

ANNUAL REPORT
FORM 56-1
ONE REPORT 2021

DO DAY DREAM
PUBLIC COMPANY LIMITED



**BEAUTY
IS
HEALTHY**

VISION

TO BE 1 OF THE 3 MARKET LEADERS IN THE ASIAN
BEAUTY INDUSTRY

MISSION

WE CREATE HEALTHY SKIN FOR EVERYONE TO BE
TRULY BEAUTIFUL IN THEIR OWN UNIQUE WAY

BUSINESS OBJECTIVES

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

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

CORE VALUE



DYNAMIC

Robust growth while
always being adaptive



DIFFERENT

Commitment to continuous improvement
for sustainability and stability



DEVELOP

Fresh and uniquely
innovative



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Awards of the 2017-2021

The products of the company including under the trademark Subsidiary, which has been well-known and receiving various awards between the years 2017 - 2021 are as follows:

1 SUDSAPDA Magazine

Best of Hair Dryer Editor's choice Award by LESASHA Luxe Lon Plus Bio-Ceramic Hair Dryer



2 PRAEW Magazine

Iconic Beauty innovative hair brush award under the concept "The Rebirth of Beauty" True beauty comes from simplicity. Easy to lead to the path of "rebirth" The way of beauty that is beautiful, lasting.



3 Vogue Beauty

Vogue beauty Readers Award 'Choice Awards 2021 from the product IPL Hair Remover, Pure from Smooth skin



2020

(1) BEST OF BEAUTY ACCESSORIES For STRAIGHT & SHINE INFRARED HAIR CRIMPER	Sudsapda Magazine
(2) VOGUE BEAUTY READERS' CHOICE AWARDS 2020 For STRAIGHT & CURL GLAMOUR HAIR CRIMPER	Vogue Beauty
(3) ITEM IN MY HEART AWARD 2020 For LESASHA BIO-CERAMIC HAIR DRYER and LESASHA AUTO TWIST HAIR CURLER	SISTA CAFE
(4) HEALTH WELLNESS AND BEAUTY AWARDS 2020 For SPARKLE EXTRA FRESH & WHITE TOOTHPASTE and SPARKLE IONIC TOOTHBRUSH	WATSON HWB AWARDS
(5) EVEANDBOY BEST SELLING AWARDS 2019 For SPARKLE DOUBLE WHITE TOOTHPASTE LEMON SODA	EVEANDBOY
(6) WATSONS HWB AWARDS 2020 For SOS HYALURON X3 CONCENTRATE SERUM	WATSON HWB AWARDS
(7) KONVY AWARDS 2020 - BEST HYALURON CONCENTRATE SERUM For SOS HYALURON X3 CONCENTRATE SERUM	KONVY
(8) C CHANNEL BEAUTY AWARDS under BEST HYDRATING SERUM category For SOS HYALURON X3 CONCENTRATE SERUM	C Channel
(9) C CHANNEL BEAUTY AWARDS under BEST OVERNIGHT FACE MASK category For SOS SKIN ENERGY MOISTURE LOCK KIT	
(10) C CHANNEL BEAUTY AWARDS under BEST TOOTHPASTE FOR BEAUTIFUL WHITENING TEETH category For SPARKLE EXTRA WHITE HAP	
(11) C CHANNEL BEAUTY AWARDS under BEST HEAT PROTECTANT category For LESASHA HEAT PROTECTING & CURLING SPRAY	

2019

(1) BEST SELLING ACNE BODY SPRAY For OXE'CURE BODY ACNE SPRAY	WATSONS HWB Awards
(2) BEST ICONIC HIGH PERFORMANCE HYDRATING SERUM For SoS HYALURON X3 CONCENTRATE SERUM	Praew Magazine

2018

(1) BEST NEW PRODUCT FOR BODY WASH", HEALTH, WELLNESS AND BEAUTY AWARD 2018 <ul style="list-style-type: none"> • For NAMU LIFE SNAILWHITE CRÈME BODY WASH, NATURAL WHITE FORMULA • NO.1 BEST-SELLING PRODUCT FOR BODY ACNE SPRAY", HEALTH, WELLNESS AND BEAUTY AWARD 2018 For OXE'CURE BODY ACNE SPRAY 	WATSONS
(2) "BEST ANTI-AGING MOISTURIZER", C CHANNEL BEAUTY AWARDS 2018 For NAMU LIFE SNAILWHITE GOLD	C Channel
(3) "BEST DAY CREAM", LISA BEAUTY CHOICE AWARDS 2018 For NAMU LIFE SNAILWHITE DAY CREAM SPF20 PA	Lisa Magazine
(4) 7 th POPULAR STOCK AWARD under CONSUMER PRODUCTS category	Kaohoon Business Newspaper

2017

(1) CLEO BEAUTY HALL OF FAME 2017 2 awards: <ul style="list-style-type: none"> • BEST WHITENING for NAMU LIFE SNAILWHITE MASK SHOT • BEST WHITENING for NAMU LIFE SNAILWHITE MIRACLE INTENSIVE REPAIR 	CLEO Magazine
(2) BEST FACIAL SERUM", LISA BEAUTY CHOICE AWARDS 2017 For NAMU LIFE SNAILWHITE MIRACLE INCENTIVE REPAIR	Lisa Magazine
(3) ICONIC BRIGHTENING FACIAL SUNSCREEN For NAMU LIFE SNAILWHITE SUNSCREEN	Praew Magazine
(4) NO.1 CRÈME BODY WASH CREAM FROM USER REVIEWS For NAMU LIFE SNAILWHITE CRÈME BODY WASH	Cosmenet website
(5) SME EXCELLENCE AWARD" under MANUFACTURING BUSINESS category	Thailand Management Association (TMA)

Message from Chairman of the Board of Directors

The year 2021 is another year characterized by changes as the COVID-19 pandemic continued to significantly impact livelihood of Thai people while the government issued strict measures to control the spread of the coronavirus which directly affected the economy and businesses. Nevertheless, the Company has been quick to adjust and respond to changes as well as changing needs of consumers. On top of the impacts from the pandemic, there were other key factors worth noted including communication in the age of digital transformation and the global economic slowdown which posted further challenges to the Company.

For the operating performance of the Company in the past year, overall results are still below the targets given that the COVID-19 outbreak is considered one of the worst pandemics in the human history which also led to extreme fluctuations of the global economic conditions. However, the Company consistently adheres to business conduct on the basis of sustainability, emphasizing a balance between business plan execution and risk management under proper budgets, responding to changing factors. The Company has evolved in various aspects especially development of new products, adoption of modern machines and equipment to enhance efficiency in production process, talent development to enhance expertise of employees, R&D for products to meet customer expectations, and addition of investment opportunities to fortify its business potential with the concern of shareholders' return.

The Board of Directors has dedicated its energy and abilities to navigating the Company through the great crisis and progressing on organization's competency development as well as finding new opportunities and building good relationship with partners so that we will be prompted for the more intense competition to come. Moreover, the Company has been adding channels to expand its business and investment to enhance its potential with the clear goal of future growth that will return the profit back to all stakeholders with stability and sustainability.

Lastly, as Chairman of the Board of Directors, I would like to thank our business alliances, suppliers and all stakeholders for your support and trust in the Company's business operations including our executives and all employees for your collaboration in performing your duties with all the efforts and abilities. The Company will remain unwavering in our adherence to good corporate governance principles and stay committed to developing the organization to achieve sustainable growth to be among top 3 leading companies in beauty business in Asia.



“ The Board of Directors has dedicated its energy and abilities to navigating the Company through the great crisis and progressing on organization's competency development as well ”

A handwritten signature in black ink, appearing to be 'Rittikrai Thammaraksa'.

Mr. Rittikrai Thammaraksa
(Chairman of the Board of Directors)



“ we proudly become one of the three leading beauty companies in Asia, resonating our motto We Do to make everyDay your Dream ”

Dr. Sarawut Pornpatanarak
(Chairman of the Executive Committee)

Message from Chairman of the Executive Committee

It is obvious that 2021 was led by immense change at a global scale due to the spread of coronavirus or the COVID-19 pandemic that forced all sectors including consumers to adapt to the situation which in turn consistently affected the economic conditions. Regardless of the economic impacts, Do Day Dream stands strong to tackle different problems and never ceases to strengthen its business. The Company is positioned to be adaptive to changing situations and constantly looks for growth opportunities in different channels. Targeting Local customers are focused to minimize its dependency on tourists and diversify risks across a more balanced mix of customers.

2022 is expected to share some similar traits with 2021 as uncertainties around the COVID-19 outbreak are still present especially under the discovery of the new variant of coronavirus, leaving the Company with more challenges to overcome. Nevertheless, the Company has a firm belief that the situation will gradually improve and the Company is prompted to embrace changes and thrive through obstacles to ensure better operating results. The Company has been adjusting to deploy multiple strategies that promote higher efficiency and deliver profitability as targeted.

I would like to take this opportunity as Chairman of the Executive Committee on behalf of all employees to pledge our commitment to organization development and new product development to proudly become one of the three leading beauty companies in Asia, resonating our motto “We Do to make everyDay your Dream”.

Message from Chief Executive Officer

The COVID-19 outbreak has brought challenges in doing business for most of the industries throughout 2021. Consumer behavior that has been changing swiftly as well as the pandemic control measures required businesses to adapt to survive the crisis. This pandemic also led to declining consumer demand and low number of tourists entering Thailand given the limitations on health and safety. A broad range of economic activities was stagnant or decelerating while the COVID-19 situation showed no sign of improvement or certainty.

Amidst unfavorable change during the crisis in the past year, the Company has been proactively managing the business by consistently reformulating strategies and developing work processes, aiming to enhance efficiency in conducting business. For instance, the Company created and introduced innovative products to address consumer needs, extended its portfolio to add more diverse products, and expanded its distribution channels to respond to volatile consumer behavior. The Company has also made its products available online through live streaming and social media as well as strengthening its supply chain management and centralized logistics systems as well as integrating and simplifying work processes to significantly speed up time and cut unnecessary costs. In addition, information technology was spotted on and the Company intended to connect all key systems together to become one source of information. As a result, the Company managed to grow satisfactorily and constantly despite the challenging time.

On behalf of Do Day Dream Public Company Limited, I would like to express my gratitude towards shareholders and all customers for your longstanding trust and support. As for the Board of Directors, executives, business partners and all employees, I would like to say thank you for your dedication in performing your duties to overcome obstacles that were present during the crisis. Please rest assured that the Company will continue to devote to its business conduct under ethical codes and good corporate governance guidelines while developing the organization to succeed and grow sustainably in the long run.

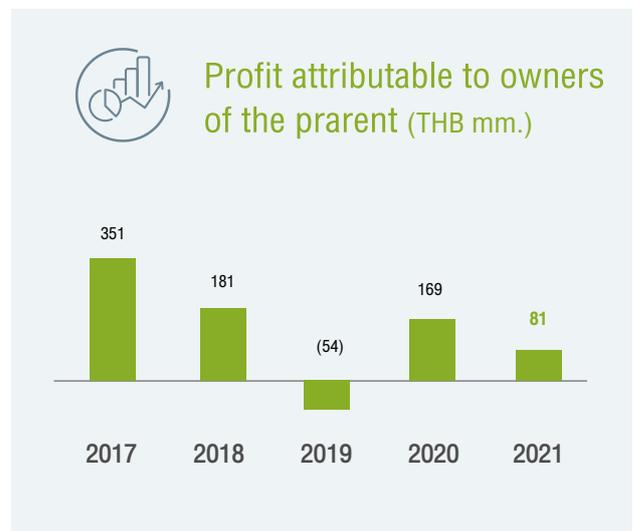


“ Amidst unfavorable change during the crisis in the past year, the Company has been proactively managing the business by consistently reformulating strategies and developing work processes, aiming to enhance efficiency in conducting business ”

A handwritten signature in black ink, appearing to read 'Nuntawan Suwandej'.

Ms. Nuntawan Suwandej
(Chief Executive Officer)

Financial Highlight



Part 1

Business Operation and Operating Results

1. Organizational structure and operation of the group of companies
2. Risk management
3. Business sustainability development
4. Management discussion and analysis (MD&A)
5. General information and other material facts





Organizational structure and operation of the group of companies

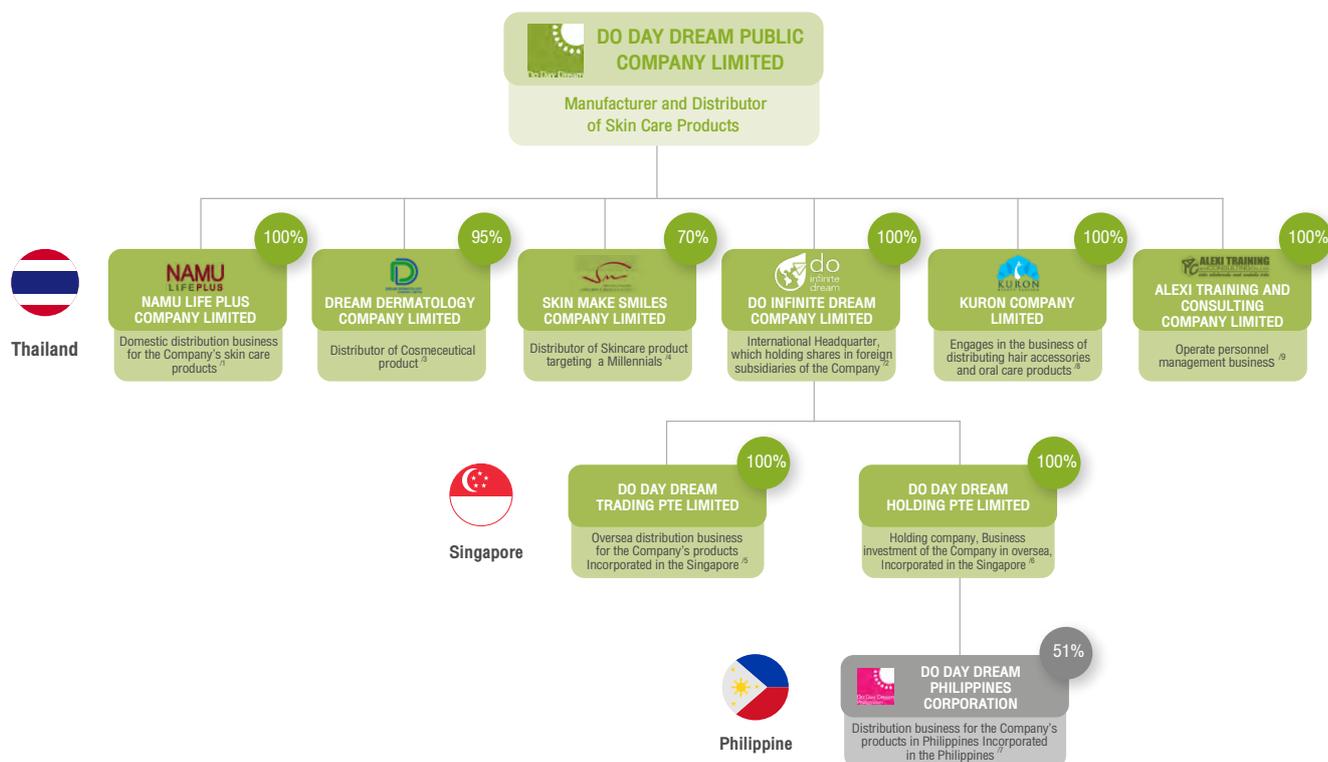
Business Policy and Overview

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

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



Shareholding Structure Do Day Dream Public Company Limited Group of Companies As of 31 December 2021



Note:

- Namu Life Plus Company Limited was incorporated in March 2015 as a distributor of the Company's products in Thailand. The Company holds 100% of total shares.
- Do Infinite Dream Company Limited was incorporated in October 2017 to expand the Company's business in overseas. The Company holds 100% of total shares.
- Dream Dermatology Company Limited was established in March 2018 to expand the Company's business to cosmeceuticals. The Company holds 95% of total shares.
- Skin Make Smiles Company Limited was established in June 2018 to expand the Company's skin care business to millennial customers. The Company holds 70% of total shares.
- Do Day Dream Trading PTE Ltd. was incorporated in Singapore since January 2018 to distribute its products to overseas customers. It is 100% shareholding by Do Infinite Dream Company Limited.
- Do Day Dream Holding PTE Ltd. was incorporated in Singapore since January 2018 as holding company to invest in the Company's business in overseas. It is 100% shareholding by Do Infinite Dream Company Limited.
- Do Day Dream Philippines Corporation was established in the Philippines and completed the registration for capital increase according to the Philippines' laws since August 2018 to expand the Company's business in distributing products internationally. Do Day Dream Holding PTE Ltd. holds 51% of total shares.
- Kuron Company Limited The Company acquired 76% ownership of Kuron Company Limited on 5 March 2020 to expand the Company's business in hair styling products "Lesasha" and oral care products "Sparkle". On 4 March 2021, the Company further acquired additional 24% stakes from existing shareholders to increase its shareholding from 76% to 100%.
- Alexi Training and Consulting Company Limited The Company acquired 76% ownership of Alexi Training and Consulting Company Limited on 5 March 2020 to expand the Company's business in personnel management to support sales of its group of companies. On 5 March 2021, the Company further acquired additional 24% stakes from existing shareholders to increase its shareholding from 76% to 100%.
- JMS Global Solution Company Limited The Company and GP Club, a Korean business partner, acquired 40% ownership of JMS Global Solution Company Limited to expand the Company's business to cater to tourists and export to China. On 28 December 2021, the Company already sold JMS Global Solution to GP Club (GPC).
- All subsidiaries have equal shareholding and voting proportion.

Key Changes and Developments

Background

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

Key Developments

2010

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

2011

The Company commenced its business in manufacturing and distribution of skin care products with the product line

2012

“SNAILWHITE” under the trademark “NAMU LIFE”. The first product launched was facial cream under the brand of NAMU LIFE SNAILWHITE SNAIL SECRETION FILTRATE MOISTURE FACIAL CREAM in March through social media channels and was distributed via traditional trade channels.

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

2013

- The Company launched 3 new facial care products (1) NAMU LIFE SNAILWHITE CONCENTRATE FACIAL CREAM (2) NAMU LIFE SNAILWHITE SUNSCREEN and (3) NAMU LIFE SNAILWHITE CLEANSING. This products offering to meet customers’ demand especially consumers who

need concentrated nourishing cream as well as overseas customers in the countries with cold weather. Besides, this effort aimed to expand into sunscreen product and facial cleansing product markets which are high market value and new to the Company.

- The Company expanded its production base through its investment in buying a land with a factory at Rojana Industrial Park in Ayutthaya province and started renovating the new factory since December. The total investment was 58 Million Baht. The construction completed in September 2016 and started operate in October 2016
- The Company established a subsidiary names Namu Life Plus Company Limited (“Namu Life Plus”) in March with registered capital of 5 Million Baht or 50,000 shares at a par value of 100 Baht per share. The paid-up capital at the establishment date was 1.25 Million Baht
- The price of outstanding shares of 25 Baht per share. The new subsidiary engages in distributing the Company’s skin care products. The Company held 69% of shares at the establishment date.
- Start selling mini size products such as NAMU LIFE SNAILWHITE Facial Cream, size 5 milliliters (“ml”) NAMU LIFE SNAILWHITE Sunscreen 15 ml. NAMU LIFE SNAILWHITE Cleansing Size 50 ml. and NAMU LIFE SNAILWHITE Concentrate Facial Cream, 5 ml. by Sold through leading convenience stores to be a trial size to penetrate the group consumers, who have never used the Company’s products and easy for traveler

2016

- In March, the Company was restructured by issuing additional shares worth 50 Million Baht. As a result, the registered and paid-up capital rose to 60 Million Baht. This was done by issuing 500,000 shares for (1) Pornpatanarak family, the existing shareholder and (2) a share swap between existing shareholders of Namu Life Plus at a ratio of 4 Namu Life Plus share to 1 new ordinary share of the Company. After the restructuring, the Company held 99.74% shares in Namu Life Plus. The Company purchased the remaining 126 shares at 100 Baht per share from existing shareholders of Namu Life Plus so that the Company had 100% ownership.
- After the restructuring, the Company increased its registered capital further from 60 Million Baht to 225 Million Baht to be used as working capital for business operations.

- The Company added new products offering to meet customers’ demand especially intensive care as well as carter to a new customer group who looks for innovative cleansing products in form of a bar soap in a netted sachet and body wash with lotion-like cream.
- The Company refurbished its factory to improve the production process in September and commenced the production in October. The Company broadened its sales channels by setting up and distributing products through own standing shops under the name Namu Life in November.

2017

- The Company converted to be a public company and changed the name to Do Day Dream Public Company Limited on 22 March 2017 and adjusted the par value of its shares from 100 Baht per share to 1 Baht per share and increased its registered capital from 225 Million Baht to 318 Million Baht to support its listing in the Stock Exchange of Thailand. The Company allocated (1) not exceeding 76 Million new ordinary shares with a par value of 1 Baht for its initial public offering (IPO) (2) not exceeding 2 Million new ordinary shares with a par value of 1 Baht per share to offer to directors, executives and employees under an Employee Share Ownership Program (ESOP) and (3) not exceeding 15 Million new ordinary shares with a par value of 1 Baht per share as a private placement for institutional investors. the Company allocated its 15 Million new ordinary shares with a par value of 1 Baht per share at a price of 29.87 Baht per share to North Haven Thai Private Equity Clarity Company (HK) Limited (“NHTPEC”), a legal entity established to purchase shares of the Company while North Haven Thai Private Equity L.P. (“NHTPE”) is the sole indirect shareholders (NHTPE holds all shares in North Haven Thai Private Equity Holding (HK) Limited (“NHTPEH”) and NHTPEH fully owns NHTPEC) and eligible for a private placement under the definition according to the Notification of the Securities and Exchange Commission Kor Jor 17/2008 on Determination of Definitions in Notifications concerning Issuance and Offer for Sale of Securities on 15 December 2008 (including amendments).
- In December, the Company successfully conducted its initial public offering (IPO) by offering 76 Million ordinary shares with a par value of 1 Baht to the public. The first trading day at the Stock Exchange of Thailand was 26 December 2017.

2018

- In January, the Company has set up 3 subsidiary companies to increase Efficiency in business operations and support business expansion in future, as well as for various tax benefits, including
 1. Do Infinite Dream Co., Ltd. To be a business company International Headquarter (“International Head quarter or “IHQ”) that holds shares in companies that registered in the other countries of the company
 2. Do Day Dream Trading Co., Ltd. in Singapore to sell products of the Company to customers overseas
 3. Do Day Dream Holding Co., Ltd. in Singapore as Holding Company to invest in business Company business abroad by the date of October 12, 2017, Do Infinite Dream Co., Ltd
- In March, the Company established Dream Dermatology Company Limited with initial registered capital of 50 Million Baht at a par value of 100 Baht per share, totaling 500,000 shares, to engage in distributing Oxe’Cure cosmeceutical products. The Company held 95% of shares at the establishment date. In April, the subsidiary acquired trademark Oxe’Cure from WellGrow Med Company Limited.
- The Company founded a subsidiary, Skin Make Smiles Company Limited in June with the registered capital of 5 Million Baht at a par value of 100 Baht per share totaling 50,000 shares. At the establishment date, the paid-up capital was 1,250,000 Baht with a value of 25 Baht per share. The new subsidiary operates in skin care product business targeting millennials. The Company held 70% of shares at the establishment date.
- The Company expanded its distribution of skin care products in the Philippines through the acquisition of 33,660,000 newly-issued shares of Do Day Dream KCA Philippines Corporation at a par value of 1 Philippine Peso per share. This is equivalent of 51% of all newly-issued shares worth 33,660,000 Philippine Peso or around 21.17 Million Baht. The Company already registered the capital increase according to the laws in the Philippines on 13 August 2018. Later, the name was changed to Do Day Dream Philippines Corporation.

2020

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

2021

- On 4 March 2021, the Company acquired the stakes in Kuron Company Limited (“Kuron”) and Alexi Training and Consulting Company Limited (“Alexi”) from existing shareholders for additional 24% to increase its shareholding of both companies from 76% to 100%.
- On 12 November 2021, Namu Life Plus Company Limited (“Namu Life Plus”), a subsidiary, resolved the increase in registered capital of THB 295 million (from THB 5 million to THB 300 million) through the issuance of 2,950,000 new ordinary shares at a par value of THB 100 per share.
- On 28 December 2021, Skin Make Smiles Company Limited (“SMS”), a subsidiary, sold 800,000 shares in JMS Global Solution Company Limited (“JMS”) (equivalent to 40% of total shares in JMS) to GP Club (GPC) at a selling price of THB 79,666,657 in total. “Kuron” trademark of innovative beauty products.

Report on Utilization of Funds from Capital Increase Raised from IPO

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

The Company would like to report the utilization of capital increase as of 31st December 2021 as follows:

(Unit: Million Baht)

Objectives	Estimated Utilization	Actual Utilization until 31 December 2021	Balance As of 31 December 2021
1. Business Expansion	406.00	102.68	303.32
1.1 To expand the Company’s factory and warehouse	256.00	32.43	223.57
1.2 To expand the Company’s distribution channel and distribution center	40.00	0.00	40.00
1.3 To renovate the Company’s office and related network	50.00	30.67	19.33
1.4 To improve the Company’s research & development facilities	60.00	39.58	20.42
2. Working Capital	3,534.88	2,071.60	1,463.28
TOTAL	<u>3,940.88</u>	<u>2,174.28</u>	<u>1,766.60</u>

Nature of Business

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

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

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

- “NAMU LIFE” trademark with product line under “SNAILWHITE”

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

2. Distribution Business Under Trademarks of Subsidiaries.

The Company distributes products under subsidiaries’ trademarks such as

- “OXE’CURE” trademark - acne-prone and sensitive skin products.
- “SOS” trademark - skin care and deep-nourishing products.
- “LESASHA” trademark - hair styling appliances.
- “SPARKLE” trademark - oral care products, toothpastes and toothbrushes.
- “JASON” trademark - fitness equipment.
- “AT HOME” trademark - home electrical appliances.
- “EMJOI” trademark - hair removal devices.
- “SMOOTH SKIN” trademark - IPL (Intense Pulse Light) hair removal devices.
- “Kuron” trademark - Beauty innovation products
- “BEAR” trademark - electrical appliances for cooking.



Do Day Dream Group Revenue Structure

31 December 2021

By Product Group	2019		2020		2021	
	MB.	%	MB.	%	MB.	%
Revenue from selling product under Company's trademark						
1) Skincare	533.15	66.94	299.38	18.83	534.35	30.12
2) Cleansing	135.76	17.04	111.86	7.03	138.18	7.79
3) Sunscreen and Cosmetic	20.70	2.60	24.29	1.53	54.06	3.05
4) Personal Equipment	-	-	389.09	24.47	468.36	26.40
5) Consumer goods	-	-	202.36	12.72	287.74	16.22
6) Giftset	83.18	10.44	47.20	2.97	35.96	2.03
7) Other	1.38	0.18	4.48	0.28	26.59	1.50
Total revenue from products under Company's trademark	774.17	97.20	1,078.66	67.83	1,545.24	87.09
Deduct Sales discount	(45.11)	(5.66)	(78.32)	(4.92)	(133.93)	(7.55)
Total sales	729.06	91.54	1,000.34	62.90	1,411.31	79.54
Other income	67.38	8.46	589.94	37.10	362.97	20.46
Total revenue	796.44	100.00	1,590.28	100.00	1,774.28	100.00

Note:

^{/1} Other income mainly are gain on fair value measurement of financial assets, profit from disposal of financial assets and dividend income

Product Information Under Trademark of the Company and Its Subsidiaries

1) The trademark "NAMU LIFE"

With only 1 product group is "SNAILWHITE" containing the main ingredients from snail mucus extract. In addition, other natural concentrates that will effectively nourish the skin suitable for all skin types.



Currently, there is "NAMU LIFE SNAILWHITE" product. 26 products are sold, covering skin care and cleansing, divided into 4 groups as follows:

1. SKINCARE Products It consists of 18 products
2. CLEANSING PRODUCT Products It consists of 6 products
3. SUNSCREEN AND MAKE UP Products It consists of 2 products
4. GIFTSET is the use of "NAMULIFESNAILWHITE" products as a gift set according to the needs of the skincare.

Market and Competition

During 2021, SNAILWHITE has developed a new product from its sharp vision under the COVID-19 situation and its economic impacts. SNAILWHITE focuses on safety, storage life and maintenance of product quality to meet required standards. It also supports the concept of "Buy Better, Buy Now" to reflect its commitment to source different products with natural extracts and different textures to address various skin conditions of different customers so that their skin will be well pampered with deep

nurturing benefits. Product innovation in 2021 for NAMU LIFE SNAILWHITE was on point and positioned to take on the skincare industry once more.

Amidst the global COVID-19 outbreak, SNAILWHITE brand has proven to stay strong and stable. In 2021, the focus is shifted toward ingredients that address skin problems of customers while packaging innovation and image of celebrity presenters were also prioritized. The objective is to present values of beautiful and healthy skin to consumers, in line with the high-quality product identity with affordable prices (Premium Mass). On marketing, the Company aims to enhance confidence in products by selecting superstars in Thailand who are known for their beauty, as accepted by target customers, to be presenters of the products to build brand awareness as well as credibility for consumers. The Company also premiered new innovative products such as Double Boosting Serums (Whitening and Anti-Aging Formula) that come in bottles and unique sachets with double tips, Glow Potion AHA*BHA Liquid Exfoliant, and Beauty Glow Drops Finishing Serum. These new products allow the brand to attract more customers, online and offline.



In 2021, SNAILWHITE brand has emphasized e-Commerce and social commerce to unlock alternative channels to attract new customers. Partnership with online marketplaces, online shopping platforms and influencers were considered key factors that enable SNAILWHITE to achieve constantly growing conversion rate.

The success story from SNAILWHITE brand can be a good case study in foreign markets such as the Philippines and Myanmar while main products can be adapted to the context of each country to maximize business opportunities. In general, SNAILWHITE brand has been growing consistently in ASEAN region as the products are developed in the way that responds to changing needs of customers and market movements despite the global pandemic.

2) BRAND “OXE’CURE”

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

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

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

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

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

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

“OXE’CURE” brand understands skin issues and fix those effectively through its offering of quality products that are safe, as certified by experts and testing institutions. Currently, there are 15 products available in the market which can be categorized into 4 groups per following:

1. Acne cure and care product group consisting of 9 products
2. Cleansing product group consisting of 4 products





3. Facial skin nourishing group consisting of 1 product
4. Sunscreen product group consisting of 1 product
5. Gift set which brings together different “OXE’CURE” products to be offered as a gift according to skincare needs such as OXE’CURE TOTAL FACIAL SOLUTIONS, OXE’CURE GRAB AND GO SET and OXE’CURE ACNE SOLUTIONS BODY STARTER KIT.

Market and Competition

For the past 2021, the Company continuously put efforts on branding strategies for OXE’CURE by focusing on image development of products and the brand to enhance brand awareness. The brand was also presented by the first ambassador who is well-known and admired by the key target customers and beyond to cover broader customer groups including students, university students and teenagers for both men and women aged between 15-35 years. The Company has the following product development strategies.

- **Brand Image Development and Brand Awareness Building**

In 2021, the Company launched a new campaign “OXE’CURE x Bright” under collaboration with Bright Vachirawit Chivaaree who was the first presenter of the brand for both Thailand and the Philippines given that both countries have the brand’s customer base and a large Bright’s fan base, conducive to customer base expansion. Bright Vachirawit Chivaaree is a famous artist in Thailand with over 10 million followers on

social media in Thailand and overseas. Bright was chosen as the presenter for Acne Clear Potion and Acne Clear Powder Mud product groups.

The Company formulated a marketing plan with the focus on new formats of communication to reach consumers through various channels preferred by target customers especially online channels. The Company used one of the most popular entertainment platforms from Tencent (Thailand) who is a leading provider of entertainment platforms and technology solutions such as Sanook.com, JOOX, WeTV and PUBG Mobile to raise brand awareness in broader market and extend its customer base to new segments. Moreover, the Company is dedicated to communicating with consumers through content creation that is interesting, creative and informative with product details and the OXE’CURE brand so that consumers recognize the brand.

- **Sales Promotion and Sales Channel Development**

The Company appointed DKSH Thailand Company Limited as a distributor of OXE’CURE for all offline channels nationwide. In 2021, the Company adjusted its strategic plan and sales plan to concentrate more on domestic distribution to attain broader sales footprint in domestic market to support future local sales growth. Control of selling expenses is also important to the Company especially under uncertainties and only necessary expenses are acceptable.

Last but not least, the Company also extended beyond traditional channels to add more sales channels especially online channels to be receptive to changes in economic situations. The Company joined forces with Kuron to open an official store on online platforms such as Shopee and Lazada as well as teaming up with distributors in deploying online sales techniques such as sales via live streaming.

- **Product development under “OXE’CURE” brand**

The Company promotes continuous product development and teamed up with dermatologists, researchers and accepted testing institutes to invent new products using modern technology to respond to consumer problems and expand product coverage to help consumers with acne problems and sensitive skin. The Company conducted a market survey to gauge customer needs and received good feedback from its product launch in 2021.

- **Adjustments of marketing plans under changing market conditions.**

2021 was considered a year of change characterized by intense market competition and lower consumer purchasing power. The Company adapted to the situation by reformulating marketing strategy to be more agile to respond fast to the changing environment. More products were introduced and promoted through online channels and products were communicated to consumers in different angles depending on what the market was interested in at that particular moment to enhance sales. Promotional media were created to be in theme with COVID-19 outbreak that changed consumer behavior; for example, acne products were to help consumers from acne problems caused by wearing masks and new products were introduced with the property to reduce bacteria accumulation.



3) Trademarks under Skin Make Smiles Company Limited,

A 70%-owned subsidiary who operates in distribution business of skin care products for new generations under the following brands.

SōS brand is operated under a philosophy to help consumers attain beautiful and healthy skin with ease. The brand offers Japanese-made products with multiple purposes that address skin problems on point through high-quality concentrated extracts proven by real consumers and certified by skin experts. SōS is now available in 16 products and 4 product groups as outlined below.

- (1) Skin nourishing product group consisting of 11 products
- (2) Sunscreen product group consisting of 1 product
- (3) Cleansing product group consisting of 3 products
- (4) Lips nourishing product group consisting of 1 product
- (5) Travel set which brings together different “SōS” products to be offered as a set easy to carry during trips.

Market and Competition

SōS stands for Stories of Skin, a brand’s slogan which believes that each person’s skin is different because of unique life experiences. Stories are told through different types of skin i.e. dry skin, oily skin, skin with wrinkles, and skin with dark spots.

