



FORM 56-1 (ONE REPORT)
DO DAY DREAM PUBLIC COMPANY
YEAR 2020

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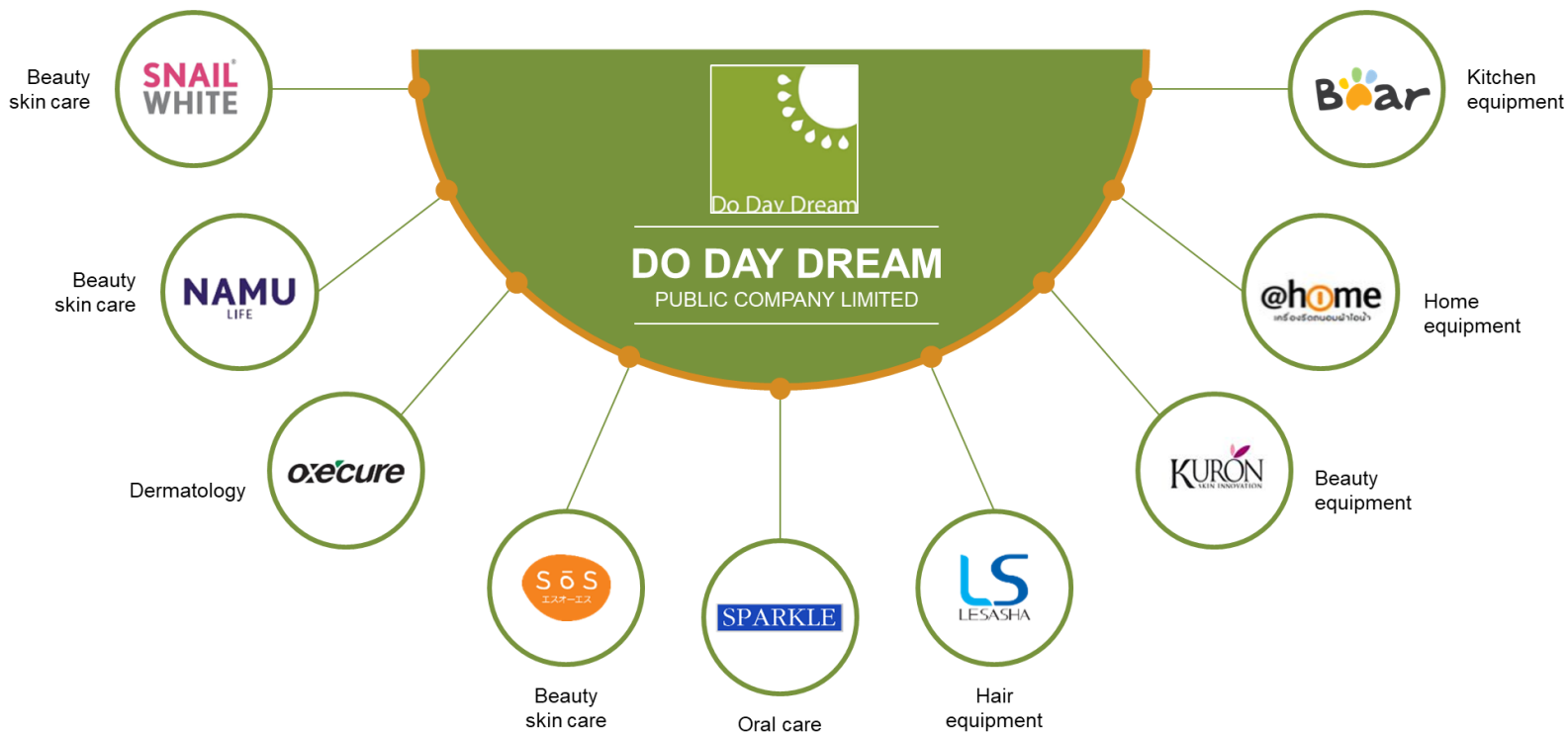
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BUSINESS POLICY AND OVERVIEW

Do Day Dream Public Company Limited (“the Company”) manufactures and distributes premium quality skin care products under the trademarks “SNAILWHITE”, “NAMU LIFE”, “OXE’CURE” and “SoS” as well as oral care products under the trademark “SPARKLE” and hair styling products under the trademark “LESASHA”. The Company conducts the business under the concept “Beauty is Healthy” which articulates that the ideal beauty is to have a good health of your own way and is reflected in the product innovation and design aiming to promote health both inside and outside so that customers can improve their wellness and shine from inside naturally.

The Company pays attention to each step of the production process to ensure highest quality of the products by carefully selecting raw materials from leading suppliers across the world based on quality and credibility to enhance efficiency in the production process in order to manufacture quality and safe products. Technology and innovation are also adopted in the product development while the Company focuses on participation of all employees to find new approaches to improve work procedures and work environment in a continuous manner. Moreover, R&D Department is responsible for product development to continuously develop and introduce new products as well as study market directions in order to address consumer needs. The Company also has a product development policy that emphasizes creativity and product innovations.

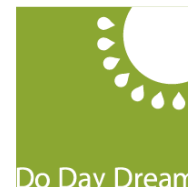


STRUCTURE AND BUSINESS OF THE GROUP OF COMPANIES- 1

56-1 ONE REPORT 2021

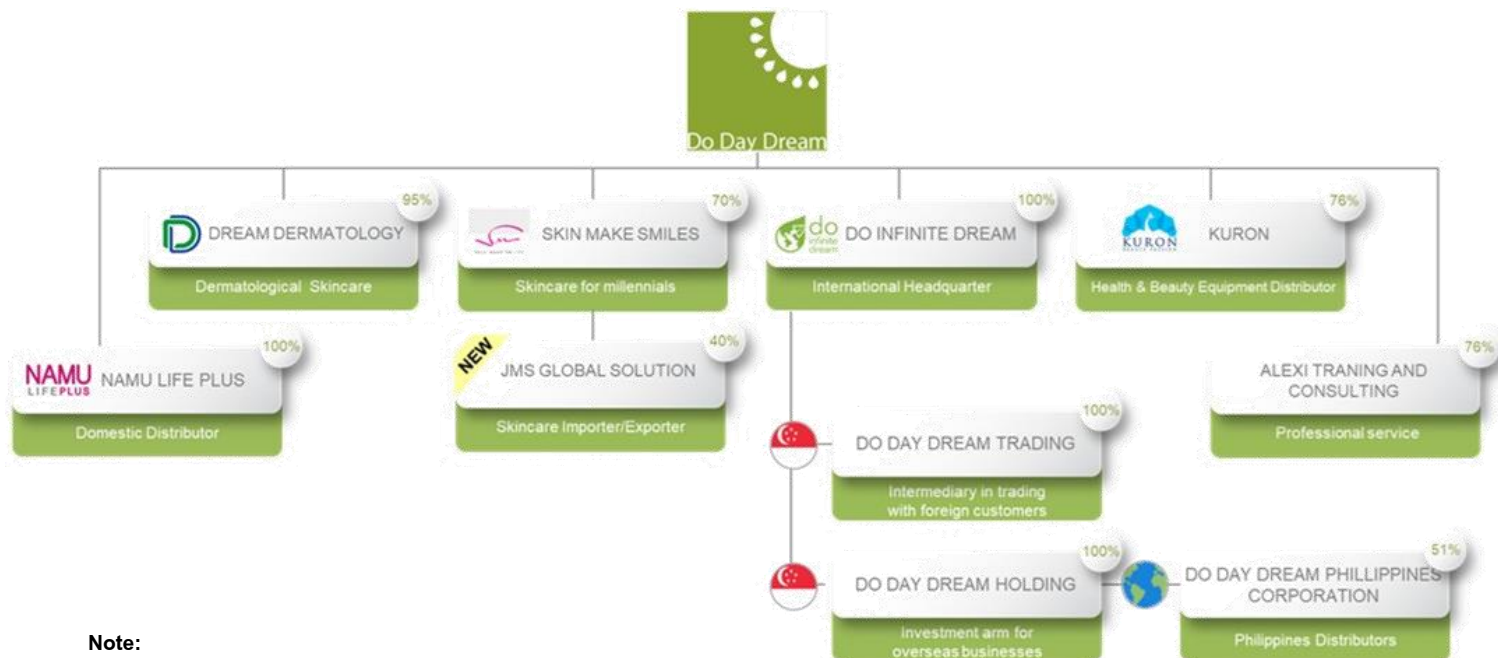
DO DAY DREAM PLC.

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Shareholding Structure Do Day Dream Public Company Limited Group of Companies

As of 31 December 2020



Note:

- Namu Life Plus Company Limited was incorporated in March 2015 as a distributor of the Company's products in Thailand. The Company holds 100% of total shares.
- Do Infinite Dream Company Limited was incorporated in October 2017 to expand the Company's business in overseas. The Company holds 100% of total shares.
- Dream Dermatology Company Limited was established in March 2018 to expand the Company's business to cosmeceuticals. The Company holds 95% of total shares.
- Skin Make Smiles Company Limited was established in June 2018 to expand the Company's skin care business to millennial customers. The Company holds 70% of total shares.
- Do Day Dream Trading PTE Ltd. was incorporated in Singapore since January 2018 to distribute its products to overseas customers. It is 100% shareholding by Do Infinite Dream Company Limited.
- Do Day Dream Holding PTE Ltd. was incorporated in Singapore since January 2018 as holding company to invest in the Company's business in overseas. It is 100% shareholding by Do Infinite Dream Company Limited.
- Do Day Dream Philippines Corporation was established in the Philippines and completed the registration for capital increase according to the Philippines' laws since August 2018 to expand the Company's business in distributing products internationally. Do Day Dream Holding PTE Ltd. holds 51% of total shares.
- Kuron Company Limited was acquired by the Company with 76% of total shares on 5 March 2020 to expand the Company's business in hair styling products "Lesasha" and oral care products "Sparkle".
- Alexi Training and Consulting Company Limited was acquired by the Company with 76% of total shares on 5 March 2020 to expand the Company's business in personnel management to support sales of its group of companies.
- JMS Global Solution Company Limited was acquired by the Company and GP Club, a Korean business partner, with 40% of total shares to expand the Company's business to cater to tourists and export to China.
- All subsidiaries have equal shareholding and voting proportion.

VISION, MISSION & GOALS

VISION

To Be No.1 Of The 3 Market Leader In The Asian Beauty Industry

MISSION

We Create Healthy Skin For Everyone To Be Truly Beautiful In Their Own Unique Way

BUSINESS OBJECTIVES

The Company attempt to be 1 of the 3 market leaders in the Asian beauty industry with below target:

1. Increase new products as well as expand distribution channels and marketing both in domestic and overseas to enhance ease of access for target customers and customers can remember the Company's trademark very well.
2. Continuously improve the Company's internal systems to enhance speed and effectiveness of operations, while maintaining good relations with all business partners and engage in corporate social and environmental responsibility to foster long-term sustainability.

CORE VALUE

- DYNAMIC** Robust growth while always being adaptive
- DIFFERENT** Commitment to continuous improvement for sustainability and stability
- DEVELOP** Fresh and uniquely innovative



KEY CHANGES AND DEVELOPMENTS

Background

The Company was incorporated on 20 September 2010 with the initial registered capital of 1 million baht by Pornpatanarak family to operate as an Original Equipment Manufacturer (OEM) and provide business consultation related to skin products. Later in 2013, the Company saw the opportunity in creating its own trademark as the Company gained expertise in production together with the positive growth outlook of the industry. Consequently, the Company commenced its business in manufacturing and distributing skin care products under the trademark “NAMU LIFE” with the product line “SNAILWHITE” that reflects its unique feature of using snail secretion filtrates as the key ingredient. From 2013 to 2019, the Company’s products gained popularity and awareness among consumers and this was evident from the Company’s outstanding performance and continuous growth. Key success factors include the use of premium ingredients with skin nourishing properties and unique value propositions that highlight natural beauty, the effective marketing plans using celebrities as presenters to endorse the products, consistent new product launch and expansion of local and international distribution channels.

Key Developments

2010

Do Day Dream Company Limited was founded by Pornpatanarak family in September 2010 with the objective to operate as an Original Equipment Manufacturer (OEM) and provide business consultation related to skin products. The initial registered and paid-up capital is 1 Million Baht or a total of 10,000 shares at a par value of 100 Baht per share.

2013

The Company commenced its business in manufacturing and distribution of skin care products with the product line “SNAILWHITE” under the trademark “NAMU LIFE”. The first product launched was facial cream under the brand of NAMU LIFE SNAILWHITE SNAIL SECRETION FILTRATE MOISTURE FACIAL CREAM in March through social media channels and was distributed via traditional trade channels.

- TRANSLATION -



2014

- The Company increased the registered and paid-up capital from 1 Million Baht to 10 Million Baht at a par value of 100 Baht per share, in June, to support the Company's business.
- The Company began its distribution through modern trade as another channel to reach more consumers starting with Big C, Watsons and Boots in May, August and September respectively.
- The Company launched new skin care products, which are (1) NAMU LIFE SNAILWHITE SYN-AKE MIST (2) NAMU LIFE SNAILWHITE MASK SHOT during the 1st quarter and (3) NAMU LIFE SNAILWHITE BODY BOOSTER during the 3rd quarter, to add to its existing product portfolio in facial skin care product line to further cover customer usage as well as tap into customers who want to take care of their body skin.
- The Company started making and selling gift sets that combine various products of the Company together for customers to purchase as gifts for special occasions and souvenirs for tourists.
- The Company expand its business overseas starting with Asian i.e. Hong Kong, China, Myanmar and Cambodia.

2015

- The Company launched 3 new facial care products (1) NAMU LIFE SNAILWHITE CONCENTRATE FACIAL CREAM (2) NAMU LIFE SNAILWHITE SUNSCREEN and (3) NAMU LIFE SNAILWHITE CLEANSING. This products offering to meet customers' demand especially consumers who need concentrated nourishing cream as well as overseas customers in the countries with cold weather. Besides, this effort aimed to expand into sunscreen product and facial cleansing product markets which are high market value and new to the Company.
- The Company expanded its production base through its investment in buying a land with a factory at Rojana Industrial Park in Ayutthaya province and started renovating the new factory since December. The total investment was 58 Million Baht.
- The Company established a subsidiary names Namu Life Plus Company Limited ("Namu Life Plus") in March with registered capital of 5 Million Baht or 50,000 shares at a par value of 100 Baht per share. The paid-up capital at the establishment date was 1.25 Million Baht with the price of outstanding shares of 25 Baht per share. The new subsidiary engages in distributing the Company's skin care products. The Company held 69% of shares at the establishment date.

- TRANSLATION -



- The Company started producing small-sized products. These new products were distributed through leading convenience stores as tester targeting consumers who never try the Company's products or for travel purposes as easy to carry.

2016

- In March, the Company was restructured by issuing additional shares worth 50 Million Baht. As a result, the registered and paid-up capital rose to 60 Million Baht. This was done by issuing 500,000 shares for (1) Pornpatanarak family, the existing shareholder and (2) a share swap between existing shareholders of Namu Life Plus at a ratio of 4 Namu Life Plus share to 1 new ordinary share of the Company. After the restructuring, the Company held 99.74% shares in Namu Life Plus.
- The Company purchased the remaining 126 shares at 100 Baht per share from existing shareholders of Namu Life Plus so that the Company had 100% ownership.
- After the restructuring, the Company increased its registered capital further from 60 Million Baht to 225 Million Baht to be used as working capital for business operations.
- The Company added new products offering to meet customers' demand especially intensive care as well as cater to a new customer group who looks for innovative cleansing products in form of a bar soap in a netted sachet and body wash with lotion-like cream.
- The Company refurbished its factory to improve the production process in September and commenced the production in October.
- The Company broadened its sales channels by setting up and distributing products through own standing shops under the name Namu Life in November.

2017

- The Company converted to be a public company and changed the name to Do Day Dream Public Company Limited on 22 March 2017 and adjusted the par value of its shares from 100 Baht per share to 1 Baht per share and increased its registered capital from 225 Million Baht to 318 Million Baht to support its listing in the Stock Exchange of Thailand. The Company allocated (1) not exceeding 76 Million new ordinary shares with a par value of 1 Baht for its initial public offering (IPO) (2) not exceeding 2 Million new ordinary shares with a par value of 1 Baht per share to offer to directors, executives and employees under an Employee Share Ownership Program (ESOP) and (3) not exceeding 15 Million new ordinary shares with a par value of 1 Baht per share as a private placement for institutional investors.
- According to the resolution of the Extraordinary Shareholders Meeting No. 2/2017 on 17 July 2017, the Company allocated its 15 Million new ordinary shares with a par value of 1 Baht per share at a price of 29.87 Baht per share to North Haven Thai Private Equity Clarity Company (HK) Limited ("NHTPEC"), a legal entity established to purchase shares of the Company while North Haven Thai Private Equity L.P. ("NHTPE") is the sole indirect shareholders (NHTPE holds all shares in North Haven Thai Private Equity Holding (HK) Limited ("NHTPEH") and NHTPEH fully owns NHTPEC) and eligible for a private placement under the definition according to the Notification of the Securities and Exchange Commission Kor Jor 17/2008 on Determination of Definitions in Notifications concerning Issuance and Offer for Sale of Securities on 15 December 2008 (including amendments).
- In December, the Company successfully conducted its initial public offering (IPO) by offering 76 Million ordinary shares with a par value of 1 Baht to the public. The first trading day at the Stock Exchange of Thailand was 26 December 2017.

2018

- In March, the Company established Dream Dermatology Company Limited with initial registered capital of 50 Million Baht at a par value of 100 Baht per share, totaling 500,000 shares, to engage in distributing Oxe'Cure cosmeceutical products. The Company held 95% of shares at the establishment date. In April, the subsidiary acquired trademark Oxe'Cure from WellGrow Med Company Limited.
- The Company founded a subsidiary, Skin Make Smiles Company Limited in June with the registered capital of 5 Million Baht at a par value of 100 Baht per share totaling 50,000 shares. At the establishment date, the paid-up capital was 1,250,000 Baht with a value of 25 Baht per share. The new subsidiary operates in skin care product business targeting millennials. The Company held 70% of shares at the establishment date.
- The Company expanded its distribution of skin care products in the Philippines through the acquisition of 33,660,000 newly-issued shares of Do Day Dream KCA Philippines Corporation at a par value of 1 Philippine Peso per share. This is equivalent of 51% of all newly-issued shares worth 33,660,000 Philippine Peso or around 21.17 Million Baht. The Company already registered the capital increase according to the laws in the Philippines on 13 August 2018. Later, the name was changed to Do Day Dream Philippines Corporation.

2020

- On March 5th, the Company completed a 76% share acquisition of Kuron Company Limited and Alexi Training and Consulting Company Limited from existing shareholders with the objective to expand its business into hair styling products and oral care products under the brands “Lesasha” and “Sparkle” respectively as well as personnel management services to support the Company’s sales.
- In April, Skin Make Smiles Company Limited “SMS”, a subsidiary, jointly invested 40% of shares with GP Club Company Limited “GPS”, a large-sized whitening skin care product distributor from Korea, to set up JMS Global Solution Company Limited to distribute the Company’s products in countries in Asia.

- TRANSLATION -



REPORT ON UTILIZATION OF FUNDS FROM CAPITAL INCREASE RAISED FROM IPO

As Do Day Dream Public Company Limited (“the Company”) has placed the Initial Public Offering (IPO) since 14th–18th December 2017 at the amount of 76,000,000 shares, the par value of IPO is 53 Baht, and registered the ordinary shares from capital increase raised to the Stock Exchange of Thailand on 26th December 2017. The Company has received total capital increase at the amount of 4,028.00 Million Baht. After deduction distribution and underwriter fees as well as other expenses incurred from this offering, the remaining proceeds are in the amount of 3,940.88 Million Baht.

The Company would like to report the utilization of capital increase as of 31st December 2020 as follows:

(Unit: Million Baht)

Objectives	Estimated Utilization	Actual Utilization until 31 December 2020	Balance As of 31 December 2020
1. Business Expansion	406.00	83.08	322.92
1.1 To expand the Company’s factory and warehouse	256.00	18.96	237.04
1.2 To expand the Company’s distribution channel and distribution center	40.00	0.00	40.00
1.3 To renovate the Company’s office and related network	50.00	26.15	23.85
1.4 To improve the Company’s research & development facilities	50.00	26.15	23.85
2. Working Capital	3,534.88	1,799.26	1735.62
TOTAL	3,940.88	1,882.35	2,058.53

NATURE OF BUSINESS

The Company manufactures and distributes products under its own trademarks with details below.

1. Manufacturer and distributor of products under trademarks of the Company and its subsidiaries

The Company manufactures and distributes skin care products under the trademarks of the Company and its subsidiaries per following

- **“NAMU LIFE”** trademark with product line under **“SNAILWHITE”**
- **“PRETTII FACE”** trademark

The products under those trademarks are distributed through one of its subsidiaries, Namu Life Plus Company Limited in which the Company holds 100% ownership.

2. Distribution Business Under Trademarks of Subsidiaries.

The Company distributes products under subsidiaries' trademarks such as

- **“OXE'CURE”** trademark – acne-prone and sensitive skin products.
- **“SOS”** trademark – skin care and deep-nourishing products.
- **“PRETTII FACE”** trademark – skin care and nourishing products for teenagers.
- **“LESASHA”** trademark – hair styling appliances.
- **“SPARKLE”** trademark – oral care products, toothpastes and toothbrushes.
- **“JASON”** trademark – fitness equipment.
- **“@HOME”** trademark - home electrical appliances.
- **“EMJOI”** trademark - hair removal devices.
- **“SMOOTH SKIN”** trademark – IPL (Intense Pulse Light) hair removal devices.
- **“BEAR”** trademark - electrical appliances for cooking.

- TRANSLATION -



DO DAY DREAM GROUP REVENUE STRUCTURE

31 DECEMBER 2020

By Product Group	2018		2019		2020	
	MB.	%	MB.	%	MB.	%
<u>Revenue from selling product under Company's trademark</u>						
1) Skincare	689.76	52.90	533.15	66.94	299.38	18.8
2) Cleansing	39.39	3.02	135.76	17.04	111.86	7.0
3) Sunscreen and Cosmetic	127.77	9.80	20.70	2.60	24.29	1.5
4) Personal Equipment	98.49	7.55	-	-	389.09	24.5
5) Consumer goods	32.12	2.46	-	-	202.36	12.7
6) Giftset	287.08	22.02	83.18	10.44	47.20	3.0
7) Other	0.17	0.01	1.38	0.18	4.48	0.3
Total revenue from products under Company's trademark	1,274.78	97.76	774.17	97.20	1,078.66	67.8
Deduct Sales discount	(25.15)	(1.93)	(45.11)	(5.66)	(78.32)	(4.9)
Total sales	1,249.63	95.83	729.06	91.54	1,000.34	62.9
Other income	54.35	4.17	67.38	8.46	589.94	37.1
Total revenue	1,303.98	100.00	796.44	100.00	1,590.28	100.0

- TRANSLATION -



PRODUCT INFORMATION

UNDER TRADEMARKS OF THE COMPANY AND ITS SUBSIDIARIES

1) **BRAND “NAMU LIFE”** offers one group of products under “SNAILWHITE” with key ingredients from snail secretion filtrates and other concentrated natural extracts which help nourish skin effectively, suitable for all skin types.



NAMU LIFE SNAILWHITE MOISTURE FACIAL CREAM



- TRANSLATION -



At present, there are 21 products under “NAMULIFE SNAILWHITE” covering skin care and skin cleansing which can be categorized into 4 groups listed below.

- **SKINCARE PRODUCT**

“NAMULIFE SNAILWHITE” SKINCARE PRODUCT	SIZE	RETAIL PRICE
FACIAL CARE		
1) FACIAL MOISTURE CREAM	50 ML.	950 BAHT
2) MASK SHOT	12 PCS.	1,660 BAHT
	5 PCS.	690 BAHT
	1 PCS.	139 BAHT
3) MIRACLE INTENSIVE REPAIR	30 ML.	1,190 BAHT
4) GOLD FACIAL CREAM	50 ML.	990 BAHT
	7 ML.	39 BAHT
5) GOLD SERUM	6 ML.	49 BAHT
6) GOLD ESSENCE WATER	150 ML.	790 BAHT
7) GOLD TRIPLE LIFT SERUM	30 ML.	1,390 BAHT
8) SERUM	7 ML.	39 BAHT
9) WHITENING ANTI-POLLUTION	30 ML.	590 BAHT
	7 ML.	39 BAHT
10) SAKURA HAZEL SOOTHING ESSENCE GEL	20 ML.	49 BAHT
11) 7 DAYS MASK SHEETS	7 PCS.	350 BAHT
	1 PCS.	99 BAHT
12) ICY MASK	7 ML.	39 BAHT
	30 ML.	690 BAHT
BODY CARE		
13) BODY BOOSTER SPF30/PA+++	350 ML.	399 BAHT
14) BODY BOOSTER	400 ML.	399 BAHT

- TRANSLATION -



● CLEANSING PRODUCT

"NAMULIFE SNAILWHITE" CLEANSING PRODUCT	SIZE	RETAIL PRICE
FACIAL CLEANSING		
1) CLEANSING	151 ML.	490 BAHT
2) WHIP SOAP	100 ML.	199 BAHT
3) WHITE SOAP	50 ML.	59 BAHT
4) FACIAL JELLY WASH	100 ML.	199 BAHT
BODY CLEANSING		
5) CRÈME BODY WASH	500 ML.	199 BAHT
— NATURAL WHITE		
— DEEP MOISTURE		
— AROMA RASHALL ROSE		

● SUNSCREEN AND MAKE UP

"NAMULIFE SNAILWHITE" SUNSCREEN AND MAKE UP	SIZE	RETAIL PRICE
1) SUNSCREEN CC CREAM	50 ML.	690 BAHT
	6 ML.	39 BAHT
2) SUNSCREEN	51 ML.	690 BAHT

● GIFTSET

Marketing and Competition

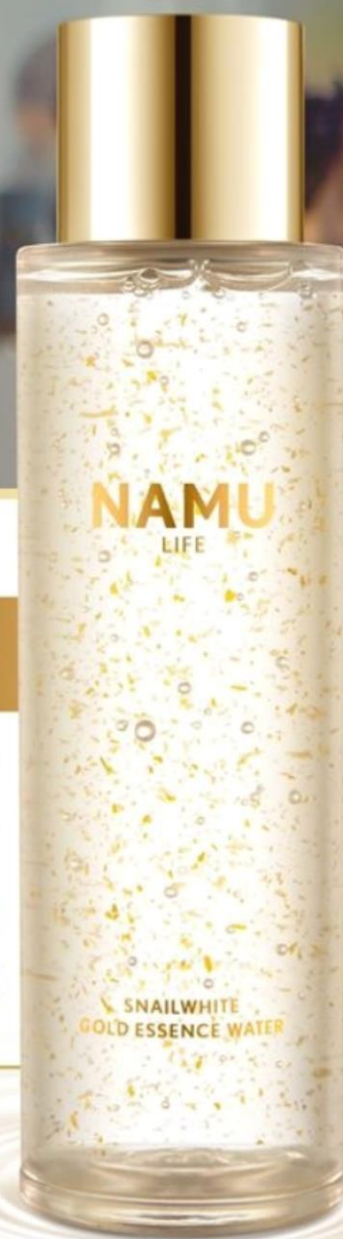
Product and brand uniqueness development and brand awareness enhancement: Currently, the Company has added more subsidiaries in order to run manufacturing and distribution business of skincare products. In addition to differentiated trademarks, there are other different key components e.g. product image, marketing policies, target customers, price points, and distribution channels. Therefore, each brand has formulated distinct strategies to properly cater to a variety of customers with diverse needs. “SNAILWHITE” brand focuses on product creation and packaging design to be accordance with “premium mass” product identity of high quality with affordable prices. The Company put marketing efforts to gain trust for the products leveraging on Thailand’s superstars who are known to the target consumers for their beauty as product ambassadors to promote recognition and trust among consumers. In 2019, the Company focused on strengthen the ‘Gold” product group by launching a new product, NAMU LIFE SNAILWHITE Gold Triple Lift Serum, both in pumping bottles and sachets, in order to drive business growth in line with current market directions that anti-aging segment grew more than 5%, comparable to the growth of whitening segment. Moreover, at the end of 2019, SNAILWHITE has boosted the market for facial sunscreen products given its current high growth (more than 8%) and potential growth outlook thanks to environmental and pollution problems. Despite the fact that the product has been available in the market for some time, it has been well-received by consumers and commanded market share of over 20% of skin-cleansing and nourishing product market. During 2019, the competition was intense as many new brands and new products were introduced to the market almost on a weekly basis, let alone sales promotional campaigns and other marketing activities. This product push allowed consumers to have more choices and led to a new trending behavior of trying new products. Consequently, manufacturers, big and small, local and international, developed products with smaller packages and lower prices to accommodate the product testing trend and to gain higher market shares. This was considered a successful strategy under economic downturn as sales through convenient stores grew significantly thanks to lower price points that are suitable for the channel. Convenient stores then became a major channel for selling small-sized packages and sachets. Therefore, SNAILWHITE introduced products in sachet to meet this growing customer demand and cater to the mass especially in upcountry in traditional trade and convenient stores to steal market shares while standard-sized products are focused on modern trade and export channels.



NEW!

ใหม่! น้ำตบผสมทองคำบริสุทธิ์
เพิ่มความชุ่มชื้นทันทีหลังล้างหน้า
ผิวกระชับ แลดูเรียบเนียน

NAMU LIFE SNAILWHITE GOLD ESSENCE WATER



- TRANSLATION -



2) BRAND“OXE’CURE” is managed under Dream Dermatology Company Limited, a subsidiary that the Company owns 95% of shares, who engages in distribution business of cosmeceuticals including products for acne-prone and sensitive skin with the trademark ““OXE’CURE”. Dream Dermatology Company Limited purchased the trademark “OXE’CURE” from Wellgrow Med Company Limited in April 2018.

“OXE’CURE” offers products for people with acne problems and sensitive skin under the concept “OXE’CURE IN CONTROL” – all skin problems can be controlled and cured meaning:

CONTROL ALL OVER YOU: OXE’CURE – For both facial and body skin

CONTROL ALL TYPES OF PROBLEMS: OXE’CURE – For all types of skin

CONTROL ALL THE WAY: OXE’CURE – For long-lasting protection and prevention of same skin problems to reoccur.

CONTROL IS YOURS: OXE’CURE – For confidence and confirming messages to others that skin problems can be treated.

Oxe’Cure understands skin issues and helps treat skin problems at their causes with quality and safe products certified by experts and institutions. Oxe’Cure is currently available in 11 products and 4 groups as follow.

- **ANTI - ACNE PRODUCT**

“OXE’CURE” ANTI - ACNE	SIZE	RETAIL PRICE
1) FACIAL ACNE LOTION	10 ML.	95 BAHT
2) ACNE CLEAR POTION	15 ML.	189 BAHT
3) ACNE CLEAR POWDER MUD	5 G.	49 BAHT
4) ACNE CLEAR POWDER LOTION	25 ML.	229 BAHT
5) ACNE DEFENSE PREBIO SERUM	20 ML.	490 BAHT
	5 ML.	59 BAHT
6) BODY ACNE SPRAY	25 ML.	155 BAHT
	50 ML.	255 BAHT

- TRANSLATION -



- **CLEANSING PRODUCT**

“OXE’CURE” CLEANSING	SIZE	RETAIL PRICE
1) FACIAL LIQUID CLEANSER	100 ML.	200 BAHT
2) BODY WASH	400 ML.	450 BAHT
3) SULFUR SOAP	30 G.	55 BAHT
	100 G.	155 BAHT

- **FACIAL SKINCARE**

“OXE’CURE” FACIAL SKINCARE	SIZE	RETAIL PRICE
1) ANTI-MELASMA CREAM	4 G.	99 BAHT
	10 G.	240 BAHT

- **SUNSCREEN**

“OXE’CURE” SUNSCREEN	SIZE	RETAIL PRICE
1) ACNE SUNSCREEN	30 G.	490 BAHT
	6 G.	59 BAHT

- **GIFT SET**

Market and Competition

In 2020, the Company continued its strategic plan to grow “OXE”CURE” brand focusing on promoting brand image and brand awareness to address needs of consumers who have acne problems and sensitive skin. Target customers are teenagers of both genders with the age between 18-35 years old. Product development strategies are listed below.

- Brand image development to raise brand awareness

The Company formulated a marketing plan to focus on continuous communication under new formats to reach target consumers through their preferred channels especially online channels. Moreover, the Company put effort in creating content for communication with consumers to be appealing and innovative with product information and “OXE”CURE” brand for consumers to be able to recognize the brand.



oxecure GMM

มือไว ได้มาเจอ "ไบรท์-วิน"
ชวนทุกคนมาแคปภาพ GIF

"ไบรท์-วิน ถือ Oxecure Acne Clear Potion" ให้ทัน

แล้วถ่ายภาพคู่โชว์ผลงานกับสินค้าจะแบบขวดยหรือแบบชองก็ได้
ลงบน  หรือ  พร้อมเล่าว่า

"เป็นสิวตรงไหน ปวดใจที่สุด?"

ติด **#BrightWinXOxecure**

15 คนที่มือไว และปวดใจที่สุด
จะได้มาทำกิจกรรมสุดเซอร์ไพรส์ไว้สว
กับ "ไบรท์-วิน" ไปเลย

Acne Clear Potion, Acne Clear Powder Mud, Acne Clear Gel

- TRANSLATION -



- Sales promotion and sales channel development

The Company appointed DKSH (Thailand) Company Limited to be the distributor of “OXE”CURE”. During 2020, the Company adjusted its sales and distribution plan to cover broader domestic market to support growing sales. In addition, SG&A expense was carefully managed under uncertainties and was limited to only essential expenses.

- Product development under “OXE”CURE” brand

The Company promotes continuous product development and teamed up with dermatologists, researchers and accepted testing institutes to invent new products using modern technology to respond to consumer problems and expand product coverage to help consumers with acne problems and sensitive skin. The Company conducted a market survey to gauge customer needs and received good feedback from its product launch in 2020.

- Adjustments of marketing plans under changing market conditions.

2020 was considered a year of change characterized by intense market competition and lower consumer purchasing power. The Company adapted to the situation by reformulating marketing strategy to be more agile to respond fast to the changing environment. More products were introduced and promoted through online channels and products were communicated to consumers in different angles depending on what the market was interested in at that particular moment to enhance sales. Promotional media were created to be in theme with COVID-19 outbreak that changed consumer behavior; for example, acne products were to help consumers from acne problems caused by wearing masks and new products were introduced with the property to reduce bacteria accumulation.

Additionally, the Company expanded further into the Philippines through sales agent subsidiary in order to extend customer base and reduce risk of dependence on domestic consumers. The Company started exporting “OXE”CURE” products since February 2020.



MARKETING ADVERTISING OF “OXE’CURE” IN PHILLIPPINES



ขั้นตอนการใช้งาน

1 + 2 + 3

3 ขั้นตอน
ผลิตภัณฑ์ออกซีเคียว
สำหรับผู้มีปัญหาสิว

oxe'cure
— IN CONTROL —

3) **Trademarks under Skin Make Smiles Company Limited**, a 70%-owned subsidiary who operates in distribution business of skin care products for new generations under the following brands.

SŌS is operated under a philosophy to help consumers attain beautiful and healthy skin with ease. The brand offers Japanese-made products with multiple purposes that address skin problems on point through high-quality concentrated extracts proven by real consumers and certified by skin experts. SŌS is now available in 12 products and 3 groups as outlined below.

- **FACIAL SKIN CARE**

"SOS" FACIAL SKIN CARE	SIZE	RETAIL PRICE
1) HYALURON X3 CONCENTRATE	10 ML.	199 BAHT
SERUM	30 ML.	590 BAHT
2) HYALURON & COLLAGEN FREEZE- DRIED MASK (3 PCS.)	21 G. (33 G.)	525 BAHT
3) SKIN ENERGY MOISTURE LOCK KIT	2 ML. 21G.	219 BAHT
4) SKIN ENERGY WHITE GLOW KIT	2 ML. 21G.	219 BAHT
5) SKIN ENERGY AGE LOCK KIT	2 ML. 21G.	219 BAHT
6) HYALURON 4D FIRMING MASK	25 ML.	99 BAHT
7) FULLERENE CONCENTRATE SERUM	10 ML.	990 BAHT
8) FULLERENE & PHYTOPLACENTA TREATMENT ESSENCE	170 ML.	590 BAHT
9) HYALURON & CERAMIDE X3 MOISTURIZING CREAM	300 ML.	490 BAHT

- TRANSLATION -



● SUNSCREEN

"SOS" SUNSCREEN	SIZE	RETAIL PRICE
1) ULTRA PROTECT X3 UV ESSENCE	30 ML.	490 BAHT

● CLEANSING

"SOS" CLEANSING	SIZE	RETAIL PRICE
1) ULTRA SENSITIVE PM1 MICELLAR WATER	330 ML.	390 BAHT
2) HYGIENIC GEL HYALURON HAND SANITIZER	70 ML.	149 BAHT



- TRANSLATION -



PRETTII FACE is a skin care brand invented and developed to target school students and university students. PRETTI FACE rides with new trends to meet changing lifestyles of consumers. 10 products are in the market under the brand which can be categorized into 3 groups per following.

- **FACIAL SKIN CARE**

"PRETTII FACE" FACIAL SKIN CARE	SIZE	RETAIL PRICE
1) WINK BRIGHT WHITENING SERUM	6 ML.	39 BAHT
	30 ML.	219 BAHT
2) OASIS MOISTURISING SERUM	6 ML.	39 BAHT
	30 ML.	219 BAHT
3) YOUTH-IFUL SERUM	6 ML.	39 BAHT
	30 ML.	219 BAHT
4) PORE-FECTING SERUM	6 ML.	39 BAHT
	30 ML.	219 BAHT
5) 4IN1 SUPER BOOSTER MASK	23 ML.	69 BAHT

- **SUNSCREEN & MAKE UP**

"PRETTIIFACE" SUNSCREEN & MAKE UP	SIZE	RETAIL PRICE
1) SUN ANGEL SPF 50/PA++++	6 ML.	49 BAHT
2) MAGIC PINK MAKEUP BASE	6 ML.	59 BAHT

- TRANSLATION -



● CLEANSING

"PRETTIFACE" CLEANSING	SIZE	RETAIL PRICE
1) WINK BRIGHT WHITENING SERUM SOAP	40 G.	59 BAHT
2) PORE-FECTING ACNE SERUM SOAP	40 G.	59 BAHT
3) HYGIENIC GEL HYALURON HAND SANITIZER	70 ML.	149 BAHT



Market and Competition

Subsidiaries of the Company including Skin Make Smiles Company Limited distribute products with the Company's trademarks. Despite a variety of product offering, most products are offered to similar markets with key differences in the diverse customer needs the products address through different sales channels such as modern trade and convenient stores. The Company defined a direction to differentiate the products and the brand to raise brand awareness with details below.

- **SŌS** stands for Stories of Skin, a brand with a slogan which believes that each person's skin is different because of unique life experiences. Stories are told through different types of skin i.e. dry skin, oily skin, skin with wrinkles, and skin with dark spots. SŌS is the brand that focuses on developing new innovative products to solve the consumers' skin problems while customers can still enjoy every experience during different periods of their lives. The first story the brand presented to the market is "Water of Life" as the brand believes that water is the starting point for healthy and strong skin and skin with moisture balance will look fresh and young. The first product unveiled in 2019 is SŌS HYALURON X3 Serum, a concentrated hyaluron serum from Japan with 3 molecules of concentrated hyaluron that can penetrate deep into the skin to instantly add water to skin to keep epidermis moisturized, without losing water to pollution. As the product offers important basic skin care, the first product was catered to new generations both female and male including teenagers as well as working people who make enough income to afford beauty products. Marketing communication began with online media to reach target customer groups, then TV advertisement media in form of short VTRs in popular TV programs to raise brand awareness most effectively using offline media. Distribution channels are focused on modern trade retailers and certain number of traditional trades with potential to distribute products in certain areas to promote better access to consumers.

- **PRETTiiFACE** is a perfect combination of benefits of Japan and Korean products. The concept of this product is “Best Friend Forever” that focuses on teenage customers who just start to take care of their skin since young age in order to keep their skin healthy and young at all times. The communication was framed around “A Girl’s Best Sister” theme - a friend who is always beside you to help and keep you updated of new trends as well as enjoys living. This brand targets the millennials who believe that health and beauty are different from preceding generations. Millennial consumers are looking for new brands that resonate their unique ideas, attitudes, and beliefs and norms. Under this behavior, PRETTiiFACE was developed as beauty products specifically for Thai people and all formulad are unisex, good for both men and women. The brand does not rely on famous people to endorse or present the products but encourages target groups to test the products by themselves and share testing results to people around them. Brand image was reflected in different personalities and attitudes of target groups through 4 female cartoon characters with different stories and lifestyles i.e. high school girl, university girl, first jobber, and manager. The characters are good representatives of the brand’s main target groups. Given that PRETTiiFACE trusts in recommendations from friends or closed ones, the slogan of the brand is “Beautiful like Sis, With PRETTiiFACE”. Therefore, its marketing has focused on encouraging people, whether influencers or general people, to try the products. The first product was introduced to the market with 4 formulas of facial serum for different skin problems which can be used together for better results. All formulas are gentle for sensitive skin, good for 7-year-old children and older. The product for all 4 formulas is reasonably priced at 39 Baht for a sachet of 6 milliliters filled with active ingredients imported from overseas i.e. Switzerland, Australia, Japan, and Korea. Portable sachets are with caps so they can be used many times and are suitable for travelling. The products are mainly distributed to convenience stores and traditional trades with distribution potential in certain areas as well as online channels.

- 4) Trademarks under Kuron Company Limited**, a subsidiary with 76% shares who operates in import and distribution business of the following trademarks.

“LESASHA” hair styling appliances. **“LESASHA”** is the leader in self hair styling and beauty appliances under the concept “So Easy You Can Do” with hair care and hair styling innovations to deliver happiness, beauty, modernity with a variety of styles that suit your best. As of 31 December 2020, LESASHA offered a total of 51 products under 7 categories per below.

“LERSASHA” Hair Equipment	Size	Retail Price
HAIR DRYER		
1) TRENDY	1000W	390 BAHT
2) LS1356 AIRMAX POWERFUL	1000W	390 BAHT
3) LS1357 AIRMAX TINY	1200W	490 BAHT
4) LS1265 BIO-CERAMIC	1200W	1,990 BAHT
5) LS1109 AIRMAX 2000 POWERFUL	1400W	690 BAHT
6) LS1244 AIRMAX TRAVEL	1600W	990 BAHT
7) LS1355 AIRMAX SMART 1	1800W	1,290 BAHT
8) LS0958 STORMAX 5000	2000W	1,290 BAHT
9) LS1354 AIRMAX SMART	2200W	1,490 BAHT
10) LS1353 AIRMAX TRAVEL	2000W	1,690 BAHT
11) LS1115 AIRMAX 8000 TORNADO	2400W	1,990 BAHT
12) LS1187 AIRMAX HURRICANE	2700W	2,690 BAHT
13) LS1352 AIRMAX HURRICANE	2400W	3,490 BAHT
14) LS1351 AIRMAX THERAPY	2500W	3,990 BAHT
15) LS0660 AIRMAX SMART	1600W	690 BAHT
16) LS0663 MAXI AIR	1800W	990 BAHT

- TRANSLATION -












"LERSASHA" Hair Equipment	Size	Retail Price
HOT AIR STYLER		
17) LS1367 WONDER STRAIGHT		690 BAHT
18) LS1249 WONDER 3IN1		990 BAHT
19) LS1366 VOLUMIZING		1,790 BAHT
20) LS1183 POWER 4 PLUS		2,490 BAHT
21) LS1364 3IN1 AUTO ROTATING		3,490 BAHT
HAIR CRIMPER		
22) LS0911 EXTRA LONG HAIR		690 BAHT
23) LS0320 BLACK CERAMIC -XL		790 BAHT
24) LS1365 SMART		890 BAHT
25) LS1242 3IN1 TRENDY		990 BAHT
26) LS1360 ELEGANCE		1,490 BAHT
27) LS1232 MAXI		1,490 BAHT
28) LS1362 STRAIGHT & CURL		1,990 BAHT
29) LS1268 MAXI WET2DRY		1,990 BAHT
30) LS1028 GOLD PLATE		2,690 BAHT
31) LS1359 STRAIGHT & CURL GLAMOUR PLUS		2,990 BAHT
32) LS1358 STRAIGHT & SHINE INFRARED		3,490 BAHT
33) LS1149 DOUBLE AMAZE 2IN1 STYLER		1,990 BAHT
34) LS1164 2IN1 GEN BRUSH		690 BAHT
35) LS1250 COMPACT HAIR CRIMPER-PINK		599 BAHT
36) LS1376 COMPACT HAIR CRIMPER-BLUE		599 BAHT

- TRANSLATION -

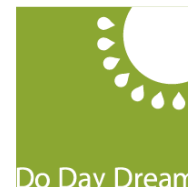


"LERSASHA" Hair Equipment	Size	Retail Price
37) LS1380 3IN1 MULTI-STYLING		1,490 BAHT
38) LS1263 WONDER WAVY HAIR CURLER FOR LOTUS		690 BAHT
39) LS1081 JUMBO CURL 25MM.		1,990 BAHT
40) LS1082 JUMBO CURL 32MM.		1,990 BAHT
41) LS1363 JUMBO CURL 38MM.		2,290 BAHT
42) LS1361 AUTO TWIST		3,290 BAHT
POWER BRUSH		
43) LS1152 ESY STRAIGHT BRUSH		890 BAHT
44) LS1368 SUPER IONIC STRAIGHT BRUSH		1,990 BAHT
45) LS1095 MULTI-STYLING BRUSH		2,290 BAHT
46) LS0806 EASY VOLUME BRUSH		2,990 BAHT
47) LS1378 WONDER STRAIGHT BRUSH		490 BAHT
LS-ACCESSORIES		
48) LS1417 BOAR PADDLE BRUSH		590BAHT
49) LS1420 PADDLE BRUSH (L)		550BAHT
50) LS1507 CLIP & COMB BEAUTY SET		199 BAHT
HAIR EQUIPMENT FOR MEN		
51) EASY GROOM HAIR CLIPPERS		690 BAHT

- TRANSLATION -

 <p>HAIR CRIMPER เครื่องหนีบ ลอนเส้นผม</p>	<p>HAIR DRYER ไดร์เป่าผม</p> 	
 <p>HAIR CURLER แท่งม้วนลอนเส้นผม</p>	<p>HOT AIR STYLER ไดร์จัดแต่งทรงผม</p> 	
<p>POWER BRUSH หวี และแปรงม้วนผมไฟฟ้า</p> 	<p>TREATMENT CAP หมวกอบไอน้ำ</p> 	<p>HAIR VITAMIN วิตามินบำรุงเส้นผม</p> 
	<p>STYLING SPRAY สเปรย์จัดแต่งทรงผม</p> 	<p>MEN อุปกรณ์จัดแต่ง ทรงผมของ ผู้ชาย</p> 
 <p>นวัตกรรมใหม่... สวยงาม ไม่ทำร้ายผม</p> <p>YOU CARE YOUR HEART LESASHA CARES YOUR HAIR</p> <p>LS LESASHA</p>		

- TRANSLATION -



“**SPARKLE**” oral care products, toothpastes and toothbrushes. The brand aims to introduce innovative products to address needs of consumers related to health and beauty as well as promote their confidence.

