



Management Discussion and Analysis  
For the Year Ended 31 December 2023

Executive Summary

Consolidated financial statements <i>Unit: THB000</i>	Quarter 4	Quarter 3	Quarter 4	Change		Year 2023	Year 2022	Change
	Year 2023 ("4Q23")	Year 2023 ("3Q23")	Year 2022 ("4Q22")	%QoQ	%YoY	("FY23")	("FY22")	%YoY
Revenue from sales and services	158,502	171,771	155,501	(7.7%)	1.9%	575,578	458,075	25.7%
Gross profit	45,692	42,029	56,766	8.7%	(19.5%)	144,474	144,962	(0.3%)
EBITDA	23,765	11,210	30,342	112.0%	(21.7%)	46,715	25,991	79.7%
Net profit (loss)	3,882	35,466	16,097	(89.1%)	(75.9%)	28,240	(3,067)	(1,020.8%)
Net profit (loss) to the parent company	6,695	3,526	10,661	89.9%	(37.2%)	(1,269)	(17,483)	(92.7%)
Gross profit margin	28.8%	24.5%	36.5%	4.3%	(7.7%)	25.1%	31.6%	(6.5%)
EBITDA margin	14.0%	5.0%	18.8%	9.0%	(4.8%)	7.2%	5.5%	1.7%
Net profit (loss) margin	2.3%	15.8%	10.0%	(13.5%)	(7.7%)	4.4%	(0.6%)	5.0%

Source: Financial statements FY23 (Audited), interim financial information 9m23 (Reviewed) and management information

During the third quarter of 2023, the Group has completed the acquisition in 65.0% ordinary shares of CDIP (Thailand) PCL., which operates in the services of laboratory research, scientific test and analysis, training and seminar, and consultancy for research fund application businesses from the Group's major shareholders. The consolidated statements then presented financial performance, financial position and cash flows in accordance with business combination under common control. Hence, the Group retrospectively adjusted financial information in FY22 for comparative purposes.

In addition, during the second quarter of 2023, the Group invested in 52.8% ordinary shares of Grace Water Med Company Limited, which operates in manufacturing and distribution of hemodialysis solution, medical supplies for dialysis and installing purified water equipment (RO) for dialysis clinic. The consolidated financial statements for FY23 included financial performance and cash flows of Grace Water Med Company Limited from the acquisition date to reporting date.

**The Fourth Quarter QoQ (4Q23 vs 3Q23)**

- In 4Q23, the Group had lower revenue from sales and services than 3Q23, but the Group's gross profit margin increased by 4.3% and the the Group's gross profit margin for 4Q23 was 28.8%. This was principally from cost management program resulted to higher gross profit margin of dietary supplements and conventional medicine increased.
- Since the Group had higher gross profit earned, the Group had net profit to the parent company in 4Q23 amounting to Baht 6.7 million which higher than 3Q23.

**The Fourth Quarter YoY (4Q23 vs 4Q22)**

- The Group's revenue from sales for 4Q23 increased from 4Q22 amounting to Baht 3.0 million, or 1.9%. This was mainly because revenue recognition from dialysis solution and medical supplies for dialysis.
- In 4Q23, the Group had net profit lower than 4Q22 since lower of gross profit.

**Annual Period YoY (FY23 vs FY22)**

- Revenue from sales and services for FY23 increased from FY22 by 25.7% since the expansion of channels of distribution to several TV Home Shopping resulted to increase of revenue from dietary supplement product. Also, the Group recognised revenue from hemodialysis product by Baht 64.7 million.
- The Group's gross profit margin for FY23 decreased by 6.5% when compared to FY22. The was because the Group had higher cost of sales services from subsidiaries, together with higher utilities and depreciation expenses.