For 2021, Sos is still committed to product development using innovation to come up with new extracts that are effective in solving consumers’ skin problems while enjoying every experience in their different phases of lives. The new “story” that brand presented to the market is about the new vitamin C derivative



with high concentration of 20% with antioxidant benefits that help skin look glowing and radiant without dark spots as well as promoting collagen production. The new product aims to target new generations of both genders from teenagers to working people with adequate income to allocate the budget for beauty products. Online media are deployed for market communication to reach target customers.

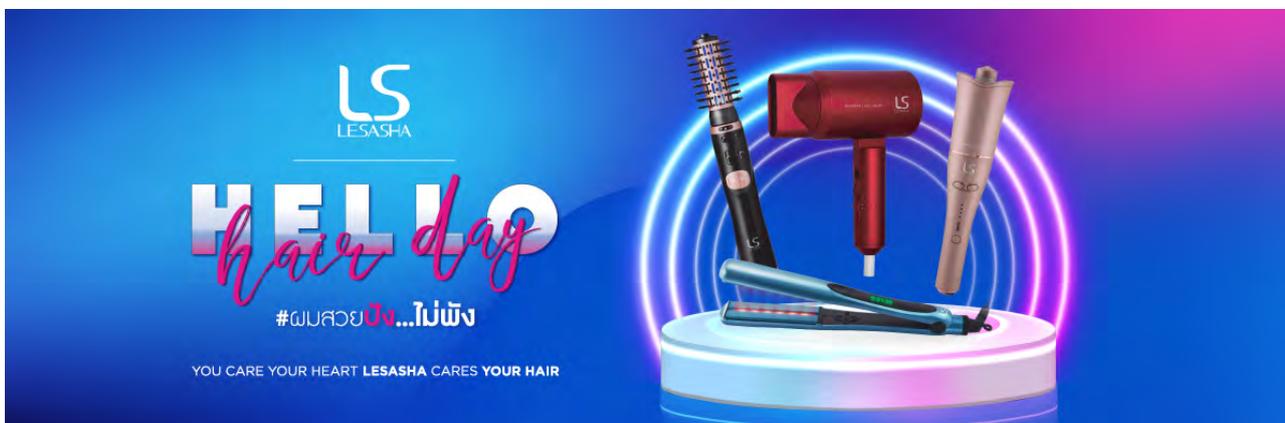
To enhance brand awareness and recognition, the brand selected Win Metawin Opas-iamkajorn, a popular teen star and artist, to be the brand’s first presenter of its flagship products namely, SōS HYALURON X3 CONCENTRATUM SERUM, HYALURON & CERAMIDE X3 MOISTURIZING CREAM and HYALURON PH BALANCING TONER to cater to teenagers. The products received positive feedback from target customers.

For distribution channels, the brand put emphasis on modern trade, online channels and some of traditional trade with potential in distributing products in certain areas to improve customer reach.



4) Trademarks under Kuron Company Limited,

A subsidiary with 100% shares who operates in import and distribution business of the following trademarks.



“LESASHA” brand. “LESASHA” is the leader in self hair styling and beauty appliances under the concept “So Easy You Can Do” with hair care and hair styling innovations to deliver happiness, beauty, modernity with a variety of styles that suit your best. As of 31 December 2021, LESASHA offered a total of 36 products under 7 categories per below.

- (1) Hair Dryer
- (2) Hot Air Styler
- (3) Hair Crimper
- (4) Hair Curler
- (5) Power Brush
- (6) LS-Accessories
- (7) Hair Equipment for Men



“SPARKLE” brand.” The brand offers oral care products, toothpastes and toothbrushes aiming to introduce innovation to address needs of consumers related to health and beauty as well as promoting their confidence. As of 31 December 2021, Sparkle offered a total of 30 products under 4 categories per below

- (1) Toothpaste
- (2) Toothbrush
- (3) Whitening
- (4) Other oral care products



“JASON” brand. JASON is an expert in fitness who stands by your side to help you achieve your fitness goals as your health and happiness are our priority. As of 31 December 2021, JASON had a total of 47 products.



“AT HOME” small-sized electrical home appliances. @HOME caters to needs of all customers especially new generations and modern women according to its brand image that promotes ease of use and convenience. As of 31 December 2021, @HOME had a total of 8 products per following.

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2 ระดับ

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ปรับความเร็ว
1 ระดับ

“EMJOI” brand. EMJOI’s hair removal innovation gently removes hairs without irritating skin and helps all women become confident from their smooth and radiant skin. As of 31 December 2021, EMOJI brand was available in 5 products per below



ผู้เชี่ยวชาญ
ด้าน IPL กำจัดขน
จากอังกฤษ

SMOOTHSKIN
IPL HAIR REMOVAL



“SMOOTHSKIN” brand. Most advanced IPL technology from the United Kingdom is brought to you through SMOOTHSKIN products that help fix problems from conventional hair removal methods and make the process simple and easy so that you can live your life with confidence at any moment without worries. As of 31 December 2021, Kuron imported 3 products under the brand per below.

KURON
SKIN INNOVATION SYSTEM



KURON SKIN ENHANCER

ดูแลทุกส่วนของผิวหน้า
ลดปัญหา ร่องริ้วรอย



“Kuron” brand. Kuron is an expert in beauty innovation offering easy-to-use and safe products that solve major skin problems of consumers nowadays including dullness, wrinkles and acne. As of 31 December 2021, Kuron imported 1 product for distribution per following.



“BEAR” brand. Bear offers cooking appliances from China that combine functional and emotional benefits using high-quality materials to create products to offer simple use for enjoyable cooking experience. BEAR is in the No. 1 for “Multi-function Cute Kitchen Appliances” with hashtag #ความน่ารักที่เข้ากับฟังก์ชันที่ชอบ. As of 31 December 2021, Kuron imported and distributed 20 products under BEAR per below



Market and Competition

For its import and distribution business under Kuron Company Limited, a subsidiary and sales agent distributing the Company's trademarks, the Company offers a variety of products and product groups with the majority of the products available in markets is quite similar, with the differences in addressing needs of diverse groups of customers. Modern trade, department stores, beauty shops and convenience stores are key channels while high-priced products such as LESASHA hair styling appliances require staff to be stationed at the product shelves to introduce products and provide user instructions for customers so that they

can make easier buying decisions. Furthermore, the Company also distributes its products via online marketplaces such as Shopee and Lazada while official store was created to place the Company's products for customers who already recognize the brands. This also helps promote other products and opportunities for customers to try out. The Company initiated the online sales channels 2-3 years ago before the COVID-19 pandemic and this helped the Company managed its offline sales channels during the crisis. Due to the government's lockdown under the state of emergency, the Company assigned sales team to conduct



product promotions through online channels for those who could not perform their duties normally, such as Facebook Live or joint online campaigns with online platforms. This resulted in higher sales revenue from online channels compared to normal situations. Additionally, the Company defined different product development strategies based on each trademark to promote uniqueness of the products and the brands as well as brand awareness with following details.

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

2) SPARKLE: Oral Care Products: This brand’s goal is “We aspire to be the No.1 brand for whitening group of oral care products” aiming to bring innovations especially whitening innovations to the market to meet customer demand related to health and beauty to build confidence in product quality. Customers perceive that their teeth are whiter and oral issues are reduced. Moreover, materials used are from natural ingredients which help promote trust in its quality. Furthermore the Company has a plan to differentiate the products and the brand to raise brand awareness among customers through

active marketing activities throughout the year and started using presenters to attract new customers to try the products as well as maintaining the existing groups of consumers to stick with the brand.

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





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

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



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

7) KURON beauty equipment, These at-home self-treatment products offer easy-to-use and safe innovative products that solve major skin problems of consumers nowadays for both facial skin and body skin including dullness, wrinkles and acne. KURON products are affordable and offer value for money compared to visits at beauty clinics.

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

Securities and Shareholders

SECURITIES

As of 31 December 2021, the Company's registered capital is 318,000,000 Baht and paid-up capital of 317,887,700 Baht, consisting of 317,887,700 ordinary shares at a par value of 1.00 Baht per share. The Company listed in the Stock Exchange of Thailand.

SHAREHOLDERS

List of 10 Major Shareholders of the Company as of 30 December 2021 as follow:

NO.	Shareholder lists	Number of Shares	% of Shares
1	Pornpatanarak Family	216,981,700	68.2
	Mr. Sarawut Pornpatanarak	159,595,700	50.2
	Mr. Saranon Pornpatanarak	22,275,000	7.0
	Mrs. Sudarat Pornpatanarak	20,000,000	6.3
	Mrs. Saranya Ngampaibulsombut	12,275,000	3.9
	Mr. Manus Pornpatanarak	1,800,000	0.6
	Ms. Saowakon Yamcharoen	1,036,000	0.3
2	Raffles Nominees (Pte) Limited	15,700,000	4.9
3	Mr. Sophon Mitpanpanich	5,495,600	1.7
4	Mr. Somchai Padpai	2,780,000	0.9
5	Mr. Thanat Pavoravipulyakorn	2,500,000	0.8
6	Mr. Chatchai Keeratiworasakul	1,850,000	0.6
7	Ms. Kanyarat Kruawan	1,810,000	0.6
8	Mr. Suthiluck Chirathivat	1,605,200	0.5
9	Mr. Nurak Mahattana-Anon	1,500,000	0.5
10	Mr. Suphawat Vanichprapha	1,181,000	0.4
	Other Shareholders	66,596,500	20.9
	Total	318,000,000	100.0

Dividend Payment Policy

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

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

Historical Dividend Payment

Description	2019	2020		2021
		Interim	Year	Year
Earnings per share (Baht)	0.15	0.53	0.53	0.26
Dividend Payment per share (Baht)	0.125	0.358	0.50	0.35
Dividend Payout Ratio (%)	83.33	67.55	94.34	136.82



Risk Management

Do Day Dream Public Company Limited aspires to be among top 3 leading companies in Asia's beauty industry with the goals to introduce new products, expand distribution channels and conduct marketing campaigns in domestic and foreign countries to accommodate target customers to be able to access products as well as recognizing the Company's trademarks. In addition, the Company aims to continuously develop its internal systems to enhance work efficiency and speed while maintaining good relationship with suppliers and being responsible for society and environment to achieve sustainability in the long term.

Under uncertainties and rapid changes that may impact goals and vision of the organization, Do Day Dream Public Company Limited and its subsidiaries prioritize the management of potential risks that may affect the organization to be within acceptable levels as well as finding opportunities from those risks to add value to the organization.

Importance of Risk Management

Business objectives, strategies, practices and risk management ability are all subject to change as time goes by given the variability of business context that causes current practices to be outdated and inadequate to lead the organization toward its business objectives.

The organization adopted risk management processes to help ensure its goal achievement as risk management is considered a logical prediction of the future with principles as well as mitigation or prevention measures from possible damage in the future in case of unforeseeable incidents. This will reduce the level of damage incurred to the organization to be lower compared with those organizations without implementation of risk management processes. The reason is that risk management processes help the organization prepare itself in advance for the uncertain future while other organizations are unprepared or do not adopt risk

management concept for crisis management. Without proper risk management, organizations are prone to problems and damages. Therefore, applying risk management processes at work will help the organization achieve its goals and prevent the organization from risks and issues that will be obstacles in doing business. Risk management is an integral part of organization management and everyone's responsibility from the Board of Directors, top executives to all employees. Inclusive participation in the organization is required to analyze and integrate risk management into policy and strategy formulation as well as action plans of the organization. Proper risk management is considered a test of how people in the organization work together. Organization should conduct its business based on the following components: internal audit, internal control and risk management in accordance with good corporate governance principles.

Risk Management Policy

- 1) The Board of Directors, executives and all employees in all functions are risk owners with responsibilities to evaluate, monitor and support effective risk management processes.
- 2) All related parties will share their risk management plans for an organization-wide implementation so that employees are fully aware and prepared to execute according to the plans. In reporting risk management performance, the Company defines key performance indicators (KPI), targets and risk tolerance that are consistent with risk appetite and key risk indicators (KRI), to be applied in reporting risk management performance to executives and regulators. The Company requires the organization-wide risk management performance reporting to be conducted at least 2 times a year.
- 3) Integrate risk assessment as a part of the annual work plans for all functions to consider overall risks for the whole organization taking into account internal and external risks, and ensure proper risk management practices.

- 4) Risk Management Committee has a duty to evaluate risk management and provide opinions to the Board of Directors.
- 5) Build and cultivate risk management culture to promote understanding, mindset and mutual responsibilities on risk as well as building organization knowledge for all employees to be able to study, research and share experiences so that the Company develops and improves risk management processes across the organization to be an efficient mechanism for its strategic management.

Risk Management Principles

To promote proactive management, the Company realizes the necessity of organization-wide risk management using COSO ERM 2017 framework (COSO Enterprise Risk Management) with 5 components listed below.

1. Governance and Culture
2. Strategy & Objective Setting
3. Performance
4. Review & Revision
5. Information, Communication & Reporting

This framework is adopted in the organizational risk management as a part of business planning to ensure that the organization conducts its business according to its sustainable development goals. In the recent past, the Company encouraged executives and employees to participate in thinking processes to analyze and predict possible events and potential risks which led to proper risk management processes that help manage risks to be within acceptable levels or according to the organization's risk appetite. Through risk management, the organization can achieve its objectives and create value added to the organization.

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

- Cultivate risk management culture to promote understanding, mindset and mutual responsibilities on risk, risk control and risk impacts on the Company in management and operational processes across the organization.

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

Risk Factors

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

1. Sales Risk

1.1) The economic slowdown resulted from the COVID-19 pandemic (economic risk), declining consumer demand under limitations to spend or consume outside their residences, suppliers in distress from businesses that were not going as planned, a drastic drop in the number of tourists from the COVID-19 outbreak that directly affected sales of the Company including its suppliers such as Boots, King Power, Royal Gems, Riya Home - these factors posted threats to net sales revenue of the Company.

1.2) Risk from economic fluctuations, risk from pandemic and change in consumer behavior as well as risk from intense competition in the industry are considered market risk. These risks require the Company to develop and invent products using innovation to respond to consumer needs with speed. Competitors in the market adapted fast to the changing market environment which can incur further risks on sales and impact sales revenue. The Company expanded its online channels and introduced innovative products to respond to the increasingly competitive and fast changing skincare product industry. For example, the Company focused on new sales channels such as telesales (Amado, Nova, Organic, etc.) and social commerce including the development of products from cannabis and hemp.

1.3) The COVID-19 pandemic affected all countries around the world without the exception for Thailand. The crisis has harmed not only people's health and lives, but also the overall global economy from financial, economic to social aspects. This is considered one of the most critical risk factors for Thai economy recently and this risk factor substantially impacted export and tourism of Thailand especially from the drastic decrease in the number of tourists. In addition, the outbreak also changed consumer behavior in the sense that customers chose to spend time at home rather than being outside and spending on products and services. The so-called "New Normal" were caused by the lockdown and social distancing measures imposed by the government to curb the spread of the coronavirus and this took a toll on the Company's sales.

As department stores and shops were closed or opened only at limited hours, they could not manage to sell products as normal and the number of Chinese tourists also plummeted. As a result of the economic downturn, the Company reformulated its business strategies and marketing plans focusing on maintaining existing customers and building new customer base. Therefore, the Company adapted to extend to more online channels on top of conventional channels like modern trade and traditional trade. The Company also introduced new products that are suitable for changing consumer behavior under the new normal and emphasized sales promotions and online advertising. Besides, direct sales and TV shopping were also commenced as alternative distribution channels to introduce new products to customers.

2. Risk from Investment for Business Expansion

The Company has plans to invest for business expansion as one of the strategies to generate growth through sales and new business

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

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

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

for many years. The Company's production plant also received ASEAN GMP (Good Manufacturing Practice), certifications of the quality management standard (ISO 9100:2015), the environment management standard (ISO14001:2015) and the Occupational Health and Safety Assessment Series standard (OHSAS 18001:2007).

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

4. Risk from Damage to Consumers or Product Recalls

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

5. Risk from Counterfeit Products or Use of the Trademarks of the Company and Subsidiaries

With the popularity of the Company's products under its trademarks in the market, copied products with similar external appearances and products that imitate its concepts are prevalent. To certain extent, this confuses consumers and counterfeit products with low quality can cause negative side effects to them. In the light of such cases where the Company cannot duly control the damage, the impact on the Company image can post significant threats to its performances and financial position. Realizing potential impacts to its image and consumer safety from counterfeit

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

6. Expense Risk

Risks related to expenses came from various factors such as high expenses beyond what is necessary to do business; organization structure with large workforce from the business expansion through acquisitions that increased fixed cost from salesforce and support functions with employees expenses that do not vary by sales; and other root causes. This impacted the target percentage of operating expenses (% Opex) to net sales. The Company had to be more prudent to control the expenses to be within the budget as well as managing the budget to be most efficient and effective.

7. Business Operational Risk

Operational risks resulted from various factors including operational processes that are not supportive of business; limited distribution channels that are dependent on suppliers; lack of standard operating procedures (SOP), policies and work instruction (WI); unclear workflow processes in operations; no defined business model for plant operations; costing structures that are not reviewed; product pricing structures that are not standardized and accurate; inefficient inventory management; imprecise demand forecast planning; minimum order quantity (MOQ) that is higher than required in the production; and lack of market knowhow about the Philippines of employees. These factors incurred risks to business units across the organization. To mitigate operational risks in the operations especially in key processes across the value chain from upstream, midstream to downstream, the Company has to set policies to standardize operations including standardized operating procedures (SOP), work instruction (WI) and workflow process as well as defining clear business model for plants, reviewing product pricing structure, improving product pricing structures at plants and planning demand forecast. Moreover, employees should acquire knowledge about new markets such as the Philippines to support business development in particular countries.

8. People Risk

The Company identified a number of factors that exposed the Company to people risks including shortage of employees with potential to sustainably develop the organization, lack of skills and expertise in functional areas to promote productivity, and no ready successor in key positions. These factors incurred people risks to the organization which can post long-term issues to its sustainability goals in the future.

9. Risk from Compliance with Personal Data Protection Act (PDPA)

Given that violations of personal data privacy are prevalent, causing troubles and damage to the data owners and technological advancement made data collection, usage and disclosure easy and fast, Thailand's Personal Data Protection Act BE 2562 (PDPA) came into full effect in May 2020. Therefore, the Company issued a policy to supervise and manage data protection for its shareholders, customers, employees and other stakeholders in

compliance with Thailand's Personal Data Protection Act (PDPA). The policy applies to executives, employees, and third parties who work for the Company. Executives of all units are obliged to support, encourage and review their undertakings to be strictly in accordance with the policy and PDPA laws.

10. IT Risk

10.1) IT risks the Company had included discrepancy and inaccuracy of information, lack of integration of important information that is fast and precise enough to support decision making of top executives, IT systems that are not efficient or connected with related parties especially accounting and finance, plants, sales team and procurement team as well as human error. These factors caused IT risks that significant affected overall operating efficiency. The Company requires integrated information systems that are accurate and timely, responding to top executives' need for decision-making. IT systems should be connected for key functions including accounting and finance, plants, sales team and procurement team to speed up the process and reduce human errors.

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

11. Financial Risk

In business value chain, the Company incurred financial risks from different factors. Given its finance processes that are not flexible for changes and without proper risk mitigation, the Company was impacted by the fluctuations of exchange rates that affected P&L of the organization while sales volume and trade term agreement of suppliers are increasing from M&A activities of large customers. Change in trade term agreement that customers will only pay through salesman posted financial risks on sales, debt burden and average debt collection period (day) which cause higher rate of default. Nevertheless, the Company enhanced its monitoring process for receivables and managed to improve collection compared to last year as follow:

- Account receivable turnover was at 3.19 times in Q3 2020 and rose to 3.63 times in 2021 during the same period
- Average collection period dropped from 114.28 days in Q3 2020 to 100.42 days for Q3 2021.

It is evident that the Company's financial risks has declined. Nevertheless, the Company still continues to enhance its process to control and monitor outstanding receivables to mitigate financial risks by reviewing and adjusting finance processes to be able to address changes and reduce business risks to build confidence in the Company's business conduct.

12. Compliance Risk

Change in rules related to business including regulations on product standards can put pressure on cost of the products while violations to these rules can incur risks that customers will cancel the purchases and will not to buy products from the organization in the future. Change in rules and regulations also include export rules, labor law, environmental law as well as international travel regulations resulted from the COVID-19 pandemic. These adjustments force the Company to comply with the new regulations including ones related to product standards.

13. Corruption Risk

Government announced Thailand's Act Supplementing the Constitution Relating to the Prevention and Suppression of Corruption B.E. 2561 (2018) which stipulated penalties for bribery both givers and takers. Therefore, the Company strictly observes

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

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

Business sustainability development

Corporate Sustainability

Corporate Strategy towards Sustainability

With 12 years of experience and expertise in skin care and supplements, Do Day Dream Public Company Limited (DDD) has performed its best to support people and society in aspects where DDD operates. DDD upholds its commitment through governance mechanism in accordance with legislation as well as environmental and social considerations in all activities and operations under DDD.

To accelerate growth coupled with social responsibility, DDD places special importance to ensure that all products are delivered at its highest quality and accessible to all consumers regardless of age, race, and gender. DDD expresses its intention for doing business in a sustainable way as well as creating healthy skin for everyone to be truly beautiful in their own unique way. Meanwhile, DDD recognizes it has a responsibility to create a greater positive impact towards the society, thus,

value creation for its stakeholder groups is included in DDD's priority with the aims to become No. 1 of the 3 market leaders in the Asian beauty industry.

Human rights, across the globe, is a prominent aspect of all business sectors along with international targets such as UN Sustainable Development Goals, DDD makes it its mission to consider the importance of all workers under its operations by providing them adequate safety measures and promoting fair treatment throughout the organization along with improving the quality of life of its people. Additionally, strengthening governance mechanism is key to transparent business practices, therefore, DDD has developed Corporate Governance policy and Code of Conduct to prevent any inappropriate behavior or abuses and to integrate ESG (Environmental, Social, and Governance) within organization.





To promote accountability and transparency across the organization in tandem with pursuing sustainable growth, DDD has adopted the principles of action to monitor and oversee its performance in aspects of ESG through the implementation of policies, comprising of Environmental policy, Corporate Social Responsibility policy, and Whistleblowing policy.

With its intention to preserve the environment coupled with continuous growth (e.g. development on environmentally friendly packaging and ingredients), DDD has placed strong emphasis on doing business with environmental and social responsibility guided by Environmental policy as its commitments to reduce negative impacts on the community and environment that occur from manufacturing until the delivery of the products, aligning with its aspiration to drive the organization in a more sustainable way.

Concurrently, DDD recognizes its role as a part of business sector in contributing value creation of not only its stakeholders but throughout the society. To express careful considerations in good governance, DDD supports freedom and fair competition across market mechanism through its Corporate Social Responsibility policy, covering the principles of social responsibility and ethics, protection of intellectual property, conflict of interest, and other anti-corruption issues.

Furthermore, DDD has introduced the foundation of corporate whistleblowing system, including complaint channels, management approach, and penalty, through its Whistleblowing Policy. The available channels for whistleblowing comprise of suggestions-and-complaints boxes and directly reporting the corporate website or via email or mailing. DDD has appointed the Corporate Secretary department to be responsible for closely monitoring any non-compliance actions or discrimination that may lead to abuses and harassment in the workplace, negatively impacting the organization, stakeholders, and the society.

In 2021, there is a major amendment under the role of Risk Management committee referring to the adjustment in its title and scope of work by adjusting the name to Sustainability and Risk Management committee. To enhance sustainability awareness and risk governance within organization, DDD's Sustainability and Risk management committee conducts its duties in line with the responsibilities of sustainability oversight and risk monitoring, assuring all activities and operations will take ESG standards into its consideration.

Since 2021, DDD primarily has established a variety of strategic planning and initiatives in order to promote the sustainable culture as well as raising sustainability awareness along the value chain through consumer-centric approach with the main objective to 'Do to make every Day your Dream'.

VISION 'TO BECOME NO. 1 OF THE 3 MARKET LEADERS IN THE ASIAN BEAUTY INDUSTRY'

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

To uphold its sustainability commitments while business expansion stays in prime focus, Do Day Dream Public Company Limited has developed the business focus diagram, considering its business strategies in tandem with the organization's material issues, to assure all stakeholders along value chain that DDD are take a careful consideration about ESG into every aspect of activities and operations.

Corporate strategy

<p>Key transformation</p>	 <p>PRODUCT AND BRAND</p>	 <p>DISTRIBUTION NETWORK & CHANNEL EXPANSION</p>	 <p>FIT FOR GROWTH</p>	 <p>INVESTMENT AND BUSINESS EXPANSION</p>
<p>Material issues</p>	<ul style="list-style-type: none"> • Innovation Management • Product Quality and Recall Management • Product Stewardship and Packing 	<ul style="list-style-type: none"> • Customer Relationship Management • Transmission & distribution • Supply Chain Management 	<ul style="list-style-type: none"> • Corporate governance • Operational Eco-Efficiency • Waste Management and Circular Economy • Occupational Health and Safety • Human Capital Development and Talent Attraction & Retention • Quality of Life 	<ul style="list-style-type: none"> • Risk Management • Climate Strategy

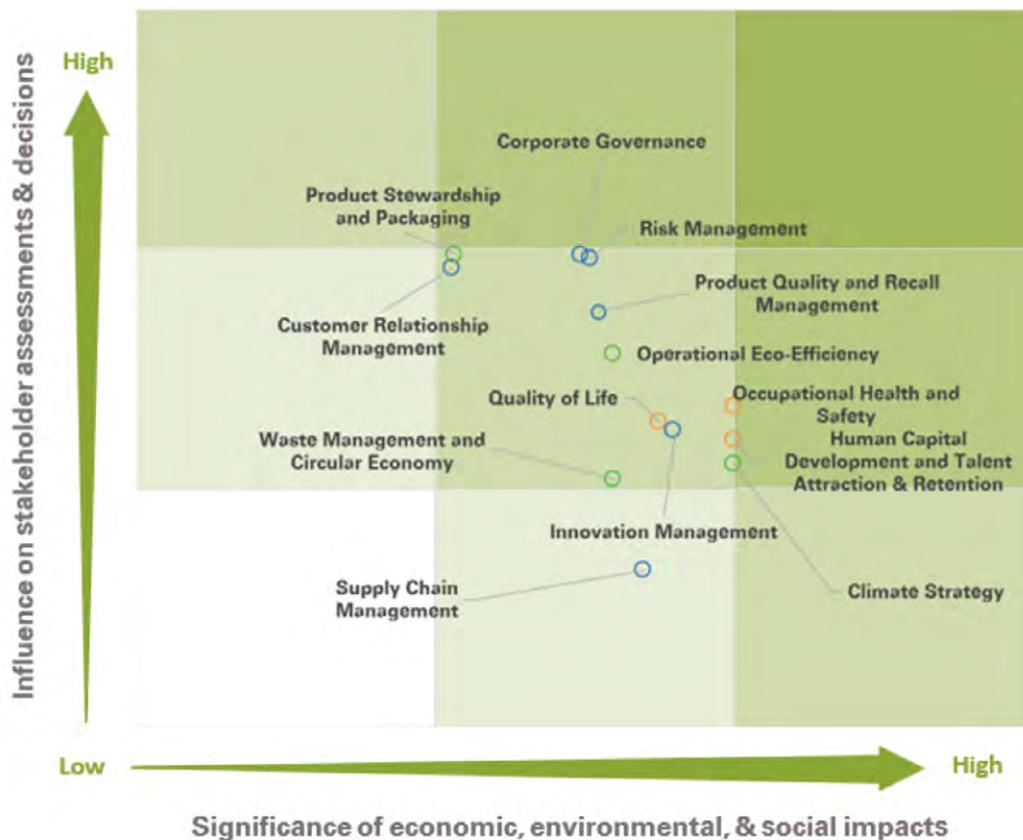
Materiality Assessment

Due to the growing concern among stakeholders of Do Day Dream Public Company Limited in the terms of sustainability perspective, therefore, it is essential for DDD to understand the relevant topics that could reflect the organization's impacts in terms of environmental, social, and economic dimensions and narrow the wide range of topics that is truly important to the business.

As the consequence, DDD has conducted the materiality assessment to identify the materiality issues through the four steps of assessments as in the table below. These steps are adapted from Global Reporting Initiatives (GRI) standards.

1. Identification	Gather and screen only the topics of sustainability, which relate to the context of the business, through benchmarking against the global sustainability trend, domestic and international sustainability standards, and material topics of industry peers as well as the opinions of stakeholders.
2. Prioritization	Consider and estimate the relevant topics in terms of their occasion and impacts on the business and its stakeholders. This is to prioritize which material topic is the most important that needs to pay more attention.
3. Validation	Validate the accuracy of the material topics to ensure that it literally reflects the expectation and concerns of DDD's stakeholders. This could lead to precision in responding as the stakeholder desires.
4. Review	It is important to DDD in order to revisit the materiality matrix annually. This is to update the current situation and sustainability trends, which might change every year as well as to reassess stakeholder expectations

Materiality matrix



Management of Impacts to Stakeholders in Value Chain

Value Chain



Main Activities

- Sourcing and Procurement: Supplier selection, Raw material storage
- Manufacturing: Production
- Logistic and Distribution: Delivering
- Marketing and sales: Online Marketing, Advertising, Promotion
- After Sales Service: Recall Management

Supporting Activities

Activities that support the operations of the company such as Research & Development, Talent Recruitment, Information and Technology, Accounting and Finance and general management

Stakeholders in Value Chain

Stakeholders	Primary Activities					Supporting Activities
	Procurement	Production	Logistic and Distribution	Marketing and sales	After Sales Service	
Employees	✓	✓	✓	✓	✓	✓
Customers/Consumers				✓	✓	
Suppliers	✓		✓	✓		
Shareholders/Investors						✓
Industrial Association						✓
Regulators						✓

Value Creation in Do Day Dream Public Company Limited

1. DDD and Employees

- Integrate sustainability concept in business management.
- Establish long-term trust with employees.
- Minimize work-related injuries and encourage the safe working environment
- Attract and retain talented employees and promote employee's development in their career path.
- Employees obtain equally training and opportunity in their career pathway.
- Create fair standards in employment.

- 2. Suppliers
 - Collaborate to operate the business focusing on minimizing the environmental and social impacts.
 - Establish longstanding relationships with suppliers.
 - Promote free, fair and equal competition.
- 3. Customers/Consumers
 - Deliver quality products and services that address customers/consumers' expectations.
 - Establish long-term loyalty with customers/consumers.
 - Increase credibility and trust of the customers/consumers with excellent after-sales services.
- 4. Shareholders/Investors
 - Establish long-term trust with shareholders/investors.
- 5. Industrial Association
 - Foster collaboration within the industry in order to improve the standards of Beauty products, creating a win-win situation for everyone.
- 6. Regulators
 - Establish long-term trust with regulators.
 - Establish cooperation in order to create sustainable development.
 - Adhere to good corporate governance principles.
 - Provide up-to-date, accurate and transparent information.
- Adhere to good corporate governance principles
- Protect the rights of shareholders/investors in terms of data privacy



SDGs contribution along Value Chain



Management of Impacts to Stakeholders in Value Chain

It is necessary for businesses to understand the stakeholder's desires in order to ensure synergy to develop the business to the path of sustainability. Especially for the sustainable development of the company, this could reflect issues of interest specific to each stakeholder group. This will enable the company to respond to stakeholders with precision.

Stakeholder Engagement Matrix

STAKEHOLDERS	ISSUES OF INTEREST	ACTIONS & RESPONSES	ENGAGEMENT APPROACH
Employee	<ul style="list-style-type: none"> Welfare, Benefit, Career development, Wellbeing, Safety & hygiene 	<ul style="list-style-type: none"> Review organizational structure in response to organization's needs and career development discussion Employee Life-Cycle assessment, adjustment according to Benchmarking with market Emphasize implementation of OHS management Comply with Thai labor standard Communicate on employee engagement programs Develop Human Rights policy 	<ul style="list-style-type: none"> Engagement survey (annual) Town hall / Management communication DDD News / updates via LINE SharePoint for policy & welfare & benefits communications Whistleblowing process
Customers/ Consumers	<ul style="list-style-type: none"> Responsible marketing Product quality, Product stewardship (e.g. environmentally friendly products, communication, waste management) Technology (e.g. online platform) 	<ul style="list-style-type: none"> Develop and deliver quality and sustainable products that respond to customers' requirement Create more responsible marketing campaigns reflecting customers' needs and societal trends Appoint a department to oversee and respond to customer's opinions, suggestions and complaints 	<ul style="list-style-type: none"> Satisfaction survey Social media customer support, incl Line, Facebook Whistleblowing process

Stakeholder Engagement Matrix

STAKEHOLDERS	ISSUES OF INTEREST	ACTIONS & RESPONSES	ENGAGEMENT APPROACH
Suppliers	<ul style="list-style-type: none"> Business ethics & transparency Communication, Collaboration/ Relationship 	<ul style="list-style-type: none"> Sustainable supply chain initiatives, incl supplier code of conduct & ESG evaluation process (in progress) Equally and fairly treat all suppliers as stated in supplier code of conduct Collaboration/Partnership with vendors (e.g. Supplier Relationship Management, cost, production & quality planning with supplier's forecast, future recyclability of packaging. 	<ul style="list-style-type: none"> Supplier meeting (quarterly) Annual report (One Report) Company website Whistleblowing

STAKEHOLDERS	ISSUES OF INTEREST	ACTIONS & RESPONSES	ENGAGEMENT APPROACH
Shareholders/ Investors	<ul style="list-style-type: none"> ● Disclosure, ● Business performance, ● Governance ● Access to management ● Confidentiality 	<ul style="list-style-type: none"> ● Strictly comply with relevant laws, business code of conduct, CG policy and SET & SEC standards. ● Disclose information with accuracy, transparency and with regular frequency. ● Ensure data privacy for shareholders and investors ● Ensure alignment with commercial department on confidentiality in business operations 	<ul style="list-style-type: none"> ● Annual report (One Report) ● Annual meeting ● Roadshow & Opportunity day (quarterly) ● Analyst meeting (quarterly) ● Site visit ● Website announcement ● Social media monitoring

Stakeholder Engagement Matrix

STAKEHOLDERS	ISSUES OF INTEREST	ACTIONS & RESPONSES	ENGAGEMENT APPROACH
Industrial Association	<ul style="list-style-type: none"> ● Compliance with applicable laws ● Business ethics ● Information transparency ● Collaboration for business development ● Knowledge sharing ● Company's performance 	<ul style="list-style-type: none"> ● Collaborate to support initiatives that will benefit to consumer product sector and the company. ● Operate business with due care and follow mutual agreement of industrial association. 	<ul style="list-style-type: none"> ● Website ● Industry news monitoring ● Meeting - knowledge sharing ● Business forum - with Chamber of Commerce
Regulators	<ul style="list-style-type: none"> ● Compliance with applicable laws ● Business ethic ● Information transparency ● Environmental and social protection 	<ul style="list-style-type: none"> ● Operate business with due care and follow requirements of laws and regulations applicable to business. ● Disclose information with transparency and timely manner. ● Integrate the environmental and social management practice and/or Initiate the long-term project to minimize the environmental and social impacts, incl participate in ESG assessment for further improvement (e.g. THSI, DJSI) 	<ul style="list-style-type: none"> ● Website ● Compliance reporting ● Annual report (One Report)



Management in Environmental Aspects

Environmental Policies, Practices and Performance

Energy and Climate strategy

To become the top 3 in the Asian Beauty market, we are not only committed and intended to expand our business, but we also aim to protect and reduce the environmental impacts as much as we can. Therefore, in 2021, we have laid the foundations of environmental preservation as a part of the CSR policy, which emphasizes protecting, supporting, and complying with the regulations, law and international standards.