As of 31 December 2020, Sparkle offered a total of 29 products under 4 categories per below.

SPARKLE” ORAL CARE	Size	Retail Price
TOOTHPASTE		
1) SPARKLE FRESH WHITE	60 G.	77 BAHT
	100 G.	115 BAHT
2) SPARKLE DOUBLE WHITE LEMON SODA	60 G.	79 BAHT
	100 G.	129 BAHT
3) SPARKLE COFFEE & TEA DRINKER	50 G.	85 BAHT
	90 G.	135 BAHT
4) SPARKLE TRIPLE WHITE	100 G.	145 BAHT
5) SPARKLE EXTRA FRESH & WHITE	100 G.	179 BAHT
6) SPARKLE EXTRA WHITE HAP	60 G.	249 BAHT
7) SPARKLE SENSITIVE PROFESSIONAL	100 G.	180 BAHT
8) SPARKLE NATURAL FRESH & GUM CARE	50 G.	70 BAHT
	100 G.	129 BAHT
9) SPARKLE NATURAL COMPLETE CARE	50 G.	70 BAHT
	100 G.	129 BAHT
10) SPARKLE NATURAL HIMALAYAN PINK SALT	40 G.	59 BAHT
	100 G.	129 BAHT
TOOTHBRUSH		
11) SPARKLE TURBO WHITE TOOTHBRUSH	PACK 1	29 BAHT
	PACK 5	105 BAHT
12) SPARKLE FRESH WHITE TOOTHBRUSH	PACK 1	49 BAHT
	PACK 3	99 BAHT
13) SPARKLE ULTRA WHITE TOOTHBRUSH	PACK 1	59 BAHT
14) SPARKLE SENSITIVE TOOTHBRUSH	PACK 1	69 BAHT
	PACK 5	138 BAHT

- TRANSLATION -



SPARKLE" ORAL CARE	Size	Retail Price
15) SPARKLE IONIC TOOTHBRUSH	PACK 1	249 BAHT
16) SPARKLE IONIC TOOTHBRUSH (REFILL)	PACK 2	170,199 BAHT
17) SPARKLE SONIC TOOTHBRUSH DAILY WHITE PLUS	PACK 1	299 BAHT
18) SPARKLE SONIC TOOTHBRUSH PRO ACTIVE	PACK 1	790 BAHT
19) SPARKLE SONIC TOOTHBRUSH ULTRA ACTIVE	PACK 1	890 BAHT
20) SPARKLE SONIC TOOTHBRUSH TRIPLE ACTIVE	PACK 1	1,790 BAHT
21) SPARKLE SONIC TOOTHBRUSH ADVANCED ACTIVE	PACK 1	3,990 BAHT
22) SPARKLE SONIC TOOTHBRUSH KIDS SONIC	PACK 1	299 BAHT
23) SPARKLE SONIC TOOTHBRUSH DAILY WHITE PLUS (REFILL)	PACK 2	199 BAHT
24) SPARKLE SONIC TOOTHBRUSH PRO DEEP CLEAN (REFILL)	PACK 2	490 BAHT
25) SPARKLE SONIC TOOTHBRUSH ADVANCED CLEAN (REFILL)	PACK 2	590 BAHT
26) SPARKLE SONIC TOOTHBRUSH KIDS SONIC (REFILL)	PACK 2	199 BAHT
WHITENING KIT		
27) SPARKLE WHITENING KIT	60 G.	450 BAHT
28) SPARKLE IONIC MOUTHWASH FRESH & COOL	500 ML.	145 BAHT
29) SPARKLE WHITE DENTAL FLOSS	30 ML.	70 BAHT

3 ตัวช่วยสุดพิค!

ให้ญาญ่ายิ้มสวยอย่างมั่นใจ

Sparkle Double White Lemon Soda

SPARKLE
LEMON SODA
+ PROPOLIS

CDX
ช่วยลดคราบฟัน

+Propolis
ช่วยลดแบคทีเรีย

Micro White Silica
ช่วยทำให้ฟันขาว
ไม่ทำลายเคลือบฟัน

ฟันขาวพิค
FINISH

ซื้อเลย!

- TRANSLATION -



“JASON” fitness equipment. JASON is an expert in fitness who stands by your side to help you achieve your fitness goals as your health and happiness are our priority. As of 31 December 2020, JASON had a total of 41 products.

“JASON” SPORT EQUIPMENT	RETAIL PRICE
1) FITNESS GLOVE PACK -X- FIRM	1,490 BAHT
2) FITNESS GLOVE PACK -X-CHALLENGE	890 BAHT
3) FITNESS GLOVE PACK -X-CHARGE	1,290 BAHT
4) FITNESS GLOVE PACK -X-FIRE	990 BAHT
5) FITNESS GLOVE PACK -X-FUEL	1,490 BAHT
6) FITNESS GLOVE PACK -X-SALUTE X1	1,490 BAHT
7) FITNESS GLOVE PACK -X-SALUTE X2	1,290 BAHT
8) FITNESS GLOVE PACK -X-SALUTE X3	990 BAHT
9) FITNESS GLOVE PACK -X-SALUTE X4	690 BAHT
10) FITNESS GLOVE PACK -X-SMITE	690 BAHT
11) X-STRAP ONE	490 BAHT
12) NATURAL RUBBER	2,990 BAHT
13) X-PRO	1,290 BAHT
14) X-PRO LITE	1,790 BAHT
15) X-POSTURE MARKLL	990 BAHT
16) X-PRO MARKLL	1,290 BAHT
17) X-ERCISE MAT	1,790 BAHT
18) X-RELEASE	1,290 BAHT
19) X-BURNER	1,190 BAHT
20) X-ST	1,790 BAHT
21) EXERCISE BALL	590 BAHT
	690 BAHT
22) X-SQUAT	490 BAHT
23) X-RELEASE 4 RUNNER	690 BAHT
24) X-STICK	1,390 BAHT

- TRANSLATION -



“JASON” SPORT EQUIPMENT	RETAIL PRICE
25) FITNESS HOOP	790 BAHT
26) X-PULL UP	990 BAHT
27) X-PULL UP MARK2	2,290 BAHT
28) X-SLASHER	450 BAHT
29) WRIST SUPPORT – X-NEOPRENE	250 BAHT
30) ELBOW SUPPORT – X-HERO	350 BAHT
31) ANKLE SUPPORT – X-HERO	390 BAHT
32) ANKLE SUPPORT – X-NEOPRENE	380 BAHT
33) CALF SUPPORT – X-HERO	390 BAHT
34) KNEE SUPPORT– X-NEOPRENE	490 BAHT
35) KNEE SUPPORT – X-HERO	690 BAHT
36) KNEE SUPPORT (OPEN) –X-HERO	490 BAHT
37) KNEE STRAP SUPPORT- X-NEOPRENE	350 BAHT
38) X-LOWER BACK SUPPORT	890 BAHT
39) -X-POSTURE SUPPORT	1,490 BAHT
40) ANKLE SUPPORT -X-TRA LITE	490 BAHT
41) SAUNA SUITS – X BURN	450 BAHT



- TRANSLATION -



“@HOME” small-sized electrical home appliances. @HOME caters to needs of all customers especially new generations and modern women according to its brand image that promotes ease of use and convenience. As of 31 December 2020, @HOME had a total of 7 products per following.

“@HOME” HOME APPLIANCES	SIZE	RETAIL PRICE
1) @HOME MINI TRAVEL	15X8.5X22CM	1,090 BAHT
2) @HOME ECO CARE	34×31×33 CM	1,990 BAHT
3) @HOME EASY TRAVEL	38.5×12.1×14.6 CM	2,990 BAHT
4) @HOME BASIC CARE	38×31×34 CM	2,990 BAHT
5) @HOME EASY CARE EXTRA	38.5×30.7×34.5 CM	3,990 BAHT
6) @HOME SPEEDY CARE ADVANCE	52×42.5×37 CM	6,900 BAHT
7) @HOME TOTAL CARE ADVANCE	56×36.5×32 CM	9,900 BAHT

“EMJOI” hair removal innovation. EMJOI gently removes hairs without irritating skin and helps all women become confident from their smooth and radiant skin. As of 31 December 2020, EMOJI is available in 5 products per below.

“EMJOI” HAIR REMOVAL	RETAIL PRICE
1) EMJOI EMAGINE(GOLD)	4,990 BAHT
2) EMJOI ELEGANT	3,990 BAHT
3) EMJOI ERASE	2,190 BAHT
4) EMJOI ERASE SILVER NANO	2,990 BAHT
5) EMJOI EPIPOWER E24	1,290 BAHT

- TRANSLATION -



“SMOOTHSKIN” IPL hair remover. Most advanced IPL technology from the UK is brought to you through SMOOTHSKIN products that help fix problems from conventional hair removal methods and make the process simple and easy so that you can live your life with confidence at any moment without worries. As of 31 December 2020, Kuron imported 3 products under the brand per below.

“SMOOTHSKIN” HAIR REMOVAL	Retail Price
1) SMOOTHSKIN MUSE MODEL SSG1	23,900 Baht
2) SMOOTHSKIN BARE+ MODEL SSB1/1	17,900 Baht
3) SMOOTHSKIN PURE MODEL SSG2	25,900 Baht

CENTRAL ONLINE BRAND DAY

SMOOTHSKIN IPL HAIR REMOVAL
เครื่องกำจัดขนถาวร IPL

IPL BARE PLUS
พิเศษ **14,900** บาท
ปกติ 17,900 บาท
เพียงพินพ์ **TNYW15**

IPL PURE
พิเศษ **22,300** บาท
ปกติ 25,900 บาท
เพียงพินพ์ **TNYW15**

KURON
รับฟรี แปรงทำความสะอาดหน้า
มูลค่า 1,990 บาท

24 Jan '21
*ตามเงื่อนไขที่กำหนด

CENTRAL APP | **CENTRAL ONLINE**
central.co.th

- TRANSLATION -



BEAR cooking appliances from China. Functional and emotional benefits were combined using high-quality materials to create BEAR to offer simple use for enjoyable cooking experience. BEAR is in the No.1 for “Multi-function Cute Kitchen Appliances” with hashtag #ความน่ารักที่ใช่กับฟังก์ชันที่ชอบ. As of 31 December 2020, Kuron imported and distributed 3 products under BEAR per below.

“BEAR” COOKING APPLIANCES		SIZE	RETAIL PRICE
1)	BEAR ELECTRIC SPORT BLENDER	121X121X265 MM	1,590 BAHT
2)	BEAR CORDLESS BLENDER	80X80X256 MM	1,590 BAHT
3)	BEAR ELECTRIC YOGURT MAKER	190X190X152 MM	990 BAHT
4)	BEAR ELECTRIC LUNCH BOX	240X124X148 MM	1,590 BAHT
5)	BEAR ELECTRIC EGG BOILER	190X182X278 MM	990 BAHT
6)	BEAR ELECTRIC FOOD STEAMER	335X293X236 MM	2,490 BAHT
7)	BAER ELECTRIC FOLDABLE KETTLE	180X123X168 MM	1,890 BAHT
8)	BEAR GRILL & SHABU	342X230X143 MM	1,990 BAHT
9)	BEAR MULTI COOKING APPLIANCE	358X280X245 MM	3,990 BAHT
10)	BEAR DOUBLE LAYER ELECTRIC MULTI COOKER	178X218X236 MM	1,290 BAHT
11)	BEAR FOLDABLE GRILL MULTI COOKER	330*302*138 MM	2,990 BAHT
12)	BEAR ELECTRIC FRYER MULTI COOKER	358X265X220 MM	2,990 BAHT
13)	BEAR MINI ELECTRIC LUNCH BOX	179X185X156 MM	990 BAHT
14)	BAER GLASS KETTLE	231X155X254 MM	1,290 BAHT
15)	BEAR MINI ELECTRIC LUNCH BOX (BLUE)	179X185X156 MM	990 BAHT
16)	BEAR ELECTRIC DOUGH MIXER 5L	296X262X293 MM	5,590 BAHT
17)	BEAR ELECTRIC HAND MIXER	20.1X9.6X15.0 CM.	990 BAHT

- TRANSLATION -



Market and Competition

For its import and distribution business group under Kuron Company Limited, a subsidiary and sales agent who distributes the Company's trademarks, multiple products and product lines are in the market with the majority of the products available in similar markets with the differences in addressing diverse groups of customers. Modern trade, department stores, beauty shops and convenience stores are key channels while high-priced products such as Lesasha hair styling appliances require staff to be stationed at the product shelves to introduce products and provide user instructions for customers so that they can make easier buying decisions. Furthermore, the Company also distributes via online marketplaces such as Shopee and LAZADA while official store was created to put together the Company's products for customers who already recognize the brands. This also helps promote other products and opportunities for them to try out. The Company initiated the online sales channels 1-2 years ago before the COVID-19 pandemic and this helped the Company managed its offline sales channels during the crisis. Due to the government's lockdown and state of emergency, the Company assigned sales team to conduct product promotions through online channels for those who could not perform their duties normally, such as Facebook Live or joint online campaigns with online platforms. This resulted in higher sales revenue from online channels compared to normal situations. Additionally, the Company defined different product development strategies based on each trademark to promote uniqueness of the products and the brands as well as brand awareness with following details.

1) LESASHA Hair Styling Appliances: The goal of the brand is " We aspire to be the No.1 brand in women's hearts through hair care and hair styling innovations to deliver happiness, beauty and modernity with a variety of styles that suit your best". The brand focuses on product designs that understand what women want as the key target customers are women from 18 years old and above who already started taking care of themselves and want to do their hair themselves at home. LESASHA's products answer to the hectic lives of new generations with hair styling innovations that help improve personality and confidence while protecting hairs from heat and keeping them healthy.

2) SPARKLE Oral Care Products: This brand's goal is "We aspire to be the No.1 brand for whitening group of oral care products" aiming to bring innovations especially whitening innovations to the market to meet customer demand related to health and beauty to build confidence in product quality. Customers perceive that their teeth are whiter and oral issues are reduced. Moreover, materials used are from natural ingredients which help promote trust in its quality. The Company is active in undertaking marketing activities throughout the year and started using presenters to attract new customers to try the products.

3) JASON Fitness Equipment: The brand is positioned as a fitness expert who stands side by side with you to help you achieve your fitness goals and witness you get healthy and happy. Products under JASON support gym enthusiasts in attaining their wellness objectives. Brand differentiation is conducted to promote its identity and brand awareness through product introduction via online media as well as product recommendations and word-of-mouth in fitness industry. JASON intends to become “Top of Mind Brand” for fitness for all customers.

4) @HOME Electrical Home Appliances: This brand specializes in small appliances that cater to needs of all customers especially new generations and modern women according to its brand image that promotes ease of use and convenience as well as accepted quality. The Company has a plan to make selling points more appealing and to launch promotional campaigns during festive periods as the products are perfect as gifts for family members on special occasions.

5) SmoothSkin Hair Removal Device: The Company acts as a sales agent for the hair removal device using advanced IPL technology from the UK to make hair removal simple and easy you can do anywhere and anytime which allows you to live your life worry-free. Target customers are those with high purchasing power as the products are highly-priced and famous in foreign countries. Communication will be made to ensure customers understand the product innovation and how it can help them, comparable with hair removal treatments at beauty clinics with much steeper prices. Products are positioned as premium in the market.

6) EMJOI Hair Removal Device: This own trademark of hair remover caters to women who want to get rid of their body hairs using products with affordable prices. The device helps customers gain confidence from their smooth and radiant skin.

7) BEAR Electric Cooking Appliances: The Company acts as a sales agent for this brand from China to distribute these small kitchen appliances. BEAR brought functional and emotional benefits together using high-quality materials to create products with simple use for lifestyles of new generations. Functionalities were designed to help simplify cooking and minimize cooking time as well as promote ease of storage so that customers' lives are made easier. The sales commenced since 2019 and the Company has a plan to conduct online promotions as well as product recommendations via product introduction booths in order to generate sales to meet targets.



SECURITIES AND SHAREHOLDERS

SECURITIES

As of 31 December 2020, the Company's registered capital is 318,000,000 Baht and paid-up capital of 317,887,700 Baht, consisting of 317,887,700 ordinary shares at a par value of 1.00 Baht per share. The Company listed in the Stock Exchange of Thailand.

SHAREHOLDERS

List of 10 Major Shareholders of the Company as of 30 December 2020 as follow:

NO.	Shareholder lists	Number of Shares	% of Shares
1	Pornpatanarak Family	216,981,700	68.3
	Mr. Sarawut Pornpatanarak	179,595,700	56.5
	Mr. Saranon Pornpatanarak	22,275,000	7.0
	Mrs. Saranya Ngampaibulsombut	12,275,000	3.9
	Mr. Manus Pornpatanarak	1,800,000	0.6
	Ms. Saowakon yamcharoen	1,036,000	0.3
2	Mr. Mongkol Prakitchaiwattana	22,950,200	7.2
3	Raffles Nominees (Pte) Limited	15,700,000	4.9
4	Ms. Chantana Jirattipatra	15,154,000	4.8
5	Mr. Sophon Mitpanpanich	4,163,800	1.3
6	Thai NVDR Co., Ltd.	3,946,890	1.2
7	Mr. Suthiluck Chirathivat	1,605,200	0.5
8	Ms. Sopit Poosanakom	1,350,900	0.4
9	Mr. Suphawatt Vanichprapha	1,181,000	0.4
10	Mr. Khajornkiat Ungaram	1,160,000	0.4
	Other Shareholders	33,694,010	10.6
	Total	318,000,000	100.0

- TRANSLATION -



Major Shareholders Having Significant Influence to Company's Determination of Management Policy or Operation

Mr. Sarawut Pornpatanarak	Director
Position in the Company	Vice Chairman of the Board of Director, Chairman of the Executive Committee, and Authorized Director

Mr. Suphawatt Vanichprapha	Director
Position in the Company	Member of Nomination and Remuneration Committee and Authorized Director

Mr. Yuthapong Ma	Director
Position in the Company	Director

DIVIDEND PAYMENT POLICY

The Company has a policy to pay dividends at the rate of not less than 50% of the Company's separate net profits or retained earnings of the company Which does not affect the normal operations of the business after deducting corporate income tax and other reserve funds as required by law and as determined by the Company. The Board of Directors may also, for the interest of the shareholders, take into consideration other factors in paying dividends, such as the financial condition and results of operations of the Company, the Company's reserve funds for future investments and repayment of loans or working capital requirements and whether a dividend payment will have a material impact on the normal business operations of the Company, as deemed suitable and appropriate by the Board of Directors.

The Board of Directors may consider to pay annual dividends subject to the approval of the Company's shareholders meetings. The Board of Directors can occasionally approve interim dividend payments in case that the Company earned enough profit in doing so and must report to the next shareholders' meeting.

Historical Dividend Payment

Description	2017	2018	2019	2020 Interim
Earnings per share (Baht)	1.63	0.50	0.15	0.53
Dividend Payment per share (Baht)	0.21	0.50	0.125	0.358
Dividend Payout Ratio (%)	12.88	100	83.33	67.55
Record Date	12 Mar 2018	12 Mar 2019	16 Mar 2020	10 Sep 2020
Dividend Payment Date	15 May 2018	15 May 2019	30 Apr 2020	28 ส.ค. 2563

PART 1: BUSINESS AND COMPANY PERFORMANCE

RISK MANAGEMENT

Risk Management Policy and Plan

Do Day Dream Public Company Limited and its subsidiaries formulated organization-wide risk management policy, risk assessment and action plans to manage risk to be within risk appetite. Communication and workshops are conducted for employees to realize the importance of risk management. The Company put in place the following risk management policy.

- Cultivate risk management culture to promote understanding, mindset and mutual responsibilities on risk, risk control and risk impacts on the Company in management and operational processes across the organization.
- Put in place processes, guidelines and measures related to risk management with adequacy and quality at international level including risk identification, analysis, assessment, prioritization, management, control, monitoring, reporting and performance evaluation while communication on information relevant to risk must be consistent and regular with organization-wide adoption.
- Ensure that risk management is conducted on work systems both qualitatively such as reputation risk and image risk as well as quantitatively such as financial loss, decrease in revenue and increase in expenses by considering probability and impacts.
- Define risk acceptable line so that potential damage can be monitored within the Company's acceptable risk level or risk appetite. Audit of action plans must also be conducted for relevant parties to maintain risk within risk appetite.

Risk Management Plan

1) Risk management policy and criteria including policy, objectives, scope, responsibilities, criteria and guidelines are formulated to manage risk in alignment with strategies, goals, plans and business directions. The Company reviews risk management on a yearly basis together with its business plan to ensure consistency. Note that key types of risk to be included in the assessment and management are as follow.

- Strategic Risk
- Financial Risk
- Operational Risk
- Compliance Risk
- Technology Risk
- Organizational Risk
- Reputational Risk

For instance, risk assessment for work systems that can potentially impact whether the Company achieves objectives or strategic goals by considering risks from internal and external factors of the work systems such as business context, laws, finance, information system, decision-making information system, investor satisfaction, investment management, human resources, reputation and image, and security system. The Company shall manage risks through risk assessment according to degree of risk before internal control evaluation. In case that the degree of risk is high or extremely high, the Company will prioritize those risks to be analyzed and managed first.

- 2) Internal control analysis and evaluation are conducted to estimate degree of risk after assessment whether it is still high or extremely high and risk management action plans must be undertaken by responsible executives.
- 3) For risk management through actional plans that were prioritized during the process of risk analysis, factors to be considered include risk appetite, incurred cost and expected benefits. Responses to risks can be from one of the approaches or a combination to lower the probability of an event and degree of impact from the event that include avoid, share/transfer, reduce and accept.
- 4) Risk control is executed by responsible persons and control activities. Policy and operating processes to ensure that the Company manages risks according to internal context, nature of business, organization structure and culture which can be different.

-Translation-



- 5) Risk monitoring and risk management audit according to plans are in place including performance evaluation on risk management. Risk Management Committee takes charge in monitoring and reporting to high-level executives, the Board of Directors and the Audit Committee.

Risk Factors

The Company realizes and places importance on various aspects of undertaking its business including risk management of the organization to analyze internal and external factors impacting its business. These factors may have a material impact on return on investment of investors. Therefore, the Company must be prepared to encounter those risks and find optimal risk management and mitigation plans for all types of risks to ensure that risks in conducting its business are at controllable levels within its risk appetite. Risk factors that may impact the Company's business operations can be categorized into business risk, market risk, financial risk and compliance risk for the Company and its subsidiaries. Details are provided below.

- **Risk from Investment for Business Expansion**

The Company has plans to invest for business expansion as one of the strategies to generate growth through sales and new business investments. However, executing this strategy may incur risks to the Company from decision-making on an investment and entering into a transaction such as risk from verification of information for accuracy and credibility. Risk also arises from businesses that cannot grow or generate returns as expected. In 2020, the Company acquired shares of Kuron Company Limited to expand into health and beauty business for new lines of products i.e. hair styling appliances and oral care products. This will increase competitive advantage of the Company through ;for example, leverage on its expertise related to online sales, export of Kuron products to other countries through the Company's network to support future business growth and create opportunities to generate profit and deliver performance for sustainable growth in the future. Note that the Company pays attention to risk analysis process for investment and established a special unit to analyze and verify data under collaboration with external experts such as auditors and legal advisors to deliberate information for making investment decisions. Investment considerations must be approved according to approval authority criteria with a focus on business expansion and value creation. Considerations on consistency and alignment between strategies, cost-effectiveness on investment and timing appropriateness must also be made.

- **Risk from Foreign Exchange Rate Fluctuations**

The Company imports raw materials and products under its trademarks from its subsidiaries in foreign countries and also exports its products overseas. Therefore, the Company is subject to risk from fluctuations of foreign exchange rates from import and export in foreign currencies. Moreover, the Company invested in its subsidiaries in foreign countries (More Information: Nature of Business) using currencies other than local Thai currency. This results in risk from exchange rate loss in case of depreciated Thai Baht that will impact cost of finished products as well as the value of its investments. Nevertheless, the Company manages this risk by entering into forward contracts to partially and properly hedge the risk from fluctuations in foreign exchange rates.

- **Risk from Default Receivables (Credit Risk)**

Given that the majority of sales are made with credit terms and COVID-19 has significantly affected the economy, chances are the Company's debtors could face threats regarding their management, liquidity and business disruption which result in inability to pay their debts as required. In case that the Company fails to monitor and follow up with debtors who passed the payment deadlines, these debts could become non-performing and the Company risks having bad debts and doubtful accounts with significant amount. This can materially impact the Company's financial liquidity as well as business performances.

Therefore, the Company set mitigation measures to reduce the risk and assigned a credit underwriting unit independent from sales department to ensure check and balances. Note that credit underwriting is conducted through the analyses of financial statements and other supporting information of each customer before sales are made. In addition, the Company prepared aging schedules of account receivables to help with AR management. Plus, the Company formulated collection policy to be practical guidelines to ensure effectiveness in AR management and manage possible bad debts. Accounting department will collect debts with debtors at least once a month and legal department is assigned to send collection letters for overdue debts according to the Company's policy. Note that in case of unpaid outstanding balances, the Company will not allow any new sales to be made to those customers in order to reduce the probability of bad debts. Besides, the Company has a strict policy in setting reserves for doubtful account receivables so that the financial statements display net value of AR the Company is expected to receive by considering historical collection and aging debt analysis.

- **Risk from Disbursement**

2020 was marked with economic fluctuations that concerned business owners as they had to continue and navigate their businesses through the crisis. This includes maintaining liquidity of the business to be at adequate levels to support operations and to cover all regular expenses. Risk from disbursement is incurred as the Company may run into a situation that the expenses are higher than the budget and inconsistent with the Company's mission. This could result in unnecessary waste of budget. As a result, the Company places importance on finance and disbursement as well as remains prudent on its expenses. All disbursement processes are efficient, transparent and accountable. The Company has set steps to check and control as well as clearly defined required supporting documents, determined authorization, responsibilities, approval limits and decision-making authority according to scope of responsibilities to cover all kinds of expenses. All processes must be updated on a regular basis and to be audited with transparency to ensure that all disbursements are approved by authorized persons with speed, accuracy and completeness in accordance with rules and audited by finance and accounting department before payments are made.

- **Risk from Dependence on Key Executives and Employees with Business Expertise**

The Company's success relies on human capital capabilities which include executives and employees who have knowledge, expertise and experiences in business from production, marketing to distribution both for local and international markets. That is the reason why the Company provides regular training programs for its employees to equip them with knowledge and abilities. Nevertheless, any failure to keep capable executives and employees with the Company or inability to find substitute personnel in a timely manner may significantly affect the Company's operating results and financial performances. The Company is aware of this risk and has paid attention to the development and professional advancement of its employees and executives. The Company also has a clear career path planned for each level of employees. In addition, the Company has provided appropriate compensation to employees based on their knowledge and performances. The Company also continuously recruits new qualified employees to replace former employees in order to have optional workforce to support the Company's business plan.

- **Risk from the Use of Snail Secretion Filtrate as a Major Ingredient and Reliance on A Packaging Supplier for All Products Under the Trademark “NAMULIFE SNAILWHITE”**

All products under “NAMULIFE SNAILWHITE” trademark have snail secretion filtrate as a key ingredient and are contained in packaging with unique qualifications that help promote the benefits of the products. The Company also uses this ingredient for its communication and marketing purposes. As snail secretion filtrate is extracted from nature, it is not possible to control the supply in the nature. Thus, if there is any negative impression to snail secretion filtrate, material shortage or changing in consumer trend, the overall performance of the Company may be adversely affected. However, the Company has never experienced a shortage or confronted any difficulty in obtaining the snail secretion filtrate. In addition, the Company procured snail secretion filtrate from several qualified suppliers which, in case that some suppliers have any difficulty to supply the snail secretion filtrate, could be used interchangeably.

For the best interest of customers, the Company considers and selects vendors based on quality, credibility, sources of materials and innovation as well as consumer needs. At present, the Company relies on a container supplier from South Korea. This manufacturer is a large supplier known for container production who owns a patent of container that the Company prefers to use for its products as they have distinctive qualities and features compared to other vendors. In 2018, 2019 and 2020, the Company’s container purchases from this manufacturer contributed to 37.0%, 4.9% and 11.8% of total raw materials and packaging purchases of the Company respectively. It is evident from these numbers that the reliance on this supplier was lowered as the Company added more products with different formats and packaging to its offering.

Lastly, the Company currently diversified risk through introduction of new products with key ingredients from other natural extracts apart from snail secretion filtrate under the trademarks of its subsidiaries with significant shares such as products for acne treatment and sensitive skin under OXE'CURE of Dream Dermatology Company Limited in which the Company held 95% of shares as well as hair styling products under LESASHA and oral care products under SPARKLE of Kuron Company Limited in which the Company held 76% of shares. (More information: Nature of Business). Note that the Company set a goal for the future to further diversify product portfolio to satisfy broader needs of customers of all genders and ages. This will result in lower reliance on products that use snail secretion filtrate as a key ingredient.

- **Risk from the Manufacturing of Skin Care Products under the Trademarks of The Company and its Subsidiaries.**

As the core business of the Company is to manufacture and distribute skin care products under its trademarks, the capabilities of its manufacturing plants to produce skin care products are critical. Thus, the Company is exposed to risk that products manufactured by its facilities may not meet relevant regulatory requirements or there may be a disruption of production plants caused by an unplanned shutdown including labor strike and natural disasters such as flood and storm which may cause a material adverse effect to the Company's business, operational results and financial health. However, the Company is fully aware of this risk and has paid attention to efficiency enhancement of its production processes at every step. As a result, the Company received several Thai and international certifications such as the Thai Food and Drug Administration (Thai FDA) for all products the Company distributes in the local market. Credible research institutes also certified effectiveness and properties of our products. In addition, the Company set strict quality control process to ensure that our products meet applicable standards and criteria. Moreover, the Company regularly conducts scheduled maintenance which allows our machinery to run uninterruptedly for many years. The Company's production plant also received ASEAN GMP (Good Manufacturing Practice), certifications of the quality management standard (ISO 9100:2015), the environment management standard (ISO14001:2015) and the Occupational Health and Safety Assessment Series standard (OHSAS 18001:2007).

Last but not least, the Company invested in import and distribution business through Kuron Company Limited, a subsidiary with 76% ownership. This is considered a diversification of product portfolio under the group of companies to reduce dependence on manufacturing facilities. (More information: Nature of Business)

- **Risk from Competition in Beauty Product Market**

Beauty product market is defined with intense competition as it receives much attention from many operators both domestic and international as it is a lucrative market with high demand thanks to the current trend of people being more health-conscious and self-conscious. Not only multinational companies with renowned brands who have strong influence on Thai customers, but also small operators are interested in the market as it requires small amount of initial investment. This intense competition is the reason why there are wide ranges of substitute products with similar attributes in the beauty and personal care market from multiple brands. In addition, customer behavior may not be stable given changes in their attitudes toward beauty and personal care products, social trends and information received about properties of products. Therefore, players in the market must differentiate themselves by being creative and introducing products with new properties to meet changing preferences of customers as well as offering high quality products at reasonable prices in order to compete and consistently communicate with its customers of the unique value propositions. Severe competition in the market may have significant negative impacts on business, performances and financial position of the Company. In order to cope with the increasingly competitive environment, the Company has defined strategies and has paid attention to key success factors which include (1) strong product and brand identity to achieve top-of mind brand awareness (2) quality, reliability and safety of our products (3) accessibility through extensive and diverse distribution network (4) commitment to research and development for better products and new products innovation and (5) a team of young, highly capable, and creative management team. The Company believes that these factors would help the Company to embrace the intense competition in the beauty industry. On top of the products under existing brands, the Company aimed to diversify its product offering to reach more customers by introducing new products which have different features from existing products. For example, OXE'CURE acne treatment products and SOS innovative skin nourishing innovation are available in the market under the trademarks of its subsidiaries. Moreover, products such as LESASHA and SPARKE are also introduced through investment in subsidiaries in order to diversify risk of its group of companies. Note that the Company gained significant ownership from those investments made to subsidiaries and has a control in business directions to avoid conflict of interest. Besides, the Company has a plan to further mitigate

risks from external impacts that could harm sales and to promote competitiveness through finding business partners to help develop and innovate new products to compete in different markets. Products with strong value propositions and innovations through business partnership will help strengthen the brands and raise brand awareness to attain sustainable growth in the future.

- **Risk from Economic Volatility, Epidemic and Changing Consumer Behavior**

Due to COVID-19 outbreak that has impacted countries across the world including Thailand, not just people's health but also overall economy have been adversely affected including financial markets and the society. This risk factor is considered critical to the Thai economy and already affected export and tourism in Thailand especially from the slump in the number of tourists in the past year. Besides, COVID-19 influenced consumer behavior as consumers opted to stay at home more than going out to shop for products like before – these new behaviors are defined as the “new normal” caused by the lockdown and social distancing measures. Sales has been impacted negatively as department stores and shops were closed or opened only in limited hours and products could not be sold per usual. This was worsened by much lower number of Chinese tourists and the economic downturn. As a result, the Company reevaluated and adjusted its strategies and marketing plans aiming to maintain existing customers and expanding new customer base. The Company was pushed to respond by adding more online sales channels on top of modern trade and traditional trade channels. New products suitable for changing consumer behavior in the new normal were developed and launched and more sales promotions and online advertising were executed. Moreover, the Company enhanced its distribution by extending sales channels through direct sales and TV shopping to suit the change in shopping behavior.

● **Risk from Reliance on Chinese Customers**

In the past, the Company's products have been popular among customers with Chinese nationality as they have positive perceptions of its skin care products thanks to quality, affordability and nourishing properties suitable for all skins. The Company made significant sales, directly and indirectly from Chinese customers through its export to China, sales agent in Hong Kong as well as Chinese customers in Thailand through various channels. As a result, the Company potentially has risk from this dependency on Chinese customers. Recently, economic slowdown and changes in government policies resulted in a significant drop in the number of Chinese tourists and this partly caused a decrease in sales revenue from trademarks under the Company during 2020. However, the Company planned to expand its local customer base and reduce its dependency on Chinese customers. New product development leveraging on trending innovations overseas as well as in Thailand is key to address needs of Thai customers. Furthermore, distribution channels have been extended to other countries with potential and the Company established a subsidiary in the Philippines to build new customer base in this foreign market. More lines of products are also to be introduced to strengthen local customer base and domestic sales channels are fortified especially traditional trades. New products under its subsidiaries such as OXE'CURE for acne treatment were launched and investment in Kuron Company Limited was made to target mostly customers with Thai nationality.

- **Risk from Reliance on Certain Key Customers or Distributors**

In 2018, 2019 and 2020, the Company recorded sales revenue before discounts from top 5 customers who are distribution partners or modern trade of 472 million baht and 472 million baht, and xx million baht, equivalent to 61%, 61% and XX% of total sales revenue before discounts respectively. In 2020, the Company depended mostly on 2 top distribution partners namely Riya Home, a distributor in China and the Fourteen Co., Ltd., a local distributor. Both distributors experienced lower sales performances from various factors such as higher competition and changes in policies from Thai and Chinese governments. Top 5 biggest distributors also shared a significant decline in sales. Realizing this risk as urgent, the Company appointed DKSH as an official distributor for all subsidiaries as DKSH has worked with OXE'CURE earlier to confirm the growth potential in sales and Thai customer base thanks to their distribution expertise, negotiation power and prompt actions in business reporting. This is considered a strategic move to expand local customer base through an effective distributor. The Company also found that the Top 5 biggest distributors each had over 10% shares of total sales revenue before discounts according to the above figures and this posted a risk from reliance on those major distributors. Besides, the Company also has a plan to add more distributors both for Thailand and in foreign countries as well as expand into new sales channels especially online channels with key players like Shopee and Lazada.

- **Risk from Damage to Consumers or Product Recalls**

Most of the Company's products are applied directly to face and body which are sensitive. Thus, if there are any damage to the consumers which are proven to be caused by its products, the consumers could make claim or take legal actions on the Company in exchange for a compensation which may be in significant amount and the Company may be required to recall all potential unsafe or harmful products. This may affect reputation and image of the Company and subsidiaries as well as the owned trademarks. However, the Company gave utmost priority to its product quality and implement quality control (QC) in every production process to ensure that all products meet required standards. The Company also selected raw material suppliers and importers mainly based on their quality and reliability while specifications and quality must be in accordance with the Company's requirements as well as standards set by the Thai Food and Drug Administration. Moreover, in product development process, the Company sends products to third parties for quality inspection before distributing to customers to make sure that all products out in the market are certified for their standards and with credibility.

- **Risk from COVID-19 Outbreak**

During the beginning of 2020, coronavirus or COVID-19 pandemic took place in China and suddenly spread across the world. Businesses and economies have been severely hit by the outbreak while laws, regulations and measures were issued to control the spread such as lockdown measures to close shops, restaurants and department stores as well as prohibition of international travels and curfews that limited the period of time people can leave their residences. All these measures directly impacted the Company's business, posed health risk on its employees, and made existing strategies or usual ways of work obsolete. The Company was forced to get prepared in various aspects including liquidity management, and organizational risk management to maintain business continuity to be able to manufacture products and deliver them to customers in a timely manner without causing health and safety issues to its employees. The Company put in place guidelines to mitigate impacts and risks from the crisis and strictly followed the government's measures including work-from-home policy using technology to enable virtual meetings. In addition, the Company set out hygiene and safety measures such as provisions of alcohol gel and sprays for employee and the requirement on wearing masks. The Company set up screening areas to check people coming in and going out of the office and plants which require them to check in with their names. Comprehensive measures are implemented to ensure hygiene and safety essential in producing and delivering quality products to customers. Also, the Company assigned a responsible unit to closely monitor the situation and regularly communicate with employees so that they are aware of preventive guidelines for COVID-19 both at work and at home.

To ensure adequate production capacity and timely delivery, the Company commissioned a number of OEMs to supplement its own production and determined safety stock levels for raw materials and packaging to be able to manufacture products in an instant when purchasing orders are placed. The Company also conducts demand forecast to properly prepare for emergencies.

Additionally, safety measures are in place for product logistics while delivery staff and drivers are screened for delivery safety. The Company deploys both its own fleets and external logistics companies to make sure that it is sufficient to serve customer needs and deliveries are made on time. มุ่งมั่นด้านกฎระเบียบ และข้อบังคับ (COMPLIANCE RISK)

- **Risk from Compliance with Personal Data Protection Act (PDPA)**

Given that violations of personal data privacy are prevalent, causing troubles and damage to the data owners and technological advancement made data collection, usage and disclosure easy and fast, Thailand's Personal Data Protection Act BE 2562 (PDPA) came into full effect in May 2020. Therefore, the Company issued a policy to supervise and manage data protection for its shareholders, customers, employees and other stakeholders in compliance with Thailand's Personal Data Protection Act (PDPA). The policy applies to executives, employees, and third parties who work for the Company. Executives of all units are obliged to support, encourage and review their undertakings to be strictly in accordance with the policy and PDPA laws.

- **Corruption Risk**

Government announced Thailand's Act Supplementing the Constitution Relating to the Prevention and Suppression of Corruption B.E. 2561 (2018) which stipulated penalties for bribery both givers and takers. Therefore, the Company strictly observes the Act as a juristic person under Thai laws and the Company realizes that any violation can damage its reputation and result in fines. The Company is fully aware of corruption risk which is a critical issue and a threat to its sustainability given that this risk can cause both financial and non-financial losses as mentioned. However, corruption can take place at any time despite strict measures and prudent internal control. The Company conducts its business with transparency and social responsibilities in compliance with laws and regulations. The Company is against all forms of corruption and encourages all employees to perform their duties under moral code and honesty as good citizens of the society. As a result, the Company prepared guidelines on ethics, business code of conduct and anti-corruption policy with regular communication to employees. Moreover, the Company signed a joint declaration with the Thai Private Sector's Collective Action Coalition for Anti-Corruptions (CAC) as well as formulated Anti-Corruption Policy as clear guidelines to prevent and combat corruption. Regarding its culture, the Company raises awareness on damage caused by corruption and cultivate anti-corruption culture in the organization to ensure all stakeholders of good corporate governance practices. In addition, self-assessment for executives and employees is conducted to disclose information related to actions or activities that can be potential conflict of interest while internal audit department takes charge in evaluating effectiveness of internal control measures related to anti-corruption.

Note that the Company provided different communication channels for stakeholders to expose information on suspicious activities, make recommendations or blow a whistle on corruption directly with the Audit Committee and the Board of Directors such as by phone at 02 917 3055 Ext. 307 and 669, by email at whistle@dodaydream.com, by suggestion box and by post mail.

- **Risk from Information and Information System Security and Cybersecurity**

Expansion of the Company's IT systems exposed the Company to risks related to IT security or cybersecurity such as system malfunctions, human errors and cyberattacks. In case that there is a disruption in IT systems or a situation that causes any loss or leakage of information including system breakdowns and malfunctions, it can severely impact the Company in various aspects including business operations, credibility and reputation. Aware of the importance of cybersecurity, the Company set forth IT security policy as well as continuously develop and enhance IT systems including hardware, software and network. IT security systems are upgraded regularly such as installations of firewall, anti-virus software, data backup, access authorization to key systems as well as the adoption of Private Link to protect against data leakage. Furthermore, the Company developed Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP) to be consistent with current technical context and technology systems. The Company also commissioned KPMG Phoomchai Audit Limited as the Company's external auditor to conduct a comprehensive audit that covers evaluation on internal control and IT security (IT General Controls - ITGC).

● **Risk from Human Resources**

The Company has a firm belief that its people are the key success factor and all business growth plans must be supported by human capital as a foundation. Loss of key personnel can significantly hurt work efficiency and effectiveness as well as disrupt business continuity. Therefore, the Company is active in preparing and developing its employees to be equipped with knowledge and skills and ensuring adequate manpower to support business growth in the future. The Company is committed to optimal workforce planning and employee retention while human resources management to recruit and retain quality personnel is considered a critical risk.

The Company acquires quality talent from various channels including internal channels such as job rotation, job transfer and promotion. Moreover, critical/key position determination for each unit is conducted for succession planning and business continuity in case that there is a vacancy from retirement or resignation. Regarding human resources development, the Company put in place proper career path planning and individual development plans to enhance people's capabilities on top of regular learning and development programs. The Company takes a good care of its employees of all levels and provides opportunities for employees to take managerial roles in the future. Compensation and benefits are also fair and competitive.

- **Risk from Counterfeit Products or Use of the Trademarks of the Company and Subsidiaries**

With the popularity of the Company's products under its trademarks in the market, copied products with similar external appearances and products that imitate its concepts are prevalent. To certain extent, this confuses consumers and counterfeit products with low quality can cause negative side effects to them. In the light of such cases where the Company cannot duly control the damage, the impact on the Company image can post significant threats to its performances and financial position. Realizing potential impacts to its image and consumer safety from counterfeit products, the Company officially registered its trademarks and regularly sends a team to survey the market for counterfeit products and gather sufficient evidence to take legal actions against distributors and manufacturers of counterfeit products. In addition, the Company communicates more with consumers on how to detect counterfeit products as well as adopted authenticity technology for product verification. For example, the Company attached innovative anti-counterfeit stickers on its products so that consumers can quickly and accurately test products for fake. The Company also demonstrates and shares knowledge on how to separate fake products from genuine ones via various channels e.g. the Company's website, social media as well as sales representatives and distribution partners. Plus, product quality is continuously developed to differentiate itself from the counterfeits to ensure consumers of genuine products and prevent them from any risk from danger associated with products that do not meet standards. The Company and its subsidiaries also communicate with consumers through trustful sales channels such as representative shops, department stores and leading shops that are the Company's partners. Moreover, the Company incurs reputational risk when external parties use its brand or product names at present or in the future as the names of their companies. In case that those parties engage in any action that could cause bad publicity, people can mistakenly relate that to the Company. To prevent those risks, the Company places importance on trademark registration for those of the Company and its subsidiaries as well as appointed credible sales agents with well-written legal contracts. Finally, the Company also works closely with legal advisors who have experience and expertise in handling legal matters related to this risk.

PART 1: BUSINESS AND COMPANY PERFORMANCE

DRIVING BUSINESS FOR SUSTAINABILITY

Driving Business for Sustainability

Do Day Dream Public Company Limited and its subsidiaries strongly believe in conducting business based on sustainability to drive stable organizational growth in the long run. The Company is committed to doing business in accordance with the basis of creating positive changes to community, environment and economy to ensure that the Company is heading in the right direction and create value to all stakeholders.

Currently the Company is in active pursuit of development of policies, guidelines and plans related to sustainable development of the organization. Sustainability Committee is expected to be established within Year 2021, consisting of executives from different units who are assigned to work together to define strategies, goals, policies and frameworks on sustainability as well as monitor sustainability performances and drive related initiatives continuously across the organization.

PART 1: BUSINESS AND COMPANY PERFORMANCE

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

Management Discussion and Analysis

For the year ended December 31, 2020

Summary of Performance

Sales Revenue

For the year ended 31 December 2019 and 2020, the Company recorded total sales revenue of THB 729.06 million and THB 1,000.34 million, respectively. Domestic sales revenue increased 48.30% from the same period of the previous year due to the acquisition of Kuron Company Limited since 3rd March 2020, allowing the Company to fully record the revenue of Kuron, which mostly was from domestic, since the second quarter of this year. However, despite the increase in consolidated revenue compared to the same period of last year, the company-owned products (excluding Kuron's) generated lower sales after being heavily affected by the closures and abnormal operating hours of shopping stores due to the pandemic of COVID-19. The steep decline in the number of Chinese tourists also weighed in the plunge of skincare sales. The Company has acknowledged the situation and adjusted the strategy and marketing plans accordingly to minimize the impact, by focusing in expanding the customer base and emphasizing in online channel.

International sales revenue increased by 2.57 % compared to the last year, since the China and Philippines has endured more drastic impact from COVID-19, making the sales deviate from the original plan of the Company. Online channel in overseas market, meanwhile, was still going strong.

