



บริษัท ดีโอดี ไบโอเทค จำกัด (มหาชน)

111 หมู่ที่ 2 ตำบลท่าจีน อำเภอเมืองสมุทรสาคร จังหวัดสมุทรสาคร 74000

111 Moo 2 Tambon Thachin, Amphur Muangsamutsakhon, Samutsakhon 74000, Thailand.

No. DOD 160/2018

December 19, 2018

Re: Notification of Resolutions of the Board of Directors' Meeting No. 8/2018

Attn.: President

The Stock Exchange of Thailand

Enclosure 1. Information Memorandum on Acquisition of Assets by Subsidiary of DOD Biotech Public Company Limited for the Purchase and Acceptance of Transfer of the Entire Business of BGP Spectrum Power Co., Ltd., and Establishment of Subsidiary, Classified as Type 2 Transaction (List 1).

DOD Biotech Public Company Limited (the “**Company**”) hereby notifies the significant resolutions passed by the Board of Directors' Meeting No. 8/2018, held on December 19, 2018, to the Stock Exchange of Thailand (the “**SET**”), as follows:

1. It was approved to purchase and accept the entire business transfer by a subsidiary which to be newly established by the Company (the “**Subsidiary**”) from BGP Spectrum Power Co., Ltd. (“**BGP Spectrum**”), including the execution of the Entire Business Transfer Agreement and other documents relating to such transaction, whereby BGP Spectrum is not a connected person of the Company under the Notification of the Capital Market Supervisory Board No. TorJor.21/2551 Re: Rules on Connected Transactions dated 31 August 2008 (as amended) and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 (2003) dated 19 November 2003 (as amended).

In this connection, the Subsidiary shall acquire and accept the entire business transfer of BGP Spectrum, which refers to all assets, liabilities, rights, obligations and responsibilities, from BGP Spectrum, currently available and to be available in the future, as of the date of entire business transfer, including 8,100,000 ordinary shares at the par value of Baht 10 per share in PCCA Laboratory Co., Ltd. (“**PCCA**”),



held by BGP Spectrum (representing 90 percent of PCCA's registered capital), whereby the Subsidiary shall pay for the transfer of the entire business in the amount of THB 297,000,000 in cash (the "**Acquisition and Acceptance of Transfer of the Entire Business**"), comprising:

(1) a deposit in the amount of THB 150,000,000, which had been approved by resolutions of the Board of Directors' Meeting No. 6/2018, held on September 7, 2018, and the Subsidiary of the Company shall repay the deposit to the Company and accept the transfer of the right to execute the transaction from the Company, provided that such deposit shall form an integral part of payment for transfer of the entire business to BGP Spectrum; and

(2) cash in the amount of THB 147,000,000.

Acquisition and Acceptance of Transfer of the Entire Business by the Subsidiary, including the establishment of the Subsidiary, constitutes a transaction on acquisition of assets under the Notification of the Capital Market Supervisory Board No. TorJor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets dated 31 August 2008 (as amended) and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547 (2004) dated 29 October 2004 (as amended) (the "**Notifications on Acquisition and Disposition of Assets**"). Upon consideration of the size of the transaction based on the total value of consideration per the Company's consolidated financial statements for nine months ended September 30, 2018, reviewed by the Company's auditor, its value equals to 21.06 percent, and combining with such kind of transactions over the past six months, the size of transaction based on the total value of consideration equals to 32.68 percent. The acquisition of assets in the range of equaling to 15 percent or higher, but less than 50 percent. Acquisition and Acceptance of Transfer of the Entire Business and the establishment of the Subsidiary therefore falls in to type 2 of acquisition of assets of Notifications on Acquisition and Disposition of Assets.

Consequently, the Company is required to disclose the information memorandum on such transaction to the SET, having details per list 1 of the Notifications on Acquisition and Disposition of Assets, including provide a notice of the transaction to the shareholders within 21 days from the date of disclosure



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to the SET, having details per list 2 item 1,2,3,5(3),7 and 8 of the Notifications on Acquisition and Disposition of Assets.

