



Form 56-1

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One Report

# 2022



บริษัท โนวา ออร์แกนิก จำกัด (มหาชน) (สำนักงานใหญ่)  
190/4 หมู่ที่ 8 ต.โคกสองยางปลาทอ อ.พระสมุทรเจดีย์  
จ.สมุทรปราการ 10290  
เลขประจำตัวพืษีษณณณ : 0107564000201  
[www.nova-organic.com](http://www.nova-organic.com)





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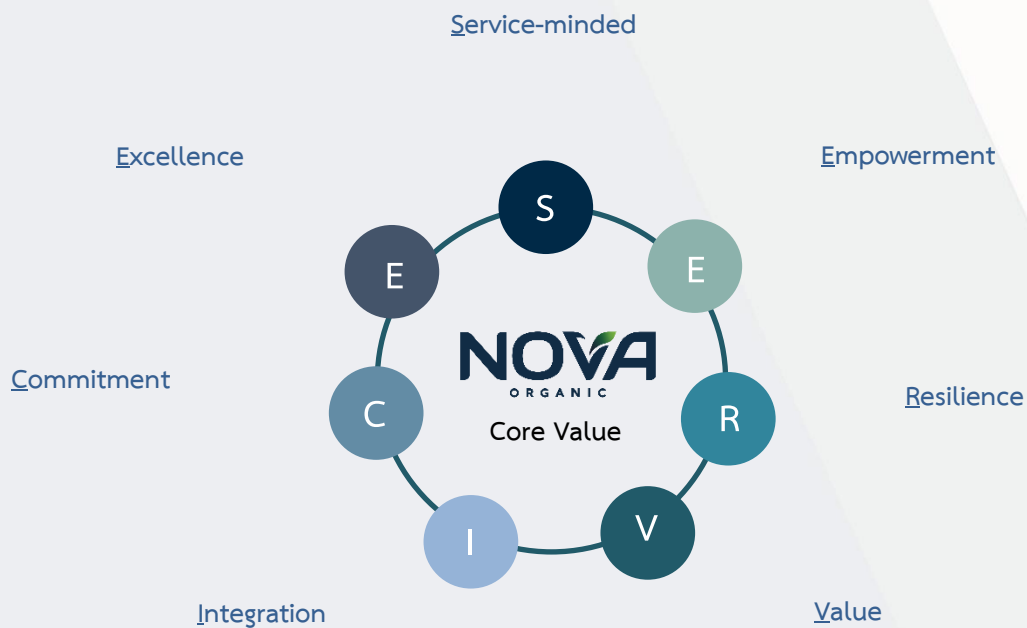
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**VISION** To be a leader of health and beauty supplements in Asia with commitment to all sustainable well-being.

**MISSION**

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



**NOVA**  
ORGANIC



## General information of the company



Company name	Nova Organic Public Company Limited.
Initials	NV
Registration number	0107564000201

### Business Type

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

### Registered capital

300,000,000 million baht  
common stock 600,000,000 million Shares  
Value per share 0.5 baht

### Pension issued and paid in full

300,000,000 million baht  
common stock 600,000,000 million Shares  
Value per share 0.5 baht

### Head office

190/4 Moo 8 Nai Khlong Bang Pla Kot Sub-district,  
Phra Samut Chedi District, Samut Prakarn  
Tel : 0-2408-6778  
Website : [www.nova-organic.com](http://www.nova-organic.com)

174 176 and 178 Soi Rama 2 Soi 60 Samae Dam, Bang Khun  
Thian, Bangkok  
Tel : 0-2417-1130

### company secretary

Telephone: 0-2417-1130 ต่อ 109  
e-mail: [secretary@nova-organic.com](mailto:secretary@nova-organic.com)

### Investor Relations

Telephone: 0-2417-1130 ต่อ 109  
e-mail: [ir@nova-organic.com](mailto:ir@nova-organic.com)

### Reference

#### • Securities Registrar

Thailand Securities Depository Co., Ltd. (TSD)  
1st Floor, The Stock Exchange of Thailand Building  
Ratchadaphisek Road, Din Daeng, Din Daeng, Bangkok  
10400  
Tel: 0-2009-9999

#### • Auditor

Siam Truth Audit Company Limited  
338 Building A, 8th Floor, Preecha Complex Project  
Rachadapisek Road Soi Rachadapisek 20, Samsen Nok  
Subdistrict, Huai Khwang District, Bangkok 1031  
Tel : 0-2229-2800



### Key Performance



**NV speeds up construction of a new office** to focus on expanding distribution channels via telephone (telesales), which is the main distribution channel. Only this channel alone can generate sales of almost 500 million baht in 2022. As of December 31, 2022, the company had a total of 100 telephone lines and 120 telephone sales representatives with a base of 2.2 million customers.

The new office is trying to accept more than 100 telesales employees and is accelerating expansion in other branches. According to the districts or various electric train points in the city, in order to accommodate more employees and make it more convenient for employees to travel It is expected to be completed in early 2023.

## Activity For Health Lovers



NV participated in the press conference of Care Asia 2022, an exhibition of innovative products that meet the needs of healthcare and comprehensive well-being in Asia. This is an important collaboration between the public and private sectors in the development of the healthcare and wellness business "Build People, Build a Nation, Comprehensive Health Care" to make Thailand a center of health and services in Asia (the Medical Hub) as the main sponsor. The CARE ASIA 2022 exhibition is scheduled to take place between March 31 and April 3, 2022, at the EH 101 building, BITEC Exhibition and Convention Center, under strict measures to prevent the spread of the COVID-19 virus.



### NV enters the food supplement market.

Launched 3 alliances to strengthen OEM business and accelerate the development of new products containing Thai herbal ingredients. Meet the needs of health lovers and hope to push revenue in 2023 to grow 15-20%.

### NV gets a big job! “Collagen Ing Fah”.

Collagen "Ing Fah Miss Grand" trusts NV as an OEM manufacturer. During this event, the big boss-Navaphol softly whispers that CEO-Ing Fah announces special promotions and a sales target of 200,000 cans. It is not a problem; NV has full capacity.







**Construction of a new smart warehouse.** Construction of a new smart warehouse on an area of 5 rai is expected to be completed in the middle of 2023, at Nai Khlong Bang Pla Kot Subdistrict Phra Samut Chedi District Samut Prakan Province.



**"Cordyceps Plus Multi-Vitamin B",** the best-selling product for 3 consecutive years.

Watsons HWB Awards 2022 The best seller health food supplements "Cordyceps plus Multivitamin B"

**Sign a construction contract**

Main construction work NOVA ORGANIC WAREHOUSE & OFFICE project (Smart Warehouse) worth 181 million baht.





Achievement Award



1. Watsons HWB Awards 2022  
The best seller health food supplements "Cordyceps plus Multivitamin B"



2. Long Term Partnership Award by 3C Do trade with 3C



3. IPO Partnership Award by 3C



4. Quality of Life Improvement Award by 3C



5. Performance Award by Pure Chemicals Be the best customer

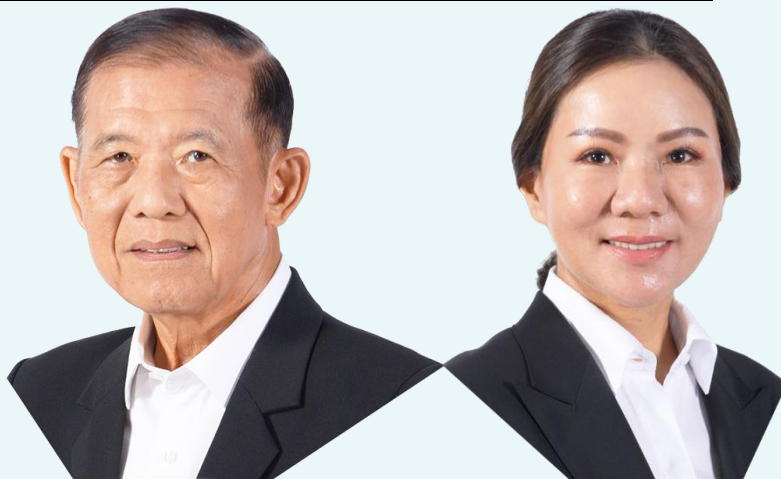


6. Industry Leadership Award by 3C





## Message from the Chairman and Chief Executive Officer



In the year 2022, Nova Organic Public Company Limited, or NV, has to admit that many business sectors have been affected by the economic situation, the war, and the outbreak of the Coronavirus Disease 2019 (COVID-19), which caused the overall global economy to be in a recession. This affects the global trading market as well as consumer confidence, causing consumers to be more careful in their spending.

Although at the end of 2022, after the government has improved the distribution of vaccines and the treatment of infected people and has a policy to open up to tourists entering the country, which is expected to make the economy recover, large-scale fiscal measures to stimulate the economy, especially in developed countries, as well as adjust society, business, and consumer behavior to a new normal of life (the "New Normal") will be implemented.

NV has prepared many plans and strategies to adapt to various situations. Our most important goal is still to take care of the health of our fellow human beings. Our lovely customers, in particular, should be healthy. We are still determined to be one of the organizations that help develop society and human beings to grow in all dimensions

and want people of all ages and all salary levels to consume food supplements for better health.

In 2022, NV will have invented a variety of products. Both beautiful and healthy, such as the fiber drink products that we added probiotics to. It helps with excretion. Weight-loss drink products such as coffee, cocoa, and green tea are delicious. And it can also help control weight. As for health products, there are a variety of them, such as plant protein powder and collagen products that specifically help with knee and bone issues, etc.

NV would like to thank its shareholders, customers, business partners, and allies who have continued to believe in and be good friends with NV all along. Thank you to the Board of Directors, all executives, and all employees who work to their full potential. Although, due to the overall economic situation, NV's income looks lower in 2022 than in previous years, However, we have a strong cash flow as well as a solid financial and business strategy. We conduct business on a prudent basis, focusing on improving processes within the organization to increase efficiency. Together with the cost-saving policy and various expenses to maintain sufficient liquidity, we believe that NV will definitely be able to lead the business through this period.

Assoc. Prof. Dr. Prakrit Tangtisanon  
Chairman of the Board

Mrs. Yuphin Chanjuthamard  
Chief Executive Officer



PART 1

Business

and Performance



# 1. Structure and Business Operations

## 1.1 POLICIES AND BUSINESS OVERVIEW

### 1.1.1 HISTORY

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

From continual product development and new product launches every year to fulfill the various and ever-changing needs of consumers. As a result, all of the company's products can now



satisfy the needs of customers of all ages via a variety of distribution channels such as Telesales, Modern Trade, Home Shopping, and Online Shopping. Also, to create additional revenue-generating channels the company has been hired to manufacture food supplements for outsiders.

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

Company's Trademark





### 1.1.2 5 YEARS KEY CHANGES AND DEVELOPMENTS

## 2018

### February 2018

- The company purchased land and building at 190/83 and 190/84 Moo 8, Nai Khlong Bang Pla Kot Sub-district, Phra Samut Chedi District, Samut Prakan for use as a warehouse to support capacity expansion.
- The company received the best-selling product award (4th time) in the category of collagen for beautiful skin and the category of fiber detoxification (2nd time) from Watsons.



In addition to the DONUTT Brand, which includes products that contain collagen and Total Fibely products, teenagers and working-age groups are the company's target customers. This year, the company has established the trademark Livnest (Livnest Brand) for the production of health supplements.

The company has developed dietary supplements in the cordyceps group and launched a new product called "Instant Coffee Powder Mix Cordyceps and Lingzhi Extract," which is a combination of various raw materials suitable for those who regularly drink coffee.



### July – August 2018

- The company began to expand its business into foreign markets by distributing its products. entered the Hong Kong Special Administrative Region through dealers.



## 2019

### June 2019

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



### Awards 2019

- Received the best-selling product award in the category of fiber detoxification (3<sup>rd</sup> time) from Watsons.
- New & Potential Detox Product (Thailand) award from Watsons (Singapore) from selling in Watsons, Singapore.
- Received the best-selling product award in the category of Collagen product (4<sup>th</sup> time) from Watsons.
- Received The best-selling product award from Food Ingredient Asia 2019.
- Thailand Trust Mark (Thailand Trust Quality) certification from Ministry of Commerce.



### November – December 2019

- The Board of Directors Meetings No. 2/2019 and 3/2019, held on **November 4 and December 2, 2019** respectively, resolved to approve the interim dividend payment from 2019 retained earnings to ordinary shareholders in the amounts of 54.15 million baht on November 5, 2019, and 27.50 million baht on December 3, 2019.
- On **December 24, 2019**, the company increased its registered capital from 100.00 million baht to 150.00 million baht, which was divided into capital increases by (1) Existing Chanjuthamard family owner number of newly issued shares 385,345 shares at 100 baht per share, or 2.5951 existing shares per 1 new share. (2) SMEs Private Equity Trust Fund 2 (Sub-Fund 2) 63,000 additional shares at 475 baht per share, based on the fair value determined by an independent financial advisor. (3) Other shareholders, the number of additionally issued shares was 51,655 shares at 475 baht per share, resulting in the Chanjuthamard family owning 92.36 percent of the company following the capital increase.

## 2020

### April 2020

- On April 11, 2020, the Board of Directors No. 1/2020 resolved that the Company purchase land with 2 units of commercial buildings from Mr. Navaphon and Mrs. Yuphin Chanjuthamard the group of major shareholders of the company, for a total value of 14 million baht to be used as an office. In the area of Soi Rama 2, Soi 60, Samae Dam Subdistrict, Bang Khun Thian District Bangkok, and 1 plot of vacant land from outsiders worth 8.32 million baht in the area of Nai Khlong, Bang Pla Kot Subdistrict, Phra Samut Chedi District, Samut Prakan Province, which is the location of the original factory for expanding the area of the food supplement factory.
- The 2020 Annual General Meeting of Shareholders, held on April 30, 2020, approved the dividend payment to ordinary shareholders in 21 million baht.

### August 2020

- The Board of Directors Meetings No. 2/2020, held on August 28, 2020, approved the dividend payment to ordinary shareholders in 150 million baht.

### Award 2020

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



### November 2020

- The Board of Directors Meetings No. 4/2020, held on November 12, 2020, approved the dividend payment to ordinary shareholders in 330 million baht.
- There was also a decision to increase the registered capital from 150.00 million baht to 225.00 million baht, which will be used as working capital in the company.
- The company purchased 2 plots of land in the Nai Khlong Bang Pla Kot Sub-district, Phra Samut Chedi District, Samut Prakan, with a total area of 11.80 rai total value is 114 million baht from a third party for the future construction of new factories and warehouses.
- To increase manufacturing capacity, the company has invested in a huge number of different types of machines, such as machines for filling and high-speed capsules to support sales that are fast increasing.



### Award 2021

- Received the award for the best-selling product in the dietary supplement category, Health care category (2<sup>nd</sup> time), and the category of fiber detoxification (5<sup>th</sup> time) from Watsons.
- Awarded the "FAST GROWING COMPANY AWARD" for the best organization of the year, as well as the best product and service award of the year by Business+.
- Awarded as a Quality Persons in the food and beverage industry from the Foundation of Science and Technology Council of Thailand.
- In addition, the company is a member of various agencies and organizations, including the Department of International Trade Promotion, Ministry of Commerce, Thailand, Center for Building Competitive Enterprises established by the Thai Listed Companies Association, Member of the National Productivity Institute and Investor Club Association.



### December 2021

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

## 2021

### January 2021

The Extraordinary General Meeting of Shareholders No. 1/2021, held on 29 January 2021, resolved to authorize the company to sale the land and buildings consisting of three building, which is a warehouse to Nova Organic Holding Company Limited for 36.00 million baht. To use the proceeds as working capital in the business and as money capital for the development of new factories and warehouses by referring to the purchase price assessed from an appraiser approved by SET.

### On June 7, 2021, The EGM No. 2/2021

- Resolved to authorize the company to rented back land and buildings from Nova Organic Holding Company Limited for a short term at a total rental price of 253,500 baht per month, which is the rental price assessed by 2 appraisers who has been approved by SET.
- Resolved to approve the company's registration as a public limited company, change the name to "NOVA ORGANIC PUBLIC COMPANY LIMITED" and register the change in par value from 100.00 baht per share to 0.50 baht per share.
- Resolved to approved the company's increase in registered capital from 225 million baht to 300 million baht, or from 450 million shares to 600 million shares, by issuing new shares in the amount of 150 million shares at a par value of 0.50 baht per share for Initial Public Offering (IPO).
- The company's trademark or logo, as well as the company's seal, have been updated to be more modern and to give them a more unique image.





## 2022

### January 2022

- On January 4, 2022, the Board of Directors No. 1/2022 passed a resolution approving a dividend payment in the amount of 210 million baht at a cash dividend payment rate of 0.35 baht per share with a payment date of February 3, 2022.

### March 2022

- On March 10, 2022, the management and staff Joined the main pillar laying ceremony for the construction of a new smart warehouse on an area of 5 rai, expected to be completed in early 2024.

### September 2022

On September 20, 2022, the Board of Directors No. 5/2022 approved

- Appointed Mrs. Yuphin Chanjuthamard as Chief Executive Officer of the Company in place of Mr. Navaphol Chanjuthamard
- Appointed Mr. Yuttana Taepangthong as Chief Financial Officer of the Company in replacement of Mrs. Yuphin Chanjuthamard.
- Approved the investment in the establishment of a subsidiary, Nova Ventures Company Limited., for investment purposes, and joint ventures with other companies.
- Approved the investment in a subsidiary, NovaG Innovation Company Limited, with the objective of distributing dietary supplements. herbal products and various extracts

### February 2022

On February 2, 2022, the company was approved for BOI promotion certificates.

#### Investment promotion

Category 1.11.2 Manufacture of natural extracts from natural raw materials or production of products from natural extracts continuing in the same project

Category 1.18 Manufacture of medical food or dietary supplement.

On February 24, 2022, the company held a press conference to penetrate the dietary supplement market, launching three partners to strengthen the OEM business.



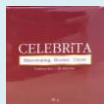
Product of the year 2022

Quarter 1



**Nesta instant tea flavored drink powder:** Delicious taste, helps to relax. make you sleep better.

**Instant coffee mix powder mixed with Collagen Dipeptide Plus Calcium:** Helps the body feel refreshed, energized, alert, reduces the breakdown of bone mass.



**Celebrita Rejuvenating Booster Cream:** a valuable nourishing cream to revitalize the skin that powerfully makes the skin look firm, moisturized, and youthful.

Quarter 3



**Powdered drink mixed with white kidney bean extract and raw coffee bean extract:** coffee, cocoa and green tea. Delicious taste, help to reduce cholesterol and also has special features to bind to the fat molecules floating above the stomach.



**Plant protein mixed with multivitamins:** Helps increase muscle, prevent osteoporosis memory loss of the elderly.

**Black galingale extract mixed with zinc:** Improves male sexual performance, reduce fatigue increase blood circulation.



Quarter 2



**Instant coffee powder mixed with ginseng extract and ginkgo leaf extract:** Helps to energize, alert, stimulate the functioning of the metabolic system.

**Collagen Type 2 Plus Collagen Dipeptide:** Helps nourish knee joints from collagen dipeptides. with the same type of structure found in the knee joint.



Quarter 4



**Total Fibely Plus Probiotics:** Passion fruit, mango, pineapple, tamarind flavors, delicious flavors, various patterns, focusing on detox, increase the amount of beneficial microorganisms that help with the excretory system and strengthen the intestines.

**Livnest Perfect Herbal Toothpaste:** A toothpaste containing a variety of herbs. Used to clean the mouth and teeth. Makes breath smell fresh for a long



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

Ended on December 31, 2022

According to Nova Organic Public Company Limited ("Company"), the company offered 150,000,000 ordinary shares in an initial public offering ("IPO") on December 15-17, 2021 for 6.9 baht per share, and the company's new ordinary shares were listed on the Stock Exchange of Thailand on December 24, 2021. The company got money from the issuance of new ordinary shares for 1,035.00 million baht, after deducting the underwriting costs and underwriting guarantees in the IPO and other connected expenses. The remaining amount is 989.12 million baht.

The Company would like to notify you on the capital increase as of December 31, 2022 per following

(Unit: Million Baht)

Purpose	Plan (Estimate)	Used Amount as of 31 December 2022	Net Amount as of 31 December 2022
1. To expand the new office	50.00	43.73	6.27
2. To expand the new factory and the new warehouse	500.00	179.82	320.18
3. To renovate extraction plant and manufacturers of herbal products	35.00	25.85	9.15
4. Working capital	404.12	404.12	-
<b>Total</b>	<b>989.12</b>	<b>653.53</b>	<b>335.59</b>



### 1.2 Nature of Business

#### 1.2.1 Overview of the company and revenue structure

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

#### Company's Trademark



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



## 1.2.2 Revenue structure by product group

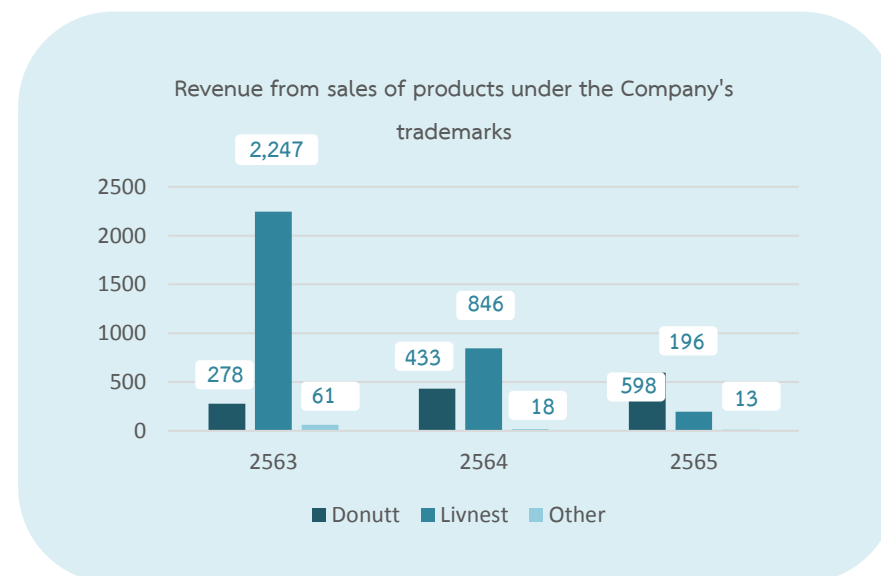
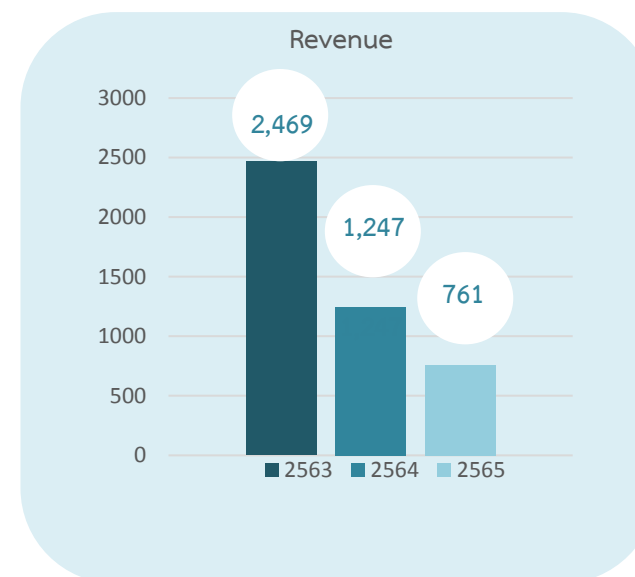
Revenue Structure	For the fiscal year that concluded on December 31					
	Year 2020		Year 2021		Year 2022	
	MB.	%	MB.	%	MB.	%
1. Revenue from the sale of the company's trademarked products						
1.1 Dietary supplement group under the "DONUTT" trademark	278.27	10.75	433.36	33.38	598.32	74.02
Collagen supplements	109.78	4.24	281.98	21.72	438.61	54.26
Dietary fiber supplements	134.84	5.21	135.40	10.43	142.93	17.68
Other supplements	33.65	1.30	15.98	1.32	16.78	2.08
1.2 Dietary supplement group under the "LIVNEST" trademark	2,247.79	86.87	846.03	65.17	196.78	24.34
1.3 Dietary supplement group under other trademarks	61.48	2.38	18.86	1.45	13.19	1.63
Total revenue from the sale of the company's trademarked products	2,587.54	100.00	1,298.25	100.00	808.29	100.00
Less Trade discount	52.69	-	37.77	-	47.33	-
Less Estimated product returns <sup>1/</sup>	9.51	-	(15.06)	-	(2.90)	-
Less Delivery fee <sup>2/</sup>	65.46	-	39.57	-	20.26	-
Net revenue from the sale of the company's trademarked products	2,459.89	-	1,235.97	-	743.60	-
2. Revenue from Original Equipment Manufacturer (OEM)	1.09	-	0.69	-	10.16	-
Total sales revenue	2,460.97	-	1,236.66	-	753.76	-
Other revenue <sup>3/</sup>	8.70	-	10.93	-	7.34	-
Total revenue	2,469.68	-	1,247.59	-	761.10	-

Notes:

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

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

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



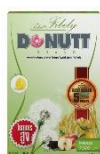


## 1.2.3 The company's products

Dietary supplement group under the “DONUTT” trademark



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



Dietary supplement group under the “LIVNEST” trademark



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

The company's products under the LIVNEST brand began developing and producing products for market sale. (1) dietary supplements containing Cordyceps (Cordyceps Sinensis) as the main ingredient, along with multivitamin B (Cordyceps Plus Multivitamin B). The company has mainly sold through telephone channels (Telesales), and the aforementioned items have proven to be very popular, prompting the company to innovate formulae and make other dietary supplements while preserving cordyceps as the main ingredient such as Instant Coffee mixed Plus Cordyceps and Lingzhi, and Instant Cacao mixed Plus Cordyceps and Lingzhi, which easy to drink and suited for customers who consume beverages regularly and wish to enhance with food supplements. Instead of utilizing non-dairy creamer, the company has chosen to use coconut oil, a natural fat, as an ingredient. In addition, the company has developed Cordyceps Plus UC-II, Cordyceps Plus Artichoke Extract, and Cordyceps Plus Lutein.



### Dietary supplement group and Other products

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

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



### Original Equipment Manufacturer: OEM

Furthermore, the company employed an external manufacturer to carry out the product's production and distribution under the company's trademark. The company also has a contract manufacturing business where it advises on product issuance to external clients under the customer's brand or trademark. To comply with the legislation, the company will be the operator to issue the Food and Drug Administration of the food serial number or food product identification number under the customer's brand, which is a complete operation for the customers' cycle. Products that have registered a serial number with the Food and Drug Administration (FDA) based on the recipe and brand. If there is a desire to produce more products next time using the existing food serial number, every time, the production formula and brand must be the same. Customers who previously informed the serial number with the Food and

Drug Administration under any brand cannot utilize the company's manufacturing formula to create at another factory under the original serial number and brand, because the production formula that the company has informed is the company's property, it must be created at the company's factory only because the food serial number will consist of the number establishment that is the factory for the manufacturing of products.

### 1.2.4 Market and Competitive Information

#### Target Customers

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

#### (1) Early adulthood and adolescent customers

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



#### (2) Middle-aged customers

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

(3) Elderly Customers

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



comprehensive. Both in terms of selling via telephone and online channels, presently major distribution channels. Moreover, the company is expanding its overseas sales. The company's management team including managers, and employees from all departments, have all contributed to the company's success and ability to compete in the market. The operating results of the company in the past show that this has caused the company to develop continuously and sustainably. The company has suitably assigned jobs based on expertise in each line of work and has frequently conducted people development training since the company values excellent personnel as a key factor in its success.

(3) The growth of the dietary supplement industry where present and future trends will continue to grow as customer behavior changes since Thai society, like societies across the world, is transitioning to an aging society that places a greater emphasis on health care. As a result, dietary supplements are becoming increasingly popular.

(4) The company has received several achievement awards. as following:

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

(2) Concentrating on reaching consumers through diverse and comprehensive distribution channels that are easy to access. Allowing customers rapid and easy access to the company's offerings. Especially distribution from telesales, the increasing number of clients placing orders over the phone from 2018 to the present attests to this. In the future, the company intends to grow the number of telephone lines and expand distribution channels to become more efficient and



Strategy for competitionCreating a Diversified Distribution Channel Strategy.

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

(1) Telesales distribution channels the company has operated and developed on our own to support the sale of products through television advertising, customers who are interested in the product will contact to place an order. Telephone salesman use Customer Relationship Management to record customer information and buy orders, which provides customer care via a dedicated phone line. As of December 31, 2021, the company had 250 telephone lines and 170 telephone salesmen.

(2) Modern Trade distribution channels are available in large and small retail stores situated in various places for example 7-11, Big C, Watsons, Boots, etc.

(3) Home Shopping distribution channels are a purchase order for products obtained through advertising on television programs, as well as partner marketing channels and product catalogs for example TV Direct, O Shopping, Friday 24 Catalogue, True Select, etc.

(4) Online distribution channels such as Shopee, Lazada, and Line Official of The Company.

(5) Other channels that the company has expanded further in 2022, such as OEM channels that have produced products for the brand Miss Grand, Miss Teen, etc., and sales outlets that have been released with Bangkok DrugStore, SAVE DRUG and Fascino pharmacy etc.

Product quality management strategies

The company always pays attention to maintaining the quality of the products to meet the standards because the quality of the products is the main element that makes the company successful. We have a stable and growing customer base, and in order to guarantee the quality of the product and the production of standardized products, the production plant has been certified by the quality assurance system, GHP or Good Hygiene Practice, and standards of quality management systems according to international standards (ISO 9001:2015) from SGS (Thailand) Company Limited, according to the certificate number at TH22/00000383, and the certification of the symbol of confidence in the quality of Thai products and services, the Thailand Trust Mark, which guarantees safety with green industry standards, by the Thai Department of International Trade Promotion, Ministry of Commerce. In addition, the company also has a quality inspection department that is responsible for quality control in the production process, from raw material receiving and weighing to compounding according to the production formula and packaging. Including having a standard selection process for raw material distributor partners. The supplier must have documents certifying the quality and safety of raw materials, such as a Certificate of Analysis (COA), Material Safety Data Sheet (MSDS), GHP HACCP ISO 9001, Halal documents, etc., confirming that the raw materials used in the production process are of the highest quality.



### Customer - retention and expansion strategies

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

### An effective production strategy

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

### Research and Development strategies for high-quality

The company has a research and development section that is in charge of ongoing product formulation research and development so that the company's products are of higher quality and variety. It will concentrate on the development of new products in response to client demands and in line with current trends, with the primary beneficiaries being consumers.

Currently, the company is co-researching with (1) Kasetsart University as part of a research grant project with the Kasetsart Agricultural and Agro-Industrial Product Improvement Institute. For the creation of standardized extracts from Emblica and pure enzyme from pineapple, which will be used in anti-aging cosmetic products. The research from 2021 to 2023, and will involve collaboration with a variety of institutions. The objective is to bring the outcomes of research to market in the form of new products. Also, use research-based information on the features and quality of key compounds as a reference to guarantee customers have confidence in the product quality. (2) The company has supported research with funds to jointly create the readiness of HPTLC laboratories to meet the international standards of the Faculty of Pharmacy, Chulalongkorn University: To enhance the standard analysis of herbs In the past, the company sent samples of raw materials used in the production of products to the HPTLC laboratory for quality analysis. This is very beneficial for the selection of quality raw materials for further production. (3) The company has signed a cooperation agreement with King Mongkut's Institute of Technology Ladkrabang with the objective to exchange knowledge in engineering to develop the food supplement industry in Thailand, help drive the development of food supplement technology to meet international standards, and coexist with society and communities in a sustainable way.

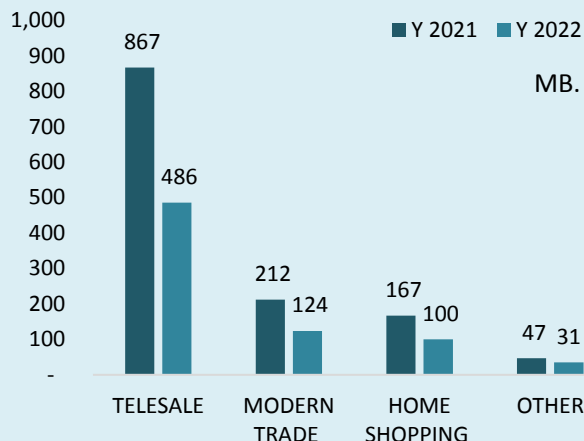


### Unique trademarking strategies

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

### Distribution Channels

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



#### (1) Telesales distribution channel

The telephone distribution channel is one that the company has operated and developed independently. Over 120 agents work in both in-bound and out-bound telesales. In-bound telesales serve to support product sales generated by digital TV advertising, news programs, talk shows, variety shows, etc. When customers are interested in a product after seeing it presented in various media, they will call to inquire for product details and place an order over the phone easily and promptly, regardless

of where they are in the country. The company will compile a database of customers who have called to place an order, which salespeople (Out-bound) will call to propose new products, products that conduct promotional activities (Promotion), or call customers after they've used the product and provide tips on how to use other products. When a customer places an order, the company will use an outside courier to deliver the order; this channel allows the company to serve customers continuously, inquire about customer satisfaction with the company's products, and use the information to improve the company's products. To better meet the needs of customers in the future by implementing Customer Relationship Management to support the delivery of services to customers via a dedicated phone line.

On December 31, 2021, the company has 170 agents for supporting orders and presenting products over a total of 250 phone lines. The telephone sales staff will be stationed at the Rama II office. and Samut Prakan Office which can support customer calls 24 hours a day. Moreover, the organization arranges staff training roughly twice a month to provide information about product properties, create knowledge, and understanding for employees, to create a standard of quality service, appropriate, and amaze the consumers. So that employees may accurately explain various information to customers.



(2) Modern Trade distribution channel

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

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

Selling through modern retail stores, the company will enter into contracts or agreements with merchants to define trade conditions on an annual basis, including details such as selling prices, discounts, marketing charges, distribution costs, promotional fees, setting sales targets, etc. The merchandise will be delivered by the company's transportation vehicle. There is a total of ten transport vehicles that deliver goods to various retailers' distribution facilities.



