



DOD BIOTECH PUBLIC COMPANY LIMITED
Annual Registration Statement / Annual Report 2022
(Form 56-1 One Report)

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Message from the Chairman



Dear all shareholders,

The years 2021-2022 have been challenging for the operations of DOD Biotech Co., Ltd. The Board of Directors and the management are well aware of the economic situation both domestically and globally due to the COVID-19 pandemic, which has been a significant variable impacting consumer purchasing power. As a result, the company has restructured its operations, including the closure of two subsidiary companies that were involved in the cosmetics and network business to stop the losses and maintain the stability of the company. Additionally, there have been adjustments to the structure of the board of directors and senior management with the aim of recovering and growing again.

During the past period, the company has faced challenges due to the economic downturn. However, the company remains committed to driving the policy of producing high-quality and safe dietary supplements that meet international standards through the development of new innovations to create customer satisfaction and use resources efficiently for sustainable development. This is to reaffirm the production of dietary supplements, which is widely accepted by leading international institutions and related agencies. In the year 2022, the company has been certified to meet the following standards:

- The company has elevated its standards from HACCP&GMP (Codex) to GHPs/HACCP (Hazard Analysis Critical Control Point & Good Hygiene Practices) through certification by the private sector certification body, Intertek. The scope of the certification covers the production of dietary supplements (in sachets, capsules, and soft capsules), processed coffee, and powdered beverages.

- The “excellent level” of GMP THAI FDA420 (Good Manufacturing Practice Notification of the Ministry of Public Health (No. 420) from Intertek, which is a private organization accredited to provide certification. The scope covers the production of dietary supplements, coffee, dairy products (dried or powdered), beverages in closed containers (powder), and tea.
- The ISO/IEC 17025:2017 standard accredited by the Department of Medical Sciences, Ministry of Public Health, for chemical and microbiological testing
- Level 3 certification in the Green System, which is a comprehensive environmental management system with monitoring, evaluation, and continuous improvement, awarded by the Ministry of Industry.
- ISO14001:2015 (Environmental Management System) standard from Intertek, a private sector accredited organization, covers the production processes of dietary supplements (vitamins, milk protein, soy protein, collagen, herbal/vegetable/fruit extracts), packaged in sachets, capsules, soft capsules, instant coffee, and powdered beverages, including water and powder extracts from extraction processes.

The aforementioned standard certification is a testament to the capability and potential of the organization to be a high-quality international supporter.

Due to concerns about the ongoing pandemic, as well as issues such as pollution, PM2.5, the aging population, and the growth of online channels, there is a growing demand for health supplements and products. This has led companies to adopt new business strategies in 2023, with many choosing to develop our own brands or acquire established brands in the market. These companies are focusing on creating value-added products, such as dietary supplements made from hemp seed oil, and investing in research and development to create new products, including innovative medical solutions and extraction facilities. One such company is Siam Herbal Tech Co., Ltd. (DOD), the only company in Thailand with a license to manufacture pharmaceuticals under GMP/Pharmaceutical Inspection Co-operation Scheme (PIC/S) standards for international standard pharmaceutical manufacturing facilities by the Food and Drug Administration (FDA). This allows the company to meet the needs of consumers in all dimensions which can help create added value and maintain competitiveness for the company in the future. The business strategy of the company, which includes both extraction and production facilities, can be considered a full Integration approach from upstream to downstream, reaching the end consumer. Therefore, based on the business plan outlined above, the company has the opportunity to recover its performance in 2023, ensuring sustainable competitiveness for the company in the future.

Last but not least, on behalf of the Board of Directors, I would like to express our sincere gratitude to all shareholders, business partners, and employees of the company for their support and hard work throughout. I am committed to driving the organization towards sustainable growth and being mindful of economic, social, and environmental factors under ESG (Environmental, Social, Governance: ESG) principles, with a focus on responsible business operations that build good relationships, trust, and balanced value for the economy, society, and the environment.

Mrs. Aphaporn Kosolkul

Chairman of the Board of Directors

Report of the Audit Committee

The Audit Committee of DOD Biotech PCL., appointed by the Company's Board of Directors, consists of three independent non-executive directors: Mr. Dusit Chongsutthanamane, Chairman of the Audit Committee; and Mr. Pongthep Thitapan and Mrs. Arpaporn Kosolkul, Members of the Audit Committee.

The Audit Committee had performed its duties with independence, in accordance with its roles and responsibilities stated in the Audit Committee Charter, and in compliance with the Securities and Exchange Commission of Thailand. This was to ensure that the Company's operations were carried out under good corporate governance and internal control practices.

In 2022, the Audit Committee held a total of 4 meetings. Meeting participation of the Audit Committee is summarized as follows:

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

Key results of the Audit Committee are summarized as follows:

1. Review of Financial Statements

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

2. Review of Adequacy and Suitability of Internal Control System

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

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

3. Review of Compliance with the Securities and Exchange Act

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

4. Review of Suitability of External Auditors

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

5. Review of Transactions which might cause Conflict of Interests

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

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

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

Mr. Dusit Chongsutthanamanee

Chairman of the Audit Committee



Business Operation and Operating Results

Business Operation and Operating Results

1. Organizational structure and operation of the group of companies

1.1 Policy and business overview

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

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

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

1.1.1 Vision, Mission, and Goals

VISION

“To be the leading regional manufacturing brand creating and delivering innovative science based nutritional supplements promoting sustainable health and beauty in all life-phases for all”

MISSION

The leading manufacturing brand utilizing operational excellence to provide innovative science based products to increase the quality of life for our customers achieving sustainable growth with Corporate Governance and Environmental Responsibility



BUSINESS GOALS

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



1.1.2 Material changes and developments

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

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

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



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



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

2015

- On December 24, 2015,

The Extraordinary General Meeting No. 2/2015 approved the Company's request to increase registered capital from Baht 50 million to Baht 90 million, and to decrease the par value of an ordinary share from Baht 100 per share to Baht 10 per share. The Company had registered additional capital and a change in share price to the Department of Business Development, Ministry of Commerce on December 24, 2015. Capital raised were used in a construction of new corporate offices, manufacturing plant, and as a working capital for business operations. In addition, the Extraordinary General Meeting also approved an annual dividend payout from net profit for the year ending December 31, 2014 to ordinary shareholders of 500,000 shares, at a rate of Baht 80 per share, totaling Baht 40 million. The dividend was issued on December 24, 2015.

- On December 24, 2015,

We changed our name from "Sukris 55 Co., Ltd." to "DOD Biotech Co., Ltd.".

2016

- On April 30, 2016,

The Annual General Meeting of 2016 approved an annual dividend payout from net profit for the year ending December 31, 2015 to ordinary shareholders of 9,000,000 shares, totaling Baht 100 million. The dividend was issued on May 25, 2016.

- On June 27, 2016

Dietary supplement products under the brand "ZELA-Q" and "I.D.I.A.", both researched and developed by our company, were awarded "Best Product of the Year 2016" by Business and Economic Development Council of Thailand.



• **In September 2016**

We launched a new protein dietary supplement (Protein Diet) under its own brand “Dai a to”. The supplement contains major protein extracts, amino acids, and other essential vitamins for the body. “Dai a to” is a dietary supplement for health and wellness. It helps monitor weight loss, reduce accumulation of excessive body fat, improve nervous system function, enhance digestive health, and nourish and brighten the skin. We are currently a sole distributor of the products, selling them through multiple online channels, including Facebook, LINE, Instagram, and the website daiato.com.

• **On October 28, 2016**

The Extraordinary General Meeting No. 3/ 2016 approved an interim dividend payout from net profit for a six-month period ending June 30, 2016 to ordinary shareholders of 9,000,000 shares, totaling Baht 60 million. The dividend was issued on November 1, 2016. In addition, the Extraordinary General Meeting also approved the Company’s request to increase registered capital from Baht 90 million to Baht 150 million through the issuance of 6,000,000 shares of ordinary share at a par value of Baht 10 per share. The Company had registered additional capital to the Department of Business Development, Ministry of Commerce on November 22, 2016. Capital raised were used for a construction of extraction facility project, land purchase for factory expansion, and as a working capital for business operations.

• **On September 3, 2016**

Dietary supplement products under the brand “V-Solen”, “P-Rano”, and “OMG”, all researched and developed by our company, were awarded “Top Brand of the Year 2016” by Mass Communication Federation of Thailand.

• **On September 15, 2016**

We moved a corporate head office and manufacturing plant from 78/6 and 78/7 Khok Krabue, Mueang Samut Sakhon, Samut Sakhon, which was a space rented from company’s major shareholder, to the newly constructed facilities as mentioned above.

• **In November 2016,**

We began a construction of a herb and medicinal plant extraction facility. The project required an investment of Baht 25 million. The construction was completed on February 27, 2017 with all machineries installed.

• **On December 6, 2016**

We received an investment incentive No. 60-0921-1-16-1-0 from The Board of Investment (BOI) for the manufacturing of natural extract products (except medicine, soap, shampoo, toothpaste, and cosmetics)



2017



• On February 21, 2017

We received the following certifications from a leading private certification institute “Intertek”: HACCP (Hazard Analysis Critical Control Point) for manufacturing process of dietary supplement products (vitamin, dairy protein, soy protein, collagen, and extract from herb/ plant/ fruit) in a form of packaged sachet, and GMP Codex: General Principle of Food Hygiene for manufacturing process of dietary supplement products (capsule and powder), coffee (powder), ready-to-eat food (dried flax seeds), and dairy products (dry or powder).

• On April 25, 2017

The Annual General Meeting of 2017 approved an annual dividend payout for the year 2016, totaling Baht 90 million. Given that, on November 1, 2016, we had already issued an interim dividend payout for the period between January 1 and June 30, 2016, totaling Baht 60 million (Baht 6.6667 per share to 9 million shares outstanding), for the period between July 1 and December 31, 2016, the Annual General Meeting had approved a dividend payout of Baht 2 per share to 15 million shares outstanding, totaling Baht 30 million. The dividend was issued to shareholders on May 24, 2017.

• On February 27, 2017

We received ISO 22000: 2005 certification from Intertek Institute for manufacturing process of dietary supplement products (vitamin, dairy protein, soy protein, collagen, and extract from herb/ plant/ fruit) in a form of packaged sachet.

• On March 29, 2017

We signed a licensing agreement with Maha Sarakham University to use their Tripala extraction technology for commercial purpose as well as getting access to relevant knowledge consultation and transfer. The Company had the rights to manufacture and sell Tripala extracts for a period of 1 year, between March 29, 2017 and March 28, 2018.

• On July 30, 2017

DOD Biotech was awarded “Thailand Industry of the Year 2017” in the event organized by ASEAN Network – Thailand.



- **On August 10, 2017**

The Board of Directors Meeting No. 6/ 2017 approved an interim dividend payout for the period between January 1 and June 30, 2017, totaling Baht 50 million (Baht 3.3333 per share to 15 million shares outstanding). The dividend was issued on August 29, 2017.

- **On December 28, 2017**

The Board of Directors Meeting No. 10/ 2017 approved an interim dividend payout for the period of 9 months, ending September 30, 2017, totaling Baht 35 million (Baht 0.1166 per share to 300 million shares outstanding). The dividend was issued on January 27, 2018.

- **On September 24, 2017**

DOD Biotech was awarded “Best Awards Asian Brand 2017” in the event organized by Journalism Council of Thailand.

- **On November 28, 2017**

The Extraordinary General Meeting No. 3/ 2017 approved a transition of the Company to become a public limited company under the name “DOD Biotech PLC.”.The Meeting also approved a change in par value of company’s share from Baht 10 per share to Baht 0.50 per share as well as an increase in company’s registered capital of Baht 55 million, from Baht 150 million to Baht 205 million. The increase in registered capital was done through additional issuance of 110 million shares of ordinary share, at a par value of Baht 0.50 per share, which were later offered to the general public and traded in the Market for Alternative Investment (MAI). The Company had registered a change in company type, change in par value, and change in registered capital to the Department of Business Development, Ministry of Commerce on November 29, 2017.

- **On March 28, 2018**

The Annual General Meeting of 2018 approved an annual dividend payout of Baht 115 million (Baht 0.3833 per share to 300 million shares outstanding). The dividend was issued to shareholders on March 29, 2018. In addition, the Meeting had agreed to modify an allocation of ordinary shares previously approved in the Extraordinary General Meeting No. 3/ 2017. There were 110 million shares of ordinary share with a par value of Baht 0.50 per share, and they would be allocated as follows:

1. Allocate 100,545,000 shares, each with par value of Baht 0.50, for initial public offering (IPO)
2. Allocate 9,455,000 shares, each with par value of Baht 0.50, for company’s directors, executives, and/ or employees. Selling price was to be set similarly to IPO price. If there were any shares remaining from this allocation, they shall be included in the initial public offering (IPO).

- **On May 9, 2018**

The Board of Directors Meeting No. 3/ 2018 approved an interim dividend payout for the period of 3 months, ending March 31, 2018, totaling Baht 111 million (Baht 0.37 per share to 300 million shares outstanding). The dividend was issued by May 30, 2018.

2018

- **Between June 12-14, 2018**

The Company launched its initial public offering (IPO), selling 110 million shares to the general public, company's directors, executives, and/ or employees at a price of Baht 9.3 per share. Sales proceed totaled Baht 1,023,000,000, with net proceed after selling expenses of Baht 987,240,850. Following the IPO, the Company had paid-in capital of Baht 205,000,000 and 410,000,000 shares outstanding. Capital raised were used for (1) raw material extraction facility and international research laboratory, (2) new brand development, (3) loan repayment to financial institutions, and (4) working capital.

- **On July 19, 2018**

We signed a Memorandum of Understanding (MOU) with Department of Thai Traditional and Alternative Medicine to jointly drive and support Thai herbal products into international market. The Department would provide guidance to the Company in setting up our second raw material extraction facility along with a central laboratory. The collaboration was a part of national master plan on Thai Herbal Development No.1 (2017-2021) published by Ministry of Public Health.

- **On November 2, 2018**

We signed a Memorandum of Understanding (MOU) with CNR Happiness Home and Chinese Academy of Sciences to distribute dietary supplements, vitamins, traditional Thai herbs and medicine, skincare products and cosmetics through TV Shopping of CNR Mall broadcasted on CCTV Channel in China.

- **On June 20, 2018**

Company's stock was publicly traded as "DOD" in the consumer goods industry group of the Market for Alternative Investment (MAI).



- **On July 30, 2018**

The company received the production process certification food supplements from Office of the Central Islamic Committee of the Country.

- **On December 19, 2018**

The Board of Directors Meeting No. 8/ 2018 approved the Company's investment in PCCA Laboratory Co., Ltd. through a company's subsidiary which was to be set up ("Subsidiary"). The Board of Directors meeting approved the purchase and transfer of an entire business from BGP Spectrum Power Co., Ltd. ("BGP Spectrum") to the Subsidiary. The Subsidiary would pay a purchase price at a total of Baht 297,000,000. BGP Spectrum was not a related entity to the Company and PCCA offered end-to-end contract manufacturing services for cosmetic and skin care products.

- On December 19, 2018

The Board of Directors Meeting No. 8/ 2018 approved an interim dividend payout for the period between April 1, 2018 and September 30, 2018, totaling Baht 180.40 million (Baht 0.44 per share to 410 million shares outstanding). The dividend was scheduled to be issued on January 18, 2019.

- On December 26, 2018

The Company set up a new subsidiary under the name “DOD Healthy Life Co., Ltd.”. The subsidiary had a registered capital of Baht 1 million, of which the Company held 99.99 percent. The primary objective of the subsidiary was to invest in PCCA Laboratory Co., Ltd.

- On December 19, 2018

The Board of Directors Meeting No. 8/ 2018 approved insignificant changes in the usage of IPO capital. Two additional objectives were added: (1) to increase production capacity of dietary supplements, develop new product formats, and expand warehouse spaces; (2) to lend to company’s subsidiary for investing and expanding business of PCCA Laboratory Co., Ltd.

2019



- On January 15, 2019

DOD Healthy Life Co., Ltd., a subsidiary company, acquired and transferred the business of BGP Spectrum Power Company Limited (“BGP Spectrum”).

- On March 13, 2019

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

• **On April 30, 2019**

We issued and allotted warrants to purchase ordinary shares of DOD Biotech PLC. No.1 (“DOD-W1”) in the amount of not exceeding 182,222,222 units to the existing shareholders of DOD Biotech PLC. in proportion to their shareholdings (Right Offering) with the ratio of 2.25 existing ordinary shares for 1 unit of warrants at the offering price of Baht 0.10 per unit (in calculating the entitlement to receive the warrants of each shareholder, any fractions resulting from the calculation based on the allotment ratio will be rounded down). Shareholders may express their intention to subscribe to the warrants in excess of their entitlement. The record date to determine the list of shareholders who entitled to the allotment of the warrants was on May 10, 2019

• **On August 28, 2019**

The Company has set up a new subsidiary, “Siam Herbal Tech Co., Ltd.”, with registered capital of Baht 260 million, of which Baht 65 million was paid up. DOD held 99.99% shares of Siam Herbal Tech, whose principal business was to manufacture herbal extracts.

• **On December 2, 2019**

The Company received the certificate to certify that it is a green industry, level 2, Green Activities, activities to reduce environmental impact successfully by the Ministry of Industry (Thailand)

• **On May 23, 2019**

We increased registered capital from the existing registered capital of Baht 410,000,000 to Baht 592,222,222 by issuing of 182,222,222 newly-issued ordinary shares, at a par value of Baht 0.50 per share.

• **On June 19, 2019**

The Company has established a subsidiary, “HY DOD Co., Ltd.”, with registered and paid up capital of Baht 0.5 million. DOD held 51% shares of HY DOD, whose principal business was to sell and distribute dietary supplement products.

• **On July 3, 2019**

The Company has set up a new subsidiary, “DOD Sale Power Co., Ltd.”, with registered and paid up capital of Baht 2 million. DOD held 70% shares of DOD Sales Power, whose principal business was to provide consulting services.

• **On August 28, 2019**

The Company has set up a new subsidiary, “AK DOD Co., Ltd.”, with registered and paid up capital of Baht 0.5 million. DOD held 51% shares of AK DOD, whose principal business was to sell and distribute cosmetic and dietary supplement products.



• On January 24, 2020

The Company entered into a license agreement for the use of research results on “Development of medical food products for patients with diabetes mellitus. By using rice as the main raw material to replace imported products “with the Agricultural Research Development Agency (Public Organization) where the company is the owner of the rights to research by using unlimited rights Exclusive for a period of 5 years from the date of signing the contract. With permission to produce and distribute products both in the country and abroad It is also permitted to use the technology in the production under this contract or to use it for research, development, modification, improvement or transfer of technology to others without prior notice.

• On March 4, 2020

Received the certification. ISO22000: 2018 (Food Safety Management System) from Intertek Testing Services (Thailand) Co., Ltd. (Intertek)

• On March 11, 2020

Certified standards ISO14001: 2015 (Environmental Management System) from Intertek Testing Services (Thailand) Co., Ltd. (Intertek)

• On July 23, 2020

The company was registered as an accredited laboratory according to ISO / IEC 17025: 2017 from the Bureau of Laboratory Standards. Department of Medical Sciences Ministry of Public Health



• In 2021

The company has continued to research and develop dietary supplements in the jelly group which affects increasing of the production and income of this group.

• On April 26, 2021

The company received a license from the Food and Drug Administration, in the type of food control, including food supplements for infants and young children.

- **On June 14, 2021**

The company received a license from the Food and Drug Administration, in the type of specific control food, which are hemp seed oil, the protein from hemp seed, and food products containing hemp seeds. The company is the first in Thailand who can produce dietary supplements containing hemp seed oil for commercial production.

- **On November 2, 2021**

The company considers issuing warrants to purchase ordinary shares of the Company (DOD-W2) in the amount not exceeding 205,000,246 units for offering to the existing shareholders of the Company in proportion to their shareholding ratios which is old 2 existing ordinary shares equal 1 unit of a warrant, the term of the warrant is 2 years from the date of issuance of the warrant. The offering price per unit is Baht 0.10, with the exercise ratio being 1 unit of a warrant with the right to purchase 1 ordinary share at an exercise price of Baht 18 baht per 1 ordinary share.

- **On November 24, 2021**

The company researched and developed innovative hemp herbal supplements according to the government's unlocking the hemp policy which has products produced under the brand "Amaprai" hemp seed oil together with 9 types of cold-pressed oils.

- **On November 1, 2021**

The company reduced the registered capital in the amount of Baht 91,110,864.50 by cutting off the remaining registered shares from the allotment of newly issued ordinary shares to support the exercise of warrants to purchase ordinary shares (DOD- W1) 182,221,729 shares with a par value of 0.50 baht per share. The Company's registered capital remaining amount of Baht 205,000,246.50 with common shares about 410,000,493 shares with a par value of 0.50 baht per share.

- **On November 2, 2021**

The company increased its registered capital in the amount of Baht 102,500,123 by issuing new ordinary 205,000,046 shares with a par value of Baht 0.50 per share to support the exercise of warrants to purchase the ordinary shares (DOD-W2) amounting of 205,000,246 units.

2022



• On February 25, 2022

The company was certified HACCP&GHPs Codex (Hazard Analysis Critical Control Point & Good Hygiene Practices) upgraded from the original international HACCP GMP standard that was certified on February 21, 2017 by Intertek Institute, which is certified by the private sector, scope of production of food supplements (sachet packing, capsule packing, soft capsule packing), instant coffee and powdered beverages.

• On February 21, 2022

The company has been certified by the Intertek Institute, a certifying agency of the private sector, in the scope of food supplement production (sachet packing, capsule packing, soft capsule packing), instant coffee mix. and powdered beverages

• On July 22, 2022

The company expanded the scope of microbiological and chemical testing which has been certified for competence according to ISO / IEC 17025: 2017 from the Bureau of Laboratory Quality Standards, Department of Medical Sciences Ministry of Public Health.

• On May 9, 2022

The company was certified for good production standards. "Excellent Level" GMP THAI FDA 420 (Good Manufacturing Practice Notification of the Ministry of Public Health (No. 420)) from Intertek Institute, a private certifying agency, which the scope of dietary supplements, coffee, dairy products (dry or powder), beverages in sealed containers (powder) and tea.

• On November 29, 2022

The Board of Directors' Meeting No. 10/2022 passed a resolution regarding the dissolution of the subsidiary since HY DOD Co., Ltd. has ceased the business of distributing dietary supplements. The period for registration of company dissolution and liquidation is within the year 2023.

• On August 25, 2022

The company received the certificate to certify that it is a green industry, level 3, Green System, systematic environmental management. There is a follow-up evaluation and review for continuous improvement by the Ministry of Industry (Thailand)

• On December 13, 2022

The company invested in establishing a new subsidiary under the name of A Metaverse Co., Ltd. with a paid-up capital of 2.5 million baht, in which the company holds 50% of shares and its objective is to operate a business selling dietary supplements.



1.1.3 Use of proceeds from an initial public offering of ordinary shares

DOD Biotech Public Company Limited (“the Company”) made an initial public offering (“IPO”) of ordinary shares during June 12-14, 2018 in the amount of 110,000,000 shares each of Baht 0.50 par value at the offering price of Baht 9.30 per share, totaling Baht 1,023,000,000. After deduction of offering expenses, the proceeds from the IPO amount to Baht 987,240,850.

The company would like to report the use of capital increase from the IPO for July 1, 2022 to December 31, 2022 as follows:

Purposes of use (Unit: Baht million)	Amount earmarked	Resolution of the Board of Directors No. 8/2018 on 19/12/2018	Resolution of the 2019 Annual General Meeting on 30/04/2019	Amount used during period (Jul 1, 2022 - Dec 31, 2022)	Accumulated amount used (Jun 15, 2018 - Dec 31, 2022)	Balance remaining (Dec 31, 2022)
1. Investment in raw material extraction plant and world-class research laboratory	100.00	100.00	260.00	18.28	259.59	0.41
2. Development of the Company’s new brand	200.00	200.00	-	-	-	-
3. Repayment of loans to financial institutions	50.00	50.00	46.89	-	46.89	-
4. Working capital for business operation	637.34	368.34	221.45	-	221.45	-
5. Expansion of production capacity for dietary supplement products, introduction of new product packages, and warehouse building (related to existing business as disclosed in the Registration Statement for offer for sale of securities and draft prospectus)	-	120.90	120.90	-	120.90	-

Purposes of use (Unit: Baht million)	Amount earmarked	Resolution of the Board of Directors No. 8/2018 on 19/12/2018	Resolution of the 2019 Annual General Meeting on 30/04/2019	Amount used during period (Jul 1, 2021 - Dec 31, 2022)	Accumulated amount used (Jun 15, 2018 - Dec 31, 2022)	Balance remaining (Dec 31, 2022)
6. Lending to a subsidiary for investment and expansion of contracted manufacturing of cosmetics – PCCA Laboratory Co., Ltd. (new business)	-	148.00	148.00	-	148.00	-
7. Use to repay loans from financial institution Which is intended for investment in PCCA (New Business)	-	-	150.00	-	150.00	-
8. Use investment in subsidiaries that operate direct sale business (New business)	-	-	40.00	-	40.00	-
Total	987.24	987.24	987.24	18.28	986.83	0.41



1.2 Nature of Business

1.2.1 Income structure

Revenue structure of the Company for the year 2019-2022 can be classified by product categories as follows:

Type of Revenue	Year 2019		Year 2020		Year 2021		Year 2022	
	Baht million	%	Baht million	Baht million	%	Baht million	Baht million	%
Sales Revenue								
- Dietary Supplements for Beauty	545.41	68.39	1,332.85	82.23	813.93	79.91	359.79	65.62
- Dietary Supplements for Health and Wellness	244.51	30.66	278.35	17.17	201.37	19.77	177.37	32.35
Total Sales Revenue	789.92	99.05	1,611.20	99.40	1,015.32	99.68	537.16	97.96
Other Revenue ^{1/}	7.58	0.95	9.64	0.60	3.28	0.32	11.17	2.04
Total Revenue	797.50	100.00	1,620.84	100.00	1,018.60	100.00	548.33	100.00

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

1.2.2 Product information

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

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

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

When a product obtains approval from FDA, its FDA registration number is tied to a specific formulation and brand. Additional manufacturing of the products must be under a similar formulation and brand previously registered. Given that a product formulation is a trade secret of the Company, clients would not be able to work with other manufacturers to manufacture similar products under a similar FDA registration number. To work with a different manufacturer, they would be required to develop a new formulation and obtain a new FDA registration number, which will be difficult for customers if their product is still popular but needs to invest in developing new product. The Company's dietary supplement products can be divided into two major categories which are:

Dietary Supplement Products for Beauty

Dietary supplement products for beauty comprise two subcategories:

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

Dietary Supplement Products for Health and Wellness

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

1. *Dietary Supplements for Digestive Health*
2. *Protein Supplements*
3. *Dietary Supplements for Cognitive Health and Brain function*
4. *Dietary Supplements for Bone Health*
5. *Dietary Supplements for Eyes Care*
6. *Dietary Supplements for Sleep Aids*
7. *Dietary Supplements for Build Immunity*
8. *Dietary Supplements for Nourish the Liver*
9. *Dietary Supplements for Control Blood Sugar Levels*
10. *Dietary Supplements for Nourishing Mother's Milk After Childbirth*
11. *Dietary Supplements for Probiotics*

and the company has researched and developed products in new areas that are likely to be in new demand in the market, such as dietary supplements to reduce sodium, reduce allergies, etc., which increases the attractiveness of the product.

