160,282,023</u>
<u>Supplement Disclosures of Cash Flows information</u>				
Non - cash transactions				
Increase in payable from acquisition of assets	200,000	-	200,000	-

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

1. GENERAL INFORMATION

Asian Phytoceuticals Public Company Limited (“the Company”) is a public company limited on 12 July 2005. The Company is engaged in business of research and development, manufacturing and distribution of its products of healthcare and beauty from the natural extracts. The Company is located at 84/3 Moo 4 Highway No.11 Road, Banklang, Muang Lamphun, Lamphun.

The Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic is currently impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Company’s management continuously monitored the ongoing development and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement to record in respect of various issues and will be recorded as the situation has evolved.

2. BASIS FOR FINANCIAL STATEMENTS PREPARATION

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

The financial statements are presented in Baht, which is also the Company’s functional currency.

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

The financial statements in which equity method is applied and separate financial statements have been prepared under the historical cost convention except for the revaluation of certain assets and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period as disclosed in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and service at transaction date.

Acquisitions from entities under common control

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

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

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

3. NEW FINANCIAL REPORTING STANDARDS

3.1 Financial reporting standards that became effective in the current year

During the period, the Company has adopted the revised (revised 2019) and new financial reporting standards and interpretations including accounting treatment guidance which are effective for fiscal periods beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company’s financial statements. However, the new standard involves changes to key principles, which are summarised below:

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

The effects of the adoption of these accounting standards are described below:

Recognition of credit losses - The Company is to recognise an allowance for expected credit losses on its financial assets, and they are no longer necessary for a credit - impaired event to have occurred. The Company apply simplified approach to consider impairment of trade receivables. The Company's management has considered that the recognition of credit losses does not have any significant impact on the adjustment of retained earnings as at 1 January 2020.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The Company plans to adopt TFRS 16 using the modified retrospective method of adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 4 to the financial statements.

3.2 Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2021

During the year 2020, the Federation of Accounting Professions has issued the Notification regarding the revised Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretation and Thai Financial Reporting Standard Interpretation, totaling 16 number, which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after 1 January 2021 onwards. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revisions to references to the Conceptual Framework in TFRSs, revising the definition of materiality, definition of business and accounting requirement for Interest Rate Benchmark Reform.

ASIAN PHYTOCEUTICALS PUBLIC COMPANY LIMITED
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED 31 DECEMBER 2020

In addition, in January 2021, the Federation of Accounting Professions has issued the Notification regarding a revision from year 2020 of five Thai Financial Reporting Standards, which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after 1 January 2022 onwards (except for consent to reduce rental fee relate to covid-19, it will be effective for accounting period beginning or after 1 June 2020). The most of the changes directed towards revisions of accounting requirement for Covid-19-Related Rent Concessions which meet specified conditions and Interest Rate Benchmark Reform-Phase 2.

The Company's management will adopt the relevant TFRSs in the preparation of Company's financial statements when they become effective. The Company's management is on the evaluating process to assess the impact of these TFRSs on the financial statements of the Company in the period of initial application.

4. CUMULATIVE EFFECTS OF CHANGES IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARDS

As described in Note 3 to the interim consolidated financial statements, during the current period, the Company has adopted financial reporting standard related to TFRS 16. The cumulative effect of initially applying this standard is recognised as an adjustment to retained earnings as at 1 January 2020.

The changes in accounting policies do not have any impact on the balance of retained earnings as at 1 January 2020, but affect assets and liabilities in the statement of financial position as follows:

	In Baht			
	Financial statements in which equity method is applied and Separate financial statements			
	31 December 2019	The impacts of Financial reporting standards related to financial instruments	The impacts of TFRS 16	1 January 2020
Statement of financial position				
Short-term investments	319,512,353	(319,512,353)	-	-
Other current financial assets	-	319,512,353	-	319,512,353
Right-of-use assets	-	-	15,674,547	15,674,547
Current portion of lease liabilities	-	-	14,679,002	14,679,002
Lease liabilities	-	-	995,545	995,545

Leases

Upon initial application of TFRS 16 the Company recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate at 1 January 2020. For leases previously classified as finance leases, the Company recognised the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

	In Baht
	Financial statements in which equity method is applied and Separate financial statements
Operating lease commitments as at 31 December 2019	15,901,697
<u>Less: Deferred interest expenses</u>	<u>(227,150)</u>
Increase in lease liabilities due to TFRS 16 adoption	15,674,547
Liabilities under finance lease agreements as at 31 December 2019	-
Lease liabilities as at 1 January 2020	<u>15,674,547</u>

ASIAN PHYTOCEUTICALS PUBLIC COMPANY LIMITED
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED 31 DECEMBER 2020

	In Baht
	Financial statements in which equity method is applied and Separate financial statements
Comprise of:	
Current lease liabilities	14,679,002
Non-current lease liabilities	995,545
Total	15,674,547

The adjustments of right-of-use assets due to TFRS 16 adoption as at 1 January 2020 are summarised below:

	In Baht
	Financial statements in which equity method is applied and Separate financial statements
Buildings	15,674,547
Total right-of-use assets	15,674,547

The classification and measurement basis, and carrying values of financial assets in accordance with TFRS 9 as at 1 January 2020, and with the carrying amounts under the former basis, are as follows:

	In Baht			
	Carrying amounts under the former basis	Financial statements in which equity method is applied and Separate financial statements		
		Classification and measurement in accordance with TFRS 9		
		Fair value through profit or loss	Amortised cost	Total
Financial assets as at 1 January 2020				
Cash and cash equivalents	160,282,023	-	160,282,023	160,282,023
Trade and other receivables (Excluding advances for inventories, prepaid expenses and revenue department receivables)	1,291,453	-	1,291,453	1,291,453
Other current financial assets				
- Fixed deposits 12 month	529,379	-	529,379	529,379
- Unit Trust	318,982,974	318,982,974	-	318,982,974
Fixed deposits pledged as collateral	523,708	-	523,708	523,708
Total financial assets	481,609,537	318,982,974	162,626,563	481,609,537

As at 1 January 2020, the Company has not designated any financial liabilities at fair value through profit or loss.

5. ACCOUNTING POLICIES

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

5.1 Revenue recognition

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

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

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

5.2 Cash and cash equivalents

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

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

5.3 Inventories

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

5.4 Investments in associate

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

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

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

Investment in associate is reported by using the cost method of accounting in the separate financial statements.

5.5 Property, plant and equipment

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

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

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

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

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

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

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

5.6 Leases

Accounting policies adopted since 1 January 2020

Right-of-use assets

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

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

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

Building	3 years
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Lease liabilities

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

Short-term leases and Leases of low-value assets

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

Accounting policies adopt before 1 January 2020

Accounting for leases - where a company is the lessee

Leases of assets which substantially transfer all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased assets or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged in profit or loss over the lease period. The assets acquired under finance leases is depreciated over the useful life of the assets and the lease period.

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged in profit or loss on a straight-line basis over the period of the lease.

5.7 Intangible assets and amortization

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

5.8 Impairment of land, building and equipment and other intangible assets

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

5.9 Provisions

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

5.10 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

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

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

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

5.11 Foreign currency transactions

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

5.12 Income tax

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

Current tax

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

Deferred tax

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

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

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

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

5.13 Related person and companies

Persons and companies that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personal, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

5.14 Financial instruments

Accounting policies adopted since 1 January 2020

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

Classification and measurement of financial assets

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

Financial assets at amortised cost

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

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

Financial assets at FVOCI (debt instruments)

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

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

Financial assets designated at FVOCI (equity instruments)

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

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

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

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

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

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

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

Classification and measurement of financial liabilities

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

Derecognition of financial instruments

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

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

Impairment of financial assets

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

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

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

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

Offsetting of financial instruments

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

Accounting policies adopt before 1 January 2020

Trade receivables

Trade accounts receivable are carried at value less allowance for doubtful account receivables based on a review of all outstanding amounts at the year end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debt is written-off in profit or loss during the year in which they are identified and it is a part of administrative expenses.

Short - term investments

Investments in unit trusts of mutual funds which the Company held as investments in securities held for trading are determined at fair value. Gains or losses arising from changes in the value of securities were included in profit or loss.

The fair value of unit trusts was determined from its net asset value.

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

5.15 Basic earnings per share

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

5.16 Fair value measurement

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

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

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

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

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

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

5.17 Significant accounting judgements and estimates

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

Allowance for net realizable value

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

Property plant and equipment/Depreciation

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

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

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans

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

6. TRANSACTIONS WITH RELATED PARTIES

6.1 Relationship and pricing policies

	Relationship
Associate	
Bim Health Center Co., Ltd.	Shareholding by the Company
Apco China Co., Ltd.	Shareholding by the Company
Hisold digital Co., Ltd.	Shareholding by the Company
Related companies	
Arun Pitaya Co., Ltd.	Common shareholders and directorship
Related persons	Director and shareholder

Pricing policies for subsidiaries, related parties are as follows:

	Pricing policy
Sales	At price which had been agreed upon that excess cost value.
Income Management	At price which had been agreed upon.
Service fee of utilization from products' research and development	At contract price which had been agreed upon.
Rental expense	At contract price which had been agreed upon.

6.2 Balances of transactions with related parties

Significant balances with related parties as at 31 December 2020 and 2019 are as follows:

	In Baht	
	Financial statements in which equity method is applied and Separate financial statements	
	2020	2019
Trade accounts receivable		
Associate	1,611,310	248,775
Other receivable		
Associate	692,560	55,525
Other payables		
Related companies	693,075	612,742

6.3 Revenues and expenses with related parties

Significant transactions with related parties for the years ended 31 December 2020 and 2019 are as follows:

	In Baht			
	Financial statements in which equity method is applied		Separate financial statements	
	2020	2019	2020	2019
Sales				
Associate	5,120,918	2,529,319	5,120,918	2,529,319
Income Management				
Associate	710,947	216,943	710,947	216,943
Dividend Received				
Associate	-	-	1,895,242	-

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	In Baht			
	Financial statements in which equity method is applied		Separate financial statements	
	2020	2019	2020	2019
Service fee of utilization from products' research and development				
Related companies	6,438,941	5,873,388	6,438,941	5,873,388
Rental expense				
Related companies	420,000	420,000	420,000	420,000
Related persons	156,000	156,000	156,000	156,000
Total	576,000	576,000	576,000	576,000

DIRECTORS AND MANAGEMENT'S BENEFITS

The Company had employee benefit expenses of its directors and management for the years ended 31 December 2020 and 2019, as below

	In Baht	
	Financial statements in which equity method is applied and Separate financial statements	
	2020	2019
Short-term employee benefits	18,530,556	16,122,679
Post-employment benefits	562,863	1,930,786
Total	19,093,419	18,053,465

7. CASH AND CASH EQUIVALENTS

	In Baht	
	Financial statements in which equity method is applied and Separate financial statements	
	2020	2019
Cash on hand	219,308	244,720
Regular checking accounts	3,800,792	2,765,236
Saving accounts	96,181,286	157,272,067
Total	100,201,386	160,282,023

As at 31 December 2020, the weighted average effective interest rates of deposits at financial institutions were 0.05 % to 0.125 % per annum (2019: 0.125 % to 0.85 % per annum).