(3) Home shopping distribution channel

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

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

(4) Online distribution channel

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

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

Advertising and Public Relations

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

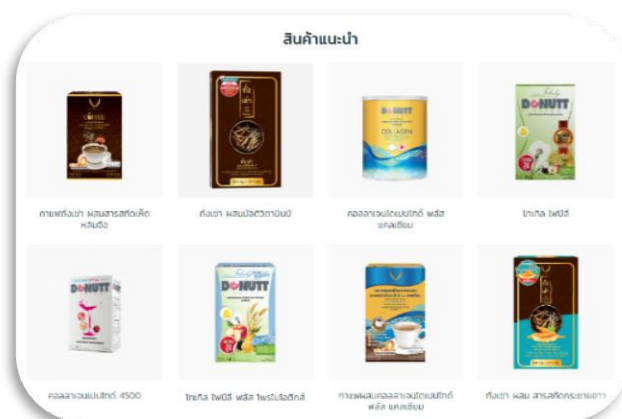
## (1) สื่อการตลาดแบบออฟไลน์ (Offline Marketing)

- Use of television media It's a media that allows you to communicate swiftly and easily while also reaching a large audience. It is conceivable that the audience will remember the media and get interested in the product. The majority of which the company will select to publish promotional materials throughout the period and popular shows, to communicate the company's trademarks and products throughout the country. Telesales are the company's main offline marketing strategy.
- Using well-known persons to promote items (Brand Presenter) such as actors, singers, or other well-known people to lead, entice, establish confidence, and support customer decisions. Because there are numerous brands of identical products on the market right now. This could make it tough for customers to make a decision.
- Billboard can help establish observable and easily accessible media recognition, as well as the ability to choose the source and target audience to offer a certain media.

## (2) Online Marketing/ Digital Marketing

Public relations and product communication via various electronic media for the company's trademarks and products for example the company's website and other social media such as Facebook, Instagram, Youtube, and Google advertisement.

Nowadays, online communication has advanced in technology and has grown in popularity. It is yet another efficient channel.

Competition in the industry

## Overview of the Industry

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

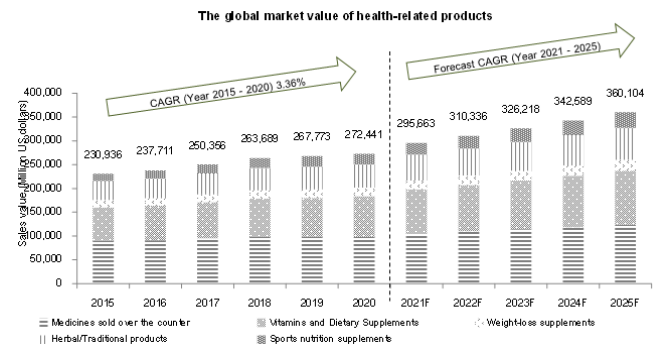


impact of the outbreak on healthcare habits, with people engaging in more self-protective actions.

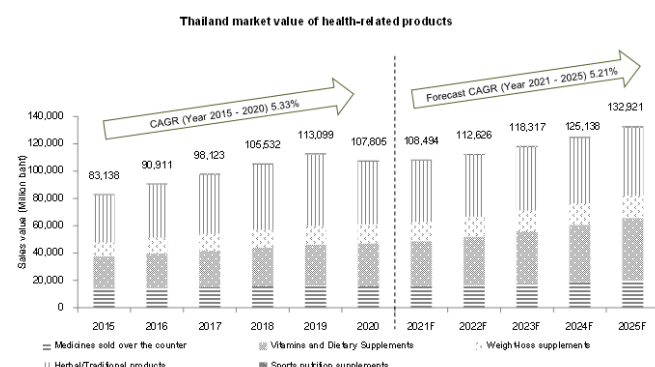
This is to suit the needs of people who want quality of life and excellent health but live a fast-paced lifestyle with a focus on convenience and quickness. Most people think of dietary supplements as a viable option, because there are many convenient and easy-to-eat forms to select from, for example, tablets, capsules, ready-to-drink powder, or in the form of a nutritious drink, etc. making it accessible to all age groups, from the elderly to the teenager. Today's dietary supplements have qualities that can be used to maintain, prevent, and treat both beauty and health. The market for food supplements has continued to rise and is becoming increasingly popular. Furthermore, those who opt to consume healthy food supplements will be discovered that the food they eat daily lacks all of the nutrients that the body requires. As a result, food supplements are required to ensure that the body receives all of the nutrients it requires.

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

product categories. This can be described by a 5.05 percent compound annual growth rate (CAGR).



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



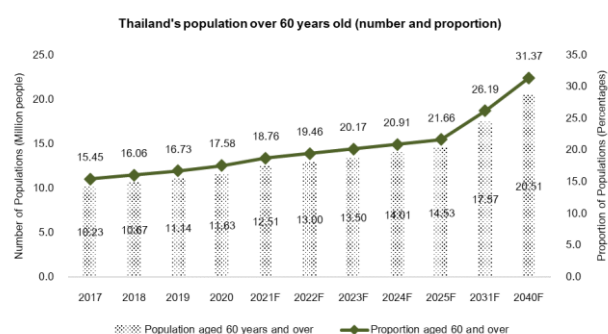
In comparison to previous years, overall growth has slowed. Because of the economic downturn, people are being more cautious with their spending. Consumers will prioritize purchasing necessary things first for example Immunity-boosting products with a mixture of Lingzhi extracts, garlic extracts, ginseng extracts, and a variety of vitamins, etc. Moreover, the elderly population is expected to grow in the future, entrepreneurs must adapt by focusing on the development of products that help the blood circulation system, bone nutrition, eye care, and memory systems that are primarily targeted at elderly customers, as well as products with skincare and anti-aging properties for female consumers.

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

news outlets that provide information on eating to prevent the spread of COVID-19.

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

Trends in the next 5 years Euromonitor International forecasted that from 2021 to 2025, the Thai healthcare-related product market will have an average annual growth rate of roughly 5.21 percent, with a total market value in 2025 equal to 132,921 million baht, consisting of Vitamins and Dietary Supplements will have a higher market value in 2025 equivalent to 45,472 million baht. In Thailand, sales increased to 34.21 percent of the total value of healthcare-related items, with an average annual growth rate of 8.42 percent from 2021 to 2025. Herbal/Traditional Products would have a market value of 49,716 million baht in 2025, accounting for 37.40 percent of the overall value of healthcare-related products in Thailand, with an average annual growth rate of 2.61 percent from 2021 to 2025. Traditional medicine will grow slowly due to the possibility that the economy will not fully recover, and a lack of assistance from foreign tourists who buy herbal goods as souvenirs.



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

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

### 1.2.5 Research and Development

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

Furthermore, the company has a positive working connection with its commercial partners. Trends in the dietary supplement business are usually shared regularly, and the company is also developing new products in collaboration with universities and

other prominent institutions in the country to research and create new raw materials for use in the company's dietary supplements for example. Currently, the company has partnered with the Kasetsart Agricultural and Agro-Industrial Product Improvement Institute to promote research into the creation of standardized extracts from emblica and pure enzymes from pineapples for use in anti-aging cosmetics and given a fellowship to develop research potential with Burapha University's Faculty of Pharmacy: the objective was to examine the activity of bromelain from emblica.

(2) The company has supported research with funds to jointly create the readiness of HPTLC laboratories with international standards of the Faculty of Pharmacy Chulalongkorn University. To enhance the standard analysis of herbs In the past, the company sent samples of raw materials used in the production of products to the HPTLC laboratory for quality analysis. This is very beneficial for the selection of quality raw materials for further production. (3) The company has signed a cooperation agreement with King Mongkut's Institute of Technology Ladkrabang: with the objective to exchange knowledge in engineering to develop Food supplement industry in Thailand and help drive the development of food supplement technology to meet international standards. and can coexist with society and communities sustainably.



### Development of new products

The process begins with the marketing department researching market trends and needs to determine the overall image of the new product. The R&D department will then seek active components in collaboration with raw material suppliers. Develop ingredients with attributes that satisfy the needs, and identify the number of crucial compounds in the desired form or nature of the product. The research and development department will gather data on the product components such as pharmacological details, laws, regulations, experiment with different sensory qualities like appearance, color, smell, and taste, and Chemical properties including sweetness (Brix), acidity (pH), density, and humidity. Also, evaluating the shelf life of the products and summarizing the facts of the new product's components

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

### Thailand Board of Investment (BOI)

The promotion certificate approved by Board of Investment of Thailand (BOI). To show that Nova Organic Public Company Limited is a promoted company in the business of producing products from extracts of natural raw materials. category 1.11.2, the business of producing extracts from natural raw materials or the production of products from extracts of natural raw materials that is continuing in the same project, and category 1.18, the business of producing medical food or food supplements from extracts of natural raw materials.

### 1.2.6 Production processes

#### Production

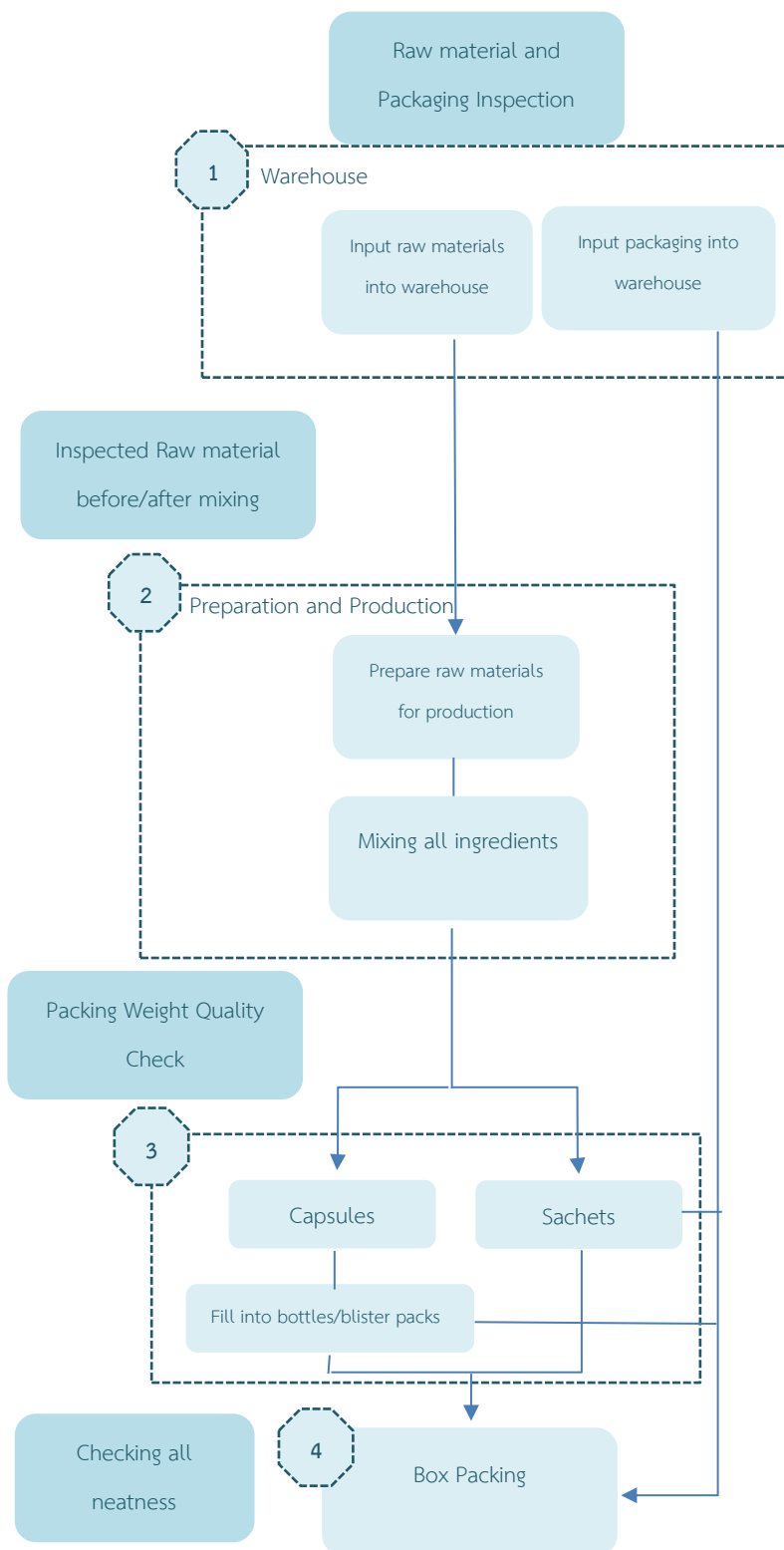
The Company has three closed-system factories. (1) A license to produce herbal products and Thai traditional medicine in hard capsule form Located at 190/4 Moo 8, Tambon Nai Khlong Pla Kod, Phra Samut Chedi District, Samut Prakan Province, which is established as the head office, (2) A license to establish a factory to produce food for sale and a factory business license Located at No. 190/1 Moo 8, Tambon Nai Khlong Pla Kod, Phra Samut Chedi District, Samut Prakan Province, the total land area is approximately 1 rai 361 square wa. (3) A license to produce herbal products, such as herbal extracts. Located at 190/71 Moo 8, Tambon Nai Khlong Pla Kod, Phra Samut Chedi District, Samut Prakan Province The production department can be divided into 3 parts: production of semi-finished goods or goods in process, and packing department, the factory will be designed as a clean room. The amount of dust, contaminants, temperature, and humidity levels in the laboratory are controlled according to the company's standards. Employees who must work in the factory must clean their bodies and wear specific clothing. before entering the factory.



190/1 Phra Samut Chedi District, Samut Prakan Province



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



### Capacity

The production of The Sachet products:

In 2020, the company has ordered 13 machines and has two shifts of production personnel, resulting in a maximum production capacity of 64.21 million sachets per year. However, the capacity utilization rate varies throughout the year depending on the volume of orders



received; certain periods have full capacity production, requiring staff to work two shifts, resulting in the company ordering additional machines to meet production demands in those periods. Besides, when the annual capacity utilization rate is averaged over the entire production period, some areas of the production are below average, resulting in an annual capacity utilization rate of 53.53 percent and an increase in real production volume to 34.37 million sachets compared to 21.24 million sachets in 2019.

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

production volume was 34.99 million sachets, compared to 34.37 million sachets in 2020.

For the year 2022, the company has ordered a 300-liter mixer machine to reduce the process of preparing raw materials. Originally preparing 100 kilograms at a time, it is now possible to prepare 300 kilograms of raw materials at a time. The company has more machines for sachet products; its production capacity is 12,600 sachets per day. In addition, the company has ordered an additional SK-169 tea packing machine to increase the production of plant-based tea, with a production capacity of 12,600 sachets per day. Calculate the employee's work in terms of eight working hours.

However, the company has prepared by both ordering more machines and adding more types of production machines. In order to be in line with the strategy to expand more distribution channels,

#### The Production of The Capsule products:



In 2020, the company ordered a total of 15 machines by gradually acquiring both automatic and semi-automatic machines throughout the year and high-speed models with additional rows of filling heads that can produce 4-5 times faster than standard machines. Due to a surge in orders, the machine came in December 2021 with two shifts of production employees. As a result, the

maximum annual production capacity is 385.34 million capsules. At the beginning of 2021, the company ordered one more machine and calculated the work of the production team of two shifts, in addition to four new machines that arrived in December 2020, resulting in the highest average production capacity of the year 2021 of 1,124.24 million capsules. However, the capacity utilization rate has declined since 2021, owing to the company's orders for machinery arriving at the end of 2020

and a lower-than-expected number of orders due to negative news regarding dietary supplements. The company anticipates that the capsule-type capacity utilization rate will continue to rise in the future as a result of new products that the company plans to market starting in the third quarter of 2021, which already has products on the market: Finger root extract plus Emblica extract dietary supplement product and Vitamin c, which is a product that has gained popularity from the epidemic of the Covid-19 virus. Products planned for release this year for example Black Sesame Extract Plus UC-II dietary supplement product, etc.

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

As for the year 2022, the company did not order additional capsule production machines because there is already enough production capacity to meet the demand.

#### The Production of The Can products:

At the end of 2019, the company ordered one canning machine to test the production and distribution of canned collagen products in the market. One more machine was ordered in April 2020, bringing the average maximum production capacity in 2020 to



2.35 million cans per year, derived from the number of two machines and the working time of production staff in two shifts of 8 hours per day. และ In July and August 2021, four more machines are being ordered to assist marketing efforts to introduce more canned collagen products. As a result, in 2021, the average production capacity climbed to 9.64 million cans, and the capacity utilization rate increased to 13.90 percent, with an actual production volume of 1.34 million cans, compared to 0.04 million cans in 2020. The increase in canning machinery

output and capacity utilization rate is attributable to sales and marketing plans being adjusted to cover a wider range of products. In June 2021, the company began selling canned collagen products.

As for the year 2022, the company did not purchase additional canned machinery. However, there was an order for a packing machine for canned collagen products. Details can be found under "The production of The Sachet products."

#### Production of bird's nest drink:

In the year 2022, the company wants to expand into more types of production. Including seeing the increasing demand for the bird's nest drink market as well. Therefore, the product is being developed in the form of a bird's nest drink. It has ordered a production machine that can produce up to 150,000 bottles per month and is in the process of developing a production formula with King Mongkut's Institute of Technology Ladkrabang team.

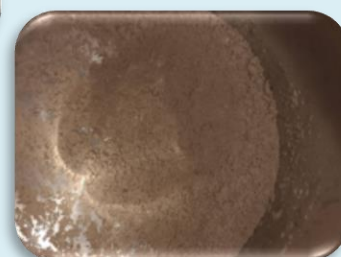
#### Extraction

The company has made an agreement with farmers, known as Contract Farming," for farmers to be able to produce agricultural products and be subject to production methods and quality control methods. That meets the standards established in advance in order to assist Thai farmers and enable the company to receive quality agricultural products with the standards as specified.

In 2022, the company will sign a cooperation agreement with King Mongkut's Institute of Technology, Ladkrabang (KMITL), which is a project related to the extraction of herbs. The very first project we have done is mangosteen peel extraction. The beginning is from KMITL, which has a fruit processing factory in Chumphon Province, and after using raw materials from mangosteen meat, the remaining part of the consumption of mangosteen resulted in large quantities, so he invented how to take advantage of the mangosteen peel.

KMITL therefore began to study and conduct research on the extraction of important substances from mangosteen peels. It was found that in the mangosteen peel there is an important substance called Xanthone, which has anti-oxidant and anti-inflammatory effects. And there are many other pharmacological effects that can bring mangosteen extracts to many applications, such as the cosmetic industry, dietary supplements, pharmaceuticals, and food.

The company is ready in terms of production, including production facilities and machines, which accelerates the importance of this research study, therefore helping to support King Mongkut's Institute of Technology, Ladkrabang, by passing on the mangosteen extract that has been returned for further research work.



### 1.2.7 Product and quality standards

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

- Factory Operation Permit (Ror Ngor.4 Form) from the Federation of Thai Industries, Ministry of Industry.
- Food Production License (Or.2 Form) from the Food and Drug Administration (FDA), Ministry of Public Health.
- Food Registration Certification (Sorbor. 5 Form) or Application Form for Permission to Use Food Label (Sorbor. 3 Form) that has been approved by the Food and Drug Administration (FDA), Ministry of Public Health, for each product that the company produces and sells to customers.
- GHPs Codex Alimentarius General Principles of Food Hygiene: Good Hygiene Practices (CXC 1-1969, latest revised 2020) from SGS in the Production of Food Supplements (Natural Extracts, Synthetic Extract, Collagen Powder, Instant Coffee Powder, synthetic extract, collagen powder) Instant coffee powder Powdered beverages, teas, plant-based teas, and weight loss diets
- Hazard Analysis and Critical Control Point (HACCP) System and Guidelines for its Application (CXC 1-1969, Latest Revised 2020) from SGS Institute in the Production of Food Supplements (Natural Extracts and Synthetic Collagen Powder)
- Certificate of ISO 9001:2015 from SGS in the production of food supplements (natural extracts, synthetic collagen powder, instant coffee powder) Powdered beverages, teas, plant-based teas, and weight loss diets which is a food safety quality management system Quality assurance is ensured at every stage of production, from the supply inspection of raw materials to quality control during production.

- Important books to use Halal, Halal License from the Central Islamic Council of Thailand, which is certified according to the method correctly according to Islamic principles.

However, officials from various agencies, such as Samut Prakan Provincial Public Health and officials from the Central Islamic Council of Thailand, will have random access to various quality control checks annually by checking the quality of products and the products wastewater treatment system within the factory, following good hygiene standards in food production (Good Hygiene Practices, or GHP), etc. The results of the examination found that the production process of the Company was in accordance with the established standards.

In addition, the company also has a quality inspection department that will inspect and control the quality at every step of the production process until before delivery to consumers. Starting from the inspection of the raw materials and packaging received from the purchase order. Picking up raw materials from the warehouse, checking the readiness and cleanliness of the equipment before starting production, and checking the quality of substances after mixing Packaging quality inspection and filling the post-mixed substances into the packaging, including working with external research companies to deliver the company's products Go check for heavy metal contaminants and some pathogens that cannot be detected by themselves. Because specialized tools are needed to check

### Important licenses to do business

#### Factory Operation License

As of December 31, 2022, the company has the following factory licenses:

License	Factory Registration No.
Factory Operation Permit (Ror Ngor.4 Form)	E 3-12(5)-1/56 SorPor
Factory Operation Permit (Ror Ngor.4 Form)	E 3-12(5)-1/57 SorPor



## Licenses and other important documents used in business

As of December 31, 2022, the Company has received important documents and licenses to operate the business. The details are as follows:

Licenses	License number	Issuers of Document
Herbal Production License	HB 11-1-65-4	Samut Prakan Provincial Public Health Office
Food Production License (Or.2 Form)	11-1-11259	The Food and Drug Administration
Herbal Production License	HB 11-1-65-3	Samut Prakan Provincial Public Health Office
Certificate of Registration (GHP)	Cerf. No. TH22/00000383	SGS
Certificate of Registration (GHP)	Cerf. No. TH22/00000385	SGS
Certificate of Registration (ISO 9001:2015)	Cerf. No. TH22/00000196	SGS
Thailand Trust Mark (T Mark)	PN 0908.2/803	Department of International Trade Promotion
The halal license	CICOT. halal C976/2556	The Office of the Central Islamic Council of Thailand
Business license that is harmful to health	Book No. 6 No. 32 Year 2022	Nai Khlong Bang Pla Kot SAO
Business license that is harmful to health	Book No. 6 No. 33 Year 2022	Nai Khlong Bang Pla Kot SAO

### 1.2.8 Impact on the environment

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

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

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

### 1.2.9 Regulations related to business operations

The company's dietary supplement production and distribution are categorized as food with quality or standards under the Food Act B.E. 2522 (and its revisions) ("Food Act"). Food supplement products must be certified by the Food and Drug Administration before being sold, according to a notification from the Ministry of Public Health. As a consequence, the company must adhere to the Food Act and the Ministry of Public Health's notifications relating to the business of selling

important dietary supplements, as well as other dietary supplement-related laws, including guidelines for determining nutrients and other substances that are essential components of dietary supplements, using food supplement containers, and providing labels on the products. Furthermore, the company must apply for a food production license and submit a plan of food production, along with a building and food storage facility, machinery, and manufacturing method, to the Food and Drug Administration for approval. After that, the FDA will perform a factory audit and grant a food production license if the plant fits the company's criteria. This license must be renewed every three years.

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

#### 1.2.10 The job that hasn't been completed yet

- none -



## 1.3 Assets used in the Business

## 1.3.1 Fixed assets used in business

As of December 31, 2022, the company has fixed assets utilized in its business operations after deducting accumulated depreciation of 532.02 million baht, as stated in the consolidated statement of financial position; details can be summarized as follows:

Details	Net book value (Million baht)
Lands <sup>1/</sup>	161.33
Buildings, building improvements, and land improvements	112.2
Other fixed assets	258.48
- Machines and factory equipment	84.75
- Office equipment	13.74
- Vehicles	5.18
- Assets under installation	154.81
<b>Total Net</b>	<b>532.02</b>

Remarks: <sup>1/</sup> Including investment properties

Lands

Land Title reference	Location	Purpose of holding	Nature of holding	Obligation	Net book value (Million baht)
Title Deed No. 150017, 50018	Thonburi Complex Project, No. 174 and 176, SamaeDam, Bang Khun Thian, Bangkok	Office	Ownership	None	2.38
Title Deed No. 150061-150066	Thonburi Complex Project, No. 468, No. 470, No. 472, No. 474, No. 476 and No. 478, SamaeDam, Bang Khun Thian, Bangkok	Office	Ownership	Collateral for credit facilities with a financial institution total loan amount 58.00 million baht <sup>1/</sup>	9.52
Title Deed No. 12496, 12497	Suptawee Home Factory 3, No. 190/1 Nai Khlong Bang Pla Kot, Phra Samut Chedi, Samut Prakan	Office and Factory	Ownership		14.13
Title Deed No. 48729	Suptawee Home Factory 3, No. 190/4 Nai Khlong Bang Pla Kot, Phra Samut	Office and Factory	Ownership		4.02
Title Deed No. 59785, 59787	Prachauthit-Khu Sang, Nai Khlong Bang Pla Kot, Phra Samut Chedi, Samut Prakan	Factory and Warehouse	Ownership	None	120.09
Title Deed No. 12498	Nai Khlong Bang Pla Kot, Phra Samut Chedi, Samut Prakan	Factory expansion	Ownership	None	9.40

## Business Operations and Performance

Land Title reference	Location	Purpose of holding	Nature of holding	Obligation	Net book value (Million baht)
Title Deed No. 149986, 149987	Thonburi Complex, No. 508, 510 Samae Dam, Bang Khun Thian, Bangkok	Office	Ownership	None	1.79
Total Net					161.33

Notes: /1 There are 9 title deeds of land and other buildings on the property, totaling 58.00 million baht in credit facilities with financial institutions, as follows: Company's land No.150061-150066, No.12496-12497, and No.48729.

Buildings, building improvements, and land improvements

Assets	Location	Purpose of holding	Nature of holding	Obligation	Net book value (Million baht)
The building on Title Deed No. 150017, 150018	Thonburi Complex Project, No. 174 and 176, Samae Dam Sub-district, Bang Khun Thian District, Bangkok	Office building	Ownership	None	10.82
The building on Title Deed No. 12496, 12497 and 12498	Suptawee Home Factory 3, No. 190/1 Nai Khlong Bang Pla Kot, Phra Samut	Office buildings and factory buildings	Ownership	Collateral for credit facilities with a financial institution total loan amount 58.00 million baht <sup>1</sup>	76.02
The building on Title Deed No. 48729	Suptawee Home Factory 3, No. 190/4 Nai Khlong Bang Pla Kot, Phra Samut	Office buildings and factory buildings	Ownership		12.45
The building on Title Deed No. 149986, 149987	Thonburi Complex, No. 508, 510 Samae Dam, Bang Khun Thian, Bangkok	Office building	Ownership	None	5.75
Rental building	Suptawee Home Factory 3, No. 190/71 Nai Khlong Bang Pla Kot, Phra Samut Chedi, Samut Prakan	Extraction	Rental building	-	6.73
Rental building	Suptawee Home Factory 3, No. 190/83, 84 Nai Khlong Bang Pla Kot, Phra Samut Chedi, Samut Prakan	Warehouse	Rental building	-	0.43
Total					112.2

Notes: /1 There are 9 title deeds of land and other buildings on the property, totaling 58.00 million baht in credit facilities with financial institutions, as follows: Company's land No.150061-150066, No.12496-12497, and No.48729.



Other fixed assets










Assets	Nature of holding	Obligation	Net book value (Million baht)
1. Machines and factory equipment	Ownership	None	84.75
2. Office equipment	Ownership	None	13.74
3. Vehicles	Ownership	None	5.18
4. Assets under installation	Ownership	None	154.81
Total net			258.48

**1.3.2 Intangible assets**

As of December 31, 2022, the Company has intangible assets related to computer programs with a net book value of 1.81 million baht and a policy to amortize using the straight-line method over a useful life of 5 years.

**1.3.3 Company's Trademark**

When selling a variety of products, the company must register the distribution brand with the Trademark Office, the Department of Intellectual Property, and the Ministry of Commerce regularly. Each trademark is valid for ten years after it is registered and can be renewed every ten years. As of December 31, 2022, the company had seven trademarks registered in Thailand, and trademarks registered in nine countries, the following are the details:

Country	Trademark
Thailand	      
Hong Kong, Indonesia, Laos, Myanmar, Philippines, Malaysia, Vietnam, Singapore and Taiwan	 

## 1.3.4 Important contracts related to the company's business operations

## Property leasing agreement

As of December 31, 2022, the company has leased commercial and warehouse facilities to establish an office building and a storage space to support the company's expansion. The following are the specifics of the lease agreement:

Lease agreement		Lease agreement details	
1. Commercial building lease agreement	Lessee	: The company	
No. 178, Soi Rama 2, Soi 6, Samae Dam	Lessor	: Director of a company	
Sub-district, Bang Khun Thian District,	Duration	: 5 March 2021 to 2 March 2024	
Bangkok	Rental fee	: 30,000 baht per month (Excluding water and electricity bills)	
	Objective	: Office buildings 30.8 Square wa	
2. Commercial building lease agreement	Lessee	: The company	
No. 180, Soi Rama 2, Soi 6, Samae Dam	Lessor	: Director of a company	
Sub-district, Bang Khun Thian District,	Duration	: 1 October 2019 to 1 October 2023	
Bangkok	Rental fee	: 30,000 baht per month (Excluding water and electricity bills)	
	Objective	: Office buildings 26.9 Square wa	
3. Warehouse lease agreement	Lessee	: The company	
No. 190/71 Soi Suksawat 84, Nai Khlong	Lessor	: Director of a company	
Bang Pla Kot Sub-district, Phra Samut	Duration	: 1 January 2022 to 31 December 2024	
Chedi District, Samut Prakan	Rental fee	: 70,500 baht per month (Excluding water and electricity bills)	
	Objective	: Warehouse 105.7 Square wa	
4. Warehouse lease agreement	Lessee	: The company	
No. 190/83 Soi Suksawat 84, Nai Khlong	Lessor	: NOVA ORGANIC Holding CO., LTD	
Bang Pla Kot Sub-district, Phra Samut	Duration	: 1 January 2022 to 31 December 2024	
Chedi District, Samut Prakan	Rental fee	: 91,500 baht per month (Excluding water and electricity bills)	
	Objective	: Warehouse 159.1 Square wa	
5. Warehouse lease agreement	Lessee	: The company	
No. 190/84 Soi Suksawat 84, Nai Khlong	Lessor	: NOVA ORGANIC Holding CO., LTD	
Bang Pla Kot Sub-district, Phra Samut	Duration	: 1 January 2022 to 31 December 2024	
Chedi District, Samut Prakan	Rental fee	: 91,500 baht per month (Excluding water and electricity bills)	
	Objective	: Warehouse 158.2 Square wa	
6. Warehouse lease agreement	Lessee	: The company	
No. 190/23 Soi Suksawat 84, Nai Khlong	Lessor	: People that aren't affiliated with the company	
Bang Pla Kot Sub-district, Phra Samut	Duration	: 12 July 2021 to 12 July 2022	
Chedi District, Samut Prakan <sup>1/</sup>	Rental fee	: 72,000 baht per month (Excluding water and electricity bills)	
	Objective	: Warehouse location 97.5 Square wa	
7. Warehouse lease agreement	Lessee	: The company	
No. 190/24 Soi Suksawat 84, Nai Khlong	Lessor	: People that aren't affiliated with the company	
Bang Pla Kot Sub-district, Phra Samut	Duration	: 3 July 2021 to 3 July 2022	
Chedi District, Samut Prakan <sup>2/</sup>	Rental fee	: 72,000 baht per month (Excluding water and electricity bills)	
	Objective	: Warehouse 97.5 Square wa	

Lease agreement		Lease agreement details	
8.	Warehouse lease agreement	Lessee	: The company
	No. 190/80 Soi Suksawat 84, Nai Khlong	Lessor	: People that aren't affiliated with the company
	Bang Pla Kot Sub-district, Phra Samut	Duration	: 2 November 2022 to 2 May 2023
	Chedi District, Samut Prakan	Rental fee	: 180,000 baht per month (Excluding water and electricity bills)
		Objective	: Warehouse 427.7 Square wa
9.	Commercial building lease agreement	Lessee	: The company
	Thai Sri Office	Lessor	: People that aren't affiliated with the company
	Room 160/60, 3rd Floor, No. 126/114	Duration	: 1 January 2023 to 31 December 2025
	Krungthonburi Road Bang Lamphu Lang	Rental fee	: 55,440 baht per month (Excluding water and electricity bills)
	Subdistrict, Khlong San District, Bangkok	Objective	: Office 184 Square wa

Note: <sup>1/</sup> and <sup>2/</sup> contracts will expire within 2022 and will not be renewed.