- TRANSLATION -



Table 1 : Sales Revenue by Product Line for the Three Months ended Sep 30, 2020 and Dec 31, 2020
(3M QoQ)

Sales by geography	Consolidated financial statements				Change Increase/(Decrease)	
	For Three Months Ended					
	30 September 2020		31 December 2020			
	THB mm	%	THB mm	%	THB mm	%
<u>Sale Revenue</u>						
Revenue from selling product under Company's trademark						
1) Skincare	70.27	22.7	78.54	10.9	8.27	11.77
2) Cleansing	30.13	9.7	26.77	3.7	(3.36)	(11.15)
3) Sunscreen and Cosmetic	3.45	1.1	6.53	0.9	3.08	89.28
4) Personal Equipment	127.38	41.2	137.14	19.1	9.76	7.66
5) Consumer goods	53.45	17.3	67.34	9.4	13.89	25.99
6) Giftset	13.64	4.4	16.03	2.2	2.39	17.52
7) Other	2.80	0.9	1.31	0.2	(1.49)	(53.21)
Total revenue from products under Company's trademark	301.12	97.4	333.66	46.5	32.54	10.81
Deduct Sales discount	(22.14)	(7.2)	(36.66)	(5.1)	(14.52)	65.58
Total sales	278.98	90.2	297.00	41.4	18.02	6.46
Other income ^{/1}	30.20	9.8	420.57	58.6	390.37	1,292.62
Total revenue	309.18	100.0	717.57	100.0	408.39	132.09

Notes: ^{/1} Other income comprises mainly of interest income and services revenue

- TRANSLATION -



Table 2 : Sales Revenue by Geography for the Three Months ended Sep 30, 2020 and Dec 31, 2020
(3M QoQ)

Sales by geography	Consolidated financial statements				Change Increase/(Decrease)	
	For Three Months Ended					
	30 September 2020		31 December 2020			
	THB mm	%	THB mm	THB mm	%	%
<u>Sale revenue</u>						
1. Sale revenue from domestic customers	228.46	73.89	246.46	34.3	18.08	7.9
2. Sale revenue from overseas customers	50.55	16.35	50.54	7.0	(0.06)	(0.1)
Total sales	279.01	90.23	297.00	41.4	18.02	6.5
Other income ^{/1}	30.2	9.77	420.57	58.6	390.37	1,292.6
Total revenue	309.21	100.00	717.57	100.0	408.39	132.1

Notes: ^{/1} Other income comprises mainly of interest income and services revenue

- TRANSLATION -



Table 3 : Sales Revenue by Product Line for the year ended 31 December (12M YoY)

Sales by geography	Consolidated financial statements				Change Increase/(Decrease)	
	For year ended 31 December					
	2019		2020			
	THB mm	%	THB mm	%	THB mm	%
<u>Sale Revenue</u>						
Revenue from selling product under Company's trademark						
1) Skincare	533.15	66.94	299.38	18.8	(233.77)	(43.85)
2) Cleansing	135.76	17.04	111.86	7.0	(23.90)	(17.60)
3) Sunscreen and Cosmetic	20.70	2.60	24.29	1.5	3.59	17.34
4) Personal Equipment	-	-	389.09	24.5	389.09	0.00
5) Consumer goods	-	-	202.36	12.7	202.36	0.00
6) Giftset	83.18	10.44	47.20	3.0	(35.98)	(43.26)
7) Other	1.38	0.18	4.48	0.3	3.10	224.64
Total revenue from products under Company's trademark	774.17	97.20	1,078.66	67.8	304.49	39.33
Deduct Sales discount	(45.11)	(5.66)	(78.32)	(4.9)	(33.21)	73.62
Total sales	729.06	91.54	1,000.34	62.9	271.28	37.21
Other income^{/1}	67.38	8.46	589.94	37.1	522.56	775.54
Total revenue	796.44	100.00	1,590.28	100.0	793.84	99.67

Notes: ^{/1} Other income comprises mainly of interest income and services revenue

- TRANSLATION -



Table 4 : Sales Revenue by Geography for the year ended 31 December (12M YoY)

Sales by geography	Consolidated financial statements				Change Increase/(Decrease)	
	For year ended 31 December					
	2019		2020			
	THB mm	%	THB mm	%	THB mm	%
<u>Sale revenue</u>						
1. Sale revenue from domestic customers	551.94	69.30	818.67	51.5	266.65	48.3
2. Sale revenue from overseas customers	177.12	22.24	181.67	11.4	4.55	9.0
Total sales	729.06	91.54	1,000.34	62.9	271.20	97.2
Other income^{/1}	67.38	8.46	589.94	37.1	522.56	1,730.3
Total revenue	796.44	100.00	1,590.28	100.0	793.76	256.7

Notes: ^{/1} Other income comprises mainly of interest income and services revenue

Cost of Goods Sold

Cost of goods sold for the year ended 31 December 2019 and 2020 stood at THB 258.25 million and THB 580.99 million, respectively, equivalent to a 125.0% increase. Cost of goods sold to sales revenue ratio increased from 35.42 % to 58.08 % because of the raw material and packaging increased and change in product sales mix since we invested in the new Company, KURON Co., Ltd on 3 March 2020. And DDD capacity variance loss increased from unused capacity.

Gross Profit

Gross profit for the year ended 31 December 2019 and 2020 were THB 470.81 million and THB 419.35 million, respectively, or equivalent to a gross profit margin of 64.58% and 41.91%, respectively. The significant drop in gross profit of the Company was derived from the slowdown in sales revenue compared to the same period of last year due to the change in product sales mix since we invested in the new company, KURON Co., Ltd. on 3 March 2020.

Sales Expenses

The Company posted sales expenses for the year ended 31 December 2019 and 2020 of THB 431.91 million and THB 490.65 million, respectively. This is equivalent to an increase of 13.6% compared to the same period of last year. Nonetheless, the Company has reduced the spending on advertisement and promotion in this period, compared to the same period last year, to reflect the slowdown in sales due to the COVID-19 pandemic which resulted in the closures of many points of sales between March and May. Some of the expenses, however, were less elastic to sales such as salary of salespeople and beauty advisors from both the Company and Kuron Company Limited. In addition, we have focused on efficiency in cost control. Consequently, sales expenses to sales revenue ratio dropped from 59.24% to 49.05% as the Company held up the sales, sale promotion, and marketing expenses.

Administrative Expenses

The Company's administrative expenses for the year ended 31 December 2019 and 2020 were THB 166.65 million and THB 265.58 million, respectively, equivalent to an increase of 59.4%. Administrative Expenses to sales revenue ratio increased from 20.92% to 16.70%. This is mainly due to the consolidation of Kuron's administrative expenses and from professional fees related to the acquisition totaling THB 9.7 mm.

Net Profit(Loss)

The Company posted net profit(loss) of THB (53.22) million and THB 179.54 million for the year ended 31 December 2019 and 2020, respectively, equivalent to a huge increase of 437%. The net profit margin also increased from (6.68%) to 11.29%. An increase in net profit is mainly contributed by the unrealized loss from fair value assessment of financial assets during the year at THB 446.21 million and provision of obsolete stock increased compared to the same period last year.

- TRANSLATION -



Financial Position

Total Assets

As of 31 December 2020, the Company's total assets stood at THB 5,333.51 million, increasing 7.60% from the end of last year. The majority of total assets consist of cash and equivalents, short-term investments, trade receivables, and other receivables, property, plant and equipment and intangible assets because of the new investment in KURON Co., Ltd since 3 March 2020.

Total Liabilities

As of 31 December 2020, the Company held total liabilities of THB 441.02 million, increasing at a rate of 127.19% from the end of last year. Total liabilities increased as a result of the share purchase agreement of KURON Co., Ltd. Since 3 March 2020 and deferred tax liability.

Shareholders' Equity

As of 31 December 2020, shareholders' equity of the Company was recorded at THB 4,892.49 million. The small drop in shareholders' equity of 2.72% was mainly due to increasing other components of equity offset with a result of the recent dividend payment and net profit(loss) during the year.

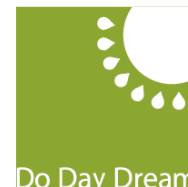
Financial Ratio

Financial Ratio	As of December 31, 2019	As of December 31, 2020
Liquidity Ratio (times)	23.97	16.60
Debt to Equity Ratio (times)	0.04	0.09
Return on Equity - ROE (%)	(1.10)	3.80
Return on Assets - ROA (%)	(1.18)	4.92
Net Profit Margin (%)	(6.68)	11.29


PART 1: BUSINESS AND COMPANY PERFORMANCE

OTHER GENERAL INFORMATION

- Translation-



GENERAL AND OTHER INFORMATION

COMPANY NAME	DO DAY DREAM PUBLIC COMPANY LIMITED
COMPANY SYMBOL	DDD
TYPE OF BUSINESS	Manufacturer and Distributor of Skin Care Products
CG SCORING	
COMPANY ADDRESS:	HEAD OFFICE No. 32, Keharomklao Road, Ratpattana, Saphansung, Bangkok 10240, Thailand Tel: (+66) 2917 3055 Fax: (+66) 2917 3054 FACTORY No. 53 Moo 9, Rojana Road, Thanu Sub-district, U-thai District, Ayutthaya Province 13210, Thailand Tel: (+66) 35 246 885 Fax: (+66) 35 246 886
WEBSITE	http://www.dodaydream.com
COMPANY REGISTRATION NUMBER	0107560000109
REGISTERED CAPITAL	318,000,000 THB (Total of 318,000,000 ordinary shares with par value of 1.00 Baht per share)
PAID-UP CAPITAL	317,887,700 THB
INVESTOR RELATION	Tel: (+66) 02 917 1219 E-mail : ir@dodaydream.com
COMPANY SECRETARY	Tel: (+66) 02 917 1219 E-mail : comsec@dodaydream.com

REFERENCES

REGISTRAR

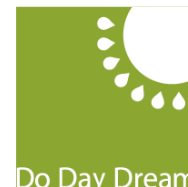
Thailand Securities Depository Company Limited
93 Rachadapisek Road, Dindaeng, Bangkok 10400
Tel: 02-009-9999
Fax: 02-009-9991
Website: www.tsd.co.th

AUDITOR

KPMG Phoomchai Audit Limited
No. 195 Floor 48 Empire Tower, South Sathorn Road, Bangkok 10120
Tel: (+66) 2677 2000
Fax: (+66) 2677 2222

Investors can study more information from the company's annual registration statement (Form 56-1)
from www.sec.or.th or www.dodaydream.com

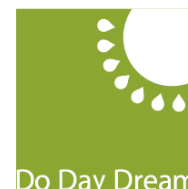
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SUBSIDIARY'S GENERAL INFORMATION

SUBSIDIARY NAME		NAMU LIFE PLUS COMPANY LIMITED (NML)
TYPE OF BUSINESS		Domestic distribution business for the Company's skin care products
HEAD OFFICE		No. 32, Keharomklao Road, Ratpattana, Saphansung, Bangkok 10240, Thailand Tel: (+66) 2917 1888 Fax: (+66) 2917 3054
COMMERCIAL WEBSITE		http://www.namulife.com
REGISTERED CAPITAL		5,000,000 THB (Total of 500,000 ordinary shares with par value of 100 Baht per share)
PERCENTAGE OF SHARE		100%
SUBSIDIARY NAME		DO INFINITE DREAM COMPANY LIMITED (DID)
TYPE OF BUSINESS		International Headquarter which holding shares in foreign subsidiaries of the Company
HEAD OFFICE		No. 32, Keharomklao Road, Ratpattana, Saphansung, Bangkok 10240, Thailand Tel: (+66) 2917 3055 Fax: (+66) 2917 3054
REGISTERED CAPITAL		100,000,000 THB (Total of 1,000,000 ordinary shares with par value of 100 Baht per share)
PERCENTAGE OF SHARE		100%

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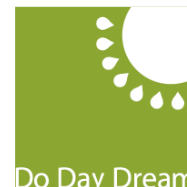


SUBSIDIARY NAME	DREAM DERMATOLOGY COMPANY LIMITED (DDM)
TYPE OF BUSINESS	Distributor of Cosmeceutical product
HEAD OFFICE	No. 32, Keharomklao Road, Ratpattana, Saphansung, Bangkok 10240, Thailand Tel: (+66) 2917 3178
REGISTERED CAPITAL	50,000,000 THB (Total of 5,000,000 ordinary shares with par value of 100 Baht per share)
COMMERCIAL WEBSITE	https://oxecurethailand.com
PERCENTAGE OF SHARE	95%

SUBSIDIARY NAME	SKIN MAKE SMILES COMPANY LIMITED (SMS)
TYPE OF BUSINESS	Distributor of Skincare product targeting a Millennials
HEAD OFFICE	No. 32, Keharomklao Road, Ratpattana, Saphansung, Bangkok 10240, Thailand Tel: (+66) 2917 3179
REGISTERED CAPITAL	5,000,000 THB (Total of 500,000 ordinary shares with par value of 100 Baht per share)
COMMERCIAL WEBSITE	https://sos-storiesofskin.com
PERCENTAGE OF SHARE	70%

SUBSIDIARY NAME	JMS GLOBAL SOLUTION COMPANY LIMITED (JMS)
TYPE OF BUSINESS	Distributor of Skincare product
HEAD OFFICE	87 M Thai Tower All Season Place 9 Fl. Room 906 Wireless Rd. Lumpini, Pathum Wan, Bangkok 10330
REGISTERED CAPITAL	200,000,000 THB (Total of 2,000,000 ordinary shares with par value of 100 Baht per share)
PERCENTAGE OF SHARE	40% Shareholding by Skin Make Smiles Company Limited

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SUBSIDIARY NAME	DO DAY DREAM TRADING PTE LIMITED (DDDT)
TYPE OF BUSINESS	Oversea distribution business for the Company's products Incorporated in the Singapore
HEAD OFFICE	1 Raffles Place #28-02, One Raffles Place, Singapore (048616)
REGISTERED CAPITAL	USD 300,000 (Total of 300,000 ordinary shares with par value of 1 USD per share)
PERCENTAGE OF SHARE	100% Shareholding by Do Infinite Dream Company Limited
SUBSIDIARY NAME	DO DAY DREAM HOLDING PTE LIMITED (DDDH)
TYPE OF BUSINESS	Holding company, Business investment of the Company in oversea, Incorporated in the Singapore
HEAD OFFICE	1 Raffles Place #28-02, One Raffles Place, Singapore (048616)
REGISTERED CAPITAL	USD 2,000,000 (Total of 2,000,000 ordinary shares with par value of 1 USD per share)
PERCENTAGE OF SHARE	100% Shareholding by Do Infinite Dream Company Limited
SUBSIDIARY NAME	DO DAY DREAM PHILIPPINES CORPORATION (DDDPH)
TYPE OF BUSINESS	Distribution business for the Company's products in Philippines Incorporated in the Philippines
HEAD OFFICE	2nd Floor, F'7 Rallos Building, #49 Scout Rallos St, Brgy Laging Handa, Quezon City, 1103 Philippines
REGISTERED CAPITAL	PHP 66,000,000 (Total of 66,000,000 ordinary shares with par value of 1 PHP per share)
COMMERCIAL WEBSITE	https://snailwhiteph.com/
PERCENTAGE OF SHARE	51% Shareholding by Shareholding by Do Day Dream Holding PTE Limited

PART 2: CORPORATE GOVERNANCE

CORPORATE GOVERNANCE POLICY

CORPORATE GOVERNANCE POLICY

The Company places value on compliance with good corporate governance principles covering 5 sections as outlined below.

Section 1 Rights of Shareholders

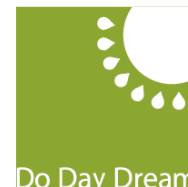
The Company recognizes the importance of the rights of shareholders that are not limited to rights as stipulated by laws and shall not act in a manner that violates or deprives shareholders of any right but only encourage shareholders to exercise their rights. Basic rights of shareholders include to rights to buy, sell and transfer shares; receive shares in the Company's profitability; obtain adequate information from the Company; attend shareholders' meetings to vote to appoint or remove directors; appoint auditors; approve important transactions that affect the Company's business directions as well as other matters that significantly impact the Company such as dividend allocation, setting and changing rules and regulations and company affidavit of the Company, capital decrease and increase and special transaction approval.

Apart from the basic rights of shareholders mentioned above, the Company set certain guidelines to support and facilitate shareholders to exercise their rights as follow.

1) Shareholders' Meeting

- 1.1 The Company shall organize the Annual General Meeting of shareholders according to the laws and regulations stipulated by the Stock Exchange of Thailand and comply with the guidelines for convening a shareholders' meeting of the Office of the Securities and Exchange Commission.
- 1.2 The Company shall allow shareholders to propose agenda items and nominate directors in advance from October to December every year under clear criteria. These criteria shall be publicized through the Company's website and shareholders shall be notified through the electronic means of the Stock Exchange of Thailand.
- 1.3 The Company shall disclose its policy on supporting and encouraging all shareholders to attend the shareholders' meeting.
- 1.4 The Company shall send out the invitation letters to shareholders' meeting to shareholders at least 14 days before the meeting which contain date, time, venue and agenda together with explanations and supporting reasons for each agenda item or resolution as specified in the invitation letter or its

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attachment. The Company shall refrain from any action that limits access of shareholders to study the Company's information.

- 1.5 The Company shall accommodate shareholders to exercise their rights in attending the meeting and casting their votes and refrain from any action that limits their chances of attendance. For example, attendance to the meeting should not be difficult or costly and the venue of the meeting should be convenient for most shareholders. The Company shall also provide stamp duties for the proxy voters and allow them to submit documents at the meeting.
- 1.6 The Company shall allow shareholders to send inquiries in advance before the meeting day. Criteria on inquiry submission shall be clearly set and shareholders shall be notified together with the invitation letters to the meeting. The Company shall publicize these criteria on its website.
- 1.7 The Company encourages shareholders to use proxy forms with the format that shareholders can easily cast their votes and nominate at least 1 independent director as an option for delegating a proxy.

2) On the Shareholders' Meeting Day

- 2.1 The Company shall promote the use of technology for the shareholders' meeting including registration, vote counting and result displaying so that the meeting is conducted in a speedy, accurate and precise manner.
- 2.2 The Company shall encourage all directors to attend the shareholders' meeting. Shareholders shall be able to make inquiries for the chairman of the Board, chairmen of sub-committees and/or chief executive officer on relevant matters.
- 2.3 At the shareholders' meeting, voting shall be exercised by agenda item. In case that there are multiple issues for an agenda item, voting shall be exercised by issue such as director appointment.
- 2.4 The Board of Directors shall encourage independent individuals to count and check the votes at the shareholders' meeting and disclose to the meeting as well as record in the minutes of the meeting.
- 2.5 The Board of Directors promotes the use of ballots for important agenda items e.g. related party transactions and acquisition and disposition of assets for transparency and accountability in case of later disputes.
- 2.6 The chairman of the meeting shall properly allocate meeting time and encourage shareholders to express their opinions and make inquiries on matters related to the Company.

3) Minutes of the Meeting Preparation and Disclosure of Resolutions of the Shareholders' Meeting

- 3.1 Minutes of the shareholders' meeting shall contain steps in casting votes and method of displaying voting results before the meeting and allow shareholders to raise concerns or make inquiries. Moreover, Q&A, and voting results of each agenda item must be recorded showing number of votes (affirm, oppose, abstain and voided). List of attended and absent directors at the meeting shall also be included.
- 3.2 The Company shall disclose voting results for each agenda item of the shareholders' meeting to the public through the electronic means of the Stock Exchange of Thailand and the Company's website on the next working day.
- 3.3 The Company shall prepare and complete the minutes to the shareholders meeting within 14 days after the meeting day and submits to the Stock Exchange of Thailand and the Ministry of Commerce within a specified period. The minutes shall be made available on the electronic means of the Stock Exchange of Thailand and the Company's website.

Section 2 Equitable Treatment of Shareholders

The Company put in place a policy to act impartially and fairly to all shareholders including majority shareholders, minority shareholders, institutional investors and foreign shareholders. The following guidelines shall apply

1) Dissemination of Information before the Shareholders' Meeting

- 1.1 The Company sends out the invitation letters to the shareholders' meeting that include agenda items and opinions of the Board of Directors to the Stock Exchange of Thailand and publicizes through its website at least 21 days before the shareholders' meeting day. The invitation letters are prepared in English and distributed together with the Thai version.
- 1.2 The Company notifies shareholders of the meeting's rules, steps in casting votes as well as voting rights for each type of shares.

2) Protection of Minority Shareholders' Rights

- 2.1 The Company permits minority shareholders to participate in proposing agenda items for the Annual General Meeting of shareholders as well as nominating individuals for directorship in advance during October-December of every year through its website and electronic means of the Stock Exchange of Thailand. Criteria to include agenda items for the meeting and nomination of directors are clearly specified. Therefore, the Company will consider and scrutinize related agenda items properly as well as select qualified persons as its directors to perform their duties effectively for the best interest of the Company and all stakeholders. Besides, executive directors shall not add more agenda items without an advance notice if not necessary especially for important agenda items as shareholders need to spend time reviewing the information before making any decision.
- 2.2 The Company specified that voting rights at the meeting are according to the number of shares the shareholders hold while one-share-one-vote rule applies. Additionally, the Company grants shareholders who attend the meeting after the meeting commences the voting rights for the agenda items under consideration in case that no resolution is reached. A quorum is constituted from the agenda item they attend and vote. The Company also allows shareholders to cast their votes on individual director appointment.

3) Protection of the Use of Inside Information

- 3.1 The Company has a policy that restricts the use of inside information to only mid-level to high-level executives in relevant departments of the Company. Reviewed financial statements will be kept with the chief financial officer and the accountant. Other confidential information will be exclusively shared with personnel of manager level or higher for discussion purposes. The Company set penal codes for relevant parties in case of misuse of inside information that causes damage to the Company.
- 3.2 The Company formulated a policy on inside information usage as a guideline to prevent directors, executives, employees and others who are informed of inside information related to the Company's performance from buying or selling the Company's securities since the day they have the information until that information is disclosed to the public. The Company prohibits any disclosure of inside information to speculate or manipulate the price of the Company's securities especially during 30 days period before financial statements are released to the general public. Only 24 hours after the public disclosure shall buying and selling of securities be permitted. Note that the company secretary is

- Translation-



responsible for informing directors, executives and related employees of the blackout period (no trading) along with the schedule of the annual shareholders' meeting as well as notifying them before those dates on a quarterly basis. This is to ensure that directors, executives and employees are informed of the blackout period of the Company's securities.

In addition, in case that directors and executives engage in trading of the Company's securities while they are holding office in the Company, they must report changes in their securities holding to the Office of the Securities and Exchange Commission pursuant to Section 59 of the Securities and Exchange Act 1992 within 3 working days including changes in securities holding of their spouses or de facto partners and minor children by submitting copies of the report to the company secretary within that day. The company secretary will prepare a summary report on securities holding of directors and executives for acknowledgement every 6 months and disclose it in the annual report. The Company included a policy on the use of inside information in the approval authority, the Code of Conduct and Business Ethics and the employee regulations in writing with clear penal codes in case that executives or employees disclose inside information or use it for their personal benefits.

4) Interest of Directors

- 4.1 A policy is imposed that requires directors and executives to report their interest and interest of connected persons that are related to the business of the Company and its subsidiaries to the company secretary who will submit copies of this report on interest of directors to the Board of Directors and the Audit Committee for acknowledgement.
- 4.2 Directors are required to report their interest at least before the consideration of that particular agenda item and record in the minutes of the Board of Directors' meeting and ensure that the director with significant interest that may influence the director from expressing his independent opinion refrain from participating in that particular agenda item so that the decisions made by the Board of Directors and executives are fair and for the best interest of shareholders.

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5) Conflict of Interest Prevention

The Board of Directors put in place a policy related to the prevention of conflict of interest based on decision-making principles in engaging in transactions or other undertakings within the Company for the best interest of the Company and shareholders. The Company shall avoid any action that causes a conflict of interest by requiring related persons or stakeholders of the transaction under consideration to notify the Company of the relationship or their interest on that particular transaction.

Any transaction made between the Company and related parties that may incur a conflict of interest must be approved by the Audit Committee before presenting at the Board of Directors' meeting for approval and/or the shareholders' meeting depending on the nature and size of that transaction according to the rules imposed by the Capital Market Advisory Board. Related directors or executives with a conflict of interest will not participate in the decision-making for that particular transaction.

Moreover, the Company designed a clear and transparent shareholding structure with no cross holding of major shareholders so that a conflict of interest will not arise for any party and disclosed the structure in the annual report.

Section 3 Roles of Stakeholders

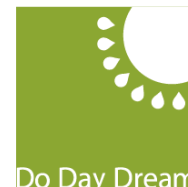
The Company shows genuine concern for all stakeholders and treats them properly according to their rights under applicable laws. The Company shall not engage in any action that violates rights of stakeholders according to laws and existing agreements. Participation of stakeholders based on their roles and duties in strengthening performance of the Company is encouraged for the business to run properly. Besides, relevant information for those stakeholders must be disclosed in an adequate, credible and timely manner. Policies and guidelines are summarized below.

1) Employee Treatment Policy and Guideline

The Company realizes that employees are valuable as a key factor in attaining its goals. As a result, the Company formulated a policy that promotes fair treatment to employees in various aspects such as career opportunity, compensation, appointment, relocation and capability development. To ensure compliance with the policy, the Company set forth the following guideline.

- 1.1 Treat employees with politeness and respect their individualism. Be open to their opinions and recommendations that are based on their professional knowledge.
- 1.2 Treat employees equally and impartially with fair compensation suitable for their individual knowledge and ability. Set up a provident fund for employees and place importance on employee welfares and benefits.
- 1.1 Ensure that working environment is safe for employees' lives, properties as well as occupational health to promote good quality of life of the employees.
- 1.2 Prioritize the continuous development of capabilities, knowledge and ability by consistently giving employees throughout the Company opportunities to enhance their skills to support organizational growth.
- 1.3 Appoint, relocate, reward and punish employees rightfully with sincerity based on knowledge, ability and suitability of each individual employee.
- 1.4 Strictly comply with laws and regulations related to employees
- 1.5 Respect employees' privacy and do not disclose personal information to outsiders or non-related parties unless required by laws or permitted with the consents from related employees.

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2) Treatment of Shareholders Policy and Guideline

The Company places significance on treating shareholders fairly and is fully aware of basic rights of shareholders. Thus, the Company set the following policy and guideline on treatment of shareholders

- 2.1 Perform duties with honesty and make decisions in conducting business according to professional principles carefully, prudently and fairly to major shareholders, minority shareholders and institutional investors aiming to deliver satisfactory performance and stable growth for the best interest of shareholders as a whole.
- 2.2 Present reports on the Company's status, performance, financial and accounting information including other reports regularly and in complete based on facts. Inform all stakeholders equally on the Company's future outlook both positive and negatives sides according to underlying probability with supporting information and adequate reasons.
- 2.3 Refrain from seeking personal benefits and benefits of others using any inside information not disclosed to the public or engaging in any action that can cause a conflict of interest with the Company.

3) Treatment of Customers Policy and Guideline

To maintain its existing customer base and grow more customers in the future, the Company pays attention to its customers and stipulated the following policy and guideline to treat its customers.

- 3.1 Ensure a control system of production process for customers and place value on development and improvement of production technology, customer service and regular product and service quality check.
- 3.2 Implement a control system to ensure strict compliance with agreements made with customers with honesty and attention to customer needs. Maintain consistency with services and be willing to accept suggestions and complaints to further improve its products and services.
- 3.3 Put in place a control system to treat customers' confidential information as the Company's confidential information and never wrongfully use the information for personal interest or interest of others.

4) Treatment of Suppliers and/or Creditors Policy and Guideline

The Company has a policy that requires employees to treat suppliers and/or all creditors fairly and honestly without taking advantage of them. The best interest of the Company shall be kept at heart while fair rewards to both sides must be encouraged. The employees shall avoid any situation that can lead to a conflict of interest and negotiate and resolve any issue based on business relations. The following guideline shall apply.

- 4.1 Ensure a transparent vendor selection process by always screening more than 1 supplier for comparison before making a decision. Provide equal information and choose suppliers with fairness under proper assessment and selection criteria. Contracts must be in proper formats fair to both parties.
- 4.2 Strictly conform to commercial terms and agreed contracts. In case of a breach of one of the conditions, the Company shall notify suppliers and/or creditors immediately and in advance in order to find mutual solutions and maintain good relationships that will benefit both sides in the long run.
- 4.1 Do not solicit, accept or grant any benefit wrongfully when dealing with suppliers and/or creditors.
- 4.2 In case there is information on a misconduct related to solicitation, acceptance or granting of benefits, employees shall disclose such information to the suppliers and/or creditors in order to fairly and quickly find mutual solutions to the problem.
- 4.3 The Company treats creditors as valuable trade partners and is committed to complying with all obligations according to the contracts with those creditors as well as making payments in a timely manner. The Company shall not hide any information or fact that can cause any damage to creditors. In case that the Company cannot fulfill its obligations, creditors must be informed in advance to find mutual solutions to the problem.

5) Treatment of Competitors Policy and Guideline

The Company set a policy on treating its competitors fairly without wrongfully obtaining confidential information or trade secrets of the competitors. The Company shall conform to rules of the competition and avoid dishonest approaches to destroy its trade rivals as well as intentionally sabotage reputation of competitors by false accusation.

6) Treatment of Society and/or Community Policy and Guideline

The Company put in place a policy on conducting its business that benefits economy, society and surrounding communities and fully abides by laws and related rules and regulations. The Company is also committed to good citizenship and the development and enhancement of quality of life of the society and communities where the Company is located so that the Company can grow sustainably alongside the communities. Social and environment responsibility is emphasized and the Company supports social activities that help develop the environment in the communities or the society.

7) Environmental Policy

The Company has a policy to support activities that promote quality of life, occupational health and environment as well as consistently maintain working environment that are safe for employees' lives and properties. The Company undertakes its business in parallel with responsibility for the environment and living conditions of the local communities to promote and preserve the environment of neighboring areas to attain sustainability and growth of the Company.

8) Communication with Stakeholders

The Company provides contact channels for stakeholders in expressing their opinions and reporting any witnessed illegal or unethical action or unfair treatment violating laws or the Company's Code of Conduct. And Business Ethics. Stakeholders can contact the company secretary through following channels.

Do Day Dream Public Company Limited "Company Secretary"

32 Keharomklao Road, Saphansung, Bangkok 10240

Email: whistle@dodaydream.com / comsec@dodaydream.com

Telephone: 0 2917 3055 # 315 Fax: 0 2917 3054

Note that information about the contacting person will be kept confidential and inquiries, complaints or suggestions will be shared with related units to take actions to resolve the issues and summarize the results to further present to the Board of Directors.

Section 4 Information Disclosure and Transparency

The Board of Directors places importance on disclosure of information related to the Company both financial information and non-financial information with accuracy, completeness, timeliness and transparency in accordance with rules set by the Office of Securities and Exchange Commission and the Stock Exchange of Thailand. The information includes other information that may have an impact on the price of the Company's securities which affects the decision-making process of investors and stakeholders.

Note that the Company established investor relations department to represent the Company in communicating and conducting PR on relevant information and news useful for shareholders, investors, institutional investors, securities analysts and other related parties both locally and internationally through various channels such as news feed of the Stock Exchange of Thailand and the Company's website.

Additionally, the Company organizes activities and events to meet investors and shareholders as well as share the Company's information per following.

For 2020, there was no incident that the Company was prosecuted by regulators regarding misconducts in information disclosure either no release or no disclosure of important information within specified times.

- Translation-



Activity	Management
<p style="text-align: center;">OpportunityDay: OppDay</p> <p><u>Purpose:</u> Announce company performance and Investors Q&A</p> <p>2020</p> <ul style="list-style-type: none"> ● 23 March 2020 Company Performance 2019 ● 1 June 2020 Company Performance Q1 2020 ● 8 September 2020 Company Performance Q2 2020 ● 14 December 2020 Company Performance Q3 2020 	<p style="text-align: center;">Chief financial officer (CFO) Accounting Director and Investors relations</p>
<p style="text-align: center;">Analyst Meeting</p> <p><u>Purpose:</u> Announce company performance and Q&A</p> <p>2020</p> <ul style="list-style-type: none"> ● 5 March 2020 Company Performance 2019 ● 21 May 2020 Company Performance Q1 2020 ● 26 August 2020 Company Performance Q2 2020 ● 18 November 2020 Company Performance Q3 2020 	<p style="text-align: center;">Chief financial officer (CFO) Accounting Director and Investors relations</p>

Section 5 Responsibilities of the Board of Directors

The Board of Directors consists of qualified individuals with knowledge, capabilities and experience in various fields with the number adequate to supervise the Company's business. At least 1 director must have experience in cosmetics industry and at least 1 director must have experience in accounting and finance. Independent directors must make up of at least 1 out of 3 of the total number of directors with 3 independent directors minimum in the Board of Directors. At least half of the Board of Directors must be non-executive directors to maintain a balance between non-executive and executive directors.

Directors must meet required qualifications and have no prohibited characteristics according to laws related to public company and other applicable laws. In addition, at least half of the number of the Board of Directors must be residents of the Kingdom of Thailand.

Term of Office

Directors shall hold office for a term of 3 years. At the Annual General Meeting of the shareholders each year one third (1/3) of the Board of Directors must retire from office and in case that the total number is not a multiple of 3, the nearest number to one third (1/3) of the total number of directors must retire. Retired directors may be re-appointed to serve more terms without a limit on the number of term.

In case that director position is vacant due to other causes apart from an official end of term, the Board of Directors must select and appoint individual for replacement at the next Board of Directors' meeting except when the term of that respective director is less than 2 months. The new director shall only serve the remaining term of the director he/she replaces.

The Board of Directors stipulated that independent directors who hold office for 9 years or 3 terms consecutively may not be independent, the Board of Directors shall review their true independence on an annual basis

(More information- Attachment 5 Corporate Governance Policy)

- Translation-



Code of Conduct and Business Ethics

The Company prepared the Code of Conduct and Business Ethics for directors, executives and employees which was approved by the Board of Directors that requires its directors, executive and employees to strictly observe. The Code of Conduct and Business Ethics was communicated throughout the organization for mutual understanding via e-mail system and notifications on PR board at the Company's office to encourage ethical conduct in undertaking its business.

The Code of Conduct and Business Ethics for was drafted under principles of integrity, transparency, good corporate governance and acceptable social ethics.

(More Information - Attachment 6 Code of Conduct and Business Ethics)

Development of Policies, Practices and Corporate Governance System in 2020

The Company values good corporate governance as a critical factor in driving the Company toward efficiency and sustainable growth which will lead to best interest of all related parties from employees, investors, shareholders to other stakeholders.

Realizing the importance of corporate governance, the Board of Directors regularly reviews related policies, practices and systems.

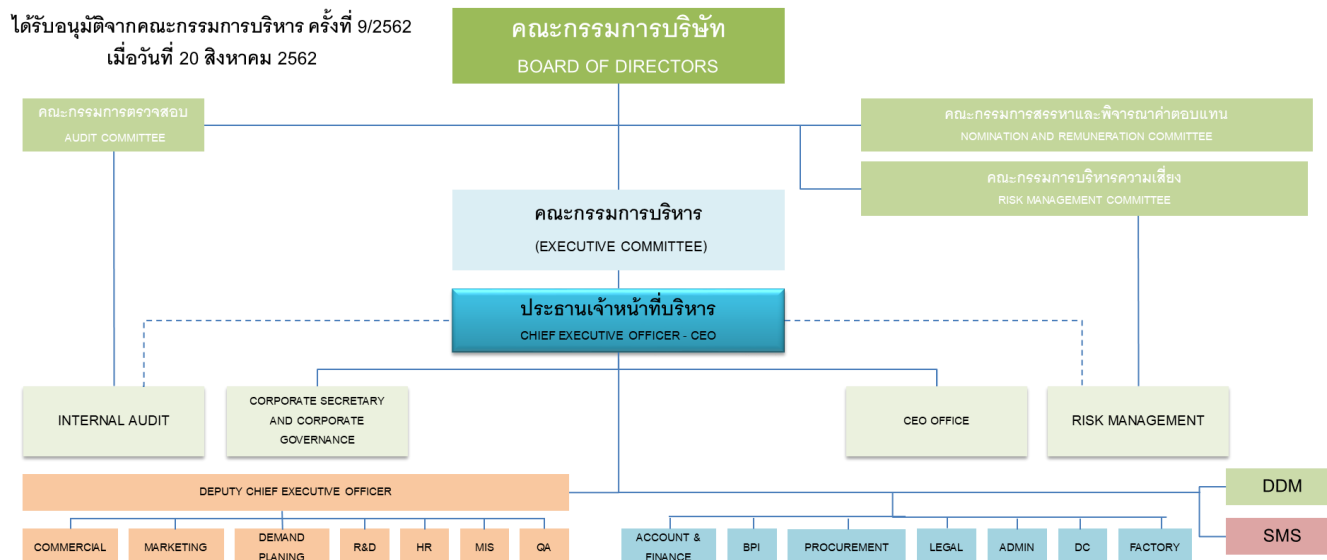
PART 2: CORPORATE GOVERNANCE

CORPORATE GOVERNANCE STRUCTURE AND IMPORTANT INFORMATION RELATED TO THE BOARD OF DIRECTORS, SUB- COMMITTEES, EXECUTIVES, EMPLOYEES AND OTHERS

- Translation-



Corporate Governance Structure



The Company's corporate governance structure comprises the Board of Directors and 3 sub-committees which are 1) Audit Committee 2) Nomination and Remuneration Committee and 3) Risk Management Committee with qualified individuals who have knowledge, abilities and experiences in various fields. The number of directors is adequate to oversee the Company's business.

At least 1 executive director has experience in cosmetics industry which is the core business of the Company and at least 1 director has experience in accounting and finance to be able to review the credibility of the Company's financial statements.

The Board of Directors comprises 9 directors, 5 are executive directors and 4 are non-executive directors (1/2 of the total number of members of the Board). 3 non-executive directors are independent directors and the number of independent director made up of 1/3 of the Board. The defined structure of the Board of Directors promotes adequate check and balances.

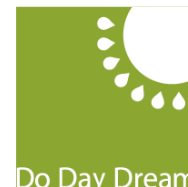
Board of Directors



From Left

- | | |
|-------------------------------|---|
| 1. Mr. Terdsak Rojsurakitti | Independent Director, Member of the Audit Committee and Member of the Nomination and Remuneration Committee |
| 2. Mr. Rittikrai Thammaraksa | Acting Chairman of the Board of Directors |
| 3. Mr. Suphawatt Vanichprapha | Director and Member of the Nomination and Remuneration Committee |
| 4. Mr. Yuttapong Ma | Director |
| 5. Mr. Sarawut Pornpatanarak | Vice Chairman of the Board of Directors and Executive Chairman |
| 6. Mr. Piyawat Ratchapolsitte | Director, Member of the Executive Committee and Chief Financial Officer |
| 7. Mr. Nitiroj Manolamai | Director and Member of the Risk Management Committee |
| 8. Mr. Nattawut Kruapradub | Independent Director, Member of the Audit Committee and Chairman of the Nomination and Remuneration Committee |

- Translation-



Board of Directors

As of 31 December 2020, the list of members of the Board of Directors according to the company affidavit is shown below

List of Directors	Title
1. Mr. Rittikrai Thammaraksa ¹	Acting Chairman of the Board of Directors
2. Mr. Sarawut Pornpatanarak	Vice Chairman of the Board of Directors and Executive Chairman
3. Mr. Krish Follet ²	Independent Director, Chairman of the Audit Committee and Chairman of the Risk Management Committee
4. Mr. Nattawut Kruapradub	Independent Director, Member of the Audit Committee and Chairman of the Nomination and Remuneration Committee
5. Mr. Terdsak Rojsurakitti	Independent Director, Member of the Audit Committee and Member of the Nomination and Remuneration Committee
6. Mr. Yuttapong Ma	Director
7. Mr. Nitiroj Manolamai ³	Director and Member of the Risk Management Committee
8. Mr. Suphawatt Vanichprapha ⁴	Director and Member of the Nomination and Remuneration Committee
9. Mr. Piyawat Ratchapolsitte	Director, Member of the Executive Committee and Chief Financial Officer
Ms. Chanoknan Thiemrat	Company Secretary

Note

- 1) Mr. Rittikrai Thammaraksa resigned as executive director, effective 16 December 2020
- 2) Mr. Krish Follet resigned as director, chairman of the Audit Committee and chairman of the Risk Management Committee, effective 19 November 2020.
- 3) Mr. Nitiroj Manolamai resigned as executive director, effective 16 December 2020.
- 4) Mr. Suphawatt Vanichprapha resigned as executive director, effective 31 July 2020.

- Translation-



Approval Authority of the Board of Directors

The Board of Directors has the authority to approve the Company's matters as stipulated by laws, the Article of Association and the Board of Directors Charter as well as resolutions from the shareholders' meetings. The Board's responsibilities include setting vision, mission, strategies, work plans, risk management policy annual budgets and annual business plan as well as monitoring and assessing the business to be in line with specified plans.

Note that the number and the list of authorized directors are specified according to the Company's affidavit pursuant to the Company's Article of Association.

Authorized Directors

1. Mr. Sarawut Pornpatanarak, Mr. Nitiroj Manolamai, Mr. Suphawatt Vanichprapha – 2 of 3 signatures from these directors with the Company's seal or
2. Mr. Sarawut Pornpatanarak or Mr. Nitiroj Manolamai or Mr. Suphawatt Vanichprapha – one signature from these directors and another signature of Mr. Piyawat Ratchapolsitte or 2 signatures in total with the Company's seal.

Scope of Authority and Responsibilities of the Board of Directors

1. Perform the duties in undertaking the Company's business in accordance with laws, objectives, the Article of Association, resolutions of the Board of Directors and the shareholders' meeting with responsibility, prudence and integrity for the best interest of the Company and shareholders. The Board of Directors must ensure that the Company fully complies with applicable laws related to its business as well as anti-bribery and anti-corruption laws.
2. Consider, specify and approve vision, mission, business strategies, business directions, business policies, goals, guidelines, work plans and budgets of the Company and its subsidiaries as prepared by the Executive Committee and the management team.
3. Supervise management and performance of the Executive Committee, chairman of the Board, chief executive officer, management team and any person assigned to perform such duties to ensure the alignment with vision, mission, business strategies, business directions, business policies, goals, guidelines, work plans and budgets that the Board stipulated.
4. Continuously monitor performance of the Company and its subsidiaries to be in line with work plans and budgets of the Company.
5. Ensure that the Company and its subsidiaries implement suitable and effective accounting systems and put in place adequate and effective internal control systems and internal audit systems and regularly evaluate the Company's internal control systems.
6. Ensure the accuracy and completeness of financial reporting of the Company and its subsidiaries according to the Generally Accepted Accounting Principles at the end of each accounting period to present its financial position and performance of the latest accounting period. Independent auditors shall examine, attest and sign those financial statements before presenting to the Annual General Meeting of the shareholders for approval.
7. Deliberate and approve the selection and nomination of independent auditor as well as determine proper remuneration as proposed by the Audit Committee before presenting to the Annual General Meeting for approval.
8. Ensure that corporate governance policy under good governance principles is put in place in writing and applied efficiently throughout the Company to affirm accountability and fairness to all stakeholders.

- Translation-



9. Review and approve qualified individuals without prohibited characteristics according to the Public Company Act 1992 (and its amendments) and the Securities and Exchange Act 1992 (and its amendments) including notifications, rules and regulations or procedures related to the appointment in case that a director position is vacant due to other causes apart from an official end of term. Review and approve directors to replace ones who completed their terms including their remuneration and propose to the shareholders' meeting for approval.
10. Appoint sub-committees including the Audit Committee, the Nomination and Remuneration Committee, the Risk Management Committee and the Executive Committee, define roles and responsibilities of those sub-committees to assist and support the Board of Directors' duties and determine proper remuneration for sub-committees (not more than total amount approved by shareholders).
11. Review and appoint executives according to the definition specified by the Securities and Exchange Committee and the Capital Market Supervisory Board including the company secretary and determine proper remuneration for those executives.
12. Consider and approve expenses related to investment, business operations, loan and credit application to financial institutions and being a guarantor in order to undertake normal business of the Company and its subsidiaries including its affiliates without limit pursuant to related rules and regulations of the Company as well as applicable rules of the Stock Exchange of Thailand and the Capital Market Supervisory Board.
13. Review and approve related party transactions between the Company, subsidiaries, affiliates and connected persons pursuant to the Securities and Exchange Act 1995 (and its amendments) including related rules and regulations of the Stock Exchange of Thailand and the Capital Market Supervisory Board. Consider and approve principles on commercial agreements with general trade conditions in case of entering a transaction between the group of companies and directors, executives or connected persons in order to set a framework and authorize the management to undertake the transaction according to the framework and scopes of laws and related criteria.
14. Provide suitable communication channels for each group of shareholders and supervise information disclosure to ensure accuracy, clarity, transparency, credibility and highest standards.
15. Approve interim dividend payments.
16. Determine and change the list of authorized directors who can sign to legally bind the Company.
17. Seek professional opinions from external organizations to make proper decisions (if necessary)
18. Monitor the Company's operations to ensure efficiency and protect interest of all stakeholders.

- Translation-



19. Organize the Annual General Meeting of shareholders within 4 months after the Company's accounting period ends.
20. Arrange at least four (4) meetings of the Board of Directors per year.
21. Prepare annual reports of the Board of Directors and be responsible for preparation and disclosure of financial statements of the Company and its subsidiaries to present financial position and performance of the Company and its subsidiaries during the past year and propose to the shareholders' meeting for approval.
22. Review performance evaluation results of the chief executive officer and sub-committees as recommended by the Nomination and Remuneration Committee to consider performances, problems and difficulties of each year in order to apply evaluation results to promote operational development and improvement.
23. Evaluate performance of the Board as a whole and for individual directors and consider performances, problems and difficulties of each year in order to apply evaluation results to promote operational development and improvement.
24. Supervise and monitor management and business undertaking of the Company and its subsidiaries to be in accordance with the Company's policies and securities laws as well as related notifications, rules and regulations of the Capital Market Supervisory Board, the Office of Securities and Exchange Commission and the Stock Exchange of Thailand e.g. related party transactions and acquisition and disposition of important assets that are not conflicting with other laws. Ensure adequate and appropriate internal control systems and internal audit systems. The Board of Directors can delegate and/or assign other persons to perform certain duties on their behalf. Delegation and sub-delegations must comply with the scope of delegation specified in the power of attorney document and/or rules, regulations and notifications that the Board of Directors and/or the Company stipulated. Delegation of authority and responsibilities of the Board of Directors is not considered a delegation or sub-delegation in case that the Board of Directors or its delegates are able to approve any transaction that they or persons with potential conflict of interest (according to the definition in the notification of the Securities and Exchange Commission and/or the notification of the Capital Market Advisory Board and/or the notification of the Stock Exchange of Thailand and/or related agencies) may have an interest in or benefit from in any way or have any conflict of interest with the Company and its subsidiaries. An exception can be made in case that the transaction is approved according to policies and criteria set but the shareholders' meeting or the Board of Directors and is considered under normal business conduct and general commercial terms

- Translation-



pursuant to the notifications of the Securities and Exchange Commission and/or the notifications of the Capital Market Advisory Board and/or the notifications of the Stock Exchange of Thailand and/or related agencies.

25. Review the Board of Directors Charter at least once (1) a year.

Term of Office

- Directors shall hold office for a term of 3 years and at the Annual General Meeting of shareholders each year one third (1/3) of the Board of Directors must retire from office and in case that the total number is not a multiple of 3, the nearest number to one third (1/3) of the total number of directors must retire. Retired directors may be re-appointed to serve more terms without a limit on the number of term.
- In case that a director position is vacant due to other causes apart from an official end of term, the Board of Directors must select and appoint an individual for replacement at the next Board of Directors' meeting except when the term of that respective director is less than 2 months. The new director shall only serve the remaining term of the director he replaces.
- The Board of Directors stipulated that independent directors who hold office for 9 years or 3 terms consecutively may not be independent, the Board of Directors shall review their true independence on an annual basis.