However, the Entire Business Acquisition and Transfer Transaction by the Subsidiary is subject to the significant conditions precedent as follows:

- (1) PCCA shall have duly obtained a Certificate of Building Construction, Modification or Relocation (Or. 6) and a Factory License (RorNgor. 4) as required for the business operations;
- (2) As of the date of the transfer of the entire business, there shall be no event or action happening or caused to happen or reasonably believed to likely happen, which may give rise to material and adverse impact on PCCA or jeopardize the execution of this transaction as indicated in the Entire Business Transfer Agreement;
- (3) PCCA shall have fully repaid the loans to the directors;
- (4) There shall be no legal actions or proceedings by or against BGP Spectrum or PCCA, which shall affect the validity of the transfer of the entire business under the Entire Business Transfer Agreement, nor shall there be any legal actions or proceedings by any person to challenge the execution of the transaction as indicated in the Entire Business Transfer Agreement.

The Company anticipates that the Subsidiary shall complete of Acquisition and Acceptance of Transfer of the Entire Business by the January 2019.

In this regard, the Board of Directors has authorized the executive committee or the Chief Executive Officer or the person entrusted by executive committee or the Chief Executive Officer to have an authority to consider, decide, amend or change rules, conditions and details which are necessary and relating to Acquisition and Acceptance of Transfer of the Entire Business as it deemed appropriate, under the



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applicable laws, including the entering into, certify and amend the Entire Business Transfer Agreement and other documents relating to such transaction

In this regard, the Company has prepared the Information Memorandum on Acquisition of Assets by Subsidiary of DOD Biotech Public Company Limited for the Purchase and Acceptance of Transfer of the Entire Business of BGP Spectrum Power Co., Ltd., and Establishment of Subsidiary, Classified as Type 2 Transaction (List 1). (Please refer to Enclosure 1.)

2. It was approved to establish a new subsidiary as per the following details:

Date of Incorporation	: By January 2019
Registered Capital	: THB 1,000,000, comprising 100,000 ordinary shares, at the par value of THB 10 per share
Investment Percentage	: The Company shall hold shares in the Subsidiary representing 100 percent of its registered capital.

Initially, the Subsidiary shall execute the Acquisition and Acceptance of Transfer of the Entire Business by purchasing and accepting transfer of the entire business of BGP Spectrum, including 8,100,000 ordinary shares at the par value of THB 10 per share in PCCA, held by BGP Spectrum (representing 90 percent of PCCA's registered capital), and the Subsidiary to be newly established shall be wholly owned by the Company representing 100 percent of the Subsidiary's registered capital.

In this regard, the Board of Directors has authorized the executive committee or the Chief Executive Officer or the person entrusted by executive committee or the Chief Executive Officer to consider and have power to conduct any acts as necessary and appropriate in relation to the establishment of the Subsidiary in all respects.



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In this regard, the Company has prepared the Information Memorandum on Acquisition of Assets by Subsidiary of DOD Biotech Public Company Limited for the Purchase and Acceptance of Transfer of the Entire Business of BGP Spectrum Power Co., Ltd., and Establishment of Subsidiary, Classified as Type 2 Transaction (List 1). (Please refer to Enclosure 1.)

3. It was approved to change the purposes of use of proceeds from IPO, which is not material and complies with the Notification of the Office of the Securities and Exchange Commission No. SorChor. 63/2561 Re: Change of Purposes of Use of Proceeds under the Registration Statement for Offer for Sale of Securities and Draft Prospectus dated 5 November 2018 (Notification No. SorJor. 63/2018), as per the following details:

Unit: Million Baht	Purposes of Use of Proceeds from IPO* (per the Registration Statement for Offer for Sale of Securities)	Balance as of June 30, 2018	Purposes of Use of Proceeds from IPO		Disclosed in the registration statement for offer for sale of securities and draft prospectus
			Amount	percent	
<u>Purposes of use of proceeds disclosed in the registration statement for offer for sale of securities and draft prospectus</u>					
1. Investment in raw material extraction plant and world-class research laboratory	100	100	100	-	2018-2019
2. Development of the Company's new brand	200	200	200	-	2018-2020