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

1. *Hard Capsule*

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

2. *Tablet*

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

3. Instant Drink

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

4. Soft Gelatin or Soft Gel

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

5. Gel

Gels can be made in multiple flavors making them easy to consume. They are convenient on-the-go and can be consumed right from the package without the need to drink water afterwards. Gel format is suitable for anyone looking for instant energy source, such as athletes. They are available in varying sizes from 15-40 grams.

6. Jelly

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

7. Concentrate shot

Concentrated water extracts dietary supplement is a product that the extract is made into a ready-to-eat liquid form, with flavoring making a unique flavor. The amount of serving is small but has the value and important substances that are sufficient for efficiency, easy to eat by tear the envelope

and eat immediately. It is a new form and increases the choice of dietary supplements on the market. The company can produce packing sizes from 10-25 grams.

8. Tea bag or tea from vegetables and fruits

Dietary supplements from Tea bags, can be registered as food supplements and teas from vegetables and fruits by using tea, vegetables and herbs. Provides natural flavors and benefits in various areas that customers need such as tea to reduce blood sugar, tea to help sleep, etc.

However, the company is developing additional dietary supplements in other forms, including dietary supplements for chewing tablets (Gummy) and Effervescent Tablet. At present, it is in the process of machine testing and equipment procurement, in order to meet the standards required by the company.

1.2.3 Nature of Customer and Target Group

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

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

1.2.4 Pricing Policy

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

1.2.5 Procurement of products and services

The company produces finished products in 8 forms, which are tablets and hard capsules. Soft capsule, tablet form, powder form, drink powder, gel form, jelly form, and concentrated extract. The total production capacity in 2022 is 506,143.40 kilograms. The company procures raw materials from quality production sources. according to the standards of various legal substances

1.2.6 Assets used in business operations

The company has fixed assets used in its business in the amount of Baht 508.73 million, has a property insurance policy contract which a sum insured amount of Baht 630.94 million, has loan agreements as of December 31, 2022, from 3 local financial institutions with a total credit line of Baht 277 million, with additional details as follows:



Assets used in business operations

Details of the Company's fixed assets used in the business of the Company Summarized as follows.

Asset Types	Net book value As of December 31, 2022 (Million baht)	Proprietary	Obligation
1. Land and land improvement			
A) Land title deed number 140090, area 7-2-71.40 rai, land number 103, survey page 4543, Tha Chin Subdistrict, Mueang Samut Sakhon District, Samut Sakhon Province	24.07	Company	Collateral for a domestic financial institution
B) Land title deed number 140091, area 9-3-1.70 rai, land number 103, survey page 4543, Tha Chin Sub-district, Mueang Samut Sakhon District, Samutsakorn	34.14	Company	Some of them serve as collateral for financial institutions
C) Land title deed number 140052, area 8-1-57.80 rai, land number 104, survey page 4539, Tha Chin Subdistrict, Mueang Samut Sakhon District, Samut Sakhon Province	29.45	Company	Collateral for domestic financial institutions
D) Land title deed number 138496, area 16-0-66.80 rai, land number 2, survey page 4534, Tha Chin Subdistrict, Mueang Samut Sakhon District, Samutsakorn Province.	56.72	Company	Collateral for a domestic financial institution
E) Land improvement Including land and land improvement	7.69 152.07	company	
2. Buildings and building improvements			
A) building	122.53	company	-
B) building improvement Including buildings and building improvements	106.82 229.35		
3. Machinery and equipment	97.78	company	Some part is a collateral for a domestic financial institution
4. Furnishings and office equipment	7.00	company	-
5. Vehicles	3.58	Some of them are under financial lease agreements with ICBC (Thai) Leasing Company Limited and Bank of Ayudhya Public Company Limited)	-
6. Assets under construction	18.95		-
Total	508.73		

Property insurance policy contract

The company has insurance for all property risks. Total sum assured of 630.94 million baht, details can be summarized as follows:

Policy type	Insurance company	assured	Insured property	Insurance sum (million baht)	Time period insurance
1. Property Insurance Insurance Policy	Dhipaya Insurance Public Company Limited	DOD Biotech Public Company Limited	1. Building, (Not including foundations) including the addition of the fence, walls, doors, building, cafeteria, guardhouse, clean room LAN system, wastewater treatment system, electrical system, air conditioning system, LAB room, including interior decoration work of the building	339.39	30 June 2022 To 30 June 2023
			2. Furniture, fixtures, fixtures.	175.24	
			Office equipment Utilities		
			3. Machinery and Equipment Used in action	116.31	

Loan agreement

As of December 31, 2022, the Company has loan agreements from 3 local financial institutions with a total credit limit of Baht 277 million.

Loan type	Loan limit (million baht)	Interest	Guarantee
1. Overdraft	5	2.75%	Fixed deposit
2. Promissory Note (P/N note)	10	The interest rate set by the bank in each moment	
3. Long-term loans	50	MLR-1	Title Deed No. 138496 and 140052
4. Overdraft	10	MLR-2	Title Deed No. 140090 and 140091
5. Promissory Note (P/N note)	102	The interest rate set by the bank at each moment	Some parts of machine
6. Long-term loan	40	MLR-1.5	
7. Overdraft	5	5.82%	
8. Promissory Note (P/N note)	55	The interest rate set by the bank at each moment	

The said loan agreement. There is a requirement for the maintenance of the Debt to Equity Ratio (D / E Ratio) not over 3.0 and the maintenance of the Debt Service Coverage Ratio (DSCR: Debt Service Coverage Ratio) not less than 1.25.

1.3 Shareholding Structure

List of Major Shareholders

Name of Shareholders	As of November 30, 2022	
	Number of Shares	Percent
1. Puntanaprates Group ^{1/}		
1.1 Mr. Lampun Puntanaprates	157,632,900	38.45
1.2 Mr. Pachara Puntanaprates ^{2/}	500,000	0.12
Total of Puntanaprates Group	158,132,900	38.57
2. Mr. Danupol Chilly	19,976,800	4.87
3. Mr. Phongphon Nantrathip	5,582,000	1.36
4. Mrs. Hathairat Kanarat	4,080,000	1.00
5. Thai NVDR Company Limited	4,001,429	0.98
6. Mr. Sanit Dussadeenot	3,438,800	0.84
7. Ms. Thanyarat Chidentree	3,300,000	0.80
8. Ms. Supa Youngyunsoonthorn	2,650,000	0.65
9. Mrs. Piriya Aphithanothai	2,300,000	0.56
10. Ms. Piyawan Sangsornpipakorn	2,300,000	0.56
Total	205,761,929	50.19

Remark.

^{1/} This classification is in accordance with the definition of persons who may have conflicts according to the Notification of the Securities and Exchange Commission No. KorJor. 17/2551 dated December 15, 2008 only, not a classification under Section 258 of the Royal Decree. Securities and Exchange Commission B.E. 2535 (including revised) in any way

^{2/} Mr. Pachara Sangkarat is Mr. Lumphan Phonthanaprathet's brother

1.4 Amounts of registered capital and paid-up capital

The Company has a registered capital of 307.50 million baht, divided into 615,000,739 ordinary shares and 0 preferred shares, at 0.5 baht per share. The Paid-up Capital of 205.00 million baht, divided into 410,000,494 ordinary shares and 0 preferred shares, at 0.5 baht per share.

1.5 Issuance of other securities

The Company did not issue any other securities in 2022.

1.6 Dividend policy

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

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



Risk Management

2. Risk Management

2.1 Risk management policy and plan

The Board of Directors realizes the importance of risk management, which they think of risk management is the cornerstone of business management through the risk management process, whether it is risk identification, risk assessment as well as regularly monitoring and reviewing risks which are proactive management that the company must do and implement. The Board of Directors has appointed the Risk Management Committee which consists of the Company's directors, comprising executives from various main related fields. The scope of work of the Risk Management Committee has defined risk management as active management and recognizes the need to identify and resolve risks throughout the organization. In addition to the company having adopted the ISO22000 standard as a risk management guideline, the company has also adopted COSO - ERM 2017 (Enterprise Risk Management) as a framework for its risk management. It is designed⁴⁴¹ to identify potential incidents which may affect the organization including risk management to be under the acceptable risk level of the organization. This is to provide reasonable assurance that the organization will achieve its objectives and in order to operate the business in accordance with the Sustainable Development Goals.

In 2022, the Risk Management Committee has performed duties as assigned by the Board of Directors which is closely monitored the operation in the company. There are meetings to assess risks in various fields, including a regular review of the additional risks. The Risk Management Committee will make additional recommendations for effective risk management, and report the results of risk management throughout the organization to the Board of Directors for acknowledgment.

From the operations mentioned above, Risk Management Committee has considered that the duties that they perform are consistent with good corporate governance. Including internal control that is sufficient and suitable for the business as well as closely monitoring risks, which makes the company able to achieve the objectives in the implementation of the business plan that has been settled.

2.2 Risk factors on business operation

2.2.1 Current company risk management

The Company has been a operate and manage of various risks by using Good Corporate Governance (GCG) which is anti-corruption standards internal control system performance appraisal system, Key Performance Indicators (KPIs), implementation in accordance with various quality policy standards such as standards ISO22000, ISO14001, ISO17025, etc. In practice, in the past, the company is able to manage operational risks very well.

2.2.2 Type of risk

Throughout the year 2022, the Company has identified 4 risks of the Company as follows:

1. Strategic Risk
2. Operational Risk
3. Compliance Risk
4. Financial Risk

The aforementioned risks can be categorized into the following major risks:

1) Strategic Risk means risk arising from the formulation of strategic plans, and improper implementation of strategic plans including the competitive situation in the market which affects the objectives or goals of the organization.

Strategic Risk Management Guidelines

In managing and controlling strategic risks, the Company arranges for a review of the strategic plan to be in line with the competitive situation by continuously researching the products and developing new products to meet market demands and to be consistent with the customer's needs. The company still looking for potential customers who will increase the proportion of the number of orders, including finding ways to expand customer foreign markets. However, this strategic plan was reviewed regularly to reflect changing circumstances.

2) Operational Risk refers to the risk arising from the operation of every step due to the lack of good governance or lack of good internal control covering factors related to processing, equipment, information technology, and human resource.

Guidelines for managing operational risks in the organization

The Company has operational risk management as follows:

The weekly performance of the departments involved in the production plan is reported delivery plans, product quality, sale, including problems encountered by the Board of Directors. The regularly used items is recorded in the safety stock for preparation. Also, study and analyze the feasibility of the operating system for further improvement and development of automation. Provide monitoring and supervision of operations in accordance with the policies and plans by defining Key Performance Indicators (KPIs) of employees at all levels as well as arranging meetings together in each department to discuss exchange learning based on lessons from the past and anticipating future opportunities to find measures to prevent risks within the organization from having or to an acceptable level.

3) Compliance Risk means the risk that various agencies that must comply with laws and obligations binding the organization such as breach of contract risk of non-compliance or non-compliance with the rules and regulations factors that cause compliance and legal risks may arise from personnel have the intent to commit wrongdoing or fraud, misunderstandings in communicating regulatory messages, or not communicating rules in all departments

Legal Risk Management Guidelines and terms that bind the organization

Training and educating the executives and employees at all levels to understand the standards and requirements of Rules and Regulations as well as operate in accordance with the principles of good governance and caring for the consumers and society.

4) Financial risk means the uncertainty of future outcomes arising from the conduct of financial activities and negatively affecting the value of the enterprise. This is caused by many factors such as changes in interest rates in the world market, exchange rate fluctuations in the prices of factors of production or product price All of which affect the performance of the business.

Guidelines for financial risk management

Focus on organization management by using careful financial policy under the budget, in order to receive appropriate returns and ensure that risk management and internal control are effective enough to meet the acceptable risk level, which is suitable for a rapidly changing environment procuring additional sources of funds for use in emergencies in order to create liquidity.

2.2.3 Risk factors for the Company's business operations

(1) Risk from High Concentration of Big Clients

In 2020 - 2022, the company has income from sales of products from 5 major customers, the total value was 998.77 million baht, 901.69 million baht, and 373.59 million baht, respectively, accounting or ratio as 87.45 percent, 88.81 percent and 69.55 percent of total sales revenue, respectively. The revenue from 1 customer represented 65.96 percent of total sales revenue in 2020 and 2021, and 1 customer represented 69.73 percent of total sales revenue in 2021 and 2022, 1 person represented 36.77 percent of revenue from total sales in 2022

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

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

(2) Risk from Inability to Collect Accounts Receivables

As of the end of 2020 - 2022, the Company had trade receivables that were overdue for more than 3 months amounting to 34.06 million baht, 112.34 million baht, and 392.18 million baht, or 12.21 percent, 37.78 percent, and 85.02 percent of total trade accounts receivable, respectively.

For the year 2022, the company has set up doubtful debts with one major customer in the amount of 408.4 million baht, where the company is in the process of collecting debt with this customer. We recognize the risk from an inability to collect all accounts receivables in a complete and timely manner. We may need to set up an allowance for doubtful accounts as specified by accounting policy; however, doing so would subsequently impact the net profit of the Company. As a result, we have developed a clear operational protocol for a collection of accounts receivables to be enforced within the organization. The accounting and Finance departments are responsible for the initial tracking of accounts receivables. They will develop AR aging report and pass it on to the sales operations team to proceed with the collection, with an aim to avoid and minimize default payment. To reduce the risk of bad debt, we have also set a credit policy to determine the number of trade credits each client is eligible for based on their credit repayment ability. For the accounts receivables that cannot be collected, the Company will set up an allowance for doubtful accounts as specified by accounting policy. The allowance will be determined quantitatively, by considering all accounts receivables overdue for more than 12 months, and qualitatively, by considering payment history, recent sales transactions, and financial status of each client.

(3) Risk from Clients Switching Manufacturer

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

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

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

(4) Risk from Competition in Dietary Supplement Business

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

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

We recognize such risk and have placed a great emphasis on new product research and development. We aim to increase new product varieties to create more choices for our clients and will consistently develop new product formats and formulas into the market to reduce reliance on a single product. Our R&D team continuously researches new dietary supplement products and has collaborated with

external specialists and researchers to develop new products as well as improve the effectiveness of existing ones. This is to ensure that the Company has distinguished product formula and product innovation to respond to clients' needs and changes in the market. We also strive to provide excellent services to our clients to maximize their satisfaction.

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

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

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

The dietary supplement business is highly regulated under various laws, rules, and regulations from Food and Drug Administration (FDA), Ministry of Health. Manufacturing of the products must strictly follow manufacturing control standards and all products must obtain approval from FDA before they can be sold to customers. Product nutrition, active ingredients, and formulation must be in accordance with relevant regulations and must not exceed the maximum amount specified by law. Labels and advertising claims must also be approved and displayed according to rules defined by FDA. This is to ensure that consumers are informed of the necessary information before making a purchase decision and also to prevent exaggerated and false advertising claims, especially on the treatment of diseases. In addition, to

be able to manufacture and distribute dietary supplement products, the Company needs to obtain relevant licenses and certifications, renew them, or retake the assessment as necessary within a time period specified by associated institutions.

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

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

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

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

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

At present, Puntanaprates family is a major shareholder of the Company with a holding of 38.57 percent and controls almost all matters in the shareholder meeting. They can also control policies and management of the Company including the appointment of directors and other matters requiring a majority vote of shareholders, except when it is required by law or company's regulations to have a three-fourths (3/4) majority vote. As a result, other shareholders of the Company have a risk of not being able to gather sufficient votes to counterbalance the company's major shareholders.

To ensure transparency and balance of power, we build our management team with highly competent individuals and define a clear scope of work and authority for all directors and executives. We appointed 3 independent directors out of 6 people of the Board of Directors members, and 3 people of the independent directors also hold a position in the company's Audit Committee. The Audit Committee will help audit, balance decisions, and approve various matters before they are presented to the shareholder meeting. In addition, the Company has formulated a policy and regulation concerning transactions with persons who may have conflicts of interest to limit the voting of connected persons. We also set up an internal audit department by hiring an independent external expert company reports directly to the Audit Committee. The internal audit team will ensure that the Company's internal control system is in accordance with regulations specified. This is to build shareholder confidence in the transparency and balance of power in the company's operations. Moreover, once the Company is listed on the stock exchange, it shall disclose all information and follow relevant rules and regulations from The Securities and Exchange Commission and The Stock Exchange of Thailand, such as regulations on connected transactions, the acquisition, and disposition of assets, etc., to ensure the best interests of the Company and all shareholders.

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

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

Sustainable Business Strategy

3. Sustainable Business Strategy

For the past nine years, DOD Biotech PCL has not only prospered in profitability, but has also brought our social responsibilities into the financial arena. The company put forth the strategy to raise an awareness towards the environment and its connection to the local community – the principles which are instilled into the staff. Our personnel are encouraged to directly participate in social works, as they are the driving force of the advancement of the community.

3.1 Policies and Objectives

The Board Committees realise and believe that establishing concrete corporate policies will lead to sustainability in the organisation. According to Environmental, Social, and Corporate Governance (ESG) criteria, the investors must address the following concerns:



Environmental Concerns

The corporate must employ ecological approach to available natural resource, including energy management, waste management, pollution prevention, as well as greenhouse gas emission reduction.



Social Concerns

The corporate must conduct a socially responsible policy, especially in defending human and labour rights. It is accountable for securing appropriate workplace environment, from occupational health and safety to skills development. Consumers must be guaranteed to receive quality products and on time. Suppliers are ensured by justifiable procurement procedures. The community also benefits and prospers through the bond that is fortified by the corporate's involvement.



Governance Concern

The corporate must behave ethically, whilst counteract all kinds of corruption. Skilfully maintaining the system of risk managements and internal controls; strengthening the sustainable supply chain; conducting research and developing products, will secure the organisation's sustainability.

Sustainability Framework



ENVIRONMENTAL

1. Energy Management
2. Waste and Pollution Management
3. Greenhouse Gas Management

SOCIAL

1. Respect for Human Rights
2. Fair Treatment of Employees
3. Human Resource Management
4. Maintenance of Safety/Occupational Health and Working Environment
5. Responsibility to Customers
6. Partner Management
7. Community/Social Responsibility



GOVERNANCE

1. Good Corporate Governance
2. Anti-Corruption
3. Risk Management and Internal Control
4. Supply Chain Management
5. Research and Product Development in the Organization
6. Cyber Security Management
7. Protection of Personal Information

Sustainability Management Goal

To support the organization's sustainability strategies as well as sustainable development goals that cover the principles of Environmental, Social and Governance (ESG).

3.2 Managing Impact on Stakeholders in the Business Value Chain

The company is aware of the efficient business operation throughout the process as well as aiming to reduce social and environmental impacts from the process. Emphasis is placed on research and development of high-quality products and services and satisfaction creation for the company's stakeholders. In addition, the Company has also surveyed the expectations of stakeholders who play a role in the business operation, i.e., employees, customers, business partners, competitors, as well as communities and society with appropriate approaches to meet the expectations.

3.2.1 Business Value Chain

The business value chain represents the relationship of key stakeholders in the activities related to the business operations from the upstream to downstream.

The Company's ability to manufacture products with consistent quality in large quantities and variety for customers is due to its systematic management processes that create value and pass it on from one department to another. By doing this, the maximum value is added to products and services that will be delivered to consumers. The value chain is an important strategy that the Company places an importance on and pays attention to every step for sustainable success.

Marketing & Sales

- Study the market information - study the market trend of the dietary supplement and consumer behavior.
- Know customer needs – always ready to listen, understand every customer's needs and pay attention to every detail for the highest customer's satisfaction.

Research and Product Development

- Ongoing research – study and conduct research on new extracts; and develop new products to support future market changes.
- Product development – pay attention to every detail of the customer's needs; and combine creativity and innovation to manufacture products that meet customer demands.

Raw Materials Purchasing

- Procurement of raw materials work closely with partners to find raw materials of consistent quality according to the required specification for the complete production.
- Select suppliers who can verify the source of raw materials and components according to Raw Material requirements

Production

- Systematic production according to international standards – there is a combination between manual system and automation system to suit the products as much as possible, taking into account the quality of the products. And we have a policy that aims to continually improve our production processes by applying various principles to increase efficiency including the effectiveness of our processes to reach our capacity.
- Control of product quality and production process in accordance with the legal agreement and international management standards in environment, safety and consumers, which are guaranteed by GMP THAI FDA, GMP-HACCP (Codex), ISO14001:2015, ISO22000:2018, SO17025:2017 and HALAL.

3.2.2 Stakeholder analysis in the business value chain

Relationships among stakeholders under the context of social responsibility and sustainability

Stakeholders	Channels of Participation	Expectations and Key Points	Responses
Shareholders and investors	<ul style="list-style-type: none"> - Annual shareholders' meetings - Investor relations - Website/Email - Annual reports - Company visits - Complaints through whistleblowing channels 	<ul style="list-style-type: none"> - Reasonable rewards - Management according to the principles of good corporate governance - Truthful, accurate, complete, and up-to-date disclosure of the company's information - Effective risk management 	<ul style="list-style-type: none"> - Treat shareholders and investors in accordance with good governance. - Require transparent and reliable disclosure of information. - Take care of the shareholders' rights in accordance with the principles of good corporate governance.

Stakeholders	Channels of Participation	Expectations and Key Points	Responses
Customers	<ul style="list-style-type: none"> - Customer satisfaction surveys - Website/Email and social media - Small group chats - Study visit opportunities - Knowledge from specialists and the company's team - Meetings with customers to listen to their opinions and suggestions - Complaints through whistleblowing channels 	<ul style="list-style-type: none"> - Delivery of products and services that has high quality and meets the standards - Transfer of knowledge and technology through the company's products - Variety of products - Customer data protection 	<ul style="list-style-type: none"> - Encourage customers to see the importance and share responsibility for the quality and safety of products and services. - Assess customer satisfaction in various fields covering all issues to be taken into consideration for performance and service improvement for customers. - Provide services to customers with ethical responsibility and business ethics. - Keep customer data secure.
Partners and Creditors	<ul style="list-style-type: none"> - Small group chats - Meetings - Meetings with partners to listen to their suggestions - Complaints through whistleblowing channels 	<ul style="list-style-type: none"> - Reasonable price with mid-price check - On-time dept payment - Fairness and equality in hiring and bidding - Exchange of knowledge and experience 	<ul style="list-style-type: none"> - Treat partners and all creditors with equality and fairness according to contractual agreements and business ethics. - Communicate the regulations on procurement, selection, and assessment processes to partners by monitoring and reporting the results to the relevant parties for acknowledgment.

Stakeholders	Channels of Participation	Expectations and Key Points	Responses
Competitors	News from media and public forums	<ul style="list-style-type: none"> - Business operation with transparency, honesty, and integrity - Fair competition in accordance with the law 	<ul style="list-style-type: none"> - Provide a supervision system to prevent any action from obtaining or using competitors' trade secrets by illegal means. - Treat competitors with understanding and cooperation.
Employees	<ul style="list-style-type: none"> - Employee opinion surveys - Employee training and development - Performance evaluation - Activities that encourage employees to participate, including social activities - Complaints through whistleblowing channels 	<ul style="list-style-type: none"> - Fair compensation and benefits other than those required by law - Stability and career advancement - Continuous development of knowledge and work potential - Safety and hygiene at work - Participation in the development of the work systems, products, and services - Participation in public service activities 	<ul style="list-style-type: none"> - Establish codes of conduct regarding business ethics for employees to adhere to in their work. - Provide reasonable and fair compensation and benefits. - Provide safety control systems and equipment that meet the standards; arrange the workplace appropriately to facilitate the efficiency and effectiveness of work taking into account safety and hygiene. - Respect employee's rights according to the law. - Train for progress development.

Stakeholders	Channels of Participation	Expectations and Key Points	Responses
Community/ Society	<ul style="list-style-type: none"> - Survey/Assessment of needs and satisfaction - Regular community meetings - Meetings to make sure that their opinions and suggestions are heard - Projects and activities with the community to promote quality of life - Study visits and promotion of participation in social development - Information reports, news, and events - News and reports from the press - Complaints through whistleblowing channels 	<ul style="list-style-type: none"> - Promotion of careers and well-being of the society - Participation in community and society development - Consideration of the impact on the community and society - Responsibility for the local, country, global society; promotion and preservation of local culture - Disclosure of operational data based on facts 	<ul style="list-style-type: none"> - Strictly operate in accordance with the security and occupational health policies. - Support the implementation of missions for the benefit of the public community and society as a whole. - Participation in public service activities for the community and society.

3.3 Sustainability Management in Environmental Dimensions

3.3.1 Environmental Policies and Practices

The Company is aware of its responsibility by taking into account the environmental impact on employees, communities and all related parties. Therefore, the Company has set policies to control and reduce environmental impact on natural resources and energy so that executives, employees, and all involved parties can participate in and adhere to as follows:

1. Promote and support all personnel in the organization; see the importance of the environment; and take responsibility for protection, prevention, and reduction of various environmental impacts on the people involved and the whole community.
2. Promote and support operations in accordance with the laws, standards or requirements related to the environment.

3. Manage, operate, control, monitor, improve, review, and develop related sections for environmental conservation regularly and continuously.
4. Promote and campaign for the optimal use of resources and energy in the organization for sustainability in business, society, and environment.
5. Provide support in various resources to promote knowledge and instill environmental responsibility in the organization and related parties.

Even though the Company's business operation is in an industry that does not essentially affect the environment, the Company does not overlook such a sensitive issue in society. Therefore, the importance has always been placed on the operation to protect the environment and conserve energy.

3.3.2 Environmental Performance

1. Energy Management

The Company has managed energy efficiently in both air compressor and air conditioning systems. In 2022, the Company made improvements as follows:

- Improvement of air leaks in the air duct, system of the air compressor system, which reduces energy loss by 9,759 kWh.
- Installation of Solar Cell systems to reduce the electricity costs in the organization by 685,372.33 kWh.

The electricity cost was reduced from the year 2022 by 3,059,354.27 baht.

2. Waste and Pollution Management

The Company is aware of the aforementioned garbage and waste problems and knows that a poor waste disposal process will cause pollution to the environment and have negative impacts on the living conditions of the animals and the people's health in the long term. For this reason, the Company has raised the awareness of proper garbage and waste disposal among employees by instilling understanding of the management.

Garbage and Waste Management of Year 2022

Waste	Quantity
Recyclable waste	
- Plastics	8,089 kilogram
- Paper boxes and cardboard boxes	7,544 kilogram
Waste disposal	
- Industrial waste	36,225 kilogram
- Organic waste	9,975 kilogram
- Hazardous waste	2,910 kilogram
- Infectious solid waste	2,043 kilogram

3. Management to reduce greenhouse gases

The Company has placed a great importance on the management to reduce greenhouse gases. It was found that the activities of the business with the highest amount of greenhouse gas emissions were the use of electricity from the production process, air conditioners in factories and offices, and fuels from corporate vehicles. Therefore, the Company has come up with measures to reduce the use of electricity from the Metropolitan Electricity Authority by installing solar energy generation systems, modifying air conditioners and installing equipment to help save energy.

3.4 Sustainability management in social dimensions

The Company has established policies and guidelines on human rights, including policies on the treatment of employees, customers and society. And the Company continues to focus on developing the potential of employees in accordance with business changes, along with taking care of employees to have a good quality of life.

3.4.1. Social policies and practices

1. Respect for human rights

The Company is aware of operating its business with integrity and adheres to responsibility for the society and all groups of stakeholders in accordance with good corporate governance and code of conduct by strictly complying with the law.

