



DOD Biotech Public Company Limited

Annual Report 2019



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Message from the Chairman



M.L. Termsang Sappaso

Chairman

In 2019, DOD Biotech PLC. had continued to grow the business and strengthen its operating performance for the organization and shareholders. The global economic slowdown in the past year had indeed posed several uncertainties and challenges to the Thai economy while, at the same time, businesses needed to adapt rapidly to disruptive technology trend in order to survive. Amid these challenges, we, management and employees at the Company, had dedicated ourselves to the Company's vision in becoming a regional and global leader for beauty and wellness solutions, from cosmetic, skin care to dietary supplement products.



DOD Biotech PLC. operated as an original design manufacturer, or ODM, who provided a ‘One Stop Service’ solution to clients. With a strong expertise of Research & Development team, we helped clients formulate and develop the right dietary supplements to their needs. We offered a wide range of consultancy services from marketing, distribution, to Food and Drug Administration (FDA) registration. Our food manufacturing process was certified by Department of Industrial Works, Food and Drug Administration (FDA), and awarded multiple quality control certifications including ISO 22000: 2005, HACCP, GMP Codex and HALAL. In addition, we adopted a clean room standard, the standard required for manufacturing of pharmaceutical products, to our manufacturing of dietary supplements. With a commitment on continuous growth, we had consistently innovated new products through R&D of Thai herbal extracts and increased variety of product formats through soft gelatin or soft gel, gel, and jelly. The company will actively look for new strategic partners in order to expand our marketing channels and provide a complete “One Stop Service” solution to our customers.

During the year 2019, we were proud to having expressed our greatest loyalty and gratitude on the auspicious occasion of the Coronation of His Majesty King Maha Vajiralongkorn Phra Vajiraklaochaoyuhua by displaying Thai national flag, the King’s royal flag, and the royal coronation emblem alongside a worship table.

On behalf of the Board of Directors, I would like to thank our shareholders, business partners, financial institutions, government agencies, private sector, and all customers for your unwavering support. As a representative of the Company, we promised that we would work relentlessly to move the Company forward and bring a great success to the Company in the future.

M.L. Termsang Sappaso
Chairman

Message from Chief Executive Officer



Mr. Tana Rangsikul

Chief Executive Officer

2019 was a challenging year for Thai economy for many reasons, especially due to external factors and trade war that caused a widespread impact to local enterprises. To minimize disruption to our business, we at DOD Biotech PLC., or DOD, had continuously invested in core innovation as well as strengthened relationship with our strategic business partners, all while working towards becoming a leader in beauty and wellness who provides a “One Stop Service” solution and offers a comprehensive range of products to our customers.

During the year, we had constantly invested in new businesses to enhance our competitive advantages and pave the way for sustainable growth. Our significant investments are summarized below:

- On January 15, 2019, DOD Healthy Life Co., Ltd., a subsidiary company, acquired and transferred the business of BGP Spectrum Power Company Limited (“BGP Spectrum”). The acquisition included all assets, liabilities, rights, duties and responsibilities of BGP Spectrum, both current and



future, as of the date of business transfer, including 8,100,000 ordinary shares with a par value of Baht 10 per share in PCCA Laboratory Co., Ltd. (“PCCA”) that were held by BGP Spectrum, or equivalent to 90% of the number of authorized share capital of PCCA, whose principal business operation was to manufacture cosmetic products

- On March 13, 2019, the Company has established a subsidiary, “Ultima Life Co., Ltd.”, with registered and paid up capital of Baht 50 million. Ultima Life was a network marketing company, of which DOD held 80% of total shares.

- On August 28, 2019, the Company has established a subsidiary, “Siam Herbal Tech Co., Ltd.”, with registered capital of Baht 260 million, of which Baht 65 million was paid up. DOD held 99.99% shares of Siam Herbal Tech, whose principal business was to manufacture herbal extracts.

The success of these investments had portrayed our perseverance to continually strengthening our core businesses as well as establishing ourselves as a leader in beauty and wellness solutions who offer wide-ranging products from dietary supplement to cosmetic and skin care.

As a result of such investment in year 2019, the Company has earned total revenue of Baht 797.5 million, which had increased by Baht 124.38 million or 18.48% compared with the same period in previous year, and had gross profit margin of 51.89%. However, the Company had net profits of Baht 86.71 million which had decreased by Baht 231.75 million or 75.92% compared with the same period in previous year. The reduction in net profits was due to initial branding and marketing investment required for “Ultima Life”, a network marketing company. If we were to exclude this one-time marketing expense, gross profit margin of the Company would be increased from 51.89% to 53.85%. We believed 2020 would be the golden year that Ultima Life could start harvesting. We expected total sales revenue of Baht 600 million from Ultima Life alongside a rapid growth in membership from 40,827 members to 120,000 members.

I, on behalf of DOD team, would like to thank our Board of Directors, executive committee and all employees for your kind dedication and collaboration. I would also like to thank our shareholders, customers, business partners, government agencies and private sector for your continuous support. I will use my best endeavors to drive the Company forward to a great success and sustainable growth in the future.

Mr. Tana Rangsikul
Chief Executive Officer

Report of the Audit Committee

The Audit Committee of DOD Biotech PLC., appointed by the Company's Board of Directors, consists of three independent non-executive directors: Mr. Dusit Chongsuttanamanee, Chairman of the Audit Committee; and Mr. Pongthep Thitapan and Mrs. Arpaporn Kosolkul, Members of the Audit Committee. The Audit Committee had performed its duties with independence, in accordance with its roles and responsibilities stated in the Audit Committee Charter, and in compliance with the Securities and Exchange Commission of Thailand. This was to ensure that the Company's operations were carried out under good corporate governance and internal control practices.

In 2019, the Audit Committee held a total of 5 meetings. Meeting participation of the Audit Committee is summarized as follows:

	Number of Attendance / Number of Meetings (Times)
Mr. Dusit Chongsuttanamanee	5/5
Mr. Pongthep Thitapan	4/5
Mrs. Arpaporn Kosolkul	4/5

Key results of the Audit Committee are summarized as follows:

1. Review of Financial Statements

The Audit Committee had reviewed the Company's quarterly and annual financial statements before passing them on to the Board of Directors for approval. The Audit Committee had invited auditors and/ or representatives of Deloitte Touche Tohmatsu Jaiyos Advisory Co., Ltd., the Company's external auditor, in all meetings involving the review and audit of the financial reports. The Audit Committee worked to verify the accuracy of the financial reports, suitability of accounting adjustments and accounting standards, complete and sufficient disclosure of information, and independence of the external auditors. This was to ensure that the financial reports of the Company were duly prepared in conformity with the law and accounting standards currently enacted.

2. Review of Adequacy and Suitability of Internal Control System

The Audit Committee had reviewed the adequacy and suitability of the internal control system of the Company. The review was conducted based on the audit reports of the Company's



external auditor as well as reports from Well Planning Solution Co., Ltd., the Company's internal auditor. The assessment was based on five elements of COSO framework, comprising control environment, risk assessment, control activities, information and communication, and monitoring. The Audit Committee had an opinion that the internal control system of the Company was appropriate and adequate for the business.

3. Review of Compliance with the Securities and Exchange Act

The Audit Committee had reviewed the Company's compliance with the Securities and Exchange Act or other regulations relevant to the Company's business. For every significant business transactions or business activities with broad impact in the community, consultants and/ or subject matter experts would be designated to provide operational guidance to the Company and ensure its complete compliance to the laws.

4. Review of Suitability of External Auditors

The Audit Committee had reviewed the role and responsibilities of Deloitte Touche Tohmatsu Jaiyos Advisory Co., Ltd., the Company's external auditor, and had an opinion that the external auditor possessed sufficient professional independence and demanded reasonable compensation. The findings would be proposed to the Board of Directors meeting and the Annual General Shareholders meeting respectively.

5. Review of Transactions which might cause Conflict of Interests

The Audit Committee had reviewed and ensured that transactions which might cause conflict of interests were conducted in a justifiable manner, yielded the highest benefits to the Company, and had accurate and complete disclosure of information.

The Audit Committee had performed its assigned duties in a prudent and cautious manner, fully leveraged combined knowledge and expertise, maintained independence and objectivity, and always prioritized the utmost benefits of the Company and stakeholders.

The Audit Committee agreed that the Company had adequate and sufficient internal control and risk management system, and that there were no issues which would significantly impact the operations of the Company.

Mr. Dusit Chongsuttanamanee
Chairman of the Audit Committee

Report of the Remuneration and Nomination Committee

The Remuneration and Nomination Committee of DOD Biotech PLC., appointed by the Company's Board of Directors, consists of three independent non-executive directors: Mr. Dusit Chongsuttanamanee, Chairman of the Remuneration and Nomination Committee; and Mr. Pongthep Thitapan and Mrs. Arpaporn Kosolkul, Members of the Remuneration and Nomination Committee. The Remuneration and Nomination Committee had performed its duties with independence and in accordance with its roles and responsibilities stated in the Charter of the Remuneration and Nomination Committee approved by the Board of Directors. This was to ensure that the Company hired knowledgeable and competent directors and executives and set appropriate remuneration which was fair, transparent, and auditable.

In 2019, the Remuneration and Nomination Committee held a total of 5 meetings. Meeting participation of the Remuneration and Nomination Committee is summarized as follows:

	Number of Attendance / Number of Meetings (Times)
Mr. Dusit Chongsuttanamanee	5/5
Mr. Pongthep Thitapan	4/5
Mrs. Arpaporn Kosolkul	4/5

Main topics and important issues discussed are summarized as follows:

1. Nominated individuals qualified to assume the director positions, in replacement of 3 directors whose term of office came to an end, and respectively proposed the nomination to the Board of Directors meeting and the Annual General Shareholders meeting.
2. Nominated individuals qualified to assume 4 senior executive positions, determined fair remuneration for each individual, and proposed the nomination to the Board of Directors meeting.
3. Reviewed remuneration of the Company's Board of Directors and sub committees and proposed findings to the Board of Directors meeting and the Annual General Shareholders meeting respectively.



4. Reviewed the allocation of additional shares to the Company's directors, management, and employees to enhance their overall morale.

5. Approved professional development budget for the Company's Board of Directors and sub committees in order to build management competency required for long-term business growth.

The Remuneration and Nomination Committee had performed its assigned duties in a prudent and cautious manner, fully leveraged combined knowledge and expertise, maintained independence and objectivity, and always prioritized the utmost benefits of the Company and stakeholders.

Mr. Dusit Chongsuttanamanee
Chairman of the Remuneration and Nomination Committee

Information of Directors and Executive Officers



M.L. Termsang Sappaso
Chairman and Independent
Director

Appointment Date: June 3, 2016

Age: 76 years old

Education and Training

- ◆ Bachelor of Arts, Silpakorn University
- ◆ Director Accreditation Program (DAP) Class 133/ 2017

Shareholding: 0.01%

Family Relationship among Directors and Executives:

None

Work Experience

- 2016 – Present Chairman and Independent Director
DOD Biotech PLC.
Business sector: Manufacturing of dietary supplement
- 2011 – Present Director
Montri Tramod Foundation under Royal Patronage of H.R.H. Princess Maha Chakri Sirindhorn
Business sector: Foundation
- 2007 – Present Expert Committee and Assistant Secretary Narisara Nuvadtivongs Foundation
Business sector: Foundation
- 2007 – 2016 Director and Advisor
King Rama III Commemorative Foundation under Royal Patronage of H.R.H. Princess Galyani Vadhana Krom Luang Naradhiwas Rajanagarind
Business sector: Foundation



Mr. Tana Rangsikul
Vice Chairman of the Board of
Directors / Executive Chairman
and Chief Executive Officer

Appointment Date: October 1, 2019

Age: 46 years old

Education and Training

- ◆ Bachelor of Science, Business Administration,
University of North Carolina at Charlotte, USA
- ◆ Diploma, Chaminade College Preparatory, St. Louis,
USA
- ◆ Director Accreditation Program (DAP) Class 165/ 2019
- ◆ Director Certification Program (DCP) Class 287/ 2019

Shareholding: 0.12%

Family Relationship among Directors and Executives:

None

Work Experience

- | | |
|----------------|---|
| 2019 – Present | Vice Chairman of the Board of Directors /
Executive Chairman and
Chief Executive Officer
DOD Biotech PLC.
Business sector: Manufacturing
of dietary supplement |
| 2017 – 2019 | General Manager, Strategic Alliance &
Media
The Mall Group Co., Ltd.
Business sector: Retail |
| 2014 – 2019 | Co-founder and Head of Global Marketing
Life Story Co., Ltd.
Business sector: Wholesale of cosmetic
products |
| 2005 – 2016 | Head of On Trade Customer Planning
and Activation
Diageo Moet Hennessy (Thailand) Co., Ltd.
Business sector: Retail of alcoholic
beverages |
| 2002 – 2005 | Strategic Relationship Manager
American Express (Thailand) Co., Ltd.
Business sector: Finance |
| 2000 – 2002 | Assistant Marketing Manager
Citibank
Business sector: Commercial bank |



**Mr. Aekphusit
Boonsiriyotthakul**
Director and Chief Operating
Officer

Appointment Date: October 1, 2019

Age: 50 years old

Education and Training

- ◆ Master of Business Administration, Marketing, Ramkhamhaeng University
- ◆ Bachelor of Industrial Engineering, King Mongkut's University of Technology North Bangkok
- ◆ Executive Development Program, Royal Thai Armed Forces Headquarters, Class 7
- ◆ Director Accreditation Program (DAP) Class 165/ 2019

Shareholding: None

Family Relationship among Directors and Executives:

None

Work Experience

- | | |
|----------------|---|
| 2019 – Present | Director and Chief Operating Officer
DOD Biotech PLC.
Business sector: Manufacturing of dietary supplement |
| 2016 – 2019 | Assistant Chief Operating Officer
TPBI PLC.
Business sector: Manufacturing of soft plastic packaging |
| 2013 – 2016 | Vice President
Siam GS Battery Co., Ltd.
Business sector: Manufacturing of car batteries |
| 2008 – 2013 | General Manager, Thailand
Bolwell Holding (Thailand) Co., Ltd.
Business sector: Manufacturing of auto parts |
| 2001 – 2008 | Factory Manager, Thailand
JV (Thailand) Co., Ltd.
Business sector: Manufacturing of auto parts |
| 1993 – 2001 | Senior Engineer
Seagate Technology (Thailand) Co., Ltd.
Business sector: Manufacturing of electronic parts |



Mr. Dusit Chongsuttanamane

Chairman of the Audit Committee,
Chairman of the Remuneration
and Nomination Committee and
Independent Director,
Acting Company Secretary

Appointment Date: December 24, 2015

Age: 47 years old

Education and Training

- ♦ Master of Business Administration,
Kasetsart University
- ♦ Bachelor of Engineering (Second Class Honor),
Mahanakorn University of Technology
- ♦ Company Secretary Program (CSP) Class 74/ 2016
- ♦ Director Accreditation Program (DAP) Class 137/ 2017

Shareholding: 0.24%

Family Relationship among Directors and Executives:

None

Work Experience

- 2015 – Present Chairman of the Audit Committee,
Chairman of the Remuneration and
Nomination Committee,
Independent Director
DOD Biotech PLC.
Business sector: Manufacturing
of dietary supplement
- 2008 – Present President
Sap Sin Sira Co., Ltd.
Business sector: Self investment
services
- 2008 – Present Chairman
Kin Author Co., Ltd.
Business sector: Financial management
advisory services
- 2005 – Present Financial Committee and Secretary
Pranda Jewelry PLC.
Business sector: Production,
Distribution and Retail of fine jewelry



Mr. Pongthep Thitapan

Member of the Audit Committee,
Member of the Remuneration
and Nomination Committee and
Independent Director

Appointment Date: December 24, 2015

Age: 61 years old

Education and Training

- ◆ Master of Public Administration, National Institute of Development Administration
- ◆ Bachelor of Laws, Ramkhamhaeng University
- ◆ Diploma, The National Defence Course Class, Class 54, National Defence College
- ◆ Director Accreditation Program (DAP) Class 125/ 2009

Shareholding: None

Family Relationship among Directors and Executives:

None

Work Experience

2015 – Present Member of the Audit Committee,
Member of the Remuneration and
Nomination Committee,
Independent Director
DOD Biotech PLC.

Business sector: Manufacturing
of dietary supplement

2013 – Present Member of the Corporate Governance
Committee

Gunkul Engineering PLC.

Business sector: Production,
distribution, and import/ export
of electrical appliances

2015 – 2017 Director

Total Industrial Services Co., Ltd.

Business sector: Real estate
development

2010 – 2015 Director

PTT LNG Co., Ltd. (Subsidiary of PTT)

Business sector: Energy



Mrs. Arpaporn Kosolkul
Member of the Audit Committee,
Member of the Remuneration
and Nomination Committee
and Independent Director

Appointment Date: December 24, 2015

Age: 58 years old

Education and Training

- ◆ Bachelor of Humanities and Social Sciences,
Prince of Songkla University
- ◆ Capital Market Leader Program, Class 19,
Capital Market Academy
- ◆ The Executive Program in Energy Literacy for
a Sustainable Future, Class 7, Thailand Energy Academy
- ◆ Director Accreditation Program (DAP) Class 133/ 2017

Shareholding: 0.12%

Family Relationship among Directors and Executives:

None

Work Experience

2015 – Present Member of the Audit Committee,
Member of the Remuneration and
Nomination Committee,
Independent Director
DOD Biotech PLC.

Business sector: Manufacturing
of dietary supplement

1983 – Present Columnist
Thai Rath

Business sector: Publishing

1983 – Present Owner

Spirit Art 2011 Co., Ltd.

Business sector: Magazine distribution



Mrs. Siew San Tan
Independent Director

Appointment Date: June 12, 2019

Age: 68 years old

Education and Training

- ◆ Master of Arts in Political Science, University of Wisconsin-Madison
- ◆ Bachelor of Social Science (Political Science), University of Singapore

Shareholding: None

Family Relationship among Directors and Executives: None

Work Experience

- | | |
|----------------|--|
| 2019 – Present | Independent Director
DOD Biotech PLC.
Business sector: Manufacturing of dietary supplement |
| 2019 – Present | Independent Director
Triton Holding PLC.
Business sector: Investment in energy and construction businesses |
| 2019 – Present | Independent Director
Hong Leong Finance Limited (Singapore)
Business sector: Finance |
| 2019 – Present | Independent Director
P5 Capital Holdings Limited (Singapore)
Business sector: Holding company |
| 2019 – Present | Director
Triton Resources International Private Limited (Singapore)
Business sector: Import and Distribution of construction material and natural resources in Singapore |
| 2019 – Present | Director
Global Education Technology and Services Private Limited (Singapore)
Business sector: Educational Support Services |
| 2019 – Present | Director
Clarity the Word Factory Private Limited (Singapore)
Business sector: Corporate Training Services and Motivational Course Providers |
| 2012 – 2019 | Ambassador Extraordinary and Plenipotentiary Embassy of Singapore, Thailand
Business sector: Government |
| 2006 – 2012 | Deputy Secretary General (Asia Pacific) Ministry of Foreign Affairs, Republic of Singapore
Business sector: Government |
| 1995 – 2006 | Deputy Secretary General (Policy) Ministry of Defense, Republic of Singapore
Business sector: Government |
| 1974 – 1995 | Analyst
Ministry of Defense, Republic of Singapore
Business sector: Government |



Mr. Wuttichai Anantakul
Director / Chief Project Officer

Appointment Date: August 9, 2018

Age: 48 years old

Education and Training

- ♦ Master of Engineering, Chulalongkorn University
- ♦ Bachelor of Engineering, King Mongkut's University of Technology Thonburi

Shareholding: None

Family Relationship among Directors and Executives:
None

Work Experience

2019 – Present	Director Siam Herbal Tech Co., Ltd Business sector: Manufacturing of herbal and plant extracts
Aug 2018 – Present	Director and Chief Project Officer DOD Biotech PLC. Business sector: Manufacturing of dietary supplement
Jul 2015 – Jun 2018	Deputy Managing Director Equator Solar Capital Co., Ltd. Business sector: Renewable energy
Sep 2012 – Aug 2013	General Manager Chai Explosive Co., Ltd. Business sector: Mining explosives
May 1994 – Jul 2012	Deputy Managing Director TMC Industrial PLC. Business sector: Machinery



Miss Suwarin Korntong
Chief Administrative Officer,
Chief Financial Officer

Appointment Date: October 1, 2019
Chief Financial Officer
Appointment Date: December 2, 2019

Age: 38 years old

Education and Training

- ◆ Bachelor of Accounting, Rajamangala University of Technology Krungthep
- ◆ Orientation Course – CFO Focus on Financial Reporting, 2017
- ◆ Director Accreditation Program (DAP) Class 165/ 2019
- ◆ Annual Accounting Knowledge Refresh, 2019

Shareholding: 0.09%

Family Relationship among Directors and Executives: None

Work Experience

2019 – Present	Director DOD Sales Power Co., Ltd. Business sector: Marketing services
2019 – Present	Director Siam Herbal Tech Co., Ltd. Business sector: Manufacturing of herbal and plant extracts
2019 – Present	Director Ultima Life Co., Ltd. Business sector: Network marketing
2019 – Present	Director HY DOD Co., Ltd. Business sector: Distribution of dietary supplement products
2019 – Present	Director AK DOD Co., Ltd. Business sector: Distribution of dietary supplement products
2019 – Present	Director PCCA Laboratory Co., Ltd. Business sector: Manufacturing of cosmetic products
2018 – Present	Director DOD Healthy Life Co., Ltd. Business sector: Holding company
2014 – Present	Director, Chief Administrative Officer and Chief Financial Officer DOD Biotech PLC. Business sector: Manufacturing of dietary supplement
Apr 2013 – Aug 2014	Vice Accounting Manager Hitachi Transport Technology Co., Ltd. Business sector: Logistics and warehouse
Oct 2011 – Nov 2012	Accounting Manager Log Plus Mining Services Co., Ltd. Business sector: Distribution of coal, truck tires and sugar



Roles and Responsibilities of Corporate Secretary

- 1) Advise the Board of Directors and company's executives on important law and regulations
- 2) Manage activities of the Board of Directors, including arranging Board of Directors' meeting and shareholders' meeting, taking meeting minutes, and following through meeting resolutions for execution
- 3) Prepare and maintain important documents of the Company as follows:
 - 3.1) Director registration
 - 3.2) Notice of the Board of Directors' meeting, minutes of the Board of Directors' meeting, and company's annual report
 - 3.3) Notice of the shareholders' meeting and minutes of the shareholders' meeting
- 4) Maintain the report of interests filed by company's directors and executives
- 5) Perform any other acts as specified in the Notification of the Capital Market Supervisory Board

In cases where the corporate secretary vacates his/ her position or is incapable of performing his/ her duty, the Board of Directors shall appoint a new corporate secretary within 90 days from the date on which the corporate secretary has vacated his/ her position or has been incapable of performing his/ her duty. In this regard, the Board of Directors shall be empowered to assign any director to perform the duty as the substitute during such period (according to the Securities and Exchange Act B.E. 2535 and its modifications).

Information of Positions Held by Directors and Executive Officers

Name	Company	Subsidiaries						
		DOD Healthy Life Co., Ltd	DOD Sales Power Co., Ltd	Siam Herbal Tech Co., Ltd	Altima Life Co., Ltd	HY DOD Co., Ltd	AK DOD Co., Ltd	PCCA Laboratory Co., Ltd
M.L. Termsang Sappaso	X							
Mr. Tana Rangikul	/, //, ///							/
Mr. Aekphusit Boonsiriyotthakul	/, //, ///							
Mrs. Siew San Tan	/							
Mr. Dusit Chongsuttanamanee	/							
Mr. Pongthep Thitapan	/							
Mrs. Arpaporn Kosolkul	/					/		
Mr. Wuttichai Anantakul	/, //, ///	/	/	/	/			
Miss Suwarin Komtong	/, //, ///	/	/	/	/	/	/	/

Remarks: / = Director x = Chairman // = Executive Committee /// = Executive Officer



Financial Highlights

Financial Information	As of December 31					
	2017 (Audited)		2018 (Audited)		2019 (Audited)	
	Baht million	%	Baht million	%	Baht million	%
Financial Status						
Total Assets	454.20	100.00	1,406.64	100.00	1,574.61	100.00
Total Liabilities	164.68	36.26	222.38	15.81	336.35	21.36
Total Shareholders' Equity	289.52	63.74	1,184.25	84.19	1,238.26	77.44
Issued and Paid up Capital	150.00	33.03	205.00	14.57	205.00	13.02
Operating Result						
Sales Revenue	387.35	99.69	666.36	99.00	789.92	99.05
Total Revenue	388.56	100.00	673.12	100.00	797.50	100.00
Profit before finance costs and income tax expenses	150.52	38.74	311.35	46.25	87.79	11.01
Net Profit	142.19	36.59	305.25	45.35	73.51	11.25
Cash Flow						
From Operating Activities	204.48		64.89		(42.77)	
From Investing Activities	(60.24)		(733.13)		63.94	
From Financing Activities	(79.76)		693.14		(75.56)	
Financial Ratios						
Liquidity Ratio (Times)		1.70		2.47		1.52
Return on Equity (%)		51.53		41.42		7.21
Return on Asset (%)		34.51		32.81		5.82
Debt to Equity Ratio (Times)		0.57		0.19		0.28
Dividend Yield (%)		59.78		95.46		81.11
Earnings per Share (Baht)		0.47		0.85		0.21

Source: Consolidated financial statements of DOD Biotech PLC.



Policy and Business Overview





Policy and Business Overview

DOD Biotech Public Company Limited (“Company”) is a contract manufacturer of dietary supplement products made of natural extracts. The Company offers a “One Stop Service” solution to clients, ranging from manufacturing consultancy, formula research and development based on client needs, packaging and label design, marketing and distribution consultancy, high quality manufacturing and manufacturing control certified by Department of Industrial Works, to registration of dietary supplement products under various brands with Food and Drug Administration (FDA) to obtain FDA registration number. The Company’s manufacturing plant is warranted by international quality and safety standard. We also continuously innovate to enhance satisfaction of our clients. Our dietary supplement products can be divided into two major categories as follows:

1. *Dietary Supplement Products for Beauty*, comprising supplements for body shape and supplements for skin health
2. *Dietary Supplement Products for Health and Wellness*, comprising supplements for digestive health, supplements for cognitive health and brain function, and protein supplements

Our products are sold to domestic clients and are generally made to order under client-specified brands. A majority of our clients are trading companies who act as an intermediary aggregating purchase orders from businesses and individuals who would like branded dietary supplements of their own, such as celebrities, beauty clinics, direct sales companies, and cosmetics brands with presence in department store. In addition, we also manufacture and distribute our own brand of protein supplement under the name “Dai a to”.

Vision, Mission, and Goals

Vision

“To become a stable company, maintain high business ethics, develop international standard R&D in dietary supplements, and be environmentally friendly”

Mission

- ▶ Increase R&D competency through corporate investment and drive innovation of new technology and products
- ▶ Deliver high quality products which meet international quality and safety standards, or standard specified by customers

- ▶ Develop company's own brand for long term sustainability of the business
- ▶ Generate satisfactory returns to shareholders and stakeholders
- ▶ Operate business with good governance, transparency, environmental responsibility, and social responsibility
- ▶ Become a learning organization, supporting continuous human resource development to enhance and maintain management competency

Business Goals

We aspire to become a leading dietary supplement manufacturer certified by international standards. We will create sustainable competitive advantages through continuous product R&D and a lower manufacturing cost achieved by building our own raw material extraction facility.

Significant Changes and Developments

DOD Biotech PLC. was founded on February 11, 2011 under the name "Thai Learning Innovation Co., Ltd." with registered capital of Baht 1 million. We began as a distributor of learning media. On December 14, 2011, we changed our name to "Sukris 55 Co., Ltd." and became a manufacturer of dietary supplement product. Our initial business model was to be an original equipment manufacturer (OEM) who manufactured dietary supplements based on formula and ingredients specified by clients. Our first office and manufacturing plant were located at 78/6 and 78/7 Khok Krabue, Mueang Samut Sakhon, Samut Sakhon.

On June 19, 2013, Mr. Lampun Puntanaprates sold all his shares (under share repurchase agreement) to Miss Runnapa Kunsongkram who was the Company's Director and Managing Director between June 21, 2013 and May 18, 2014 and between September 10, 2014 and June 24, 2015 (Between May 19, 2014 and September 9, 2014, Miss Supamas Isarabhakdi had acted as the Company's Director and Managing Director instead of Miss Runnapa Kunsongkram).

Later in June 2013, we expanded our business and became an original design manufacturer (ODM) who provided a "One Stop Service" solution to clients. We had dedicated R&D team responsible for new product and formulation development. We also partnered with subject matter experts from domestic educational institutions and research labs to consistently develop new products as well as improving existing ones. In December 2013, we received GMP (Good Manufacturing Practice) Certification from Food and Drug Administration (FDA), Ministry of Health, which was a certification of manufacturing processes, facilities, equipment, and controls of dietary supplement products.



On December 24, 2015, we changed our name from “Sukris 55 Co., Ltd.” to “DOD Biotech Co., Ltd.”. At present, our office and manufacturing plant are located in “Yu Charoen – Tha Jeen Industrial Estate”, 111 Moo 2, Tha Jeen, Mueang Samut Sakhon, Samut Sakhon.

Significant developments of our Company in the past 6 years are summarized as follows:

2014

- On May 6, 2014, the Company changed its shareholding structure, with Mr. Lampun Puntanaprates and family holding 99% of total shares.
- On May 17, 2014, we increased registered and paid up capital from Baht 1 million to Baht 5 million, comprising 50,000 shares of ordinary share at a par value of Baht 100 per share. Capital raised were used as a working capital for business operations.
- On June 3, 2014, we received an investment incentive No. 2272(2)/ 2014 from The Board of Investment (BOI) for the manufacturing of herbal products (except medicine, soap, shampoo, toothpaste, and cosmetics), pharmaceutical products and/ or active ingredients in pharmaceutical products.
- On August 9, 2014, we began a construction of manufacturing plant and corporate head office on company’s land with an area of 7-2-71.40 Rai. The property was located in “Yu Charoen – Tha Jeen Industrial Estate”, 111 Moo 2, Tha Jeen, Mueang Samut Sakhon, Samut Sakhon. The manufacturing plant was designed to become a clean room with exceptional hygiene control and standard.
- On September 5, 2014, we increased registered and paid up capital from Baht 5 million to Baht 50 million, comprising 500,000 shares of ordinary share at a par value of Baht 100 per share. Capital raised were used as a working capital for business operations.

2015

- On December 8, 2015, Mr. Lampun Puntanaprates sold company shares at a fair price to 3 new shareholders (for 20,000 shares each, equivalent to 4% of total paid up capital) who were business partners and/ or customers of the company, namely Miss Boontrika Cheuchote, Miss Purada Rianpreecha, and Mrs. Natchaya Maitreewech.
- On December 24, 2015, the Extraordinary General Meeting No. 2/ 2015 approved the Company’s request to increase registered capital from Baht 50 million to Baht 90 million, and to decrease the par value of an ordinary share from Baht 100 per share to Baht 10 per share. The Company had registered additional capital and a change in share price to the Department of Business Development, Ministry of Commerce on December 24, 2015.

Capital raised were used in a construction of new corporate offices, manufacturing plant, and as a working capital for business operations. In addition, the Extraordinary General Meeting also approved an annual dividend payout from net profit for the year ending December 31, 2014 to ordinary shareholders of 500,000 shares, at a rate of Baht 80 per share, totaling Baht 40 million. The dividend was issued on December 24, 2015.

- On December 24, 2015, we changed our name from “Sukris 55 Co., Ltd.” to “DOD Biotech Co., Ltd.”.

2016

- On April 30, 2016, the Annual General Meeting of 2016 approved an annual dividend payout from net profit for the year ending December 31, 2015 to ordinary shareholders of 9,000,000 shares, totaling Baht 100 million. The dividend was issued on May 25, 2016.
- On June 27, 2016, dietary supplement products under the brand “ZELA-Q” and “I.D.I.A.”, both researched and developed by our company, were awarded “Best Product of the Year 2016” by Business and Economic Development Council of Thailand.
- In September 2016, we launched a new protein dietary supplement (Protein Diet) under its own brand “Dai a to”. The supplement contains major protein extracts, amino acids, and other essential vitamins for the body. “Dai a to” is a dietary supplement for health and wellness. It helps monitor weight loss, reduce accumulation of excessive body fat, improve nervous system function, enhance digestive health, and nourish and brighten the skin. We are currently a sole distributor of the products, selling them through multiple online channels, including Facebook, LINE, Instagram, and the website daiato.com.
- On September 3, 2016, dietary supplement products under the brand “V-Solen”, “P-Rano”, and “OMG”, all researched and developed by our company, were awarded “Top Brand of the Year 2016” by Mass Communication Federation of Thailand.
- On September 15, 2016, we moved a corporate head office and manufacturing plant from 78/6 and 78/7 Khok Krabue, Mueang Samut Sakhon, Samut Sakhon, which was a space rented from company’s major shareholder, to the newly constructed facilities as mentioned above.
- On October 28, 2016, the Extraordinary General Meeting No. 3/ 2016 approved an interim dividend payout from net profit for a six-month period ending



June 30, 2016 to ordinary shareholders of 9,000,000 shares, totaling Baht 60 million. The dividend was issued on November 1, 2016. In addition, the Extraordinary General Meeting also approved the Company's request to increase registered capital from Baht 90 million to Baht 150 million through the issuance of 6,000,000 shares of ordinary share at a par value of Baht 10 per share. The Company had registered additional capital to the Department of Business Development, Ministry of Commerce on November 22, 2016. Capital raised were used for a construction of extraction facility project, land purchase for factory expansion, and as a working capital for business operations.