### Loan and Liabilities under Financial Leases

The company has credit facilities with financial institutions as of December 31, 2022. The following are the details of the loan amount:

Type of loan amount	Total loan amount (baht)	Guarantee
O/D short term loan	3,000,000	- The company owns title deeds with the no. 150061-150066, 12496-12497, and 48729.
P/N short term loan	55,000,000	

### Insurance contract

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

Assured	Insurance type	Details of the insured's assets	Beneficiary	Insurance limit (MB.)	Insurance period
Company	Fire insurance	No. 174 and 176, Samae Dam, Bang Khun Thian, Bangkok: buildings and assets inside the building	Company	19.00	15 March 2022 – 15 March 2023
Company	Fire insurance	No. 178 and 180, Samae Dam, Bang Khun Thian, Bangkok: buildings and assets inside the building	Company	9.00	3 November 2022 – 3 November 2023
Company	Property risk insurance	No. 468, No. 470, No. 472, No. 474, No. 476 and No. 478, Samae Dam, Bang Khun Thian, Bangkok: buildings including building improvements	A financial institution under the obligation	89	19 December 2022 – 18 January 2023
Company	Property risk insurance	No. 190/1, Nai Khlong Bang Pla Kot, Phra Samut Chedi, Samut Prakan: buildings, assets inside the building, stock, and machinery	A financial institution under the obligation	175.00	25 February 2022 – 25 February 2023
Company	Property risk insurance	No. 190/4, Nai Khlong Bang Pla Kot, Phra Samut Chedi, Samut Prakan: buildings, assets inside the building, and machinery	A financial institution under the obligation	11.80	15 January 2022 – 15 January 2023

Assured	Insurance type	Details of the insured's assets	Beneficiary	Insurance limit (MB.)	Insurance period
Company	Property risk insurance	No. 190/71, Nai Khlong Bang Pla Kot, Phra Samut Chedi, Samut Prakan: buildings	Building lessor	3.80	25 February 2022 – 25 February 2023
Company	Property risk insurance	No. 190/71, Nai Khlong Bang Pla Kot, Phra Samut Chedi, Samut Prakan: assets inside the building, and stock	Building tenant	15.20	25 February 2022 – 25 February 2023
Company	Fire insurance	No. 190/80, Nai Khlong Bang Pla Kot, Phra Samut Chedi, Samut Prakan: building	Building lessor	9.50	28 October 2022 – 2 May 2023
Company	Property risk insurance	No. 190/80, Nai Khlong Bang Pla Kot, Phra Samut Chedi, Samut Prakan: assets inside the building, stock, and machinery	Company	38.00	12 July 2022 – 12 July 2023
Company	Property risk insurance	No. 190/83 and No. 190/84, Nai Khlong Bang Pla Kot, Phra Samut Chedi, Samut Prakan: buildings	Building lessor	7.4	10 July 2022 – 10 July 2023
Company	Property risk insurance	No. 190/83 and No. 190/84, Nai Khlong Bang Pla Kot, Phra Samut Chedi, Samut Prakan: stock, and machinery	Building tenant	31.00	10 July 2022 – 10 July 2023

### 1.3.5 Investment Policy in Subsidiaries and Associated Companies

The Company will invest according to the policy approved by the Board of Directors by investing in subsidiaries and associated companies. As deemed appropriate, the Company will supervise by sending representatives approved by the Board of Directors' meeting. Join as a director in a subsidiary or associated company according to the proportion of shareholding or mutual agreement. to perform administrative duties and comply with the regulations of the Stock Exchange of Thailand regarding entering into connected transactions or the acquisition or disposal of the company's assets. If the operation affects the company significantly must seek approval from the Board of Directors first.

As of December 31, 2022, the company has invested in subsidiaries (directly and through subsidiaries) according to the following table

Subsidiaries	%	31 December 2022
1. Nova Ventures Company Limited	99.99	99,997 shares
2. NovaG Innovation Company Limited	50.99	15,299 shares

In the Board of Directors Meeting No. 5/2022 held on September 20, 2022, it was resolved to approve the establishment of Nova Ventures Company Limited ("Subsidiary") with a total registered capital of no more than 10 million baht at par value 100 baht for investment purposes and joint ventures with other companies.

In the Board of Directors' Meeting No. 5/2022 held on September 20, 2022, it was resolved to approve the investment of Nova Ventures Company Limited ("Subsidiary") to jointly invest in the establishment of NovaG Innovation Company Limited with a total registered capital of not more than 3 million baht and a par value of 100 baht, with the objective of distributing dietary supplements, herbal products and various extracts to increase competitiveness and expand customer groups, develop dietary supplements that are more suitable for that group.



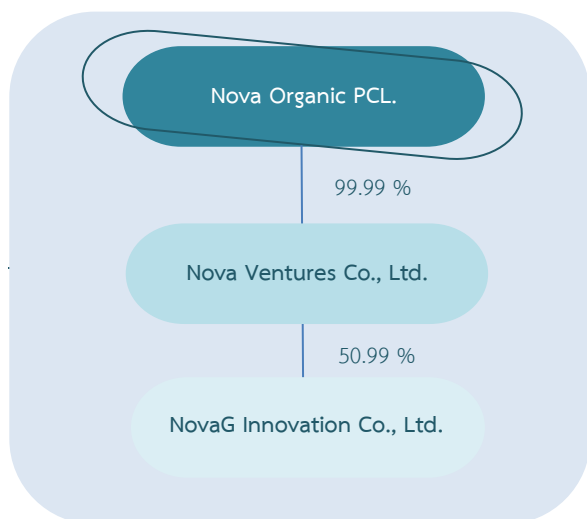
## 1.4 Shareholding structure of the group of companies

### Shareholding structure of the group of companies

Nova Organic Public Company Limited is a company engaged in the business of manufacturing and distributing food supplements for health and beauty products. And we are looking to expand into more Thai herbal lines by wanting to create stability, build wealth, and create sustainability for the organization, along with the health care of consumers, and promote a stronger Thai society.

The company has a plan to restructure the investment of the group of companies to cover the entire business chain from upstream to downstream, with a focus on creating added value and expanding the business together with the creation of innovations in health and beauty. Subsidiaries and associated companies of the Company can be summarized as follows:

Company	Nature of Business	Business Chain	Proportion of direct and indirect shareholding of the Company (%)
1. Nova Organic Public Company Limited Registration date: 21 June 2021 Registered capital: 300 million baht	Production and distribution of food supplements	➤ Production ➤ Marketing ➤ Distribution through B2B and B2C	-
2. Nova Ventures Company Limited Registration date: 10 October 2022 Registered capital: 10 million baht	Investment, joint venture	➤ Investor, Partner	99.99
3. NovaG Innovation Company Limited Registration date: 22 November 2022 Registered capital: 3 million baht	Selling food supplements and herbal products	➤ Selection of raw materials especially herbs with research ➤ Distributed through B2B and B2C, focusing on foreign countries.	50.99



## Shareholding Structure

The company has a registered capital of 300,000,000 baht, divided into 600,000,000 shares with a par value of 0.50 baht per share, and a paid-up capital of 300,000,000 baht.

The top 10 major shareholders as of December 31, 2022, are as follows:

No.	Name	Shares	%
1	NOVA ORGANIC HOLDING CO., LTD	209,502,200	34.917
2	Mr. Navaphol Chanjuthamard <sup>1/</sup>	116,666,400	19.444
3	Mrs. Yuphin Chanjuthamard <sup>2/</sup>	91,184,800	15.197
4	SMEs PRIVATE EQUITY TRUST FUND2	17,970,000	2.995
5	Mr. Peerajed Suwannapasri	10,900,000	1.817
6	Mrs. Sutthinee Tangtrongsak	4,362,800	0.727
7	Ms. Supassorn Jaovisidha	3,607,900	0.601
8	COSMIC CONCORD CORPORATION CO., LTD	3,000,000	0.500
9	THAI NVDR CO., LTD	2,984,101	0.497
10	Mr. Nawat Itsaragrisil	2,910,000	0.485
	Other Shareholders	136,911,799	22.820
	<b>รวม</b>	<b>600,000,000</b>	<b>100.000</b>

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

- <sup>1/</sup> Mr. Navaphol Chanjuthamard      Directors who represent major shareholders  
Chairman of the Executive Committee  
(The person is authorized to sign on the company's behalf according to the company certificate.)
- <sup>2/</sup> Mrs. Yuphin Chanjuthamard      Directors who represent major shareholders  
Chief Executive Officer  
(The person is authorized to sign on the company's behalf according to the company certificate.)

## Report on Changes in Shareholding of the Board of Directors and Executives

Shareholding of the Company's Board of Directors and Executives as of December 31, 2022, is as follows:

Name	Position	The number of shares held by shareholders as of the date of incorporation		
		31 December 2021	Changes +/(-)	31 December 2022
1. Assoc. Prof. Dr. Prakrit Tangtisanon	Chairman of the Board/ Independent Director	-	-	-
2. Mr. Mongkol Kasaemsun Na Ayudthaya	Independent Director	300,000	-	300,000
3. Dr. Amnuay Gajeena	Independent Director	110,000	-	110,000
4. Mr. Apimuk Sukprasit	Independent Director	-	-	-
5. Mr. Navaphol Chanjuthamard	Director	116,666,400	-	116,666,400
6. Mrs. Yuphin Chanjuthamard	Director/ Chief Executive Officer	91,134,800	50,000	91,184,800
7. Ms. Haruethai Sirisinvi boon	Director/ Company Secretary	113,000	-	113,000

## Issuing other securities

- None -

## Dividend Policy

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

## 2. Risk Factors



### Policy and Plan for Risk Management

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

The company operates in the business of manufacturing and distributing dietary supplements and personal care products. The Company has business risks similar to general risks that may occur to all types of businesses and risks that may arise according to the nature of the business or the Company's business operations, whereby the Company has a strong risk management program. Led by the Audit Committee, which consists of 3 independent directors, and in addition, the Chairman of the Audit Committee also serves as an advisor to the Risk Management Working Group.





Company's risks It contains the majority of business-related risks. Details are in the table below.

No.	Classification	Description	Key Risk Indicators	Mitigation	Risk Level	
					Inherent	Residual
1	Strategic Risk	<p><b>1.1 Risk from economic volatility</b></p> <p>In the past year 2022, business sectors were affected by the economic situation and the outbreak of the Coronavirus Disease 2019 (COVID-19), which caused the overall global economy to enter a recession. This affects the global trading market as well as consumer confidence. causing consumers to be more cautious in their spending.</p> <p>At the end of 2022, after the government has implemented a policy to welcome tourists into the country, which is expected to help the economy recover, the company therefore plans to expand more distribution channels, such as OEM customers, pharmacy channels, and outbound telesales channels.</p> <p>However, the Company operates its business using the principle of caution, emphasizing the improvement of internal processes to increase efficiency. Together with the policy to save costs and expenses in order to maintain sufficient liquidity, the Company still has a growing operating performance. together with the financial stability of the Company, believes that the Company will be able to lead the business to move through this period.</p>	<ul style="list-style-type: none"> <li>• Less operations</li> <li>• Significant decrease in sales</li> </ul>	<ul style="list-style-type: none"> <li>• Expand more distribution channels, such as by accepting OEM customers and adding pharmacy channels. Add an Outbound Channel</li> </ul>	High	Medium
		<p><b>1.2 The risk of spending too much on marketing expenses</b></p> <p>Due to the economic recession in 2022, it affected global trading markets, including consumer confidence. This caused consumers to be more cautious in their spending, causing the company to be greatly affected in terms of reduced income. But at the same time, the company has had a marketing plan in place since the end of 2021, resulting in too high expenses compared to the income that the company receives. May have a negative effect on the business's performance, financial status, and business opportunities significantly.</p> <p>The company is aware of such impacts and has taken control. Be careful of the cost of buying advertising media, and has canceled some media that can be done as well.</p>	<ul style="list-style-type: none"> <li>• Marketing Department's KPI</li> </ul>	<ul style="list-style-type: none"> <li>• Control and be more careful about the cost of buying advertising media.</li> <li>• Cancel some media that can be done.</li> </ul>	High	Medium
		<p><b>1.3 If the company is unable to maintain or accelerate the follow-up of its customer base, it may have a negative impact on the business of the Company. expenses</b></p> <p>The company gives importance to competitive strategies in sales that make the company's products more attractive. It can reach consumers easily, conveniently, and comprehensively, which is why the company currently pays</p>	<ul style="list-style-type: none"> <li>• Number of customer base</li> <li>• Sales report from Outbound team</li> </ul>	<ul style="list-style-type: none"> <li>• Accelerate the expansion of outbound channels by increasing the number of employees.</li> </ul>	High	Medium - Low

No.	Classification	Description	Key Risk Indicators	Mitigation	Risk Level	
					Inherent	Residual
		great attention to distribution channels. In particular, the main sales operations are conducted through telesales channels through the Customer Relationship Management (CRM) system jointly developed by the company to follow up on sales. Check customer service work, which, as of December 31, 2022, has a customer base of 2.2 million, while there are 120 salespeople on the phone, resulting in the inability to follow up with the customer base immediately. or keep pace with the needs of customers, which may result in being unable to maintain the customer base.		<ul style="list-style-type: none"> <li>Provide training. Give employees cheer when they're rejected and create good ideas for product presentation.</li> <li>Outsource outbound calls to make your existing customer base more efficient.</li> </ul>		
		<p><b>1.4 The risk of not being successful in bringing new products to the market</b></p> <p>The company realizes that sustainable and continuous growth Including the distribution of the company's product groups is a key factor for success in reaching a rapidly changing consumer market; therefore, the company has a development approach to continuously introduce new products to the market, which it has implemented. From studying the market for strategic planning to innovate new products in line with consumer needs and conducting questionnaires in order to obtain additional opinions and needs of customers, which usually share information about new dietary supplement industry trends both domestically and internationally. And has cooperated with domestic universities in researching new products; for example, at present, the company has cooperated with (1) Kasetsart University and (2) the HPTLC laboratory of the Faculty of Pharmacy, Chulalongkorn University, and (3) King Mongkut's Institute of Technology Ladkrabang. In addition, the company's marketing department and product research and development department There are also product samples being tested together to ensure efficiency and product safety standards set by regulatory agencies.</p>	<ul style="list-style-type: none"> <li>A drop in revenue for new products</li> <li>Fewer introductions of new products</li> </ul>	<ul style="list-style-type: none"> <li>There is survey research with the marketing department before launching new products.</li> <li>Send sample products to customers to try. It's a free gift with the main product in the promotion set.</li> <li>Learn more about the ingredients in the product. Consult with a consultant or a trusted institution.</li> </ul>	Medium	Low
2	Financial Risk	<p><b>2.1 The risk of recruitment and selection of new employees</b></p> <p>Due to the impact of the economic situation and the spread of the coronavirus disease (COVID-19), affected employees have chosen to return to their hometowns. More than waiting to recruit companies in Bangkok, causing the company to delay in recruiting new employees. Delay in expanding various operational channels Recruitment of employees who are not suitable for the position</p>	<ul style="list-style-type: none"> <li>Human Resources KPI</li> </ul>	<ul style="list-style-type: none"> <li>Outsourcing service</li> <li>Consider increasing salary and benefits at the officer level, as appropriate.</li> <li>Expand branches according to the business plan where it is easier to</li> </ul>	High	Medium

No.	Classification	Description	Key Risk Indicators	Mitigation	Risk Level	
					Inherent	Residual
				accept employees. Especially telesale.		
		<p><b>2.2 The company has several warehouses. Inventories are insufficient, or too much. As a result, the Company's operating expenses increase or the Company loses sales.</b></p> <p>Currently, the company has many warehouses scattered around each other, making it difficult to manage. There are higher costs resulting from errors in stock counting, including the company having to maintain inventories at a level that is sufficient for business operations to meet market demand immediately. But at the same time, the company There is a risk that there will be an accumulation of inventory beyond what the company needs.</p> <p>Such risks result from rapid changes in the product life cycle, changes in consumer preferences, and other factors, creating uncertainty in the success of product introduction to market.</p> <p>However, the company is in the process of building a new warehouse to be able to collect goods in the same area. There is more internal communication between sales teams. Production Department, Warehouse Department, and the estimation of the sale of goods</p>	<ul style="list-style-type: none"> <li>Errors in the amount of stock counting</li> <li>Slow-moving product reports</li> </ul>	<ul style="list-style-type: none"> <li>Internal Audit</li> <li>Accelerate the search for more manpower.</li> <li>Accelerate the construction of a new warehouse that is more efficient and uses less manpower.</li> </ul>	Medium	-
		<p><b>2.3 Business Continuity The company mainly uses its own factory for production and to store the company's products. This includes telesales, production disruptions, and the current telesales system. This may cause the company's sales revenue to decrease and negatively affect the business. performance and financial status of the Company significantly.</b></p> <p>The company pays great attention to distribution channels. In particular, the main sales operations are conducted through telesales channels through the Customer Relationship Management (CRM) system jointly developed by the company to follow up on sales. Customer service check, which the company currently There are 100 telephone lines, and there are 120 telephone salesmen as of December 30, 2021, to facilitate the Company's customers, which means the Company may have to rely on a person. Too much phone system error or internet contract</p> <p>However, the Company is aware of such risks. Business plans and staffing estimates are regularly reviewed, and telephone sales staff are regularly trained on information and product limitations in order to be able to provide comprehensive services to customers and impress them. In the future, the company There are plans to launch new products. to diversify products and expand to other types</p>	<ul style="list-style-type: none"> <li>work procedures in case of a business interruption plan.</li> </ul>	<ul style="list-style-type: none"> <li>For production, there is preparation for the registration of product packaging from external factories for the main products.</li> <li>Update the minimum inventory in the warehouse from the sales department.</li> <li>Have a work-from-home policy. Currently, every department has a regular notebook. able to work from home</li> <li>The IT department has at least five machines ready for use.</li> </ul>	Medium - High	Low

No.	Classification	Description	Key Risk Indicators	Mitigation	Risk Level	
					Inherent	Residual
		of food supplements. The company believes that the telemarketing system it has invested in can support the growth of its new products.				
3	Laws and regulations	<p><b>3.1 Risk of controlling communications and product advertisements</b></p> <p>Because the company's marketing strategy will use television advertising or using a presenter to sell products, it will use these methods mainly to reach consumers and make the product widely known. Such advertisements are at risk of providing false information, insufficient clarification of warnings, or misleading boasting of exaggerated qualifications. In the past, the company being sued in a lawsuit relating to the presentation of information on the Company's website and advertising through cable TV channels was involved in two cases of unauthorized advertisement dissemination. has paid the fine and is currently awaiting the final status of the case. However, if such a case arises in the future, it may affect the image and credibility of the company. This may cause consumers to delay their orders. and significantly affect the overall performance.</p> <p>After that incident, the company realized and did not neglect to monitor and control communications and advertising. The company has set policies and supervised the preparation and dissemination of advertisements in accordance with the Food Act and the Consumer Protection Act.</p>		Regulatory update: media control The Computer Act and the FDA Act prepare a policy and check documents first, then during dissemination and a random check after publishing the advertisement.	High	Low
		<p><b>3.2 The risk of errors in the process of collecting personal data according to the enforcement of the Personal Data Protection Act</b></p> <p>The Company's operations are governed by laws and regulations aimed at directly and indirectly protecting individuals, exposing the Company to risks relating to the collection, use, disclosure, and security of that information. They must also comply with any requests from the relevant authorities. Such regulations and laws are complex and tend to be amended to become more and more stringent.</p> <p>For telesales and other online sales that involve sensitive personal data, the company must comply with the provisions of the Act. Protection of personal data in business operations The Company has established a personal data protection policy, implemented it, and appointed a Data Protection Officer (DPO) for shareholders, directors, employees, alliances, partners, customers, contractors, event participants, and/or persons related to</p>	<ul style="list-style-type: none"> <li>• Data Breaches</li> <li>• Fines/Reporting</li> <li>• Complaints/Notifications</li> </ul>	<ul style="list-style-type: none"> <li>• Internal Audit</li> <li>• Cyber Security Measures</li> <li>• Training</li> <li>• Be careful with the use of information.</li> </ul>	High	Medium



No.	Classification	Description	Key Risk Indicators	Mitigation	Risk Level	
					Inherent	Residual
		the Company's business. Such persons can be confident that they will have full protection of such rights.				
		<p><b>3.3 Compliance risk with laws, rules, regulations, and conditions of the Food and Drug Administration</b></p> <p>All of the company's products fall under the dietary supplement category, which is subject to the laws, rules, and regulations of the Food and Drug Administration ("FDA") under the Ministry of Public Health. Therefore, it is necessary to have a valid license and registration. In addition, the company must strictly comply with the conditions of the relevant licenses, such as the production of product labels or advertisements of the company's products that require permission to operate. The product label must be displayed as required by the FDA so that consumers can read the information clearly before making a purchase decision. Including changes that occur in the future is very important to the business of the company, which operates under the laws, rules, regulations, and conditions related to business that must be strictly followed, and if the company failure to comply with relevant regulations may affect the reputation and operations of the Company in the future, which sometimes means changing the rules may cause the company to incur additional costs or expenses.</p>	<ul style="list-style-type: none"> <li>• Fines/Reporting</li> <li>• Litigation</li> </ul>	<ul style="list-style-type: none"> <li>• Study the laws, rules, regulations, and conditions and strictly follow them or consult with the staff directly.</li> <li>• Internal Audit</li> </ul>	Medium	Low
4	Management	<p><b>4.1 The risk of having more than 50 percent of the major shareholders have an influence on the voting in the shareholders' meeting of the company</b></p> <p>As of December 31, 2022, the Chanjuthamard family is the company's largest shareholder, owning all of the company's shares, accounting for 69.56 percent of the total number of shares. whereby the said shareholding proportion is the proportion that has the ability to influence the company and practically all shareholder resolution, as well as having control over company policies and management, such as appointing directors or requesting resolutions on other matters requiring a majority vote of the shareholders' meeting, except for matters requiring three-fourths of the vote of the shareholders' meeting, as required by law or the company's Articles of Association. Therefore, other shareholders of the company may be at risk of being unable to collect votes to balance the topics presented to the shareholders' meeting for consideration by the big shareholders.</p> <p>However, there must be transparency in the company's commercial operations and a power balance. The company has established a management structure that includes the Board of Directors, Audit Committee, Nomination, and</p>	<ul style="list-style-type: none"> <li>• Suggestions from stakeholders</li> <li>• Decreased performance</li> </ul>	<ul style="list-style-type: none"> <li>• Transparency in information and management.</li> <li>• Maintain good governance standards.</li> <li>• Participation of stakeholders.</li> </ul>	Medium	Low

No.	Classification	Description	Key Risk Indicators	Mitigation	Risk Level	
					Inherent	Residual
		<p>Remuneration Committee, Board of Directors, and other working groups, for example, risk Management Working Group, etc. each committee's powers and responsibilities are specified. The company has also appointed independent third parties to join the Board of Directors of 4 people out of a total of 7 directors, three of whom serve on the company's audit committees to serve as checks and balances for decision making, including considering and approving various items before presenting them to the shareholders' meeting. Furthermore, the Company has established a policy on related party transactions, which covers details about entering into transactions with people who might have a conflict of interest by limiting the vote to approve the list of connected people.</p> <p>In addition, the Company employs an external expert who works independently and directly under the Audit Committee to provide an internal audit unit. Its primary responsibility is to maintain the internal control system in compliance with the specified system. This is to ensure transparency and power balance in the company's management for the shareholders.</p>				

### 3. Driving Business for Sustainability

#### Key Sustainability Performance



#### E

##### Environment

Absolute Greenhouse Gas Emission

Scope 1 and Scope 2 was at

**584**

tons of CO2 equivalent,  
in accordance with the target



#### Targets

Reviewed long-term  
greenhouse gas emission target  
(Scope 1 and 2 including national  
and international operations) to  
be 5% reduction per year

#### S

##### Social



Social assistance projects the total value is more  
than 8 hundred thousand baht, for example, due  
to the project of the energetic elderly. Department  
of Disease Control Research Funding Program Projects to support  
Children's Day activities in nearby communities, etc.



#### G

##### Governance



**3.6**  
score



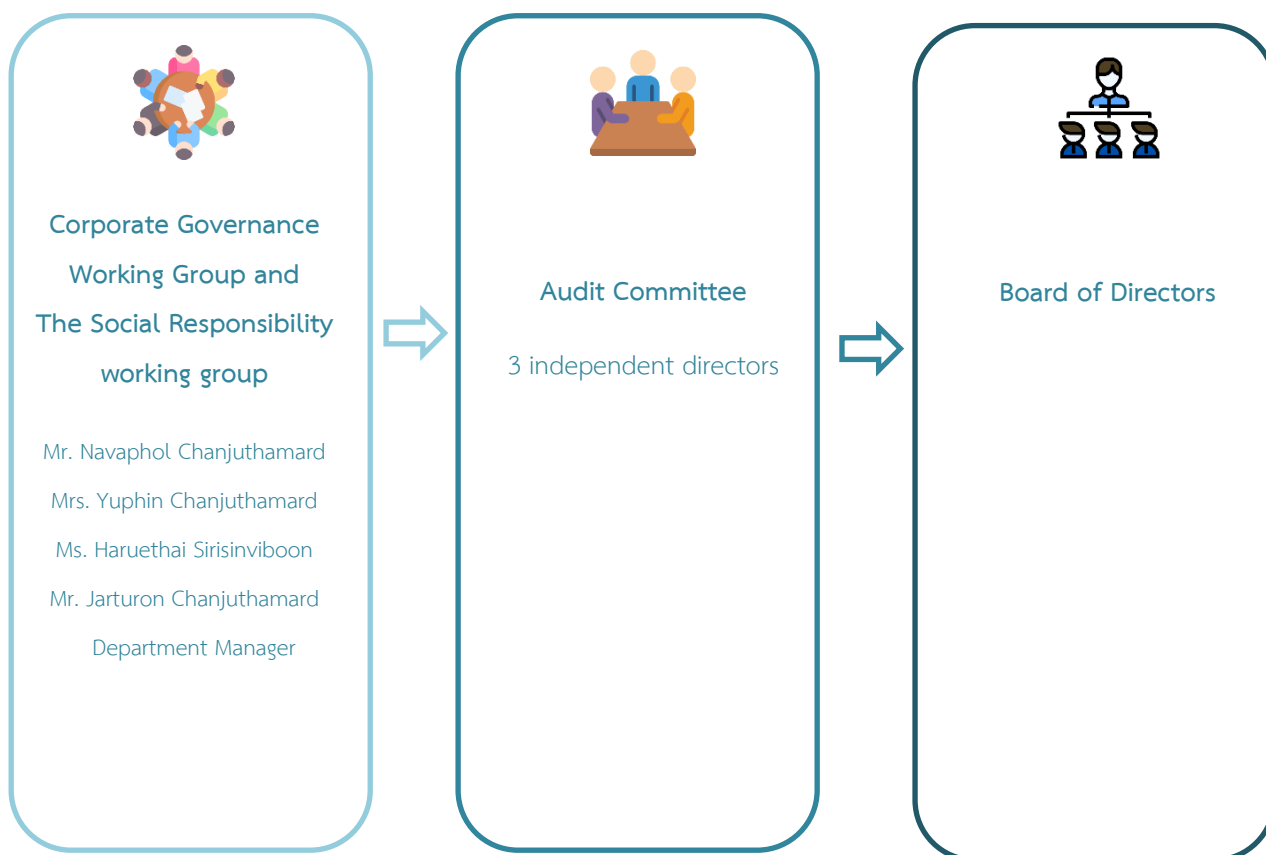
Result of the self-assessment  
of the committee as a group  
and the self-assessment  
results of individual  
committee members with a  
full score of 4 points.

No significant impact on non-  
compliance with the law was  
found.

### Monitoring to ensure compliance with corporate governance policies and guidelines

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

Report the performance of the Good Corporate Governance Working Group to the Audit Committee for opinion. and report to the Board of Directors; acknowledge again and prepare a report of the good corporate governance working group to be disclosed in the Company's annual report.



## Sustainability Management

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



### 1. Fairness in business

- Not requesting, accepting, or agreeing to receive property or other benefits that are not included in the trade agreement or trade terms.
- Focus on developing relationships and good cooperation with partners to maximize the potential and efficiency of long-term business collaboration.
- Maintain the confidentiality of business partner information and do not utilize it for personal gain or to assist those who are wrongfully involved.
- The company will take no action in response to intellectual property infringement, including encouraging executives and employees to make optimal use of company resources and assets. Use copyrighted goods and services and refuse to support things or acts that violate intellectual property rights.
- The company is opposed to unfair competition. The company will not intervene on the following issues: price consolidation and pricing to eliminate competitors. The company's pricing is influenced by market conditions, buyer demand, and other cost-related factors, or it can be said that it is the product's pricing according to the cost of products and expenses to

compete/the company's purchasing policy has clearly defined procurement techniques and operational procedures to be fair.

- The company has established a channel for complaints regarding unfair treatment, as well as a location to accept such complaints at the company, as well as on the company's website.



### 2. Anti-Corruption

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



### 3. Laborers are treated fairly

- Employee remuneration will be handled appropriately and fairly by the company without the need for employees to file a claim.



- The company will not discriminate. Employees shall be treated equitably at the same time.
- If there are any complaints from employees. Employee complaints are handled by the company's policies and processes. The company will devise a method of terminating promptly and fairly to resolve the issue in the context of not spreading far and wide.



#### 4. Responsibility to Stakeholders

- Deliver high-quality products and services at reasonable rates that meet consumer expectations.
- Provide customers with accurate, adequate, and timely information about products and services without exaggerating facts that cause customers to misunderstand the product or service's quality.
- Communicate with customers politely, effectively, and be trusted by customers. Set up a way for customers to file complaints about any issues that develop.

- Protecting privacy, secrecy, and disclosure, and not using it for personal benefit or the benefit of those implicated in wrongdoing.
- The company provides a variety of marketing communications, such as product information communication via sales agents' recommendations, communication channels via the company's website, etc.



#### 5. Community, Society, and Environment Responsibilities

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



## Managing the impact on the business value chain's stakeholders

### Business Value Chain

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

#### Business Value Chain - Main Activities






Procurement process	Production process	Standard	Sales of goods, services
<ol style="list-style-type: none"> <li>1. There are criteria for evaluating, comparing pricing, and fairly selecting partners.</li> <li>2. Do not demand or accept any unethical benefits.</li> <li>3. Treat and adhere to various terms agreed upon with partners.</li> </ol>	<ol style="list-style-type: none"> <li>1. Before accepting items from partners into the company's warehouse, raw materials, and other products are inspected for quality.</li> <li>2. There is a process in place to monitor the dispersal of raw materials from the warehouse.</li> <li>3. There is a quality inspection process in production.</li> </ol>	<ol style="list-style-type: none"> <li>1. GHP</li> <li>2. ISO9001</li> <li>3. HACCP</li> <li>4. TTM</li> <li>5. HALAL</li> </ol>	<ol style="list-style-type: none"> <li>1. A modern customer relationship management system is in place.</li> <li>2. Selling high-quality goods, adhering to service standards, and selling goods at a fair price</li> <li>3. Customer confidential information should not be disclosed unless the customer has given permission, and customer information should not be used for personal benefit.</li> <li>4. There is a process in place for accepting customer complaints and resolving them as quickly as possible.</li> <li>5. Personal information security</li> </ol>

#### Business Value Chain - Additional Activities

Employees	Community and Society	Environment
<ol style="list-style-type: none"> <li>1. Every year, there is an organizing and training plan for employees.</li> <li>2. Have established employees with suitable skills in each department, where employees will be able to operate as efficiently as possible in their areas of expertise</li> <li>3. Employees' provident funds are set up in the proportions needed by law.</li> <li>4. Encourage employees to get involved in the company's CSR activities.</li> </ol>	<ol style="list-style-type: none"> <li>1. Provide assistance that benefits the community and society.</li> <li>2. Plan CSR activities to give back to communities and society.</li> </ol>	<ol style="list-style-type: none"> <li>1. Controlling a company's carbon footprint</li> <li>2. Use resources wisely, get the best value, and have energy-saving measures.</li> <li>3. Encourage executives and employees to focus on actions that will improve safety, occupational health, and environmental quality.</li> <li>4. Provide a safe and sanitary work environment free of accidents and disease.</li> </ol>

## Stakeholder Analysis of the Business Value Chain

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

Stakeholders	Expectations	Communication channel	Expectations Meeting
<b>Internal Organizational Stakeholders</b>			
Shareholder 	<ol style="list-style-type: none"> <li>Increased profitability and business growth.</li> <li>Investing the profits from operations to continue to bring value to the company.</li> <li>Dividends are paid out when a company grows over a set period.</li> </ol>	<ol style="list-style-type: none"> <li>Disclosure of earnings quarter to shareholders</li> <li>Annual shareholder meeting and other meetings</li> <li>Press releases and shareholder communications via multiple routes</li> </ol>	An annual business plan is formed to ensure company growth and the optimum use of capital.
Director, Employee 	<ol style="list-style-type: none"> <li>Personnel management and skill development</li> <li>Path to a successful career</li> <li>Intercommunication</li> <li>Performance appraisal</li> </ol>	<ol style="list-style-type: none"> <li>A group meeting (Townhall)</li> <li>Communication via e-mail</li> <li>Employee Participation Survey</li> <li>Employees' activities are planned.</li> <li>Employee Training</li> </ol>	<ol style="list-style-type: none"> <li>Employee Training Program</li> <li>Annual Assessment</li> </ol>
<b>External Organizational Stakeholders</b>			
Customers 	Products of high quality, presenting and delivering products in a timely and accurate manner to suit customer expectations.	<ol style="list-style-type: none"> <li>Satisfaction survey</li> <li>Reporting an incident when encountering a problem</li> </ol>	Monthly quality indicators and service level agreements are monitored to ensure that all issues are quickly rectified.
Partner 	Conduct business with fairness and professionalism.	Regular and ad hoc meetings to coordinate various activities	There is a price comparison and follow-up liaisons with partners to ensure seamless business operations.
Community and Society 	Conduct business responsibly and safely.	Social responsibility activities	Planning and executing corporate social responsibility activities.

## Sustainability Management in Environmental Dimensions

### Policies and Practices Concerning the Environment

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

### Environmental performance

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



#### 1. Paper reduction project

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



#### 2. Reuse

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



#### 3. Energy-saving project

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

The company also understands the importance of managing the risks of climate change from energy usage, industrial development, transportation, and environmental devastation, all of which are key contributors to global warming. The company has the policy to minimize greenhouse gas emissions, with a commitment to carry out various activities in compliance with the legislation and requirements. It gathers essential information by identifying all of the organization's operations in both the office and production sectors, calculates greenhouse gas emissions, and generates the organization's greenhouse gas (GHG) emissions assessment form by taking into account eight different types of greenhouse gases such as Carbon dioxide (CO<sub>2</sub>), Methane (CH<sub>4</sub>), Nitrous oxide (N<sub>2</sub>O), Hydrofluorocarbon group (HFCs), Perfluorocarbon Group (PFCs), Sulfur hexafluoride (SF<sub>6</sub>), Nitrogen trifluoride (NF<sub>3</sub>), and chlorodifluoromethane (HCFC-22). Gather data on greenhouse gas emissions activities to compute the carbon footprint, which will be used to determine how to successfully reduce greenhouse gas emissions for long-term industrial development and to boost the company's competitiveness. For the first time, the company

has created a company carbon footprint assessment report to serve as a baseline. Based on data collected over a year, from January 1, 2020, to December 31, 2020. In the field of eco-energy, there is a center of excellence. Thammasat University is a reviewer, which is a legal person verification agency that is registered in the external assessor registration system for requesting the Greenhouse Gas Management Organization (Public Organization) Carbon's Footprint certification mark, as well as from the Greenhouse Gas Management Organization

Committee meeting (Public Organization) No. 3/2021 on May 27, 2021. By receiving the Carbon Foot mark company print, the company has passed the consideration of carbon label registration.