To ensure that the Company's business operations are free from human rights violations, guidelines on human rights have been established as follows:

1. The Company will strictly treat its employees and suppliers throughout the supply chain in accordance with human rights principles, including respect for freedom. Discrimination on the grounds of race, nationality, skin color, religion, sex, disability, social and economic status, culture, marital status and other features will not be tolerated.
2. Committed to maintain fair working conditions and exemplary roles in business operations and other aspects that comply with human rights, such as not exploiting child labor or forced labor, etc.
3. Provide fair employment for employees with no discrimination. All employees are given the opportunity to grow in their careers and various welfare from the company equally.
4. Organize training sessions on human rights for executives and employees to understand the rights and fundamental freedoms that all human beings are entitled to. This will reduce the risks that will lead to human rights violations in business operations.
5. Give employees the opportunity to suggest guidelines, express their opinions or complain to the company via the provided channels; and protect the employees who honestly report any misconduct that has occurred.
6. The Company will not support or encourage raw material providers in violation of human rights from the process of acquiring raw materials for the Company.

2. Fair Treatment of Employees

To ensure that the products of DOD Biotech Public Company Limited are manufactured by legal workers in accordance with human rights, employees must be physically and mentally ready and able to work happily for effective performance. Therefore, the Company will treat employees fairly and equally in terms of employment, compensation, promotion employee training and development without discrimination on the grounds of gender, age, educational institution, race and religion, as well as supporting employment for disadvantaged groups, such as the disabled, in order to create opportunities, build careers and provide stable income. This is a part of achieving sustainable development goals of the country and the world with the following guidelines:

1. Child labor: the Company will not employ or support the employment of child labor; or employ children under legal maturity age.

2. Female workers: the Company promotes gender equality and does not block career opportunities and advancement. In addition, measures are in place to make sure that no threats or harassment are tolerated. And the Company also supports the maintenance of a safe working environment for pregnant employees.

3. Forced labor: the Company will not support forced labor.

4. Health and safety: the Company will provide a safe and hygienic workplace and working environment for employees.

5. Freedom of association and the right to collective bargaining: the Company will respect the right of employees to form an association or to become a member of a labor group and respect the right to collective bargaining of the employees' representatives.

6. Discrimination: the Company will not commit or encourage any form of discrimination in employment, compensation, overtime, training, promotion, dismissal or retirement on the grounds of differences in race, ethnicity, nationality, caste, national origin, religion, disability, gender, gender deviation, trade union membership, political affiliation, marital status, pregnancy status, physical appearance, HIV exposure status, age, or other basic characteristics.

7. Disciplinary measures: the Company will not encourage assault and physical or mental coercion as punishment.

8. Working hours and overtime: the Company will determine the working hours according to the law and related industrial standards.

9. Remuneration: the Company must pay wages to employees at least equal to the wage rate prescribed by law or according to the minimum standards of that industry and in accordance with the law.

3. Human Resource Management

The Company realizes the importance of personnel. This is considered a factor that will indicate the success of business operations. Therefore, knowledge and ability developments have been promoted to acquire skills and work expertise coupled with motivating the employees and providing them with good working environments and living conditions. These are factors that will enhance the work potential and quality of life simultaneously. The Company has laid a foundation contributing to sustainable growth in the direction of the vision set on the basis of employee participation to ensure that the Company has

employees who show behaviors that support the goals of the organization. It is determined to instill the Core Values and shared values of the organization which are BEST-IN-CLASS, INNOVATION, ORGANIZATION, TEAMWORK, EXPERTISE, CUSTOMER CENTRIC and HONESTY. The Company has set guidelines for human resource management as follows:

1. Manage personnel in accordance with the vision, mission and corporate policies of the Company.
2. Manage personnel based on labor standards, Core Values and related laws.
3. Establish a systematic recruiting and selection process for employment of only quality people.
4. Determine the manpower rate planning so that people are balanced with the mission, no one is left with nothing to do, and no one is overworked, as well as having sufficient human resources to run the business.
5. Implement measures to retain employees with the organization for as long as possible.
6. Provide appropriate welfare benefits and promote work morale and motivation to encourage employees to devote their physical and mental strength to work to the best of their ability.
7. Establish systems to evaluate the efficiency and work performance of personnel in the organization to be used as a guideline for adjusting wages and salaries and fair promotion of employees.
8. Establish a salary structure system. Conduct a survey on salary rates to determine the rate of compensation for employees' work in accordance with the current and future socio-economic conditions.
9. Organize training and development programs for employees in various fields so that they can increase efficiency in their work; learn the tasks as assigned accurately and quickly; and are ready to perform tasks and take higher responsibilities in the future.
10. Organize employee relations activities to build a good relationship between the Company and its employees and among the employees themselves.
11. Promote effective communication within the organization from both the upper level to lower level and the other way around.
12. Ensure safe operation of employees at all levels. Support good occupational health. Reduce operational risks. Implement measures to prevent accidents as well as reducing accidents from employees' operations.

4. Maintenance of Safety, Occupational Health and Working Environments

The Company regards every employee as the heart of the Company. They are valuable resources. And the Company realizes that the safety management, occupational health and working environments are part of the Company's business. It is an important duty to take care of employees to ensure safety

along with production and product quality. This is to make customers, employees and communities realize that the Company gives importance to, is responsible for and committed to improving safety management, occupational health and working environments. The Company will act as follows:

1. The Company has complied with the rules, regulations, announcements, orders and standards in safety, occupational health and work environments as strictly prescribed by the government.
2. The Company has constantly supported and promoted safety, occupational health and work environments by providing training to educate, review and practice as well as organizing activities in various forms to continually raise safety awareness among employees and be prepared at all times.
3. The Company has prepared and provided personal protective equipment that has high quality and meets the standards for employees to wear according to the nature of work and performance.
4. The Company has overseen, checked on safety and required employees to comply with the Company's safety regulations as well as taking care of and making sure that the employees wear and use protective equipment according to the Company's guidelines as strictly designated by the Company.
5. The Company has always upgraded and improved the environment within the Company, workplace and hygiene around the area to be safe, have a good and hygienic environment which brings about the quality of work life and good health in general.
6. The Company has issued various measures to prevent the spread of COVID-19 pandemic in the company, such as setting up a screening point before entering the Company, a waiting area to take care of employees who are sick with COVID-19 and conducting proactive testing within the Company every week for a total of 24 times.

Executives at all levels of the Company are responsible for and exemplary of developing and maintaining the management systems of quality, occupational health, safety and environment by supporting sufficient resources to enable all employees to participate in the implementation of the policy, as well as communicating the operation results of quality management for occupational health, safety and environment to those concerned.

5. Responsibility to Customers

The Company operates the business with business ethics and is responsible for all customers fairly, by taking care of them to make sure that they receive quality products and services. It is also committed to producing food supplements that meet international standards for quality by a skilled team that has passed quality control in every step to deliver products on time, aiming to provide customers with the highest satisfaction. The Company also pays attention to continuous improvement to come up

with products that customers want and are satisfied with the most by utilizing resources, time, people, capital, materials, machinery, equipment, technology, information and methods in the most efficient and effective manner by strictly and continually maintaining quality of occupational health, safety and environment, including having mechanisms and customer service systems that enable customers to receive quick responses as well as being an organization that sets standards for the production of food supplements taking into account environmental and social responsibility, code of conduct for customer responsibility as follows:

1. Satisfy the needs of customers/consumers with quality products and excellent services.
2. Disclose complete, accurate and fair information about products and services to customers without distorting facts.
3. Provide guarantees for goods and services under reasonable terms.
4. Not deliver goods and services to customers despite knowing that the goods and services are defective or damaged or may cause harm to customers; and not deliver products or services of substandard quality to customers.
5. Set up a mechanism and customer service system for customers to easily complain about dissatisfaction with products and services; and perform the best of its ability for customers to receive a quick response.
6. Try to keep production costs to a minimum while maintaining the quality of products and services that meets standards.
7. Constantly seek new ways to add more benefits to customers.
8. In the event that any agreement with the customer cannot be complied with, the customer must be notified in advance in order to jointly find a solution to the problem and prevent damage.

6. Partner Management

The Company procures goods and services in accordance with the operating procedures with fairness, reasonableness, transparency and accountability. There are no conflicts of interest and business partners are treated equally with fair competition. The guidelines are as follows:

1. Comply with the agreements with the partners. In the event that any agreement with the business partners cannot be complied with, it is necessary to negotiate with them in advance to jointly find solutions and prevent damage.
2. Provide accurate, complete and truthful financial information.
3. Not call for, accept or unfairly give any benefits to partners. If there is information that certain benefits have been given unfairly, discuss with partners to jointly resolve issues fairly and quickly.

7. Community and Social Responsibility

Conduct business with responsibility to communities and society. Be aware of and place importance on supporting activities for society and surrounding communities including continually caring for the environment. Have the intention to work with those involved by aiming to build and maintain good relationships that arise from mutual acceptance and trust. Take into account the potential impact on those involved such as shareholders, employees, communities where the Company operates, customers, business partners, and government agencies, as well as society and the nation. And adopt an attitude and corporate culture in order for employees to be responsible for society together. Therefore, the Company has the following guidelines:

1. Conduct business in accordance with good governance principles and social responsibility.
2. Respect the rights and provide fairness to all groups of stakeholders.
3. Support activities for the public good, society and environment as well as promoting public or private organizations with missions that are beneficial to society and the environment.
4. Encourage personnel at all levels to give importance to and participate in the operations and activities of the Company with social responsibility as well as promoting and encouraging employees to participate in volunteer work and public service activities with the community.

3.4.2 Social Performance

(1) Respect for Human Rights

The Company has shown its intent and adheres to the law and international human rights principles. As a result, in the year 2021 the company had no complaints about human rights violations.

(2) Fair Treatment of Employees

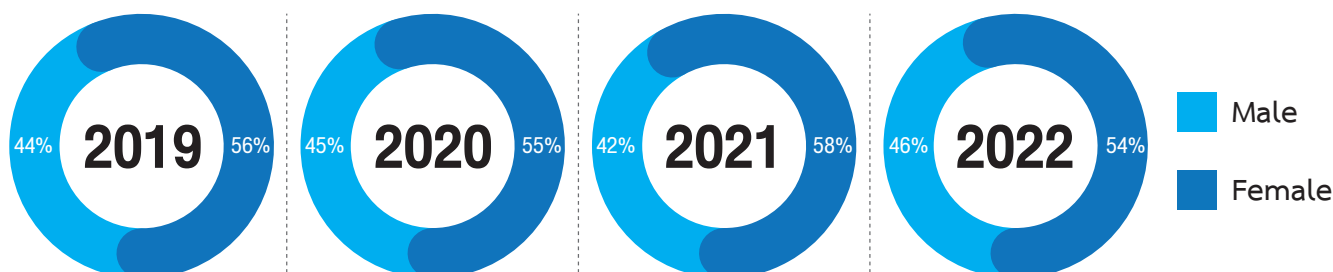
The Company treats workers fairly and equally from employment, compensation and benefits, access to training, promotion including taking care of the quality of life of employees. In 2022, the Company had the following important operations:

1. Set up a welfare committee elected by representatives of employees for monitoring and suggesting one another.
2. Provided fair employment selection criteria that were non-discriminatory and focused on the ability and experience of applicants. In 2022, the Company recruited 190 new employees without complaints about employment.
3. Adopted disciplinary measures that were in line with international labor laws and standards such as complaint channels. In 2022, there were no labor complaints whether direct complaints or complaints to the justice system.

Labor information

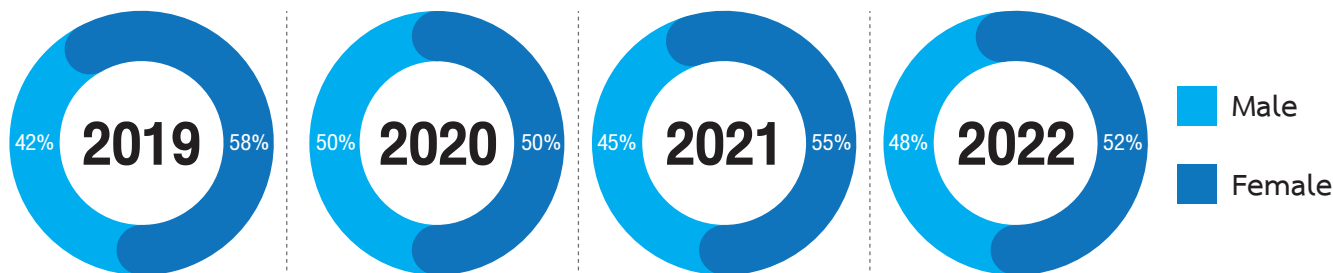
Non-discrimination regarding gender in recruitment

The proportion of male-female employees for 2019-2022 (Compared to all employees)



The proportion of male-female executives for 2019-2022

(Compared to all executives)



From the employee data above, it can be seen that there are more female employees than male employees; and more female executives than male executives. But if we consider both the number of male-female employees and that of male-female executives, the proportion is not much different. And there is also a higher rate of disability employment than the rate required by law. Currently, 5 disabled people are employed at the rate of 85:1 (85 non-disabled people, 1 disabled person).

(3) Human Resource Management

The Company is fully aware that all personnel are valuable resources. Therefore, the Company will retain them in the organization for a long time by focusing on improving the quality of life and engagement in the organization. At the same time, the employees must have effective working skills in order to compete in the increasingly intense globalization era. In 2022, the Company implemented personnel management as follows:

3.1 Personnel Development

The Company organized 44 training courses for employees, with 548 employees attending the training, representing 128% of the total number of employees (including employees entering and leaving during the year they were trained).

3.2 Quality of Life Improvement

The Company also provided welfare that was not prescribed by law, such as 1 free meal, dormitory welfare, employee transportation, provident fund, etc.

3.3 Employee Engagement in the Organization

Throughout the year 2022, the Company organizes off-site activities on 17-18 December 2022 to strengthen bonds between the company and employees and between employees.

4 Maintenance of Safety, Occupational Health and Working Environments

The Company places importance on doing business along with safety at work with the expectation that all employees are safe at work and have good physical and mental health. In 2022, the Company carried out activities on safety, occupational health and working environment as follows:

4.1 Established the Committee of Safety, Occupational Health and Work Environments (Committee of Occupational Safety)

It consisted of representatives of employers and employees from each department of the company to drive the work of safety to go smoothly.

The operations of the Committee of Occupational Safety so far had been carried out in accordance with the requirements of the law. Cooperation had been continually encouraged between employers and employees in the management of safety, occupational health and work environments by holding monthly meetings to find solutions to problems in the field of safety and to follow up on progress on various matters.



4.2 Organized safety patrol activities

To check the safety and monthly reports of unsafe working conditions of each area; and use the results of the patrol to make improvements to ensure safety.



4.3 Provided annual health check-ups and health check-ups specific to occupational risk factors

In order to monitor health problems that may arise from work and boost the morale of the Company's employees.



4.4 Screening for COVID-19

In 2022, the pandemic situation of COVID-19 in Thailand was very severe. The Company issued various measures to prevent the spread of COVID-19 pandemic in the Company, such as setting up a screening point before entering the Company, a waiting area to take care of employees who are sick with COVID-19 and conducting proactive testing within the Company twice a month for a total of 24 times.



4.5 Sprayed to kill COVID-19 virus within the company

With the increasing spread of the COVID-19 pandemic, the Company was aware of the prevention and proactive measures. Therefore, there had been an arrangement for spraying to kill COVID-19 virus within the Company.



4.6 Safety information

The Company places importance on preventing accidents at work to ensure safety in the workplace and that all employees return home safely. In 2022, there no accidents that took left more than 3 days. The Company investigated the cause and came up with solutions to prevent recurrence later. The highest statistic that the Company had no accidents to the point of stopping the operation was 180 days.

The Company considers safety at work as well as the proper and safe operation methods a duty of all employees and supervisors at all levels to be held accountable

5. Responsibility to customers

The Company has continually developed products and services to meet customer satisfaction with responsibility, honesty and ethics. In 2022, there were no legal complaints from customers regarding the quality of the Company's products and services.

6. Partner Management

The Company procures goods and services in accordance with the operating procedures with fairness, reasonableness, transparency and accountability. There are no conflicts of interest and business partners are treated equally with fair competition. In 2022, there were no complaints from trading partners regarding lack of transparency in trading.

7. Community and Social Responsibility

The Company operates its business with responsibility to communities and society. Emphasis is placed on reducing environmental impact and avoiding operations that may have a negative impact on the quality of life of communities around the establishment. In 2022, there were no complaints from the community on social or environmental issues.



In addition, the Company also takes part in improving the quality of life and promoting participation with communities. In 2022, the Company engaged in activities with communities and society as follows:

Number	Details	Description	Amount (Baht)
1.	The Foundation for The Crown Princes Hospital	Charity golf	50,000
2	Food and Drug Administration Foundation	Charity golf	50,000
3	Student club of CMA.31 curriculum	Charity golf	50,000
4	Tha Chin Municipality	Songkran festival support	3,000
5	Tha Chin Municipality	Providing Printer	16,000
6	Pho Thong Temple	Robe Offering Ceremony (Tod Kathin)	500,000
7	Non Sawang Temple	Construction of relics	250,000
8	Non Khamin Temple	Robe Offering Ceremony (Tod Kathin)	100,000

More details of the business drive for sustainability can be found in “Sustainability Report” published on the Company’s website: www.dodbiotech.com in “Sustainability” category.

Management Discussion and Analysis : MD&A

4. Management Discussion and Analysis (MD&A)

DOD Biotech Public Company Limited and its subsidiaries (“Company”) would like to notify the operating result stated in consolidated financial statements for the year of 2022 compared with the same period of 2021.

For the operating result of the year ended December 31, 2022 compared with the same period of 2021, the Company had the Revenue from Sale of THB 537.16 Million, which was decrease by THB 478.16 Million or 47.09% and operating profit(loss) of THB (22.56) Million, which was decrease by THB 330.34 Million or 107.33%. When it was adjusted for other items, as a result the profit(loss) attributable to Equity holders of the parent company by THB (398.34) Million, which was decrease by THB 448.13 Million, compared with the same period of last year.

For the year ended 31 December 2022

Unit : Million THB

	2022		2021		Increase/(Decrease)	
Revenues from Sale	537.16	100.00%	1,015.32	100.00%	(478.16)	(47.09%)
Cost of Sales	396.66	73.84%	580.70	57.19%	(184.04)	(31.69%)
Gross Profit	140.50	26.16%	434.62	42.81%	(294.12)	(67.67%)
Selling and Distribution Expenses	16.86	3.14%	18.68	1.84%	(1.82)	(9.74%)
Administrative Expenses	146.20	27.22%	108.16	10.65%	38.04	35.17%
Operating Profit(Loss)	(22.56)	(4.20%)	307.78	30.31%	(330.34)	(107.33%)
Other Revenues	11.17	2.08%	3.03	0.30%	8.14	268.65%
Finance Income	0.11	0.02%	0.25	0.02%	(0.14)	(56.00%)
Finance Cost	7.09	1.32%	6.71	0.66%	0.38	5.66%
Other expenses	405.86	75.56%	39.28	3.87%	366.58	933.25%
Profit(loss) before income tax expenses	(424.23)	(78.98%)	265.07	26.11%	(689.30)	(260.04%)
tax expenses	79.11	14.73%	(31.96)	(3.15%)	111.07	(347.53%)
Profit(loss) for the period from continuing operation	(345.12)	(64.25%)	233.11	22.96%	(578.23)	(248.05%)
Loss for the period from discontinued	(60.03)	(11.18%)	(213.71)	(21.05%)	153.68	(71.91%)
Profit(loss) for the period	(405.15)	(75.42%)	19.40	1.91%	(424.55)	(2,188.40%)
Non-controlling interests of the subsidiaries						
Profit(loss) for the year from continuing operation	(2.15)	(0.40%)	(4.12)	(0.41%)	1.97	(47.82%)
Profit for the year from discontinued operation	(4.66)	(0.87%)	(26.27)	(2.59%)	21.61	(82.26%)
Profit(loss) for the period attributable to Non-controlling interest	(6.81)	(1.27%)	(30.39)	(2.99%)	23.58	(77.59%)
Profit(loss) attributable to Equity holders of the parent company	(398.34)	(74.16%)	49.79	4.90%	(448.13)	(900.04%)

Revenue from Sale

For the year 2022, The Company had the Revenue from Sale of THB 537.16 Million which was decrease by THB 478.16 Million or 47.09% compared with the same period of 2021 because the company have changed the customer base for diversified the market risk.

Gross Profit and Gross Profit Margin

For the year 2022, the Company had gross profit by THB 140.50 Million that was decrease by THB 294.12 Million or 67.67%, which corresponds to decreases of revenue from sale and Gross Profit Margin was decrease from the same period of last year because the company has changed the customer base for diversified the market risk.

Selling and distribution expenses

For the year 2022, the Company had the selling and distribution expenses by THB 16.86 Million that was decreased by THB 1.82 Million or 9.74%, which corresponds to decrease of sales.

Administrative Expenses

For the year 2022, the Company had administrative expenses by THB 146.20 Million which increased by THB 38.04 Million or 35.17% which mainly came from the expenses related to Siam Herbal Tech Company Limited, a subsidiary that started the business since the beginning of 2022 in the production of hemp.

Operating Profit(Loss)

For the year 2022, the Company had the operating profit(loss) by THB (22.56) Million which decreased by THB 330.34 Million or 107.33% compared with the same period of 2021 due to the decrease of revenue from sale and gross profit margin as well as increase of the administrative expenses.

Other Expenses

For the year 2022, the Company had other expenses by THB 405.86 million which increased by THB 366.58 million or 933.25% compared with the last year because the company had impairment loss on financial assets for trade accounts receivable that are expected to be uncollectible.

Profit(Loss) for the period from continued operation

The Company had profit(loss) from continued operation amount of THB (345.12) Million, which was decrease 248.05% due to impairment loss on financial assets as mentioned above.

Loss for the period from discontinued operation

For the year 2022, the Company had loss from discontinued operation by THB 60.03 Million, which decreased compared with the same period of 2021 by THB 213.71 Million due to the two subsidiaries business discontinued operation. In the event of a subsidiary is unable to sustain in the financial conditions. It still does not result in the bank calling for all loan due to the subsidiary still pays the installments on a regular basis. However, if the bank recalls the loan. The subsidiaries still have sufficient cash flows for debt repayment in full. The progress of follow-up on loans to the two subsidiaries business discontinued operation as follows:

- Ultima Life Company Limited has outstanding loans of THB 1 Million, which has considered write - off bad debts. At present, Ultima Life Company Limited is subject to bankruptcy court order.
- PCCA Laboratory Company Limited has outstanding loans of THB 277 Million, which has considered partial an allowance for doubtful accounts. The company will recall the loan when PCCA Laboratory Co., Ltd is able to dispose of the fixed assets shown in the financial statements.

The profit(loss) attributable to equity holders of the parent company

The Company has the profit(loss) attributable to equity holders of the parent company by THB (398.34) Million, while it had the profit by THB 49.79 Million for the year 2021 which was decrease THB 448.13 Million or 900.04%, which mainly came from the decrease of operating profit and impairment loss on financial assets

The Statement of Financial position as at December 31, 2022 is as following;

Unit : Million THB

	As at 31 December 2022		As at 31 December 2021		Change	
Cash and cash equivalents	30.27	2.34%	161.68	9.94%	(131.41)	(81.28%)
Trade and other receivables	57.29	4.44%	337.74	20.76%	(280.45)	(83.04%)
Inventories	98.03	7.59%	113.46	6.97%	(15.43)	(13.60%)
Other current assets	11.54	0.89%	13.12	0.81%	(1.58)	(12.04%)
Total Current Assets	197.13	15.27%	626.00	38.48%	(428.87)	(68.51%)
Restricted bank deposits	16.99	1.32%	16.93	1.04%	0.06	0.35%
Other Non-current financial assets	2.60	0.20%	2.60	0.16%	-	-
Property, plant and equipment	909.08	70.42%	904.14	55.57%	4.94	0.55%
Rights of use assets	53.92	4.18%	56.89	3.50%	(2.97)	(5.22%)
Other intangible assets	5.57	0.43%	5.66	0.35%	(0.09)	(1.59%)
Deferred tax assets	92.54	7.17%	7.90	0.49%	84.64	1,071.39%
Advance for purchasing fixed assets	12.59	0.98%	6.37	0.39%	6.22	97.65%
Other non-current assets	0.50	0.04%	0.50	0.03%	-	-
Total Non-Current Assets	1,093.79	84.73%	1,000.99	61.52%	92.80	9.27%
Total Assets	1,290.92	100.00%	1,626.99	100.00%	(336.07)	(20.66%)

As of December 31, 2022, the total assets were decrease by THB 336.07 Million or 20.66% compared with December 31, 2021 which mainly came from Trade and other receivables decreased by THB 280.45 million due to the impairment loss on financial assets.

Unit : Million THB

	As at 31 December 2022		As at 31 December 2021		Change	
Bank overdrafts and short-term loans from banks	138.70	10.74%	77.00	4.73%	61.70	80.13%
Short-term loans from shareholders	10.00	0.77%	-	0.00%	10.00	-
Trade and other payables	110.24	8.54%	120.59	7.41%	(10.35)	(8.58%)
Current portion of long-term borrowings	19.81	1.53%	28.76	1.77%	(8.95)	(31.12%)
Current portion of Operating Leases Agreement	2.62	0.20%	4.92	0.30%	(2.30)	(46.75%)
Income tax payable	1.66	0.13%	-	0.00%	1.66	100.00%
Other current liabilities	21.08	1.63%	27.89	1.71%	(6.81)	(24.42%)
Total Current Liabilities	304.11	23.56%	259.16	15.93%	44.95	17.34%
Long-term loans, net of current portion	2.12	0.16%	19.31	1.19%	(17.19)	(89.02%)
Lease liabilities, net of current portion	55.83	4.32%	53.31	3.28%	2.52	4.73%
Provision for long-term employee benefits	7.68	0.59%	5.37	0.33%	2.31	43.02%
Deferred tax liabilities	10.68	0.83%	12.05	0.74%	(1.37)	(11.37%)
Other non-current liabilities	16.87	1.31%	15.50	0.95%	1.37	8.84%
Total Non-Current Liabilities	93.18	7.22%	105.54	6.49%	(12.36)	(11.71%)
Total Liabilities	397.29	30.78%	364.70	22.42%	32.59	8.94%
Shareholder's Equity	893.63	69.22%	1,262.29	77.58%	(368.66)	(29.21%)
Total Liabilities and Shareholder's Equity	1,290.92	100.00%	1,626.99	100.00%	(336.07)	(20.66%)

As of December 31, 2022, total liabilities were increase by THB 32.59 Million or 8.94% compared with December 31, 2021 because the Company has cash receipt from bank overdrafts and short-term loans from bank institution amount of THB 61.70 Million

In conclusion, the economy circumstances have adversely slow down which affecting the Company's operating result in both of the revenue from sale and gross profit margin together with payment ability of the customer. However, The Company has increased the potential of the group of companies by investing in Siam Herbal Tech Company Limited to produce extracts for expand the existing business and new businesses including aim to own brand development.