Unit: Million Baht	Purposes of Use of Proceeds from IPO* (per the Registration Statement for Offer for Sale of Securities)	Balance as of June 30, 2018	Purposes of Use of Proceeds from IPO		Disclosed in the registration statement for offer for sale of securities and draft prospectus
			Amount	percent	
3. Repayment of loans to financial institutions	50	50	50	-	2018
4. Working capital for business operations	637.24	637.24	368.34	-	2018-2020
<u>Newly – approved of purpose of use of proceeds</u>					
5. Expansion of production capacity for dietary supplement products, introduction of new product packages, and warehouse building (existing business as disclosed in the Registration Statement for offer for sale of securities)	-	-	120.90	12.25%	2019



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Unit: Million Baht	Purposes of Use of Proceeds from IPO* (per the Registration Statement for Offer for Sale of Securities)	Balance as of June 30, 2018	Purposes of Use of Proceeds from IPO		Disclosed in the registration statement for offer for sale of securities and draft prospectus
			Amount	percent	
and draft prospectus - Item A.)					
6. Lending to the Subsidiary for investment in Original Equipment Manufacturer of cosmetics (new business – Item B.)	-	-	148.00	14.99%	Within 2019
Total	987.24	987.24	987.24	100%	

Remark * The Company proceeded with the initial public offering (IPO) of its 110,000,000 newly issued ordinary shares during June 12- 14, 2018, at the price of THB 9.30 per share, and the proceeds derived by the Company, after deduction of the offering expenses, amounted to THB 987,240,850.

A.) Expansion of production capacity for dietary supplement products, introduction of new product packages and warehouse building, in the amount of THB 120,900,000 or representing 12.25 percent of the net proceeds from IPO, the details of which may be summarized as follows:

- (1) Project for expansion of production capacity for dietary supplement products in packets, in the amount of THB 9,600,000;



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(2) Project for dietary supplement products in the form of Soft Gel and Jelly, in the amount of THB 57,300,000;

(3) Project for warehouse building for dietary supplement products, in the amount of THB 54,000,000 Million.

The use of proceeds for these purposes is scheduled to take place within 2019.

Such change of the purposes of use of proceeds from IPO under Item A.) is regarded as the use of proceeds in relation to existing business disclosed in the Registration Statement and draft prospectus, and does not exceed 30 percent of the proceeds from the share offering, in respect of which, the Board of Directors of the Company is of the view that such change is not material and complies with the Notification No. SorChor.63/2561, and as such, the Company is in a position to effect such immaterial change of the purposes of use of proceeds from IPO upon receipt of approval from the Board of Directors.

B.) Lending to the Subsidiary for investment in Original Equipment Manufacturer of cosmetics, in the amount of THB 148,000,000 or representing 14.99 percent of the net proceeds from IPO, and the use of proceeds under this new approval is scheduled to take place within 2019.

Such change of the purposes of use of proceeds from IPO under Item B.) is regarded as the use of proceeds for new business of the Company, and does not exceed 15 percent of the proceeds from the IPO, in respect of which, the Board of Directors of the Company is of the view that such change is not material and complies with the Notification No. SorChor.63/2561, and as such, the Company is in a position to effect such immaterial change of the purposes of use of proceeds from IPO upon receipt of approval from the Board of Directors.

Such change of the purposes of use of proceeds under Items A.) and B.) constitutes a change of the purposes of use of proceeds from IPO from the balance of working capital for business operations, which



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amounted to THB 637.24 Million as of June 30, 2018. If such balance is invested for liquidity management, e. g., deposit with financial institutions, investment in debt instruments, the Company will earn a relatively lower rate of return. Therefore, it was deemed appropriate to change the purposes of use of proceeds from IPO under Items A.) and B.), which will enable the Company to derive a relatively higher rate of return.