Generally, most of the energy consumption in Do Day Dream Public Company Limited is from electricity by the factory, warehouse, logistic and head office.

Target 2022
5 % energy consumption reduction in the production and office
5 % energy intensity reduction
Long term target: Achieved net-zero by 2032

Do Day Dream Public Company Limited recently enacted our environmental commitments in 2021 and to amplify these commitments, we have set a target 2022 to reduce the energy consumption and also have set the long term target to achieving the net-zero within 2032 as above in order to ensure our operation in the future would align in the right direction for protecting the environment. Furthermore, we still maintain our standard in terms of environmental aspects by obtaining Environment Management Systems Standards (ISO 14001).

In addition, DDD has realized the negative consequences of energy consumption within the operation causing both direct and indirect impacts on various kinds of emissions, especially

Greenhouse Gas (GHG) emissions. These impacts can culminate into irreversible environmental degradation with socioeconomic repercussions. Moreover, the slightest increase in global average temperature is able to disrupt the life cycle of several species both animals and plants such as changing the animal's population and behavior, reducing yields of crops, and in some cases, extinction in species. As the consequence, this could lead to the loss of biodiversity, which is the main resources to the beauty industry for product development. Therefore, it also could directly affect DDD in terms of raw material shortage as our primary materials are natural. Hence, DDD has monitored and evaluated the amount of GHG emissions and other pollutions annually as shown in the below performance.

Performance 2021

Type of Pollution	Unit	FY2019	FY2020	FY2021
Direct GHG (Scope 1)	tCO2e	51.26	46.54	32.43
Direct GHG (Scope 2)	tCO2e	58625.24	74971.26	59102.12
NOx	ppm	5.86	8.71	5.61
SOx	ppm	8.62	12.11	8.11
Total Suspended Particulate (TSP)	mg/m3	33.10	31.66	32.41

** NOx, SOx and TSP values are annually monitored for gas concentration data (industry standard shall not exceed 60, 200 ppm and 320 mg/m3 respectively).

To minimize the amount of GHG emissions and pollution as well as prevent climate change. DDD is increasingly focusing on renewable energy and other environmentally friendly initiatives within the company.

In the past year, DDD made a switch to biodiesel (B7 and B20) in company's vehicles as opposed to traditional fuels. Moreover, the company also turned to use Electric forklifts instead of Internal Combustion Engine forklifts.

Vehicle data of 2021
100% of vehicles in the company use biodiesel
100% of forklift use electricity as the source of the energy to drive the motor

Saving Energy Campaign

Additionally, Do Day Dream Public Company Limited still has started a campaign to reduce electricity consumption within the office such as turning off the light and air-conditioner after use in order to conserve energy within the company.



(Picture of Saving Energy Campaign)



Future plans

- **LED saving energy bulbs replacement:** saving energy by using LED saving energy in 2022
- **Installing solar cell in walkway:** it has been estimated that if this project is successful. It could cut the cost of electricity bill by approximately 43,460 bath/year and could pay back the cost of installation within 1 year — this project could help the company reduce the usage of electricity as well.
- **Electric fire pump:** the usage of electric fire pumps could reduce greenhouse gas and pollution emissions, which can lead to climate change prevention.



(Energy saving campaign through energy-saving lamps, solar panels and electric fire pump)

Water Management

Water is a vital factor to drive Do Day Dream Public Company Limited business in terms of being the primary ingredient in a lot of DDD's products. Moreover, water is used for several purposes in DDD such as cleaning, washing, and cooling. Due to the importance of water as in the previous reason, DDD has determined the target of zero case of water contamination by chemicals and target the water reduction by 10% to motivate our people to use water efficiently as well as encourage the company to explore the new ways to reduce water consumption in the production process. As the operations in the last year, the company has reached the targets with achieving 10% water reduction and 0 case of water contamination by chemical.

Target 2021

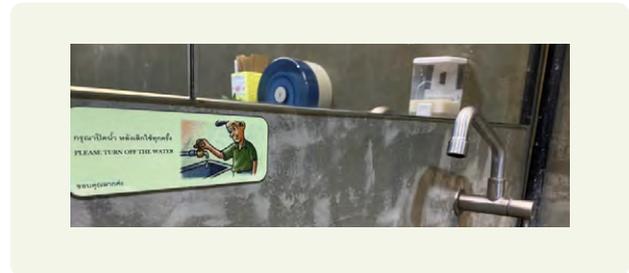
10 % water consumption reduction
0 case of water contaminated by chemical

For water consumption as part of production, the DDD factory utilizes water provided by the Rojana Industrial Park that meets the standards of the World Health Organization (WHO) and Metropolitan Waterworks Authority (MWA) in water distribution.

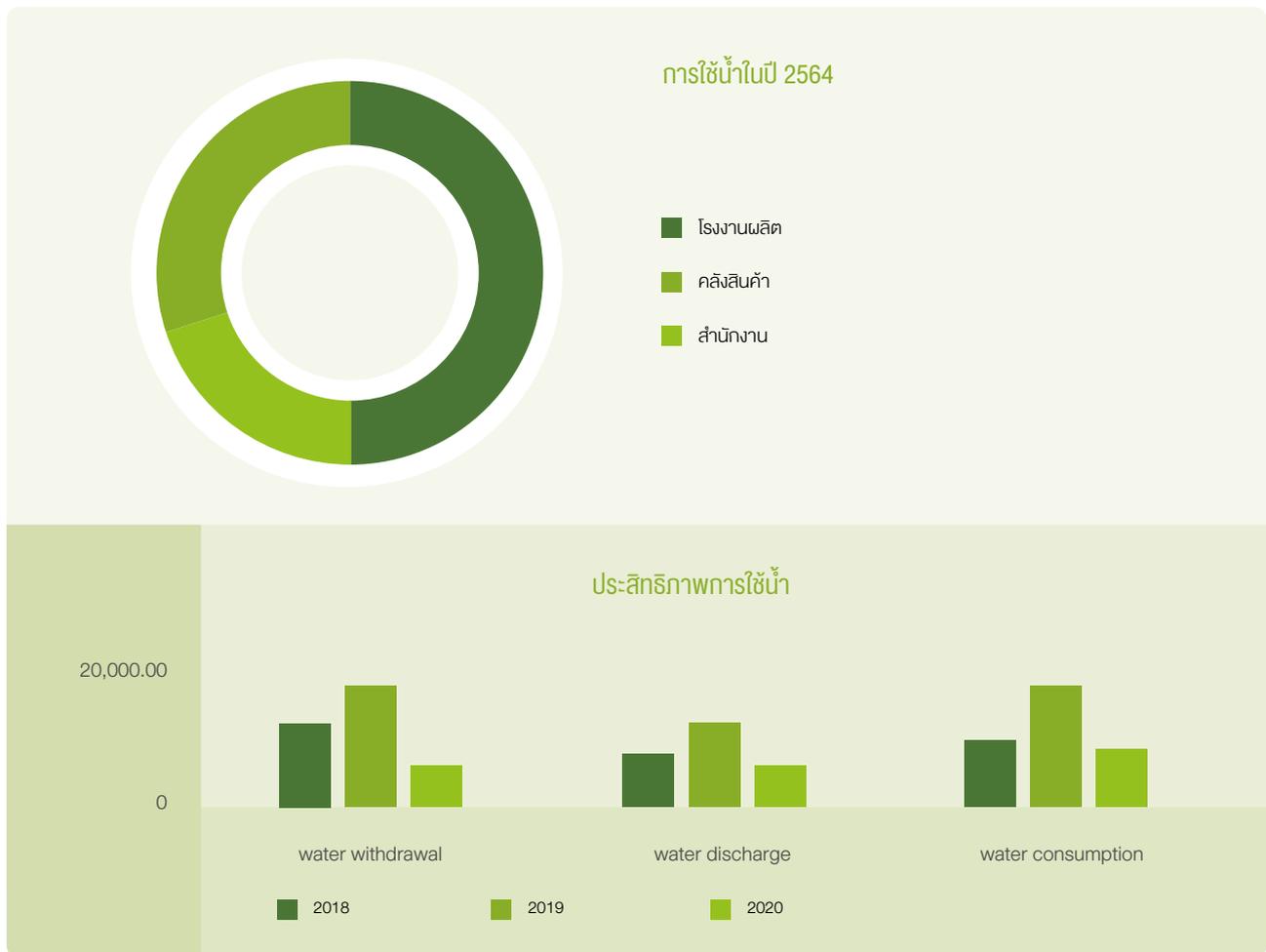
For water discharge, wastewater from DDD was transferred to the water treatment facility at Rojana Industrial Park. In this water treatment plant, effluents would be treated and tested for quality on a monthly basis under the reliable standards of examination of water and wastewater, which was published by the American Public Health Association (APHA), the American Water Works Association (AWWA), and the Water Environment Federation (WEF). All water treatment process would be overseen by the onsite expert and general manager to ensure that the effluents are treated appropriately and discharged without harmful chemicals to the environment.

Water Conservation Campaign

Do Day Dream Public Company Limited has initiated the campaign to save the water by campaign of turn off the taps. There are signs of turn off the tabs after use in the washrooms.



Additionally, to monitor and estimate the water consumption within the company, DDD has recorded data of water volume each year as below.



Waste Management

In Do Day Dream Public Company Limited core business, waste generation mainly comes from manufacturing stage consisting of hazardous and non-hazardous waste from the materials disposed. With its intention to eliminate waste in manufacturing process as much as possible, DDD has developed a waste management system which is certified against the requirements of ISO14001. Concurrently, DDD's waste disposal is implemented in accordance with Ministry of Industry's Industrial Waste Disposal Act B.E. 2548 (2005). In 2021, there are no incidents in relation to DDD's waste management.

The disposal methods will be selected based on types of waste, comprising of recyclable and non-recyclable waste. The recyclable waste such as paper boxes will be sold to third-party as a method of waste diverted from disposal, promoting circular economy to generate value for materials outside of the production cycle - creating a win-win situation for sustainable waste management. DDD also looks for recycled or biodegradable packaging materials to incorporate into its products supporting customers to reduce the use of environmentally harmful materials as much as possible while raising the environmental awareness across the beauty industry.



Consumers' attention to environmental impacts through their consumption has pushed the beauty industry to seriously take into consideration the sustainability impacts it may have. DDD recognizes itself as an advocate for sustainable beauty industry through its brands including skincare and other beauty products. Thus, DDD aims to advance new packaging designs and

environmentally friendly materials through integrating the concept into its business model focusing on raw materials derived from vegetable sources such as wheat. To continue this ambition, DDD keeps improving in product packaging through consistently exploring new opportunities in beauty innovation to grow the organization in a more sustainable way in all aspects.



Management in Social Aspects

Social Policies, Practices and Performance

Employee Management

Do Day Dream Public Company Limited believes that employees are the heart of the company. They play a vital role in the direction of the business and influence the future of the company. Furthermore, they represent the credibility and capability of the company which is why DDD prioritizes the development and wellbeing of its employees.

At DDD, the company ensures compliance with the labour standards and regulations, as reflected in the certification of Thai Labour Standard. Additionally, DDD upholds human rights as a part of its CSR policy. Hence, to maintain our employee's happiness and develop their skills to promote the company's longevity and become a sought-after employer amongst new generations. DDD has encouraged employees in the terms of the Occupational Health and Safety, Human Capital Development, and Wellbeing to retain their best interests.

Occupational Health and Safety

Do Day Dream Public Company Limited prioritizes safety and understands the impacts of occupational health and safety can have on its operations. The most important aspect of safety is

our employees' safety. Our safety target is zero work-related injuries every year. To achieve this target, DDD adheres to the Occupational Health and Safety (OH&S) Management System Standard (ISO 45001) and has enacted the Standard Operating Procedure: Environmental Occupational Health and Safety Management. This operating procedure manual is the core principle of occupational health and safety management that covers all of DDD operations including the safety of our suppliers. In 2021, DDD reports zero work-related injuries for all employees.

Environmental risk assessment is a part of the Standard Operating Procedure. This dictates that DDD assess risks associated within our operations (e.g. workspace and job functions) including areas operated by our contractors and suppliers. Furthermore, contractors' and suppliers' safety and environmental management is one of the criteria during DDD's vendor selection process.

Additionally, to ensure compliance with the relevant safety and labour standards and regulations. DDD is well-equipped to provide protection to its workers from appropriate training, Personal Protective Equipment (PPE), equipment maintenance and emergency preparedness. All those topics as mentioned previously would be informed to all relevant operators under the communication procedure as DDD has generated.

Overall, the occupational health and safety management is overseen by the top management, Environmental, Occupational Health and Safety Management Representative (ESMR), and Environmental, Occupational Health and Safety Management System Committee (ESMC)



Ergonomics

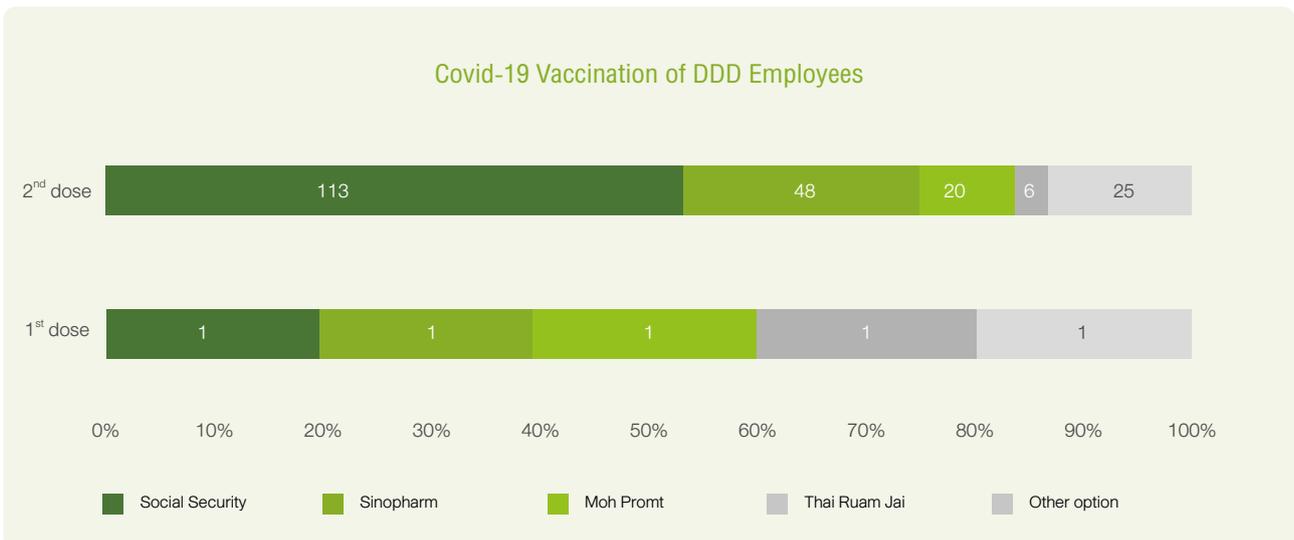
To promote good health and reduce stress at work, Do Day Dream Public Company Limited has determined to do annual check of ergonomics in all departments. This is operated in accordance with the ergonomics standard operation procedure integrating the principles of Rapid Upper Limb Assessment (RULA).

Covid-19 Prevention

As the continued spread of Covid-19 raises concerns of Do Day Dream Public Company Limited on employee health. Therefore, DDD has encouraged employees to be vaccinated under the slogan

“Rolling up our sleeves for all of us”

We have announced vaccination news and provided alternative vaccines for high-risk employees who are exposed to clients, suppliers as well as employees who have been canceled the previous Covid-19 vaccination from the government’s vaccination program. As the result, in 2021, there are 22.64% of vaccinated employees by Sinopharm that the company is responsible for all expenses. Finally, DDD continues to encourage employees to receive the third dose of vaccination to boost immunity.



Moreover, DDD also provided the Covid-19 insurance for all levels of employees, which covered the employees in case they have the side effects of vaccination. This can boost confidence among employees and stimulate employees to be vaccinated.

In addition, DDD also has conducted the Covid-19 prevention measures by preparing the proper working areas to avoid Covid-19. For example, preparing partitions in the cafeteria and office, providing rapid test kits in the office, and alcohol gel and surgical masks.



(COVID-19 prevent campaign to by providing a covid test before starting work and spraying disinfectant)

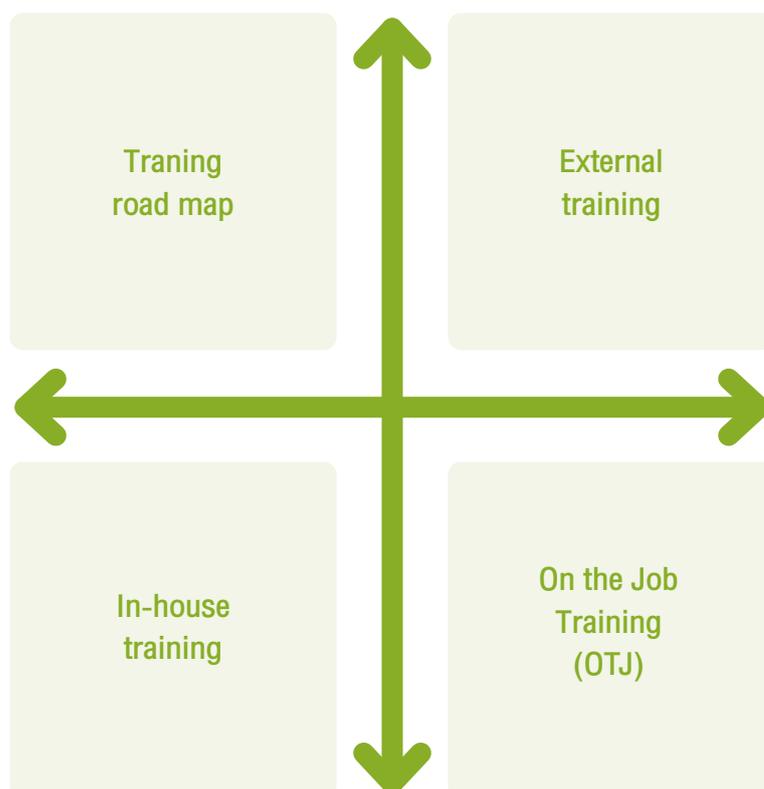
Target 2021

Zero work-related fatality and high-consequence injuries
zero work-related high-consequence accident

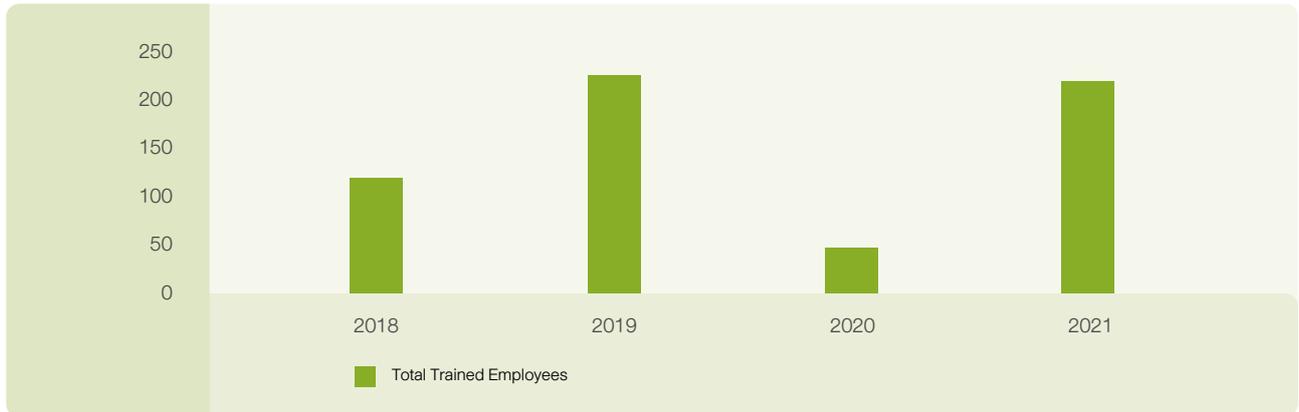
Human Capital Development

Do Day Dream Public Company Limited deeply understands in the value of employees to drive the business forward and the value of developing its employees. Developing the employee's skills is the key to the business growth and longevity of the business through succession planning. Furthermore, this also benefits the individuals in professional growth in the beauty industry and empowers the country through the development of a capable workforce.

Hence, DDD has imposed the Human Resources Development and Employee Welfare Policy. This is for being the guideline of personnel development, which mentions to 4 training approaches in the policy



Performance of Human Capital Development



Future Plans 2022

Do Day Dream Public Company Limited is still improving the plan for human resources management. In 2022, there are several policies that would be revisited, pertaining to manpower plans and several benefits of employees. Moreover, there is the rearrangement plan of the workforce called “job architecture” to restructure the operation to support the company's strategy and employees’ skills as well as promoting the agility in the work by reducing job hierarchy. In addition, DDD is also exploring and studying the Long-Term Incentives (LTI) to attract and retain the employees in the long term.

Wellbeing

Besides safety measures and human capital development, Do Day Dream Public Company Limited also pays attention to the quality of life amongst employees, factors contributing to the satisfaction of employees and maintaining talents. For this reason, DDD has launched various programs to promote the quality of life for DDD employees as such the following.



Welfare Committee: encouraging the rights of employees to negotiate regarding their benefits



WFH policy: this enables the employees to be flexible in working arrangements and increase work-life balance.



Birthday Leave: DDD allows the employee to take leave on their birthday



Paternal Leave: 5 days leave with pay for father



Customer Relationship Management and Product Management & Recall

The move towards sustainable consumption becomes a priority across the globe - not just for consumers but also producers as well - with many opting to buy fewer plastic products or naturally sourced ingredients. Do Day Dream Public Company Limited plays a role as a leading skincare producer in Thailand delivering trusted and high-quality products to all type of consumers with its philosophy to create healthy skin for everyone to be truly beautiful in their own unique way - or Do to make every Day your Dream. DDD believes that beauty comes from within through the care of internal treatment, thus, DDD has conducted a study to explore new advancement of natural ingredients to integrate into its products which currently some of ingredients used within DDD's products has performed its best to achieving this ambition through obtaining third-party certification following industry standards.

Consumer's health as well as environmental protection are integrated into DDD's core values, thus, DDD commits that products under all DDD's subsidiaries are guaranteed 100% free of microplastic in accordance with Cosmetics Europe

For consumer's best interest, DDD places special emphasis on the continuous improvement in product quality and responsible marketing. DDD invests in naturally sourced ingredients and

environmentally friendly packaging addressing consumer awareness on climate change and environmental degradation from plastic pollution, with the aims to become a leading skincare company focusing on beauty innovation and creativity. DDD has appointed the Research and Development department in order to navigate the organization in alignment with the changes in consumer behaviors and needs. In 2021, DDD has explored the opportunities of value creation through DDD's products in supporting locally produced ingredients and empowering local agriculture.



To ensure that all products under DDD meet consumer expectations and safety standards, DDD has in place the procedure of quality assurance which oversees the adherence of industry standards and regulations from start to finish.

* DDD refers the definition of microplastics in accordance with Cosmetics Europe, which is the European trade association for the cosmetics and personal care industry.

The Components of Product Quality Assurance

Do Day Dream Public Company Limited's Quality Control unit, known as QC unit, has performed its responsibility under the principle of Good Professional Practice in accordance with ASEAN GMP standard and refer to the following:



In response to the changes in consumer needs and global trends, DDD has tailored its beauty innovation in skincare ingredients such as snail secretion and edelweiss extract in order to stay competitive and unique among peers, all of these processes are under the responsibilities of the Research and Development department. Thus, DDD has implemented the target planning for research and development on DDD's

products, reflecting its purpose in continuous improvement and consumer-centric approach. In 2021, DDD achieved 85% of its target of new product development (total target equals 100%). To continue its ambition, DDD has introduced new performance target for 2022 to 9% increase in number of new products developed compared to previous year.



Upon completion of product development, the marketing and communication create value towards DDD's business and brand identity. DDD has undertaken the principles of action in customer relationship management in alignment with its intention that DDD always puts consumer satisfaction as a

priority in every aspect of operations. DDD recognizes its influence over the society like ideals of health and beauty, thus, DDD approaches its advertisement with communicating factual and truthful information over its products to help safeguard the best interest of its consumers.

Efficient and honest communication

Key brands under management

Key to drive into sustainable business over the near future is the balance of organization's efforts and consumer expectation in DDD's products, reflecting as the long-term customer engagement in terms of satisfaction scores obtained through stakeholder engagement survey and even increase of sales in relation to number of consumers within DDD's database.

In 2021, DDD adopted its marketing strategies as per market trends and consumer needs through extending its coverage focusing on online channels such as e-commerce platform and online distributors. Increase in number of online customers reflected as its achievement in accessing new target groups together with responding to the changes in consumer behavior, not only for new customers but also retaining existing loyal customers.

Performance in 2021	Target for 2022
<ul style="list-style-type: none"> In 2021, DDD contributed to its customer approach channels through online platforms and telemarketing significantly, which can increase sales by up to 192% of both channels compared to 2020 100% increase in customer base from online channels and telemarketing compared to data in 2020 	100% increase in customer base regarding online channels and telemarketing compared to data in 2021

To successfully complete the entire operations, DDD has adopted the quality assurance procedure into the organization, especially the process of product recall to help assist customers in the event of defective products. The process is carried out on an annual basis through the mock recall session, which is under the responsibilities of Quality Assurance department. In 2021, there is no recall cases of DDD's products reported. Furthermore, DDD provides customer care service via call center to assistance for incidents related to DDD's products, ensuring DDD is well-prepared in provision of immediate response and corrective actions to all customers.

its role in highlighting the beauty in Asia and promoting the slogan of "Beauty is Healthy" through our products. Therefore, our products go through rigorous safety and quality protocols to ensure the safety of our consumers and communities that use our products.

Furthermore, to reduce our operation's impact to the environment and society. DDD has imposed Corporate Social Responsibility (CSR) Policy, emphasizing the quality of life in the communities as well as regularly empowering the surrounding communities through assistance.

Community and Social Development

As our commitment to be "the Asian Beauty Leader", over the years, Do Day Dream Public Company Limited's has been developing our products continuously. As in the performance of 2021, 1,531,482 Baht was invested into Research and Development, which generated 210 new products (consist 188 developed from original products and 22 newly developed products), that address customer's needs and societal changes. As a beauty product producer in the Asian market, DDD views

Additionally, at the production stage, DDD's factory is situated within Rojana Industrial Park who oversees the management of environmental impacts to the surrounding communities (e.g. wastewater treatment and air pollution). All aspects of impacts are managed in line with the relevant standards and regulations. DDD personnel is also in close contact with the industrial estate to cooperate in potential environmental and social impact mitigation arising from its operation.

Management Discussion and Analysis

For the year ended 31 December 2021

Financial Position	For the year ended on 31 December			
	THB mm	2019	2020	2021
Asset				
Current assets				
Cash and cash equivalents	1,023.69	762.56	887.92	
Trade and other current receivables	240.64	359.47	679.32	
Short-term loans to subsidiaries	-	-	-	
Inventories	361.82	361.41	397.16	
Other current financial assets	2,908.04	2,830.01	2,269.34	
Other current assets	20.56	6.55	5.68	
Total current assets	4,554.75	4,320.00	4,239.42	
Non-current assets				
Investments in subsidiaries	-	-	-	
Investment in an associate	-	78.97	-	
Property, plant and equipment	257.93	251.59	241.06	
Right-of-use assets	-	59.04	88.33	
Goodwill		170.90	170.90	
Intangible assets other than goodwill	99.30	426.10	414.48	
Restricted deposits at financial institutions	20.27	20.47	25.47	
Deferred tax assets	22.74	40.24	37.84	
Other non-current assets	1.72	5.23	6.19	
Total non-current assets	401.96	1,052.54	984.27	
Non-current assets	4,956.71	5,372.54	5,223.69	
Current liabilities				
Trade and other current payables	180.98	260.90	293.34	
Current portion of lease liabilities	0.41	21.28	21.64	
Current income tax payable	3.52	7.59	35.80	
Other current liabilities	5.11	7.17	7.92	
Total current liabilities	190.02	296.94	358.70	

Financial Position	For the year ended on 31 December		
	THB mm	2019	2020
Non-current liabilities	-	-	-
Lease liabilities	1.81	39.55	69.60
Put options	-	29.11	-
Deferred tax liabilities	-	79.67	35.52
Non-current provisions for employee benefits	2.30	34.77	37.96
Total non-current liabilities	4.11	183.10	143.08
Total liabilities	194.13	480.04	501.78
Equity			
Share capital:			
Authorised share capital			
(318,000,000 ordinary shares, par value at Baht 1 per share)	318.00	318.00	318.00
Issued and paid-up share capital			
(317,887,700 ordinary shares, par value at Baht 1 per share)	317.89	317.89	317.89
Share premium:			
Share premium on ordinary shares	4,399.86	4,399.86	4,399.86
Deficit on change in the ownership interests			
in subsidiaries	(31.84)	(31.84)	(43.63)
Retained earnings (Deficit)			
Appropriated			
Legal reserve	31.80	31.80	31.80
Unappropriated (Deficit)	29.12	43.01	(34.62)
Other equity interest	-	(35.92)	-
Other components of equity	(6.30)	(5.34)	5.93
Equity attributable to owners of the parent	4,740.53	4,719.46	4,677.23
Non-controlling interests	22.05	173.03	44.70
Total equity	4,762.58	4,892.49	4,721.93
Total liabilities and equity	4,956.71	5,372.54	5,223.71

Financial Income	For the year ended on 31 December			
	THB mm	2019	2020	2021
Revenue				
Revenue from sale of goods	729.06	1,000.34	1,411.31	
Interest income	33.78	3.14	0.71	
Dividend received from subsidiaries	-	-	-	
Dividend received from financial assets	-	36.05	77.02	
Net gain on fair value measurement of financial assets	8.04	446.21	-	
Net gain on disposal of financial assets and liabilities	22.51	99.66	279.29	
Other income	3.04	4.88	5.95	
Total revenue	796.43	1,590.28	1,774.28	
Expenses				
Cost of sales of goods	258.25	580.99	559.22	
Distribution costs	431.91	490.65	546.14	
Administrative expenses	166.65	265.58	276.23	
Net loss on fair value measurement of financial assets			256.66	
Total expenses	856.81	1,337.22	1,638.25	
Profit from operating activities	(60.37)	253.05	136.04	
Finance costs	0.61	2.00	1.29	
(Reversal of) impairment loss determined in accordance with TFRS 9	-	17.29	6.19	
Share of loss of investment in an associate accounted for using equity method	-	1.03	0.58	
Profit before income tax expense	(60.98)	232.73	127.98	
Tax expense (income)	(7.76)	53.19	26.04	
Profit for the year	(53.22)	179.54	101.94	
Profit attributable to:				
Owners of the parent	(53.79)	169.25	81.32	
Non-controlling interests	0.57	10.29	20.62	
Profit for the year	(53.22)	179.54	101.94	
Basic earnings per share (in Baht)	(0.17)	0.53	0.26	

Cash flow Statement	For the year ended on 31 December			
	THB mm	2019	2020	2021
Cash flows from operating activities		(33.50)	(44.40)	(262.76)
Cash flows from investing activities		(454.64)	13.66	719.13
Cash flows from financing activities		(255.06)	(232.03)	(343.28)
Effect of exchange rate changes on cash and cash equivalents		(7.60)	1.64	12.28
Net increase (decrease) in cash and cash equivalents		(750.80)	(261.13)	125.37

Financial Ratios				
Return on Asset (%)		(1.18)	4.90	2.57
Return on Equity (%)		(1.12)	3.67	2.16
Gross Profit (%)		64.58	41.92	60.38
Net Profit (%)		(6.68)	11.29	5.75
Debt to Equity Ratio (X)		0.04	0.10	0.11

Financial Performance

Sales Revenue

For the year ended 31 December 2020 and 2021, the Company recorded total sales revenue of THB 1,000.34 million and THB 1,411.31 million, respectively, equivalent to an increase of 41.08%. This was mainly due to revenue from skincare product group that increased THB 234.97 million or 78.49% thanks to higher local and export sales. At the same time, revenue from personal equipment and consumer products increased by 20.37% and 41.19% respectively as a result of the acquisition of Kuron Company Limited since March 2020.

Revenue from domestic sales increased by 36.40% compared to the same period last year thanks to the expansion of distribution channels such as e-commerce, social commerce, and

influencers which promoted product reach to grow consistently. For offline channels, the Company appointed a new distributor in 2021 to adjust sales strategies and plans to be able to expand domestic sales footprint.

Revenue from overseas sales jumped 62.20% compared to the same period of the previous year as a result of the market growth in the Philippines given that in 2021 the Company aggressively extended its distribution network in foreign countries including both number of shops and online channels. Also, more efforts were put to enhance marketing plans for products to be sold in the Philippines.