There is a thorough report on the organization's greenhouse gas emissions and absorption from January 1 to December 31, 2021. Which is the first report to be used as the base year as follows:

Scope of work	List of greenhouse gas emissions	The volume of greenhouse gas emissions (tonCO <sub>2</sub> e)	
		Base Year 2020	Year 2021
Scope 1	1. Diesel oil for cars	60.12	53.47
	2. Gasoline for cars	21.57	22.90
	3. LPG for fire drills	0.05	-
	4. CO <sub>2</sub> fire extinguishers for fire drills	0.09	-
	5. Refrigerant for air conditioning	-	0.12
	6. Methane gas	60.64	50.23
Scope 2	7. Electricity use in factories	455.10	458.08
Scope 3	-	-	6,188.30
Other separate reports	8. Vegetable oil for fire drills	0.001	-
	9. Refrigerant Chiller Type R-22	34.32	2.25

Note: The company is in the process of preparing the report for the year 2022.





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## Sustainability Management in Social Dimensions

### Policy and Practice in the Social

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

### Creating a plan of action and reporting on performance results

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

### Employees Rights

The Company respects human rights and provides its employees with a quality and clean working environment. Respect and strictly comply with labor laws. Actions are taken and reports are made within the date and time required by law. There are ethical and business standards for the company. is against discrimination in any case or for any reason.

As of December 31, 2022, the Company had a total of 299 employees, divided into 52 male employees and 247 female employees. A total of 7,023 hours of training were provided.

### Employee Benefits

- Allowance
- Bonus
- Sales Compensation
- Provident Fund
- Social Security
- Awards according to the number of working years.
- Overtime
- Family Loss Support Fund
- Annual health check
- Work From Home

## Total number of employees

Employee Category	Quantity	<30	30 – 50	>50	Male	Female
Executive Management	2			2	1	1
Senior management	3		2	1	2	1
Manager	10		9	1	2	8
Employee	284	146	135	3	47	237
<b>Total</b>	<b>299</b>	<b>146</b>	<b>146</b>	<b>7</b>	<b>52</b>	<b>247</b>

## Employee turnover

หมวดหมู่พนักงาน	Quantity	<30	30 – 50	>50	Male	Female
Executive Management						
Senior management	1		1		1	
Manager	3		3		2	1
Employee	78	48	30		20	58
<b>Total</b>	<b>82</b>	<b>48</b>	<b>34</b>	<b>0</b>	<b>23</b>	<b>59</b>

## Production Related Information

Details	2564	2565
Lost time injury	3	0
Total working hours	1,960	1,960
Target	0	0
Lost time injury rate (LTIFR) Actual	3	0



## Employee Activities for the year 2022



## New Year Party



Employee Training



Annual Health Check



Award for Best Sales Team of the month



Snack for daily employees



Health Products

CSR activities for the year 2022



Hire The Elderly to Work



Donating Products to Temples



Fund support for the Department of Disease Control  
(Second year)



Supporting Children's Day activities



## 4. Management's Discussion and Analysis

### Financial Statement

for the year ended 31 December 2022



#### Business Overview

Nova Organic Public Company Limited ("the Company") operates the business of manufacturing and distributing Dietary Supplements with main ingredients derived from a variety of raw materials under the trademark of the company itself, which can be divided into 3 groups of products: (1) dietary supplements under the trademark donut "DONUTT," such as collagen donuts and donuts, Total Phybili, etc. (2) A dietary supplement group under the Livness trademark "LIVNEST," which is a dietary supplement that is mainly composed of cordyceps, and (3) A dietary supplement group under other trademarks such as hair care products, Q-Tin, Hair Tonic, Serum, etc.



#### Operating Performance

- The Company's total sales revenue for the year ended 31 December 2022 was 753.77 Million Baht, which is decreased 482.89 Million Baht or 64 percent from the same period last year.
- Gross Profit and Loss for the year ended 31 December 2022 was 344.73 Million Baht, It were decreased 123 percent from the same period last year.
- Selling expenses for the year ended 31 December 2022 were 350.85 Million Baht. It was decreased 246.14 Million Baht or 70 percent from the same period last year.
- Administrative expenses for the year ended 31 December 2022 were 87.26 Million Baht. It was decreased 8.06 Million Baht or 9 percent from the same period last year.
- The Company has net loss profit for the year ended 31 December 2022 was 82.30 Million Baht, It was decreased of 162.64 Million Baht or equals to 198 percent from the same period last year.
- The Board of Directors has proposed to the shareholders that they refrain from paying dividends for the operating results of the year 2022.



Details	Year 2022		Year 2021		Increase (Decrease)	
Revenue from sales	753.77	100%	1,236.66	100%	(482.89)	-64%
Cost of sales	409.04	54%	466.42	38%	(57.38)	-14%
<b>Gross profit</b>	<b>344.73</b>	<b>46%</b>	<b>770.24</b>	<b>62%</b>	<b>(425.51)</b>	<b>-123%</b>
Other income	2.27	0%	2.28	0%	(0.01)	0%
Selling expenses	350.85	47%	596.99	48%	(246.14)	-70%
Administrative expenses	87.26	12%	95.32	8%	(8.06)	-9%
<b>Profit from operating activities</b>	<b>(91.11)</b>	<b>-26%</b>	<b>80.21</b>	<b>6%</b>	<b>(171.32)</b>	<b>188%</b>
Finance income	3.89	1%	0.39	0%	3.50	90%
Reversal of loss from impairment of assets	-	0%	0.88	0%	(0.88)	0%
Gain (loss) from sale of assets	(0.33)	0%	6.02	1%	(6.35)	1,924%
Reversal of expected credit loss	-	0%	1.31	0%	(1.31)	0%
Gain (loss) from changing and terminating the lease	0.09	0%	-	0%	0.09	100%
Gain(loss) on revaluation of investments	1.42	2%	0.03	0%	1.39	98%
Finance costs	(0.97)	1%	0.98	1%	(1.95)	201%
<b>Profit(loss) before income tax</b>	<b>(87.01)</b>	<b>-12%</b>	<b>87.86</b>	<b>7%</b>	<b>(174.87)</b>	<b>201%</b>
Tax income (expense)	2.83	0%	(7.52)	-1%	10.35	366%
<b>Profit (loss) for the period</b>	<b>(84.18)</b>	<b>-11%</b>	<b>80.34</b>	<b>6%</b>	<b>(164.52)</b>	<b>195%</b>
Actuarial gains for employee benefit plans	2.35	0%	-	0%	2.35	100%
Income taxes relate to items that will not be reclassified subsequently to profit or loss.	(0.47)	0%	-	0%	(0.47)	100%
<b>Total comprehensive income</b>	<b>(82.30)</b>	<b>-11%</b>	<b>80.34</b>	<b>6%</b>	<b>(162.64)</b>	<b>198%</b>

Million Baht

### Total sales revenue

The Company's total sales revenue for the year ended 31 December 2022 was 753.77 Million Baht, which is decreased 482.89 Million Baht or 64 percent from the same period last year. The sales revenue for Cordyceps-containing product had dropped significantly since February 2021 onward, the main reason is the impact of the negative social trend information dissemination of dietary supplements. coupled with the current economic recession. As a result of this, therefore the company reduces the dissemination of advertising media brings to the decreased of sale order quantity of this product

### Gross Profit

Gross Profit and Loss for the year ended 31 December 2022 was 344.73 Million Bath, It were decreased 123 percent from the same period last year. The company changed the marketing of the product group sold in the same period last year. In addition, the price of raw materials used to produce such products is higher than the previous products sold last year.

### Selling Expenses

Selling expenses for the year ended 31 December 2022 were 350.85 Million Baht. It was decreased 246.14 Million Baht or 70 percent from the same period last year, mainly due to the decreased in advertising and promotion expenses such as television program broadcast time rent, advertising production cost, actor salary and promotion cost. In line with the current market situation.

### Administrative Expenses

Administrative expenses for the year ended 31 December 2022 were 87.26 Million Baht. It was decreased 8.06 Million Baht or 9 percent due to the company's policy to control administrative expenses related to the decreasing of sale revenue.

### Net Profit

The Company has net loss profit for the year ended 31 December 2022 was 82.30 Million Baht, It was decreased of 162.64 Million Baht or equals to 198 percent from the same period last year, Due to the negative news about the consumption of dietary supplements. Also affected by the economic recession, Consumers' purchasing power has declined. In additional, the lack of economy of scale brings to less bargaining of power to suppliers.

## Financial Position

Million Baht

Details	Year 2022	Year 2021	Increase (Decrease)	%
Total Assets	1,526.17	1,815.77	(289.60)	-19%
Total Liabilities	144.83	142.14	2.69	2%
Shareholders' equity	1,381.33	1,673.63	(292.30)	-21%

Total Assets

Total assets as of 31 December 2022 were 1,526.17 Million Baht. It were decreased 289.60 Million Baht from 31 December 2021. Due to the dividend payout 210 Million Baht on February 2, 2022

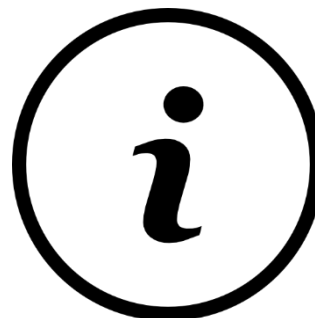
Total Liabilities

Total liabilities as of 31 December 2022 were 144.83 Million Baht, It were increased 2.69 Million Baht from 31 December 2021. Mostly increase from trade account payable and others payable.

Shareholders' equity

Shareholders' equity as of 31 December 2022 was 1,381.33 Million Baht, It were decreased 292.30 Million Baht from 31 December 2022. by loss from operation 82.30 million Baht and dividends payout 210.00 million baht on 2 February 2022.

## 5. General Information and Other Important



### 5.1 Other Important Information

Juristic persons whose shares are held by the Company: Details as specified under 1.4 Shareholding Structure.



### 5.2 Legal Disputes

As of December 31, 2022, the Company and its subsidiaries have no pending legal disputes or are involved in any action that may have a negative impact on the assets of the Company or its subsidiaries in an amount higher than 5% of the shareholders' equity or that may affect the business operations of the Company or its subsidiaries significantly.

In addition, the company and its subsidiaries have not received any claims in relation to our liability for product liability, personal injury, or wrongful death caused by the company's products or product recall.



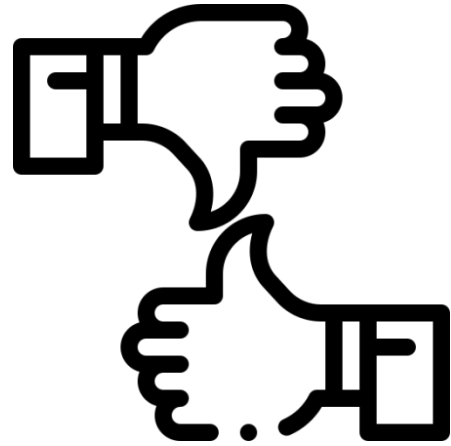
## PART 2

### Corporate Governance





# 1. Corporate Governance



## 1.1 Corporate Governance

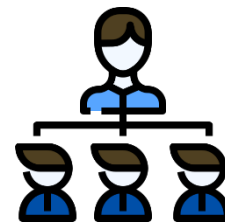
### Overview on CG Policy and Guidelines

Nova Organic PCL. is striving to develop itself into corporate governance (CG) role model. It is convinced that CG under good management will lead to fairness and investors' confidence, create a long-term value for shareholders, boost stakeholders' confidence.

require monitoring to improve following the Stock Exchange of Thailand's guidelines, which may change in the future to be appropriate and consistent with changing circumstances. Some guidelines cover the following eight principles:

### Principles of Good Corporate Governance

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



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

**1. Role, Responsibilities, and Authority of the Board**  
The Board of Directors' roles and responsibilities are specified in the Charter. The Board of Directors understands and is aware of their tasks and obligations, as well as the principles of good corporate governance, as a leader who must supervise the organization. The Board of Directors' main responsibilities includes determining objectives, goals, and important policies and strategies in doing business while considering the

maximum benefit to stakeholders, as well as overseeing the company's operations to ensure that it can compete and adapt to changes from various factors for long-term business growth. The company must consider the ethical treatment of society as a whole, including environmental considerations. Moreover, the company's performance is monitored, evaluated, and reported on to ensure that the company's performance is in line with the expected goals, as well as providing enough internal control that is efficient and effective.

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

## 2. Independence of the Board

The Board shall consider, express opinions on, and vote for activities under their authority. If a decision is made under pressure from work, family, or any conflict of interest, it may be made in bias to benefit the directors in question, their family, or other contacts. The independence of the Board must be emphasized to protect the shareholders and the company's benefit. Therefore, any director who is not entirely independent shall not make decisions.

## 3. Establishment of Specific Committees

To ensure thorough and efficient examination of the key operation, the Board has established the following five specific committees, namely the Audit Committee, Nominating and Remuneration Committee, Executive Committee.

## 4. Board Meetings and Receipt of Relevant Documents and Information

Every board member should attend board meetings on a regular basis. The Company Secretary is responsible for coordinating the meetings, arranging the venue, and preparing appropriate documents. Each director shall be informed in advance of the date and agenda of each meeting and receive supporting information.

## 5. Company Secretary

The Board appoints a Company Secretary, responsible for arranging board meetings and the shareholder's meetings to ensure that they are organized in a transparent way and in compliance with applicable laws and regulations.

## 6. Evaluation of the Performance of the Board

The Board shall evaluate its performance annually to be used as a framework for evaluating the board's performance, and consider, review and analyze its performance for further improvement.

## 7. Remuneration of Directors and the President & CEO

The Board and the President & CEO shall not remunerate themselves due to a conflict of interest. However, the board through the Remuneration Committee shall be responsible for determining the remuneration. The remuneration of directors shall propose to shareholders for approval.

## 8. Directors' Development

The company desires that the directors shall develop their knowledge, competencies, and skills in terms of

business operation, good corporate governance, and other curricula that are beneficial to their performance.



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

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

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

conduct, as well as overseeing the transmission of objectives and goals throughout the organization through strategies and plans and effectively allocating resources.



### Principle 3 Strengthen Board Effectiveness

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

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

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

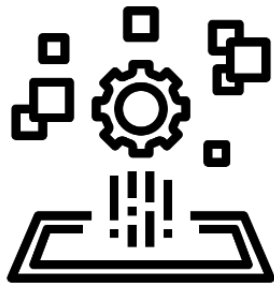
In addition, the Board of Directors has established the following sub-committees and working groups to assist the Board of Directors and the company's operations: Board of Directors, Audit Committee, Nomination, and Remuneration Committee, and Risk Management Committee. Also, setting up each sub-charter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



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

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

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



## Principle 5 Nurture Innovation and Responsible Business

### 5.1 Societies and Communities

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

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

### 5.2 Code of Conduct and Code of Business Ethics

Moreover, by adhering to business ethics, the Board of Directors has authority over how employees are treated with business operations. The company recognizes that its most significant resource is its

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

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



anti-corruption and corruption such as employee welfare care, Insured for COVID-19, Training for personnel development, social contribution and environment-friendly manufacturing. The company has a wastewater treatment system inside the facility before releasing it to the outside community, and chemical waste is disposed of separately and safely



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

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

To guarantee that the risk management system and internal controls are effectively overseen by the Board of Directors. The Board has established several policies to assist in the management of governance for example Business Ethics and Code of Conduct, Risk Management Policy, Related Transaction Policy, Company Insider Policy, Anti-Corruption Policy, Whistleblowing Policy, or Complaints of Misconduct or Corruption, Corporate Social Responsibility Policy, etc.

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



## Principle 7 Maintain financial credibility and disclosure

### 7.1 The Board's report

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

### 7.2 Investor Relations

Investor Relations has been tasked with communicating and publicizing information that is helpful to shareholders, investors, analysts, and other connected parties in a timely, equitable, and suitable manner, as well as assisting in the oversight of the company's information dissemination in the annual list information form, annual reports, and/or the company's website, in accordance with the criteria set forth by the Office of the Securities and Exchange Commission Stock Exchange of Thailand and related agencies. Along with crucial information that impacts

the price of the company's securities, which affects the decision-making process of the company's investors and stakeholders accurately, don't misrepresent, and sufficient for investors' decision-making.



## Principle 8 Ensure Engagement and Communication with Shareholders

### 8.1 Shareholders' Rights

The Board of Directors and the company place a high value on shareholders, and the company is committed to ensuring that shareholders are treated fairly and that owners can fully exercise their fundamental rights as shareholders such as The right to buy, sell or transfer shares, The right to share the company's profits, The right to receive sufficient relevant information through the company's website or the SET website, or any other method, and the right to attend the meeting and vote independently in the appointment or removal of directors, consideration of Directors' Remuneration, the appointment of auditors, dividend payment, capital increase, and issuance of new shares, also the right to ask the Board of Directors Questions about the Board of Directors' reports and any other topics brought up at the meeting to consider and approve the right to submit an agenda in advance and to nominate candidates for election to the Board of Directors of the company. and participation in important company decision-making. Each share has one vote, and all

shareholders can vote based on the number of shares they own. Each shareholder may use all of his or her votes in the election of directors to elect one or more directors. When several people are elected as directors, the number of votes cannot be divided among them (non-cumulative voting only), and the total number of shares is not less than one-half of the entire number of shares held by the shareholders present and voting.

#### 8.2 Shareholder's Meeting and Delivering Meeting Notices

The company schedules an Annual General Meeting (AGM) within four months of the annual closing date of its accounting books. For urgent matters that affect or involve shareholders' interests or involve conditions, regulations, or laws that require shareholders' approval, however, it can call an extraordinary meeting of the shareholders (EGM).

The company calls the 2022 Annual General Meeting of Shareholders on Wednesday, April 27, 2022 at 10.00 a.m. in the form of electronic meetings (E-AGM). Its decision, meeting date, and meeting agenda were disclosed in detail ahead of time by announcing on SET's website to notify shareholders before sending meeting notices. The company assigned Thailand Securities Depository Co., Ltd. (TSD), its securities registrar, to mail the notices together with agenda details and accompanying documents, supplementary and supporting information for decision-making, opinions of the Board, complete minutes of the last

meeting, Form 56-1 One Report, meeting documents, and proxy forms with complete instruction for shareholders more than 14 days before the meeting date. The meeting notices were sent on April 5, 2022, and three days before the meeting, the invitation was announced through one Thai each for three consecutive days (April 12-14), to allow shareholders enough time to prepare themselves for the meeting.

#### 8.3 On the Meeting Date

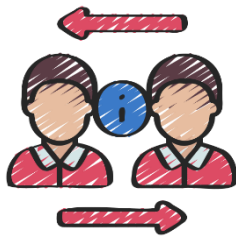
All 15 company directors attended the meeting.

Shareholder Count (as the AGM beginning at 10.00 a.m.) A total of 26 shareholders representing a total of 435,315,600 shares or 72.56% of the total shares.

Shareholder Count (as the AGM adjourned at 10.55 a.m.) A total of 26 shareholders representing a total of 435,715,600 shares or 72.62% of the total shares.

#### 8.4 Disclosure of Shareholders' Meeting Results

The company submitted a summary of AGM resolutions to SET and SEC on the evening of the meeting date. It also submitted the minutes of the AGM (each agenda clearly separated, the number of directors in attendance/absence, questions raised by shareholders, and answers from directors, together with the voting tallies of each agenda item) to SET and SEC within 14 days of the meeting. Meeting information, video-recording, photos, and audio-recording are accessible through PTT's website.



### 1.2 Insider Trading Policy

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

1. Directors, executives, and employees of the company who have received information are not permitted to use the company's financial information or inside information that is material to changes in the price of securities that have not been disclosed to the public or the Stock Exchange of Thailand for trading in the company's securities for the benefit of themselves or others. by avoiding or refraining from trading in the company's securities for at least one month before the publication of the financial statements to the public and for at least two business days following the release of the information to the public.
2. The company has a responsibility to promptly

and thoroughly disclose information about the company's significant operations to the public, using the media and methods prescribed by the SET and the company's information disclosure policy, as well as other media used by the Investor Relations Department and public relations, to ensure that information is available to all investors in a timely and equitable manner.

3. To prevent important information from being disclosed, the company has a strict computer and information security regulations in place. Inside information that has not yet been disclosed to the public is only available to those responsible for related persons, such as accounting and finance officers, the Investor Relations Officer, and the Corporate Governance Department.



### 1.3 Anti-Corruption Policy

Nova Organic Public Company Limited will operate business with an emphasis on anti-fraud or anti-corruption and adhere to morals, ethics, and operate with transparency and responsible to all stakeholders. In this regard, the Company has established guidelines for proper conduct of the Board of Directors, management, and employees in both business and employee ethics, which are part of "Corporate Governance" of the Company. Fraud or corruption are

defined as “the practice or ignoring to practice in their position or abuse of power in position, violation of the law, ethics, rules or policies of the Company to seek personal benefits in various ways such as calling, receiving, offering, or giving away assets including any other benefits to government officials or any other person doing business with the Company.

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

- ✓ Directors, executives, and employees will not act or support fraud or corruption in any case and will strictly follow the measures against fraud or corruption.
- ✓ Directors, executives, and employees are obliged to comply with the Corporate Governance Policy and anti-corruption policy. The Board of Directors has assigned the management to implement anti-fraud and anti-corruption measures for communication and compliance.
- ✓ Provide internal employee training to encourage the honesty in their duties and strictly apply the principles and ethics as stated in the Corporate Governance Policy as

guidelines for operating throughout the organization.

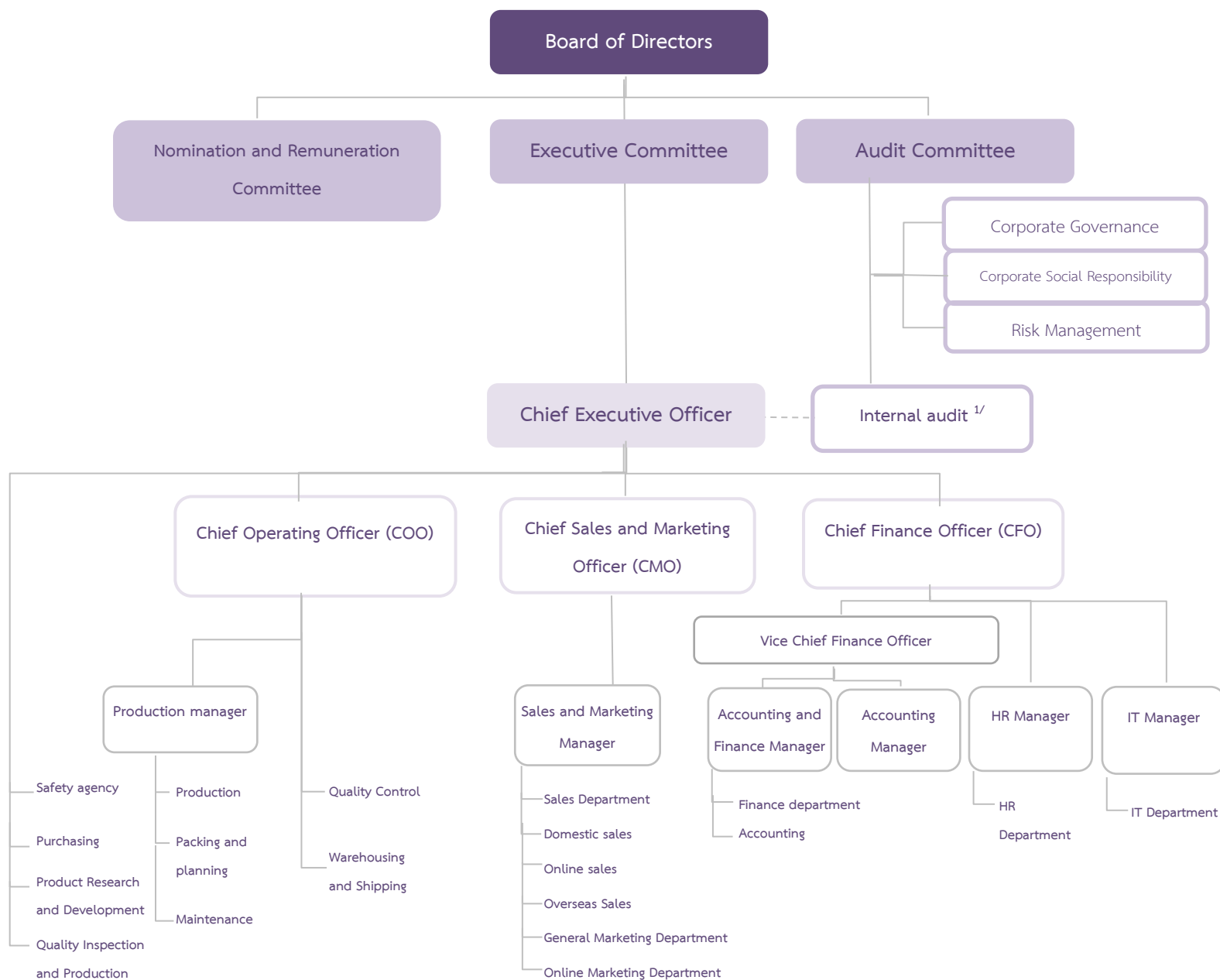
- ✓ The Company shall ensure that the internal control system will support the Company to achieve the goals and also monitors the operations of all departments to ensure compliance with the requirements, rules and regulations, and discover flaws and weaknesses couple with providing advice for an efficient and effective operating system development according to Corporate Governance guidelines.
- ✓ Cooperate with the government agency in stipulating all department that are contracting parties with the government agency to disclose the revenue and expenses accounts to the Office of the National Anti-Corruption Commission (NACC).
- ✓ Assign the Company Secretary and the Internal Audit Manager as the person who responsible for corporate governance supervision.
- ✓ Require the executives to report to the Board of Directors as soon as the incident has occurred or suspected serious fraud or violation of the law that potentially affects the reputation and financial position of the Company to consider and resolve promptly.



## 2. Governance Structure and Key Data on the Board of Directors, Specific Committees, Management, Employees, and Others

### 2.1 Corporate Governance Structure

The company's corporate governance structure is comprised of the Board of Directors and three sub-committees, which are as follows: 1) Nomination and Remuneration Committee 2) Executive Committee 3) Audit Committee.



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

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



## 2.2 Board of Directors

### Composition of the Board

There are 7 directors of the Board of Directors

- 4 non-executive directors (57.14% of the entire Board) , 4 independent directors, which exceeds half of the Board (57.14% of the entire Board), 3 executive directors, 2 female director (28.57% of the entire Board) .

### Information of the Board and Authorized Directors

The Board of Directors as of December 31, 2022, consisted of:

No.	Name	Position	Date of Appointment
1	Assoc. Prof. Dr. Prakrit Tangtisanon	Chairman of the Board/ Independent Director / Audit Committee Member/ Nomination and Remuneration Committee Member	June 7, 2021 (Second term)
2	Mr. Mongkol Kasaemsun Na Ayudthaya	Independent Director/ Chairman of the Audit Committee/ Chairman of Nomination and Remuneration Committee	June 7, 2021 (Second term)
3	Dr. Amnuay Gajeena	Independent Director / Audit Committee Member	February 22, 2022 (Second term)
4	Mr. Apimuk Sukprasit	Independent Director	June 7, 2021 (First term)
5	Mr. Navaphol Chanjuthamard	Director/ Chairman of the Executive Committee / Nomination and Remuneration Committee Member	June 7, 2021 (First term)
6	Mrs. Yuphin Chanjuthamard	Director/ Chief Executive Officer	June 7, 2021 (First term)
7	Ms. Haruethai Sirisinviboon	Director/ Company Secretary	May 10, 2022 (First term)

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

### Authorized director to bind the company

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

### Directors' terms of office and appointments

stated that the company's directors serve for a term of three years and may be re-elected as directors at each annual general meeting of shareholders after that term expires. At that time, one-third of the company's board of directors will retire from office. If the number of directors cannot be divided precisely into three parts, the number closest to one-third of the directors

who must depart from office in the first and second years after the company's registration shall be issued by drawing lots. In the years ahead, the director who has held the position for the longest will retire in addition to quitting office according to the terms set forth above. A company director may resign if he or she

(1) Dies

(2) Resignation

(3) Lack of qualifications as a director or having prohibited characteristics under the law governing, public limited companies, or having characteristics indicating ineligibility to be entrusted with the management of a business with public shareholders, as stipulated in Section 89/3 of the Securities and Exchange Act (No. 4) B.E. 2551.

(4) The shareholders' meeting decided that the position should be vacated. (By a vote of not less than three-fourths (3/4) of

the number of shareholders present and voting, and holding shares totaling not less than one-half of the number of shares owned by shareholders present and voting)

(5) The court has issued an order.

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

#### Board of Directors' Responsibilities

1. Manage the company with honesty, caution, and protection of the company's interests in compliance with the law, aims, regulations, and decisions of the shareholders' meeting.
2. Establish the company's goals, rules, policies, plans, and budgets. Supervise the administrative department's administration and management, or the person assigned to it, following the board of directors' policy.
3. Consider the managerial structure. As needed, appoint the Executive Committee, Managing Director, and other sub-committees.
4. Review and approve the management's policies, orientations, strategies, and business plans for big investment projects.
5. Follow up on the plan's performance and the ongoing budget.
6. Organize a shareholders' meeting as an annual general meeting within four months of the end of the company's fiscal year.
7. Organize a Board meeting every three months at the absolute least.
8. Prepare the company's balance sheet and income statement after the accounting period, which the auditor has audited, and present to the shareholders' meeting for approval and consideration.

9. Consider and authorize any other business that is important to the company or that it deems appropriate for the company's maximum advantage.

10. The board may delegate powers to one or more directors.

11. Directors must not engage in business that is similar to or competes with the company's business. Unless the shareholders' meeting is notified before the appointment resolution.

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

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

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

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

by the Board of Directors' meeting and the shareholders' meeting with the aforementioned votes.

## 2.3 Specific Committees

Specific committees are as follows:

### (1) Audit Committees

Each quarter the Audit Committee, together with the Financial and Accounting functions and the external auditor (Siam Truth Company Limited), reviews the company's financial reports. The Board is accountable for the company group's consolidated financial statements as well as other financial information presented in the annual report. The financial reports are prepared under generally accepted accounting principles and are audited and certified by Ms. Kornpreeya Soonphiphatkul CPA No. 10001, of Siam Truth Company Limited. Material information, financial and non-financial, are accurately, completely, and consistently disclosed. The Board approved the appointment of the Audit Committee on July 12, 2021, which consisted of directors with the qualifications specified by SEC laws and SET. The committee must consist of at least three directors. As of December 31, 2022, it consisted of three independent directors as follows;

Name	Position in the Audit Committee	Position in the Board
1. Mr. Mongkol Kasaemsun Na Ayudthaya	Chairman	Independent Director
2. Assoc. Prof. Dr. Prakit Tangtisanon	Member	Chairman of the Board / Independent Director
3. Dr. Amnuay Gajeena	Member	Independent Director

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

### Scope, duties, and responsibilities of the Audit Committee

1. To ensure that the company's financial reports (quarterly and annual) are correct and appropriately reveal essential information before presenting them to the Board of Directors.
2. Check to see if the company has an acceptable, sufficient, and efficient internal control system and internal audit system, including considering the internal audit unit's independence and authorizing the appointment, transfer, and firing of the internal audit unit's head or any other agency responsible for internal audits.

3. Check to see if the company has a risk assessment system in place, as well as proper risk management and effective risk management.

4. Examine the company's compliance with the Securities and Exchange Act, the Stock Exchange of Thailand's regulations, and other relevant legislation.

5. Consider and choose an independent individual to nominate and set the remuneration of the company's auditors. Coordinate with the auditor on the audit's objectives, scope, guidelines, plans, difficulties identified during the audit, and any topics the auditor considers relevant. At least once a year, attend a meeting with the auditor without the management meeting.

6. Consider associated transactions or items that may have conflicts of interest to be accurate and complete to comply with the laws and regulations of the Thai Stock Exchange, as well as honestly and totally disclose information about the transaction. This is to guarantee that the transaction is fair and the company's best interests.

7. Prepare a report on the Audit Committee's corporate governance performance, which will be included in the company's annual report. The Chairman of the Audit Committee must sign the said report. This document contains the following information:

- Opinion on the accuracy, completeness, and reliability of the company's financial reports
  - Opinions on the adequacy of the company's internal control system
  - Comments on securities and stock exchange laws compliance, stock exchange regulations, or laws relating to the company's operations
  - Opinion on the auditor's suitability
  - Comments on transactions that could lead to a conflict of interest
  - The number of audit committee meetings held and the number of audit committee members in attendance
  - The Audit Committee's overall conclusions or observations resulting from the discharge of tasks under the Charter.
  - Other issues that shareholders and general investors should be aware of as part of the Board of Directors' duties and obligations.
8. Perform any other duties as assigned by the Board of Directors, with the Audit Committee's consent.

#### Risk Management Committee

It encompasses the creation of risk management policies and the risk management framework for the company's business operations and monitoring risk management plans and processes across the organization, as well as determining the limit or type of business based on the risks recommended to the Board of Directors for approval and also arranging for a systematic and ongoing assessment and analysis of potential damage.

#### Corporate Governance Committee

It encompasses the consideration of setting standards, recommending policies/practices on business ethics to the Board of Directors, and business ethics according to the good corporate governance system, and management. It also supervises, advises, evaluates, and reviews policies and practices to ensure that they are in line with good corporate governance and commercial ethics to develop the company's corporate governance framework and bring it up to international standards.

#### Corporate Social Responsibility Committee

It entails supervising, consulting, evaluating, and reviewing policies, as well as the implementation of social responsibility policies, to improve and update the company's corporate governance structure to international standards.