General information and other material facts

5. General information and other material facts

5.1 General information

A. Company

Issuing Company	DOD Biotech PLC.
Head Office Location	111 Moo 2, Tha Jeen, Mueang Samut Sakhon, Samut Sakhon 74000
Type of Business	Manufacturer of Dietary Supplement
Company Registration Number	0107560000419
Telephone	034-446-333, 034-446-444
Fax	034-440-373
Website	www.dodbiotech.com
Registered Capital	Baht 307.50 million
Paid-up Capital	Baht 205.00 million
Par value per share	Baht 0.50

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

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

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

Company Name	PCCA Laboratory Co., Ltd.
Head Office Location	59 Satriwithaya 2 Rd. Lat Phrao, Lat Phrao, Bangkok
Type of Business	Manufacturer and Distributor of Cosmetic and Cosmeceutical Products
Company Registration Number	0105548143815
Telephone	02-358-4646
Fax	02-542-4339
Registered Capital	Baht 90 million
Paid-up Capital	Baht 90 million
Par value per share	Baht 10

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

Company Name	Ultima Life Co., Ltd.*
Head Office Location	60 Soi Praditmanutham 19 Praditmanutham Rd., Lat Phrao, Lat Phrao, Bangkok
Type of Business	Network Marketing
Company Registration Number	0105562049146
Telephone	02-147-1683
Fax	-
Registered Capital	Baht 50 million
Paid-up Capital	Baht 50 million
Par value per share	Baht 10

*The status is in the process of dissolution.

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

Company Name	Siam Herbal Tech Co., Ltd.
Head Office Location	166/9 Moo 2, Nhong Bon Daeng, Baan Bueng, Chonburi
Type of Business	Manufacturer of Extracts
Company Registration Number	0205562031483
Telephone	034-446-333
Fax	034-440-373
Registered Capital	Baht 260 million
Paid-up Capital	Baht 260 million
Par value per share	Baht 100

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

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

*The status is in the process of dissolution.

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

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

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

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

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

Company Name	A METAVERSE CO., LTD.
Head Office Location	111 Moo 2, Tha Jeen, Mueang Samut Sakhon, Samut Sakhon
Type of Business	Distributor of Dietary Supplement Products
Company Registration Number	0745565010211
Telephone	034-446-333
Fax	034-440-373
Registered Capital	Baht 10,000,000
Paid-up Capital	Baht 2,500,000
Par value per share	Baht 10

J. Other references

1. Registrar of Securities

Company	Thailand Securities Depository Co., Ltd.
Head Office Location	No. 93 Rachadapisek Road, Dindaeng, Bangkok 10400
Telephone	02-009-9000
Fax	02-009-9991

2. Auditor

Company	EY Company Limited
Head Office Location	33 rd Floor, Lake Rajada Office Complex, 193/136-137 Rajadapisek Road, Klongtoey, Bangkok 10110
Telephone	0-2264-0777
Fax	0-2264-0789-90
Website	https://www.ey.com/en_th

5.2 Legal disputes

The company has no legal disputes in 2022.



Corporate Governance

Corporate Governance

6. Corporate Governance Policy

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

Overview of the Policy and Guidelines

The principles behind the Company's corporate governance policy are focused on the cautious and ethical use of knowledge to achieve balance and readiness for rapid change. The policy was developed based on eight principles, including accountability, responsibility, integrity, equitable treatment, transparency, ethics, vision to create long-term value, and corporate social responsibility.

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

Section 1: Rights of Shareholders

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

- Rights to sell, buy or transfer shares
- Rights to attend shareholder's meetings
- Rights to assign a proxy to attend shareholder's meetings and vote on their behalf
- Rights to approve director's remuneration
- Voting rights to appoint and remove directors
- Voting rights to appoint independent auditors and approve their remuneration
- Voting rights in important matters of the Company
- Rights to share the profits of the company
- Rights to attend, express opinions and ask questions in shareholder's meetings, along with offering shareholders who are unable to attend an option to appoint an independent director as their proxy to attend the meeting and vote on their behalf.

● Rights to obtain relevant and adequate information about the Company on time and regularly and to access the latest information on the company's website

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

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

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

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

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

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

6. The Board of Directors must set up a standard practice for minority shareholders to propose an agenda item before the meeting date as well as to nominate qualified candidates as a director. The nomination can be submitted to the Remuneration and Nomination Committee 3-4 months before the date of the meeting.

The Company held an Annual General Meeting of 2022 on April 21, 2022

Section 2: Equitable Treatment of Shareholders

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

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

2. For shareholders who cannot attend the meeting and vote in person, the Company encourages them to appoint one of the company's independent directors or another individual as their proxy.

Complete profiles and qualifications of independent directors are provided to shareholders which they can review and select their proxy form.

3. The Company will not add a new agenda item for the meeting or modify any important information without notifying shareholders in advance.
4. The Board supports the use of voting cards for all agenda items of the meeting, including a nomination of an individual director, to ensure transparency and audibility.
5. The Company has established a code of conduct regarding insider trading to prevent all directors, management, and employees from using inside information for their interests. The policy is communicated to everyone in the organization and policy adherence is consistently monitored.
6. Directors and management must report their holding of the company's securities, along with any changes in their holding from buying, selling, or transferring of securities, to the Board. The reporting must be done following regulations specified by the SEC.

The Company held an Annual General Meeting of 2022 on April 21, 2022. There was no additional agenda item during the meeting.

Section 3: Roles of Stakeholders

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

- 1) The Company has developed a code of conduct for each group of stakeholders, including shareholders, customers, employees, business partners, creditors, competitors and society, and the environment. The code of conduct is communicated to all directors, executives, and employees in the organization. Strict compliance is enforced with penalties clearly outlined in the employee's manual in the case of compliance. Treatments of each stakeholder group can be summarized as follows :

Shareholders

1. Perform duties with integrity, honesty, and transparency. Make decisions that are beneficial to the Company and shareholders.
2. Effectively manage the Company to achieve sustainable growth and generate rewarding returns to shareholders.
3. Perform duties by applying knowledge and management skills to the maximum for the best interests of the Company and its shareholders.

4. Manage and supervise assets of the Company to prevent unreasonable depreciation or wrongful loss.
5. Completely and accurately report business status and operating performance of the Company to the Board and shareholders
6. Refrain from seeking personal gains for oneself or other individuals.
7. Refrain from disclosing confidential information of the Company or from exploiting them for any personal gains without permission from the Company.
8. Refrain from any actions that may cause a conflict of interest with the Company without first notifying the Company.

Customers

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

Employees

1. Offer appropriate employee compensation based on skills, responsibilities, and individual performance.
2. Support professional and skill development of employees to promote job progression and security.
3. Encourage employee participation in setting the company's direction and problem-solving.
4. Create and maintain a safe working environment for employees.
5. Reward and punish employees based on truthfulness, fairness, and good faith.
6. Comply with all laws and regulations regarding labor and labor welfare.

7. Refrain from any unfair or wrongful actions which may harm employees' job progression and security.
8. Treat employees concerning human rights, personal rights, and duties.

Business Partners and Creditors

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

Competitors

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

Society and Environment

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

2) The Company has established a mechanism to protect the rights of the whistleblowers. Employees who would like to report misconducts, violations of laws, inaccuracy of financial reports, defective internal control system, or unethical practices can report the matter directly to the Board and the Audit Committee via the company's website.

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

Section 4: Disclosures and Transparency

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

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

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

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

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

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

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

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

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

9) The Board of Directors shall supervise the Company in creating and disclosing a Management Discussion and Analysis (MD&A) together with a disclosure of financial statements every quarter. This is

to ensure that investors are informed and can better understand the context of changes in the company's financial status and performance in each quarter, in addition to quantitative data shown in financial statements. The MD&A should always be submitted together with the submission of financial statements to the SET.

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

Section 5: Responsibilities of the Board

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

1. Board structure

1.1 The Board is comprised of directors who are knowledgeable, full of ethics and integrity, and as a group provides a diversity of qualifications and experience. The Board will disclose its diversity policy and the number of years each director has been with the Company in the annual report and company's website.

1.2 The Board is comprised of at least 5 but not more than 10 directors. All members are legal persons and at least half of them reside in the Kingdom of Thailand. In 2022, the Board has a total of 6 directors, comprising 3 non-executive directors which are 3 independent directors and members of the Audit Committee and 3 executive directors. The Chairman of the Executive Committee is holding the position of Vice Chairman of the Board.

1.3 The Board contains 3 independent directors out of 6 total directors, representing more than 1/3 of total Board members. Independent directors can independently comment on the performance of the management, creating a balance of power for the best interests of the Company. In addition, 3 of the independent directors also hold a position in the company's Audit Committee. The number of independent directors and Audit Committee members is following SEC requirements, which are to have independent directors representing at least 1/3 of total directors and to have at least 3 members in the Audit Committee. All independent directors and Audit Committee members have met the minimum qualifications specified in the Notice of Capital Market Supervisory Board.

1.4 The Board represents all shareholders and not a specific group of shareholders

1.5 The number of directors who are not independent should be proportionate to the share of controlling shareholders of the company

1.6 The appointment of directors needs to be transparent and in compliance with the company's articles of association and applicable laws. The nomination of directors must be conducted by the Remuneration and Nomination Committee. Evaluation of directors must include a thorough review of an individual's education and professional experience to assist with the decision-making of the Board and shareholders.

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

1.7 The role of supervision and management should be separated from each other. The chairman of the board ,and Chief Executive Office should be appointed from the Board of Directors. All three positions should be held by different individuals to separate duties of policy setting, supervising, and managing. Different sets of roles and responsibilities are developed for the Board and the management to achieve a balance of power. The Board is responsible for setting policies and supervising management at the policy level while the management is responsible for managing day-to-day business following the policies. In addition, the Chairman of the Board will not partake in the daily management of the Company but will provide regular management guidance through a Chief Executive Office. The Chief Executive Office, on the other hand, is responsible for managing the business under the scope of authorities determined by the Board.

1.8 To maintain the effectiveness of the Board, individual directors can simultaneously hold positions in no more than 3 other publicly-listed companies. This is to ensure that directors have sufficient time to perform their Board duties.

1.9 The Board has developed clear policies regarding directors holding board positions in other companies. According to the company's articles of association, directors are not allowed to conduct businesses, be a partner in an ordinary partnership, be a partner without limit in a limited partnership, hold a director position of a limited company, or hold a director position in a public limited company in any competing businesses, unless they notify and obtain approval from the shareholders meeting before the appointment of the position.

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

1.10 The Board has appointed a corporate secretary who has appropriate qualifications and experiences to provide legal advice, take care of the Board's activities and monitor compliance with Board resolutions. Qualifications and experiences of a corporate secretary are disclosed in the annual reports and the company's website.

1.11 The Board promotes and supports a corporate secretary is getting regular training and knowledge development in legal, accountancy, and secretarial practices.

2. Sub Committees

2.1 The Company has appointed the following sub-committees: (1) Audit Committee following requirements specified by SEC and SET; (2) Remuneration and Nomination Committee; and (3) Executive Committee to perform specific duties and propose matters for the Board of Directors to acknowledge or approve

2.2 Subcommittees have the rights and duties as specified in the scope of authorities for each committee. The Chairman of the Board will not hold any position in the sub-committees to ensure that subcommittees can perform their duties with true independence.

3. Role, Duties, and Responsibilities of the Board

3.1 Duties and Responsibilities of the Board

The primary duties of the Board are to review and approve significant business matters, including the vision and mission of the Company, strategy, policies, as well as supervise and ensure compliance of business operations with policies and plans.

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

3.2 Corporate Governance Policy

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

3.3 Code of Conduct

The Board greatly values righteous and fair operations of the business and has developed a written code of conduct to set ethical standards of the Company and promote similar understanding among directors, executives, and all employees. The code of conduct will serve as a guideline in conducting a transparent, ethical, and responsible business to stakeholders, society, and the environment. It reflects a set of values, operational guidelines, and ethical frameworks that employees should follow. The code of conduct is communicated to all employees through training and various means of internal communication. It is strictly enforced and compliance with the code will be closely monitored by the Board.

3.4 Conflict of Interest

The Board considers matters with conflict of interest with caution and clear approval guidelines to ensure the best interests of the Company. The code of conduct regarding conflict of interest states that directors, executives, employees, and other related persons, must not seek personal gains in conflict with the company's interests and must refrain from any actions that would cause a conflict of interest with the Company. In addition, individuals who have vested interests in a given transaction need to declare their relatedness to the Company and will not be allowed to participate in any decision-making process related to that transaction.

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

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

3.5 Internal Control System

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

The Board has assigned the Audit Committee to review and assess the effectiveness of the internal control system set by management. It has also prepared and reviewed control policies across various dimensions including operations, financial reporting, policy compliance, governance, and risk management. Great emphasis is also placed on early warning signs and unusual transactions.

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

3.6 Risk Management Policy

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

3.7 The Audit Committee shall disclose its statement on the adequacy of the Company's internal control and risk management systems in the annual reports.

3.8 The Board has set clear procedures for whistleblowing for related parties and stakeholders. Complaints can be submitted via the company's website or reported directly to the company's independent directors or the Audit Committee, who shall arrange an investigation and report the findings to the Board accordingly.

4. Board Meeting

4.1 Board meetings can only be held when more than half of the directors attend the meeting. If the Chairman of the Board is not present or is unable to perform duties, the Vice Chairman of the Board can serve as a meeting chair. If Vice Chairman is not present or is unable to perform duties, directors attending the meeting can select any one of them to serve as a meeting chair.

4.2 Ruling will be decided based on the majority votes. One director has one vote, except when he/ she has a conflict of interest related to the matter and thus is not allowed to vote on that matter. If voting results are tied, the meeting chair shall have the casting vote.

4.3 Board meetings should be held at least once every three months by the Chairman of the Board. If necessary, four directors or more can request the Chairman to call for an ad-hoc meeting. In such a case, the Chairman needs to set the meeting date within 14 days from the date of request.

4.4 The Chairman, or director assigned by the Chairman, is responsible for setting a date, time, and location of the meeting which can be at the company's head office or any other places including nearby provinces. If a meeting location is not set, the company's head office is to be used as a default meeting location.

4.5 The Chairman, or other individual assigned, is responsible for sending a meeting invitation letter, containing date, time, location, and agenda, to directors or their proxy, via postal or in-person, at least seven days in advance of the meeting. For urgent matters with a high impact on the interests of the Company, meeting invitations can be sent via other methods and can be notified less than seven days in advance.

5. Board Self-assessment

5.1 The Board and its subcommittees will conduct a regular self-assessment at least once a year to allow all members to jointly review the Board's performance and solve any problems they may have.

5.2 Assessment rules, procedures, and results will be disclosed in the annual reports.

In 2022, Board members had conducted self-assessments using self-assessment forms provided by the SET. The result of the assessment was at an excellent level.

6. Remuneration

6.1 Board remuneration should reflect the experience, obligations, scope of work, accountability, responsibilities, and contributions of each director. The remuneration of directors is determined based on clear policies and guidelines and is approved by shareholders every year. They are transparent, auditable, comparable to industry, peer size, and competitive enough to attract and retain high-quality directors. In determining individual compensation, the Board should also consider other factors such as added responsibilities from holding multiple positions in subcommittees.

6.2 Remuneration of the Chief Executive Officer and Executives should be following policies specified by the Board and/ or Remuneration and Nomination Committee and/ or Executive Committee. To ensure the best interests of the Company, salaries, bonuses and other incentives of executives should be reasonable and correspond to the performance of individuals. Executives with more responsibilities should be compensated proportionately for the added amount of work. The compensation level must be comparable to industry, peer size, and competitive enough to attract and retain high-quality executives. This is to be done while keeping in mind the interests and benefits of the Company and shareholders.

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

7. Board and Management Training

7.1 The Board encourages and facilitates training for all parties related to corporate governance, including directors, members of the Audit Committee, executives, and corporate secretary, to ensure continuous improvement of their performance.

7.2 When new directors are appointed, management should provide them with documents and material that will help perform their duties such as an introduction to the business and an overview of the company's operations.

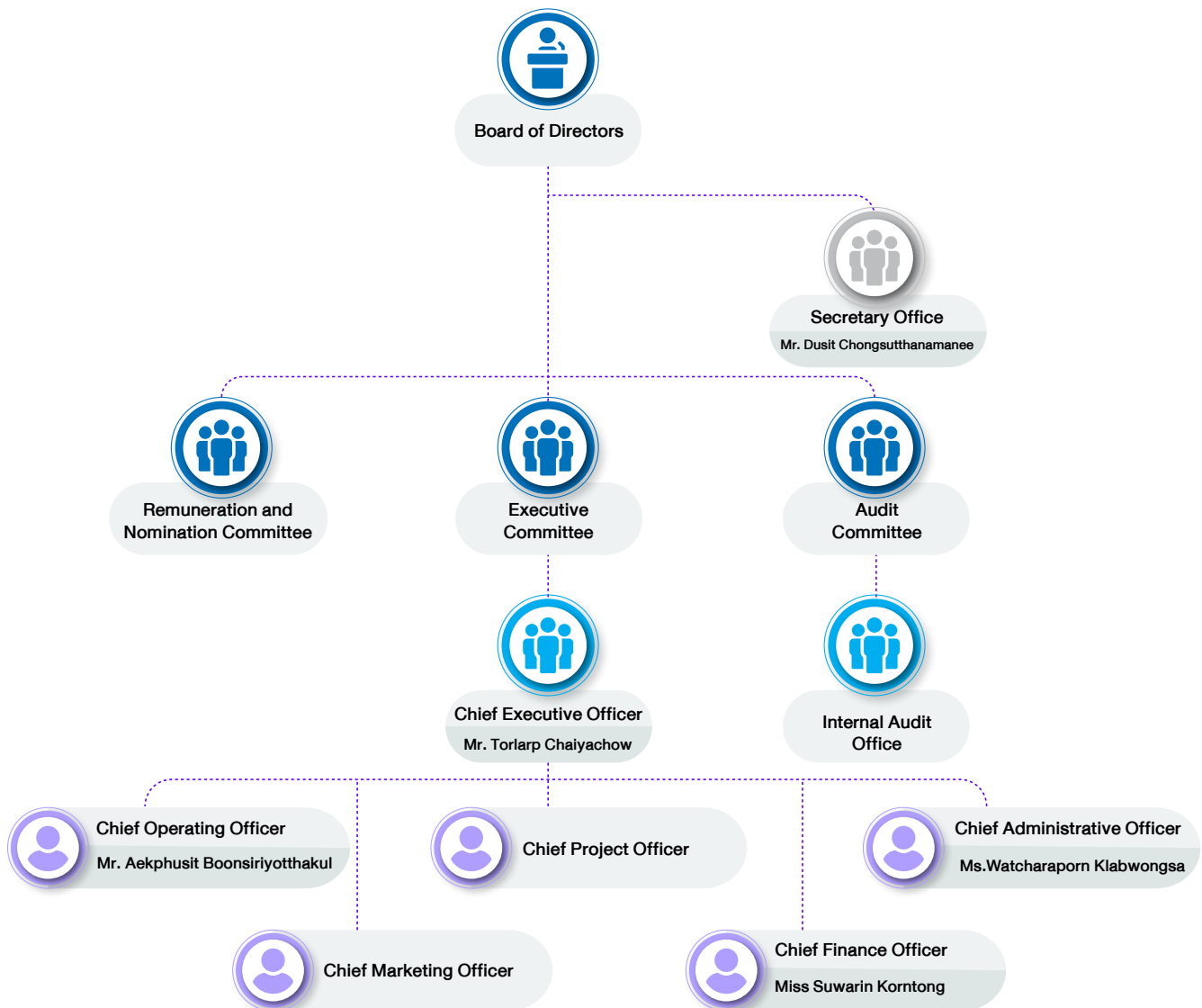
7.3 The Board requested that the Chief Executive Officer prepare the company's succession plan and present it to the Board regularly. This is to ensure that appropriate successors are identified and assigned in the case that Chief Executive Officer and other executives can no longer perform their duties.

7.4 The Board has established a development program for executives. The Chief Executive Officer is responsible for reporting all program activities conducted during the year to the Board, while the Board would review the program results alongside the Company's succession plan.

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

7. Corporate governance structure and significant information related to the Board of Directors, subcommittees, executives, employees and others

7.1 Corporate Governance Structure



7.2 Information on the Board of Directors

Details of directors, executives, controlling persons, the person assigned to take the highest responsibility in Accounting and Finance, the person assigned to take direct responsibility for accounting supervision, the Heads of the Internal Audit and Compliance Units, and the Company's secretary

7.2.1 Details of directors, executives, controlling persons, the person assigned to take the highest responsibility in Accounting and Finance, the person assigned to take direct responsibility for accountings supervision



Mrs. Apaporn Kosolkul

Chairman of the Board

Member of the Audit Committee,

Member of the Remuneration and

Nomination Committee and Independent Director

Appointment Date: December 30, 2015

Age 61 years

Educational qualifications /Training history

- Bachelor of Humanities and Social Sciences, Prince of Songkla University
- Capital Market Leader Program, Class 19, Capital Market Academy
- The Executive Program in Energy Literacy for a Sustainable Future, Class 7, Thailand Energy Academy
- Director Accreditation Program (DAP) Class 133/ 2017
- Poom Palung Pandin Program, Class 2
- Ultra Wealth course, Class 2

Shareholding Proportion (%) 0.02%

Family Relation between Directors and Executives No

Work experience

2022 – Present	Chairman of the Board DOD Biotech PCL. Manufacturing of dietary supplement
2022 – Present	Advisory The Thai Dairy Industry Co., Ltd.. Manufacturing of milk products
2015 – Present	Member of the Audit Committee, Member of the Remuneration and Nomination Committee, Independent Director DOD Biotech PCL. Manufacturing of dietary supplement
2011 – Present	Owner Spirit Art 2011 Co., Ltd Magazine distribution
1983 – Present	Columnist Thairat Newspaper Publishing



Mr. Dusit Chongsutthanamane

Vice Chairman of Board Director /
Chairman of the Audit Committee /
Chairmansss of the Remuneration
and Nomination Committee and Independent Director

Appointment Date: December 30, 2015

Age 51 years

Educational qualifications /Training history

- Master of Business Administration,
Kasetsart University
- Bachelor of Engineering (Second Class Honor),
Mahanakorn University of Technology
- Company Secretary Program (CSP)
Class 74/2016
- Director Certification Program (DCP)
Class 125/2009

Shareholding Proportion (%) No

Family Relation between Directors and Executives No

Work experience

2015 – Present	Chairman of Board Director, Chairman of the Audit Committee, Chairman of the Remuneration and Nomination Committee, and Independent Director DOD Biotech PCL Manufacturing of dietary supplement
2008 – Present	Chairman of Executive Director Siri Asset Co., Ltd. Holding Company
2008 – Present	Chairman of Board Director Kin Author Co., Ltd. Corporate Finance advisory
2005 – Present	Financial Committee and Corporate Secretary Pranda Jewelry PCL. Production, Distribution and Retail of fine jewelry



Mr. Pongtep Thithapand

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

Appointment Date: December 30, 2015

Age 64 years

Educational qualifications /Training history

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

Shareholding Proportion (%) No

Family Relation between Directors and Executives No

Work experience

2015 – Present	Member of the Audit Committee, Member of the Remuneration and Nomination Committee, and Independent Director DOD Biotech PCL Manufacturing of dietary supplement
2013 – Present	Member of the Corporate Governance Committee Gunkul Engineering PCL Production, distribution, and import/ export of electrical appliances
2015 – 2017	Director Total Industrial Services Co., Ltd. Real estate development
2010 – 2015	Director PTT LNG Co., Ltd. (Subsidiary of PTT) Energy



Mr. Torlarp Chaiyachow

Director and Acting Chief Executive Officer

Appointment Date: December 1, 2022

Age 44 years

Educational qualifications /Training history

- Master of Laws,
Thammasat university
- Bachelor of Laws,
Thammasat university
- Lawyer of the Lawyers Council of Thailand
- Business Concept Development (BCD),
Siam Cement Public Company Limited,
140th edition

Shareholding Proportion (%) No

Family Relation between Directors

and Executives No

Work experience

2022 – Present Director and Acting Chief
Executive Officer
DOD Biotech PLC.
Manufacturing of dietary
supplement

2022 – Present	Director A Metaverse Co., Ltd. Distributor of dietary supplements
2022 – Present	Subcommittee member Screening on Secondary Drug-Related Law Food and Drug Administration, Narcotics Control Division Ministry of Public Health
2022 - Present	Managing Director Siam Herbal Tech Co., Ltd. Extraction factory
2016 - 2022	Business and development manager Siamsindhorn Co., Ltd. Real estate segment
2013 - 2015	Legal manager Siamsindhorn Co., Ltd. Real estate segment



Mr. Aekphusit Boonsiriyotthakul

Director and Chief Operating Officer

Appointment Date: October 1, 2019

Age 53 years

Educational qualifications /Training history

- Master of Business Administration, Marketing, Ramkhamhaeng University
- Bachelor of Industrial Engineering, King Mongkut's University of Technology North Bangkok
- Executive Relationship Development Training of Institute of Security Psychology, National Defense Studies Institute, Royal Thai Armed Forces Headquarters, Class 7
- International Corporate Governance Network (ICGN)
- TOISC 19 of Thailand Board of Investment
- Director Accreditation Program (DAP) Class 165/2019
- Director Certification Program (DCP), Class 307/2021
- Advance Master of Management program from Nation Institute of Development, 8th Edition

Shareholding Proportion (%) No

Family Relation between Directors and Executives No

Work experience

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



Miss Suwarin Korntong

Chief Financial Officer

Appointment Date: December 2, 2019

Age 41 years

Educational qualifications /Training history

- MBA, Financial and Banking, Ramkhamheang University
- Bachelor of Accounting, Rajamangala University of Technology Krungthep
- Orientation Course – CFO Focus on Financial Reporting, 2017
- Director Accreditation Program (DAP) Class 165/ 2019
- Annual Accounting Knowledge Refresh, 2022
- Director Certification Program (DCP), Class 318/2022

Shareholding Proportion (%) 0.09

Family Relation between Directors and Executives No

Work experience

2022 – Present	Director A Metaverse Co., Ltd. Distributor of dietary supplements
2021 – Present	Director, Chief Financial Officer DOD Biotech PCL. Manufacturing of dietary supplement
2019 – Present	Director DOD Sales Power Co., Ltd. Marketing services

2019 – Present	Director Siam Herbal Tech Co., Ltd. Manufacturing of herbal and plant extracts
2019 – 2021	Director Ultima Life Co., Ltd. Network marketing
2019 – 2022	Director HY DOD Co., Ltd. Distribution of dietary supplement products
2019 – Present	Director AK DOD Co., Ltd. Manufacturing of cosmetic products
2019 – Present	Director PCCA laboratory Co., Ltd Produce Cosmetics
2019 – Present	Director DOD Healthy Life Co., Ltd. Holding company
2014 – 2021	Director, Chief Administrative Officer DOD Biotech PCL. Manufacturing of dietary supplement
Apr 2013 – Aug 2014	Vice Accounting Manager Hitachi Transport Technology Co., Ltd Logistics and warehouse
Oct 2011 – Nov 2012	Accounting Manager Log Plus Mining Services Co., Ltd. Distribution of coal, truck tires and sugar



Ms. Watcharaporn Klabwongsa

Chief Administrative Officer

Appointment Date: March 23, 2021

Age 46 years

Educational qualifications /Training history

- Master of Political Science,
Chulalongkorn University
- Bachelor of Arts,
Chulalongkorn University

Shareholding Proportion (%) 0.03

Family Relation between Directors and Executives No

Work experience

March 2021 - Present Chief Operating Officer
DOD Biotech PLC.
Manufacturing of dietary
supplement

2018 - March 2021 Senior Manager
DOD Biotech PLC.
Manufacturing of dietary
supplement

2013 - 2017	FDA Coordinator DOD Biotech PLC. Manufacturing of dietary supplement
2011 - 2013	Coordinator with Council member, Laksi District The Bangkok Metropolitan Council
2006 - 2010	Council member, Laksi District The Bangkok Metropolitan Council
2011 - 2005	Coordinator with Council member, Laksi District The House of Representatives