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 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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8. TRADE AND OTHER RECEIVABLES

	In Baht	
	Financial statements in which equity method is applied and Separate financial statements	
	2020	2019
Trade accounts receivable - associate (Note 6.2)	1,611,310	248,775
Trade accounts receivable – other	142,800	662,733
Total trade accounts receivable	1,754,110	911,508
Other receivable - associate (Note 6.2)	692,560	55,525
Advances for inventories	2,059,201	1,259,398
Prepaid expenses	710,693	655,253
Accrued interest	1,922,481	-
Revenue department receivable	151,670	151,670
Others	773,653	324,420
Total	8,064,368	3,357,774

Aging of trade accounts receivable as at 31 December 2020 and 2019 are as follows:

	In Baht	
	Financial statements in which equity method is applied and Separate financial statements	
	2020	2019
Trade accounts receivable – associate		
Within credit terms	1,311,310	248,775
Overdue : Less than 3 months	300,000	-
Total	1,611,310	248,775
Trade accounts receivable - other companies		
Within credit terms	-	92,800
Overdue:		
Less than 3 months	142,800	5,775
9 - 12 months	-	118,600
Over 12 months	-	445,558
Total	142,800	662,733

As at 31 December 2020 and 2019, the Company have considered the loss of lifetime expected credit losses for trade and other receivable to recognised.

9. INVENTORIES

	In Baht					
	Financial statements in which equity method is applied and Separate financial statements					
	At cost		Allowance for obsolescence of inventories		Inventories-net	
2020	2019	2020	2019	2020	2019	
Finished goods	10,250,305	9,157,575	(668,288)	(491,953)	9,582,017	8,665,622
Work in process	-	494,052	-	-	-	494,052
Transform raw material	21,310,918	20,761,003	(57,553)	(35,504)	21,253,365	20,725,499
Raw material	21,269,024	23,171,655	(416,324)	(419,668)	20,852,700	22,751,987
Packaging and supplies	10,683,984	10,035,540	(2,103,065)	(1,650,000)	8,580,919	8,385,540
Total	63,514,231	63,619,825	(3,245,230)	(2,597,125)	60,269,001	61,022,700

During the current year, the Company recorded allowance for obsolescence of inventories by Baht 0.6 million (2019 : Baht 0.7 million.) to reflect the net realisable value. This was included in cost of sales.

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 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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10. OTHER FINANCIAL ASSETS

	In Baht			Total
	Financial statements in which equity method is applied and Separate financial statements			
	31 December 2020			
	Amortised cost	Fair value through profit or loss	Fair value through other comprehensive income	
Other current financial assets				
Fixed deposits 12 month	534,096	-	-	534,096
Unit Trust (in private fund)	-	438,227	-	438,227
Unit Trust	-	70,862,391	-	70,862,391
Total	<u>534,096</u>	<u>71,300,618</u>	<u>-</u>	<u>71,834,714</u>
Other non-current financial assets				
Debt securities (in private fund)	-	-	255,492,509	255,492,509
Equity instruments of listed companies	-	-	72,733,375	72,733,375
Total	<u>-</u>	<u>-</u>	<u>328,225,884</u>	<u>328,225,884</u>
Total other financial assets	<u>534,096</u>	<u>71,300,618</u>	<u>328,225,884</u>	<u>400,060,598</u>

The movement in Unit Trust can be analysed as follows:

	Measurement of financial assets	In Baht					As at 31 December 2020
		Financial statements in which equity method is applied and Separate financial statements					
		As at 31 December 2019	Invested	Classification	Sale and maturity	Increase (Decrease) in fair value adjustment	
Fixed deposits 12 month	Amortised cost	529,379	4,717	-	-	-	534,096
Debt securities	Measured at fair value through other comprehensive income	-	383,362,677	-	(133,030,559)	5,160,391	255,492,509
Unit Trust	Measured at fair value through profit or loss	318,982,974	889,241,088	-	(1,136,993,204)	69,760	71,300,618
Equity instruments of listed companies	Measured at fair value through profit or loss	-	157,925,105	(18,814,050)	(138,320,039)	(791,016)	-
Equity instruments of listed companies	Measured at fair value through other comprehensive income	-	55,006,742	18,814,050	-	(1,087,417)	72,733,375
Total		<u>319,512,353</u>	<u>1,485,540,329</u>	<u>-</u>	<u>(1,408,343,802)</u>	<u>3,351,718</u>	<u>400,060,598</u>

At the Board of Management Meeting on 13 August 2020, the Board of Management passed the resolution to change the policy on the investment in equity securities of listed companies in amount of Baht 18.8 million, that took place in the second quarter of 2020 from investment in trading securities, which measured of fair value through profit or loss to long-term investment, which other comprehensive income not to be reclassified to profit or loss subsequent periods.

11. DEPOSITS PLEDGED AS COLLATERAL

As at 31 December 2020, the Company has fixed deposits in the amounts of Baht 0.5 million (2019: Baht 0.5 million), bears interest at the rates ranging from 0.2 - 0.7% per annum (2019 : interest at the rates ranging from 0.7 - 0.9% per annum).

These deposits are pledged as collateral for bank guarantees from financial institutions for government and private agency as discussed in Note 26.2

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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12. INVESTMENTS IN ASSOCIATES

Name	Nature of business	Paid-up Capital (In Baht)	Holdings (%)	In Baht					
				Financial statements in which equity method is applied		Separate financial statements			
				2020	2019	Net book value - Cost		Dividends income	
				2020	2019	2020	2019		
Bim Health Center Co., Ltd.	Operates as a distributor for products of Asian Phytoceuticals Public Company Limited.	2,500,000	49.99	2,351,551	3,608,575	1,249,995	1,249,995	1,895,242	-
Apco China Co., Ltd.	Engaged in business of buying, selling and export supplements and cosmetics manufactured from natural extracts.	2,000,000	49.99	457,058	-	999,800	-	-	-
Hisold Digital Co., Ltd.	Engaged in business of buying and selling supplements and cosmetics manufactured from natural extracts.	2,000,000	49.99	893,830	-	999,980	-	-	-
				<u>3,702,439</u>	<u>3,608,575</u>	<u>3,249,775</u>	<u>1,249,995</u>	<u>1,895,242</u>	<u>-</u>

In April 2020, the Company has invested in Apco China Company Limited, which a new company, of 9,998 ordinary shares, with a par value of Baht 100 per share call-up of Baht 25 per share in the amount of Baht 0.25 million. In December 2020 call-up of Baht 75 per share in the amount of Baht 0.75 million, totaling Baht 1.0 million, represent 49.99% of ownership. The associate was incorporated with Department of Business Development on 9 April 2020.

In October 2020, the Company has invested in Hisold Digital Company Limited, which a new company, of 99,998 ordinary shares, with a par value of Baht 10 per share call-up of Baht 10 per share totaling Baht 1.0 million, represent 49.99% of ownership. The associate was incorporated with Department of Business Development on 28 October 2020.

Share of gain (loss) from investment in associate

The Company recognized its share of gain (loss) from investment in the associate in the financial statements in which equity method is applied, for the years ended 31 December 2020 and 2019, as follows:

Name	In Baht	
	2020	2019
Bim Health Center Co., Ltd.	638,218	789,155
Apco China Co., Ltd.	(542,742)	-
Hisold Digital Co., Ltd.	(106,150)	-
Total	<u>(10,674)</u>	<u>789,155</u>

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 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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Summary financial information of associate

	In Baht			
	As at 31 December			
	Bim Health Center Co., Ltd.		Apco China Co., Ltd.	Hisold Digital Co., Ltd.
	2020	2019	2020	2020
STATEMENT OF FINANCIAL POSITION				
Current assets	5,413,344	7,266,790	1,074,645	3,631,571
Non - current assets	646,398	861,972	38,296	61,350
Total assets	6,059,742	8,128,762	1,112,941	3,692,921
Current liabilities	939,967	560,505	198,642	1,692,608
Net assets (100%)	5,119,775	7,568,257	914,299	2,000,313
Company's share of net assets (49.99% hold)	2,559,877	3,784,113	457,058	1,000,136
Elimination of unrealised profit on inventories	(208,326)	(175,538)	-	(106,306)
Carrying amount of interest in an associate	2,351,551	3,608,575	457,058	893,830

	In Baht			
	For the years ended 31 December		From 9 April to 31 December 2020	From 28 October to 31 December 2020
	2020	2019	Apco China Co., Ltd.	Hisold Digital Co., Ltd.
	Bim Health Center Co., Ltd.			
STATEMENT OF COMPREHENSIVE INCOME				
Sales	9,637,787	7,651,192	-	1,226,849
Other income	5,875	21,123	4,917	31
Costs of sales	(4,165,028)	(3,182,261)	-	(484,906)
Selling expenses	(2,609,822)	(2,041,882)	-	(598,558)
Administrative expenses	(1,342,773)	(1,249,622)	(1,090,618)	(143,103)
Profit (loss) before income tax expense	1,526,039	1,198,550	(1,085,701)	313
Tax expense	(184,021)	(135,031)	-	-
Profit (loss) for the year	1,342,018	1,063,519	(1,085,701)	313
Total comprehensive income for the year (100%)	1,342,018	1,063,519	(1,085,701)	313
Total comprehensive income (49.99% hold)	671,006	531,757	(542,742)	156
Elimination of unrealised profit loss on sales	(32,788)	257,398	-	(106,306)
Company's share of total comprehensive incor	638,218	789,155	(542,742)	(106,150)