- Translation-



Audit Committee

Audit Committee consists of 3 independent directors with complete qualifications according to the notification of the Capital Market Advisory Board and the Stock Exchange of Thailand. As of 31 December 2020, the Audit Committee comprised 3 directors as listed below.

Name	Title
1. Mr. Krish Follet ¹	Independent Director, Chairman of the Audit Committee and Chairman of the Risk Management Committee
2. Mr. Nattawut Kruapradub	Independent Director, Member of the Audit Committee and Chairman of the Nomination and Remuneration Committee
3. Mr. Terdsak Rojsurakitti	Independent Director Member of the Audit Committee and Member of the Nomination and Remuneration Committee
4. Mr. Wasin Parithan ²	Independent Director and Chairman of the Audit Committee

Note 1) Mr. Krish Follet resigned as director, chairman of the Audit Committee and chairman of Risk Management, effective 19 November 2020.

2) Mr. Wasin Parithan was appointed as director and chairman of the Audit Committee, effective 2 February 2021.

Mr. Krish Follet and Mr. Wasin Parithan are the members of the Audit Committee with sufficient knowledge and experiences in reviewing credibility of the Company's financial statements and Ms. Chanoknan Thiemrat was appointed as acting secretary for the Audit Committee.

Term of Office

The official term of office of the members of the Audit Committee is 3 years from the appointment date. Retired directors may be re-appointed to serve more terms but no more than 3 terms.

Scope of Authority and Responsibilities of the Audit Committee

1. Review the accuracy and adequacy of the Company's financial reporting by working with external auditors and executives who are responsible for preparing quarterly and annual financial reports. The Audit Committee may advise the auditors to review or examine any transaction that is considered material and necessary during the accounting audit period of the Company and its subsidiaries.
2. Review the suitability, adequacy and efficiency of the Company's internal control and internal audit systems, consider independence of the internal audit unit as well as approve appointments, relocations, terminations and performance evaluations of the head of internal audit or any other unit responsible for internal audit.
3. Audit the Company and its subsidiaries' compliance with laws on securities and exchanges, regulations of the Stock Exchange of Thailand and other laws related to its business. Monitor the Company's subsidiaries to undertake business in accordance with stipulated rules and regulations related to control policies and corporate governance mechanism of businesses the Company invested in.
4. Consider, select and nominate independent individuals to perform duties as the Company's auditor and propose the remuneration based on credibility, available resources, quantity of audit work of the audit firms and experience of the persons assigned to conduct the audit for the Company and its subsidiaries. Attend meetings with the auditors without the management team's presence at least once a year and consider changing auditors every 3 years.
5. Review connected transactions, related party transactions, or transactions with potential conflict of interest to be correct and complete in accordance with laws and regulations of the Stock Exchange of Thailand to ensure that those transactions are reasonable for the best interest of the Company.
6. Prepare a report on corporate governance results of the Audit Committee and disclose the report in the Company's annual report. The report must be signed by the chairman of the Audit Committee.
7. Perform other duties as assigned by the Board of Directors and approved by the Audit Committee.
8. In performing duties as the Audit Committee, in case of doubts that any transaction or action may significantly impact financial position or performance of the Company, the Audit Committee shall report to the Board of Directors to take actions in resolving the issues within the period the Audit Committee deems appropriate. The Audit Committee has the authority to seek independent advices from any professional consultant as seen necessary on the Company's expenses in order to successfully perform duties under their responsibilities.

- Translation-



- (1) Transactions with potential conflict of interest
- (2) Corruption or material irregularities or mistakes in the internal control systems.
- (3) Violations of laws on securities and exchange, regulations of the Stock Exchange of Thailand and other applicable laws related to the Company's business.

In case that the Board of Directors or executives fail to resolve the issues within the period as seen appropriate by the Audit Committee, one of the members of the Audit Committee may report the transaction or the action in the first paragraph to the Office of Securities and Exchange Commission or the Stock Exchange of Thailand.

9. Review and propose revisions to the scope of authority and responsibilities of the Audit Committee as deemed appropriate.
10. Audit and monitor risk management as well as evaluate risk management performance of the Risk Management Committee.
11. Review rules and regulations and past performance at least once (1) a year.

- Translation-



Nomination and Remuneration Committee

Members of the Nomination and Remuneration Committee have a term of office of 3 years with possible re-appointment for further terms. As of 31 December 2020, the Nomination and Remuneration Committee consisted of the following directors.

Name	Title
1. Mr. Nattawut Kruapradub	Independent Director, Member of the Audit Committee and Member of the Nomination and Remuneration Committee
2. Mr. Terdsak Rojsurakitti	Independent Director, Member of the Audit Committee and Member of the Nomination and Remuneration Committee
3. Mr. Suphawatt Vanichprapha	Director and Member of the Nomination and Remuneration Committee

Scope of Authority and Responsibilities of the Nomination and Remuneration Committee

1. Consider structure, composition, and qualifications of the Board of Directors and sub-committees to be suitable for the organization and changing context.
2. Determine criteria and policies on nomination of directors for the Board of Directors and sub-committees as well as deliberate and select qualified individuals to replace directors in the Board of Directors and sub-committees who retire or leave office from other cases to be presented to the Board of Directors' meeting and/or the shareholders' meeting (as the case may be).
3. Consider and select qualified individual for chief executive officer and other high-level executive positions in case of vacancy.
4. Define criteria in evaluating performance of the Executive Committee and propose to the Board of Directors for approval.
5. Encourage minority shareholders to nominate qualified persons to be the Company's directors with sufficient period of time before the shareholders' meeting.
6. Perform any other duties as assigned by the Board of Directors.

Selection and Appointment of Directors

The Company established the Nomination and Remuneration Committee to be in charge of searching and selecting qualified candidates to replace directors in the Board of Directors and sub-committees who retire or leave office from other cases as well as encourage minority shareholders to nominate persons with suitable qualifications to be selected as directors. Nominations must be previously made to the Board of Directors for consideration before presenting at the shareholders' meeting to consider (case by case basis). Note that the Nomination and Remuneration Committee considers knowledge, abilities, work experiences and overall structure of the Board of Directors to understand the missing skills by creating "Board Skill Matrix". This matrix will align director nomination and recruitment with the Company's business directions and act as an input for selecting qualified individuals with valuable experience and knowledge to the Company to become its directors. This must be consistent with business strategies of the Company. Note that appointed directors must have complete qualifications according to Clause 68 of Public Company Act B.E.2535 (and its amendments) and the notification of the Securities and Exchange Commission without prohibited characteristics according to Securities and Exchange Act B.E.2535 (and its amendments) including other applicable laws and regulations.

- Translation-



Board Skill Matrix

The Company places highest priority on recruitment, selection and appointment of qualified persons to be directors in the Board of Directors and sub-committees. Therefore, the Company prepared Board Skill Matrix to ensure that the Board achieve required composition and alignment with business strategies both short term and long term. Knowledge, experiences, capabilities in various areas that are beneficial to the Company's business are to be evaluated without discrimination against gender, race or other differences. This is to attain the Board's composition that is complete for the best interest of the Company. Details are summarized below.

	<i>Criteria</i>	<i>Number of Directors</i>
<i>Age</i>	35 - 50 years	7
	51 – 60 years	1
	Over 60 years	1
<i>Sex</i>	Male	9
	Female	
<i>Ethics</i>	Integrity and Ethics	9
<i>Knowledge,</i>	Accounting and Finance	2
<i>Abilities,</i>	Business Administration and Management	9
<i>Working</i>	Marketing and Market Communication	2
<i>Experiences</i>	Laws and Related Business Regulations	2
	Economics	1
	Engineering	1
	Corporate Governance and Sustainability Development	1

- Translation-



Scope of Authority and Responsibilities in Determining Remuneration

1. Consider forms and criteria for remuneration of directors in the Board of Directors and sub-committees to be consistent with the Company's performance and related factors including roles, responsibilities and individual performance of each director. The remuneration shall be at a suitable level when benchmarked with other leading companies in the stock exchange and other companies in the same or similar industries.
2. Consider and determine remuneration for directors in the Board of Directors and sub-committees and present to the Board of Directors for further considerations before proposing to shareholders' meeting for approval.
3. Report policy on directors' remuneration with principles/rationale and objectives and disclose in the annual report.
4. Perform any other duties as assigned by the Board of Directors.

- Translation-



Directors' Remuneration

Considerations regarding directors' remuneration are consistent with the Company's performance including roles, responsibilities and individual performance of each director. The remuneration shall be at a suitable level when benchmarked with other companies with similar size in the same industry as well as adequate to incentivize and retain quality directors to stay with the Company. Note that remuneration for directors must be considered and approved at the shareholders' meeting annually.

Considerations regarding remuneration for the chief executive officer and high-level executives shall be in accordance with principles and policies stipulated by the Board of Directors. In addition, the remuneration shall be in line with compensation rates in the market or industry in order to attract and retain quality personnel to work with the Company in the long run.

The Board of Directors will evaluate performance of directors and executives regularly on an annual basis to determine their remuneration using well-defined criteria previously agreed with directors and executives. Those criteria include financial performance, performance in achieving long-run strategic objectives and executive development etc. Evaluation results shall be proposed to the Board of Directors for approval and the chairman or a senior director should be the person who informs the chief executive officer of the evaluation results.

- Translation-



Monetary Remuneration

The 2020 Annual General Meeting of the Shareholders on 29 June 2020 reached a resolution to determine remuneration for directors as follows

Title	Monthly Compensation (Baht)	Meeting Allowance (Baht per Meeting)	Annual Bonus	Other Benefits
Chairman of the Board of Directors	15,000	22,500	Not over 1,000,000 baht	Health Insurance of not over 240,000 baht
Director	15,000	17,500		
Chairman of the Audit Committee	-	22,500		
Member of the Audit Committee	-	17,500		
Chairman of the Nomination and Remuneration Committee	-	17,500		
Member of the Nomination and Remuneration Committee	-	14,000		
Chairman of the Risk Management Committee	-	17,500		
Member of the Risk Management Committee	-	14,000		

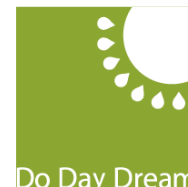
Note:

* Meeting allowance for members of the Board of Directors and sub-committees are paid on actual basis.

** Members of the Executive Committee or executive directors do not receive such compensation but are offered monthly compensation and benefits according to the Company's compensation structure.

***The Board of Directors will consider annual bonus for directors under approved conditions according to the resolutions of shareholders' meeting. In case of an interim appointment of director, remuneration shall be paid based on actual period of directorship in that particular year.

- Translation-



Monetary remuneration for 3 individual directors who are non-executive directors totaled 1.35 million baht which comprises remuneration in form of monthly salary and meeting allowance per following.

In 2020, the Company paid the following remuneration for the Board of Directors as detailed by individual director below.

List of Directors	Monthly Compensation (Baht)	Meeting Allowance (Baht)	Annual Bonus (Baht)	Total (Baht)
1. Mr. Krish Follet	165,000	190,000	-	355,000
2. Mr. Nattawut Kruapradub	180,000	262,500	59,848	502,340
3. Mr. Terdsak Rojsurakitti	180,000	255,500	59,848	495,348
Total	525,000	708,000	119,696	1,352,688

Note that directors' remuneration policy for 2020 remains unchanged from 2019.

Non-Monetary Remuneration for Directors

Apart from monetary remuneration above, the Company also provides non-monetary remuneration for directors and executives. For 2020, the Company offered annual health insurance for directors as benefits with the limit of 240,000 baht.

Remuneration for Executive Directors

In 2020, the Company paid remuneration to 5 executive directors and executives with the total amount of 31.99 baht. The remuneration included monthly salary, annual bonus, allowances, social security contribution and contribution to provident fund as well as other employee benefits as stipulated by the Company.

Executive Compensation Determination Policy

The Company conducts performance evaluation of the chief executive officer and other high-level executives on an annual basis. The Board of Directors and the Nomination and Remuneration Committee deliberate performance results of the chief executive officer and the chief executive officer evaluates the performances of high-level executives based on business performance and strategic execution in accordance with assigned policies supplemented with overall economic and social conditions.

- Translation-



Steps in performance evaluation of chief executive director and high-level executives are as follow.

1. Goal Setting – the objective of performance goal setting is to encourage chief executive officer and high-level executives to review their performances in the past year and conduct planning that is aligned with the current year goals according to policies and strategies of the Company. Performance indicators include financial return, operational efficiency and quality from external factors which can be categorized into 3 groups as follow.

- **Company Wide Goals** Account for 30% - these indicators measure overall success of the organization that all high-level executives are mutually responsible such as revenue and sales growth, EBITDA margin, revenue per production volume, cost per production volume, customer loyalty index as well as expenses and losses.
- **Functional Goals** Account for 50% - these indicators measure overall success of functions that each high-level executive is responsible for such as work delivery, customer satisfaction and functional revenue.
- **Individual Goals** Account for 20% - theses indicators measure individual success of each high-level executive such as individual mission, assignments and personal development.

1. **Mid-Year Review** This is the step that high-level executives can review their performances of the first half of the year and monitor the progress on their plans as set in the goals as well as to get ready for year-end performance summary.
2. **Year-End Review** Annual performance review at the end of the year is the process all high-level executives conclude their yearly performance results in rating aligned with the success of key performance indicators according to their performances in various areas against goals set earlier at the beginning of the year. The performance rating will be used to consider proper compensation both in the short term and long term including monthly salary and annual bonus.

- Translation-



Meeting Attendance of the Board of Directors and Sub-Committees in 2020

The Company specified that for each meeting of the Board of Directors, not less than a half of total number of directors must attend the meeting to constitute a quorum. During the vote for each agenda item, two thirds (2/3) of total number of directors must be present to ensure transparency in voting. The Board of Directors expects that directors put reasonable efforts in attending meetings of the Board of Directors and sub-committees that they serve despite certain circumstances that directors cannot attend the meeting.

However, to observe good governance principles, directors must attend at least 75% of all the meetings of the Board of Directors and sub-committees that occur throughout the year. In 2020, meeting attendance of directors can be summarized below.

List of Directors	Meeting Attendance / Number of Meetings (Meeting)					
	AGM/ EGM	BOD	AC	NRC	RMC	Ex-Com
1. Mr. Rittikrai Thammaraksa	2/2	9/9	-	-	-	11/12
2. Mr. Sarawut Pornpatanarak	2/2	9/9	-	-	-	12/12
3. Mr. Krish Follet ¹	2/2	7/8	3/4	-	-	-
4. Mr. Nattawut Kruapradub	2/2	9/9	4/4	2/2	-	-
5. Mr. Terdsak Rojsurakitti	2/2	9/9	4/4	2/2	-	-
6. Mr. Yuttapong Ma	2/2	8/9	-	-	-	-
7. Mr. Nitiroj Manolamai	2/2	9/9	-	-	-	12/12
8. Mr. Suphawut Vanichprapha ²	2/2	9/9	-	2/2	-	7/7
9. Mr. Piyawat Ratchapolsitte	1/2	8/9	-	-	-	-
10. Ms. Nutthinee Jenwattanavech ³	-	-	-	-	-	9/12
11. Ms. Nuntawan Suwandej ⁴	-	-	-	-	-	5/5

Note:

1) Mr. Krish Follet resigned as director, chairman of the Audit Committee and chairman of Risk Management Committee, effective 19 November 2020.

2) Mr. Suphawut Vanichprapha resigned as executive director, effective 31 July 2020.

3) Ms. Nutthinee Jenwattanavech was appointed as executive director according to the resolution of the meeting of the Board of Directors No.6/2019, effective 14 November 2019.

4) Ms. Nuntawan Suwandej was appointed as executive director according to the resolution of the meeting of the Board of Directors No.6/2019, effective 14 August 2019.

- Translation-



In 2020, independent directors and non-executive directors convened at 1 meeting on 24 June 2020 without the attendance of executive directors or management team to discuss on the Board's views on the Company's management in the past year and recommended independent opinions for the Company's management to be able to apply for the business operations in the future.

	Director	Shares		Change	%
		30 Dec 2020	30 Dec 2019		
1.	Mr. Rittikrai Thammaraksa Acting Chairman of the Board of Directors	612,000	612,000	-	0.19
	Spouse and underage children	-	-	-	-
2.	Mr. Sarawut Pornpatanarak Vice Chairman of the Board of Directors and Executive Chairman	179,595,700	179,595,700	-	56.50
	Spouse and underage children	-	-	-	-
3.	Mr. Nattawut Kruapradub Independent Director, Member of the Audit Committee and Member of the Nomination and Remuneration Committee	514,300	514,300	-	0.16
	Spouse and underage children	-	50,400	-	0.02
4.	Mr. Terdsak Rojsurakitti Independent Director, Member of the Audit Committee and Member of the Nomination and Remuneration Committee	-	37,000	-	0.01
	Spouse and underage children	-	-	-	-
5.	Mr. Yuttapong Ma Director	-	-	-	-
	Spouse and underage children	-	-	-	-

- Translation-



	Director	Shares		Change	%
		30 Dec 2020	30 Dec 2019		
6.	Mr. Nitiroj Manolamai Director and Member of the Risk Management Committee	377,800	377,800	-	0.12
	Spouse and underage children	-	-	-	-
7.	Mr. Suphawatt Vanichprapha Director and Member of the Nomination and Remuneration Committee	1,160,000	1,181,000	21,000	0.37
	Spouse and underage children	-	-	-	-
8.	Mr. Piyawat Ratchapolsitte Director, Executive Director and Chief Financial Officer	560,000	560,000	-	0.18
	Spouse and underage children	-	-	-	-
9.	Ms. Nutthinee Jenwattanavech Executive Director and Deputy Chief Executive Officer	23,000	23,000	-	0.01
	Spouse and underage children	-	-	-	-
10.	Ms. Nuntawan Suwandej Executive Director and Acting Chief Executive Officer	-	-	-	-
	Spouse and underage children	-	-	-	-

- Translation-



Executive Committee and Executives

As of 31 December 2020, the Company's list of capable and experienced executive directors and executives is outlined below.

List of Directors	Title
1. Mr. Sarawut Pornpatanarak ¹	Vice Chairman of the Board of Directors and Executive Chairman
2. Mr. Piyawat Ratchapolsitte ²	Director, Executive Director and Chief Financial Officer
3. Ms. Nutthinee Jenwattanavech	Executive Director and Deputy Chief Executive Officer
4. Ms. Nuntawan Suwandej ³	Executive Director and Acting Chief Executive Officer
5. Ms. Songthip Kotaravibul	Executive Director and Finance Director

Note:

1) Mr. Sarawut Pornpatanarak resigned as chief executive officer, effective 31 December 2020.

2) Mr. Piyawat Ratchapolsitte was appointed as executive director according to the resolution of the meeting of the Board of Directors No.9/2020, effective 16 December 2020.

3) Ms. Nuntawan Suwandej was appointed as executive director according to the resolution of the meeting of the Board of Directors No.6/2019, effective 14 August 2019 and appointed as acting chief executive officer during the recruitment and selection process undertaken by the Nomination and Remuneration Committee to succeed Mr. Sarawut Pornpatanarak who recently resigned

4) Mr. Songthip Kotawiboon was appointed as executive director according to the resolution of the meeting of the Board of Directors No.9/2020, effective 16 December 2020.

*According to the definition of executive of the Notification of the Capital Market Advisory Board No. Tor Jor.23/2551 Re. Definition of Executives for Compliance, Clause 3/1 under the Securities and Exchange Act 1992 and its amendments in the Securities and Exchange Act (No.4) 2008.

**Executive means a manager or the first 4 persons who hold a management position below manager level or equivalent including persons who hold a management position who are in a manager level or equivalent in finance and accounting department. Details of executives are presented in Attachment 1.

Remuneration for Executive Directors

- **Monetary Remuneration**

For 2020, the Company provided remuneration for 5 executives with the total amount of 31.99 million baht.

- **Other Remuneration**

- Provident Fund: The Company set up a provident fund for executives with the Company's contribution of 10%.

Scope of Authority and Responsibilities of Executive Chairman

Executive chairman is the chairman of the Executive Committee who has authority as assigned by the Board of Directors to formulate and manage the Company's business plans and policies with details below.

1. Be responsible for overseeing, managing and conducting overall business as well as formulate and recommend management plans and strategic goals together with the management team to be consistent with economic conditions and competition before presenting to the Board of Directors for approval.
2. Monitor business operations related to policies, directions, strategies and management guidelines according to goals in an efficient and effective manner.
3. Consider investment plans and evaluate business opportunities and new investment projects and propose to the Board of Directors for approval.
4. Entitled to any other authority, duty and responsibility as assigned or according to the Company's policies.

The executive chairman may sub-delegate and/or delegate specific tasks to others. The sub-delegation and delegation is to be within the limit of the issued power of attorney letter and/or according to rules and regulations, or orders specified by the Board of Directors. However, the delegation or sub-delegation of power or responsibilities of the executive chairman shall not provide the executive chairman or person delegated to approve any transaction in which he or any person who may have a conflict of interest (as defined by Notification of the Securities and Exchange Commission and Notification of the Capital Market Supervisory Board) would have an interest or might have any other conflict of interest with the Company and its subsidiaries, unless such approval is in accordance with the policy and criteria approved by the Board of Directors.

Scope of Authority and Responsibilities of Chief Executive Officer

1. Administer the Company' s business and/or day-to-day operation to be in line with the policies, business strategies, objectives, business plans, financial goals and budgets of the Company as authorized by the Board of Directors and/or resolutions of the shareholders' meeting.
2. Prepare business plans and assign management authority as well as set the business operation budget and annual budgets for the approval from the Board of Directors and report the business progress according to the plans and budgets as approved to the Board of Directors.
3. Design an effective organization structure, management approach including selecting, training, hiring, and terminating employees as well as compensation rates covering salary, allowances, bonus and other employee benefits.
4. Monitor and report situations and positions of the Company and propose alternatives and strategies in accordance with policies and market conditions
5. Manage and control all areas of operation for the Company, including finance, risk management, internal control, business operations, support functions and human resources.
6. Oversee communication with the public, stakeholders, customers and employees in order to promote image and reputation of the Company
7. Ensure good corporate governance with the authority to issue, amend, add or adjust orders, rules and regulations related to the Company's operation including recruitment, appointment, removal and disciplinary actions for employees and workers as well as determination of salary and other compensation including financial aids and welfare.
8. Deliberate, negotiate and approve legal contracts and/or any activities related to business and/or day-to-day operation of the Company within the limit approved by the Board of Directors according to the authority limit.
9. Entitled to any other authority, duty and responsibility as assigned by the Board of Directors. May sub-delegate and/or delegate specific tasks to others. The sub-delegation and delegation is to be within the limit of the issued power of attorney letter and/or according to rules and regulations, or orders specified by the Board of Directors. However, the delegation of power or responsibilities of the chief executive officer shall not provide the chief executive officer or person delegated to approve any transaction in which he or any person who may have a conflict of interest (as defined by Notification of the Securities and Exchange Commission and Notification of the Capital Market Supervisory Board) would have an interest or might have any other conflict of interest with the Company and its subsidiaries, unless such

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approval is in accordance with the policy and criteria approved by the shareholders' meeting or the Board of Directors.

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Company Secretary

The meeting of the Board of Directors No.4/2020 on 13 May 2019 reached a resolution to appoint Ms. Chanoknan Thiemrat as company secretary pursuant to Section 89/15 and Section 89/16 of the Securities and Exchange Act 2008. Scope of authority and responsibilities of the company secretary is outlined below.

1. Provide preliminary advices to directors and executives pertaining to applicable laws, rules, regulations and the Company's Article of Association and ensure strict compliance as well as notify directors and executives of any significant change in applicable laws and regulations.
2. Ensure that related information and reports are disclosed to regulatory agencies in accordance with notifications, rules, regulations of the Stock Exchange of Thailand, the Securities and Exchange Commission and the Capital Market Advisory Board.
3. Prepare and file the following documents
 - (a) Director registration.
 - (b) Invitation letter to the Board of Directors' meeting and minutes of the Board of Directors' meeting.
 - (c) Invitation letter to shareholders' meeting and minutes of the shareholders' meeting.
 - (d) Annual report.
4. Safekeep reports on interest of directors and executives and submit copies of the reports to the chairman of the Board of Directors and the chairman of the Audit Committee within 7 days after receiving the reports.
5. Supervise activities of the Board of Directors and other related matters in accordance with the laws, the notifications of the Capital Market Supervisory Board and/or as assigned by the Board of Directors.
6. Arrange and monitor shareholders' meetings and the Board of Directors' meetings in accordance with the laws, the Article of Association and related practices as well as ensure compliance with resolutions of those meetings.
7. Ensure effective performance evaluations for the Board of Directors and sub-committees to review performances, problems and difficulties of each year in order to apply evaluation results to promote operational development and improvement as well as prepare evaluation summaries and present to the Board of Directors and sub-committees for acknowledgement of the results.

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8. Set up and maintain an effective filing system to store following documents and evidences related to information disclosure. The system must be able to track back at least 5 years since the dates of completion of those documents or evidences.

The mentioned document and evidence filing shall include safekeeping of documents using computer systems or any other system that allows documents to be viewed without changes in wordings.

- 1) Supporting information for an approval of a resolution of the shareholders' meeting.
 - 2) Financial statements and reports on financial position and performance of the Company or related reports that must be disclosed pursuant to Section 56, Section 57 and Section 58 or Section 199 of the Securities and Exchange Act.
 - 3) The Company's opinion on a general offer to purchase shares from shareholders of the Company.
 - 4) Any information and report dissemination related to the Company's business as prepared to disclose to shareholders or the general public according to the Capital Market Advisory Board.
9. Perform any other duty as later announced by the Capital Market Advisory Board.
10. Perform duties with accountability, prudence and integrity in accordance to laws, objectives, the Article of Association, resolutions of the Board of Directors and the shareholders' meetings. Do not engage in any activity that has a significant conflict of interest with the Company.
11. Perform duties with accountability and prudence as a reasonable person in the same business would act under similar circumstances whereas
 - 1) Decisions made with honesty and reasonableness for the best interest of the Company.
 - 2) Decisions made based on trustful and adequate information and
 - 3) Decisions made without personal interest, directly or indirectly regarding the respective decisions.

In case that the company secretary resigns from the position or is not able fulfill the duties, the Board shall appoint a new company secretary within 90 days after the date of retirement, termination or inability to fulfill the duties.

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Employees

As of 31 December 2020, the Company and its subsidiaries had a total of 686 employees which can be classified into 622 permanent employees and 64 daily workers with the following details by department.

<i>Department</i>	<i>Number of Employees (Person)</i>
<i>Organization Development and Company Secretary</i>	26
<i>Production and Warehouse</i>	181
<i>Sales and Marketing</i>	371
<i>Accounting and Finance</i>	40
<i>Legal</i>	1
<i>Human Resources and General Admin</i>	65
<i>Internal Audit</i>	2
<i>Total</i>	686
<i>Employee Compensation (Million Baht)</i>	310.93

Employee Compensation

The Company dedicates to promoting good quality of life, career advancement and stability for its employees. Fair compensation is provided based on employees' roles and responsibilities i.e. salary, overtime, cost of living allowance, bonus, social security and provident fund including other employee benefits such as discounted prices of products for employees, medical fee (OPD), life insurance and health insurance, annual health check-up, financial aid in case of death of employees or their relatives and onsite health check-up for employees working in a risky environment. The Company carefully monitors to ensure that all employees receive medical check-up. In case of health issues, the Company will offer another test and change jobs for the affected employees immediately.

In 2020, the Company and its subsidiaries paid a total of 310.93 million baht to employees as their remuneration. Besides, the Company appointed CIMB-Principle Securities Co., Ltd. as its fund manager for the provident fund of the Company and its subsidiaries under the fund name CIMB-Principle Age Balance since 1 July 2016. The Company contributes around 3-10% of employee salary to the provident fund with the employee contribution to the provident fund of around 3-15% of base salary of each individual employee.

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Human Resources Development Policy

The Company has a strong intention to conduct its business under good corporate governance principles with transparency, fairness and social and environmental responsibility in parallel with enhancing capabilities of its employees and promoting its core values and organization culture toward excellence at all fronts. The Company realizes that human capital is a valuable asset and a key driver in moving the organization forward. The Company places a significance on developing its employees to have good quality, moral values and ethics, honesty, and responsibility to the organization and the society. Additionally, the Company encourages its employees to participate in social activities under a strong belief that good and capable employees are key factors for the organization to grow in a sustainable manner. The Company put employees first and formulated following policies that focus on development of capabilities, skills, knowledge and competencies for all employees, properly and equally.

- 1) **Training Road Map** to create learning and development plans for employees both for jobs under responsibility and other related jobs to prepare each employee to work accurately, safely and properly through enhancing their knowledge, understanding and capabilities.
- 2) **External Training** to develop their competency, knowledge and abilities appropriately based on their jobs. The Company sends employees to various training programs or seminars organized by outside training institutes. The Company also arranges domestic and international field trips regularly and enrolls employees at skill development centers to prepare for their roles as lecturers and inspectors for skill level classification at the factory.
- 3) **In-house Training** to develop ideas, potential, knowledge and ability to work. The Company encourages executives and knowledgeable employees to educate others on the Company's business apart from their job knowledge as well as provides regular internal training to be consistent with organizational goals and current competitive conditions.
- 4) **OJT: On the Job Training** to enable employees to deliver their jobs more effectively. The Company continuously offers various training programs for both technical skills and soft skills to promote self-development, work quality and effectiveness. For new joiners and employees who got promoted, the Company offers training curriculum suitable for different jobs for all departments to promote better understanding of each function.

Training Expenses	2018	2019	2020
Executives and Employees (Baht)	755,523	256,927	275,318

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Other Important Information

List of Employees with Direct Responsibility

- The person taking the highest responsibility in finance
Mr. Piyawat Ratchapolsitte, Chief Financial Officer
- The person supervising accounting
Miss Songthip Kotaravibul, Accounting Director
- Investor relations and Company Secretary
Miss Chanoknan Thiemrat, Investor relations and Company Secretary Senior Manager
- The person supervising Internal Audit
Miss Khanittha Saengchay, Internal Audit Senior Manager
- The person supervising Compliance
N/A

Compensation for Audit Office and Its Subsidiaries

1. Audit Fee

The Company and its subsidiaries paid the following audit fee to KPMG Phoomchai Audit Limited.

- The auditor for the past accounting year of 4,500,000 baht

2. Non-Audit Fee

The Company and its subsidiaries no other services to the audit office and its subsidiaries,

PART 2: CORPORATE GOVERNANCE

CORPORATE GOVERNANCE REPORT

Performance summary of the Board of Directors

The Board of Directors has reviewed and set the vision and mission of the Company and its affiliates in order to make them consistent and appropriate to the future business operations that may change along with good corporate governance guidelines. In doing so, the Company has assigned various functions through the sub-committees of the Company and the working group on corporate governance in order to increase competitiveness, create organizational culture and values, enhance the efficiency and sufficiency of internal control system and organizational risk management, or others that benefit the organization. In addition, the performance evaluation of the Board of Directors and the sub-committees has also been organized in the past year to reflect the transparent operation in accordance with the duties and responsibilities. The evaluation form was assessed by the Nomination and Remuneration Committee based on the example of the Board of Directors' Self-Evaluation Form recommended by the Stock Exchange of Thailand (SET).

Nomination and Appointment of Directors

In appointment of directors, the Nomination and Remuneration Committee, which consists of two independent committees out of three Nomination and Remuneration Committee members, is in charge of recruiting, selecting and considering qualification and suitability of candidates to be nominated as directors according to the Company's Articles of Association to acquire professional and diverse directors based on the structure, size and composition of the Board. The proposed number will be one time as many of directors who have completed their term. The committee proposed opinions to the Board of Directors to seek approval from the directors. Then the list of directors will be presented to the shareholders' meeting to be elected as directors according to the regulations.

The Nomination and Remuneration Committee has considered the nature of the business and future plans to determine the qualifications of the directors. The directors must be knowledgeable in business administration and have related work experience. In addition, the Nomination and Remuneration Committee has provided shareholders with opportunities to participate in nominating qualified directors.

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Nomination and Appointment of High-level Executives

The Board of Directors has considered and assigned the Nomination and Remuneration Committee to consider the criteria and methods for recruiting qualified persons to be high-level executives and nominate persons who deem appropriate together with reasons for the Board of Directors to consider and appoint them. In reviewing selection criteria, knowledge, skills, experiences that are beneficial to the Company, understanding of the Company's business and ability to manage the work to achieve the goals set by the Board of Directors shall be considered.

Meeting attendance and remuneration of the Board of Directors

In line with good governance principles, directors must attend at least 75% of all the meetings of the Board of Directors and sub-committees that have been held throughout the year. In 2020, detail attendance of directors is as follows:

List of Directors	Meeting Attendance / Number of Meetings (Meeting)					
	AGM/EGM	BOD	AC	NRC	RMC	Ex-Com
1. Mr. Rittikrai Thammaraksa	2/2	9/9	-	-	-	11/12
2. Mr. Sarawut Pornpatanarak	2/2	9/9	-	-	-	12/12
3. Mr. Krish Follet ¹	2/2	7/8	3/4	-	-	-
4. Mr. Nattawut Kruapradub	2/2	9/9	4/4	2/2	-	-
5. Mr. Terdsak Rojsurakitti	2/2	9/9	4/4	2/2	-	-
6. Mr. Yuttapong Ma	2/2	8/9	-	-	-	-
7. Mr. Nitiroj Manolamai	2/2	9/9	-	-	-	12/12
8. Mr. Suphawut Vanichprapha ²	2/2	9/9	-	2/2	-	7/7
9. Mr. Piyawat Ratchapolsitte	1/2	8/9	-	-	-	-
10. Ms. Nutthinee Jenwattanavech ³	-	-	-	-	-	9/12
11. Ms. Nuntawan Suwandej ⁴	-	-	-	-	-	5/5

- Note: 1) Mr. Krish Follet resigned as director, chairman of the Audit Committee and chairman of Risk Management Committee, effective 19 November 2020.
- 2) Mr. Suphawut Vanichprapha resigned as executive director, effective 31 July 2020.
- 3) Ms. Nutthinee Jenwattanavech was appointed as executive director according to the resolution of the meeting of the Board of Directors No.6/2019, effective 14 November 2019.
- 4) Ms. Nuntawan Suwandej was appointed as executive director according to the resolution of the meeting of the Board of Directors No.6/2019, effective 14 August 2019.

- Translation-



The remuneration of the Board of Directors in 2020 is the same with that of 2019.

In 2020, the Company paid the following remuneration for the Board of Directors as detailed by individual director below.

List of Directors	Monthly Compensation (Baht)	Meeting Allowance (Baht)	Annual Bonus (Baht)	Total (Baht)
1. Mr. Krish Follet	165,000	190,000	-	355,000
2. Mr. Nattawut Kruapradub	180,000	262,500	59,848	502,340
3. Mr. Terdsak Rojsurakitti	180,000	255,500	59,848	495,348
Total	525,000	708,000	119,696	1,352,688

Note that directors' remuneration policy for 2020 remains unchanged from 2019.

Non-monetary Remuneration for Directors and Executives

Apart from monetary remuneration, the Company also provided non-monetary remuneration for directors and executives. In 2020, the Company allocated welfare and yearly health insurance for the Board in an amount not exceeding 240,000 Baht.

Remuneration for Executive Directors and Executives

In 2020, the Company paid remuneration for five Executive Directors and Executives in the amount of 39,668,816.21 Baht. The remuneration consists of salary, bonuses, allowances, contributions to social security, provident fund and other benefits as specified by the Company.

Supervision of Subsidiaries and Affiliates

The Company has set rules that the nomination and appointment of representatives to be directors in its subsidiaries and affiliates must be approved by the Board of Directors. The representatives appointed as directors in subsidiaries and affiliates are responsible for the best interests of those subsidiaries or affiliates. The representatives appointed as directors must be approved by the Board of Directors prior to voting or exercise the right to vote on important matters at the same level as requiring the approval of the Board of Directors if it is operated by the Company itself. The nomination of representatives in subsidiaries and affiliates is in proportion to the Company's shareholding.

In addition, in the case of subsidiaries, the Company has established regulations that representatives appointed by the Company must supervise the subsidiaries to have regulations on connected transactions, acquisition or disposition of assets or any other important transactions of the subsidiaries to be complete, correct and apply the rules relating to the disclosure of information and the above transactions in the same manner as the Company's criteria. These include the need to supervise the data collection and accounting records of subsidiaries for the Company to be able to audit and prepare the consolidated financial statements on a timely basis.

Following up on compliance with corporate governance policies and practices

The Group operates its business within the framework of good governance, transparency and verifiability with a commitment to business development along with economic, social and environmental balance. The Company is determined to be a good corporate citizen in conducting sustainable business, able to manage its business to grow steadily, and be accepted in the society on a basis of business ethics and good corporate governance principles while being able to generate returns to shareholders effectively by taking into account the impact of business operations on all stakeholders for the best interests of the shareholders, stakeholders and related parties. The Company believes that resources and the environment are the key factors that drive the nation's strong growth and they are forces that will help the Company to grow sustainably going forward.

The Company has prepared information on Corporate Social Responsibility (CSR) in accordance with the SET Sustainability Reporting Guidelines. The Company is in the process of studying the guidelines for preparing the Global Reporting Initiative (GRI) to understand and be able to develop social responsibility policies that are relevant to the issue. The aim is to create activities that affect the sustainability of the Company and all stakeholders going forward.

- Translation-



In the past year, the Company has followed up to ensure compliance with good corporate governance, with details as follows:

1. Fairness in Doing Business

The Company has set a guideline in treating stakeholders in the Code of Conduct and Business Ethics that concerns responsibilities to all stakeholders i.e., shareholders, employees, customers, suppliers/creditors, contractual parties, communities, society and environment. Moreover, the Company encourages free trade and fair competition and refrains from any action with a potential conflict of interest and intellectual property right infringement including corruption of all kinds. Details are as follow:

- **Corporate Governance**

The Company has a commitment to righteous, honest, fair, transparent and accountable business conduct as well as disclosure of important information. The Company takes into consideration interests of and impacts to shareholders, customers, suppliers, employees and all stakeholders as well as shares the interests properly and fairly.

- **Corporate Social Responsibility**

The Company imposed a policy on CSR under ethical principles to promote fairness for all stakeholders. Moreover, the Company adopted good corporate governance principles as a guideline to maintain a good balance in conducting its business for all aspects including economy, community, society and environment in order to achieve a sustainable success in business development.

- **Compliance with Laws, Rules and Regulations**

The Company gives high priority to its compliance with laws and regulations related to environment, occupational health and safety at local, national and regional levels. The Company complies with international business ethics by requiring directors, executives, employees to conform to laws, rules and regulations and avoids any involvement, assistance or action that violates related laws, rules and regulations.

- **Compliance with Intellectual Property Law**

The Company prohibits any action that can be considered as an infringement of intellectual property law. Directors, executives and employees are required to comply with laws, rules and regulations and avoid any involvement, assistance or action that violates laws, rules and regulations related to intellectual property.

- Translation-



- **Effective Resource Management**

The Company encourages directors, executives and employees at all levels in the organization to utilize resources efficiently, properly and adequately to maximum benefits. Moreover, the Company shall communicate, educate, support and raise awareness among employees including all stakeholders on resource management for the best interest of the organization.

2. Anti-Corruption

The Company conducts its business with transparency and is aware of anti-corruption of all forms through abiding by laws and promoting social interest as well as encouraging employees to have moral values in performing their duties and adhering to good citizenship. Besides, given its commitment to anti-corruption, the Company signed a joint declaration with the Thai Private Sector's Collective Action Coalition for Anti-Corruptions as approved by the Board of Directors on 25 February 2019. This project is operated under collaboration of eight leading organizations which are Thai Institute of Directors, Thai Chamber of Commerce, International Chamber of Commerce, The Thai Bankers Association, Thai Listed Company Association, The Federation of Thai Capital Market Organizations, The Federation of Thai Industries and The Thailand Tourism Council. To serve this purpose, the Company has stipulated an anti-corruption policy as a clear guideline to prevent and tackle corruption problems in the Company through developing organizational culture that is fully aware of dangers from corruption and creating right values and building trust among all stakeholders to enhance effectiveness of anti-corruption actions. In case of incompliance, disciplinary actions and legal actions will be taken on a case-by-case basis. Details are summarized below:

- Directors, executives, employees at all levels are prohibited from acting, omitting to perform their duties or wrongfully using authority to violate laws or ethical codes including any activity or participation in all forms of corruption, directly and indirectly. They are forbidden to seek unlawful benefits in any form such as a provision, a promise, a solicitation of benefits or assets, an offer of benefits or assets including any other interest to government officials or other persons doing business with the Company, a persuasion to an illegal action or trust destruction or any corruption activity including a solicitation, an acceptance or an offering assets or any other interest to government officials or other persons doing business with the Company.

- Translation-



- Procedures on offering and acceptance of gifts or entertainment are stipulated as a part of the Code of Conduct and Business Ethics of the Company. Employees must refrain from offering, soliciting, accepting or agreeing to money, items, treats, entertainment or any other interest that are subject to doubts regarding bribery or fraud. Gift acceptance should be reasonable, not lead to any business obligation and not be in a form of cash or cash equivalents. Employees must be fully aware that all actions or inactions are transparent and accountable.
- The Company stipulated procurement practices, objectives of transactions, reimbursement, and any contract making/ entering. In every step in the procurement process, supporting documents or evidences must be enclosed while approval authority at each step is properly set with transparency in compliance with laws, practices, and processes that the Company imposed. Procurement shall also be audited on a regular basis.
- The Company ensures communications on the anti-corruption policy to all units at all levels in the Company through various channels such as employee trainings and internal communication with the purpose to educate related persons and enforce implementation and compliance. Employees can report misconducts, file complaints and make suggestions to the Company so that investigation will be carried out to find facts according to the procedures and the results can be used to solve or improve related matters.
- The Company set up a human resources management system to promote right values and build anti-corruption culture. Employees are informed and communicated of the anti-corruption policy as well as the Code of Conduct and Business Ethics.
- The Company notifies its subsidiaries, affiliates and other companies that the Company has the controlling power as well as business representatives to adopt anti-corruption measures and disclose the anti-corruption policy and measures to both employees and general public.
- The Company provides multiple communication channels for employees and related persons to file complaints and report dubious activities. Whistleblower protection measures are in place and identities of whistleblowers and people who deny to involve in corrupted activities shall be kept strictly confidential in order that they are protected from any impact from their actions as well as unfair punishment or transfer. Responsible persons shall be appointed to examine and follow up on all whistleblowing or reported information.

- Translation-



- Anti-corruption measures are developed in accordance with related laws and moral codes. The Company conducts risk assessment for related activities that are prone to corruption, prepares proper protective measures and communicates internally on a regular basis.
- The Company ensures adequate and appropriate internal control systems to prevent corruption and any actions that are not in compliance with good corporate governance principles.
- The Company set forth a policy on related party transactions to prudently consider suitability before engaging in every related party transaction as well as determine prices and conditions on those related party transactions which are comparable with doing with external parties on an arm's length basis.
- In case that directors, executives and employees directly or indirectly involve in any action that violates the anti-corruption policy, disciplinary or legal actions will be taken to those persons according to the Company's practices or related laws.

In addition, the Company places great emphasis on preventing corruption or acquisition of illicit benefits for personal interest or interest of others using power or position. A practical guideline is established as follows:

- **Charitable Donation and Financial Support**

The guideline on charitable donation or financial aid of the Company is based on the table of authority approved by the Board of Directors. Donation can be in forms of money or other non-monetary items such as scholarships, educational aids, books, and computers offered to students, schools or donation of goods e.g., supplies for victims of natural disasters, medical expenses or supplies for destitute patients. The donation must not be used as an excuse for any kind of corruption. The Company ensures a supervision on charitable donation and financial aid by requiring a letter or a request record specifying an authorized person according to the table of authority to approve and a receipt and/or a thank you letter and/or an acknowledgment letter and/or a photo as a supporting evidence for every time a donation or a financial aid is made.

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- **Political Support**

The Company is politically independent and is able to conduct its business without engaging in politics in any case. Therefore, the Company has no policy in supporting politics either directly or indirectly using money or any asset of the Company. However, the Company does not forbid directors, executives and employees from participating in political activities undertaken under the constitution, laws and related rules and regulations but the participation must be on personal behalf without any negative association with the Company.

- **Acceptance and Offering of Gifts, Hospitality and Entertainment**

The Company allows directors, executives and employees to accept and pay money for gifts, services and entertainment that are unambiguous and are considered as a service to customers, trade partners or relevant parties according to ordinary business undertaking or traditions or international festivals without impacting the business conduct or being a potential channel for corruption. The act must be in accordance with the Company's practices without any violation of related laws and notifications or with the purpose to gain any advantage through a misconduct or to be an outright or hidden exchange to seek benefits in any form. Moreover, type and value of gifts, hospitality and entertainment must be reasonable and appropriate.

- **The Company and Parties with Business Relations**

The Company encourages its subsidiaries and/or any other party that represents the Company to participate in anti-corruption efforts and prohibits directors, executives and employees to hire any business representative or intermediary with the purpose of corruption. The Company will inform its subsidiaries and the parties representing the Company of the anti-corruption policy similar to the Company.

- **Risk Assessment**

The Company's directors must understand potential risks from bribery and corruption and communicate with employees at all levels for their understanding and compliance to ensure the effective risk management. The Company conducts risk assessment for all operational systems especially processes that are prone to bribery and corruption. Overall risk management policy and proper risk management measures to prevent and mitigate risks under acceptable levels must be reviewed regularly on a yearly basis.

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- **Internal Control**

The Company has specified internal control systems that handle corruption covering finance, accounting and data recording including other processes related to anti-corruption measures. Internal control systems are processes that ensure efficiency and credibility of the Company's operations. The Company shall evaluate the adequacy of its internal control systems including assessment of control environment, risk management, control activities, information and communication and monitoring activities aimed to report results of the evaluation of internal control system to the Audit Committee.

- **Accounting Audit and Data Collection**

The Company has an audit process for accounting entries and these entries are approved according to the delegation of authority before being recorded in the accounting system. The transactions will be reviewed by considering the Company's policies, rules and regulations of government agencies and related agencies, relevant laws, contracts and agreements according to accounting standards and policies.

- **Human Resources Management**

The Company has adopted the anti-corruption policy as a part of its human resources management and processes such as recruitment, hiring, training, reward and promotion.