Annual Period financial ratios YoY (FY23 vs FY22)	FY23	FY22
○ The Group had higher return on assets and equity for FY23.		
<i>Return on assets</i>	2.1%	(1.4%)
<i>Return on equity</i>	(0.1%)	(1.9%)
Debt-to-equity ratio (Times)	0.44	0.30

**Significant events during 4Q23**

**Readiness of production spaces**

During 4Q23, the Group has completed the expansion of production capacity at Lamphun plant which will be main production of dietary supplement products. The Lamphun plant could produce products in various forms e.g. soft gelatin, tablet and capsule

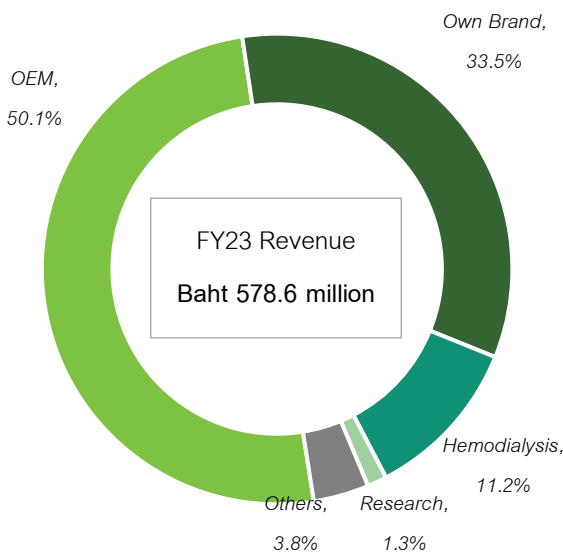
Furthermore, the Group’s plant at Lamlukka, Pathumthani has been granted all relevant permissions and ready for customers’ orders in relation to dietary supplements and cosmetics for human products, together with dietary supplements for animal which support current consumers’ behaviour.

**Operations under ESG**

The Group gave importance on operations under ESG which will assist stakeholders to have the highest benefits and the Group has sustainably growth. Presently, the Group had solar roof top at Lamphun plant in order to generate electricity for internally used with capacity of 700 kWh

**Operating results**

**1. Revenue from sales and services structure**



**Products under customer’s brand (OEM)**

- The Group had variety of product to support customer’s demand.
- The Group’s revenue principally derived from OEM customers.

**Products under the Group’s brand (Own Brand)**

- The Group’s brand consisted of COX™, JSP™, Suphap Osot™, EVITON™, which covered many channels of distribution
- The Group’s had product development and marketing plans to expand revenue from Own Brand segment.

**Hemodialysis solution (Hemodialysis)**

- The Group manufactures and distributes dialysis solution for domestic dialysis clinic

**Research and development, training and seminar services (Research)**

- The Group provides product research and development of products, training and seminar and consultancy for research fund application

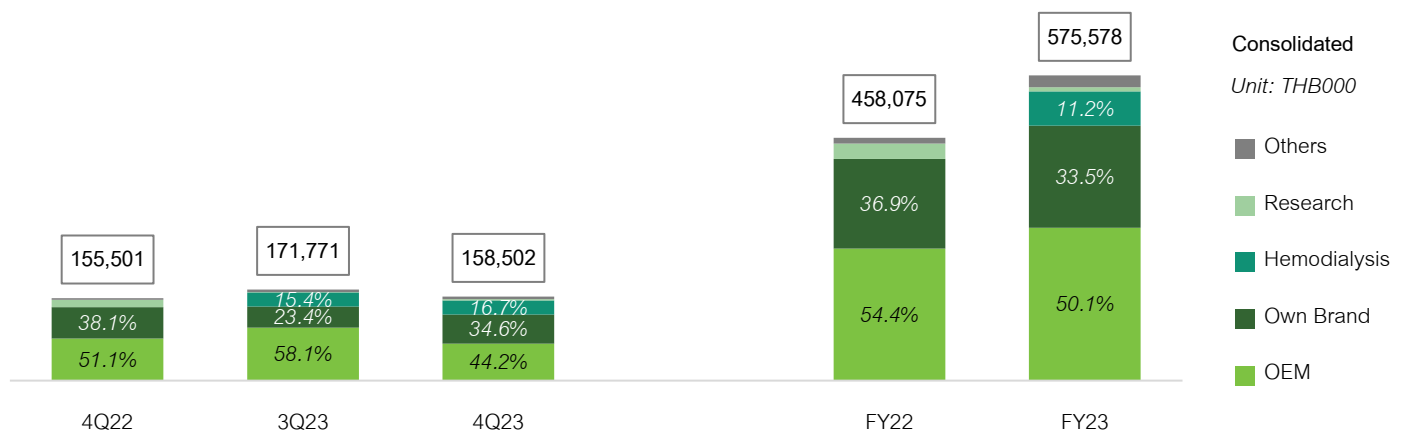
**Other products (Others)**

- The Group trades certain products such as drug test kits.
- The Group provides installation services related to purified water system for industrial purposes.