ASIAN PHYTOCEUTICALS PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

13. PROPERTY, PLANT AND EQUIPMENT

	In Baht						
	Financial statements in which equity method is applied and Separate financial statements						
	Land & Improvement	Buildings & Improvement	Machinery & Equipment	Tools	Office Equipment	Vehicles	Total
As at 1 January 2019							
Cost	8,287,320	93,768,745	35,502,064	11,348,195	17,524,663	17,276,096	183,707,083
<u>Less</u> Accumulated depreciation	<u>(77,048)</u>	<u>(45,799,959)</u>	<u>(20,659,498)</u>	<u>(9,663,967)</u>	<u>(15,352,081)</u>	<u>(8,547,532)</u>	<u>(100,100,085)</u>
Net book amount	<u>8,210,272</u>	<u>47,968,786</u>	<u>14,842,566</u>	<u>1,684,228</u>	<u>2,172,582</u>	<u>8,728,564</u>	<u>83,606,998</u>
For the year ended 31 December 2019							
Net book value, beginning of year	8,210,272	47,968,786	14,842,566	1,684,228	2,172,582	8,728,564	83,606,998
Acquisition assets	-	540,000	216,000	341,688	95,758	13,130	1,206,576
Disposals	-	-	-	-	-	(1,496)	(1,496)
Depreciation	<u>(8,525)</u>	<u>(7,584,130)</u>	<u>(2,572,375)</u>	<u>(804,385)</u>	<u>(1,427,528)</u>	<u>(1,059,717)</u>	<u>(13,456,660)</u>
Net book value, end of year	<u>8,201,747</u>	<u>40,924,656</u>	<u>12,486,191</u>	<u>1,221,531</u>	<u>840,812</u>	<u>7,680,481</u>	<u>71,355,418</u>
As at 31 December 2019							
Cost	8,287,320	94,308,745	35,718,064	11,689,884	17,620,421	17,267,226	184,891,660
<u>Less</u> Accumulated depreciation	<u>(85,573)</u>	<u>(53,384,089)</u>	<u>(23,231,873)</u>	<u>(10,468,353)</u>	<u>(16,779,609)</u>	<u>(9,586,745)</u>	<u>(113,536,242)</u>
Net book amount	<u>8,201,747</u>	<u>40,924,656</u>	<u>12,486,191</u>	<u>1,221,531</u>	<u>840,812</u>	<u>7,680,481</u>	<u>71,355,418</u>

ASIAN PHYTOCEUTICALS PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

	In Baht						
	Financial statements in which equity method is applied and						
	Separate financial statements						
	Land & Improvement	Buildings & Improvement	Machinery & Equipment	Tools	Office Equipment	Vehicles	Total
For the year ended 31 December 2020							
Net book value, beginning of year	8,201,747	40,924,656	12,486,191	1,221,531	840,812	7,680,481	71,355,418
Acquisition assets	-	457,477	3,155,000	252,415	510,464	-	4,375,356
Disposals	-	-	-	(1,273)	(6)	-	(1,279)
Depreciation	<u>(1,895)</u>	<u>(7,536,067)</u>	<u>(2,548,747)</u>	<u>(519,952)</u>	<u>(595,502)</u>	<u>(769,750)</u>	<u>(11,971,913)</u>
Net book value, end of year	<u>8,199,852</u>	<u>33,846,066</u>	<u>13,092,444</u>	<u>952,721</u>	<u>755,768</u>	<u>6,910,731</u>	<u>63,757,582</u>
As at 31 December 2020							
Cost	8,287,320	94,766,221	38,873,064	11,856,654	18,036,409	17,267,226	189,086,894
Less Accumulated depreciation	<u>(87,468)</u>	<u>(60,920,155)</u>	<u>(25,780,620)</u>	<u>(10,903,933)</u>	<u>(17,280,641)</u>	<u>(10,356,495)</u>	<u>(125,329,312)</u>
Net book amount	<u>8,199,852</u>	<u>33,846,066</u>	<u>13,092,444</u>	<u>952,721</u>	<u>755,768</u>	<u>6,910,731</u>	<u>63,757,582</u>

As at 31 December 2020, certain asset items of the Company has been fully depreciated. The gross carrying amount before deducting accumulated depreciation of those assets amounted to Baht 44.2 million (2019: Baht 33.1 million).

ASIAN PHYTOCEUTICALS PUBLIC COMPANY LIMITED
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED 31 DECEMBER 2020

14. RIGHT-OF-USE ASSETS

Movements of the right-of-use assets - building during for the year ended 31 December 2020 are summarised below.

	In Baht
	Financial statements in which equity method is applied and Separate financial statements
Net book value as at 1 January 2020	-
Adjustments of right-of-use assets due to TFRS 16 adoption	15,674,547
Increase during year	53,073,864
Depreciation	(19,116,357)
Net book value as at 31 December 2020	<u>49,632,054</u>

15. INTANGIBLE ASSETS

The net book value of computer software as at 31 December 2020 and 2019 is presented below.

	In Baht	
	Financial statements in which equity method is applied and Separate financial statements	
	2020	2019
As at 1 January		
Cost	2,420,302	2,420,302
<u>Less</u> Accumulated amortization	(1,762,300)	(1,605,496)
Net book value	<u>658,002</u>	<u>814,806</u>
Transactions during the year ended 31 December		
Net book value, beginning of year	658,002	814,806
Amortization	(155,355)	(156,804)
Net book value, end of year	<u>502,647</u>	<u>658,002</u>
As at 31 December		
Cost	2,420,302	2,420,302
<u>Less</u> Accumulated amortization	(1,917,655)	(1,762,300)
Net book value	<u>502,647</u>	<u>658,002</u>

16. TRADE AND OTHER PAYABLES

	In Baht	
	Financial statements in which equity method is applied and Separate financial statements	
	2020	2019
Trade accounts payable	630,809	690,171
Other payables - related parties (Note 6.2)	693,075	612,742
Accrued expenses	16,179,236	18,738,235
Unearned revenues	260,400	256,800
Others	1,103,677	683,018
Total	<u>18,867,197</u>	<u>20,980,966</u>

ASIAN PHYTOCEUTICALS PUBLIC COMPANY LIMITED
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED 31 DECEMBER 2020

17. LEASE LIABILITIES

	In Baht	
	Financial statements in which equity method is applied and Separate financial statements	
	2020	2019
Lease liabilities	51,417,430	-
<u>Less</u> Deferred interest expense	(1,404,232)	-
Total	50,013,198	-
<u>Less</u> Current portion	(18,421,137)	-
Lease liabilities - net of current portion	<u>31,592,061</u>	<u>-</u>

The Company has entered into the lease agreements of building for use in their operation. The terms of the agreements are generally between 3 years.

Future minimum lease payments required under the lease agreements were as follows:

	In Baht		
	Financial statements in which equity method is applied and Separate financial statements		
	31 December 2020		
	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	19,247,055	32,170,375	51,417,430
Deferred interest expenses	(825,918)	(578,314)	(1,404,232)
Present value of future minimum lease payments	<u>18,421,137</u>	<u>31,592,061</u>	<u>50,013,198</u>

18. EMPLOYEE BENEFIT OBLIGATIONS

Movement in the present value of the defined benefit obligations:

	In Baht	
	Financial statements in which equity method is applied and Separate financial statements	
	2020	2019
Defined benefit obligations at 1 January	15,976,021	11,243,928
Included in profit or loss:		
Current service cost	1,140,265	1,117,707
Past service cost	-	3,178,819
Interest cost	478,509	435,567
Benefits paid during the year	(142,179)	-
Defined benefit obligations at 31 December	<u>17,452,616</u>	<u>15,976,021</u>

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

	In Baht	
	Financial statements in which equity method is applied and Separate financial statements	
	2020	2019
Costs of sales	471,862	1,271,231
Administrative expenses	1,146,912	3,460,862
Total expenses recognised in profit or loss	<u>1,618,774</u>	<u>4,732,093</u>

ASIAN PHYTOCEUTICALS PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Company have additional long-term employee benefit liabilities of Baht 3.2 million as a result. The Company reflected the effect of the change by recognising past service costs as expenses in the income statement of the period in which the law was effective, which was the second quarter of 2019.

The Company expect to pay Baht 2.2 million (2019 : Baht 0.1 million) of long-term employee benefits during the next year.

As at 31 December 2020, the weighted average duration of the liabilities for long-term employee benefit is 13 years (2019 : 14 years).

Principal actuarial assumptions at the reporting date

For the year ended 31 December 2020 and 2019

Discount rate	3.02% per annum
Salary increase rate	5.00%
Employee turnover rate	Scale related to Age ranging from 1.91 - 22.92%
Mortality rate	According to Thailand TMO 2017 male and female tables 105%

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Effect on the non-current provisions for defined benefit plans at 31 December

	In Baht			
	Financial statements in which equity method is applied and Separate financial statements			
	2020		2019	
	Increase	Decrease	Increase	Decrease
Discount rate (50 basis points)	(752,176)	807,532	(747,484)	804,092
Discount rate (100 basis points)	(1,453,689)	1,675,627	(1,443,255)	1,670,235
Future salary growth (1% movement)	1,972,408	(1,729,095)	1,770,954	(1,554,957)
Future salary growth (2% movement)	4,228,401	(3,248,975)	3,793,191	(2,923,857)
Turnover rate (20% movement)	(1,065,944)	1,200,520	(950,558)	1,066,989
Turnover rate (40% movement)	(2,019,569)	2,564,260	(1,803,396)	2,274,307

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

**ASIAN PHYTOCEUTICALS PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

19. LEGAL RESERVE

Under the provisions of the Limited Public Company Act B.E 2535, the Company is required to appropriate at least 5% of its annual net income after deduction of the deficit brought forward (if any) as legal reserve until the reserve equal to 10% of authorized share capital. The reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

20. DIVIDENDS

Dividends paid in 2020 and 2019 are as follows :

		In Baht	
		Financial statements in which equity method is applied and Separate financial statements	
		Dividend paid	
	Approved by	Cash dividend paid	Dividend per share
Dividend for year 2019	Board of Directors Meeting on 13 April 2020	56,961,050	0.0950
Dividend for year 2018	Annual General Meeting of the shareholders on 19 April 2019	92,876,491	0.1549

21. FINANCE INCOME

Finance income for the years ended 31 December 2020 and 2019 are as follows:

	In Baht			
	Financial statements in which equity method is applied		Separate financial statements	
	2020	2019	2020	2019
Gain on sale of other financial assets	8,334,402	-	8,334,402	-
Unrealized gain (loss) from changes in fair value	(721,256)	1,347,895	(721,256)	1,347,895
Dividends income from investment in associate	-	-	1,895,242	-
Dividends income from financial assets	1,249,905	-	1,249,905	-
Interest income	3,156,165	4,639,411	3,156,165	4,639,411
Total	<u>12,019,216</u>	<u>5,987,306</u>	<u>13,914,458</u>	<u>5,987,306</u>