Moreover, the foregoing change of the purposes of use of proceeds will in no way affect the plan for use of the working capital for business operations because the Company still continues to have positive cash flows, i.e., referring the Company's nine-month consolidated financial statement ending 30 September 2018, its cash flows before changes in operating assets and liabilities amounted to THB 315.98 Million, and its cash flows from operating activities amounted to THB 82.22 Million, not to mention the fact that the Company has a policy on sales of products by requiring certain customers to place deposits before production and pay the remaining balance upon delivery of the products. In addition, in case of emergency, the Company is still capable of applying for credit facilities from financial institutions for use as its working capital for business operations. As of September 30, 2018, the Company's interest-bearing debt to equity ratio was merely 0.002 times, and its debt to equity ratio was 0.04 times.

Please be informed accordingly.

Very truly yours,

Supamas Isarabhakdi

Chief Executive Officer



Information Memorandum on Acquisition of Assets by Subsidiary of DOD Biotech Public Company Limited for the Purchase and Acceptance of Transfer of the Entire Business of BGP Spectrum Power Co., Ltd., and Establishment of Subsidiary, Classified as Type 2 Transaction (List 1)

1. Transaction Date

The Board of Directors' Meeting No. 8/2018 of the Company, held on December 19, 2018, has resolved to approve the acquisition and acceptance of transfer of the entire business by a subsidiary to be newly established by the Company (the “**Subsidiary**”) from BGP Spectrum Power Co., Ltd. (“**BGP Spectrum**”), including the execution of the Entire Business Transfer Agreement and other documents relating to such transaction.

The Subsidiary will purchase and accept the entire business transfer of BGP Spectrum which referring to all assets, liabilities, rights, obligations and responsibilities from BGP Spectrum, currently available and to be available in the future, as of the date of transfer of the entire business, including 8,100,000 ordinary shares at the par value of Baht 10 per share in PCCA Laboratory Co., Ltd. (“**PCCA**”) held by BGP Spectrum (representing 90 percent of PCCA's registered capital), whereby the Subsidiary shall pay for the transfer of the entire business in the amount of THB 297,000,000 in cash (the “**Acquisition and Acceptance of Transfer of the Entire Business**”).

However, the execution of such transaction is subject to the following conditions precedent:

- (1) PCCA shall have duly obtained a Certificate of Building Construction, Modification or Relocation (Or. 6) and a Factory License (RorNgor. 4) as required for the business operations;
- (2) As of the date of the transfer of the entire business, there shall be no event or action happening or caused to happen or reasonably believed to likely happen, which may give



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rise to material and adverse impact on PCCA or jeopardize the execution of this transaction as indicated in the Entire Business Transfer Agreement;

- (3) PCCA shall have fully repaid the loans to the directors;
- (4) There shall be no legal actions or proceedings by or against BGP Spectrum or PCCA, which shall affect the validity of the transfer of the entire business under the Entire Business Transfer Agreement, nor shall there be any legal actions or proceedings by any person to challenge the execution of the transaction as indicated in the Entire Business Transfer Agreement.

The Company shall establish the Subsidiary with the Department of Business Development, Ministry of Commerce, by January 2019, and the Company anticipates that the Subsidiary shall complete of Acquisition and Acceptance of Transfer of the Entire Business by January 2019.

2. Relevant Parties and Relationship with the Listed Company

Transferee (Buyer) : a subsidiary which to be newly established by the Company
(the “**Subsidiary**”)

Transferor (Seller) : BGP Spectrum Power Co., Ltd.

In this regard, shareholders and directors of BGP Spectrum do not have any connection with the Company or (1) the Company’s directors and management (2) the controlling person(s) (3) the Company’s major shareholders or (4) a company which has (1) (2) or (3) being the major shareholder or controlling person(s). Therefore, BGP Spectrum is not a connected person of the Company under the Notification of the Capital Market Supervisory Board No. TorJor.21/2551 Re: Rules on Connected Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 (2003) dated 19 November 2003 (as amended) (the “**Connected Transaction Notification**”).