Table 1 : Revenue Segment by Product Line

Revenue Segment by Product Line	Consolidation Financial Statement				Change Inc/(Dec)	
	For the year Ended December 31					
	2021		2020		THB mm.	%
	THB mm.	%	THB mm.	%		
Total Sell						
Revenue from sales of products under the Company's trademark						
1) Skill Care	534.35	30.12	299.38	18.83	234.97	78.49
2) Skin Cleansing Products	138.18	7.79	111.86	7.03	26.23	23.53
3) Sunscreen products and cosmetics	54.06	3.05	24.29	1.53	29.77	122.55
4) Equipment/tools personal items	468.36	26.40	389.09	24.47	79.27	20.37
5) Consumer goods	287.74	16.22	202.36	12.72	85.38	42.19
6) Gift Set	35.69	2.03	47.20	2.97	(11.24)	(23.82)
7) Hair care product	13.97	0.79	-	-	13.97	-
8) Dietary Supplement	11.80	0.67	-	-	11.80	-
9) Other product	0.82	0.05	4.48	0.28	(3.66)	(81.76)
Revenue from sales of products under the Company's trademark - Total	1,545.24	87.09	1,078.66	67.83	466.58	43.26
less discount	(133.93)	(7.55)	(78.32)	(4.92)	(55.61)	71.01
Revenue from sales of products under the Company's trademark - net	1,411.31	79.54	1,000.34	62.90	410.97	41.08
Other income ^{/1}	362.97	20.46	589.94	37.10	(226.97)	(38.47)
Total	1,774.28	100.00	1,590.28	100.00	184.00	11.57

Note:

^{/1} Other income mainly are gain on fair value measurement of financial assets, profit from disposal of financial assets and dividend income

Table 2 : Revenue Segment by Location

Revenue Segment by Location	Consolidation Financial Statement				Change Inc/(Dec)	
	For the Year Ended December 31,					
	2021		2020		THB mm.	%
	THB mm.	%	THB mm.	%		
Total Sell						
1. Domestic Sale	1,116.64	62.94	818.67	51.48	297.97	36.40
2. Oversea Sale	294.67	16.61	181.67	11.42	113.00	62.20
Total Sell	1,411.31	79.54	1,000.34	62.90	410.97	41.08
Other Revenue ^{/1}	362.97	20.46	589.94	37.10	(226.97)	(38.47)
Total Revenue	1,774.28	100.00	1,590.28	100.00	184.00	11.57

Note:/

^{/1} The main other incomes are gain on fair value measurement of financial assets profit from disposal of financial assets and dividend income.

Cost of Goods Sold

Cost of goods sold for the year ended 31 December 2020 and 2021 stood at THB 580.99 million and THB 559.22 million, respectively, equivalent to a mild decrease of 3.75% while cost of goods sold to sales revenue ratio dropped from 58.08% to 39.62%. The decrease was derived from the falling provision of obsolete inventory from the same period last year.

Gross Profit

Gross profit for the year ended 31 December 2020 and 2021 were THB 419.34 million and THB 852.09 million, respectively, or equivalent to a gross profit margin of 41.92% and 60.38%, respectively. The increase of gross profit was mainly due to the decrease of provision of obsolete inventory. At the same time, the expansion of sales channels for both domestic and export sales helped increase the Company's gross profit.

Sales Expenses

The Company announced sales expenses for the year ended 31 December 2020 and 2021 of THB 490.65 million and THB 546.13 million, respectively. This is equivalent to an increase of 11.31% compared to the same period of last year as a result of the consolidation of Kuron group since the acquisition was completed in March 2020. Note that sales expenses to sales revenue ratio dropped from 49.05% to 38.70% as the Company cut expenses on advertising and sales promotion in response to the slowdown in sales resulted from the COVID-19 pandemic that many points of sales could not open as usual. In addition, the Company also adjusted its marketing plans to be more efficient focusing on online product promotion to suit the current situation.

Administrative Expenses

The Company's administrative expenses for the year ended 31 December 2020 and 2021 were THB 265.58 million and THB 276.23 million, respectively, equivalent to a minor increase of 4.01%. This was mainly due to the rising employee

expenses from the additional headcounts of Kuron since the acquisition completed in March 2020. However, the Company's administrative expenses to sales revenue ratio decreased from 26.55% to 19.57% as a result of effective expenses management.

Net Profit

The Company posted net profit attributable to shareholders of the Company of THB 169.25 million and THB 81.32 million for the year ended 31 December 2020 and 2021, respectively, equivalent to a significant decrease of 51.95%. The net profit margin also fell from 10.64% to 4.58%. The Company attributed the decrease in net profit to the increase of net loss on fair value measurement of financial assets offset by the increase of operating profit.

Financial Position

Total Assets

As of 31 December 2021, the Company's total assets stood at THB 5,223.70 million, decreasing by 2.77% from the end of last year due to declining other current financial assets. This was derived from asset disposal transactions during the year and net loss on fair value measurement of financial assets.

Total Liabilities

As of 31 December 2021, the Company held total liabilities of THB 501.78 million, increasing by 4.53% from the end of last year. Total liabilities adjusted upward given the growing lease liabilities along with the increase in lease agreements during the year.

Shareholders' Equity

As of 31 December 2021, shareholders' equity of the Company was recorded at THB 4,721.93 million, decreasing from the end of last year by 3.49%. The main reason for the decrease was the annual dividend payment for 2020.

Key Financial Ratios

Key Financial Ratios	As of December 31, 2020	As of December 31, 2021
Current Ratio (X)	14.55	11.82
Debt to Equity (X)	0.10	0.11
Return on Equity (%)	3.67	2.16
Return on Asset (%)	4.90	2.57
Net Profit (%)	10.64	4.58

GENERAL AND OTHER INFORMATION

COMPANY NAME	DO DAY DREAM PUBLIC COMPANY LIMITED
COMPANY SYMBOL	DDD
TYPE OF BUSINESS	Manufacturer and Distributor of Skin Care Products
CG SCORING	
COMPANY ADDRESS:	HEAD OFFICE No. 32, Keharomkiao Road, Ratpattana, Saphansung, Bangkok 10240, Thailand Tel: (+66) 2917 3055 Fax: (+66) 2917 3054 FACTORY No. 53 Moo 9, Rojana Road, Thanu Sub-district, U-thai District, Ayutthaya Province 13210, Thailand Tel: (+66) 35 246 885 Fax: (+66) 35 246 886
WEBSITE	http://www.dodaydream.com
COMPANY REGISTRATION NUMBER	0107560000109
REGISTERED CAPITAL	318,000,000 THB (Total of 318,000,000 ordinary shares with par value of 1.00 Baht per share)
PAID-UP CAPITAL	317,887,700 THB
INVESTOR RELATION	Tel: (+66) 02 917 3055 #808 E-mail : ir@dodaydream.com
COMPANY SECRETARY	Tel: (+66) 02 917 3055 #808 E-mail : comsec@dodaydream.com

REFERENCES

REGISTRAR	Thailand Securities Depository Company Limited 93 Rachadapisek Road, Dindaeng, Bangkok 10400 Tel: 02-009-9999 Fax: 02-009-9991 Website: www.tsd.co.th
AUDITOR	KPMG Phoomchai Audit Limited No. 195 Floor 48 Empire Tower, South Sathorn Road, Bangkok 10120 Tel: (+66) 2677 2000 Fax: (+66) 2677 2222

SUBSIDIARY'S GENERAL INFORMATION

SUBSIDIARY NAME	NAMU LIFE PLUS COMPANY LIMITED (NML)
TYPE OF BUSINESS	Domestic distribution business for the Company's skin care products
HEAD OFFICE	No. 32, Keharomklao Road, Ratpattana, Saphansung, Bangkok 10240, Thailand Tel: (+66) 2917 1888 Fax: (+66) 2917 3054
COMMERCIAL WEBSITE	http://www.namulife.com
REGISTERED CAPITAL	300,000,000 THB (Total of 3,000,000 ordinary shares with par value of 100 Baht per share)
PERCENTAGE OF SHARE	100%
ข้อมูลที่สำคัญ	Increase registered capital to 300,000,000 baht in December 2021 as approved by the Board of Directors Meeting No. 5/21, held on November 12, 2021.

SUBSIDIARY NAME	DO INFINITE DREAM COMPANY LIMITED (DID)
TYPE OF BUSINESS	International Headquarter which holding shares in foreign subsidiaries of the Company
HEAD OFFICE	No. 32, Keharomklao Road, Ratpattana, Saphansung, Bangkok 10240, Thailand Tel: (+66) 2917 3055 Fax: (+66) 2917 3054
REGISTERED CAPITAL	100,000,000 THB (Total of 1,000,000 ordinary shares with par value of 100 Baht per share)
COMMERCIAL WEBSITE	-
PERCENTAGE OF SHARE	100%

SUBSIDIARY NAME	KURON COMPANY LIMITED (KURON)
TYPE OF BUSINESS	Engages in the business of distributing hair accessories and oral care products
HEAD OFFICE	193,195,197 Krungthep Kreetha Road, Thap Chang Subdistrict, Saphan Sung District, Bangkok 10240 Tel: 02 736 0008
REGISTERED CAPITAL	295,392,000 THB (Total of 2,953,920 ordinary shares with par value of 100 Baht per share)
COMMERCIAL WEBSITE	www.kuron.com
PERCENTAGE OF SHARE	100%
OTHER INFORMATION	There has been a change in shareholding proportion increased from 76% to 100% since March 24, 2021 from the existing shareholders. As approved by the Extraordinary General Meeting of Shareholders No. 1/2020 on February 7, 2020

SUBSIDIARY NAME	ALEXI TRAINING AND CONSULTING COMPANY LIMITED (ALEXI)
HEAD OFFICE	Operate personnel management business
REGISTERED CAPITAL	1 Soi Krungthep Kreetha 41 Krungthep Kreetha Road, Thap Chang, Saphan Sung, Bangkok 10240 Tel: 02 917 3055
REGISTERED CAPITAL	5,000,000 THB (Total of 50,000 ordinary shares with par value of 100 Baht per share)
COMMERCIAL WEBSITE	-
PERCENTAGE OF SHARE	100%
OTHER INFORMATION	There has been a change in shareholding proportion increased from 76% to 100% since March 24, 2021 from the existing shareholders. As approved by the Extraordinary General Meeting of Shareholders No. 1/2020 on February 7, 2020

SUBSIDIARY NAME	DREAM DERMATOLOGY COMPANY LIMITED (DDM)
TYPE OF BUSINESS	Distributor of Cosmeceutical product
HEAD OFFICE	No. 32, Keharomklao Road, Ratpattana, Saphansung, Bangkok 10240, Thailand Tel: (+66) 2917 3178
REGISTERED CAPITAL	50,000,000 THB (Total of 500,000 ordinary shares with par value of 100 Baht per share)
COMMERCIAL WEBSITE	https://oxecurethailand.com
PERCENTAGE OF SHARE	95%

SUBSIDIARY NAME	SKIN MAKE SMILES COMPANY LIMITED (SMS)
TYPE OF BUSINESS	Distributor of Skincare product targeting a Millennials
HEAD OFFICE	No. 32, Keharomklao Road, Ratpattana, Saphansung, Bangkok 10240, Thailand Tel: (+66) 2917 3179
REGISTERED CAPITAL	5,000,000 THB (Total of 50,000 ordinary shares with par value of 100 Baht per share)
COMMERCIAL WEBSITE	https://sos-storiesofskin.com
PERCENTAGE OF SHARE	70%

SUBSIDIARY NAME	DO DAY DREAM TRADING PTE LIMITED (DDDT)
TYPE OF BUSINESS	Oversea distribution business for the Company's products Incorporated in the Singapore
HEAD OFFICE	1 Raffles Place #28-02, One Raffles Place, Singapore (048616)
REGISTERED CAPITAL	USD 300,000 (Total of 300,000 ordinary shares with par value of 1 USD per share)
COMMERCIAL WEBSITE	-
PERCENTAGE OF SHARE	100% Shareholding by Do Infinite Dream Company Limited

SUBSIDIARY NAME	DO DAY DREAM HOLDING PTE LIMITED (DDDH)
TYPE OF BUSINESS	Holding company, Business investment of the Company in oversea, Incorporated in the Singapore
HEAD OFFICE	1 Raffles Place #28-02, One Raffles Place, Singapore (048616)
REGISTERED CAPITAL	USD 2,000,000 (Total of 2,000,000 ordinary shares with par value of 1 USD per share)
COMMERCIAL WEBSITE	-
PERCENTAGE OF SHARE	100% Shareholding by Do Infinite Dream Company Limited

SUBSIDIARY NAME	DO DAY DREAM PHILIPPINES CORPORATION (DDDPH)
TYPE OF BUSINESS	Distribution business for the Company's products in Philippines Incorporated in the Philippines
HEAD OFFICE	2 nd Floor, F'7 Rallos Building, #49 Scout Rallos St, Brgy Laging Handa, Quezon City, 1103 Philippines
REGISTERED CAPITAL	PHP 66,000,000 (Total of 66,000,000 ordinary shares with par value of 1 PHP per share)
COMMERCIAL WEBSITE	https://snailwhiteph.com/
PERCENTAGE OF SHARE	51% Shareholding by Shareholding by Do Day Dream Holding PTE Limited

Part 2

Corporate Governance

6. Corporate governance policy
7. Corporate governance structure and material facts related to the board, subcommittees, executives, employees and others
8. Report on key operating results related to corporate governance
9. Internal control and related party transactions



Corporate Governance Policy

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

Section 1 Rights of Shareholders

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

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

1 Shareholders' Meeting

1. The Company shall organize the Annual General Meeting of shareholders according to the laws and regulations stipulated by the Stock Exchange of Thailand and comply with the guidelines for convening a shareholders' meeting of the Office of the Securities and Exchange Commission.
2. The Company shall allow shareholders to propose agenda items and nominate directors in advance from October to December every year under clear criteria. These criteria shall be publicized through the Company's website and shareholders shall be notified through the electronic means of the Stock Exchange of Thailand.
3. The Company shall disclose its policy on supporting and encouraging all shareholders to attend the shareholders' meeting.

4. The Company shall send out the invitation letters to shareholders' meeting to shareholders at least 14 days before the meeting which contain date, time, venue and agenda together with explanations and supporting reasons for each agenda item or resolution as specified in the invitation letter or its attachment. The Company shall refrain from any action that limits access of shareholders to study the Company's information.
5. The Company shall accommodate shareholders to exercise their rights in attending the meeting and casting their votes and refrain from any action that limits their chances of attendance. For example, attendance to the meeting should not be difficult or costly and the venue of the meeting should be convenient for most shareholders. The Company shall also provide stamp duties for the proxy voters and allow them to submit documents at the meeting.
6. The Company shall allow shareholders to send inquiries in advance before the meeting day. Criteria on inquiry submission shall be clearly set and shareholders shall be notified together with the invitation letters to the meeting. The Company shall publicize these criteria on its website.
7. The Company encourages shareholders to use proxy forms with the format that shareholders can easily cast their votes and nominate at least 1 independent director as an option for delegating a proxy.

2) On the Shareholders' Meeting Day

1. The Company shall promote the use of technology for the shareholders' meeting including registration, vote counting and result displaying so that the meeting is conducted in a speedy, accurate and precise manner.
2. The Company shall encourage all directors to attend the shareholders' meeting. Shareholders shall be able to make inquiries for the chairman of the Board, chairmen of sub-committees and/or chief executive officer on relevant matters.



3. At the shareholders' meeting, voting shall be exercised by agenda item. In case that there are multiple issues for an agenda item, voting shall be exercised by issue such as director appointment.
4. The Board of Directors shall encourage independent individuals to count and check the votes at the shareholders' meeting and disclose to the meeting as well as record in the minutes of the meeting.
5. The Board of Directors promotes the use of ballots for important agenda items e.g. related party transactions and acquisition and disposition of assets for transparency and accountability in case of later disputes.
6. The chairman of the meeting shall properly allocate meeting time and encourage shareholders to express their opinions and make inquiries on matters related to the Company.

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

1. Minutes of the shareholders' meeting shall contain steps in casting votes and method of displaying voting results before the meeting and allow shareholders to raise concerns or make inquiries. Moreover, Q&A, and voting results of each agenda item must be recorded showing number of votes (affirm, oppose, abstain and voided). List of attended and absent directors at the meeting shall also be included.

2. The Company shall disclose voting results for each agenda item of the shareholders' meeting to the public through the electronic means of the Stock Exchange of Thailand and the Company's website on the next working day.
3. The Company shall prepare and complete the minutes to the shareholders meeting within 14 days after the meeting day and submits to the Stock Exchange of Thailand and the Ministry of Commerce within a specified period. The minutes shall be made available on the electronic means of the Stock Exchange of Thailand and the Company's website.

Section 2 Equitable Treatment of Shareholders

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

1) Dissemination of Information before the

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

2) Protection of Minority Shareholders' Rights

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

3) Protection of the Use of Inside Information

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

statements are released to the general public. Only 24 hours after the public disclosure shall buying and selling of securities be permitted. Note that the company secretary is

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

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

4) Interest of Directors

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

5) Conflict of Interest Prevention

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

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

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

Section 3 Roles of Stakeholders

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

1) Employee Treatment Policy and Guideline

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

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

2) Treatment of Shareholders Policy and Guideline

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

1. Perform duties with honesty and make decisions in conducting business according to professional principles carefully, prudently and fairly to major shareholders, minority shareholders and institutional investors aiming to deliver satisfactory performance and stable growth for the best interest of shareholders as a whole.
2. Present reports on the Company's status, performance, financial and accounting information including other reports regularly and in complete based on facts. Inform all stakeholders equally on the Company's future outlook both positive and negatives sides according to underlying probability with supporting information and adequate reasons.



3. Refrain from seeking personal benefits and benefits of others using any inside information not disclosed to the public or engaging in any action that can cause a conflict of interest with the Company.

3) Treatment of Customers Policy and Guideline

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

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

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

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

1. Ensure a transparent vendor selection process by always screening more than 1 supplier for comparison before making a decision. Provide equal information and choose suppliers with fairness under proper assessment and selection criteria. Contracts must be in proper formats fair to both parties.
2. Strictly conform to commercial terms and agreed contracts. In case of a breach of one of the conditions, the Company shall notify suppliers and/or creditors immediately and in advance in order to find mutual solutions and maintain good relationships that will benefit both sides in the long run.
3. Do not solicit, accept or grant any benefit wrongfully when dealing with suppliers and/or creditors.

4. In case there is information on a misconduct related to solicitation, acceptance or granting of benefits, employees shall disclose such information to the suppliers and/or creditors in order to fairly and quickly find mutual solutions to the problem.
5. The Company treats creditors as valuable trade partners and is committed to complying with all obligations according to the contracts with those creditors as well as making payments in a timely manner. The Company shall not hide any information or fact that can cause any damage to creditors. In case that the Company cannot fulfill its obligations, creditors must be informed in advance to find mutual solutions to the problem.

5) Treatment of Competitors Policy and Guideline

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

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

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

7) Environmental Policy

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

8) Communication with Stakeholders

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

Do Day Dream Public Company Limited "Company Secretary"
32 Keharomklao Road, Saphansung, Bangkok 10240
Email: whistle@dodaydream.com / comsec@dodaydream.com
Telephone: 0 2917 3055 # 315 Fax: 0 2917 3054

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

Section 4 Information Disclosure and Transparency

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

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

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

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

Activity	Management
<p style="text-align: center;">OpportunityDay: OppDay</p> <p><u>Purpose:</u> Announce company performance and Investors Q&A</p> <p>2021</p> <ul style="list-style-type: none"> • 15 March 2021 Company Performance 2020 • 7 June 2021 Company Performance Q1 2021 • 6 September 2021 Company Performance Q2 2021 • 1 December 2021 Company Performance Q3 2021 	<p style="text-align: center;">Chief financial officer (CFO) Accounting Director and Investors relations</p>
<p style="text-align: center;">Analyst Meeting</p> <p><u>Purpose:</u> Announce company performance and Q&A</p> <p>2021</p> <ul style="list-style-type: none"> • 12 March 2021 Company Performance 2020 • 24 May 2021 Company Performance Q1 2021 	<p style="text-align: center;">Chief financial officer (CFO) Accounting Director and Investors relations</p>

Section 5 Responsibilities of the Board of Directors

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

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

Term of Office

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

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

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

(More information- Attachment 5 Corporate Governance Policy)



Code of Conduct and Business Ethics

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

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

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

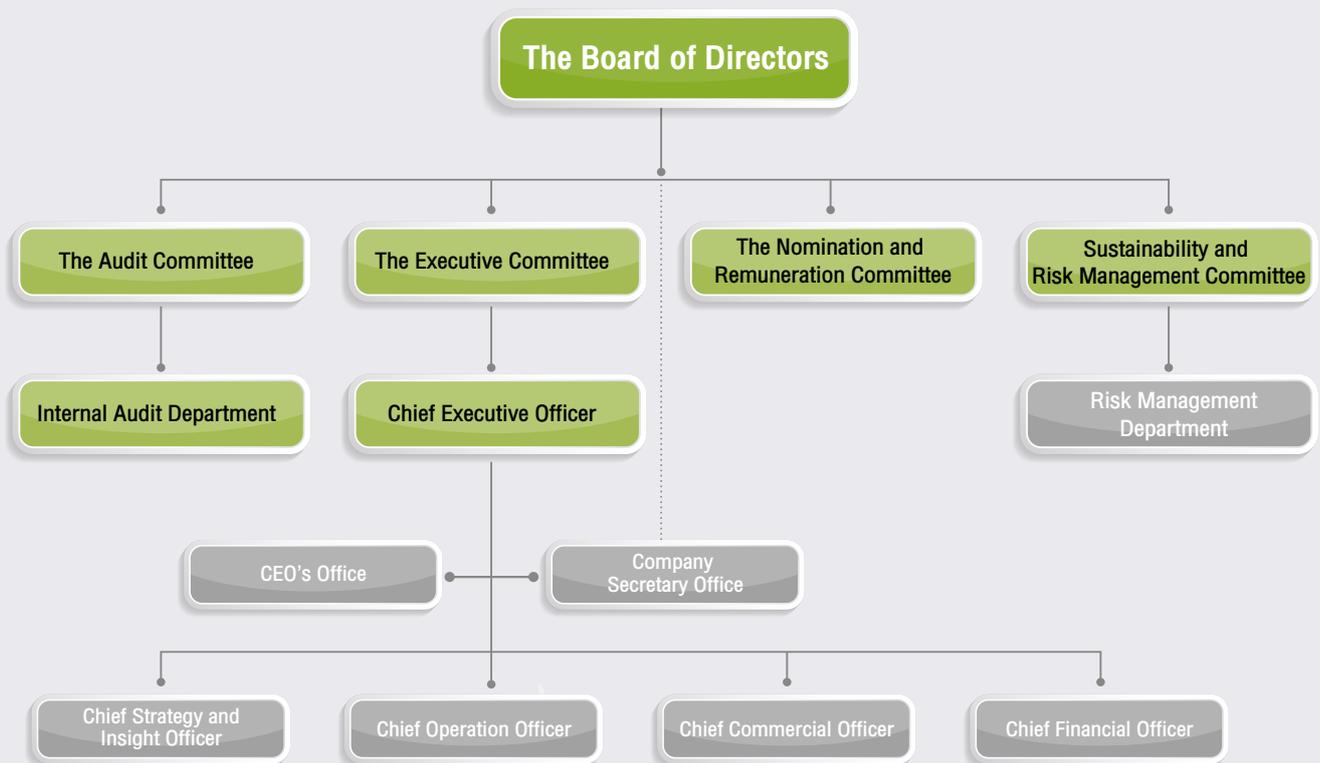
Development of Policies, Practices and Corporate Governance System in 2020

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

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

Corporate governance structure and material facts related to the board, subcommittees, executives, employees and others

Corporate Governance Structure



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

At least 1 executive director has experience in cosmetics industry which is the core business of the Company and at least

1 director has experience in accounting and finance to be able to review the credibility of the Company's financial statements.

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

Board of Directors

As of 31 December 2021, the list of members of the Board of Directors according to the company affidavit is shown below

List of Directors	Title
1. Mr. Rittikrai Thammaraksa ¹	Chairman of the Board of Directors and Member of the Executive Committee
2. Mr. Sarawut Pornpatanarak	Vice Chairman of the Board of Directors Chairman of Executive Committee and Member of Sustainability and Risk Management Committee
3. Mr. Wasin Parithan ²	Independent Director and Chairman of the Audit Committee
4. Mr. Nattawut Kruapradub ³	Independent Director, Member of the Audit Committee Chairman of the Nomination and Remuneration Committee and Chairman of Sustainability and Risk Management Committee
5. Mr. Terdsak Rojsurakitti	Independent Director, Member of the Audit Committee and Member of the Nomination and Remuneration Committee
6. Mr. Yuttapong Ma	Director
7. Mr. Nitiroj Manolamai ⁴	Director Member of the Executive Committee Member of Sustainability and Risk Management Committee
8. Mr. Suphawat Vanichprapha ⁵	Director Member of the Executive Committee and Member of the Nomination and Remuneration Committee
9. Ms. Nuntawan Suwandej ⁶	Director Vice of Executive Committee and Chief Executive Officer

Note

- 1) Mr. Rittikrai Thammarak was appointed to the position Executive Director, effective September 30, 2021 and was appointed as the Chairman of the Board, effective December 16, 2021.
- 2) Mr. Wasin Parithan was appointed as a Director and Chairman of the Audit Committee. The resolution of the Board of Directors No. 1/2021 is effective on February 2, 2021.
- 3) Mr. Nattawut Kruapradub³ was appointed to the position Chairman of the Risk Management Committee The resolution of the Board of Directors No. 1/2021 is effective on February 2, 2021 and has been appointed to the position. Chairman of the Board of Sustainability and Risk Management By the resolution of the Board of Directors No. 2/2021, effective February 25, 2021 (change from "Risk Management Committee" to "Sustainability and Risk Management Committee") On January 31, 2022, resigned from the position of Independent Director. Chairman of the Nomination and Remuneration Committee Chairman of the Sustainability and Risk Management Committee and Audit Committee
- 4) Mr. Nitiroj Manolamai was appointed to the position Executive Director The resolution of the Board of Directors No. 6/21, effective on September 30, 2021
- 5) Mr. Suphawat Vanichprapha was appointed to the position. Executive Director by the resolution of the Board of Directors No. 5/21, effective on August 13, 2021
- 6) Ms. Nuntawan Suwandej was appointed to the position. Chief Executive Officer The resolution of the Board of Directors No. 1/2021 is effective on February 2, 2021 and has been appointed as a director by the shareholder resolution year 2021, effective on April 22, 2021.

Approval Authority of the Board of Directors

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

Authorized Directors

1. Mr. Sarawut Pornpatanarak, Mr. Nitiroj Manolamai, Mr. Suphawatt Vanichprapha - 2 of 3 signatures from these directors with the Company's seal or
2. Mr. Sarawut Pornpatanarak or Mr. Nitiroj Manolamai or Mr. Suphawatt Vanichprapha - one signature from these directors and Ms. Nuntawan Suwandej or Mr. Ritikrai Thammarak total of two with the Company's seal.

Scope of Authority and Responsibilities of the Board of Directors

1. Perform the duties in undertaking the Company's business in accordance with laws, objectives, the Article of Association, resolutions of the Board of Directors and the shareholders' meeting with responsibility, prudence and integrity for the best interest of the Company and shareholders. The Board of Directors must ensure that the Company fully complies with applicable laws related to its business as well as anti-bribery and anti-corruption laws.
2. Consider, specify and approve vision, mission, business strategies, business directions, business policies, goals, guidelines, work plans and budgets of the Company and its subsidiaries as prepared by the Executive Committee and the management team.
3. Supervise management and performance of the Executive Committee, chairman of the Board, chief executive officer, management team and any person assigned to perform such duties to ensure the alignment with vision, mission, business strategies, business directions, business policies, goals, guidelines, work plans and budgets that the Board stipulated.
4. Continuously monitor performance of the Company and its subsidiaries to be in line with work plans and budgets of the Company.
5. Ensure that the Company and its subsidiaries implement suitable and effective accounting systems and put in

place adequate and effective internal control systems and internal audit systems and regularly evaluate the Company's internal control systems.

6. Ensure the accuracy and completeness of financial reporting of the Company and its subsidiaries according to the Generally Accepted Accounting Principles at the end of each accounting period to present its financial position and performance of the latest accounting period. Independent auditors shall examine, attest and sign those financial statements before presenting to the Annual General Meeting of the shareholders for approval.
7. Deliberate and approve the selection and nomination of independent auditor as well as determine proper remuneration as proposed by the Audit Committee before presenting to the Annual General Meeting for approval.
8. Ensure that corporate governance policy under good governance principles is put in place in writing and applied efficiently throughout the Company to affirm accountability and fairness to all stakeholders.
9. Review and approve qualified individuals without prohibited characteristics according to the Public Company Act 1992 (and its amendments) and the Securities and Exchange Act 1992 (and its amendments) including notifications, rules and regulations or procedures related to the appointment in case that a director position is vacant due to other causes apart from an official end of term. Review and approve directors to replace ones who completed their terms including their remuneration and propose to the shareholders' meeting for approval.
10. Appoint sub-committees including the Audit Committee, the Nomination and Remuneration Committee, the Risk Management Committee and the Executive Committee, define roles and responsibilities of those sub-committees to assist and support the Board of Directors' duties and determine proper remuneration for sub-committees (not more than total amount approved by shareholders).
11. Review and appoint executives according to the definition specified by the Securities and Exchange Committee and the Capital Market Supervisory Board including the company secretary and determine proper remuneration for those executives.
12. Consider and approve expenses related to investment, business operations, loan and credit application to financial institutions and being a guarantor in order to undertake normal business of the Company and its subsidiaries including its affiliates without limit pursuant to related rules and regulations of the Company as well as applicable rules of the Stock Exchange of Thailand and the Capital Market Supervisory Board.

13. Review and approve related party transactions between the Company, subsidiaries, affiliates and connected persons pursuant to the Securities and Exchange Act 1995 (and its amendments) including related rules and regulations of the Stock Exchange of Thailand and the Capital Market Supervisory Board. Consider and approve principles on commercial agreements with general trade conditions in case of entering a transaction between the group of companies and directors, executives or connected persons in order to set a framework and authorize the management to undertake the transaction according to the framework and scopes of laws and related criteria.
14. Provide suitable communication channels for each group of shareholders and supervise information disclosure to ensure accuracy, clarity, transparency, credibility and highest standards.
15. Approve interim dividend payments.
16. Determine and change the list of authorized directors who can sign to legally bind the Company.
17. Seek professional opinions from external organizations to make proper decisions (if necessary)
18. Monitor the Company's operations to ensure efficiency and protect interest of all stakeholders.
19. Organize the Annual General Meeting of shareholders within 4 months after the Company's accounting period ends.
20. Arrange at least four (4) meetings of the Board of Directors per year.
21. Prepare annual reports of the Board of Directors and be responsible for preparation and disclosure of financial statements of the Company and its subsidiaries to present financial position and performance of the Company and its subsidiaries during the past year and propose to the shareholders' meeting for approval.
22. Review performance evaluation results of the chief executive officer and sub-committees as recommended by the Nomination and Remuneration Committee to consider performances, problems and difficulties of each year in order to apply evaluation results to promote operational development and improvement.
23. Evaluate performance of the Board as a whole and for individual directors and consider performances, problems and difficulties of each year in order to apply evaluation results to promote operational development and improvement.
24. Supervise and monitor management and business undertaking of the Company and its subsidiaries to be in accordance with the Company's policies and securities laws as well as related notifications, rules and regulations of the Capital Market Supervisory Board, the Office of Securities and Exchange Commission and the Stock Exchange of Thailand e.g. related party transactions and acquisition and

disposition of important assets that are not conflicting with other laws. Ensure adequate and appropriate internal control systems and internal audit systems. The Board of Directors can delegate and/or assign other persons to perform certain duties on their behalf. Delegation and sub-delegations must comply with the scope of delegation specified in the power of attorney document and/or rules, regulations and notifications that the Board of Directors and/or the Company stipulated. Delegation of authority and responsibilities of the Board of Directors is not considered a delegation or sub-delegation in case that the Board of Directors or its delegates are able to approve any transaction that they or persons with potential conflict of interest (according to the definition in the notification of the Securities and Exchange Commission and/or the notification of the Capital Market Advisory Board and/or the notification of the Stock Exchange of Thailand and/or related agencies) may have an interest in or benefit from in any way or have any conflict of interest with the Company and its subsidiaries. An exception can be made in case that the transaction is approved according to policies and criteria set but the shareholders' meeting or the Board of Directors and is considered under normal business conduct and general commercial terms

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

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

Term of Office

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

Audit Committee

Audit Committee consists of 3 independent directors with complete qualifications according to the notification of the Capital Market Advisory Board and the Stock Exchange of Thailand. As of 31 December 2021, the Audit Committee comprised 3 directors as listed below.

Name	Title
1. Mr. Wasin Parithan ¹	Chairman of the Audit Committee
2. Mr. Nattawut Kruapradub	Member of the Audit Committee
3. Mr. Terdsak Rojsurakitti	Member of the Audit Committee

Note

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

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

Term of Office

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

Scope of Authority and Responsibilities of the Audit Committee

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

8. In performing duties as the Audit Committee, in case of doubts that any transaction or action may significantly impact financial position or performance of the Company, the Audit Committee shall report to the Board of Directors to take actions in resolving the issues within the period the Audit Committee deems appropriate. The Audit Committee has the authority to seek independent advices from any professional consultant as seen necessary on the Company's expenses in order to successfully perform duties under their responsibilities.

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

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

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

Nomination and Remuneration Committee

Members of the Nomination and Remuneration Committee have a term of office of 3 years with possible re-appointment for further terms. As of 31 December 2021, the Nomination and Remuneration Committee consisted of the following directors.

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

Scope of Authority and Responsibilities of the Nomination and Remuneration Committee

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

Selection and Appointment of Directors

The Company established the Nomination and Remuneration Committee to be in charge of searching and selecting qualified candidates to replace directors in the Board of Directors and sub-committees who retire or leave office from other cases as well as encourage minority shareholders to nominate persons with suitable qualifications to be selected as directors. Nominations must be previously made to the Board of Directors for consideration before presenting at the shareholders' meeting to consider (case by case basis). Note that the Nomination and Remuneration Committee considers knowledge, abilities, work experiences and overall structure of the Board of Directors to understand the missing skills by creating "Board Skill Matrix". This matrix will align director nomination and recruitment with the Company's business directions and act as an input for selecting qualified individuals with valuable experience and knowledge to the Company to become its directors. This must be consistent with business strategies of the Company. Note that appointed directors must have complete qualifications according to Clause

68 of Public Company Act B.E.2535 (and its amendments) and the notification of the Securities and Exchange Commission without prohibited characteristics according to Securities and Exchange Act B.E.2535 (and its amendments) including other applicable laws and regulations.