## (2) Nomination and Remuneration Committees

Name	Position in the Nomination and Remuneration Committee	Position in the Board
1. Mr. Mongkol Kasaemsun Na Ayudthaya	Chairman	Independent Director
2. Assoc. Prof. Dr. Prakit Tangtisanon	Member	Chairman of the Board / Independent Director
3. Mr. Navaphol Chanjuthamard	Member	Independent Director

### Board Skill Matrix

The company realizes the importance of recruiting, selecting, and appointing suitable people to serve as directors of the company and sub-committees by forming a BOARD SKILL MATRIX, which helps to ensure the selection of directors has the required components

and is in line with the company's business direction. In order to ensure that the composition of the Board of Directors is complete and in the best interests of the company, the details can be summarized as follows:

No.	Director's Name	Educations and Experiences											
		Independent Director	Female Director	Engineering	Accounting	Finance	Legal	Information Technology	Marketing	Business Administration / CG	International Trading	Economics	Sciences and Innovation, Risk Management
1	Mr.Prakit Tangtisanon	✓		✓				✓		✓		✓	✓
2	Mr.Mongkol Kasaemsun Na Ayudthaya	✓			✓	✓				✓		✓	✓
3	Mr.Amnuay Gajeena	✓						✓		✓		✓	✓
4	Mr.Apimuk Sukprasit						✓			✓		✓	✓
5	Mr.Navaphol Chanjuthamard			✓					✓	✓	✓	✓	✓
6	Mrs.Yuphin Chanjuthamard		✓		✓	✓			✓	✓			✓
7	Ms.Haruethai Sirisinviboon		✓						✓	✓	✓		✓
Total		3	2	2	2	2	1	2	3	7	2	5	1 7

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

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

#### Remuneration

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

4. The Policy report, principles/rationale for determining director and executive remuneration by the Stock Exchange of Thailand's regulations. This shall be stated in the annual

registration statement (56-1) and the annual report of the company.

(3) Executive Committee

Name	Position in the Executive Committee	Position in the Board
1. Mr. Navaphol Chanjuthamard	Chairman	Director
2. Mrs. Yuphin Chanjuthamard	Member	Director
3. Mr. Yuttana Taepangthong	Member	None

Scope, duties, and responsibilities of the Executive Committee

1. Manage the company with honesty, caution, and protection of the company's interests by having an Executive Committee meeting at least once a month in line with the legislation, objectives, rules, shareholder resolutions, and Board of Directors Resolutions.

2. Have a responsibility to complete the following tasks as needed for the business's operation, which must be presented to the Board of Directors for approval or disapproval.

2.1 Company's policies, goals, and annual work plans

2.2 Company's annual budget

2.3 Management should use guidelines, policies, and investment goals as a framework for their work.

2.4 Wage structure and employee welfare to encourage employees to work appropriately.

3. Operate as assigned by the Board of Directors.

4. Have the authority to hire, appoint, transfer, dismiss, or terminate employment, as well as set wage rates, rewards, salary increases, compensation, and bonuses for all employees of the company since the position of Chief Executive Officer and other positions down the line.

5. Have the authority to approve the opening of a deposit account and to manage deposit accounts with local and international banks that are appropriate for overall money management.

6. Have the authority and responsibility to act on the following subjects within the scope stated on the subject matter, as detailed below:

6.1 Control and establish investment management rules for the company's other operations, as allocated by the Board of Directors and in compliance with the legislation.

6.2 Have the authority to issue orders, regulations, announcements, and records to ensure that activities are in accordance with the company's policies and benefits, as well as to maintain organizational discipline

6.3 Approve the appointment of consultants in a variety of fields that are necessary for operation.

6.4 Other approval powers shall be in accordance with the scope of the approval authority approved in Board of Directors Meeting No. 1/21, dated July 12, 2021, and amended.



## 2.4 Senior Management

	Name	Position	Date of Appointment
1.	Mr. Navaphol Chanjuthamard	Chairman of the Executive Committee	June 7, 2021
2.	Mrs. Yuphin Chanjuthamard	Chief Executive Officer	September 20, 2022
3.	Mr. Jarturon Chanjuthamard	Chief Operating Officer (COO)	January, 2020
4.	Ms. Yupa Limwandee	Chief Sales and Marketing Officer (CMO)	June, 2021
5.	Mr. Yuttana Taepangthong	Chief Finance Officer (CFO)	September 20, 2022
6.	Ms. Pintupol Buppachote	Accounting and Finance Manager	April 26, 2019
7.	Ms. Naree Sinkrasang	Accounting Department Manager	August 1, 2022

### Scope, duties, and responsibilities of the Chief Executive Officer

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

7.2 Have the authority to act and represent the company in relevant and advantageous business actions with outsiders.

7.3 Approve the appointment of consultants in various fields necessary for the operation.

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

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

### Succession Plan Policy

Nova Organic Public Company Limited engages to the appropriate and transparent recruitment process of critical positions at all levels to ensure professional management of the Company. There is a succession plan that covers the positions including:

1. Chief Executive Officer

2. Executives

1) Analyze the Company's business situation in terms of the Company strategies, policies, investment plans, expansion plans.

2) Assess the readiness of manpower in accordance with the Company's strategies both short term and long term.

- 3) Determine a plan to build the readiness of manpower by developing employees or recruiting employees to prepare for the replacement.
- 4) Create a recruitment process and employee training and development in advance prior to the employee's retirement.
- 5 ) Determine competencies such as knowledge, skills, personality, and desirable attitudes of employees in specific position and create the individual development plan.
- 6 ) Selecting, evaluating, and assessing the potential of employees to consider their propriety.
- 7) Apply testing and assessment tools to analyze the capability of employees.
- 8 ) Identify successors from the evaluation and analysis capability and performance of employees. Employees must be notified in advance for the job transfer preparation, job learning and defining reserve successor.
- 9) Develop and assess employees who are potential successors whether such person is able to develop and deliver works as expected. If he/she fail below the expectation, substitutions can be made

#### Executive's remuneration

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

Details	Remuneration (MB) Year 2021	Remuneration (MB) Year 2022
Number of Executives (persons) <sup>1/</sup>	5	6
Salary, bonus, and overtime earnings	20.94	20.31
Other remuneration such as provident fund, social security, and other welfare	0.46	0.72
<b>Total</b>	<b>21.40</b>	<b>21.03</b>

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

#### Other remuneration

- None -

## 2.5 Number of Personnel

All personnel of the company are regarded as the most important resource in business operations. Therefore, it focuses on developing a modern human resource management system. In order to strengthen employees, they must be both good and talented. As well as participating in the development and helping the society as a whole. And focus on employees as the main mechanism for the company's development to move towards becoming an organization of sustainability to increase competitiveness and respond to organizational changes that aim to be a company that creates stability in the production and distribution of dietary supplements for beauty and health to the nation.

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

Line of work / main unit	Number (Persons)		
	Year 2020	Year 2021	Year 2022
Production department	455	178	95
Sales and Marketing department	161	187	107
Accounting and Finance department	18	27	20
Human Resources department	19	17	16
Information department	7	6	6
Product Research and Development department	2	3	4
Purchasing department	2	3	3
Warehouse department	53	35	19
Delivery department	8	10	8
Quality Control department	19	13	13
Others including Company's Secretary, Safety officers, and DCC officers	3	3	4
<b>Total</b>	<b>747</b>	<b>482</b>	<b>295</b>

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

Remuneration (Excluding Chief Executive Officer and senior management)

Details	Remuneration (Million baht)		
	Year 2020	Year 2021	Year 2022
Salary, bonus, and overtime earnings	88.58	110.07	69.75
Other remuneration such as provident fund, social security, and other welfare (including commission)	36.82	23.89	16.68
<b>Total</b>	<b>125.40</b>	<b>133.96</b>	<b>86.43</b>

Other remuneration

- None -

## Provident Fund

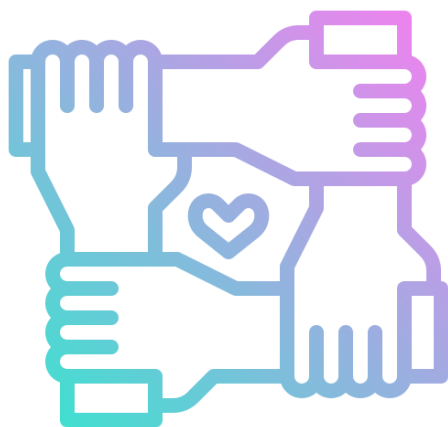
The company has set up a provident fund, which is managed by Thanachart Asset Management Company Limited, to motivate employees to stay with the company in the long run. Since June 1, 2021, the company has been contributing to the provident fund for employees.

## Personnel development policy

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

## Labor dispute

- None -



## 2.6 Other important information

## Company Secretary

**Ms. Haruethai Sirisinvi boon**

Date of Appointment: 12/07/2021

**Aged 36 years**



**The proportion of shareholding in the company (percent) (including spouse and minor children):** 31 December 2022, the number of shares is 113,000, or 0.0188 percent.

## Educational Qualifications

- Bachelor's degree in Chinese Language and Culture, Huachiew Chalermprakiet University
  - Exchange Student at Guangxi University for Nationalities
  - Certificate Programs at The Sydney Business and Travel Academy and The Sydney English Language Academy
  - IOD Training programs
- CSP 190/2562, BRP 36/2564, CRP 30/2564, EMT 49/2564, DAP 196/2565

**The family relationship between executives:** None

## Work experience in the past 5 years:

2017 - Present: Company Secretary of Nova Organic PCL.

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

1. Arrange and carry out matters about shareholder meetings.
2. Prepare and maintain a board of directors' register, a notice of meeting and minutes of the Board of Directors' meeting, a notice of meeting and minutes of the shareholders' meeting, and the company's annual report.
3. Notify the relevant executives of the Board of Directors' and shareholders' resolutions and policies, as well as monitor their implementation through the Executive Chairman.
4. Keeping stakeholder reports from directors and senior management and presenting them to the Chairman of the Board

and Chairman of the Audit Committee within the legal deadlines.

5. Provide preliminary advice and recommendations on legal concerns, regulations, and procedures for corporate governance to the Board of Directors and sub-committees constituted by the Board of Directors.

6. Ensuring that the company secretary is the central repository for corporate records such as a juristic person registration letter, Memorandum of Association, Articles of Association, Shareholder Registration, and other types of business licenses, etc.

7. Supervise the disclosure of information and information reporting in the supervisory agency's role by the law, rules, and regulations for company information disclosure.

8. Maintain contact and communication with general shareholders to keep them informed of their rights and corporate news.

9. Provide news and information to directors on matters concerning the company's business operations for the benefit of the directors' fulfillment of their duties.

10. Assist newly appointed directors with orientation and fulfill any other obligations mandated by law.

#### Persons tasked with managing bookkeeping on a direct basis

Ms. Pintupol Buppachote is the person in charge of managing bookkeeping, which is in charge of ensuring that the company's accounting and payment operations are efficient and in conformity with the company's rules, regulations, and accounting standards. From April 26, 2019, to the present, she served as the company's Accounting and Finance Manager or Accountant. Ms. Pintupol meets all of the requirements set forth by the Securities and Exchange Commission, where Ms. Pintupol has a bachelor's degree in accounting from Ramkhamhaeng University and has working experience in accounting for a total of not less than 3 years during the last 5 years before the filing of the application to the Office. Furthermore, the company has employed Ms. Naree Sinkrasang as an Account Department Manager to help prepare financial reports, annual budgets, and design and control operations to maintain a good internal control system. Ms. Naree was in this position on August 1, 2022. (Details appear in attachment 1, details of directors, executives, and the controlling person, as well as the person with the greatest accounting and financial duty and those who are directly responsible for monitoring accounting)

#### Auditor's Remuneration

The company paid audit fees to Siam Truth Audit Company Limited for the year 2022, totaling 2,550,000 baht, excluding other expenses.

### 3. Report on Key Operating Performance Related to Corporate Governance



#### Performance of the Board of Directors in 2022

##### Independent Director

Qualifications of an Independent Director of Nova Organic Public Company Limited

The independent directors shall possess the qualifications as specified by the Company's definition of Independent Director and in accordance with the qualifications of the Audit Committee as announced by the Stock Exchange of Thailand. The qualifications and scope of work of the Audit Committee shall be able to equally care for the interests of shareholders in all aspects and not cause conflicts of interest. In addition, the independent directors must be able to attend the Board of Directors' meeting and express independent opinions. The Company requires that independent directors are the directors who do not act as executives and independence from the management and controlling shareholders as well as do not have business relationship with the Company in a manner that would have limit the expression of independent opinion. The directors are required to possess additional qualifications as follow:

1) Holding no more than 1% of total voting shares of the Company, subsidiary, affiliate. This also include the shareholding of persons related to such independent directors.

2) Not currently be or never been the Company's executive director, employee, staff, consultant with monthly salary or entities with controlling authority over the Company except it has been at least two years after the person has retired from the position. In case of being the officer in accounting and finance department, there must be at least five years away from that position before being appointed.

3) Not by blood or legally registered with other directors, executives, major shareholders, controlling parties, or persons who will be nominated as directors, executives, or controlling parties of the Company and subsidiary.

4) Not currently having or never had any relations with the Company, subsidiary, affiliate in the way that such relation may impede the person from having independent views. Also, the person should not currently be or never be a significant shareholder or controlling person for persons having business relations with the Company, subsidiary, affiliate except the person discharge from the relation stated in the first paragraph at least two years. In addition, the Company shall not be able to enter into the conflict. This includes making trade transactions that are normally made to operate, lease or lease property, items related to assets or services, or to provide or



receive financial assistance by receiving or lending guarantees which result the Company or its party have debts to the other party of more than 3% of net tangible assets or more than Baht 20 million, whichever is lower. The calculation of such debt obligations is in accordance with the method of calculating the value of connected transactions in accordance with the announcement of the Stock Exchange of Thailand on disclosure and operation of listed companies in connected transactions. However, in determining the debt obligations, the debt obligations incurred during the year before the date of business relationship with the same person shall be considered.

5) Not currently be or never provided auditor services for the Company, subsidiary, affiliate or controlling party of the Company except the person has been discharged from the service at least 5 neglecting years before being appointed.

6) Not currently be or never provided professional services, legal consulting, nor financial consulting services to the Company, subsidiary, affiliate, major shareholder or controlling parties of the Company with a fee more than Baht 2 million per year. Also, the person should not currently be or never be a significant shareholder, controlling person, or partner of current service providers except the person has been discharged from the service at least 2 years before being appointed.

7) Not currently be a director appointed to represent the Company's directors, major shareholders, or the shareholder related to major shareholder.

8) Being a director who does not operate a business of the same nature and is in significant competition with the company's or its subsidiaries' business, not being a significant partner in the partnership, not being a director who participates in management, an employee, a consultant who receives a regular salary, or holding more than 1% of the total number of shares with voting rights of other companies that operate businesses of the same nature and are in significant competition with the company's or its subsidiaries' business.

9) Not under any conditions that may impede the person from having independent opinion towards the Company's operations. After being appointed as an Independent Director in accordance with Clauses 1) – 9), Independent Directors may be assigned by the Board to make any decisions on the businesses of the Company, subsidiary, affiliate or juristic persons who may have conflicts of interest by making decisions in the form of collective decisions.

The Company may appoint a person who has or has had a business relationship or provides professional services in excess of the value under Clause 4 or 6. can be an independent director if the directors of the company have considered carefully and are of the opinion that the appointment of such a person does not affect the performance of duties and independent opinions.

#### 1. Self-assessment of Board of Director and Chief Executive Officer in 2022

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

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

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

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

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

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

Details	Score	%
Assessment of the Board (Entire Board)	3.59	89.75
Assessment of Individual Directors (Self-assessment)	3.61	90.25
CEO's Performance Assessment	3.78	94.50

- Assessment of the Board (Entire Board)** consisted of three topics: Board Composition/ Board Meeting/ Roles, Duties and Responsibilities Summarize the results of the overall assessment of the whole committee in 3 topics. It was found that most of the operations were performed at an excellent level. have an excellent average score equal to 89.75 percent
- Assessment of Individual Directors (Self-assessment)** consisted of three topics: Board Composition/ Board Meeting/ Roles, Duties and Responsibilities Summarize the results of the overall assessment of the whole committee in 3 topics. It was found that most of the operations were performed at an excellent level, have an excellent average score equal to 90.25 percent
- CEO's Performance Assessment** consisted of ten topics, it was found that most of the operations were performed at an excellent level, have an excellent average score equal to 94.50 percent

## 2. Meeting attendance and remuneration for the Board of Directors

The company has formally scheduled the Board of Directors' meetings throughout the year in 2022, there are four scheduled meetings, and there may be additional special meetings as appropriate. The company secretary will send a meeting invitation letter, together with supporting documents for each director, in advance of the meeting. In this regard, the recording of the minutes of each meeting agenda for the preparation of the minutes will consist of comments/remarks. in writing and keep the certified meeting minutes. for directors and related parties to inspect

in order to comply with good corporate governance principles. Directors must attend at least 75% of the meetings of the Board of Directors and sub-committees that occur throughout the

year. In 2022, there were 6 meetings in total, 4 regular meetings and 2 special meetings, with a special meeting as an agenda for dividend payment and an agenda for the change of the Chief Executive Officer and Chief Financial Officer. The meeting was summarized as follows:

Name	All meetings attend / All meetings (times)		
	BOD	AC	NRC
1. Assoc. Prof. Dr. Prakrit Tangtisanon	6/6	4/4	3/3
2. Mr. Mongkol Kasaemsun Na Ayudthaya	6/6	4/4	3/3
3. Dr. Amnuay Gajeena <sup>1/</sup>	4/4	3/3	-
4. Mr. Apimuk Sukprasit	6/6	-	-
5. Mr. Navaphol Chanjuthamard	6/6	-	3/3
6. Mrs. Yuphin Chanjuthamard	6/6	-	-
7. Ms. Haruethai Sirisinvi boon <sup>2/</sup>	4/4	-	-

Notes: <sup>1/</sup> Dr. Amnuay Gajeena was appointed as a director of the company by a decision of the BOD's meeting 2/2022, February 22, 2022 and <sup>2/</sup> Ms. Haruethai Sirisinvi boon was appointed as a director of the company by a decision of the BOD's meeting 3/2022, May 10, 2022.

## Directors Who Completed the Terms and/or Resigned in 2022

Name	All meetings attend / All meetings (times)		
	BOD	AC	BOD
1. Prof. Dr. Wanchai De-Eknamkul <sup>1/</sup>	1/1	-	-
2. Mr. Sutthichai Sungkamanee <sup>2/</sup>	3/3	-	-
3. Mr. Isares Janyawannasiri <sup>3/</sup>	2/2	-	-

Notes: <sup>1/</sup> Prof. Dr. Wanchai De-Eknamkul resigned on February 22, 2022 and <sup>2/</sup> Mr. Sutthichai Sungkamanee resigned on May 10, 2022 and <sup>3/</sup> Mr. Isares Janyawannasiri resigned on May 10, 2022.

### 3. The Remuneration for Directors in 2021

The Annual General Meeting of Shareholders for the year 2022, held on April 27, 2022, fixed the remuneration for the Company's directors, Audit Committee and Nomination and Remuneration Committee are as follows:

Position	Remuneration <sup>1/</sup> (baht/time)
<b>Board of Director</b>	
Chairman	30,000
Director	20,000
<b>Audit Committee</b>	
Chairman	25,000
Director	20,000
<b>Nomination and Remuneration Committee</b>	
Chairman	25,000
Director	20,000

Notes: <sup>1/</sup> The company does not pay monthly remuneration to directors.

In this regard, Mr. Navaphol Chanjuthamard, Mrs. Yuphin Chanjuthamard and Ms. Haruethai Sirisinvi boon express their intention not to receive remuneration as directors and executive directors of the company and will not be entitled to receive remuneration as such directors. In the fiscal year 2022, there are details of the meeting allowance of the Board of Directors, the Audit Committee, and the Nomination and Remuneration Committee as follows:

Name	BOD	AC	NRC
1. Assoc. Prof. Dr. Prakit Tangtisanon	180,000	80,000	60,000
2. Mr. Mongkol Kasaemsun Na Ayudthaya	120,000	100,000	75,000
3. Dr. Amnuay Gajeena	80,000	60,000	-
4. Mr. Apimuk Sukprasit	120,000	-	-
5. Mr. Navaphol Chanjuthamard	-	-	-
6. Mrs. Yuphin Chanjuthamard	-	-	-
7. Ms. Haruethai Sirisinvi boon	-	-	-

The Remuneration of Directors Who Completed the Terms and/or Resigned in 2022.

Name	BOD	AC	NRC
1. Prof. Dr. Wanchai De-Eknamkul	20,000	-	-
2. Mr. Sutthichai Sungkamanee	60,000	-	-
3. Mr. Isaes Janyawannasiri	-	-	-

#### Other Remuneration

- None -

### 4. Monitoring to ensure compliance with corporate governance policies and guidelines

#### 1. Inside information

Directors, executives, and employees of the Company who receive information must not use the company's financial information or inside information that is material to change the price of securities that have not been disclosed to the public or the Stock Exchange of Thailand for the trading of the Company's securities that brings benefits for themselves and others. By avoiding or refraining from trading the company's securities during the 1 month before the disclosure of financial statements to the public and at least 2 business days after the information has been released to the public.

#### 2. Conflict of interest

The Company discloses information to prevent conflicts of interest with the Company to prevent activities that may cause conflicts of interest. Illegal and inappropriate activities

Preparation of reports on transactions between the Company and persons or businesses that may have conflicts of interest, on which the Company prepares a report every quarter. Report to the Audit Committee for opinions. And report to the Board of Directors for acknowledgment again.

### 3. Anti-Corruption Policy

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

### 4. Whistleblowing Policy

Nova Organic Public Company Limited commits to conduct business with integrity and social responsibility. The Company has established a Whistleblowing Policy to serve as a channel for directors, executives, employees, customers, third parties to submit complaints or report evidence in case of fraud, Illegal action, breaching the rules or deviating from the Company's policy and violating the Code of Business Conduct and Ethics to improve or proceed the business for accuracy, appropriateness,

transparency, and integrity. The information of the whistleblower and the matter reported will be kept secret to prevent infringement of rights. Third parties are able to submit complaints in 2 channels as follows:

#### 1) Postal channels

Secretary of the Audit Committee

Address: 174,176 Rama 2 Soi 60, Samae Dam Subdistrict, BangKhunThian District, Bangkok 10150

#### 2) Electronic mail (E-Mail) which is supervised by the Secretary of the Audit Committee

[info@nova-organic.com](mailto:info@nova-organic.com)

### 5. Securities holdings reporting policy

Directors, executives, and auditors of the Company are obligated to report their securities holdings, as well as those of their spouses and minor children. 12/2552 of the Office of the Securities and Exchange Commission, every time there is a purchase, sale, or transfer of securities to the Office of the Securities and Exchange Commission under Section 59 of the Securities and Exchange Act, B.E. Securities and Exchange Act, 1992

When taking a position as a director or executive, such a person must notify all securities holdings to the SEC Office in Form 59-1 (with a copy of the notification to the Company Secretary) within thirty days from the date of taking up such a position.



## 5. Audit Committee Report

The Audit Committee of Nova Organic Public Company Limited consists of 3 independent directors; (1) Mr. Mongkol Kasaemsun Na Ayudthaya as the Chairman of the Audit Committee, (2) Assoc. Prof. Dr. Prakrit Tangtisanon and Dr. Amnuay Gajeena are the Audit Committee Member, with Ms. Haruethai Sirisinviaboon as the secretary of the Audit Committee.

The Audit Committee held a total of 4 meetings with discussions with the management, internal auditor, and auditor on related matters, which can summarize the important matters in the performance of duties as follows:

### 1. Examine financial statements

The Audit Committee has considered and reviewed the quarterly financial statements and the company's financial statements for the year 2022 together with the management and auditors before submitting them to the company's directors. The Audit Committee asked the auditor about the accuracy and completeness of the financial statements. Important things to check important account entries Direction of Thai Financial Reporting Standards Appropriacy of accounting policies Changes in accounting estimates and errors Accounting method Account update Disclosure of information about related parties Observations and recommendations in 2022, the auditor did not have any material remarks. It has reported an unconditional investigation

### 2. Internal control and risk management

The company realizes and gives importance to having an internal control system in order to comply with the principles of good corporate governance. The Audit Committee has assessed the internal control system. company's management and answered the company's internal control sufficiency assessment form according to the Internal Control System Sufficiency Assessment Form of the Securities and Exchange Commission and stock exchange.

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

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

## 4. Review of the Risk Management Assessment System

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

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

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

### 6. Self-Assessment of the Audit Committee

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

### 7. Auditor Appointment Considerations and Proposal

The Audit Committee has made a proposal to the Board of Directors. To request approval from the shareholders' meeting to appoint Siam True Audit Company Limited as the company's auditor. including proposing and approving the audit fee for the year 2023.

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

**Mr. Mongkol Kasaemsun Na Ayudthaya**  
**The Chairman of the Audit Committee**

**6. The Nomination and Remuneration Committee Report**

The Nomination and Remuneration Committee of Nova Organic Public Company Limited consists of three qualified members: (1) Mr. Mongkol Kasaemsun Na Ayudthya, Chairman of the Nomination and Remuneration Committee; (2) Assoc. Prof. Dr. Prakrit Tangtisanon; and (3) Mr. Navaphol Chanjuthamard, Member of the Nomination and Remuneration Committee with Ms. Haruethai Sirisinviboon, company secretary acting as Secretary of the Nomination and Remuneration Committee.

Year 2022: The Nomination and Remuneration Committee held a total of 3 meetings in which discussions were made with the management on relevant matters. which can be summarized as follows:

**1. Consider appointing directors to replace those whose terms have expired.**

By considering the selection of persons from various occupations who are qualified according to the law-related regulations and Articles of Association Principles of good corporate governance, as well as knowledge, competence, and experience that is appropriate and responds to the Company's strategy, and by considering the necessary skills that are still lacking. by analyzing the Board Skill Matrix and must not have the tainted history and no conflict of interest with the Company in order to propose to the Board of Directors for consideration and approval the nomination of suitable persons to the Annual General Meeting of Shareholders for consideration and appointment as a director of the Company.

**2. Consider appointing a director to replace the resigned director.**

By the Nomination and Remuneration Committee has exercised prudence in considering the recruitment of persons with knowledge, ability, and suitable qualifications in accordance with the aforementioned criteria in order to propose to the Board of Directors that they consider and approve the nomination of suitable persons to the Annual General Meeting of Shareholders for consideration and appointment as the Company's directors as well.

**3. Consider the remuneration for the Board of Directors.**

By considering the performance and size of the company's business. Guidelines used by listed companies in the same industry and leading companies both nationally and globally, including the responsibilities of the Board of Directors together with the assessment results of the Board of Directors on various topics specified in the annual assessment form, have been proposed to the Board of Directors for approval to propose them to the 2022 Annual General Meeting of Shareholders.

**4. Consider the appraisal guidelines for determining remuneration for the Chief Executive Officer.**

By considering factors that are indicators in various aspects of evaluation. Including setting the target for the year 2023. All independent directors have participated in the performance evaluation of the Chief Executive Officer to be used as information for the Nomination and Remuneration Committee's consideration before proposing to the Board of Directors.

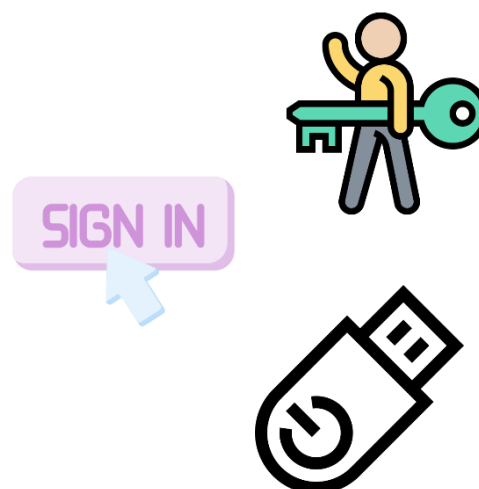
In addition, the remuneration of the company's directors was disclosed. Including executive remuneration in this annual report for transparency in auditing.

**Mr. Mongkol Kasaemsun Na Ayudthaya**

**Chairman of the Nomination and Remuneration Committee**



## 4. Internal Control and Related Party Transactions



### Internal Control and Risk Management.

At Audit Committee Meeting No. 1/2023, held on February 26, 2023, the Audit Committee assessed the internal control system. asked for information from the company's management and answered the company's internal control sufficiency assessment form according to the Internal Control System Sufficiency Assessment Form of the Securities and Exchange Commission. and stock exchange. It consists of five components:

#### 1. Control Environment

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

- The organization demonstrates its commitment to motivating, developing, and maintaining competent personnel.
- The organization assigns personnel to have duties and responsibilities in internal control. to achieve the objectives of the organization.

#### 2. Risk Assessment

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

### 3. Control Activities

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

### 4. Information & Communication

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

### 5. Monitoring Activities

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

### the Head of Internal Audit and Head of Compliance Department (Outsource)

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

**Name - Surname: Mr. Thana Wongsangnak**

**Position:** Managing Director

#### **Educational qualifications and Training history:**

- Master of Accounting, Utah State University, USA
- Graduate Diploma in Auditing, Thammasat University
- Bachelor of Accounting, Thammasat University
- Certified Internal Auditor, "CIA"
- Certified Public Accountant, "CPA"
- Operational Auditing, Audit Project Management, Internal Quality Assessment, Facilitating Results Using CSA by IIAT
- Risk-based audit planning, Risk assessment methods for internal audit planning, Internal audit management, Corporate Governance Audit, Taxes and duties for international transactions, Thai Auditing Standards by TFAC
- Diploma Tax law by the Central Tax Court.

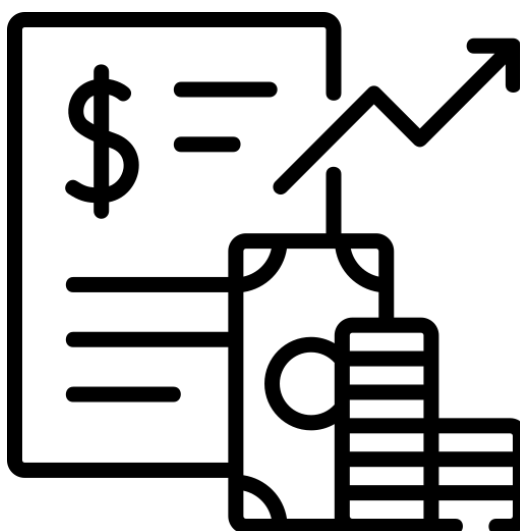
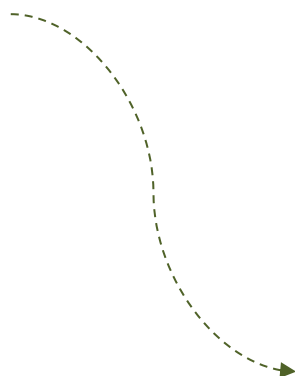
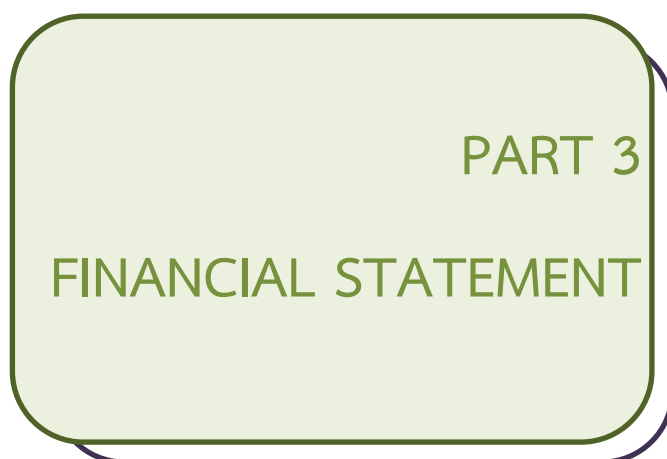
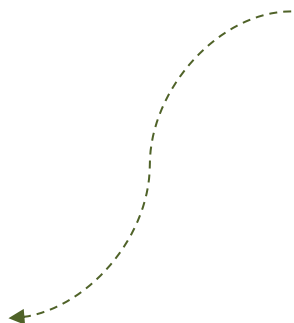
Persons or businesses that may have conflicts of interest that have a related party with the Company

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

Person/Juristic Person that may have a conflict	Relationship nature
Nova Organic Holding Co., Ltd.	<ul style="list-style-type: none"> <li>• A group of the Company's major shareholders owns 34.92 percent of the company's registered and paid-up capital.</li> <li>• Mr. Navaphol Chanjuthamard / Mrs. Yuphin Chanjuthamard is a group of Nova Organic PCL.'s major shareholders and directors, as well as a group of Nova Holding's major shareholders and directors.</li> <li>• Operate a Holding Company</li> </ul>
Mr. Navaphol Chanjuthamard	<ul style="list-style-type: none"> <li>• Director/ Chairman of Executive Director/ Authorized Director</li> <li>• A group of the Company's major shareholders owns 19.45 percent of the company's registered and paid-up capital.</li> <li>• Is Mrs. Yuphin Chanjuthamard's husband</li> </ul>
Mrs. Yuphin Chanjuthamard	<ul style="list-style-type: none"> <li>• Director/ Executive Director/ Authorized Director/ Chief Executive Officer</li> <li>• A group of the Company's major shareholders owns 15.20 percent of the company's registered and paid-up capital.</li> <li>• Is Mr. Navaphol Chanjuthamard's wife</li> </ul>
COSMIC CONCORD CORP., LTD	<ul style="list-style-type: none"> <li>• A group of the Company's major shareholders owns 0.50 percent of the company's registered and paid-up capital.</li> <li>• Is a partner of the company</li> <li>• Engages in the business of importing and distributing raw materials</li> </ul>

2. Related party transactions involving NOVA ORGANIC PCL and persons or businesses that may have conflicts of interest in 2022.