Miss Supaporn Kaewyai

Those assigned to be directly responsible
for the supervision of bookkeeping

Appointment Date: June 1, 2022

Age 39 years

Educational qualifications /Training history

- Master's degree of Business Administration (Finance and Banking) Ramkhamhaeng University
- Bachelor's degree of Business Administration (Accounting) Ramkhamhaeng University

Shareholding Proportion (%) No

Family Relation between Directors
and Executives No

Work experience

Jun 2022 – Present	Senior Accounting and Finance manager DOD Biotech PCL.
Mar 2022 – May 2022	Senior Accounting and Finance manager Wang Thong Group PCL.
Apr 2021 – Feb 2022	Assistant Accounting and Finance manager Firetrade Engineering PCL.
Sept 2013 – Mar 2021	Audit Supervisor S.K ACCOUNTANT SERVICES COMPANY LIMITED

7.2.2 Details of Heads of the Internal Audit and Compliance Units

Ms. Ponnard Paocharoen

Internal Audit –

From external agencies CPA 5238

Age 49 years

Educational qualifications

- Master's degree of management, Kasetsart university
- Bachelor's degree of accounting, Thammasat university
- Certified public accountant of Thailand
- Auditor approved by the office of SEC
- Member of Thailand Federation of Accounting Professions
- Qualified Sub-Committee on Auditing Practice Testing

Family Relation between Directors and Executives No

Proportion of shareholding in the company No

Work experience in the past 5 years

2016 - Present	Audit partner
	EY Office Limited

Ms. Woraluk Limsook Prasert

Internal Auditor - From external agencies

Age 49 years

Educational qualifications /Training history

- Accounting Master Thammasat University
- Bachelor of Accounting Second class honors University of the Thai Chamber of Commerce
- Certified Public Accountant Thailand
- TSQC1 In-depth Workshop on Monitoring and EQCR for Capital Market Auditing Firm
- Compliance with standards Quality control 1st (TSQC1)
- Compliance Guidelines Quality control 1st (TSQC1) for the audit firm
- COSO - 2013 the latest internal control system framework Assess risks for planning the internal audit.
- Keeping pace with financial reporting standards Internal integrated for computer based purchasing systems.
- Integrated internal audits for sales and receivables
- IT Audit for Non IT Audit
- Consolidated financial statements
- Enterprise Risk Management Integrating with Strategy and Performance

- Corrupt issues that organizations must be aware of. And Fraud Risk Assessment
- TFRS 15, Financial Reporting Standards on Revenue Recognition of the Business
- Good knowledge of accounting for products

Family Relation between Directors and Executives No

Proportion of shareholding in the company No

Work experience in the past 5 years

2005 - present	Managing Director Well Planning Solution Co., Ltd.
2003 - 2004	Assistant manager KPMG Phoomchai Audit Company Limited
1995 - 2002	Senior Auditor Assistant SGV Na Thalang Company Limited

7.2.3 Details of Company's secretary

Mr. Dusit Chongsutthanamane

Acting company Secretary

Appointment Date: November 12, 2021

Age 51 years

Educational qualifications /Training history

- Master of Business Administration, Kasetsart University
- Bachelor of Engineering (Second Class Honor), Mahanakorn University of Technology
- Company Secretary Program (CSP) Class 74/ 2016
- Director Certification Program (DCP) Class 125/2009

Family Relation between Directors and Executives

No

Proportion of shareholding in the company

No

Work experience

2015 – Present	Chairman of Board Director, Chairman of the Audit Committee, Chairman of the Remuneration and Nomination Committee, and Independent Director DOD Biotech PCL Manufacturing of dietary supplement
2008 – Present	Chairman of Executive Director Siri Asset Co., Ltd. Holding Company
2008 – Present	Chairman of Board Director Kin Author Co., Ltd. Corporate Finance advisory
2005 – Present	Financial Committee and Corporate Secretary Pranda Jewelry PCL. Production, Distribution and Retail of fine jewelry

7.2.4 Details of the directors of subsidiaries

Name	Company	Subsidiaries		
		DOD Healthy Life Co., Ltd	DOD Sales Power Co., Ltd	Siam Herbal Tech Co., Ltd
1. Mr. Torlarp Chaiyachow	/, //, ///	/	/	/
2. Mr. Aekphusit Boonsiriyotthakul	/, //, ///	/	/	/
3. Miss Suwarin Korntong	/, //, ///	/	/	/
		Altima Life Co., Ltd	HY DOD Co., Ltd	AK DOD Co., Ltd
		PCCA Laboratory Co., Ltd	A Metaverse Co., Ltd.	

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

7.3 Information on subcommittees

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

7.3.1 Information of the Audit Committee

The Audit Committee is comprised of 3 members as follows:

Name	Position
1. Mr. Dusit Chongsutthanamanee	Chairman of the Audit Committee
2. Mr. Pongtep Thithapand	Member of the Audit Committee
3 Mrs. Apaporn Kosolkul	Member of the Audit Committee

Mr. Dusit Chongsutthanamanee is an individual with sufficient knowledge and experience to lead the review of the Company's financial statements and ensure their accuracy. He holds a Master of Business Administration from Kasetsart University and a Bachelor of Engineering (Second Class Honor) from the Mahanakorn University of Technology. He was a faculty in the 'Certificate of Business Advisor' program and the 'Certificate of Intelligent Investor' program of Kasetsart University. In addition, he had graduated from the Director Certification Program (DCP) Class 125/2009 as well as Company Secretary Program (CSP) Class 74/ 2016.

Scope of Authorities, Duties, and Responsibilities of the Audit Committee

1. Review and ensure that the Company has prepared accurate and reliable financial reports with adequate disclosure of information by working with a Certified Public Accountant and responsible executive officer(s).
2. Review and ensure that the Company has effective internal control and internal audit systems in place. Assess the independence of the Internal Audit Office as well as approve the appointment, transfer, or termination of the Head of the Internal Audit Office.
3. Review and ensure that the Company fully complies with all Securities and Securities Exchange law, SET regulations, and other laws applicable to the business.
4. Select and nominate qualified parties to be appointed as the company's external auditors along with the associated audit fee. The nomination should take into account the level of independence,

credibility, availability of resources, experiences together with the workload of the auditors. Attend the meeting with a Certified Public Accountant, without the presence of the management, at least once a year.

5. Examine related transactions or transactions which may cause a conflict of interest and review their compliance with laws and regulatory requirements of the SET. This is to ensure that such transactions are appropriate and for the best interests of the Company.

6. Prepare the Report of the Audit Committee and disclose it in the annual reports of the Company. The report shall be signed by the Chairman of the Audit Committee and must consist of the following details as required by the SET.

- a. Opinion on the accuracy, comprehensiveness, and reliability of the Company's financial reports
- b. Opinion on the adequacy of the Company's internal audit system
- c. Opinion on the compliance with all Securities and Securities Exchange law, SET regulations, and other laws applicable to the business
- d. Opinion on the suitability of the external auditor
- e. Opinion on the transactions which may cause a conflict of interest
- f. Number of Audit Committee meetings held during the year and the attendance record of each committee member
- g. Overall opinion or comments that the Audit Committee has received while performing duties specified by the Charter
- h. Any other matters that the Audit Committee believes shareholders and general investors should be informed within scope of duties and responsibilities assigned by the Board

7. Review the Charter of the Audit Committee, assess the adequacy and suitability of the Charter based on circumstances that may change, and propose necessary modifications to the Board for approval.

8. Review the results of fraud investigation and set preventive measures in the organization

9. Review and comment on the suitability of an anti-corruption policy

10. While performing duties, if the Audit Committee finds or suspects any actions that may affect the financial status and operating performance of the Company, the Committee shall report the matter to the Board to resolve the problem.

10.1 The transaction with conflict of interest

10.2 Fraud, unusual item, or defect in the internal control system

10.3 Violation of Securities and Securities Exchange law, SET regulations, and other laws applicable to the business

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

11. Undertake other activities assigned by the Board that are agreed on by the Committee

The Company has hired an independent auditor, Well Planning Solution Co., Ltd., who is an external audit firm and not related to the Company in any way, to audit the Company's internal control system and ensure that the system is appropriate and adequate.

7.3.2 Information of the Remuneration and Nomination Committee

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

Name	Position
1. Mr. Dusit Chongsutthanamane	Chairman of the Remuneration and Nomination Committee
2. Mr. Pongtep Thithapand	Member of the Remuneration and Nomination Committee
3 Mrs. Apaporn Kosolkul	Member of the Remuneration and Nomination Committee

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

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

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

7.4 Information of the Executive Board of Directors

The Company's Executive Committee comprises 6 members as follows:

Name	Position
1. Mr. Torlarp Chaichachow ^{1/}	Acting Chief Executive Officer
2. Mr. Thanin Srisetthi ^{2/}	Chief Executive Officer
3. Mr. Aekphusit Boonsiriyotthakul	Chief Operating Officer
4. Mr. Wuttichai Anantakul ^{3/}	Chief Project Officer
5. Miss Suwarin Korntong	Chief Financial Officer
6. Miss Watcharaporn Klabwongsa	Chief Administrative Officer

^{1/} Miss Mr. Torlarp Chaichachow served as Acting Chief Executive Officer since December, 1, 2022

^{2/} Mr. Thanin Srisetthi served as Chief Executive Officer since May, 1, 2020 to November, 30, 2022

^{3/} Mr. Wuttichai Anantakul served as Chief Project Officer since August, 9, 2018. To February, 28, 2022

Remuneration for Director and Executive Officers

(a) Directors

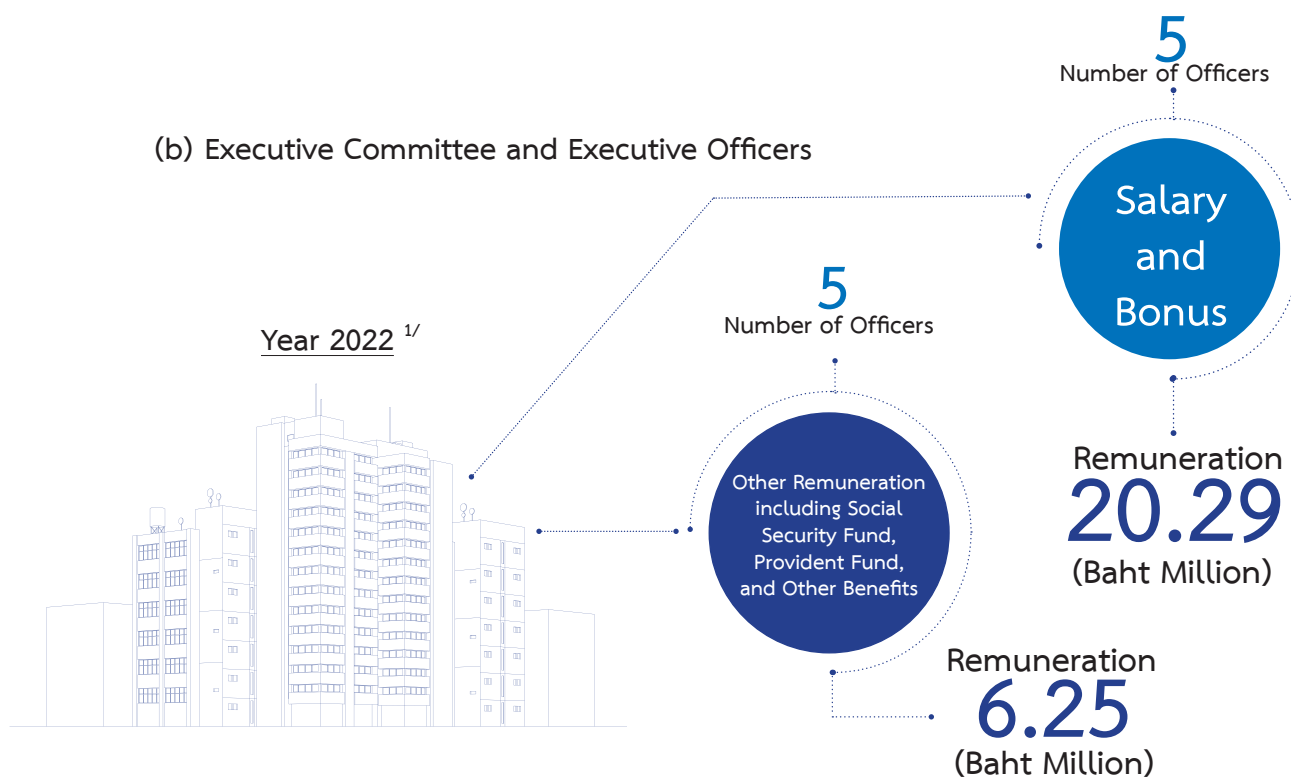
The Company compensated directors according to the resolution approved in the Annual General Meeting of 2022 on April 21, 2022. Compensation Guidelines for Directors, Remuneration and Nomination Committee members, and Audit Committee members are as follows:

Position	Remuneration per month (Baht)	Meeting allowance/ Times/Person (Baht)
Chairman	55,000	5,000
Chairman of the Audit Committee	70,000	5,000
Chairman of the Remuneration and Nomination Committee	20,000	5,000
Members of the Audit Committee	45,000	5,000
Members of the Remuneration and Nomination Committee	5,000	5,000
Directors (who are not employees of the Company)	20,000	5,000

With the following exceptions:

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

(b) Executive Committee and Executive Officers



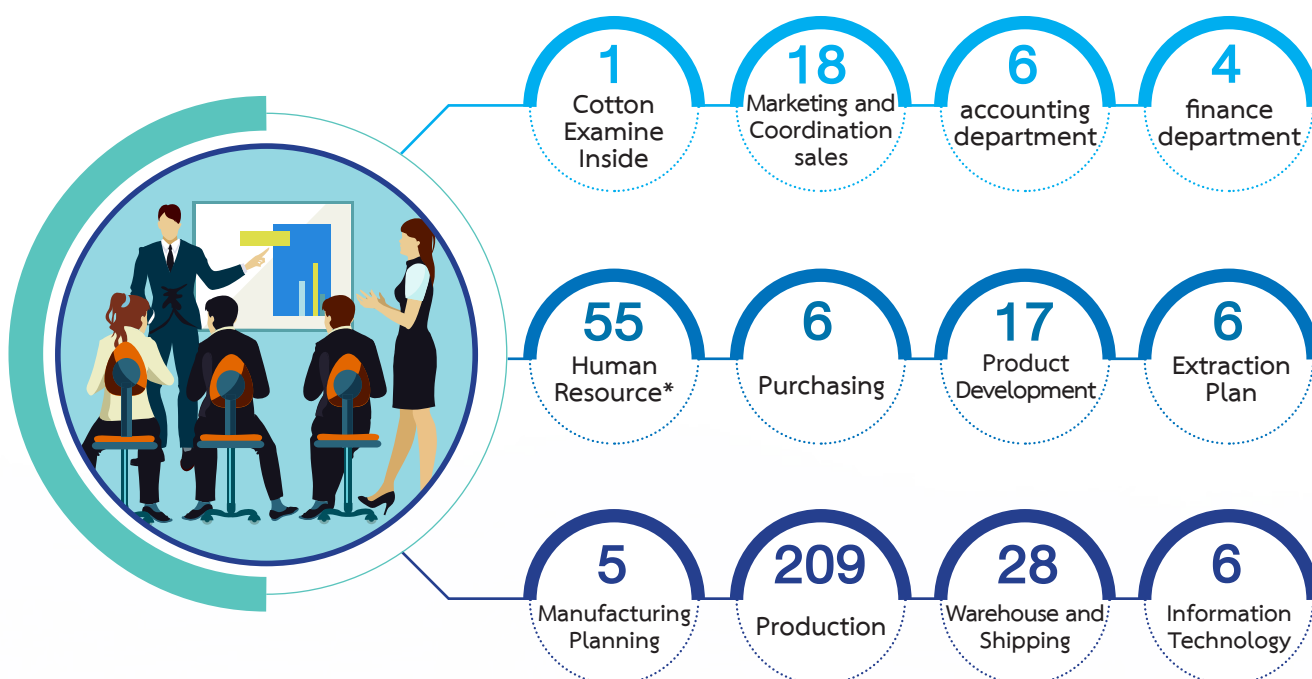
Remark: ^{1/} During the year 2022, the Company had changes in management structure and executive officers. The information above was calculated and prorated to accurately reflect those changes based on an actual term of office of each individual.

7.5 Information of employees

(a) Number of Employees

As of December 31, 2022, the Company had a total of 425 employees, excluding executive officers. They can be categorized into divisions as follows:

Number of Employees
As of December 31, 2022



ณ วันที่ 31 ธันวาคม 2565
จำนวนพนักงาน (คน)



^{1/}Changed the name of “Project and Construction Department” to “Operation Department”.

^{2/}In 2022, the company has increased the structure of ERP specialists 1 position.

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

(b) Remuneration for Employees

In 2022, the Company has paid a total of Baht 126.02 million in employee remuneration in a form of salary, bonus, overtime, social security, provident fund, and other benefits.

(c) Provident Fund

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

(d) Other Remuneration

There was no other remuneration for 2022.

(e) Policy on Employee Development

The Company places great emphasis on the continuous development of employees across tenure, intending to increase employees' capability and strengthen the company's competency for future business competitions. We regularly create opportunities for employees to develop themselves and maximize their potential. This includes annual participation in training and seminars, both internal and external, to increase relevant skill sets based on their division and tenure. In addition, we also track and measure the effectiveness of knowledge gained, application of knowledge to real-world problems, and knowledge transfer to related teams and divisions.

7.6 Other significant information

7.6.1 Corporate Secretary, the person assigned to take the highest responsibility in Accounting and Finance, the person assigned to take direct responsibility for accounting supervision

Name	Position
Mr. Dusit Chongsutthanamane	Acting Corporate Secretary
Miss Suwarin Korntong ^{1/}	Chief Financial Officer
Miss Supaporn Kaewyai ^{2/}	Chief Accountant
Miss Wiraya Panpiboon ^{3/}	Chief Accountant

^{1/}Background check of the company secretary, the person assigned the highest responsibility in the accounting and finance department and those who received assignment to be directly responsible for supervising accounting from Form 56-1 One Report for the year 2022.

^{2/}Miss Supaporn Kaewyai is the person assigned to be directly responsible for supervising the accounting since June 1, 2022

^{3/}Ms. Wiraya Panpiboon is the person assigned to be directly responsible for supervising the accounting since February 1, 2021 to May 30, 2022

7.6.2 Audit Fee

In 2022, the Company and its subsidiary have recorded the following fee for audit:

Unit: Baht

	Year 2022
Audit fee	3,080,000
Other fee (fee for BOI report review)	100,000
Other fee (stock destruction)	20,000
Total fee	3,200,000

The Annual General Meeting of 2022 had approved a budget for an audit fee in 2022 for the Company to be not more than Baht 2,500,000.

8. Report on key operating results on corporate governance

8.1 Summary of duty performance of the Board of Directors in the past year

The Board of Directors of DOD Biotech Public Company Limited realizes the importance of good Corporate Governance which the company should provide to support the Company's operations to achieve sustainable growth and to be accepted both within the country and abroad. Therefore, the Board of Directors is committed to complying with the principles of good Corporate Governance which consists of directors and executives with leadership, vision and responsibility. There is a management structure that is controlled and monitored, as well as the balance of power to create fair, ethical and transparent management, taking into account the equal rights of shareholders and stakeholders. To increase the competitiveness of the business which will affect the confidence of shareholders, investors and all stakeholders to operate the company's business efficiently, which have stability and sustainable growth as well as increasing investment value for shareholders in the long term.

The Board of Directors has formulated a good Corporate Governance policy for listed companies based on the principles of good Corporate Governance of the Stock Exchange of Thailand and continually taken into consideration, review, improvement and development to ensure that the performance of duties of the Board of Directors to be effective and good corporate governance regularly, which is an opportunity to review and improve the policy. To comply with the law-changing economic and social environment, the directors, executives and employees need to acknowledge and adhere

8.1.1 Selection, development and evaluation of duty performance of the Board of Directors.

The Company established the Nomination and Remuneration Committee to be responsible for determining the criteria and guidelines for the selection of qualified persons for the position of the Company's director, Executive and Senior Management, and select appropriately qualified persons to be proposed as directors to the Board of Directors. In recruiting, priority is given to persons with knowledge, abilities, experience and good work history, who have a broad vision, morality, ethics, and be able to devote enough time to benefit the company's business operations, as well as to determine the remuneration of the Company's directors and various committees to propose to the Board of Directors.

According to the Principles of Good Corporate Governance, it is suggested that listed companies' board of directors and committee members should assess their performance once a year. The assessment should be conducted as a whole as well as on an individual basis. To encourage the annual assessment conducted by listed companies, The Stock Exchange of Thailand has issued 3 self-assessment forms as follows:

Form 1 : Self-Assessment for the board of directors as a whole

Form 2 : Self-Assessment of the committee as a whole

Form 3 : Self-Assessment of the board of directors and of committee members on an individual basis

The evaluation criteria are the percentage of the full score in each item as follows:

- 0 = Strongly disagree or never conducted
- 1 = Disagree or seldom conducted
- 2 = Fair or moderately conducted
- 3 = Agree or well-conducted
- 4 = Strongly agree or excellently conducted

(a) Self-Assessment for the board of directors as a whole consists of 4 topics:

1. The structure and qualifications of the Board of Directors are conducted under the following conditions, are appropriate and efficient.
2. The Board of Directors meeting is conducted under the following conditions, to perform their duties in meetings effectively.
3. In line with the duties and responsibilities of the board of directors, the board gives priority and devotes sufficient time to the following issues.

4. Other, such as the relationship between the board and management team is smooth, (the board does not intervene in the normal operation of the management team), Directors' self-development and training are encouraged, etc.

The summarizing the results of the Self-Assessment for the board of directors as a whole in 2022, the scores were **excellent**.

(b) Self-Assessment of the committee as a whole consists of 3 topics:

1. The structure and qualifications of the Board of Directors are conducted under the following conditions, are appropriate and efficient.

2. The Board of Directors meeting is conducted under the following conditions, to perform their duties in meetings effectively.

3. In line with the duties and responsibilities of the board of directors, the board gives priority and devotes sufficient time to the following issues.

The summarizing the Self-Assessment of the committee as a whole in 2022, the scores were **excellent**.

(C) Self-Assessment of the board of directors and committee members on an individual basis consists of 3 topics:

1. The Board of Directors structure and qualifications

2. The Board of Directors meeting

3. Roles, duties, and responsibilities of The Board of Directors

The summarizing the Self-Assessment of the board of directors and committee members on an individual basis in 2022, the scores were **excellent**.



8.1.2 Meeting attendance and remuneration paid to each Board member

The Board of Directors' meeting and remuneration

	Number of Attendance / Number of Meetings (Times)			
	2022			
	Board of Directors	Audit Committee	Executive Committee	Remuneration and Nomination Committee
1. M.L. Termsang Sappaso	2/2			
2. Mr. Dusit Chongsuttanamanee	11/11	4/4		3/3
3. Mr. Pongtep Thithapand	11/11	4/4		3/3
4. Mrs. Apaporn Kosolkul	11/11	4/4		3/3
5. Mrs. Siew San Tan		2/2		
6. Mr. Thanin Srisetthi	10/10		11/11	
7. Mr. Torlarp Chaiyachow	1/1		1/1	
8. Mr. Aekphusit Boonsiriyotthakul	11/11		12/12	
9. Mr. Wuttichai Anantakul	2/2		1/1	
10. Miss Suwarin Korntong	11/11		12/12	



The Board of Directors' remuneration

Unit: Baht

Name of Directors	Position	Remuneration	Meeting allowance
		Year 2022	Year 2022
1. M.L. Termsang Sappaso	Chairman of Board Directors	110,000	10,000
2. Mr. Dusit Chongsutthanamane	Chairman of the Audit Committee / Chairman of the Remuneration and Nomination Committee	1,080,000	60,000
3. Mr. Pongtep Thithapand	Member of the Audit Committee / Member of the Remuneration and Nomination Committee	600,000	60,000
4. Mrs. Apaporn Kosolkul*	Member of the Audit Committee / Member of the Remuneration and Nomination Committee	950,000	60,000
5. Mrs. Siew San Tan	Director	40,000	10,000
6. Mr. Thanin Srisethe	Director	-	-
7. Mr. Aekphusit Boonsiriyotthakul	Director	-	-
8. Mr. Wuttichai Anantakul	Director	-	-
9. Miss Suwarin Korntong	Director	-	-
Total		2,780,000	200,000

* Mrs. Apaporn Kosolkul holds the position of Chairman of the Board since March 1, 2022

8.1.3 Control of subsidiaries and associated companies' business operation

The Company has established a policy to supervise and manage the business of its subsidiaries and/or associates to determine measures and mechanisms both directly and indirectly to enable the Company to be able to supervise and manage the business of subsidiaries and/or associated companies including monitoring for subsidiaries and/or associated companies to comply with various measures and mechanisms that can be set up as if it were the company's agency and under the company's policy including the law on public limited companies Civil and Commercial Code Law on securities and stock exchange, as well as announcements, regulations, rules, and other relevant laws to maintain interest in the Company's investments and subsidiaries and/or associated companies, details are as follows:

1) The Company will send a person to be the representative of the Company to become a director in each subsidiary and/or associated company according to the proportion of shareholding in each company to perform supervisory duties for subsidiaries and/or associates act following the law of Good Corporate Governance Policy including other policies of the Company being a director in each subsidiary and/or associated company will be considered and approved by the Board of Directors' meeting taking into account the suitability of each company

2) The company must receive a business plan report, business expansion as well as joint investments with other entrepreneurs from subsidiaries and/or associates through the quarterly performance report, the company has the right to summon the subsidiary and/or affiliated company to clarify or submit documents to support such consideration which the subsidiary and/or associated company must strictly follow.

3) If a subsidiary and/or associated company has a transaction or take any action which is in the scope of or is the acquisition or disposition of assets under the Notification of the Capital Market Supervisory Board concerning the acquisition or disposition of assets or connected transactions under the Notification of the Capital Market Supervisory Board regarding related connected transactions which will result in the company. It is obliged to seek approval from relevant legal authorities before entering into the transaction. Subsidiaries and/or Associates can enter into the transaction or proceed with it only after receiving approval from the Board of Directors' meeting or the Company's shareholders' meeting or related agencies (depending on the case) already

In addition, if in the transaction or some cases of the subsidiary and/or associated company, as a result, the Company is obliged to disclose information to the Stock Exchange of Thailand under the prescribed rules. Directors of such subsidiaries and/or associated companies are obliged to notify the Company's management. As soon as the Company know the subsidiaries and/or Associates will have a plan to enter into the transaction or such an incident.

4) The Company has a policy for its subsidiaries and/or associated companies to there is an internal control system that is suitable and sufficiently concise to prevent corruption that may occur with subsidiaries and/or associates. It is a channel for directors and executives of the Company to able to obtain information of subsidiaries and/or associates in monitoring the operating results and financial status transactions between subsidiaries and/or companies with directors and executives of subsidiaries and/or associated companies and making significant transactions of subsidiaries and/or associates effectively. There is a mechanism to check the system in the subsidiary and/or associated company by giving the team of internal auditors and independent directors of the Company have direct access to information and have to report the results of the audit to the directors and the management of the company to ensure that the subsidiary and/or associated company has work system that has been established regularly is being followed.