Board Skill Matrix

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

	Criteria	Number of Directors
Age	35 - 50 years	6
	51 - 60 years	3
	Over 60 years	-
Sex	Male	8
	Female	1
Ethics	Integrity and Ethics	9
Knowledge, Abilities, Working Experiences	Accounting and Finance	1
	Business Administration and Management	8
	Marketing and Market Communication	4
	Laws and Related Business Regulations	2
	Economics	1
	Engineering	2
	Corporate Governance and Sustainability Development	1

Scope of Authority and Responsibilities in Determining Remuneration

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

Directors' Remuneration

Considerations regarding directors' remuneration are consistent with the Company's performance including roles, responsibilities

and individual performance of each director. The remuneration shall be at a suitable level when benchmarked with other companies with similar size in the same industry as well as adequate to incentivize and retain quality directors to stay with the Company. Note that remuneration for directors must be considered and approved at the shareholders' meeting annually. Considerations regarding remuneration for the chief executive officer and high-level executives shall be in accordance with principles and policies stipulated by the Board of Directors. In addition, the remuneration shall be in line with compensation rates in the market or industry in order to attract and retain quality personnel to work with the Company in the long run.

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

Monetary Remuneration

The 2021 Annual General Meeting of the Shareholders on 22 April 2021 reached a resolution to determine remuneration for directors as follows

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

Note:

- * Meeting allowance for members of the Board of Directors and sub-committees are paid on actual basis.
- ** Members of the Executive Committee or executive directors do not receive such compensation but are offered monthly compensation and benefits according to the Company's compensation structure.
- *** Directors do not have any other benefits other than those stated above.

Monetary remuneration for 3 individual directors who are non-executive directors totaled 1.26 million baht which comprises remuneration in form of monthly salary and meeting allowance per following.

In 2021, the Company paid the following remuneration for the Board of Directors as detailed by individual director below.

List of Directors	Monthly Compensation (Baht)	Meeting Allowance (Baht)	Annual Bonus (Baht)	Total (Baht)
1. Mr. Wasin Parithan	165,000	195,000	-	360,000
2. Mr. Nattawut Kruapradub	180,000	315,000	-	495,000
3. Mr. Terdsak Rojsurakitti	180,000	234,500	-	414,500
Total	525,000	744,500	-	1,269,500

Note that directors' remuneration policy for 2021 remains unchanged from 2020.

Non-Monetary Remuneration for Directors

Apart from monetary remuneration above, the Company also provides non-monetary remuneration for directors and executives. For 2021, the Company offered annual health insurance for directors as benefits with the limit of 240,000 baht.

Executive Compensation Determination Policy

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

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

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

- **Company Wide Goals** success of the organization that all high-level executives are mutually responsible such as revenue and sales growth, EBITDA margin, revenue per production volume, cost per production volume, customer loyalty index as well as expenses and losses.
- **Functional Goals** success of functions that each high-level executive is responsible for such as work delivery, customer satisfaction and functional revenue.
- **Individual Goal** This is the step that high-level executives can review their performances of the first half of the year and monitor the progress on their plans as set in the goals as well as to get ready for year-end performance summary.



2. Mid-Year Review This is the step that high-level executives can review their performances of the first half of the year and monitor the progress on their plans as set in the goals as well as to get ready for year-end performance summary.

3. Year-End Review Annual performance review at the end of the year is the process all high-level executives conclude their yearly performance results in rating aligned with the success of key performance indicators according to their performances in various areas against goals set earlier at the beginning of the year. The performance rating will be used to consider proper compensation both in the short term and long term including monthly salary and annual bonus.

Meeting Attendance of the Board of Directors and Sub-Committees in 2021

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

However, to observe good governance principles, directors must attend at least 75% of all the meetings of the Board of Directors and sub-committees that occur throughout the year. In 2021, meeting attendance of directors can be summarized below.

List of Directors	Meeting Attendance / Number of Meetings (Meeting)					
	AGM/ EGM	BOD	AC	NRC	SRMC	Ex-Com
1. Mr. Rittikrai Thammaraksa ¹	1/1	7/7	-	-	-	4/4
2. Mr. Sarawut Pornpatanarak	1/1	7/7	-	-	4/4	15/15
3. Mr. Wasin Parithan ²	1/1	6/6	4/4	-	-	-
4. Mr. Nattawut Kruapradub ³	1/1	7/7	4/4	3/3	4/4	-
5. Mr. Terdsak Rojsurakitti	1/1	7/7	4/4	3/3	-	-
6. Mr. Yuttapong Ma	1/1	7/7	-	-	-	-
7. Mr. Nitiroj Manolamai ⁴	1/1	7/7	-	-	4/4	4/4
8. Mr. Suphawat Vanichprapha ⁵	1/1	7/7	-	3/3	-	5/5
9. Mr. Piyawat Ratchapolsitte ⁶	1/1	3/3	-	-	-	14/14
10. Ms. Nuntawan Suwandej ⁷	1/1	4/4	-	-	-	15/15

Note

- 1) Mr. Rittikrai Thammarak was appointed to the position Executive Director, effective September 30, 2021 and was appointed as the Chairman of the Board, effective December 16, 2021.
- 2) Mr. Wasin Parithan was appointed as a Director and Chairman of the Audit Committee. The resolution of the Board of Directors No. 1/2021 is effective on February 2, 2021.
- 3) Mr. Nattawut Kruapradub³ was appointed to the position Chairman of the Risk Management Committee. The resolution of the Board of Directors No. 1/2021 is effective on February 2, 2021 and has been appointed to the position. Chairman of the Board of Sustainability and Risk Management. By the resolution of the Board of Directors No. 2/2021, effective February 25, 2021 (change from "Risk Management Committee" to "Sustainability and Risk Management Committee")

On January 31, 2022, resigned from the position of Independent Director. Chairman of the Nomination and Remuneration Committee Chairman of the Sustainability and Risk Management Committee and Audit Committee
- 4) Mr. Nitiroj Manolmai was appointed to the position Executive Director. The resolution of the Board of Directors No. 6/21, effective on September 30, 2021
- 5) Mr. Suphawat Vanichprapha was appointed to the position. Executive Director by the resolution of the Board of Directors No. 5/21, effective on August 13, 2021
- 6) Ms. Nuntawan Suwandej was appointed to the position. Chief Executive Officer. The resolution of the Board of Directors No. 1/2021 is effective on February 2, 2021 and has been appointed as a director by the shareholder resolution year 2021, effective on April 22, 2021.

In 2021, independent directors and non-executive directors convened at 1 meeting on 31 August 2021 without the attendance of executive directors or management team to discuss on the Board's views on the Company's management in the past year and recommended independent opinions for the Company's management to be able to apply for the business operations in the future.

Report on changes in securities holdings of the Board of Directors and Executives for the year 2021

Director	Shares		Change	%
	30 Dec 2021	30 Dec 2020		
1. Mr. Rittikrai Thammaraksa Vice Chairman of the Board of Directors and Member of Executive Committee	612,000	612,000	-	0.19
Spouse and underage children	-	-	-	-
2. Mr. Sarawut Pornpatanarak Vice Chairman of the Board of Directors Chairman of Executive Committee Member of Sustainability and Risk Management Committee	159,595,700	179,595,700	-	50.21
Spouse and underage children	20,000,000	-	-	6.29
3. Mr. Wasin Parithan Independent Director Chairman of the Audit Committee	-	-	-	-
4. Mr. Nattawut Kruapradub Independent Director, Member of the Audit Committee and Chairman of the Nomination and Remuneration Committee Chairman of Sustainability and Risk Management Committee	-	514,300	(514,300)	-
Spouse and underage children	-	-	-	-
5. Mr. Terdsak Rojsurakitti Independent Director, Member of the Audit Committee and Member of the Nomination and Remuneration Committee	37,100	-	37,100	0.01
Spouse and underage children	-	-	-	-
6. Mr. Yuttapong Ma Director	-	-	-	-
Spouse and underage children	-	-	-	-

Director	Shares		Change	%
	30 Dec 2021	30 Dec 2020		
7. Mr. Nitiroj Manolamai Director and Member of Executive Committee Member of Sustainability and Risk Management Committee	377,800	377,800	-	0.12
Spouse and underage children	-	-	-	-
8. Mr. Suphawat Vanichprapha Director and Member of Executive Committee Member of the Nomination and Remuneration Committee	1,181,000	1,181,000	-	0.37
Spouse and underage children	-	-	-	-
9. Ms. Nuntawan Suwandej Director Vice of Executive Committee and Chief Executive Officer	-	-	-	-
Spouse and underage children	-	-	-	-

Sustainability and Risk Management Committee

The member of the Sustainability and Risk Management Committee has a term of office of 3 years. In case of the expiration of the term, the director can be nominated and reappointed. As of 31 December 2021, the Sustainability and Risk Management Committee consisted of the following directors

Name	Position
1. Mr. Nattawut Kruapradub	Chairman of the Sustainability and Risk Management Committee
2. Dr. Sarawut Pornpatanarak	Member of the Sustainability and Risk Management Committee
3. Mr. Nitiroj Manolamai	Member of the Sustainability and Risk Management Committee

Scope of Authority and Responsibilities of the Sustainability and Risk Management Committee

- Deliberate policies and guidelines on overall risk management of the Company covering all risks related to the Company's business conduct including risk assessment, risk monitoring and review the adequacy of policies and risk management as well as the effectiveness of system and compliance with the imposed policies to propose to the Board of Directors for approval.
- Supervise and support risk management activities to be consistent with strategies and business goals including changing situations.
- Oversee compliance with risk management policy and risk management framework to ensure that the Company puts in place efficient risk management systems across organization with continuous efforts.

The Sustainability and Risk Management Committee can consider appointing a person and/or a working team to be responsible for the execution of assigned work that the Sustainability and Risk Management Committee deems appropriate so that the person and/or the working team monitors and reports the performance to the Sustainability and Risk Management Committee to acknowledge the compliance with the

risk management policy. The person or the working team has the power to invite related employees to explain, give opinions, attend meetings or send relevant documents as necessary.

4. Consider risk reports from related working teams to track important risks at the organization level while providing opinions on possible risks, guidelines in issuance of control measures or risk management plan to ensure that the Group has adequate and appropriate risk management.
5. Report the Board of Directors on risks and plans to manage important risks of the organization as well as results from risk management evaluation for the Board of Directors to acknowledge on a regular basis. In case of

a factor or an incident that may significantly impact the Company's financial position and business performance, the Sustainability and Risk Management Committee shall report to the Board of Directors to deliberate control measures and/or manage risks as soon as possible.

6. Work together with the Audit Committee on risk information and key internal control so that the Audit Committee uses the information to supplement the approval of internal audit plans to build reasonable confidence that the Company has proper internal control systems suitable for risk management. Moreover, risk management systems are to be adopted properly for strict compliance across organization.
7. Foster risk management culture of the Group.
8. Organize the meeting of the Sustainability and Risk Management Committee at least 2 (two) times a year.
9. Review and revise the Charter of the Sustainability and Risk Management Committee on an annual basis before proposing to the Board of Directors for consideration and approval.
10. Perform any task related to risk management assigned by the Board of Directors.

Executive Committee and Executive Management

As of 31 December 2021, the Company's list of capable and experienced executives' management is outlined below.

List of Directors	Title
1. Mr. Sarawut Pornpatanarak	Vice Chairman of the Board of Directors Chairman of Executive Committee and Member of Sustainability and Risk Management Committee
2. Mr. Rittikrai Thammaraksa	Chairman of the Board of Directors and Member of the Executive Committee
3. Mr. Nitiroj Manolamai	Director Member of the Executive Committee Member of Sustainability and Risk Management Committee Acting company secretary and compliance
4. Mr. Suphawat Vanichprapha	Director Member of the Executive Committee and Member of the Nomination and Remuneration Committee
5. Ms. Nuntawan Suwandej ¹	Director Vice of Executive Committee and Chief Executive Officer
6. Mr. Vanchai Srisuchon ³	Chief Financial Officer
7. Mr. Piyawat Ratchapolsitte ²	Chief Strategy and Investment Division

Note:

- 1) Ms. Nuntawan Suwadej was appointed to the position Chief Executive Officer The resolution of the Board of Directors No. 1/2021 is effective on February 2, 2021 and has been appointed as a director by the shareholder resolution year 2021, effective on April 22, 2021.
 - 2) Mr. Piyawat Rachaphonsit resigned from the position of director by the 2021 shareholder resolution, effective on April 22, 2021, reorganization of the organizational structure, previously held the position Chief Accounting and Finance Officer transfer to position Chief Strategy and Investment Officer The resolution of the Board of Directors No. 7/21, effective on December 9, 2021 and resigned from the position. Executive Director With the resolution of the Board of Directors No. 7/21, effective on December 16, 2021 and resigning on December 31, 2021
 - 3) Mr. Wanchai Srisuchon was appointed to the position Chief Accounting and Finance Officer Director The resolution of the Board of Directors No. 7/21, effective on December 9, 2021
- * According to the definition of the capital of the announcement of the market announcement at TAT 23/2551, the subject matter is required to be revised, especially the 3/1 section that recites the scriptures and will come back.. 1992 Amended with reference to mindfulness and reverse (No. 4) B.E. 2551
- ** Executive means the manager or the person holding the first four management positions after the manager down. Every person holding a position equivalent to a person holding a fourth executive level position and shall include persons holding an executive position in the accounting or finance line at the level of departmental manager or higher or equivalent. Details of the executives appear in Attachment 1.

Remuneration for Executive Directors

• Monetary Remuneration

For 2021, the Company provided remuneration for 7 executives with the total amount of 37.57million baht.

• Other Remuneration

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

Scope of Authority and Responsibilities of Executive Chairman

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

1. Be responsible for overseeing, managing and conducting overall business as well as formulate and recommend management plans and strategic goals together with the management team to be consistent with economic conditions and competition before presenting to the Board of Directors for approval.
2. Monitor business operations related to policies, directions, strategies and management guidelines according to goals in an efficient and effective manner.

3. Consider investment plans and evaluate business opportunities and new investment projects and propose to the Board of Directors for approval.
4. Entitled to any other authority, duty and responsibility as assigned or according to the Company's policies.

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

Scope of Authority and Responsibilities of Chief Executive Officer

1. Administer the Company's business and/or day-to-day operation to be in line with the policies, business strategies, objectives, business plans, financial goals and budgets of the Company as authorized by the Board of Directors and/or resolutions of the shareholders' meeting.
2. Prepare business plans and assign management authority as well as set the business operation budget and annual budgets for the approval from the Board of Directors and report the business progress according to the plans and budgets as approved to the Board of Directors.
3. Design an effective organization structure, management approach including selecting, training, hiring, and terminating employees as well as compensation rates covering salary, allowances, bonus and other employee benefits.
4. Monitor and report situations and positions of the Company and propose alternatives and strategies in accordance with policies and market conditions
5. Manage and control all areas of operation for the Company, including finance, risk management, internal control, business operations, support functions and human resources.
6. Oversee communication with the public, stakeholders, customers and employees in order to promote image and reputation of the Company
7. Ensure good corporate governance with the authority to issue, amend, add or adjust orders, rules and regulations related to the Company's operation including recruitment, appointment, removal and disciplinary actions for employees and workers as well as determination of salary and other compensation including financial aids and welfare.
8. Deliberate, negotiate and approve legal contracts and/or any activities related to business and/or day-to-day operation of the Company within the limit approved by the Board of Directors according to the authority limit.
9. Entitled to any other authority, duty and responsibility as assigned by the Board of Directors. May sub-delegate and/or delegate specific tasks to others. The sub-delegation and delegation is to be within the limit of the issued power of attorney letter and/or according to rules and regulations, or orders specified by the Board of Directors. However,

the delegation of power or responsibilities of the chief executive officer shall not provide the chief executive officer or person delegated to approve any transaction in which he or any person who may have a conflict of interest (as defined by Notification of the Securities and Exchange Commission and Notification of the Capital Market Supervisory Board) would have an interest or might have any other conflict of interest with the Company and its subsidiaries, unless such

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

Company Secretary

The meeting of the Board of Directors No.6/2021 on 12 November 2021 reached a resolution to appoint Mr. Nitiroj Manolamai, Acting company secretary as company secretary pursuant to Section 89/15 and Section 89/16 of the Securities and Exchange Act 2008. Scope of authority and responsibilities of the company secretary is outlined below.

1. Provide preliminary advices to directors and executives pertaining to applicable laws, rules, regulations and the Company's Article of Association and ensure strict compliance as well as notify directors and executives of any significant change in applicable laws and regulations.
2. Ensure that related information and reports are disclosed to regulatory agencies in accordance with notifications, rules, regulations of the Stock Exchange of Thailand, the Securities and Exchange Commission and the Capital Market Advisory Board.
3. Prepare and file the following documents
 - (a) Director registration.
 - (b) Invitation letter to the Board of Directors' meeting and minutes of the Board of Directors' meeting.
 - (c) Invitation letter to shareholders' meeting and minutes of the shareholders' meeting.
 - (d) Annual report.
4. Safekeep reports on interest of directors and executives and submit copies of the reports to the chairman of the Board of Directors and the chairman of the Audit Committee within 7 days after receiving the reports.

5. Supervise activities of the Board of Directors and other related matters in accordance with the laws, the notifications of the Capital Market Supervisory Board and/or as assigned by the Board of Directors.
6. Arrange and monitor shareholders' meetings and the Board of Directors' meetings in accordance with the laws, the Article of Association and related practices as well as ensure compliance with resolutions of those meetings.
7. Ensure effective performance evaluations for the Board of Directors and sub-committees to review performances, problems and difficulties of each year in order to apply evaluation results to promote operational development and improvement as well as prepare evaluation summaries and present to the Board of Directors and sub-committees for acknowledgement of the results.
8. Set up and maintain an effective filing system to store following documents and evidences related to information disclosure. The system must be able to track back at least 5 years since the dates of completion of those documents or evidences.

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

- 1) Supporting information for an approval of a resolution of the shareholders' meeting.
- 2) Financial statements and reports on financial position and performance of the Company or related reports

that must be disclosed pursuant to Section 56, Section 57 and Section 58 or Section 199 of the Securities and Exchange Act.

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

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

Employees

As of 31 December 2021, the Company and its subsidiaries had a total of 620 employees which can be classified into 561 permanent employees and 59 daily workers with the following details by department.

Department	No. of Employees (perspns)	
	2021	2020
Organization Development and Company Secretary	19	26
Production and Warehouse	153	181
Sales and Marketing	303	371
Accounting and Finance	39	40
Legal	1	1
Human Resources and General Admin	81	65
Internal Audit	24	8
Total	620	686
Employee Compensation (Million Baht)	315.94	310.93

Employee Compensation

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

In 2021, the Company and its subsidiaries paid a total of 315.94 million baht to employees as their remuneration. Besides, the Company appointed CIMB-Principle Securities Co., Ltd. as its fund manager for the provident fund of the Company and its subsidiaries under the fund name CIMB-Principle Age Balance since 1 July 2016. The Company contributes around 3-10% of employee salary to the provident fund with the employee contribution to the provident fund of around 3-15% of base salary of each individual employee.

Human Resources Development Policy

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

1. Training Road Map to create learning and development plans for employees both for jobs under responsibility and other related jobs to prepare each employee to work accurately, safely and properly through enhancing their knowledge, understanding and capabilities.

2) **External Training** to develop their competency, knowledge and abilities appropriately based on their jobs. The Company sends employees to various training programs or seminars organized by outside training institutes. The Company also arranges domestic and international field trips regularly and enrolls employees at skill development centers to prepare for their roles as lecturers and inspectors for skill level classification at the factory.

3) **In-house Training** to develop ideas, potential, knowledge and ability to work. The Company encourages executives and knowledgeable employees to educate others on the Company's

business apart from their job knowledge as well as provides regular internal training to be consistent with organizational goals and current competitive conditions.

4) **OJT: On the Job Training** to enable employees to deliver their jobs more effectively. The Company continuously offers various training programs for both technical skills and soft skills to promote self-development, work quality and effectiveness. For new joiners and employees who got promoted, the Company offers training curriculum suitable for different jobs for all departments to promote better understanding of each function.

Training Expenses	2019	2020	2021
Executives and Employees (Baht)	256,927	275,318	652,987

Other Important Information

List of Employees with Direct Responsibility

- The person taking the highest responsibility in finance
Mr.Vanchai Srisuchon, Chief Financial Officer
- The person supervising accounting
Mr.Vanchai Srisuchon, Chief Financial Officer
- Investor relations and Company Secretary
Mr. Nitiroj Manolamai, acting Company Secretary
Ms. Manutchaya Juynum, Investor Relations
- The person supervising Internal Audit
Mr. Tadpong Sapcharoen, Internal Audit Senior Manager
(More information in attachment 3)

- The person supervising Compliance
Mr. Nitiroj Manolamai, acting Compliance

Compensation for Audit Office and Its Subsidiaries

1. Audit Fee

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

- The auditor for the past accounting year of 4,032,000 baht

2. Non-Audit Fee

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

Types of Services	Suppliers	Other service fees	
		Paid	Balance
Internal Audit	Dharmniti Internal Audit Co., Ltd.	-	2,100,000
ESG Report	KPMG Phoomchai Audit Limited	280,000	1,120,000
non-audit fee		280,000	3,220,000

Report on key operating results related to corporate governance

Performance summary of the Board of Directors

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

Nomination and Appointment of Directors

In appointment of directors, the Nomination and Remuneration Committee, which consists of two independent committees out of three Nomination and Remuneration Committee members, is in charge of recruiting, selecting and considering qualification and suitability of candidates to be nominated as directors according to the Company's Articles of Association to acquire professional and diverse directors based on the structure, size

and composition of the Board. The proposed number will be one time as many of directors who have completed their term. The committee proposed opinions to the Board of Directors to seek approval from the directors. Then the list of directors will be presented to the shareholders' meeting to be elected as directors according to the regulations.

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

Nomination and Appointment of High-level Executives

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



Supervision of Subsidiaries and Affiliates

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

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

Following up on compliance with corporate governance policies and practices

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

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

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

1. Fairness in Doing Business

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

- **Corporate Governance**

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

- **Corporate Social Responsibility**

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

- **Compliance with Laws, Rules and Regulations**
The Company gives high priority to its compliance with laws and regulations related to environment, occupational health and safety at local, national and regional levels. The Company complies with international business ethics by requiring directors, executives, employees to conform to laws, rules and regulations and avoids any involvement, assistance or action that violates related laws, rules and regulations.
- **Compliance with Intellectual Property Law**
The Company prohibits any action that can be considered as an infringement of intellectual property law. Directors, executives and employees are required to comply with laws, rules and regulations and avoid any involvement, assistance or action that violates laws, rules and regulations related to intellectual property.
- **Effective Resource Management**
The Company encourages directors, executives and employees at all levels in the organization to utilize resources efficiently, properly and adequately to maximum benefits. Moreover, the Company shall communicate, educate, support and raise awareness among employees including all stakeholders on resource management for the best interest of the organization.

2. Anti-Corruption

The Company conducts its business with transparency and is aware of anti-corruption of all forms through abiding by laws and promoting social interest as well as encouraging employees to have moral values in performing their duties and adhering to good citizenship. Besides, given its commitment to anti-corruption, the Company signed a joint declaration with the Thai Private Sector's Collective Action Coalition for Anti-Corruptions as approved by the Board of Directors on 25 February 2019. This project is operated under collaboration of eight leading organizations which are Thai Institute of Directors, Thai Chamber of Commerce, International Chamber of Commerce, The Thai Bankers Association, Thai Listed Company Association, The Federation of Thai Capital Market Organizations, The Federation of Thai Industries and The Thailand Tourism Council. To serve this purpose, the Company has stipulated an anti-corruption

policy as a clear guideline to prevent and tackle corruption problems in the Company through developing organizational culture that is fully aware of dangers from corruption and creating right values and building trust among all stakeholders to enhance effectiveness of anti-corruption actions. In case of incompliance, disciplinary actions and legal actions will be taken on a case-by-case basis. Details are summarized below:

- Directors, executives, employees at all levels are prohibited from acting, omitting to perform their duties or wrongfully using authority to violate laws or ethical codes including any activity or participation in all forms of corruption, directly and indirectly. They are forbidden to seek unlawful benefits in any form such as a provision, a promise, a solicitation of benefits or assets, an offer of benefits or assets including any other interest to government officials or other persons doing business with the Company, a persuasion to an illegal action or trust destruction or any corruption activity including a solicitation, an acceptance or an offering assets or any other interest to government officials or other persons doing business with the Company.
- Procedures on offering and acceptance of gifts or entertainment are stipulated as a part of the Code of Conduct and Business Ethics of the Company. Employees must refrain from offering, soliciting, accepting or agreeing to money, items, treats, entertainment or any other interest that are subject to doubts regarding bribery or fraud. Gift acceptance should be reasonable, not lead to any business obligation and not be in a form of cash or cash equivalents. Employees must be fully aware that all actions or inactions are transparent and accountable.
- The Company stipulated procurement practices, objectives of transactions, reimbursement, and any contract making/entering. In every step in the procurement process, supporting documents or evidences must be enclosed while approval authority at each step is properly set with transparency in compliance with laws, practices, and processes that the Company imposed. Procurement shall also be audited on a regular basis.
- The Company ensures communications on the anti-corruption policy to all units at all levels in the Company through various channels such as employee trainings and

internal communication with the purpose to educate related persons and enforce implementation and compliance. Employees can report misconducts, file complaints and make suggestions to the Company so that investigation will be carried out to find facts according to the procedures and the results can be used to solve or improve related matters.

- The Company set up a human resources management system to promote right values and build anti-corruption culture. Employees are informed and communicated of the anti-corruption policy as well as the Code of Conduct and Business Ethics.
- The Company notifies its subsidiaries, affiliates and other companies that the Company has the controlling power as well as business representatives to adopt anti-corruption measures and disclose the anti-corruption policy and measures to both employees and general public.
- The Company provides multiple communication channels for employees and related persons to file complaints and report dubious activities. Whistleblower protection measures are in place and identities of whistleblowers and people who deny to involve in corrupted activities shall be kept strictly confidential in order that they are protected from any impact from their actions as well as unfair punishment or transfer. Responsible persons shall be appointed to examine and follow up on all whistleblowing or reported information.
- Anti-corruption measures are developed in accordance with related laws and moral codes. The Company conducts risk assessment for related activities that are prone to corruption, prepares proper protective measures and communicates internally on a regular basis.
- The Company ensures adequate and appropriate internal control systems to prevent corruption and any actions that are not in compliance with good corporate governance principles.
- The Company set forth a policy on related party transactions to prudently consider suitability before engaging in every related party transaction as well as determine prices and conditions on those related party transactions which are comparable with doing with external parties on an arm's length basis.

- In case that directors, executives and employees directly or indirectly involve in any action that violates the anti-corruption policy, disciplinary or legal actions will be taken to those persons according to the Company's practices or related laws.

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

- **Charitable Donation and Financial Support**

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

- **Political Support**

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

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

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

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

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

- **Risk Assessment**

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

- **Internal Control**

The Company has specified internal control systems that handle corruption covering finance, accounting and data recording including other processes related

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

- **Accounting Audit and Data Collection**

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

- **Human Resources Management**

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

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

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

Tel 02-9173055 # 308

E-mail: whistle@dodaydream.com

Suggestion and Complaints Box

Mail: Do Day Dream Public Company Limited
"Complaint Handler"

No. 32 Keharomklao Road, Ratpattana,
Saphansung, Bangkok 10240

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

- **Whistleblower Protection**

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

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

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

3. Employee Care and Non-discrimination Policy

The Company aims to take care of employees so that they will have well-being, progress and career stability by providing appropriate remuneration for their duties and responsibilities including salary, overtime pay, allowance for living expenses, bonuses, social security payments and provident fund contributions. The Company also provides benefits for

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

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

- **Remuneration and benefits for employees**

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

- **Knowledge development and training**

The Company has a policy to promote human resource development by encouraging employees to develop knowledge, abilities and potential, and have positive attitude, morality, ethics as well as team work spirit through trainings, seminars and observe activities so that they will be developed effectively. In addition, the Company supports the development of organization and human resources

by focusing on efficient work processes, clearly defining roles and duties of employees, determining appropriate remuneration, developing an assessment system and enhancing the performance of employees.

- **Safety and Occupational Health Policy**

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

Number of accidents in the factory

In 2021 The Company have an accident 1 time in the factory with 3 Severity of accidents as follows

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

4. Responsibilities for Customers and Consumers

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

- The Company highly regards quality and standards of products and focuses on using high-grade raw materials and high-standard production in order to offer premium products at reasonable prices to customers and gain highest satisfaction from them.
- The Company continuously researches and develops new

products to meet the demands of customers by offering a variety of quality and high-standard products that satisfy customer needs.

- The Company exercises its marketing fairly and imposes a policy to ensure that customers receive accurate, undistorted and unambiguous information without exaggeration or overstatement concerning the Company's products in order to have adequate and correct information for making decisions.

- The Company set up a research and development department to design, create and adapt products to suit the needs of each customer group.
- The Company takes into account the safety of customers and strives to offer its customers high-quality and safe products in accordance with standards, international safety rules and regulations and stipulated laws.
- The Company sought production permissions in accordance with applicable laws as following:
 - The Company's manufacture was approved from The Food and Drug Administration (FDA).
 - Products show usage instructions in details for the best interest of the consumers.
 - Product return and recall policies are in place as a practical guideline in case of defective or damaged products.
 - The Company is always open for feedbacks from its sales staff and customers through online and other channels such as website, call center and social media for the purpose of product improvement.
 - The Company discloses and disseminates product information to consumers via multiple channels such as website, web board, call center and social media.
 - The Company has a vendor selection criteria assessment to procure highest quality raw materials for consumers' safety and benefits.
 - The Company implemented a customer relationship management system to communicate with customers as well as receive complaints on product quality in order to respond to customers' needs promptly.
 - The Company treats customer information as confidential and refrains from using the information wrongfully.
 - The Company organizes various activities to build and enhance relationship with customers in a sustainable manner.

5. Environmental Preservation

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

6. Community and Society Development

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

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

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

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

8. Intellectual Property

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

9. Prevention of Conflicts of Interest

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

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

- To raise the level of corporate governance within the organization, the Company is in the process of updating the business ethics in relation to the conflict of interest in order to cover, prevent and reduce risks. The Board of Directors will consider it for approval.

10. Use of Inside Information for Benefits

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

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

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

Internal control and related party transaction

Do Day Dream Public Company Limited attaches significance to internal control according to the international standards of the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Internal audit is considered an important tool to ensure that the organization conducts business with integrity and transparency. It also acts as a mechanism that helps strengthen the ability to control, report and monitor performance. The internal auditor works with executives at different levels to identify guidelines and work approaches that are suitable and efficient under intense competition in the market. Moreover, internal audit also plays a part in creating value added to the organization and helps develop the organization to achieve sustainable strength and growth.

Therefore, internal audit has become increasingly relevant as a major tool for executives to examine and issue effective control measures. The nature of internal audit work requires a systematic and thorough assessment as well as an improvement of adequacy and effectiveness of risk management systems, control systems and corporate governance systems to build reasonable confidence that all systems can perform efficiently and effectively to deliver results to meet objectives and goals of the Company.

To ensure that the Company's internal control systems are efficient, effective, independent and transparent, at the meeting of the Audit Committee No. 3/2021 on 9th August 2021, the Audit Committee resolved to hire Dharmniti Public Company Limited, one of the top service providers of internal control system audit in Thailand, to be in charge of internal control system assessment to work closely with the Internal Audit Unit which was established over 4 years ago. In addition, the Company put in place a monitoring system to track its performance to make sure to protect the assets of the Company and its subsidiaries from the wrongful or unauthorized use from directors and executives as well as setting up adequate control systems for

related party transactions or persons who may have a conflict. Roles and responsibilities are clearly separated to undertake internal control of the Company per following.

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

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

3.1 Control Environment

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

- Company promotes a proper work environment by setting forth clear and suitable policies, planning, execution, control and governance.
- Company has a commitment to business philosophy and ethics through its actions and behaviors that enable the internal control systems to function properly. Moreover, the Company published the Codes of Conduct as guidelines for all directors, executives and employees.

- The Board of Directors and the management at all levels highly regard integrity and ethical values as well as treat all stakeholders equally and fairly under good corporate governance principles.
- The Company set up organization structures that are suitable for its size and business with clear chain of command and responsibilities.
- The Board of Directors and the management defined levels of authority and approval limits for different types of transactions in writing (Delegation of Authority).
- The Company adopted policies on misconduct and corruption to provide a channel for stakeholders to report corruption, mistakes and distortions by the management. The Audit Committee shall review the reports on misconduct and corruption every quarter.

3.2 Risk Assessment

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

3.3 Control Activities

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

systems including applicable laws, rules and regulations. This is to mitigate possible risks associated with corruption and violations of laws.

3.4 Information & Communication

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

3.5 Monitoring

Current information systems generate credible and timely information so that the management and the Board of Directors can effectively monitor performance through various financial reports and attain business objectives and goals previously set. Besides, the Board of Directors is able to review, assess and make recommendations to improve business plans through the effective governance procedures. Internal audit unit carries out duties according to the audit plan as approved and continuously monitored by the Audit Committee. The internal audit plan is prepared based on the results of risk assessment and analysis as well as priorities of subsidiaries in the group of companies, core businesses and related processes. The findings of the audit including solutions will be proposed to the Audit Committee and the Board of Directors. Note that up until the present day, the results show no significant mistake or flaw related to the internal control. Nevertheless, recommendations were made

on the internal control systems for certain areas with room for improvements. The Board of Directors shall conduct an audit on the efficiency of internal control systems at least once a year taking into account significant risks, potential impacts as well as management and mitigation measures for those particular risks. The guidelines on the evaluation of internal control systems adequacy prepared by the Office of Securities and Exchange Commission will be used for this audit. The Audit Committee Charter spells out duties of the Audit

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



Internal Control

The Company appointed Mr.Tutpong Supcharoen to be the Head of Internal Audit and the Secretary to the Audit Committee, effective 16 June 2021 and approved by the meeting of the Audit Committee for the 3rd quarter 2021 on the consideration, approval, appointment, removal and relocation of the Head of Internal Audit.

The meeting considered and provided an opinion that Mr.Tutpong Supcharoen is qualified with a background in internal audit roles for businesses of the similar nature as the Company. For the past 7 years, the auditor has worked in various areas including supply chain system examination, product processes, inventory management, procurement and payment, sales and acceptance of payment, and financial and accounting management. Besides, Mr.Tutpong Supcharoen has been working for the Company for over 4 years. Throughout the years, he attended training programs related to internal audit

work and has a good understanding of the Company's activities and business conduct to be able to give proper suggestions and opinions to practitioners. Therefore, Mr.Tutpong Supcharoen is fully qualified to perform the mentioned duties appropriately and adequately.

Qualifications of the head of internal audit are detailed in Attachment 3.