- In November 2016, we began a construction of a herb and medicinal plant extraction facility. The project required an investment of Baht 25 million. The construction was completed on February 27, 2017 with all machineries installed.
- On December 6, 2016, we received an investment incentive No. 60-0921-1-16-1-0 from The Board of Investment (BOI) for the manufacturing of natural extract products (except medicine, soap, shampoo, toothpaste, and cosmetics).
- On February 21, 2017, we received the following certifications from a leading private certification institute "Intertek": HACCP (Hazard Analysis Critical Control Point) for manufacturing process of dietary supplement products (vitamin, dairy protein, soy protein, collagen, and extract from herb/ plant/ fruit) in a form of packaged sachet, and GMP Codex: General Principle of Food Hygiene for manufacturing process of dietary supplement products (capsule and powder), coffee (powder), ready-to-eat food (dried flax seeds), and dairy products (dry or powder).
- On February 27, 2017, we received ISO 22000: 2005 certification from Intertek Institute for manufacturing process of dietary supplement products (vitamin, dairy protein, soy protein, collagen, and extract from herb/ plant/ fruit) in a form of packaged sachet.
- On March 29, 2017, we signed a licensing agreement with Maha Sarakham University to use their Tripala extraction technology for commercial purpose as well as getting access to relevant knowledge consultation and transfer. The Company had the rights to manufacture and sell Tripala extracts for a period of 1 year, between March 29, 2017 and March 28, 2018.

2017

- On April 25, 2017, the Annual General Meeting of 2017 approved an annual dividend payout for the year 2016, totaling Baht 90 million. Given that, on November 1, 2016, we had already issued an interim dividend payout for the period between January 1 and June 30, 2016, totaling Baht 60 million (Baht 6.6667 per share to 9 million shares outstanding), for the period between July 1 and December 31, 2016, the Annual General Meeting had approved a dividend payout of Baht 2 per share to 15 million shares outstanding, totaling Baht 30 million. The dividend was issued to shareholders on May 24, 2017.
- On July 30, 2017, DOD Biotech was awarded “Thailand Industry of the Year 2017” in the event organized by ASEAN Network – Thailand.
- On August 10, 2017, the Board of Directors meeting No. 6/ 2017 approved an interim dividend payout for the period between January 1 and June 30, 2017, totaling Baht 50 million (Baht 3.3333 per share to 15 million shares outstanding). The dividend was issued on August 29, 2017.
- On September 24, 2017, DOD Biotech was awarded “Best Awards Asean Brand 2017” in the event organized by Journalism Council of Thailand.
- On November 28, 2017, the Extraordinary General Meeting No. 3/ 2017 approved a transition of the Company to become a public limited company under the name “DOD Biotech PLC.”. The Meeting also approved a change in par value of company’s share from Baht 10 per share to Baht 0.50 per share as well as an increase in company’s registered capital of Baht 55 million, from Baht 150 million to Baht 205 million. The increase in registered capital was done through additional issuance of 110 million shares of ordinary share, at a par value of Baht 0.50 per share, which were later offered to the general public and traded in the Market for Alternative Investment (MAI). The Company had registered a change in company type, change in par value, and change in registered capital to the Department of Business Development, Ministry of Commerce on November 29, 2017.
- On December 28, 2017, the Board of Directors meeting No. 10/ 2017 approved an interim dividend payout for the period of 9 months, ending September 30, 2017, totaling Baht 35 million (Baht 0.1166 per share to 300 million shares outstanding). The dividend was issued on January 27, 2018.
- On March 28, 2018, the Annual General Meeting of 2018 approved an annual dividend payout of Baht 115 million (Baht 0.3833 per share to 300 million shares outstanding). The dividend was issued to shareholders on

2018



March 29, 2018. In addition, the Meeting had agreed to modify an allocation of ordinary shares previously approved in the Extraordinary General Meeting No. 3/ 2017. There were 110 million shares of ordinary share with a par value of Baht 0.50 per share, and they would be allocated as follows:

1. Allocate 100,545,000 shares, each with par value of Baht 0.50, for initial public offering (IPO)
 2. Allocate 9,455,000 shares, each with par value of Baht 0.50, for company's directors, executives, and/ or employees. Selling price was to be set similarly to IPO price. If there were any shares remaining from this allocation, they shall be included in the initial public offering (IPO).
- On May 9, 2018, the Board of Directors meeting No. 3/ 2018 approved an interim dividend payout for the period of 3 months, ending March 31, 2018, totaling Baht 111 million (Baht 0.37 per share to 300 million shares outstanding). The dividend was issued by May 30, 2018.
 - Between June 12-14, 2018, the Company launched its initial public offering (IPO), selling 110 million shares to the general public, company's directors, executives, and/ or employees at a price of Baht 9.3 per share. Sales proceed totaled Baht 1,023,000,000, with net proceed after selling expenses of Baht 987,240,850. Following the IPO, the Company had paid-in capital of Baht 205,000,000 and 410,000,000 shares outstanding. Capital raised were used for (1) raw material extraction facility and international research laboratory, (2) new brand development, (3) loan repayment to financial institutions, and (4) working capital.
 - On June 20, 2018, company's stock was publicly traded as "DOD" in the consumer goods industry group of the Market for Alternative Investment (MAI).
 - On July 19, 2018, we signed a Memorandum of Understanding (MOU) with Department of Thai Traditional and Alternative Medicine to jointly drive and support Thai herbal products into international market. The Department would provide guidance to the Company in setting up our second raw material extraction facility along with a central laboratory. The collaboration was a part of national master plan on Thai Herbal Development No.1 (2017-2021) published by Ministry of Public Health.
 - On November 2, 2018, we signed a Memorandum of Understanding (MOU) with CNR Happiness Home and Chinese Academy of Sciences to distribute dietary supplements, vitamins, traditional Thai herbs and medicine, skincare

products and cosmetics through TV Shopping of CNR Mall broadcasted on CCTV Channel in China.

- On December 19, 2018, the Board of Directors meeting No. 8/ 2018 approved the Company's investment in PCCA Laboratory Co., Ltd. through a company's subsidiary which was to be set up ("Subsidiary"). The Board of Directors meeting approved the purchase and transfer of an entire business from BGP Spectrum Power Co., Ltd. ("BGP Spectrum") to the Subsidiary. This included all current and future assets, liabilities, rights, duties, and responsibilities from BGP Spectrum, including 8,100,000 shares of ordinary share with a par value of Baht 10 per share held in PCCA Laboratory Co., Ltd. ("PCCA") by BGP Spectrum (equivalent to 90% of total listed shares of PCCA). The Subsidiary would pay a purchase price at a total of Baht 297,000,000. BGP Spectrum was not a related entity to the Company and PCCA offered end-to-end contract manufacturing services for cosmetic and skin care products.
- On December 19, 2018, the Board of Directors meeting No. 8/ 2018 approved an interim dividend payout for the period between April 1, 2018 and September 30, 2018, totaling Baht 180.40 million (Baht 0.44 per share to 410 million shares outstanding). The dividend was scheduled to be issued on January 18, 2019.
- On December 19, 2018, the Board of Directors meeting No. 8/ 2018 approved insignificant changes in the usage of IPO capital. Two additional objectives were added: (1) to increase production capacity of dietary supplements, develop new product formats, and expand warehouse spaces; (2) to lend to company's subsidiary for investing and expanding business of PCCA Laboratory Co., Ltd.
- On December 26, 2018, the Company set up a new subsidiary under the name "DOD Healthy Life Co., Ltd.". The subsidiary had a registered capital of Baht 1 million, of which the Company held 99.99 percent. The primary objective of the subsidiary was to invest in PCCA Laboratory Co., Ltd.
- On January 15, 2019, DOD Healthy Life Co., Ltd., a subsidiary company, acquired and transferred the business of BGP Spectrum Power Company Limited ("BGP Spectrum"). The acquisition included all assets, liabilities, rights, duties and responsibilities of BGP Spectrum, both current and future, as of the date of business transfer, including 8,100,000 ordinary shares with a par value of Baht 10 per share in PCCA Laboratory Co., Ltd.

2019



(“PCCA”) that were held by BGP Spectrum, or equivalent to 90% of the number of authorized share capital of PCCA, whose principal business operation was to manufacture cosmetic products

- On March 13, 2019, the Company has established a subsidiary, “Ultima Life Co., Ltd”, with registered and paid up capital of Baht 50 million. Altima Life was a network marketing company, of which DOD held 80% of total shares
- On April 30, 2019, we issued and allotted warrants to purchase ordinary shares of DOD Biotech PLC. No.1 (“DOD-W1”) in the amount of not exceeding 182,222,222 units to the existing shareholders of DOD Biotech PLC. in proportion to their shareholdings (Right Offering) with the ratio of 2.25 existing ordinary shares for 1 unit of warrants at the offering price of Baht 0.10 per unit (in calculating the entitlement to receive the warrants of each shareholder, any fractions resulting from the calculation based on the allotment ratio will be rounded down). Shareholders may express their intention to subscribe to the warrants in excess of their entitlement. The record date to determine the list of shareholders who entitled to the allotment of the warrants was on May 10, 2019
- On May 23, 2019, we increased registered capital from the existing registered capital of Baht 410,000,000 to Baht 592,222,222 by issuing of 182,222,222 newly-issued ordinary shares, at a par value of Baht 0.50 per share.
- On June 19, 2019, the Company has established a subsidiary, “HY DOD Co., Ltd.”, with registered and paid up capital of Baht 0.5 million. DOD held 51% shares of HY DOD, whose principal business was to sell and distribute dietary supplement products.
- On July 3, 2019, the Company has set up a new subsidiary, “DOD Sale Power Co., Ltd.”, with registered and paid up capital of Baht 2 million. DOD held 70% shares of DOD Sales Power, whose principal business was to provide consulting services.
- On August 28, 2019, the Company has set up a new subsidiary, “Siam Herbal Tech Co., Ltd.”, with registered capital of Baht 260 million, of which Baht 65 million was paid up. DOD held 99.99% shares of Siam Herbal Tech, whose principal business was to manufacture herbal extracts.
- On August 28, 2019, the Company has set up a new subsidiary, “AK DOD Co., Ltd.”, with registered and paid up capital of Baht 0.5 million. DOD held 51% shares of AK DOD, whose principal business was to sell and distribute cosmetic and dietary supplement products.



Nature of Business





Nature of Business

Revenue Structure

Revenue structure of the Company for the year 2016-2019 can be classified by product categories as follows:

Type of Revenue	2016		2017		2018		2019	
	Baht million	%	Baht million	%	Baht million	%	Baht million	%
Sales Revenue								
- Dietary Supplements for Beauty	319.04	86.61	271.85	69.96	543.22	80.70	545.41	68.39
- Dietary Supplements for Health and Wellness	48.54	13.18	115.50	29.73	123.14	18.30	244.51	30.66
Total Sales Revenue	367.58	99.79	387.35	99.69	666.36	99.00	789.92	99.05
Other Revenue ^{1/}	0.79	0.21	1.21	0.31	6.76	1.00	7.58	0.95
Total Revenue	368.37	100.00	388.56	100.00	673.12	100.00	797.50	100.00

Remark: ^{1/} Other Revenue includes income from molding fee, interest income, forfeiture of security deposit, and penalties from a breach of construction contract.

Nature of Products or Services

The Company is a contract manufacturer of dietary supplement products made of natural extracts. We offer a “One Stop Service” solution to clients, ranging from manufacturing consultancy, formula research and development based on client needs, registration with Food and Drug Administration (FDA), Ministry of Health under client’s own brands, packaging and label design, marketing and distribution consultancy, to high standard manufacturing and quality control. The Company’s manufacturing practices have received multiple quality control certifications, including GMP: Good Manufacturing Practice from FDA, General Principle of Food Hygiene from CODEX, and HACCP (Hazard Analysis and Critical Control Point) and ISO 22000 (Food Safety Management) from Intertek institute. In addition, all of the products are manufactured by the latest and cutting-edge machineries in a clean room plant where level of dust, temperature, and humidity are strictly controlled.

All dietary supplement products manufactured and distributed by the Company are approved by FDA and have FDA registration number displayed on a label to inform customers that the products had passed quality and safety standard set by FDA.

A majority of company's dietary supplement products are manufactured under brands and trademarks specified by clients, such as Co.B9, Fita, NUUI SLM, Zela.Q, Babalah Elmola, Jejuvita BB SLM / B-Bang / Filinzo / Glutato by Karmarts, Defon by K.Ple Nakorn, Zonbee by Body Shape, DT24 / Denula by Wutisak, Fill in and V-solen, Madame Drink/ Overnight Detox by ele, and OMO Coffee. As an original design manufacturer (ODM), the Company assists clients with all R&D and manufacturing activities. We work with our clients to research and develop the right product formula according to their needs as well as help them register their products with FDA before distributing the products to retailers and end users. Obtaining FDA approval not only helps the brand to be compliant with law, but it also helps establish consumer confidence that the products have accurate label information and are safe to consume.

When a product obtains approval from FDA, its FDA registration number is tied to a specific formulation and brand. Additional manufacturing of the products must be under a similar formulation and brand previously registered. Given that a product formulation is a trade secret of the Company, clients would not be able to work with other manufacturers to manufacture similar products under similar FDA registration number. To work with a different manufacturer, they would be required to develop a new formulation and obtain a new FDA registration number, which may not be ideal especially if the original products and brands are already popular.

The Company's dietary supplement products can be divided into two major categories:

Dietary Supplement Products for Beauty

Dietary supplement products for beauty comprise two sub categories:

1. *Dietary Supplements for Body Shape:* These products contain various extracts which can enhance fat burn, reduce accumulation of excessive fat, and control appetite
2. *Dietary Supplements for Skin Health:* These products contain various extracts which can nourish and soften skin, tighten loose skin, brighten skin, and reduce wrinkles, fine lines, and dark spots on facial skin

Dietary Supplement Products for Health and Wellness

Dietary supplement products for health and wellness primarily helps consumers improve their body functions. They contain numerous vitamins and minerals essential for a healthy body, including antioxidants and other extracts. Dietary supplement products for health and wellness comprise three sub categories:

1. *Dietary Supplements for Digestive Health*
2. *Protein Supplements*
3. *Dietary Supplements for Cognitive Health and Brain function*



Dietary Supplement Products manufactured and distributed by the Company are available in the following formats:

1. Hard Capsule

Hard capsules are available in multiple sizes and substances can be filled accordingly. It is easy to consume as the capsule is made of gelatin and plant. The gelatin makes it easy to swallow and can also mask any unwanted smell and flavor from the ingredients inside. Hard capsules have predictable disintegration period. Once disintegrated (after approximately 15 minutes), drug will immediately be released and absorbed in the stomach.

2. Tablet

Tablets are good for dietary supplements that require a quick disintegration and absorption. It is also possible to customize the color and flavor of the tablets to enhance consumer appeal, making it suitable for dietary supplement products for cognitive health and brain functions as well as skin health.

3. Instant Drink

Instant drink format works well with dietary supplements that need to be consumed in a large amount, such as protein supplement or supplement for digestive health. If these supplements were in a form of tablets or capsules, consumers had to inconveniently ingest multiple tablets or capsules at a time. An instant drink format makes it easier to consume the same amount of supplement in a choice of flavors enjoyed by consumers.

4. Soft Gelatin or Soft Gel

Soft gelatin capsules are created by an encapsulation method, allowing them to be filled with liquid or lipid-based substances of varying amount depending on shape and capacity of the capsule. The outer shell of the soft gelatin capsule can be made of either plant-based gelatin or animal-based gelatin. The encapsulation process will help mask any unwanted smell and flavor from the ingredients inside, making it easier to consume. Soft gelatin capsules have predictable disintegration period. Once disintegrated (after 10-15 minutes), drug will immediately be released and absorbed in the stomach. The capsules can be manufactured in multiple sizes and shapes as follows: 50mg (Round), 500mg (Oval), 680mg (Fish), and 1,000 mg (Oblong).

5. Jelly

Jellies can be made in multiple flavors making them easy to consume. They are convenient on-the-go and can be consumed right from the package without the need to drink water afterwards. Jelly formats are available in a size of 15 and 25 grams.

6. Gel

Gels can be made in multiple flavors making them easy to consume. They are convenient on-the-go and can be consumed right from the package without the need to drink water afterwards.

Gel format is suitable for anyone looking for instant energy source, such as athletes. They are available in varying sizes from 15-40 grams.

Dietary Supplement under Company's Own Brand

In addition to manufacturing dietary supplements for clients' brands, the Company also has its own brand of dietary supplement (OBM: original brand manufacturer) called "Dai a to". The product is a protein supplement that can help reduce accumulation of excessive body fat, enhance functions of nervous system, along with nourish and brighten the skin. It comes in a form of instant drink and to be consumed as a meal replacement. One sachet of the supplement contains main extracts from protein, amino acid, 33 essential vitamins, and complete nutrition across the five food groups, while only giving 120 kcal.

"Dai a to" was launched in September 2016 and are currently sold through online channels such as Facebook, LINE, Instagram, and website daiato.com

Nature of Customer and Target Group

Dietary supplements manufactured by the Company fall under consumer products category. They are considered specialty products, either with client's brands or our own brand. Majority of our clients are trading companies who aggregate purchase orders from brand owners, businesses, and direct sales companies who would like branded dietary supplements of their own. We manufacture dietary supplements for our clients under the brand names specified by them. They in turn distribute the final products to end users through various distribution channels. We are not directly selling to end users.

Nevertheless, we believe there are two groups of end users suited for our products:

1. For dietary supplement products for beauty, their target customers are middle to high income adolescents and adults who value self-care and skin nourishing
2. For dietary supplement products for health and wellness, their target customers are middle to high income adolescents, adults, and seniors who value health care

Pricing Policy

We have set a clear standard price list of a product based on different product formats (hard capsule, tablet, and instant drink) and sizes. Each product type has a standard formula for manufacturing that comes with a standard pricing. When clients need modifications from a standard formula, pricing would change to reflect changes in raw material. We adopt a cost plus margin approach in setting a price, with additional considerations on market price, competitive intensity, client's acceptance of the products, order volume, and total value. We also offer trade discounts to clients if their order volume meets a certain threshold. It is important that



our pricing is competitive in the market; however, we also work to ensure it is profitable enough to sufficiently cover our selling, general and administrative expenses.

Distribution and Distribution Channel

All of our customers are domestic. We directly distribute to trading companies who aggregate purchase orders from brand owners and businesses who would like branded dietary supplements of their own. We have a designated in-house marketing and sales operations team while the sales team are hired externally on a commission-based basis. The sales team, with their knowledge in dietary supplement and sales experience, takes the lead in setting up client meeting and developing product proposals. They gather and assess client needs; decide whether the client should use our existing supplement formula, modified formula, or new formula; translate them into proposals for sales, investment, and marketing; and create a purchase order based on our minimum order volume.



Risk Factors





Risk Factors

Company's Business Risk

(1) Risk from High Concentration of Large Clients

Between 2017-2019, revenue from the Company's five largest clients were Baht 313.04 million, 581.66 million, and 380.04 million respectively, representing 80.82%, 87.29%, and 68.95% of total revenue. The company's largest client accounted for 34.65% of total sales in 2017, 53.64% of total sales in 2018, and 18.16% of total sales in 2019.

Company's five largest clients were not the same every year. The names rotated. The largest client whose sales revenue exceeded 30% of company's total sales in 2017 was also different from the one in 2019. In 2017, the client was a trading company who aggregated purchase orders, for different types of products under different brands, from multiple businesses and individuals who would like branded dietary supplement of their own. These included celebrities, artists, beauty clinics, direct sales companies, and cosmetic brands with presence in department store. In 2018 and 2019; however, the client was a direct sales company. Some of our large clients were large direct sales companies with expansive distribution network who sell dietary supplement products directly to their members and end users.

The Company would face a great risk if revenue from our large clients had declined, or if our large clients had switched to other manufacturers, and we were unable to generate additional revenue from others. In addition, the average product life cycle for a dietary supplement product is approximately 1 to 1.5 years, which is not a long period of time. If sales of our large clients plummeted as a result of a decrease in product popularity or a maturation and decline of the product life cycle, our revenue and operating performance would be significantly impacted. To mitigate the risk, we devise a competitive strategy to maintain and secure existing customer base as well as to actively build a new one. We strive to maintain great business relationship with our clients and offer them a "One Stop Service" solution, from manufacturing consultancy, formula research and development based on their needs, packaging and label design, marketing and distribution consultancy, to quality manufacturing with certified manufacturing control. We only use high quality raw material and extracts in our manufacturing processes. Our manufacturing practices are warranted with multiple certifications and standards including GMP from FDA, GMP Codex, HACCP and ISO 22000. In assisting our clients with registration for Food and Drug Administration (FDA) number, we are also fully compliant with laws and policies governing dietary supplement products. We consistently measure client satisfactions towards our products and services which, we believe, has led to an on-going trust and business from them. In addition, to

mitigate the risk of declining product popularity and life cycle, our clients have also regularly modified the product formula and product format to keep them relevant to consumers, such as adding new scents, new flavors, and organizing marketing activities to stimulate product sales.

In acquiring new businesses, we offer a variety of dietary supplement formula that would allow our clients to quickly react to the change in market trends. We also offer competitive pricing policy and consistently develop new products from concentrated herbal extracts produced by our own extraction facility. Lastly, we also researched and developed our own brand of dietary supplement to enhance value-added of company's products, diversify customer base, and reduce reliance on a single client.

(2) Risk from Inability to Collect Accounts Receivables

As of the end of the year 2017-2019, the Company had Baht 11.60 million, 5.58 million, and 101.41 million of accounts receivables overdue for more than 3 months. This accounted for 21.61%, 8.45%, and 40.02% of total account receivables respectively.

We recognize the risk from an inability to collect all accounts receivables in a complete and timely manner. We may need to set up an allowance for doubtful accounts as specified by accounting policy; however, doing so would subsequently impact the net profit of the Company. As a result, we have developed a clear operational protocol for a collection of accounts receivables to be enforced within the organization. Accounting and Finance departments are responsible for initial tracking of accounts receivables. They will develop AR aging report and pass it on to sales operations team to proceed with the collection, with an aim to avoid and minimize default payment. To reduce the risk of bad debt, we have also set a credit policy to determine the amount of trade credits each client is eligible for based on their credit repayment ability. For the accounts receivables that cannot be collected, the Company will set up an allowance for doubtful accounts as specified by accounting policy. The allowance will be determined quantitatively, by considering all accounts receivables overdue for more than 12 months, and qualitatively, by considering payment history, recent sales transactions, and financial status of each client.

(3) Risk from Clients Switching Manufacturer

Our Company is a contract manufacturer. We manufacture dietary supplement products based on client orders, under client's brands, and clients will in turn sell them through their distribution channels. Our clients typically place one order at a time, or sometimes they order a large volume upfront and divide them into several deliveries. They are not engaged in any long-term contract to keep their business with us and, as a result, we do possess a risk of them switching to other manufacturers. This could significantly hurt our revenue and operating performance especially if they are one of our large clients.



We recognize such risk and have focused our efforts on both securing existing customer base and acquiring new customers. We work to enhance satisfaction of our clients through excellent services, quality products, quality assurance, and reasonable and competitive pricing. This helps us steadily gain trust and business from our clients. Nevertheless, when we manufacture and register client's product with FDA, its FDA registration number will be tied to a specific product formula and specific brand. Additional manufacturing of the product under the same brand will require similar FDA registration number, similar product formula, and thus must be done by similar manufacturer, given that the product formula we develop is our trade secret and any outsiders would have no access to such information. To work with a different manufacturer, clients would be required to develop a new product formula and obtain a new FDA registration number, which may not be ideal especially if the original products and brands have already become popular.

Moreover, we also plan to develop more dietary supplement products under our own brands as well as to resell concentrated extracts produced by our extraction facility, with an aim to diversify income sources and mitigate the risk of having income highly concentrated from contract manufacturing.

(4) Risk from Competition in Dietary Supplement Business

Dietary supplement industry has a lot of players ranging from small businesses to large enterprises. The competition is becoming more intense as consumers are becoming more health conscious.

Dietary supplement industry grows together with a health-conscious market trend and values towards consumption of dietary supplement to nourish the body and stimulate its immunity. Dietary supplement industry has had a steady growth over the past years with immense numbers of new manufacturers, distributors, importers, retailers, and celebrities entering the market. As the business does not require high initial investment, competition becomes intense with a lot of product substitutes being sold under different brands. With the help of the media, consumers can also easily gather information about new brands and products in the market and further broaden their choices. Manufacturer and distributor need to quickly react to changes in market situation, consumer trend, and their behaviors that will vary based on values and perception of different dietary supplement products.

We recognize such risk and have placed a great emphasis on new product research and development. We aim to increase new product varieties to create more choices to our clients and will consistently develop new product format and formula into the market to reduce reliance on a single product. Our R&D team continuously researches on new dietary supplement products and has collaborated with external specialists and researchers to develop new products as well as improve the effectiveness of existing ones. This is to ensure that the Company has distinguished

product formula and product innovation to respond to client's needs and changes in the market. We also strive to provide excellent services to our clients to maximize their satisfaction.

For manufacturing, we have created a clean, safe, and efficient manufacturing facility. Our dietary supplement products are manufactured by cutting-edge machineries in a closed “clean room” environment where dust, temperature, and humidity level are controlled. This is to ensure high product quality and to establish credibility for the Company. In addition, our manufacturing facility has also received multiple certifications relevant to the manufacturing of dietary supplement products, including GMP from FDA and Intertek, HACCP and ISO 22000:2005 from Intertek, and HALAL certification from The Central Islamic Council of Thailand. We have also built our extraction facility to extract active ingredients from natural herbs for use in herbal dietary supplements and traditional medicine. This allows us to better control the quality of raw materials and ensure they are free of chemical and full of nutrition. They can help enhance our product formulation and distinguish our dietary supplement from the remaining products in the market.

Even though dietary supplement business is highly competitive with low barriers to entry, a large portion of the players are small distributors and small contract manufacturers, not our direct competitors with comparable sizes. It is harder for smaller manufacturers to produce products with the same quality and efficacy as we do. Quick production turnover could also be a challenge as they do not have as large production capacity and inventory of extractions as we do, resulting in a longer wait time for client. With these reasons, together with our strategies, we believe we have the right competitive advantages to compete with other players in the market and become successful in dietary supplement business.

(5) Risk from Noncompliance with Laws and Regulations related to Dietary Supplement Business

Dietary supplement business is highly regulated under various laws, rules, and regulations from Food and Drug Administration (FDA), Ministry of Health. Manufacturing of the products must strictly follow manufacturing control standard and all products must obtain approval from FDA before they can be sold to customers. Product nutrition, active ingredients, and formulation must be in accordance with relevant regulations and must not exceed maximum amount specified by law. Labels and advertising claims must also be approved and displayed according to rules defined by FDA. This is to ensure that consumers are informed of necessary information before making a purchase decision and also to prevent exaggerated and false advertising claims especially on treatment of diseases. In addition, to be able to manufacture and distribute dietary supplement products, the Company needs to obtain relevant licenses and certifications, renew them, or retake the assessment as necessary within a time period specified by associated institutions.



Compliance with laws, rules, regulations, and relevant control standards, both currently enacted and future ones, is highly critical to the operations of our business. We need to regularly monitor changes in regulations and ensure our compliance at all time, even though sometimes it may lead to an increase in cost or additional expenses. Any noncompliance with relevant regulations, product noncompliance with FDA, or inability to renew licenses and certifications important to the Company's operations could significantly hurt the products, reputation, operations, and business opportunities of the Company. Therefore, we need to strictly follow laws, rules, regulations, and relevant control standards. Our R&D department is closely monitoring changes in laws, rules, regulations, and control standards relevant to the Company and is regularly reporting them, along with forecasted future trends, to the executives so that we can react to those changes effectively and promptly without disrupting our future operations.

(6) Risk from Potential Damage occurring as a result of Unsafe Product

Because dietary supplement products manufactured by the Company are for direct consumption and will directly affect health and body of different consumers, we need to be particularly cautious about the cleanliness of our product, safety of manufacturing practices, product formulation, and selection of raw material, extracts, and other ingredients used in manufacturing processes. Certain types of dietary supplement that should not be consumed by certain groups of people, such as children and pregnant women, need to have a proper consumption warning clearly stated on the label. Nevertheless, if risk arises from unsafe or harmful consumption which is proven to be manufacturer's defect, consumers may make complaints or sue the manufacturer to be responsible for any damages that occur. Manufacturing and distribution of the product may also be suspended which could negatively impact the image, reputation, and operating performance of the Company.

We placed great emphasis on quality, cleanliness, and safety of our products. We have quality control and quality assurance in every step of manufacturing beginning from R&D and product testing. We only use quality raw material with credible qualifications in accordance with the production plan. We check and examine our raw material thoroughly upon receiving them. We also strictly control quality of our raw material as well as our manufacturing process to ensure that we manufacture finished products that are safe and unarmful to consumers. In the past, the company has never received any complaints regarding harmfulness of our products.

(7) Risk from Major Shareholder with Authority to Set Management Policies

At present, Puntanaprates family is a major shareholder of the Company. With a holding of 64.06%, the family is in a position to influence and control almost all matters in the shareholder meeting. They can also control policies and management of the Company including appointment

of directors and other matters requiring a majority vote of shareholders, except when it is required by law or company's regulations to have a three-fourths (3/4) majority vote. As a result, other shareholders of the Company have a risk of not being able to gather sufficient votes to counterbalance company's major shareholder.

To ensure transparency and balance of power, we build our management team with highly competent individuals and define a clear scope of work and authority for all directors and executives. We appointed 5 independent directors to represent 5 out of 9 Board of Directors members. 3 of the independent directors also hold a position in company's Audit Committee. The Audit Committee will help audit, balance decisions, and approve various matters before they are presented to the shareholder meeting.

In addition, the Company has formulated a policy and regulation concerning transactions with person who may have conflicts of interest to limit voting of connected persons. We also set up an internal audit department by hiring an independent external expert company who reports directly to the Audit Committee. Internal audit team will ensure that the Company's internal control system is in accordance with regulations specified. This is to build shareholder confidence on the transparency and balance of power in company's operations. Moreover, once the Company is listed on the stock exchange, it shall disclose all information and follow relevant rules and regulations from The Securities and Exchange Commission and The Stock Exchange of Thailand, such as regulations on connected transactions, the acquisition and disposition of assets, etc., to ensure the best interests of the Company and all shareholders.

(8) Investment Risk for Shareholders and Risk from Fluctuation of company's Stock Price

Price of company's common stock may fluctuate as a result of numerous factors, some of which are beyond control of the Company such as changes in economic and social conditions in related industries, fluctuation of stock market, difference of operating performance from expectations of investors and analysts, and changes in profits and share price of other listed companies with similar businesses. Other factors, including changes in legislation and industrial changes, could also impact company's operating performance and fluctuate its share price. Subsequently, investors may not generate returns as expected and may lost some or all investment money.