5) The Company has a policy for directors and executives of subsidiaries and/or associated companies to must disclose and submit information of personal interests and related parties (Related Party) to the Company's Board of Directors to know the relationship and all actions with the company in a manner that may cause conflicts of interest and avoid making transactions that may cause conflicts of interest with the Company by the Board of Directors of the Subsidiary and/or Associated Company. It is responsible for notifying such matters to the Board of Directors of the Company knows within the time limit that the company set for information to support any decision or approval. The consideration will take into account the overall benefits of the company or subsidiary and/or associated company is important, must not participate in approving matters in which he or she is a stakeholder or conflict of interest both directly and indirectly. In addition, the following actions which result in damage to the directors, executives, or related persons of the subsidiary and/or associated companies are assumed to conflict with the benefits of Subsidiaries and/or Associates significantly.

(a) Transactions between subsidiaries and/or joint corporations with directors, executives, or related persons that are not under the rules on connected transactions.

(b) Working process of Company information or subsidiaries and/or associates that have been known, unless it is information that has been disclosed to the public.

(c) Working process of property or business opportunities of the company or a subsidiary and/or an associate that violates the rules or general practice as prescribed by the Capital Market Supervisory Board.

6) The Company must obtain information or documents related to the operations of its subsidiaries and/or associates when requested as appropriate.

7) If the company found any significant issues, the company may inform subsidiary and/or associated companies to clarify and/or submit documents for the Company's consideration.

8.1.4 Monitoring to ensure compliance with corporate governance policies and practices

The company has established a manual on corporate governance principles and business ethics which stipulates the code of conduct for the board of directors, executives, and employees to operate on the principles of integrity and ethical preservation, and defining the Code of Conduct for conflicts of interest and anti-corruption policy which requires directors, executives, and employees to make decisions for the best interests of the company, and do not use their influence to obtain conflicts of interest or conflicts of interest with the Company and conduct business with transparency, and do not support any form of corruption. The company has set disciplinary penalties in the work regulations. In addition, the company has communicated a manual on the principles of corporate governance and business ethics. to current employees and new employees to acknowledge by assigning managers of each department to communicate to employees in their department for acknowledgment through meetings, and put the Corporate Governance and Business Ethics Manual on the company's shared drive as well as a supporting document for the Company's new employee orientation. Requires an evaluation of compliance with the Code of Conduct by defining an ethical assessment. Code of Conduct and Integrity is one of the criteria used in the annual performance evaluation in respect of Competency according to the annual performance evaluation regulations. Report violations or non-compliance with laws, regulations, and rules immediately by providing various complaint channels such as comment boxes, letters, electronic mail, telephone, and complaint channels via the company's website sent to the company secretary office, the company has set penalties if any violation of such regulations which will consider penalties or solutions according to the severity of the offense committed under the rules and regulations of the Board of Directors is responsible for overseeing internal control in the organization by assigning the Audit Committee to have the powers and responsibilities. In reviewing that the Company has an appropriate internal control system, and effective and set up an internal audit system. The Company has hired an external consultant to conduct internal audits and the Company has established an internal audit office of the Company to carry out follow-up and report to the Audit Committee at least once a quarter

8.2 Report on the results of duty performance of the Sub-Committee in the past year

The Nomination and Remuneration Committee has performed its duties as assigned by the Board of Directors under the policy and charter of the Nomination and Remuneration Committee. It is responsible for nominating and selecting qualified persons to be nominated as directors to the Board of Directors. In recruiting, priority is given to persons with knowledge, abilities, experience, and good work history who have a broad vision, morality, and ethics, and be able to devote enough time to benefit the Company's operations as well as to determine the remuneration of the Company's directors and various committees to propose to the Board of Directors. During the year 2022, the Nomination and Remuneration Committee held 3 meetings, each time all 3 members attended the meeting. The conclusions from the meeting are as follows:

1. To consider persons who are qualified to serve as directors of the Company in place of 3 directors who have retired by using the criteria and methods of nominating according to the guidelines for considering as directors above. It was proposed that the directors who had retired be re-elected for another term by proposing to the Board of Directors meeting to bring to the shareholders' meeting.
2. Consider compensation and other benefits for the Company's directors and sub-committees by considering to be appropriate with the duties and responsibilities by referring to the remuneration of directors from the same industry type. Including disclosing the remuneration of sub-committees and executives in the annual report to comply with the principles of good corporate governance.
3. Follow up on the annual performance evaluation of the Company's directors, sub-committees, and Chief Executive Officer to review the performance of duties during the year according to the criteria in the Company's good corporate governance policy.

The Company has a risk management framework that covers both strategic, operations, finances, compliance, laws, and regulations by the management considers various risks that may affect business operations, and set up a corporate risk book. The Company's Risk Management Policy assigns all executives and employees of the Company to be responsible for identifying, assessing, and determining the manners of the risks in their departments. The company has a risk management system, including establishing clear measures to prevent and correct risks and those responsible. including setting up measures for reporting and monitoring.

9. Internal control and related party transactions

9.1 Internal control

In the Board of Directors Meeting No. 2/2022, held on February 22, 2023, together with the attendance of 3 Audit Committee members, the Board had reviewed the internal control system of the Company for the year 2022 based on the internal control sufficiency evaluation guideline published by the SEC. The assessment of the Board was conducted based on inquiries with the management and the Audit Committee, who had reviewed and approved the internal control sufficiency evaluation based on audit reports and inquiries with Well Planning Solution Co., Ltd., an internal auditor of the Company. From the assessment of the Company's internal control system across five elements, namely control environment, risk assessment, control activities, information and communication, and monitoring, the Audit Committee had an opinion that the Company had an adequate and appropriate internal control system. The Company allocated an adequate amount of personnel to enable effective performance of internal control tasks. In addition, it also set up adequate control processes to prevent misuse or unauthorized use of corporate assets by directors or executives as well as to oversee transactions with persons who may have a conflict of interests or related persons.

Head of Internal Audit

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

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

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

^{1/} Background check of persons assigned to conduct internal audit can be reviewed in Form 56-1 One Report of 2022

9.2 Related party transactions

The Company and subsidiaries had conducted transactions with connected parties under the normal course of business and general commercial terms. To conform to the Rules on Connected Transactions in Section 89/12(1) of the Securities and Exchange Act (No.4) B.E. 2551, The Board of Directors has approved in principle on October 29, 2020, to allow the Executive Directors to enter into related transactions with general trade conditions. The Executive Director can enter into such transactions if those transactions have a commercial agreement in the same manner as a normal person would do with a general counterpart in the same situation. With trade bargaining power without influence in his / her position as a director Management or related persons. In addition, the Code of Conduct for Connected Transactions has been established by the Board of Directors. It must comply with the rules and regulations of the SEC and the SET for emerging connected transactions, taking into account the size of the transactions. The Audit Committee has considered the fairness of the price. And the reasonableness of the transaction and propose to the Board of Directors for approval.

For the ended 31 December 2022, the Company has related transactions with connected persons / juristic persons. That may have conflicts, in summary, the related transactions disclosed with the Stock Exchange of Thailand are as follows:

Related person	Relationship	Description	Transaction value Year 2022	Necessity and appropriateness of related transactions / Opinion of the Board of Directors
1.Mr.Thanin Srisethi	Chief Executive Officer of the Company And being a shareholder of the company Christiani and Nilsen Energy Solutions Co., Ltd, which hold 1.5% of the shares.	Hired Christiani and Nielsen Energy Solutions Co., Ltd. to install solar panels at the new warehouse building. It is a connected transaction between DOD Biotech Public Company Limited (“the Company”) and Christiani and Nielsen Energy Solutions Co., Ltd. have the same director, Mr. Thanin Srisethi, who holds shares in the Christiani and Nielsen Energy Solutions Co.,Ltd, at 1.5%	During the year 2022, 95% of the work was delivered according to the contract, amounting to 10.00 million baht. ^{1/} (Total purchase and installation following the contract of 2020 amounting to 10.53 million baht)	Approved to hire Christiani and Nielsen Energy Solutions Co., Ltd. because they are experienced companies which have been recognized, and have a reasonable price, as well as quality after-installation service and meet the standards

^{1/}The approval of the employment of Christiani and Nielsen Energy Solutions Co., Ltd. took place in 2020, but the consignment of the contract was gradually delivered over the completion of the work schedule. and conditions under the contract

The Company had accounting transactions between connected persons or legal entities in that the entities had shared similar shareholders and/ or directors. The transactions were considered normal business practices and had complied with the mutual agreement between the Company and connected parties

Necessity and Rationality of Related Transactions

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

Policy on Future Related Transactions

Future related transactions of the Company will be conducted as parts of normal business, without any special favors or transfer of benefits between the Company, subsidiaries, and persons who may have a conflict of interests. Pricing will be set at general market prices and comparable to prices offered to unrelated companies. Purchase of goods or raw material from connected parties will follow contract agreement or prevailing market rates. The Audit Committee, company's auditor, or independent expert will review and comment on the appropriateness of the price and rationality of the transaction and will disclose information on the type, value, and rationale for all related transactions in the annual report and present to the Annual General Meeting of the year.

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

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



Financial Statements

Independent Auditor's Report

To the Shareholders of DOD Biotech Public Company Limited

Opinion

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of DOD Biotech Public Company Limited and its subsidiaries and of DOD Biotech Public Company Limited as at 31 December 2022, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

key audit matters and how audit procedures respond to each matter are described below.

Revenue recognition

Revenues from sales is a significant account of the Group because the amount that is recorded in the account directly affects the Group's annual profit or loss. Therefore, I have focused on the amount and timing of revenue recognition of the Group.

I have examined the revenue recognition of the Group by assessing and testing the Group's internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and randomly selecting representative samples to test the operation of the designed controls, applying a sampling method to select sales agreements to assess whether revenue recognition was consistent with the conditions of the relevant agreement, and whether it was in compliance with the Group's policy. In addition, on a sampling basis, I have examined supporting documents for actual sales transactions occurring near the end of the accounting period, reviewed credit notes that the Group issued after the period-end and performed analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

Allowance for expected credit losses of trade receivables

As discussed in Note 8 to the financial statements, during the year 2022, the Group recorded expected credit losses of trade receivables amounting to Baht 405 million in the consolidated statement of comprehensive income, which the amount is significant to the financial statements. Estimating the allowance for expected credit losses of trade receivables requires the management to exercise considerable judgement in determining cash flows that the Group expects to receive from receivables when debtors are unable to repay their debts. Therefore, I have paid particular attention to the management's judgement in recording of the allowance for expected credit losses of trade receivables.

I made enquires of the management, gained an understanding, and assessed the significant internal controls relevant to the calculation of allowance for expected credit losses of trade receivables which consist of trade receivables aging report, assumptions, historical credit loss experience and customers credit risk assessment. In addition, I tested the correctness of trade receivables aging report by checking against its sources, tested the calculation of expected credit loss rates with past collection history and assessed the probability of debt repayments of major trade receivables, taking into consideration the relevant information and enquiring responsible executives. In addition, I tested the calculation of the allowance for expected credit losses.

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required

to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of 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 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.

I am responsible for the audit resulting in this independent auditor's report.

Poonnard Paocharoen

Certified Public Accountant (Thailand) No. 5238

EY Office Limited

Bangkok: 22 February 2023

Statements of financial position

DOD Biotech Public Company Limited and its subsidiaries

As at 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Assets					
Current assets					
Cash and cash equivalents	7	30,268,499	161,676,623	10,973,443	98,708,027
Trade and other receivables	8	57,289,979	337,744,006	64,743,026	337,567,101
Inventories	9	98,027,870	113,464,155	80,652,616	80,934,416
Short-term loans to a subsidiary	6	-	-	45,000,000	-
Other current assets		11,543,581	13,118,800	11,014,270	9,355,846
Total current assets		197,129,929	626,003,584	212,383,355	526,565,390
Non-current assets					
Restricted bank deposits	10	16,994,447	16,934,547	15,558,705	15,501,157
Other non-current financial assets	11	2,600,000	2,600,000	2,600,000	2,600,000
Investments in subsidiaries	12	-	-	238,607,245	261,643,460
Long-term loans to subsidiaries	6	-	-	218,337,670	218,337,670
Property, plant and equipment	13	909,082,792	904,143,617	508,726,064	518,248,948
Right-of-use assets	14	53,919,489	56,887,535	-	-
Goodwill	15	-	-	-	-
Other intangible assets		5,569,127	5,661,333	4,952,894	5,451,341
Deferred tax assets	24	92,537,948	7,897,177	92,438,792	9,752,177
Advance for purchasing fixed assets		12,586,481	6,369,814	-	-
Other non-current assets		497,383	497,383	497,383	497,383
Total non-current assets		1,093,787,667	1,000,991,406	1,081,718,753	1,032,032,136
Total assets		1,290,917,596	1,626,994,990	1,294,102,108	1,558,597,526

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

Statements of financial position (continued)

DOD Biotech Public Company Limited and its subsidiaries

As at 31 December 2022

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2022	2021	2022	2021
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term					
loans from bank	16	138,698,839	77,000,000	138,698,839	77,000,000
Short-term loan from shareholder	6	10,000,000	-	10,000,000	-
Trade and other payables	17	110,242,592	120,586,312	97,817,866	103,154,504
Current portion of long-term loans	18	19,814,754	28,761,000	17,189,754	22,800,000
Current portion of lease liabilities	14	2,621,222	4,921,215	722,711	121,215
Income tax payable		1,657,078	-	1,657,078	-
Other current liabilities		21,076,561	27,888,341	16,299,733	17,089,438
Total current liabilities		304,111,046	259,156,868	282,385,981	220,165,157
Non-current liabilities					
Long-term loans, net of					
current portion	18	2,120,000	19,309,754	2,120,000	19,309,754
Lease liabilities, net of current portion	14	55,823,566	53,309,346	1,593,694	179,346
Provision for long-term employee					
benefits		7,678,796	5,374,058	7,183,014	5,374,058
Deferred tax Liabilities	24	10,681,665	12,053,698	-	-
Other non-current liabilities		16,870,762	15,496,543	10,595,644	9,289,866
Total non-current liabilities		93,174,789	105,543,399	21,492,352	34,153,024
Total liabilities		397,285,835	364,700,267	303,878,333	254,318,181

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

Statements of financial position (continued)

DOD Biotech Public Company Limited and its subsidiaries

As at 31 December 2022

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2022	2021	2022	2021
Shareholders' equity					
Share capital	19				
Registered 615,000,739 ordinary shares of Baht 0.50 each		307,500,370	307,500,370	307,500,370	307,500,370
Issued and fully paid up 410,000,494 ordinary shares of Baht 0.50 each (2021: 410,000,493 ordinary shares of Baht 0.50 each)		205,000,247	205,000,247	205,000,247	205,000,247
Share premium	19	890,845,707	890,845,689	890,845,707	890,845,689
Warrants	19	20,500,024	20,500,024	20,500,024	20,500,024
Other surplus (deficits) Surplus (deficits) arising from change in ownership interest in a subsidiary	12	4,666,639	(264,931)	-	-
Retained earnings					
Appropriated-statutory reserve	20, 29	9,600,000	9,600,000	9,600,000	9,600,000
Unappropriated (deficits)		(243,460,391)	154,873,652	(135,722,203)	178,333,385
Equity attributable to owners of the Company		887,152,226	1,280,554,681	990,223,775	1,304,279,345
Non-controlling interests of the subsidiaries		6,479,535	(18,259,958)	-	-
Total shareholders' equity		893,631,761	1,262,294,723	990,223,775	1,304,279,345
Total liabilities and shareholders' equity		1,290,917,596	1,626,994,990	1,294,102,108	1,558,597,526 -

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

Statement of comprehensive income

DOD Biotech Public Company Limited and its subsidiaries

For the year ended 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Continued operation					
Revenues					
Revenue	25	537,158,778	1,015,317,192	531,703,155	1,017,302,264
Other income		11,173,441	3,028,939	10,654,179	2,767,810
Total revenues		548,332,219	1,018,346,131	542,357,334	1,020,070,074
Expenses					
Cost of sales		396,656,992	580,695,955	394,447,611	589,174,167
Selling and distribution expenses		16,860,077	18,685,002	16,565,550	18,683,102
Administrative expenses		146,192,445	108,158,781	113,447,164	104,397,338
Other expenses	21	405,861,352	39,282,782	418,831,429	98,509,911
Total expenses		965,570,866	746,822,520	943,291,754	810,764,518
Operating profit (loss)		(417,238,647)	271,523,611	(400,934,420)	209,305,556
Finance income		107,936	252,471	13,822,224	16,210,266
Finance cost		(7,094,795)	(6,715,057)	(4,096,411)	(3,879,614)
Profit (loss) before income tax expenses		(424,225,506)	265,061,025	(391,208,607)	221,636,208
Income tax income (expenses)	24	79,107,176	(31,956,904)	77,153,019	(30,163,538)
Profit (loss) for the year from continued operation		(345,118,330)	233,104,121	(314,055,588)	191,472,670
Discontinued operation					
Loss for the year from discontinued operation - net tax	22	(60,030,560)	(213,707,095)	-	-
Profit (loss) for the year		(405,148,890)	19,397,026	(314,055,588)	191,472,670

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

Statement of comprehensive income (continued)

DOD Biotech Public Company Limited and its subsidiaries

For the year ended 31 December 2022

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2022	2021	2022	2021
Other comprehensive income:					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent years</i>					
Actuarial loss		-	(1,024,104)	-	(1,024,104)
Less: Income tax effect		-	204,821	-	204,821
Loss from change in value of investments in equity securities required to be measured at fair value through other comprehensive income		-	(3,400,000)	-	(3,400,000)
Less: Income tax effect		-	680,000	-	680,000
Other comprehensive income not to be reclassified to profit or loss in subsequent year - net of income tax		-	(3,539,283)	-	(3,539,283)
Other comprehensive income for the year		-	(3,539,283)	-	(3,539,283)
Total comprehensive income for the year		(405,148,890)	15,857,743	(314,055,588)	187,933,387

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

Statement of comprehensive income (continued)

DOD Biotech Public Company Limited and its subsidiaries

For the year ended 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Profit (loss) attributable to:					
Equity holders of the Company					
Profit (loss) for the year from continued operation		(342,964,919)	237,228,807	(314,055,588)	191,472,670
Loss for the year from discontinued operation		(55,369,124)	(187,439,272)		
		(398,334,043)	49,789,535		
Non-controlling interests of the subsidiaries					
Loss for the year from continued operation		(2,153,411)	(4,124,686)		
Loss for the year from discontinued operation		(4,661,436)	(26,267,823)		
		(6,814,847)	(30,392,509)		
Total		(405,148,890)	19,397,026		
Total comprehensive income attributable to:					
Equity holders of the Company					
Profit (loss) for the year from continued operation		(342,964,919)	233,689,524	(314,055,588)	187,933,387
Loss for the year from discontinued operation		(55,369,124)	(187,439,272)		
		(398,334,043)	46,250,252		
Non-controlling interests of the subsidiaries					
Loss for the year from continued operation		(2,153,411)	(4,124,686)		
Loss for the year from discontinued operation		(4,661,436)	(26,267,823)		
		(6,814,847)	(30,392,509)		
Total		(405,148,890)	15,857,743		

Statement of comprehensive income (continued)

DOD Biotech Public Company Limited and its subsidiaries

For the year ended 31 December 2022

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2022	2021	2022	2021
Earnings (loss) per share					
Basic earnings (loss) per share	26				
Profit (loss) for the year from continued operation		(0.84)	0.58	(0.77)	0.47
Loss for the year from discontinued operation		(0.13)	(0.46)		
		(0.97)	0.12		
Diluted earnings (loss) per share	26				
Profit (loss) for the year from continued operation		(0.84)	0.58	(0.77)	0.47
Loss for the year from discontinued operation		(0.13)	(0.46)		
		(0.97)	0.12		

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

Consolidated financial statements							(Unit: Baht)	
Equity attributable to owners of the Company								
			Other deficits	Retained earnings				
			Deficits arising from change in ownership interest in a subsidiary					
Issued and fully paid-up share capital	Share premium	Warrants		Appropriated	Unappropriated	Total equity attributable to owners of the Company		
						Non-controlling interests of the subsidiaries		
						Total shareholders' equity		
Balance as at 1 January 2021	205,000,000	939,867,500	18,221,926	-	21,361,034	1,214,061,571	10,866,301	1,224,927,872
Profit (loss) for the year	-	-	-	-	49,789,535	49,789,535	(30,392,509)	19,397,026
Other comprehensive income for the year	-	-	-	-	(3,539,283)	(3,539,283)	-	(3,539,283)
Total comprehensive income for the year	-	-	-	-	46,250,252	46,250,252	(30,392,509)	15,857,743
Transfer legal reserve and share premium to compensate the deficits (Note 29)	(67,251,255)	-	-	(29,611,111)	96,862,366	-	-	-
Increase share capital from exercised of warrants (Note 19)	247	7,567	(49)	-	-	7,765	-	7,765
Transfer warrants to share premium (Note 19)	-	18,221,877	(18,221,877)	-	-	-	-	-
Issue warrants to purchase shares (Note 19)	-	-	20,500,024	-	-	20,500,024	-	20,500,024
Transfer unappropriated retained earnings to statutory reserve (Note 20)	-	-	-	-	9,600,000	(9,600,000)	-	-
Change in ownership interest in subsidiary (Note 12)	-	-	-	(264,931)	-	(264,931)	1,266,250	1,001,319
Balance as at 31 December 2021	205,000,247	890,845,689	20,500,024	(264,931)	9,600,000	154,873,652	(18,259,958)	1,262,294,723

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

Statement of changes in shareholders' equity (continued)

DOD Biotech Public Company Limited and its subsidiaries

For the year ended 31 December 2022

	Consolidated financial statements							(Unit: Baht)
	Equity attributable to owners of the Company						Non-controlling interests of the subsidiaries	
	Issued and fully paid-up share capital	Share premium	Warrants	Other Surplus (deficits)	Retained earnings	Total equity attributable to owners of the Company		
Surplus (deficits) arising from change in ownership interest in a subsidiary				Appropriated	Unappropriated			
Balance as at 1 January 2022	205,000,247	890,845,689	20,500,024	(264,931)	9,600,000	154,873,652	1,280,554,681	1,262,294,723
Loss for the year	-	-	-	-	-	(398,334,043)	(398,334,043)	(405,148,890)
Other comprehensive income for the year	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	(398,334,043)	(398,334,043)	(405,148,890)
Increase share capital from exercised of warrants (Note 19)	-	18	-	-	-	-	18	18
Decrease in non-controlling interest of the subsidiary from bankruptcy of a subsidiary (Note 12)	-	-	-	-	-	-	-	-
Increase in non-controlling interest of the subsidiary from a new subsidiary (Note 12)	-	-	-	-	-	-	-	15,225,680
Change in ownership interest in a subsidiary (Note 12)	-	-	-	-	-	-	-	1,250,000
Balance as at 31 December 2022	205,000,247	890,845,707	20,500,024	4,931,570	9,600,000	(243,460,391)	4,931,570	20,010,230
				4,666,639			887,152,226	893,631,761

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

Statement of changes in shareholders' equity (continued)

DOD Biotech Public Company Limited and its subsidiaries

For the year ended 31 December 2022

(Unit: Baht)

	Separate financial statements				
	Issued and fully paid-up share capital	Share premium	Warrants	Retained earnings	Total shareholders' equity
Balance as at 1 January 2021	205,000,000	939,867,500	18,221,926	29,611,111	1,095,838,169
Profit for year	-	-	-	-	191,472,670
Other comprehensive income for the year	-	-	-	-	(3,539,283)
Total comprehensive income for the year	-	-	-	-	187,933,387
Transfer legal reserve and share premium to compensate the deficits (Note 29)	-	(67,251,255)	-	(29,611,111)	96,862,366
Increase share capital from exercised of warrants (Note 19)	247	7,567	(49)	-	7,765
Transfer warrants to share premium (Note 19)	-	18,221,877	(18,221,877)	-	-
Issue warrants to purchase shares (Note 19)	-	-	20,500,024	-	20,500,024
Transfer unappropriated retained earnings to statutory reserve (Note 20)	-	-	-	9,600,000	(9,600,000)
Balance as at 31 December 2021	205,000,247	890,845,689	20,500,024	9,600,000	1,304,279,345

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

Statement of changes in shareholders' equity (continued)

DOD Biotech Public Company Limited and its subsidiaries

For the year ended 31 December 2022

	Separate financial statements					(Unit: Baht)	
	Issued and fully paid-up share capital	Share premium	Warrants	Retained earnings			Total shareholders' equity
				Appropriated	Unappropriated (deficits)		
Balance as at 1 January 2022	205,000,247	890,845,689	20,500,024	9,600,000	178,333,385	1,304,279,345	
Loss for the year	-	-	-	-	(314,055,588)	(314,055,588)	
Other comprehensive income for the year	-	-	-	-	-	-	
Total comprehensive income for the year	-	-	-	-	(314,055,588)	(314,055,588)	
Increase share capital from exercised of warrants (Note 19)	-	18	-	-	-	18	
Balance as at 31 December 2022	205,000,247	890,845,707	20,500,024	9,600,000	(135,722,203)	990,223,775	

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

Cash flow statement

DOD Biotech Public Company Limited and its subsidiaries

For the year ended 31 December 2022

	Consolidated financial statements		Separate financial statements		(Unit: Baht)
	2022	2021	2022	2021	
Cash flows from operating activities					
Profit (loss) before tax from continued operation	(424,225,506)	265,061,025	(391,208,607)	221,636,208	
Loss before tax from discontinued operation	(61,402,594)	(223,903,413)	-	-	
Profit (loss) before tax	(485,628,100)	41,157,612	(391,208,607)	221,636,208	
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:					
Depreciation and amortisation	64,502,105	67,043,029	36,614,573	35,734,138	
Write-off withholding tax	118,181	45,569	118,181	-	
Impairment loss on financial assets	404,635,902	3,233,661	418,645,214	67,881,831	
Reduction of inventory cost to net realisable value (reversal)	(35,161,296)	78,228,402	15,354,168	15,420,173	
Impairment loss on investments in subsidiaries	-	-	186,215	39,999,990	
Impairment loss on fixed assets and advance for purchase fixed assets	-	101,718,260	-	-	
Impairment loss on intangible assets	-	4,919,961	-	-	
Loss (gain) on sales and disposal of assets	(1,213,732)	22,400,501	(1,040,633)	446,412	
Loss on lease cancellation	-	752,574	-	-	
Provision for long-term employee benefits (reversal)	2,304,738	(695,927)	1,808,956	1,756,790	
Loss on sales of investments in subsidiary	-	-	4,089,770	264,931	
Loss from written-off a subsidiary	13,416,204	-	-	-	
Gain on measuring fair value of financial assets	-	(9,371,910)	-	(9,371,910)	
Finance income	(108,773)	(257,325)	(13,822,224)	(16,210,266)	
Finance cost	6,584,431	8,311,296	4,096,411	3,879,614	

The accompanying notes are an integral part of the financial statements



Cash flow statement (continued)

DOD Biotech Public Company Limited and its subsidiaries

For the year ended 31 December 2022

	Consolidated financial statements		Separate financial statements		(Unit: Baht)
	2022	2021	2022	2021	
Profit (loss) from operating activities before changes in operating assets and liabilities	(30,550,340)	317,485,703	74,842,024	361,437,911	
Operating assets (increase) decrease					
Trade and other receivables	(124,572,262)	(66,096,271)	(132,084,318)	(68,848,167)	
Inventories	48,023,506	54,642,177	(15,072,368)	(1,006,143)	
Other current assets	909,517	272,199	(2,530,725)	(5,558,365)	
Other assets	(6,216,667)	(3,220,888)	-	-	
Operating liabilities increase (decrease)					
Trade and other payables	(7,646,674)	(116,821,249)	(5,342,849)	(78,686,719)	
Other current liabilities	(4,587,857)	2,865,129	(789,705)	979,260	
Income tax payable	1,657,078	-	1,657,078	-	
Other non-current liabilities	1,435,019	4,208,152	1,305,778	4,682,412	
Cash flows from (used in) operating activities	(121,548,680)	193,334,952	(78,015,085)	213,000,189	
Interest received	108,787	257,380	85,403	203,241	
Interest paid	(4,265,097)	(4,740,478)	(4,029,595)	(3,865,123)	
Corporate income tax paid	(5,002,795)	(43,849,841)	(4,779,476)	(43,841,456)	
Net cash flows from (used in) operating activities	(130,707,785)	145,002,013	(86,738,753)	165,496,851	