Person/Juristic Person that may have a conflict	Nature and details of the transactions	Related Party Value (baht)	The transaction's necessity and reasonableness
Nova Organic Holding CO., LTD	<u>Rental fee</u>		The company rents the building no. 190/71, 190/83 and 190/84, Samut Prakan Province to be used as a warehouse. At the rental rate of 253,500 baht per month, payment is due within the 5th day of each month.  <u>The Audit Committee's Opinion:</u> Such transactions, which involve assets or services, are beneficial to the company and have an acceptable trading price. The pricing is based on two independent appraisers' property appraisal reports and traded at the property's average appraisal price.
	Rental fees for factories and warehouses		
	License assets - net	8,525,730.49	
	Amortization- License assets	2,051,556.70	
	Lease liabilities - net	3,042,000.00	
	Interest receivable - liabilities under the leasehold contract	325,903.32	
Mr. Navaphol Chanjuthamard  Mrs. Yuphin Chanjuthamard	<u>Rental fee</u>		The company rents the building no. 178 and 180, Bangkok to be used as an Office. At the rental rate of 30,000 baht per building per month, payment is due within the 5th day of each month.  <u>The Audit Committee's Opinion:</u> The Audit Committee thinks that the transaction is reasonable. Because the company has entered into a lease contract within the terms set forth, and the price is reasonable when compared to the property valued by an independent appraiser and approved by the Securities and Exchange Commission.
	Rental fees for the office		
	License assets - net	2,385,587.53	
	Amortization- License assets	666,245.31	
	Lease liabilities – net	630,000.00	
	Interest receivable - liabilities under the leasehold contract	51,815.68	
COSMIC CONCORD CORP., LTD	Deposit-Raw materials	1,029,017.00	<u>The Audit Committee's Opinion:</u> The Audit Committee considers that the transaction is reasonable. The purchase of raw materials is in line with the company's routine business operations. For the company to benefit the most, the company compares price and trade conditions.
	Trade account payable	-	
	Purchase raw materials	11,536,525.00	



## AUDITOR'S REPORT

To the Shareholders of Nova Organic Public Company Limited

### Opinion

I have audited the accompanying consolidated and separate financial statements of Nova Organic Public Company Limited and its subsidiaries (“the Group”) and of Nova Organic Public Company Limited (“the Company”), respectively, which comprise the consolidated and separate statement of financial position as at December 31, 2022, the consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Nova Organic Public Company Limited and its subsidiaries and of Nova Organic Public Company Limited as at December 31, 2022, and their consolidated and separate 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 Consolidated and Separate Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.



*The key audit matter**Audit procedures***Revenue from sales**

The Company is engaged the business in production and distribution of food supplements through a variety of distribution channels. The revenue from sales in each distribution channels are recognized in according to its type of sale at the various terms and condition on delivery of the goods. Those revenue from sale is significant high value transaction. For the year ended December 31, 2022, the book value of revenue from sales was of Baht 753 million as disclosed in note 24 to the financial statements.

I have identified revenue from sales to be the key audit matters as its high value is significant to the financial statements and a various delivery terms of distribution channels.

Other than making the inquiries, the audit procedures for revenue from sales included sampling test as follows:

assessing the efficiency and test of internal control relates to the sales system;

inspecting sale documents occurred during the year, including, before and after the end of accounting year to test the delivery terms and the proper period of revenue recognition in accordance to the contract regarding the control of the goods transferred to the customers in each distribution channel.

**Inventories**

Inventories are significant high value transaction and are principal assets for the Company's business operations. As at December 31, 2022, the net book value of inventories was of Baht 85 million as disclosed in note 8 to the financial statements. Due to inventories are food supplements deteriorating based on its shelf-life period, affecting to the valuation at the end of accounting year measured at the lower of cost or net realizable value. That is required the management exercise the judgement to estimate the net realizable value of inventories.

I have identified inventories to be the key audit matters as its high value is significant to the financial statements and a deteriorated goods on its shelf-life period.

Other than making the inquiries, the audit procedures for inventories included sampling test as follow:

- assessing the appropriateness and test the calculation of net realizable value of inventories at the end of reporting period, the consideration of reasonableness of market price, expected to make a sale and necessary cost to make sales, including inspecting to the related documents.

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**Other Information**

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

My opinion on the consolidated and separate 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 consolidated and separate financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

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

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

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

**Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements**

My objectives are to obtain reasonable assurance about whether the consolidated and separate 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

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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 consolidated and separate financial statements.

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

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

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

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

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate 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.

Kornpreeya Soonphiphatkul

Certified Public Accountant

Registration Number 10001

Siam Truth Audit Company Limited

Bangkok

February 27, 2023

## STATEMENTS OF FINANCIAL POSITION

NOVA ORGANIC PUBLIC COMPANY LIMITED AND SUBSIDIARIES

AS AT DECEMBER 31, 2022

Baht

		Consolidated	Separate	
		financial statement	financial statement	
	Note	2022	2022	2021
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	5	199,163,106	199,163,106	489,684,247
Short-term investments	6	594,066,470	594,066,470	707,742,833
Trade and other receivables	7	61,060,978	61,060,978	44,128,401
Inventories	8	85,230,487	85,230,487	115,586,064
Other current assets	9	22,592,538	22,592,538	40,711,806
<b>Total current assets</b>		<b>962,113,579</b>	<b>962,113,579</b>	<b>1,397,853,351</b>
<b>Non-current assets</b>				
Restricted bank deposits	10	-	-	24,000,000
Property, plant and equipment	12	532,023,976	532,023,976	358,150,096
Right-of-use assets	13	7,002,045	7,002,045	16,614,973
Intangible assets	14	5,930,190	5,930,190	4,005,910
Deferred tax assets	28	9,440,005	9,440,005	7,078,828
Other non-current assets		9,655,539	9,655,539	8,071,180
<b>Total non-current assets</b>		<b>564,051,755</b>	<b>564,051,755</b>	<b>417,920,987</b>
<b>Total assets</b>		<b>1,526,165,334</b>	<b>1,526,165,334</b>	<b>1,815,774,338</b>

## STATEMENTS OF FINANCIAL POSITION

NOVA ORGANIC PUBLIC COMPANY LIMITED AND SUBSIDIARIES

AS AT DECEMBER 31, 2022

Baht

	Note	Consolidated	Separate	
		financial statement	financial statement	
		2022	2022	2021
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Trade and other payables	16	79,588,190	79,523,980	76,799,899
Current portion of liabilities	13	3,871,967	3,871,967	5,726,716
Provisions	17	2,283,795	2,283,795	2,083,795
Other current liabilities	18	45,659,987	45,659,987	36,117,825
<b>Total current liabilities</b>		<b>131,403,939</b>	<b>131,339,729</b>	<b>120,728,235</b>
<b>Non-current liabilities</b>				
Long-term leases liabilities	13	3,388,701	3,388,701	11,055,849
Provision for employee benefit	19	10,040,663	10,040,663	10,358,218
<b>Total non-current liabilities</b>		<b>13,429,364</b>	<b>13,429,364</b>	<b>21,414,067</b>
<b>Total liabilities</b>		<b>144,833,303</b>	<b>144,769,093</b>	<b>142,142,302</b>
<b>Shareholders' equity</b>				
Share capital				
Ordinary shares	20	300,000,000	300,000,000	300,000,000
Premium on ordinary shares	21	969,986,499	969,986,499	969,986,499
Retained earnings	22, 23			.
Appropriated - legal reserve		29,900,000	29,900,000	19,400,000
Unappropriated		81,445,532	81,509,742	384,245,537
<b>Total shareholders' equity</b>		<b>1,381,332,031</b>	<b>1,381,396,241</b>	<b>1,673,632,036</b>
<b>Total liabilities and shareholders' equity</b>		<b>1,526,165,334</b>	<b>1,526,165,334</b>	<b>1,815,774,338</b>



## STATEMENTS OF COMPREHENSIVE INCOME

NOVA ORGANIC PUBLIC COMPANY LIMITED AND SUBSIDIARIES

AS AT DECEMBER 31, 2022

Baht

		Consolidated	Separate	
		financial statement	financial statement	
	Note	2022	2022	2021
<b>Revenue from sales</b>	24, 25	<b>753,765,809</b>	<b>753,765,809</b>	<b>1,236,659,544</b>
Cost of sales	8, 27	(409,041,105)	(409,041,105)	(466,419,852)
<b>Gross profit</b>		<b>344,724,704</b>	<b>344,724,704</b>	<b>770,239,692</b>
Other income	24	2,267,448	2,267,448	2,284,870
Selling expenses	27	(350,844,294)	(350,844,294)	(596,989,904)
Administrative expenses	27	(87,261,024)	(87,196,814)	(95,322,520)
<b>Profit (loss) from operations</b>		<b>(91,113,166)</b>	<b>(91,048,956)</b>	<b>80,212,138</b>
Finance income		3,885,470	3,885,470	390,316
Reversal of loss from impairment of assets		-	-	883,827
Gain (loss) from disposal of assets		(335,298)	(335,298)	6,024,207
Reversal of expected credit loss		-	-	1,314,925
Gain from lease termination		96,695	96,695	-
Gain on disposal and revaluation of investments		1,421,212	1,421,212	36,331
Finance costs		(965,520)	(965,520)	(984,664)
<b>Profit (loss) before income tax</b>		<b>(87,010,607)</b>	<b>(86,946,397)</b>	<b>87,877,080</b>
Tax income (expense)	28	2,831,063	2,831,063	(7,529,447)
<b>Profit (loss) for the year</b>		<b>(84,179,544)</b>	<b>(84,115,334)</b>	<b>80,347,633</b>

## STATEMENTS OF COMPREHENSIVE INCOME

NOVA ORGANIC PUBLIC COMPANY LIMITED AND SUBSIDIARIES

AS AT DECEMBER 31, 2022

Baht

	Note	Consolidated	Separate	
		financial statement	financial statement	
		2022	2022	2021
<b>Other comprehensive loss :</b>				
<b>Items that will never be reclassified subsequently to profit or loss</b>				
Defined benefit plan actuarial gain	19	2,349,424	2,349,424	-
Income tax relating to items that will never be reclassified subsequently to profit or loss	28	(469,885)	(469,885)	-
<b>Other comprehensive income - net of tax</b>		<b>1,879,539</b>	<b>1,879,539</b>	-
<b>Total comprehensive income (loss)</b>		<b>(82,300,005)</b>	<b>(82,235,795)</b>	<b>80,347,633</b>
<b>Earnings (loss) per share</b>	29			
Basic earnings (loss) per share		(0.14)	(0.14)	0.18
Weighted average number of ordinary shares (shares)		600,000,000	600,000,000	454,931,507

## STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

NOVA ORGANIC PUBLIC COMPANY LIMITED AND SUBSIDIARIES

AS AT DECEMBER 31, 2022

Baht

Consolidated financial statement					
	Note	Issued and paid-up share capital	Premium on share capital	Retained earnings	
				Appropriated - legal reserve	Unappropriated
					Total
<b>Balance as at January 1, 2022</b>		<b>300,000,000</b>	<b>969,986,499</b>	<b>19,400,000</b>	<b>384,245,537</b>
Dividend Paid	22	-	-	-	(210,000,000)
Legal reserve	22	-	-	<b>10,500,000</b>	(10,500,000)
Loss for the year		-	-	-	(84,179,544)
Other comprehensive income		-	-	-	1,879,539
<b>Balance as at December 31, 2022</b>		<b>300,000,000</b>	<b>969,986,499</b>	<b>29,900,000</b>	<b>81,445,532</b>
					<b>1,381,332,031</b>

## STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

NOVA ORGANIC PUBLIC COMPANY LIMITED AND SUBSIDIARIES

AS AT DECEMBER 31, 2022

Baht

		Separate financial statement				
		Issued and paid-up share capital	Premium on share capital	Retained earnings		Total
	Note			Appropriated - legal reserve	Unappropriated	
Balance as at January 1, 2021		225,000,000	41,618,919	15,000,000	308,297,904	589,916,823
Increase in ordinary shares	20	75,000,000	928,367,580	-	-	1,003,367,580
Legal reserve	22	-	-	4,400,000	(4,400,000)	-
Total comprehensive income		-	-	-	80,347,633	80,347,633
Balance as at December 31, 2021		300,000,000	969,986,499	19,400,000	384,245,537	1,673,632,036
Dividend Paid	22	-	-	-	(210,000,000)	(210,000,000)
Legal reserve	22	-	-	10,500,000	(10,500,000)	-
Loss for the year		-	-	-	(84,115,334)	(84,115,334)
Other comprehensive income		-	-	-	1,879,539	1,879,539
Balance as at December 31, 2022		300,000,000	969,986,499	29,900,000	81,509,742	1,381,396,241

## STATEMENT OF CASH FLOWS

NOVA ORGANIC PUBLIC COMPANY LIMITED AND SUBSIDIARIES

AS AT DECEMBER 31, 2022

Baht

	Consolidated financial statement	Separate financial statement	
	2022	2022	2021
<b>Cash flows from operating activities</b>			
<b>Profit (loss) before income tax</b>	<b>(87,010,607)</b>	<b>(86,946,397)</b>	<b>87,877,080</b>
Adjustments to reconcile profit (loss) before income tax to cash received (paid) from operating activities			
Depreciation and amortization	25,930,198	25,930,198	18,279,944
Reversal of expected credit loss	-	-	(1,314,925)
Reversal of loss from impairment of assets	-	-	(883,827)
Gain from lease termination	(96,695)	(96,695)	-
Gain on disposal and revaluation of investments	(1,421,212)	(1,421,212)	(36,331)
(Gain) loss from sale of assets	335,298	335,298	(6,024,207)
Interest income	(3,885,470)	(3,885,470)	(390,316)
Finance costs	965,520	965,520	984,664
<b>Profit (loss) from operations before changes in operating assets and liabilities</b>	<b>(65,182,968)</b>	<b>(65,118,758)</b>	<b>98,492,082</b>

## STATEMENT OF CASH FLOWS

NOVA ORGANIC PUBLIC COMPANY LIMITED AND SUBSIDIARIES

AS AT DECEMBER 31, 2022

Baht

	Consolidated financial statement	Separate financial statement	
	2022	2022	2021
<b>Changes in operating assets and liabilities</b>			
Trade and other receivables	(16,932,578)	(16,932,578)	144,629,187
Inventories	30,355,576	30,355,576	12,113,080
Other current assets	18,119,267	18,119,267	12,949,066
Restricted bank deposits	24,000,000	24,000,000	-
Other non-current assets	(7,252,398)	(7,252,398)	303,640
Trade and other payables	3,433,097	3,368,887	(176,416,411)
Provisions	200,000	200,000	-
Other current liabilities	9,542,163	9,542,163	(36,910,752)
Provisions for employee benefit	1,835,689	1,835,689	2,351,210
<b>Cash received (paid) from operating activities</b>	<b>(1,882,152)</b>	<b>(1,882,152)</b>	<b>57,511,102</b>
Interest received	3,315,193	3,315,193	357,094
Income tax paid	-	-	(216,756,794)
<b>Net cash provided by (used in) operating activities</b>	<b>1,433,041</b>	<b>1,433,041</b>	<b>(158,888,598)</b>

## STATEMENT OF CASH FLOWS

NOVA ORGANIC PUBLIC COMPANY LIMITED AND SUBSIDIARIES

AS AT DECEMBER 31, 2022

Baht

	Consolidated financial statement	Separate financial statement	
	2022	2022	2021
<b>Cash flows from investing activities</b>			
Purchase of short - term investments	(911,822,050)	(911,822,050)	(645,706,502)
Disposal of short - term investments	1,027,489,904	1,027,489,904	-
Disposal of equipment	35,000	35,000	38,170,127
Purchase of building and equipment	(187,251,736)	(187,251,736)	(74,826,830)
Purchase of intangible assets	(3,264,560)	(3,264,560)	(2,170,645)
<b>Net cash used in investing activities</b>	<b>(74,813,442)</b>	<b>(74,813,442)</b>	<b>(684,533,850)</b>
<b>Cash flows from financing activities</b>			
Repayment for lease liabilities	(6,371,400)	(6,371,400)	(3,232,283)
Increase in ordinary shares	-	-	1,003,367,580
Dividend paid	(210,000,000)	(210,000,000)	-
Interest paid	(769,340)	(769,340)	(872,680)
<b>Net cash provided by (used in) financing activities</b>	<b>(217,140,740)</b>	<b>(217,140,740)</b>	<b>999,262,617</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(290,521,141)</b>	<b>(290,521,141)</b>	<b>155,840,169</b>
Cash and cash equivalents at the beginning of the year	489,684,247	489,684,247	333,844,078
<b>Cash and cash equivalents at the end of the year</b>	<b>199,163,106</b>	<b>199,163,106</b>	<b>489,684,247</b>



## NOTES TO THE FINANCIAL STATEMENTS

## NOVA ORGANIC PUBLIC COMPANY LIMITED AND SUBSIDIARIES

AS AT DECEMBER 31, 2022

**1. GENERAL INFORMATION**

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

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

The principal activities of the Company and its subsidiaries (“the Group”) involve production and distribution of food supplements and health beverages.

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

Major shareholders were as follow:

Major shareholders	Country/ Nationality	Shareholding	
		December 31,	
		2022	2021
Nova Organic Holding Co., Ltd.	Thailand	34.92	34.63
Chanjuthamard group	Thai	34.64	34.63

The financial statements have been approved for issue by the Company’s Board of Directors on February 27, 2023.

**2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS**

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

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

The preparation of the financial statements in conformity with Thai Financial Reporting Standards (“TFRS”) requires management to make judgments estimates and assumptions that affect the

application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Subsequent actual results may differ from these estimates.

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

#### **BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS**

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”)

Subsidiaries	Country of incorporation	Business type	% Shareholding December 31, 2022
Direct Subsidiaries			
Nova Ventures Co.,Ltd	Thailand	Distributor of food supplements	100
Indirect Subsidiaries			
NovaG Innovation Co.,Ltd	Thailand	Distributor of food supplements	51

The preparations of the consolidated financial statements have been based on the same accounting policies for the same or similar accounting transactions or accounting events.

#### **Business combinations**

The Group applies the acquisition method for all business combinations when control is transferred to the Group, other than those with entities under common control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group take into consideration potential voting rights that currently are exercisable.

The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

#### **Subsidiaries**

Subsidiaries are an entity controlled by the Group. The Company is deemed to have control over subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the subsidiaries, and it has the ability to direct the activities that significantly affect the amount of its returns. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

#### **Loss of control**

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

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income or expenses arising from intra-group transactions, are eliminated.

#### **New financial reporting standards**

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

During the year, the Group has adopted the revised financial reporting standards including the accounting guidance which are effective for fiscal years beginning on or after January 1, 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision and clarification of accounting practices, for some financial reporting standards, providing temporary reliefs or temporary exemptions to users of TFRSs.

The management assessed the financial statements of the Group do not have any significant impacts from the mentioned TFRSs in the period that it is adopted.

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

The Federation of Accounting Professions promulgated the numbers of revised financial reporting standards which are effective for fiscal years beginning on or after January 1, 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the clarification of accounting practices for some financial reporting standards, providing temporary reliefs or temporary exemptions to users of TFRSs.

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

### **3. SIGNIFICANT ACCOUNTING POLICIES**

#### **The measurement bases used in preparing the financial statements**

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

#### **Revenue**

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

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

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

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

Contract assets stated at net book value after allowance for terminate contracts.

Allowance for terminate contracts is mostly assessed primarily on analysis of payment histories, future expectations of customer payments and cancellation contracts history. Contract assets will be written off when contracts are cancelled.

No revenue is recognized if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due.

### **Sale of goods and rendering of services**

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

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

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

### **Provision for estimated returns**

The Company estimates the products return for sale contract with the return conditions at the agreed rate of return price, including the completeness of return evidences and products condition by considering the level of returns over historical experiences. In addition, the Group provides an allowance for devaluation of such expected products return.

The customers have right to return the purchased products in accordance with the sale conditions. The Company recognizes liabilities for products return for the consideration to which the Company does not expect to be entitled. Liabilities for products return will be reviewed at the end of reporting period, any changes incurred by returning from customer will be adjusted to revenue from sales, in accordingly, the Company recognizes the right to recover products return at cost value and adjusts to cost of sales.

### **Right to recover returned products**

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

**Refund liabilities**

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

**Advances**

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

**Interest income**

Interest income is recognized using the effective interest method.

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

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

**Other income**

Other income is recognized on an accrual basis.

**Consideration payable to the customer**

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

**Expenses****Finance cost**

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

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

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

Expenses are recognized on an accrual basis.

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**Financial instruments**

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

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

**Classification and measurement of financial assets and financial liabilities****Financial assets classified as debt instruments**

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

- Financial assets measured at amortized cost

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

**Amortized cost basing on the effective interest method**

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

- Financial assets measured at fair value through other comprehensive income

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

- Financial assets measured at fair value through profit or loss

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

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

Financial assets classified as equity instruments

Except the interests in subsidiaries

- Financial assets measured at fair value through profit or loss

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

- Financial assets measured at fair value through other comprehensive income

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

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

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

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

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

Purchase and sales of investments are recorded on trade date.

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

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

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

### Offsetting

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



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**Derecognition of financial assets**

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

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

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

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

**Write-off**

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

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

**Allowance for expected credit losses on financial assets**

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

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

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

**Simplified Approach**

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

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

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

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

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

### Financial liabilities

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

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

Financial liabilities designated at fair value through profit or loss

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

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

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

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

Changes in fair value attributable to a financial liability's credit risk that are recognized in other comprehensive income are transferred to retained earnings upon derecognition of the financial liability.

#### Derecognition of financial liabilities

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

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

#### Trade and other accounts receivable and contract assets

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

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

#### Employee benefits

##### Short-term benefits

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

##### Post-employment benefits

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

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

##### Post-employment benefits

The employee benefit obligations in relation to the severance payment under the labor law are recognized as a charge to results of operations over the employee's service period. It is calculated by the estimation of the amount of future benefit to be earned by the employee in return for the service provided to the Group through the service period up to the retirement age and the amount is discounted to determine the

present value. The reference discount rate is the yield rate of government bonds as at the reporting date. The calculation is based on the actuarial technique using the Projected Unit Credit Method.

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

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

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

#### Termination benefits

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

#### Income tax

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

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

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

#### Current tax

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

#### Deferred tax

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

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

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

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

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized, including unutilized taxable losses. Deferred tax assets are reviewed at the end of reporting period date and reduced its carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized against the temporary differences and unutilized taxable losses.

### **Cash and cash equivalents**

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

### **Inventories**

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

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

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

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

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

### **Investments in subsidiaries**

Investments in subsidiaries in the separate financial statements are accounted for using the cost method net of allowance for impairment (if any).

Loss on impairment of assets (if any) is included in profit or loss.

### **Property, plant and equipment**

Owned assets

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

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

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to

bringing the asset to the location and condition necessary for it to be capable of operating for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalized borrowing costs.

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

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

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

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

#### Leased assets

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

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

#### Subsequent costs

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

#### Depreciation

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

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

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

	Years
Buildings	30
Machinery and factory equipment	5 – 12
Office equipment	5

## Vehicles

5

Depreciation is recognized as an expense in profit or loss.

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

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

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

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

**Intangible assets**

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

**Subsequent expenditure**

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

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

**Amortization**

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

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

The estimated useful lives are as follows:

	<i>Years</i>
Software licences	5

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

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

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



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**Impairment of non-financial assets**

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

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

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

**Calculation of recoverable amount**

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

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

In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

**Reversals of impairment**

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

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

**Leases****As a lessee**

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

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

**Right-of-use assets**

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

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

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

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

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

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

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

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

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

**Lease liabilities**

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The lease payments included fixed payments less

any lease incentive receivable and amounts expected to be payable under a residual value guarantee. The lease payments also include amount under purchase, extension or termination option if the Group is reasonably certain to exercise option.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. Interest expense is recognized in profit or loss.

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

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

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

### **Foreign currencies**

#### Functional and presentation currency

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

#### Foreign currency transactions

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

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

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

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

### **Provisions**

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

#### Provision for decommissioning

The Group is obligated to remove decoration and fixtures and restore the rental spaces before returning them to the lessors at the end of the rental agreements. The Group records a provision for decommissioning whenever it is highly probable that an obligation will arise as a result of a past event and the amount of the obligation can be reliably estimated. In estimating of decommissioning costs, the management exercises judgement in predicting future decommissioning costs, discount rate and economic useful lives of the assets.

### **Dividends**

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

### **Basic earnings (loss) per share**

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

### **Judgements of management**

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

### **Significant judgements and accounting estimates are as follow:**

#### **a) Recognition and derecognition of assets and liabilities**

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

#### **b) Fair value of financial instruments**

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

#### **c) Allowances for expected credit loss for financial assets**

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

**d) Allowance for impairment on investments**

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

**e) Property, plant and equipment**

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

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

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

**f) Intangible assets**

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

**g) Deferred tax assets**

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

**h) Leases**

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

Determining the lease term of contracts with renewal and termination options

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

**Incremental borrowing rate**

In the case that the Company cannot readily determine the interest rate implicit in the lease, the Company is required to use its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Company would have to pay to borrow over

a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

**i) Post-employment benefits**

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

**j) Litigation**

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

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

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

**l) Revenue from contracts with customers**

Identification of performance obligations

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

Determination of timing of revenue recognition

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

**m) Advance received from sales**

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

**n) Allowance for diminution in value of inventories**

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

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**Fair value measurement**

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

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

- Level 1      Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2      Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3      Use of unobservable inputs such as estimates of future cash flows

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

**4. TRANSACTIONS WITH RELATED PARTIES**

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

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



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

	<i>Baht</i>		
	Consolidated	Separate financial statements	
	financial statements	2022	2021
	2022	2022	2021
Disposal of land with constructions			
Nova Organic Holding Co., Ltd.	-	-	36,000,000
Transfer-out of vehicles under the lease agreement			
Nova Organic Holding Co., Ltd.			
Vehicle	-	-	20,308,962
Lease liabilities	-	-	11,966,198
Purchase of raw material			
Cosmic Concord Corp., Ltd.	11,536,525	11,536,525	56,313,200
Amortization of the right-of-use assets			
Nova Organic Holding Co., Ltd.	2,841,911	2,841,911	-
Mr. Navaphol Chanjuthamard	666,245	666,245	666,493
Rental			
Nova Organic Holding Co., Ltd.	-	-	1,929,871
Interest expenses under lease agreement			
Nova Organic Holding Co., Ltd.	325,902	325,902	-
Mr. Navaphol Chanjuthamard	51,817	51,817	66,558

### Key management personnel compensation

Key management personnel compensation for the years ended December 31, 2022 and 2021 consisted of:

	<i>Baht</i>		
	Consolidated	Separate financial statements	
	financial statements	2022	2021
	2022	2022	2021
Short-term benefits	13,306,851	13,306,851	22,370,376
Post-employment benefits	390,971	390,971	1,769,251
Total	13,697,822	13,697,822	24,139,627

### Directors' remuneration

Directors' remuneration represents benefits paid to the director of the Group in accordance with Section 90 of the Public Company Limited Act B.E.2535 exclusive of salaries and related benefit payable to directors who hold executive positions.

For the year ended December 31, 2022 and 2021, the Company paid directors' remuneration in the amount of Baht 0.96 million and Baht 1.51 million, respectively.

The significant balances of assets and liabilities with related parties as at December 31, 2022 and 2021 were as follows:

	<i>Baht</i>		
	Consolidated	Separate financial statements	
	financial statements		
	2022	2022	2021
Advance for investment			
Management	9,999,700	9,999,700	-
Inventory deposits			
Cosmic Concord Corp., Ltd.	1,029,017	1,029,017	764,917
Right-of-use assets			
Mr. Navaphol Chanjuthamard	635,913	635,913	1,303,899
Nova Organic Holding Co., Ltd.	5,683,820	5,683,820	8,525,732
Lease liabilities			
Mr. Navaphol Chanjuthamard	671,623	671,623	1,339,806
Nova Organic Holding Co., Ltd.	5,809,634	5,809,634	8,525,732

#### Significant agreements

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

The Company entered into a building rental agreement with Nova Organic Holding Co., Ltd. for a rental period of 3 years, one starting from January 1, 2022 to December 31, 2024 with a monthly rental of Baht 0.25 million.

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

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

#### Advance for investment

On January 3, 2023, the management brought the advance for investment to pay for share subscription to subsidiary in full amount.

**Co-guarantee for liabilities**

As at December 31, 2022 and 2021 related parties had co-guarantee liabilities as follows:

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

The Company's directors had guaranteed for credit of loan from financial institutions. (see note 15)

**Nature of relationship**

Name	Country/	Relation	Type of relation
	Nationality		
Nova Ventures Co.,Ltd	Thailand	Direct Subsidiaries	Shareholder and common director
NovaG Innovation Co.,Ltd	Thailand	Indirect Subsidiaries	Shareholder and common director
Nova Organic Holding Co., Ltd.	Thailand	Related company	Shareholder and common director
Cosmic Concord Corp., Ltd.	Thailand	Related company	Shareholder
Mr. Navaphol Chanjuthamard	Thai	Related Person	Shareholder and director of the Company

**Bases of measurement for intercompany revenues and expenses**

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

**5. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents as at December 31, 2022 and 2021 consisted of:

	<i>Baht</i>		
	Consolidated		
	financial statements	Separate financial statements	
	2022	2022	2021
Cash	63,847	63,847	60,065
Cash at banks	199,099,259	199,099,259	489,624,182
<b>Total</b>	<b>199,163,106</b>	<b>199,163,106</b>	<b>489,684,247</b>

## 6. SHORT-TERM INVESTMENTS

Short-term investments as at December 31, 2022 and 2021 consisted of:

*Baht*

Debt instruments	Consolidated	Separate financial statements	
	financial statements	2022	2021
	2022	2022	2021
<b>Investment measured at amorized cost</b>			
Fixed deposit with a maturity more than 3 months but not over 1 year	20,069,390	20,069,390	62,186,573
Government bonds	189,895,850	189,895,850	99,962,803
Treasury bills	27,916,407	27,916,407	19,991,768
Debenture	-	-	38,565,358
Total	237,881,647	237,881,647	220,706,502
<b>Investment measured at fair value through profit or loss</b>			
Debenture	50,000,000	50,000,000	-
Investments in open-end fixed	305,031,170	305,031,170	487,000,000
<b>Add</b> Gain on revaluation of investments	1,153,653	1,153,653	36,331
Total	356,184,823	356,184,823	487,036,331
<b>Grand Total</b>	<b>594,066,470</b>	<b>594,066,470</b>	<b>707,742,833</b>

Movements of debt instruments were as follows:

*Baht*

Debt instruments	Consolidated and separate financial statements				
	As at	Fair value			As at
	January 1	Purchase	Sale	adjustment	December 31
<b>2022</b>					
<b>Debt instruments measured at</b>					
- Amortized cost	220,706,502	656,822,050	(640,217,184)	570,279	237,881,647
- Fair value through profit or loss	487,036,331	255,000,000	(387,272,720)	1,421,212	356,184,823
Total	707,742,833	911,822,050	(1,027,489,904)	1,991,491	594,066,470

*Baht*

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

**7. TRADE AND OTHER RECEIVABLES**

Trade and other receivables as at December 31, 2022 and 2021 consisted of:

*Baht*

	Consolidated	Separate financial statements	
	financial statements	2022	2021
Trade receivables	47,962,605	47,962,605	42,380,736
Other receivables	13,535,011	13,535,011	2,184,303
<b>Total</b>	<b>61,497,616</b>	<b>61,497,616</b>	<b>44,565,039</b>
<b>Less</b> Allowance for expected credit loss	<b>(436,638)</b>	<b>(436,638)</b>	<b>(436,638)</b>
<b>Trade and other receivables - net</b>	<b>61,060,978</b>	<b>61,060,978</b>	<b>44,128,401</b>

Movements of allowance for expected credit loss for the year ended December 31, 2022 and 2021 were as follows:

*Baht*

	Consolidated	Separate financial statements	
	financial statements	2022	2021
Beginning balance	436,638	436,638	1,751,563
<b>Add</b> Expected credit loss	-	-	-
<b>Less</b> Reversal of expected credit loss	-	-	(1,314,925)
<b>Ending balance</b>	<b>436,638</b>	<b>436,638</b>	<b>436,638</b>

As at December 31, 2022 and 2021, the Company had outstanding balances of trade receivables aged by number of months as follows:

	<i>Baht</i>		
	Consolidated	Separate financial statements	
	financial statements	2022	2021
	2022	2022	2021
<b>Related parties</b>			
Current	33,283,148	33,283,148	31,010,012
Overdue			
Not over 3 months	14,087,538	14,087,538	11,112,544
Over 3 months up to 6 months	117,528	117,528	23,709
Over 6 months up to 12 months	-	-	76,818
Over 12 months	474,391	474,391	157,653
Total	47,962,605	47,962,605	42,380,736

## 8. INVENTORIES

Inventories as at December 31, 2022 and 2021 consisted of:

	<i>Baht</i>		
	Consolidated	Separate financial statements	
	financial statements	2022	2021
	2022	2022	2021
Raw materials	35,333,741	35,333,741	46,509,815
Goods in transit	1,164,319	1,164,319	2,209,776
Finished goods	44,421,959	44,421,959	46,947,025
Right to recover returned products	5,972,185	5,972,185	7,323,996
Supplies and packaging	17,314,942	17,314,942	27,378,306
Total	104,207,146	104,207,146	130,368,918
<b>Less Allowance for devaluation of inventories</b>	(18,976,659)	(18,976,659)	(14,782,854)
<b>Inventories-net</b>	<b>85,230,487</b>	<b>85,230,487</b>	<b>115,586,064</b>

For the year ended December 31, 2022 and 2021, cost of inventories was included in cost of sale

**Baht**

	Consolidated	Separate financial statements	
	financial statements	2022	2021
	2022	2022	2021
Cost of sale	404,847,300	404,847,300	479,730,498
Adjustment for allowance for devaluation of inventories	4,193,805	4,193,805	(13,310,646)
Net	409,041,105	409,041,105	466,419,852

Movements of allowance for devaluation of inventories for the years ended December 31, 2022 and 2021 were as follows:

**Baht**

	Consolidated	Separate financial statements	
	financial statements	2022	2021
	2022	2022	2021
Beginning balance	14,782,854	14,782,854	28,093,500
<b>Add (Less)</b> Loss from devaluation of inventories (reversal)	4,193,805	4,193,805	(13,310,646)
Ending balance	18,976,659	18,976,659	14,782,854



**9. OTHER CURRENT ASSETS**

Other current assets as at December 31, 2022 and 2021 consisted of:

*Baht*

	Consolidated	Separate financial statements	
	financial statements	2022	2021
	2022	2022	2021
Goods deposit	14,066,921	14,066,921	16,364,360
Intermediate value added tax	6,477,714	6,477,714	4,878,590
Prepaid expenses	1,497,453	1,497,453	11,956,581
Prepaid corporate income tax	-	-	7,038,152
Others	550,450	550,450	474,123
<b>Total</b>	<b>22,592,538</b>	<b>22,592,538</b>	<b>40,711,806</b>

**10. RESTRICTED BANK DEPOSITS**

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

*Baht*

	Separate financial statements	Note	Collaterals
<b>Fixed bank deposit</b>	<b>24,000,000</b>	5, 30	Credit for letter of guarantee

**11. INVESTMENT IN SUBSIDIARIES**

Investment in subsidiaries presented in the separate financial statement as at 31 December 2022 consisted of:

Subsidiary	Paid-up share capital	% Shareholding	<i>Baht</i> Cost method
<b>Direct Subsidiaries</b>			
Nova Ventures Co.,Ltd	10,000,000	100	-
<b>Indirect Subsidiaries</b>			
NovaG Innovation Co.,Ltd	3,000,000	51	-
<b>Total</b>	<b>13,000,000</b>		-

**The Company**

The Board of Director's Meeting held on September 20, 2022 passed the resolutions to approve the establishment of 2 subsidiaries as follows:

- 1) Nova Ventures Company Limited with the registered shares capital of Baht 10 million, divided into 100,000 ordinary share with a par value of Baht 100 per share, which the Company holds 100% shareholding of the registered share capital.