Head of Compliance Department

As the Company is under the selection process of the role, Mr. Nitiroj Manolamai (acting) was assigned to be responsible for the Compliance Department to ensure that the Company conforms to rules and regulations stipulated by regulatory authorities. He is qualified as the Head of Compliance Department of the Company

Related Party Transactions

Details on Related Party Transactions with Persons in a Potential Conflict of Interest for the Year 2020 and 2021, Ended 31 December 2020 and 2021, as follow:

Person or Juristic Person in a Potential Conflict of Interest / Nature of Business / Relationship	Transaction	Value (Million Baht)		Necessity / Rationale / The Audit Committee's Opinion
		2021	2020	
<p>1. MR. Sarawut Pompatanarak</p> <p><u>Relationship</u> Major shareholder, Vice Chairman of the Board, Chairman of the Executive Committee and Chief Executive Officer of the Company</p>	<p>Guarantee for loans and car rental fees without compensation Mr. Sarawut Pompatanarak is the Company's guarantor Car rental fee throughout the rental contract for the Company for use in business expansion to use in operations and increase the liquidity of the company Without compensation</p> <p>- Car rental limit</p>	3.8	3.8	<p>The Company has long-term loan facilities Which is according to the conditions specified by the landlord</p> <p><u>The Audit Committee's Opinion:</u> The transaction is considered a financial support through guarantees of loan facilities for business expanding and improving its liquidity without any charge incurred to the Company. The transaction is deemed necessary, reasonable and beneficial to the Company's business.</p> <p>The Audit Committee recommends that the Company should rely less these financial supports through guarantees from directors or major shareholders of the Company.</p>

Person or Juristic Person in a Potential Conflict of Interest / Nature of Business / Relationship	Transaction	Value (Million Baht)		Necessity / Rationale / The Audit Committee's Opinion
		2021	2020	
<p>2. PM Chemical Company Limited</p> <p>Nature of Business An importer and distributor of chemicals and a distributor of spray paint for cars and paint for buildings.</p> <p>Relationship Mutual director: Mr. Sarawut Pornpatanarak Mutual shareholder: 1) Mr. Sarawut Pornpatanarak 2) Ms. Saranya Pornpatanarak and 3) Mr. Saranon Pornpatanarak</p>	<p>1) Warehouse Rental The Company rented warehouse from PM Chemical Company Limited with a total area of around 1,320 square meters. The location is No. 15, Soi Seri Thai 87, Seri Thai Road, Min Buri, Bangkok to store inventories such as packaging of products. The monthly rental is 66,000 Baht (or 50 Baht per square meter) and paid on a monthly basis. The rental started since September 2018 with 12-month contract.</p> <p>- Rental Fee - Service Fee - Deposits to be returned</p> <p>2) Purchase of Raw Materials and Paints The Company purchased certain raw materials mainly special mineral water and anti-counterfeit stickers including paints for the Company's factory and office from PM Chemical. Sales prices and payment conditions are prices per unit with separate charges of transportation fees as actually incurred.</p> <p>- Purchase of raw materials and paint - Transportation fees - Account Payable</p>	0.8 0.1 0.1	0.8 0.1 0.0	<p>Warehouse rental from PM Chemical was for a storage of packaging for products. The monthly rental fee of 50 Baht per square meter is comparable to other rental rates in the same area which are around 100-110 baht per square meter per month. Payment conditions were according to normal commercial agreements similar to general rentals. The Company chose PM Chemical's warehouse as it met the Company's requirements given that the size is not too large, the rental is on par with neighboring areas and the location is not far from the Company's office.</p> <p>The Audit Committee's Opinion: The transaction is deemed reasonable and beneficial to the Company's business. The location is near the Company's office which is convenient in conducting business. The rental charged was the market rate and lower than those of peer and payment conditions are according to general commercial building rental business</p> <p>The purchases of raw materials and paints were for the benefits of the Company. Buying prices were lower than those of other suppliers and payment conditions were according to normal commercial conditions. This transaction is deemed necessary and reasonable. However, on 1 June 2017, the Company and PM Chemical prepared a memorandum of understanding on the determination of compensation for PM Chemical in purchasing of special mineral water and anti-counterfeit stickers protection using the cost plus method with not over than 5% rate. This was to cover operating expenses of PM Chemical and aligned with other suppliers. In case that there is any expense in product delivery, PM Chemical will charge the Company separately on an actual basis.</p> <p>The Audit Committee's Opinion: The transaction is necessary for supporting business-as-usual of the Company. Prices and general conditions were similar to those the Company engaged in with other external parties. The Audit Committee reviewed, acknowledged and agreed with the memorandum of understanding between the Company and PM Chemical on pricing determination using the cost plus method that further made the transaction more reasonable.</p>

Person or Juristic Person in a Potential Conflict of Interest / Nature of Business / Relationship	Transaction	Value (Million Baht)		Necessity / Rationale / The Audit Committee's Opinion
		2021	2020	
<p>3. The Fourteen Company Limited</p> <p><u>Nature of Business</u> A distributor of the Company's products in Bangkok and vicinities through various channels that the Company does not operate directly.</p> <p><u>Relationship</u> Major shareholder with 98 % ownership by Mrs. Pornpen Soungkasem who is the spouse of Mr. Nititroj Manolamai, director and executive of the Company and director and shareholder of the Fourteen Company Limited.</p>	<p>Sales Revenue</p> <p>The Fourteen Co., Ltd. is one of the distributors of the Company's products through various channels that the Company does not operate directly. Namu Life Plus (a subsidiary) sells products to the Fourteen in form of outright sales at net prices after a deduction of distribution fees. Namu Life Plus determines sales prices and marketing strategies for the Fourteen Co., Ltd. to distribute the products to customers while Namu Life Plus is responsible for all sales promotion expenses as actually paid. Sales prices and distribution fees for The Fourteen Co., Ltd. are according to the contracts with the rates and commercial conditions compare to those Namu Life Plus offers to other distributors.</p> <p>- Net sales revenue - Sales promotion expenses - Trade receivables - Accrued expenses for distribution fees</p>	<p>0.8</p> <p>0.1</p> <p>0.0</p> <p>0.0</p>	<p>5.3</p> <p>0.8</p> <p>0.3</p> <p>0.0</p>	<p>The Fourteen Co., Ltd. is a major distributor of the Company with 2.3% and 10.8% contribution to total revenue before distribution discounts for 2018 and 2019 respectively. Prices are according to standard pricing clearly set by the Company for all distributors. The Fourteen Co., Ltd. must sell its products at the prices the Company determined. Moreover, distribution fees for The Fourteen Co., Ltd. are based on the contracts with rates and commercial conditions comparable to those Namu Life Plus offered to other distributors. Nevertheless, advanced discounts provided to The Fourteen Co., Ltd. were to cover sales promotion expenses as actually incurred. This included sales discounts for distributors, approved marketing campaigns and incentives rewarded to distributors according to KPIs. The Company also paid for actual sales promotion expenses to other distributors as well. The Fourteen Co., Ltd. must submit sales reports and total sales promotion expenses to the Company on a monthly basis. These advanced discounts will be deducted from actual sales promotion expenses. Therefore, this transaction is deemed necessary and reasonable.</p> <p>The Audit Committee's Opinion: The transaction is reasonable and beneficial to the Company's business. The Fourteen Co., Ltd. is capable in distributing the Company's products through multiple channels. Prices were according to standard pricing that Namu Life Plus Co., Ltd. clearly set. In addition, fees paid to The Fourteen Co., Ltd. to distribute the Company's products are according to rates and commercial conditions comparable to those the Company offered to other distributors. Sales promotion expenses were paid on actual basis. The Audit Committee reviewed, acknowledged and agreed with the memorandum of understanding between Namu Life Plus Co., Ltd. and The Fourteen Co., Ltd. to ensure better accuracy of transactions between the Company and The Fourteen Co., Ltd.</p>

Person or Juristic Person in a Potential Conflict of Interest / Nature of Business / Relationship	Transaction	Value (Million Baht)		Necessity / Rationale / The Audit Committee's Opinion
		2021	2020	
<p>4. Vita Inno Company Limited</p> <p><u>Nature of Business</u> Distribution of household electrical and electronic appliances</p> <p>Relationship with shareholders (35%), namely Mrs. Sudarat Pornpatanarak, spouse of Mr. Sarawut Pornpatanarak, who is the Company's director.</p>	<p>The Company purchases products from Vita Inno Co., Ltd. for distribution to customers such as vacuum cleaners, Steam cleaner floor, cleaning machine and other cleaning equipment, etc., with the rates and commercial terms as agreed in the memorandum of agreement for the distribution of goods</p> <p>- Buy goods - Accounts Payable</p>	<p>4.4</p> <p>0.4</p>	<p>4.7</p> <p>3.0</p>	<p>Vita Inno Co., Ltd. as a product supplier which the price traded between in accordance with clearly defined trade conditions to sell to all distributors, therefore, such transactions are necessary and reasonable.</p> <p><u>Opinion of the Board of Directors' Opinion of the Audit Committee:</u> The transaction is reasonable and beneficial to the Company's business, with the normal business operations of the Company. Making such a transaction has a price and general conditions similar to transactions with third parties. The Audit Committee acknowledges and agrees that such purchases are reasonable.</p>
<p>5. Directors, Executives, and Employees of the Company</p>	<p>Purchase of Products as Employee Benefits. The Company and its subsidiaries allow executives and employees to buy the Company's products at prices lower than market prices according to a policy on discounts for the Company's products as benefits for executives and employees. Criteria and monthly purchase quotas are clearly applied based on positions.</p> <p>- Revenue - Trade receivables</p>	<p>0.5</p> <p>-</p>	<p>0.2</p> <p>0.2</p>	<p>The sales transaction was according to the Company's policy on employee benefits. The Company set criteria and monthly purchase quotas depending on positions while same discount rates apply for all employees. Note that the purpose of offering discounts to directors and executives are that the products can be given as samples for business partners and consumers. Additionally, purchasing products at discounted prices not only helps motivate and engage employees but also enhances familiarity and knowledge of the employees on the products.</p> <p><u>The Audit Committee's Opinion:</u> The transaction is deemed reasonable, beneficial to the Company's business and important since some of directors and executives have to give away products as samples for trade partners or consumers. This is also considered as a reward to employees while the Company does not make any loss as sales prices are still lower than production costs and the monthly quantity allotted per person for this program was properly determined.</p>

Policy and Related Party Transactions

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

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

and conditions. The transactions shall be presented to the Audit Committee for opinions and to be approved by the Board of Directors.

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

Investor Protection Measures

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

Part 3

Financial Statements

Financial Statements



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

Financial statements for the year ended
31 December 2021
and
Independent Auditor's Report

Independent Auditor's Report

To the Shareholders of Do Day Dream Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Do Day Dream Public Company Limited and its subsidiaries (the “Group”) and of Do Day Dream Public Company Limited (the “Company”), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2021, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2021 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

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

Key Audit Matters

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

Impairment of goodwill and other intangible assets	
Refer to note 3(i), 3(j), 3(l), 13 and 14 to the financial statements	
The key audit matter	How the matter was addressed in the audit
<p>The Group has significant goodwill and other intangible assets with indefinite useful life which was mainly arising from business combinations.</p> <p>Management is required to assesses the impairment on an annual basis. The recoverable amount was based on its value in use, determined by discounting future cash flows to be generated from the continuing use of the asset. The entity engaged an independent valuer to assist in the analysis.</p> <p>Significant judgment is required to determine the assumptions which are subject to inherent uncertainty involved in forecasting and discounting of future cash flows. Consequently, I consider this is an area of focus.</p>	<p>My audit procedures included the following, I:</p> <ul style="list-style-type: none"> • Inquired of management to gain an understanding of the process of determination of the recoverable amount; • Evaluated the qualifications and independence of the independent valuer of the Group; • Considered the key assumptions in the estimated recoverable amount of the asset by comparing the estimated result with industry trends, information derived from external and internal sources and assessed the financial methodologies used by the Group to determine the discount rate; • Performed sensitivity analysis around the key assumptions; and • Considered the adequacy of disclosures in accordance with Thai Financial Reporting Standards.

Revenue recognition and recognition of accrued sales promotion expenses	
Refer to note 3(n), 3(p) and 18 to the financial statements	
The key audit matter	How the matter was addressed in the audit
<p>Revenue from sales of goods is 80% of the Group's revenues. The Group has agreements with customers, under which contain conditions regarding discounts, sale promotions, and special bonuses intended to boost sales during specific period. The accruals for these discounts and bonuses as at year end are estimated based on expected sales. Because of the significance of the amounts and the judgements involved, I consider this is an area of focus.</p>	<p>My audit procedures included the following, I:</p> <ul style="list-style-type: none"> • Obtain an understanding of the Group's policy in relation to the estimates of discounts and promotional expenses; • Evaluated the design and tested the operating effectiveness of internal controls, on a sample basis, related to the estimates of discounts and promotional expenses; • Tested calculation of sales discounts, sales promotion expenses and accrued sales promotion expenses for a sample of items with related supporting documents whether they are compliant with the conditions in agreements and commercial agreements during the year and near the end of period; • Tested the appropriateness of accrued sales promotion expenses for a sample of items by performing subsequent cash payments, credit note and related supporting documents post year-end; and • Considered the adequacy of disclosures in accordance with Thai Financial Reporting Standards.

Other Information

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

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

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

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

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

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

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

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

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

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

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

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

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

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

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

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



(Veerachai Ratanajaratkul)
 Certified Public Accountant
 Registration No. 4323

KPMG Phoomchai Audit Ltd.
 Bangkok
 25 February 2022

Do Day Dream Public Company Limited and its Subsidiaries

Statement of financial position

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2021	2020	2021	2020
		<i>(in Baht)</i>			
Current assets					
Cash and cash equivalents	6	887,921,299	762,555,889	559,709,086	529,054,351
Trade and other current receivables	7	679,322,928	359,466,720	308,236,768	268,880,015
Short-term loans to subsidiaries	5	-	-	145,000,000	230,000,000
Inventories	8	397,159,881	361,407,641	64,771,222	71,781,654
Other current financial assets	23	2,269,343,360	2,830,007,857	2,269,343,360	2,830,007,356
Other current assets		5,684,597	6,554,531	1,583,678	1,089,196
Total current assets		4,239,432,065	4,319,992,638	3,348,644,114	3,930,812,572
Non-current assets					
Investments in subsidiaries	9	-	-	1,392,760,400	936,160,400
Investment in an associate	10	-	78,970,101	-	-
Property, plant and equipment	11	241,055,798	251,587,374	218,896,523	227,077,459
Right-of-use assets	12	88,330,711	59,037,025	52,825,270	7,803,994
Goodwill	13	170,900,114	170,900,114	-	-
Intangible assets other than goodwill	14	414,484,872	426,098,376	12,092,758	11,737,445
Restricted deposits at financial institutions	15	25,473,000	20,473,000	20,273,000	20,273,000
Deferred tax assets	20	37,835,326	40,244,731	-	-
Other non-current assets		6,193,763	5,239,387	2,666,139	504,269
Total non-current assets		984,273,584	1,052,550,108	1,699,514,090	1,203,556,567
Total assets		5,223,705,649	5,372,542,746	5,048,158,204	5,134,369,139

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

Do Day Dream Public Company Limited and its Subsidiaries

Statement of financial position

	Consolidated financial statements				Separate financial statements	
	Note	31 December		31 December		
		2021	2020	2021	2020	
Liabilities and equity						
		<i>(in Baht)</i>				
Current liabilities						
Trade and other current payables		293,341,196	260,899,076	69,663,751	72,503,262	
Current portion of lease liabilities	15	21,635,119	21,283,048	8,661,385	3,940,829	
Current income tax payable		35,796,508	7,585,890	23,631,797	-	
Other current liabilities		7,923,909	7,172,736	1,555,502	1,313,720	
Total current liabilities		358,696,732	296,940,750	103,512,435	77,757,811	
Non-current liabilities						
Lease liabilities	15	69,601,136	39,554,820	45,861,783	4,391,566	
Put options	23	-	29,114,777	-	29,114,777	
Deferred tax liabilities	20	35,521,315	79,667,794	4,869,339	51,726,180	
Non-current provisions for employee benefits	16	37,958,933	34,772,963	4,942,879	3,415,581	
Total non-current liabilities		143,081,384	183,110,354	55,674,001	88,648,104	
Total liabilities		501,778,116	480,051,104	159,186,436	166,405,915	

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

Do Day Dream Public Company Limited and its Subsidiaries

Statement of financial position

Liabilities and equity (Continued)	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2021	2020	2021	2020
		(in Baht)			
Equity					
Share capital:					
Authorised share capital (318,000,000 ordinary shares, par value at Baht 1 per share)		318,000,000	318,000,000	318,000,000	318,000,000
Issued and paid-up share capital (317,887,700 ordinary shares, par value at Baht 1 per share)		317,887,700	317,887,700	317,887,700	317,887,700
Share premium:					
Share premium on ordinary shares		4,399,859,862	4,399,859,862	4,399,859,862	4,399,859,862
Deficit on change in the ownership interests in subsidiaries		(43,627,513)	(31,835,833)	-	-
Retained earnings (Deficit)					
Appropriated					
Legal reserve	17	31,800,000	31,800,000	31,800,000	31,800,000
Unappropriated (Deficit)		(34,618,787)	43,005,310	139,424,206	254,334,405
Other equity interest		-	(35,918,743)	-	(35,918,743)
Other components of equity		5,925,031	(5,335,772)	-	-
Equity attributable to owners of the parent		4,677,226,293	4,719,462,524	4,888,971,768	4,967,963,224
Non-controlling interests		44,701,240	173,029,118	-	-
Total equity		4,721,927,533	4,892,491,642	4,888,971,768	4,967,963,224
Total liabilities and equity		5,223,705,649	5,372,542,746	5,048,158,204	5,134,369,139

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

Do Day Dream Public Company Limited and its Subsidiaries

Statement of comprehensive income

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2021	2020	2021	2020
		<i>(in Baht)</i>			
Revenue					
Revenue from sale of goods	5, 18	1,411,311,210	1,000,337,479	155,352,020	158,809,529
Interest income		713,920	3,136,504	5,008,178	6,815,338
Dividend received from subsidiaries	5, 9	-	-	56,399,552	114,000,135
Dividend received from financial assets		77,022,278	36,049,349	77,022,278	36,049,349
Net gain on fair value measurement of financial assets		-	446,206,442	-	446,206,442
Net gain on disposal of financial assets and liabilities		279,284,802	99,655,974	278,011,869	99,655,974
Other income		5,948,254	4,889,507	10,734,098	10,629,670
Total revenue		1,774,280,464	1,590,275,255	582,527,995	872,166,437
Expenses					
Cost of sales of goods	8, 19	559,217,549	580,994,898	177,001,969	325,163,466
Distribution costs	19	546,135,855	490,651,301	6,606,189	11,191,584
Administrative expenses	19	276,226,105	265,579,868	102,847,748	129,163,055
Net loss on fair value measurement of financial assets	23	256,659,767	-	256,659,767	-
Total expenses		1,638,239,276	1,337,226,067	543,115,673	465,518,105
Profit from operating activities		136,041,188	253,049,188	39,412,322	406,648,332
Finance costs		1,294,797	2,002,248	625,821	499,770
(Reversal of) impairment loss determined in accordance with TFRS 9		6,187,065	17,287,016	(1,703,858)	(2,963,544)
Share of loss of investment in an associate accounted for using equity method	10	576,377	1,029,899	-	-
Profit before income tax expense		127,982,949	232,730,025	40,490,359	409,112,106
Tax expense (income)	20	26,037,302	53,185,401	(3,542,292)	57,107,514
Profit for the year	18	101,945,647	179,544,624	44,032,651	352,004,592

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

Do Day Dream Public Company Limited and its Subsidiaries

Statement of financial position

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2021	2020	2021	2020
		<i>(in Baht)</i>			
Other comprehensive income					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translating financial statements		12,714,799	2,039,825	-	-
Total items that will be reclassified subsequently to profit or loss		12,714,799	2,039,825	-	-
<i>Items that will not be reclassified to profit or loss</i>					
Loss on remeasurements of defined benefit plans	16, 20	-	(2,289,356)	-	(303,947)
Income tax relating to item that will not be reclassified	20	-	457,871	-	60,789
Total items that will not be reclassified to profit or loss		-	(1,831,485)	-	(243,158)
Other comprehensive income (expense) for the year, net of tax		12,714,799	208,340	-	(243,158)
Total comprehensive income for the year		114,660,446	179,752,964	44,032,651	351,761,434
Profit attributable to:					
Owners of the parent		81,318,753	169,253,455	44,032,651	352,004,592
Non-controlling interests		20,626,894	10,291,169	-	-
Profit for the year		101,945,647	179,544,624	44,032,651	352,004,592
Total comprehensive income attributable to:					
Owners of the parent		92,579,556	168,382,824	44,032,651	351,761,434
Non-controlling interests		22,080,890	11,370,140	-	-
Total comprehensive income for the year		114,660,446	179,752,964	44,032,651	351,761,434
Basic earnings per share (in Baht)	21	0.26	0.53	0.14	1.11

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

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

		Separate financial statements					Total equity
		Retained earnings					
	Note	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated (in Baht)	Other equity interest	
Year ended 31 December 2020							
Balance at 1 January 2020		317,887,700	4,399,859,862	31,800,000	56,111,406	-	4,805,658,968
Transactions with owners, recorded directly in equity							
<i>Distributions to owners</i>							
Dividends to owners of the Company	22	-	-	-	(153,538,435)	-	(153,538,435)
Total transactions with owners, recorded directly in equity							
Put options							
		-	-	-	-	(35,918,743)	(35,918,743)
Comprehensive income for the year							
Profit		-	-	-	352,004,592	-	352,004,592
Other comprehensive income (expense)		-	-	-	(243,158)	-	(243,158)
Total comprehensive income for the year							
		-	-	-	351,761,434	-	351,761,434
Balance at 31 December 2020		317,887,700	4,399,859,862	31,800,000	254,334,405	(35,918,743)	4,967,963,224

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

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

Separate financial statements
 Retained earnings

	Note	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated (in Baht)	Other equity interest	Total equity
Year ended 31 December 2021							
Balance at 1 January 2021		317,887,700	4,399,859,862	31,800,000	254,334,405	(35,918,743)	4,967,963,224
Transactions with owners, recorded directly in equity							
<i>Distributions to owners</i>							
Dividends to owners of the Company	22	-	-	-	(158,942,850)	-	(158,942,850)
Total transactions with owners, recorded directly in equity					(158,942,850)		(158,942,850)
Put options	4	-	-	-	-	35,918,743	35,918,743
Comprehensive income for the year							
Profit		-	-	-	44,032,651	-	44,032,651
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the year					44,032,651		44,032,651
Balance at 31 December 2021		317,887,700	4,399,859,862	31,800,000	139,424,206		4,888,971,768

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

Do Day Dream Public Company Limited and its Subsidiaries

Statement of cash flows

	Consolidated financial statements		Separate financial statements		
	Note	Year ended 31 December		Year ended 31 December	
		2021	2020	2021	2020
		<i>(in Baht)</i>			
Cash flows from operating activities					
Profit for the year		101,945,647	179,544,624	44,032,651	352,004,592
<i>Adjustments to reconcile profit (loss) to cash receipts (payments)</i>					
Tax expense (income)	20	26,037,302	53,185,401	(3,542,292)	57,107,514
Finance costs		1,294,797	2,002,248	625,821	499,770
Depreciation and amortisation	11, 12, 14	70,189,781	69,740,502	34,234,882	36,570,382
(Reversal of) impairment loss recognised in profit or loss		6,187,065	17,287,016	(1,703,858)	(2,963,544)
(Reversal of) provisions for employee benefits	16	8,432,306	(156,359)	1,527,297	977,434
Unrealised (gain) loss on exchange		(1,820,385)	1,245,654	(1,834,551)	1,533,904
(Gain) loss on fair value measurement of financial assets and liabilities	23	256,659,767	(446,206,442)	256,659,767	(446,206,442)
Gain on disposal of financial assets and liabilities		(279,284,802)	(99,655,974)	(278,011,869)	(99,655,974)
Share of loss of investment in an associate accounted for using equity method, net of tax	10	576,377	1,029,899	-	-
Loss on inventories devaluation	8	10,359,003	167,909,192	17,080,287	143,437,607
Gain on disposal of property, plant and equipment		-	(166,927)	-	(166,887)
Written-off property, plant and equipment/intangible assets		128,811	-	264,099	-
Dividend income		(77,022,278)	(36,049,349)	(133,421,830)	(150,049,484)
Interest income		(713,920)	(3,136,504)	(5,008,178)	(6,815,338)
		122,969,471	(93,427,019)	(69,097,774)	(113,726,466)
<i>Changes in operating assets and liabilities</i>					
Trade accounts receivable and other receivables		(325,981,707)	92,950,724	21,491,770	(32,722,496)
Inventories		(46,111,243)	(7,502,785)	(10,069,855)	61,446,174
Other current assets		869,934	16,878,931	(494,482)	4,263,481
Other non-current assets		(954,376)	(403,132)	(2,161,870)	(475,139)
Trade accounts payable and other payables		30,502,743	(31,369,954)	(6,066,838)	29,518,026
Provisions for employee benefits	16	(5,246,336)	(3,310,677)	-	-
Other current liabilities		751,174	(1,779,174)	241,784	330,693
Net cash generated used in operating		(223,200,340)	(27,963,086)	(66,157,265)	(51,365,727)
Taxes paid		(39,563,758)	(16,436,153)	(19,682,752)	(3,748,633)
Net cash used in operating activities		(262,764,098)	(44,399,239)	(85,840,017)	(55,114,360)

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

Do Day Dream Public Company Limited and its Subsidiaries

Statement of cash flows

	Consolidated financial statements		Separate financial statements		
	Note	Year ended 31 December		Year ended 31 December	
		2021	2020	2021	2020
		(in Baht)			
Cash flows from investing activities					
Changes in restricted deposits at financial institutions		(5,000,000)	(200,000)	-	-
Acquisition of capital increase in a subsidiary	4	-	-	(295,000,000)	-
Acquisition of investments in subsidiaries	4	-	-	(161,600,000)	(2,624,850)
Proceeds from sale of investment in an associate	10	79,666,657	-	-	-
Acquisition of subsidiaries, net of cash acquired		-	(554,050,401)	-	(732,506,040)
Acquisition of investment in an associate	10	-	(80,000,000)	-	-
Acquisitions of other current financial assets		(3,224,480,247)	(3,863,738,676)	(3,224,480,247)	(3,863,738,176)
Proceeds from sale of other current financial assets		3,813,300,311	4,480,830,952	3,813,300,311	4,480,830,952
Acquisitions of property, plant and equipment		(18,191,602)	(9,717,685)	(14,859,485)	(5,101,726)
Proceeds from sales of property, plant and equipment		55,900	1,323,233	-	1,399,976
Acquisitions of intangible assets		(3,978,209)	-	(2,801,431)	-
Proceeds from sales of intangible assets		-	23,361	-	-
Short-term loans to subsidiaries	5	-	-	(90,000,000)	(136,000,000)
Proceeds from repayment of loan to a subsidiary	5	-	-	175,000,000	20,000,000
Dividend received		77,068,728	36,049,349	77,068,728	150,049,484
Interest received		690,496	3,136,504	2,382,857	5,577,474
Net cash from (used in) investing activities		719,132,034	13,656,637	279,010,733	(82,112,906)
Cash flows from financing activities					
Proceeds from change in ownership interest in subsidiaries without a change in control		-	37,125,000	-	-
Acquisition of non-controlling interests	4	(161,600,000)	-	-	-
Repayments of borrowings from financial institutions		-	(57,613,144)	-	-
Payments of lease liabilities		(21,599,127)	(19,932,816)	(4,628,292)	(3,940,921)
Dividends paid to owners of the Company	22	(158,942,850)	(153,538,436)	(158,942,850)	(153,538,436)
Dividends paid to non-controlling interests		-	(36,000,014)	-	-
Interest paid		(1,140,503)	(2,073,088)	(625,821)	(499,770)
Net cash used in financing activities		(343,282,480)	(232,032,498)	(164,196,963)	(157,979,127)
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates		113,085,456	(262,775,100)	28,973,752	(295,206,393)
Effect of exchange rate changes on cash and cash equivalents		12,279,954	1,640,630	1,680,983	(681,968)
Net increase (decrease) in cash and cash equivalents		125,365,410	(261,134,470)	30,654,735	(295,888,361)
Cash and cash equivalents at 1 January		762,555,889	1,023,690,359	529,054,351	824,942,712
Cash and cash equivalents at 31 December		887,921,299	762,555,889	559,709,086	529,054,351
Supplemental disclosures of cash flows information:					
Property, plant and equipment acquired during the year are detailed as follows:					
Increase in property, plant and equipment during the year	11	21,449,395	9,308,335	18,074,138	4,619,736
Change in payables on acquisition of plant and equipment		(3,257,793)	409,350	(3,214,653)	481,990
Net acquisition of property, plant and equipment paid by cash		18,191,602	9,717,685	14,859,485	5,101,726
Supplemental disclosures of cash flow information					
Non-cash transaction					
Assets acquired under financial lease agreements	12	51,997,514	10,266,162	50,819,067	1,345,942

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

Do Day Dream Public Company Limited and its Subsidiaries

Statement of cash flows

For the year ended 31 December 2021

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

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorized for issue by the Board of Directors on 25 February 2022.

1 General information

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

The Company’s major shareholder during the financial year was Mr. Sarawut Pornpatanarak (50.21% shareholding).

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

Details of the Company’s subsidiaries as at 31 December 2021 and 2020 are given in note 9.

2 Basis of preparation of the financial statements

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The financial statements are presented in Thai Baht, which is the Company’s functional currency.

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

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Basis of consolidation

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

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

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree. In addition, when there is a change in the Group's interest in a subsidiary that do not result in a loss of control, any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received from the acquisition or disposal of the non-controlling interests with no change in control are accounted for as other surpluses/deficits in shareholders' equity.

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

An associate is the entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

The Group recognised investments in an associate using the equity method in the consolidated financial statements. It is initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's dividend income and share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence ceases.

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

Business combinations

The Group applies the acquisition method when the Group assess that the acquired set of activities and assets include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. The acquisition date is the date on which control is transferred to the Group. Expenses in connection with a business combination are recognised as incurred.

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

Consideration transferred includes assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, any contingent consideration and equity interests issued by the Group.

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

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

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

(b) Investments in subsidiaries

Investments in subsidiaries in the separate financial statements are measured at cost less allowance for impairment losses. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established. If the Company disposes of part of its investment, the deemed cost of the part sold is determined using the weighted average method. Gains and losses on disposal of the investments are recognised in profit or loss.

(c) Foreign currencies

Transactions in foreign currencies including non-monetary assets and liabilities denominated in foreign currencies are translated to the respective functional currencies of each entity in the Group at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate at the reporting date. Non-monetary assets and liabilities measured at fair value in foreign currencies are translated at the exchange rates at the dates that fair value was determined.

Foreign currency differences are generally recognised in profit or loss.

Foreign operations

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

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

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

(d) Financial instruments

(d.1) Classification and measurement

Other financial assets and financial liabilities (except trade accounts receivables (see note 3(f))) are initially recognised when the Group becomes a party to the contractual provisions of the instrument, and measured at fair value, taking into account for transaction costs that are directly attributable to its acquisition, except for financial assets and financial liabilities measured at FVTPL, which are initially and subsequently measured at fair value, and any transaction costs that are directly attributable to its acquisition are recognised in profit or loss.

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI); or fair value through profit or loss (FVTPL). Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

On initial recognition, financial liabilities are classified as measured at amortised cost using the effective interest method or FVTPL. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognised in profit or loss.

Financial assets measured at amortised costs are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss and any gain or loss on derecognition are recognised in profit or loss.

(d.2) Derecognition and offset

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

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

The difference between the carrying amount extinguished and the consideration received or paid is recognised in profit or loss.

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

(d.3) Derivatives

Derivative are recognised at fair value and remeasured at fair value at each reporting date. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

(d.4) Impairment of financial assets other than trade accounts receivables

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, debt investments measured at FVOCI, and loan commitments issued which are not measured at FVTPL.

The Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

The Group considers a financial asset to have low credit risk when its credit rating is equivalent to the globally understood definition of 'investment grade'. The Group recognises ECLs for low credit risk financial asset as 12-month ECLs

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

(d.5) Write offs

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(d.6) Interest

Interest income and expense is recognised in profit or loss using the effective interest method. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments which has a maturity of three months or less from the date of acquisition. Bank overdrafts that are repayable on demand are a component of cash and cash equivalents for the purpose of the statement of cash flows.

(f) Trade and other accounts receivable

A trade receivable is recognised when the Group has an unconditional right to receive consideration. A trade receivable is measured at transaction price less allowance for expected credit loss. Bad debts are written off when incurred.

The Group estimates lifetime expected credit losses (ECLs), using a provision matrix to find ECLs rate. This method groups the debtors based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

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(g) Inventories

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

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

Cost are calculated using the following principles:

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

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

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

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

(h) Property, plant and equipment

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

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes capitalised borrowing costs, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Differences between the proceeds from disposal and the carrying amount of property, plant and equipment are recognised in profit or loss.

Subsequent costs

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

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of each component of an asset and recognised in profit or loss. No depreciation is provided on freehold land and assets under construction.

The estimated useful lives are as follows:

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

(i) Goodwill

Goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investee, the carrying amount of goodwill is included in the carrying amount of the investment. Internally generated goodwill and brands, is recognised in profit or loss as incurred.

(j) Other intangible assets

Other intangible assets that have indefinite useful lives are measured at cost less impairment losses. Other intangible assets are measured at cost less accumulated amortisation and impairment losses. Subsequent expenditure is capitalised only when it will generate the future economic benefits. Amortisation is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognised in profit or loss.

The estimated useful lives are as follows:

Software licences	2 - 10 years
Patents and trademarks	7, 10 years and indefinite useful lives
Customers relationships	10 years

(k) Leases

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

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any prepaid lease payments, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Group uses the Group's incremental borrowing rate to discount the lease payments to the present value. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a lease modification, or a change in the assessment of options specified in the lease. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(l) *Impairment of non-financial assets*

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount, unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

The recoverable amount is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses of assets recognised in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(m) Employee benefits

Defined contribution plans

Obligations for contributions to the Group's provident funds are expensed as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligations is discounted to the present value, which performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(n) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

(o) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1*: quoted prices in active markets for identical assets or liabilities.
- *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- *Level 3*: inputs for the asset or liability that are based on unobservable input.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and asset positions at a bid price and liabilities and liability positions at an ask price

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price, the financial instrument is initially measured at fair value adjusted for the difference between the fair value on initial recognition and the transaction price and the difference is recognised in profit or loss immediately. However, for the fair value categorised as level 3, such difference is deferred and will be recognised in profit or loss on an appropriate basis over the life of the instrument or until the fair value level is transferred or the transaction is closed out.