The accompanying notes are an integral part of the financial statements

Cash flow statement (continued)

DOD Biotech Public Company Limited and its subsidiaries

For the year ended 31 December 2022

	Consolidated financial statements		Separate financial statements		(Unit: Baht)
	2022	2021	2022	2021	
Cash flows from investing activities					
Increase in restricted bank deposits	(59,900)	(859,678)	(57,548)	(57,335)	
Proceeds from sales of other non-current financial assets	-	109,084,831	-	109,084,831	
Payment for investment in a subsidiary	-	-	(1,250,000)	(194,683,550)	
Decrease from written-off a subsidiary	(192,179)	-	-	-	
Proceeds from sales of investment in a subsidiary	-	-	20,010,230	684,869	
Increase in short-term loans to subsidiary	-	-	(45,000,000)	-	
Increase in long-term loans to subsidiary	-	-	-	(59,005,000)	
Acquisition of plant, equipment and other intangible assets	(63,290,781)	(182,932,602)	(23,325,580)	(45,427,063)	
Proceeds from sales of equipment	1,423,486	2,345,321	1,072,971	199,550	
Net cash flows used in investing activities	(62,119,374)	(72,362,128)	(48,549,927)	(189,203,698)	
Cash flows from financing activities					
Increase (decrease) in bank overdrafts and short-term loans from bank	61,698,839	(53,390,079)	61,698,839	(25,000,000)	
Cash receipt from short-term loans from shareholder	10,000,000	-	10,000,000	-	
Cash receipt from increase in share capital	18	7,765	18	7,765	
Cash receipt from long-term loans	-	22,309,754	-	22,309,754	
Repayment of long-term loans	(26,136,000)	(36,096,558)	(22,800,000)	(22,800,000)	
Payment of principal portion of lease liabilities	(5,404,052)	(8,297,096)	(1,344,761)	(352,596)	
Cash receipt from warrants	-	20,500,024	-	20,500,024	
Proceeds from sales of investment in a subsidiary without loss of control	20,010,230	684,869	-	-	

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



Cash flow statement (continued)

DOD Biotech Public Company Limited and its subsidiaries

For the year ended 31 December 2022

	Consolidated financial statements		Separate financial statements		(Unit: Baht)
	2022	2021	2022	2021	
Cash receipt from share from non-controlling interests of a subsidiary	1,250,000	316,600	-	-	-
Net cash flows from (used in) financing activities	61,419,035	(53,964,721)	47,554,096	(5,335,053)	
Net increase (decrease) in cash and cash equivalents	(131,408,124)	18,675,164	(87,734,584)	(29,041,900)	
Cash and cash equivalents at beginning of year	161,676,623	143,001,459	98,708,027	127,749,927	
Cash and cash equivalents at end of year	30,268,499	161,676,623	10,973,443	98,708,027	
Supplemental cash flows information					
Non-cash items consist of:	-	-	-	-	-
Acquisition of motor vehicle under finance lease agreements	3,300,000	-	3,300,000	-	-
Increase in accounts payable from purchase fixed asset and other intangible assets	-	5,942,608	-	-	-

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

DOD Biotech Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2022

1. General information

DOD Biotech Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the manufacture and distribution of food supplements and health drinks of all kinds. The registered office of the Company is at 111, Moo 2, Tumbol Taa jeen, Amphor Muengsamutsakhon, Samut Sakhon.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of DOD Biotech Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”) (collectively as “the Group”):

Company’s name	Nature of business	Country of incorporation	Percentage of shareholding	
			2022	2021
			Percent	Percent
Direct subsidiaries				
DOD Healthy Life Co., Ltd.	Holding business	Thailand	99.99	99.99
Ultima Life Co., Ltd.	Bankruptcy	Thailand	-	80.00
HY DOD Co., Ltd.	Dissolution and during process of liquidation	Thailand	51.00	51.00
DOD Sale power Co., Ltd.	Advisory service	Thailand	70.00	70.00
Siam Herbal Tech Co., Ltd.	Manufacturing extraction	Thailand	90.24	99.51
AK DOD Co., Ltd.	Trading business	Thailand	51.00	51.00
A Metaverse Co.,Ltd.	Supplementary business	Thailand	50.00	-
Indirect subsidiary				
PCCA Laboratory Co., Ltd.	Manufacturing cosmetic business	Thailand	90.00	90.00

Details of the changes in the structure of the Group during the current year are presented in Note 12 to the consolidated financial statements.

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

c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

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

e) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.

f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements present investments in subsidiaries under the cost method.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2023

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

4. Significant accounting policies

4.1 Revenue and expense recognition

Sales of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally upon delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns, discounts, allowances and price promotions to customers.

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

4.2 Cash and cash equivalents

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

4.3 Inventories

Finished goods and work in process are valued at the lower of cost (under the first-in, first-out method) and net realisable value. The cost of inventories includes all production costs and attributable factory overheads.

Raw materials, chemicals, spare parts and factory supplies are valued at the lower of average cost and net realisable value and are charged to production costs whenever consumed.

4.4 Investments in subsidiaries

Investments in subsidiaries are accounted for in the separate financial statements using the cost method.

4.5 Property, plant and equipment/Depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Land improvements	-	5 - 20 years
Buildings	-	30 years
Buildings improvements	-	5 - 30 years
Machinery and equipment	-	5 - 20 years
Furniture, fixtures and office equipment	-	5 years
Motor vehicles	-	5 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation.

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

4.6 Intangible assets

Intangible assets with finite lives are amortised on the straight-line basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Licences	10 years
Patents	8 years
Computer software	5 years

4.7 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash-generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

4.8 Leases

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

The Group as a lessee

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

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

Right-of-use assets is buildings which has an estimated useful lives of 20 years.

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

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

4.9 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associates, and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

4.10 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.11 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, right-of-use assets, and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Group also carries out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining 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. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment (except for goodwill), if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

4.12 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Groups contributions are recognised as expenses when incurred.

Defined benefit plans

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

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

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

4.13 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.14 Income tax

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

Current tax

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

Deferred tax

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

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

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

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

4.15 Financial instruments

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

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

Financial assets at amortised cost

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

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

Financial assets designated at FVOCI (equity instruments)

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

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

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

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

Financial assets at FVTPL

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

Classification and measurement of financial liabilities

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

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

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

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset as credit impaired or default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

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

Offsetting of financial instruments

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

4.16 Fair value measurement

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

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

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

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

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

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

5. Significant accounting judgements and estimates

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

Determining the lease term with extension and termination options - The Group as a lessee

In determining the lease term, the management is required to exercise judgment in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease, considering all relevant factors and circumstances that create an economic incentive for the Group to exercise either the extension or termination option. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend or to terminate.

Allowance for expected credit losses of trade receivables

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

Allowance for loss on diminution in value of inventories

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

Property plant and equipment/Depreciation

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

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

Goodwill

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

Deferred tax assets

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

6. Related party transactions

During the years, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Group and those related parties.

(Unit: Baht)

	Consolidated		Separate		Transfer Pricing Policy
	financial statements		financial statements		
	2022	2021	2022	2021	
Transactions with subsidiary companies					
(eliminated from the consolidated financial statements)					
Sales of goods	-	-	-	4,183,885	Market price
Interest income	-	-	13,736,835	16,007,079	5 and 6% per annum (2021: 6% per annum)
Other income	-	-	24,535	40,383	Contract price
Other expenses	-	-	75,000	-	Contract price

As at 31 December 2022 and 2021, the balances of the accounts between the Group and those related companies are as follows:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Trade and other receivables - related parties (Note 8)				
Subsidiaries	-	-	76,943,994	144,215,787
Less: Allowance for expected credit losses	-	-	(51,640,226)	(119,512,792)
	-	-	25,303,768	24,702,995
Other payables - related party (Note 17)				
Subsidiary	-	-	80,250	-
	-	-	80,250	-
Advance received for goods - related party				
Subsidiary	-	-	-	179,040
	-	-	-	179,040

Loans to subsidiaries

As at 31 December 2022 and 2021, the balances of loans between the Group and the movement in loans are as follows:

(Unit: Baht)

	Separate financial statements			
	Balance as at 1 January 2022	Increase during the year	Decrease during the year	Balance as at 31 December 2022
Loans to related parties				
Short-term loan to related party				
Siam Herbal Tech Co., Ltd.	-	45,000,000	-	45,000,000
Total short-term loan to a subsidiary	-	45,000,000	-	45,000,000
Long-term loans to related parties				
DOD Healthy Life Co., Ltd.	298,000,000	-	-	298,000,000
DOD Sale power Co., Ltd.	5,800,000	-	-	5,800,000
PCCA Laboratory Co., Ltd.	277,100,000	-	-	277,100,000
Ultima Life Co., Ltd.	1,005,000	-	(1,005,000)	-
	581,905,000	-	(1,005,000)	580,900,000
Less: Allowance for expected credit losses	(363,567,330)	-	1,005,000	(362,562,330)
Total long-term loans to subsidiaries - net	218,337,670	-	-	218,337,670

Loans to related parties carried interest 5 and 6 percent per annum with repayment at call.

Short-term loan from shareholder

As at 31 December 2022 and 2021, the balances of short-term loan from shareholder and the movement in loan is as follows:

(Unit: Baht)

	Consolidated / Separate financial statements			
	Balance as at 1 January 2022	Increase during the year	Decrease during the year	Balance as at 31 December 2022
Short-term loan from shareholder				
Major Shareholder	-	10,000,000	-	10,000,000
Total short-term loan from shareholder	-	10,000,000	-	10,000,000

Short-term loan from shareholder carried 3 percent per annum with repayment on 27 June 2023.

Set out below is the movements in the allowance for expected credit losses of loans to related parties and accrued interest receivables.

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Beginning balance	-	-	402,137,033	409,698,521
Provision for expected credit loss	-	-	13,100,260	-
Reversal	-	-	-	(7,561,488)
Write-off	-	-	(1,034,737)	-
Ending balance	-	-	414,202,556	402,137,033

Directors and management's benefits

The Group had employee benefit expenses payable to their directors and management as below.

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Short-term employee benefits	33,613,039	43,116,370	25,608,078	29,774,138
Post-employment benefits	1,161,851	829,012	931,473	829,012
Total	34,774,890	43,945,382	26,539,551	30,603,150

7. Cash and cash equivalents

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Cash	114,885	122,808	81,800	88,549
Bank deposits	30,153,614	161,553,815	10,891,643	98,619,478
Total	30,268,499	161,676,623	10,973,443	98,708,027

As at 31 December 2022, bank deposits in saving accounts carried interests between 0.05 and 0.35 percent per annum (2021: between 0.05 and 0.30 percent per annum).

8. Trade and other receivables

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Trade receivables - related parties				
Aged on the basis of due dates				
Past due				
3 - 6 months	-	-	-	590,023
6 - 12 months	-	-	-	8,412,587
Over 12 months	-	-	-	72,069,906
Total	-	-	-	81,072,516
Less: Allowance for expected credit losses (Note 6)	-	-	-	(80,943,089)
Total trade receivables - related parties, net	-	-	-	129,427
Trade receivables - unrelated parties				
Aged on the basis of due dates				
Not yet due	37,789,441	68,679,786	37,190,241	67,999,679
Past due				
Up to 3 months	31,302,740	151,561,732	30,999,539	150,805,887
3 - 6 months	76,226,491	83,374,647	76,226,491	82,041,073
6 - 12 months	204,249,445	12,268,023	203,796,785	12,260,356
Over 12 months	111,705,048	16,693,315	100,977,079	5,035,913
Total	461,273,165	332,577,503	449,190,135	318,142,908
Less: Allowance for expected credit losses	(422,221,730)	(17,206,805)	(411,041,102)	(5,496,149)
Total trade receivables - unrelated parties, net	39,051,435	315,370,698	38,149,033	312,646,759
Total trade receivables - net	39,051,435	315,370,698	38,149,033	312,776,186

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Other receivables				
Advances payment - unrelated parties	546,132	303,685	545,900	58,338
Other receivables - related parties	-	-	93,625	-
Other receivables - unrelated parties	17,664,370	23,298,793	716,283	130,954
Interest receivables - related parties	-	-	76,850,369	63,143,271
Interest receivables - unrelated parties	28,042	28,055	28,042	28,055
Total	18,238,544	23,630,533	78,234,219	63,360,618
Less: Allowance for expected credit losses (Note 6)	-	(1,257,225)	(51,640,226)	(38,569,703)
Total other receivables - net	18,238,544	22,373,308	26,593,993	24,790,915
Total trade and other receivables - net	57,289,979	337,744,006	64,743,026	337,567,101
The normal credit term is 30 to 90 days.				

Set out below is the movements in the allowance for expected credit losses of trade receivables.

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Beginning balance	17,206,805	15,699,864	86,439,238	10,995,919
Provision for expected credit losses	405,014,925	1,506,941	405,544,953	75,443,319
Amount written off	-	-	(80,943,089)	-
Ending balance	422,221,730	17,206,805	411,041,102	86,439,238

The significant increase in allowance for expected credit losses of trade receivables in 2022 of Baht 405 million was mainly due to the allowance for expected credit losses of trade receivables of an unrelated party which had long outstanding balance (2021: Baht 75 million was mainly due to the allowance for expected credit losses of trade receivables from discontinued operation of a subsidiary)

During the current year, the Company had written-off trade receivables and allowance for expected credit losses of trade receivables of a subsidiary of Baht 81 million due to bankruptcy of the subsidiary.

9. Inventories

(Unit: Baht)

Consolidated financial statements

	Cost		Reduce cost to net realisable value		Inventories - net	
	2022	2021	2022	2021	2022	2021
Finished goods	17,699,543	39,680,053	(3,097,439)	(25,006,189)	14,602,104	14,673,864
Work in process	17,146,058	6,395,802	(1,168,511)	(4,003,304)	15,977,547	2,392,498
Raw materials	103,752,113	157,221,661	(36,303,894)	(60,823,868)	67,448,219	96,397,793
Total	138,597,714	203,297,516	(40,569,844)	(89,833,361)	98,027,870	113,464,155

(Unit: Baht)

Separate financial statements

	Cost		Reduce cost to net realisable value		Inventories - net	
	2022	2021	2022	2021	2022	2021
Finished goods	14,537,351	17,590,603	(3,097,439)	(6,866,957)	11,439,912	10,723,646
Work in process	5,428,299	3,031,373	(1,168,511)	(1,117,062)	4,259,788	1,914,311
Raw materials	101,256,810	85,528,116	(36,303,894)	(17,231,657)	64,952,916	68,296,459
Total	121,222,460	106,150,092	(40,569,844)	(25,215,676)	80,652,616	80,934,416

During the current year, the Group reversed the write-down of cost of inventories by Baht 49.3 million and reduced the amount of inventories recognised as expenses during the year (2021: the Group reduced value of inventories by Baht 78.2 million to reflect the net realisable value. This was included in cost of sales (the Company only: Reduced cost of inventories to reflect the net realisable value by Baht 15.4 million, (2021: Baht 15.4 million)).

10. Restricted bank deposits

These represent fixed deposits pledged with the banks to secure bank overdrafts and short-term loans from bank.

11. Other non-current financial assets

(Unit: Baht)

	Consolidated financial statements and separate financial statements	
	2022	2021
Equity instruments designated at FVOCI		
Non-listed equity instruments	2,600,000	2,600,000
Total other non-current financial assets - net	2,600,000	2,600,000

12. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements

Company	Nature of business	Country of registration	Percentage of shareholding		Paid-up capital		Cost method	
			2022	2021	2022	2021	2022	2021
			(%)	(%)	Baht	Baht	Baht	Baht
Direct subsidiaries								
DOD Healthy Life Co., Ltd.	Holding business	Thailand	99.99	99.99	1,000,000	1,000,000	999,980	999,980
Ultima Life Co., Ltd	Bankruptcy	Thailand	-	80.00	-	50,000,000	-	39,999,990
HY DOD Co., Ltd.	Dissolution and during process of liquidation	Thailand	51.00	51.00	500,000	500,000	254,990	254,990
DOD Sale power Co., Ltd.	Advisory service	Thailand	70.00	70.00	2,000,000	2,000,000	1,399,900	1,399,900
Siam Herbal Tech Co., Ltd.	Manufacturing Extraction	Thailand	90.24	99.51	260,000,000	260,000,000	234,633,600	258,733,600
AK DOD Co., Ltd.	Trading business	Thailand	51.00	51.00	500,000	500,000	254,990	254,990
A Metaverse Co., Ltd.	Supplementary business	Thailand	50.00	-	2,500,000	-	1,250,000	-
Total					266,500,000	314,000,000	238,793,460	301,643,450
Less: Allowance for impairment of investments							(186,215)	(39,999,990)
Investments in subsidiaries, net							238,607,245	261,643,460

Ultima Life Co., Ltd

During the year 2021, the Company recorded allowance for impairment of investments in Ultima Life Co., Ltd (“UTM”) of Baht 40 million. UTM registered its dissolution with the Ministry of Commerce on 31 August 2021 and during process of liquidation. During 2022, the Group’s decision to remove the financial statements of Ultima Life Company Limited from consolidation financial statements since the date of bankruptcy of the subsidiary.

HY DOD Co., Ltd.

During the year 2022, the Company recorded allowance for impairment of investments in HY DOD Co., Ltd (“HY DOD”) of Baht 0.2 million. HY DOD registered its dissolution with the Ministry of Commerce on 26 December 2022 and during process of liquidation

Siam Herbal Tech Co., Ltd

During the year 2021, the Company entered into an agreement to sell part of its shareholding in SHT to a strategic investor and one of the Company’s management (“investors”). The Company granted each investor rights to purchase ordinary shares of SHT in accordance with the terms and conditions stipulated in the agreement up to a maximum of 1,560,000 shares in total, or equivalent to approximately 60% of the issued and paid-up shares of SHT. During the year 2021, the Company sold 12,664 shares of SHT. During the year 2022, the Company sold 241,000 shares of SHT and received payment of Baht 20 million. Hence, as at 31 December 2022, the Company holds 2,346,336 shares of SHT or equivalent to approximately 90.24%. The Group recognized the difference between the amount received and the proportionate reduction in the book value due to the sale of the sales shares as surplus (deficit) arising from change in ownership interest in subsidiary. This was presented under “shareholders’ equity” in the consolidated financial statements.

A Metaverse Co., Ltd.

During the year 2022, the Company has invested in ordinary shares of A Metaverse Co., Ltd. (“AMV”) in the amount of 500,000 shares at 2.5 baht per share, of Baht 1.25 million, representing 50% of the issued and paid-up shares of AMV, which was registered with the Department of Business Development on 13 December 2022.

No dividend received from subsidiaries during the year.

13. Property, plant and equipment

(Unit: Baht)

Consolidated financial statements									
	Land	Land improvement	Buildings	Building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under construction	Total
Cost:									
1 January 2021	220,565,727	6,930,072	342,613,698	157,681,533	237,994,517	25,722,624	9,101,051	22,274,689	1,022,883,911
Additions	-	-	-	2,142,202	9,806,720	4,114,811	452,562	165,101,787	181,618,082
Disposals	-	-	-	-	(32,342,724)	(12,257,206)	(2,633,645)	-	(47,233,575)
Transfers	-	4,652,255	-	8,090,310	4,825,489	2,335,493	-	(19,903,547)	-
31 December 2021	220,565,727	11,582,327	342,613,698	167,914,045	220,284,002	19,915,722	6,919,968	167,472,929	1,157,268,418
Additions	-	-	-	3,169,007	26,732,747	2,412,057	3,300,000	29,894,999	65,508,810
Disposals/write-off	-	-	-	(64,405)	(4,593,840)	(2,103,192)	(120,000)	(5,415,493)	(12,296,930)
Transfers	-	4,231,112	-	49,621,085	22,568,577	2,762,620	-	(79,183,394)	-
31 December 2022	220,565,727	15,813,439	342,613,698	220,639,732	264,991,486	22,987,207	10,099,968	112,769,041	1,210,480,298
Accumulated depreciation:									
1 January 2021	-	1,779,227	36,197,162	24,470,245	79,040,142	11,020,972	6,410,872	-	158,918,620
Depreciation for the year	-	1,037,789	15,925,822	9,597,881	27,988,596	4,653,853	1,238,842	-	60,442,783
Depreciation on disposals	-	-	-	-	(15,386,976)	(5,766,559)	(1,801,326)	-	(22,954,861)
31 December 2021	-	2,817,016	52,122,984	34,068,126	91,641,762	9,908,266	5,848,388	-	196,406,542
Depreciation for the year	-	1,239,843	17,811,549	8,265,854	29,015,801	3,240,135	786,699	-	60,359,881
Depreciation on disposals/write-off	-	-	-	(52,413)	(4,394,904)	(1,873,587)	(119,999)	-	(6,440,903)
31 December 2022	-	4,056,859	69,934,533	42,281,567	116,262,659	11,274,814	6,515,088	-	250,325,520
Allowance for impairment loss:									
1 January 2021	-	-	-	-	-	-	-	-	-
Increase during the year	1,699,500	-	23,000,000	4,965,471	16,182,819	2,641,607	1,369	8,227,493	56,718,259
31 December 2021	1,699,500	-	23,000,000	4,965,471	16,182,819	2,641,607	1,369	8,227,493	56,718,259
Decrease during the year	-	-	-	-	(127,457)	(141,323)	-	(5,377,493)	(5,646,273)
31 December 2022	1,699,500	-	23,000,000	4,965,471	16,055,362	2,500,284	1,369	2,850,000	51,071,986
Net book value:									
31 December 2021	218,866,227	8,765,311	267,490,714	128,880,448	112,459,421	7,365,849	1,070,211	159,245,436	904,143,617
31 December 2022	218,866,227	11,756,580	249,679,165	173,392,694	132,673,465	9,212,109	3,583,511	109,919,041	909,082,792
Depreciation for the year									
2021 (Baht 41 million included in manufacturing cost, and the balance in selling and administrative expenses)									60,442,783
2022 (Baht 38 million included in manufacturing cost, and the balance in selling and administrative expenses)									60,359,881

(Unit: Baht)

Separate financial statements										
	Land	Land improvement	Buildings	Building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under construction	Total	
Cost:										
1 January 2021	144,376,728	6,930,072	148,036,918	102,755,474	176,493,083	12,566,054	7,087,720	17,795,944	616,041,993	
Additions	-	-	-	2,116,702	8,500,033	3,536,781	452,562	30,424,300	45,030,378	
Disposals	-	-	-	-	-	(411,376)	-	-	(411,376)	
Transfers	-	4,652,255	-	7,845,590	2,878,495	57,383	-	(15,433,723)	-	
31 December 2021	144,376,728	11,582,327	148,036,918	112,717,766	187,871,611	15,748,842	7,540,282	32,786,521	660,660,995	
Additions	-	-	-	1,054,786	5,275,152	1,265,690	3,300,000	15,181,752	26,077,380	
Disposals	-	-	-	-	(2,934,750)	(286,913)	(120,000)	-	(3,341,663)	
Transfers	-	-	-	17,025,585	9,233,103	2,762,620	-	(29,021,308)	-	
31 December 2022	144,376,728	11,582,327	148,036,918	130,798,137	199,445,116	19,490,239	10,720,282	18,946,965	683,396,712	
Accumulated depreciation:										
1 January 2021	-	1,779,227	13,939,780	13,209,873	65,129,060	8,343,040	5,397,614	-	107,798,594	
Depreciation for the year	-	1,037,789	5,782,035	4,999,132	19,582,725	2,350,632	1,072,954	-	34,825,267	
Depreciation on disposals	-	-	-	-	-	(211,814)	-	-	(211,814)	
31 December 2021	-	2,817,016	19,721,815	18,209,005	84,711,785	10,481,858	6,470,568	-	142,412,047	
Depreciation for the year	-	1,070,019	5,782,035	5,773,443	19,890,024	2,266,200	786,205	-	35,567,926	
Depreciation on disposals	-	-	-	-	(2,934,739)	(254,587)	(119,999)	-	(3,309,325)	
31 December 2022	-	3,887,035	25,503,850	23,982,448	101,667,070	12,493,471	7,136,774	-	174,670,648	
Net book value:										
31 December 2021	144,376,728	8,765,311	128,315,103	94,508,761	103,159,826	5,266,984	1,069,714	32,786,521	518,248,948	
31 December 2022	144,376,728	7,695,292	122,533,068	106,815,689	97,778,046	6,996,768	3,583,508	18,946,965	508,726,064	
Depreciation for the year										
2021 (Baht 29 million included in manufacturing cost, and the balance in selling and administrative expenses)									34,825,267	
2022 (Baht 31 million included in manufacturing cost, and the balance in selling and administrative expenses)									35,567,926	

As at 31 December 2022, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 90 million (2021: Baht 85 million) (the Company only: Baht 63 million, 2021: Baht 48 million).

The Group has mortgaged their property, plant and equipment amounting to approximately Baht 376 million (2021: Baht 390 million) (the Company only: Baht 259 million, 2021: Baht 267 million) as collateral against credit facilities received from financial institutions.

The Group has property, plant and equipment which retired from active use and not classified as held for sales with net book value amounting to Baht 232 million (2021: Baht 251 million).

14. Leases

The Group has lease contracts for various items of property, plant, and equipment used in its operations. Leases generally have lease terms between 5 - 20 years.

a) Right-of-use assets

Movements of right-of-use assets in the consolidated financial statements for the years ended 31 December 2022 and 2021 are summarised below:

	(Unit: Baht)		
	Buildings	Office equipment	Total
1 January 2021	11,537,361	252,976	11,790,337
Additions	59,360,906	-	59,360,906
Decrease	(9,189,875)	(183,135)	(9,373,010)
Depreciation for the year	(4,820,857)	(69,841)	(4,890,698)
31 December 2021	56,887,535	-	56,887,535
Depreciation for the year	(2,968,046)	-	(2,968,046)
31 December 2022	53,919,489	-	53,919,489

b) Lease liabilities

	(Unit: Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Lease liabilities	89,666,597	92,314,342	2,466,597	314,342
Less: Deferred interest expenses	(31,221,809)	(34,083,781)	(150,192)	(13,781)
Total	58,444,788	58,230,561	2,316,405	300,561
Less: Portion due within one year	(2,621,222)	(4,921,215)	(722,711)	(121,215)
Lease liabilities - net of current portion	55,823,566	53,309,346	1,593,694	179,346

Movements of the lease liability account during the years ended 31 December 2022 and 2021 are summarised below:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Balance at beginning of year	58,230,561	12,899,508	300,561	639,979
Additions	3,300,000	59,360,906	3,300,000	-
Accretion of interest	2,318,279	2,887,679	60,605	13,178
Repayments	(5,404,052)	(8,297,096)	(1,344,761)	(352,596)
Cancelled lease	-	(8,620,436)	-	-
Balance at end of year	58,444,788	58,230,561	2,316,405	300,561

c) Expenses relating to leases that are recognised in profit or loss

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Depreciation expense of right-of-use assets	2,968,046	4,890,698	-	-
Interest expense on lease liabilities	2,318,279	2,887,679	60,605	13,178
Expense relating to leases of low-value assets	159,493	165,999	159,493	165,999

d) Others

The Group had total cash outflows for leases for the year ended 31 December 2022 of Baht 5 million (2021: Baht 8 million), including the cash outflow related to short-term lease and leases of low-value assets.