- **Whistleblowing and Complaint in for Corruption Issues**

In case that directors, executives and employees are suspicious of or uncertain of any action that can be considered corruption, they shall seek advice from their direct supervisors or persons that the Company assigned to handle complaints. When there is an evidence that directors, executives, employees and/or any person acting on the Company's behalf engage in corruption, ones must expose the information or file complaints through the following channels:

- E-mail: whistle@dodaydream.com
- Suggestion and Complaints Box
- Mail: Do Day Dream Public Company Limited "Complaint Handler"
- No. 32 Keharomklao Road, Ratpattana, Saphansung, Bangkok 10240

Complaint Handler means Human Resources Director or Company Secretary or the Risk Management Committee or the Audit Committee or the Board of Directors

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- **Whistleblower Protection**

Whistleblowers or complainers can rest assured that their whistleblowing or complaints will be taken seriously and they are protected from any adverse consequence from an honest whistleblowing or complaint. The employees who are whistleblowers must gather information carefully and be mindful of the accuracy of disclosed information.

Whistleblowers are entitled to anonymity and the Company shall treat the information and their identities with confidentiality throughout the investigation. The Company shall not allow any action that can cause damage to the whistleblowers and will take disciplinary actions with the persons who attempt any retaliation to the whistleblowers under a proper process to prevent any impact on the work and/or work relationship of the whistleblowers.

In case that employees release any information with dishonesty such as information disclosure of personal complaints or with an intention to create internal disharmony within the group of companies or the information is not truly factual whether it is a rumor or for personal benefits, the action will be considered a serious offense and the Company will investigate and consider a punishment according to the Company's practices.

3. Employee Care and Non-discrimination Policy

The Company aims to take care of employees so that they will have well-being, progress and career stability by providing appropriate remuneration for their duties and responsibilities including salary, overtime pay, allowance for living expenses, bonuses, social security payments and provident fund contributions. The Company also provides benefits for employees including employee discounts, medical expenses (OPD), life and accident insurance, annual medical check-up, funeral allowance for employees or member of employees' family and medical check-up from outside medical facility. For employees who perform work at risk areas, the Company has monitored and arranged for employees to have comprehensive and complete health examinations. If it is found that there is a health problem, it will be re-examined and the job will be changed immediately. The Company also gives importance to respect for human rights with the intention to create equality both inside and outside organization. The Company has regularly monitored its businesses to ensure that it is not involved with direct and indirect infringement of the rights and freedoms of the person. For example, the Company is against forced labor and child labor and treat all stakeholders fairly on a basis of human dignity. This includes treatment of the Company's all employees equally without discrimination against place of origin, race, sex, age, skin color, religion, physical condition, status, family, or other status that is not directly related to the performance of their work. In addition, the Company has promoted surveillance of compliance with human rights requirements within the Company and encouraged the implementation of human rights principles according to international standards. The Company's human rights responsibilities also cover venture capital firms and business partners.

In addition, the Company has a policy to ensure that all employees work together under a happy working environment and accept each other. Employees of all levels are treated as brothers and sisters and do not take advantage of each other. The Company respects employees' rights according to human rights principles and abide by labor laws. In terms of employee care, the Company manages human resources in every step for maximum efficiency from recruiting, developing to ongoing training for employees. The Company offers fair remuneration and appropriate benefits. Moreover, the Company supports and encourages employees at all levels to have the opportunity to progress, learn and develop skills to enhance their professionalism in an appropriate work environment. The Company's policies are as follows:

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- **Remuneration and benefits for employees**

The Company has a policy to offer remuneration to employees in the form of salary and bonus that are fair and suitable for their potential. The Company also provides career stability, fair career advancement opportunities and appropriate benefits to employees such as social security, provident fund and medical expenses.

- **Knowledge development and training**

The Company has a policy to promote human resource development by encouraging employees to develop knowledge, abilities and potential, and have positive attitude, morality, ethics as well as team work spirit through trainings, seminars and observe activities so that they will be developed effectively. In addition, the Company supports the development of organization and human resources by focusing on efficient work processes, clearly defining roles and duties of employees, determining appropriate remuneration, developing an assessment system and enhancing the performance of employees.

- **Safety and Occupational Health Policy**

The Company has set a policy that encourages employees to work safely and have good workplace hygiene. The Company focuses on preventing accidents that may occur and encourages employees to have a sense of safety as well as provides knowledge through training to educate them on such matters as fire protection, the correct use of machinery and white factory activities. The Company also encourages employees to have good health and not to do anything that is harmful to the health of customers or clients while continuously maintaining healthy and safe workplace.

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Number of accidents in the factory

In 2020 The Company not have an accident in the factory with 3 Severity of accidents as follows

Severity of accidents		Number of accident
Level 3	Injury or illness from work that results in employees unable to work more than 1 day or in the case of property damage more than 30,000 baht	0
Level 2	Injury or illness from work that results in employees unable to work from 2 hours but not more than 1 day or in the case of property damage more than 7,000 – 30,000 baht	0
Level 1	Work-related injuries or illness but can do first aid or bed rest to stop symptoms or diagnose symptoms at the Company's hospital room not more than 2 hours and can return to work normally. Or if the property is damaged less than 7,000 baht	0
Total		0

4. Responsibilities for Customers and Consumers

The Company has a strong determination in offering highest quality products to customers to maximize their satisfaction as below:

- The Company highly regards quality and standards of products and focuses on using high-grade raw materials and high-standard production in order to offer premium products at reasonable prices to customers and gain highest satisfaction from them.
- The Company continuously researches and develops new products to meet the demands of customers by offering a variety of quality and high-standard products that satisfy customer needs.
- The Company exercises its marketing fairly and imposes a policy to ensure that customers receive accurate, undistorted and unambiguous information without exaggeration or overstatement concerning the Company's products in order to have adequate and correct information for making decisions.
- The Company set up a research and development department to design, create and adapt products to suit the needs of each customer group.
- The Company takes into account the safety of customers and strives to offer its customers high-quality and safe products in accordance with standards, international safety rules and regulations and stipulated laws.
- The Company sought production permissions in accordance with applicable laws as following:
 - The Company's manufacture was approved from The Food and Drug Administration (FDA).
 - Products show usage instructions in details for the best interest of the consumers.
 - Product return and recall policies are in place as a practical guideline in case of defective or damaged products.
 - The Company is always open for feedbacks from its sales staff and customers through online and other channels such as website, call center and social media for the purpose of product improvement.
 - The Company discloses and disseminates product information to consumers via multiple channels such as website, web board, call center and social media.
 - The Company has a vendor selection criteria assessment to procure highest quality raw materials for consumers' safety and benefits.

- Translation-



- The Company implemented a customer relationship management system to communicate with customers as well as receive complaints on product quality in order to respond to customers' needs promptly.
- The Company treats customer information as confidential and refrains from using the information wrongfully.
- The Company organizes various activities to build and enhance relationship with customers in a sustainable manner.

5. Environmental Preservation

The Company pays attention to corporate social responsibility on environmental preservation including natural resources without engaging in any action that can harm the environment and strives only to protect the environment. In addition, the Company initiates activities to support environmental preservation for people in the community and fosters an environmentally-conscious mindset in all employees. The Company strictly complies with standards, laws and regulations related to the environment stipulated by related governments agencies.

6. Community and Society Development

The Company set forth a policy to carry out its business that benefits economy and society and holds firmly to good corporate citizenship and strict compliance with laws and related regulations. The Company shall dedicate itself to developing and enhancing quality of living of people in the society and community where the Company is located in parallel with the Company's growth. Furthermore, the Company has a policy to take care of and tighten relationship with communities nearby as well as regularly supports activities of the community. Various projects are undertaken considering suitability and benefits to the community and the society for sustainable development. Employees also support and participate in community activities on a regular basis.

7. Innovation and Dissemination of Innovations Derived from Operations That Are Responsible for Society, Environment and Stakeholders

The Company ensures innovations at internal working process level in the organization as well as between organizations under collaboration. Innovation means a creation of things using new approaches including changes in thinking or production to add value to the business. The objective of innovation is to foster positive changes to influence improvements and generate more outputs for the best interest of the society. The Company has put in place the following guideline on innovation.

- Examine all business processes the Company is currently undertaking whether there are risks or negative impacts to society or environment and find solutions to mitigate those impacts. Besides, the Company will study, consider and analyze work processes carefully and thoroughly covering all aspects to create development opportunities in discovering business innovations.
- Disclose and disseminate discovered innovations that are beneficial to society and environment in order to encourage other businesses and entrepreneurs to follow.
- Analyze and find solutions as well as consistently and continuously develop innovations to create opportunities in inventing new products to generate growth for the Company and meet demands of consumers.

8. Intellectual Property

The Company realizes that intellectual property which includes copyrights, trademarks and trade secrets are essential in maintaining a competitive advantage of business either it is the intellectual property of the Company or other parties. Therefore, all directors, executives and employees have the duty to protect and defend all rights to the Company's intellectual property and use those rights responsibly as well as respect intellectual property rights of others.

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9. Prevention of Conflicts of Interest

The Company has established a policy that the Board of Directors, executives and employees must perform their duties for the best interests of the Company. In case that any person has an interest or is involved in the consideration, such person must notify the Internal Audit Department that is responsible for reporting to the Audit Committee who oversees the matter and does not participate in the consideration of the transaction.

In the past year, the Company has examined the cases that may cause a conflict of interest with the following conclusions:

- The Internal Audit Department examined the Company's transactions with business partners with the transaction size from 1 million Baht or more for a total of 27 items and found that there was no transaction that is related to the Board of Directors, executives and employees of the Company.
- To raise the level of corporate governance within the organization, the Company is in the process of updating the business ethics in relation to the conflict of interest in order to cover, prevent and reduce risks. The Board of Directors will consider it for approval.

10. Use of Inside Information for Benefits

The Company has supervised the use of inside information in accordance with the law and good corporate governance principles which is defined in writing in Code of Conduct and Business Ethics of the Company and Subsidiaries approved by the Board of Directors on 27 March 2017, which can be summarized as follows:

- The Company has assigned the directors, executives, staff, employees and consultants to acknowledge the relevant announcements of the Securities and Exchange Commission (SEC) requiring the directors and executives to report changes and holding of securities to the SEC in accordance with Section 59 of the Securities and Exchange Act B.E. 2535 within three business days from the date of the change in securities holding and to notify the Company Secretary in order to record the changes and summarize the number of securities of each director and executive to present to the Board of Directors. In addition, the Company has notified the penalties if there is a violation or non-compliance with the requirement.
- The Company has a regulation not to disclose inside information to third parties or people who are not involved and not trade in securities in the period of one month before the information of financial statements or other information that affects the securities prices of the Company / Group is released to the public as well as not trade in the Company's securities for at least 24 hours since the information has been disclosed to the public. Failure to comply with such regulation is a violation of the Company's discipline. If any director, executive or employee who has known important inside information and violates the regulation, the person will be punished by warning, salary cut, suspension from work without pay or termination of employment.

The aforementioned guidelines have been approved by the Board of Directors.

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Audit Committee's Report

25 February 2021

To The Shareholders,
Do Day Dream Public Company Limited

The Audit Committee of Do Day Dream Public Company Limited consists of three qualified independent directors according to the Audit Committee's charter and the guideline of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). The Audit Committee comprises Mr. Wasin Parithan as Chairman of the Audit Committee, Mr. Nattawut Kruapradub as Member of the Audit Committee, Asst. Prof. Dr. Terdsak Rojsurakitti as Member of the Audit Committee, and Ms. Napat Rattapong, the Internal Audit Director, as the secretary of the Audit Committee.

All members of the Audit Committee are qualified and performed their duties independently under the scope or duties and responsibilities according to the Audit Committee's charter and the guideline of the SEC and the SET. The policy is to focus on enabling the Company to comply with the principles of good corporate governance and have risk management that has a significant impact on the organization as well as reviewing that there is an appropriate and efficient internal control system and internal audit.

For 2020, the Audit Committee has held four meetings, the detail of each member's meeting attendance has shown in "Management Structure", which discuss with the management, internal auditor, and external auditor in related matters. The Audit Committee's significant activities are summarized as below:

1. Financial Statement Review

The Audit Committee reviewed and audited the quarterly and annual financial statements of the Company in 2020 both separate financial statements and consolidated financial statements together with the management and the auditors before proposing to the Board of Directors. The Audit Committee inquired the auditor about the accuracy and completeness of the financial statements, the appropriateness of accounting policies, the method of accounting record, the changes in accounting standards, the disclosure of Notes to Financial Statements, the major accounting items affecting the financial statements

- Translation-



as well as the scope of the audit. In 2020, the auditors did not have any significant observation or discover any suspicious circumstance and confirmed that the opinion is unqualified.

Therefore, the Audit Committee is of the opinion that the financial statements report is recorded in accordance with generally accepted accounting principle of Thailand with accuracy, completeness, and sufficient disclosure of information.

2. Internal Control Systems and Internal Audit Review

The Audit Committee reviewed the adequacy of the Company's internal control systems by considering plans and reports from internal audit department on a quarterly basis covering accounting, finance, resource use, protection and preservation of property, work performance, information technology, compliance with rules and regulations and report of audit results of the internal audit department. The Audit Committee did not find any significant issues or defects.

For the internal audit, the Audit Committee reviewed the internal audit performance to comply with the approved audit policies and audit plans including considering issues from the audit and making useful recommendations for enhancing the efficiency of the internal audit system as well as following up the audit results on a regular basis.

The Audit Committee agreed that the Company's internal control is effective and suitable for business conditions, and that the Company have independent internal audit system and audit plan which is consistent with the Company's strategy and risks.

3. Related Party Transactions or Potential Conflicts of Interests Review

The Audit Committee considered related party transactions or transactions with a potential conflict of interest under principles of reasonableness, transparency, adequate information disclosure and the best interest of the Company as a guideline. The Audit Committee had a confirmation from executives that the Company complied with laws and rules to disclosed related party transactions as required by the notifications of the SEC.

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According to reports and confirmations from responsible executives, the Audit Committee deemed that transactions are reasonable and as normal business transaction with adequate, accurate and complete information disclosure in accordance with laws on securities and exchange, requirements of the SET and applicable laws related to the Company's business

4. Risk Management Evaluation System Review

The Company has set management systems at organizational level where executives in each department will be directly responsible as well as collaborating with other parties. The Board of Directors considered the risk management structure, framework and plans as well as reviewed and monitored risk management. The Board also deliberated both internal and external risk factors including the probability of impact. Risks management was conducted to maintain the risks appetite levels and early warning indicators according to defined principles.

The Audit Committee agreed that the Company has risk management system that is suitable and sufficient for business conditions with risk assessment, risk management and progress monitoring including a review of risks in accordance with the changing situation on a regular basis.

5. Compliance with Rules and Regulation of the SEC, the SET and Applicable Laws Related to the Company's Business

The Company put efforts in monitoring, analyzing and reporting changes in laws, rules and regulations relevant to the Company and ensures compliance with the laws, rules and regulations. The Audit Committee conducted audits of various functions to be certain that the Company conforms to related laws including the Securities and Exchange Act, the notifications of the Capital Market Advisory Board, the SEC and the SET as well as other government related to the Company's business. The Audit Committee is of the opinion that the Company conducted its business in compliance with laws, rules and regulations relevant to the Company.

6. Self-assessment of the Audit Committee

The Audit Committee assessed the performance according to the Audit Committee's charter and concluded that the Audit Committee performed the duties in accordance with the charter. The Audit Committee reported the performance as well as presented recommendations to the Board of Directors in every meeting. In summary, the Audit Committee has an opinion that the Board of Directors and the

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Company's executives are ethical and committed to performing their duties to achieve the Company's goals with quality. The Company places value on undertaking its business under effective, transparent and credible corporate governance systems with proper and adequate internal control systems. The Company also ensures that its financial report is in accordance with the generally accepted accounting standards and strictly conforms to applicable laws and regulations.

7. Suitability of the External Auditor for 2020

The Audit Committee evaluated the performance of the Company's auditor and the applicable audit fee based on the auditors' knowledge, expertise, and independence of the auditors; deemed that they are in accordance with requirements of the SEC and the SET. Consequently, the Audit Committee recommended the Board of Directors to consider and propose the shareholders' meeting to appoint Mr. Charoen Phosamritlert, CPA No. 4068 and/or Mr. Veerachai Ratanajaratkul, CPA No. 4323 and/or Mrs. Munchupa Singsuksawat, CPA No. 6112 of KPMG Phoomchai Audit Limited to be the Company's auditors for 2020.

In conclusion, the Audit Committee has performed its duties independently with knowledge, abilities and careful consideration, and gave constructive comments and suggestions to benefit all stakeholders. The Audit Committee is of the view that the Company's financial report is accurate, reliable and compliant with the standards of the financial reports and in accordance with generally accepted accounting principles. The Board of Directors and the management are committed to performing their duties to achieve the Company's goals with quality and giving great importance to operating under effective corporate governance practices with transparency and reliability as well as appropriate and effective internal control and internal audit system.

On behalf of the Audit Committee

Mr. Wasin Parithan
Chairman of audit committee

Activities for society and environment

The Company has continuously placed great emphasis on activities for society and environment. In 2020, the Company participated in donating hand soap to 37 hospitals nationwide for the prevention of Covid-19.



PART 2: CORPORATE GOVERNANCE

INTERNAL CONTROL AND RELATED PARTY TRANSACTIONS

Internal Control

The Company realizes the importance of internal control and the Audit Committee assigned the internal audit unit to evaluate the adequacy and appropriateness of internal control systems on an annual basis. Furthermore, the Board of Directors assigned the Audit Committee to review the assessment of the internal control to ensure that the Company conducts its business efficiently and effectively and financial reporting is accurate, credible and in accordance with related laws, rules and regulations. The Company properly complies with internal control systems as designed and imposed including related laws, rules and regulations to minimize key risks that may have an impact on the Company's performance and business. When a mistake is detected in the systems, the Company takes corrective actions to improve the systems continuously to suit risk profile and business environment of the Company both at present and in the future as well as to be in compliance with applicable laws, rules and regulations. Roles and responsibilities in internal control of the Company can be divided as outlined below.

- 1) The Board of Directors is responsible for the governance of the Company to ensure that the Company has effective internal control and risk management systems to protect shareholders' capital and the Company's assets. The Board of Directors shall deliberate the following items.
 - Determine type and amount of risk appetite of significant risks the Company is willing to pursue to achieve its strategic objectives.
 - Require executives to put in place a process in identifying, measuring and mitigating risks effectively.
- 2) The Audit Committee is assigned responsibilities for reviewing the effectiveness of internal control systems and compliance with law and regulations stipulated by the Company. For the review, the Audit Committee shall consider information from multiple sources including the following
 - Confidence from internal auditors through an annual audit planning approved by the Audit Committee. The audit planning will focus on consideration and assessment of risk and important internal control that are executed to reduce or prevent particular risks.
 - Reports on the results of the audit on internal control and compliance with applicable rules and regulations especially items with significance on a quarterly basis.
 - Process and system development for whistleblowing and complaint handling related to corruption and illegal or unethical activities as an alternative channel for employees, shareholders and external parties to directly reach the Audit Committee.
 - Confidence from external auditors on audited matters.

- Translation-



3) Internal Audit Unit is an independent function with a direct reporting line to the Audit Committee including the chief executive officer with regard to business operations. The internal control unit is responsible for supporting the Audit Committee and the Board of Directors on the assessment of appropriateness of major internal control systems. Internal audit unit has prepared an annual audit plan considering risk factors (Risk Based Approach) and focusing on key risks that may have an impact on the Company's objectives and the accuracy of financial reports. The Audit Committee shall consider and approve the annual audit plan and follow up on the results of the audit and the performance of the internal audit unit on a quarterly basis. Any detected issue will be deliberated whether it has a broad impact to the Company or not. Key audit issues will be reported to the Audit Committee and the Board of Directors. The Audit Committee shall monitor corrective actions taken by executives until the results are satisfactory. Important reports from executives, internal audit unit and compliance unit will be regularly presented to the Audit Committee and the Board of Directors. The reports shall cover matters related to business, finance, internal control, operations and compliance with related laws, rules and regulations. The Company's internal control conforms to the internal control structure framework that is based on the international standards from the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Details of the internal control systems for each component can be summarized below.

3.1 Control Environment

Control environment is a key foundation of effective internal control systems that articulates principles and structures for other components of internal control systems. The Company's main compositions of control environment are as follow

- Company promotes a proper work environment by setting forth clear and suitable policies, planning, execution, control and governance.
- Company has a commitment to business philosophy and ethics through its actions and behaviors that enable the internal control systems to function properly. Moreover, the Company published the Codes of Conduct as guidelines for all directors, executives and employees.
- The Board of Directors and the management at all levels highly regard integrity and ethical values as well as treat all stakeholders equally and fairly under good corporate governance principles.

- Translation-



- The Company set up organization structures that are suitable for its size and business with clear chain of command and responsibilities.
- The Board of Directors and the management defined levels of authority and approval limits for different types of transactions in writing (Delegation of Authority).
- The Company adopted policies on misconduct and corruption to provide a channel for stakeholders to report corruption, mistakes and distortions by the management. The Audit Committee shall review the reports on misconduct and corruption every quarter.

3.2 Risk Assessment

Executives imposed policies, standards and code of conduct on risk management emphasizing that all directors, executives and employees have responsibilities in managing risks in order to attain business objectives of the Company. The Board of Directors has appointed the Risk Management Committee to perform the duties in reviewing risk management framework and structure as well as making recommendations on risk management guidelines that are consistent with strategic directions and business plans. The Risk Management Committee shall monitor and review key risk management reporting to be in accordance with standards and changing environment.

3.3 Control Activities

The Company put a high priority on effective internal control under the risk appetite suitable for business and employees' duties in each department. The internal control is observed through requirements, policies and practices of the Company and is reviewed and developed regularly. Undertaking related party transactions between the Company and connected persons including commercial agreements are carefully and prudently monitored in accordance with regulatory requirements of the Office of Securities and Exchange Commission, the Stock Exchange of Thailand and other related regulatory agencies. In addition, the Company encourages its employees to realize the importance of the compliance with implemented internal control systems including applicable laws, rules and regulations. This is to mitigate possible risks associated with corruption and violations of laws.

3.4 Information & Communication

Information and communication systems are continuously developed to enhance efficiency in doing business. In addition, the Company never compromises on accuracy, credibility and timeliness of information and fosters effective information communication for timely decision-making. Moreover, effective information security systems and contingency plans are in place to promote information system safety under severe incidents that can disrupt the systems. The Company also implemented a data storage system that can verify past data for accuracy and an information system that can analyze and identify potential risks. The system also helps assess and manage risks as well as record and report those risks in complete. The Company strictly follows the Computer-Related Crime Act on the Storage of Computer's Traffic Data according to the notification of the Ministry of Information and Communication Technology. The Company invested in effective communication systems internally and externally and provides multiple channels for internal communication purposes. Regarding the disclosure of information, the Company prepares and submits documents comprising sufficient information to shareholders and the Board of Directors for decision-making purposes with ample time prior to the shareholders' meeting.

3.5 Monitoring

Current information systems generate credible and timely information so that the management and the Board of Directors can effectively monitor performance through various financial reports and attain business objectives and goals previously set. Besides, the Board of Directors is able to review, assess and make recommendations to improve business plans through the effective governance procedures. Internal audit unit carries out duties according to the audit plan as approved and continuously monitored by the Audit Committee. The internal audit plan is prepared based on the results of risk assessment and analysis as well as priorities of subsidiaries in the group of companies, core businesses and related processes. The findings of the audit including solutions will be proposed to the Audit Committee and the Board of Directors. Note that up until the present day, the results show no significant mistake or flaw related to the internal control. Nevertheless, recommendations were made on the internal control systems for certain areas with room for improvements. The Board of Directors shall conduct an audit on the efficiency of internal control systems at least once a year taking to account significant risks, potential impacts as well as management and mitigation measures for those particular risks. The guidelines on the evaluation of internal control systems adequacy prepared by the Office of Securities and Exchange Commission will be used for this audit. The Audit Committee Charter spells out duties of the Audit

- Translation-



Committee in evaluating the performance of high-level executives in the internal audit unit in cooperation with the Chief Executive Officer which is line with the guidelines from the notification of the Stock Exchange of Thailand on “Qualifications and Scope of Work of the Audit Committee B.E.2558 (2015)” At the Board of Directors’ meeting No.2/2020 on 25 February 2021 with the attendance of all 3 members of the Audit Committee, the Board of Directors evaluated the adequacy of internal control systems of the Company and its subsidiaries by inquiring management team and reviewing the Audit Committee’s report in 5 components including control environment, risk assessment, control activities, information and communication, and monitoring. After the evaluation, the Board of Directors reached a conclusion that the Company has adequate and appropriate internal control systems for conducting its business with sufficient manpower to perform duties as required by the systems effectively. In addition, the Company has in place internal control systems to control and monitor business undertaking of the Company’s and its subsidiaries to ensure that assets of the Company and its subsidiaries are sufficiently protected from being wrongfully utilized by unauthorized directors or executives as well as from engaging in transactions with persons with potential conflict of interest or related parties. KPMG Phoomchai Audit Limit, the Company’s auditor also provided an opinion on the audit of quarterly and annual financial reports ending 31 December 2020 that there is no material deficiency found in the internal control systems related to finance and accounting.

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Internal Control

The Company appointed Ms. Khanittha Saengchayas the head of internal audit of the Company, effective 20 July 2020 given her 8 years of experience in internal audit in the similar business as the Company's as well as her training related to internal audit and her understanding of the Company's business nature and activities. The Company deemed that she is well qualified to adequately and properly perform required duties for the role.

Note that consideration and approval on appointment, removal or transfer of the head of internal audit of the Company must be approved by the Audit Committee. Qualifications of the head of internal audit are detailed in Attachment 2.

Head of Compliance Department

As the Company is under selection process of the role, Ms. Chanoknan Thiemrat, company secretary, was assigned to be responsible for compliance department to ensure that the Company conforms to rules and regulations stipulated by regulatory authorities. She is qualified as the head of compliance of the Company.

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Related Party Transactions

Details on Related Party Transactions with Persons in a Potential Conflict of Interest for the Year 2018 and 2019, Ended 31 December 2019 and 2020, as follow:

Person or Juristic Person in a Potential Conflict of Interest / Nature of Business / Relationship	Transaction	Value (Million Baht)		Necessity / Rationale / The Audit Committee's Opinion
		2020	2019	
1. MR. Sarawut Pornpatanarak <u>Relationship</u> Major shareholder, Vice Chairman of the Board, Chairman of the Executive Committee and Chief Executive Officer of the Company	Guarantee for loans and car rental fees without compensation Mr. Sarawut Pornpatanarak is the Company's guarantor Car rental fee throughout the rental contract for the Company for use in business expansion to use in operations and increase the liquidity of the company Without compensation - car rental limit	3.8	3.8	The Company has long-term loan facilities Which is according to the conditions specified by the landlord <u>The Audit Committee's Opinion:</u> The transaction is considered a financial support through guarantees of loan facilities for business expanding and improving its liquidity without any charge incurred to the Company. The transaction is deemed necessary, reasonable and beneficial to the Company's business.

- Translation-



Person or Juristic Person in a Potential Conflict of Interest / Nature of Business / Relationship	Transaction	Value (Million Baht)		Necessity / Rationale / The Audit Committee's Opinion
		2020	2019	
				The Audit Committee recommends that the Company should rely less these financial supports through guarantees from directors or major shareholders of the Company.
2. PM Chemical Company Limited <u>Nature of Business</u> An importer and distributor of chemicals and a distributor of spray paint for cars and paint for buildings.	1) Warehouse Rental The Company rented warehouse from PM Chemical Company Limited with a total area of around 1,320 square meters. The location is No. 15, Soi Seri Thai 87, Seri Thai Road, Min Buri, Bangkok to store inventories such as packaging of products. The monthly rental is 66,000 Baht (or 50 Baht per square meter) and paid on a monthly basis. The rental started since September 2018 with six-month contract.			Warehouse rental from PM Chemical was for a storage of packaging for products. The monthly rental fee of 50 Baht per square meter is comparable to other rental rates in the same area which are around 100-110 baht per square meter per month. Payment conditions were according to normal commercial agreements similar to general rentals. The Company chose PM Chemical's warehouse as it met the Company's requirements given that the size is not too large, the rental is on par with neighboring

- Translation-



Person or Juristic Person in a Potential Conflict of Interest / Nature of Business / Relationship	Transaction	Value (Million Baht)		Necessity / Rationale / The Audit Committee's Opinion
		2020	2019	
<u>Relationship</u> Mutual director: Mr. Sarawut Pornpatanarak Pornpatanarak Mutual shareholder: 1) Mr. Sarawut Pornpatanarak 2) Ms. Saranya Pornpatanarak and 3) Mr. Saranon Pornpatanarak	- Rental Fee - Service Fee - Deposits to be returned	0.79 0.06 0.00	0.72 0.06 0.13	areas and the location is not far from the Company's office. <u>The Audit Committee's Opinion:</u> The transaction is deemed reasonable and beneficial to the Company's business. The location is near the Company's office which is convenient in conducting business. The rental charged was the market rate and lower than those of peer and payment conditions are according to general commercial building rental business

- Translation-



Person or Juristic Person in a Potential Conflict of Interest / Nature of Business / Relationship	Transaction	Value (Million Baht)		Necessity / Rationale / The Audit Committee's Opinion
		2020	2019	
	<p>2) Purchase of Raw Materials and Paints</p> <p>The Company purchased certain raw materials mainly special mineral water and anti-counterfeit stickers including paints for the Company's factory and office from PM Chemical. Sales prices and payment conditions are prices per unit with separate charges of transportation fees as actually incurred.</p> <p>- Purchase of raw materials and paint</p> <p>- Transportation fees</p> <p>- Account Payable</p>	<p>0.4</p> <p>0.1</p> <p>0.1</p>	<p>0.9</p> <p>0.0</p> <p>0.3</p>	<p>The purchases of raw materials and paints were for the benefits of the Company. Buying prices were lower than those of other suppliers and payment conditions were according to normal commercial conditions. This transaction is deemed necessary and reasonable.</p> <p>However, on 1 June 2017, the Company and PM Chemical prepared a memorandum of understanding on the determination of compensation for PM Chemical in purchasing of special mineral water and anti-counterfeit stickers protection using the cost plus method with not over than 5% rate. This was to cover operating expenses of PM Chemical and aligned with other suppliers. In case that there is any expense in product delivery,</p>

- Translation-



Person or Juristic Person in a Potential Conflict of Interest / Nature of Business / Relationship	Transaction	Value (Million Baht)		Necessity / Rationale / The Audit Committee's Opinion
		2020	2019	
				<p>PM Chemical will charge the Company separately on an actual basis.</p> <p><u>The Audit Committee's Opinion:</u> The transaction is necessary for supporting business-as-usual of the Company. Prices and general conditions were similar to those the Company engaged in with other external parties. The Audit Committee reviewed, acknowledged and agreed with the memorandum of understanding between the Company and PM Chemical on pricing determination using the cost plus method that further made the transaction more reasonable.</p>

- Translation-



Person or Juristic Person in a Potential Conflict of Interest / Nature of Business / Relationship	Transaction	Value (Million Baht)		Necessity / Rationale / The Audit Committee's Opinion
		2020	2019	
3. The Fourteen Company Limited <u>Nature of Business</u> A distributor of the Company's products in Bangkok and vicinities through various channels that the Company does not operate directly. <u>Relationship</u> Major shareholder with 98% ownership by Mrs. Pornpen Soungkasem who is the spouse of Mr. Nitiroj Manolamai, director and executive of the Company and director and shareholder of the Fourteen Company Limited.	Sales Revenue The Fourteen Co., Ltd. is one of the distributors of the Company's products through various channels that the Company does not operate directly. Namu Life Plus (a subsidiary) sells products to the Fourteen in form of outright sales at net prices after a deduction of distribution fees. Namu Life Plus determines sales prices and marketing strategies for the Fourteen Co., Ltd. to distribute the products to customers while Namu Life Plus is responsible for all sales promotion expenses as actually paid.			The Fourteen Co., Ltd. is a major distributor of the Company with 10.8% and 10.8% contribution to total revenue before distribution discounts for 2018 and 2019 respectively. Prices are according to standard pricing clearly set by the Company for all distributors. The Fourteen Co., Ltd. must sell its products at the prices the Company determined. Moreover, distribution fees for The Fourteen Co., Ltd. are based on the contracts with rates and commercial conditions comparable to those Namu Life Plus offered to other distributors. Nevertheless, advanced discounts provided to The Fourteen Co., Ltd. were to cover sales promotion expenses as actually incurred. This included sales discounts for distributors, approved

- Translation-



Person or Juristic Person in a Potential Conflict of Interest / Nature of Business / Relationship	Transaction	Value (Million Baht)		Necessity / Rationale / The Audit Committee's Opinion
		2020	2019	
	<p>Sales prices and distribution fees for The Fourteen Co., Ltd. are according to the contracts with the rates and commercial conditions compare to those Namu Life Plus offers to other distributors.</p> <p>- Net sales revenue</p> <p>- Sales promotion expenses</p> <p>- Trade receivables</p> <p>- Accrued expenses for distribution fees</p>	<p>5.3</p> <p>0.8</p> <p>0.3</p> <p>0.0</p>	<p>33.7</p> <p>5.2</p> <p>1.3</p> <p>0.2</p>	<p>marketing campaigns and incentives rewarded to distributors according to KPIs. The Company also paid for actual sales promotion expenses to other distributors as well. The Fourteen Co., Ltd. must submit sales reports and total sales promotion expenses to the Company on a monthly basis. These advanced discounts will be deducted from actual sales promotion expenses. Therefore, this transaction is deemed necessary and reasonable.</p> <p><u>The Audit Committee's Opinion:</u> The transaction is reasonable and beneficial to the Company's business. The Fourteen Co., Ltd. is capable in distributing the Company's products through multiple channels. Prices were according to</p>

- Translation-



Person or Juristic Person in a Potential Conflict of Interest / Nature of Business / Relationship	Transaction	Value (Million Baht)		Necessity / Rationale / The Audit Committee's Opinion
		2020	2019	
				standard pricing that Namu Life Plus Co., Ltd. clearly set. In addition, fees paid to The Fourteen Co., Ltd. to distribute the Company's products are according to rates and commercial conditions comparable to those the Company offered to other distributors. Sales promotion expenses were paid on actual basis. The Audit Committee reviewed, acknowledged and agreed with the memorandum of understanding between Namu Life Plus Co., Ltd. and The Fourteen Co., Ltd. to ensure better accuracy of transactions between the Company and The Fourteen Co., Ltd.

- Translation-



Person or Juristic Person in a Potential Conflict of Interest / Nature of Business / Relationship	Transaction	Value (Million Baht)		Necessity / Rationale / The Audit Committee's Opinion
		2020	2019	
4. Directors, Executives, and Employees of the Company	Purchase of Products as Employee Benefits			The sales transaction was according to the Company's policy on employee benefits. The Company set criteria and monthly purchase quotas depending on positions while same discount rates apply for all employees. Note that the purpose of offering discounts to directors and executives are that the products can be given as samples for business partners and consumers. Additionally, purchasing products at discounted prices not only helps motivate and engage employees but also enhances familiarity and knowledge of the employees on the products.
	The Company and its subsidiaries allow executives and employees to buy the Company's products at prices lower than market prices according to a policy on discounts for the Company's products as benefits for executives and employees. Criteria and monthly purchase quotas are clearly applied based on positions.			
	- Revenue	0.2	0.3	
	- Trade receivables	0.2	0.2	

- Translation-



Person or Juristic Person in a Potential Conflict of Interest / Nature of Business / Relationship	Transaction	Value (Million Baht)		Necessity / Rationale / The Audit Committee's Opinion
		2020	2019	
				<p><u>The Audit Committee's Opinion:</u> The transaction is deemed reasonable, beneficial to the Company's business and important since some of directors and executives have to give away products as samples for trade partners or consumers. This is also considered as a reward to employees while the Company does not make any loss as sales prices are still lower than production costs and the monthly quantity allotted per person for this program was properly determined.</p>

Policy and Related Party Transactions

The resolution of the Board of Directors stipulated approval measures and processes for related party transactions or connected transactions that the Company and its subsidiaries enter into with an external parties who are stakeholders with interest or a potential conflict of interest in the future such as major shareholders, directors, executives and controlling persons or connected persons.

With regard to related party transactions or connected transactions of the Company and its subsidiaries, the Company will conform to rules and criteria pursuant to the Securities and Exchange Act 1992 (including the amendments) and pertinent rules, notifications and orders of the Capital Market Supervisory Board and/or the Securities and Exchange Commission and the Stock Exchange of Thailand. Note that those transactions are not considered transfers or exchanges of the Company's interest but transactions that are for the best interest of the Company and all shareholders. In case of ordinary business transactions or transactions that support normal business operations and transactions that may occur continuously in the future, the Company has a policy that articulates scopes of those transactions where commercial agreements are similar to those offered to general counterparties in the same situation with suitable, fair and reasonable pricing and conditions. The transactions shall be presented to the Audit Committee for opinions and to be approved by the Board of Directors.

Furthermore, if there is any related party transaction or connected transaction or any change in agreements and conditions related to a transaction between major shareholders, directors, executives or persons with a potential conflict of interest or connected persons, directors with interest will not attend the meeting of the Board during the agenda related to the consideration of that particular transaction.

Investor Protection Measures

To protect investors in case there is a related party transaction between the Company and a person with interest or potential conflict of interest, the Company requires that the transaction must be proposed to the Board of Directors' meeting with the attendance of members of the Audit Committee to audit and provide opinions regarding the related party transaction in accordance with the laws on securities and exchange, rules and regulations, notifications or other requirements of the Stock Exchange of Thailand including requirements on the disclosure of connected transactions and the acquisition and disposition of assets.

Attachment 1

Details of Directors, Executive Officers, Controlling Persons Person who has been assigned the highest responsibility in accounting and finance Those assigned to be directly responsible for the supervision of bookkeeping. And company secretary

BOARD OF DIRECTORS

As of 31 December 2020, Do Day Dream Plc. are a total of 8 Board of Directors. Details as follows:

1. Mr. Rittikrai Thammaraksa



Number of Shares and

Percentage of Do Day Dream PLC. (%) 0.19

Family Relationship with other Management - None -

Education

- Master in Media Communications, Webster University
- Bachelor of Business Administrative (English Program)
Assumption University

Director Training

- Directors Accreditation Program (DAP) 123/2016
Thai Institute of Directors Association (IOD)

Working Experiences in the 5 Preceding Years

- 2020- Present Director, Kuron Corporation Limited
- 2020- Present Director, Alexi Training And Consulting Co.,Ltd.
- 2018 - Present Director, Do Day Dream Trading Pte. Ltd.
- 2018 - Present Director, Do Day Dream Holding Pte. Ltd.
- 2018 - Present Director, Dream Dermatology Co., Ltd.
- 2015 - Present Director, Namu Life Plus Co., Ltd.

Director/

**Acting Chairman of the Board of
Directors**

*The director who is authorized to sign on
behalf of the Company*

The date of appointment as Director

September 23, 2015

(total director's tenure 5 years 3 months)

Age (years) 44

Nationality Thai

- Translation -



2. Dr. Sarawut Pornpatanarak



Director/

**Vice Chairman of the Board of
Directors/**

**Member of Risk Management
Committee/**

**Chairman of the Executive
Committee**

*The director who is authorized to sign on
behalf of the Company*

The date of appointment as Director

September 11, 2010

(total director's tenure 10 years 3 months)

Age (years) 44

Nationality Thai

Number of Shares and

Percentage of Do Day Dream PLC. (%) 56.50

Family Relationship with other Management - None -

Education

- Doctorate of Business Administration (English Program), Ramkhamhaeng University
- Master of Organization Development and Management (English Program), Assumption University
- Bachelor of Business Administration Advertising Major (English Program) Assumption University

Director Training

- Directors Certification Program (DCP) 215/2016 Thai Institute of Directors Association(IOD)

Working Experiences in the 5 Preceding Years

- 2015 - Present Director, Namu Life Plus Co., Ltd.
- 2020- Present Director, Kuron Corporation Limited
- 2020- Present Director, Alexi Training And Consulting Co., Ltd.
- 2020- Present Director, JMS Global Solutions Co., Ltd.
- 2018 - Present Director, Do Day Dream Trading Pte. Ltd.
- 2018 - Present Director, Do Day Dream Holding Pte. Ltd.
- 2018 - Present Director, Skin Make Smiles Co., Ltd.
- 2017 - Present Director, Do Infinite Dream Co., Ltd.
- 2015 - Present Director, Namu Life Plus Co., Ltd.
- 2003 - Present Director, Colour Trend Co., Ltd.
- 2000 - Present Director, P M Chemical Co., Ltd.

3. Nattawut Kruapradub



**Independence Director/
Member of Audit Committee/
Chairman of Nomination and
Remuneration Committee**

The date of appointment as Director

June 15, 2016

(total director's tenure 4 years 6 months)

Age (years) 48

Nationality Thai

Number of Shares and

Percentage of Do Day Dream PLC. (%) 0.18

Family Relationship with other Management - None -

Education

- Management Program, Harvard Business School, USA
- Bachelor in Engineering, Kasetsart University.

Director Training

- Directors Accreditation Program (DAP) 125/2016 Thai Institute of Directors Association(IOD)
- Advance Audit Committee Program (AACP) 27/2017 Thai Institute of Directors Association(IOD)
- Board Nomination and Compensation Program (BNCP) 2/2017 Thai Institute of Directors Association(IOD)
- Risk Management Program for Corporate Leaders (RCL) 14/201 Thai Institute of Directors Association(IOD)

Working Experiences in the 5 Preceding Years

- 2015 – Present Charter Engineer in Mechanical Engineering; PTT PLC.
- 2012 - 2015 Manager of Machine Maintenance, PTT Rayong Gas Separation Plant; PTT PLC.

- Translation -



4. Asst. Prof. Dr.Terdsak Rojsurakitti



**Independence Director/
Member of Audit Committee/
Nomination and Remuneration
Committee**

The date of appointment as Director

April 25, 2019

(total director's tenure 1 years 8 months)

Age (years) 63

Nationality Thai

Number of Shares and

Percentage of Do Day Dream PLC. (%) 0.01

Family Relationship with other Management - None -

Education

- Ph.D., Business Administration (English Program),
Institute of International Studies, Ramkhamhaeng
University
- Masters of Business Administration, Thammasat
University
- M.D., Faculty of Medicine, Chiang Mai University

Director Training

- Directors Accreditation Program (DAP) 163/2019 Thai
Institute of Directors Association(IOD)
- Board Nomination and Compensation Program (BNCP)
9/2020 Thai Institute of Directors Association(IOD)

Working Experiences in the 5 Preceding Years

- 2021 – Present Chairman of the Executive Committee,
Aikchol Hospital PLC.
- 2019 – Present Chairman of the Board of Directors,
Winnergy Medical Co., Ltd.
- 2019 – Present Executive Director, Thai Hospital
Association
- 2019 – Present Executive Director of Medical Program,
Western University
- 2017- Present Vice Chairman and Secretary, the
Alumni Association of Master's Degree for Executives
Thammasat Business School, Thammasat University

- Translation -



5. Mr. Nitiroj Manolamai



Director/

**Member of Risk Management
Committee**

*The director who is authorized to sign on
behalf of the Company*

The date of appointment as Director

September 23, 2015

(total director's tenure 5 years 3 months)

Age (years) 43

Nationality Thai

Number of Shares and

Percentage of Do Day Dream PLC. (%) 0.12

Family Relationship with other Management - None -

Education

- Master of Science in Internet and E-Commerce
Technology, Assumption University
- Bachelor in Communication Arts, Assumption University

Director Training

- Directors Accreditation Program (DAP) 123/2016 Thai
Institute of Directors Association(IOD)

Working Experiences in the 5 Preceding Years

- 2018 - Present Director, Do Day Dream Philippines
Co., Ltd.
- 2017 - Present Director, Do Infinite Dream Co., Ltd.
- 2015 - Present Director, Namu Life Plus Co., Ltd.

6. Mr. Suphawatt Vanichprapha



Director/

**Member of Nomination and
Remuneration Committee**

*The director who is authorized to sign on
behalf of the Company*

The date of appointment as Director

September 23, 2015

(total director's tenure 5 years 3 months)

Age (years) 44

Nationality Thai

Number of Shares and

Percentage of Do Day Dream PLC. (%) 0.37

Family Relationship with other Management - None -

Education

- Master of Business Administration, International Trading, University of La Verne CA, USA
- Bachelor of Business Administration, Computer Major (International Program), Assumption University

Director Training

- Directors Accreditation Program (DAP) 123/2016 Thai Institute of Directors Association(IOD)

Working Experiences in the 5 Preceding Years

- 2020- Present Director, Kuron Corporation Limited
- 2020- Present Director, Alexi Training And Consulting Co.,Ltd.
- 2018 - Present Director, Do Day Dream Trading Pte. Ltd.
- 2018 - Present Director, Do Day Dream Holding Pte. Ltd.
- 2018 - Present Director, Do Day Dream Philippines Co., Ltd.
- 2017 - Present Director, Do Infinite Dream Co., Ltd.
- 2015 - Present Director, Namu Life Plus Co., Ltd.

7. Mr. Yuthapong Ma



Number of Shares and

Percentage of Do Day Dream PLC. (%) - None -

Family Relationship with other Management - None -

Education

- Master of Business Administration, Columbia Business School, USA
- Bachelor of Business Administration, Columbia College, USA

Working Experiences in the 5 Preceding Years

- 1993 - Present Director, Morgan Stanley (Thailand) Co., Ltd.
- 2009 - Present Chairman of the Board Trustees, ISB International School

Director

The date of appointment as Director

April 24, 2018

(total director's tenure 2 years 8 months)

Age (years) 53

Nationality Thai

8. Mr. Piyawat Ratchapolsitte



Director/

Member of Executive Committee/

Chief Financial Officer

*The director who is authorized to sign on
behalf of the Company*

The date of appointment as Director

September 23, 2015

(total director's tenure 5 years 3 months)

Age (years) 35

Nationality Thai

Number of Shares and

Percentage of Do Day Dream PLC. (%) 0.18

Family Relationship with other Management - None -

Education

- Master of Finance Cass Business School, City University, United Kingdom
- Bachelor in Economics (International Program) from Thammasat University

Director Training

- Directors Certification Program (DCP) 215/2016 Thai Institute of Directors Association(IOD)

Working Experiences in the 5 Preceding Years

- 2018 - Present Director, Do Day Dream Trading Pte. Ltd.
- 2018 - Present Director, Do Day Dream Holding Pte. Ltd.
- 2017 - Present Director, Do Infinite Dream Co., Ltd.
- 2015 - Present Director, Namu Life Plus Co., Ltd.
- 2014 - 2015 Vice President of Private Equity, Richardson Doyle & Partners

Executive Director and Controlling Persons

As of 31 December 2020, Details of Directors, Executive Officers, Controlling Persons Person who has been assigned the highest responsibility in accounting and finance Those assigned to be directly responsible for the supervision of bookkeeping. And company secretary of Do Day Dream Plc. as follows:

1. Dr. Sarawut Pornpatanarak



**Director/
Vice Chairman of the Board of
Directors/
Member of Risk Management
Committee/
Chairman of the Executive
Committee**

Age (years) 44
Nationality Thai

Number of Shares and

Percentage of Do Day Dream PLC. (%) 56.50

Family Relationship with other Management - None -

Education

- Doctorate of Business Administration (English Program), Ramkhamhaeng University
- Master of Organization Development and Management (English Program), Assumption University
- Bachelor of Business Administration Advertising Major (English Program) Assumption University

Working Experiences in the 5 Preceding Years

- 2015 - Present Director, Namu Life Plus Co., Ltd.
- 2020- Present Director, Kuron Corporation Limited
- 2020- Present Director, Alexi Training And Consulting Co., Ltd.
- 2020- Present Director, JMS Global Solutions Co., Ltd.
- 2018 - Present Director, Do Day Dream Trading Ltd.
- 2018 - Present Director, Do Day Dream Holding Ltd.
- 2018 - Present Director, Skin Make Smiles Co., Ltd.
- 2017 - Present Director, Do Infinite Dream Co., Ltd.
- 2015 - Present Director, Namu Life Plus Co., Ltd.
- 2003 - Present Director, Colour Trend Co., Ltd.
- 2000 - Present Director, P M Chemical Co., Ltd.