General Information and Other Information




General Information and Other Information

General Information

 A. Company	
Issuing Company	DOD Biotech PLC.
Head Office Location	111 Moo 2, Tha Jeen, Mueang Samut Sakhon, Samut Sakhon 74000
Type of Business	Manufacturer of Dietary Supplement
Company Registration Number	0107560000419
Telephone	034-446-333, 034-446-444
Fax	034-440-373
Website	www.dodbiotech.com
Registered Capital	Baht 296.11 million
Paid-up Capital	Baht 205 million
Par value per share	Baht 0.50

 B. Legal entities in which the Company holds 10% or more shares	
Company Name	DOD Healthy Life Co., Ltd.
Head Office Location	111 Moo 2, Tha Jeen, Mueang Samut Sakhon, Samut Sakhon 74000
Type of Business	Holding Company
Company Registration Number	0745561010721
Telephone	034-446-333
Fax	034-440-373
Registered Capital	Baht 1,000,000
Par value per share	Baht 10

 C. Legal entities in which the Company holds 10% or more shares	
Company Name	Ultima Life Co., Ltd.
Head Office Location	60 Soi Praditmanutham 19 Praditmanutham Rd., Lat Phrao, Lat Phrao, Bangkok
Type of Business	Network Marketing
Company Registration Number	0105562049146



Telephone	02-147-1683
Fax	-
Registered Capital	Baht 50 million
Paid-up Capital	Baht 50 million
Par value per share	Baht 10

D. Legal entities in which the Company holds 10% or more shares

Company Name	HY DOD Co., Ltd.
Head Office Location	119/934 Moo 1, Sai Ma, Mueang Nonthaburi, Nonthaburi
Type of Business	Distributor of Dietary Supplement Products
Company Registration Number	0125562019778
Telephone	034-446-333
Fax	034-440-373
Registered Capital	Baht 500,000
Paid-up Capital	Baht 500,000
Par value per share	Baht 10

E. Legal entities in which the Company holds 10% or more shares

Company Name	DOD Sale Power Co., Ltd.
Head Office Location	111 Moo 2, Tha Jeen, Mueang Samut Sakhon, Samut Sakhon
Type of Business	Consulting Services
Company Registration Number	0745562006344
Telephone	034-446-333
Fax	034-440-373
Registered Capital	Baht 2,000,000
Paid-up Capital	Baht 2,000,000
Par value per share	Baht 100

F. Legal entities in which the Company holds 10% or more shares

Company Name	Siam Herbal Tech Co., Ltd.
Head Office Location	166/9 Moo 2, Nhong Bon Daeng, Baan Bueng, Chonburi
Type of Business	Manufacturer of Extracts
Company Registration Number	0205562031483

Telephone	034-446-333
Fax	034-440-373
Registered Capital	Baht 260 million
Paid-up Capital	Baht 65 million
Par value per share	Baht 100

G. Legal entities in which the Company holds 10% or more shares

Company Name	AK DOD Co., Ltd.
Head Office Location	111 Moo 2, Tha Jeen, Mueang Samut Sakhon, Samut Sakhon
Type of Business	Distributor of Cosmetic and Dietary Supplement Products
Company Registration Number	0745562008398
Telephone	034-446-333
Fax	034-440-373
Registered Capital	Baht 500,000
Paid-up Capital	Baht 500,000
Par value per share	Baht 10

H. Legal entities in which the Company holds 10% or more shares

Company Name	PCCA Laboratory Co., Ltd.
Head Office Location	59 Satriwithaya 2 Rd. Lat Phrao, Lat Phrao, Bangkok
Type of Business	Manufacturer and Distributor of Cosmetic and Cosmeceutical Products
Company Registration Number	0105548143815
Telephone	02-358-4646
Fax	02-542-4339
Registered Capital	Baht 90 million
Paid-up Capital	Baht 90 million
Par value per share	Baht 100



I. Other references	
1. Registrar of Securities	
Company	Thailand Securities Depository Co., Ltd.
Head Office Location	No. 93 Rachadapisek Road, Dindaeng, Bangkok 10400
Telephone	02-009-9000
Fax	02-009-9991
2. Auditor	
Company	Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.
Head Office Location	AIA Sathorn Tower, 23 rd – 27 th Floor No. 11/1 South Sathorn Road, Yannawa, Sathorn, Bangkok 10120
Telephone	02-034-0000
Fax	02-034-0100
Website	www.deloitte.com

Other Information

None



Securities Information and Shareholding Structure





Securities Information and Shareholding Structure

The Company has registered capital of Baht 296.11 million, of which Baht 205 million was paid up, comprising 592,222,222 shares of ordinary share with a par value of Baht 0.5 per share.

List of Major Shareholders

Name of Shareholders	As of December 25, 2019	
	Number of Shares	Percent
1. Puntanaprates Group ^{1/}		
1.1. Mr. Lampun Puntanaprates	160,447,300	39.13
1.2. Miss Renumas Isarabhakdi ^{2/}	60,500,000	14.76
1.3. Mrs. Lamduan Sengtrakul ^{3/}	10,000,000	2.44
1.4. Mr. Pachara Puntanaprates ^{4/}	31,700,000	7.73
Total of Puntanaprates Group	262,647,300	64.06
2. Mr. Danupol Chilly	19,976,800	4.87
3. Mr. Tweesak Viraprasert	14,300,000	3.49
4. Miss Louise Taechaubol	8,212,200	2.00
5. Thai NVDR Co., Ltd.	5,404,225	1.32
6. Mr. Nopparit Pantitra	4,659,200	1.14
7. Mr. Pachara Sangkarat	3,521,000	0.86
8. Mr. Suppakij Saringarnpoonperm	3,300,000	0.81
9. Mr. Pongpon Nantratip	3,129,000	0.76
10. Mr. Apirameth Utrawanich	2,584,000	0.63
Total	327,733,725	79.94

Remarks:

^{1/} The grouping was created in accordance with the definition of a related person or person who may have a conflict of interests as stated in the Notice of The Securities and Exchange Commission No.17/ 2008, dated December 15, 2008. The grouping was not created in accordance to Section 258 of Securities and Exchange Act B.E. 2535, nor its modifications.

^{2/} Miss Renumas Isarabhakdi is a sister of Miss Supamas Isarabhakdi who is a spouse of Mr. Lampun Puntanaprates.

^{3/} Mrs. Lamduan Sengtrakul is a mother of Mr. Lampun Puntanaprates.

^{4/} Mr. Pachara Puntanaprates is a brother of Mr. Lampun Puntanaprates.



Dividend Policy





Dividend Policy

The Company will issue a dividend payment for no less than 50% of net profit after deduction of income tax and reserves required by law. The consideration of dividend payment will be determined based on company's cash flow, availability of business working capital, investment plan, loan repayment ability, contractual obligations, legal constraints as well as any other necessities and considerations that may arise in the future.

The payout of dividend payment must be approved by the shareholder meeting, except in the case of interim dividend. The Board of Directors may pay interim dividend to shareholders occasionally, if they find that the Company has sufficient profits to do so. The payout then needs to be reported to the shareholders in a subsequent shareholder meeting.



Management Structure





Management Structure

8.1 Board of Directors

Company's Board of Directors comprises 9 members as follows:

Name	Position
1. M.L. Termsang Sappaso	Chairman / Independent Director
2. Mr. Tana Rangsikul	Vice Chairman of the Board of Director/ Executive Chairman / Chief Executive Officer
3. Mr. Aekphusit Boonsiriyotthakul	Director / Executive Director / Chief Operating Officer
4. Mr. Wuttichai Anantakul	Director / Executive Director / Chief Project Officer
5. Miss Suwarin Korntong	Director / Executive Director / Chief Financial Officer / Chief Administrative Officer
6. Mrs. Siew San Tan	Independent Director
7. Mr. Dusit Chongsuttanamanee	Independent Director / Chairman of the Audit Committee / Chairman of the Remuneration and Nomination Committee
8. Mr. Pongthep Thitapan	Independent Director / Member of the Audit Committee / Member of the Remuneration and Nomination Committee
9. Mrs. Arpaporn Kosolkul	Independent Director / Member of the Audit Committee / Member of the Remuneration and Nomination Committee

With Mr. Dusit Chongsuttanamanee serving as Acting Company Secretary.

The Company's Board of Directors consists of no less than 3 independent directors, which is at least one-third of total numbers of company's directors. The Board of Directors also consists of no less than 3 Audit Committee members. The qualifications of all independent directors and Audit Committee members are in complete accordance with The Notification of Capital Market Supervisory Board Tor Chor. 39/ 2559, Applications for and Approval of Offer for Sale of Newly Issued Shares, and its modifications.

Authorized Directors

Authorized Directors are Mr. Wuttichai Anantakul, Miss Suwarin Korntong, Mr. Tana Rangsikul, and Mr. Aekphusit Boonsiriyotthakul. Binding signatures must include signatures from two out of four authorized directors where both directors shall sign and affix the Company's seal.

Scope of Authority, Duties, and Responsibilities of the Board of Directors

The Board of Directors, as a representative of shareholders, is responsible for monitoring the management of the Company to be compliance with laws, objectives, and regulations. They are responsible for setting visions, missions, policies, and business goals of the Company that will allow long-term competitiveness while maintaining high business ethics. The Board of Directors must perform their duties with care, loyalty, obedience, and disclosure. The duties of the Board of Directors are as follows:

1. Set company's visions, missions, strategies, and policies. Oversee management and operations of the business
2. Appoint and remove Authorized Directors as appropriate. Set necessary guidelines to protect company's best interests and ensure compliance with applicable laws
3. Define organization structure and organization chart
4. Review and monitor the following:
 - Implementation of business strategies, along with initiatives that are critical to successful implementation or can cause significant strategic changes
 - Operational performance towards short-term, long-term goal and critical KPIs. If underperforming, action plans need to be developed and discussed
5. Responsible for the following human resource management activities:
 - Together with the Executive Committee, review and approve company's human resources vision, strategies, and personnel development plan
 - Ensure systematic and transparent processes are in place to recruit, dismiss, and terminate Executive Directors. Ensure that the Executive Committee is built of capable individuals with the right knowledge and skill sets
 - Ensure effective processes are in place to evaluate performance of the Executive Committee and Managing Director on a quarterly and annual basis
6. Ensure completeness of the following:
 - Review and approve company's visions, missions, strategies, policies, goals, business plans, and budget. Ensure they are communicated to all employees throughout the organization
 - Annual Financial Responsibility Report, so shareholders have timely access to accurate financial information
 - Regularly monitor business operations and ensure that the Executive Committee has followed all applicable laws and policies
 - Oversee company's internal control function
 - Oversee major risk management activities



- 💧 Ensure clear and transparent processes are in place to manage connected transactions and regularly report them to the Board of Directors
 - 💧 Ensure the company has an effective and reliable control system; compliance with policies, laws, and relevant regulations; and effective management of corporate assets and resources
 - 💧 Create balance of power between the management and/ or major shareholders by ensuring sufficient numbers of independent directors in the Board
 - 💧 Ensure processes are in place to sufficiently deliver information from the Executive Committee to the Board so they can fully perform their duties
 - 💧 Ensure all relevant meeting documents are prepared and sent to participants one day in advance. After the meeting, ensure the meeting minutes are prepared with accuracy and are safely stored to avoid any unauthorized edits
 - 💧 Monitor problems and situations that may arise from a conflict of interests
 - 💧 Ensure processes are in place to delivery effective communication to the Company's stakeholders along with the general public
 - 💧 Protect and build reputation of the Company
7. Set up and define roles of the sub committee:
 - 💧 Set up the following sub committees: Audit Committee, Remuneration and Nomination Committee, Executive Committee and other sub committees
 - 💧 Approve the roles of the sub committee along with any changes that would significantly impact the operations of the sub committees
 8. Performance evaluation of the Board of Directors:
 - 💧 The Board of Directors needs to be evaluated annually
 - 💧 Evaluation results, along with any commentaries, will be presented and discussed in the meeting to further enhance the performance of the Board
 9. Ensure the business operates with high transparency, good governance, and does not support any forms of corruptions, direct or indirect
 10. Devote time to the Company without seeking personal benefits. Refrain from taking any actions with a conflict of interests or competing interests with the Company
 11. Build a culture of high morality and ethics in the organization. Encourage strict compliance with company's corporate governance and anti-corruption policies for employees across all levels. Ensure appropriate internal control and internal audit processes are in place to prevent frauds, abuses of power, and other unlawful actions
 12. Rightfully manage interests of major and minor shareholders. Support shareholders to exercise their rights, protect their own interests, and gain timely access to transparent and accurate information

13. Aware of the roles and responsibilities of the Board of Directors. Respect the rights of shareholders, stakeholders and treat them with fairness and transparency. Ensure processes and channels are in place to receive and manage complaints from whistleblowers or other stakeholders. Allow stakeholders to directly contact or submit a complaint about the issues to the Board of Directors
14. The Chairman to effectively and efficiently lead the operations of the Board to be in accordance with the scope of authorities and responsibilities specified above
15. Set up a corporate secretary position to assist the Board with the Board of Directors meeting and Shareholders Meeting; provide guidance to the Board and the Company on compliance with applicable laws and regulations; ensure accurate, complete and transparent disclosure of company's information; and support the Company in governing its business in accordance with a good corporate governance
16. Have authorities to perform the following tasks:
 - ◆ Appoint, remove, and authorize the Audit Committee, Executive Committee, Remuneration and Nomination Committee, and Managing Director
 - ◆ Appoint the Executive Committee and authorize one or more Directors, or other individuals, to perform duties on behalf of the Board of Directors. An authorized person must not be authorized to approve any transactions in which he/ she, or other individuals who may have a conflict of interests ("Individuals who may have a conflict of interests" as defined in The Notification of the Securities and Exchange Commission), have a conflict of interests with the Company and its subsidiaries.
 - ◆ However, if the law, company's regulations, and rules prescribed by the Securities and Exchange Commission (SEC) allow such action to be done, and if such action is approved by the Shareholders Meeting, an authorized person can approve transactions in which he/ she has a conflict of interests with the Company and its subsidiaries but will not have the rights to vote on such matters.
 - ◆ Seek advice from company's experts or consultants (if any). If necessary, hire external experts or consultants with corporate expenses
 - ◆ Approve a receipt or cancellation of business lines of credit, for transactions with credit limit beyond authorities of the Executive Committee
 - ◆ Approve a lending decision to corporations with business relationships with the Company, such as shareholders or business partners, for transactions with credit limit beyond authorities of the Executive Committee



- 💧 Approve a guarantee of business credits to corporations with business relationships with the Company, such as shareholders or business partners, for transactions with credit limit beyond authorities of the Executive Committee
- 💧 Approve an establishment, merger, or termination of subsidiaries
- 💧 Approve a buying and selling of corporate securities and/ or bond, for transactions with value beyond authorities of the Executive Committee
- 💧 Approve a procurement and investment of fixed asset, for transactions with value beyond authorities of the Executive Committee
- 💧 Approve a transformation, demolition and disposition of fixed assets and intangible assets which are no longer used, worn out, lost, ruined, depreciated, or outdated and malfunctioned, for transactions with total accounting value beyond authorities of the Executive Committee
- 💧 Approve a conciliation, arbitration, complaint, litigation, and/ or proceedings of any judicial processes involving the Company, for unusual business matters and/ or usual business matters with monetary value beyond authorities of the Executive Committee
- 💧 Approve transactions of unusual business matters, for transactions with value beyond authorities of the Executive Committee
- 💧 Propose an increase or decrease of capital, a change of par value, and a modification of memorandum, regulations, and/ or objectives of the Company to shareholders
- 💧 Authorize the Audit Committee, Executive Committee, Managing Director, Senior Executives, or other individuals to perform the following tasks within the scope of authorities of the Board of Directors
 - o Invite the Audit Committee, Executive Committee, Managing Director and relevant Company employees to clarify and comment on matters, attend meetings or send documents as necessary
 - o Appoint and remove a Corporate Secretary
 - o All authorities of the Board of Directors involving an acquisition or disposition of asset and connected transactions shall be in compliance with The Notification of Capital Market Supervisory Board

Board of Directors' Meeting

	Number of Attendance / Number of Meetings (Times)			
	2019			
	Board of Directors	Audit Committee	Executive Committee	Remuneration and Nomination Committee
1. M.L. Termsang Sappaso	10/10			
2. Miss Supamas Isarabhakdi	4/4		4/4	
3. Miss Renumas Isarabhakdi	7/7		8/8	
4. Mr. Pachara Puntanaprates	7/7		8/8	
5. Mr. Tana Rangsikul	0/2		2/3	
6. Mr. Aekphusit Boonsiriyotthakul	2/2		3/3	
7. Mr. Wuttichai Anantakul	9/9		11/11	
8. Miss Suwarin Korntong	7/7		8/8	
9. Mrs. Siew San Tan	1/4			
10. Mr. Dusit Chongsuttanamanee	10/10	5/5		5/5
11. Mr. Pongthep Thitapan	8/10	4/5		4/5
12. Mrs. Arpaporn Kosolkul	9/10	4/5		4/5
13. Miss Apiradee Wangwittaya			2/2	

8.2 Executive Officers

Company's Executive Committee comprises 5 members as follows:

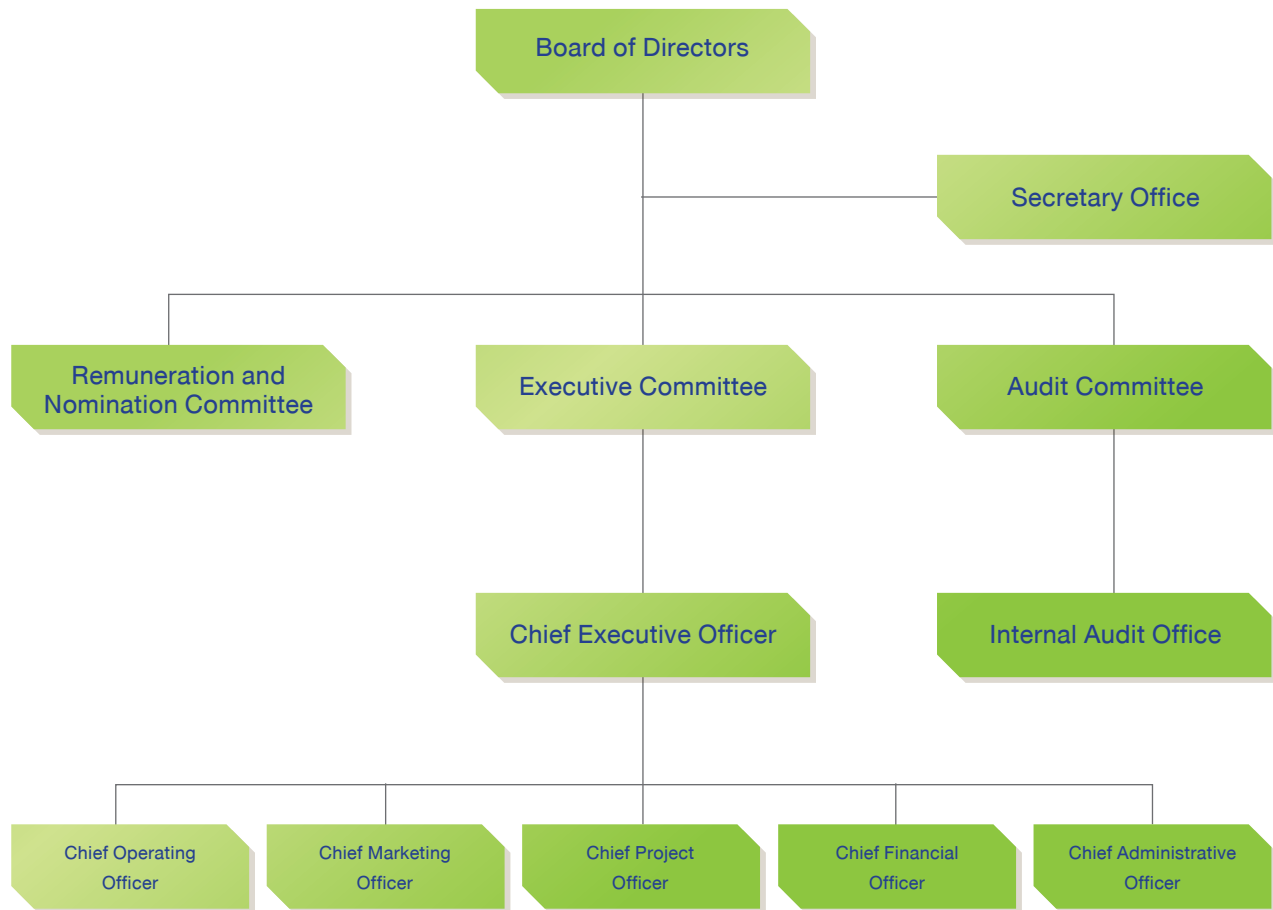
Name	Position
1. Mr. Tana Rangsikul	Chief Executive Officer
2. Mr. Aekphusit Boonsiriyotthakul	Chief Operating Officer
3. Mr. Vorarat Charoonsmith	Chief Marketing Officer
4. Miss Suwarin Korntong	Chief Administrative Officer / Chief Financial Officer
5. Mr. Wuttichai Anantakul	Chief Project Officer

Remark: Miss Suwarin Korntong served as acting Chief Financial Officer.

Mr. Vorarat Charoonsmith resigned from Chief Marketing Officer position effective February 7, 2019.



Company's Organization Chart as of October 1, 2019



8.3 Corporate Secretary, Chief Financial Officer, and Chief Accountant

Name	Position
Mr. Dusit Chongsuttanamanee ^{1/2/}	Corporate Secretary
Miss Suwarin Korntong ^{2/}	Chief Financial Officer
Mr. Nattawat Phetthai ^{2/}	Chief Accountant

Remarks: ^{1/} Mr. Dusit Chongsuttanamanee served as Acting Corporate Secretary from December 1, 2019 onwards

^{2/} Background check of Corporate Secretary, Chief Financial Officer, and Chief Accountant can be reviewed in Form 56-1 of 2019

8.4 Remuneration for Directors and Executive Officers

(1) Cash Remuneration

(a) Directors

The Company compensated directors according to the resolution approved in the Annual General Meeting of 2019 on April 30, 2019. Compensation guidelines for Directors, Remuneration and Nomination Committee members, and Audit Committee members are as follows:

Position	Remuneration per month (Baht)
Chairman	35,000
Chairman of the Audit Committee	50,000
Chairman of the Remuneration and Nomination Committee	20,000
Members of the Audit Committee	25,000
Members of the Remuneration and Nomination Committee	5,000
Directors (who are not employees of the Company)	20,000

With the following exceptions:

- 1) Directors who are employees of the Company will not receive monthly remuneration.
- 2) Members of Remuneration and Nomination Committee and/ or Audit Committee will not receive remunerations as company's directors.

Company's directors were compensated as follows:

Name of Directors	Position	Remuneration (Baht) in 2019
1. M.L. Termsang Sappaso	Chairman	420,000
2. Miss Supamas Isarabhakdi	Vice Chairman	-
3. Miss Renumas Isarabhakdi	Director	-
4. Mr. Pachara Puntanaprates	Director	160,000
5. Mr. Dusit Chongsuttanamanee	Chairman of the Audit Committee / Chairman of the Remuneration and Nomination Committee	840,000
6. Mr. Pongthep Thitapan	Member of the Audit Committee / Member of the Remuneration and Nomination Committee	360,000
7. Mrs. Arporn Kosolkul	Member of the Audit Committee / Member of the Remuneration and Nomination Committee	360,000
8. Mrs. Siew San Tan	Director	140,000
9. Mr. Tana Rangsikul	Director	-
10. Mr. Aekphusit Boonsiriyotthakul	Director	-
11. Mr. Wuttichai Anantakul	Director	-
12. Miss Suwarin Korntong	Director	-
Total		2,280,000



(b) Executive Committee and Executive Officers

Remuneration	2019 ^{1/}	
	Number of Officers	Remuneration (Baht Million)
Salary and Bonus	7	10.51
Other Remuneration including Social Security Fund, Provident Fund, and Other Benefits	7	0.20

Remark: ^{1/} During the year 2019, the Company had changes in management structure and executive officers. Information above was calculated and prorated to accurately reflect those changes based on actual term of office of each individual.

8.5 Personnel

(a) Number of Employees

As of December 31, 2019, the Company had a total of 286 employees, excluding executive officers. They can be categorized into divisions as follows:

Division	Number of Employees As of December 31, 2019
Internal Audit	1
Marketing and Sales Coordination	11
Accounting	6
Finance	1
Human Resource *	25
Purchasing	4
Product Development	11
Extraction Plant	14
Manufacturing Planning	3
Manufacturing	151
Warehouse and Shipping	18
Information Technology	3
Engineering	9
Quality Management	26
Other	3
Total	286

Remark: Number of employees in Human Resources division include Human Resource Officers, Public Relation Officers, Security Guards, Housekeepers, and Drivers.

(b) Remuneration for Employees

In 2019, the Company has paid a total of Baht 77.86 million in employee remuneration in a form of salary, bonus, overtime, social security, provident fund and other benefits.

(c) Provident Fund

The Company has set up a provident fund under management of BBL Asset Management Co., Ltd. with the objective to enhance employee morale and incentivize long-term employment. We had given our employer contribution into employee's provident fund since April 2017.

(d) Other Remuneration

There was no other remuneration for 2019.

(e) Policy on Employee Development

The Company places great emphasis on continuous development of employees across tenure, with an objective to increase employees' capability and strengthen company's competency for future business competitions.

We regularly create opportunities for employees to develop themselves and maximize their potential. This includes annual participation in training and seminars, both internal and external, to increase relevant skill sets based on their division and tenure. In addition, we also track and measure the effectiveness of knowledge gained, application of knowledge to real-world problems, and knowledge transfer to related teams and divisions.



Corporate Governance



Corporate Governance

The Board of Directors realize the importance of corporate governance and has set corporate governance policy to guide business operations of the Company. An effective, transparent and auditable management system, as a result of good corporate governance, will help establish trust and confidence from shareholders, investors, stakeholders and other interested parties which is a critical factor for the Company to achieve its sustainable growth.

The principles behind the Company's corporate governance policy is in line with King Rama IX's philosophy of sufficient economy, focusing on a cautious and ethical use of knowledge to achieve balance and readiness for rapid change. The policy was developed based on eight principles, including accountability, responsibility, integrity, equitable treatment, transparency, ethics, vision to create long term value and corporate social responsibility.

The Company's corporate governance policy adheres to the guidelines on good corporate governance from the SET. The Board and Management has aspired to improve the Company's corporate governance to be comparable to international standards. Not only will this benefit the Company, it will also help enhance overall competency and growth of Thai capital market as well as support sustainable economic development of the country. The Company's corporate governance policy covers five primary topics, as follows:

Section 1: Rights of Shareholders

Shareholders own the Company and control it by appointing the Board of Directors to act as their representatives. Shareholders are eligible to make decisions on any significant corporate changes. Therefore, the Company has established multiple guidelines to encourage shareholders to exercise their rights, such as publishing document on basic rights of shareholders on company's internal communication channel and company's website. The document will be used as a guideline for corporation owners to respect and treat shareholders based on their basic rights, which include:

- ◆ Rights to sell, buy or transfer shares
- ◆ Rights to attend shareholders meetings
- ◆ Rights to assign a proxy to attend shareholders meetings and vote on their behalf
- ◆ Rights to approve director's remuneration
- ◆ Voting rights to appoint and remove directors
- ◆ Voting rights to appoint independent auditors and approve their remuneration
- ◆ Voting rights in important matters of the Company
- ◆ Rights to share the profits of the company



- Rights to attend, express opinions and ask questions in shareholders meetings, along with to offer shareholders who are unable to attend an option to appoint an independent director as their proxy to attend the meeting and vote on their behalf.

- Rights to obtain relevant and adequate information of the Company in a timely manner and on a regular basis and to access latest information on company's website

The Company recognizes and values rights of shareholders and has established the following corporate governance practices to protect the rights of shareholders:

1. The Company must send out an invitation for the Annual General Meeting, with information on date, time, location, detailed agenda along with accompanying documents in both Thai and English, to shareholders at least 30 days prior to the meeting. The invitation and accompanying documents must also be posted on the company's website. Afterwards, the registrar from Thailand Securities Depository Co., Ltd. must send out the invitation notice to all shareholders at least 7 days prior to the meeting, or 14 days in certain cases such as meetings concerning Employee Stock Option Program (ESOP), related transactions, or an acquisition and disposition of assets.

2. The Company must grant an opportunity for shareholders to submit questions prior to the meeting between October and December of every year. Submission guidelines and other detailed information are posted on the company's website.

3. To facilitate attendance of shareholders, the Company must organize shareholders meeting on working days at a hotel in Bangkok and/ or company's meeting facility. The Company must also provide transportation for attendees, arrange adequate staff and technology for document review and prepare postal stamps for proxy shareholders.

4. The Company must effectively prepare the minutes of the shareholders meeting and post them on the company's website within 14 days from the date of the meeting. The minutes should include a description of the voting and voting procedures, questions asked and answers provided, resolutions, voting results of each agenda item containing approving, dissenting and abstaining votes, and list of the Board members attended the meeting.

5. All of company's directors, including Chairman of the sub committees, Managing Director, Executive Officers, corporate secretary and Independent Auditor must attend every Annual General Meeting.

6. The Board of Directors must set up a standard practice for minority shareholders to propose an agenda item prior to the meeting date as well as to nominate qualified candidates as a director. The nomination can be submitted to the Remuneration and Nomination Committee 3-4 months prior to the date of the meeting. The Company held an Annual General Meeting of 2019 on April 30, 2019.

Section 2: Equitable Treatment of Shareholders

The Board values the importance of fair and equitable treatment to all shareholders, including minority and foreign. It has established the following policies to protect the violation of the rights of shareholders and to ensure that all shareholders receive a fair and equitable treatment:

1. The Company grants an opportunity for shareholders to propose an agenda item, nominate qualified candidates as a director, and submit questions prior to the shareholders meeting between October and December of every year. The proposal of meeting agenda and nomination of directors must comply with applicable laws and regulations of the Company. Detailed information is posted on the company's website.

2. For shareholders who cannot attend the meeting and vote in person, the Company encourages them to appoint one of the company's independent directors or other individual as their proxy. Complete profile and qualifications of independent directors are provided to shareholders which they can review and select their proxy from.

3. The Company will not add new agenda item for the meeting or modify any important information without notifying shareholders in advance.

4. The Board supports a use of voting cards for all agenda items of the meeting, including a nomination of individual director, to ensure transparency and auditability.

5. The Company has established a code of conduct regarding insider trading to prevent all directors, management and employees from using inside information for their own interests. The policy is communicated to everyone in the organization and policy adherence is consistently monitored.

6. Directors and management must report their holding of company's securities, along with any changes in their holding from buying, selling, or transferring of securities, to the Board. The reporting must be done in accordance with regulations specified by the SEC.

The Company held an Annual General Meeting of 2019 on April 30, 2019. There was no addition of agenda item during the meeting.

Section 3: Roles of Stakeholders

The Company recognizes that all stakeholder groups should be treated in accordance with their respective rights as specified by the law or mutual agreements. To foster good relationship with stakeholders and promote financial stability and sustainability of the Company, we have established the following set of operational guidelines:

1. The Company has developed a code of conduct for each group of stakeholders, including shareholders, customers, employees, business partners and creditors, competitors and society and environment. The code of conduct is communicated to all directors, executives and employees in the organization. Strict compliance is enforced with penalty clearly outlined in the



employee's manual in the case of incompliance. Treatments of each stakeholder group can be summarized as follows:

Shareholders

1. Perform duties with integrity, honesty and transparency. Make decisions that are beneficial to the Company and shareholders.
2. Effectively manage the Company to achieve sustainable growth and generate rewarding returns to shareholders.
3. Perform duties by applying knowledge and management skills to the maximum for the best interests of the Company and its shareholders.
4. Manage and supervise assets of the Company to prevent unreasonable depreciation or wrongful loss.
5. Completely and accurately report business status and operating performance of the Company to the Board and shareholders
6. Refrain from seeking personal gains for oneself or other individuals.
7. Refrain from disclosing confidential information of the Company or from exploiting them for any personal gains without permission from the Company.
8. Refrain from any actions that may cause a conflict of interest with the Company without first notifying the Company.

Customers

1. Fulfill the needs of customers/ end consumers with quality products and services.
2. Provide complete and accurate information about the products and services without distorting facts.
3. Provide appropriate terms of product and service warranties.
4. Never deliver defective or substandard products and services, knowing that they may cause damages and/ or harms to the customers.
5. Set up mechanism and customer service systems that allow customers to conveniently and quickly submit their complaints about products and services.
6. Strive to keep production costs at a minimum while ensuring that the quality standard of the products and services are maintained.
7. Continuously develop products and services to increase value and benefits to customers.
8. If unable to fulfill any agreements, notify customers in a timely manner to jointly find the solutions and prevent any damages.

Employees

1. Offer appropriate employee compensation based on skills, responsibilities and individual performance.

2. Support professional and skill development of employees to promote job progression and security.
3. Encourage employee's participation in setting company's direction and problem solving.
4. Create and maintain a safe working environment for employees.
5. Reward and punish employees based on truthfulness, fairness and good faith.
6. Comply with all laws and regulations regarding labor and labor welfare.
7. Refrain from any unfair or wrongful actions which may cause a negative impact to employee's job progression and security.
8. Treat employees with respect to human rights, personal rights and duties.

Business Partners and Creditors

1. Honor and follow the agreements with business partners and creditors. If unable to fulfill any agreements, notify business partners and creditors in a timely manner to jointly find the solutions and prevent any damages.
2. Provide complete and accurate financial information.
3. Do not solicit, accept or give undue benefits of any kind to business partners or creditors. If there is information regarding potential fraudulent behaviors, discussion shall be made with the business partners and/ or creditors to jointly resolve the matter in a timely manner.

Competitors

1. Compete under the rules of fair competition.
2. Do not seek confidential information of competitors through dishonest or illegal means.
3. Do not discredit competitors through slandering or other untruthful and unjustifiable claims.

Society and Environment

1. Support activities that are beneficial to communities and society.
2. Refrain from any actions that will negatively hurt the country's reputation or damage the natural resources and environment.
3. Refrain from supporting or collaborating with businesses that conduct illegal transactions or pose harmful threats to the natural resources and environment.
4. Cultivate an awareness of community and social responsibility

across all levels of employees in the organization.

5. Ensure compliance with relevant laws and regulations.

2. The Company has established a mechanism to protect the rights of the whistleblowers.

Employees who would like to report misconducts, violations of laws, inaccuracy of financial report,



defective internal control system, or unethical practices can report the matter directly to the Board and the Audit Committee via company's website.

3. The Company prohibits all directors, executives and employees who have access to significant internal information that could impact a price change of company's securities from trading the company's securities at least 7 days prior to the release of earnings information or a public announcement of such information.