(p) Revenue from contracts with customers

Revenue recognition

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax or other sales taxes and is after deduction of any trade discounts and volume rebates.

Revenue from sales of goods is recognised on the date on which the goods are delivered to the customers. For the sales that permit the customers to return the goods, the Group estimates the returns based on the historical return data, does not recognise revenue for this transaction and remains recognition of inventory for the estimated products to be returned.

Revenue for rendering of services is recognised over time based on stage of completion as the services are provided. The related costs are recognised in profit or loss when they are incurred.

(q) Income tax

Income tax expense for the year comprises current and deferred tax, which is recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is recognised in respect of the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities are offset in the separate financial statements.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(r) *Earnings per share*

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

(s) *Segment reporting*

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly finance costs, income tax expenses and other assets.

4 Acquisition of non-controlling interests

On 4 March 2021, the Group acquired an additional 24% interest in Kuron Corporation Limited ("Kuron") for Baht 157.74 million in cash and incurred shared acquisition-related costs of Baht 1.60 million, increasing its ownership from 76% to 100%. The carrying amount of Kuron's net assets in the Group's financial statements on the date of the acquisition was Baht 349.57 million. The Group recognised a decrease in non-controlling interests of Baht 146.29 million, and an increase in deficit on changes in the ownership interests in subsidiaries of Baht 13.05 million attributable to owners of the Group of Baht 159.34 million of changes in the Group's ownership interest in Kuron.

On 4 March 2021, the Group acquired an additional 24% interest in Alexi Training and Consulting Company Limited ("Alexi") for Baht 2.26 million in cash, increasing its ownership from 76% to 100%. The carrying amount of Alexi's net assets in the Group's financial statements on the date of the acquisition was Baht 14.69 million. The Group recognised a decrease in non-controlling interests of Baht 3.52 million, and decrease in deficit on changes in the ownership interests in subsidiaries of Baht 1.26 million attributable to owners of the Group of Baht 2.26 million of changes in the Group's ownership interest in the equity in Alexi.

However, non-controlling interests (NCI) of Kuron and Alexi did not exercise the put options in accordance with the acquisition agreements. The Company, therefore, reversed the other equity interest of Baht 35.92 million.

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Other related parties				
Sales of goods, net of discount	775	5,299	-	-
Rental income	-	-	1,261	16
Service income	-	-	-	542
Other income	-	5	34	1,257
Purchases of goods	5,684	360	1,291	360
Sales promotion expense	111	829	-	-
Rental fee expense	792	852	792	852
Service expense	60	-	60	-
Other expenses	50	-	50	-
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	38,956	54,960	38,956	36,377
Post-employment benefits	601	4,013	601	207
Total key management personnel compensation	39,557	58,973	39,557	36,584

5.2 Balances as at 31 December with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Trade and other accounts receivable				
Subsidiaries	-	-	195,595	245,302
Associate	-	1	-	1
Other related parties	21	308	-	-
Total	21	309	195,595	245,303
Less allowance for expected credit loss	-	-	-	-
Net	21	309	195,595	245,303
Short term loans to				
Subsidiaries	-	-	145,000	230,000
Total	-	-	145,000	230,000
Less allowance for expected credit loss	-	-	-	-
Net	-	-	145,000	230,000
Trade and other accounts payable				
Subsidiaries	-	-	4	935
Other related parties	1,564	71	1,175	71
Total	1,564	71	1,179	1,006

5.3 Significant agreements with related parties

- a.) The Company has service agreement with Namu Life Plus Company Limited, Do Infinite Dream Company Limited, Dream Dermatology Company Limited and Skin Make Smiles Company Limited (subsidiaries). Under the terms of each agreement, the Company agreed to provide the service of consulting and management. In this regard, the subsidiaries agreed to pay monthly fee to the Company at the rate as stipulated in the agreements.
- b.) The Company has office rental agreement with Namu Life Plus Company Limited, Do Infinite Dream Company Limited, Dream Dermatology Company Limited and Skin Make Smiles Company Limited (subsidiaries). Under the term of each agreement, the Company agreed the subsidiaries to use the building space for their office. In this regards, the subsidiaries agreed to pay rental fee to the Company at the rate stipulated in the agreements.
- c.) The Company has service agreement with Do Day Dream Trading Pte. Ltd. (a foreign indirect subsidiary). Under the terms of the agreement, the Company agreed to provide the accounting receivable management service and capital management service. In this regard, the foreign indirect subsidiaries agreed to pay monthly fee to the Company at the rate of 0.1 percent of the total net sales. This agreement is terminated by mutually agreed by both parties in writing or either party upon receipt of 30 days prior written notice in the event the other party materially fails to comply with the terms of agreement through no fault of the other.
- d.) Alexi Training and Consulting Company Limited (“Alexi”) (a subsidiary) has service agreement with Kuron Corporation Limited (“Kuron”) (a subsidiary). Under the terms of agreement, Alexi agreed to provide service of recruiting and training personnel to Kuron. In this regard, Kuron agreed to pay monthly fee to Alexi at the rate stipulated in the agreements.
- e.) Kuron Corporation Limited (“Kuron”) (a subsidiary) has service agreement with Alexi Training and Consulting Company Limited (“Alexi”) (a subsidiary). Under the terms of agreement, Kuron agreed to provide the accounting service and management service to Alexi. In this regard, Alexi agreed to pay service fee to Kuron at the rate stipulated in the agreements.
- f.) Kuron Corporation Limited (“Kuron”) (a subsidiary) has office rental agreement with Alexi Training and Consulting Company Limited (“Alexi”) (a subsidiary). Under the terms of agreement, Kuron agreed Alexi to use the building space for its office. In this regard, Alexi agreed to pay rental fee to Kuron at the rate stipulated in the agreement.
- g.) Do Infinite Dream Company Limited (a subsidiary) has service agreement with Kuron Corporation Limited (“Kuron”) (a subsidiary). Under the terms of agreement, Do Infinite Dream Company Limited agrees to provide service of consultation related to personnel management, product management advice service, financial planning, capital management, providing of capital funding sources and legal operation and coordination services to Kuron. In this regard, Kuron agrees to pay for monthly fee to Do Infinite Dream Company Limited at the rate stipulated in the agreement.
- h.) Alexi Training and Consulting Company Limited (“Alexi”) (a subsidiary) has service agreement with Namu Life Plus Company Limited (a subsidiary). Under the terms of agreement, Alexi agrees to provide service of recruitment and control of promotional staffs to increase sales and service efficiency for Namu Life Plus Company Limited. In this regard, Namu Life Plus Company Limited agrees to pay for monthly fee to Alexi at the rate stipulated in the agreements.

- i.) The Company had short-term loans to Dream Dermatology Company Limited and Skin Make Smiles Company Limited and Do Infinite Dream Company Limited (subsidiaries) at an interest rate to 1.9% per annum (2020: 1.9% per annum), which will become due at call.

6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Cash on hand	218	214	42	35
Cash at banks	884,715	759,354	556,679	526,031
Highly liquid short-term investments	2,988	2,988	2,988	2,988
Total	887,921	762,556	559,709	529,054

7 Trade and other current receivables

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<i>At 31 December</i>	<i>(in thousand Baht)</i>			
Trade accounts receivable				
Within credit terms	459,427	209,534	55,071	35,681
Overdue:				
1-30 days	45,334	49,361	8,662	8,236
31-60 days	5,933	16,755	14,111	2,686
61-90 days	86	4,733	10,129	11,771
More than 90 days	29,142	38,276	24,335	168,488
Total	539,922	318,659	112,308	226,862
Less allowance for expected credit loss	(30,300)	(23,989)	-	(1,704)
Net	509,622	294,670	112,308	225,158
Other current receivables				
Within credit terms	169,701	64,748	182,738	39,977
Overdue:				
1-30 days	-	57	975	1,920
31-60 days	-	29	2,305	1,111
61-90 days	-	-	190	751
More than 90 days	-	-	9,721	-
Total	169,701	64,834	195,929	43,759
Less allowance for expected credit loss	-	(37)	-	(37)
Net	169,701	64,797	195,929	43,722
Total trade and other current receivables	679,323	359,467	308,237	268,880

<i>At 31 December</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<i>Allowance for expected credit loss</i>				
At 1 January	(24,027)	(8,343)	(1,741)	(6,229)
Addition	(10,391)	(20,251)	-	-
Reversal	4,204	2,964	1,704	2,964
Write-off	37	1,524	37	1,524
Difference on foreign exchange	(123)	79	-	-
At 31 December	<u>(30,300)</u>	<u>(24,027)</u>	<u>-</u>	<u>(1,741)</u>

Information of credit risk is disclosed in note 23 (b.1).

8 Inventories

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Finished goods	382,102	381,342	49,034	71,575
Work in progress	5,649	5,180	5,649	5,180
Raw materials	54,909	50,997	54,909	50,997
Packaging	104,619	96,797	102,476	94,711
Supplies	5,606	3,740	5,422	3,654
Goods in transit	25,582	14,194	-	1,198
Total	<u>578,467</u>	<u>552,250</u>	<u>217,490</u>	<u>227,315</u>
<i>Less allowance for decline in value</i>	<i>(181,307)</i>	<i>(190,842)</i>	<i>(152,719)</i>	<i>(155,533)</i>
Net	<u>397,160</u>	<u>361,408</u>	<u>64,771</u>	<u>71,782</u>
Inventories recognised in ‘cost of sales of goods’:				
- Cost	548,859	413,086	159,922	181,725
- Write-down	10,359	167,909	17,080	143,438
Net	<u>559,218</u>	<u>580,995</u>	<u>177,002</u>	<u>325,163</u>

9 Investments in subsidiaries

Separate financial statements

Name of entity	Type of business	Country of incorporation	Ownership interest (%)		Paid-up capital		Cost		Impairment		At cost - net		Dividend income for the year	
			2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Direct subsidiaries														
Namu Life Plus Company Limited	Distribution of cosmetics and supplement	Thailand	100	100	300,000	5,000	347,655	52,655	-	-	347,655	52,655	-	-
Do Infinite Dream Company Limited	Management, technical, financing and enterprise service	Thailand	100	100	100,000	100,000	100,000	100,000	-	-	100,000	100,000	-	-
Dream Dermatology Company Limited	Distribution of cosmetics and supplement	Thailand	95	95	50,000	50,000	47,500	47,500	-	-	47,500	47,500	11,400	-
Skin Make Smiles Company Limited	Distribution of cosmetics	Thailand	70	70	5,000	5,000	3,499	3,499	-	-	3,499	3,499	-	-
Kuron Corporation Limited	Distribution of beauty products	Thailand	100	76	295,392	295,392	883,348	724,013	-	-	883,348	724,013	35,000	114,000
Alexi Training and Consulting Company Limited	Training services and providing sales advice	Thailand	100	76	5,000	5,000	10,758	8,493	-	-	10,758	8,493	10,000	-
Total					1,392,760	936,160	1,392,760	936,160	-	-	1,392,760	936,160	56,400	114,000
Indirect subsidiaries														
Do Day Dream Holding Pte.Ltd.	Holding company	Singapore	100	100	USD 2,000,000	USD 2,000,000								
Do Day Dream Trading Pte.Ltd.	General wholesale trade (include general importer and exporter)	Singapore	100	100	USD 300,000	USD 300,000								
Do Day Dream Philippines Corporation	General wholesale trade (include general importer and exporter)	Philippines	51	51	PHP 66,000,000	PHP 66,000,000								

<i>Material movement for the year ended 31 December</i>	<i>Note</i>	Separate financial statements	
		2021	2020
		<i>(in thousand Baht)</i>	
<i>Subsidiaries</i>			
Acquire investment in Kuron Corporation Limited	4	159,335	724,013
Acquire investment in Alexi Training and Consulting Company Limited	4	2,265	8,493
Increase capital of Namu Life Plus Company Limited		295,000	-

- (1) The Company invested in Kuron Corporation Limited by acquiring additional 708,939 ordinary shares from the former shareholders on 4 March 2021 with the consideration paid of Baht 222.50 per share, totaling of Baht 157.74 million, which represent 24% shareholding and incurred shared acquisition-related costs totaling of Baht 1.60 million. The shares transfer has been completed on 4 March 2021.
- (2) The Company invested in Alexi Training and Consulting Company Limited by acquiring additional 12,000 ordinary shares from the former shareholders on 4 March 2021 with the consideration paid of Baht 188.69 per share, totaling of Baht 2.26 million, which represent 24% shareholding. The shares transfer has been completed on 4 March 2021.
- (3) At the Shareholders Meeting of Namu Life Plus Company Limited, a subsidiary, held on 12 November 2021, the subsidiary's shareholders approved to increase their authorised share capital of Baht 295 million (from Baht 5 million to Baht 300 million) by issuing 2,950,000 new ordinary shares with the par value of Baht 100 per share. The subsidiary registered the increase of the share capital with the Ministry of Commerce on 9 December 2021. The Company invested in this subsidiary by acquired 2,950,000 ordinary shares with the consideration paid of Baht 100 per share, totaling of Baht 295 million, which represent 100% shareholding. The share transfer has been completed on 9 December 2021.

<i>Material movement for the year ended 31 December</i>	Consolidated financial statements	
	2021	2020
	<i>(in thousand Baht)</i>	
Associate		
Acquisition of investment in JMS Global Solution Company Limited	-	80,000
Disposal of investment in JMS Global Solution Company Limited	78,394	-

In December 2021, a subsidiary sold all investments in JMS Global Solution Company Limited, for a consideration of Baht 79.66 million. The Group recognised gain on disposal of investment in the consolidated financial statements of Baht 1.27 million.

Immaterial associate

The following is summarized financial information for the Group's interest in immaterial associate based on the amounts reported in the Group's consolidated financial statements:

	Immaterial Associate	
	2021	2020
	<i>(in thousand Baht)</i>	
Carrying amount of interests in immaterial associate	<u>-</u>	<u>78,970</u>
Group's share of loss from continuing operations	<u>(576)</u>	<u>(1,030)</u>

11 Property, plant and equipment

	Consolidated financial statements					
	Land	Buildings and building improvements	Machinery and equipment	Vehicles	Assets under construction and installation	Total
	<i>(in thousand Baht)</i>					
Cost						
At 1 January 2020	59,596	150,090	135,142	12,567	1,392	358,787
Acquisitions through business acquisition	-	40,816	23,533	1,167	-	65,516
Additions	-	1,078	6,090	27	2,114	9,309
Transfers	-	-	2,138	-	(2,138)	-
Disposals	-	-	(491)	-	(1,202)	(1,693)
Effect of movements in exchange rates	-	-	32	72	-	104
At 31 December 2020 and 1 January 2021	59,596	191,984	166,444	13,833	166	432,023
Additions	-	666	9,669	-	11,114	21,449
Transfers	-	10,794	76	-	(10,870)	-
Disposals	-	(3,607)	(233)	-	-	(3,840)
Effect of movements in exchange rates	-	-	60	68	-	128
At 31 December 2021	59,596	199,837	176,016	13,901	410	449,760

Consolidated financial statements

	Land	Buildings and building improvements	Machinery and equipment (in thousand Baht)	Vehicles	Assets under construction and installation	Total
Depreciation						
At 1 January 2020	-	27,970	65,851	9,801	-	103,622
Acquisitions through business acquisition	-	24,727	16,808	683	-	42,218
Depreciation charge for the year	-	8,882	24,800	1,278	-	34,960
Disposals	-	-	(407)	-	-	(407)
Effect of movements in exchange rates	-	-	43	-	-	43
At 31 December 2020 and 1 January 2021	-	61,579	107,095	11,762	-	180,436
Depreciation charge for the year	-	9,223	22,024	764	-	32,011
Disposals	-	(3,607)	(177)	-	-	(3,784)
Effect of movements in exchange rates	-	-	27	14	-	41
At 31 December 2021	-	67,195	128,969	12,540	-	208,704
Net book value						
At 31 December 2020	59,596	130,405	59,349	2,071	166	251,587
At 31 December 2021	59,596	132,642	47,047	1,361	410	241,056

Separate financial statements

	Land	Buildings and building improvements	Machinery and equipment (in thousand Baht)	Vehicles	Assets under construction and installation	Total
Cost						
At 1 January 2020	59,596	150,090	132,979	11,199	1,392	355,256
Additions	-	748	1,758	-	2,114	4,620
Transfers	-	-	2,138	-	(2,138)	-
Disposals	-	-	(155)	-	(1,202)	(1,357)
At 31 December 2020 and 1 January 2021	59,596	150,838	136,720	11,199	166	358,519
Additions	-	-	6,960	-	11,114	18,074
Transfers	-	10,794	76	-	(10,870)	-
Disposals	-	-	(1)	-	-	(1)
At 31 December 2021	59,596	161,632	143,755	11,199	410	376,592
Depreciation						
At 1 January 2020	-	27,970	64,718	9,769	-	102,457
Depreciation charge for the year	-	7,537	20,586	985	-	29,108
Disposals	-	-	(123)	-	-	(123)
At 31 December 2020 and 1 January 2021	-	35,507	85,181	10,754	-	131,442
Depreciation charge for the year	-	7,552	18,258	445	-	26,255
Disposals	-	-	(2)	-	-	(2)
At 31 December 2021	-	43,059	103,437	11,199	-	157,695

<i>Year ended 31 December</i>	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
		<i>(in thousand Baht)</i>			
<i>Amounts recognised in profit or loss</i>					
Sub-lease income		-	-	1,091	1,084
Depreciation of right-of-use assets:					
- Land		1,092	908	-	-
- Building and building improvements		15,792	14,534	2,305	1,346
- Machinery and equipment		2,018	2,012	2,018	2,012
- Vehicles		3,803	3,809	1,339	1,668
Interest on lease liabilities		1,213	2,002	626	500
Expenses relating to short-term leases and low-value assets	<i>19</i>	502	2,325	3,944	5,251

In 2021, total cash outflow for leases of the Group and the Company were Baht 22.10 million and Baht 8.57 million, respectively (2020: Baht 22.26 million and Baht 9.19 million, respectively).

13 Goodwill

	Consolidated financial statements	
	2021	2020
	<i>(in thousand Baht)</i>	
<i>Cost</i>		
At 1 January	170,900	-
Acquired through business acquisition	-	170,900
At 31 December	<u>170,900</u>	<u>170,900</u>
<i>Impairment losses</i>		
At 1 January	-	-
Impairment loss	-	-
At 31 December	<u>-</u>	<u>-</u>
<i>Net book value</i>		
At 31 December	<u>170,900</u>	<u>170,900</u>

Impairment testing for CGUs containing goodwill

Goodwill was arising from acquisitions of shares of Kuron Corporation Limited and Alexi Training and Consulting Company Limited. For the purposes of impairment testing, goodwill has been allocated to the Group's CGU which is Kuron Corporation Limited and Alexi Training and Consulting Company Limited.

Impairment testing

In evaluating and testing of impairment, the Group determined the recoverable amount on the higher of its value in use by estimating discounted future cash flows and the fair value less cost of disposal if sale the business.

In this regard, the preparation of future cash flows that the Group expects to receive is derived from the determination of financial assumptions based on the management's assessment by considering the factors related to future trends in the relevant industries and historical financial data from external and internal sources of information.

The key assumptions used in the estimation of the recoverable amount were as follows:

Discount rate

The discount rates were based on weighted average cost of capital comprised of key financial assumptions such as targeted capital structure, cost of debt and cost of equity.

Terminal growth rate

Terminal growth rates were determined based on average consumer price index, inflation rates, growth rates of the relevant industries of the countries of the operation and the long-term growth plan as well as the comparable businesses in the same industries.

Budgeted future cash flow that the Group expects to receive

Budgeted future cash flow that the Group expects to receive comprises of budgeted revenue growth, costs and related expenses, by taking the average growth rate in the past, budgeted sale quantities, selling price, and expenses into account and referencing to future trend of market growth along with the business strategies and the operation of the Group in the future.

Based on the impairment testing, the recoverable amount of CGU was estimated to be higher than its carrying amount and no impairment was required to these financial statements.

14 Other intangible assets

	Consolidated financial statements				Total
	Patents and Trademarks	Customer relationships	Software licences	Computer programs under installation	
	<i>(in thousand Baht)</i>				
Cost					
At 1 January 2020	97,314	-	16,209	-	113,523
Acquisitions through business acquisition	238,690	81,510	38,396	-	358,596
Disposals	(18)	-	(6)	-	(24)
At 31 December 2020 and 1 January 2021	335,986	81,510	54,599	-	472,095
Additions	-	-	1,192	2,797	3,989
Disposals	(128)	-	-	-	(128)
At 31 December 2021	335,858	81,510	55,791	2,797	475,956

Consolidated financial statements					
	Patents and Trademarks	Customer relationships	Software licences	Computer programs under installation	Total
	<i>(in thousand Baht)</i>				
<i>Amortisation and impairment losses</i>					
At 1 January 2020	8,799	-	5,428	-	14,227
Acquisitions through business acquisition	-	-	18,320	-	18,320
Amortisation for the year	1,736	6,793	4,921	-	13,450
At 31 December 2020 and 1 January 2021	10,535	6,793	28,669	-	45,997
Amortisation for the year	1,931	8,150	5,393	-	15,474
At 31 December 2021	12,466	14,943	34,062	-	61,471
<i>Net book value</i>					
At 31 December 2020	325,451	74,717	25,930	-	426,098
At 31 December 2021	323,392	66,567	21,729	2,797	414,485

Separate financial statements				
	Trademarks	Software licences	Computer programs under installation	Total
	<i>(in thousand Baht)</i>			
<i>Cost</i>				
At 1 January 2020	5,456	15,777	-	21,233
Additions	-	-	-	-
At 31 December 2020 and 1 January 2021	5,456	15,777	-	21,233
Additions	-	4	2,797	2,801
Disposals	(128)	-	-	(128)
At 31 December 2021	5,328	15,781	2,797	23,906
<i>Amortisation</i>				
At 1 January 2020	1,710	5,349	-	7,059
Amortisation for the year	763	1,674	-	2,437
At 31 December 2020 and 1 January 2021	2,473	7,023	-	9,496
Amortisation for the year	761	1,556	-	2,317
At 31 December 2021	3,234	8,579	-	11,813
<i>Net book value</i>				
At 31 December 2020	2,983	8,754	-	11,737
At 31 December 2021	2,094	7,202	2,797	12,093

Impairment testing for intangible assets

The recoverable amount was based on its value in use, determined by discounting the future cash flows. The key assumptions used in the estimation of value in use were expectations of future outcomes taking into account past experience adjusted for anticipated revenue growth and discount rate which calculated from weighted average cost of capital. According to the impairment testing, the estimated recoverable amount was closed to the carrying amount of intangible assets. Therefore, the management was not considered to recognise or reverse an impairment loss of intangible assets for the year ended 31 December 2021.

15 Interest-bearing liabilities

	Consolidated financial statements					
	2021			2020		
	Secured	Unsecured	Total (in thousand Baht)	Secured	Unsecured	Total
Lease liabilities	-	91,236	91,236	-	60,838	60,838
Total interest-bearing liabilities	-	91,236	91,236	-	60,838	60,838

	Separate financial statements					
	2021			2020		
	Secured	Unsecured	Total (in thousand Baht)	Secured	Unsecured	Total
Lease liabilities	-	54,523	54,523	-	8,332	8,332
Total interest-bearing liabilities	-	54,523	54,523	-	8,332	8,332

<i>Assets pledged as security for liabilities as at 31 December</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Fixed deposit	25,473	20,273	20,273	20,273
Property, plant and equipment	92,905	95,374	92,905	95,374
Total	118,378	115,647	113,178	115,647

As at 31 December 2021, the Group and the Company had unutilised credit facilities totalling Baht 1,272 million and 1,016 million, respectively (2020: Baht 1,299 million and Baht 1,016 million, respectively).

16 Non-current provisions for employee benefits

<i>At 31 December</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Defined benefit plan	37,959	34,773	4,943	3,416
Total	37,959	34,773	4,943	3,416

Defined benefit plan

The Group operate a defined benefit plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the Group to actuarial risks, such as longevity risk, interest rate risk, future salary growth risk and turnover rate risk.

<i>Present value of the defined benefit obligations</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
At 1 January	34,773	2,296	3,416	2,134
Acquisitions through business acquisition	-	33,655	-	-
Recognised in profit or loss:				
(Reversal of) current service cost	7,843	(212)	1,476	941
Interest on obligation	589	56	51	37
	8,432	(156)	1,527	978
Recognised in other comprehensive income:				
Actuarial loss				
- Demographic assumptions	-	1,961	-	304
- Financial assumptions	-	7	-	-
- Experience adjustment	-	321	-	-
	-	2,289	-	304
Benefit paid	(5,246)	(3,311)	-	-
At 31 December	37,959	34,773	4,943	3,416

<i>Principal actuarial assumptions</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(%)</i>			
Discount rate	1.86	1.86	1.49	1.49
Future salary growth	4 - 5	4 - 5	5	5
Employee turnover	2 - 57	2 - 57	10 - 57	10 - 57

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2021, the weighted-average duration of the defined benefit obligation was 17.8 years (2020: 18.8 years).

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

<i>Effect to the defined benefit obligation At 31 December</i>	Consolidated financial statements			
	1% increase in assumption		1% decrease in assumption	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Discount rate	(3,980)	(3,508)	4,607	4,071
Future salary growth	4,985	4,024	(4,371)	(3,540)
Employee turnover	(336)	(274)	394	324
Future mortality	(18)	(14)	18	14
	Separate financial statements			
	1% increase in assumption		1% decrease in assumption	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Discount rate	(597)	(473)	701	563
Future salary growth	713	534	(617)	(459)
Employee turnover	(80)	(59)	81	60
Future mortality	(3)	(3)	3	3

17 Additional paid-up capital and reserves

Premium on ordinary shares

Section 51 of the Public Limited Company Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account (“Premium on ordinary shares”). Premium on ordinary shares is not available for dividend distribution.

Appropriate of profit and/or retained earnings

Legal reserve

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

As at 31 December 2021 and 2020, the legal reserve has fully been set aside.

Other components of equity

Translation reserve

The translation reserves comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

18 Segment information and disaggregation of revenue

Segment information

Segment information is based on core business operations of manufacturing and distributing cosmetics and distributing beauty products. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

Segment 1	Skincare business
Segment 2	Beauty products business

Each segment's performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

Disaggregation of revenue

The Group's operations and main revenue streams are described in the last annual financial statements. The Group's main revenue is derived from sale of goods and have timing of revenue recognition only at a point in time.

Geographic information

Revenue from external customers is based on locations of the customers.

Revenue and results, based on segments, in the consolidated financial statements for the years ended 31 December 2021 and 2020 were as follows:

Consolidated financial statements

Year ended 31 December	Skincare segments		Beauty products Segments		Total (in thousand Baht)		Eliminate		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Disaggregation of revenue										
Primary geographical markets										
Revenue from local sales	574,258	460,487	753,592	641,159	1,327,850	1,101,646	(211,206)	(276,516)	1,116,644	825,130
Revenue from export sales	407,591	326,916	22,521	2,696	430,112	329,612	(135,445)	(154,405)	294,667	175,207
Total revenue from sales of goods	981,849	787,403	776,113	643,855	1,757,962	1,431,258	(346,651)	(430,921)	1,411,311	1,000,337
Profit from operation	107,475	313,007	85,629	54,213	193,104	367,220	(57,063)	(114,171)	136,041	253,049
Finance costs									1,295	2,002
Impairment losses on TFRS9									6,187	17,287
Share of loss of investment in an associate									576	1,030
Income tax expense									26,037	53,185
Profit for the year									101,946	179,545

Assets and liabilities, based on segments, in the consolidated financial statements as at 31 December 2021 and 2020 were as follows:

Consolidated financial statements

Reportable segment assets as at 31 December	Skincare segments		Beauty products Segments		Total (in million Baht)		Eliminate		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Reportable segment liabilities as at 31 December	6,094	6,053	558	475	6,652	6,528	(1,428)	(1,155)	5,224	5,373
	687	902	181	123	868	1,025	(366)	(545)	502	480

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

<i>Geographical information</i>	Consolidated financial statements			
	Revenues		Non-current assets	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Thailand	1,116,644	825,130	958,450	1,028,100
Philippines	277,942	158,753	4,018	2,699
Others	16,725	16,454	21,806	21,751
Total	1,411,311	1,000,337	984,274	1,052,550

19 Expenses by nature

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
		<i>(in thousand Baht)</i>			
Raw materials and consumables used		491,902	335,483	104,312	110,086
Sales promotion and marketing expenses		364,969	339,670	5,668	10,576
Employee benefit expenses		353,509	317,803	85,800	102,327
Depreciation and amortization		70,190	69,741	34,235	36,570
Office expense		31,075	25,576	9,103	11,277
Service fee		27,656	20,906	10,981	11,471
Loss on inventories devaluation	8	10,359	167,909	17,080	143,438
Lease-related expenses	12	502	2,325	3,944	5,251
Others		31,418	57,813	15,333	34,522
Total		1,381,580	1,337,226	286,456	465,518

During 2021, the Group has contributed provident funds for its employees amounting to Baht 3.72 million and Baht 2.43 million, respectively (2020: Baht 8.80 million and Baht 4.91 million, respectively), which included in employee benefit expenses.

20 Income tax

<i>Income tax recognised in profit or loss</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Current tax expense				
Current year	70,627	18,219	43,315	-
Under (over) provided in prior years	(2,853)	-	-	-
	67,774	18,219	43,315	-
Deferred tax expense				
Movements in temporary differences	(41,737)	34,966	(46,857)	57,108
	(41,737)	34,966	(46,857)	57,108
Total income tax expense (income)	26,037	53,185	(3,542)	57,108

Consolidated financial statements						
	2021			2020		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
	<i>(in thousand Baht)</i>					
Income tax						
Recognised in other comprehensive income						
Defined benefit plan actuarial losses	-	-	-	(2,289)	458	(1,831)
Total	-	-	-	(2,289)	458	(1,831)

Separate financial statements						
	2021			2020		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
	<i>(in thousand Baht)</i>					
Income tax						
Recognised in other comprehensive income						
Defined benefit plan actuarial losses	-	-	-	(304)	61	(243)
Total	-	-	-	(304)	61	(243)

Reconciliation of effective tax rate	Consolidated financial statements				Separate financial statements			
	2021		2020		2021		2020	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		<u>127,983</u>		<u>232,730</u>		<u>40,490</u>		<u>409,112</u>
Income tax using the Thai corporation tax rate	20	25,597	20	46,546	20	8,098	20	81,822
Income tax reduction - current		(768)		(3,034)		(768)		(3,034)
Effect of different tax rates		(1,764)		1,646		-		-
Income not subject to tax		(3)		(22)		(11,280)		(22,800)
Expenses not deductible for tax purposes		3,366		3,718		4,727		1,171
Additional expenses deductible		(4,297)		(107)		(4,294)		(75)
Current year losses for which no deferred tax asset was recognised		6,670		4,414		-		-
Under (over) provided in prior years		(2,853)		-		-		-
Others		89		24		(25)		24
Total	20	26,037	23	53,185	(9)	(3,542)	14	57,108

<i>Deferred tax</i> <i>At 31 December</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Deferred tax assets	37,835	40,245	31,876	37,530
Deferred tax liabilities	(35,521)	(79,668)	(36,745)	(89,256)
Net	2,314	(39,423)	(4,869)	(51,726)

<i>Deferred tax</i>	Consolidated financial statements (Charged) / Credited to				At 31 December
	At 1 January	Profit or loss	Other comprehensive income	Acquired in business acquisition	
	<i>(in thousand Baht)</i>				
2021					
<i>Deferred tax assets (liabilities)</i>					
Trade accounts receivable	4,426	1,634	-	-	6,060
Inventories	38,800	(315)	-	-	38,485
Property, plant and equipment and intangible assets	(64,863)	2,049	-	-	(62,814)
Right-of-use assets	109	214	-	-	323
Put options	(1,361)	1,361	-	-	-
Non-current provisions for employee benefits	6,954	638	-	-	7,592
Revenue from consignment	30,532	(4,476)	-	-	26,056
Financial assets measured at FVTPL	(87,880)	51,135	-	-	(36,745)
Inter-profit on inventories	6,830	(580)	-	-	6,250
Loss carry forward	26,912	(9,914)	-	-	16,998
Others	118	(9)	-	-	109
Net	(39,423)	41,737	-	-	2,314
2020					
<i>Deferred tax assets (liabilities)</i>					
Accounts receivable	1,278	2,757	-	391	4,426
Inventories	5,268	32,048	-	1,484	38,800
Property, plant and equipment and intangible assets	394	1,948	-	(67,205)	(64,863)
Right-of-use assets	-	(96)	-	205	109
Put options	-	(1,361)	-	-	(1,361)
Non-current provisions for employee benefits	459	(694)	458	6,731	6,954
Revenue from consignment	-	(205)	-	30,737	30,532
Financial assets measured at FVTPL	(1,608)	(86,272)	-	-	(87,880)
Inter-profit on inventories	9,287	(2,457)	-	-	6,830
Loss carry forward	7,864	19,048	-	-	26,912
Others	(200)	318	-	-	118
Net	22,742	(34,966)	458	(27,657)	(39,423)

<i>Deferred tax</i>	At 1 January	Separate financial statements (Charged) / Credited to		At 31 December
		Profit or loss <i>(in thousand Baht)</i>	Other comprehensive income	
2021				
<i>Deferred tax assets (liabilities)</i>				
Accounts receivable	348	(348)	-	-
Inventories	31,106	(563)	-	30,543
Property, plant and equipment and intangible assets	328	(66)	-	262
Right-of-use assets	76	6	-	82
Put options	(1,361)	1,361	-	-
Non-current provisions for employee benefits	684	305	-	989
Financial assets measured at FVTPL	(87,880)	51,136	-	(36,744)
Loss carry forward	4,988	(4,988)	-	-
Others	(15)	14	-	(1)
Net	(51,726)	46,857	-	(4,869)
2020				
<i>Deferred tax assets (liabilities)</i>				
Accounts receivable	1,246	(898)	-	348
Inventories	5,037	26,069	-	31,106
Property, plant and equipment and intangible assets	394	(66)	-	328
Right-of-use assets	-	76	-	76
Put options	-	(1,361)	-	(1,361)
Non-current provisions for employee benefits	427	196	61	684
Financial assets measured at FVTPL	(1,608)	(86,272)	-	(87,880)
Loss carry forward	-	4,988	-	4,988
Others	(175)	160	-	(15)
Net	5,321	(57,108)	61	(51,726)

The tax losses will expire during the year 2022 to 2025. As at 31 December 2021 the Group had temporary difference arising from the unutilised tax losses carry forward totaling Baht 55.49 million (2020: Baht 22.07 million) which have not been recognised as deferred tax assets in the consolidated statement of financial position totaling Baht 11.10 million (2020: Baht 4.41 million) because it is not probable that the Group will be able to utilise the tax benefit in the foreseeable future.