- Translation -



2. Ms. Nuntawan Suwandej



**Vice Chairman of Executive
Committee/
Chief Executive Officers**

Age (years) 52

Nationality Thai

Number of Shares

and Percentage of Do Day Dream PLC. (%) - None

Family Relationship with other Management - None -

Education

- Master of Arts (Communication),
The University of West Florida, USA
- Bachelor of Business Administration (Marketing), Prince
of Songkla University

Working Experiences in the 5 Preceding Years

- 2020- Present Director, Kuron Corporation Limited
- 2020- Present Director, Alexi Training And Consulting
Co.,Ltd.
- 2020- Present Director, Skin Make Smiles Co., Ltd.
- 2020- Present Director, Do Infinite Dream Co., Ltd.
- 2020- Present Director, Namu Life Plus Co., Ltd.
- 2020- Present Director, Dream Dermatology Co., Ltd.
- 2017 – 2019 Senior Vice President Licensed & Own
Brand, Central Marketing Group, Central Retail
Corporation PLC.
- 2014 – 2017 - General Manager, Minor Corporation
PLC.
- 2012 –2014 - Managing Director Asia Books, Asia
Books Co., Ltd

- Translation -



3. Ms. Nutthinee Jenwattanavech



Number of Shares and

Percentage of Do Day Dream PLC. (%) 0.01

Family Relationship with other Management - None -

Education

- Master of Engineering Chulalongkorn University
- Bachelor of Engineering Chulalongkorn University

Working Experiences in the 5 Preceding Years

- 2018 - Present Director, Skin Make Smiles Co., Ltd.
- 2017 - 2018 Chief Marketing Officer, Central Marketing Groups Co., Ltd.
- 2014 - 2017 Head of Sale & Marketing Hogh Rise Property, AP (Thailand) PCL.

Member of Executive Committee

Age (years) 44

Nationality Thai

4. Mr. Piyawat Ratchapolsitte



Director/

Member of Executive Committee/

Chief Financial Officer

(The person taking the highest responsibility
in finance and accounting)

Age (years) 35

Nationality Thai

Number of Shares and

Percentage of Do Day Dream PLC. (%) 0.18

Family Relationship with other Management - None -

Education

- Master of Finance Cass Business School, City University, United Kingdom
- Bachelor in Economics (International Program) from Thammasat University

Working Experiences in the 5 Preceding Years

- 2018 - Present Director, Do Day Dream Trading Pte. Ltd.
- 2018 - Present Director, Do Day Dream Holding Pte. Ltd.
- 2017 - Present Director, Do Infinite Dream Co., Ltd.
- 2015 - Present Director, Namu Life Plus Co., Ltd.
- 2014 - 2015 Vice President of Private Equity, Richardson Doyle & Partners

5. Ms. Songthip Kotaravibul



**Member of Executive Committee/
Financial Director**

(The person supervising accounting)

Age (years) 55

Nationality Thai

Number of Shares and

Percentage of Do Day Dream PLC. (%) - None

Family Relationship with other Management - None -

Education

- Master of Business Administration, Thammasat university
- Bachelor Accountancy, Thammasat university

Working Experiences in the 5 Preceding Years

- 2017 – 2020 Chief Financial Officer, Signify Commercial (Thailand) Co., Ltd.
- 2015 - 2017 Financial Director, Minor Food Group PLC.
- 2014 - 2015 Financial Director, Mondelez International (Thailand) Co., Ltd.
- 2004 - 2014 Financial Director, Coca-Cola (Thailand) Co., Ltd.

6. Ms. Chanoknan Thiemrat



Company Secretary

Investor Relations

Age (years) 30

Nationality Thai

Number of Shares and

Percentage of Do Day Dream PLC. (%) - None -

Family Relationship with other Management - None -

Education

- Bachelor Accountancy, Khon Kaen university

Company Secretary Training

- Company Secretary Program (CSP) 112/2020
Thai Institute of Directors Association(IOD)
- Anti-Corruption the Practical Guide (ACPG) 52/2020
Thai Institute of Directors Association(IOD)

Working Experiences in the 5 Preceding Years

- 2012 – 2016 Senior Associate,
PricewaterhouseCoopers ABAS Co., Ltd.

- Translation-



Information on the positions of directors, management and controlling persons of subsidiaries and associated companies of Do Day Dream Public Company as table below:

<div style="display: flex; align-items: center; justify-content: center;"> <div style="writing-mode: vertical-rl; transform: rotate(180deg);">Company</div> <div style="border-bottom: 1px solid black; width: 100%; height: 100%;"></div> <div style="writing-mode: vertical-rl; transform: rotate(180deg);">Director</div> </div>	Company	subsidiaries									JV
		Thailand						Overseas			TH
	DDD	NAMU LIFE	DID	DDM	SMS	KURON	ALEXI	DDDH	DDDT	DDDPH	JMS
Do Day Dream PLC. Shareholding Proportion		100%	100%	95%	70%	76%	76%	100%	100%	51%	40%
1) Mr. Rittikrai Thammaraksa	/	/		/		/	/	/	/		
2) Dr. Sarawut Pornpatanarak	/, //	/	/		/	/	/	/	/		/
3) Mr. Nattawut Kruapradub	/										
4) Asst. Prof. Dr.Terdsak Rojsurakitti	/										
5) Mr. Nitiroj Manolamai	/	/	/							/	
6) Mr. Suphawut Vanichprapha	/	/	/			/	/	/	/	/	
7) Mr. Yuthapong Ma	/										
8) Mr. Piyawat Ratchapolsitte	/, //	/	/					/	/		
9) Ms. Nuntawan Suwandej	//	/	/	/	/	/	/				
10) Ms. Nutthinee Jenwattanavech	//				/						/
11) Ms. Songthip Kotaravibul	//										

- Translation-



<div style="display: flex; align-items: center; justify-content: center;"> <div style="writing-mode: vertical-rl; transform: rotate(180deg);">Company</div> <div style="border-bottom: 1px solid black; width: 100%; height: 100%;"></div> </div>	Company	subsidiaries									JV
		Thailand						Overseas			TH
	DDD	NAMU LIFE	DID	DDM	SMS	KURON	ALEXI	DDDH	DDDT	DDDPH	JMS
Director											
Do Day Dream PLC. Shareholding Proportion		100%	100%	95%	70%	76%	76%	100%	100%	51%	40%
12) Ms. Waranya Ratchapolsitte				/							
13) Mr. Wirat Saengow						/	/				
14) Ms. Saowakon Yamcharoen										/	
15) Mr. Jung Wung Kim											/
16) Mr. Chung Ha Wu											/
17) Mr. Haeshal Jang											/
18) Tan Lian Kiow								/	/		
19) Mydia Meedeka Lorena V.Lacaba										/	
20) Nicado M Falcis II										/	

Note

/ = Board of Directors // = Managment

DDD: Do Day Dream PLC.

DID: Do Infinite Dream Co., Ltd

SMS: Skin Make Smiles Co., Ltd

ALEXI: Alexi Training And Consulting Co., Ltd.

DDDT: Do Day Dream Trading Pte. Ltd.

JMS: JMS Global Solutions Co., Ltd.

NAMU LIFE: Namu Life Plus Co., Ltd.

DDM: Dream Dermatology Co., Ltd.

KURON: Kuron Corporation Limited

DDDH: Do Day Dream Holding Pte. Ltd.

DDDPH: Do Day Dream Philippines Co., Ltd.

Attachment 2

Details of the internal audit supervisor and Head of the Corporate Compliance

Head of Internal Audit

Ms. Khanittha Saengchay



Senior Internal Audit Manager

The date of appointment

July 20, 2020

Age (years) 34

Nationality Thai

Number of Shares and

Percentage of Do Day Dream PLC. (%) - None -

Family Relationship with other Management - None –

Education

- Master of Business Administration Degree, Finance Concentration, Assumption University of Thailand
- Bachelor of Business Administration Degree, with a major in Accounting (Auditing Concentration), Assumption University of Thailand

Working Experiences in the 5 Preceding Years

- 2020 - Present Senior Internal Audit Manager, Do Day Dream PLC.
- 2017 - 2020 Risk Assurance Manager, PricewaterhouseCoopers ABAS Ltd.
- 2017-2017 Assistant Manager- International Division, Thai Union Group Public Company Limited
- 2012-2016 Senior Audit Assistant, Berli Jucker Public Company Limited

Attachment 3

Business Assets

- Translation -



BUSINESS ASSETS

Main Fixed Assets

As of 31 December 2020, the Company and its subsidiaries had total main fixed assets for business operations including lands, buildings, machine and equipment, vehicles and construction in progress with net book value according to the consolidated financial statements of THB 251.59 million or equivalent to 4.7% of total assets. Details are as follow:

Item	Type of Ownership	Net Book Value (THB Million)	Obligation
1. Land <ul style="list-style-type: none"> — A land on Romklao Road, Bangkok, the location of the headquarter, 4 pieces of land with total areas of 2 rais. — A land at Rojana Industrial Park, Ayutthaya province, 2 pieces of land with total areas of 19-0-55 rais. 	Owner	59.6	As collateral with a local financial institution.
2. Building and Building Improvements <ul style="list-style-type: none"> — A plant at Rojana Industrial Park, Ayutthaya province — An office building on Kheha-Romklao Road, Bangkok 	Owner	130.40	Partly as collateral with a local financial institution.
3. Machine and Equipment For product manufacturing	Owner	59.35	Partly as collateral with a local financial institution.
4. Vehicle For business operations and logistics	Owner	2.07	Under leasing contract and financial leasing contract.

- Translation -



Item	Type of Ownership	Net Book Value (THB Million)	Obligation
5. Construction in Progress	Owner	0.17	- None -

Total 251.59

Remark: The Company pledged a part of property, plant and equipment with net book value of THB 95.37 million as collateral with a local financial institution.

Intangible Assets for Business Operations

As of 31 December 2020, the Company and its subsidiaries had total intangible assets for business operations including patents and trademarks, computer software and customer relationship management data with net book value according to the consolidated financial statements of THB 426.10 million or equivalent to 7.99% of total assets. Details are as follow:

Item	Type of Ownership	Net Book Value (THB Million)
1. Patent and Trademark	Owner	325.45
— “OXE’CURE” trademark		
— “LESASHA” trademark		
— “SPARKLE” trademark		
2. Customer Relationship Management (CRM) Data	Owner	74.72
From the acquisition of Kuron Co., Ltd.		
3. Computer and Software	Owner	25.93
Total		<u><u>426.10</u></u>

- Translation -



In addition, the Company registered its trademarks with the Department of Intellectual Property, Ministry of Commerce. All registered trademarks are property of the Company. Details are as follow:

Thailand

Trademark	Registration Number	Purpose	Protection Period
	พ392360	Manufacturing and distribution of skin care products	End of 2022
	พ402274	Manufacturing and distribution of skin care products	End of 2023
	พ398446	Manufacturing and distribution of supplement products	End of 2023
	พ402275	Manufacturing and distribution of skin care products	End of 2023
	พ398444	Manufacturing and distribution of supplement products	End of 2023
	พ398445	Manufacturing and distribution of supplement products	End of 2023
	พ399259	Manufacturing and distribution of supplement products	End of 2023
	161112778	Manufacturing and distribution of skin care products	End of 2025
	161112791	Manufacturing and distribution of skin care products	End of 2025

Attachment 3 - 3



- Translation -



Trademark	Registration Number	Purpose	Protection Period
NAMU LIFE SNAIL WHITE BODYBOOSTER	161108242	Manufacturing and distribution of skin care products	End of 2025
NAMU LIFE SNAIL WHITE	161108243	Manufacturing and distribution of skin care products	End of 2025
NAMU LIFE SNAILWHITE MASK SHOT	161108244	Manufacturing and distribution of skin care products	End of 2025
NAMU LIFE SNAIL WHITE SYN-AHE MIST	171102834	Manufacturing and distribution of skin care products	End of 2025
NAMU LIFE SNAILWHITE WHIPP SOAP	181121535	Manufacturing and distribution of skin care products	End of 2027
NAMU LIFE SNAILWHITE NAMU FACIAL JELLY WASH	181115000	Manufacturing and distribution of skin care products	End of 2027
NAMU LIFE SNAIL WHITE SUNSCREEN CC	181123374	Manufacturing and distribution of skin care products	End of 2027
NAMU LIFE SNAIL WHITE BODYBOOSTER SPF30 UVA/UVB	181123360	Manufacturing and distribution of skin care products	End of 2027

- Translation -



Trademark	Registration Number	Purpose	Protection Period
	181123355	Manufacturing and distribution of skin care products	End of 2027
	181123350	Manufacturing and distribution of skin care products	End of 2027

International

The Company registered trademarks in foreign countries under the Madrid Protocol in Thailand with the objective to manufacture and distribute skin care products under protection period of 10 years since the registration date. International registration of trademarks can be renewed for a period of 10 years each time.

- Translation -



INFORMATION ON ASSET VALUATION

- **“OXE’CURE” Trademark/Brand**

is classified in the Marketing Related Intangible Assets for the use of product line for people with acne-prone and sensitive skin.

Valued Asset



“OXE’CURE” trademark/brand

Class 3, skin care cosmetics, cosmetics for shower

Registration No. ๓315677

Protection Period 26 October 2019 – 25 October 2029.

Renewable every 10 years

Right Holder

Dream Dermatology Company Limited (Right holder)

A subsidiary of Do Day Dream Public Company Limited with 95% shares.

Valuation Approach

Valuation method for intellectual property - The Relief from Royalty Rate Method

Valuation Price

— As of the purchase of trademark date (5 April 2018) at the value of THB 91.84 million

— As of the end of fiscal year (31 December 2020) at the value of THB 86.48 million

Valuer

UK Valuations and Agency Company Limited

Approved by the Office of Securities and Exchange Commission

Supervisor: Udomsri Nathikanchanalab (Principal Valuer No.026)

Date on the Asset

12 January 2021

Valuation Report

- Translation -



- **“LE SASHA” Trademark/Brand**

is classified in the Marketing Related Intangible Assets for the use of product line for Hair stylist equipment.

Valued Asset



“LE SASHA” trademark/brand

Class 3 Spray/mousse/foam/oil for hair styling, hair treatment

Class 8 Electric air curler/flat iron/straightener

Electric shaver

Electric eyelash curler, electric hand and nail drill machine

Class 11 Electric hair blower/steam machine, electric nail dryer.

Class 21 Electric comb

Registration No. 171112230 / 161107448 / 171112552 / 171112548

Protection Period 17 April 2015 – 16 April 2025

Renewable every 10 years

Right Holder

Kuron Company Limited (Right Holder)

A subsidiary of Do Day Dream Public Company Limited with 76% shares

Valuation Method

Valuation method for intellectual property - The Relief from Royalty Rate Metho

Valuation Price

- As of the purchasing of trademark date (3 March 2020) at the value of THB 130.13 million
- As of the end of fiscal year (31 December 2020) at the value of THB 141.26 million

Valuer

UK Valuations and Agency Company Limited

Approved by the Office of Securities and Exchange Commission

Supervisor: Udomsri Nathikanchanalab (Principal Valuer No.026)

Date on the Asset

18 January 2021

Valuation Report

- Translation -



- **“SPARKLE” Trademark/Brand**

is classified in the Marketing Related Intangible Assets for the use of product line for oral cares

Valued Asset



“SPARKLE” trademark/brand

Class 3 Toothpaste

Class 21 Toothbrush and dental floss

Registration No. ๙438034 / ๙237206

Protection period 7 June 2013 – 6 June 2023

Renewable every 10 years

Right Holder

Kuron Company Limited (Right Holder)

A subsidiary of Do Day Dream Public Company Limited with 76% shares

Valuation Method

Valuation method for intellectual property - The Relief from Royalty Rate Method

Valuation Price

- As of the purchasing of trademark date (3 March 2020) at the value of THB 96.88 million
- As of the end of fiscal year (31 December 2020) at the value of THB 97.07 million

Valuer

UK Valuations and Agency Company Limited

Approved by the Office of Securities and Exchange Commission

Supervisor: Udomsri Nathikanchanalab (Principal Valuer No.026)

Date on Asset Valuation

18 January 2021

Report

Attachment 4

Audit Committee's Report

AUDIT COMMITTEE'S REPORT

25 February 2021

To The Shareholders,
 Do Day Dream Public Company Limited

The Audit Committee of Do Day Dream Public Company Limited consists of three qualified independent directors according to the Audit Committee's charter and the guideline of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). The Audit Committee comprises Mr. Wasin Parithan as Chairman of the Audit Committee, Mr. Nattawut Kruapradub as Member of the Audit Committee, Asst. Prof. Dr. Terdsak Rojsurakitti as Member of the Audit Committee, and Ms. Napat Rattapong, the Internal Audit Director, as the secretary of the Audit Committee.

All members of the Audit Committee are qualified and performed their duties independently under the scope or duties and responsibilities according to the Audit Committee's charter and the guideline of the SEC and the SET. The policy is to focus on enabling the Company to comply with the principles of good corporate governance and have risk management that has a significant impact on the organization as well as reviewing that there is an appropriate and efficient internal control system and internal audit.

For 2020, the Audit Committee has held four meetings, the detail of each member's meeting attendance has shown in "Management Structure", which discuss with the management, internal auditor, and external auditor in related matters. The Audit Committee's significant activities are summarized as below:

- Translation -



1. Financial Statement Review

The Audit Committee reviewed and audited the quarterly and annual financial statements of the Company in 2020 both separate financial statements and consolidated financial statements together with the management and the auditors before proposing to the Board of Directors. The Audit Committee inquired the auditor about the accuracy and completeness of the financial statements, the appropriateness of accounting policies, the method of accounting record, the changes in accounting standards, the disclosure of Notes to Financial Statements, the major accounting items affecting the financial statements as well as the scope of the audit. In 2020, the auditors did not have any significant observation or discover any suspicious circumstance and confirmed that the opinion is unqualified.

Therefore, the Audit Committee is of the opinion that the financial statements report is recorded in accordance with generally accepted accounting principle of Thailand with accuracy, completeness, and sufficient disclosure of information.

2. Internal Control Systems and Internal Audit Review

The Audit Committee reviewed the adequacy of the Company's internal control systems by considering plans and reports from internal audit department on a quarterly basis covering accounting, finance, resource use, protection and preservation of property, work performance, information technology, compliance with rules and regulations and report of audit results of the internal audit department. The Audit Committee did not find any significant issues or defects.

For the internal audit, the Audit Committee reviewed the internal audit performance to comply with the approved audit policies and audit plans including considering issues from the audit and making useful recommendations for enhancing the efficiency of the internal audit system as well as following up the audit results on a regular basis.

The Audit Committee agreed that the Company's internal control is effective and suitable for business conditions, and that the Company have independent internal audit system and audit plan which is consistent with the Company's strategy and risks.

- Translation -



3. Related Party Transactions or Potential Conflicts of Interests Review

The Audit Committee considered related party transactions or transactions with a potential conflict of interest under principles of reasonableness, transparency, adequate information disclosure and the best interest of the Company as a guideline. The Audit Committee had a confirmation from executives that the Company complied with laws and rules to disclosed related party transactions as required by the notifications of the SEC.

According to reports and confirmations from responsible executives, the Audit Committee deemed that transactions are reasonable and as normal business transaction with adequate, accurate and complete information disclosure in accordance with laws on securities and exchange, requirements of the SET and applicable laws related to the Company's business

4. Risk Management Evaluation System Review

The Company has set management systems at organizational level where executives in each department will be directly responsible as well as collaborating with other parties. The Board of Directors considered the risk management structure, framework and plans as well as reviewed and monitored risk management. The Board also deliberated both internal and external risk factors including the probability of impact. Risks management was conducted to maintain the risks appetite levels and early warning indicators according to defined principles.

The Audit Committee agreed that the Company has risk management system that is suitable and sufficient for business conditions with risk assessment, risk management and progress monitoring including a review of risks in accordance with the changing situation on a regular basis.

5. Compliance with Rules and Regulation of the SEC, the SET and Applicable Laws Related to the Company's Business

The Company put efforts in monitoring, analyzing and reporting changes in laws, rules and regulations relevant to the Company and ensures compliance with the laws, rules and regulations. The Audit Committee conducted audits of various functions to be certain that the Company conforms to related laws including the Securities and Exchange Act, the notifications of the Capital Market Advisory Board, the SEC and the SET as well as other government related to the Company's business. The Audit Committee is of the opinion that the Company conducted its business in compliance with laws, rules and regulations relevant to the Company.

- Translation -



6. Self-assessment of the Audit Committee

The Audit Committee assessed the performance according to the Audit Committee's charter and concluded that the Audit Committee performed the duties in accordance with the charter. The Audit Committee reported the performance as well as presented recommendations to the Board of Directors in every meeting. In summary, the Audit Committee has an opinion that the Board of Directors and the Company's executives are ethical and committed to performing their duties to achieve the Company's goals with quality. The Company places value on undertaking its business under effective, transparent and credible corporate governance systems with proper and adequate internal control systems. The Company also ensures that its financial report is in accordance with the generally accepted accounting standards and strictly conforms to applicable laws and regulations.\

7. Suitability of the External Auditor for 2020

The Audit Committee evaluated the performance of the Company's auditor and the applicable audit fee based on the auditors' knowledge, expertise, and independence of the auditors; deemed that they are in accordance with requirements of the SEC and the SET. Consequently, the Audit Committee recommended the Board of Directors to consider and propose the shareholders' meeting to appoint Mr. Charoen Phosamritlert, CPA No. 4068 and/or Mr. Veerachai Ratanajaratkul, CPA No. 4323 and/or Mrs. Munchupa Singsuksawat, CPA No. 6112 of KPMG Phoomchai Audit Limited to be the Company's auditors for 2020.

In conclusion, the Audit Committee has performed its duties independently with knowledge, abilities and careful consideration, and gave constructive comments and suggestions to benefit all stakeholders. The Audit Committee is of the view that the Company's financial report is accurate, reliable and compliant with the standards of the financial reports and in accordance with generally accepted accounting principles. The Board of Directors and the management are committed to performing their duties to achieve the Company's goals with quality and giving great importance to operating under effective corporate governance practices with transparency and reliability as well as appropriate and effective internal control and internal audit system.

On behalf of the Audit Committee

Mr. Wasin Parithan

Chairman of audit committee

Attachment 5

Corporate Governance Policy

- Translation -



NOTIFICATION OF THE BOARD OF DIRECTORS

NO.14/2017

RE: CORPORATE GOVERNANCE POLICY

To be in accordance with the resolution of the Board of Directors of the meeting No.1/2017 dated 27 March 2017, the Company hereby announces the Corporate Governance Policy to be observed as principles and guidelines per following

Corporate Governance Policy

Do Day Dream Public Company Limited and its subsidiaries (together as “**the Company**”) places highest importance on good corporate governance as a foundation to drive the Company toward effectiveness and sustainable growth for the best interest of all stakeholders including employees, investors, shareholders and other stakeholders. Therefore, the Company deemed that suitable corporate governance policy must be formulated to cover key content and subjects from structure, roles and responsibilities of the Board of Directors to management principles for executives to promote transparency, clarity and accountability. The policy will act as practical guidelines in organization management to ensure that all business undertakings are fair for the best interest of all shareholders and stakeholders.

6.1 Corporate Governance Principles and Policy

The Board of Directors attaches great importance to compliance with good corporate governance policy covering corporate governance principles in 5 sections as outlined below.

Section 1 Rights of Shareholders

The Company emphasizes on rights of shareholders, not only the rights stipulated by laws. Actions that violate or deprive the rights of shareholders are prohibited and shareholders are encouraged to exercise their rights. Basic rights of shareholders include to rights to buy or sell or transfer shares, receive profit sharing, obtain adequate the Company's information, attend shareholders' meetings to vote to appoint or remove directors, appoint auditors, approve important transactions that affect the Company's business directions as well as other matters that significantly impact the Company such as dividend allocation, setting or changing the Company's regulations and affidavit, capital decrease or increase, and special transaction approval.

- Translation -



Apart from the basic rights of shareholders mentioned above, the Company also set guidelines for particular matters to support and facilitate shareholders to exercise their rights as follow:

- 1) Disclose its policy on supporting and encouraging all shareholders to attend the shareholders' meeting
- 2) Send out shareholders' meeting details with date, time, venue and agenda together with explanations and supporting reasons for each agenda or resolution as specified in the invitation letter or attachments for the Annual General Meeting of Shareholders and the Extraordinary Meeting of Shareholders. The Company shall refrain from any action that limits access of shareholders to study the Company's information.
- 3) Accommodate shareholders to exercise their rights in attending the meeting, casting their votes, and refrain from any action that limits their chances of attendance. For example, attendance to the meeting should not be difficult or costly and meeting venue should be convenient for transportation.
- 4) Allocate meeting time properly and encourage shareholders to express their opinions and make inquiries on matters related to the Company (led by the chairman) and allow shareholders to send queries before the meeting with clear criteria in submitting queries for shareholders with the invitation letter to shareholders and published on the Company's website.
- 5) Encourage shareholders to use proxy forms with the format that shareholders can easily cast their votes and nominate at least 1 independent director as an option for delegating a proxy.
- 6) Provide technology to support the shareholders' meeting including registration, vote counting and result displaying so that the meeting is conducted with speed, accuracy and precision.
- 7) Encourage all directors to attend the shareholders' meeting and respond to inquiries from shareholders.
- 8) Ensure that voting shall be exercised by each agenda. In case that there are multiple issues for an agenda, voting shall be exercised by each issue such as director appointment agenda.
- 9) Assign independent individuals to count and check the voting result at the shareholders' meeting and disclose to the meeting as well as record in the minutes of meeting.

- Translation -



- 10) Promote the use of ballots for important agenda e.g. related party transactions, acquisition and disposition of assets; for transparency and accountability in case of later disputes
- 11) Ensure that the minutes of the shareholders' meeting contain steps in casting votes and method of displaying voting results before the meeting and allow shareholders to raise concerns or make inquiries. Moreover, Q&A, and voting results of each agenda must be recorded showing number of votes (approve, disapprove, abstain and voided). List of attended and absent directors at the meeting shall also be included and the minutes shall be disclosed on the Company's website.
- 12) Publish the voting results of each agenda of the shareholders' meeting (annual and extraordinary) to the public on the Company's website by the next working day.

Section 2 Equitable Treatment of Shareholders

The Company put in place a policy to act impartially and fairly to all shareholders including executive shareholders, non-executive shareholders, majority shareholders, minority shareholders and foreign shareholders. The following guidelines shall apply

- 1) Send out the invitation letters to the shareholders' meeting that include agenda items and opinions of the Board of Directors to the Stock Exchange of Thailand and publicizes through its website at least 14 days before the shareholders' meeting day. The invitation letters are prepared in English and distributed together with the Thai version.
- 2) Notify shareholders of the meeting's rules, steps in casting votes as well as voting rights for each type of shares.
- 3) Specify that voting rights at the meeting are according to the number of shares the shareholders hold while one-share-one-vote rule applies. Additionally, the Company grants shareholders who attend the meeting after the meeting commences the voting rights for the agenda items under consideration while no resolution is reached. A quorum is constituted from the agenda item they attend and vote.

- Translation -



- 4) Set criteria for minority shareholders to participate in proposing agenda items for the shareholders' meeting in advance to promote fairness and transparency whether proposed agenda items are to be added or not. Executive shareholders shall not add more agenda items without an advance notice if not necessary especially for important agenda items as shareholders need to spend time reviewing the information before making any decision.
- 5) Set criteria for minority shareholders to nominate qualified persons for directorship to the Board of Directors in advance together with supporting information on qualifications and consent from nominated individuals.
- 6) Allow shareholders to exercise their rights to appoint individual directors.
- 7) Require all directors and responsible executives to report their security holding according to the laws and submit the report to the Board of Directors on a regular basis as well as publish the report in the annual report.
- 8) Issue written guidelines on maintenance of inside information and prevention of the inside information usage and encourage all employees to adhere to. Related parties of inside information are prohibited from buying or selling the Company's securities during the 30 days period before annual and quarterly financial statements are released to the general public.
- 9) Require all directors to report their interest at least before the consideration of that particular agenda item and record in the minutes of the Board of Directors' meeting and ensure that the director with significant interest that may influence the director from expressing his independent opinion refrain from participating in that particular agenda.

Section 3 Roles of Stakeholders

The Company shows genuine concern for all stakeholders not only internal stakeholders i.e. shareholders or investors and employees but also external stakeholders such as customers, suppliers, creditors, competitors, society and community. In conducting its business, the Company values rights of all stakeholders according to the following guidelines.

(1) Employee Treatment Policy and Guidelines

The Company realizes that employees are a key success factor in attaining its goals. As a result, the Company formulated a policy that promotes fair treatment to employees in various aspects such as opportunity, compensation, appointment, relocation and capability development. To ensure compliance with the policy, the Company set forth the following guideline.

- 1) Treat employees with politeness and respect their individualism.
- 2) Offer employees fair compensation, set up a provident fund for employees and place importance on employee welfares and benefits.
- 3) Ensure that working environment is safe for employees' lives, properties as well as occupational health.
- 4) Prioritize the continuous development of capabilities, knowledge and ability by consistently and inclusively giving employees opportunities to enhance their skills to support organizational growth.
- 5) Appoint, relocate, reward and punish employees rightfully with sincerity based on knowledge, ability and suitability of each individual employee.
- 6) Be open to their opinions and recommendations that are based on their professional knowledge.
- 7) Strictly comply with laws and regulations related to employees
- 8) Respect employees' privacy and do not disclose personal information such as salary, medical history and family background to outsiders or non-related parties unless required by laws or permitted with the consents from related employees.

(2) Treatment of Shareholders Policy and Guidelines

- 1) Perform duties with honesty and make work decisions according to professional principles carefully, prudently and fairly to majority shareholders and minority shareholders aiming to deliver satisfactory performance and stable growth for the best interest of shareholders as a whole.
- 2) Present reports on the Company's status, performance, financial and accounting information including other reports regularly and in complete based on facts.
- 3) Inform all stakeholders equally about the Company's outlook both positive and negatives sides according to underlying probability with supporting information and adequate reasons.
- 4) Refrain from seeking personal benefits and benefits of others using any inside information or any action that may cause conflict of interest with the Company.

(3) Treatment of Customers Policy and Guidelines

The Company highly values its customers and stipulated the following policy and guidelines to treat its customers.

- 1) Ensure a control system of production process for customers and place value on development and improvement of production technology, customer service and regular product and service quality check.
- 2) Implement a control system to ensure strict compliance with customer agreements with honesty, consistency and attention to customer needs.
- 3) Put in place a control system to treat customers' confidential information as the Company's confidential information and never wrongfully use the information for personal interest or interest of others.

- Translation -



(4) Treatment of Suppliers and/or Creditors Policy and Guidelines

The Company has a policy that requires employees to treat all suppliers and/or creditors fairly and honestly without taking advantage of them. The best interest of the Company shall be kept at heart while fair rewards to both sides must be fostered. The employees shall avoid any situation that can lead to a conflict of interest and negotiate and resolve any issue based on business relations. The following guidelines shall apply.

- 1) Ensure a transparent vendor selection process by providing equal information and choosing suppliers with fairness under proper assessment and selection criteria. Contracts must be in proper formats fair to both parties.
- 2) Do not solicit, accept or grant any benefit wrongfully when dealing with suppliers and/or creditors.
- 3) In case that there is information on a misconduct related to solicitation, acceptance or granting of benefits, employees shall disclose such information to the suppliers and/or creditors in order to fairly and quickly find mutual solutions to the problem.
- 4) Strictly conform to agreed terms. In case of a breach of one of the terms, the Company shall notify suppliers and/or creditors immediately and in advance in order to find mutual solutions.
- 5) Treat creditors as valuable counterparties and is committed to fulfilling all obligations according to the contracts with those creditors. The Company shall not hide any information or fact that can cause any damage to creditors. In case that the Company cannot fulfill its obligations, creditors must be informed in advance to find mutual solutions to the problem including guarantee terms, capital management and default.

(5) Treatment of Competitors Policy and Guidelines

The Company set a policy on treating its competitors fairly without wrongfully obtaining confidential information or trade secrets of the competitors per following.

- 1) Conform to rules of the competition
- 2) Avoid dishonest approaches to destroy its trade rivals
- 3) Refrain from intentionally sabotaging reputation of competitors by false accusation.

(6) Treatment of Society and/or Community Policy and Guidelines

The Company put in place a policy on conducting its business that benefits economy and society and fully abides by laws and related rules and regulations. The Company is also committed to good citizenship and the development and enhancement of quality of life of the society and communities where the Company is located so that the Company can grow sustainably alongside the communities.

(7) Environmental Policy

The Company has a policy to support activities that promote quality of life, occupational health and environment as well as consistently maintain working environment that are safe for employees' lives and properties. The Company undertakes its business in parallel with responsibility for the environment and living conditions of the local communities to promote and preserve the environment of neighboring areas to attain sustainability and growth of the Company.

Section 4 Information Disclosure and Transparency

The Board of Directors places importance on disclosure of information related to the Company both financial information and non-financial information with accuracy, completeness, timeliness and transparency in accordance with rules set by the Office of Securities and Exchange Commission and the Stock Exchange of Thailand. The information includes other information that may have an impact on the price of the Company's securities which affects the decision-making process of investors and stakeholders.

- 1) The Company sets a mechanism to ensure that information disclosed to investors are not misleading, inaccurate or insufficient for investors to make informed decisions.
- 2) The Board of Directors summarizes approved corporate governance policy, business ethics, risk management policy and environmental and social policy as well as performances related to those policies including cases of incompliance and reasons. These matters should be publicized through different channels such as annual report and the Company's website.

- Translation -



- 3) The Company established Investor Relations Department to represent the Company in communicating with investors and shareholders on relevant general information and financial information useful for shareholders, securities analysts and other related parties through various channels such as the electronic means of the Stock Exchange of Thailand and the Company's website.
- 4) The Board of Directors prepares the report on the Board of Directors for the financial statements along with the auditor's report in the annual report.
- 5) Disclose audit fees and related service charges from the auditor.
- 6) Disclose information on roles and responsibilities of the Board of Directors and subcommittees, number of meetings, meeting attendance of individual directors, opinions of the directors, training programs and continuous professional knowledge development in the annual report.
- 7) Publish compensation policy of directors and high-level executives that reflects their duties and responsibilities including the form or type of compensation. Note that the amount of disclosed compensation shall include director compensation each director receives from being a director in subsidiaries.
- 8) Apart from information disclosure according to regulations through the channel of the Stock Exchange of Thailand, the annual registration statement (Form 56-1) and the annual report, the Board of Directors shall consider disclosing information via other channels such as the Company's website.
- 9) All directors and executives must report the Company on their personal interest or interest of related persons for the interest pertinent to business management of the Company and its subsidiaries according to criteria and approaches set by the Capital Market Supervisory Board. Adjustments must be made and reported to the Company within 30 days from the day of changes in the interest. The Company shall include reporting on interest as an agenda item in the meeting of the Board of Directors' to acknowledge on a quarterly basis.
- 10) Prepare the Management Discussion and Analysis to supplement the disclosure of financial statements every quarter so that investors are better informed of key changes on its financial position and performances in each quarter on top of numeric information in the financial statements.

Section 5 Responsibilities of the Board of Directors

(1) Structure of the Board of Directors

The Board of Directors consists of at least 5 directors and independent directors must make up of at least 1 out of 3 of the total number of directors with at least 3 independent directors in alignment with the rule set by the Office of Securities Exchange and Commission and the Stock Exchange of Thailand. Note that directors are qualified individuals with knowledge, capabilities and experience in various fields including business, accounting and finance which are relevant and supportive of the Company's business. The Company has 4 subcommittees which are the Executive Committee, the Audit Committee, the Nomination and Remuneration Committee and the Risk Management Committee.

Directors and high-level executives of the Company have never been employees or partners of the external audit company the Company has been using in the past 2 years.

All independent directors must be qualified according to the notification of the Capital Market Advisory Board Tor Jor 39/2016 Re. Request for Approval and Approval for New Share Issuance (including amendments) and act independently from management and majority shareholders of the Company as well as must not hold directorship for more than 5 listed companies.

The policy on term of office of directors is according to the Company's rules which stipulated that at the Annual General Meeting of the shareholders each year one third (1/3) of the Board of Directors must retire from office and the longest-serving director will retire first. Directors shall hold office for a term of 3 years and retired directors may be re-appointed to serve more terms as elected from the shareholders' meeting.

Furthermore, the Company appointed the Executive Committee, the Audit Committee, the Nomination and Remuneration Committee and the Risk Management Committee and clearly defined their scopes of authority, duties and responsibilities to prevent a particular director to have unlimited authority. Company secretary was also appointed to perform duties related to the Board of Directors' activities as well as collaborate with other parties to ensure that required actions are taken according to resolutions from the Board of Directors.

(2) Sub-committees

The Board of Directors appointed 4 sub-committees consisting of the Executive Committee, the Audit Committee, the Nomination and Remuneration Committee and the Risk Management Committee to deliberate matters under their specified scopes of authority to enhance effectiveness of the Board of Directors in performing its duties. Composition and appointment of these sub-committees are according to the charter of each sub-committee.

(3) Duties, Roles and Responsibilities of the Board of Directors.

1) Corporate Governance Policy

The Company has an intention to maintain highest standards of its corporate governance by adhering to the good corporate governance principles for listed companies of the Stock Exchange of Thailand (2012) Moreover, the Code of Conduct and Business Ethics approved by the Board of Directors and communicated with employees across the organization is also adopted. Lastly, the Board of Directors approves and announces new internal rules and regulations periodically aiming to continuously improve and enhance its good governance.

2) Code of Conduct and Business Ethics

The Company prepared the Code of Conduct and Business Ethics for directors, executives and employees which was approved by the Board of Directors which requires its directors, executives and employees to strictly observe. The Code of Conduct and Business Ethics was communicated throughout the organization for mutual understanding via e-mail system and notifications on PR board at the Company's office to encourage proper ethical conduct in undertaking its business.

The Code of Conduct and Business Ethics for was drafted under principles of integrity, transparency, good corporate governance and acceptable social ethics.

3) Conflict of Interest

Any transaction made between the Company and related parties that may incur a conflict of interest must be reviewed by the Audit Committee before presenting at the Board of Directors' meeting for approval and/or the shareholders' meeting depending on the nature and size of the transaction according to the rules imposed by the Capital Market Advisory Board. Related directors or executives with a conflict of interest will not participate in the decision-making for that particular transaction.

4) Internal Control System and Internal Audit

The Company places value on efficient and effective internal control systems and the Board of Directors assigned the Audit Committee to be responsible for reviewing the Company's internal control systems to ensure the adequacy and effectiveness according to 5 components (control environment, risk assessment, control activities, information and communication and monitoring activities) of the internal control framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and reporting the results to the Board of Directors.

Internal Audit

The Company set up internal audit department as an independent unit with the head of internal audit overseeing internal control processes and reporting directly to the Audit Committee. Internal audit department examines and evaluates adequacy and efficiency of the Company's internal control using the annual audit form approved by the Audit Committee. The results of the audit will be presented to the Audit Committee on a quarterly basis to improve and enhance efficiency and effectiveness of the Company's business undertaking.

Note that appointment, removal and transfer of the head of internal audit must be approved by the Audit Committee.

4) Risk Management

The Board of Directors formulated an organization-wide policy on risk management. The Risk Management Committee is assigned to ensure compliance with the policy and report to the Audit Committee on a regular basis. Effective evaluation of the

- Translation -



Company's risk management must be conducted and the results shall be released in the Company's annual report. Attention shall be given to changes in risk levels, early warning signals and irregular transactions

5) Whistleblowing Channels

The Board of Directors put in place clear guidelines for whistleblowers and stakeholders via following channels.

- 1) Suggestion and complaint box
- 2) Direct whistleblowing and complaints to
 - Trusted supervisors at all level
 - Human resources director
 - Company secretary
 - Risk Management Committee
 - Audit Committee
 - Board of Directors
- 3) E-mail: Direct to the Audit Committee
whistle@dodaydream.com (
- 4) Postal mails: Direct to the Board of Directors or the Audit Committee
Do Day Dream Public Company Limited
32 Keharomklao Road, Saphansung, Bangkok 10240

Note that for all whistleblowing and complaint channels, the company secretary will take charge in liaising, gathering, accepting and submitting complaints as well as following up on investigation results.

- Translation -



(4) Meetings of the Board of Directors and Sub-committees

1) Board of Directors

The Company shall organize the Board of Directors' meeting on a quarterly basis at least 4 times a year with an advance notice. Note that the Board of Directors has an opinion that dedication to the Company from each director should not only be limited to meeting attendance but also sharing of ideas, recommendations, experiences and networks to add value to the Company's business.

2) Executive Committee

The Company shall organize the Executive Committee meeting on a quarterly basis at least 4 times a year with an advance notice.

Note that the Board of Directors has an opinion that dedication to the Company from each director should not only be limited to meeting attendance but also sharing of ideas, recommendations, experiences and networks to add value to the Company's business.

3) Audit Committee

The Company shall organize the Audit Committee meeting at least 4 times a year with an advance notice.

4) Nomination and Remuneration Committee

The Company shall organize Nomination and Remuneration Committee meeting at least 2 times a year with an advance notice.

5) Risk Management Committee

The Company shall organize the Executive Committee meeting on a quarterly basis at least 4 times a year with an advance notice.

(5) Self-Evaluation of the Board of Directors

The Board of Directors is required to assess its own performance and the performance of sub-committees on an annual basis in order to measure their performance and review problems and difficulties happened in the past year for future performance improvements of the Board of Directors and sub-committees. Required self-evaluation is in form of both the Board as a whole and the assessment of each sub-committee by the Nomination and Remuneration Committee.

(6) Compensation for Directors and Executives

- 1) Provide compensation for directors that is comparable to the peers in similar industries by considering their experiences, duties, accountability and responsibilities as well as expected benefits from each director. Directors who are assigned more duties and responsibilities such as being a member of a sub-committee shall receive additional compensation as appropriate.
- 2) Ensure that compensation for the chief executive director and high-level executives are according to the principles and policies stipulated by the Board of Directors for the best interest of the Company. Level of compensation that includes salary, bonus and other incentives must be aligned with each executive's performance keeping in mind the best interest of shareholders
- 3) The Board of Directors is responsible for evaluating performance of directors and executives on an annual basis to be applied in considering compensation for directors and executives. This is based on norms previously agreed by directors and executives using concrete indicators including financial performance, long-term strategic alignment, executive development and others. Evaluation results are to be considered and approved by the Board of Directors. The chairman of the Board or the most senior member should be the person who communicates the results to the CEO.

(7) Training and Development for Directors and Executives

- 1) Support and facilitate training and knowledge sharing for related parties for the Company's corporate governance including directors, member of the Audit Committee, executives and company secretary in order to ensure continuous work improvement. Training and development programs can be organized internally or by external institutions.
- 2) When new director is appointed, management will prepare documents and information useful for him/her to perform the duties as well as organize an

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introduction session on the nature of business and business practices of the Company.

(8) Succession Planning

The Board of Directors shall ensure that the Company has in place proper recruitment and selection system for executives and other key positions at all levels. Selection for chief executive officer position shall be according to a suitable selection process from both internal and external candidates.

Effective from 27 March 2017 onwards.

Announced on 27 March 2017

Attachment 6

Code of Conduct and Business Ethics

Announcement of the Board of Directors

No. 1/2017

Code of Conduct and Business Ethics of the Company and its Subsidiaries

In order to comply with the resolutions of the Board of Directors, in the meeting No. 1/2017 on 27 March 2017, the Company announced the Code of Conduct and Business Ethics to be principles and guidelines as follows:

1. Introduction

Do Day Dream Public Company Limited and its subsidiaries (collectively, the “Company / Group”) believe that the Code of Conduct and Business Ethics is an important basis for strengthening and enhancing corporate governance as well as the foundation for stability and sustainable growth. It will also support the Group to achieve its objectives. Therefore, the Group ensures that the business operations and the performance of duties of related persons will be in accordance with this Code of Conduct and Business Ethics.

2. Persons who have to comply

Persons who have to comply with the Code of Conduct and Business Ethics are the Group, which includes directors, executives, staff, employees, consultants as well as representatives or persons assigned to act on behalf of the Group or on behalf of the aforementioned persons.

3. Basic principles

The basic principles of the Code of Conduct and Business Ethics are:

- 3.1 Perform duties with honesty, morality and responsibility.
- 3.2 Keep confidential information and does not use inside information or confidential information to seek benefit for oneself or others in the wrong way.
- 3.3 Prevent or avoid any act that may lead to conflicts of interest.
- 3.4 behave like a professional practitioner with knowledge, expertise and prudence.

4. Code of Conduct and Business Ethics

The Group (which also includes those charged with compliance as described in No. 2) will adhere to the following Code of Conduct and Business Ethics:

4.1 Integrity

The Group should adhere to and maintain honesty as a principle in its business operations.

4.2 Compliance with laws and regulations

The Group will operate business in accordance with the laws and government regulations and will not assist, promote or support any illegal activities and transactions.

4.3 Use of knowledge, competence, expertise, care and attention

The Group should use knowledge, competence, expertise, care and attention to provide quality services to clients like professionals.

4.4 Good management and efficient internal control

The Group will establish good management system and risk management system as well as efficient and concise internal control system.

4.5 Standards for entrepreneurs

The Group will comply with generally accepted standards relevant to the Group's business operations.

5. Treatment of various stakeholders

The Group recognizes the importance of good treatment of various stakeholders on a basis of cooperation and assistance to benefit each other appropriately, i.e.

- (1) The Group should treat customers, business partners or competitors with mutual understanding and cooperation.
- (2) The Group should offer quality products to its customers with friendly service and generosity.
- (3) The Group should take care and protect the interests of its shareholders.
- (4) The Group will encourage employees to use their potential, knowledge and ability to perform their duties as well as support the appropriate development of potential, knowledge and abilities of employees.
- (5) The Group will support the performance of social missions as appropriate as well as be involved in activities for public welfare, education and building up the progress of the nation.