Section 4: Disclosures and Transparency

Disclosing information in an adequate, accurate and timely manner helps stakeholders make well-informed business decisions and transactions. The Company recognizes such importance and has established strict guidelines in information disclosure and transparency as follows:

1. The Board of Directors, or parties assigned by the Board, is responsible for disclosing information through the SET, based on criteria specified. The information to be disclosed includes periodic reports, such as financial statement, the annual registration statement (form 56-1), annual report (form 56-2), and non-periodic reports, such as acquisition/ disposition of assets, related transactions, approval/ cancellation of joint venture, increase/ decrease of capital, issuance of new securities, repurchase of shares, payment/ non-payment of dividends. The information, both in Thai and English, needs to be posted on company's website in a complete and timely manner.

2. The Board of Directors shall report company's compliance with regulatory policies in the annual registration statement (form 56-1) and annual report (form 56-2).

3. The Board of Directors and executives shall file a report on his/ her interests or a related person's interest as specified in Section 89/14 of the Securities and Exchange Act B.E. 2551. The reports should be submitted to an office of corporate secretary.

4. The Board of Directors shall disclose, in the annual reports, a report of the Board of Directors' responsibilities for financial statements alongside a report from independent auditor and a corporate governance report from the Audit Committee.

5. The Board of Directors shall disclose, in the annual reports, members and roles of the Board and its committee, number of meetings held and attendance of each director.

6. The Board of Directors shall disclose remuneration of directors and executives in the annual registration statement (form 56-1) and annual report (form 56-2).

7. The Board of Directors shall set up a secretary office to disclose company's information in accordance with rules specified by the SET along with providing fundamental business information, operational guidelines and corporate directions in a fair and equitable manner to the general public, shareholders, institutional investors, general investors, analysts and relevant government agencies.

8. The Board of Directors shall set up an investor relations department to manage and broadcast general information of the Company to stakeholders and general public on a regular basis. The Company has set up a channel for investor relations at ir@dodbiotech.com.

9. The Board of Directors shall supervise the Company in creating and disclosing a Management Discussion and Analysis (MD&A) together with a disclosure of financial statements every quarter. This is to ensure that investors are informed and can better understand context of changes in company's financial status and performance in each quarter, in addition to quantitative data shown in financial statements. The MD&A should always be submitted together with the submission of financial statements to the SET.

10. The Board of Directors shall disclose an audit fee along with fee for other services provided by an independent auditor.

Minimum information disclosed on company's website

In addition to disclosing information through the SET, annual registration statements (form 56-1) and annual reports as specified in regulations, the Company also discloses information, both in Thai and English, via other channels such as the company's website. The website comprises the information as follows:

1. Company's vision and mission
2. Business operations
3. List of members of the Board and management team
4. Financial statements and reports on financial status and operating performance in current and previous years
5. Downloadable form 56-1 and annual reports
6. Materials provided in briefings to analysts, fund managers and the media
7. Direct and indirect shareholding structure
8. Group corporate structure, detailing the subsidiaries, associates, joint ventures and special purpose enterprises/ vehicles (SPEs/ SPVs), if any
9. Direct and indirect shareholding of major shareholders with 5% or more of paid-up shares and voting rights
10. Direct and indirect shareholding of directors, major shareholders and senior executives
11. Notice of the annual general meeting and extraordinary general meeting
12. Company's articles of association, memorandum and shareholders agreement, if any
13. Company's corporate governance policy
14. Company's risk management policy and its implementation
15. Board charter (including responsibility, qualification and term of offices) along with matters requiring board approval



16. Charter (including responsibility, qualification and term of offices) of the Audit Committee
17. Code of conduct for employees and directors of the Company
18. Contact information for the organization or investor relations office, such as a name of a contact person who can provide information along with his/ her contact number

Section 5: Responsibilities of the Board

As a representative of shareholders, the Board of Director is responsible for governing the management of the Company to be in compliance with company's objectives, regulations and applicable laws. The Board has applied the three key principles from sufficient economy philosophy (moderation of growth, self-immunity, reasonableness) into business operations and has set company's vision, mission, policy, goals and business plans accordingly. Duties and responsibilities of the Board can be summarized as follows:

1. Board structure

- 1.1 The Board is comprised of directors who are knowledgeable, full of ethics and integrity, and as a group provide a diversity of qualifications and experience. The Board will disclose its diversity policy and the number of years each director has been with the Company in the annual report and company's website.
- 1.2 The Board is comprised of at least 5 but not more than 10 directors. All members are legal persons and at least half of them reside in the Kingdom of Thailand. In 2019, the Board has a total of 9 directors, comprising 5 non-executive directors (3 out of which are independent directors and members of the Audit Committee) and 4 executive directors. Chairman of the Executive Committee is holding a position of Vice Chairman of the Board.
- 1.3 The Board contains 5 independent directors out of 9 total directors, representing more than 1/3 of total Board members. Independent directors can independently comment on the performance of the management, creating a balance of power for the best interests of the Company. In addition, 3 of the independent directors also hold a position in the company's Audit Committee. The number of independent directors and Audit Committee members are in accordance with SEC requirements, which are to have independent directors representing at least 1/3 of total directors and to have at least 3 members in the Audit Committee. All independent directors and Audit Committee members have met the minimum qualifications specified in the Notice of Capital Market Supervisory Board.
- 1.4 The Board represents all shareholders and not a specific group of shareholders

- 1.5 The number of directors who are not independent should be proportionate to the share of controlling shareholders of the company
- 1.6 The appointment of directors needs to be transparent and in compliance with company's articles of association and applicable laws. The nomination of directors must be conducted by the Remuneration and Nomination Committee. Evaluation of directors must include a thorough review of individual's education and professional experience to assist with decision making of the Board and shareholders.

The company's articles of association state that, at every annual general meeting, one-third of the directors shall be retired from directorship. In case the number of directors is not a multiple of three, the number nearest to one-third shall be retired from directorship. During the first and second years following the company's registration, the termination of members of Board of Directors shall be determined by drawing lots. Director with longest period of directorship is required to leave in the subsequent years. Directors who resign can be appointed on the Board again.

- 1.7 The role of supervision and management should clearly be separated from each other. Chairman, Chief Executive Officer and Managing Director should be appointed from the Board of Directors. All three positions should be held by different individuals to separate duties of policy setting, supervising and managing. Different sets of roles and responsibilities are developed for the Board and the management to achieve a balance of power. The Board is responsible for setting policies and supervising management at the policy level while the management is responsible for managing day to day business in accordance with the policies. In addition, Chairman of the Board will not partake in daily management of the Company but will provide a regular management guidance through a Managing Director. Managing Director, on the other hand, is responsible for managing the business under the scope of authorities determined by the Board.
- 1.8 To maintain the effectiveness of the Board, individual directors can simultaneously hold positions in no more than 3 other publicly-listed companies. This is to ensure that directors have sufficient time to perform their Board duties.
- 1.9 The Board has developed clear policies regarding directors holding board positions in other companies. According to the company's articles of association,



directors are not allowed to conduct businesses, be a partner in an ordinary partnership, be a partner without limit in a limited partnership, hold a director position of limited company, or hold a director position in public limited company in any competing businesses, unless they notify and obtain approval from the shareholders meeting prior to the appointment of the position.

In addition, the Board does not allow company's executives to hold a board position in other companies outside the group. Any board position held in other companies by the executives must be approved by the Board, except for a board position in non-profit organization given that the position does not oppose the laws and regulations relevant to the Company's business and that the executives do not use their position in the Company to endorse outside businesses.

- 1.10 The Board has appointed a corporate secretary who has appropriate qualifications and experiences to provide legal advice, take care of the Board's activities and monitor compliance with Board resolutions. Qualifications and experiences of a corporate secretary are disclosed in the annual reports and company's website.
- 1.11 The Board promotes and supports a corporate secretary in getting a regular training and knowledge development in legal, accountancy and secretarial practices.

2. Sub Committees

- 2.1 The Company has appointed the following sub committees: (1) Audit Committee in accordance with requirements specified by SEC and SET; (2) Remuneration and Nomination Committee; and (3) Executive Committee to perform specific duties and propose matters for the Board of Directors to acknowledge or approve
- 2.2 Sub committees have the rights and duties as specified in the scope of authorities for each committee. Chairman of the Board will not hold any position in the sub committees to ensure that sub committees can perform their duties with true independence.

3. Role, Duties and Responsibilities of the Board

3.1 Duties and Responsibilities of the Board

Primary duties of the Board are to review and approve significant business

matters, including vision and mission of the Company, strategy, policies, as well as supervise and ensure compliance of business operations with policies and plans.

In addition, the Board is also responsible for the Company's financial statement. It shall supervise the Audit Committee in reviewing financial reports, creating quality and accurate financial reports using acceptable and universal accounting standards, and adequately disclosing important information of the Company. Accounting team and/ or independent auditors will present financial reports to the Board/ Audit Committee every quarter, and the Board is responsible for appropriately disclosing company's financial statements and financial information (Report of the Board of Directors' responsibilities for financial statements) in the annual reports.

3.2 Corporate Governance Policy

The Board has set and approved a written corporate governance policy for the Company. The policy is communicated to all employees in the organization for acknowledgement, alignment and compliance. The Board has reviewed the policy and adherence to the policy on a regular basis, at least once every year.

3.3 Code of Conduct

The Board greatly values righteous and fair operations of business and has developed a written code of conduct to set ethical standards of the Company and promote similar understanding among directors, executives and all employees.

The code of conduct will serve as a guideline in conducting a transparent, ethical and responsible business to stakeholders, society and environment. It reflects a set of values, operational guidelines and ethical frameworks that employees should follow. The code of conduct is communicated to all employees through training and various means of internal communication. It is strictly enforced and compliance to the code will be closely monitored by the Board.

3.4 Conflict of Interest

The Board considers matter with conflict of interest with caution and clear approval guidelines to ensure the best interests of the Company. The code of conduct regarding conflict of interest states that directors, executives, employees and other related persons, must not seek personal gains in conflict with company's interests and must refrain from any actions that would cause a conflict of interest with the Company. In addition, individuals who have vested



interests in a given transaction need to declare their relatedness to the Company and will not be allowed to participate in any decision making process related to that transaction.

The Audit Committee regularly presents related transactions and transactions with conflict of interest to the Board, where the Board has thoroughly reviewed. The Company has strictly followed regulations from SEC and SET in conducting transactions with individuals who may have a conflict of interest in a similar manner to other transactions done with the third party.

The Board will also monitor and ensure compliance with relevant regulations regarding criteria, procedure and information disclosure. Transactions with conflict of interest will be appropriately disclosed in the Company's financial statements, annual report and annual registration statement (Form 56-1).

3.5 Internal Control System

The Board places great importance to an effective governance and internal control system at both management and operational level. Internal control system is a critical enabler for the Company to reduce business risks and improve its operations through effective allocation of resources. A good internal control system also helps protect corporate assets through a prevention of fraudulent behaviors and misconducts, ensure the accuracy of company's financial reports, monitor employee compliance with relevant laws and regulations and protect shareholder's money. With that, the Company has developed written control policies to ensure that corporate assets are used effectively, budgeting and feasibility study are conducted for every investment decision, and internal control system is in place. The heads of department need to establish standardized working practices along with internal control measures to prevent unexpected incidents that could cause damage to the Company. In addition, the heads of department should encourage their personnel to willingly comply with the policies and relevant laws and be prepared for an assessment at all time.

The Board has assigned the Audit Committee to review and assess the effectiveness of the internal control system set by management. It has also prepared and reviewed control policies across various dimensions including operations, financial reporting, policy compliance, governance and risk

management. Great emphasis is also placed on early warning signs and unusual transactions.

The Company has hired an external independent auditor, Well Planning Solution Co., Ltd., to audit the Company's internal control system and ensure that the system is adequate. The external auditor will report the assessment results directly to the Audit Committee so that they can perform their duties independently and objectively. The Company monitors and evaluates performance of the internal control system on a regular basis to ensure effective business operations. The audit on internal control and review of major system will be conducted at least once a year with results disclosed in the annual reports.

3.6 Risk Management Policy

The Board places great emphasis on a good risk management policy and has assigned the Executive Committee to establish a scope and policy for risk management. The Executive Committee should review the risk management system, analyze potential risks and assess potential impact to the Company internally and externally. The Committee should summarize their findings into a risk management report, present them to the Board at least once a year and disclose all information in the Company's annual report.

- 3.7 The Audit Committee shall disclose its statement on the adequacy of the Company's internal control and risk management systems in the annual reports.
- 3.8 The Board has set clear procedures on whistleblowing for related parties and stakeholders. Complaints can be submitted via company's website or reported directly to company's independent directors or the Audit Committee, who shall arrange an investigation and report the findings to the Board accordingly.

4. Board Meeting

- 4.1 Board meeting can only be held when more than half of the directors attend the meeting. If the Chairman of the Board is not present or is unable to perform duties, Vice Chairman of the Board can serve as a meeting chair. If Vice Chairman is not present or is unable to perform duties, directors attending the meeting can select any one of them to serve as a meeting chair.
- 4.2 Ruling will be decided based on the majority votes. One director has one vote, except when he/ she has conflict of interest related to the matter and thus is not allowed to vote on that matter. If voting results are tied, meeting chair shall have the casting vote.



- 4.3 Board meeting should be held at least once every three months by the Chairman of the Board. If necessary, four directors or more can request the Chairman to call for an ad-hoc meeting. In such case, the Chairman needs to set the meeting date within 14 days from the date of request.
- 4.4 The Chairman, or director assigned by the Chairman, is responsible for setting a date, time and location of the meeting which can be at the company's head office or any other places including nearby provinces. If meeting location is not set, company's head office is to be used as a default meeting location.
- 4.5 The Chairman, or other individual assigned, is responsible for sending a meeting invitation letter, containing date, time, location and agenda, to directors or their proxy, via postal or in-person, at least seven days in advance of the meeting. For urgent matters with high impact to the interests of the Company, meeting invitation can be sent via other methods and can be notified less than seven days in advance.

5. Board Self-assessment

- 5.1 The Board and its sub committees will conduct a regular self-assessment at least once a year to allow all members to jointly review the Board's performance and solve any problems they may have.
- 5.2 Assessment rules, procedures and results will be disclosed in the annual reports.

In 2019, Board members had conducted self-assessment using self-assessment forms provided by the SET. The result of the assessment was in excellent level.

6. Remuneration

- 6.1 Board remuneration should reflect the experience, obligations, scope of work, accountability, responsibilities and contributions of each director. Remuneration of directors are determined based on clear policies and guidelines and are approved by shareholders every year. They are transparent, auditable, comparable to industry, peer size and competitive enough to attract and retain high quality directors. In determining individual compensation, the Board should also consider other factors such as added responsibilities from holding multiple positions in sub committees.
- 6.2 Remuneration of the Chief Executive Officer and Executives should be in accordance with policies specified by the Board and/ or Remuneration and Nomination Committee and/ or Executive Committee. To ensure the best interests of the Company, salaries, bonuses and other incentives of executives should be reasonable and correspond to the performance of individuals.

Executives with more responsibilities should be compensated proportionately to the added amount of work. Compensation level must be comparable to industry, peer size and competitive enough to attract and retain high quality executives. This is to be done while keeping in mind the interests and benefits of the Company and shareholders.

- 6.3 The Remuneration and Nomination Committee should conduct a performance appraisal of Chief Executive Officer annually to set his/ her individual compensation. The basis of the appraisal should be agreed upon by the Chief Executive Officer ahead of the evaluation. The criteria should be tangible and objective, including metrics from financial performance, long-term strategic performance and career development. The appraisal results should be presented to the Board for approval, and the Chairman of the Board is responsible for communicating the results to the Chief Executive Officer accordingly.

7. Board and Management Training

- 7.1 The Board encourages and facilitates trainings for all parties related to corporate governance, including directors, members of the Audit Committee, executives and corporate secretary, to ensure continuous improvement of their performance.
- 7.2 When new directors are appointed, management should provide them with documents and material that will be helpful for performing their duties such as an introduction to the business and overview of company's operations.
- 7.3 The Board requested that the Chief Executive Officer prepares company's succession plan and presents it to the Board on a regular basis. This is to ensure that appropriate successors are identified and assigned in the case that Chief Executive Officer and other executives can no longer perform their duties.
- 7.4 The Board has established a development program for executives. The Chief Executive Officer is responsible for reporting all program activities conducted during the year to the Board, while the Board would review the program results alongside with the Company's succession plan.

The Company has a budget of no more than Baht 1 million for development and training of the Board of Directors together with its sub committees.



Sub Committees

Committee Structure

The Company's sub committees are comprised of the Audit Committee, Remuneration and Nomination Committee and Executive Committee. They are responsible for performing specific duties and proposing matters for the Board to acknowledge or approve. Sub committees possess the rights and duties as specified in the scope of authorities for each committee below.

1) Audit Committee

The Audit Committee is comprised of 3 members as follows:

Name	Position
1. Mr. Dusit Chongsuttanamanee	Chairman of the Audit Committee
2. Mr. Pongthep Thitapan	Member of the Audit Committee
3. Mrs. Arporn Kosolkul	Member of the Audit Committee

Mr. Dusit Chongsuttanamanee is an individual with sufficient knowledge and experience to lead the review of the Company's financial statements and ensure their accuracy. He holds a Master of Business Administration from Kasetsart University and a Bachelor of Engineering (Second Class Honor) from Mahanakorn University of Technology. He was a faculty in 'Certificate of Business Advisor' program and 'Certificate of Intelligent Investor' program of Kasetsart University. In addition, he had graduated from the Director Accreditation Program (DAP) Class 137/ 2017 as well as Company Secretary Program (CSP) Class 74/ 2016.

Scope of Authorities, Duties and Responsibilities of the Audit Committee

1. Review and ensure that the Company has prepared accurate and reliable financial reports with adequate disclosure of information by working with a Certified Public Accountant and responsible executive officer(s).
2. Review and ensure that the Company has effective internal control and internal audit systems in place. Assess the independence of the Internal Audit Office as well as approve the appointment, transfer or termination of the Head of the Internal Audit Office.
3. Review and ensure that the Company fully complies with all Securities and Securities Exchange law, SET regulations, and other laws applicable to the business.
4. Select and nominate qualified parties to be appointed as company's external auditors along with the associated audit fee. The nomination should take into account the level of independence, credibility, availability of resources, experiences together with the workload of the auditors. Attend the meeting with a Certified Public Accountant, without the presence of the management, at least once a year.

5. Examine related transactions or transactions which may cause a conflict of interest and review their compliance with laws and regulatory requirements of the SET. This is to ensure that such transactions are appropriate and for the best interests of the Company.
6. Prepare the Report of the Audit Committee and disclose it in the annual reports of the Company. The Report shall be signed by the Chairman of the Audit Committee and must consist of the following details as required by the SET.
 - a. Opinion on the accuracy, comprehensiveness and reliability of the Company's financial reports
 - b. Opinion on the adequacy of the Company's internal audit system
 - c. Opinion on the compliance with all Securities and Securities Exchange law, SET regulations and other laws applicable to the business
 - d. Opinion on the suitability of the external auditor
 - e. Opinion on the transactions which may cause a conflict of interest
 - f. Number of Audit Committee meetings held during the year and the attendance record of each committee member
 - g. Overall opinion or comments that the Audit Committee has received while performing duties specified by the Charter
 - h. Any other matters that the Audit Committee believes shareholders and general investors should be informed within a scope of duties and responsibilities assigned by the Board
7. Review the Charter of the Audit Committee, assess the adequacy and suitability of the Charter based on circumstances that may change, and propose necessary modifications to the Board for approval.
8. Review the results of fraud investigation and set preventive measures in the organization
9. Review and comment on the suitability of anti-corruption policy
10. While performing duties, if the Audit Committee finds or suspects any actions that may affect the financial status and operating performance of the Company, the Committee shall report the matter to the Board to resolve the problem.
 - 1) Transaction with conflict of interest
 - 2) Fraud, unusual item, or defect in the internal control system
 - 3) Violation of Securities and Securities Exchange law, SET regulations and other laws applicable to the business

If the Board or executives fail to address the issues in a timely manner, any members of the Audit Committee may report such failure to the SEC.



11. Undertake other activities assigned by the Board that are agreed on by the Committee
The Company has hired an independent auditor, Well Planning Solution Co., Ltd., who is an external audit firm and not related to the Company in any way, to audit the Company's internal control system and ensure that the system is appropriate and adequate.

2) Remuneration and Nomination Committee

The Remuneration and Nomination Committee is comprised of 3 members as follows:

Name	Position
1. Mr. Dusit Chongsuttanamanee	Chairman of the Remuneration and Nomination Committee
2. Mr. Pongthep Thitapan	Member of the Remuneration and Nomination Committee
3. Mrs. Arporn Kosolkul	Member of the Remuneration and Nomination Committee

Scope of Authorities, Duties and Responsibilities of the Remuneration and Nomination Committee

The Remuneration and Nomination Committee has a scope of authorities and responsibilities as follows:

1. Propose the criteria and procedures for selecting Board members, executive directors, and senior management as well as setting their remuneration.
2. Search, select and nominate candidates with appropriate qualifications to be appointed as Board members, executive directors, and senior management to the Board.
3. Propose the criteria and procedures for performance appraisal of Board members, executive directors, and senior management to the Board.
4. Conduct a performance appraisal of Board members, executive directors, and senior management as assigned by the Board.
5. Review and modify company's compensation management policy to be in line with current condition of labor market.
6. Chairman of the Remuneration and Nomination Committee shall effectively and efficiently lead the operations of the Committee to be in accordance with the scope of authorities and responsibilities specified above

3) Executive Committee

The Executive Committee is comprised of 5 members as follows:

Name	Position
1. Mr. Tana Rangsikul	Executive Chairman
2. Mr. Aekphusit Boonsiriyotthakul	Executive Director
3. Mr. Vorarat Charoonsmith	Executive Director
4. Mr. Wuttichai Anantakul	Executive Director
5. Miss Suwarin Korntong	Executive Director

Scope of Authorities, Duties and Responsibilities of the Executive Committee

The Executive Committee has a scope of authorities and responsibilities as follows:

1. Appoint, remove, transfer, appraise performance and determine compensation and benefits for employees across all levels.
2. Appoint and remove working committees to assist or facilitate business operations.
3. Seek advice from company's experts or consultants (if any). If necessary, hire external experts or consultants with corporate expenses.
4. Issue announcements related to company's operations and authorize executive officers and/ or management-level officers to approve a disbursement of company's assets.
5. Approve capital budget at a limit of no more than 10% of total budget.
6. Approve business loan, both domestic and international, at a limit of no more than Baht 10 million.
7. Approve expenses for no more than Baht 2 million at a time.
8. Approve purchase of goods and raw material, both domestic and international, for no more than Baht 5 million at a time.
9. Approve purchase of replacement parts, equipment, and office supplies for no more than Baht 10 million at a time.
10. Approve procurement and investment of fixed asset for no more than Baht 20 million at a time.
11. Approve sales of assets (except real estate) at a limit of no more than Baht 5 million.
12. Approve sales of real estate at a limit of no more than Baht 10 million.
13. Approve signing of contract or agreement with third parties (that is not a matter related to procurement nor real estate) at a limit of no more than Baht 2 million.
14. Approve cancellation of issued purchase order at a limit of no more than Baht 10 million.



15. Approve adjustment of inventory under/ over reported from tax invoices for no more than Baht 10 million at a time.
16. Approve credit limit for general customers, subsidiary companies, or other affiliated companies at a limit of no more than Baht 50 million.
17. Approve cash sales for no more than Baht 5 million at a time.
18. Set rules and budget for wages, rewards, and compensation increase
19. Set up organizational structure and make modifications as appropriate

Nomination of Directors and Top-level Executives

The Board of Directors

The Company's Remuneration and Nomination Committee is responsible for selecting qualified candidates to be appointed as company's directors or executives. In the nomination process, major shareholders and/ or representatives of each shareholder group, experts in related fields, directors, independent directors and executives jointly nominate a list of candidates with qualified expertise, experience and competency, where emphasis will be placed on candidates with skills and experience related and critical to the Company's business. The criteria for consideration are as follows:

1. Directors must possess knowledge and experience beneficial to the business, have high integrity and business ethics, and have sufficient time to dedicate their knowledge and capability to perform duties for the Company.
2. Directors must possess all required qualifications and not have any prohibited qualifications as specified in the Public Company Act and Securities and Securities Exchange law. Directors must not lack the quality suited to be relied on to manage a public limited company, according to regulations from the SET and SEC. In addition, they must be listed in the Database of Directors and Executives of Securities Issuing Companies, according to The Notification of Capital Market Supervisory Board Re: Rules for Listing of Persons' Names on Database of Directors and Executives of Securities Issuing Companies.
3. Directors must not conduct businesses that are similar and competing with the Company's business nor become a partner or director in legal entities that are similar and competing with the Company's business, whether for interests of their own or others, without notifying the shareholders meeting prior to the appointment of the position.
4. Directors must notify the Company in a timely manner if they have vested interests, both direct and indirect, in any contracts made by the Company, or if they have increased or decreased their holdings of securities and bond issued by the Company or its subsidiary.

The selection and appointment of directors shall comply with the procedures specified in the Company's articles of association. Appointed directors must be approved by the shareholders meeting and obtain a majority vote from shareholders who attend the meeting and have voting rights.

1. Shareholders meeting shall appoint the Board of Directors, consisting of at least 5 directors, to be responsible for managing all business of the Company. The Board has full internal authorities within the scope of law, objectives, company's articles of association, resolution of shareholders meeting, along with any additional authorities specified in the Company's memorandum. Directors may or may not be shareholders of the Company.
2. No less than half of the directors must reside in the Kingdom of Thailand. All directors must possess required qualifications and not have any prohibited qualifications specified by law.
3. Directors shall be elected by the meeting of shareholders in accordance with the rules and procedures as follows:
 - 1) Each shareholder has one vote for each share held.
 - 2) Each shareholder can exercise his/ her voting rights to elect one or more persons as directors. If voting for multiple persons, specific percentage of voting rights cannot be allocated to individual director.
 - 3) The persons receiving the highest votes, in their respective order of the votes, shall be elected as directors at the number equal to the number of directors required. If there are equal votes among the persons elected and the number exceeds the required number of directors, the chairman shall have the casting vote.
4. At every annual general meeting, 1/3 of the directors shall be retired from the Board. If the number of directors is not a multiple of three, the number nearest to 1/3 shall be retired from the Board. During the first and second years following the Company's registration, the termination of Board members shall be determined by drawing lots. For subsequent years, directors with the longest period of directorship shall resign. Directors who resign can be appointed on the Board again.
5. Director who wishes to resign shall submit a resignation letter to the Company. The resignation shall be effective as from the date the Company receives the letter. Director may also inform his/ her resignation under the foregoing paragraph to the registrar of public company, if desired.
6. If the position of the director is vacant for reasons other than the expiration of the term, the Board may elect a substitute director during the next Board meeting provided that the person possesses all required qualifications and does not have any prohibited



qualifications specified by law, except for a term of less than 2 months where the substitute director shall hold the position only for the remaining term of office of the director whom he or she replaced. The resolution of the Board under the foregoing paragraph must contain no less than 3/4 of the votes by the remaining directors.

7. In the event that the entire Board vacates the office, the retiring Board shall remain in position until the new Board is in office unless the court orders otherwise. If the Board vacates the office under a court order, the Board shall hold a shareholders meeting to elect the new Board within 1 month from the date of retirement. The notice of the meeting shall be sent to shareholders no less than 14 days prior to the date of the meeting. The announcement must also be made in the newspaper no less than 3 days prior to the date of the meeting and must remain for 3 consecutive days.
8. Shareholders meeting may pass a resolution to terminate any director prior to expiration of his or her term of office by a majority vote of no less than 3/4 of shareholders who attend the meeting and have voting rights, and no less than 1/2 of number of shares from total shares held by them.

Independent Directors

The Company has determined the composition of its Board of Directors to have independent directors representing no less than 1/3 of total directors on the Board.

The Board of Directors or shareholders meeting (varying by cases) shall appoint independent directors to hold a position on the Board. The Company has a policy to appoint no less than 3 independent directors to represent at least 1/3 of total directors on the Board.

The criteria for nominating independent directors is based on criteria used in nominating company's directors. Qualified candidates for independent directors must possess all required qualifications and not have any prohibited qualifications as specified in the Public Company Act, Securities and Securities Exchange law, as well as relevant notice, regulations and/ or rules. Independent directors must also possess appropriate educational background, expertise, and professional experience. The nomination of independent directors shall be proposed to the shareholders meeting for approval and appointment. If any independent director resigns before the expiration of his/ her term of office, the Board may appoint a substitute independent director who has required qualifications stated above. A substitute independent director shall hold the position for the remaining term of office of the independent director whom he or she replaced.

The Board has determined required qualifications for independent directors as follows:

1. Owning not more than 1% of the total number of shares with voting rights issued by the Company, parent company, subsidiary and joint venture; or of the major shareholders or controlling parties. Total shareholding should also include those owned by persons related to respective independent director.

2. Not being or having been an executive director, employee, advisor with a monthly retainer, or a person with a controlling power over the Company, subsidiary, same level subsidiary, joint venture, major shareholders, or controlling parties of the Company. This is unless the person has no longer held such position for at least 2 years prior to the appointment of independent director.

3. Not being a person who has a relationship, by blood or legal registration, as parents, spouses, siblings, children and spouses of children, of executives, major shareholders, persons with a controlling power and persons being nominated as executives or controlling parties of the Company or its subsidiary.

4. Not being or having been a person with a business relationship with the Company, parent company, subsidiary, joint venture, major shareholders or controlling parties of the Company, that could prevent him/ her from exercising judgments in a fully independent manner. This also includes not being or having been a significant shareholder of a party or having a controlling power over a party with a business relationship with the Company, parent company, subsidiary, joint venture, major shareholders or controlling parties of the Company. This is unless the person has no longer held such position for at least 2 years prior to the appointment of independent director.

5. Not being or having been an auditor of the Company, parent company, subsidiary, joint venture, major shareholders or controlling parties of the Company; as well as not being or having been a significant shareholder, a person with a controlling power over, or a partner of the Audit firm of the Company, parent company, subsidiary, joint venture, major shareholders or controlling parties of the Company. This is unless the person has no longer held such position for at least 2 years prior to the appointment of independent director.

6. Not being or having been a person providing any professional services, including legal or financial advisory services, with an annual professional fees payment of more than Baht 2 million to the Company, parent company, subsidiary, joint venture, major shareholders or controlling parties of the Company; as well as not being or having been a significant shareholder, a person with a controlling power over, or a partner of professional services firm in question. This is unless the person has no longer held such position for at least 2 years prior to the appointment of independent director.

7. Not being or having been a director appointed to represent a director of the Company, major shareholders, or shareholder associated with major shareholders of the Company.

8. Not conducting a similar and competing business with the Company or its subsidiary; not being a significant shareholder in a business partnership with similar and competing business with the Company or its subsidiary; and not being an executive director, employee, advisor with a monthly retainer, or owning more than 1% of total shares with voting rights of a company with similar and competing business with the Company or its subsidiary.



9. Not having qualities that would prevent him/ her from exercise judgements in a fully independent manner with regards to the operations of the Company.

Independent directors will review and certify their independence at least once a year. The results will be reported together with a report on director qualifications at year end and will be used in preparing the annual registration statement (form 56-1) and the annual reports accordingly.

Members of Audit Committee

The Board of Directors is responsible for appointing Audit Committee members. The Audit Committee shall be comprised of no less than 3 members and all members must be independent directors. Members of the Audit Committee shall perform duties according to authorities, duties, and responsibilities specified for the Audit Committee.

At least 1 member of the Audit Committee must possess sufficient knowledge and experience to review and ensure the accuracy of company's financial statements.

Members of Executive Committee

The Board of Directors is responsible for appointing the Executive Committee. Committee members are selected from directors, executives, and senior-level employees of the Company who are capable of supervising business operations, performing management tasks, defining policies, business plan, budget, management structure along with reviewing and following up with company's operational performance in accordance with policies specified by the Board.

Executive Officers

The Company recruits its executive officers from a pool of talented individuals with knowledge and experience in fields related to company's business. Executive officers will be selected in accordance with company's regulation on human resource development and shall be approved by the Board or authorized individual assigned by the Board.

The Board of Directors is responsible for selecting candidates to be appointed as a Chief Executive Officer and approving the appointment of one. Chief Executive Officer will be assigned to recruit and appoint individuals with appropriate knowledge and experience in fields related to the Company's business for positions across all levels, except for management positions from General Manager upwards. The Executive Committee is responsible for selecting and appointing candidates for management positions from General Manager upwards, except for a Chief Executive Officer position.

As such, the appointment of a head, or responsible individual, for a matter related to internal audit and internal control functions needs to be agreed upon by the Audit Committee.

Corporate Governance of Subsidiaries and Joint Ventures

The Company has a policy to invest in other businesses that are related, beneficial to the main business, or can generate profits to the Company in a long run. For investment in a subsidiary, the Company will control and set management policies as if the subsidiary were part of the Company. It will also appoint representatives to hold board seats at the subsidiary based on its percentage of shareholding or mutual agreements. For investment in a joint venture, the Company's involvement will be relatively limited. Representatives will be appointed to hold board seats as appropriate based on mutual agreements. Board representatives need to possess qualifications and experiences suitable for managing a subsidiary and joint venture, as they need to closely monitor the operational performance of such entities and ensure that their business targets are met.