1.1 Revenue by product type

Consolidated financial statements <i>Unit: THB000</i>	Quarter 4	Quarter 3	Quarter 4	Change		Year 2023	Year 2022	Change
	Year 2023	Year 2023	Year 2022	%QoQ	%YoY	("FY23")	("FY22")	%YoY
	("4Q23")	("3Q23")	("4Q22")					
OEM	70,049	99,768	79,407	(29.8%)	(11.8%)	288,493	249,379	15.7%
Own Brand	54,904	40,142	59,292	36.8%	(7.4%)	192,735	168,914	14.1%
Hemodialysis	26,401	26,472	-	(0.3%)	100.0%	64,665	-	100.0%
Research	2,459	764	13,864	221.9%	(82.3%)	7,739	29,187	(73.5%)
Others	4,689	4,625	2,938	1.4%	59.6%	21,946	10,595	107.1%
<b>Total</b>	<b>158,502</b>	<b>171,771</b>	<b>155,501</b>	<b>(7.7%)</b>	<b>1.9%</b>	<b>575,578</b>	<b>458,075</b>	<b>25.7%</b>

Source: Financial statements FY23 (Audited), interim financial information 9m23 (Reviewed) and management information



The Fourth Quarter QoQ (4Q23 vs 3Q23) 4Q23's revenue from sales and services decreased from 3Q23 by 7.7% mainly because

- **OEM products:** The Group had lower revenue from conventional medicine due to lower customers' orders decreased.
- **Own Brand products:** According to channels of distribution expansion to several TV Home Shopping, revenue from Own Brand increased by 36.8%.

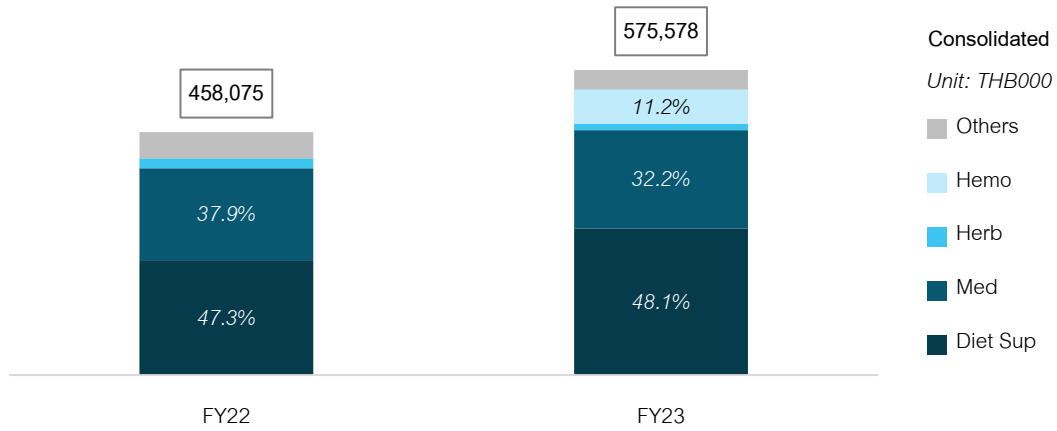
The Fourth Quarter YoY (4Q23 vs 4Q22) Revenue from sales for 4Q23 increased from 4Q22 by 1.9% since

- **OEM products:** The Group had lower revenue from conventional medicine due to lower customers' orders decreased.
- **Own Brand products:** There was 7.4% decreased in this type of revenue.
- **Hemodialysis products:** This product contributed 16.7% of total revenue from sales and services.

Annual Period YoY (FY23 vs FY22) The Group had revenue for FY23 higher than FY22 by 25.7% because

- **OEM products:** The Group had higher revenue from OEM products since more of customers' orders received for dietary supplements and conventional medicine. While, the proportion of OEM's revenue dropped by 4.3% compared with FY22 since revenue recognition from hemodialysis through business acquisition during FY23.
- **Own Brand products:** The increase in revenue from Own Brand products was mainly from effectiveness of product distribution to various TV Home Shopping.
- **Hemodialysis products:** In FY23, the Group had revenue from this product by Baht 64.7 million. However, revenue would increase by Baht 107.1 million the acquisition has incurred since 1 January 2023.