21 Earnings per share

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht / thousand shares)</i>			
<i>Profit attributable to ordinary shareholders</i>				
Profit for the year attributable to ordinary shareholders of the Company (basic)	<u>81,319</u>	<u>169,253</u>	<u>44,033</u>	<u>352,005</u>
Weighted average number of ordinary shares outstanding (basic) at 31 December	<u>317,888</u>	<u>317,888</u>	<u>317,888</u>	<u>317,888</u>
Earnings per share (basic) <i>(in Baht)</i>	<u>0.26</u>	<u>0.53</u>	<u>0.14</u>	<u>1.11</u>

22 Dividends

	Approval date	Payment schedule	Dividend rate per share <i>(in Baht)</i>	Amount <i>(in million Baht)</i>
2021				
2020 Annual dividend	22 April 2021	May 2021	0.50	158.94
Total			<u>0.50</u>	<u>158.94</u>
2020				
2019 Annual dividend	7 April 2020	April 2020	0.125	39.74
2020 Interim dividend	14 August 2020	September 2020	0.358	113.80
Total			<u>0.483</u>	<u>153.54</u>

23 Financial instruments

(a) Carrying amount and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

	Consolidated/Separate financial statements					
	Carrying amount		Fair value			
<i>At 31 December</i>	Financial instruments measured at FVTPL	Total	Level 1 <i>(in million Baht)</i>	Level 2	Level 3	Total
2021						
Financial assets						
Other financial assets:						
Equity instruments	629	629	629	-	-	629
Unit trust:						
Equity instruments	23	23	-	23	-	23
Debt instruments	1,617	1,617	-	1,617	-	1,617
Total other financial assets	2,269	2,269				
2020						
Financial assets						
Other financial assets:						
Equity instruments	1,793	1,793	-	1,793	-	1,793
Unit trust - Debt instruments	1,037	1,037	-	1,037	-	1,037
Total other financial assets	2,830	2,830				
Financial Liability						
Put Options	29	29	-	-	29	29

The following tables present valuation technique of financial instruments measured at fair value in the statements of financial position:

Type	Valuation technique
Investments in marketable unit trusts classified as financial assets measured at FVTPL	The net asset value as of the reporting date.
Equity securities measured at FVTPL	Quoted prices in the Stock Exchange of Thailand by using the closing price as at the reporting date.
Put Options	Considering the present value of expected payment, discounted using a risk-adjusted discount rate. The expected payment is determined by considering the possible scenarios of forecast profit, the amount to be paid under each scenario and the probability of each scenario.

Movement of marketable equity and debt securities

<i>Marketable equity and debt securities</i>	Consolidated/Separate financial statements				At 31 December 2021
	At 1 January 2021	Purchase	Disposal (in thousand Baht)	Fair value adjustment	
<i>Current financial assets</i>					
Equity securities measured at FVTPL	1,793,415	1,817,480	(2,693,989)	(264,726)	652,180
Debt securities measured at FVTPL	1,036,593	1,407,000	(834,496)	8,066	1,617,163
Total	<u>2,830,008</u>	<u>3,224,480</u>	<u>(3,528,485)</u>	<u>(256,660)</u>	<u>2,269,343</u>

Reconciliation of Level 3 fair values

	Consolidated/Separate financial statements	
	2021	2020
<i>(in thousand Baht)</i>		
<i>Put Options</i>		
At 1 January	29,115	-
Reversal	(29,115)	-
Acquisitions through business acquisition	-	35,919
Net change in fair value - recognised in other income	-	(6,804)
At 31 December	<u>-</u>	<u>29,115</u>

(b) Financial risk management policies

Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(b.1) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities.

(b.1.1) Trade and other current receivables and loans to subsidiaries

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's commercial terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the risk management committee.

The Group limits its exposure to credit risk from trade accounts receivable by establishing a maximum payment period of 3 months. Outstanding trade receivables are regularly monitored by the Group. An impairment analysis is performed by the Group at each reporting date. The provision rates of expected credit loss are based on days past due for individual trade receivables/groupings of various customer segments with similar credit risks to reflect differences between economic conditions in the past, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Information relevant to trade and other current receivables are disclosed in note 7.

(b.1.2) Investment in debt securities

The Group considers that all debt investments measured at FVTPL have low credit risk. Then the credit loss allowance assessed during the year was therefore limited to 12 months expected losses or 'low credit risk'. Marketable bonds are considered to be an investment grade credit rating published by external credit rating agencies. The credit risk of other instruments are considered to be low when the risk of default is low and the issuer has a strong capacity to meet its contractual cash flow obligations.

(b.1.3) Cash and cash equivalent

The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions which the Group considers to have low credit risk.

(b.2) *Liquidity risk*

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The following table are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

		Consolidated financial statements			
		Contractual cash flows			
<i>At 31 December</i>	Carrying amount	1 year or less	More than 1 year but less than 5 years	More than 5 years	Total
<i>(in thousand Baht)</i>					
2021					
Financial liabilities					
Trade and other current payables	293,341	293,341	-	-	293,341
Lease liabilities	91,236	21,635	44,538	25,063	91,236
	<u>384,577</u>	<u>314,976</u>	<u>44,538</u>	<u>25,063</u>	<u>384,577</u>
2020					
Financial liabilities					
Trade and other current payables	260,899	260,899	-	-	260,899
Put options	29,115	29,115	-	-	29,115
Lease liabilities	60,838	21,283	39,555	-	60,838
	<u>350,852</u>	<u>311,297</u>	<u>39,555</u>	<u>-</u>	<u>350,852</u>
		Separate financial statements			
		Contractual cash flows			
<i>At 31 December</i>	Carrying amount	1 year or less	More than 1 year but less than 5 years	More than 5 years	Total
<i>(in thousand Baht)</i>					
2021					
Financial liabilities					
Trade and other current payables	69,664	69,664	-	-	69,664
Lease liabilities	54,523	8,661	20,798	25,064	54,523
	<u>124,187</u>	<u>78,325</u>	<u>20,798</u>	<u>25,064</u>	<u>124,187</u>
2020					
Financial liabilities					
Trade and other current payables	72,503	72,503	-	-	72,503
Put options	29,115	29,115	-	-	29,115
Lease liabilities	8,332	3,941	4,391	-	8,332
	<u>109,950</u>	<u>105,559</u>	<u>4,391</u>	<u>-</u>	<u>109,950</u>

(b.3) *Market risk*

The Group is exposed to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is as follows:

(b.3.1) Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies.

<i>Exposure to foreign currency at 31 December</i>	Consolidated financial statements					
	2021			2020		
	SGD	HKD	USD	SGD	HKD	USD
			(in thousand Baht)			
Cash and cash equivalents	10	2,713	6,177	9	2,349	6,799
Trade and other current receivables	-	-	-	-	-	1,704
Trade and other current payables	-	-	(5,513)	-	-	(728)
Net exposure	10	2,713	664	9	2,349	7,775

<i>Exposure to foreign currency at 31 December</i>	Separate financial statements					
	2021			2020		
	SGD	HKD	USD	SGD	HKD	USD
			(in thousand Baht)			
Cash and cash equivalents	-	-	6,177	-	-	6,799
Trade and other accounts receivable	-	-	-	-	-	1,704
Trade and other accounts payable	-	-	(5,513)	-	-	(728)
Net exposure	-	-	664	-	-	7,775

(b.3.2) Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because debt securities and loan interest rates are mainly fixed. So the Group has low interest rate risk. The sensitivity impact to the increase or decrease in interest expenses from borrowings, as a result of changes in interest rates is immaterial on financial statements of the Group.

<i>Exposure to interest rate risk at 31 December</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<i>Financial instruments with fixed interest rates</i>				
Financial assets	28,462	23,261	23,261	23,261
Short-term loans to subsidiaries	-	-	145,000	230,000
	28,462	23,261	168,261	253,261

24 Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board regularly monitors the return on capital, by evaluating result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

25 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<i>Capital commitment</i>				
Machinery and equipment	3,075	723	3,075	723
Total	3,075	723	3,075	723
<i>Other commitments</i>				
Short-term lease commitments	3,827	3,957	3,790	3,453
Bank guarantee of electricity use	273	273	273	273
Unused letters of credit for goods and supplies	-	7,242	-	-
Total	4,100	11,472	4,063	3,726

26 Events after the reporting period

At the Board of Directors' meeting of the Company held on 25 February 2022, the Company's Board of Directors approved to propose to the annual general shareholders' meeting of the Company for approval to declare the annual dividend from unappropriated retain earnings as at 31 December 2021 of Baht 0.35 per share for 317.89 million ordinary shares, totaling Baht 111.26 million. The declaration of dividend payment must be approved by the shareholders' meeting of the Company in April 2022.

27 Reclassification of accounts

Certain accounts in the statement of financial position for the year ended 31 December 2020 have been reclassified to conform to the presentation in the interim financial statements for the year ended 31 December 2021. Other significant reclassifications were as follows:

	Consolidated financial statements			Separate financial statements		
	Before Reclassi- fication	Reclassi- fication	After Reclassi- fication <i>(in thousand Baht)</i>	Before Reclassi- fication	Reclassi- fication	After Reclassi- fication
<i>Statement of financial position as at 31 December 2020</i>						
Cash and cash equivalents	488,582	273,974	762,556	255,081	273,974	529,055
Trade and other current receivables	341,087	18,379	359,466	250,501	18,379	268,880
Other current financial assets	3,083,330	(253,322)	2,830,008	3,083,330	(253,322)	2,830,008
Trade and other current payables	(221,903)	(38,996)	(260,899)	(33,507)	(38,996)	(72,503)
Other current liabilities	(7,138)	<u>(35)</u>	(7,173)	(1,279)	<u>(35)</u>	(1,314)
		<u>-</u>			<u>-</u>	

The reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Group's business.

Part 4

Information Certification



Information Certification

The Company has reviewed the information on this annual registration statement with care and hereby certifies that the information is accurate, complete, not false or misleading, and does not lack material information that should be notified. In addition, the Company certifies that:

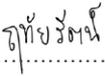
- (1) The financial statements and financial information summarized in this annual registration statement show material information accurately and completely regarding the financial condition, the operating results and the cash flows of the Company and the subsidiaries;
- (2) The Company has provided an efficient disclosure system to ensure that the material information of the Company and the subsidiaries is disclosed accurately and completely, and has supervised compliance with such disclosure system;
- (3) The Company has provided an efficient internal control system, supervised compliance with the system, and submitted the information on the internal control assessment on February 25, 2022 to the auditor and the Audit Committee, which covers deficiencies, significant changes on the internal control system, and wrongful acts that may affect the preparation of financial reporting of the Company and the subsidiaries.

In this regard, as proof that all the documents are identical to those certified by the Company, the Company has authorized Ms. Ruthairat Boonkusol to sign on every page of the documents, and the absence of the authorized signature of Ms. Ruthairat Boonkusol on any document shall be deemed that such unsigned document has not been certified by the Company

Authorization

Ms. Nuntawan Suwandej	Director 
Mr. Sarawut Pornpatanarak	Director 

Authorization Representative

Ms. Ruthairat Boonkusol	Company 
	Secretary & Investor Relations	

Attachments

Attachment 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 accounting supervision, the Company's secretary and therepresentative for contact and coordination in case of a foreign company

Attachment 2: Details of the directors of subsidiaries

Attachment 3: Details of the Heads of the Internal Audit and Compliance Units

Attachment 4: Assets for business undertaking and details of asset appraisal

Attachment 5: Unabridged policy and guidelines on corporate governance and unabridged code of business conduct prepared by the Company

Attachment 6: Report of the Subsidiaries Committee



Attachment 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 accounting supervision, the Company's secretary and the representative for contact and coordination in case of a foreign company



Mr. Rittikrai Thammaraksa

Director/
Chairman of the Board of Directors/
Member of Executive Committee

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

The date of appointment as Director

September 23, 2015

(total director's tenure 6 years 3 months)

Age (years) 45

Nationality Thai

Number of Shares and Percentage of Do Day Dream PLC. (%)

0.19

Family Relationship with other Management

- None -

Education

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

Director Training

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

Working Experiences in the 5 Preceding Years

2020 - Present Director, Kuron Corporation Limited

2020 - Present Director, Alexi Training And Consulting Co.,Ltd.

2018 - Present Director, Do Day Dream Trading Pte. Ltd.

2018 - Present Director, Do Day Dream Holding Pte. Ltd.

2018 - Present Director, Dream Dermatology Co., Ltd.

2015 - Present Director, Namu Life Plus Co., Ltd.



Dr. Sarawut Pornpatanarak

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

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

The date of appointment as Director

September 11, 2010

(total director's tenure 11 years 3 months)

Age (years) 45

Nationality Thai

Number of Shares and Percentage of Do Day Dream PLC. (%)

50.21

Family Relationship with other Management

- None -

Education

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

Director Training

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

Working Experiences in the 5 Preceding Years

- 2020 - Present Director, Kuron Corporation Limited
- 2020 - Present Director, Alexi Training And Consulting Co., Ltd.
- 2018 - Present Director, Do Day Dream Trading Pte. Ltd.
- 2018 - Present Director, Do Day Dream Holding Pte. Ltd.
- 2018 - Present Director, Skin Make Smiles Co., Ltd.
- 2017 - Present Director, Do Infinite Dream Co., Ltd.
- 2015 - Present Director, Namu Life Plus Co., Ltd.
- 2003 - Present Director, Colour Trend Co., Ltd.
- 2003 - Present Director, Over Drive (Thailand) Co., Ltd.
- 2000 - Present Director, P M Chemical Co., Ltd.
- 2020 - 2021 Director, JMS Global Solutions Co., Ltd.



Mr. Nattawut Kruapradub

Independence Director/
Member of Audit Committee/
Chairman of Nomination and
Remuneration Committee/
Chairman of Sustainability and Risk
Management Committee

The date of appointment as Director

June 15, 2016

(total director's tenure 4 years 6 months)

Age (years) 48

Nationality Thai

Number of Shares and Percentage of Do Day Dream PLC. (%)

- None -

Family Relationship with other Management

- None -

Education

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

Director Training

- Directors Accreditation Program (DAP) 125/2016
Thai Institute of Directors Association (IOD)
- Advance Audit Committee Program (AACP) 27/2017
Thai Institute of Directors Association (IOD)
- Board Nomination and Compensation Program (BNCP) 2/2017
Thai Institute of Directors Association (IOD)
- Risk Management Program for Corporate Leaders (RCL) 14/2018
Thai Institute of Directors Association (IOD)

Working Experiences in the 5 Preceding Years

2015 - Present Charter Engineer in Mechanical Engineering;
PTT PLC.

2012 - 2015 Manager of Machine Maintenance,
PTT Rayong Gas Separation Plant; PTT PLC.



Asst. Prof. Dr. Terdsak Rojsurakitti

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

The date of appointment as Director

April 25, 2019

(total director's tenure 2 years 8 months)

Age (years) 64

Nationality Thai

Number of Shares and Percentage of Do Day Dream PLC. (%)

0.01

Family Relationship with other Management

- None -

Education

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

Director Training

- Directors Accreditation Program (DAP) 163/2019
Thai Institute of Directors Association (IOD)
- Board Nomination and Compensation Program (BNCP) 9/2020
Thai Institute of Directors Association (IOD)
- Director Leadership Certification Program (DLCP) 2/2021
Thai Institute of Directors Association (IOD)

Working Experiences in the 5 Preceding Years

- 2021 - Present Chairman of the Executive Committee,
Aikchol Hospital PLC.
- 2020 - Present Chief Executive Officer,
Premier Healthcare Group Co., Ltd.
- 2019 - Present Chairman of the Board of Directors,
Winnery Medical Co., Ltd.
- 2019 - Present Executive Director,
Thai Hospital Association
- 2019 - Present Executive Director of Medical Program,
Western University



Mr. Nitiroj Manolamai

Director/
Member of Sustainability and Risk
Management Committee/
Member of Executive Committee

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

The date of appointment as Director

September 23, 2015

(total director's tenure 6 years 3 months)

Age (years) 44

Nationality Thai

Number of Shares and Percentage of Do Day Dream PLC. (%)

0.12

Family Relationship with other Management

- None -

Education

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

Director Training

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

Working Experiences in the 5 Preceding Years

2021 - Present Director, Kuron Co., Ltd.

2020 - Present Director, Alexi Training And Consulting Co., Ltd.

2019 - Present Director, Namu Life Plus Co., Ltd.

2018 - Present Director, Do Infinite Dream Co., Ltd.

2018 - Present Director, Do Day Dream Philippines
Corporation Co., Ltd.



Mr. Suphawatt Vanichprapha

Director/
Member of Nomination and
Remuneration Committee/
Member of Executive Committee

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

The date of appointment as Director

September 23, 2015

(total director's tenure 6 years 3 months)

Age (years) 45

Nationality Thai

Number of Shares and Percentage of Do Day Dream PLC. (%)

0.37

Family Relationship with other Management

- None -

Education

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

Director Training

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

Working Experiences in the 5 Preceding Years

2020 - Present Director, Kuron Co., Ltd.

2020 - Present Director, Alexi Training And Consulting Co.,Ltd.

2019 - Present Director, Namu Life Plus Co., Ltd.

2018 - Present Director, Do Infinite Dream Co., Ltd.

2018 - Present Director, Do Day Dream Trading Pte. Ltd.

2018 - Present Director, Do Day Dream Holding Pte. Ltd.

2018 - Present Director, Do Day Dream

Philippines Corporation Co., Ltd.

2018 - 2020 Director, Dream Dermatology Co., Ltd.



Mr. Yuthapong Ma

Director

The date of appointment as Director

April 24, 2018

(total director's tenure 3 years 8 months)

Age (years) 54

Nationality Thai

Number of Shares and Percentage of Do Day Dream PLC. (%)

- None -

Family Relationship with other Management

- None -

Education

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

Working Experiences in the 5 Preceding Years

2021 - Present Director, TFMJV Co., Ltd.

2021 - Present Director, Asia Aviation Plc.

2020 - Present Director, Safe Fertility Center Co., Ltd.

2020 - Present Director, JKN Global Media Plc.

1993 - Present Director, Morgan Stanley (Thailand) Co., Ltd.

2017 - 2018 Director, DSG International (Thailand) Plc.



Mr. Wasin Parithan

Independent Director/
Chairman of Audit Committee

The date of appointment as Director

February 2, 2021

(Total number of years in office 11 months)

Age (years) 36

Nationality Thai

Number of Shares and Percentage of Do Day Dream PLC. (%)

- None -

Family Relationship with other Management

- None -

Education

- Bachelor in Engineering,
Chulalongkorn University
- Chartered Financial Analyst ,
CFA Institute

ประวัติการอบรมกรรมการ

- Director Accreditation Program (DAP) 180/2021
Thai Institute of Directors Association (IOD)

Working Experiences in the 5 Preceding Years

2020 - Present Assistant Director, Bank of Thailand

2017 - 2020 Senior Director Head of Equity Department,
Principal Asset Management Company Limited

2014 - 2017 Fund Manager,
Asset Management Company CIMB-Principal Co., Ltd



Ms. Nuntawan Suwandej

Directors/
Vice Chairman of the Executive Committee/
Chief Executive Officer

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

The date of appointment as Director

April 22, 2021

(Total number of years in office for 8 months)

Age (years) 53

Nationality Thai

Number of Shares and Percentage of Do Day Dream PLC. (%)

- None -

Family Relationship with other Management

- None -

Education

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

Director Training

- Director Accreditation Program (DAP) 179/2021
Thai Institute of Directors Association (IOD)
- Director Certification Program (DCP) 304/2021
Thai Institute of Directors Association (IOD)

Working Experiences in the 5 Preceding Years

- 2020 - Present Director, Kuron Co., Ltd.
- 2020 - Present Director, Alexi Training And Consulting Co.,Ltd.
- 2020 - Present Director, Skin Make Smiles Co., Ltd.
- 2020 - Present Director, Do Infinite Dream Co., Ltd.
- 2020 - Present Director, Namu Life Plus Co., Ltd.
- 2020 - Present Director, Dream Dermatology Co., Ltd.
- 2017 - 2020 Senior Vice President Licensed & Own Brand,
Central Marketing Group,
Central Retail Corporation PLC.
- 2014 - 2017 General Manager, Minor International Plc.
- 2011 - 2014 Managing Director, Asia Book Co., Ltd.



Mr. Vanchai Srisushon

Chief Financial Officer

Person, who has assigned to respons for
finance and accounting

The date of appointment

December 9, 2021

(Total number of years in office for 1 months)

Age (years) 59

Nationality Thai

Number of Shares and Percentage of Do Day Dream PLC. (%)

- None -

Family Relationship with other Management

- None -

Education

- Master of Business Administration,
Chulalongkorn University
- Bachelor of Business Administration (Accounting major),
Assumption University

Working Experiences in the 5 Preceding Years

2021 - present Chief Financial Officer, Do Day Dream PLC

2016 - 2021 Senior director, Siam Piwat Co., Ltd.
Act as an Assistant Managing Director,
Siam Takashimaya (Thailand) Co., Ltd.

Attachment 2

Details of Directors of the Subsidiaries

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

DIRECTOR	COMPANY	SUBSIDIARIES								
	COMPANY	THAILAND						OVERSEAS		
	DDD	NML	DID	DDM	SMS	KURON	ALEXI	DDDH	DDDT	DDDPH
Do Day Dream PLC. Shareholding Proportion		100%	100%	95%	70%	100%	100%	100%	100%	51%
1) Mr. Rittikrai Thammaraksa	/,//	/		/		/	/	/	/	
2) Dr. Sarawut Pornpatanarak	/,//	/	/		/	/	/	/	/	
3) Mr. Nattawut Kruapradub	/									
4) Asst. Prof. Dr.Terdsak Rojsurakitti	/									
5) Mr. Nitiroj Manolamai	/,//	/	/			/	/			/
6) Mr. Suphawat Vanichprapha	/,//	/	/			/	/	/	/	/
7) Mr. Yuthapong Ma	/									
8) Mr. Wasin Parithan	/									
9) Mr. Piyawat Ratchapolsitte		/	/					/	/	
10) Ms. Nuntawan Suwandej	/,//	/	/	/	/	/	/			
11) Ms. Nutthinee Jenwattanavech					/					
12) Ms. Saowakon Yamcharoen										/
13) Ms. Waranya Ratchapolsitte				/						
14) Tan Lian Kiow								/	/	
15) Mydia Meedeka Lorena V.Lacaba										/
16) Nicado M Falcis II										/

Note

/ = Board of Directors

DDD: Do Day Dream PLC.

DID: Do Infinite Dream Co., Ltd

SMS: Skin Make Smiles Co., Ltd

ALEXI: Alexi Training and Consulting Co., Ltd.

DDDT: Do Day Dream Trading Pte. Ltd.

// = Management

NML: Namu Life Plus Co., Ltd.

DDM: Dream Dermatology Co., Ltd.

KURON: Kuron Corporation Limited

DDDH: Do Day Dream Holding Pte. Ltd.

DDDPH: Do Day Dream Philippines Co., Ltd.

Attachment 3

Details of the Head of Internal Audit



Mr. Tadpong Sapcharoen

Internal Audit Manager

The date of appointment

June 16, 2021

Age (years) 29

Nationality Thai

Number of Shares and Percentage of Do Day Dream PLC. (%)

- None -

Family Relationship with other Management

- None -

Education

- Master of Business Administration Degree, Finance and Banking, Ramkhamhaeng University
- Bachelor of Business Administration Degree, with a major in Accounting , Sripatum University

Working Experiences in the 5 Preceding Years

2020 - Present Internal Audit Manager and the secretary of the Audit Committee, Do Day Dream PLC.

2021 - Present Manager of Risk Management Department and Secretary of the Risk Committee, Do Day Dream PLC.

2021 Manager of Application & Reporting Center, Do Day Dream PLC.

2017-2019 Assistant Manager- International Division, Do Day Dream PLC.

2015-2017 internal audit officer, P&L Internal audit Co., Ltd.

Attachment 4

Assets for business undertaking and details of asset appraisal

BUSINESS ASSETS

Main Fixed Assets

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

Item	Type of Ownership	Net Book Value (THB Million)	Obligation
1. Land - A land on Romklao Road, Bangkok, the location of the headquarter, 4 pieces of land with total areas of 2 rais. - A land at Rojana Industrial Park, Ayutthaya province, 2 pieces of land with total areas of 19-0-55 rais.	Owner	59.60	As collateral with a local financial institution.
2. Building and Building Improvements - A plant at Rojana Industrial Park, Ayutthaya province - An office building on Kheha-Romklao Road, Bangkok	Owner	132.64	Partly as collateral with a local financial institution.
3. Machine and Equipment For product manufacturing	Owner	47.05	Partly as collateral with a local financial institution.
4. Vehicle For business operations and logistics	Owner	1.36	Under leasing contract and financial leasing contract.
5. Construction in Progress	Owner	0.41	- None -
Total		241.06	

Remark:

The Company pledged a part of property, plant and equipment with net book value of THB 92.91 million as collateral with a local financial institution.

Intangible Assets for Business Operations

As of 31 December 2021, the Company and its subsidiaries had total intangible assets for business operations including patents and trademarks, computer software and customer relationship management data with net book value according to the consolidated financial statements of THB 414.48 million or equivalent to 7.93% of total assets. Details are as follow:

Item	Type of Ownership	Net Book Value (THB Million)
1. Patent and Trademark	Owner	323.39
- "OXE'CURE" trademark		
- "LESASHA" trademark		
- "SPARKLE" trademark		
2. Customer Relationship Management (CRM) Data	Owner	66.57
From the acquisition of Kuron Co., Ltd.		
3. Computer and Software	Owner	24.52
	Total	414.48

Trademark

Domestic - The Company has registered a trademark with the Department of Intellectual Property, Ministry of Commerce All trademark registrations are the property of the Company. to prevent infringement of rights Trademarks are valid for 10 years, which are trademarks of the Company. Currently available Summarized as follows: NAMU LIFE SOS OXE'CURE LESASHA SPARKLE JASON AT HOME EMJOI SMOOTH SKIN KURON BEAR total 39 items

International - The Company registered trademarks in foreign countries under the Madrid Protocol in Thailand with the objective to manufacture and distribute skin care products under protection period of 10 years since the registration date. International registration of trademarks can be renewed for a period of 10 years each time. Which is the mark of the brand that the company currently available, it can be summarized as follows: NAMU LIFE SOS OXE'CURE LESASHA SPARKLE JASON, with a total of 47 items, registered trademarks in 12 countries, namely Laos, Philippines, Vietnam, Cambodia, Indonesia, India, Japan, Malaysia, Singapore, South Korea, United Arab Emirates, United States of America.

INFORMATION ON ASSET VALUATION

- **“OXE’CURE” Trademark/Brand**

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

	<p>“OXE’CURE” trademark/brand Class 3, skin care cosmetics, cosmetics for shower Registration No. ท315677 Protection Period 26 October 2019 ถึง 25 October 2029. Renewable every 10 years</p>
Valued Asset	
Right Holder	<p>Dream Dermatology Company Limited (Right holder) A subsidiary of Do Day Dream Public Company Limited with 95% shares.</p>
Valuation Approach	<p>Valuation method for intellectual property - The Relief from Royalty Rate Method</p>
Valuation Price	<ul style="list-style-type: none"> - As of the purchase of trademark date (5 April 2018) at the value of THB 91.84 million - As of the end of fiscal year (31 December 2021) at the value of THB 102.60 million
Valuer	<p>UK Valuations and Agency Company Limited Approved by the Office of Securities and Exchange Commission Supervisor: Udomsri Nathikanchanalab (Principal Valuer No.026)</p>
Date on Asset Valuation Report	<p>5 January 2022</p>

- **“LE SASHA” Trademark/Brand**

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

	<p>“LE SASHA” trademark/brand Class 3 Spray/mousse/foam/oil for hair styling, hair treatment Class 8 Electric air curler/flat iron/straightener Electric shaver Electric eyelash curler, electric hand and nail drill machine Class 11 Electric hair blower/steam machine, electric nail dryer. Class 21 Electric comb Registration No. 171112230 / 161107448 / 171112552 / 171112548 Protection Period 17 April 2015 — 16 April 2025 Renewable every 10 years</p>
Valued Asset	
Right Holder	<p>Kuron Company Limited (Right Holder) A subsidiary of Do Day Dream Public Company Limited with 76% shares</p>

Valuation Method	Valuation method for intellectual property - The Relief from Royalty Rate Metho
Valuation Price	<ul style="list-style-type: none"> - As of the purchasing of trademark date (3 March 2020) at the value of THB 130.13 million - As of the end of fiscal year (31 December 2021) at the value of THB 203.37 million
Valuer	UK Valuations and Agency Company Limited Approved by the Office of Securities and Exchange Commission Supervisor: Udomsri Nathikanchanalab (Principal Valuer No.026)
Date on Asset Valuation Report	5 January 2022

- **“SPARKLE” Trademark/Brand**

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

	“SPARKLE” trademark/brand Class 3 Toothpaste Class 21 Toothbrush and dental floss Registration No. ๓438034 / ๓237206 Protection period 7 June 2013 — 6 June 2023 Renewable every 10 years
Valued Asset	
Right Holder	Kuron Company Limited (Right Holder) A subsidiary of Do Day Dream Public Company Limited with 76% shares
Valuation Method	Valuation method for intellectual property - The Relief from Royalty Rate Method
Valuation Price	<ul style="list-style-type: none"> - As of the purchasing of trademark date (3 March 2020) at the value of THB 96.88 million - As of the end of fiscal year (31 December 2021) at the value of THB 132.22 million
Valuer	UK Valuations and Agency Company Limited Approved by the Office of Securities and Exchange Commission Supervisor: Udomsri Nathikanchanalab (Principal Valuer No.026)
Date on Asset Valuation Report	5 January 2022

Attachment 5

Unabridged policy and guidelines on corporate governance and unabridged code of business conduct prepared by the Company

Shareholders can scan the QR code to view the Good Corporate Governance Policy and Code of Conduct.
or go to website <https://www.dodaydream.com/en/sustainability/corporate-governance>



Good Corporate Governance Policy



Code of Conduct

Attachment 6

Report of the Subsidiaries Committee

Audit Committee's Report

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

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

For 2021, the Audit Committee has held four meetings, the detail of each member's meeting attendance has shown in "Management Structure", which discuss with the management, internal auditor, and external auditor in related matters. The Audit Committee's significant activities are summarized as below:

1. Financial Statement Review

The Audit Committee reviewed and audited the quarterly and annual financial statements of the Company in 2021 both separate financial statements and consolidated financial statements together with the management and the auditors before proposing to the Board of Directors. The Audit Committee inquired the auditor about the accuracy and completeness of the financial statements, the appropriateness of accounting policies, the method of accounting record, the changes in accounting standards, the disclosure of Notes to Financial Statements, the major accounting items affecting the financial statements

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

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

2. Internal Control Systems and Internal Audit Review

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

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

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

3. Related Party Transactions or Potential Conflicts of Interests Review

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

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

4. Risk Management Evaluation System Review

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

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

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

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

6. Self-assessment of the Audit Committee

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

7. Suitability of the External Auditor for 2021

The Audit Committee evaluated the performance of the Company's auditor and the applicable audit fee based on the auditors' knowledge, expertise, and independence of the auditors; deemed that they are in accordance with requirements of the SEC and the SET. Consequently, the Audit Committee recommended the Board of Directors to consider and propose the shareholders' meeting to appoint Mr. Charoen Phosamritlert, CPA No. 4068 and/or Mr. Veerachai Ratanajaratkul, CPA No. 4323 and/or Mrs. Munchupa Singsuksawat, CPA No. 6112 of KPMG Phoomchai Audit Limited to be the Company's auditors for 2021.

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

On behalf of the Audit Committee



Mr. Wasin Parithan
Chairman of audit committee

Report of the Sustainability and Risk Management Committee

The Sustainability and Risk Management Committee performs its duties under the Charter of the Sustainability and Risk Management Committee and the scope of authority assigned by the Board of Directors.

For 2021, the Sustainability and Risk Management Committee convened 4 times for meetings. The performance can be summarized as follows:

Appointed the Sustainability and Risk Management Working Team

The meeting of the Sustainability and Risk Management Committee No.2/2021 has established the Sustainability and Risk Management Working Team and appointed directors of subsidiaries to the Sustainability and Risk Management Working Team so that each director will be involved in risk management.

Appointed of the Secretary of the Sustainability and Risk Management Committee

The Sustainability and Risk Management Committee appointed a qualified person to perform a duty as the secretary to the Sustainability and Risk Management Committee to handle meeting scheduling and other tasks as assigned by the Sustainability and Risk Management Committee during the meeting No.1/2021.

Acknowledged and Considered Risk Management Framework to Prepare Risk Management Plan for 2022

The Sustainability and Risk Management Committee considered risk management plan for 2022 at the meeting of the Sustainability and Risk Management Committee No.4/2021 by deliberating risk management framework at the organization level and table of levels of risk appetite to ensure that risk factors are clearly identified and included in the risk management plan for 2022.

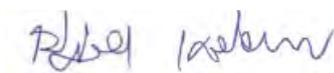
Acknowledged and Considered of the COVID-19 Pandemic Management

As the Company owns manufacturing plants, the Sustainability and Risk Management Committee and the Management jointly issued preventive measures to take care of employees who are encouraged to follow news and announcements from government agencies for their cooperation.

A work policy was formulated to respond to situations amidst the alarming COVID-19 pandemic. The Company added more spots for hand sanitizers and prepared an operating plan for employees to be divided into Team A (In office Monday - Tuesday, work from home Wednesday - Friday) and Team B (in office Thursday - Friday, work from home Monday - Wednesday) to reduce the number of employees working in the office at a particular time according to the government's policy. ATK tests were also performed on a weekly basis and the Company conducted PR campaigns to encourage people to wash their hands and wear masks to reduce risk of infection.

The Company also provided COVID-19 vaccines for all employees to receive at least 2 shots and prepared the registration of vaccination records to manage a clear vaccine roll-out administration.

The Company realizes that any level of risk can cause damage or impacts to the Company's business operations. Therefore, organizational risk management is emphasized throughout the organization so that risks are managed and controlled within acceptable levels or minimized for the Company's interest.



Mr. Nattawut Kruapradub
Chairman of the Sustainability and Risk Management Committee

BEAUTY IS HEALTHY



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