15. Goodwill

The Group has goodwill from acquired PCCA Laboratory Co., Ltd. amounting to Baht 108 million. As result of Covid-19 pandemic has substantially decreased on forecast sales and gross margins of PCCA Laboratory Co., Ltd. The Group recognised an impairment loss of goodwill for whole amount in the consolidated financial statements for the year ended 31 December 2020.

16. Bank overdrafts and short-term loans from financial institutions

(Unit: Baht)

	Interest rate (percent per annum)	Consolidated		Separate	
		financial statements		financial statements	
		2022	2021	2022	2021
Bank overdrafts	MOR	17,698,839	-	17,698,839	-
Short-term loans from bank	MOR -1, MLR - 0.50	121,000,000	77,000,000	121,000,000	77,000,000
Total		138,698,839	77,000,000	138,698,839	77,000,000

Bank overdrafts and short-term loans from bank are secured by the mortgage of the Company's land, building on land, fixed deposit, machineries and certain directors.

17. Trade and other payables

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Trade payables - unrelated parties	80,442,052	93,085,948	75,454,244	89,504,017
Other payables - related party	-	-	80,250	-
Other payables - unrelated parties	12,582,433	13,856,542	9,844,633	7,939,853
Accrued expenses - unrelated parties	17,171,072	13,643,822	12,391,704	5,710,634
Prepaid cheque - unrelated parties	47,035	-	47,035	-
Total trade and other payables	110,242,592	120,586,312	97,817,866	103,154,504

18. Long-term loans

(Unit: Baht)

Loan	Interest rate (percent per annum)	Repayment schedule	Consolidated		Separate	
			financial statements	financial statements	financial statements	financial statements
			2022	2021	2022	2021
1	MLR	Semi-annual installments as from July 2020 due in July 2023	7,109,754	19,829,754	7,109,754	19,829,754
2	MLR	Semi-annual installments as from March 2019 due in March 2024	12,200,000	22,280,000	12,200,000	22,280,000
3	MLR	Semi-annual installments as from January 2017 due in September 2023	1,243,000	2,911,000	-	-
4	MLR	Semi-annual installments as from February 2017 due in October 2023	1,382,000	3,050,000	-	-
Total			21,934,754	48,070,754	19,309,754	42,109,754
Less: Current portion			(19,814,754)	(28,671,000)	(17,189,754)	(22,800,000)
Long-term loans, net of current portion			2,120,000	19,309,754	2,120,000	19,309,754

Movements of the long-term loan account during the years ended 31 December 2022 and 2021 are summarised below:

(Unit: Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2022	2021	2022	2021
Beginning balance	48,070,754	61,857,558	42,109,754	42,600,000
Additional borrowings	-	22,309,754	-	22,309,754
Repayments	(26,136,000)	(36,096,558)	(22,800,000)	(22,800,000)
Ending balance	21,934,754	48,070,754	19,309,754	42,109,754

The loans are secured by the mortgage of land, buildings on land as collateral for the borrowings and is guaranteed by certain directors.

The loan agreements contain several covenants which, among other things, require the Group to maintain debt-to-equity ratio and debt service coverage ratio at the rate prescribed in the agreements.

As at 31 December 2021 and 2022, A subsidiary is unable to maintain financial ratios of its long-term borrowings in accordance with a bank's requirement. The Group classified such long-term borrowings as current portion of Baht 6 million in the financial statements as at 31 December 2021 (2022: There is no non-current portion of long-term loan).

19. Share capital and warrants to purchase ordinary shares

During the year 2021, the Warrants to Purchase Ordinary Shares of the Company (DOD-W1) holder exercised 493 warrants to purchase ordinary shares, at an exercise price of Baht 15.75 per share. The outstanding DOD-W1 warrants were expired on 7 July 2021.

On 20 October 2021, the extraordinary general meeting of shareholders to approve the issuance of up to 205,000,246 units of "Warrants to Purchase Ordinary Shares of the Company" (DOD-W2) which are to be sold to the shareholders of the Company in proportion to their respective shareholders at a ratio of 1 warrant for every 2 existing ordinary shares. The warrants have a term of 2 years, an offering price of Baht 0.10 per unit, an exercise price of Baht 18 per share and an exercise ratio of 1 warrant to 1 ordinary share. On 31 May 2022, the DOD-W2 warrant holders exercised 1 warrant to purchase 1 newly issued ordinary share with a par value of Baht 0.5 each, at an exercise price of Baht 18 per share. The Company registered the increase in its issued and paid-up share capital with the Ministry of Commerce on 10 June 2022.

20. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

21. Other expenses

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Impairment loss on financial assets (reversal)	405,861,352	(4,572,801)	418,645,214	67,881,831
Impairment loss on investment in subsidiary	-	-	186,215	39,999,990
Impairment loss on fixed assets and advance for purchasing fixed assets	-	53,227,493	-	-
Gain on measuring fair value of financial assets	-	(9,371,910)	-	(9,371,910)
Total	405,861,352	39,282,782	418,831,429	98,509,911

22. Discontinued operation

During the second quarter 2021, a meeting of the Company's Board of Directors passed a resolution to discontinue an operation of PCCA Laboratory Company Limited and Ultima Life Company Limited. Therefore, the comparative statement of comprehensive income has been reclassified to present the discontinued operation as a separate transaction from the continued operation.

Discontinued operation in the consolidated financial statements for the year ended 31 December 2022 and 2021 are as follows.

(Unit: Baht)

	PCCA Laboratory		Ultima Life	
	Company Limited		Company Limited	
	2022	2021	2022	2021
Statements of comprehensive income				
Revenue	12,367,759	85,834,805	-	65,179,251
Expenses	(60,354,149)	(260,821,332)	(13,416,204)	(114,096,137)
Loss before income tax	(47,986,390)	(174,986,527)	(13,416,204)	(48,916,886)
Income tax income (expenses)	1,372,034	10,250,475	-	(54,157)
Loss for the year from discontinued operation	(46,614,356)	(164,736,052)	(13,416,204)	(48,971,043)

Significant cash flow information from the discontinued operation for the year ended 31 December 2022 and 2021 are as follows.

(Unit: Baht)

	PCCA Laboratory Company Limited		Ultima Life Company Limited	
	2022	2021	2022	2021
Net cash from (used in) operating activities	6,682,864	(8,486,842)	-	(1,208,268)
Net cash used in investing activities	(2,352)	(1,306,227)	-	(977,524)
Net cash from (used in) financing activities	(3,336,000)	15,850,902	-	(347,930)
Net cash flows from (used in) discontinued operation	3,344,512	6,057,833	-	(2,533,722)

23. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Salaries and wages and other employee benefits	159,696,094	188,546,541	144,794,157	145,004,905
Depreciation and amortisation	64,502,105	67,043,029	36,614,573	35,734,138
Loss on impairment of financial assets	404,635,902	3,233,661	418,645,214	67,881,831
Loss on impairment of property, plant and equipment	-	101,718,260	-	-
Raw materials and consumables used	319,997,663	519,949,622	247,573,256	441,238,544
Changes in inventories of finished goods and work in progress	11,230,254	29,466,864	656,326	9,282,006

24. Income tax

Income tax (income) expenses for the years ended 31 December 2022 and 2021 are made up as follows:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Current income tax:				
Current income tax charge	6,436,554	14,296,561	6,436,554	14,296,561
Adjustment in respect of income tax of previous year	(902,958)	-	(902,958)	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(84,640,772)	17,660,343	(82,686,615)	15,866,977
Income tax (income) expense reported in profit or loss	(79,107,176)	31,956,904	(77,153,019)	30,163,538

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2022 and 2021 are as follows:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Deferred tax on gain from the change in value of financial assets measured at FVOCI	-	(680,000)	-	(680,000)
Deferred tax on actuarial gains and losses	-	(204,821)	-	(204,821)
	-	(884,821)	-	(884,821)

The reconciliation between accounting profit and income tax expense is shown below.

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Accounting profit (loss) before tax	(423,273,556)	265,061,025	(391,208,607)	221,636,208
Applicable tax rate	20%	20%	20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	(84,654,711)	53,012,205	(78,241,721)	44,327,242
Unused tax losses for the year	7,038,751	1,449,568	-	-
Adjustment in respect of income tax of previous year	(902,958)	-	(902,958)	-
Effects of:				
Promotional privileges (Note 25)	(8,001,606)	(31,129,831)	(8,001,606)	(31,129,831)
Non-deductible expenses	7,791,802	8,662,610	3,400,920	13,527,507
Additional expense deductions allowed	(378,454)	(37,648)	(378,454)	(37,648)
Other -	-	6,970,800	3,476,268	
Total	(588,258)	(22,504,869)	1,991,660	14,163,704
Income tax expense (income) reported in profit or loss	(79,107,176)	31,956,904	(77,153,019)	30,163,538

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

(Unit: Baht)

	Statements of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Deferred tax assets				
Allowance for expected credit losses	82,208,220	1,009,230	82,208,220	2,954,230
Allowance for diminution in value of inventories	8,113,969	5,043,135	8,113,969	5,043,135
Provision for long-term employee benefits	1,535,760	1,074,812	1,436,603	1,074,812
Unrealised fair value loss on investments	680,000	680,000	680,000	680,000
Total	<u>92,537,949</u>	<u>7,897,177</u>	<u>92,438,792</u>	<u>9,752,177</u>
Deferred tax liabilities				
Revaluation surplus of land, buildings and intangible assets	10,681,665	12,053,698	-	-
Total	<u>10,681,665</u>	<u>12,053,698</u>	<u>-</u>	<u>-</u>

As at 31 December 2022, the subsidiaries has unused tax losses totaling Baht 239 million (2021: Baht 247 million) on which deferred tax assets have not been recognised as the subsidiaries believes future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses. The unused tax losses amounting to Baht 239 million will expire by 2027.

25. Promotional privileges

The Company has received promotional privileges from the Board of Investment for the manufacturing or conservation of traditional drug as tablets and capsule and product from herbs, pursuant to the investment promotion certificate No. 2272(2)/2557 issued on 3 June 2014. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax for a period of 8 years from the date the promoted operations begin generating revenues (5 August 2014) which expired during the current year.

The Company's operating revenues for the years ended 31 December 2022 and 2021, divided between promoted and non-promoted operations, are summarised below.

(Unit: Baht)

	2022	2021
Domestic sales		
Promoted operations	321,568,895	526,548,772
Non-promoted operations	210,134,260	490,753,492
Total	531,703,155	1,017,302,264

26. Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing profit (loss) for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

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

The following table sets forth the computation of basic and diluted earnings (loss) per share.

Consolidated financial statements						
Continued operation		Discontinued operation		Total		
2022	2021	2022	2021	2022	2021	
<u>Basic earnings (loss) per share</u>						
Profit (loss) attributable to equity holders						
of the parent (Baht)						
	(342,964,919)	237,228,807	(55,369,124)	(187,439,272)	(398,334,043)	49,789,535
Weighted average number of ordinary						
shares (Thousand shares)						
	410,000	410,000	410,000	410,000	410,000	410,000
Basic earnings (loss) per share (Baht per share)	(0.84)	0.58	(0.13)	(0.46)	(0.97)	0.12
<u>Diluted earnings (loss) per share</u>						
Weighted average number of ordinary shares						
(Thousand shares)						
	410,000	410,000	410,000	410,000	410,000	410,000
Effect of exercised warrants to purchase						
ordinary shares						
	-	-	-	-	-	-
Number of weighted average ordinary shares						
used in the calculation of diluted						
earnings per (thousand shares)						
	410,000	410,000	410,000	410,000	410,000	410,000
Diluted earnings (loss) per share (Baht per share)	(0.84)	0.58	(0.13)	(0.46)	(0.97)	0.12

	Separate financial statements	
	2022	2021
Basic earnings (loss) per share		
Profit (loss) for the year (Baht)	(314,055,588)	191,472,670
Weighted average number of ordinary shares (Thousand shares)	410,000	410,000
Earnings (loss) per share (Baht per share)	(0.77)	0.47
Diluted earnings (loss) per share		
Weighted average number of ordinary shares (Thousand shares)	410,000	410,000
Effect of exercised warrants to purchase ordinary shares	-	-
Number of weighted average ordinary shares used in the calculation of diluted earnings per thousand shares	410,000	410,000
Diluted earnings (loss) per share (Baht per share)	(0.77)	0.47

There was no dilution of the Company's earnings (loss) per share for year ended 31 December 2022 and 2021 as a result of the warrants (DOD-W1 and DOD-W2) because the price of the warrants was higher than the market price of the common stock of the Company and the warrants (DOD-W1) expired on 7 July 2021.

27. Segment information

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

For management purposes, the Group is organised into business units based on its products and services and have reportable segments as Supplementary business, Manufacturing Cosmetic business, Network marketing Business, Manufacturing Extraction business and others.

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue and profit and total assets/total liabilities information regarding the Group's operating segments for the years ended 31 December 2022 and 2021.

For the year ended 31 December 2022.

(Unit: Baht)

	Manufacturing		Network		Elimination	
	Cosmetic		marketing		of	
	Supplementary business	(Discontinued operation)	business operation	Manufacturing Extraction business	Others inter-segment	Total
Revenues from sales	531,703,155	11,274,805	-	5,112,516	418,107	548,433,583
Finance income	13,822,224	3,189	-	18,540	471,607	111,125
Other income	10,654,179	1,116,065	-	323,797	220,000	12,263,206
Total revenue	556,179,558	12,394,059	-	5,454,853	1,109,714	560,807,914
Total profit (loss) from reportable segments before finance costs	(387,112,196)	(40,869,573)	-	(35,534,657)	18,475	(478,302,960)
Finance costs	(4,096,411)	(17,323,946)	-	(636,575)	(18,228,000)	(7,325,140)
Total loss from reportable segments	(391,208,607)	(58,193,519)	-	(36,171,232)	(18,209,525)	(485,628,100)
Income tax income						80,479,210
Net loss for the year						(405,148,890)

For the year ended 31 December 2021.

(Unit: Baht)

	Manufacturing		Network		Manufacturing		Elimination		Total
	Cosmetic		marketing		business		of		
	business	operation	business	operation	business	operation	Others	inter-segment	
Supplementary (Discontinued	business	operation)	(Discontinued	operation)	business	operation	Extraction		
Revenues from sales	1,017,302,264	84,233,644	63,681,675	63,681,675	2,198,813	-	-	(4,183,885)	1,163,232,511
Finance income	16,210,266	3,548	1,305	1,305	48,392	470,517	(16,476,703)		257,325
Other income	2,767,810	1,597,613	1,496,271	1,496,271	31,100	-	(181,883)		5,710,911
Total revenue	1,036,280,340	85,834,805	65,179,251	65,179,251	2,278,305	470,517			1,169,200,747
Total profit (loss) from reportable segments before finance costs	338,589,244	(174,229,078)	(48,896,776)	(48,896,776)	(60,435,821)	(51,888)	(5,506,773)		49,468,908
Finance costs	(3,879,614)	(17,168,496)	(49,847)	(49,847)	-	(18,228,000)	31,014,661		(8,311,296)
Total profit (loss) from reportable segments	334,709,630	(191,397,574)	(48,946,623)	(48,946,623)	(60,435,821)	(18,279,888)			41,157,612
Income tax expense									(21,760,586)
Net profit for the year									19,397,026

Geographic information

The Group operates in Thailand only. As a result, all the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

Major customers

The Group has revenue from a major customer in amount of Baht 278 Million, arising from sales of the supplementary business (2021: Baht 708 million derived from a major customer, arising from sales of the supplementary business).

28. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 2 to 15 percent of basic salary. The fund, which is managed by BBL Asset Management Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2022 amounting to approximately Baht 2 million (2021: Baht 1 million) were recognised as expenses.

29. Retained earnings

On 29 April 2021, the Annual General Meeting of shareholders approved resolution to transfer legal reserve in the amount of Baht 30 million, and share premium in the amount of Baht 67 million, total amount of Baht 97 million to compensate the deficits.

30. Commitments and contingent liabilities

30.1 Capital commitments

As at 31 December 2022, the Group had capital commitments of approximately Baht 18 million (2021: Baht 42 million), (the Company only: Baht 3 million, 2021: Baht 13 million) relating to the construction of factory buildings and acquisition of machinery.

30.2 Long-term service commitments

On 24 January 2020, the Company entered into a license agreement on a research about “The Development of medical food products for patients with diabetes using rice as the main raw material to replace imported products from abroad” with the Agricultural Research Development Agency (Public Organization). The agreement enables the Company to exercise unlimited rights on the research for a period of 8 years upon signing the agreement with permission to produce and distribute the product both domestically and abroad.

The Company is also permitted to use the technology in its production under this agreement, or to use it for the purpose of research, development, and improvement, or even transfer the technology to others without prior notice.

30.3 Guarantees

There were outstanding bank guarantees of approximately Baht 1 million (2021: Baht 1 million) issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business.

30.4 Litigation

On 3 September 2021, a Subsidiary (“Plaintiff”) filed a lawsuit against a company (“Defendant”) with the Civil Court, claiming Baht 2 million over the Defendant’s alleged breach of a contract to purchase goods. Subsequently, on 29 November 2021, the Defendant filed a countersuit against the Plaintiff claiming Baht 5 million on the grounds that the Plaintiff did not manufacture the goods to the specifications. On 15 August 2022, the Plaintiff entered into a settlement agreement with the Defendant on mutually agreed terms and conditions, and the Court already rendered a consent judgement. The Plaintiff already received full compensation under the Court’s ruling.

On 15 February 2022, the Company, the Company’s former employee, an independent dealer and other related persons (“the Defendant”) were involved in a lawsuit brought by a customer (“the Plaintiff”) a misconduct committed by an agent, whereby the Plaintiff claimed a compensation of approximately Baht 8 million. The case is under the Civil Court’s consideration.

On 14 January 2022, a subsidiary (“Defendant”) faced a lawsuit lodged by a company (“Plaintiff”) over alleged breach of contract, whereby the latter sought Baht 2 million in damages. This case is under the Civil Court’s consideration.

On 19 August 2022, a Subsidiary (“Defendant”) was involved in a lawsuit brought by a company (“Plaintiff”) over a breach of contract on delivery of goods, whereby the Plaintiff claimed a compensation of approximately Baht 2 million. The case is under the Civil Court’s consideration.

On 13 September 2022, the Company (“Defendant”) was involved in a lawsuit brought by a person (“Plaintiff”) over a breach of contract committed by an employee, whereby the Plaintiff claimed a compensation of approximately Baht 400,000. The case is under the Civil Court’s consideration.

As at 31 December 2022, the Group did not record provision for this litigation in the consolidated financial statements as the management believe that the Group will not incur any losses from the litigation.

31. Fair value hierarchy

As at 31 December 2022 and 2021, the Group had the assets and liabilities that were measured at fair value or for which fair value was disclosed using different levels of inputs as follows:

(Unit: Baht)

	Consolidated financial statements and Separate financial statements			
	As at 31 December 2022			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVOCI				
Equity investments	-	-	2,600,000	2,600,000

	Consolidated financial statements and Separate financial statements			
	As at 31 December 2021			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVOCI				
Equity investments	-	-	2,600,000	2,600,000

32. Financial instruments

32.1 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade accounts receivable, loans to subsidiaries, investments, and short-term and long-term loans from banks. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade accounts receivable, loans, deposits with banks and financial institutions and other financial instruments. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

Trade receivables

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, outstanding trade receivables are consistently monitored and the Group has policy to conduct most transactions with reliable corporate partners in order to reduce the risk of financial loss due to failure to comply with contractual obligations.

The Group has concentration of credit risk of its trade receivables in the consolidated financial statement 89% from a major customer and the separate financial statements 91% from a major customer (2021: the consolidated financial statement 83% from a major customers and the separate financial statements 69% from a major customers).

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due. The Group does not hold collateral as security. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and not subject to enforcement activity.

Financial instruments and cash deposits

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on debt instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Market risk

The market risk comprising interest rate risk.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its long-term loans to subsidiaries and long-term loans from bank. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings, in which it agrees to exchange, at specified intervals, between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

As at 31 December 2022 and 2021, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements							
2022							
Fixed interest rates			Floating	Non-			
Within	1 - 5	Over	interest	interest	Effective		
1 year	years	5 years	rate	bearing	Total	interest rate	
(% per annum)							
Financial assets							
Cash and cash equivalent	-	-	-	30	-	30	0.05 - 0.35
Deposits at bank with restrictions	-	-	-	17	-	17	0.40
	-	-	-	47	-	47	
Financial liabilities							
Bank overdrafts and short-term loans							
from financial institutions	-	-	-	139	-	139	1.88 - 6.65
Short-term loans from shareholders	10	-	-	-	-	10	3.00
Lease liability	3	10	45	-	-	58	5.25
Long-term loans	-	-	-	22	-	22	4.85 - 5.13
	13	10	45	161	-	229	

(Unit: Million Baht)

Consolidated financial statements

2021

Fixed interest rates			Floating	Non-	Effective Total interest rate
Within 1 year	1 - 5 years	Over 5 years	interest rate	interest bearing	
(% per annum)					

Financial assets

Cash and cash equivalent	-	-	-	162	-	162	0.05 - 0.30
Deposits at bank with restrictions	-	-	-	17	-	17	0.13
	-	-	-	179	-	179	

Financial liabilities

Bank overdrafts and short-term loans from financial institutions	-	-	-	77	-	77	5.88 - 6.15
Lease liabilities	5	14	39	-	-	58	5.25
Long-term loans	-	-	-	48	-	48	5.25
	5	14	39	125	-	183	

(Unit: Million Baht)

Separate financial statements

2022

Fixed interest rates			Floating	Non-		
Within	1 - 5	Over	interest	interest		Effective
1 year	years	5 years	rate	bearing	Total	interest rate
						(% per annum)

Financial assets

Cash and cash equivalent	-	-	-	11	-	11	0.05 - 0.30
Loans to subsidiaries	263	-	-	-	-	263	5.00
Deposits at bank with restrictions	-	-	-	16	-	16	0.40
	<u>263</u>	<u>-</u>	<u>-</u>	<u>27</u>	<u>-</u>	<u>290</u>	

Financial liabilities

Bank overdrafts and short-term loans							
from financial institutions	-	-	-	139	-	139	1.88 - 6.65
Short-term loans from shareholders	-	-	-	-	-	10	3.00
Lease liability	1	1	-	-	-	2	5.25
Long-term loans	-	-	-	20	-	20	4.85 - 5.13
	11	1	-	159	-	171	

(Unit: Million Baht)

Separate financial statements

2021						
Fixed interest rates			Floating	Non-		Effective
Within 1 year	1 - 5 years	Over 5 years	interest rate	interest bearing	Total	
						(% per annum)

Financial assets

Cash and cash equivalent	-	-	-	99	-	99	0.05 - 0.30
Long-term loans to subsidiaries	218	-	-	-	-	218	6.00
Deposits at bank with restrictions	-	-	-	16	-	16	0.13
	<u>218</u>	<u>-</u>	<u>-</u>	<u>115</u>	<u>-</u>	<u>333</u>	

Financial liabilities

Bank overdrafts and short-term loans							
from financial institutions	-	-	-	77	-	77	5.88 - 6.15
Long-term loans	-	-	-	42	-	42	5.25
	-	-	-	119	-	119	

Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for long-term borrowings from banks at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year. A 0.25% increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. If interest rates had been 0.25% higher/lower and all other variables were held constant, the Group's profit for the year ended 31 December 2022 would increase/decrease in the consolidated and separate financial statements by Baht 0.05 million and Baht 0.04 million, respectively. This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

Liquidity risk

The Group manages its liquidity risk by maintaining a level of cash and cash equivalents as well as management of current assets and current liabilities and sources of fund as deemed adequate to finance the operations of the Group.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities as at 31 December 2022 and 2021 based on contractual undiscounted cash flows:

(Unit: Million Baht)

Consolidated financial statements					
2022					
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Bank overdraft and short-term loans from financial institutions	-	139	-	-	139
Short-term loans from shareholders	-	10	-	-	10
Lease liability	-	6	21	63	90
Long-term loans	-	20	2	-	22
	-	175	23	63	261

(Unit: Million Baht)

Consolidated financial statements					
2021					
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Bank overdraft and short-term loans from financial institutions	-	77	-	-	77
Lease liabilities	-	5	19	68	92
Long-term loans	-	31	20	-	51
	-	113	39	68	220

(Unit: Million Baht)

Separate financial statements

2022

	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Bank overdraft and short-term loans					
from financial institutions	-	139	-	-	139
Short-term loans from shareholders	-	10	-	-	10
Lease liability	-	1	1	-	2
Long-term loans	-	18	2	-	20
	-	168	3	-	155

(Unit: Million Baht)

Separate financial statements

2021

	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Bank overdraft and short-term loans					
from financial institutions	-	77	-	-	77
Long-term loans	-	24	20	-	44
	-	101	20	-	121

32.2 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

33. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value.

As at 31 December 2022, the Group's debt-to-equity ratio was 0.44:1 (2021: 0.29:1) and the Company's was 0.30:1 (2021: 0.19:1).

34. Events after reporting period

On 20 January 2023, the Board of Directors' Meeting passed a resolutions approving the incorporation of a new subsidiary, DOD Infinite Co., Ltd. ("DOD Infinite"), to operate an investment business, in which the Company invests 599,997 shares (equivalent to 100 percent of the Company's issued and paid-up shares) with a par value of Baht 10 per share, totaling Baht 6 million. DOD Infinite already registered its incorporation with Ministry of Commerce on 20 January 2023.

On 22 February 2023, the Board of Directors' Meeting passed a resolution approving:

a) Investment of a subsidiary, DOD Infinite Co., Ltd. ("DOD Infinite"), to acquire 425,000 ordinary shares (equivalent to 89.29 percent of the total issued and paid-up shares) of Auswell Life Co., Ltd. ("Auswell Life"), which is engaged in operating a dietary supplementary business, at a price of Baht 211.76 per share, totaling Baht 90 million.

b) Increase in the Company's registered capital of Baht 35,971,191 from Baht 307,500,369.50 to Baht 343,471,560.00 through the issue of 71,942,382 additional ordinary shares with a par value of Baht 0.50 per share in order to accommodate the allocation of the newly issued ordinary shares to the existing shareholders proportionate to their respective shareholdings, the allocation through private placements and the adjustment of rights of DOD-W2 warrants, proposed to the Annual General Meeting of Shareholders for further consideration.

c) Allocation of no more than 24,390,000 newly issued ordinary shares with a par value of Baht 0.50 per share to be offered to unrelated persons through a private placement at an offering price of Baht 4.10 per share, representing up to 5.95 percent of the total issued and paid-up shares, totaling of Baht 100 million, to be proposed to the Annual General Meeting of Shareholders for further consideration.

d) Allocation of no more than 25,552,382 newly issued ordinary shares with a par value of Baht 0.50 per share, to be allocated to existing shareholders in proportion to the number of shares held by each shareholders at a ratio of 17 existing ordinary shares to 1 newly issued ordinary share, at an offering price of Baht 4.00 per share, representing up to 6.23 percent of the Company's total issued and paid-up shares, totaling of Baht 102 million, to be proposed to the Annual General Meeting of Shareholders for further consideration.

35. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 22 February 2023.

DOD BIOTECH PUBLIC COMPANY LIMITED

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