ASIAN PHYTOCEUTICALS PUBLIC COMPANY LIMITED
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED 31 DECEMBER 2020

22. INCOME TAX

Income tax expenses for the year ended 31 December 2020 and 2019 are as follows:

	In Baht	
	Financial statements in which equity method is applied and Separate financial statements	
	2020	2019
Current income		
Corporate income tax charge for the year	18,036,637	15,394,490
Deferred tax		
Relating to origination and reversal of temporary differences	(945,450)	(942,428)
Income tax expense presented in profit or loss	<u>17,091,187</u>	<u>14,452,062</u>
Other comprehensive income tax		
Gain on change in value of debt securities	1,032,078	-
Loss on change in value of investments in equity	(217,483)	-
Total	<u>814,595</u>	<u>-</u>

Reconciliation of effective tax rate

	In Baht			
	Financial statements in which equity method is applied		Separate financial statements	
	2020	2019	2020	2019
Accounting profit before corporate income tax	87,066,503	72,356,217	88,972,419	71,567,062
Applicable tax rate	20%	20%	20%	20%
Accounting profit before corporate income tax multiplied by applicable tax rate	<u>17,413,301</u>	<u>14,471,243</u>	<u>17,794,484</u>	<u>14,313,412</u>
Effects of:				
Tax exempted revenue	(102,734)	-	(102,734)	-
Addition expenses deductible for tax purposes	(227,832)	(126,768)	(227,832)	(126,768)
Expenses not deductible for tax purposes	572,719	1,207,846	572,719	1,207,846
Share of loss (gain) from investment in associate	381,183	(157,831)	-	-
Total	<u>623,336</u>	<u>923,247</u>	<u>242,153</u>	<u>1,081,078</u>
Relating to origination and reversal of temporary differences	(945,450)	(942,428)	(945,450)	(942,428)
Income tax expense	<u>17,091,187</u>	<u>14,452,062</u>	<u>17,091,187</u>	<u>14,452,062</u>

ASIAN PHYTOCEUTICALS PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

The components of deferred income tax assets and deferred income tax liabilities are as follows:

	In Baht	
	Financial statements in which equity method is applied and Separate financial statements	
	2020	2019
Deferred tax assets		
Allowance for obsolescence of inventories	649,046	519,425
Employee benefit obligations	3,490,523	3,195,204
Provisions	34,020	40,540
Provision for dismantling cost	660,901	547,701
Unrealized loss from changing value on investment	375,686	-
Total deferred tax assets	<u>5,210,176</u>	<u>4,302,870</u>
Deferred tax liabilities		
Unrealized gain from changing value on investment	<u>1,046,030</u>	<u>269,579</u>
Deferred tax assets - Net	<u>4,164,146</u>	<u>4,033,291</u>

23. PROVIDENT FUND

The Company and their employees established a contributory registered provident fund in accordance with the provident fund Act, B.E.2530. The Company and employees contribute monthly the amounts equivalent 3% of their basic. The provident fund has been managed by Kasikorn asset management Co., Ltd. The fund contributed to employee in accordance with the terms and conditions prescribed following their provident funds. During 2020, the Company's contribution to the provident fund recorded amounting of Baht 1.1 million (2019 : Baht 1.1 million).

24. SEGMENT INFORMATION

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Company operates business of manufacturing and distribution of dietary supplement from herb. The management has considered this operation to be supported to each other. The Company operates in one geographical area in Thailand. Therefore revenue from operation and all assets in the financial statement involve in one business and geographical. For the year ended 31 December 2020, export revenue were 1.6% (2019: 2.2%) of total sales revenues.

Major customers

For the year 2020 and 2019, the Company has no major customer with revenues of 10% or more of total revenues.

ASIAN PHYTOCEUTICALS PUBLIC COMPANY LIMITED
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED 31 DECEMBER 2020

25. EXPENSES BY NATURE

Significant expenses by nature for the years ended 31 December 2020 and 2019 are as follows:

	In Baht	
	Financial statements in which equity method is applied and Separate financial statements	
	2020	2019
Changes in finished goods and work in process	(598,678)	4,931,339
Raw materials and consumable used	21,459,652	14,442,075
Production fee	3,095,645	3,043,415
Service fee of utilization from products' research and development	6,438,941	5,873,388
Commission	2,243,853	19,426,297
Employees costs	36,061,497	35,943,543
Managements' remuneration	19,093,419	18,053,465
Rental and service expense	918,221	21,067,844
Depreciation and amortization	31,243,625	13,613,465

26. COMMITMENTS AND CONTINGENT LIABILITIES

26.1 Operating lease commitments and service agreements

As at 31 December 2020 and 2019, the Company has commitment on rental and service agreements are as follows:

	In Million Baht	
	2020	2019
Within 1 year	0.1	15.3
Over 1-3 years	-	1.0
Total	0.1	16.3

As at 31 December 2020, the Company had no obligations under lease agreements for building as a result of the adoption of the TFRS 16 as at 1 January 2020. The Company recognised the lease liabilities previously classified as operating lease at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate, as described in Note 4 to the financial statements.

26.2 Contingent liabilities

As at 31 December 2020 and 2019, the Company has contingent liabilities for letters of guarantee issued by banks to government and private agency amounting to Baht 0.5 million, which are pledged by fixed deposits of the Company.

27. LICENSE OF UTILIZATION FROM PRODUCTS' RESEARCH AND DEVELOPMENT

The Company has made a research and development contract with Arun Pitaya Co., Ltd. (the contractor), which is related company with conditions as follows:

- Research and Development means Research and Development of mangosteen extract and/or Garcinia Cambogia extract that licensor has researched and developed from the past until now including the derivatives from the abovementioned extracts which comes from the specific innovation of the extracts production process.
- The licensee agrees to pay a 5% service fee of sales of products of the head office and 2% service fee of sales of products of the branches. The service fees will be paid on a monthly basis.
- Contractor will work in cooperation with both public and private sectors in this research and development. The request for any documents to confirm the qualification and safety during processing will bring no charge against the Company, unless the expenses are actually disbursed to the participants (both public and private sectors), However, they must notify the Company from time to time for improvement.
- Contractor must deliver 1 unit of formulation and production process from product research and development to the Company. It's also forbidden to release such formulas and procedures to be released to others.
- Termination of contract master be in writing. The contract shall be terminated only when receiving the consent of both parties.

28. LEVEL OF FAIR VALUE

As at 31 December 2020, the Company had certain assets and liabilities that were measured or disclosed at fair value using different levels inputs as follows:

	In Million Baht			
	Financial statements in which equity method is applied and Separate financial statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Debt securities	-	255.5	-	255.5
Unit Trust	-	71.3	-	71.3
Equity instruments of listed companies	72.7	-	-	72.7

As at 31 December 2019, the Company had certain assets and liabilities that were measured or disclosed at fair value using different levels inputs as follows:

	In Million Baht			
	Financial statements in which equity method is applied and Separate financial statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Unit Trust	-	319.0	-	319.0

29. FINANCIAL INSTRUMENTS

29.1 Financial risk management policies

The Company's financial instruments principally comprise cash and cash equivalents, trade accounts receivable, investments and trade accounts payable. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

Trade and other accounts receivables

The Company was exposed to credit risk. However, due to the large number and diversity of the entities comprising the Company's customer base, The Company does not anticipate material losses from its debt collection. The Company estimated the allowance for doubtful accounts from the ending balance of accounts receivable. The estimate was made by considering the customer's past collection experiences. An impairment analysis is performed at each reporting date to measure expected credit losses. The provision for expected credit losses rates are based on days past due for groupings of various customer segments. The calculation reflects the reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade and other receivables are written-off in accordance with the Company's policy.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed in accordance with the Company's policy. Investments are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate risk through a counterparty's potential failure to make payments.

Foreign exchange risk

The Company has no material business transactions in foreign currencies thus the risk arising from exchange rate fluctuation does not significantly have impacts to the Company.

Interest rate risk

The Company's exposure to interest rate risk relate primarily to their deposits at bank, other financial assets and lease liabilities. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate. Therefore, the company does not use derivative financial instruments to hedge such risk.

Interest rate sensitivity analysis

The Company does not have any significant impact of the Company's profit before tax to a reasonably possible change in interest rates on that portion of floating rate financial assets and long-term loans affected, with all other variables held constant.

Liquidity risk

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

29.2 Fair value of financial instruments

Since the majority of the Company's financial instruments are short-term in nature, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

A fair value is the amount for which an asset can be exchanged between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

30. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

As at 31 December 2020 and 2019, the Company's debt-to-equity ratio were 0.17 : 1 and 0.09 : 1, respectively.

31. RECLASSIFICATIONS

The Company reclassified certain amounts in the statements of comprehensive income for the year ended 31 December 2019 to conform to the current periods' classification, as following.

	In Baht		
	Financial statements in which equity method is applied and Separate financial statements		
	Pre - reclassifications	Reclassifications	Post - reclassifications
Finance income	-	5,987,306	5,987,306
Other income	6,677,957	(5,987,306)	690,651

The reclassifications had no effect to previously reported profit or shareholders' equity.

32. EVENTS AFTER THE REPORTING PERIOD

On 22 February 2021, the Company's Board of Directors meeting No.1/2021 passed the following resolutions to approve the payment of dividend to its shareholders of 600,000,000 shares at the rate of Baht 0.12 per share, totaling of Baht 72.0 million, from the retained earnings and profit for the year 2020.

However, these resolutions will be further propose for the shareholders' approval in the Ordinary General Meeting of Shareholders for the fiscal year of 2021.

33. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's Board of Directors on 22 February 2021.