3. General Description of the Transaction

The Subsidiary shall acquire and accept transfer of the entire business of BGP Spectrum, which refers to all assets, liabilities, rights, obligations and responsibilities, from BGP Spectrum, currently available and to be available in the future, as of the date of transfer of the entire business, including 8,100,000 ordinary shares at the par value of Baht 10 per share in PCCA, held by BGP Spectrum (8,100,000 shares representing 90 percent of PCCA's registered capital), whereby the Subsidiary shall pay for the transfer of the entire business in the amount of THB 297,000,000 in cash (the "**Acquisition and Acceptance of Transfer of the Entire Business**"), comprising:

(1) a deposit in the amount of THB 150,000,000, which had been approved by resolutions of the Board of Directors' Meeting No. 6/2018, held on September 7, 2018, and the Subsidiary of the Company shall repay the deposit to the Company and accept the transfer of the right to execute the transaction from the Company, provided that such deposit shall form an integral part of payment for transfer of the entire business to BGP Spectrum; and

(2) cash in the amount of THB 147,000,000.

However, the Entire Business Acquisition and Transfer Transaction by the Subsidiary is subject to the significant conditions precedent as follows:

(1) PCCA shall have duly obtained a Certificate of Building Construction, Modification or Relocation (Or. 6) and a Factory License (RorNgor. 4) as required for the business operations;

(2) As of the date of the transfer of the entire business, there shall be no event or action happening or caused to happen or reasonably believed to likely happen, which may give rise to material and adverse impact on PCCA or jeopardize the execution of this transaction as indicated in the Entire Business Transfer Agreement;

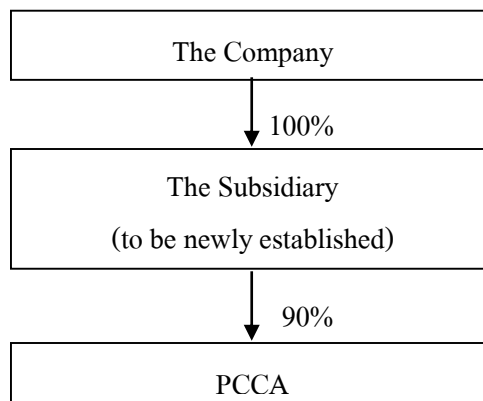
(3) PCCA shall have fully repaid the loans to the directors;

- (4) There shall be no legal actions or proceedings by or against BGP Spectrum or PCCA, which shall affect the validity of the transfer of the entire business under the Entire Business Transfer Agreement, nor shall there be any legal actions or proceedings by any person to challenge the execution of the transaction as indicated in the Entire Business Transfer Agreement.

The Company shall establish the Subsidiary with the Department of Business Development, Ministry of Commerce, by January 2019, and the Company anticipates that the Subsidiary shall complete of Acquisition and Acceptance of Transfer of the Entire Business by January 2019.

After Acquisition and Acceptance of Transfer of the

Entire Business



Acquisition and Acceptance of Transfer of the Entire Business by the Subsidiary, including the establishment of the Subsidiary, constitutes a transaction on acquisition of assets under Notification of the Capital Market Supervisory Board No. TorJor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets dated 31 August 2008 (as amended) and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts

of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547 (2004) dated 29 October 2004 (as amended) (the “**Notifications on Acquisition and Disposition of Assets**”). Upon consideration of the size of the transaction based on the total value of consideration comparing total assets of the Company’s consolidated financial statements for nine months ended September 30, 2018, reviewed by the Company’s auditor, this is regarded as a transaction on acquisition of assets in type 2 with a value equal to 21.06 percent

The details on calculation of the transaction size of the Acquisition and Acceptance of Transfer of the Entire Business are described below.