Overseeing the Use of Inside Information

Maintaining Confidentiality and Usage of Inside Information

Protecting inside information is critical to the success of the Company as well as to the career stability of all personnel. Directors, executives, and all employees shall always protect inside information along with any confidential documents, even after they are no longer in such positions, to prevent a misuse of information for personal interests, interests of related persons or other individuals, or insider trading. This will also help ensure that news and information disclosed to outsiders do not cause any harms to the business nor its reputation. The Company has set the guidelines regarding such matters as follows:

1. Directors, executives, employees and other insiders shall protect inside information along with any confidential documents from being misused for personal interests, interests of other individuals, or causing damages to the Company.
2. Directors, executives, employees and other insiders must not use confidential information of the Company for personal interests or interests of other individuals, either directly or indirectly, regardless of whether the person is compensated from doing so or whether the person is still holding such position with the Company.
3. Information involving contract counterparty and agreements made with the counterparty are considered confidential and cannot be disclosed to other parties, unless permitted by the Company and the counterparty.
4. The Company has assigned management across all levels to be responsible for protecting important information and news of the Company from leaking before they are officially made public. Any violations will be subjected to disciplinary measures specified in the Company's regulations.



5. Employees shall use inside information only within their assigned roles and responsibilities.

6. If asked or requested to disclose information beyond their scope of responsibilities, employees shall politely decline to give opinions and direct the person to department/ agency responsible for disclosing such information. This is to ensure that all information disclosed are accurate and consistent.

7. Investor relations department shall not forecast or provide opinion on any matters less than 6 months in advance to maintain its compliance with policies from the SET and international standards. However, investors may still ask and discuss with investor relations officer regarding long-term business outlook.

8. Corporate secretary office will announce a black out period for investors 30 days prior to the disclosure of company's financial statement to the public. During this period, the Company will not respond to any inquiries related to the business profits and forecasts, with an exception for inquiries that are in regard to facts and information already disclosed, inquiries about news that impact the company's share price, and inquiries on long term business perspective. The Company will avoid setting up a meeting with analysts and investors during this period. However, if such meeting is necessary, the Company will speak about long term business operations only.

Trading of Securities

1. Directors, executives, and employees are prohibited from disclosing financial statements and other information that may impact the price of company's securities to outsiders or irrelevant parties. In addition, they should refrain from trading company's securities for at least 24 hours after a public disclosure of such information, or for 48 hours if the information disclosed are of high complexity.

2. Directors, executives, spouses and underage children of directors and executives, and employees who wish to trade company's securities must notify the corporate secretary at least 1 day prior to the transaction.

3. Directors, the first four executive officers according to the definition in The Notification of Capital Market Supervisory Board Tor Chor. 23/ 2551, along with their spouses and underage children, must report their holding of securities to the SEC as required by Section 59 of the Securities and Exchange Act B.E. 2535. In addition, they should report the buying, selling, and transfer of securities to the Board on the same day that they submit their report of securities holding to the SEC.

Penalties

Directors, executives and employees who fail to comply with the code of conduct regarding maintaining confidentiality, usage of inside information and trading of securities as stated above will be subjected to various disciplinary measures, including verbal warning, written warning, probation, and termination of employment if needed. In addition, they may also be subjected to criminal and

civil liabilities according to the Securities and Exchange Act B.E. 2535, which requires them to be imprisoned for no more than 2 years, to be fined for no more than 2 times of the benefits gained but no less than Baht 500,000, or both.

11.6 Audit Fee

In 2019, the Company has recorded the following fee for audit:

Unit: Baht

	2019
Audit fee	5,510,000
Other fee (e.g. fee for BOI report review)	100,000
Total fee	5,610,000

The Annual General Meeting of 2019 had approved a budget for an audit fee in 2019 to be no more than Baht 3,500,000.

The adoption of CG Code for Listed Companies of 2018

The Company had reviewed the principles of good corporate governance and applied them to the operations of the business as appropriate.



Corporate Social Responsibility



Corporate Social Responsibility

(Corporate Social Responsibilities : CSR)

Corporate Social Responsibility Policy

The Company is committed to conduct business with high corporate social responsibility. We recognize and place great emphasis in organizing activities for the society and surrounding communities. We intend to collaborate and foster a trust-based relationship with relevant stakeholders and always be mindful of potential impact to our stakeholders, including shareholders, employees, local communities, customer, business partners, government agencies, society and the nation. We also actively build a value and culture within the organization to encourage employees to be responsible for the society they are living in. The Company has defined corporate social responsibility guidelines as follows:

1. Conduct business in accordance with good corporate governance and corporate social responsibility.
2. Respect the rights and uphold justice to all stakeholder groups.
3. Support activities for public, social and environmental benefits. Support government agency or private sector with socially and environmentally responsible tasks.
4. Encourage personnel of all levels to conduct business activities for the Company in a socially responsible manner. Promote employee participation in company's volunteering and community service activities.
5. Do not support unethical activities or activities that may cause negative impact to the confidence and trust of stakeholders, including shareholders, employees, local communities, customers, business partners, government agencies, society and the nation.

In addition, the Company has established operational guidelines for directors, executives and employees to perform their duties, along with the code of conduct and obligation to stakeholders, to establish a standard of work behaviors that is based on integrity. The code of conduct is communicated to directors, executives and employees to acknowledge and follow. Strict compliance is enforced throughout the organization with consistent follow-up and monitoring.

CSR in process

As one of the leading manufacturers of dietary supplement products made of natural extracts, the Company recognizes the importance of the Board of Investment's policy to promote local investment to support economic development at a local level, both by adding values to local agricultural products and by improving the quality of local attractions.



Thai herbs are reputable and widely-accepted in a global market. They are major exports of Thailand. Several countries use them to extract medicine to cure certain diseases while several countries grow and export them in competition with Thailand. Major Thai herbs exported as raw materials include Cardamom, Black Galingale, Turmeric, Bustard Cardamom, Thai Croton, Konjac and Tamarind, all of which are in high demand in international markets. Despite greater numbers of herb processing plant in Thailand; however, Thai herbs have become more expensive, scarcer and of lesser quality. In addition, farmers also lack knowledge in breeding selection, adjusting plantation to weather and soil conditions and have used chemical fertilizers in enhancing crop yield.

To address the BOI's local investment promotion measure; to support herbal agriculture as a primary or secondary income source of Thai farmers; to improve the value chain of herbal crop production – from the sources to the outputs – to have quality in line with safety standard and have yield sufficient to market's demand; to reduce the cost of imported organic raw material by supporting Thai farmers to grow higher quality herbs; along with to build a good corporate image, the Company, in partnership with Bio-Agri Co., Ltd or **“Baan San Rak Organic”** has launched **“ The Local Economic Development Project to Increase Value and Build Competency of Herbal Crop Production”**. The project utilizes integrated principles of crop production across all relevant fields, including soil improvement, plant species management, seeds, planting system and pest protection, production factor, along with marketing management. The learning process emphasizes the use of biological science as a foundation in problem solving, incorporated with principles from integrated crop management and organic plant production from agricultural science. Researches and agricultural innovations are used to increase value for herbal crops. In addition, action plan is created to construct a raw material processing center in the community to process local herbs into raw material that can be used in other products. This will help generate and circulate income in the community, consistent with the objective of the BOI's local investment promotion measure.

The Local Economic Development Project to Increase Value and Build Competency of Herbal Crop Production aims to transfer knowledge and develop competency of farmers in targeted areas to be able to produce herbal crops in line with the safety standard; to improve quality of life of farmers in targeted areas by providing additional income from selling high quality crops in line with the safety standard; to build a source of production that can provide adequate herbal crop supplies to the market and increase value of processed herbal crops in targeted areas; as well as to promote local investment and provide market access to the farmers according to the objective of the BOI's local investment promotion measure. The project begins with a field research to find the areas most suitable for 7 high potential herbs, namely Garcinia, Chili, Konjac, Black Galingale, Emblica and Pepper, following by a knowledge transfer to participating farmers, a safety certification of production areas and herbal crops by relevant agencies such as GAP and Organic Thailand, along with a training in marketing, crop management, storage, processing and logistics. In addition, the

Company also organizes a “farmers meet business owners” event as an opportunity to expand distribution channels through contract farming agreements.

CSR after process

The Company has organized corporate social responsibility events to promote volunteer spirits among employees. Past events are as follows:

- 💧 On February 10, 2019, the Company co-organized the 20th Pantai Norasing Mini-Half Marathon race.
- 💧 On December 26, 2019, the Company, together with The Board of Investment of Thailand, made a charitable donation to the Children’s Hospital.

Anti-Corruption

The Company is committed to conduct business with fairness, honesty, transparency and responsibility to the society and stakeholders, according to good corporate governance principles and the Company’s code of conduct, in order to build trust among stakeholders and support sustainable growth for the Company.

The Company recognizes that corruption is a significant obstacle for the Company to achieve such goal and has therefore established an anti-corruption policy, guidelines, along with the measures, as follows:

Anti-Corruption Policy

To express intention of the Company in conducting business, the Company announces that it will conduct business with transparency, adhere to good governance and shall not support all forms of corruption, whether directly or indirectly. The Company prohibits directors, executives, employees as well as third parties related to the Company to act in any ways that could imply corruption, whether by offering, promising, soliciting, demanding and giving or accepting bribes. The Company will not tolerate any forms of corruption and this applies to all businesses, transactions and all relevant departments. To ensure compliance with the policy, the Company will review procedures on a regular basis to keep up with changes in legislation, business and maintain reputation of the Company. All directors, executives and employees are required to abide by this policy.

Roles and Responsibilities

In addition to strictly following the policies, guidelines and measures, the Board of Directors and its sub committees have roles and responsibilities as defined by the Company as follows:

1. The Board of Directors is responsible for defining anti-corruption policy to prevent corruptions in any forms, directly and indirectly. The policy shall serve as a guideline for adherence and practice for the entire organization.



2. The Audit Committee is responsible for reviewing the Company's operations and ensure that the Company has adequate internal control systems in place to prevent corruption risks. The Audit Committee shall report its findings to the Board of Directors, including suggestions to improve existing anti-corruption measures.

3. The Executive Committee is responsible for implementing the policy, supporting personnel, and communicating and encouraging employees and related parties at all levels to have knowledge and understanding in the policies, guidelines and measures. The Committee should also promote and support its affiliated companies to consider implementing similar policies and measures against corruption or to apply them as appropriate. In addition, the Committee should implement any suggestions for improvements that the Board and other sub committees may have along with reviewing the suitability of the system and measures and reporting its opinion to the Board.

4. Managing Director is responsible for establishing systems to communicate, promote and support anti-corruption policy to all employees and related parties. He/ she shall also review the suitability of the system and measures on a regular basis to ensure that they are in compliance with changes in business, rule, regulation and legal requirement.

5. The internal audit office is responsible for inspecting and reviewing the operations of the business and verify that they are in compliance with the policies, guidelines, authorities, regulations, laws and requirements from regulators. The office shall ensure that the Company has appropriate and adequate internal control systems in place for corruption risks that may occur and report its findings to the Audit Committee.

Guidelines

1. This anti-corruption policy shall cover personnel management procedure, from recruitment and selection of personnel, promotion, training, performance assessment and compensation. Managers and supervisors at all levels must communicate the policy to their subordinates and ensure adherence in conducting responsible business activities.

2. Actions taken under anti-corruption policy shall comply with the corporate governance policy, code of conduct, relevant regulations and operating manuals of the Company.

3. For clarity in the implementation of matters that are at high risk of corruption, the Company requires that directors, executives and employees exercise their duties in the following areas with care:

(1) Neutrality and Political Contributions

The Company shall remain politically neutral and must not support or show favorability to any political parties, either directly or indirectly. This includes the use of company's resources in activities that may cause the Company to lose its political neutrality and/ or receive damage from being involved in such activities.

(2) *Charitable Contributions and Sponsorships*

Charitable contributions form an inherent part of the Company's culture to assist underprivileged members of the community and/or to alleviate the suffering caused through natural disasters, and/or to promote quality of life in the current and future. Such contributions shall be approved in accordance with the established procedures and be made only to a registered charity in a transparent manner. Payment must clearly identify the recipient and purpose of the contribution. Sponsorships are generally made for enhancing the brand or reputation of the Company and are usually done through various social activities. Sponsorship decisions must be based on transparent decision making with a contract and adequate evidence of payment and must be approved in accordance with the Company's procedures and authority levels. In no event shall these contributions be used to conceal corruption or bribery.

(3) *Giving and Accepting Gifts, Assets, Benefits, Hospitality and Other Expenses*

Giving and accepting gifts, assets, benefits, hospitality and other expenses may lead to a risk of corruption. Therefore, all directors and employees must not accept or give any gifts, assets, benefits, hospitality and other expenses that may cause an obligation to repay or lead to corruptions. Similar rule shall be applied to accepting and giving gifts, assets, or other benefits to third parties as well. However, if accepting or giving gifts, assets, benefits, hospitality and other expenses does not cause an obligation to repay or lead to corruptions and is in conformity with usual traditions, code of conduct and regulations of the Company, then such action can be done.

(4) *Extortion, Fraud, Deception, Collusion, Cartel, Abuse of Power, Embezzlement, Money Laundering*

The abuse of power to conduct extortion, fraud, deception, collusion, cartel, embezzlement and money laundering are illegal and expressly prohibited under this policy. Such actions are considered a breach of fiduciary responsibilities as directors or employees, regardless of the underlying intentions.

The above list is not intended to be exhaustive. Directors and employees shall use good judgment to ensure that business activities and transactions are devoid of any form of corruption.

4. Directors, executives and employees shall not solicit or accept money, undue benefits, or unnecessary items from individuals involved in the Company's business.

5. Directors, executives and employees shall not solicit or accept money, undue benefits, or unnecessary items from individuals or juristic persons involved in the business, whether it is a claim or acceptance for oneself or others that implies an intent for misconduct or violation of law.

6. Do not give, offer, or accept a donation or support of money, items and other benefits from/ to third parties, including government officials, brokers, agents, business partners, customers and decision makers, with the intent to induce an individual to act against the law or his/ her duties, or to create an advantage or exchange with special privileges that should not be



received. Giving or accepting donations and sponsorships must be done in a transparent and lawful manner and must not be used as an excuse for bribery.

7. In the case that a juristic person or third party involved in a business with the Company offers gifts or benefits to executives or employees as gratuities, executives and employees shall consider the appropriateness and suitability with regard to government regulations. If a refusal to accept is considered impolite and would harm a business relationship, then executives or employees may accept such gifts or benefits provided that their value do not exceed the maximum value of gifts or benefits government officials can accept.

8. Acceptance of gifts, assets, or other benefits should be ethical, such as accepting gifts from related parties or acquaintances. The acceptance should be general, non-specific and lawful while such gifts and assets must have reasonable value and must not be illegal.

9. Personnel of the Company, affiliated companies and their families are prohibited from soliciting or accepting gifts, assets, or other benefits from contractors, subcontractors, customers, business partners and other parties involved in the business of the Company that may create bias, uneasiness, or conflict of interest in decision making.

10. Personnel of the Company and affiliated companies must not give bribes or benefits of similar nature to other personnel of the Company or third parties, especially government officials. Giving of gifts, assets and other benefits to government officials, both domestic and international, must be done in compliance with local laws and traditions.

11. Shall not give or accept a gift which is worth more than a usual value that a reasonable person would give to/ accept from supervisors and subordinates, regardless of occasions.

12. Directors, executives, employees and affiliated companies must avoid giving or accepting gifts or benefits from business partners or those involved in the Company's business, except for the benefit of normal business operations, festivals or traditions.

13. Business with various agencies such as government agencies, state-owned enterprises, private companies, both domestic and international, must be conducted transparently, fairly, in accordance with Thai and foreign laws as well as local anti-corruption laws in the countries and regions that the Company operates in.

14. Directors, executives, employees and affiliated companies must educate customers, business partners, contractors, individuals or juristic persons involved in company's business that the Company does not support activity of any kind that is considered a corruption and will not engage in corruption through soliciting, receiving and offering of bribes. If such activities are found, the Company must be immediately informed.

15. The Company requires that this policy shall be implemented in subsidiaries, associated companies or other companies over which the Company has controlling power, including individuals involved in the business operations.

16. Directors, executives and employees who violate or fail to comply with this policy are considered breaking disciplines according to the Company's rules and regulations. If such violation or failure to comply is considered unlawful, the Company will also notify law enforcement authorities for further legal proceedings.

17. The Company and individuals involved in the business:

- (1) Subsidiary and affiliated company over which the Company has controlling power must abide by this anti-corruption measures.
- (2) Business agents and intermediaries (if any): All directors, executives and employees are prohibited from hiring any business agents or intermediaries with an objective to conduct corruption or bribery.

Implementation Measures

1. The Board of Directors, executives and employees must abide by the anti-corruption policy, corporate governance and code of conduct of the Company, and must not involve in a corruption of any forms, directly or indirectly.

2. When encounter or suspect activities that are considered corruption, employees should not neglect or ignore, but instead report the matters to their superiors, responsible individuals or designated channels, and collaborate with the Company in the investigation of facts, as stipulated in company's regulations.

3. The Company will provide fairness and protection to directors, executives and employees who refuse to cooperate in a corruption or who report evidences about corruption to the Company, even though it may lead to a loss in business opportunities. Protective measures will be strictly provided to the whistleblowers as specified in the personnel policy and/ or whistleblower policy of the Company.

4. Individuals who engage in corruptions are considered violating company's code of conduct and shall be subjected to disciplinary measures as required by company's regulation. They may also be subjected to legal measures if such actions are unlawful.

5. The Company communicates anti-corruption policy and measures, including channels to report misconduct, complaints and suggestions, to directors, executives, employees, affiliated companies and all related parties. The communication is done through various methods, such as orientation for director and employee and internal newsletter, in order to promote understanding and adherence to the policy.

6. The Company communicates anti-corruption policy and measures, including channels to report misconduct, complaints and suggestions, to the general public and stakeholders through various methods such as company's website.

7. The Company sets up a corruption risk management by assessing potential risks, prioritizing and determining appropriate measures, including monitoring the progress of implemented



measures on a regular basis. The Executive Committee has coordinated with the Audit Committee regarding major risks as well as corruption risks and has assigned the internal audit office to be an auditor.

8. The Company determines personnel management procedure that reflects its commitment to anti-corruption policy and measures, from recruitment and selection of personnel, training, performance assessment, compensation, promotion, segregation of job duties for checks and balances, as well as taking steps to ensure that there are adequate resources and skilled personnel to drive the implementation of the policy.

9. The Company determines corporate authorization procedure that is clear, concise, effective, transparent and auditable.

10. The Company sets up an internal control system covering various functions, including finance, accounting, data retention and other internal processes relevant to anti-corruption measures, along with communicating the internal control results to responsible individuals accordingly.

11. The Company sets up an internal audit system covering major activities of the Company, such as commercial operations and procurement, to ensure that internal control system could achieve specified goals. The internal audit system would also monitor adherence of business operations to the guidelines, rules and policies of the Company as well as providing suggestions for the Company to improve its operational effectiveness and increase adherence to the policies.

The Company has established a measure to report misconduct and mechanism to protect the whistleblower, including methods of communicating anti-corruption measures through new hires orientation, electronic newsletters, internal and external communication journals, policy letters to partners, customers and company's website.



Internal Control and Risk Management





Internal Control and Risk Management

In the Board of Directors meeting No. 2/ 2020, held on February 26, 2020 together with the attendance of 3 Audit Committee members, the Board had reviewed the internal control system of the Company for the year 2019 based on the internal control sufficiency evaluation guideline published by the SEC. The assessment of the Board was conducted based on inquiries with the management and the Audit Committee, who had reviewed and approved the internal control sufficiency evaluation based on audit reports and inquiries with Well Planning Solution Co., Ltd., an internal auditor of the Company. From the assessment of the Company's internal control system across five elements, namely control environment, risk assessment, control activities, information and communication, and monitoring, the Audit Committee had an opinion that the Company had adequate and appropriate internal control system. The Company allocated an adequate amount of personnel to enable effective performance of internal control tasks. In addition, it also set up adequate control processes to prevent a misuse or unauthorized use of corporate assets by directors or executives as well as to oversee transactions with persons who may have conflict of interests or related persons.

Head of Internal Audit

The Company hired Well Planning Solution Co., Ltd. ("Internal auditor") to be an internal auditor of the Company. Well Planning Solution Co., Ltd. had appointed Miss Woraluck Limsookprasert^{1/}, Managing Director, to be a person responsible for leading and conducting internal audit tasks for the Company.

The Audit Committee had reviewed qualifications of Miss Woraluck Limsookprasert and had an opinion that she possessed adequate level of independence, knowledge, capability and prior work experience in internal audit to lead and conduct internal audit tasks for the Company.

As such, the approval, appointment and transfer of the Company's Head of Internal Audit must obtain approval or agreement from the Audit Committee.

^{1/} Background check of persons assigned to conduct internal audit can be reviewed in Form 56-1 of 2019



Related Transactions





Related Transactions

The Company and its subsidiaries had conducted transactions with connected parties under the normal course of business and general commercial terms. To conform to the Rules on Connected Transactions in Section 89/12(1) of the Securities and Exchange Act (No.4) B.E. 2551, the Board of Directors, on August 13, 2008, had approved and authorized executive directors to conduct related transactions if such transactions were made under general commercial terms, in a similar manner a reasonable person would do in similar circumstances, and without influences or biases as directors, management, or stakeholders. The Board of Directors also developed code of ethics regarding related transactions in compliance with rules and regulations specified by the SEC and SET. For future related transactions, the Audit Committee shall review and determine the appropriateness of the price along with rationality of the transaction and present their findings to the Board of Directors for approval.

For the accounting period ended December 31, 2019, the Company had no related transactions with connected persons or legal entities, both within and not within the scope specified in the Notification of the Stock Exchange of Thailand regarding Related Transactions and Disclosure of Related Transactions of a Listed Company.

The Company had accounting transactions between connected persons or legal entities in that the entities had shared similar shareholders and/ or directors. The transactions were considered normal business practices and had complied with the mutual agreement between the Company and connected parties. Further details are provided in Note 32 of the Company's financial statements.

Necessity and Rationality of Related Transactions

Related transactions between the Company and its subsidiaries were conducted under the normal course of business and were approved from company's Board of Directors or Executive Committee following appropriate approval procedures specified in company's rules and regulations.

Policy on Future Related Transactions

Future related transactions of the Company will be conducted as parts of normal business, without any special favors or transfer of benefits between the Company, subsidiaries,

and persons who may have conflict of interests. Pricing will be set at general market prices and comparable to prices offered to unrelated companies. Purchase of goods or raw material from connected parties will follow contract agreement or prevailing market rates. The Audit Committee, company's auditor, or independent expert will review and comment on the appropriateness of the price and rationality of the transaction and will disclose information on type, value, and rationale for all related transactions in the annual report and present to the Annual General Meeting of the year.

In addition, the Board of Directors shall ensure compliance to the Securities and Exchange Act along with other regulations, notifications, and requirements specified by the SET. The Board of Directors shall also ensure conformance to the accounting standards concerning disclosure of related transactions and acquisition and sale of important assets of the Company and its subsidiaries, as specified by The Institute of Certified Accountants and Auditor of Thailand.

In cases where the Company, or its subsidiaries, conducts related transaction with persons who may have conflict of interests, the Audit Committee shall comment on the necessity and appropriateness of the transaction. If the Audit Committee does not possess knowledge or specialization required, an independent expert or company's auditor may express opinion on such transaction to assist directors or shareholders in decision making. Information on related transactions shall be disclosed in the note to the Company's audited financial statements.



Management Discussion and Analysis



Management Discussion and Analysis

The Board of Directors meeting of DOD Biotech PLC. (“Company”) No. 2/ 2020, held on February 26, 2020, had approved financial statements and operating performance of the Company for the year 2019, ended December 31, 2019, where the Company had a total revenue of Baht 797.50 million and net profits attributable to parent company of Baht 86.71 million. Significant operating performance are shown as follows:

(Unit: Baht million)	2019	2018	Increase / (Decrease)	% Change
Sales Revenue	789.92	666.36	123.56	18.54%
Other Revenue	7.58	6.76	0.82	12.13%
Total Revenue	797.50	673.12	124.38	18.48%
Cost of Goods Sold	380.02	256.50	123.52	48.15%
Selling Expenses	177.52	30.19	147.33	488.01%
Administrative Expenses	152.17	75.07	77.10	102.70%
Finance Cost	9.55	3.73	5.82	156.03%
Profit Before Income Tax Expenses	78.24	307.63	(229.39)	(74.56%)
Income Tax Expenses (Revenue)	4.73	2.37	2.36	99.58%
Total Profit	73.51	305.26	(231.75)	(75.92%)
Gross Profit Margin	51.89%	61.51%	(9.62%)	
Net Profit Margin	9.31%	45.81%	(36.50%)	

Explanation of changes in Company’s operating performance for the year ended December 31, 2019 is provided below:

1. Sales Revenue

Company’s sales revenue in 2019 totaled Baht 789.92 million, increasing from the same period last year by Baht 123.56 million or 18.54%. The increase in revenue was driven by additional sales from new businesses of the Company, comprising Baht 120.29 million from cosmetic manufacturing business and Baht 174.35 million from network marketing business. Expansion into new businesses was part of company’s strategy to diversify revenue sources and sustainably establish position as a provider of comprehensive health and beauty solutions.



2. Cost of Goods Sold and Gross Profit Margin

Company's cost of goods sold in 2019 totaled Baht 380.02 million, increasing from the same period last year by Baht 123.52 million or 48.15%. Gross profit margin in 2019 was 51.89%, decreasing from the same period last year by 9.62%. The increase in cost of goods sold was in line with the growth in revenue, changes in product mix, and one-time expenses. One-time expenses incurred in 2019 were as follows:

Description	Unit (Million Baht)
Dietary supplement manufacturing business	
- Allowance for impairment of destroyed inventories	4.86
Cosmetic manufacturing business	
- Cost of destroying inventories	10.60
Total	15.46

If one-time expenses were to be excluded from cost of goods sold calculation, normalized gross margin would be increased from 51.89% to 53.85%.

3. Selling Expenses

Company's selling expenses in 2019 totaled Baht 177.52 million, increasing from the same period last year by Baht 147.33 million or 488.01%. The primary drivers were the increase in commission expenses of our network marketing business as well as one-time sales promotion expenses for brand development of subsidiary company. The promotional expenses totaled Baht 16.80 million, however, it had subsequently generated Baht 174.35 million of revenue for our network marketing business.

4. Administrative Expenses

Company's administrative expenses in 2019 totaled Baht 152.17 million, increasing from the same period last year by Baht 77.10 million or 102.70%. The increase was mainly due to administrative expenses, such as salary, of subsidiary companies including PCCA Laboratory Co., Ltd. and Ultima Life Co., Ltd., both of which were new businesses of the Company.

5. Profits

The Company had total net profit for the year of Baht 73.51 million, decreasing from the same period last year by Baht 231.75 million or 75.92%. Net profit margin in 2019 was 9.31%, decreasing from the same period last year by 36.50%.

Financial Position

Total assets of the Company as at December 31, 2019 totaled Baht 1,574.61 million, increasing by Baht 167.97 million or 11.94% from Baht 1,406.64 million as at December 31, 2018. The growth of assets was driven by an acquisition of PCCA Laboratory Co., Ltd. (Indirect Subsidiary), who was a manufacturer of cosmetic products, and an increase in accounts receivable by Baht 159.77 million.

Total liabilities of the Company as at December 31, 2019 totaled Baht 336.35 million, increasing by Baht 113.96 million or 51.24% from Baht 222.39 million as at December 31, 2018. The change in liabilities was driven by Baht 102.59 million short-term and long-term borrowings from financial institutions and Baht 71.60 million short-term and long-term borrowings from financial institutions for business acquisition.

Total shareholder's equity of the Company as at December 31, 2019 totaled Baht 1,238.26 million, increasing by Baht 54 million or 4.56% from Baht 1,184.26 million as at December 31, 2018. The change in equity was a result of total profits for the year of Baht 73.51 and the warrants to purchase ordinary shares ("DOD-W1") of Baht 18.22 million.

Please be informed accordingly.

Best Regards,

Miss Suwarin Korntong
(Miss Suwarin Korntong)
Director



Report of the Board of Directors' Responsibilities for Financial Statements



Report of the Board of Directors' Responsibilities for Financial Statements

The Board of Directors is aware of its duties and responsibilities, as directors of listed company, to be responsible for the financial statements of DOD Biotech Public Company Limited along with financial information shown in the annual report. The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRSs) as specified in the Accounting Profession Act B.E. 2547 and with the SEC requirements on financial preparation and presentation under the Securities and Exchange Act B.E. 2535. Appropriate accounting policies are selected and consistently followed, careful judgments are used in making accounting estimates, and important information is adequately disclosed in the notes to the financial statements for the benefits of shareholders and investors. An independent external auditor has reviewed and audited the financial statements and has expressed an unqualified opinion in the Independent Auditor's Report.

The Board of Director, responsible for overseeing corporate governance, has established an internal control system and risk management system that are adequate and appropriate to ensure that accounting records and information are accurate, complete, and sufficient to preserve corporate assets and prevent fraud or other materially irregular operations.

With that, the Board of Directors has appointed an Audit Committee, comprising independent directors, to provide effective oversight of the quality of financial statements and adequacy of internal control system. The views of the Audit Committee are stated in the Report of the Audit Committee, presented in this annual report.

Financial statements of the Company are reviewed by the Company's external auditor, Deloitte Touche Tohmatsu Jaiyos Advisory Co., Ltd. The Board of Directors has supported the auditor with necessary information and documents to ensure that the audit corresponds with the generally accepted accounting standards of Thailand. The views of the external auditor are stated in the Independent Auditor's Report, presented in this annual report.

The Board of Directors has an opinion that the Company's overall internal control system is satisfactory and that it is reasonable to believe that the financial statements of the Company for the period ended December 31, 2019 accurately reflect the Company's financial position, operating performance and cash flows in accordance with Thai Financial Reporting Standards (TFRSs).

M.L. Termsang Sappaso
Chairman



Independent Auditor's Report and Financial Statements



Independent Auditor's Report and Financial Statements

**TO THE SHAREHOLDERS AND BOARD OF DIRECTORS
DOD BIOTECH PUBLIC COMPANY LIMITED**

Opinion

We have audited the consolidated financial statements of DOD Biotech Public Company Limited and its subsidiary (the “Group”) and the separate financial statements of DOD Biotech Public Company Limited (the “Company”), which comprise the consolidated and separate statements of financial position as at December 31, 2019, and the related consolidated and separate statements of profit or loss and other 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 our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of DOD Biotech Public Company Limited and its subsidiary and of DOD Biotech Public Company Limited as at December 31, 2019, and financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing (“TSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group in accordance with the Federation of Accounting Professions’ Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to the audit of the consolidated and separate financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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



Key Audit Matters	Audit Responses
<p>Revenue recognition</p> <p>The Company has revenue from sales of goods with respect to food supplements. Revenue from sales had different sales terms and pricing conditions. We have focused on cut-off sales of goods whether they have been recognized in accordance with Thai Financial Reporting Standards.</p> <p>Accounting policies of revenues and detail of revenue from sale of goods were disclosed in the Notes 3.15 and 30 to the financial statements, respectively.</p>	<p>Key audit procedures included:</p> <ul style="list-style-type: none"> • Understanding the revenue recognition process and related internal control procedures. • Evaluating the design and implementation of the internal control procedures on the revenue recognition. • Performing substantive testing as follows: <ul style="list-style-type: none"> - Reviewing terms and condition of the sales and agreements and recalculate the revenues whether they have been recorded appropriately and examining the related supporting documents of those revenues. - Examining the supporting documents for the revenue from sales of goods occurred near the end of accounting period. - Performing substantive analytical procedures and test of detail relating to the revenues from sale of goods.
<p>Significant business acquisition</p> <p>On January 15, 2019, the Group entered into Business Transfer Agreement to acquire and transfer the business of BGP Spectrum Power Company Limited (“BGP Spectrum”), which means assets, liabilities, all rights, duties and responsibilities of BGP Spectrum, current and that will be in the future as of the date of the entire business transfer which includes 8,100,000 ordinary shares with a par value of Baht 10 per share in PCCA Laboratory Co., Ltd. (“PCCA”), which is held by BGP Spectrum (or 90% of the number of authorized share capital of PCCA) amounting to Baht 297 million. Key audit matter is whether the acquisition assets and liabilities of PCCA at the acquisition date has been recognized in accordance with TFRSs including related disclosures.</p> <p>Accounting policies of the consolidated financial statement preparation basis and details of the business acquisition of PCCA were disclosed in the Notes 2.6, 4 and 16 to the financial statements, respectively.</p>	<p>Key audit procedures included:</p> <ul style="list-style-type: none"> • Understanding the business acquisition process and related internal control procedures. • Reviewing the design and implementation of the internal control procedures. • Performing substantive testing as follows: <ul style="list-style-type: none"> - Examining the terms and conditions of Business Transfer Agreement payment documents, share transferred documents and related supporting documents - Examining details of assets and liabilities of PCCA at the acquisition date which consists of the examination of existence, rights, obligations, valuation of assets and liabilities - Reviewing the presentation and related disclosures

Other Information

Management is responsible for the other information. The other information comprises information in the annual report, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and the management of the Company.