Attachment 1

Details of Directors, Management, Controller, Chief Financial Officer,
Accounting and Finance Manager and Company Secretary

First-Last Name / Date of Appointment / Title	Age (years)	Education / Training	% of Shareholding in the Company	Family Relationship between Management	Work Experience during the recent 5 years		
					Year	Title	Company
Director							
Ms. Maleeratna Plumchitchom/ April 30, 2011 <ul style="list-style-type: none"> • Independent Director • Chairperson of the Board • Chairperson of the Audit Committee 	75	- Master of Business Administration, Michigan State University - Bachelor of Accountancy, Chulalongkorn University. (Honors) - Diploma of Directors Certification Program (DCP) 45/2004, Thai Institute of Directors Association (IOD) - Diploma, National Defence College of Thailand, The Joint State-Private Sector Course, Class 11 - Diploma of Power of the Land Program, Chulalongkorn University, Class 2/2013 - Diploma of Senior Executive Program, Capital Market Academy, Class 6/2008 - Diploma of Advanced Security Management Program, The Association National Defence College of Thailand, Class 3/2012 - Diploma of Chief Executive Course for Urban Development Management (Mahanakorn), Urban Green Development Institute Bangkok	-	-	2018 – Present	Director	Thara 12 Co.,Ltd.
					2018 – 2019	Director	Knowledge Plus Institute.
					2017 – Present	Chairperson of the Board	Nara 12 Co., Ltd.
					2011 – Present	Independent Director / Chairperson of the Board / Chairperson of the Audit Committee	Asian Phytoceuticals Public Co., Ltd.
					2007 – 2018	Director	SYNNEX Public Co., Ltd. (Thailand)
<i>Holding a position of director / executive in other organization</i>							
						Director Chairperson of the Board	<u>Listed companies</u> -None- <u>Non-listed companies</u> Thara 12 Co.,Ltd. Nara 12 Co., Ltd.

First-Last Name / Date of Appointment / Title	Age (years)	Education / Training	% of Shareholding in the Company	Family Relationship between Management	Work Experience during the recent 5 years		
					Year	Title	Company
Prof. Dr.Pichaet Wiriyachitra April 30, 2011 <ul style="list-style-type: none"> ● Director ● Chairman of the Executive Committee ● CEO ● Authorized Director 	76	- Honorary Doctorate Degree in Science (Chemistry), Prince of Songkla University - Post-Doctoral Fellow Chemistry/Natural Products, University of Connecticut, USA - Post-Doctoral Fellow Chemistry/Natural Products, University of Pennsylvania, USA - Doctor of Philosophy in Organic Chemistry, University of Tasmania, Australia - BSc. (Hons) in Science, University of Western Australia, Australia - Diploma of Director Accreditation Program (DAP) 43/2005, Thai Institute of Directors Association (IOD)	49.26%	Husband of Assoc. Prof. Arunee Wiriyachitra	2012 – 2013	Managing Director	Th17 Global Co., Ltd.
					2000 – Present	Director	Arun Pittaya Co., Ltd.
					1999 – 2013	Managing Director	Asian Life Co., Ltd.
					1995 – 2013	Managing Director	Green Gold Co., Ltd.
					1988 – Present	Director / Chairman of the Executive Committee / CEO	Asian Phytoceuticals Public Co., Ltd.
<i>Holding a position of director / executive in other organization</i>							
						Director	<u>Listed companies</u> -None- <u>Non-listed companies</u> Arun Pittaya Co., Ltd.

First-Last Name / Date of Appointment / Title	Age (years)	Education / Training	% of Shareholding in the Company	Family Relationship between Management	Work Experience during the recent 5 years		
					Year	Title	Company
Dr.Jingjai Hanchanlash / April 30, 2011 <ul style="list-style-type: none"> ● Director ● Executive Committee ● Authorized Director 	78	- Doctor of Philosophy in Public Law, CAEN, France - Diploma in Project Analysis, Connecticut, USA - Diploma in Mid-Career Management Training, Western Ontario, Canada - Diploma of Director Accreditation Program (DAP) 1/2003, Thai Institute of Directors Association (IOD) - Audit Committee Program (ACP) 19/2007, Thai Institute of Directors Association (IOD)	0.87%	-	2019 – Present	Advisor	Loxley Public Co.,Ltd.
					2017 – Present	Advisor	Thai Chamber of Commerce University Council
					2017 – Present	Ditrector	Thai Environmental Institute Foundation
					2017 – Present	Vice-Chairman	Muang Thai Insurance Public Co.,Ltd.
					2016 – Present	Executive Committee	The Centre for European Studies (CES)
					2016 – Present	Chairman	Thai-Canadian Economic Cooperation Foundation
					2014 – Present	Promotion Committee	Princess Galyani Vadhana Institute of Music
					2014 – 2017	Qualified Member	The Thailand Research Fund (TRF)
					2014 – 2015	Member	National Reform Council, Education Reformation
					2007 – 2017	Director	National Institute of Science and Technology
					2005 – Present	Director and Executive Committee	Asian Phytoceuticals Public Co., Ltd.
					2004 – Present	President	The French Association
					2004 – Present	Honorary Consuls	Honorary Consulate of Jamaica in Thailand.
					2003 – Present	Director	Spie Oil and Gas services (Thailand) Co.,Ltd.
					2001 – Present	Independent Director	Laguna Resorts and Hotel Public Co., Ltd.
2000 – Present	Independent Director	Thai Wah Food Products Public Co., Ltd.					
1999 – Present	Chairman and Executive Committee	Rutnin-Gimbel LASIK Centre					
1999 – 2017	Director	Thai Chamber of Commerce University Council					

First-Last Name / Date of Appointment / Title	Age (years)	Education / Training	% of Shareholding in the Company	Family Relationship between Management	Work Experience during the recent 5 years		
					Year	Title	Company
					1999 – Present	Director	French-Thai Business Council (FTBC)
					1999 – Present	Director	The Development Cooperation Foundation
					1997 – Present	Vice-Chairman	The Thai Chamber of Commerce (TCC)
					1996 – Present	Director	Mekong Region Law Center
					<i>Holding a position of director / executive in other organization</i>		
					Vice-Chairman Independent Director		<u>Listed companies</u> Muang Thai Insurance Public Co.,Ltd. Laguna Resorts and Hotel Public Co., Ltd.
					Independent Director		Thai Wah Food Products Public Co., Ltd.
					Director		<u>Non-listed companies</u> Spie Oil and Gas services (Thailand) Co.,Ltd
					Chairman of the Executive Committee		Rutnin-Gimbel LASIK Centre

First-Last Name / Date of Appointment / Title	Age (years)	Education / Training	% of Shareholding in the Company	Family Relationship between Management	Work Experience during the recent 5 years		
					Year	Title	Company
Assoc. Prof.Arunee Wiriyaichitra / April 30, 2011 <ul style="list-style-type: none"> ● Director ● Executive Committee ● Authorized Director 	74	- Honorary Doctorate Degree in English Language Studies, Thammasat University. - Honorary Doctorate Degree in English for Communication, Ubon Ratchathani University. - MEd. in Bilingual Education, University of Connecticut, USA - BA in Linguistics, Thammasat University - Diploma of English Language Teaching, Perth Technical College, Australia - Diploma of Director Accreditation Program (DAP) 43/2005, Thai Institute of Directors Association (IOD)	15.37%	Wife of Prof. Dr. Pichaet Wiriyaichitra	2015	Sub-Committee	Legal Reform commission of Thailand.
					2012 – Present	Chairperson of Corporate Sustainability	Asian Phytoceuticals Public Co., Ltd.
					2012 – Present	Vice-President	Association of Developing Human Potential and Giftiness
					2011 – 2015	Executive Board	National of Educational Testing Service
					2010 – 2015	Director	The officer for National Education Standards and Quality Assessment
					2005 – Present	Director / Executive Committee and Company Secretary	Asian Phytoceuticals Public Co., Ltd.
					2000 – Present	Managing Director	Arun Pittaya Co., Ltd.
					<i>Holding a position of director / executive in other organization</i>		
							<u>Listed companies</u> -None-
						Managing Director	<u>Non-listed companies</u> Arun Pittaya Co., Ltd.

First-Last Name / Date of Appointment / Title	Age (years)	Education / Training	% of Shareholding in the Company	Family Relationship between Management	Work Experience during the recent 5 years		
					Year	Title	Company
Assoc. Prof. Dr.Varakorn Samakose / April 30, 2011 <ul style="list-style-type: none"> ● Independent Director ● Audit Committee 	73	- Doctor of Philosophy in Economics, University of Kansas, USA - MSc. in Economics, University of Kansas, USA - BSc. in Economics, University of Western Australia, Australia - Diploma of Director Accreditation Program 14/2002, Thai Institute of Directors Association (IOD) - Diploma of the Rule of Law for Democracy, Class 2/2014, The Constitutional Court	-	-	2018 – Present	Vice-Chairman	The National Strategy on Developing and Strengthening Human
					2017 – Present	Council Committee Advisor	The National Economics and Social Development Council (NESDC) Thai Health Promotion Foundation (ThaiHealth)
					2017 – Present	Director	The Public Sector Development Commission (OPDC)
					2016 – Present	Audit Committee/ Independent Director	Asian Phytoceuticals Public Co., Ltd.
					2011 – Present	President	Dhurakij Pundit University
					2010 – January 31, 2016		
					<i>Holding a position of director / executive in other organization</i>		
							<u>Listed companies</u> -None- <u>Non-listed companies</u> -None-

First-Last Name / Date of Appointment / Title	Age (years)	Education / Training	% of Shareholding in the Company	Family Relationship between Management	Work Experience during the recent 5 years		
					Year	Title	Company
Prof. Dr.Praipol Koomsup / April 30, 2011 <ul style="list-style-type: none"> ● Independent Director ● Audit Committee 	73	<ul style="list-style-type: none"> - Doctor of Philosophy in Economics, Yale University, USA - MSc. in Economics, Thammasat University - BSc. in Economics, University of Western Australia, Australia - Diploma of Director Accreditation Program (DAP) 52/2006, Thai Institute of Directors Association (IOD) - Diploma of Director Certificate Program (DCP) 91/2007, Thai Institute of Directors Association (IOD) 	-	-	2019 – 2020	Minister's Advisor	Minister of Energy
					2014 – 2015	Council Member	National Reform Council
					2014 – 2015	Assistant Minister	Minister of Energy
					2014 – 2015	Executive Board	Thai Oil Public Co., Ltd.
					2014 – Present	Fund Committee	Energy Policy and Planning Office
					2011 – Present	Independent Director / Audit Committee	Asian Phytoceuticals Public Co., Ltd.
					<i>Holding a position of director / executive in other organization</i>		
							<u>Listed companies</u> -None-
							<u>Non-listed companies</u> -None-

First-Last Name / Date of Appointment / Title	Age (years)	Education / Training	% of Shareholding in the Company	Family Relationship between Management	Work Experience during the recent 5 years		
					Year	Title	Company
Executive							
Mr. Sakda Sreesangkom February 22, 2021 <ul style="list-style-type: none"> Executive Committee March 1, 2020 <ul style="list-style-type: none"> Chief Operating Officer 	59	- Master of Economics, Keio University, Japan - Bachelor of Economics, Thammasat College - Diploma of Director Certificate Program (DCP) 87/2007, Thai Institute of Directors Association (IOD)	1.33%	-	2020 – Present 2009 – Present	Chief Operating Officer Senior advisor	Asian Phytoceuticals Public Co., Ltd. Northern Gulf Oil (THAILAND) Co., Ltd.
Mrs. Jannatthabhorn Janprasert November 11, 2011 <ul style="list-style-type: none"> Assistant to Chief Executive Officer for Production 	55	- Master of Science in Chemistry Chiang Mai University - Bachelor of Science in Chemistry Prince of Songkla University	0.04%	-	1995 – Present	Assistant to Chief Executive Officer for Production	Asian Phytoceuticals Public Co., Ltd.
Ms. Sureeporn Teeyaprechaya November 11, 2011 <ul style="list-style-type: none"> Assistant to Chief Executive Officer for Management 	59	- Bachelor of Accounting Sukhothai Thammathirat Open University	0.05%	-	1995 – Present	Assistant to Chief Executive Officer for Management	Asian Phytoceuticals Public Co., Ltd.
Mrs. Sirithip Wiriyachitra November 11, 2011 <ul style="list-style-type: none"> Assistant to Chief Executive Officer for Research and Quality Assurance 	54	- Master of Science (Microbiology) Mahidol University - Bachelor of Science (Medical Technology) Mahidol University	0.04%	Niece Prof. Dr. Pichaet Wiriyachitra	2009 – Present	Assistant to Chief Executive Officer for Research and Quality Assurance	Asian Phytoceuticals Public Co., Ltd.