The Company registered the establishment of a subsidiary with the Department of Business Development, Ministry of Commerce, on October 10, 2022.

- 2) NovaG Innovation Company Limited with the registered shares capital of Baht 3 million, divided into 30,000 ordinary share with a par value of Baht 100 per share, which the Company holds 51% shareholding of the registered share capital.

The Company registered the establishment of a subsidiary with the Department of Business Development, Ministry of Commerce, on November 22, 2022.

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**12.PROPERTY, PLANT AND EQUIPMENT**

Movements of property, plant and equipment for the years ended December 31, 2022 and 2021 were as follows:

	Consolidated financial statements						
				Office		Construction	
	Land	Buildings	Machinery	Equipment	Vehicles	in progress	Total
<b>Cost</b>							
At January 1, 2022	161,333,068	94,630,159	88,040,594	25,130,344	12,181,611	26,356,287	407,672,063
Purchase / transfer-in	-	31,049,142	31,780,124	1,638,903	-	141,498,714	205,966,883
Disposal / transfer-out	-	-	(1,350,043)	(350,000)	-	(13,047,112)	(14,747,155)
At December 31, 2022	161,333,068	125,679,301	118,470,675	26,419,247	12,181,611	154,807,889	598,891,791
<b>Accumulated depreciation</b>							
At January 1, 2022	-	9,092,661	26,098,797	8,406,919	5,923,590	-	49,521,967
Depreciation	-	4,388,108	8,603,016	4,614,433	1,070,036	-	18,675,593
Disposal / transfer-out	-	-	(979,746)	(349,999)	-	-	(1,329,745)
At December 31, 2022	-	13,480,769	33,722,067	12,671,353	6,993,626	-	66,867,815
<b>Net book value</b>							
At December 31, 2022	161,333,068	112,198,532	84,748,608	13,747,894	5,187,985	154,807,889	532,023,976

	Separate financial statements						Total
	Land	Buildings	Machinery	Office Equipment	Vehicles	Construction in progress	
<b>Cost</b>							
At January 1, 2021	168,677,758	66,753,077	69,533,595	16,590,995	37,916,161	24,907,856	384,379,442
Purchase / transfer-in	6,984,449	43,419,059	19,479,622	8,978,602	-	17,515,170	96,376,902
Disposal / transfer-out	(14,329,139)	(15,541,977)	(972,623)	(439,253)	(25,734,550)	(16,066,739)	(73,084,281)
At December 31, 2021	161,333,068	94,630,159	88,040,594	25,130,344	12,181,611	26,356,287	407,672,063
Purchase / transfer-in	-	31,049,142	31,780,124	1,638,903	-	141,498,714	205,966,883
Disposal / transfer-out	-	-	(1,350,043)	(350,000)	-	(13,047,112)	(14,747,155)
At December 31, 2022	161,333,068	125,679,301	118,470,675	26,419,247	12,181,611	154,807,889	598,891,791
<b>Accumulated depreciation</b>							
At January 1, 2021	-	8,772,214	20,269,270	5,096,777	5,074,443	-	39,212,704
Depreciation	-	2,162,796	6,714,737	3,742,599	1,408,099	-	14,028,231
Disposal / transfer-out	-	(1,842,349)	(885,210)	(432,457)	(558,952)	-	(3,718,968)
At December 31, 2021	-	9,092,661	26,098,797	8,406,919	5,923,590	-	49,521,967
Depreciation	-	4,388,108	8,603,016	4,614,433	1,070,036	-	18,675,593
Disposal / transfer-out	-	-	(979,746)	(349,999)	-	-	(1,329,745)
At December 31, 2022	-	13,480,769	33,722,067	12,671,353	6,993,626	-	66,867,815

	Separate financial statements						Total
	Land	Buildings	Machinery	Office Equipment	Vehicles	Construction in progress	
<b>Allowance for impairment</b>							
At January 1, 2021	-	-	883,827	-	-	-	883,827
Loss on impairment	-	-	-	-	-	-	-
Reversal of impairment loss	-	-	(883,827)	-	-	-	(883,827)
At December 31, 2021	-	-	-	-	-	-	-
<b>Net book value</b>							
At December 31, 2021	161,333,068	85,537,498	61,941,797	16,723,425	6,258,021	26,356,287	358,150,096
<b>At December 31, 2022</b>	<b>161,333,068</b>	<b>112,198,532</b>	<b>84,748,608</b>	<b>13,747,894</b>	<b>5,187,985</b>	<b>154,807,889</b>	<b>532,023,976</b>

*Baht*

	Consolidated	
	financial statements	Separate financial statements
	2022	2022      2021
At December 31, 2022		
The gross carrying amount of fully depreciated that is still in use	8,712,329	8,712,329      6,517,429

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

	<i>Baht</i>	
	Separate	
	financial statements	Vehicles
<b>Net book value</b>		
At January 1, 2021		25,377,352
Increase		(20,309,352)
Lease termination		(4,207,000)
<b>Less</b> Amortization		(861,000)
At December 31, 2021		-

In 2021, the Company entered into vehicle lease agreements with other parties. The Company recognized a leasehold right-of-use asset as part of the equipment.

As at December 31, 2022 and 2021, the Group mortgaged land with constructions as collateral for loan from financial institutions (see note 15) which its net book value was summarized as follow:

	<i>Baht</i>	
	Consolidated	
	financial statements	Separate financial statements
	2022	2022      2021
Land	27,670,071	27,670,071      27,670,071
Building	22,600,969	22,600,969      23,359,831
Total	50,271,040	50,271,040      51,029,902



**13.LEASES****Right-of-use assets**

Movements of the right-of-use assets for the year ended December 31, 2022 and 2021 were summarized as follows:

	<i><b>Baht</b></i>
	Consolidated
	financial statements
	Building
<b>Net book value</b>	
At January 1, 2022	16,614,973
Lease Modification	(3,698,607)
<b>Less Amortization</b>	(5,914,321)
<b>At December 31, 2022</b>	<b>7,002,045</b>

	<i><b>Baht</b></i>
	Separate
	financial statements
	Building
<b>Net book value</b>	
At January 1, 2021	8,763,684
Increase	10,907,929
<b>Less Amortization</b>	(3,056,640)
At December 31, 2021	16,614,973
Lease Modification	(3,698,607)
<b>Less Amortization</b>	(5,914,321)
<b>At December 31, 2022</b>	<b>7,002,045</b>

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

The Group leased a photocopier for 2-5 years with the fixed and variable lease payment based on usage over the lease term and the normal payment terms.

*Baht*

	Consolidated		
	financial statements	Separate financial statements	
	2022	2022	2021
For the year December 31			
Fixed payment	449,412	449,412	435,167

**Extension options**

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

**Leases liabilities**

As at December 31, 2022 and 2021, leases liabilities consisted of:

*Baht*

	Consolidated		
	financial statements	Separate financial statements	
	2022	2022	2021
Amounts of lease payment	7,591,542	7,591,542	17,922,942
<b>Less</b> Deferred interest	(330,874)	(330,874)	(1,140,377)
Lease liabilities	7,260,668	7,260,668	16,782,565
<b>Less</b> Current portion	(3,871,967)	(3,871,967)	(5,726,716)
<b>Long-term lease liabilities</b>	<b>3,388,701</b>	<b>3,388,701</b>	<b>11,055,849</b>

The Group entered into the lease agreement for plant, office area and office equipment.

Movements of leases liabilities for the years ended December 31, 2022 and 2021 were as follows:

*Baht*

	Consolidated	Separate financial statements	
	financial statements	2022	2021
Beginning balance	16,782,565	16,782,565	23,942,435
Lease modification	(3,795,302)	(3,795,302)	10,907,930
Amortized interest	644,805	644,805	279,165
Lease payment	(6,371,400)	(6,371,400)	(3,232,283)
Lease Transfer out	-	-	(12,249,500)
Lease termination	-	-	(2,865,182)
Ending balance	7,260,668	7,260,668	16,782,565

As at December 31, 2022 and 2021, lease liabilities presented by term of repayment period were summarized as follow:

*Baht*

	Consolidated financial statements		
	2022		
Due of payment	Present value	Deferred	Minimum
		interest expenses	lease payment
Within 1 year	3,871,967	249,433	4,121,400
More than 1 year but not over 5 years	3,388,701	81,441	3,470,142
Total	7,260,668	330,874	7,591,542

**Baht**

	Separate financial statements					
	2022			2021		
	Present value	Deferred interest expenses	Minimum lease payment	Present value	Deferred interest expenses	Minimum lease payment
Due of payment						
Within 1 year	3,871,967	249,433	4,121,400	5,726,716	644,684	6,371,400
More than 1 year but not over 5 years	3,388,701	81,441	3,470,142	11,055,849	495,693	11,551,542
Total	7,260,668	330,874	7,591,542	16,782,565	1,140,377	17,922,942

**Lessor****Baht**

	Consolidated		Separate financial statements	
	financial statements		2022	2021
	2022		2022	2021

**For the year ended December 31****Recognized in profit or loss**

Interest expense from lease liabilities	644,805	644,805	279,165
Expenses relating to short-term leases	971,476	971,476	3,851,043

As at December 31, 2022 and 2021, the Group had the minimum lease payment under short-term lease relating to low-value-assets and non-cancellable agreement other than those lease liabilities as follow:

**Baht**

Due of payment	Consolidated		Separate financial statements	
	financial statements		2022	2021
	2022		2022	2021
Within 1 year	720,000		720,000	1,296,000

**14. INTANGIBLE ASSET**

Movements of intangible asset for the years ended December 31, 2022 and 2021 were as follows:

	<i>Baht</i>		
	Consolidated financial statements		
	Computer software	Computer software under development	Total
<b>Cost</b>			
At January 1, 2022	7,259,299	938,400	8,197,699
Purchase/ transfer-in	83,400	8,545,160	8,628,560
Disposal/ transfer-out		(5,364,000)	(5,364,000)
At December 31, 2022	7,342,699	4,119,560	11,462,259
<b>Accumulated amortization</b>			
At January 1, 2022	4,191,789	-	4,191,789
Amortization	1,340,280		1,340,280
Disposal / transfer-out			-
At December 31, 2022	5,532,069	-	5,532,069
<b>Net book value</b>			
At December 31, 2022	<b>1,810,630</b>	<b>4,119,560</b>	<b>5,930,190</b>

*Baht*

	Separate financial statements		
	Computer software	Computer software under development	Total
<b>Cost</b>			
At January 1, 2021	5,256,174	770,880	6,027,054
Purchase/ transfer-in	2,003,125	167,520	2,170,645
Disposal/ transfer-out	-	-	-
At December 31, 2021	7,259,299	938,400	8,197,699
Purchase/ transfer-in	83,400	8,545,160	8,628,560
Disposal/ transfer-out		(5,364,000)	(5,364,000)
At December 31, 2022	7,342,699	4,119,560	11,462,259
<b>Accumulated amortization</b>			
At January 1, 2021	2,994,917	-	2,994,917
Amortization	1,196,872	-	1,196,872
Disposal / transfer-out	-	-	-
At December 31, 2021	4,191,789	-	4,191,789
Amortization	1,340,280		1,340,280
Disposal / transfer-out	-	-	-
At December 31, 2022	5,532,069	-	5,532,069
<b>Net book value</b>			
At December 31, 2021	3,067,510	938,400	4,005,910
At December 31, 2022	1,810,630	4,119,560	5,930,190

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

Bank overdraft and short-term loans from financial institutions as at December 31, 2022 and 2021 consisted of:

	<i>Baht</i>		<i>%</i>	
	Consolidated and Separate			
	financial statements			
	Credit limit		Referred interest rate	
Type of credit facilities	2022	2021	2022	2021
Bank overdraft	3,000,000	3,000,000	MOR	MOR
Promissory notes	55,000,000	55,000,000	MLR	MLR
Letter of guarantee	-	24,000,000	Fixed	Fixed

**Collateral**

The Company mortgaged the land with constructions, including the rights to claim under the insurance policy of such assets as collateral. (see note 12).

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

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

The Company's directors guaranteed for the credit facilities.

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

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



**16. TRADE AND OTHER PAYABLES**

Trade and other payables as at December 31, 2022 and 2021 consisted of:

	<i>Baht</i>		
	Consolidated	Separate financial statements	
	financial statements	2022	2021
	2022	2022	2021
Trade payables	24,587,446	24,587,446	26,555,794
Other payables			
Accrued expenses	50,038,231	49,988,231	49,533,918
Others	4,962,513	4,948,303	710,187
<b>Total</b>	<b>79,588,190</b>	<b>79,523,980</b>	<b>76,799,899</b>

**17. PROVISIONS**

Movements of provision for the years ended December 31, 2022 and 2021 were summarized as follows

	<i>Baht</i>
	Consolidated
	financial statements
	Disputes and Litigation
As at January 1, 2022	2,083,795
Increase	200,000
Actual payment	-
Reversal	-
<b>As at December 31, 2022</b>	<b>2,283,795</b>

**Baht**

	Separate financial statements
	Disputes and Litigation
As at January 1, 2021	2,083,795
Increase	-
Actual payment	-
Reversal	-
As at December 31, 2021	2,083,795
Increase	200,000
Actual payment	-
Reversal	-
<b>As at December 31, 2022</b>	<b>2,283,795</b>

**Litigation****The 1<sup>st</sup> litigation**

On August 16, 2021, the company was prosecuted for fault, breach of contract, infringement of copyright of others for profit and capital in the amount of 1.80 million baht because a company that bought products from the company republished about the filming video. The plaintiff from participating in discussions and gestures in the aforementioned companies to sell and advertise the products of the company and other distributors in the normal course of business. Without permission and without paying compensation to the plaintiff.

The Central Intellectual Property and International Trade Court ordered the defendant to pay the amount of 200,000 baht plus interest at the rate of 5% per annum of the principal from the date of filing.

The management assessed loss from the mentioned lawsuit and recognized the provision of Baht 0.20 million presented under the current liabilities.

**The 2<sup>nd</sup> litigation**

On November 1, 2022, the Company was sued against for a breach of selling agreement in the amount of Baht 9.42 million due to the Company had ordered goods and agreed to gradually receive and make the payment. A certain of raw material were kept at the supplier and had not been delivered to the Company, affecting that the supplier had not received the payment for goods and had to pay for the storing expense.

The lawsuit is in the process of consideration of the Civil Court.

The management assessed that the evidences of the plaintiff were not sufficient obviousness and expected the Company does not affect any damages from the above lawsuit.

### Dispute

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

## 18. OTHER CURRENT LIABILITIES

Other current liabilities as at December 31, 2022 and 2021 consisted of:

	<i>Baht</i>		
	Consolidated		
	financial statements	Separate financial statements	
	2022	2022	2021
Intermediate withholding tax	1,301,703	1,301,703	2,250,719
Advance received	5,299,388	5,299,388	730,863
Refund liabilities	14,788,098	14,788,098	17,687,929
Provision for discounts	24,061,818	24,061,818	15,121,409
Others	208,980	208,980	326,905
<b>Total</b>	<b>45,659,987</b>	<b>45,659,987</b>	<b>36,117,825</b>

## 19. PROVISIONS FOR EMPLOYEE BENEFIT

Provisions for employee benefit as at December 31, 2022 and 2021 consisted of:

	<i>Baht</i>		
	Consolidated		
	financial statements	Separate financial statements	
	2022	2022	2021
Post employment benefits			
Present value of obligations	10,040,663	10,040,663	10,358,218
Provisions for employee benefit	10,040,663	10,040,663	10,358,218
<b>Less</b> Current portion	-	-	-
<b>Provisions for long-term employee benefit</b>	<b>10,040,663</b>	<b>10,040,663</b>	<b>10,358,218</b>

Movements of the present value of provisions for employee benefit for the years ended December 31, 2022 and 2021 were summarized as follows:

	<i>Baht</i>		
	Consolidated		
	financial statements	Separate financial statements	
	2022	2022	2021
<b>Post-employment benefit plan</b>			
Present value of provision for employee benefit			
At January 1	10,358,218	10,358,218	7,895,024
Included in profit or loss:			
Current service cost	1,835,689	1,835,689	2,351,210
Interest cost	196,180	196,180	111,984
Past service costs	36,000	36,000	-
Included in other comprehensive income (loss):			
Actuarial (gain) loss incurred from			
- Demographic assumptions	(2,349,424)	(2,349,424)	-
Employee benefit paid during the current year	(36,000)	(36,000)	-
At December 31	10,040,663	10,040,663	10,358,218

Principal actuarial assumptions as at December 31, 2022 and 2021 were as follow:

	%	
	2022	2021
Discount rate	2.45	1.42
Salary increase rate	6.00	6.00
Turnover rate	0-31	0 - 28
Disability rate	5	5
Mortality rate	100% of the 2017 mortality schedule	

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

Salary increase rate depended on the management's policies.

Turnover rate depended on the length of service.

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

### Sensitivity analysis

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term provisions for employee benefit as at December 31, 2022 and 2021 are summarized below:

	<i>Baht</i>	
	Consolidated financial statements	
	2022	
	Increase	Decrease
Discount rate (1% movement)	(752,573)	829,264
Salary increase rate (1% movement)	791,386	(734,310)
Turnover rate (1% movement)	(793,558)	67,034
Mortality Table (1 year change)	49,414	(49,140)

	<i>Baht</i>			
	Separate financial statements			
	2022		2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(752,573)	829,264	(933,227)	1,052,061
Salary increase rate (1% movement)	791,386	(734,310)	1,098,719	(990,353)
Turnover rate (1% movement)	(793,558)	67,034	(982,387)	161,489
Mortality Table (1 year change)	49,414	(49,140)	56,478	(56,134)

The Group presented in the statement of comprehensive income for the year ended December 31, 2022 and 2021 as follow:

**Baht**

	Consolidated		
	financial statements	Separate financial statements	
	2022	2022	2021
Cost of sale and service	116,117	116,117	170,923
Administrative expenses	1,364,601	1,364,601	411,036
Management remuneration	390,971	390,971	1,769,251
Finance cost	196,180	196,180	111,984
Total	2,067,869	2,067,869	2,463,194

## 20.SHARE CAPITAL

Movement of share capital for the years ended December 31, 2022 and 2021 were summarized as follows:

**Baht**

	Par value	2022		Par value	2021	
	per share	Number	Amount	per share	Number	Amount
Share capital						
Ordinary shares						
At January 1	0.50	600,000,000	300,000,000	100	2,250,000	225,000,000
Change the par value of shares		-	-		447,750,000	-
Increase of new shares		-	-	0.50	150,000,000	75,000,000
At December 31	0.50	600,000,000	300,000,000	0.50	600,000,000	300,000,000
Issued and paid-up shares						
Ordinary shares						
At January 1	0.50	600,000,000	300,000,000	100	2,250,000	225,000,000
Change the par value of shares		-	-		447,750,000	-
Increase of new shares		-	-	0.50	150,000,000	75,000,000
At December 31	0.50	600,000,000	300,000,000	0.50	600,000,000	300,000,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

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**Registered share capital**

The Extraordinary General Meeting of Shareholders held on June 7, 2021 passed the resolutions to approve as follows:

- a) Change the par value of share capital from Baht 100 each to Baht 0.50 each.
- b) Convert the company limited to a public company.
- c) Increase the Company's authorized share capital from Baht 225 million to Baht 300 million by issuing the Company's new ordinary shares of 150 million shares with the par value of Baht 0.50 each.

The Company has registered to convert to a public company, change its par value and the increase and reduction of its registered share capital with the Ministry of Commerce on June 21, 2021.

- d) Allot new ordinary shares of 150 million shares, with the par value of Baht 0.50 each for the Initial Public Offering as follows:

Allot new ordinary shares to sponsors, employee, directors and executives not exceeding 25 percent of the Initial Public Offering. As divide to:

- Allot to the Company's sponsors in the proportion of 15% of the Initial Public Offering.
- Allot to the Company's and subsidiary's employee who is not as directors, executives, major shareholder in the proportion of 5% of the Initial Public Offering.
- Allot to the Company's directors and the executives in the proportion of 5% of the Initial Public Offering.

Allot the remaining shares for the Initial Public Offering.

- e) Approval to registered the ordinary shares as listed securities on the Market for Alternative Investment (mai).

during December 15 - 17, 2021, the Company offered the share capital in the amount of 150 million shares to the public for subscription shares at the offering price of Baht 6.90 per share.

The Company received the proceeds from the public for subscription shares, total in the amount of Baht 1,035 million (the Company recorded expenses for selling increase share capital in the amount of Baht 31.63 million deducted from share premium account).

The Company had already registered the change in its paid-up share capital with the Ministry of Commerce on December 20, 2022 due to the Company had received share subscription for the increased ordinary shares from Baht 225 million to Baht 300 million.

**21. PREMIUM ON SHARE CAPITAL**

According to the Public Companies Act B.E. 2535, Section 51 the Company is required to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("premium on share capital"). Premium on share capital is not available for dividend distribution.



**22. DIVIDEND**

Dividend	Approval	Approval date	payment date	Number of shares	Dividend per share	Dividend paid	Legal reserve
2022	The Board of Directors' Meeting	Jan 4, 2022	Feb 3, 2022	600,000,000	0.35	210,000,000	10,500,000

**23. LEGAL RESERVE**

According to the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any) until the reserve reaches 10 percent of the registered share capital. The statutory reserve is not available for dividend distribution.

**24. REVENUE FROM CONTRACT WITH CUSTOMERS**

Disaggregation of revenue for the years ended December 31, 2022 and 2021 as follow:

	<i>Baht</i>		
	Consolidated		
	financial statements	Separate financial statements	
	2022	2022	2021
<b>Type of goods or services</b>			
Revenue from sale	753,765,809	753,765,809	1,220,140,930
Freight income	-	-	16,518,614
Total	753,765,809	753,765,809	1,236,659,544
Other income	2,267,448	2,267,448	2,284,870
<b>Grand total</b>	<b>756,033,257</b>	<b>756,033,257</b>	<b>1,238,944,414</b>
<b>Timing of revenue recognition</b>			
At a point in time	756,033,257	756,033,257	1,238,944,414

**25. OPERATING SEGMENT**

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance measured basing on segment operating profit or loss on a basis consistent with that used to measure operating profit or loss in the financial statements.

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

**Business segment**

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

**Information about geographic area**

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

**Geographical segments**

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

**Major customers**

For the year ended December 31, 2022 and 2021. The Group has revenue from major customers in each segment as follow:

	<i>Person</i>		<i>Baht</i>	
	Major customers		Revenue	
	2022	2021	2022	2021
Distribution of supplements and healthy beverages	1	1	93,932,317	159,052,927

**Geographic information**

Revenue in primary geographical markets for the year ended December 31, 2022 and 2021 consisted of:

	<i>Baht</i>	
	2022	2021
Thailand	751,889,009	1,232,467,282
Southeast Asia	1,142,400	2,940,427
Europe	-	272,000
Hong Kong	734,400	979,835

**26.EMPLOYEE BENEFIT EXPENSES**

Employee benefit expenses for the year ended December 31, 2022 and 2021 were summarized as follow:

*Baht*

	Consolidated		
	financial statements	Separate financial statements	
	2022	2022	2021
Salaries and wages	89,732,041	89,732,041	110,414,263
Defined benefit plans	13,076,298	13,076,298	18,864,249
Termination benefits	1,835,689	1,835,689	2,351,210
Others	5,344,473	5,344,473	8,702,650
<b>Total</b>	<b>109,988,501</b>	<b>109,988,501</b>	<b>140,332,372</b>

**Provident fund**

The provident funds established by the Group for its employees under the Provident Fund Act B.E. 2530 comprises contributions made monthly by the employees and by the Group. The provident fund will be paid to the employees upon termination in accordance with the rules of the Fund. At the present, the provident funds are managed by Thanachart Fund Eastspring.

*Baht*

	Consolidated		
	financial statements	Separate financial statements	
	2022	2022	2021
For the year ended December 31, 2022			
Contributions paid to the provident fund	1,649,620	1,649,620	1,107,147

**27. EXPENSES BY NATURE**

Expenses by nature for the year ended December 31, 2022 and 2021 were summarized as follow:

*Baht*

	Consolidated		
	financial statements	Separate financial statements	
	2022	2022	2021
Changes in finished goods and work in process	(26,161,772)	(26,161,772)	25,423,727
Raw materials and consumables used	354,190,137	354,190,137	404,499,747
Reversal of credit losses	109,988,501	109,988,501	140,332,372
Depreciation and amortisation	25,930,198	25,930,198	18,279,944
Advertising costs	196,418,642	196,418,642	409,499,188
Promotional costs	104,468,189	104,468,189	128,634,135

**28. INCOME TAX**

Income tax of the Group for the years ended December 31, 2022 and 2021 was calculated at a rate specified by the Revenue Department on net earnings after adjusting certain conditions according to the Revenue Code. The Group recorded the corporate income tax as expense for the years and recorded the accrued portion as liabilities in the statements of financial position.

Tax income (expense) for the year ended December 31, 2022 and 2021 were as follow:

*Baht*

	Consolidated		
	financial statements	Separate financial statements	
	2022	2022	2021
<b>Income tax recognized in profit or loss</b>			
<b>Current tax expense</b>			
Current year	-	-	(6,652,726)
Overstated prior year income tax	-	-	4,504,668
<b>Deferred tax</b>			
Movements in temporary differences	2,831,063	2,831,063	(5,381,389)
<b>Tax income (expense)</b>	<b>2,831,063</b>	<b>2,831,063</b>	<b>(7,529,447)</b>

	<i>Baht</i>		
	Consolidated and separate financial statements		
	2022		
	Before		Net of
	income tax	Tax expense	income tax
<b>Income tax</b>			
<b>Recognized in other comprehensive income</b>			
Actuarial gain	2,349,424	(469,885)	1,879,539

	<i>Baht</i>	
	Consolidated financial statements	
	2022	
	%	
	Tax rate	
Loss before income tax		(87,010,607)
Income tax using the Thai corporation tax rate	20	17,402,121
Expenses not deductible for tax purposes		(4,025,811)
Addition expenses deductible for tax purposes		1,419,926
Income not subject to tax		(53,614)
Current year losses		(14,742,622)
Current tax	-	-
Movement in temporary differences		2,831,063
<b>Tax expense</b>	<b>3</b>	<b>2,831,063</b>

## Reconciliation of effective tax rate

Baht

	Separate financial statements			
	2022		2021	
	%		%	
	Tax rate		Tax rate	
Loss before income tax expense		(86,946,397)		87,877,080
Income tax using the Thai corporation tax rate	20	17,389,279	20	(17,575,416)
Expenses not deductible for tax purposes		(4,025,811)		2,763,511
Addition expenses deductible for tax purposes		1,419,926		7,924,908
Income not subject to tax		(53,614)		234,271
Current year losses		(14,729,780)		
Current tax	-	-	8	(6,652,726)
Overstated prior year income tax		-		4,504,668
Movement in temporary differences		2,831,063		(5,381,389)
<b>Tax income (expense)</b>	<b>3</b>	<b>2,831,063</b>	<b>9</b>	<b>(7,529,447)</b>

## Deferred tax

Deferred tax as at December 31, 2022 and 2021 consisted of:

Baht

	Consolidated		
	financial statements	Separate financial statements	
	2022	2022	2021
Deferred tax assets	13,339,512	13,339,512	10,947,316
Deferred tax liabilities	(3,899,507)	(3,899,507)	(3,868,488)
<b>Deferred tax assets - net</b>	<b>9,440,005</b>	<b>9,440,005</b>	<b>7,078,828</b>

Movement of deferred tax assets and liabilities occurred during the year were summarized as follows:

	Consolidated financial statements			<i>Baht</i>
	As at January 1, 2022	Profit or loss	Other Comprehensive income	As at December 31, 2022
<b>Deferred tax assets</b>				
Inventories	1,491,772	1,109,123	-	2,600,895
Intangible assets	371,755	80,263	-	452,018
Lease liabilities	33,518	18,206	-	51,724
Refund liabilities	3,537,585	(579,966)	-	2,957,619
Provisions for discount	3,024,283	1,788,081	-	4,812,364
Provisions for employee benefit	2,071,644	406,374	(469,885)	2,008,133
Provisions	416,759	40,000	-	456,759
Total	10,947,316	2,862,081	(469,885)	13,339,512
<b>Deferred tax liabilities</b>				
Property, plant and equipment	(3,868,488)	(31,019)	-	(3,899,507)



	Separate financial statements					
	As at January 1, 2021	Profit or loss	As at December 31, 2021	Profit or loss	Other Comprehensive income	As at December 31, 2022
<b>Deferred tax assets</b>						
Inventories	3,528,030	(2,036,258)	1,491,772	1,109,123	-	2,600,895
Intangible assets	284,842	86,913	371,755	80,263	-	452,018
Lease liabilities	12,814	20,704	33,518	18,206	-	51,724
Refund liabilities	6,538,759	(3,001,174)	3,537,585	(579,966)	-	2,957,619
Provisions for discount	3,333,304	(309,021)	3,024,283	1,788,081	-	4,812,364
Provisions for employee benefit	1,579,005	492,639	2,071,644	406,374	(469,885)	2,008,133
Provisions	416,759	-	416,759	40,000	-	456,759
Total	15,693,513	(4,746,197)	10,947,316	2,862,081	(469,885)	13,339,512
<b>Deferred tax liabilities</b>						
Property, plant and equipment	(3,233,296)	(635,192)	(3,868,488)	(31,019)	-	(3,899,507)

**29. EARNINGS (Loss) PER SHARE****Basic earnings (Loss) per share**

Basic earnings (Loss) per share for the year ended December 31, 2022 and 2021 is calculated by dividing profit (Loss) for the years attributable to the ordinary shareholders of the Group by the weighted average number of ordinary shares issued and paid-up during the years.

During the year 2021, the Group changed the par value of shares (see note 20). The Group adjusted the number of ordinary shares held by the ordinary shareholders existing before change the par value of shares at the changed proportion of the ordinary shares held by ordinary shareholders, as though the change the par value of shares had been issued at the beginning of the earliest reporting period.

For the years ended December 31, 2022 and 2021 the calculations were as follows:

	<i>Baht</i>		
	Consolidated		
	financial statements	Separate financial statements	
	2022	2022	2021
Profit (Loss) for the year	(84,179,544)	(84,115,334)	80,347,633
<b>Weighted average number of ordinary shares (Shares)</b>			
Ordinary shares at the beginning of year	600,000,000	600,000,000	450,000,000
Increase of new shares	-	-	4,931,507
Weighted average number of ordinary shares	600,000,000	600,000,000	454,931,507
Basic earnings (Loss) per share	(0.14)	(0.14)	0.18

**30. COMMITMENTS AND CONTINGENT LIABILITIES**

As at December 31, 2022 and 2021, the Group has commitments and contingent liabilities as follows:

**Commitments**

- a) As at December 31, 2021, the Group had letters of guarantee issued by the banks regarding to the obligation under the agreement as follow:

*Baht*

	Note	Separate financial statements
		2021
Letters of guarantee for contractual performance	10	24,000,000

- b) As at December 31, 2022 and 2021, the Group has commitments regarding to the agreements as follow:

*Baht*

	Consolidated financial statements	Separate financial statements	
	2022	2022	2021
Constructions agreement	129,438,984	129,438,984	14,376,094
Maintenance and other services expenses	2,758,405	2,758,405	6,456,500
Advertising costs	-	-	98,293,000
Consulting expenses	150,000	150,000	1,803,388

### 31. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

Significant financial instruments of the Group presented in the statement of financial positions principally comprise deposits at banks, short-term investments, trade and other receivables, trade and other payables and lease liabilities.

#### Risk management policy

The Group are exposed to risks from changes in interest rates and currency exchange rates and risks from non-performance of contractual obligations by counterparties. The Group uses derivatives, as and when it considers appropriate, to manage such risks. In addition, the Group has a policy to enter into contracts with creditworthy counterparties. Therefore, the Group does not expect any material financial losses to arise from that the counterparties will fail to discharge their obligations as stipulated in the financial instruments contract.

#### a) Interest rate risk

Interest rate risk is the risk that future fluctuations in market interest rates will affect the operating result and cash flows of the Group.

The exposure to interest rate risk of the Group relates primarily to their deposits at financial institutions, short-term investment, bank overdrafts, loan from financial institution, and debt issued and borrowings. However, as most of the financial assets and liabilities carry floating interest rate which fluctuates in line with the market interest rates or carry fixed interest rate which

approximates to the current market interest rate, the Group do not use derivatives to manage their interest rate risk.