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 TFRSs, 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 and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the 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

Our 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.



As part of an audit in accordance with TSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our 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 and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and the 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 entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We 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 we identify during our audit.

We also provide those charged with governance with a statement that we 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 our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we 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. We describe these

matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

BANGKOK
February 26, 2020

Dr. Kiatniyom Kuntisook
Certified Public Accountant (Thailand)
Registration No. 4800
DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.



DOD BIOTECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2019	2018	2019	2018
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5.1	82,417,543	136,797,903	52,480,782	136,797,903
Temporary investment	6	-	300,000,000	-	300,000,000
Trade and other current receivables	7	231,721,354	71,947,065	281,243,033	70,951,681
Inventories	8	114,520,772	24,623,984	74,409,220	24,623,984
Other current assets		11,509,549	528,442	1,830,784	528,442
Total Current Assets		440,169,218	533,897,394	409,963,819	532,902,010
NON-CURRENT ASSETS					
Fixed deposit used as collateral	9	15,877,843	15,068,062	15,254,530	15,068,062
Investment held as available-for-sale	10	113,973,538	401,263,335	113,973,538	401,263,335
Investment in subsidiaries	11	-	-	107,909,700	999,980
Other long-term investment	12	6,000,000	-	6,000,000	-
Long-term loans to subsidiaries	13	-	-	391,000,000	-
Property, plant and equipment	14	801,235,946	265,895,243	447,438,548	265,895,243
Goodwill	4	107,875,515	-	-	-
Intangible assets	15	28,484,673	1,205,048	1,382,828	1,205,048
Deferred tax assets	31	-	2,519,042	19,373,730	2,519,042
Deposit	16	-	150,000,000	-	150,000,000
Other non-current assets	17	60,996,152	36,795,020	15,627,822	36,795,020
Total Non-current Assets		1,134,443,667	872,745,750	1,117,960,696	873,745,730
TOTAL ASSETS		1,574,612,885	1,406,643,144	1,527,924,515	1,406,647,740

Notes to the financial statements form an integral part of these statements

DOD BIOTECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT DECEMBER 31, 2019

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2019	2018	2019	2018
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Bank overdrafts and short-term borrowings					
from financial institutions	18	93,147,498	10,000,000	60,145,460	10,000,000
Trade and other current payables	19	134,478,387	203,283,432	90,619,595	203,223,432
Current portion of long-term borrowings					
from financial institutions	20	48,681,558	-	10,080,000	-
Current portion of hire-purchase payables	21	1,690,623	1,057,211	934,596	1,057,211
Current income tax payable		5,014,375	836,871	5,014,375	836,871
Other current liabilities		5,692,645	563,546	2,092,552	563,546
Total Current Liabilities		288,705,086	215,741,060	168,886,578	215,681,060
NON-CURRENT LIABILITIES					
Long-term borrowings from					
financial institutions	20	32,360,000	-	32,360,000	-
Hire-purchase payables	21	1,032,808	1,157,099	222,504	1,157,099
Deferred tax liabilities	31	4,528,875	-	-	-
Employee benefit obligations	22	4,103,155	2,052,675	2,179,769	2,052,675
Other non-current liabilities		5,620,040	3,434,277	5,413,740	3,434,278
Total Non-current Liabilities		47,644,878	6,644,051	40,176,013	6,644,052
TOTAL LIABILITIES		336,349,964	222,385,111	209,062,591	222,325,112

Notes to the financial statements form an integral part of these statements



DOD BIOTECH COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT DECEMBER 31, 2019

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2019	2018	2019	2018
LIABILITIES AND SHAREHOLDERS' EQUITY					
(CONTINUED)					
SHAREHOLDERS' EQUITY					
SHARE CAPITAL	23.1				
Authorized share capital					
592,222,222 ordinary shares of					
Baht 0.50 each		296,111,111		296,111,111	
Authorized share capital					
410,000,000 ordinary shares of					
Baht 0.50 each			205,000,000		205,000,000
Issued and Paid-up share capital					
410,000,000 ordinary shares of					
Baht 0.50 each, fully paid		205,000,000	205,000,000	205,000,000	205,000,000
PREMIUM ON ORDINARY SHARES	23.1	939,867,500	939,867,500	939,867,500	939,867,500
WARRANTS TO PURCHASE ORDINARY SHARES	23.2	18,221,926	-	18,221,926	-
RETAINED EARNINGS					
Appropriated					
Legal reserve	25	29,611,111	20,500,000	29,611,111	20,500,000
Unappropriated		95,475,687	17,879,846	194,982,557	17,944,460
Other component of shareholders' equity	10	(68,821,170)	1,010,668	(68,821,170)	1,010,668
TOTAL EQUITY ATTRIBUTIONS TO OWNERS OF THE PARENT		1,219,355,054	1,184,258,014	1,318,861,924	1,184,322,628
NON-CONTROLLING INTEREST	1	18,907,867	19	-	-
TOTAL SHAREHOLDERS' EQUITY		1,238,262,921	1,184,258,033	1,318,861,924	1,184,322,628
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,574,612,885	1,406,643,144	1,527,924,515	1,406,647,740

Notes to the financial statements form an integral part of these statements

DOD BIOTECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2019

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2019	2018	2019	2018
REVENUES					
Revenue from sales	29 and 30	789,921,051	666,363,154	551,183,087	666,363,154
Interests received		1,569,580	2,850,891	21,421,811	2,850,891
Other income		6,008,975	3,904,147	3,989,254	3,904,147
Total Revenues		797,499,606	673,118,192	576,594,152	673,118,192
EXPENSES					
Cost of sales	27	380,015,966	256,502,414	294,612,613	256,502,414
Selling expenses	27	177,517,635	30,188,235	16,015,434	30,188,235
Administrative expenses	27	152,175,677	75,071,356	67,839,787	75,006,741
Total Expenses		709,709,278	361,762,005	378,467,834	361,697,390
PROFIT BEFORE FINANCE COST AND INCOME TAX EXPENSES					
Finance costs	27	87,790,328	311,356,187	198,126,318	311,420,802
PROFIT BEFORE INCOME TAX EXPENSE		9,552,692	3,731,375	4,895,255	3,731,375
Income tax expense	31	78,237,636	307,624,812	193,231,063	307,689,427
		4,726,947	2,366,524	7,081,855	2,366,524
PROFIT FOR THE YEAR		73,510,689	305,258,288	186,149,208	305,322,903
OTHER COMPREHENSIVE INCOME					
Item that will be reclassified subsequently to profit or loss					
Unrealized gain on revaluation of investment held as available-for-sale	10				
- Net change in fair value		(86,026,462)	1,263,335	(86,026,462)	1,263,335
- Amount transferred to profit or loss		(1,263,335)	-	(1,263,335)	-
- Income tax relating to component of other comprehensive income		17,457,959	(252,667)	17,457,959	(252,667)
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)		(69,831,838)	1,010,668	(69,831,838)	1,010,668
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		3,678,851	306,268,956	116,317,370	306,333,571
PROFIT FOR THE YEAR					
ATTRIBUTABLE TO					
Owners of the parent		86,706,953	305,258,289	186,149,208	305,322,903
Non-controlling interest		(13,196,264)	(1)	-	-
		73,510,689	305,258,288	186,149,208	305,322,903
TOTAL COMPREHENSIVE INCOME					
ATTRIBUTABLE TO					
Owners of the parent		16,875,115	306,268,957	116,317,370	306,333,571
Non-controlling interest		(13,196,264)	(1)	-	-
		3,678,851	306,268,956	116,317,370	306,333,571
EARNINGS PER SHARE (BAHT)					
Basic earnings per share (Baht)	24	0.21	0.85	0.45	0.85
Diluted earnings per share (Baht)	24	0.21	-	0.45	-
Weighted average number of					
Ordinary shares (Shares)	24	410,000,000	360,273,973	410,000,000	360,273,973

Notes to the financial statements form an integral part of these statements



DOD BIOTECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2019

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS								
		Equity attributable to owners of the parent					Non-controlling interest	Total Shareholders' Equity		
		Paid-up share capital	Premium on ordinary Shares	Retained earnings		Other component of shareholders' equity			Total equity attributable to owners of the parent	
Appropriated Legal reserve	Unappropriated			Unrealized gain on revaluation of investment held as available-for-sale	Total other component of shareholders' equity					
Balance as at January 1, 2018		150,000,000	-	20,500,000	119,021,513	-	-	289,521,513	-	289,521,513
	23.1	55,000,000	939,867,500	-	-	-	-	994,867,500	-	994,867,500
	26	-	-	-	(406,399,956)	-	-	(406,399,956)	-	(406,399,956)
		-	-	-	305,258,289	-	-	305,258,289	(1)	305,258,288
		-	-	-	-	1,010,668	1,010,668	1,010,668	-	1,010,668
		-	-	-	305,258,289	1,010,668	1,010,668	306,268,957	(1)	306,268,956
		-	-	-	-	-	-	-	20	20
Balances as at December 31, 2018		205,000,000	939,867,500	20,500,000	17,879,846	1,010,668	1,010,668	1,184,258,014	19	1,184,258,033

DOD BIOTECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2019

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS								Non-controlling interest	Total Shareholders' Equity
		Equity attributable to owners of the parent					Total equity attributable to owners of the parent				
		Paid-up share capital	Premium on ordinary Shares	Warrant to purchase ordinary shares	Retained earnings	Other component of shareholders' equity	Unrealized gain on revaluation of investment held as available-for-sale	Total other component of shareholders' equity			
					Appropriated Legal reserve	Unappropriated					
Balance as at January 1, 2019		205,000,000	939,867,500	-	20,500,000	17,879,846	1,010,668	1,010,668	1,184,258,014	19	1,184,258,033
Warrants to purchase ordinary shares	23.2	-	-	18,221,926	-	-	-	-	18,221,926	-	18,221,926
Legal reserve	25	-	-	-	9,111,111	(9,111,111)	-	-	-	-	-
Profit for the year		-	-	-	-	86,706,953	-	-	86,706,953	(13,196,264)	73,510,689
Other comprehensive income		-	-	-	-	-	(69,831,838)	(69,831,838)	(69,831,838)	-	(69,831,838)
Total comprehensive income for the year		-	-	-	-	86,706,953	(69,831,838)	(69,831,838)	16,875,115	(13,196,264)	3,678,851
Non-controlling interest		-	-	-	-	-	-	-	-	32,104,112	32,104,112
Balances as at December 31, 2019		205,000,000	939,867,500	18,221,926	29,611,111	95,475,688	(68,821,170)	(68,821,170)	1,219,355,055	18,907,867	1,238,262,922

Notes to the financial statements form an integral part of these statements

UNIT : BAHT

otes to the financial statements form an integral part of these statements

DOD BIOTECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2019

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2019	2018	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before income tax expense		78,237,636	307,624,812	193,231,063	307,689,427
Adjusted by					
Depreciation		50,914,093	21,268,393	25,832,014	21,268,393
Amortization		3,558,000	381,272	411,170	381,272
Loss on diminution in value of inventories (reversal)		3,648,782	(2,536,119)	(230,902)	(2,536,119)
Employee benefit expenses		798,970	880,308	127,094	880,308
Write-off fixed assets		214,745	86,916	-	86,916
Doubtful accounts		(319,290)	-	-	-
Interest income		(1,569,580)	(2,850,891)	(21,421,811)	(2,850,891)
Interest expense		9,552,692	3,731,375	4,895,255	3,731,375
Realized gain on investment in available-for-sales securities		(2,279,014)	-	(2,279,014)	-
Profit on disposal of property, plant and equipment		(320,502)	-	-	-
		142,436,532	328,586,066	200,564,869	328,650,681
(Increase) decrease in operating assets					
Trade and other current receivables		(147,400,758)	(14,319,679)	(190,665,461)	(13,324,295)
Inventories		(77,502,158)	1,182,798	(49,554,334)	1,182,798
Other current assets		(9,733,921)	84,481	(1,302,342)	84,481
Fixed deposit used as collateral		(194,087)	(15,068,062)	(186,467)	(15,068,062)
Deposit	16	-	(150,000,000)	-	(150,000,000)
Other non-current assets		(22,824,770)	(34,908,043)	21,167,198	(34,908,043)
Increase (decrease) in operating liabilities					
Trade and other current payables		77,009,262	(44,683,870)	67,656,278	(44,743,870)
Other current liabilities		4,353,363	(2,573,198)	1,529,006	(2,573,198)
Other non-current liabilities		2,004,536	(738,750)	1,979,463	(738,750)
Cash received (paid) from operations		(31,852,001)	67,561,743	51,188,210	68,561,742
Proceeds from interest income		1,477,028	2,467,040	1,795,918	2,467,040
Interest paid		(9,501,176)	(3,802,650)	(4,858,629)	(3,802,650)
Income taxes paid		(2,890,278)	(1,336,898)	(2,301,080)	(1,336,898)
Net cash provided by (used in) operating activities		(42,766,427)	64,889,235	45,824,419	65,889,234



DOD BIOTECH COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2019

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2019	2018	2019	2018
CASH FLOWS FROM INVESTING ACTIVITIES					
(Increase) / decrease in temporary investment		300,000,000	(295,000,000)	300,000,000	(295,000,000)
Cash received from investment held as available-for-sale		587,279,014	-	587,279,014	-
Cash paid for investment held as available-for-sale		(385,000,000)	(400,000,000)	(385,000,000)	(400,000,000)
Cash paid for purchases of fixed assets and intangible assets	5.2	(289,426,087)	(38,133,520)	(207,861,054)	(38,133,520)
Cash paid for other long-term investment		(6,000,000)	-	(6,000,000)	-
Cash paid for investment in subsidiaries		-	-	(106,909,720)	(999,980)
Increase in long-term loans to subsidiaries		-	-	(241,000,000)	-
Net cash paid for acquisition of business		(142,909,255)	-	-	-
Net cash provided by (used in) investing activities		63,943,672	(733,133,520)	(59,491,760)	(734,133,500)
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash received from share capital	23.1	-	994,867,500	-	994,867,500
Cash received from bank overdraft and short-term borrowings from financial institution		324,021,816	10,000,000	300,145,460	10,000,000
Cash paid from bank overdraft and short-term borrowings from financial institution		(270,000,000)	-	(250,000,000)	-
Cash received from long-term borrowings from financial institution		50,000,000	-	50,000,000	-
Cash paid for long-term borrowings from financial institution		(26,355,000)	(49,724,354)	(7,560,000)	(49,724,354)
Cash paid for hire-purchase payables	5.3	(2,136,671)	(1,004,086)	(1,057,210)	(1,004,086)
Advance received from warrant exercise		18,221,926	-	18,221,926	-
Dividend paid		(180,399,956)	(261,000,000)	(180,399,956)	(261,000,000)
Cash received from non-controlling interest		11,090,280	19	-	-
Net cash provided by (used in) financing activities		(75,557,605)	693,139,079	(70,649,780)	693,139,060
Net increase (decrease) in cash and cash equivalents		(54,380,360)	24,894,794	(84,317,121)	24,894,794
Cash and cash equivalents as at January 1,		136,797,903	111,903,109	136,797,903	111,903,109
Cash and cash equivalents as at December 31,	5.1	<u>82,417,543</u>	<u>136,797,903</u>	<u>52,480,782</u>	<u>136,797,903</u>

Notes to the financial statements form an integral part of these statements

DOD BIOTECH PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

1. THE OPERATIONS AND GENERAL INFORMATION OF THE COMPANY

DOD Biotech Public Company Limited (the “Company”) is incorporated as a limited company in Thailand under the laws of Thailand on February 11, 2011. The Company registered the head office at 111 Moo 2 Taa jeen Muengsamutsakhon, Samut Sakhon. The principal business operations of the Company are the business of food supplements and health drinks of all kinds.

On November 28, 2017, the Extraordinary Shareholders’ Meeting has passed the resolution for approval of the conversion from a private company into a public company limited in order to submit the IPO filing to the Security and Exchange Commission (“SEC”) to issue and offer its shares for initial public offering and list its shares in the Stock Exchange of Thailand. The Company registered the conversion of a private company into a public company limited with the Department of Business Development, the Ministry of Commerce on November 29, 2017 (see Note 23).

On April 3, 2018, the Company has been approved for offering its shares for initial public offering by the Security and Exchange Commission.

On June 20, 2018, the Company has been approved for offering its shares for initial public offering by the Market for Alternative Investment (mai). The symbol is DOD.

As at December 31, 2019 and 2018, the Company’s major shareholder is Mr. Lampun Puntanaprates, holding 36.69% and 36.59% of the Company’s paid-up share capital, respectively.

On December 26, 2018, the Company has established a subsidiary, DOD Healthy Life Co., Ltd., which was incorporated as a limited company under Thai laws. The registered office is located at No. 111 Moo 2 Taa jeen Muengsamutsakhon, Samut Sakhon and its principal activity is holding business (see Note 2.6).

On January 15, 2019, DOD Healthy Life Co., Ltd., a subsidiary company, acquired and transferred the business of BGP Spectrum Power Company Limited (“BGP Spectrum”), which means assets, liabilities, all rights, duties and responsibilities of BGP Spectrum, current and that will be in the future as of the date of the entire business transfer which includes 8,100,000 ordinary shares with a par value of Baht 10 per share in PCCA Laboratory Co., Ltd. (“PCCA”), which is held by BGP Spectrum (or 90% of the number of authorized share capital of PCCA) and the principal business operation is to produce cosmetic products (see Notes 2.6 and 4).

On March 13, 2019, the Company has established a subsidiary, “Ultima Life Co., Ltd.”, which was incorporated as a limited company under Thai laws. The registered office is located at No. 60 Soi Praditmanutham 19 Praditmanutham Road, Lat Phrao, Bangkok and its principal activity is network marketing business (see Note 2.6).



On June 19, 2019, the Company has established a subsidiary, “HY DOD Co., Ltd.”, which was incorporated as a limited company under Thai laws. The registered office is located at 119/943 Saima, Meung Nonthaburi, Nonthaburi, and its principal activity is the sale of food supplements (see Note 2.6).

On July 3, 2019, the Company has set up new subsidiary, “DOD Sale Power Co., Ltd.”, which was incorporated as a limited company under Thai laws. The registered office is located at No. 111 Moo 2 Taa jeen Muengsamutsakhon, Samut Sakhon, and its principal activity is advisory service (see Note 2.6).

On August 28, 2019, the Company has set up new subsidiary, “Siam Herbal Tech Co., Ltd.”, which was incorporated as a limited company under Thai laws. The registered office is located at No. 166/9 Moo 2 Nong Bon Daeng, Banbung, Chon Buri, and its principal activity is manufacturing extraction (see Note 2.6).

On August 28, 2019, the Company has set up new subsidiary, “AK DOD Co., Ltd.”, which was incorporated as a limited company under Thai laws. The registered office is located at No. 111 Moo 2 Taa jeen Muengsamutsakhon, Samut Sakhon, and its principal activity is the sale of cosmetics and food supplements (see Note 2.6).

Details of non-controlling interests as at December 31, were as follows:

Name of the entity	Country of incorporation	Proportion of ownership interests and voting rights held by non-controlling interests		Comprehensive income allocated to non-controlling interests for the years ended		Accumulated non-controlling interests	
		2019 (%)	2018 (%)	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Direct subsidiaries							
DOD Healthy Life Co., Ltd.	Thailand	99.99	99.99	(345)	(1)	(326)	19
Ultima Life Co., Ltd.	Thailand	80.00	-	(9,283,163)	-	716,847	-
HY DOD Co., Ltd.	Thailand	51.00	-	(59,360)	-	185,650	-
DOD Sale power Co., Ltd.	Thailand	70.00	-	(29,375)	-	570,725	-
Siam Herbal Tech Co., Ltd.	Thailand	99.99	-	(1)	-	149	-
AK DOD Co., Ltd.	Thailand	51.00	-	(48,387)	-	196,623	-
Indirect subsidiary							
PCCA Laboratory Co., Ltd.	Thailand	90.00	-	(3,775,633)	-	17,238,199	-
Total				(13,196,264)	(1)	18,907,867	19

2. BASIS FOR PREPARATION AND PRESENTATION OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

- 2.1 The Group maintains its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards and practices generally accepted in Thailand.
- 2.2 The Group’s financial statements have been prepared in accordance with the Thai Accounting Standard (TAS) No. 1 (Revised 2018) “Presentation of Financial Statements”, which was effective for financial periods beginning on or after January 1, 2019 onwards, and the Regulation of The Stock Exchange of Thailand (SET) dated October 2, 2017, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2560 and the Notification of the Department of Business Development regarding “The Brief Particulars in the Financial Statement (No. 2) B.E. 2559” dated October 11, 2016.

- 2.3 The financial statements have been prepared under the historical cost convention except as disclosed in the significant accounting policies.
- 2.4 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements.

During the year, the Group have adopted the revised and new financial reporting standards and guidelines on accounting issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, the new financial reporting standards which was changed the core principle is Thai Financial Reporting Standard No. 15 "Revenue from Contracts with Customers" ("TFRS 15").

This TFRS supersedes the following revenue Standards and Interpretations upon its effective date: Thai Accounting Standard No. 11 "Construction Contracts", Thai Accounting Standard No.18 "Revenue", Thai Accounting Standard Interpretation No. 31 "Revenue-Barter Transactions Involving Advertising Services", Thai Financial Reporting Standard Interpretation No.13 "Customer Loyalty Programmes, Thai Financial Reporting Standard Interpretation No.15 "Agreements for the Construction of Real Estate" and Thai Financial Reporting Standard Interpretation No.18 "Transfers of Assets from Customers".

The core principle of this TFRS is that the group should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects to consideration to which the group expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract.

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

Under this TFRS, the group recognizes revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The Group's accounting policies for revenues are disclosed in Note 3.15 to the financial statements. The application of TFRS 15 has no significant impact on the financial position and/or financial performance of the Group.



2.5 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective.

The Federation of Accounting Professions has issued the Notification regarding Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretation and Thai Financial Reporting Standard Interpretation, which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2020 onwards. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards.

The Group's management will adopt such TFRSs in the preparation of the Group's financial statements when it becomes effective. The Group's management has assessed the impact of these TFRSs and considered that the adoption of these financial reporting standards does not have any material impact on the financial statements of the Group in the period of initial application, except the financial reporting standards as follow:

Group of Financial Instruments Standards

Thai Accounting Standards (“TAS”)

TAS 32 Financial Instruments: Presentation

Thai Financial Reporting Standards (“TFRS”)

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Thai Financial Reporting Standard Interpretations (“TFRIC”)

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These group of Standards make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost; taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model, the calculation of impairment using the expected credit loss method, and the concept of hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. These Standards will supersede the Standards and Interpretations relating to the financial instruments upon its effective date.

Thai Financial Reporting Standards No. 16 “Leases” (“TFRS 16”)

This TFRS provides a comprehensive model for the identification if lease arrangements and their treatment in the financial statements of both lessees and lessors.

This TFRS will supersede the following lease Standards and Interpretations upon its effective date, which are Thai Accounting Standard No.17 “Leases”, Thai Accounting Standard Interpretation No.15 “Operating Lease - Incentives”, Thai Accounting Standard Interpretation No.27 “Evaluating the Substance of Transactions involving the Legal Form of a Lease” and Thai Financial Reporting Standard Interpretation No.4 “Determining whether an Arrangement contains a Lease”.

For lessee accounting, there are significant changes to lease accounting in this TFRS by removing the distinction between operating and finance leases under TAS 17 and requiring a lessee to recognize a right-of-use asset and a lease liability at commencement for all leases, except for short-term-leases and leases of low value assets. However, the lessor accounting treatment continues to require a lessor to classify a lease either as an operating lease or a finance lease, using the same concept as TAS 17.

The Group’s management is in the process to assess the impact of this TFRS on the financial statements of the Group in the period of initial application.

2.6 Basis of preparation of consolidation financial statements

2.6.1 The consolidated financial statements include the financial statements of DOD Biotech Public Company Limited (the “Company”), and the subsidiary company (“the subsidiary”) as follow:

As at December 31, the Company has shareholding portion in the subsidiaries as follow:

Subsidiaries	Type of business	Country of registration	Registration Date	Shareholdings	Shareholdings
				2019 (%)	2018 (%)
Direct subsidiaries					
DOD Healthy Life Co., Ltd.	Holding business	Thailand	26-Dec-18	99.99	99.99
Ultima Life Co., Ltd.	Network marketing business	Thailand	13-Mar-19	80.00	-
HY DOD Co., Ltd.	Trading business	Thailand	19-Jun-19	51.00	-
DOD Sale power Co., Ltd.	Advisory service	Thailand	3-Jul-19	70.00	-
Siam Herbal Tech Co., Ltd.	Manufacturing Extraction	Thailand	28-Aug-19	99.99	-
AK DOD Co., Ltd.	Trading business	Thailand	28-Aug-19	51.00	-
Indirect subsidiary					
PCCA Laboratory Co., Ltd.	Manufacturing cosmetic	Thailand	31-Oct-05	90.00	-

2.6.2 The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.

2.6.3 The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.



- 2.6.4 Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements. The consolidated financial statements for the year ended December 31, 2019 and 2018 were prepared by using the financial statements of its subsidiaries as of the same date.
- 2.6.5 Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and deposits at banks and short-term investments with high liquidity, which is due to be repaid within a period not exceeding three months from the date of acquisition and no restrictions on the withdrawal.

3.2 Temporary investments

Temporary investments consist of time deposits at banks with original maturities later than 3 months but not later than 1 year from the date of acquisition which are stated at cost.

3.3 Trade and other current receivables

Trade and other current receivables are stated at the net realizable value.

The allowance for doubtful accounts is assessed primarily on analysis of overdue aging and future expectations of customer payments. Bad debts are written off when incurred.

3.4 Inventories

Inventories are valued at the lower of cost or net realizable value. Cost is determined by the first-in, first-out method. Cost of the finished goods and work in process comprises raw materials, direct labor, other direct cost and manufacturing overhead.

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

Allowance for devaluation of inventory is provided for obsolete, slow-moving or deteriorated inventories.

3.5 Investment held as available-for-sale

Investments held as available-for-sale are determined at fair value. The change in value of securities is recorded as “Other Components of Shareholders’ Equity” until investments held as available-for-sale are sold, then, the change shall be recorded as profit or loss in the statement of profit or loss.

The fair value of marketable securities is based on the latest bid price of the last working day of the period as quoted on the Stock Exchange of Thailand. The fair value of unit trust is determined from the trusts’ net asset value.

Gains or losses on sale of investments are determined by the weighted average method.

3.6 Investment in subsidiaries

Investment in subsidiaries in the separate financial statements is stated at cost less allowance for impairment (if any).

3.7 Other long-term investment

Other long-term investment is non-marketable equity security which is stated at cost less any impairment losses (if any).

3.8 Goodwill

Goodwill is measured at the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree, less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. If the net realized amount (fair value) of identifiable assets acquired and liability assumed is higher than the fair value of the consideration transfer, the Group will recognize the surplus as gain in statement of profit or loss and other comprehensive income.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business acquisition. If a business acquisition results in the termination of pre-existing relationships between the Group and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognized as other expenses.

A contingent liability of the acquiree is assumed in a business acquisition only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

Transaction costs that the Group incurs in connection with a business acquisition, such as legal fees, and other professional and consulting fees are recognized as expenses when incur.

The Group assesses the impairment of goodwill on a yearly basis. Regardless of whether there will be indications for impairment occur or not.



3.9 Property, plant and equipment

Land of the Company is stated at cost less provision for impairment (if any).

Plant and equipment of the Company is stated at cost, less accumulated depreciation and provision for impairment (if any).

Depreciation of plant and equipment of the Company is calculated by the straight-line method over the estimated useful lives of the assets as follows:

Land improvements	20 years
Building	30 years
Building improvements	5 - 30 years
Machinery and equipment	5 - 10 years
Furniture and office equipment	5 years
Vehicles	5 years

3.10 Borrowing costs

The Company records its borrowing costs incurred during the construction of factory as cost of construction in progress until its completion. Total costs do not exceed the net realizable value.

Borrowing costs subsequently incurred after the completion of construction is recognized as expense for the year.

3.11 Intangible asset

Trade name

Trade name is measured at cost less accumulated amortization and allowance for impairment losses, if any.

Other intangible asset

Other Intangible asset is computer software cost which is stated at costs less accumulated amortization.

Amortization

Amortization is calculated over the cost of the asset, or other amount substituted for cost, less its accumulated amortization.

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

The estimated useful lives are as follows:

Trade name	10 years
Computer software	5 years

3.12 Hire purchase agreements

The Company records vehicles under hire-purchase agreements as assets and liabilities in the statement of financial position at amount equal to the fair value of such assets at the inception of the agreements or, if lower, at the present value of the minimum payments. In calculating the present value of the minimum payments, the discount factor used is the interest rate implicit in the agreements. The interest charge is recorded over the contract period based on the remaining balance of the liabilities for each period.

3.13 Employee benefits

Defined contribution plans

The contribution for employee provident fund is recorded as expenses on an accrual basis.

Other long-term employee benefits

Employee benefit obligations are the provision for benefit obligations for employees who are entitled to receive it upon retirement under the Labor Protection Act. The obligations are assessed by an independent actuary and based on actuarial assumptions using Projected Unit Credit Method to determine the present value of cash flows of employee benefit to be paid in the future. Under this method, the determination is based on actuarial calculations which include the employee's salaries, turnover rate, mortality rate, years of service and other factors.

Gain (loss) on remeasurement of defined benefit plan arising from post-employment benefits are recognized immediately in other comprehensive income.

3.14 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

3.15 Revenues and expenses recognition

3.15.1 Revenues from sales of goods

Revenues from sales of goods is recognized when control of the goods has transferred to the customer, sales are stated at the invoiced value, excluding value added tax, of goods supplied after deducting goods returned and discounts.

3.15.2 Other income is recognized on an accrual basis.

3.15.3 Expenses are recognized on an accrual basis.



3.16 Operating lease agreement

Lease in which substantially all the risks and rewards of ownership of assets remain with the lessor is accounted for as operating lease. Rentals applicable to such operating leases are charged to the statement of profit or loss, using the straight-line method over the lease term.

3.17 Foreign currency transactions

Transactions denominated in foreign currencies incurred during the year are translated into Baht at the exchange rate on the transactions dates. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated into Baht at the reference exchange rates established by the Bank of Thailand on that date.

Gains or losses on foreign exchange rate arising on settlements and translation are recognized as income or expense in the statement of profit or loss and other comprehensive income.

3.18 Income tax expenses

Income tax expenses represent the sum of the tax currently payable and deferred tax.

3.18.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted at the reporting date.

3.18.2 Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit (tax base). Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for temporary differences to the extent that it is probable that taxable profits will be available against which those temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at the reporting date. Deferred tax asset shall be reduced to the extent that utilized taxable profits are decreased. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available to allow total or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the end of the reporting period.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off the recognized amounts and the Company intend to settle on a net basis or to realize the asset and settle the liability simultaneously and when they relate to income taxes levied by the same taxation authority.

Income tax expenses or income related to profit or loss are presented in the statement of profit or loss except for current income taxes and deferred taxes related to items that recognized directly in shareholders' equity in the same or different period.

3.19 Earnings per share

Basic earnings per share

Basic earnings per share are calculated by dividing net profit for the year by the weighted average number of outstanding ordinary shares at the statement of financial position date. In case of a capital increase, the number of ordinary shares is weighted according to time of subscriptions received for the increase in issued and paid-up capital

Diluted earnings per share

Diluted earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the sum of the weighted average number of ordinary shares which issued during the year and the weighted average number of ordinary shares which would need to issue to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

3.20 Fair value measurement for disclosure purpose

The Group regularly review significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the Group assess the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of TFRS 13, including the level in the fair value hierarchy.

When measuring the fair value of an asset or a liability, the Group use market observable data as the first priority. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques for fair value measurement as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity 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.



3.21 Use of management's judgments and key sources of estimation uncertainty

3.21.1 Management's judgments in applying accounting policies

The preparation of financial statements in conformity with Thai Financial Reporting Standards requires the Group's management to exercise various judgements in applying accounting policies that can significantly affect the recognition and disclosures in the financial statements. Significant judgements in applying accounting policies are as follows:

Allowance for doubtful accounts

An allowance for doubtful accounts is provided for the estimated losses that may be incurred in the collection of receivables. The allowance is generally based on collection experiences and analysis of debtor aging.

Allowance for loss on diminution in value of inventories

The Group has provided allowance for obsolete and slow-allowance based upon the quantities of inventories which are no longer in the production plan. For slow-moving inventories, the Group estimates allowance based upon the quantities of inventories which are expected to be unsalable considering the actual sales information of the current year and sales plan for next year.

Deferred tax assets

Details of the deferred tax assets are set out in Notes 3.18.2 and 31.

Employee benefit obligations

Past service cost related to the plan amendment is recognized as an expense in the statement of profit or loss when the plan amendment is effective (see Note 3.13).