6. Supervision of conflicts of interest

The Group will control, supervise or prevent the case that the conflict of interest arises or may arise in connection with the operation of the Group's business and will not seek any benefit illegally or contrary to official requirements.

7. Customers' confidentiality

The Group will keep and take care of the customer's confidential information in a reasonable manner and will not disclose that confidential information to any other person unless with the customer's consent or legal action.

8. Communicating information about products or services to customers

The Group communicates information about the products or services to customers for correct understanding.

9. Giving advice or acting on behalf of customer

The Group will be reasonably cautious in giving advice or making decisions on any action on behalf of customer by taking into account the circumstances of customer.

10. Maintaining a good relationship with the authorities

The Group will consistently build and maintain good relations with the authorities, for example cooperating with the authorities as appropriate and following the advice of the authorities.

11. Data recording and reporting

The Group will record data and prepare accurate and reliable reports.

12. Service and performance

The Group should monitor developments and changes that have occurred and initiate innovations to achieve customer satisfaction as well as dedicate itself to performing work.

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13. Accepting gifts or incentives from customers or others

The Group does not request or accept money, gifts, prizes or rewards from customers or other persons except for accepting from traditional giving.

14. Maintaining a good reputation

The Group will maintain a good reputation and should refrain from doing any action that brings discredit to the Group.

15. Rights of persons and external activities

The Group should respect the rights of persons required by law and should promote and support participation in external activities. These activities must:

- (1) not affect the reputation and good image of the Group.
- (2) not be deterring or a significant obstacle to dedicating time or ability to perform duties.
- (3) not be contrary to the Code of Conduct and Business Ethics.
- (4) not cause a conflict of interest.
- (5) not be contrary to law and good morals.

Effective from 27 March 2017 onwards.

Announced on 27 March 2017

**Do Day Dream Public Company Limited
and its Subsidiaries**

Financial statements for the year ended
31 December 2020
and
Independent Auditor's Report

Independent Auditor's Report

To the Shareholders of Do Day Dream Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Do Day Dream Public Company Limited and its subsidiaries (the "Group") and of Do Day Dream Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2020, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2020 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

Impairment of intangible asset - trademark	
Refer to note 4(i) and 4(l) to the financial statements	
The key audit matter	How the matter was addressed in the audit
<p>The Group has significant trademark with a carrying value of Baht 84.75 million, which arose from a business acquisition in 2018.</p> <p>Management is required to assesses the impairment on an annual basis. The recoverable amount was based on its value in use, determined by discounting future cash flows to be generated from the continuing use of the asset. The entity engaged an independent valuer to assist in the analysis.</p> <p>Significant judgment is required to determine the assumptions which are subject to inherent uncertainty involved in forecasting and discounting of future cash flows. Consequently, I consider this is an area of focus.</p>	<p>My audit procedures included the following, I:</p> <ul style="list-style-type: none"> • Inquired of management to gain an understanding of the process of determination of the recoverable amount; • Evaluated the qualifications and independence of the independent valuer of the Group; • Considered the key assumptions in the estimated recoverable amount of the asset by comparing the estimated result with industry trends, information derived from external and internal sources and assessed the financial methodologies used by the Group to determine the discount rate; • Performed sensitivity analysis around the key assumptions; and • Considered the adequacy of disclosures in accordance with Thai Financial Reporting Standards.

Revenue recognition and recognition of accrued sales promotion expenses	
Refer to note 4(o), 4(q) and 21 to the financial statements	
The key audit matter	How the matter was addressed in the audit
Revenue from sales of goods is 63% of the Group's revenues. The Group has agreements with customers, under which contain conditions regarding discounts, sale promotions, and special bonuses intended to boost sales during specific period. The accruals for these discounts and bonuses as at year end are estimated based on expected sales. Because of the significance of the amounts and the judgements involved, I consider this is an area of focus.	<p>My audit procedures included the following, I:</p> <ul style="list-style-type: none"> • Obtain an understanding of the Group's policy in relation to the estimates of discounts and promotional expenses; • Evaluated the design and tested the operating effectiveness of internal controls, on a sample basis, related to the estimates of discounts and promotional expenses; • Tested calculation of sales discounts, sales promotion expenses and accrued sales promotion expenses for a sample of items with related supporting documents whether they are compliant with the conditions in agreements and commercial agreements during the year and near the end of period; • Tested the appropriateness of accrued sales promotion expenses for a sample of items by performing subsequent cash payments, credit note and related supporting documents post year-end; and • Considered the adequacy of disclosures in accordance with Thai Financial Reporting Standards.

Acquisition of business	
Refer to note 4(a) and 6 to the financial statements	
The key audit matter	How the matter was addressed in the audit
<p>On 3 March 2020, the Group acquired a business, which engages in distribution of beauty products, training services and providing sales advice. During 2020, the Group had completed determining the fair value of the net assets acquired resulting in the recognition of intangible assets for goodwill of Baht 170.90 million, trademark of Baht 238.69 million and customer relationships of Baht 81.51 million in the consolidated statement of financial position as at 31 December 2020.</p> <p>The determination of these fair values required assumptions with regards to future sales and discount rates. Management engaged an independent valuer to assist in the analysis.</p> <p>Due to the materiality of the transaction, the complexity of business combination accounting and the significant judgement required in the identification and fair value measurement of the intangible assets acquired, I consider this is an area of focus.</p>	<p>My audit procedures included the following, I:</p> <ul style="list-style-type: none"> • Made enquiries from management and read the sale and purchase agreement to gain an understanding of the purpose and conditions of this acquisition; • Evaluated the Group's independent valuers' assessment on identification of all the assets acquired, liabilities assumed, and consideration transferred; • Evaluated the qualifications, competency and independence of the independent valuer of the Group; • Evaluate appropriateness of key assumptions used in the fair value measurement by comparing to external and internal sources; • Involved KPMG specialist in assessing the appropriateness of the valuation methodology and financial parameters applied to the discount rate of the intangible assets; • Tested calculation; and • Considered the adequacy of the disclosures in accordance with Thai Financial Reporting Standards.

Other Information

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

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

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

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

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 and the Company or to cease operations, or has no realistic alternative but to do so.

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

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

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

(Veerachai Ratanajaratkul)
 Certified Public Accountant
 Registration No. 4323

KPMG Phoomchai Audit Ltd.
 Bangkok
 25 February 2021

Do Day Dream Public Company Limited and its Subsidiaries

Statement of financial position

		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Assets	Note	2020	2019	2020	2019
		(in Baht)			
Current assets					
Cash and cash equivalents	8	488,582,382	1,023,690,359	255,080,844	824,942,712
Trade and other current receivables	7	341,087,472	240,639,677	250,500,767	232,594,882
Short-term loans to subsidiaries	7	-	-	230,000,000	114,000,000
Inventories	9	361,407,641	361,815,951	71,781,654	276,665,435
Other current financial assets	27	3,083,330,233	2,908,041,682	3,083,329,732	2,908,041,682
Other current assets		6,554,531	20,560,540	1,089,196	5,352,677
Total current assets		4,280,962,259	4,554,748,209	3,891,782,193	4,361,597,388
Non-current assets					
Investments in subsidiaries	10	-	-	936,160,400	201,029,510
Investment in an associate	11	78,970,101	-	-	-
Property, plant and equipment	13	251,587,374	257,934,978	227,077,459	255,568,933
Right-of-use assets	14	59,037,025	-	7,803,994	-
Goodwill	6, 16	170,900,114	-	-	-
Intangible assets other than goodwill	17	426,098,376	99,295,770	11,737,445	14,174,399
Restricted deposits at financial institutions		20,473,000	20,273,000	20,273,000	20,273,000
Deferred tax assets	24	40,244,731	22,742,375	-	5,320,544
Other non-current assets		5,239,387	1,714,632	504,269	29,130
Total non-current assets		1,052,550,108	401,960,755	1,203,556,567	496,395,516
Total assets		5,333,512,367	4,956,708,964	5,095,338,760	4,857,992,904

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

Do Day Dream Public Company Limited and its Subsidiaries

Statement of financial position

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2020	2019	2020	2019
		(in Baht)			
Current liabilities					
Trade and other current payables		221,903,217	180,979,629	33,507,403	43,480,711
Current portion of lease liabilities					
(2019: Current portion of liabilities under hire purchase and finance lease liabilities)	18	21,283,048	408,664	3,940,829	408,664
Current income tax payable		7,585,890	3,521,982	-	3,521,982
Other current liabilities		7,138,216	5,112,917	1,279,200	983,027
Total current liabilities		257,910,371	190,023,192	38,727,432	48,394,384
Non-current liabilities					
Lease liabilities (2019: Liabilities under hire purchase and finance lease liabilities)	18	39,554,820	1,805,352	4,391,566	1,805,352
Put options	6, 27	29,114,777	-	29,114,777	-
Deferred tax liabilities	24	79,667,794	-	51,726,180	-
Non-current provisions for employee benefits	19	34,772,963	2,295,839	3,415,581	2,134,200
Total non-current liabilities		183,110,354	4,101,191	88,648,104	3,939,552
Total liabilities		441,020,725	194,124,383	127,375,536	52,333,936

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

Do Day Dream Public Company Limited and its Subsidiaries

Statement of financial position

Liabilities and equity (Continued)	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2020	2019	2020	2019
		(in Baht)			
Equity					
Share capital:					
Authorised share capital					
(318,000,000 ordinary shares, par value at					
Baht 1 per share)		318,000,000	318,000,000	318,000,000	318,000,000
Issued and paid-up share capital					
(317,887,700 ordinary shares, par value at					
Baht 1 per share)		317,887,700	317,887,700	317,887,700	317,887,700
Share premium:					
Share premium on ordinary shares		4,399,859,862	4,399,859,862	4,399,859,862	4,399,859,862
Deficit on change in the ownership interests					
in subsidiary		(31,835,833)	(31,835,833)	-	-
Retained earnings					
Appropriated					
Legal reserve	20	31,800,000	31,800,000	31,800,000	31,800,000
Unappropriated		43,005,310	29,121,775	254,334,405	56,111,406
Other equity interest	6	(35,918,743)	-	(35,918,743)	-
Other components of equity		(5,335,772)	(6,296,817)	-	-
Equity attributable to owners of the parent		4,719,462,524	4,740,536,687	4,967,963,224	4,805,658,968
Non-controlling interests	12	173,029,118	22,047,894	-	-
Total equity		4,892,491,642	4,762,584,581	4,967,963,224	4,805,658,968
Total liabilities and equity		5,333,512,367	4,956,708,964	5,095,338,760	4,857,992,904

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

Do Day Dream Public Company Limited and its Subsidiaries

Statement of comprehensive income

		Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2020	2019	2020	2019
		(in Baht)			
Revenue					
Revenue from sale of goods	7, 21	1,000,337,479	729,064,786	158,809,529	372,514,187
Interest income		3,136,504	33,780,780	6,815,338	35,318,667
Dividend income from subsidiaries	7, 10	-	-	114,000,135	24,519,077
Dividend income from financial assets		36,049,349	-	36,049,349	-
Net gain on fair value measurement of financial assets and liabilities	27	446,206,442	8,041,682	446,206,442	8,041,682
Gain on disposal of financial assets		99,655,974	22,512,289	99,655,974	22,512,289
Other income		4,889,507	3,040,398	10,629,670	8,527,406
Total revenue		1,590,275,255	796,439,935	872,166,437	471,433,308
Expenses					
Cost of sales of goods	9	580,994,898	258,248,027	325,163,466	272,003,699
Distribution costs		490,651,301	431,913,701	11,191,584	13,560,506
Administrative expenses		265,579,868	166,645,583	129,163,055	134,195,203
Total expenses		1,337,226,067	856,807,311	465,518,105	419,759,408
Profit (loss) from operating activities		253,049,188	(60,367,376)	406,648,332	51,673,900
Finance costs		2,002,248	612,707	499,770	612,707
(Impairment gain and reversal of) impairment loss determined in accordance with TFRS 9		17,287,016	-	(2,963,544)	-
Share of loss of an associate accounted for using equity method	11	1,029,899	-	-	-
Profit (loss) before income tax expense	21	232,730,025	(60,980,083)	409,112,106	51,061,193
Tax expense (income)	24	53,185,401	(7,763,188)	57,107,514	2,596,339
Profit (loss) for the year	21	179,544,624	(53,216,895)	352,004,592	48,464,854

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

Do Day Dream Public Company Limited and its Subsidiaries

Statement of comprehensive income

		Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
Note		2020	2019	2020	2019
		(in Baht)			
Other comprehensive income					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translating financial statements		2,039,825	(9,191,041)	-	-
Total items that will be reclassified subsequently to profit or loss		2,039,825	(9,191,041)	-	-
<i>Items that will not be reclassified to profit or loss</i>					
Gain (loss) on remeasurements of defined benefit plans	19, 24	(2,289,356)	5,386,848	(303,947)	4,371,731
Income tax relating to item that will not be reclassified	24	457,871	(1,077,370)	60,789	(874,346)
Total items that will not be reclassified to profit or loss		(1,831,485)	4,309,478	(243,158)	3,497,385
Other comprehensive income (expense)					
for the year, net of tax		208,340	(4,881,563)	(243,158)	3,497,385
Total comprehensive income (expense) for the year		179,752,964	(58,098,458)	351,761,434	51,962,239
Profit (loss) attributable to:					
Owners of the parent		169,253,455	(53,785,195)	352,004,592	48,464,854
Non-controlling interests		10,291,169	568,300	-	-
Profit (loss) for the year		179,544,624	(53,216,895)	352,004,592	48,464,854
Total comprehensive income (expense) attributable to:					
Owners of the parent		168,382,824	(57,769,323)	351,761,434	51,962,239
Non-controlling interests		11,370,140	(329,135)	-	-
Total comprehensive income (expense) for the year		179,752,964	(58,098,458)	351,761,434	51,962,239
Basic earnings (loss) per share (in Baht)	25	0.53	(0.17)	1.11	0.15

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

Do Day Dream Public Company Limited and its Subsidiaries

Statement of changes in equity

Consolidated financial statements											
Note	Issued and paid-up share capital	Share premium	Dificit on changes in the ownership interests in subsidiary	Retained earnings			Other components of equity		Equity attributable to owners of the parent	Non-controlling interests	Total equity
				Legal reserve	Unappropriated	Other equity interest	Translation reserve				
				(in Baht)							
Year ended 31 December 2019											
Balance at 1 January 2019	317,887,700	4,399,859,862	(31,835,833)	31,800,000	237,540,942	-	1,996,789	4,957,249,460	25,470,528	4,982,719,988	
Transactions with owners, recorded directly in equity											
Distributions to owners of the parent											
Dividends to owners of the Company	26	-	-	-	-	(158,943,450)	-	-	(158,943,450)	-	(158,943,450)
Dividends to non-controlling interests		-	-	-	-	-	-	-	-	(3,093,499)	(3,093,499)
Total transactions with owners, recorded directly in equity		-	-	-	-	(158,943,450)	-	-	(158,943,450)	(3,093,499)	(162,036,949)
Comprehensive income for the year											
Profit (loss)		-	-	-	-	(53,785,195)	-	-	(53,785,195)	568,300	(53,216,895)
Other comprehensive income (expense)		-	-	-	-	4,309,478	-	(8,293,606)	(3,984,128)	(897,435)	(4,881,563)
Total comprehensive income for the year		-	-	-	-	(49,475,717)	-	(8,293,606)	(57,769,323)	(329,135)	(58,098,458)
Balance at 31 December 2019	317,887,700	4,399,859,862	(31,835,833)	31,800,000	29,121,775	-	(6,296,817)	4,740,536,687	22,047,894	4,762,584,581	

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

Do Day Dream Public Company Limited and its Subsidiaries

Statement of changes in equity

Consolidated financial statements											
Note	Issued and paid-up share capital	Share premium	Difcicit on changes in the ownership interests in subsidiary	Retained earnings		Other equity interest	Other components of equity		Equity attributable to owners of the parent	Non-controlling interests	Total equity
				Legal reserve	Unappropriated		Translation reserve				
(in Baht)											
Year ended 31 December 2020											
Balance at 1 January 2020	317,887,700	4,399,859,862	(31,835,833)	31,800,000	29,121,775	-	(6,296,817)		4,740,536,687	22,047,894	4,762,584,581
Transactions with owners, recorded directly in equity											
Distributions to owners of the parent											
Dividends to owners of the Company	26	-	-	-	(153,538,435)	-	-		(153,538,435)	-	(153,538,435)
Dividends to non-controlling interests		-	-	-	-	-	-		-	(36,000,014)	(36,000,014)
Total distributions to owners of the parent		-	-	-	(153,538,435)	-	-		(153,538,435)	(36,000,014)	(189,538,449)
Changes in ownership interests in subsidiaries											
Acquisition of non-controlling interests from new subsidiaries	6	-	-	-	-	-	-		-	138,486,289	138,486,289
Acquisition of non-controlling interests without a change in control	10	-	-	-	-	-	-		-	37,125,000	37,125,000
Total changes in ownership interests in subsidiaries		-	-	-	-	-	-		-	175,611,289	175,611,289
Total transactions with owners, recorded directly in equity		-	-	-	(153,538,435)	-	-		(153,538,435)	139,611,275	(13,927,160)
Put options	6	-	-	-	-	(35,918,743)	-		(35,918,743)	-	(35,918,743)
Comprehensive income for the year											
Profit		-	-	-	169,253,455	-	-		169,253,455	10,291,169	179,544,624
Other comprehensive income (expense)		-	-	-	(1,831,485)	-	961,045		(870,440)	1,078,780	208,340
Total comprehensive income for the year		-	-	-	167,421,970	-	961,045		168,383,015	11,369,949	179,752,964
Balance at 31 December 2020	317,887,700	4,399,859,862	(31,835,833)	31,800,000	43,005,310	(35,918,743)	(5,335,772)		4,719,462,524	173,029,118	4,892,491,642

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

Do Day Dream Public Company Limited and its Subsidiaries

Statement of changes in equity

		Separate financial statements					
		Retained earnings					
	Note	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated (in Baht)	Other equity interest	Total equity
Year ended 31 December 2019							
Balance at 1 January 2019		317,887,700	4,399,859,862	31,800,000	163,092,617	-	4,912,640,179
Transactions with owners, recorded directly in equity							
<i>Distributions to owners</i>							
Dividends to owners of the Company	26	-	-	-	(158,943,450)	-	(158,943,450)
Total transactions with owners, recorded directly in equity		-	-	-	(158,943,450)	-	(158,943,450)
Comprehensive income for the year							
Profit		-	-	-	48,464,854	-	48,464,854
Other comprehensive income		-	-	-	3,497,385	-	3,497,385
Total comprehensive income for the year		-	-	-	51,962,239	-	51,962,239
Balance at 31 December 2019		317,887,700	4,399,859,862	31,800,000	56,111,406	-	4,805,658,968

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

Do Day Dream Public Company Limited and its Subsidiaries
Statement of changes in equity

		Separate financial statements					
		Retained earnings					
	Note	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated (in Baht)	Other equity interest	Total equity
Year ended 31 December 2020							
Balance at 1 January 2020		317,887,700	4,399,859,862	31,800,000	56,111,406	-	4,805,658,968
Transactions with owners, recorded directly in equity							
<i>Distributions to owners</i>							
Dividends to owners of the Company	26	-	-	-	(153,538,435)	-	(153,538,435)
Total transactions with owners, recorded directly in equity		-	-	-	(153,538,435)	-	(153,538,435)
Put options	6	-	-	-	-	(35,918,743)	(35,918,743)
Comprehensive income for the year							
Profit		-	-	-	352,004,592	-	352,004,592
Other comprehensive income (expense)		-	-	-	(243,158)	-	(243,158)
Total comprehensive income for the year		-	-	-	351,761,434	-	351,761,434
Balance at 31 December 2020		317,887,700	4,399,859,862	31,800,000	254,334,405	(35,918,743)	4,967,963,224

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

Do Day Dream Public Company Limited and its Subsidiaries
Statement of cash flows

		Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2020	2019	2020	2019
		(in Baht)			
Cash flows from operating activities					
Profit (loss) for the year		179,544,624	(53,216,895)	352,004,592	48,464,854
<i>Adjustments to reconcile profit (loss) to cash receipts (payments)</i>					
Tax expense (income)	24	53,185,401	(7,763,188)	57,107,514	2,596,339
Finance costs		2,002,248	612,707	499,770	612,707
Depreciation and amortisation	13, 14, 17	69,740,502	33,698,109	36,570,382	33,195,471
(Reversal of) impairment loss recognised in profit or loss		17,287,016	7,090,000	(2,963,544)	-
Provisions for employee benefits	19	(156,359)	586,558	977,434	521,319
Unrealised (gain) loss on exchange		1,245,654	(363,854)	1,533,904	575,152
Gain on fair value measurement of financial assets	27	(439,402,476)	(8,041,682)	(439,402,476)	(8,041,682)
Gain on fair value measurement of financial liabilities		(6,803,966)	-	(6,803,966)	-
Share of loss of an associate accounted for using equity method, net of tax	11	1,029,899	-	-	-
Gain on disposal of current financial assets		(99,655,974)	(22,512,289)	(99,655,974)	(22,512,289)
Bad and doubtful debts expenses		-	5,981,943	-	5,873,813
Loss on inventories devaluation	9	167,909,192	40,428,113	143,437,607	39,203,091
(Gain) loss on disposal of property, plant and equipment		(166,927)	168,807	(166,887)	168,807
Written-off property, plant and equipment		-	29,952	-	29,952
Dividend income		(36,049,349)	-	(150,049,484)	(24,519,077)
Interest income		(3,136,504)	(33,780,780)	(6,815,338)	(35,318,667)
		(93,427,019)	(37,082,499)	(113,726,466)	40,849,790
Changes in operating assets and liabilities					
Trade accounts receivable and other receivables		111,329,972	18,378,055	(14,343,248)	(35,194,785)
Inventories		(7,502,785)	(10,660,749)	61,446,174	43,311,602
Other current assets		16,878,931	(15,456,545)	4,263,481	(2,647,897)
Other non-current assets		(403,132)	8,732	(475,139)	(3,000)
Trade accounts payable and other payables		(70,365,813)	24,086,008	(9,477,833)	(9,445,590)
Provisions for employee benefits	19	(3,310,677)	-	-	-
Other current liabilities		(1,813,694)	2,258,725	296,173	(97,791)
Net cash generated from (used in) operating		(48,614,217)	(18,468,273)	(72,016,858)	36,772,329
Taxes paid		(16,436,153)	(15,028,911)	(3,748,633)	(4,750,011)
Net cash from (used in) operating activities		(65,050,370)	(33,497,184)	(75,765,491)	32,022,318

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

Do Day Dream Public Company Limited and its Subsidiaries

Statement of cash flows

		Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2020	2019	2020	2019
		(in Baht)			
Cash flows from investing activities					
Changes in restricted deposits at financial institutions		(200,000)	-	-	-
Acquisition of investment in subsidiary		-	-	(2,624,850)	-
Acquisition of subsidiaries, net of cash acquired	6	(554,050,401)	-	(732,506,040)	-
Acquisition of interest in an associate	11	(80,000,000)	-	-	-
Acquisition of other current financial assets		(4,117,061,052)	(6,592,721,658)	(4,117,060,552)	(6,592,721,658)
Proceeds from sale of other current financial assets		4,480,830,952	6,114,798,216	4,480,830,952	6,114,798,216
Acquisition of property, plant and equipment		(19,983,847)	(14,864,847)	(5,101,726)	(13,012,181)
Proceeds from sale of property, plant and equipment		1,323,233	4,961	1,399,976	4,961
Acquisition of intangible assets		-	(38,946)	-	(15,000)
Proceeds from sale of intangible assets		23,361	-	-	-
Short-term loans to subsidiaries	7	-	-	(136,000,000)	(24,000,000)
Proceeds from repayment of loan to a subsidiary	7	-	-	20,000,000	10,000,000
Dividend received from subsidiaries	10	-	-	114,000,135	24,519,077
Dividend received from financial assets		36,049,349	-	36,049,349	-
Interest received		3,136,504	38,182,770	5,577,474	41,038,136
Net cash used in investing activities		(249,931,901)	(454,639,504)	(335,435,282)	(439,388,449)
Cash flows from financing activities					
Proceeds from change in ownership interest in subsidiaries without a change in control		37,125,000	-	-	-
Repayment of short-term loans borrowings		(57,613,144)	-	-	-
Repayment of long-term loans borrowings		-	(91,197,084)	-	(91,197,084)
Payment of lease liabilities (2019: Payment by a lessee for reduction of the outstanding liability relating to a finance lease)		(9,666,654)	(1,130,598)	(3,940,921)	(1,130,598)
Dividends paid to owners of the Company	26	(153,538,436)	(158,943,450)	(153,538,436)	(158,943,450)
Dividends paid to non-controlling interests		(36,000,014)	(3,093,499)	-	-
Interest paid		(2,073,088)	(694,136)	(499,770)	(694,136)
Net cash used in financing activities		(221,766,336)	(255,058,767)	(157,979,127)	(251,965,268)
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates		(536,748,607)	(743,195,455)	(569,179,900)	(659,331,399)
Effect of exchange rate changes on cash and cash equivalents		1,640,630	(7,596,212)	(681,968)	-
Net decrease in cash and cash equivalents		(535,107,977)	(750,791,667)	(569,861,868)	(659,331,399)
Cash and cash equivalents at 1 January		1,023,690,359	1,774,482,026	824,942,712	1,484,274,111
Cash and cash equivalents at 31 December		488,582,382	1,023,690,359	255,080,844	824,942,712
Supplemental disclosures of cash flows information:					
Property, plant and equipment acquired during the year are detailed as follows:					
Increase in property, plant and equipment during the year	13, 14	19,574,498	15,554,241	4,619,736	13,703,989
Change in payables on acquisition of plant and equipment		409,350	(689,394)	481,990	(691,808)
Net acquisition of property, plant and equipment paid by cash		19,983,847	14,864,847	5,101,726	13,012,181

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

Do Day Dream Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

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Do Day Dream Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

These notes form an integral part of the interim financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorized for issue by the Board of Directors on 25 February 2021.

1 General information

Do Day Dream Public Company Limited (“the Company”), is incorporated in Thailand and was listed on the Stock Exchange of Thailand on 26 December 2017. The Company’s registered office at 32 Keharomklao road, Kwang Ratphatthana, Khet Saphansung, Bangkok 10240, Thailand.

The Company’s major shareholder during the financial year was Mr. Sarawut Pornpatanarak (56.50% shareholding).

The principal businesses of the Company and its subsidiaries (together referred to the “Group”) are manufacturing and distributing cosmetics and beauty products.

Details of the Company’s subsidiaries as at 31 December 2020 and 2019 are given in note 10.

2 Basis of preparation of the financial statements

(a) Statement of compliance

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

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2020. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies.

The Group has initially applied TFRS - Financial instruments standards which comprise TFRS 9 *Financial Instruments* and relevant standards and interpretations and TFRS 16 *Leases* and disclosed impact from changes to significant accounting policies in note 3.

In addition, the Group has not early adopted a number of new and revised TFRS, which are not yet effective for the current period in preparing these financial statements. The Group has assessed the potential initial impact on the financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

(b) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company’s functional currency. All financial information has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

Do Day Dream Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

(c) Use of judgements and estimates

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

(i) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

4(j), 14 and 15	Leases: <ul style="list-style-type: none"> - whether an arrangement contains a lease; - whether the Group is reasonably certain to exercise extension options; - whether the Group exercise termination options; - whether the Group has transferred substantially all the risks and rewards incidental to the ownership of the assets to lessees;
4(q) and 21	Revenue recognition <ul style="list-style-type: none"> - whether performance obligations in a bundled sale of products and services are capable of being distinct; - whether revenue from sales of products is recognised over time or at a point in time; - commission revenue: whether the Group acts as an agent in the transaction rather than as a principal; - whether long-term advances received from customers have significant financing component;
5	Impact of COVID-19 Outbreak;
6	Acquisitions of business: determining the acquisition date and determining whether the Group has control over the acquiree;
11	Equity-accounted investees: whether the Group has significant influence over an investee.

(ii) Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 31 December 2020 that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

4(j)	Determining the incremental borrowing rate to measure lease liabilities;
4(q) and 21	Revenue recognition: estimate of expected returns;
5	Impact of COVID-19;
6	Acquisition of subsidiary: fair value of the consideration transferred (including contingent consideration) and fair value of the assets acquired and liabilities assumed, measured on a provisional basis;
16 and 17	Impairment test of goodwill and other intangible assets: key assumptions underlying recoverable amounts;
19	Measurement of defined benefit obligations: key actuarial assumptions;
27	Measurement of ECL allowance for trade receivables: key assumptions in determining the weighted-average loss rate;

Do Day Dream Public Company Limited and its subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

- 24 Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised;
- 27 Determining the fair value of financial instruments on the basis of significant unobservable inputs.

3 Changes in accounting policies

From 1 January 2020, the Group has initially applied TFRS - Financial instruments standards and TFRS 16.

(a) TFRS - Financial instruments standards

The Group has adopted TFRS - Financial instruments standards by adjusting the cumulative effects to retained earnings and other components of equity on 1 January 2020. Therefore, the Group did not adjust the information presented for 2019. The disclosure requirements of TFRS for financial instruments have not generally been applied to comparative information.

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. The details of accounting policies are disclosed in note 4(d) and 4(k). The impact from adoption of TFRS - Financial instruments standards are as follows:

(a.1) Classification and measurement of financial assets and financial liabilities

TFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The classification is based on the cash flow characteristics of the financial asset and the business model in which they are managed. However, the Group may, at initial recognition, irrevocably designate a financial asset as measured at FVTPL. TFRS 9 eliminates the previous classification of held-to-maturity debt securities, available-for-sale securities, trading securities and general investment as specified by TAS 105.

The following table shows classification and measurement categories under TAS 105 and TFRS 9.

Consolidated/Separate financial statements				
Classification under TAS 105 at 31 December 2019		Classification under TFRS 9 at 1 January 2020		
	Carrying amounts	Fair value through profit or loss (in thousand Baht)	Amortised cost - net	Total
Financial assets				
Current investment				
Debt instruments held for trading	2,908,042	2,908,042	-	2,908,042
	<u>2,908,042</u>	<u>2,908,042</u>	<u>-</u>	<u>2,908,042</u>
Other long-term investment				
Restricted deposits at financial institutions	20,273	-	20,273	20,273
	<u>20,273</u>	<u>-</u>	<u>20,273</u>	<u>20,273</u>

Do Day Dream Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

(a.2) Impairment - Financial assets

TFRS 9 introduces forward-looking 'expected credit loss' (ECL) model whereas previously the Group estimates allowance for doubtful account by analysing payment histories and future expectation of customer payment. TFRS 9 requires considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis. The new impairment model applies to financial assets measured at amortised cost, except for investments in equity instruments.

The Group has determined that the application of TFRS 9's impairment requirements at 1 January 2020 and found that there is no material impact on the financial statements.

(b) TFRS 16 Leases

From 1 January 2020, the Group has initially adopted TFRS 16 on contracts previously identified as leases according to TAS 17 *Leases* and TFRIC 4 *Determining whether an arrangement contains a lease* using the modified retrospective approach.

Previously, the Group as a lessee, recognised payments made under operating leases and relevant lease incentives in profit or loss on a straight-line basis over the term of the lease. Under TFRS 16, the Group assesses whether a contract is, or contains, a lease. If a contract contains lease and non-lease components, the Group allocates the consideration in the contract based on stand-alone selling price (transaction price). As at 1 January 2020, the Group recognised right-of-use assets and lease liabilities, as a result, the nature of expenses related to those leases was changed because the Group recognised depreciation of right-of-use assets and interest expense on lease liabilities.

On transition, the Group also elected to use the following practical expedients:

- do not recognise right-of-use assets and lease liabilities for leases with less than 12 months of lease term;
- use hindsight when determining the lease term;
- apply a single discount rate to a portfolio of leases with similar characteristics;
- rely on previous assessments whether leases are onerous as an alternative to performing an impairment review; and
- exclude initial direct costs from measuring the right-of-use asset.

	Consolidated financial statements	Separate financial statements
<i>Impact from the adoption of TFRS 16</i>		
<i>At 1 January 2020</i>		
Decrease in property, plant and equipment	(2,770)	(2,770)
Increase in right-of-use assets	18,982	11,484
Increase in lease liabilities	(16,212)	(8,714)
	Consolidated financial statements	Separate financial statements
<i>Measurement of lease liability</i>		
Operating lease commitment as disclosed at 31 December 2019	17,301	8,987
Recognition exemption for short-term leases	(2,574)	(2,072)
Extension and termination options reasonably certain to be exercised	2,403	2,403
	17,130	9,318

Do Day Dream Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

	Consolidated financial statements	Separate financial statements
<i>Measurement of lease liability</i>		
Present value of remaining lease payments, discounted using the incremental borrowing rate at 1 January 2020	16,212	8,714
Finance lease liabilities recognised as at 31 December 2019	2,214	2,214
Lease liabilities recognised at 1 January 2020	18,426	10,928
Weighted-average incremental borrowing rate (<i>% per annum</i>)	4.88	4.88

Right-of-use assets and lease liabilities shown above were presented as part of skincare segment.

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in note 3.

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associates.

Business combinations

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

The acquisition date is the date on which control is transferred to the acquirer.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Any gain on bargain purchase is recognised in profit or loss immediately.

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 combination. If a business combination 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 recognised in other expenses.

Any contingent consideration is measured at fair value at the date of acquisition, and remeasured at fair value at each reporting date. Subsequent changes in the fair value are recognised in profit or loss.

A contingent liability of the acquiree is assumed in a business combination 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 combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

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If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interests

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

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

Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interests in associates is accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

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(b) Investments in subsidiaries and an associate

Investments in subsidiaries and associate in the separate financial statements of the Company are measured at cost less allowance for impairment losses.

Interests in subsidiaries and associate are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the separate financial statements include the Company's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence, control or joint control ceases.

Disposal of investments in the separate financial statements

On disposal of an investment, the difference between net disposal proceeds and the carrying amount is recognised in profit or loss.

(c) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

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

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are generally recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated to Thai Baht at the exchange rates at the reporting date.

The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the exchange rates at the dates of the transactions.

Foreign exchange differences are recognised in other comprehensive income and accumulated in the translation reserve, except to extent that the translation difference is allocated to non-controlling interests.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity until disposal of the investment.

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(d) Financial instruments

Accounting policies applicable from 1 January 2020

(d.1) Recognition and initial measurement

Trade receivables and trade payables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset and financial liability (unless it is a trade receivable without a significant financing component or measured at FVTPL) is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. A financial asset and a financial liability measured at FVTPL are initially recognised at fair value.

(d.2) Classification and subsequent measurement

Financial assets - classification

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value to other comprehensive income (FVOCI); or fair value to profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cashflows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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Financial assets - business model assessment

The Group makes an assessment of the objective of a business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets - assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

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Financial assets - subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income, calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities - classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(d.3) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

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Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(d.4) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(d.5) Derivatives

Derivative are recognised at fair value. At the end of each reporting period the fair value is measured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

Accounting policies applicable before 1 January 2020

Investments in other debt and equity securities

Debt securities and marketable equity securities held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in profit or loss.

Debt securities that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortised cost, less any impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

Debt securities and marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognised directly in equity. Impairment losses and foreign exchange differences are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss.

Equity securities which are not marketable are stated at cost less any impairment losses.

The fair value of financial instruments classified as held-for-trading and available-for-sale is determined as the quoted bid price at the reporting date.

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Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

Derivatives

Derivatives were recognised when they were exercised.

(e) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(f) Trade and other accounts receivable

A receivable is recognised when the Group has an unconditional right to receive consideration. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

A receivable is measured at transaction price less allowance for expected credit loss (*2019: allowance for doubtful accounts*) which is determined based on an analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition less all attributable discount. In the case of manufactured inventories and work-in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Cost are calculated using the following principles:

Finished goods from Original Equipment Manufacturer. (OEM)	- at cost (moving average cost)
Finished goods and work in progress	- at standard cost which approximates actual (moving average cost)
Raw materials packaging and factory supplies	- at cost (moving average cost) and considered as cost of production when used

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

An allowance for decline in value of inventories are made for all deteriorated, damaged, obsolete and slow-moving inventories.

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

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(h) Property, plant and equipment

Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

Any gains and losses on disposal of item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss.

Subsequent costs

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

Depreciation

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

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Buildings and building improvements	5 - 20 years
Machinery and equipment	3 - 10 years
Vehicles	5 years

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

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

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(i) Intangible assets

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 4(a). Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investee, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

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

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

Software licences	2 - 10	years
Patents and trademarks	7, 10	years and indefinite useful lives
Customers relationships	10	years

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

(j) Leases

Accounting policies applicable from 1 January 2020

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in TFRS 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

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The Group recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The lease payments included fixed payments less any lease incentive receivable, amount under option if the Group is reasonably certain to exercise option. Variable lease payments that do not depend on index or a rate are recognised as expenses in the accounting period in which they are incurred.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

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

As a lessor

At inception or on modification of a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each component on the basis of their relative standalone prices.

When the Group acts as a lessor, it determines at lease inception whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption, then it classifies the sub-lease as an operating lease.

The Group recognises lease payments received under operating leases as rental income on a straight-line basis over the lease term as part of 'rental income/other income.' Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as rental income in the accounting period in which they are earned.

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Accounting policies applicable before 1 January 2020

As a lessee, leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Assets held under other leases were classified as operating leases and lease payments are recognised in profit or loss on a straight-line basis over the term of the lease. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(k) Impairment of financial assets

Accounting policies applicable from 1 January 2020

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost (including cash and cash equivalents, trade receivables and other receivables, loans to others and related parties), debt investments measured at FVOCI, contract assets, lease receivables, and loan commitments issued which are not measured at FVTPL.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; or
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of a financial instrument.

Loss allowances for trade receivables, lease receivables and contract assets are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both current and forecast general economic conditions at the reporting date.

Loss allowances for all other financial instruments, the Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

The Group considers a financial asset to have low credit risk when its credit rating is equivalent to the globally understood definition of 'investment grade'.

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The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due, significant deterioration in financial instruments's credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Increased in loss allowance is recognised as an impairment loss in profit or loss. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the Group recognises an impairment loss in profit or loss with the corresponding entry in other comprehensive income.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised is credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence of credit-impairment includes significant financial difficulty, a breach of contract such as more than 90 days past due, probable the debtor will enter bankruptcy.

Write-off

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

Accounting policies applicable before 1 January 2020

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

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

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

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Calculation of recoverable amount

The recoverable amount of held-to-maturity securities carried at amortised cost is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate.

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

Reversal of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For financial assets carried at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

(l) Impairment of non-financial assets

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

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

Calculation of recoverable amount

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

Reversals of impairment

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

(m) Contract liabilities

A contract liability is the obligation to transfer goods or services to the customer. A contract liability is recognised when the Group receives or has an unconditional right to receive non-refundable consideration from the customer before the Group recognises the related revenue.

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(n) Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

Defined benefit plans

The Group net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognized immediately in other comprehensive income (OCI). The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement immediately occurs.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Short-term employee benefits

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

(o) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

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(p) 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 in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group’s accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as ‘active’ if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1*: quoted prices in active markets for identical assets or liabilities.
- *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- *Level 3*: inputs for the asset or liability that are based on unobservable input.

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

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(q) Revenue

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

Sale of goods and services

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

Revenue for rendering of services is recognised over time as the services are provided. The related costs are recognised in profit or loss when they are incurred.

(r) Other income

Other income comprises dividend, interest income and others. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

(s) Interest

Accounting policies applicable from 1 January 2020

Effective Interest Rate (EIR)

Interest income or expense is recognised using the effective interest method. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Accounting policies applicable before 1 January 2020

Interest income is recognised in profit or loss at the rate specified in the contract.

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial periods of time to be prepared for its intended use or sale.

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(t) Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

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

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

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(u) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

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(v) Related parties

Related parties are person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity.

(w) Segment reporting

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly finance costs, income tax expenses and other assets.

5 Impact of COVID-19 Outbreak

Due to the COVID-19 outbreak at the beginning of 2020, Thailand and many other countries have enacted several protective measures against the outbreak, e.g. the order to temporarily shut down operating facilities or reduce operating hours, social distancing, etc. This has significantly affected world economy, production, supply chain of goods and business operation of many entities in wide areas. The management is closely monitoring the situation to ensure the safety of the Group's staff and to manage the negative impact on the business as much as possible.

At 31 December 2020, the situation of COVID-19 outbreak is still ongoing, resulting in estimation uncertainty on the potential impact, therefore, the Group elected to apply accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of COVID-19 outbreak on the following:

(a) Impairment of assets

The Group considered impairment of trade accounts receivables under simplified approach using historical loss rate and did not take forward-looking information into account.

The Group elected to exclude the COVID-19 situation as impairment indicator for property, plant and equipment and intangible assets, and elected to exclude the COVID-19 situation, which may affect future financial forecasts, from the impairment testing factors of goodwill, other intangible assets with an indefinite useful life.

(b) Fair value measurement

The Group elected to exclude the factor of COVID-19 situation, which may affect future financial forecasts, in fair value measurement technique of acquisitions of business of Kuron Corporation Limited and Alexi Training and Consulting Company Limited.

(c) Deferred tax assets

The Group elected to exclude the factor of COVID-19 situation in considering sufficiency of future taxable profits to review the amount of deferred tax assets at 31 December 2020.

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6 Acquisition of business

On 3 March 2020 the Group obtained control of Kuron Corporation Limited (“Kuron”), which operate distributing of beauty products, and Alexi Training and Consulting Company Limited (“Alexi”), which operate training services and providing sales advice, by acquiring shares and voting interests in Kuron of 1,104,980 shares with the consideration paid of Baht 543.85 per share (par value of Bath 100 per share), totaling of Baht 600.95 million and Alexi of 38,000 shares with the consideration paid of Baht 223.51 (par value of Bath 100 per share), totaling of Baht 8.49 million. As a result, the Group’s equity interests in Kuron and Alexi were 76%.

The consideration consisted of a cash payment of Baht 600.95 million and Baht 8.49 million, respectively. A contingent consideration in case the non-controlling interests (NCI) exercise the put options in accordance with the acquisition agreement is of Baht 35.41 million and Baht 0.51 million, respectively. The Group incurred acquisition-related costs of Baht 9.01 million which have been included in administrative expenses.

Taking control of Kuron and Alexi will enable the Group to contribute revenue from beauty products, having various customer base, abilities and experiences in online marketing increasingly.

During the period from acquisition date to 31 December 2020, Kuron Corporation Limited and Alexi Training and Consulting Company Limited contributed revenue of Baht 619.05 million and profit of Baht 42.13 million to the Group’s results. If the acquisition had occurred on 1 January 2020, management estimates that consolidated revenue would have increased by Baht 137.64 million and consolidated profit for the year ended 31 December 2020 would have increased by Baht 1.40 million. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2020.

Contingent consideration

The Group has agreed to give put option to the selling shareholders of Kuron and Alexi totaling of Baht 29.11 million in condition according to the Group, Kuron and Alexi agreement. Put option will expire on 30 June 2021. The contingent consideration represents its fair value. The fair value is determined considering the expected payment, discounted to present value using a risk-adjusted discount rate. The expected payment is determined by considering the possible scenarios of forecast net profit, the amount to be paid under each scenario and the probability of each scenario. The fair value of the contingent consideration liability has been categorized as a Level 3 fair value.

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Kuron Corporation Limited

Identifiable assets acquired and liabilities assumed

Fair value
(in thousand Baht)

Cash and cash equivalents	54,228
Trade and other accounts receivable	214,122
Inventories	159,998
Other current assets	2,835
Property, plant and equipment	23,298
Right-of-use assets	51,052
Trademarks	238,690
Customer relationships	81,510
Other intangible assets	20,076
Other non-current assets	3,001
Short-term borrowings from financial institutions	(57,613)
Trade and other accounts payable	(111,086)
Income tax payable	(1,664)
Other current liabilities	(486)
Lease liabilities	(52,078)
Deferred tax liabilities	(28,478)
Non-current provisions for employee benefits	(29,550)
Total identifiable net assets	567,855
<i>Less Non-controlling interests (24 %)</i>	<i>136,285</i>
Total identifiable net assets received	431,570
Goodwill arising from the acquisition	169,376
Purchase consideration transferred	600,946
Net cash acquired with the subsidiary	54,228
Cash paid	(600,946)
Net cash outflows	(546,718)

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Alexi Training and Consulting Company Limited

Identifiable assets acquired and liabilities assumed

Fair value
(in thousand Baht)

Cash and cash equivalents	1,161
Trade and other accounts receivable	15,892
Other current assets	38
Deferred tax asset	821
Other non-current assets	120
Trade and other accounts payable	(1,244)
Income tax payable	(159)
Other current liabilities	(3,354)
Non-current provisions for employee benefits	(4,105)
Total identifiable net assets	9,170
<i>Less Non-controlling interests (24 %)</i>	<i>2,201</i>
Total identifiable net assets received	6,969
Goodwill arising from the acquisition	1,524
Purchase consideration transferred	8,493
Net cash acquired with the subsidiary	1,161
Cash paid	(8,493)
Net cash outflows	(7,332)

The following fair values have been determined on a provisional basis:

- The fair value of intangible assets (Trademarks and Customer relationships) has been determined provisionally completion of an independent valuation.

The Group engaged an independent appraiser to appraise the fair value of identifiable assets acquired and liabilities assumed, and allocation of acquisition-date fair value at the acquisition date. At the reporting date, the independent appraiser completed the process of appraising the fair value.

Goodwill

The principal factors contributed to goodwill are the synergy benefits from the exchange of knowledge and skills among personnel, which increase the operating efficiency and product development of the Group. Goodwill from the business acquisitions will not qualify for any tax deduction.