First-Last Name / Date of Appointment / Title	Age (years)	Education / Training	% of Shareholding in the Company	Family Relationship between Management	Work Experience during the recent 5 years		
					Year	Title	Company
Ms. Ornphimol Prasertwit November 11, 2011 <ul style="list-style-type: none"> Assistant to Chief Executive Officer for Marketing 	55	- Master of Business Administration Bangkok University - Bachelor of Science, Mahidol University	0.04%	-	2013 – Present	Assistant to Chief Executive Officer for Marketing	Asian Phytoceuticals Public Co., Ltd.
					2001 – 2013	Direct Marketing Manager	Asian Life Co., Ltd.
Chief Financial Officer							
Mrs. Apinya Ulumpanon November 11, 2011 <ul style="list-style-type: none"> Assistant to Chief Executive Officer for Accounting and Finance 	52	- Bachelor of Accounting Prince of Songkla University <u>Continuing Professional Development</u> - Summarizing of the Financial Reporting Standard in the performance of listed companies and the difference from the Financial Reporting Standard No. 3, Business Combination, revised 2020.. - Preparing for changing of the Financial Reporting Standard	0.07%	-	2011 – Present	Assistant to Chief Executive Officer for Accounting and Finance	Asian Phytoceuticals Public Co., Ltd.
					1999 – 2013	Accounting and Finance Manager	Asian Life Co., Ltd.

First-Last Name / Date of Appointment / Title	Age (years)	Education / Training	% of Shareholding in the Company	Family Relationship between Management	Work Experience during the recent 5 years		
					Year	Title	Company
Accounting and Finance Manager							
Ms. Jareerat Jintana November 11, 2011 <ul style="list-style-type: none"> Accounting and Finance Manager 	52	- Bachelor of Accounting Ramkhamhaeng University <u>Continuing Professional Development</u> - Updating accounting and auditing standards and adaptation of accountants and auditors in the Covid 19. - Financial statements for management purposes.	-	-	2011 – Present	Accounting and Finance Manager	Asian Phytoceuticals Public Co., Ltd.
Company Secretary							
Assoc. Prof. Arunee Wiriyachitra / July 2, 2011 <ul style="list-style-type: none"> Company Secretary 	74	- Honorary Doctorate Degree in English Language Studies, Thammasat University. - Honorary Doctorate Degree in English for Communication, Ubon Ratchathani University. - MEd. in Bilingual Education, University of Connecticut, USA - BA in Linguistics, Thammasat University - Diploma of English Language Teaching, Perth Technical College,	15.37%	Wife of Prof. Dr. Pichaet Wiriyachitra	2015 2012 – Present 2012 – Present 2011 – 2015 2010 – 2015 2005 – Present 2000 – Present	Sub-Committee Chairperson of Corporate Sustainability Vice-President Executive Board Director Director / Executive Committee and Company Secretary Managing Director	Legal Reform commission of Thailand. Asian Phytoceuticals Public Co., Ltd. Association of Developing Human Potential and Giftiness National of Educational Testing Service The officer for National Education Standards and Quality Assessment Asian Phytoceuticals Public Co., Ltd. Arun Pittaya Co., Ltd.

First-Last Name / Date of Appointment / Title	Age (years)	Education / Training	% of Shareholding in the Company	Family Relationship between Management	Work Experience during the recent 5 years		
					Year	Title	Company
		Australia - Diploma of Director Accreditation Program (DAP) 43/2005, Thai Institute of Directors Association (IOD)					
Ms. Jutirat Promchotchai / February 22, 2021 <ul style="list-style-type: none"> Company Secretary 	47	- Bachelor of Laws Chiang Mai University - Bachelor of Business Administration Bangkok University - Certified Professional Internal Audit of Thailand (CPIAT), The Institute of Internal Auditors of Thailand - Certificate Course for Internal Auditors of Thailand (CPIAT 49), The Institute of Internal Auditors of Thailand	0.003%	-	2554 – Present	Chief Audit Executive	Asian Phytoceuticals Public Company Limited.

Company Secretary duties and responsibilities

The Board agreed to appoint Assoc.Prof. Arunee Wiriyachitra as Company Secretary since July 2, 2011, whereby the Company Secretary must perform the duties prescribed under Section 89/15 of the Securities and Exchange Act 1992, and Section 89/16 of the Securities and Exchange Act 2008 (No.4), effective since August 31, 2008, with the responsibility, carefulness, and honesty as well as any operation in accordance with the Company's objectives, resolutions of the Board of Directors, and resolutions of the shareholder's meetings. The Company Secretary's duties and responsibilities are as follows:

1. Prepare and preserve directors registration documents;
2. Prepare and preserve meeting agendas (Board of Directors/ shareholders), meeting reports (Board of Directors/ shareholders) and annual reports;
3. Preserve reports of conflict of interest reported by both directors and the Board of directors. Submit the copies to the Chairperson to audit within seven working days.
4. Manage other matters as announced by the Federation of Thai Capital Market Organization.

In addition, the Company Secretary is responsible for other duties assigned by the Company (or the Board of Directors) below.

1. Organize the meetings of the Board of Directors and shareholders.
2. Coordinate with the Company's internal divisions to follow the resolutions of the Board of Directors and shareholders.
3. Perform other duties as assigned by the Company.

Information on the positions of management and controlling persons of the Company in associated or related companies

A = Chairman of the Board, B = Company Directors, C = Executive Committee, D = Executive,
E = Advisor / Advisory Board
X = Chairman of the Audit, Y = Audit Committee, Z = Independent Director

List of Companies	Name-Surname												
	Ms. Maleeratna Plumchitchom	Prof. Dr.Pichaet Wiriyachitra	Dr.Jingjai Hanchanlash	Assoc. Prof. Arunee Wiriyachitra	Assoc. Prof. Dr.Varakorn Samakoses	Prof. Dr.Praipol Koomsup	Mr. Sakda Sreesangkom	Mrs. Jannatthabhorn Janprasert	Ms. Sureeporn Teeyaprechaya	Mrs. Apinya Ulumpanon	Mrs. Sirithip Wiriyachitra	Ms. Ornphimol Prasertwit	
Asian Phytoceuticals Public Co. Ltd.	A,X,Z	B,C,D	B,C	B,C,D	B,Y,Z	B,Y,Z	D	D	D	D	D	D	
<i>Associated Company</i>													
Apco China Co., Ltd.		B					B						
Hisold Digital Co., Ltd.		B											
<i>Related companies</i>													
Arun Pittaya Co., Ltd.		B		B,D									

Attachment 2

Details of the Directors of the Subsidiary Company

- None of the Subsidiaries -

Attachment 3

Details of the Chief Audit Executive and the Head of the Company's Compliance

First-Last Name / Date of Appointment / Title	Age (years)	Education / Training	% of Shareholding in the Company	Family Relationship between Management	Work Experience during the recent 5 years		
					Year	Title	Company
Chief Audit Executive							
Ms. Jutirat Promchotchai / April 21, 2011 <ul style="list-style-type: none"> Chief Audit Executive 	47	<ul style="list-style-type: none"> Bachelor of Laws Chiang Mai University Bachelor of Business Administration Bangkok University Certified Professional Internal Audit of Thailand (CPIAT), The Institute of Internal Auditors of Thailand Certificate Course for Internal Auditors of Thailand (CPIAT 49), The Institute of Internal Auditors of Thailand 	0.003%	-	2554 – Present	Chief Audit Executive	Asian Phytochemicals Public Company Limited.

For supervising operations, the Company has not established a supervisory unit of the Company. The supervisory work is under the supervision of the Company Secretary Department. It will have the responsibility to be the center of supervision of the business operations to comply with laws, rules, regulations, policies, and requirements of the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand, and other government agencies related. The Board of Directors has approved the Compliance Policy by requiring the Board of Directors, Audit Committee, Executive Committee, Senior Management, Departments, and Employees to comply with the law. Also communicates with employees to recognize that all employees have a duty and responsibility to study and understand the applicable laws and regulations in the work they are responsible for and perform them correctly and completely strictly adhere to the rules.

Attachment 4



Business Assets

(A) Main non-current assets

Assets that the Company used in business operations as of December 31, 2020, consist of:

- Land and apartment ownership

Title deed number/apartment ownership	The location	Area	Ownership	Net value (baht)	Holding purpose
27416	84/3 M.4 Northern Region Industrial Estate (West) T.Banklang, A.Muang Lamphun	5 Rai 7 Square Wah	APCO	2,583,852	To be used as the location of the manufacturing plant
76768,76769 (Commercial building 3 floors, 2 booths)	22 A.Hat Yai, Songkhla	135 Square meters	APCO	5,000,000	To be used as the location of the branch office
449, 450, 4491, 6579,8680	11th Floor, SV City Apartment, Building 2, Rama 3 Road Chong Nonsi, Yannawa, Bangkok	63.19 Square meters	APCO	1	To be used as accommodation for staff
159123,159124,159125 Land number 503,504,505 Commercial building 3 floors, 3 booths	170/126-8 M.3 Phayasadja Road, T.Samed A.Muang Chonburi	520 Square meters	APCO	616,000	To be used as the location of the branch office
Total				8,199,853	

The land and ownership of all apartments are owned by the Company and without any obligation.