3.21.2 Key sources of estimation uncertainty

The Group has estimates with the assumptions concerning the future. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Fair value measurements and valuation processes

Details of the fair value measurements and valuation processes are set out in Notes 3.20 and 34.4.

4. BUSINESS ACQUISITION

As at January 15, 2019, the fair value amounts of net identifiable assets of PCCA Laboratory Co., Ltd. acquired (see Note 16) on the date of acquisition were as follows:

	Baht
Cash and cash equivalents	4,090,745
Trade and other current receivables	11,961,687
Inventories	16,043,412
Fixed deposit used as collateral	615,694
Property, plant and equipment	297,834,722
Intangible assets	28,353,437
Bank overdraft and short-term borrowing from financial institution	(29,125,682)
Trade and other current payables	(33,768,715)
Deferred tax liabilities	(26,257,513)
Long-term borrowing from financial institution	(57,396,558)
Hire-purchase payables	(2,038,792)
Employee benefit obligations	(1,251,510)
Other assets / (Other liabilities) - net	1,077,390
Net identifiable assets and liabilities	<u>210,138,317</u>
Non-controlling interests	21,013,832
Consideration transferred	<u>297,000,000</u>
	<u>318,013,832</u>
Goodwill	<u><u>107,875,515</u></u>
Cash flows paid for acquisition of business	
Consideration transferred	297,000,000
<u>Less</u> Deposit (see Note 16)	(150,000,000)
<u>Less</u> Cash and cash equivalent received from business acquisition	<u>(4,090,745)</u>
Net cash flows paid for acquisition of business	<u><u>142,909,255</u></u>

Since the acquisition date up to December 31, 2019, PCCA Laboratory Company Limited had total revenue and net loss which were included in the consolidated financial performance for the year ended December 31, 2019 in the amount of Baht 121.43 million and Baht 27.62 million, respectively.



5. ADDITIONAL CASH FLOW INFORMATION AND CASH EQUIVALENTS

5.1 Cash and cash equivalents as at December 31, consist of the following:

	Consolidated Financial Statements		Separate Financial Statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Cash on hand	524,818	22,928	320,120	22,928
Cheque on hand	266,590	64,200	184,896	64,200
Cash at banks				
- Current accounts	440,000	80,000	317,661	80,000
- Savings accounts	81,186,135	136,630,775	51,658,105	136,630,775
Total	82,417,543	136,797,903	52,480,782	136,797,903

5.2 Non-cash transactions for the years ended December 31, are as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Payable for purchase of fixed assets and intangible assets as at January 1,	2,261,428	2,744,771	2,261,428	2,744,771
<u>Add</u> Purchases during the year	290,980,957	37,650,177	207,964,269	37,650,177
<u>Less</u> Hire purchase payable during the year	(607,000)	-	-	-
Cash payment during the year	(289,426,087)	(38,133,520)	(207,861,054)	(38,133,520)
Payable for purchases of fixed assets and intangible asset as at December 31,	<u>3,209,298</u>	<u>2,261,428</u>	<u>2,364,643</u>	<u>2,261,428</u>

5.3 Non-cash transactions for the years ended December 31, are as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Hire-purchase payables as at January 1,	2,214,310	3,218,396	2,214,310	3,218,396
<u>Add</u> Hire purchase payable during the year	607,000	-	-	-
Acquisitions/adjustments through business combination (see Notes 4)	2,038,792	-	-	-
<u>Less</u> Payments the hire purchase payable during the year	(2,136,671)	(1,004,086)	(1,057,210)	(1,004,086)
Hire-purchases payables as at December 31,	<u>2,723,431</u>	<u>2,214,310</u>	<u>1,157,100</u>	<u>2,214,310</u>

5.4 Reconciliation of liabilities arising from financing activities for the years ended December 31, are as follows:

Consolidated Financial Statements						
	Balance as at January 1, 2019	Cash Provided by Financing Activities	Cash Used in Financing Activities	Non-cash Changes	Acquisitions /adjustments Through Business combination (see Note 4)	Balance as at December 31, 2019
	Baht	Baht	Baht	Baht	Baht	Baht
Bank overdraft and						
Short-term borrowings						
from financial institutions	10,000,000	324,021,816	(270,000,000)	-	29,125,682	93,147,498
Long-term borrowings						
from financial institutions	-	50,000,000	(26,355,000)	-	57,396,558	81,041,558
Hire-purchase payables	2,214,310	-	(2,136,671)	607,000	2,038,792	2,723,431

Separate Financial Statements						
	Balance as at January 1, 2019	Cash Provided by Financing Activities	Cash Used in Financing Activities	Non-cash Changes	Others Changes	Balance as at December 31, 2019
	Baht	Baht	Baht	Baht	Baht	Baht
Bank overdraft and						
Short-term borrowings						
from financial institution	10,000,000	300,145,460	(250,000,000)	-	-	60,145,460
Long-term borrowings						
from financial institution	-	50,000,000	(7,560,000)	-	-	42,440,000
Hire-purchase payables	2,214,310	-	(1,057,210)	-	-	1,157,100

Consolidated and Separate Financial Statements						
	Balance as at January 1, 2018	Cash Provided by Financing Activities	Cash Used in Financing Activities	Non-cash Changes	Acquisitions /adjustments Through Business combination	Balance as at December 31, 2018
	Baht	Baht	Baht	Baht	Baht	Baht
Short-term borrowings						
from financial institutions	-	10,000,000	-	-	-	10,000,000
Long-term borrowings						
from financial institutions	49,724,354	-	(49,724,354)	-	-	-
Hire-purchase payables	3,218,396	-	(1,004,086)	-	-	2,214,310

6. TEMPORARY INVESTMENT

As at December 31, 2018, the Company's short-term deposits at financial institution in the consolidated and separate financial statement of Baht 300 million, which is fixed deposits with maturity term 6 months and interest rate of 1.6% per annum (as at December 31, 2019 the consolidated and separate financial statements : Nil).



7. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables as at December 31, consist of the following:

	Consolidated Financial Statements		Separate Financial Statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Trade receivables				
Related company	-	-	53,620,260	-
Other companies	216,656,791	66,037,378	199,763,082	66,037,378
<u>Less</u> Allowance for doubtful accounts	<u>(702,770)</u>	<u>(2,912,550)</u>	<u>-</u>	<u>(2,912,550)</u>
Trade receivables - net	<u>215,954,021</u>	<u>63,124,828</u>	<u>253,383,342</u>	<u>63,124,828</u>
Other receivables				
Advance for purchasing goods	9,750,701	5,829,651	5,872,819	5,829,651
Other receivables - related companies	-	-	16,050	-
Other receivables - other companies	107,704	452,547	51,531	452,547
Accrued interests - related companies	-	-	19,957,123	-
Accrued interests - other companies	92,552	-	92,552	-
Prepaid expenses	5,208,150	1,544,655	1,866,616	1,544,655
Advance payment	608,226	995,384	3,000	-
Total other receivables	<u>15,767,333</u>	<u>8,822,237</u>	<u>27,859,691</u>	<u>7,826,853</u>
Total	<u>231,721,354</u>	<u>71,947,065</u>	<u>281,243,033</u>	<u>70,951,681</u>

Trade and other receivables are classified by aging as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Related company				
Current	-	-	17,060,720	-
Overdue				
3 months or less	-	-	13,660,510	-
Over 3 months up to 6 months	-	-	22,899,030	-
Over 6 months up to 12 months	-	-	-	-
Over 12 months	-	-	-	-
	<u>-</u>	<u>-</u>	<u>53,620,260</u>	<u>-</u>
Other companies				
Current	69,393,746	20,675,970	59,735,851	20,675,970
Overdue				
3 months or less	65,533,831	39,781,008	61,519,910	39,781,008
Over 3 months up to 6 months	22,310,181	2,667,850	21,501,819	2,667,850
Over 6 months up to 12 months	59,200,540	-	56,784,402	-
Over 12 months	218,493	2,912,550	221,100	2,912,550
	<u>216,656,791</u>	<u>66,037,378</u>	<u>199,763,082</u>	<u>66,037,378</u>
<u>Less</u> Allowance for doubtful accounts	<u>(702,770)</u>	<u>(2,912,550)</u>	<u>-</u>	<u>(2,912,550)</u>
	<u>215,954,021</u>	<u>63,124,828</u>	<u>199,763,082</u>	<u>63,124,828</u>
Total	<u>215,954,021</u>	<u>63,124,828</u>	<u>253,383,342</u>	<u>63,124,828</u>

8. INVENTORIES

Inventories as at December 31, consist of the following:

	Consolidated Financial Statements		Separate Financial Statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Raw material and factory supplies	97,850,448	23,973,938	69,104,075	23,973,938
Work in process	12,751,585	4,515,620	7,857,977	4,515,620
Finished goods	16,460,843	5,027,748	6,109,588	5,027,748
	<u>127,062,876</u>	<u>33,517,306</u>	<u>83,071,640</u>	<u>33,517,306</u>
<u>Less</u> Allowance for loss on diminution in value of inventories	<u>(12,542,104)</u>	<u>(8,893,322)</u>	<u>(8,662,420)</u>	<u>(8,893,322)</u>
Total	<u>114,520,772</u>	<u>24,623,984</u>	<u>74,409,220</u>	<u>24,623,984</u>

The amounts of inventories recognized as expense in the statements of profit or loss in the consolidated and separate financial statements for the year ended December 31, 2019 include loss (reversal) on diminution in value of inventories of Baht 3.65 million and (0.23) million, respectively, (for the year ended December 31, 2018 the separate financial statements : reversal of loss on diminution in value of inventories of Baht 2.54 million).

9. FIXED DEPOSIT USED AS COLLATERAL

As at December 31, 2019, the fixed deposit in the consolidated and separate financial statements of Baht 15.88 million and Baht 15.25 million, respectively, are used as the collateral for bank overdrafts and short-term borrowing from financial institution (as at December 31, 2018 the consolidated and separate financial statements: Baht 15.07 million with interest rate 1.25% per annum.) (see Notes 18 and 36.3).

10. INVESTMENTS HELD AS AVAILABLE-FOR-SALE

Investments held as available-for-sale as at December 31, consist of the following:

	Consolidated and Separate Financial Statements			
	2019		2018	
	Cost/ Book value Baht	Fair value Baht	Cost/ Book value Baht	Fair value Baht
<u>Available-for-sale securities</u>				
Unit trust (Domestic)	-	-	400,000,000	401,263,335
Unit trust (Oversea)	200,000,000	113,973,538	-	-
<u>Less</u> Unrealized gains (losses) on revaluation of investment held as available-for-sale	<u>(86,026,462)</u>	<u>-</u>	<u>1,263,335</u>	<u>-</u>
Total	<u>113,973,538</u>	<u>113,973,538</u>	<u>401,263,335</u>	<u>401,263,335</u>



Unrealized gains (losses) on revaluation of investment held as available-for-sale recognized in owners' equity as at December 31, consist of the following:

	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Beginning balance of the period	1,010,668	-	1,010,668	-
Changes during the period				
- Amount transferred to profit or loss	(1,263,335)	-	(1,263,335)	-
- Net change in fair value	(86,026,462)	1,263,335	(86,026,462)	1,263,335
- Income tax relating to component of other comprehensive income (losses)	17,457,959	(252,667)	17,457,959	(252,667)
Ending balance of the period	<u>(68,821,170)</u>	<u>1,010,668</u>	<u>(68,821,170)</u>	<u>1,010,668</u>

11. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries as at December 31, consist of the following:

Company	Type of business	Country of registration	Percentage of shareholding		Paid-up share capital		Separate financial statements Cost method	
			2019 (%)	2018 (%)	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Direct subsidiaries								
DOD Healthy Life Co., Ltd.	Holding business	Thailand	99.99	99.99	999,980	999,980	999,980	999,980
Ultima Life Co., Ltd.	Network Marketing business	Thailand	80.00	-	39,999,990	-	39,999,990	-
HY DOD Co., Ltd.	Trading business	Thailand	51.00	-	254,990	-	254,990	-
DOD Sale power Co., Ltd.	Advisory service	Thailand	70.00	-	1,399,900	-	1,399,900	-
Siam Herbal Tech Co., Ltd.	Manufacturing Extraction	Thailand	99.99	-	64,999,850	-	64,999,850	-
AK DOD Co., Ltd.	Trading business	Thailand	51.00	-	254,990	-	254,990	-
					107,909,700	999,980	107,909,700	999,980

12. OTHER LONG-TERM INVESTMENT

Other long-term investment as at December 31, 2019 was general investments in equity securities consisted of the following:

Consolidated and Separate Financial Statements As at December 31, 2019 Baht

NNK Skin Secret Company Limited	6,000,000
Total	<u>6,000,000</u>

(As at December 31, 2018 the consolidated and separate financial statement : Nil)

13. LONG-TERM LOANS TO SUBSIDIARIES

Long-term loans to subsidiaries as at December 31, consist of the following:

	Interest Rate (%)	Separate Financial Statement 2019 Baht	2018 Baht
Long-term loans to subsidiaries			
Direct subsidiaries			
DOD Healthy Life Co., Ltd.	6.00	298,000,000	-
DOD Sale power Co., Ltd.	6.00	5,000,000	-
Indirect subsidiary			
PCCA Laboratory Co., Ltd.	6.00	88,000,000	-
Total		<u>391,000,000</u>	<u>-</u>

Movements of long-term loans to subsidiaries, were as follows:

	As at January 1, 2019 Baht	Separate Financial Statement Increase	Decrease	As at December 31, 2019 Baht
Direct subsidiaries				
DOD Healthy Life Co., Ltd.	-	298,000,000	-	298,000,000
DOD Sale power Co., Ltd.	-	5,000,000	-	5,000,000
Indirect subsidiary				
PCCA Laboratory Co., Ltd.	-	88,000,000	-	88,000,000
Total	<u>-</u>	<u>391,000,000</u>	<u>-</u>	<u>391,000,000</u>

Long-term loans to DOD Healthy Life Co., Ltd. amounting to Baht 298.00 million were included loan from transfer of rights in deposit amounting to Baht 150.00 million (see Note 16).

The above loans to subsidiaries are unsecured and due on demand. However, as at December 31, 2019, such loans to subsidiaries are classified as long-term loans because the Company has no foreseeable intention to recall such loans.



14. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment as at December 31, consist of the following:

As at December 31, 2019

	Consolidated Financial Statements					Balance as at December 31, 2019
	Balance as at January 1, 2019	Additions	Acquisitions business (see Note 4)	Disposals/ decrease	Transfer In (Out)	
	Baht	Baht	Baht	Baht	Baht	Baht
Cost						
Land	53,585,428	86,165,300	76,188,999	-	4,626,000	220,565,727
Land improvement	3,472,010	-	-	-	1,962,735	5,434,745
Building	96,994,632	356,783	194,219,997	-	-	291,571,412
Building improvements	63,092,330	12,977,676	4,716,143	(15,000)	14,747,574	95,518,723
Machinery and equipment	83,356,313	46,438,206	14,867,900	(3,766,942)	30,310,305	171,205,782
Furniture and office equipment	11,520,590	12,888,744	3,512,635	(4,289,934)	-	23,632,035
Vehicles	6,442,720	567,290	2,357,905	(911,864)	-	8,456,051
Total cost	<u>318,464,023</u>	<u>159,393,999</u>	<u>295,863,579</u>	<u>(8,983,740)</u>	<u>51,646,614</u>	<u>816,384,475</u>
Accumulated depreciation						
Land improvement	(836,656)	(253,880)	-	-	-	(1,090,536)
Building	(7,159,180)	(14,180,331)	-	-	-	(21,339,511)
Building improvements	(5,687,586)	(7,245,230)	-	5,931	-	(12,926,885)
Machinery and equipment	(31,549,938)	(21,908,915)	-	3,704,918	-	(49,753,935)
Furniture and office equipment	(5,271,007)	(5,050,172)	-	4,289,842	-	(6,031,337)
Vehicles	(2,904,413)	(2,275,565)	-	768,304	-	(4,411,674)
Total accumulated depreciation	<u>(53,408,780)</u>	<u>(50,914,093)</u>	<u>-</u>	<u>8,768,995</u>	<u>-</u>	<u>(95,553,878)</u>
Property, plant and equipment	265,055,243					720,830,597
<u>Less: Allowance for impairment</u>						
Property, plant and equipment	-	-	(138,050)	138,050	-	-
Construction in progress	840,000	129,102,770	2,109,193	-	(51,646,614)	80,405,349
Total Property, plant and equipment - net	<u>265,895,243</u>					<u>801,235,946</u>
Depreciation for the year ended December 31,						
2019					Baht	<u>50,914,093</u>

As at December 31, 2019

	Separate Financial Statements				Balance as at December 31, 2019 Baht
	Balance as at January 1, 2019 Baht	Additions Baht	Disposals/ decrease Baht	Transfer In (Out) Baht	
	Baht	Baht	Baht	Baht	
Cost					
Land	53,585,428	86,165,300	-	4,626,000	144,376,728
Land improvement	3,472,010	-	-	1,962,735	5,434,745
Building	96,994,632	-	-	-	96,994,632
Building improvements	63,092,330	-	-	14,747,574	77,839,904
Machinery and equipment	83,356,313	27,626,511	-	30,310,305	141,293,129
Furniture and office equipment	11,520,590	1,374,762	-	-	12,895,352
Vehicles	6,442,720	-	-	-	6,442,720
Total cost	<u>318,464,023</u>	<u>115,166,573</u>	<u>-</u>	<u>51,646,614</u>	<u>485,277,210</u>
Accumulated depreciation					
Land improvement	(836,656)	(253,880)	-	-	(1,090,536)
Building	(7,159,180)	(3,229,921)	-	-	(10,389,101)
Building improvements	(5,687,586)	(3,318,705)	-	-	(9,006,291)
Machinery and equipment	(31,549,938)	(15,642,717)	-	-	(47,192,655)
Furniture and office equipment	(5,271,007)	(2,136,321)	-	-	(7,407,328)
Vehicles	(2,904,413)	(1,250,470)	-	-	(4,154,883)
Total accumulated depreciation	<u>(53,408,780)</u>	<u>(25,832,014)</u>	<u>-</u>	<u>-</u>	<u>(79,240,794)</u>
Property, plant and equipment	265,055,243				406,036,416
Construction in progress	840,000	92,208,746	-	(51,646,614)	41,402,132
Total Property, plant and equipment - net	<u>265,895,243</u>				<u>447,438,548</u>
Depreciation for the year ended December 31, 2019				Baht	<u>25,832,014</u>



As at December 31, 2018

	Consolidated and Separate Financial Statements				
	Balance as at January 1, 2018 Baht	Additions Baht	Disposals/ decrease Baht	Transfer In (Out) Baht	Balance as at December 31, 2018 Baht
Cost					
Land	53,585,428	-	-	-	53,585,428
Land improvement	3,472,010	-	-	-	3,472,010
Building	96,994,632	-	-	-	96,994,632
Building improvements	55,305,536	1,783,829	(572,540)	6,575,505	63,092,330
Machinery and equipment	55,659,314	26,446,999	-	1,250,000	83,356,313
Furniture and office equipment	9,850,331	1,670,259	-	-	11,520,590
Vehicles	6,442,720	-	-	-	6,442,720
Total cost	<u>281,309,971</u>	<u>29,901,087</u>	<u>(572,540)</u>	<u>7,825,505</u>	<u>318,464,023</u>
Accumulated depreciation					
Land improvement	(412,802)	(423,854)	-	-	(836,656)
Building	(3,929,259)	(3,229,921)	-	-	(7,159,180)
Building improvements	(3,367,062)	(2,806,148)	485,624	-	(5,687,586)
Machinery and equipment	(20,018,470)	(11,531,468)	-	-	(31,549,938)
Furniture and office equipment	(3,282,548)	(1,988,459)	-	-	(5,271,007)
Vehicles	(1,615,870)	(1,288,543)	-	-	(2,904,413)
Total accumulated depreciation	<u>(32,626,011)</u>	<u>(21,268,393)</u>	<u>485,624</u>	<u>-</u>	<u>(53,408,780)</u>
Property, plant and equipment	248,683,960				265,055,243
Construction in progress	1,125,000	7,540,505	-	(7,825,505)	840,000
Total property, plant and equipment - net	<u>249,808,960</u>				<u>265,895,243</u>
Depreciation for the years ended December 31,					
2018				Baht	<u>21,268,393</u>

As at December 31, 2019, vehicles under hire purchase agreements in the consolidated and separate financial statements have net book value of Baht 4.24 million and Baht 2.27 million, respectively. (as at December 31, 2018 the consolidated and separate financial statements : Baht 3.44 million) (see Note 21).

As at December 31, 2019, land in the consolidated and separate financial statement at the book values of Baht 220.57 million and Baht 139.75 million, respectively, was mortgaged as collateral for bank overdraft, short-term and long-term borrowings from financial institution (as at December 31, 2018 the consolidated and separate financial statements : Nil) (see Notes 18 and 20).

As at December 31, 2019, the cost amount of the Company's fully depreciated building improvements and equipment that was still in use in the consolidated and separate financial statements amounted to Baht 40.06 million and Baht 17.38 million, respectively, (as at December 31, 2018 the consolidated and separate financial statements : Baht 2.59 million).

15. INTANGIBLE ASSETS

Intangible assets as at December 31, consist of the following:

As at December 31, 2019

	Consolidate Financial Statements					Balance as at December 31, 2019
	Balance as at January 1, 2019	Additions	Acquisitions business (see Note 4)	Disposals/ decrease	Transfer In (Out)	
	Baht	Baht	Baht	Baht	Baht	Baht
Cost						
Trade name	-	-	25,400,000	-	-	25,400,000
Computer software	2,042,143	2,037,788	2,953,437	-	-	7,033,368
Total cost	<u>2,042,143</u>	<u>2,037,788</u>	<u>28,353,437</u>	<u>-</u>	<u>-</u>	<u>32,433,368</u>
Accumulated amortization						
Trade name	-	(2,435,616)	-	-	-	(2,435,616)
Computer software	<u>(837,095)</u>	<u>(1,122,384)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,959,479)</u>
Total accumulated amortization	<u>(837,095)</u>	<u>(3,558,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,395,095)</u>
Intangible asset	1,205,048					28,038,273
Software in process	<u>-</u>	<u>446,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>446,400</u>
Total Intangible asset - net	<u><u>1,205,048</u></u>					<u><u>28,484,673</u></u>
Amortization for the year ended December 31, 2019					Baht	<u><u>3,558,000</u></u>

As at December 31, 2019

	Separate Financial Statements				Balance as at December 31, 2019
	Balance as at January 1, 2019	Additions	Disposals/ decrease	Transfer In (Out)	
	Baht	Baht	Baht	Baht	Baht
Cost					
Computer software	<u>2,042,143</u>	<u>142,550</u>	<u>-</u>	<u>-</u>	<u>2,184,693</u>
Total cost	<u>2,042,143</u>	<u>142,550</u>	<u>-</u>	<u>-</u>	<u>2,184,693</u>
Accumulated amortization					
Computer software	<u>(837,095)</u>	<u>(411,170)</u>	<u>-</u>	<u>-</u>	<u>(1,248,265)</u>
Total accumulated amortization	<u>(837,095)</u>	<u>(411,170)</u>	<u>-</u>	<u>-</u>	<u>(1,248,265)</u>
Intangible asset	1,205,048				936,428
Software in process	<u>-</u>	<u>446,400</u>	<u>-</u>	<u>-</u>	<u>446,400</u>
Total Intangible asset - net	<u><u>1,205,048</u></u>				<u><u>1,382,828</u></u>
Amortization for years ended December 31, 2019				Baht	<u><u>411,170</u></u>



As at December 31, 2018

	Consolidated and Separate Financial Statements				
	Balance as at January 1, 2018 Baht	Additions Baht	Disposals/ decrease Baht	Transfer In (Out) Baht	Balance as at December 31, 2018 Baht
Computer software					
Cost	1,833,558	208,585	-	-	2,042,143
<u>Less</u> Accumulated amortization	<u>(455,823)</u>	<u>(381,272)</u>	<u>-</u>	<u>-</u>	<u>(837,095)</u>
Computer software - net	<u>1,377,735</u>				<u>1,205,048</u>

Amortization for years ended December 31,

2018	Baht	<u>381,272</u>
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16. DEPOSIT

On September 7, 2018, the Board of Director's Meeting No. 6/2018 passed a resolution to sign a contract to due diligence for acquiring an interest in a local company whose business is in beauty and cosmetic industry. Subsequently, On August 8, 2018, the Company entered into Memorandum of Understanding ("MOU") in respect of purchase and sale of interest in a local company with a third-party ("seller"). However, the investment will be approval from the Board of Directors. Such purchase and sale price of interest was not exceed Baht 400.00 million which the price might be changed and depended on both parties, negotiation and due diligence result by the Company's advisor. The Company and seller had been agreed to be completed within December 2018 or extend by mutual agreement of the parties. Such MOU was required the Company to pay deposit amounting to Baht 150.00 million. Seller shall return such deposit in full within 15 days, from the end date of the term or the date that the buyer had given the cancellation notice due to unsatisfactory due diligence result, or the time period of enforcement had ended before final agreement was executed when the delay was not caused by the Company. On September 7, 2018, the Company already paid such deposit of Baht 150.00 million.

On January 15, 2019, DOD Healthy Life Co., Ltd., a subsidiary company, entered into business transfer agreement to acquire and transfer the business of BGP Spectrum Power Company Limited ("BGP Spectrum"), which means assets, liabilities, all rights, duties and responsibilities of BGP spectrum, current and that will be in the future as of the date of the entire business transfer which includes 8,100,000 ordinary shares with a par value of Baht 10 per share in PCCA Laboratory Co., Ltd. ("PCCA"), which is held by BGP Spectrum (or 90% of the number of authorized share capital of PCCA) amounting to Baht 297.00 million. On January 15, 2019, DOD Healthy Life Co., Ltd. already paid additional consideration amounting to Baht 147.00 million which is offset against the above deposit of Baht 150.00 million (see Note 13). However, DOD Healthy Life Co., Ltd. has deducted the retention amounting to Baht 10.00 million under the agreement regarding the retention dated January 15, 2019, and seller is required specific performance to execute upon the agreement. If the seller completes the specific performance as specific in the agreement, DOD Healthy Life Co., Ltd. will return such retention to the seller within 90 days.

As at December 31, 2019, DOD Healthy Life Co., Ltd., already returned such retention to the seller.

17. OTHER NON-CURRENT ASSETS

Other non-current assets as at December 31, consist of the following:

	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Advance payment for fixed assets	59,487,402	35,717,850	14,439,402	35,717,850
Others	1,508,750	1,077,170	1,188,420	1,077,170
Total	<u>60,996,152</u>	<u>36,795,020</u>	<u>15,627,822</u>	<u>36,795,020</u>

18. BANK OVERDRAFT AND SHORT-TERM BORROWINGS FROM FINANCIAL INSTITUTION

Bank overdraft and short-term borrowings from financial institution as at December 31, consists of the following:

	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Bank overdraft	13,147,498	-	145,460	-
Short-term borrowings from financial institution	80,000,000	10,000,000	60,000,000	10,000,000
Total	<u>93,147,498</u>	<u>10,000,000</u>	<u>60,145,460</u>	<u>10,000,000</u>

On December 31, 2019, the Company's group entered into bank overdraft agreement with a commercial bank in the consolidated and separate financial statements which have credit limit of Baht 25 million and Baht 10 million, respectively, guaranteed by mortgage land and certain director. (as at December 31, 2018, the consolidated and separate financial statements : Nil.)

On December 31, 2019, the Company's group entered into a short-term borrowings from financial institution in the consolidated and separate financial statements of Baht 80 million and Baht 60 million, respectively, due within 3 months, carry interest rates of 3.00% per annum which are guaranteed by mortgage land, fixed deposit and certain director. (as at December 31, 2018 the consolidated and separate financial statements : Baht 10 million due within 3 months and with interest rate 2.75% per annum.) (see Notes 9 and 14).

Bank overdrafts and short-term borrowings from financial institution of the subsidiary has required to maintain financial ratio as specified in the agreements. As at December 31, 2019, the subsidiary is unable to comply with the financial covenants specified in the loan agreement of Baht 13 million and Baht 20 million, respectively. However, such bank overdrafts and short-term borrowings from financial institution are presented under current liabilities.



19. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at December 31, consist of the following:

	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Trade payables	83,242,571	7,096,006	70,642,072	7,096,006
Other payables	9,255,603	6,367,928	6,388,032	6,367,928
Advance received for goods	18,486,073	3,424,438	5,945,667	3,424,438
Dividend payables (see Note 26)	-	180,399,956	-	180,399,956
Accrued expenses	23,494,140	5,995,104	7,643,824	5,935,104
Total	134,478,387	203,283,432	90,619,595	203,223,432

20. LONG-TERM BORROWINGS FROM FINANCIAL INSTITUTION

Long-term borrowings from financial institution as at December 31, consist of the following:

Long-term borrowings	Consolidated financial statements Outstanding principal balance As at December 30, 2019 Baht	Separate financial statements Outstanding principal balance As at December 30, 2019 Baht	Interest rate Per annum	Remark
Loan amounting to Baht 50 million (scheduled to be repaid principal and interest into 60 monthly installments of Baht 0.84 million starting from March 2019)	42,440,000	42,440,000	MLR	Interest is payable by monthly
Loan amounting to Baht 72 million (scheduled to be repaid principal and interest into 84 monthly installments of Baht 0.92 million starting from November 2014)	20,368,558	-	MLR	Interest is payable by monthly
Loan amounting to Baht 22 million (scheduled to be repaid principal and interest into 54 monthly installments of Baht 0.41 million starting from August 2016)	5,600,000	-	MLR	Interest is payable by monthly
Loan amounting to Baht 10 million (scheduled to be repaid principal and interest into 84 monthly installments of Baht 0.14 million starting from January 2017)	6,247,000	-	MLR	Interest is payable by monthly
Loan amounting to Baht 10 million (scheduled to be repaid principal and interest into 84 monthly installments of Baht 0.14 million starting from February 2017)	6,386,000	-	MLR	Interest is payable by monthly
	81,041,558	42,440,000		
Less Current portion	(48,681,558)	(10,080,000)		
Total	32,360,000	32,360,000		

The Company has mortgaged land as collateral for the borrowings (see Note 14).

The subsidiary has mortgaged land as collateral for the borrowings and is guaranteed by certain director (see Note 14).

The Group must comply with the conditions and requirement including financial covenant ratios as specified in the borrowing agreements.

As at December 31, 2019, the subsidiary is unable to maintain financial ratios of its long-term borrowings from financial institution of Baht 38.60 million which is in accordance with a financial institution's requirement. The Group classified such long-term borrowings as a part of current portion of long-term borrowings as at December 31, 2019.

Movements of Long-term borrowings from financial institution, were as follows:

	Consolidated Financial Statements	
	2019 Baht	2018 Baht
Balance as at January 1,	-	49,724,354
<u>Add</u> Long-term borrowings from financial institution during the year	50,000,000	-
Acquisitions/adjustments through business combination (see Note 4)	57,396,558	-
<u>Less</u> Paid long-term borrowings from financial institution during the year	(26,355,000)	(49,724,354)
Balance as at December 31,	<u>81,041,558</u>	<u>-</u>

	Separate Financial Statements	
	2019 Baht	2018 Baht
Balance as at January 1,	-	49,724,354
<u>Add</u> Long-term borrowings from financial institution during the year	50,000,000	-
<u>Less</u> Paid long-term borrowings from financial institution during the year	(7,560,000)	(49,724,354)
Balance as at December 31,	<u>42,440,000</u>	<u>-</u>

21. HIRE-PURCHASE PAYABLES

Hire-purchase payables as at December 31, consist of the following:

As at December 31, 2019

	Consolidated Financial Statements		Separate Financial Statements	
	Minimum lease Payments Baht	Present value of minimum lease payments Baht	Minimum lease Payments Baht	Present value of minimum lease payments Baht
Not later than 1 year	1,787,792	1,690,623	967,722	934,596
Later than 1 year and not later than 5 years	1,067,868	1,032,808	225,761	222,504
	<u>2,855,660</u>	<u>2,723,431</u>	<u>1,193,483</u>	<u>1,157,100</u>
<u>Less</u> Future finance charges	(132,229)	-	(36,383)	-
Present value of minimum lease payments	<u>2,723,431</u>	<u>2,723,431</u>	<u>1,157,100</u>	<u>1,157,100</u>



As at December 31, 2018

	Consolidated and Separate Financial Statements	
	Minimum lease Payments	Present value of minimum lease payments
	Baht	Baht
Not later than 1 year	1,145,616	1,057,211
Later than 1 year and not later than 5 years	1,193,482	1,157,099
	<u>2,339,098</u>	<u>2,214,310</u>
<u>Less</u> Future finance charges	(124,788)	-
Present value of minimum lease payments	<u>2,214,310</u>	<u>2,214,310</u>

22. EMPLOYEE BENEFIT OBLIGATIONS

The Company estimated employee benefit obligations which consist of post-employment benefits upon retirement under the Labor Protection Act by using Projected Unit Credit Method based on actuarial assumptions.