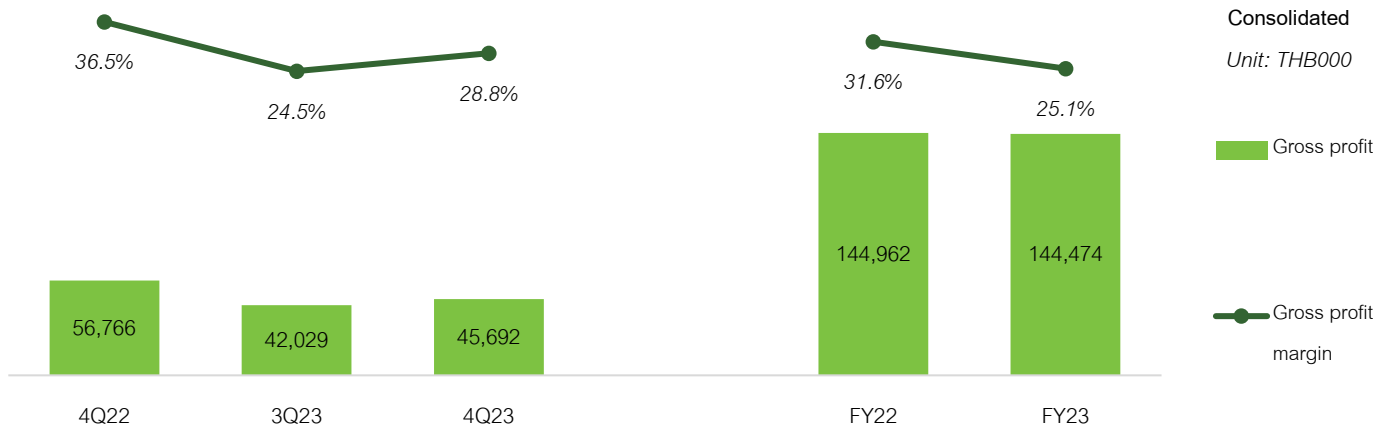
1.2 Revenue by product category



Annual Period YoY (FY23 vs FY22)

- **Dietary supplements (Diet Sup):** The Group had revenue from dietary supplements for FY23 amounting to Baht 276.7 million, increased from FY22 by Baht 60.1 million. The change principally from the pandemic of COVID-19 was slow down and that increased economic activities. In addition, the Group expanded more channels of distribution through TV Home Shopping.
- **Conventional medicine (Med):** Revenue from conventional medicine for FY22 and FY23 were 37.9% and 32.2% of total revenue from sales and services, respectively. The proportion of conventional medicine decreased since the Group had less customers' orders.
- **Hemodialysis solution and medical supplies (Hemo):** The Group had revenue from this product by Baht 64.7 million, accounted for 11.2% of total revenue from sales and services.

2. Gross profit and gross profit margin



**The Fourth Quarter QoQ (4Q23 vs 3Q23)**

- Gross profit for 4Q23 was higher than 3Q23 amounting to Baht 3.7 million. Even though the Group had lower revenue by Baht 13.3 million, the Group had lower cost of purchased and used of inventories totalled Baht 18.7 million..

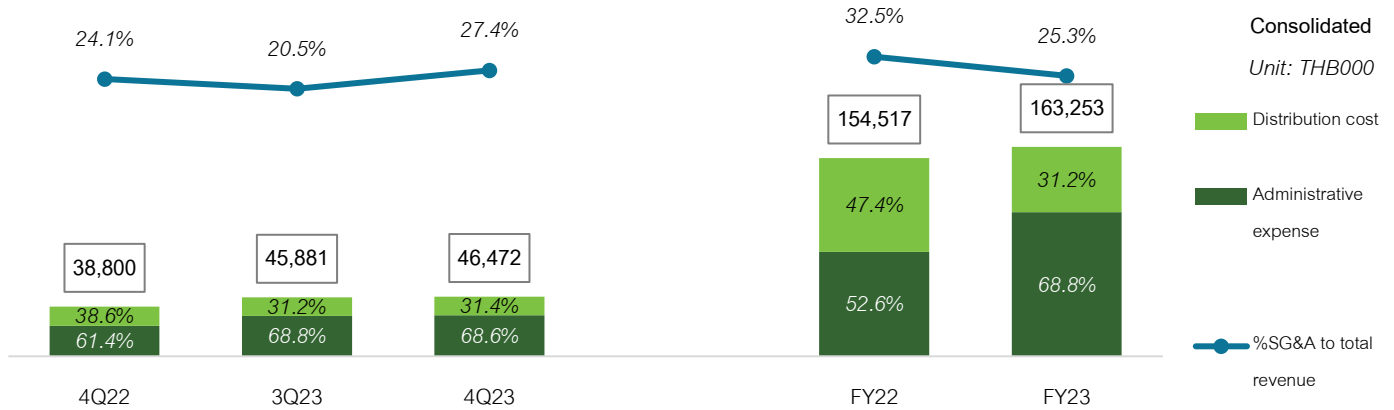
**The Fourth Quarter YoY (4Q23 vs 4Q22)**