- Other fixed assets

Asset type	Ownership	Net residual value (Baht) After deducting accumulated depreciation
Buildings and building improvements	Own	33,846,065.56
Machinery and equipment	Own	13,092,443.72
Tools and utensils	Own	952,721.22
Office decoration	Own	16,269.89
Office supplies	Own	739,497.93
Vehicle	Own	6,910,730.81
Total		55,557,729.13

Other fixed assets as shown in the table are owned by ACPO and without any obligation.

- Leasehold rights

Rental space	Contract details
1. APCO's warehouse. Located at 269 Krungthep Kreetha Road, Huamark, Bangkok.	Tenant: APCO Lessor: Mrs. Pannee Suwinai Duration: June 1, 2018 – May 30, 2021 Rental: 67,430 Baht per month
2. APCO, Surat Thani Branch Located at 251/6 Thanon Kasem Road, Talat, Mueang, Surat Thani.	Tenant: APCO Lessors: Juristic Body Ms.Arune Wiriyaichitra and Ms.Wipa Wittayaverroj (a related person of the Company) Period: July 1, 2020 – June 30, 2021 Rent: 13,000 Baht per month
3. APCO, Chiang Mai Branch Located at 61/5Inthawarorot Road, Sriphum, Mueang, Chiang Mai.	Tenant: APCO Lessor: Arun Pithaya Co., Ltd. (a related person of the Company) Period: July 1, 2020 – June 30, 2021 Rental: 35,000 Baht per month
4. APCO, Esplanade Branch Located at 317, 3rd floor, Esplanade Shopping Center	Leasehold assignee: APCO Lessor: Siam Future Property Company Limited Duration: 3 years from August 1, 2018 – July 31, 2021. Rental area: about 65.54 square meters Rental: 872.85 Baht per month per square meter or approximately 57,206.59 Baht per month
5. APCO, Ratchadapisek Branch Located on the 30th floor (whole floor), AIA Capital Center Building	Tenant: APCO Lessor: AIA Company Limited Duration: 3 years from October 1, 2020 – September 30, 2023. Rental area: approximately 1,894.72 square meters Rent: 875 Baht per month per square meter or roughly 1,655,985.00 Baht per month

Note: For the 1st, 2nd, 3rd, and 5th leases as mentioned in the table. The tenant can renew the lease again by agreeing on the rental price together with the tenant. For the 4th lease, there are no details on the renewal of the lease agreement. Usually, at the close of the contract expiration date, the lessor will have a letter informing the tenant of details of the lease renewal.

(B) Trademark

The Company registered its trademark with the Trademark Office, the Department of Intellectual Property for each product to prevent infringement. The trademark will last for 10 years, details are as follows:

Product Type	Trademark	Owner	Registration Date	Expiration date
Skincare cream	GARCÍNINS	APCO	September 26, 2007	September 25, 2027
	Goldfigor	APCO	September 26, 2007	September 25, 2027
	Joint&Shoulder	APCO	September 26, 2007	September 25, 2027
	Joynts&Shoulder	APCO	November 22, 2007	November 21, 2017**
	De-Arthritis	APCO	September 26, 2007	September 25, 2027

Product Type	Trademark	Owner	Registration Date	Expiration date
	<i>Arthrinon</i>	APCO	September 26, 2007	September 25, 2027
	<i>Arthrinox</i>	APCO*	September 26, 2007	September 25, 2027
	<i>TRIMONE</i>	APCO	June 8, 2018	June 7, 2028
	<i>Figor</i>	APCO	June 14, 2018	June 13, 2028
		APCO	August 20, 2019	August 19, 2029
Cosmetics, face cream, body lotion, sunscreen		APCO	May 26, 2000	May 25, 2030
		APCO*	March 23, 2011	March 22, 2021**
		APCO*	April 27, 2001	April 26, 2021**
Supplements from fruit extracts pellets.	GREENLINE	APCO	October 10, 2006	October 9, 2026
	TRIMONE	APCO*	February 11, 1997	February 10, 2017**
	FIGOR	APCO	May 23, 1997	May 22, 2027
Dietary supplements made from plants	<i>Diabenox</i>	APCO*	September 26, 2007	September 25, 2027
	<i>Arthrinox</i>	APCO*	September 26, 2007	September 25, 2027
	GARCININS	APCO	September 26, 2007	September 25, 2027
	<i>UlcinOK</i>	APCO	September 26, 2007	September 25, 2027
	<i>Ulcinon</i>	APCO	September 26, 2007	September 25, 2027
	<i>De-Arthritis</i>	APCO	September 26, 2007	September 25, 2027
	Joynts&Shoulder	APCO	November 22, 2007	November 21, 2027
	Joynts	APCO	November 22, 2007	November 21, 2027
	BIM&TRIM	APCO	September 17, 2009	September 16, 2029
	<i>Noriasis</i>	APCO*	September 4, 2009	September 3, 2029
	<i>Tumorid</i>	APCO*	September 4, 2009	September 3, 2029

Product Type	Trademark	Owner	Registration Date	Expiration date
		APCO	September 24, 2009	September 23, 2029
		APCO	April 30, 2009	April 29, 2029
		APCO*	April 30, 2009	April 29, 2029
	Dethritis	APCO	April 20, 2010	April 19, 2030
	Debetes	APCO	April 20, 2010	April 19, 2030
	Imm	APCO	May 11, 2010	May 10, 2030
	LIV CAPSULE	APCO*	January 29, 2015	January 28, 2025
	BIMXTRA	APCO	May 7, 2015	May 6, 2025
	EYELAST	APCO	May 7, 2015	May 6, 2025
	BIMEYE	APCO	May 7, 2015	May 6, 2025
	MACULAST	APCO	May 7, 2015	May 6, 2025
	BIMPLUS	APCO	May 7, 2015	May 6, 2025
	BIMOPLUS	APCO	September 17, 2015	September 16, 2025
	ECZENOK	APCO	July 21, 2016	July 20, 2026
Herbal weight loss		APCO*	December 19, 1996	December 18, 2026
		APCO	December 19, 1996	December 18, 2026
Fruit juice	GARCINIA IICA	APCO	January 10, 1997	January 9, 2027
	TRIMONE	APCO	February 11, 1997	February 10, 2017**
	FIGOR	APCO	May 23, 1997	May 22, 2027
	GREENLINE	APCO	October 10, 2006	October 9, 2026

Note: * Currently available trademarks

** Under renewal

- In the event that the trademark is expired and the Company did not renew, other persons can apply for the trademark to be registered as the owner. However, the Company has the policy to follow up and submit a trademark registration renewal so that they can be used in the next trade.

(C) Patent

The Company is in the process of filing an invention patent application for an invention as follows:

- (1) Nutrition ingredients which is patent related to products made from mangosteen extract and garcinia extract.
- (2) A component to regulate the immune response, which is a patent pertaining to products made from extracts of mangosteen and various grains, or the Operation "BIM" family of products.

Details of the patent application summarized as follows:

Invention patent ^{/1}	Detail	
Patent name	Components to regulate the immune response	Phytochemical ingredients and immunization techniques against foreign matter and autoimmune ^{/2}
Request number	1001001545	1601002466
Application submission date	5 October 1990	28 April 2016
Applicant Name	Asian Phytoceuticals Public Co. Ltd.	Asian Phytoceuticals Public Co. Ltd.
Inventor's name	Mr. Pichaet Wiriyachitra Mrs. Ampai Panthong Mrs. Siriwan Ong-chai Ms. Souwalak Phongpaichit Ms. Wilawan Mahabudsarakam	Mr. Pichaet Wiriyachitra
Status	In the process of announcing an advertisement for a patent application	In the process of submitting corrective documents before the announcement of the advertisement

Note: ^{/1} To get a patent, the law will provide protection for 20 years from the date of filing the patent application. After that, the public can take advantage of that patent. But if there is a technological development that has been noted, then can apply for a new patent.

^{/2} The Company is pending patent applications in the United States, Singapore, and Malaysia for the same.

(D) Other important contracts involved in business operations

1. License Agreement to Utilize Product Research and Development

Counterparty : Party 1: Asian Phytoceuticals Public Co. Ltd. ("Licensee")
Which holds 64.59 percent of shares by Professor Dr.Pichaet Wiriyachitra and his wife, Associate Professor Arunee Wiriyachitra.

Party 2: Arun Pithaya Company Limited ("Licensor")
Which holds 100 percent of shares by Professor Dr.Pichaet Wiriyachitra and his wife, Associate Professor Arunee Wiriyachitra.

Signing date : December 1, 2013

Summary of the Contract : 1. Permission to use research and product development, which means research and development on mangosteen extract and/or Garcinia extract that Professor Dr.Pichaet Wiriyachitra has researched and developed in past to present are elements, including the works that are further from the said extracts.

2. Licensor is responsible for experiments and research and development.
In order to continuously improve product quality.

3. The licensee will keep the production formulas obtained from the licensor's research and product development work and forbid the formula and production process to be published to others.

Compensation : 5 percent of product sales, if it is sold from the factory.
2 percent of product sales, if it is sold out from the branch office.
Compensation once a month after the sales summary.

Contract period : Until the contract is terminated from both parties.

Research and development contract for the said product is originated because most of the Company's products in the past was produced from the research results of extracts from mangosteen and garcinia by Professor Dr.Pichaet Wiriyachitra together with his research teams and allow the Company to do production for free. However, Professor Dr.Pichaet Wiriyachitra has granted APCO to apply the patent application for all products and formulas and pay compensation for utilizing research and development at the rate of 5% of the sales of the products produced from his research, including new products that may occur in the future from the said research. Such principles were approved by the Board of Directors' Meeting No. 1/2006 on February 27, 2006. The Board's meeting considered that the remuneration was similar to the remuneration that the National Research Council gave to researchers who can bring their research into the industry. The agreement was entered into on January 1, 2008, and has been effective retrospectively since January 1, 2006. Subsequently, the Board of Directors' Meeting No. 6/2011 on September 23, 2011, has a resolution to approve a new contract to improve the content of the original contract to be more clear and changed the parties from Greens to Gold Ordinary Partnership with Professor Dr.Pichaet Wiriyachitra as Managing Partner, to be Arun Pithaya Company Limited which holds 100 percent of shares by Professor Dr. Pichaet Wiriyachitra and his wife, Associate Professor Arunee Wiriyachitra. The new contract was effective from January 2011 onwards.