		<i>Baht</i>	
		Consolidated financial statements	
		2022	
		Interest rate	
		Variable	Fixed
<b>As at December 31,</b>			
Financial assets			
Bank deposit		199,099,259	-
Short-term investment		267,862,889	20,069,389
Financial liabilities			
Lease liabilities		-	7,260,668

		<i>Baht</i>			
		Separate financial statements			
		2022		2021	
		Interest rate		Interest rate	
		Variable	Fixed	Variable	Fixed
<b>As at December 31,</b>					
<b>Financial assets</b>					
Bank deposit		199,099,259	-	489,624,183	-
Short-term investment		267,862,889	20,069,389	158,519,929	86,186,573
<b>Financial liabilities</b>					
Lease liabilities		-	7,260,668	-	16,782,565

b) Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations, resulting in a financial loss to the Group.

The Group is exposed to credit risk primarily with respect to trade and other receivables. However, the Group controls such risk by establishing credit limits for clients and counter parties and analysing their financial position as an ongoing basis. The Group is not expected to have much concentration risk of credit exposure and the maximum possible credit loss is the carrying amount shown in the statement of financial position.

The Group determines the impairment of trade receivables and other receivables basing on an expected credit loss model which the Group have established and maintain an appropriate credit loss model. The risk management department periodically reviews the parameters and the data used in the credit loss model.

## c) Liquidity risk

Liquidity risk is the risk that the Group will be unable to liquidate financial assets and/or procure sufficient funds to discharge obligations in a timely manner, resulting in a financial loss.

The maturity dates of financial instruments held as of December 31, 2022 and 2021, counting from the statements of financial position date were as follows:

*Baht*

Consolidated financial statements						
As at December 31, 2022						
	At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Total
<b>Financial assets</b>						
Short-term investments	326,203,581	217,812,257	50,050,632	-	-	594,066,470
Trade and other receivables	-	61,060,978	-	-	-	61,060,978
<b>Financial liabilities</b>						
Trade and other payables	-	79,588,190	-	-	-	79,588,190
Lease liabilities	-	3,871,967	3,388,701	-	-	7,260,668

*Baht*

Separate financial statement						
As at December 31, 2022						
	At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Total
<b>Financial assets</b>						
Short-term investments	326,203,581	217,812,257	50,050,632	-	-	594,066,470
Trade and other receivables	-	61,060,978	-	-	-	61,060,978
<b>Financial liabilities</b>						
Trade and other payables	-	79,523,980	-	-	-	79,523,980
Lease liabilities	-	3,871,967	3,388,701	-	-	7,260,668

Separate financial statement						
As at December 31, 2021						
	At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Total
<b>Financial assets</b>						
Short-term investments	549,222,904	158,519,929	-	-	-	707,742,833
Trade and other receivables	-	44,128,401	-	-	-	44,128,401
Restricted bank deposits	-	24,000,000	-	-	-	24,000,000
<b>Financial liabilities</b>						
Trade and other payables	-	76,799,899	-	-	-	76,799,899
Lease liabilities	-	5,726,716	11,055,849	-	-	16,782,565

## d) Foreign exchange risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates.

## e) Fair value

The fair value disclosures of financial instruments, considerable judgment is necessarily required in estimation of fair value. Accordingly, the estimated fair value presented herein is not necessarily indicative of the amount that could be amid in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value.

The fair value information disclosure does not include fair value information for financial assets and financial liabilities measured at amortized cost if the carrying amount is a reasonable approximation of fair value.

**Baht**

	Consolidated financial statements							
	Carrying amount				Fair value			
	Fair value			Amortized				
	Fair value through profit or loss	Fair value through other comprehensive income			Level 1	Level 2	Level 3	Total
<b>As at December 31, 2022</b>								
<b>Financial assets</b>								
<b>Measured at fair value</b>								
Investment in debt instrument								
debenture	50,050,632	-	-	50,050,632	-	50,050,632	-	50,050,632
Income funds	306,134,191	-	-	306,134,191	-	306,134,191	-	306,134,191
<b>Total</b>	<b>356,184,823</b>	<b>-</b>	<b>-</b>	<b>356,184,823</b>	<b>-</b>	<b>356,184,823</b>	<b>-</b>	<b>356,184,823</b>

**Baht**

	Separate financial statements							
	Carrying amount				Fair value			
	Fair value			Amortized				
	Fair value through profit or loss	through other comprehensive income	cost		Level 1	Level 2	Level 3	Total
<b>As at December 31, 2022</b>								
<b>Financial assets</b>								
<b>Measured at fair value</b>								
Investment in debt instrument								
Ddebenture	50,050,632	-	-	50,050,632	-	50,050,632	-	50,050,632
Income funds	306,134,191	-	-	306,134,191	-	306,134,191	-	306,134,191
<b>Total</b>	<b>356,184,823</b>	<b>-</b>	<b>-</b>	<b>356,184,823</b>	<b>-</b>	<b>356,184,823</b>	<b>-</b>	<b>356,184,823</b>
<b>As at December 31, 2021</b>								
<b>Financial assets</b>								
<b>Measured at fair value</b>								
Investment in debt instrument								
Income funds	487,036,331	-	-	487,036,331	-	487,036,331	-	487,036,331
<b>Total</b>	<b>487,036,331</b>	<b>-</b>	<b>-</b>	<b>487,036,331</b>	<b>-</b>	<b>487,036,331</b>	<b>-</b>	<b>487,036,331</b>

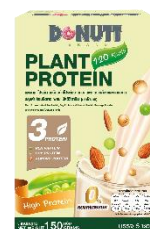


- Level 1: inputs are quoted prices (unadjusted) in active markets (The Stock Exchange) for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs are unobservable inputs for the asset or liability such as the future cash flow estimated by the Group.

### 32. RECLASSIFICATION

The Company had reclassified certain accounts in the financial statement for the year ended December 31, 2021 to conform to the presentation of statements of current year as follow:

	<i>Baht</i>		
	Consolidated and separate financial statements		
	Before	Reclassify	After
<b>Statement of comprehensive income</b>			
Other income	2,321,201	(36,331)	2,284,870
Profit from disposal and revaluation of investments	-	36,331	36,331



## Board of Directors



**1. Assoc. Prof. Dr. Prakrit Tangtisanon**

Chairman of the Board/ Independent  
Director / Audit Committee Member/  
Nomination and Remuneration Committee  
Member

**2. Mr. Mongkol Kasaemsun Na Ayudthaya**

Independent Director/ Chairman of the  
Audit Committee/ Chairman of Nomination  
and Remuneration Committee

**3. Dr. Amnuay Gajeena**

Independent Director / Audit Committee  
Member

**4. Mr. Apimuk Sukprasit**

Independent Director

**5. Mr. Navaphol Chanjuthamard**

Director/ Chairman of the Executive  
Committee/ Nomination and Remuneration  
Committee Member/ Authorized Director

**6. Mrs. Yuphin Chanjuthamard**

Director/ Executive Director/ Authorized  
Director/ Chief Executive Officer

**7. Ms. Haruethai Sirisinvi boon**

Director/ Authorized Director/ Company  
Secretary

## Audit Committees



1. Mr. Mongkol Kasaemsun Na Ayudthaya

Independent Director/ Chairman of the  
Audit Committee



2. Assoc. Prof. Dr. Prakrit Tangtisanon

Independent Director / Audit  
Committee Member



3. Dr. Amnuay Gajeena

Independent Director / Audit  
Committee Member

## Nomination and Remuneration Committees



1. Mr. Mongkol Kasaemsun Na Ayudthaya

Independent Director/ Chairman of  
Nomination and Remuneration  
Committee



2. Assoc. Prof. Dr. Prakrit Tangtisanon

Independent Director / Nomination and  
Remuneration Committee Member



3. Mr. Navaphol Chanjuthamard

Nomination and Remuneration  
Committee Member

## Executive Committee



1. Mr. Navaphol Chanjuthamard

Chairman of Executive Committee



2. Mrs. Yuphin Chanjuthamard

Executive Director



3. Mr. Yuttana Taepangthong

Executive Director

## Director's profile

## 1. Assoc. Prof. Dr. Prakrit Tangtisanon

Chairman of the Board / Independent Director / Audit Committee Member and Nomination and Remuneration Committee Member (Aged 80 years)

Appointed as: June 7, 2021 (Second term)

## Educational Qualifications

- Ph.D., Honorary Doctorate, Tokai University, Japan
- Master's degree in Communication Engineering, Faculty of Engineering, The University of Electro-Communications, Japan
- Bachelor's degree in Communication Engineering, Faculty of Engineering, Tokai University, Japan
- IOD Training programs

DCP 185/2014, AACP 25/2017

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

The family relationship between executives: None

Work experience in the past 5 years:

## 2017 - Present:

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

## 2013 - Present:

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

## 2019 - Present:

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

## 2. Mr. Mongkol Kasaemsun Na Ayudthaya

Director / Independent Director / Chairman of the Audit Committee / Chairman of Nomination and Remuneration Committee (Aged 63 years)

Appointed as: June 7, 2021 (Second term)

## Educational Qualifications

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

The proportion of shareholding in the company (percent) (including spouse and minor children): 31 December 2022, the number of shares is 300,000, or 0.05 percent.

The family relationship between executives: None

Work experience in the past 5 years:

## 2022 - Present

Independent Director / Chairman of the Audit Committee  
Bigphaisan Project Company Limited

## 2017 - Present

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

## 2017 - Present

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

## 2017 - Present

Director of PMP Advisory Co., Ltd.

## 2013 - Present

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

## 2020 - 2021

Vice Chief Financial Officer of PatRangsit Hospital

## 2017 - 2019

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

## 2014 - 2018

Ministry of Education of Director of the Welfare Fund

**3. Dr. Amnuay Gajeena**

Independent Director / Member of the Audit Committee  
(Aged 66 Years)

Appointed as: February 22, 2022 (Second term)

**Educational Qualifications**

- M.D. Faculty of Medicine Chiang Mai University
- Diploma (Public Health Medicine) The Medical Council of Thailand
- M.Sc (HSM), London School of Hygiene and Tropical Medicine, University of London, UK
- Diploma (Preventive Medicine, Community Mental Health) The Medical Council of Thailand
- Diploma (Preventive Medicine, Travel Medicine) The Medical Council of Thailand
- Diploma (Preventive Medicine, Traffic Medicine) The Medical Council of Thailand
- Training programs  
NDC. 2550, PDI, DAP191/2565

**The proportion of shareholding in the company (percent) (including spouse and minor children):** 31 December 2022, the number of shares is 110,000, or 0.02 percent.

**The family relationship between executives:** None

**Work experience in the past 5 years:**

**2022 - Present:**

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

**ปัจจุบัน:**

- National Vaccine Committee
- Chairman of the Training and Examination Subcommittee, The Medical Council of Thailand
- Chairman of a physician residency training program's Board of Directors, Department of Disease Control
- Chairman of the Committee for the Development of Training and Research in Urban Disease Prevention and Control

**4. Mr. Apimuk Sukprasit**

Director / Independent Director (Aged 68 years)

Appointed as: June 7, 2021 (First term)

**Educational Qualifications**

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

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

**The family relationship between executives:** None

**Work experience in the past 5 years:**

**2020 - Present:**

Director / Independent Director of  
Nova Organic PCL.

**2018 - 2021**

Director of Nirvana Daii PCL.

**2014 - 2019:**

Director of Industrial Estate Authority of Thailand

**2013 - 2015:**

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

**5. Mr. Navaphol Chanjuthamard**

Director/ Chairman of Executive Committee/ Nomination and Remuneration Committee Member/ Authorized Director  
(Aged 51 years)

Appointed as: June 7, 2021 (First term)

**Educational Qualifications**

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

**The proportion of shareholding in the company (percent)**

**(including spouse and minor children):** 31 December 2022,

- Nova Organic Holding Co., Ltd.: 209,502,200 shares, 34.92%
- Mr. Navaphol: 116,666,400 shares, 19.44%
- Mrs. Yuphin 91,184,800 shares, 15.20%

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

**Work experience in the past 5 years:**

**2022 - Present:**

Director of NovaG Innovation Co., Ltd.

**2022 - Present:**

Director/ Chief Executive Officer of Nova Ventures Co., Ltd.

**2021 - Present:**

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

**2019 - Present:**

Director of Nova Organic Holding Co., Ltd.

**2013 - 2021:**

Director/ Executive Director / Nomination and Remuneration Committee Member / Chief Executive Officer of  
Nova Organic Co., Ltd.

**6. Mrs. Yuphin Chanjuthamard**

Director/ Executive Director / Chief Executive Officer/  
Authorized Director (Aged 51 years)

Appointed as: June 7, 2021 (First term)

**Educational Qualifications**

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

**The proportion of shareholding in the company (percent)**

**(including spouse and minor children):** 31 December 2022,

- Nova Organic Holding Co., Ltd.: 209,502,200 shares, 34.92%
- Mrs. Yuphin: 91,184,800 shares, 15.20%
- Mr. Navaphol: 116,666,400 shares, 19.44%

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

**Work experience in the past 5 years:**

**2022 - Present:**

Director of NovaG Innovation Co., Ltd.

**2022 - Present:**

Director of Nova Ventures Co., Ltd.

**2021 - Present:**

Director/ Executive Director

Nova Organic PCL.

**2019 - Present:**

Director of Nova Organic Holding Co., Ltd.

**2013 - 2021:**

Director/ Executive Director / Nomination and Remuneration Committee Member / Chief Financial Officer  
Nova Organic Co., Ltd.

**7. Ms. Haruethai Sirisinviboon**

Director / Authorized Director / Company Secretary

(Aged 34 years)

Appointed as: May 10, 2022 (First term)

**Educational Qualifications**

- Bachelor's degree in Chinese Language and Culture, Huachiew Chalermprakiet University
- Exchange Student at Guangxi University for Nationalities, China.
- Certificate Programs at The Sydney Business and Travel Academy and The Sydney English Language Academy, Australia.
- IOD Training programs

CSP 190/2562, BRP 36/2564, CRP 30/2564, EMT 49/2564, DAP 196/2565

**The proportion of shareholding in the company (percent) (including spouse and minor children):** 31 December 2022, the number of shares is 113,000, or 0.0188 percent.

**The family relationship between executives:** None

**Work experience in the past 5 years:**

**2022 - Present:**

Director/ Company Secretary  
Nova Organic PCL.

**2021 - Present:**

Company Secretary  
Nova Organic PCL.

**2017 - 2021:**

Company Secretary  
Nova Organic Co., Ltd.

**Executive's Profile**



**1. Mr. Yuttana Taepangthong**

Executive Director/ Chief Financial Officer and An assigned the highest responsibility in accounting and finance (Aged 50 years)

Appointed as: September 20, 2022

**Educational Qualifications**

- Bachelor's Degree in Accounting, Bangkok University
- IOD Training programs

DAP 120/2558, DCP 233/2560, RCL 9/2560

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

**The family relationship between executives:** None

**Work experience in the past 5 years:**

**2022 - Present:**

Executive Director/ Chief Financial Officer  
Nova Organic PCL.

**2021 - 2022:**

Vice Chief Financial Officer  
Nova Organic PCL.

**2018 - Present:**

Independent Director/ Audit Committee Member/ Chairman of Nomination and Remuneration Committee  
V.L. Enterprise PLC.

**2014 - Present:**

Director  
Sanko Diecasting (Thailand) Public Company Limited



**2. Mr. Jarturon Chanjuthamard**

Chief Operating Officer (Aged 47 years)

Appointed as: January 2, 2020

**Educational Qualifications**

- Bachelor's Degree in Electronics Bangkok University

**The proportion of shareholding in the company (percent) (including spouse and minor children):** 31 December 2022, the number of shares is 10,000, or 0.0016 percent.

**The family relationship between executives:** Mr. Navaphol Chanjuthamard's younger brother

**Work experience in the past 5 years:**

**2022 - Present:**

Chief Operating Officer of Nova Organic PCL.

**2013 - 2021:**

Chief Operating Officer of Nova Organic Co., Ltd.

**1999 - 2021:**

Service Engineer of Syndom Electronic Industry Co., Ltd



**Work experience in the past 5 years:**

**2022 - Present:**

Chief Sales and Marketing Officer

Nova Organic PCL.

**2019 - 2021:**

Acting Chief Sales and Marketing Officer/ Online Sales Manager  
Nova Organic Co., Ltd.

**2017 - 2021:**

Online Sales of Manager Nova Organic Co., Ltd.

**2016 - 2017:**

Warehouse Department Manager of Nova Organic Co., Ltd.

**The person assigned to be directly responsible for supervising the accounting**

**1. Ms. Pintupol Buppachote**

Accounting and Finance Manager

(Aged 52 years)

Appointed as: April 26, 2019

**Educational Qualifications**

- Bachelor's Degree in Accounting, Ramkhamhaeng University

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

**The family relationship between executives:** None

**Work experience in the past 5 years:**

**2022 - Present:**

Accounting and Finance Manager

Nova Organic PCL.

**2019 - 2021:**

Accounting and Finance Manager  
Nova Organic Co., Ltd.

**2009 - 2019:**

Accounting and Finance Manager,  
Thai Habel Industrial Co., Ltd.



**3. Ms. Yupa Limwandee**

Chief Sales and Marketing Officer  
(Aged 56 years)

Appointed as: June, 2021

**Educational Qualifications**

- Bachelor's Degree in BBA (Public Relations),  
Ramkhamhaeng University

**The proportion of shareholding in the company (percent) (including spouse and minor children):** 31 December 2022, the number of shares is 7,000, or 0.0011 percent.

**The family relationship between executives:** Mrs. Yuphin Chanjuthamard's older sister



## Attachment 2

### Details of Directors of Subsidiaries

Positions Held by The Management and Authorized Controllers of NOVA ORGANIC PCL.

Subsidiaries, Joint Ventures, Associates and Other Related Companies for 2022

Company	Executive	1	2	3	4	5	6	7	8	9	10	11	12	13
	Assoc. Prof. Dr. Prakit Tangtisanon	Mr. Mongkol Kasaemsun Na Ayudthaya	Dr. Amnuay Gajeena	Mr. Apimuk Sukprasit	Mr. Navaphol Chanjuthamard	Mrs. Yuphin Chanjuthamard	Ms. Haruethai Sirisinviboon	Mr. Yuttana Taepangthong	Mr. Jarturon Chanjuthamard	Ms. Yupa Limwadee	Ms. Pintupol Buppachote	Ms. Chanyamon Klawikorn	Mr. Samart Kongtaweelert	
NOVA ORGANIC PCL.	X	/	/	/	/	/*	/+	-	-	-	+			
NOVA VENTURES CO., LTD					X*	/								
NOVAG INNOVATION CO., LTD					X	/						/*	-	

Note: X = Chairman of the Board of Director, / = Director, \* = Chief Executive Officer, - = Executive, + = Management

## Attachment 3

### Standards of ethics and business conduct

#### 1. Business Principles

##### Definition

The Company	NOVA Organic Public Company Limited
Directors	The Board of Directors of NOVA Organic Public Company Limited
Executives	Executive Officers at all levels of NOVA Organic Public Company Limited
Employee	An employee – full-time, probationary staff, contract – in the supervisory level of NOVA Organic Public Company Limited

##### Vision

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

##### Mission

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

#### 1. Business Ethic

The Company foster the directors, executives, and employees at all levels to adhere business ethic in performing their duties and keep up with the decent standard.

##### 1.1 Accountability for Adherence to the Law and rules and regulation of the Company

1. Directors, executives, and all employees will be provided with the Company Code of Business Conduct and Ethics ("Code") to study, understand and comply with corporate policies and in adherence with all relevant law enforcement, regulatory agencies - The Stock Exchange of Thailand (SET) and The Securities and Exchange Commission (SEC).

2. Directors, executives, and employees shall not offer any help, support, or encourage any violation of relevant laws and the Company's rules and regulations.
3. Directors, executives, and employees shall cooperate with regulatory bodies and report an actual or apparent violation of law, rules, regulations, or provision of this Code.

#### 1.2 Conflicts of Interest, Inside Information, and Data Protection

##### 1. Conflicts of Interest

Directors, executives, and employees must not use their power or positions to seek any personal interest, whether directly or indirectly as stated below.

- 1) Avoid engaging in any transaction that may create conflicts of interest with the Company.
- 2) In case the potential conflict of interest transaction needs to be done for the best interest of the Company, such transaction shall conduct on arm's length basis as if agreed with other business counterparties and without the influence and decision-making from relevant directors, executives, and employees. Such transaction needs to abide and strictly comply with the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC) regarding disclosure of the connected transactions.
- 3) In case of a director, executive or employee hold a position, partnership, or consultant position in other company/organization, he/she must not perform the duty in a way of undermining the Company's benefit or cause negligence of performing duties.
- 4) Conflict of interest transaction between shareholders, directors, executives, management, and other related persons shall consider following clear guidelines to ensure integrity, transparent and reasonable manner. The Company shall provide and disclose potential conflict of interest transaction in the Good Corporate Governance Principle.
- 5) Persons involving in the conflict-of-interest transaction, whether directly or indirectly, have their duties to report such matter as follow:
  - Directors and executives should report the conflict-of-interest transaction immediately upon the occurrence of the transaction to ascertain regular validation. The Company Secretary is accountable for recording the conflict-of-interest transaction and report to Chairman of the Board, Chairman of Audit Committee and Corporate Governance at least once a year.
  - Management level employees from Department Manager to Operating Manager and employees involving in the operation have

the duty to report conflict of interest transaction promptly after the transaction is done and/or on annually basis. The Company Secretary who acts as Chairman of the Corporate Governance Working Team will oversee regularly reporting the matter to the Company's Director and executive at least once a year.

2. Securities trading

- Directors, executives, and employees who acquire inside information must not use such information for the Company's security trading from the first day of knowing the information until such information is disclosed to the public. This includes the prohibit of disclosing price sensitive information that may cause material effect on the price or value of the Company's securities.

- The Company has no policy to disclose information prior to the release of financial statements to the public through the channel of the Stock Exchange of Thailand.

- Directors, executives, and employees are able to trade the Company's shares except the period of thirty (30) working days prior to the release of the Company's financial results and they shall resume trading 24 hours after such release. Security trading transaction must be reported to the Securities and Exchange Commission (SEC) within three (3) business days of the transaction occurring.

3. Inside Information and Data Protection

1) Executives and employees shall not misuse inside information, while performing their positions, for their own or other persons' interest or engage in business that compete or of similar nature as the Company's business.

2) Never trade the Company's securities by using inside information nor disclose such information to outsiders for their own interest.

3) Forbidden use of the Company's asset for personal benefit.

4) Do not use the Company's information as a reference to external or nonrelevant persons for personal benefit.

5) Restrict from disclosing the Company's inside information to outsiders especially to competitors even after their retirements from the positions of directors, executives, and employees.

6) Declare non-trading period for directors, executives and employees who obtained material price-sensitive insider information to not buy or sell Company stock in the period of one month before the disclosure of the Company's performance or until the information is made available to the public.

7) To effectively oversee and dealing with connected transactions involving management or other related persons, the Board requires the transactions to be reported on a quarterly basis in compliance with the connected transaction rules of the Securities and Exchange Act.

8) In case of related persons participating in or hold a stake in the competitor's business which may cause a conflict of interest, the procedures are as follow:

- Directors, executives, and relevant management to report to the Board in writing

- Employees to report to the executive in writing

9) Directors, executives, and employees obtaining inside information must keep information that has not yet been disclosed as a secret; not disclose the information to unrelated persons, which may cause damage to the Company or stakeholders unless complying with applicable laws.

**1.3 Commitment to the Company and the Company's Assets**

1. Responsibility to the Company

1) Directors, executives, and employees must perform their duties in a prudent way in order to prevent any damages to the Company's reputation and to all stakeholders.

2) Directors, executives, and employees must perform their duties with dignity and appropriately.

3) Directors, executives, and employees must not offer bribes or any benefits or asserts to external parties that influence them to perform illicit activities or exert inappropriate acts on their duties.

2. Offer or Accept Gifts

1) Directors, executives, and employees shall not demand or accept gifts/hospitality that might influence or appear to influence them to illegally or inappropriately perform or not perform their duties that may cause the Company to lose its business opportunities.

2) Directors, executives, and employees shall avoid offering or accepting gifts from business partners/vendors, or persons involving in the Company's business except the festive gifts typically given during the festive season with reasonable value and have no commitment to the Company.

3) Directors, executives, and employees shall not accept or offer extravagant entertainment from persons involving in the Company's business.

3. Use of Company's Asset

The Company encourages directors, executives, and employees to efficiently utilize its resource and assets in a way of promoting its

competitive edge and providing services to customers. Guidelines are defined as follows:

- 1) The Company's assets must be used only to generate best benefits for the Company.
  - 2) All Company resources should be treated with care. Suspected or known loss, theft, damage should be reported immediately.
  - 3) Do not use the Company's assets in support of a personal interest, except for permission granted by their supervisors.
  - 4) Must not take, utilize, sell, borrow, own, distribute or transfer the Company's properties without permission, regardless of their value or condition.
  - 5) All documents should be arranged honestly, prudently and meet the specified standards. Forgery of the Company's documents must be barred.
4. Information Technology Practice and Communication
- Directors, executives, and employees discharge to the following guidelines regarding the use of the Company's computer and information technology system.
- 1) All computers and equipment, information technology system and information technology data are of the Company's assets, misusing for personal benefits by executives and employees is prohibited.
  - 2) It is prohibited to disclose the Company's business information including data purchased, which is or is not stored in the system memory.
  - 3) Do not change, duplicate, delete or destroy the Company's business data nor copy to any personal data storage device without permission.
  - 4) Never use illegal software nor copying software for whatever reason unless getting approval from the copyright owner.
  - 5) Do not modify hardware or install any equipment other than standard equipment installed by the Company.
  - 6) Never use the Company's email to send material that is construed to be vilifying, derogatory, defamatory, obscene, pornographic, threatening, harassing, or annoying.
  - 7) Access to the internet shall be used solely as a searching engine which will benefit the Company as a whole and avoid illegal and immoral websites.
  - 8) Using the Company's system and equipment i.e. telephone, fax machine, mobile phone with due care and responsible for business purposes.
  - 9) Access to unauthorized information or by an unauthorized person is forbidden.

- 10) Do not cause damage to the Company or the third party by revealing measures to prevent access to a computer system that is not intended for their own use.
- 11) The Company reserves its right to conduct the surveillance of the use of its IT system as deemed appropriate.
- 12) Strictly comply with law and regulations for information technology use.

## **2. Ethical Responsibility of Stakeholders**

The Company puts priority to perform business by promoting a proper balance in responding to the economy, society, and environment for sustainable growth. The Company is committed to develop the business with honesty, fairly attributing to the benefits of various stakeholders including shareholders, employees, customers, business partners, creditors, competitors, communities, and environment.

### **2.1 Policy and Treatment of Shareholders**

The Company realizes the importance of the Company's shareholders giving equal importance to the right of every shareholder in accordance with the principle of equality. It is our commitment to efficiently run the business to create appropriate and sustainable returns to shareholders. Guidelines are defined as follows:

1. Perform business with responsibility, honesty, accuracy without any conflicts of interest, whether directly or indirectly, based on fair practice to all the Company's shareholders.
2. Comply with the applicable law, the Company's regulations, resolution of the shareholder's meetings and in alignment with the Company Code of Business Conduct and Ethics to treat shareholders equally.
3. Be entrusted with the Company's assets and be responsible for protecting these assets from deterioration or losses by adopting efficient control.
4. Regularly disclose the Company's news, development accurately and in full for decision makings base on equal practice.
5. Shareholders are treated with equality to express their opinion towards the Company's operation.
6. Directors, executives, and employees shall not use internal information which not yet been disclosed for their own and related persons' interests. They must not disclose the Company confidential information to external parties or perform any activities that may cause conflicts of interest to the Company.

### **2.2 Policy and Treatment of Employees**

The Company's employees are a valuable resource in the business operation and are the key factor to business success. The Company commits to continuously develop employees' skills and knowledge and create good working conditions. Guidelines are defined as follows:

1. Strictly comply with applicable labor & human rights law and regulations.
2. Provide fair and competitive compensation commensurate with the employees' knowledge, capability, and position together with other appropriate employee welfare other than those required by law.
3. Foster personal development regarding their knowledge and skills by providing the opportunities to all employees thoroughly and equally.
4. Executives and employees may treat their colleagues with courtesy to promote a culture that respects each other, both in front and behind.
5. Job appointment and job transfer including rewards and punishments must be done fairly, equally, and honestly.
6. Any unfair treatments that may impact career advancement or putting pressure on employees is forbidden.
7. Promote a healthy and safe workplace for employees.
8. Employees have the right to make suggestions or complaints related to working matter via the Company's providing channels.

### 2.3 Policy and Treatment of Customers

The Company is committed to develop products and services to ensure customer confidence and satisfaction realizing that customers are a critical part of success. Guidelines are defined as follows:

1. To deliver quality products and services excellently at a reasonable price.
2. Provide correct and complete products and service information to customers without trying to misstate facts, provide misleading impressions of quality and quantity of the products.
3. Defective products and services must not be delivered to customers in all cases.
4. Ensure customers' safeguard information – not to disclose confidential information unless allowed to do so. This includes not using customers' information for own/other person benefits.
5. Conform to the terms and conditions of the agreements entered into with customers to the best of our ability. In case of failure to do so, customers should be informed without delay so timely action may be taken.

### 2.4 Policy and Treatment of Business Partners and Creditors

The Company commits a policy to deal with all business partners/suppliers or creditors with equally and fairly basis considering mutual benefits and avoidance of any conflict of interests. Guidelines are defined as follows:

1. Selecting business partners/vendors or creditors with fairness and equality.
2. All forms of bribery, offer, corruption to business partners/suppliers or creditors are prohibited.
3. Strictly maintain and follow the agreed term and conditions with suppliers or creditors.
4. In case of failure to perform under the term and condition agreements, business partners/vendors or creditors must be immediately informed and quickly resolve.

### 2.5 Policy and Treatment of Competitors

The Company has policy to treat competitors within the scope of laws and related regulations governing. Guidelines are defined as follows:

1. The Company shall conduct business in complying with good competition frameworks.
2. The Company shall not discredit the competitors' reputation or casting aspersions to them or of their products without supporting evidence.
3. The Company shall deliver true information of the Company's products and services qualifications to the public.

### 2.6 Policy and Responsibility to Society, Community and Environment

The Company is committed to undertake the business in a way that benefits society, communities, and the environment. Employees are encouraged to participate in activities for society, community, and environment development. Practical guidelines are defined as follows:

1. Support activities that contribute to the development of the society, community, and environment.
2. Encourage the participation in the Company's CSR activities to give benefits back to society, community, and environment.
3. Conserve natural resources, utilize resources efficiently and effectively together with adopting measures to reduce natural resource consumption and also promote the process of reuse/recycle of all resources.
4. Encourage all directors and employees to emphasize on industrial safety and environmental activities.

5. Promote a safe workplace with a high standard of health and safety welfare.

### 3. Code of Business Conduct and Ethics Implementation

All directors, executives and employees are committed and responsible to strictly perform their duties in accordance with the Company's Code of Business Conduct and Ethics. Management at all corporate levels shall supervise their teams effectively to ensure the understanding of the Code of Business Conduct and follow relevant policies and procedures.

#### Guidelines regarding the breach of Code of Business Conduct and Ethics

##### 1. Acknowledgement of the Code of Business Conduct and Ethics

Management at all levels shall supervise their subordinates to acknowledge, understand and strictly follow the Code of Business Conducts and Ethics. Any failure to comply with the Code of Business Conducts and Ethics may result in disciplinary actions.

##### 2. Complaints of Business Ethics

The Company established procedures for stakeholders to express complaints/grievances or valuable opinions to the Company which will add to value creation to the Company. The Company assigned the Company Secretary to welcome all complaints, grievances, or suggestions on issues relevant to the Company business ethics. Complainants can submit their concerns through channels provided as follows:

By postal mail      Company Secretary  
NOVA Organic Public Company Limited  
174,176 Rama II Soi 60, Khwaeng Samae Dam, Khet Bang Khun Thian, Bangkok 10150

By call                      02-4171130

By Email                      [info@nova-organic.com](mailto:info@nova-organic.com)

All complaints should include sufficient information to determine the specific concern, the period of time during which the violation or misconduct occurred, and the detailed contact information of the complainants, name and telephone number. Every reported complaint sending via the aforementioned channels will be submitted to the Audit Committee for promptly and appropriately investigations.

##### 3. Investigation and Consideration

3.1 Investigations shall be immediate upon the management or supervisor receives reported complaints of unfair practices.

Decisions of the matters must be completed within seven (7) working days from the submitting date.

3.2 The result of the investigation must be directed to the Company Secretary and submit to the management for disciplinary actions

##### 4. Settlement of Complaints

3.1 Supervisor at each management level who is appointed to investigate, review and make correction of the alleged breach shall submit the complaint decision to the complainant. If a complainant finds outcome to be justified, he/she would notify his/her supervisor with no delay.

3.2 A complainant whose complaint has been rejected, or is not satisfied with the outcome, may lodge an appeal by filling in the Company's designative form and filing to their Chief Supervisor within seven (7) working days from the date the result is known.

3.3 Once the Chief Supervisor receive the appeal, re-consideration and correction process of the matter shall be conducted then notify the grievant within fifteen (15) days.

3.4 If the complainant is disagreeing with the result, the complainants shall have the right to bring in further legitimate actions or may suggest appointing a committee for further consideration of the appeal. The decision of Executive Committee considers as final.

##### 5. Protection of Complainant and involved persons

As reported complaints with good faith will enormously benefit the Company and all employees, the Company will stand for its equality and fairness and good relationships throughout the organization. As such, persons who make a complaint, as well as anyone else who is involved, should be protected from any negative consequence from taking part in the complaint process. The Company insists that there must not be a reason for dismissal or any negative actions against complainant with good faith and persons involved.

##### 6. Disciplinary Actions

In the event that the Company's personnel breach the policies and guidelines under this Code of Business Conduct and Ethics, punishments are as follows:

- 6.1 Verbal warning
- 6.2 A first written warning
- 6.3 A second Written warning
- 6.4 Dismissal without severance pay

Disciplinary actions depend on the severity of the case in consideration of the intention-behavior profiles of the offending staff and without the need to sort the punishment.









บริษัท โนวา ออร์แกนิก จำกัด (มหาชน)  
Nova Organic PCL.



GHP & HACCP, ISO 9001:2015