- In 4Q22, the Group had Baht 45.7 million of gross profit, which lower than 4Q21 by Baht 11.1 million. The principal changes derived from cost of purchases and used of inventories and depreciation and amortisation increased totalled Baht 9.8 million.

**Annual Period YoY (FY23 vs FY22)**

- The Group had gross profit margin for FY23 lower than FY22 by 6.5% due to recognition of cost of sales and services of subsidiaries operated in FY23. Moreover, the Group had higher utilities and depreciation and amortisation.
- However, the management has still monitored situations closely to improve cost of sales and services into reasonable level and have market competitiveness.

3. Distribution costs and administrative expenses



The Fourth Quarter QoQ (4Q23 vs 3Q23)

- **Distribution costs:** The Group's distribution costs for 3Q23 and 4Q23 were Baht 14.3 million and Baht 14.6 million, respectively.
- **Administrative expenses:** The Group had administrative expenses for 3Q23 and 4Q23 totalled Baht 31.6 million and 31.9 million, respectively.

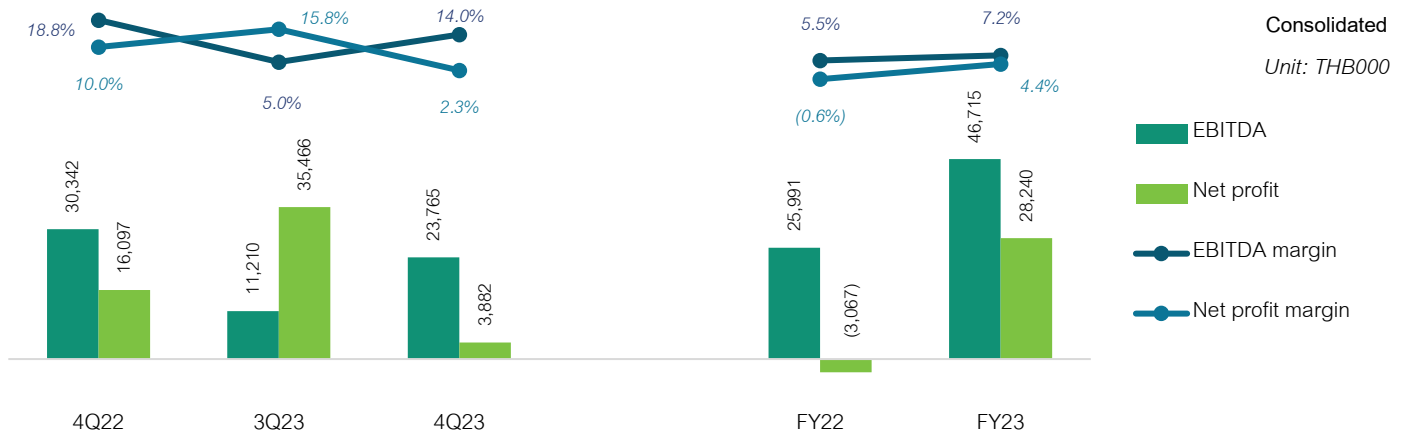
The Fourth Quarter YoY (4Q23 vs 4Q22)

- **Distribution costs:** Distribution costs for 4Q23 decreased from 4Q22 by Baht 0.4 million.
- **Administrative expenses:** Administrative expenses for 4Q23 was higher than 4Q22 by 34.0% since staff costs and expenses for administration increased.