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7 Related parties

Relationships with subsidiaries and an associate are described in notes 10 and 11. Other related parties that the Group had significant transactions with during the year were as follows:

Name of parties	Country of incorporation / nationality	Nature of relationships
Mr.Sarawut Pornpatanarak	Thai	Persons having authority and responsibility for planning, directing and controlling the activities of the group, directly or indirectly, including major shareholder and director of the Group
PM Chemical Company Limited	Thailand	Shared directors and share holders
The Fourteen Company Limited	Thailand	Related by director
Nama Nama Group Company Limited	Thailand	Shared directors and share holders
Key management personnel	Thai	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group

The pricing policies for transactions with related parties are explained further below:

Transactions	Pricing policies
Sales of goods, net of discount	Market price net discount
Rental and service income	Agreed rate as stipulated in the agreement
Transportation fee income	Agreed rate at a percentage of total purchase
Management fee income	Agreed rate as stipulated in the agreement at a percentage of total sales
Interest income	Fixed deposit rate
Dividend income	Right to receive dividends
Purchase of merchandise goods	Market price net discount
Sales promotion expense	Agreed rate as stipulated in the agreement

7.1 Significant transactions for the years ended 31 December with related parties were as follows:

Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<i>(in thousand Baht)</i>				
Subsidiaries				
Sales of goods, net of discount	-	-	157,086	373,996
Rental income	-	-	539	515
Sub-lease income	-	-	542	-
Management fee income	-	-	3,468	5,003
Interest income	-	-	3,975	2,201
Dividend income	-	-	114,000	24,519
Other income	-	-	2,644	-

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<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Associate				
Rental income	16	-	16	-
Sub-lease income	542	-	542	-
Other income	1,252	-	1,252	-
Other related parties				
Sales of goods, net of discount	5,299	33,818	-	-
Other income	5	-	5	-
Purchases of goods	360	1,058	360	1,058
Sales promotion expense	829	5,215	-	-
Rental fee expense	852	774	852	774
Entertainment expense	-	9	-	9
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	67,161	39,669	50,760	39,669
Post-employment benefits	27,989	168	45	168
Total key management personnel compensation	<u>95,150</u>	<u>39,837</u>	<u>50,805</u>	<u>39,837</u>

7.2 Balances as at 31 December with related parties were as follows:

<i>Trade and other accounts receivable</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	245,302	229,495
Associate	1	-	1	-
Other related companies	308	1,305	-	-
Total	309	1,305	245,303	229,495
Less allowance for expected credit loss (2019: allowance for doubtful accounts)	-	-	-	-
Net	<u>309</u>	<u>1,305</u>	<u>245,303</u>	<u>229,495</u>

<i>Short-term loans to</i>	Interest rate At 31 December (% per annum)	Separate financial statements		
		1 January	Increase (in thousand Baht)	Decrease 31 December
2020				
Subsidiaries	1.90	114,000	136,000	(20,000)
Total		114,000		230,000
Less allowance for expected credit loss (2019: allowance for doubtful accounts)		-		-
Net		<u>114,000</u>		<u>230,000</u>

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<i>Short-term loans to</i>	Interest rate	Separate financial statements			
	At 31 December (% per annum)	1 January	Increase (in thousand Baht)	Decrease	31 December
2019					
Subsidiaries	1.90	<u>100,000</u>	24,000	(10,000)	<u>114,000</u>
Total		<u>100,000</u>			<u>114,000</u>
Less allowance for doubtful accounts		<u>-</u>			<u>-</u>
Net		<u>100,000</u>			<u>114,000</u>

<i>Trade and other accounts payable</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<i>(in thousand Baht)</i>				
Subsidiaries	-	-	935	79
Other related companies	71	466	71	264
Total	71	466	1,006	343

7.3 Significant agreements with related parties

- a.) The Company has service agreement with Namu Life Plus Company Limited, Do Infinite Dream Company Limited, Dream Dermatology Company Limited and Skin Make Smiles Company Limited (subsidiaries). Under the terms of each agreement, the Company agreed to provide the service of consulting and management. In this regard, the subsidiaries agreed to pay monthly fee to the Company at the rate as stipulated in the agreements.
- b.) The Company has office rental agreement with Namu Life Plus Company Limited, Do Infinite Dream Company Limited, Dream Dermatology Company Limited and Skin Make Smiles Company Limited (subsidiaries). Under the term of each agreement, the Company agreed the subsidiaries to use the building space for their office. In this regards, the subsidiaries agreed to pay rental fee to the Company at the rate stipulated in the agreements.
- c.) The Company has service agreement with Do Day Dream Trading Pte. Ltd. (a foreign indirect subsidiary). Under the terms of the agreement, the Company agreed to provide the accounting receivable management service and capital management service. In this regard, the foreign indirect subsidiaries agreed to pay monthly fee to the Company at the rate of 0.1 percent of the total net sales. This agreement is terminated by mutually agreed by both parties in writing or either party upon receipt of 30 days prior written notice in the event the other party materially fails to comply with the terms of agreement through no fault of the other.
- d.) Alexi Training and Consulting Company Limited (“Alexi”) (a subsidiary) has service agreement with Kuron Corporation Limited (“Kuron”) (a subsidiary). Under the terms of agreement, Alexi agreed to provide service of recruiting and training personnel to Kuron. In this regard, Kuron agreed to pay monthly fee to Alexi at the rate stipulated in the agreements.
- e.) Kuron Corporation Limited (“Kuron”) (a subsidiary) has service agreement with Alexi Training and Consulting Company Limited (“Alexi”) (a subsidiary). Under the terms of agreement, Kuron agreed to provide the accounting service and management service to Alexi. In this regard, Alexi agreed to pay service fee to Kuron at the rate stipulated in the agreements.

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- f.) Kuron Corporation Limited (“Kuron”) (a subsidiary) has office rental agreement with Alexi Training and Consulting Company Limited (“Alexi”) (a subsidiary). Under the terms of agreement, Kuron agreed Alexi to use the building space for its office. In this regard, Alexi agreed to pay rental fee to Kuron at the rate stipulated in the agreement.

8 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
Cash on hand	214	74	35	27
Cash at financial institutions				
- current accounts	112,694	112,351	22,540	14,789
Cash at financial institutions				
- savings accounts	372,686	908,280	229,518	807,142
Highly liquid short-term investments	2,988	2,985	2,988	2,985
Total	488,582	1,023,690	255,081	824,943

9 Inventories

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
Finished goods	381,342	182,700	71,575	97,627
Work in progress	5,180	5,804	5,180	5,804
Raw materials	50,997	59,312	50,997	59,313
Packaging	96,797	132,156	94,711	130,992
Supplies	3,740	4,150	3,654	4,123
Goods in transit	14,194	4,034	1,198	3,993
Total	552,250	388,156	227,315	301,852
Less Allowance for obsolete	(190,842)	(26,340)	(155,533)	(25,187)
Net	361,408	361,816	71,782	276,665
Inventories recognised in				
‘cost of sales of goods’:				
- Cost	413,086	217,820	181,725	232,801
- Write-down	167,909	40,428	143,438	39,203
Net	580,995	258,248	325,163	272,004

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10 Investments in subsidiaries

Separate financial statements														
Name of entity	Type of business	Country of incorporation	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income for the year	
			2020	2019 (%)	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
(in thousand Baht)														
Direct subsidiaries														
Namu Life Plus Company Limited	Distribution of cosmetics and supplement	Thailand	100	100	5,000	5,000	52,655	52,655	-	-	52,655	52,655	-	23,000
Do Infinite Dream Company Limited	Management, technical, financing and enterprise service	Thailand	100	100	100,000	100,000	100,000	100,000	-	-	100,000	100,000	-	-
Dream Dermatology Company Limited	Distribution of cosmetics and supplement	Thailand	95	95	50,000	50,000	47,500	47,500	-	-	47,500	47,500	-	1,519
Skin Make Smiles Company Limited	Distribution of cosmetics	Thailand	70	70	5,000	1,250	3,499	875	-	-	3,499	875	-	-
Kuron Corporation Limited	Distribution of beauty products	Thailand	76	-	295,392	-	724,013	-	-	-	724,013	-	114,000	-
Alexi Training and Consulting Company Limited	Training services and providing sales advice	Thailand	76	-	5,000	-	8,493	-	-	-	8,493	-	-	-
Total							936,160	201,030	-	-	936,160	201,030	114,000	24,519
Indirect subsidiaries														
Do Day Dream Holding Pte.Ltd.	Holding company	Singapore	100	100	USD 2,000,000	USD 2,000,000								
Do Day Dream Trading Pte.Ltd.	General wholesale trade (include general importer and exporter)	Singapore	100	100	USD 300,000	USD 300,000								
Do Day Dream Philippines Corporation	General wholesale trade (include general importer and exporter)	Philippines	51	51	PHP 66,000,000	PHP 66,000,000								

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Purchase of Investments

- (1) The Company invested in Kuron Corporation Limited by acquiring 1,104,980 ordinary shares from the former shareholders on 3 March 2020 with the consideration paid of Baht 543.85 per share, totaling of Baht 600.95 million, which represent 76% shareholding and incurred shared acquisition related costs totaling of Baht 9.01 million. The shares transfer has been completed on 3 March 2020.
- (2) The Company invested in Alexi Training and Consulting Company Limited by acquiring 38,000 ordinary shares from the former shareholders on 3 March 2020 with the consideration paid of Baht 223.51 per share, totaling of Baht 8.49 million, which represent 76% shareholding. The shares transfer has been completed on 3 March 2020.
- (3) At the Shareholders Meeting of Kuron Corporation Limited, a subsidiary, held on 26 May 2020. The subsidiary's shareholders approved to increase the subsidiary's authorised share capital of Baht 150 million (increase from Baht 145.4 million to Baht 295.4 million) by issuing 1,500,000 new ordinary shares with the par value of Baht 100 per share. The subsidiary registered the increase of the share capital with the Ministry of Commerce on 2 June 2020. The Company invested in Kuron Corporation Limited by acquired 1,140,001 ordinary shares with the consideration paid of Baht 100 per share, totaling of Baht 114 million, which represent 76% shareholding and incurred shared acquisition-related costs totaling of Baht 0.05 million. The share transfer has been completed on 2 June 2020.
- (4) At the Shareholders Meeting of Skin Make Smiles Company Limited, a subsidiary, held on 27 April 2020. The subsidiary's shareholders approved to call the remaining for paid-up share capital at 75% of the authorised share capital of Baht 5 million, amounting to Baht 3.75 million. The subsidiary registered the paid-up capital with the Ministry of Commerce on 13 July 2020.

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11 Investment in an associate

Consolidated financial statements													
Name of entity	Type of business	Country of incorporation	Ownership interest		Paid-up capital		Cost		Equity		Dividend income for the year		
			2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	
			(%)		(in thousand Baht)								
<i>Associate</i>													
JMS Global Solution Company Limited	Production, OEM, retail and distribution cosmetics	Thailand	28	-	200,000	-	80,000	-	78,970	-	-	-	
Total							80,000	-	78,970	-	-	-	

On 2 April 2020, Skin Make Smiles Company Limited, a 70% directly owned subsidiary, has approved a joint investment with GP Club Company Limited, a juristic person established under the laws of the Republic of Korea, which is a Korean leading distributor of skincare products. The Company established an associated company in Thailand, JMS Global Solution Company Limited incorporated with an initial authorized share capital for a consideration of Baht 200 million for distribution the Group's product to Asian countries. In this regard, Skin Make Smiles Company Limited has investment in an associate amounting to Baht 80 million which represent 40% of shareholding (the Group indirectly held 28%).

None of the Group's associate is publicly listed and consequently do not have published price quotations.

The Group accounts for investment in an associate by using the equity method in the consolidated financial statements.

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Immaterial associate

The following is summarized financial information for the Group's interest in immaterial associate based on the amounts reported in the Group's consolidated financial statements:

	Immaterial Associate	
	2020	2019
	<i>(in thousand Baht)</i>	
Carrying amount of interests in immaterial associate	78,970	-
Group's share of loss from continuing operations	(1,030)	-

12 Non-controlling interests

The following table summarises the information relating to each of the Group's subsidiaries that has a material non-controlling interest:

	31 December 2020 Kuron Corporation Limited <i>(in thousand Baht)</i>
Non-controlling interest percentage	24
Current assets	386,366
Non-current assets	439,130
Current liabilities	(103,100)
Non-current liabilities	(124,884)
Net assets	597,512
Carrying amount of non-controlling interest	143,403
Other individually immaterial subsidiaries	29,626
Total	173,029
Revenue	568,588
Profit	38,095
Total comprehensive income	38,095
Profit allocated to non-controlling interest	9,143
Other individually immaterial subsidiaries	3,082
Total	12,225
Other comprehensive income allocated to non-controlling interest	-
Other individually immaterial subsidiaries	1,079
Total	1,079
Cash flows from operating activities	52,432
Cash flows from investing activities	150,000
Cash flows from financing activities	
(Dividends to non-controlling interest amounted to Baht 36 million)	(207,771)
Net decrease in cash and cash equivalents	(5,339)

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13 Property, plant and equipment

Consolidated financial statements						
	Land	Buildings and building improvements	Machinery and equipment (in thousand Baht)	Vehicles	Assets under construction and installation	Total
Cost						
At 1 January 2019	59,596	144,266	117,594	17,899	11,307	350,662
Additions	-	2,205	7,461	1,368	4,520	15,554
Transfers	-	3,619	10,816	-	(14,435)	-
Disposals	-	-	(729)	-	-	(729)
At 31 December 2019						
- as previously reported	59,596	150,090	135,142	19,267	1,392	365,487
Transferred to right-of-use assets (Note 3)	-	-	-	(6,700)	-	(6,700)
At 1 January 2020	59,596	150,090	135,142	12,567	1,392	358,787
Acquisitions through business acquisition (Note 6)	-	40,816	23,533	1,167	-	65,516
Additions	-	1,078	6,090	27	2,114	9,309
Transfers	-	-	2,138	-	(2,138)	-
Disposals	-	-	(491)	-	(1,202)	(1,693)
Effect of movements In exchange rates	-	-	32	72	-	104
At 31 December 2020	59,596	191,984	166,444	13,833	166	432,023
Depreciation						
At 1 January 2019	-	20,741	44,976	10,724	-	76,441
Depreciation charge for the year	-	7,229	20,980	3,007	-	31,216
Disposals	-	-	(105)	-	-	(105)
At 31 December 2019						
- as previously reported	-	27,970	65,851	13,731	-	107,552
Transferred to right-of-use assets (Note 3)	-	-	-	(3,930)	-	(3,930)
At 1 January 2020	-	27,970	65,851	9,801	-	103,622
Acquisitions through business acquisition (Note 6)	-	24,727	16,808	683	-	42,218
Depreciation charge for the year	-	8,882	24,800	1,278	-	34,960
Disposals	-	-	(407)	-	-	(407)
Effect of movements In exchange rates	-	-	41	-	-	41
At 31 December 2020	-	61,579	107,093	11,762	-	180,434
Net book value						
At 31 December 2019						
- as previously reported	59,596	122,120	69,291	5,536	1,392	257,935
At 1 January 2020	59,596	122,120	69,291	2,766	1,392	255,165
At 31 December 2020	59,596	130,405	59,349	2,071	166	251,587

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Separate financial statements						
	Land	Buildings and building improvements	Machinery and equipment (in thousand Baht)	Vehicles	Assets under construction and installation	Total
Cost						
At 1 January 2019	59,596	144,266	115,931	17,899	11,288	348,980
Additions	-	2,205	6,961	-	4,539	13,705
Transfers	-	3,619	10,816	-	(14,435)	-
Disposals	-	-	(729)	-	-	(729)
At 31 December 2019 and - as previously reported	59,596	150,090	132,979	17,899	1,392	361,956
Transferred to right-of-use assets (Note 3)	-	-	-	(6,700)	-	(6,700)
At 1 January 2020	59,596	150,090	132,979	11,199	1,392	355,256
Additions	-	748	1,758	-	2,114	4,620
Transfers	-	-	2,138	-	(2,138)	-
Disposals	-	-	(155)	-	(1,202)	(1,357)
At 31 December 2020	59,596	150,838	136,720	11,199	166	358,519
Depreciation						
At 1 January 2019	-	20,741	44,267	10,724	-	75,732
Depreciation charge for the year	-	7,229	20,553	2,975	-	30,757
Disposals	-	-	(102)	-	-	(102)
At 31 December 2019 and - as previously reported	-	27,970	64,718	13,699	-	106,387
Transferred to right-of-use assets (Note 3)	-	-	-	(3,930)	-	(3,930)
At 1 January 2020	-	27,970	64,718	9,769	-	102,457
Depreciation charge for the year	-	7,537	20,586	985	-	29,108
Disposals	-	-	(123)	-	-	(123)
At 31 December 2020	-	35,507	85,181	10,754	-	131,442
Net book value						
At 31 December 2019 - as previously reported	59,596	122,120	68,261	4,200	1,392	255,569
At 1 January 2020	59,596	122,120	68,261	1,430	1,392	252,799
At 31 December 2020	59,596	115,331	51,539	445	166	227,077

The gross amount of the Group's fully depreciated property, plant and equipment that was still in use as at 31 December 2020 and 2019 were as follow:

	2020 (in thousand Baht)	2019 (in thousand Baht)
Consolidated Financial Statements	64,896	16,989
Separate Financial Statements	26,840	16,601

Security

At 31 December 2020 the Company's property, plant and equipment with total net book value of Baht 95.37 million (2019: Baht 95.61 million) were pledged under long-term loans and credit facilities from financial institutions (Note 18).

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14 Right-of-use assets

Consolidated financial statements						
	<i>Note</i>	Land	Buildings and building improvements <i>(in thousand Baht)</i>	Machinery and equipment	Vehicles	Total
Cost						
At 1 January 2020	3	-	11,204	4,342	7,366	22,912
Acquisitions through business acquisition	6	2,804	48,248	-	-	51,052
Additions		-	2,464	1,345	6,457	10,266
At 31 December 2020		2,804	61,916	5,687	13,823	84,230
Depreciation						
At 1 January 2020	3	-	-	-	3,930	3,930
Depreciation charge for the year		908	14,534	2,012	3,809	21,263
At 31 December 2020		908	14,534	2,012	7,739	25,193
Net book value						
At 1 January 2020		-	11,204	4,342	3,436	18,982
At 31 December 2020		1,896	47,382	3,675	6,084	59,037
Separate financial statements						
	<i>Note</i>		Buildings and building improvements <i>(in thousand Baht)</i>	Machinery and equipment	Vehicles	Total
Cost						
At 1 January 2020	3		3,912	4,342	7,160	15,414
Additions			-	1,346	-	1,346
At 31 December 2020			3,912	5,688	7,160	16,760
Depreciation						
At 1 January 2020	3		-	-	3,930	3,930
Depreciation charge for the year			1,346	2,012	1,668	5,026
At 31 December 2020			1,346	2,012	5,598	8,956
Net book value						
At 1 January 2020			3,912	4,342	3,230	11,484
At 31 December 2020			2,566	3,676	1,562	7,804

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15 Leases

As a lessee

The Group leases a number of warehouses and plants for 1.5 to 5 years, with extension options at the end of lease term. The rental is payable monthly as specified in the contract.

Extension options

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

<i>For the year ended 31 December</i>	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
<i>Amounts recognised in profit or loss</i>					
Sub-lease income		-	-	(1,084)	-
Depreciation of right-of-use assets:	14				
- Land		908	-	-	-
- Building and building improvements		14,534	-	1,346	-
- Machinery and equipment		2,012	-	2,012	-
- Vehicles		3,809	-	1,668	-
Interest on lease liabilities		2,002	-	500	-
Expenses relating to short-term leases		1,177	-	1,123	-
Expenses relating to leases of low-value assets		2,238	-	367	-
Lease expense		-	7,223	-	2,459

In 2020, total cash outflow for leases of the Group and the Company were Baht 13.1 million and Baht 5.4 million, respectively.

16 Goodwill

	<i>Note</i>	Consolidated financial statements	
		2020	2019
		<i>(in thousand Baht)</i>	
<i>Cost</i>			
At 1 January		-	-
Acquired through business acquisition	6	170,900	-
At 31 December		170,900	-
<i>Impairment losses</i>			
At 1 January		-	-
Impairment loss		-	-
At 31 December		-	-
<i>Net book value</i>			
At 31 December		170,900	-

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Impairment testing for CGUs containing goodwill

Goodwill was arising from acquisitions of shares of Kuron Corporation Limited and Alexi Training and Consulting Company Limited at 76% shareholding. For the purposes of impairment testing, goodwill has been allocated to the Group's CGU which is Kuron Corporation Limited and Alexi Training and Consulting Company Limited.

Impairment testing

In evaluating and testing of impairment, the Group determined the recoverable amount on the higher of its value in use by estimating discounted future cash flows and the fair value less cost of disposal if sale the business.

In this regard, the preparation of future cash flows that the Group expects to receive is derived from the determination of financial assumptions based on the management's assessment by considering the factors related to future trends in the relevant industries and historical financial data from external and internal sources of information.

The key assumptions used in the estimation of the recoverable amount were as follows:

Discount rate

The discount rates were based on weighted average cost of capital comprised of key financial assumptions such as targeted capital structure, cost of debt and cost of equity.

Terminal growth rate

Terminal growth rates were determined based on average consumer price index, inflation rates, growth rates of the relevant industries of the countries of the operation and the long-term growth plan as well as the comparable businesses in the same industries.

Budgeted future cash flow that the Group expects to receive

Budgeted future cash flow that the Group expects to receive comprises of budgeted revenue growth, costs and related expenses, by taking the average growth rate in the past, budgeted sale quantities, selling price, and expenses into account and referencing to future trend of market growth along with the business strategies and the operation of the Group in the future.

Based on the impairment testing, the recoverable amount of CGU was estimated to be higher than its carrying amount and no impairment was required to these financial statements.

Do Day Dream Public Company Limited and its subsidiaries

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For the year ended 31 December 2020

17 Other intangible assets

Consolidated financial statements					
	<i>Note</i>	Patents and Trademarks	Customer relationships <i>(in thousand Baht)</i>	Software licences	Total
Cost					
At 1 January 2019		97,296	-	16,188	113,484
Additions		18	-	21	39
At 31 December 2019 and 1 January 2020		97,314	-	16,209	113,523
Acquisitions through business acquisition	6	238,690	81,510	38,396	358,596
Disposals		(18)	-	(6)	(24)
At 31 December 2020		335,986	81,510	54,599	472,095
Amortisation and impairment losses					
At 1 January 2019		948	-	3,707	4,655
Amortisation for the year		761	-	1,721	2,482
Impairment loss		7,090	-	-	7,090
At 31 December 2019 and 1 January 2020		8,799	-	5,428	14,227
Acquisitions through business acquisition	6	-	-	18,320	18,320
Amortisation for the year		1,736	6,793	4,921	13,450
At 31 December 2020		10,535	6,793	28,669	45,997
Net book value					
At 31 December 2019		88,515	-	10,781	99,296
At 31 December 2020		325,451	74,717	25,930	426,098

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	Separate financial statements		
	Trademarks	Software licences (in thousand Baht)	Total
Cost			
At 1 January 2019	5,456	15,762	21,218
Additions	-	15	15
At 31 December 2019 and 1 January 2020	5,456	15,777	21,233
Additions	-	-	-
At 31 December 2020	5,456	15,777	21,233
Amortisation			
At 1 January 2019	948	3,672	4,620
Amortisation for the year	762	1,677	2,439
At 31 December 2019 and 1 January 2020	1,710	5,349	7,059
Amortisation for the year	763	1,674	2,437
At 31 December 2020	2,473	7,023	9,496
Net book value			
At 31 December 2019	3,746	10,428	14,174
At 31 December 2020	2,983	8,754	11,737

Impairment testing for intangible assets

The recoverable amount was based on its value in use, determined by discounting the future cash flows. The key assumptions used in the estimation of value in use were expectations of future outcomes taking into account past experience adjusted for anticipated revenue growth and discount rate which calculated from weighted average cost of capital. According to the impairment testing, the estimated recoverable amount was closed to the carrying amount of intangible assets. Therefore, the management was not considered to recognise or reverse an impairment loss of intangible assets for the year ended 31 December 2020 (2019: impairment loss of intangible assets amounting to Baht 7.09 million).

18 Interest-bearing liabilities

	Consolidated financial statements					
	Secured	2020 Unsecured	Total	Secured	2019 Unsecured	Total
	(in thousand Baht)					
Lease liabilities (2019: Finance lease liabilities)	-	60,838	60,838	-	2,214	2,214
Total interest-bearing liabilities	-	60,838	60,838	-	2,214	2,214

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	Separate financial statements					
	Secured	2020 Unsecured	Total (in thousand Baht)	Secured	2019 Unsecured	Total
Lease liabilities (2019: Finance lease liabilities)	-	8,332	8,332	-	2,214	2,214
Total interest-bearing liabilities	-	8,332	8,332	-	2,214	2,214

<i>Assets pledged as security for liabilities as at 31 December</i>	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2020	2019 (in thousand Baht)	2020	2019
Fixed deposit		20,273	20,273	20,273	20,273
Property, plant and equipment	13	95,374	95,614	95,374	95,614
Total		115,647	115,887	115,647	115,887

As at 31 December 2020 the Group and the Company had unutilised credit facilities totalling Baht 1,299 million and 1,016 million, respectively (2019: Baht 790 million and Baht 790 million, respectively).

<i>Finance lease liabilities</i>	Consolidated/Separate financial statements		
	Minimum lease payments	Interest (in thousand Baht)	Present value of minimum lease payments
<i>At 31 December 2019</i>			
Within 1 year	506	(97)	409
1 - 5 years	1,888	(83)	1,805
Total	2,394	(180)	2,214

19 Non-current provisions for employee benefits

	Consolidated financial statements		Separate financial statements	
	2020	2019 (in thousand Baht)	2020	2019
Defined benefit plan	34,773	2,296	3,416	2,134
Total	34,773	2,296	3,416	2,134

For the year ended 31 December 2020

The Group and the Company operate a defined benefit plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the Group to actuarial risks, such as longevity risk, interest rate risk, future salary growth risk and turnover rate risk.

<i>Principal actuarial assumptions</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
		(%)		
Discount rate	1.86	2.67	1.49	2.67
Future salary growth	4 - 5	3 - 5	5	3 - 5
Employee turnover	2 - 57	0 - 63	10 - 57	0 - 63

At 31 December 2020, the weighted-average duration of the defined benefit obligation was 18.8 years (2019: 16.02 years).

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Sensitivity analysis

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

<i>Effect to the defined benefit obligation At 31 December</i>	Consolidated financial statements			
	1% increase in assumption		1% decrease in assumption	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Discount rate	(3,508)	(302)	4,071	328
Future salary growth	4,024	314	(3,540)	(292)
Employee turnover	(274)	(37)	324	46
Future mortality	(14)	(2)	14	312

<i>Effect to the defined benefit obligation At 31 December</i>	Separate financial statements			
	1% increase in assumption		1% decrease in assumption	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Discount rate	(473)	(278)	563	304
Future salary growth	534	292	(459)	(272)
Employee turnover	(59)	(34)	60	43
Future mortality	(3)	(2)	3	312

20 Additional paid-up capital and reserves

Premium on ordinary shares

Section 51 of the Public Limited Company Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account (“Premium on ordinary shares”). Premium on ordinary shares is not available for dividend distribution.

Appropriate of profit and/or retained earnings

Legal reserve

Section 116 of the Public Limited Company Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorized capital. Legal reserve is not available for dividend distribution. As at 31 December 2020 and 2019, the legal reserve has fully been set aside.

Other components of equity

Translation reserve

The translation reserves comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

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21 Segment information and disaggregation of revenue

Segment information

Segment information is based on core business operations of manufacturing and distributing cosmetics and distributing beauty products. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

Segment 1	Skincare business
Segment 2	Beauty products business

The CODM considers the monthly performance of each reporting segment based upon profit (loss) before income tax expense.

Disaggregation of revenue

The Group's operations and main revenue streams are described in the last annual financial statements. The Group's main revenue is derived from sale of goods and have timing of revenue recognition only at a point in time.

Geographic information

Revenue from external customers is based on locations of the customers.

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Revenue and results, based on segments, in the consolidated financial statements for the years ended 31 December 2020 and 2019 were as follows:

<i>For the year ended 31 December</i>	Consolidated financial statements									
	Skincare segments		Beauty products Segments		Total		Eliminate		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	<i>(in thousand Baht)</i>									
Disaggregation of revenue										
Primary geographical markets										
Revenue from local sales	460,487	904,058	641,159	-	1,101,646	904,058	(276,516)	(352,109)	825,130	551,949
Revenue from export sales	326,916	359,443	2,696	-	329,612	359,443	(154,405)	(182,327)	175,207	177,116
Total revenue from sales of goods	787,403	1,263,501	643,855	-	1,431,258	1,263,501	(430,921)	(534,436)	1,000,337	729,065
Profit (loss) from operation	313,007	(478)	54,213	-	367,220	(478)	(114,171)	(59,889)	253,049	(60,367)
Finance costs									(2,002)	(613)
Impairment losses on TFRS9									(17,287)	-
Share of loss of investments in an associate									(1,030)	-
Income tax (expense) income									(53,815)	7,763
Profit (loss) for the year									179,545	(53,217)

Assets and liabilities, based on segments, in the consolidated financial statements as at 31 December 2020 and 2019 were as follows:

	Consolidated financial statements									
	Skincare segments		Beauty products Segments		Total		Eliminate		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	<i>(in million Baht)</i>									
Reportable segment assets as at 31 December	6,014	5,692	475	-	6,489	5,692	(1,155)	(735)	5,334	4,957
Reportable segment liabilities as at 31 December	863	607	124	-	987	607	(546)	(413)	441	194

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<i>For the year ended 31 December</i>	Separate financial statement	
	2020	2019
	<i>(in thousand Baht)</i>	
Disaggregation of revenue		
Primary geographical markets		
Revenue from local sales	101,304	274,007
Revenue from export sales	57,506	98,507
Total revenue	158,810	372,514
Timing of revenue recognition		
At a point in time	158,810	372,514
Over time	-	-
Total	158,810	372,514
Profit before income tax	409,112	51,061

22 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Wages and salaries	265,172	130,586	83,141	91,774
Bonus welfare and others	43,983	20,331	13,300	17,529
Defined contribution plans	8,804	7,898	4,908	6,549
Defined benefit plans	19 (156)	587	978	521
Total	317,803	159,402	102,327	116,373

Defined contribution plans

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 3% to 15% of their basic salaries and by the Group at rates ranging from 3% to 10% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

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23 Expenses by nature

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Raw materials and consumables used		334,670	146,100	110,086	162,874
Sales promotion and marketing expenses		350,184	391,192	10,576	5,536
Employee benefit expenses	22	317,803	159,402	102,327	116,373
Loss on inventories devaluation	9	167,909	40,428	143,438	39,203
Depreciation and amortization		49,786	33,698	32,888	33,195
Office expense		35,346	26,467	16,648	21,274
Service fee		20,906	12,506	11,471	6,717
Lease-related expenses (2019: Lease payment)	15	3,415	-	1,490	-
Impairment of intangible asset		-	7,090	-	-
Others		57,207	39,924	36,594	34,587
Total		1,337,226	856,807	465,518	419,759

24 Income tax

		Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Income tax recognised in profit or loss					
Current tax expense					
Current year		18,219	9,522	-	6,608
		18,219	9,522	-	6,608
Deferred tax expense					
Movements in temporary differences		34,966	(17,285)	57,108	(4,012)
		34,966	(17,285)	57,108	(4,012)
Total income tax expense		53,185	(7,763)	57,108	2,596

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Consolidated financial statements						
	Before tax	2020 Tax (expense) benefit	Net of tax (in thousand Baht)	Before tax	2019 Tax (expense) benefit	Net of tax
Income tax						
Recognised in other comprehensive income						
Defined benefit plan actuarial gains (losses)	(2,289)	458	(1,831)	5,387	(1,077)	4,310
Total	(2,289)	458	(1,831)	5,387	(1,077)	4,310

Separate financial statements						
	Before tax	2020 Tax (expense) benefit	Net of tax (in thousand Baht)	Before tax	2019 Tax (expense) benefit	Net of tax
Income tax						
Recognised in other comprehensive income						
Defined benefit plan actuarial gains (losses)	(304)	61	(243)	4,372	(874)	3,498
Total	(304)	61	(243)	4,372	(874)	3,498

Reconciliation of effective tax rate	Consolidated financial statements				Separate financial statements			
	Rate (%)	2020 (in thousand Baht)	Rate (%)	2019 (in thousand Baht)	Rate (%)	2020 (in thousand Baht)	Rate (%)	2019 (in thousand Baht)
Profit (loss) before income tax expense		232,730		(60,980)		409,112		51,061
Income tax using the Thai corporation tax rate	20	46,546	20	(12,196)	20	81,822	20	10,212
Effect of different tax rates		1,646		6,683		-		-
Income tax reduction - current		(3,034)		(3,113)		(3,034)		(3,113)
Income not subject to tax		(22)		(29)		(22,800)		(4,903)
Expenses not deductible for tax purposes		3,718		3,269		1,171		885
Additional expenses deductible		(107)		(2,335)		(75)		(485)
Current year losses for which no deferred tax asset was recognised		4,414		-		-		-
Others		24		(42)		24		-
Total	23	53,185	-	(7,763)	14	57,108	5	2,596

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<i>Deferred tax</i> <i>At 31 December</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Deferred tax assets	115,024	24,550	37,530	7,104
Deferred tax liabilities	(154,447)	(1,808)	(89,256)	(1,783)
Net	(39,423)	22,742	(51,726)	5,321

		Consolidated financial statements (Charged) / Credited to			
<i>Deferred tax</i>	At 1 January	Profit or loss	Other comprehensive income	Acquired in business acquisition (Note 6)	At 31 December
		(in thousand Baht)			
2020					
Deferred tax assets					
Inter-profit on inventory	9,287	(2,457)	-	-	6,830
Accounts receivable	1,278	2,757	-	391	4,426
Right-of-use assets	-	(96)	-	205	109
Inventories	5,268	32,048	-	1,484	38,800
Property, plant and equipment and intangible assets	394	(66)	-	-	328
Non-current provisions for employee benefits	459	(694)	458	6,731	6,954
Revenue from consignment	-	(205)	-	30,737	30,532
Loss carry forward	7,864	19,048	-	-	26,912
Other	-	133	-	-	133
Total	24,550	50,468	458	39,548	115,024
Deferred tax liabilities					
Put options	-	(1,361)	-	-	(1,361)
Financial assets measured at FVTPL	(1,608)	(86,272)	-	-	(87,880)
Property, plant and equipment and intangible assets	-	2,014	-	(67,205)	(65,191)
Others	(200)	185	-	-	(15)
Total	(1,808)	(85,434)	-	(67,205)	(154,447)
Net	22,742	(34,966)	458	(27,657)	(39,423)

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<i>Deferred tax</i>	At 1 January	Consolidated financial statements (Charged) / Credited to		At 31 December
		Profit or loss	Other comprehensive income	
		<i>(in thousand Baht)</i>		
2019				
Deferred tax assets				
Inter-profit on inventory	2,805	6,482	-	9,287
Accounts receivable	234	1,044	-	1,278
Inventories	1,260	4,008	-	5,268
Property, plant and equipment and intangible assets	150	244	-	394
Non-current provisions for employee benefits	1,418	118	(1,077)	459
Loss carry forward	1,163	6,701	-	7,864
Total	7,030	18,597	(1,077)	24,550
Deferred tax liabilities				
Debt securities held for trading	(352)	(1,256)	-	(1,608)
Others	(144)	(56)	-	(200)
Total	(496)	(1,312)	-	(1,808)
Net	6,534	17,285	(1,077)	22,742

<i>Deferred tax</i>	At 1 January	Separate financial statements (Charged) / Credited to		At 31 December
		Profit or loss	Other comprehensive income	
		<i>(in thousand Baht)</i>		
2020				
Deferred tax assets				
Accounts receivable	1,246	(898)	-	348
Right-of-use assets	-	76	-	76
Inventories	5,037	26,069	-	31,106
Property, plant and equipment and intangible assets	394	(66)	-	328
Non-current provisions for employee benefits	427	196	61	684
Loss carry forward	-	4,988	-	4,988
Total	7,104	30,365	61	37,530
Deferred tax liabilities				
Put options	-	(1,361)	-	(1,361)
Financial assets measured at FVTPL	(1,608)	(86,272)	-	(87,880)
Others	(175)	160	-	(15)
Total	(1,783)	(87,473)	-	(89,256)
Net	5,321	(57,108)	61	(51,726)

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	At 1 January	Separate financial statements (Charged) / Credited to		At 31 December
		Profit or loss	Other comprehensive income	
<i>Deferred tax</i>		<i>(in thousand Baht)</i>		
2019				
Deferred tax assets				
Accounts receivable	73	1,173	-	1,246
Inventories	1,115	3,922	-	5,037
Property, plant and equipment and intangible assets	150	244	-	394
Non-current provisions for employee benefits	1,197	104	(874)	427
Total	2,535	5,443	(874)	7,104
Deferred tax liabilities				
Debt securities held for trading	(352)	(1,256)	-	(1,608)
Others	-	(175)	-	(175)
Total	(352)	(1,431)	-	(1,783)
Net	2,183	4,012	(874)	5,321

The tax losses will expire during the year 2022 to 2025. As at 31 December 2020 the Group had temporary difference arising from the unutilised tax losses carry forward totaling Baht 22.07 million (2019: Nil) which have not been recognised as deferred tax assets in the consolidated statement of financial position totaling Baht 4.41 million (2019: Nil) because it is not probable that the Group will be able to utilise the tax benefit in the foreseeable future.

25 Earnings (loss) per share

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht / thousand shares)</i>			
Profit (loss) attributable to ordinary shareholders for the year ended 31 December				
Profit (loss) for the year attributable to ordinary shareholders of the Company (basic)	169,253	(53,785)	352,005	48,465
Weighted average number of ordinary shares outstanding at 31 December	317,888	317,888	317,888	317,888
Earnings (loss) per share (basic) <i>(in Baht)</i>	0.53	(0.17)	1.11	0.15

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26 Dividends

The shareholders of the Company have approved dividends as follows:

	Approval date	Payment schedule	Dividend rate per share (Baht)	Amount (in million Baht)
<i>2020</i>				
Annual dividend	7 April 2020	April 2020	0.125	39.74
Interim dividend	14 August 2020	September 2020	0.358	113.80
Total			0.483	153.54
<i>2019</i>				
Annual dividend	24 April 2019	May 2019	0.50	158.94

27 Financial instruments

(a) Carrying amount and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

	Consolidated/Separate financial statements					
	Carrying amount		Fair value			
	Financial instruments measured at FVTPL	Total	Level 1	Level 2	Level 3	Total
<i>At 31 December 2020</i>			(in million Baht)			
Financial assets						
Unit trust:						
- Equity instruments	2,047	2,047	-	2,047	-	2,047
- Debt instruments	1,036	1,036	-	1,036	-	1,036
Total other financial assets	3,083	3,083				
Financial Liability						
Put Options	29	29	-	-	29	29

	Consolidated/Separate financial statements				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
<i>31 December 2019</i>		(in million Baht)			
Debt securities held for trading	2,908	-	2,908	-	2,908

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Financial instruments measured at fair value

Type	Valuation technique
Investments in marketable unit trusts classified as financial assets measured at FVTPL (2019: trading investments)	The net asset value as of the reporting date.
Put Options	Considering the present value of expected payment, discounted using a risk-adjusted discount rate. The expected payment is determined by considering the possible scenarios of forecast profit, the amount to be paid under each scenario and the probability of each scenario.

Reconciliation of Level 3 fair values

	<i>Note</i>	Consolidated/Separate financial statements	
		2020	2019
		<i>(in thousand Baht)</i>	
<i>Put Options</i>			
At 1 January		-	-
Acquisitions through business acquisition	6	35,919	-
Net change in fair value			
- recognised in other income		(6,804)	-
At 31 December		29,115	-

(b) *Movement of marketable equity and debt securities*

<i>Marketable equity and debt securities</i>	Consolidated/Separate financial statements				
	At 1 January	Purchase	Disposal	Fair value adjustment	At 31 December
	<i>(in thousand Baht)</i>				
2020					
<i>Current financial assets</i>					
Equity securities measured at FVTPL	-	1,601,061	-	445,676	2,046,737
Debt securities measured at FVTPL	2,908,042	2,516,000	(4,381,175)	(6,274)	1,036,593
Total	2,908,042	4,117,061	(4,381,175)	439,402	3,083,330
2019					
<i>Current investments</i>					
Trading securities	1,101,760	5,100,000	(3,301,760)	8,042	2,908,042
Total	1,101,760	5,100,000	(3,301,760)	8,042	2,908,042

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(c) Financial risk management policies

Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(c.1) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities.

(c.1.1) Trade and other accounts receivable and loans to subsidiaries

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the risk management committee.

The Group limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period of three months.

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The following table provides information about the exposure to credit risk and ECLs for trade accounts receivables.

	Consolidated financial statements	
	Trade accounts receivable	Allowance for expected credit loss
<i>At 31 December 2020</i>	<i>(in thousand Baht)</i>	
Within credit terms	213,101	-
Overdue:		
1-30 days	48,364	-
31-60 days	11,924	-
61-90 days	2,973	-
More than 90 days	37,722	(23,043)
Total	314,084	(23,043)
Less allowance for expected credit loss	(23,043)	
Net	291,041	

	Separate financial statements	
	Trade accounts receivable	Allowance for expected credit loss
<i>At 31 December 2020</i>	<i>(in thousand Baht)</i>	
Within credit terms	35,681	-
Overdue:		
1-30 days	8,236	-
31-60 days	2,686	-
61-90 days	11,771	-
More than 90 days	168,488	(1,704)
Total	226,862	(1,704)
Less allowance for expected credit loss	(1,704)	
Net	225,158	

Loss rates are based on actual credit loss experience over the past 3 years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

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<i>Trade accounts receivable</i>	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
At 31 December 2019		
Within credit terms	142,501	87,264
Overdue:		
Less than 3 months	53,307	85,345
3-6 months	19,446	29,801
6-12 months	3,727	16,347
Over 12 months	8,998	6,229
	227,979	224,986
Less allowance for doubtful accounts	(6,389)	(6,229)
Net	221,590	218,757

The normal credit term granted by the Group ranges from 15 days to 180 days.

(c.1.2) Investment in debt securities

The Group limits its exposure to credit risk by investing only in liquid debt securities and only with counterparties that have a credit rating of at least AAA from Rating Agency TRIS.

The Group monitors changes in credit risk by tracking published external credit ratings. To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in published ratings, the Group supplements this by reviewing changes in yields and, where available, together with available press and regulatory information about debtors.

(c.1.3) Cash and cash equivalent

The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions with credit rating, for which the Group considers to have low credit risk.

(c.2) Liquidity risk

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

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The following table are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

		Consolidated financial statements			
		Contractual cash flows			
		1 year or less	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total
<i>At 31 December 2020</i>		Carrying amount	<i>(in thousand Baht)</i>		
<i>Financial liabilities</i>					
Trade and current payables	221,903	221,903	-	-	221,903
Put options	29,115	29,115	-	-	29,115
Lease liabilities	60,838	21,283	17,120	22,435	60,838
	311,856	272,301	17,120	22,435	311,856

		Separate financial statements			
		Contractual cash flows			
	Carrying amount	1 year or less	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total
<i>(in thousand Baht)</i>					
<i>At 31 December 2020</i>					
<i>Financial liabilities</i>					
Trade and current payables	33,507	33,507	-	-	33,507
Put options	29,115	29,115	-	-	29,115
Lease liabilities	8,332	3,941	4,384	7	8,332
	70,954	66,563	4,384	7	70,954

	Effective interest rate (% per annum)	Consolidated financial statements		
		Maturity period		
		Within 1 year	After 1 year but within 5 years	Total
		(in thousand Baht)		
At 31 December 2019				
Financial Assets				
Fixed deposit	0.7 -1.1	2,985	-	2,985
Restricted deposit as financial institutions	1.1 -1.45	-	20,273	20,273
		2,985	20,273	23,258
Financial Liabilities				
Lease liabilities	4.80	409	1,805	2,214
		409	1,805	2,214

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<i>At 31 December 2019</i>	Effective interest rate (% per annum)	Separate financial statements		
		Maturity period		
		Within 1 year	After 1 year but within 5 years	Total
		(in thousand Baht)		
Financial Assets				
Fixed deposit	0.7 -1.1	2,985	-	2,985
Short-term loans to subsidiaries	1.9	114,000	-	114,000
Restricted deposit as financial institutions	1.1 -1.45	-	20,273	20,273
		116,985	20,273	137,258
Financial Liability				
Lease liabilities	4.80	409	1,805	2,214
		409	1,805	2,214

(c.3) Market risk

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivatives for speculative or trading purposes.

(c.3.1) Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies.

At 31 December, the Group were exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
Exposed to foreign currencies at 31 December				
Singapore dollar				
Cash and cash equivalents	9	423	-	-
Trade and other accounts payable	-	23	-	-
Net exposure	9	446	-	-
Hong Kong dollar				
Cash and cash equivalents	2,349	5,868	-	-
Net exposure	2,349	5,868	-	-
United States dollar				
Cash and cash equivalents	6,799	-	6,799	-
Trade and other accounts receivable	1,704	8,553	1,704	41,617
Trade and other accounts payable	728	4,730	728	4,730
Net exposure	9,231	13,283	9,231	46,347

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Sensitivity analysis

A reasonably possible strengthening (weakening) of the US dollar and Hongkong dollar against all other currencies at 31 December 2020 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

<i>At 31 December 2020</i>	Movement (%)	Consolidated financial statements Profit /(Loss)		Separate financial statements Profit /(Loss)	
		Strengthening	Weakening <i>(in thousand Baht)</i>	Strengthening	Weakening
Hong Kong dollar	1	23	(23)	-	-
United States dollar	1	78	78	78	(78)

(c.3.2) Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. The Group's exposure to change in interest rate relates primarily to interest-earning financial assets and interest-bearing financial liabilities. Interest rate risk is managed on an ongoing basis with the primary objective of limiting the extent to which net interest expense could be affected by an adverse movement in interest rates. The Group manages the interest rate risk of financial assets and financial liabilities by considering fixed and floating rates depend on the market situation.

***Exposure to interest rate risk
at 31 December***

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<i>Financial instruments with fixed interest rates</i>				
Financial assets	23,261	23,258	23,261	23,258
Short-term loans to subsidiaries	-	-	230,000	114,000
	<u>23,261</u>	<u>23,258</u>	<u>253,261</u>	<u>137,258</u>

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities, at FVTPL, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

28 Capital management

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 as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

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29 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Capital commitments				
Machinery and equipment	723	1,850	723	1,850
Total	723	1,850	723	1,850
Other commitments				
Short-term lease commitments	3,957	10,149	3,453	4,929
Bank guarantee of electricity use	273	273	273	273
Unused letters of credit for goods and supplies	7,242	-	-	-
Total	11,472	10,422	3,726	5,202

30 Events after the reporting period

(30.1) At the Board of Directors' meeting of the Company held on 25 February 2021, the Company's Board of Directors approved to propose to the annual general shareholders' meeting of the Company for approval to declare the annual dividend from unappropriated retain earnings as at 31 December 2020 of Baht 0.50 per share for 317.89 million ordinary shares, totalling Baht 158.95 million. The declaration of dividend payment must be approved by the shareholders' meeting of the Company in April 2021.

(30.2) As disclosed in note 5, the Group has elected to apply accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of coronavirus pandemic (COVID-19). The guidance expired on 31 December 2020.

The COVID-19 pandemic continued subsequent to the expiration of the guidance as increasingly affected cases were found and spread all over Thailand. In response to the situation, Thailand has enacted measures to monitor and control the spread, encouraging people to keep social distancing, avoid crowded gathering and travel less. Meanwhile, according to information from the World Health Organization (WHO), vaccines for COVID-19 have become available and are being rolled out around the world. However, it is still not possible to predict for how long and to what extent the vaccines will provide protection and when the spread will be over.

As the situation is highly uncertain and fluid, it is currently not possible to determine the impact of the continued pandemic, government measures and roll out of the vaccination on the business of the Group. Management is closely monitoring the situation and managing to lessen the impact as much as possible.