Movements in the present value of post-employment benefit obligations for the years ended December 31, are as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Beginning balances at January 1,	2,052,675	1,172,367	2,052,675	1,172,367
Acquisitions/adjustments through business combination (see Note 4)	1,251,510	-	-	-
Current service cost:	674,925	822,275	66,680	822,275
Interest cost	124,045	58,033	60,414	58,033
Ending balances at December 31,	<u>4,103,155</u>	<u>2,052,675</u>	<u>2,179,769</u>	<u>2,052,675</u>

Amount recognized in the statement of profit or loss and other comprehensive income in respect of post-employment benefit obligations for the years ended December 31, are as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Current service cost*	674,925	822,275	66,680	822,275
Interest cost	124,045	58,033	60,414	58,033
Components of employee benefit costs recognized in profit or loss	<u>798,970</u>	<u>880,308</u>	<u>127,094</u>	<u>880,308</u>

*Current service cost in the consolidated and separate financial statements for the year ended December 31, 2019, include reversal of employee benefits of Baht 0.37 million and Baht 0.62 million, respectively (for the year ended December 31, 2018 the consolidated and separate financial statements : Nil).

The significant actuarial assumptions used to calculate provision for employee benefit obligations as at December 31, are as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	2019 % p.a.	2018 % p.a.	2019 % p.a.	2018 % p.a.
Discount rate	2.10 – 3.49	2.81	2.81	2.81
Expected salary incremental rate	5.00 – 6.50	5.08	5.08	5.08
Personal turnover rate (classify by age group)	0 - 38	0 - 38	0 - 38	0 - 38

Significant actuarial assumptions - Impact on increase (decrease) in defined benefit obligations.

	Consolidated Financial Statements		Separate Financial Statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Discount rate - 0.5% increase	(225,186)	(70,525)	(96,519)	(70,525)
Discount rate - 0.5% decrease	244,125	75,400	102,798	75,400
Rate of salary - 0.5% increase	264,967	80,688	121,764	80,688
Rate of salary - 0.5% decrease	(248,172)	(76,023)	(114,728)	(76,023)

23. SHARE CAPITAL AND WARRANTS TO PURCHASE ORDINARY SHARES

23.1 Share capital

On November 28, 2017, the Extraordinary Shareholders' Meeting passed a special resolution to increase the authorized share capital from the amount of Baht 150 million to Baht 205 million by issuing of 5,500,000 new ordinary shares with a par value of Baht 10 each. The Company registered the capital increase with the Department of Business Development, the Ministry of Commerce on November 29, 2017.

In addition, the Extraordinary Shareholders' Meeting of the Company held on November 28, 2017 also approved the change of the par value of the Company's ordinary shares from Baht 10 per share, totaling 20,500,000 shares, to Baht 0.50 per share, totaling 410,000,000 shares by splitting one ordinary share at a par value of Baht 10 per share into 20 ordinary shares at a par value of Baht 0.50 per share, and approved the allocation of the Company's ordinary shares in a number not to exceed 110,000,000 shares with a par value of Baht 0.50, to an initial public offering, and approved a change of the Company's Memorandum of Association in accordance with such change in the par value of the Company's share. The Company has registered the change in the par value and the capital increase with the Department of Business Development, the Ministry of Commerce on November 29, 2017.



On March 28, 2018, the Shareholders' Meeting No. 1/2561 passed the resolutions agreed to propose to the Shareholders' Meeting for approving cancellation the resolution on the Extraordinary Shareholders' Meeting of the Company held on November 28, 2017 with respect to the allocation of the Company's ordinary shares in a number not to exceed 110,000,000 shares with a par value of Baht 0.50, to an initial public offering, and approved the allocation of the Company's ordinary shares in a number not to exceed 110,000,000 shares with a par value of Baht 0.50 as follows:

- Approved allocation of the Company's ordinary shares in a number of 100,545,000 shares with a par value of Baht 0.50, to an initial public offering.
- Approved allocation of the Company's ordinary shares in a number of 9,455,000 shares with a par value of Baht 0.50 to directors, management and/or employees of the Company and the offering price is the price at which the Company offers to the initial public offering and if there are shares remaining from this allocation, to allocate such remaining shares to an initial public offering.

During June 12 - 14, 2018, the Company had offered 110,000,000 new ordinary shares at an offering price of Baht 9.30 per share to the initial public offering, directors, the Company's management and/or employees with a par value of Baht 0.50 per share. This resulted in premium on ordinary shares amounting to Baht 939.87 million, net of costs of issuing new ordinary shares of Baht 28.13 million and The Company fully received share capital on June 15, 2018 and registered the increase in such paid-up share capital with the Department of Business Development on June 18, 2018.

On April 30, 2019, the Annual General Meeting of Shareholders for the year 2019 resolved to approve as follows:

- Approved the issuance and offering of warrants to purchase ordinary shares of DOD Biotech Public Company Limited No.1 (DOD-W1), amount not exceeding 182,222,222 units to existing shareholders of the company and proportion to its shareholding in the ratio of 2.25 existing ordinary shares per 1 unit of warrant at the value of 0.10 baht per unit, if there is a fraction of the warrants arising from the calculation be rounding off and can subscribe for more rights by determining the list of shareholders entitled to receive the warrants on May 10, 2019.
- Approved the increase of the authorized share capital from the amount of Baht 410,000,000 to authorized share capital of Baht 592,222,222 by issuing 182,222,222 new ordinary shares with par value of Baht 0.50 each.
- Approved the allocation of the newly issued ordinary shares of the company in the amount of not exceeding 182,222,222 shares at a par value of Baht 0.50 each for supporting the exercise of the conversion rights the warrants to purchase ordinary shares of DOD Biotech Public Company Limited No. 1 (DOD-W1).

The Company registered the capital increase with the Department of Business Development, the Ministry of Commerce on May 23, 2019.

23.2 Warrants to purchase ordinary shares

The first lot of warrants to purchase ordinary shares of DOD Biotech Public Company Limited (“DOD-W1”) were issued by DOD Biotech Public Company Limited (the “Company” or “Warrant Issuer”) in accordance with the resolution of the 2019 Ordinary General Meeting of Shareholders, held on April 30, 2019. The objective of the issuance was to proportionately allocate the warrants to the existing shareholders according to their respective shareholdings (Right Offering) at the ratio of 2.25 existing ordinary shares for 1 unit of the warrants. The list of shareholders eligible to purchase such warrants (Record Date) was concluded on May 10, 2019, noted that the Company had issued a maximum of 182,222,222 units of warrants. In case there is a fraction of the warrants derived from the calculation, the allocation ratio shall be rounded down. The offering price per unit equals to Baht 0.10 (Ten Satang), and the exercise price of the warrants is at Baht 15.75 per share, except in the case of the adjustment of the exercise price otherwise pursuant to the conditions concerning the rights adjustment. The Number of shares reserved for redemption were 182,219,263 shares on July 8, 2019 (with a par value of Baht 0.50 per share). The Warrant Holders shall be entitled to exercise their rights to purchase ordinary shares on the last business day of May and November throughout the term of the Warrants each year. The First Exercise Date is Friday November 29, 2019, and the Last Exercise Date is the date from which the Warrants are valid for 2 years from the Issuance Date, on July 7, 2021 (“Last Exercise”).

As at December 31, 2019, the Company had warrants in number of 182,219,263 shares with par value Baht 0.10 per share.

24. EARNINGS PER SHARE

The earnings per share for the years ended December 31, are calculated as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Basic earnings per share				
Profit attributable to ordinary shareholders of the Company (Baht)	86,706,953	305,258,289	186,149,208	305,322,903
Number of weighted average ordinary shares outstanding (Share)	410,000,000	360,273,973	410,000,000	360,273,973
Basic earnings per share (Baht per share)	0.21	0.85	0.45	0.85
Diluted earnings per share				
Number of weighted average ordinary shares outstanding (Share)	410,000,000	-	410,000,000	-
Effect of exercised warrants to purchase ordinary shares	-	-	-	-
Number of weighted average ordinary shares used in the calculation of diluted earnings per share	410,000,000	-	410,000,000	-
Diluted earnings per share (Baht per share)	0.21	-	0.45	-

The Company does not have a diluted earnings per share of DOD-W1 warrants for the year ended December 31, 2019, since the exercise price of DOD-W1 warrants is higher than the market price of the Company’s ordinary shares (see Note 23.2).



Weighted average number of ordinary shares

The weighted average numbers of ordinary shares for the years ended December 31, are calculated as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Number of ordinary shares outstanding as at January 1,	410,000,000	300,000,000	410,000,000	300,000,000
<u>Add</u> Weighted average number of ordinary shares issued and paid-up during the year	<u>-</u>	<u>60,273,973</u>	<u>-</u>	<u>60,273,973</u>
Weighted average number of ordinary shares outstanding as at December 31,	<u>410,000,000</u>	<u>360,273,973</u>	<u>410,000,000</u>	<u>360,273,973</u>

25. LEGAL RESERVE

Section 116 of the Public Limited Companies Act B.E. 2535 (1992) requires that a company shall allocate not less than 5% of its annual net profit less the accumulated losses brought forward, if any, to a reserve account ("Legal reserve"), until this account reaches an amount not less than 10% of the authorized share capital. The legal reserve is not available for dividend distribution.

As at December 31, 2019 and 2018, the Company's legal reserve equals to one-tenth of the authorized share capital.

26. DIVIDEND PAID

On December 28, 2017, the Board of Directors' Meeting No. 10/2560 approved the distribution of interim dividend from net profit for the nine-month period ended September 30, 2017 for 300,000,000 ordinary shares, totaling Baht 35.00 million. In addition, the meeting also approved the appropriated legal reserve of Baht 5.50 million. Such dividend was paid on January 27, 2018.

On February 22, 2018, the Board of Directors' Meeting No. 1/2561 approved the distribution of dividend from net profit for the period ended December 31, 2017 for 300,000,000 ordinary shares, totaling Baht 115.00 million. The dividend was paid on March 29, 2018.

On May 9, 2018, the Board of Directors' Meeting No. 3/2561 approved the distribution of interim dividend from net profit for the three-month period ended March 31, 2018 for 300,000,000 ordinary shares, Baht 0.37 per shares, totaling Baht 111.00 million. The Company paid dividend on May 24, 2018.

On December 19, 2018, the Board of Directors' Meeting No. 8/2561 approved the distribution of interim dividend from net profit for the six-month period from April 1, 2018 to September 30, 2018 for 410,000,000 ordinary shares, Baht 0.44 per shares, totaling Baht 180.40 million. The Company paid dividend on January 18, 2019.

27. EXPENSES BY NATURE

Expenses by nature for the years ended December 31, mainly consist of the following items:

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
(Increase) decrease in changes in inventories				
of finished goods and work in process	(30,005,975)	(4,334,946)	(4,424,198)	(4,334,946)
Raw materials and consumables used	297,754,409	190,358,664	227,650,858	190,358,664
Employee expenses	147,719,612	85,000,836	77,863,930	85,000,836
Depreciation and amortization	54,472,423	21,649,665	26,243,184	21,649,665
Rental	5,790,370	480,678	836,407	480,678
Consulting and fee charge	26,213,400	11,423,449	12,799,898	11,358,834
Travel expenses	7,343,308	3,523,996	3,225,757	3,523,996
Commission expenses	88,036,973	23,133,766	7,003,568	23,133,766
Other tax expenses	736,020	251,268	320,602	251,268
Finance costs	9,552,692	3,731,375	4,895,255	3,731,375
Service expenses	12,582,349	10,429,989	4,862,519	10,429,989
Utility expenses	12,786,455	6,347,298	8,192,169	6,347,298
Repair expenses	3,023,617	1,444,692	1,903,872	1,444,692
Advertising and marketing expenses	68,864,260	3,633,632	4,717,171	3,633,632
Entertainment expenses	4,006,630	1,815,123	1,353,074	1,815,123
Loss on diminution in value of inventories (reversal)	3,648,782	(2,536,119)	(230,902)	(2,536,119)
Loss on write-off fixed assets	-	86,916	-	86,916
Expense for investment promotional privileges	-	4,217,397	-	4,217,397
Other expenses	6,736,645	4,835,701	6,149,925	4,835,701

28. PROVIDENT FUND

On September 5, 2016, the Company and its employees have jointly registered a provident fund scheme under the Provident Fund Act B.E. 2530 (1987). The Fund is contributed to by both the employees and the Company at the rate of 2% to 15% of the employee's basic salary based on the years of service. The fund will be paid to employees upon termination in accordance with the rules of the Fund. The fund is a part of The Registered Provident Fund of The Sin Sata Porn which is registered and managed by BBL Asset Management Co., Ltd.

For the years ended December 31, 2019, the Company contributions recorded as expenses in the consolidated and separate financial statements by Baht 0.47 million. (for the year ended December 31, 2018 the consolidated and separate financial statements : Baht 0.23 million).



29. INVESTMENT PROMOTIONAL PRIVILEGES

In 2014, the Company was granted rights and privileges as promoted industry under the Investment Promotion Act of B.E. 2520 (1977), for the manufacturing or conservation of traditional drug as tablets and capsule and product from herbs. The promotional certificate No. 2272(2)/2557 dated June 3, 2014 included exemption from custom duties for machinery as approved by the Board of Investment and exemption from corporate income tax for total net income derived from promoted business for 8 years from the date the respective income is first generated which was on June 3, 2014.

In 2017, the Company was granted rights and privileges as promoted industry under the Investment Promotion Act of B.E. 2520 (1977), for the manufacturing whey protein from vegetable herbs extract. The promotional certificate No. 60-0921-1-16-1-0 dated August 21, 2017 included exemption from custom duties for machinery as approved by the Board of Investment and exemption from corporate income tax on that net income derived from the promoted business which is not over 100% of its investment that excluded cost of land and working capital for the period of 3 years from the date income is first derived from the promoted business. For year ended December 31, 2018, the Company has no revenue from the promoted business. On January 16, 2019, DOD Biotech Public Company Limited has been granted by the Board of investment to cancel the promotional certificate No. 60-0921-1-16-1-0 dated August 21, 2017.

The Company thus has to comply with certain conditions contained in the investment promotion certificates.

30. REVENUE REPORTING OF A PROMOTED INDUSTRY

Based on the Announcement of the Board of Investment No. Por. 14/2541 dated December 30, 1998 regarding revenue reporting of a promoted industry, the Company is required to separately report the revenues from domestic sales and export sales and promoted and non-promoted business sectors. The required information is as follows:

Consolidated Financial Statements			
For the year ended December 31, 2019			
	Promoted Business Baht	Non-promoted Business Baht	Amount Baht
Revenues			
Revenues from domestic sales	423,654,014	358,397,037	782,051,051
Revenues from export sales	7,870,000	-	7,870,000
Total revenues from sales	<u>431,524,014</u>	<u>358,397,037</u>	<u>789,921,051</u>
Separate Financial Statements			
For the year ended December 31, 2019			
	Promoted Business Baht	Non-promoted Business Baht	Amount Baht
Revenues			
Revenues from domestic sales	475,492,761	67,820,326	543,313,087
Revenues from export sales	7,870,000	-	7,870,000
Total revenues from sales	<u>483,362,761</u>	<u>67,820,326</u>	<u>551,183,087</u>

Consolidated and Separate Financial Statements

For the year ended December 31, 2018

	Promoted Business Baht	Non-promoted Business Baht	Amount Baht
Revenues			
Revenues from domestic sales	607,307,255	59,055,899	666,363,154
Revenues from export sales	-	-	-
Total revenues from sales	<u>607,307,255</u>	<u>59,055,899</u>	<u>666,363,154</u>

Disaggregation of revenue

The Group derives its revenue from the transfer of goods. This is consistent with the revenue information that is disclosed for each reportable segment under TFRS 8 (see Note 35.1).

For the years ended December 31,

	Consolidated Financial Statements		Separate Financial Statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Segment revenue				
Timing of revenue recognition				
At a point in time				
Revenue from supplementary business	495,277,798	666,363,154	551,183,087	666,363,154
Revenue from cosmetic production business	120,294,130	-	-	-
Revenue from network marketing business	174,349,123	-	-	-
Total	<u>789,921,051</u>	<u>666,363,154</u>	<u>551,183,087</u>	<u>666,363,154</u>

31. INCOME TAX EXPENSE AND DEFERRED TAX ASSETS (LIABILITIES)

Income tax expense is calculated from net taxable profit after adjusting entries under the Revenue Code. Therefore, the effective income tax rate is different from tax rate per Revenue Code because the Company receives the privilege for the exemption from corporate income tax on net profit from the promoted business (see Notes 29 and 30).

Income tax expense for the years ended December 31, are as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Income tax recorded in current year	6,478,584	2,035,362	6,478,584	2,035,362
Deferred tax expenses (income)	<u>(1,751,637)</u>	<u>331,162</u>	<u>603,271</u>	<u>331,162</u>
Total income tax expenses	<u>4,726,947</u>	<u>2,366,524</u>	<u>7,081,855</u>	<u>2,366,524</u>



The difference between the statutory tax rate and the Company's effective income tax rate computed from profit before income tax expense for the years ended December 31, is reconciled as follows:

Consolidated Financial Statements				
	Tax rate amount (%)	2019 Baht	Tax rate amount (%)	2018 Baht
Profit before income tax - Promoted business	0	151,803,794	0	297,418,153
Profit before income tax - Non-Promoted business	20	<u>(73,566,158)</u>	20	<u>10,206,659</u>
Profit before income tax expense		<u>78,237,636</u>		<u>307,624,812</u>
Income tax at the applicable tax rate		<u>(14,713,232)</u>		<u>2,041,332</u>
Unused tax losses for the year		20,931,302		-
Effects of income exempt from tax and non-deductible expenses for tax purposes				
- Permanent differences		<u>(1,491,123)</u>		<u>325,192</u>
Income tax expense per the statements of profit and loss	6.04	<u>4,726,947</u>	0.77	<u>2,366,524</u>
Separate Financial Statements				
	Tax rate amount (%)	2019 Baht	Tax rate amount (%)	2018 Baht
Profit before income tax - Promoted business	0	160,878,696	0	297,418,153
Profit before income tax - Non-Promoted business	20	<u>32,352,367</u>	20	<u>10,271,274</u>
Profit before income tax expense		<u>193,231,063</u>		<u>307,689,427</u>
Income tax at the applicable tax rate		<u>6,470,473</u>		<u>2,054,255</u>
Effects of income exempt from tax and non-deductible expenses for tax purposes				
- Permanent differences		<u>611,382</u>		<u>312,269</u>
Income tax expense per the statement of profit and loss	3.66	<u>7,081,855</u>	0.77	<u>2,366,524</u>

The Company uses tax rate of 20% for the corporate income tax calculation for the years ended December 31, 2019 and 2018.

Deferred tax assets and liabilities as at December 31, consist of the following:

As at December 31, 2019

	Consolidated Financial Statements				Balance as at December 31, 2019
	Balance as at January 1, 2019	Acquisitions/ adjustments through business combination	Items as recognized in profit or loss	Items as recognized in other comprehensive income	
	Baht	Baht	Baht	Baht	Baht
Allowance for doubtful accounts	582,510	-	(441,956)	-	140,554
Allowance for loss on diminution in value of inventories	1,778,664	-	729,757	-	2,508,421
Employee benefit obligations	410,535	-	410,096	-	820,631
Fair value of property, plant and equipment, and intangible assets	-	(26,257,513)	1,053,740	-	(25,203,773)
Unrealized (gain)/loss on revaluation of investment held as available-for-sale	(252,667)	-	-	17,457,959	17,205,292
Deferred tax assets (liabilities) - net	2,519,042	(26,257,513)	1,751,637	17,457,959	(4,528,875)

As at December 31, 2019

	Separate Financial Statements			Balance as at December 31, 2019
	Balance as at January 1, 2019	Items as recognized in profit or loss	Items as recognized in other comprehensive income	
	Baht	Baht	Baht	Baht
Allowance for doubtful accounts	582,510	(582,510)	-	-
Allowance for loss on diminution in value of inventories	1,778,664	(46,180)	-	1,732,484
Employee obligations	410,535	25,419	-	435,954
Unrealized (gain)/loss on revaluation of investment held as available-for-sale	(252,667)	-	17,457,959	17,205,292
Deferred tax assets - net	2,519,042	(603,271)	17,457,959	19,373,730

As at December 31, 2018

	Consolidated and Separate Financial Statements			Balance as at December 31, 2018
	Balance as at January 1, 2018	Items as recognized in profit or loss	Items as recognized in other comprehensive income	
	Baht	Baht	Baht	Baht
Allowance for doubtful accounts	582,510	-	-	582,510
Allowance for loss on diminution in value of inventories	2,285,889	(507,225)	-	1,778,664
Employee benefit obligations	234,472	176,063	-	410,535
Unrealized gain on revaluation of investment held as available-for-sale	-	-	(252,667)	(252,667)
Deferred tax assets - net	3,102,871	(331,162)	(252,667)	2,519,042



2. TRANSACTIONS WITH RELATED PARTIES

The Company has transactions with related parties which have the same group of shareholders and directors. Those transactions occurred in the normal course of business based on the basis determined by the Company and related persons and related parties.

The pricing policies for particular types of transactions are explained further below:

Pricing policy

Other income	The amount according to the interest rate in agreement
Directors and managements' remuneration represent director pension, meeting allowance, salary and bonus	The amounts are approved by the Company's directors and shareholders

32.1 Significant balance with related parties as at December 31, consist of the following:

Classification / Company name	Relationship	Consolidated Financial Statements		Separate Financial Statements	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
Trade receivables					
Ultima Life Co., Ltd.	Direct Subsidiary	-	-	53,620,260	-
Other receivables					
DOD Healthy Life Co., Ltd.	Direct Subsidiary	-	-	6,420	-
HY DOD Co., Ltd.	Direct Subsidiary	-	-	3,745	-
DOD Sale power Co., Ltd.	Direct Subsidiary	-	-	3,210	-
AK DOD CO., Ltd.	Direct Subsidiary	-	-	2,675	-
Interests received					
DOD Healthy Life Co., Ltd.	Direct Subsidiary	-	-	17,169,534	-
DOD Sale power Co., Ltd.	Direct Subsidiary	-	-	4,110	-
PCCA Laboratory Co., Ltd.	Indirect Subsidiary	-	-	2,783,479	-
Advance payment to directors	Directors	600,000	-	-	-
Long-term loan to subsidiaries					
DOD Healthy Life Co., Ltd.	Direct Subsidiary	-	-	298,000,000	-
DOD Sale power Co., Ltd.	Direct Subsidiary	-	-	5,000,000	-
PCCA Laboratory Co., Ltd.	Indirect Subsidiary	-	-	88,000,000	-
Dividend payable					
Mr. Lampun Puntanaprates	Major shareholder	-	66,000,000	-	66,000,000

32.2 Significant transactions with related parties for the years ended December 31, are as follows:

Classification / Company name	Relationship	Consolidated		Separate	
		Financial statements		Financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Revenue from sales					
Ultima Life Co., Ltd.	Direct Subsidiary	-	-	55,905,289	-
Interests received					
DOD Healthy Life Co., Ltd.	Direct Subsidiary	-	-	17,169,534	-
DOD Sale power Co., Ltd.	Direct Subsidiary	-	-	4,110	-
PCCA Laboratory Co., Ltd.	Indirect Subsidiary	-	-	2,783,479	-
Other income					
DOD Healthy Life Co., Ltd.	Direct Subsidiary	-	-	6,000	-
PCCA Laboratory Co., Ltd.	Indirect Subsidiary	-	-	6,916	-
HY DOD Co., Ltd.	Direct Subsidiary	-	-	3,500	-
DOD Sale power Co., Ltd.	Direct Subsidiary	-	-	3,000	-
AK DOD Co., Ltd.	Direct Subsidiary	-	-	2,500	-
Key management remuneration					
Short-term benefits	Key managements	28,310,258	14,102,727	10,712,044	14,102,727
Long-term benefits	Key managements	370,679	267,887	239,172	267,887
Director remuneration	Directors	2,280,000	2,220,000	2,280,000	2,220,000

33. CAPITAL MANAGEMENT

The primary objectives of the Group's capital management are to maintain their abilities to continue as a going concern and to maintain an appropriate capital structure.

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines from return on investment and also monitors the level of dividends pay out to ordinary shareholders.

34. DISCLOSURE OF FINANCIAL INSTRUMENT INFORMATION

The Company presents and discloses financial instrument information of the Group as follows:

34.1 Credit Risk

Credit risk refers to the risk that counterparty will default on its trading terms and conditions resulting in collection loss to the Group. The Group has concentrations of credit risk. However, the Company has adopted the policy of dealing with creditworthy counterparty as a mean of mitigating the risk of financial losses from defaults.

In case of recognized financial assets in the statements of financial position, the carrying amounts of the assets recorded in the statements of financial position represent the maximum exposure to credit risk.



As at December 31, 2019, the Group has concentration of credit risk of its trade receivables in the consolidated financial statement 79.78% from 5 major customers and the separate financial statements 91.35% from 6 major customers (as at December 31, 2018 the consolidated and separate financial statements : 88%, 2 major customers).

34.2 Interest Rate Risk

Interest rate risk arises from the potential for a change in interest rate to have an adverse effect on the Group in the current reporting period and in future years. The Company does not expect to incur material incremental effect on their interest expense.

34.3 Foreign Exchange Risk

As at December 31, 2019 the Company has material financial instruments in foreign currency as follow:

Currency	Consolidated and Separate Financial Statements		
	Financial assets	Exchange rate	
	2019 Baht	2019 Buying Baht per foreign currency	Selling
USD	113,973,538	29.8855	30.3313

(As at December 31, 2018 the consolidated and separate financial statement : Nil).

34.4 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 market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

In addition, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity 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.

34.4.1 Financial assets and financial liabilities measured at fair value

Certain financial assets of the Company and its subsidiaries are measured at fair value at the end of reporting period. The following table gives information about how the fair values of these financial assets is determined.

	Consolidated and Separate Financial Statements			
	As at December 31, 2019		Fair value hierarchy	Valuation techniques and key inputs
	Carrying Amount	Fair Value		
	Baht	Baht		
Financial assets				
Investment held as available-for-sale	200,000,000	113,973,538	2	Net asset values of the last working day of the reporting period

	Consolidated and Separate Financial Statements			
	As at December 31, 2018		Fair value hierarchy	Valuation techniques and key inputs
	Carrying Amount	Fair Value		
	Baht	Baht		
Financial assets				
Investment held as available-for-sale	400,000,000	401,263,335	2	Net asset values of the last working day of the reporting period

34.4.2 Financial instruments not measured at fair value

In estimating the fair value of financial assets and financial liabilities, which are not measured at fair value, are categorized into level 3. Their carrying amount is a reasonable approximation of fair value as follows:

	Consolidated Financial Statements	
	As at December 31, 2019	
	Carrying Amount	Fair value
	Baht	Baht
Financial assets		
Cash and cash equivalents	82,417,543	82,417,543
Trade and other current receivables	216,762,503	216,762,503
Fixed deposit used as collateral	15,877,843	15,877,843
Other long-term investment	6,000,000	6,000,000
Financial liabilities		
Short-term borrowing from financial institution	93,147,498	93,147,498
Trade and other current payables	92,498,174	92,498,174
Current portion of long-term borrowings from financial institution	29,424,000	29,424,000
Current portion of hire-purchase payables	1,690,623	1,690,623
Long-term borrowings from financial institution	51,617,558	51,617,558
Hire-purchase payables	1,032,808	1,032,808



Separated Financial Statements
As at December 31, 2019

	Carrying Amount	Fair Value
	Baht	Baht
Financial assets		
Cash and cash equivalents	52,480,782	52,480,782
Trade and other current receivables	253,530,425	253,530,425
Fixed deposit used as collateral	15,254,530	15,254,530
Other long-term investment	6,000,000	6,000,000
Financial liabilities		
Short-term borrowing from financial institution	60,145,460	60,145,460
Trade and other current payables	77,030,104	77,030,104
Current portion of long-term borrowings from financial institution	10,080,000	10,080,000
Current portion of hire-purchase payables	934,596	934,596
Long-term borrowings from financial institution	32,360,000	32,360,000
Hire-purchase payables	222,504	222,504

Consolidated Financial Statements
As at December 31, 2018

	Carrying Amount	Fair Value
	Baht	Baht
Financial assets		
Cash and cash equivalents	136,797,903	136,797,903
Temporary investment	300,000,000	300,000,000
Trade and other current receivables	64,572,759	64,572,759
Fixed deposit used as collateral	15,068,062	15,068,062
Deposit	150,000,000	150,000,000
Financial liabilities		
Short-term borrowing from financial institution	10,000,000	10,000,000
Trade and other current payables	193,863,890	193,863,890
Current portion of hire-purchase payables	1,057,211	1,057,211
Hire-purchase payables	1,157,099	1,157,099

Separated Financial Statements
As at December 31, 2018

	Carrying Amount	Fair Value
	Baht	Baht
Financial assets		
Cash and cash equivalents	136,797,903	136,797,903
Temporary investment	300,000,000	300,000,000
Trade and other current receivables	63,577,375	63,577,375
Fixed deposit used as collateral	15,068,062	15,068,062
Deposit	150,000,000	150,000,000
Financial liabilities		
Short-term borrowing from financial institution	10,000,000	10,000,000
Trade and other current payables	193,863,890	193,863,890
Current portion of hire-purchase payables	1,057,211	1,057,211
Hire-purchase payables	1,157,099	1,157,099

35. FINANCIAL INFORMATION BY SEGMENT

35.1 Segment Reporting

Financial information is divided by reportable segments which are supplementary business, manufacturing cosmetic, network marketing business, manufacturing extraction and others.

Elimination of inter-segment, segment revenues and profit from external customers and reconciliation of total segment profit to profit before income tax expense and comprehensive income are as follows:

For the year ended December 31, 2019 is as follows:

	Supplementary business	Manufacturing cosmetic	Network marketing business	Manufacturing Extraction	Others	Elimination of inter-segment	Unit : Baht
							Total
Revenues from sales	551,183,087	120,294,130	174,349,123	-	-	(55,905,289)	789,921,051
Interests received	21,423,258	74,997	29,714	16,190	6,155	(19,980,734)	1,569,580
Other income	3,989,254	1,587,484	454,153	-	-	(21,916)	6,008,975
Total revenue	576,595,599	121,956,611	174,832,990	16,190	6,155		797,499,606
Total profit (loss) from reportable segments before finance costs	197,906,435	(22,890,122)	(46,434,498)	(240,117)	(93,790)	(40,457,580)	87,790,328
Finance costs	(4,895,255)	(23,246,113)	-	-	(4,110)	18,592,786	(9,552,692)
Total profit (loss) from reportable segments	193,011,180	(46,136,235)	(46,434,498)	(240,117)	(97,900)		78,237,636
Income tax expenses							(4,726,947)
Net profit for the period							73,510,689

As at December 31, 2019

Total assets for reportable segments	1,529,096,052	489,155,841	75,335,566	65,154,001	6,999,420	(591,127,995)	1,574,612,885
Total liabilities for reportable segments	209,454,011	521,166,112	71,751,336	394,119	5,097,320	(471,512,934)	336,349,964

For the year ended December 31, 2018, the majority of the operations of the Company involve the single business segment of food supplements and health drinks, and the business is mainly carried on in a single geographic area in Thailand. Therefore, the management concludes that the Company has only one business segment and geographic area.



35.2 Information about transactions with major customers

The group company had revenues from sales over 10% of total revenues from external customers. For the year ended December 31, 2019, revenue from sales from 6 major customers are Baht 366.96 million in consolidated financial statement and 4 major customers are Baht 337.22 million in separate financial statement (for the year ended December 31, 2018 the consolidated and separate financial statements : 2 major customers are Baht 439.32 million).

36. COMMITMENTS

36.1 Commitments to pay rental under long-term lease contracts are as follows:

Payment period	Consolidated Financial Statements		Separate Financial Statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Not later than 1 year	3,435,811	-	1,509,906	-
Later than 1 year but not later than 5 years	5,166,362	-	2,893,987	-

For the year ended December 31, 2019, the long-term lease contract recorded as expenses in the statement of profit or loss is Baht 1.78 million and Baht 0.13 million in the consolidated and separate financial statements, respectively (for the year ended December 31, 2018 the consolidated and separate financial statements : Nil).

36.2 As at December 31, 2019, the Company has outstanding capital commitments relating to fixed assets and construction of Baht 99.90 million and Baht 71.72 million in the consolidated and separate financial statements, respectively (as at December 31, 2018 the consolidated and separate financial statements : Baht 45.88 million).

36.3 As at December 31, 2019, the Company has unused bank overdrafts from a local banks of Baht 5.00 million, carry interest rates of MOR% per annum in the consolidated and separate financial statements (as at December 31, 2018 the consolidated and separate financial statements : Baht 5.00 million, carry interest rates of MOR% per annum) (see Notes 9 and 18).

37. EVENTS AFTER THE REPORTING PERIOD

37.1 As at January 31, 2020, the Company entered into a long-term borrowing with a financial institution of Baht 40 million for construction warehouse with interest rate of MLR - 1.50 % per annum which is guaranteed by mortgage land and buildings.

37.2 On February 26, 2020, the Board of Directors' Meeting No. 2/2563 agreed to propose to Annual General Meeting for the year 2020 for considering the dividend payment at Baht 0.35 per share who are entitled to receive the dividend.

38. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved for issuance by the Company's authorized director on February 26, 2020.



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