Annual Period YoY (FY23 vs FY22)

- **Distribution costs:** Distribution costs for FY23 decreased from FY22 by Baht 22.3 million. This was because advertising expense and distribution costs through online channels decreased.
- **Administrative expenses:** Administrative expenses for FY23 was 38.1% higher than FY22 because of staff costs and professional service fees in relation to merger and acquisition.
- **Distribution costs and administrative expenses to total revenue:** Due to higher revenue earned in FY23, the Group had lower ratio at 25.3%.

4. EBITDA and net profit



The Fourth Quarter QoQ (4Q23 vs 3Q23)

- In 4Q23, the Group's EBITDA amounting to Baht 23.8 million; which higher than 3Q23 by Baht 12.6 million due to increase of operating profit.

The Fourth Quarter YoY (4Q23 vs 4Q22)

- In 4Q23, the Group had lower profit than 4Q22 amounting to Baht 12.2 million. These were because lower gross profit earned.

Annual Period YoY (FY23 vs FY22)

- The Group's EBITDA margin for FY23 was increased to 7.2% since lower of distribution costs and higher of other income.



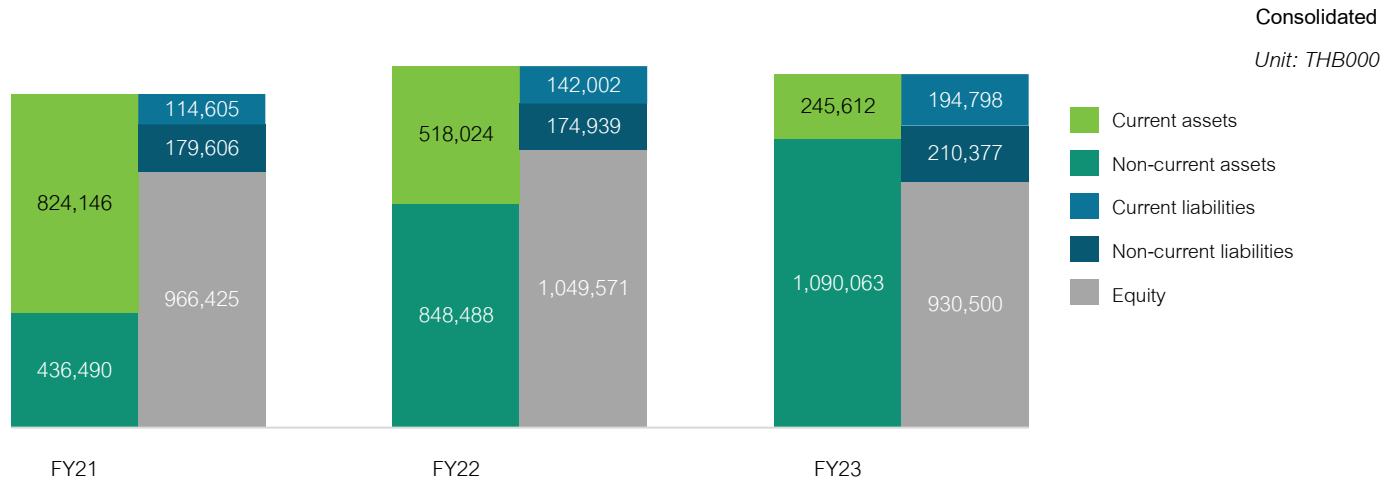
Consolidated income statement

Consolidated financial statements	Quarter 4	Quarter 3	Quarter 4	Change		Year 2023	Year 2022	Change
	Year 2023	Year 2023	Year 2022	%QoQ	%YoY	("FY23")	("FY22")	%YoY
<i>Unit: THB000</i>	("4Q23")	("3Q23")	("4Q22")					
Revenue from sales	152,651	167,522	141,636	(8.9%)	7.8%	552,237	428,888	28.8%
Revenue from services	5,851	4,249	13,865	37.7%	(57.8%)	23,341	29,187	(20.0%)
Cost of sales	(107,120)	(125,228)	(93,724)	(14.5%)	14.3%	(412,023)	(306,217)	34.6%
Cost of services	(5,690)	(4,514)	(5,011)	26.1%	13.6%	(19,081)	(6,896)	176.7%
<b>Gross profit</b>	<b>45,692</b>	<b>42,029</b>	<b>56,766</b>	<b>8.7%</b>	<b>(19.5%)</b>	<b>144,474</b>	<b>144,962</b>	<b>(0.3%)</b>
Other income	10,449	2,669	4,217	291.5%	147.8%	18,780	8,650	117.1%
Distribution costs	(14,586)	(14,330)	(14,996)	1.8%	(2.7%)	(50,929)	(73,205)	(30.4%)
Administrative expenses	(31,886)	(31,551)	(23,804)	1.1%	34.0%	(112,324)	(81,312)	38.1%
<b>Operating profit (loss)</b>	<b>9,669</b>	<b>(1,183)</b>	<b>22,183</b>	<b>(917.3%)</b>	<b>(56.4%)</b>	<b>1</b>	<b>(905)</b>	<b>(100.1%)</b>
Finance costs	(3,826)	(3,626)	(2,383)	5.5%	60.6%	(12,995)	(9,188)	41.4%
Gain (Loss) on measurement of financial assets	(33)	40,025	1,350	(100.1%)	(102.4%)	39,912	8,891	348.9%
Reversal of impairment loss (Loss) in accordance with TFRS9	(556)	9,754	(882)	(105.7%)	(37.0%)	10,057	(169)	(6,050.9%)
Profit sharing from associate accounted for equity method	517	61	-	747.5%	100.0%	578	-	100.0%