Basis	Formula	Transaction Size
1. Net Tangible Assets (NTA)	$\frac{\text{NTA of assets acquired} * \text{shareholding percentage} * 100}{\text{NTA of the Listed Company}}$ $= \frac{96,584,798.74 * 100\% * 100}{1,353,257,000 \text{ Baht}}$	= 7.14%
2. Net Operating Profits	This is not applicable because PCCA sustains an operating loss after tax.	n/a
3. Total Value of Consideration	$\frac{\text{Total value of consideration payable} * 100}{\text{Total assets of the Listed Company}}$ $= \frac{297,000,000 + 1,000,000 * 100}{1,415,193,074 \text{ Baht}}$	= 21.06%
4. Value of Securities	This is not applicable because the Company shall not issue any new ordinary shares as payment for the assets.	n/a

The transactions’ size equals to 15 percent or higher, but less than 50 percent, based on the total value of consideration, and upon combination with such transactions over the past six months, equal to 32.68 percent therefore, the Company is required to disclose the information memorandum on such



transaction to the SET and give notice thereof to the shareholders within 21 days from the date of disclosure to the SET.

Consequently, the Company is required to disclose the information memorandum on such transaction to the SET, having details per list 1 of the Notifications on Acquisition and Disposition of Assets, including provide a notice of the transaction to the shareholders within 21 days from the date of disclosure to the SET, having details per list 2 item 1,2,3,5(3),7 and 8 of the Notifications on Acquisition and Disposition of Assets.

4. Details of Acquired Assets

After completion of the conditions precedent to the execution of the Acquisition and Acceptance of Transfer of the Entire Business, the Subsidiary shall acquire and accept transfer of the entire business of BGP Spectrum, which refers to all assets, liabilities, rights, obligations and responsibilities, from BGP Spectrum, currently available and to be available in the future, as of the date of transfer of the entire business, including 8,100,000 ordinary shares at the par value of Baht 10 per share in PCCA, held by BGP Spectrum (8,100,000 shares representing 90 percent of PCCA's registered capital).

General Information of PCCA

Company Name	PCCA Laboratory Co., Ltd. (PCCA)
Nature of Business	Manufacturer and supplier of cosmetic products by way of outsourced production with fully completed services, from formulation development, research, marketing and label design and packaging services, including cosmetic product filings with the Food and Drug Administration.
Date of Incorporation	October 31, 2005
Website	www.pccalabs.co.th



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Head Office	No. 59 Satriwittaya 2 Road, Ladprao Subdistrict, Ladprao District, Bangkok															
Branch Office 1	No. 26 Soi Nakniwas 48 Alley 14, Nakniwas Road, Ladprao Subdistrict, Ladprao District, Bangkok 10230															
Branch Office 2	No. 166/3 Moo 2, Tambon Nong Bon Daeng, Amphoe Ban Bueng, Chonburi Province 20170															
Registered Capital	THB 90,000,000															
Number of Shares	9,000,000															
Par Value	10															
List of Shareholders	<table border="1"><thead><tr><th>No.</th><th>Shareholders</th><th>Shares</th></tr></thead><tbody><tr><td>1.</td><td>Mr. Phuwadit Apipatrawut</td><td>810,000</td></tr><tr><td>2.</td><td>BGP Spectrum Power Co., Ltd.</td><td>8,100,000</td></tr><tr><td>3.</td><td>Miss Thachawan Tuthong</td><td>90,000</td></tr><tr><td colspan="2">Total</td><td>9,000,000</td></tr></tbody></table>	No.	Shareholders	Shares	1.	Mr. Phuwadit Apipatrawut	810,000	2.	BGP Spectrum Power Co., Ltd.	8,100,000	3.	Miss Thachawan Tuthong	90,000	Total		9,000,000
No.	Shareholders	Shares														
1.	Mr. Phuwadit Apipatrawut	810,000														
2.	BGP Spectrum Power Co., Ltd.	8,100,000														
3.	Miss Thachawan Tuthong	90,000														
Total		9,000,000														
Board of Directors	Mr. Phuwadit Apipatrawut															

Financial Data of PCCA

The financial statements of PCCA (for the fiscal years 2015 – 2017) were audited by Mr. Suwat Pacharawanich, Certified Public Accountant No. 6582, Wattana Auditor Office, with unqualified opinions. Please find below a summary:



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Income Statements (Unit: Million Baht)	2017	2016	2015
Revenue from sales	116.01	107.50	128.37
Other income*	9.81	3.43	0.62
Total revenues	125.83	110.94	128.99
Costs of sales	66.86	54.44	61.57
Selling expenses	9.17	7.18	13.21
Administrative expenses	43.07	43.09	32.66
Other expenses	0.01	-	-
Total expenses	119.12	104.72	107.44
Profit (loss) before financial costs and income tax expenses	6.70	6.22	21.55
Financial costs	6.40	5.73	6.89
Net profit (loss) before income tax	0.36	0.49	14.66
Income tax expenses	0.38	0.29	3.08
Net profit (loss)	(0.07)	0.19	11.58

* Other income included revenue from sales of finished products, packages, packaging services, interest income and gain on disposal of assets.

Statements of Financial Position (Unit: Million Baht)	2017	2016	2015
Cash and cash equivalents	2.14	2.02	5.85
Trade and other receivables	16.37	19.59	18.62
Inventories	14.04	12.92	10.87
Other current assets	2.18	18.82	6.75
Total current assets	34.74	53.37	42.11
Long-term investments	0.60	0.60	6.00
Property, plant and equipment – net	202.21	189.14	187.16



บริษัท ดีโอดี ไบโอเทค จำกัด (มหาชน)

111 หมู่ที่ 2 ตำบลท่าจีน อำเภอเมืองสมุทรสาคร จังหวัดสมุทรสาคร 74000

111 Moo 2 Tambon Thachin, Amphur Muangsamutsakhon, Samutsakhon 74000, Thailand.

Statements of Financial Position (Unit: Million Baht)	2017	2016	2015
Intangible assets	3.23	2.93	0.89
Other non-current assets	0.15	0.18	0.19
Total non-current assets	206.21	192.86	194.25
Total assets	240.95	246.23	236.36
Bank overdrafts and short-term borrowings from financial institutions	24.68	31.72	-
Trade and other payables	21.74	27.78	21.70
Short-term borrowings	3.00	-	-
Current portion of liabilities under financial lease	0.58	1.57	1.53
Current portion of long-term liabilities	19.34	16.00	1.26
Current income tax payable	0.38	0.29	3.08
Other current liabilities	0.84	0.83	0.85
Total current liabilities	70.58	78.22	28.43
Liabilities under financial lease	0.16	0.53	3.66
Long-term borrowings from financial institutions	57.94	57.98	87.80
Borrowings from directors	11.84	8.96	33.46
Other non-current liabilities	0.59	0.51	1.29
Total non-current liabilities	70.55	68.12	126.22
Total liabilities	141.13	146.34	154.66
Registered capital	80	80	62
Paid-up capital	80	80	62
Retained earnings (deficit)	19.81	19.89	19.69
Total shareholders' equity	99.81	99.89	81.69
Total liabilities and shareholders' equity	240.95	246.23	236.36



5. Total Value of Consideration

The Subsidiary shall pay for the transfer of the entire business in the amount of THB 297,000,000, comprising:

(1) a deposit in the amount of THB 150,000,000, which had been approved by resolutions of the Board of Directors' Meeting No. 6/2018, held on September 7, 2018, and the Subsidiary of the Company shall repay the deposit to the Company and accept the transfer of the right to execute the Acquisition and Acceptance of Transfer of the Entire Business from the Company, provided that such deposit shall form an integral part of payment for transfer of the entire business to BGP Spectrum; and

(2) cash in the amount of THB 147,000,000.

6. Value of Acquire Assets

After completing conditions precedent of Acquisition and Acceptance of Transfer of the Entire Business, the Subsidiary will purchase and accept the entire business transfer of BGP Spectrum which refers to, as of the date of transfer of the entire business, including 8,100,000 ordinary shares at the par value of Baht 10 per share in PCCA, held by BGP Spectrum (representing 90 percent of PCCA's registered capital).