The Extraordinary General Meeting of Shareholders No. 1/2013 on September 20, 2013, approved the restructuring of the Group of Companies. The Company completed restructuring on November 30, 2013, by accepting the entire business transfer (EBT) of its subsidiaries, namely Asian Life Co., Ltd., Green Gold Co., Ltd., TH17 Global Co., Ltd., and Top Makom Co., Ltd. ("Group of Companies"), in which the Company holds approximately 100% of the shares entered operations under APCO and registered the dissolution of the subsidiary companies. After the restructuring of the Company, "License Agreement for Utilization of Research and Product Development" has been prepared and has revised the compensation conditions in the contract. The Company agrees to pay compensation for the utilization of research and development at the rate of 5 percent of product sales if it is sold from the factory and 2 percent of product sales, if it is sold out from the branch office with effect from December 1, 2013., and paying remuneration once a month after-sales summary. The details of the contract are summarized in the table above. Products not included in the compensation calculation are Bryte & Spryte, Ginkgo Biloba, and certain products in the Miracles and Jada.

For future research and development approaches in the event that there are a research and development of new raw material products that our current research team had no expertise, the Company has a policy of hiring outside agencies such as universities or other research units with expertise as a researcher. It is expected that it will take less time and expenses than the Company own conducts research and development.

2. Product Research Consultant Contract

The contract was made between APCO and

- (1) Associate Professor Dr. Siriwan Ong-chai Dated March 1, 2010
- (2) Associate Professor Dr. Wilawan Mahabudsarakam Dated March 1, 2010

The Company hires such experts as a consultant on product research. Pay wages on a monthly basis. It is effective from the date of the contract until the contract is terminated. The expert is a research group participant in the Operation "BIM" project, headed by Professor Dr.Pichaet Wiriyaichitra. The product resulting from the said research is the copyright of the Company together with researchers.

3. Research and development consultant contract

The contract was made between APCO and

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

Associate Professor Dr. Pharm.Ampai Panthong is the Chairman of the Research and Development Committee and Associate Professor Dr. Pharm.Souwalak Phongpaichit is the Research and Development Committee. The Company hires the aforementioned experts to be a consultant to educate consumers about products through various public relations media as specified by the Company, including giving advice to members of the branch by going to the branches of the specified company for consultation 2 times a week in which the Company will pay monthly wages and the contract is effective from the date of the contract until the contract is terminated. The Chairman of the Research and Development Committee will work with the Chief Executive Officer in planning research and product development are research group participants in the Operation "BIM" project, headed by Professor Dr.Pichaet Wiriyaichitra. The product resulting from the said research is the copyright of the Company together with researchers.

4. Employment expert contract

- Counterparty : Party 1: Asian Phytoceuticals Public Co. Ltd. ("Company")
Party 2: Dr. Valairat Dhamcharee, MD. ("Expert")
- Signing date : January 2, 2016
- Summary of the Contract :
 1. The Company hires expert to provide advice on the use of Operation BIM products to consumers in all activities of Bim Health Center.
 2. Experts will give advice to consumers at the Company's office. Ratchadaphisek Branch, 30th Floor, AIA Capital Center Building, Ratchadaphisek, every Monday and Wednesday of the week from 2.00 pm - 4.00 pm. The Company will pay monthly wages.
- Contract period : Until the contract is terminated from both parties

Investment Policy in the Company Subsidiaries and/or joint companies.

The Company has the policy to invest in the Company subsidiary or associated company which has an objective to operate businesses that support the Company's business. This will make the Company has higher operating results on profits or businesses that benefit the Company (Synergy) which can support the core business of the Company.

The investment in the Company subsidiaries and the associated company will be under the control and audit of the Audit Committee. The Company will send the Company's Directors or select the Executives who have qualifications and experience suitable for business operations to represent management to formulate important policies and control the Company's business operations.

Attachment 5



Code of Conduct

Code of Conduct

In order to declare the intention to be a role model for employees to behave and act honestly as well as taking care of the interests of all groups of stakeholders equally, the Board of Directors has established a code of business ethics to emphasize to the Executives and Employees to strictly abide by. It has an important objective to promote the values and corporate culture which resulted in sustainable growth as follows:

1. The Company adheres to the rule of law in business operations. Therefore the duty of the Executives and employees to know the regulations, relevant laws including laws that will be enacted in the near future which will affect their management and work. Therefore, the Executives and employees shall study and understand their duties and responsibilities in following regulations of government organizations and related agencies, both currently enforced and will be enforced in the near future, that are mainly used in performing their duties. The Executives and Employees must perform their duties strictly in compliance with laws relevant to the business of the Company and work regulations of the Company, and avoid any acts that might cause negative impact on the Company's reputation.
2. The Executives and Employees shall not seek competitors' trade secrets or inside information by illegal means such as theft, espionage or violation of agreement not to disclose competitors' information, whether received from customers or other persons.
3. The Company is decision making and business operations is transparent and can be disclosed to stakeholders for their information and verification under the laws and rules, regulations and practices of the Company that are related to protect trade secrets from being leaked to competitors and respect shareholders' rights to receive the necessary information to assess the Company equally and will disclose the financial performance and financial position with accurate and truthful supporting information according to the Stock Exchange of Thailand and the Securities and Exchange Commission set.
4. In the event that a director or employee has a connected transaction with the Company, the Company will act as the Company has done with outsiders. Director or employee must not participate in the approval.
5. The Executives, Employees, and close relatives shall not receive money, benefits or items from others related to the business of the Company if such receiving causes misunderstanding in the way that the receiver is inclined or specially related in business with the giver, causing damages to the Company.
6. The Executives, Employees, Family members, and Person living under the same roof shall not engage in any business/activity that may cause other persons to consider that the business/activity has conflict of interest with the Company, whether directly or indirectly.
7. The Executives and Employees who are responsible for using the Company's inside information must be careful not to let others overhear, eavesdrop, wiretap, or audio record the inside information. In addition, they should not converse in public through mobile phones or converse with family members and close persons which may lead to dissemination of inside information to others.

8. The Executives and Employees must strictly manage, store and classify inside information according to the Company's rules and regulations.
9. The Executives and Employees shall not disclose the Company's inside information to unauthorized persons, especially the customer's confidentiality, unless having received written approval from authorized persons and the responsible unit.
10. While working for the Company and after the termination of operating conditions, employees must not disclose the Company's confidential information for the benefit of anyone at all, whether it is electronic information, financial information, operations, business information, future plans of the Company, etc.
11. The Executives and Employees do not use the specification for securities trading or transmit it to others for securities trading.
12. The Executives and Employees must perform their duties with honesty, without bias, and do not exercise their power in seeking for the benefit of oneself or others.
13. The Executives and Employees must not intentionally make reports or records with untrue or inaccurate information and must not intentionally conceal or present untrue or inaccurate information to the Company. Whenever untrue or inaccurate information is found, such persons must report their superior immediately.
14. The Executives and Employees must not utilize the communication and computer systems to conduct any activities that are illegal or against the Company's policy or utilize the Internet or similar services in the manner that could cause damages, disgrace, lack of trust or discredit including must utilize the communication and computer systems with full responsibility and must not cause disharmony, damage others' reputation, discourage others' morale, or discourage amity in workplace.
15. The Executives and Employees shall keep the Company's assets in a good condition and utilize them to fully generate benefits for the Company's business and must not use them for their own or others' benefit in a misconduct way including must not take, utilize, sell, give, borrow, owe, distribute or transfer the Company's assets without permission, regardless of their value or condition.
16. The Executives and Employees are responsible for helping or attempting to gain patent, copyright, or protect the Company's intellectual property trademarks and must not take any action that violates the intellectual property of others or competitors.
17. The Executives and Employees must conform to the Company's safety regulations when using tools, equipment and work environment.

18. The Executives and Employees shall encourage working environment, avoid activity that violates the privacy, respect each other, collaboration, suggest and solve problem together in the workplace.
19. The Executives and Employees must not provoke, slander or imitate others causing disharmony and shall omit claiming others' work as one's own. In addition, must not be have in the way that marks dislike, molest people in the opposite sex, bully others, be in debt, addict gambling, take drugs, consume alcohol drinks while performing work, or commit any acts deemed ethically disgraceful.
20. The Executives and Employees must not commit any acts causing sexual harassment among colleagues. If sexual harassment among employees is found, such matter shall be reported to the superior immediately.
21. The Company respects and supports stakeholders to exercise their individual rights and freedoms under the constitution. The Company will be neutral and not involved in politics.
22. The Executives and Employees shall be fair and shall not discriminate in hiring including recruitment of personnel, consideration of remuneration and benefits, job promotion, job relocation, performance evaluation, training, adherence to regulations, job termination, layoff and reemployment, and participation in society and recreational activities, etc.
23. The Executives and Employees must recognize the importance of helping conserve natural resources and the environment and must try to prevent the companul from engaging in activities that harm or pollute natural resources, the environment and related ecosystems.

Attachment 6

Audit Committee Report

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

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

The 3 Audit Committee members have the qualifications required by the Stock Exchange of Thailand's qualifications and Scope of Work of the Audit Committee (No.2) 2009.

In 2020, the Audit Committee held 4 meetings and has done their duties discreetly and employed their skills and knowledge in undertaking their duties and responsibilities independently. They have collaborated with the administrative section, internal auditors and account auditors for the benefit of the stakeholders. The summary is as follows:

1. To verify the regularity of the quarterly financial budget and the 2019 annual financial budget of the Company and its subsidiaries for 2020. To provide adequate open information to ensure that the accounting system and the financial reports are done in accordance to the general accounting principles and to also provide complete and reliable information.
2. To examine the internal control system and internal audit system to ensure that the Company's internal control system and internal audit system are suitable, sufficient and effective.
3. To inspect the actions of the Company to ensure that it follows the guidelines determined by the law regarding property and the stock exchange, the rules and regulations of the stock exchange and other laws which is relevant to the business of the Company.
4. To check the adequacy and effectiveness of the Risk Management System.
5. To ensure the Company has good corporate governance in order to operate its business transparently and to disclose records that are relevant or records that might have conflicting interests.
6. To consider, nominate, appoint account auditors for the Company at the same time determine and offer their remuneration package to present at the shareholders' meeting for approval.

From the inspection of the internal control system, the Audit Committee sees that the Company has a good internal control system. The financial reports are in adherence with the general accounting principles. An amount adequate of information is disclosed. Furthermore, the Company has a suitable risk management system, has good corporate governance, transparent and reliable. In addition, the Company continuously tries to improve and develop the effectiveness of its performances.



(Ms. Maleeratna Plumchitchom)
Chairperson of the Audit Committee