<b>Profit (Loss) before taxes</b>	<b>5,771</b>	<b>45,031</b>	<b>20,268</b>	<b>(87.2%)</b>	<b>(71.5%)</b>	<b>37,553</b>	<b>(1,371)</b>	<b>(2,839.1%)</b>
Income taxes	(1,889)	(9,565)	(4,171)	(80.3%)	(54.7%)	(9,313)	(1,696)	449.1%
<b>Net profit (loss)</b>	<b>3,882</b>	<b>35,466</b>	<b>16,097</b>	<b>(89.1%)</b>	<b>(75.9%)</b>	<b>28,240</b>	<b>(3,067)</b>	<b>(1,020.8%)</b>
<b>Net profit (loss) to parent company</b>	<b>6,695</b>	<b>3,526</b>	<b>10,661</b>	<b>89.9%</b>	<b>(37.2%)</b>	<b>(1,269)</b>	<b>(17,483)</b>	<b>(92.7%)</b>
<b>Earnings per share (Baht)</b>								
Basic	0.01	0.01	0.02			(0.01)	(0.04)	
Diluted	0.01	0.01	0.02			(0.01)	(0.04)	

Source: Financial statements FY23 (Audited), interim financial information 9m23 (Reviewed) and management information



Financial position



Assets

- **Current assets:** As of 31 December 2023 ("FY23"), current assets primarily comprised trade receivables and inventories, accounted for 77.4% of total current assets. Cash and cash equivalents and short-term investments as of FY23 decreased from FY22 because the Group sold short-term investments for business acquisitions and long-lived assets for business expansion purposes.
- **Non-current assets:** As of FY23, the Group had property, plant and equipment accounted for 64.4% of total assets. The higher value of property, plant and equipment as of FY23 than FY22 because land acquired, renovation of production facility at Bangkok and acquired from business combinations.

Liabilities

- **Current liabilities:** Current liabilities of the Group as of FY23 was higher than FY22 by Baht 52.8 million. This was because the Group had current interest-bearing liabilities increased totalled Baht 71.1 million. Whilst, current advances received from customers decreased by Baht 15.7 million.
- **Non-current liabilities:** Non-current liabilities as of FY23 increased from FY22 by 20.3% because the Group recognised long-term liabilities from subsidiaries from business combinations and additional long-term borrowing totalled Baht 30.3 million.

Equity

- During FY23, the Group's equity declined since difference arising from business combination under common control amounting to Baht 118.8 million. However, the Group had additional equity from exercise of JSP-W1 totalled Baht 48.7 million.

Significant financial ratios



- In FY23, the Group's liquidity decreased due to long-lived assets investment and business combinations.
- Return on assets for FY23 turned positive because the Group had net profit earned.
- The increase of D/E ratio 0.44 times resulted from additional long-term borrowings from financial institutions and recognition of lease liabilities from business combinations.