7. Basis of Valuation of the Consideration

The value of the consideration for the entire business of BGP Spectrum which refers to, as of the date of transfer of the entire business, including 8,100,000 ordinary shares at the par value of Baht 10 per share in PCCA, held by BGP Spectrum (representing 90 percent of PCCA's registered capital), is determined from the negotiation and agreement between both parties, taking into account various factors, such as, value of assets (present value), financial position, operating results, nature of business operations, potential and opportunity for business expansion and price appraisal by financial advisor.



PCCA's operating loss of THB 0.07 Million in 2017 was due to the low efficiency in asset utilization. At present, PCCA's production capacity for cosmetic products accounts for approximately 40 percent of the total production capacity. Moreover, PCCA's land utilization in its Chonburi Plant (Branch Office 2) accounts for merely 20 percent of the total building areas. However, PCCA's strength is its high gross profit margin ranging between approximately 42 percent – 52 percent during the period between 2017 and 2015, including the fact that PCCA's manufacturing plant has been certified by international standards. Should PCCA manufacture and supply more products, PCCA will be in a position to generate profits, which are expected to be supported by the integrated benefits between the Company and PCCA, particularly cross-selling.

The financial position of PCCA shows a relatively low rate of liquidity, namely, in 2017, PCCA's ratio of current assets to current liabilities amounted to 0.49 times. Should PCCA's operating results improve, its liquidity will improve accordingly. In the long run, it may consider disposing certain assets, e.g., the head office or certain unused parts of the Chonburi Plant, or increasing its capital later on.

8. Expected Benefits to the Listed Company from the Transaction

- (1) To expand the scope of outsourced production service to cosmetic business;
- (2) To minimize the reliance on revenues from dietary supplement product business;
- (3) To shorten time for construction of cosmetic production plant, personnel recruitment, procurement of manufacturing factors, and pave the way for the cosmetic production plant to meet international standards;
- (4) To integrate mutual benefits between the Company and PCCA, which engage in beauty and health care business, for cross-selling, sharing of personnel, transfer of know-how and marketing experiences;

(5) To increase revenues and profits to the Company in the future, whereby PCCA's revenues and profits will be instantly recognized in the financial statements from the date of business takeover;

(6) To utilize vacant areas in PCCA's plant (Branch Office 2, Chonburi Plant) for improvement as raw material extraction plant, and as such, the Company is not required to construction the raw material extraction plant, which will facilitate the commercialization of such plant more rapidly, and such raw material extraction plant will also serve as a material source of extracts to the plants for manufacturing dietary supplement products and cosmetic products.

9. Source of Funds

- Such funds will be borrowed from the Company, as the Company has funds from the change of the purposes of the use of proceeds from the initial public offering (IPO) of the Company's new ordinary shares by resolutions of the Board of Directors' Meeting No. 8/2018, held on December 19, 2018.
- The Company's cash flow and/or financing from financial institutions

10. Opinion of the Board of Directors on the Transaction

The Board of Directors' Meeting, in which no interested directors and/or directors who are connected persons were present, has resolved to approve this transaction because the acquisition and acceptance of transfer of the entire business of BGP Spectrum by the Company's Subsidiary, including 8,100,000 ordinary shares, at the par value of THB 10 per share in PCCA, will enable the Company to expand the scope of its service business to cosmetic production, minimize the reliance on its current revenues from dietary supplement products, and integrate mutual benefits between the Company and PCCA, particularly cross-selling, and as a result, PCCA's operating results will generate revenue and derive a good rate of return on investment to the Company in the long run.



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In addition, the Subsidiary and the Company will be able to utilize such unused areas in PCCA's plant (Branch Office 2, Chonburi Plant) for improvement as raw material extraction plant, which will facilitate the commercialization of such plant more rapidly, and such raw material extraction plant will also serve as a material source of extracts to the plants for manufacturing dietary supplement products and cosmetic products.

11. Opinion of the Audit Committee and/or directors which differs from the opinion of the Board of Directors

None.

Please be informed accordingly.