

No DOD-E104/2567

August 23, 2024

Subject Notification of the Board of Directors' resolution regarding the sale of all common shares of Siam Herbal Tech Co., Ltd., resulting in the dissolution of its status as a subsidiary, and the disposal of assets of the subsidiary.

To President  
The Stock Exchange of Thailand

DOD Biotech Public Company Limited (the Company) would like to inform you that at the Board of Directors' Meeting No. 9/2024, held on August 16, 2024., the Board has resolved to approve the sale of all shares of Siam Herbal Tech Co., Ltd. ("SHT"), which holds the status of a subsidiary. The Company holds 3,307,536 shares, representing 90.62% of the total shares. The Company will sell these shares at a price of 6.047 Baht per share, totalling 20,000,670.192 Baht, to Pacific Cannovation Co., Ltd., a non-related entity. This transaction does not constitute a connected transaction under the Notification of the Capital Market Supervisory Board No. TorJor. 21/2551 Re: Rules on Connected Transactions. Following the transaction, SHT will cease to be a subsidiary of the Company. The transaction is expected to be completed by March 2025.

The Company evaluated the value of the common shares using the Book Value Approach according to the financial statements as of June 30, 2024, which were reviewed by Finance department of the Company. The details are as follows:

Total assets	33.17
Total Liabilities	115.23
Shareholders	
Issued and paid up capital	260
Capital Deficiency	(342.06)
Net book value per share (baht per share)	(31.57)

The calculated value of SHT shares is (31.57) Baht per share, which is lower than the agreed sale price of SHT common shares at 6.04 Baht per share.

Following the completion of the share transfer as mentioned above, the Company retains the right to claim the VAT refund for SHT, which has been submitted to the Chonburi Area Revenue Office 1 and Samut Sakhon Area Revenue Office 1, amounting to 14,006,660 Baht. PACCAN has agreed that the Company

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will still have the right to receive the VAT refund. Once the VAT refund is received, PACCAN will transfer the refunded amount to the Company. This VAT amount is separate from the purchase price of the shares in this transaction.

The company has sufficient cash flow as there is no immediate need for additional funds. Therefore, this transaction does not affect the company's operations or financial statements. The cannabis and hemp-related business requires substantial resources, and by selling shares in this business, the main company can better focus its resources on developing dietary supplements, which is its core business.

The Board of Directors has considered and concluded that the sale of all SHT shares, resulting in the cessation of SHT as a subsidiary, will have a positive impact on the Company and its shareholders as follows:

1. It will reduce the impact from the operational losses of SHT, which has been continuously incurring net losses and has ceased its operations.
2. The Company will gain more flexibility in its core business operations, focusing on its expertise in the production of dietary supplements, leading to continuous improvement in the Company's performance.

Also, the Audit Committee has no differing opinions from those of the Board of Directors.

Additionally, this transaction involves the disposal of assets. Therefore, the Company has calculated the transaction size according to the asset disposal criteria, with the maximum transaction size calculated based on the total value of consideration, amounting to 1.66% of the Company's total assets. The details are as follows:

Net Tangible Assets (NTA)	N/A	N/A
Net Operating Profits	N/A	N/A
Total Value of Consideration Received	$\frac{20,000,000 \times 100}{1,203,739,845}$	1.66%
Value of equity shares issued for the payment of assets	N/A	N/A

In addition to the aforementioned transactions, the company has disposed of assets in accordance with the regulations set forth by the Securities and Exchange Commission of Thailand regarding the disclosure of information and the practices of listed companies concerning the acquisition or disposal of assets, as per the 2004 notification. The company also complies with the Capital Market Supervisory Board's Notification No. TorJor. 20/2551 regarding the criteria for significant transactions that qualify as the acquisition or disposal

of assets (including any amendments). This applies to transactions made within the past six months, as detailed below.

### 1. The Company's Board of Directors' Meeting No. 7/2567, held on July 25, 2024.

**1.1 The Board of Directors of the Company has resolved to donate assets** from the collaborative research and development project on foreign hemp strains, in partnership with Maejo University, for the establishment of the 'Industrial Hemp Testing, Research, and Development Center.' The goal of this project was to create an ecosystem to support industrial hemp, test environmental conditions affecting the growth of foreign hemp strains, and develop knowledge in cultivation, care, production factors, harvesting, and economic return viability. It also aimed to be a hub for comprehensive collaboration in industrial hemp between government, private sectors, and international entities. The project has now been concluded, and a resolution has been passed to donate the assets, machinery, and equipment used in the cultivation process, with a total value of 1,673,155.72 Baht, to Maejo University. According to the criteria for asset disposal under the Notification on Acquisition or Disposal of Assets, the maximum transaction size, calculated based on the total value of the consideration, is 0.12% of the company's total assets, referencing the total assets of the company and its subsidiaries amounting to 1,415,232,202.15 Baht as of March 31, 2024, as reviewed by the certified public accountant. The details are as follows:

Net Tangible Assets (NTA)	N/A	N/A
Net Operating Profits	N/A	N/A
Total Value of Consideration Received	$\frac{1,673,155.72 \times 100}{1,415,232,202.15}$	0.12%
Value of equity shares issued for the payment of assets	N/A	N/A

**1.2 The Board of Directors resolved to approve the cessation of operations of Siam Herbal Tech Co., Ltd.** As a result, the company assessed the expected recoverable value of the related assets and recognized impairment losses on these assets in the profit or loss for the three-month and six-month periods ending June 30, 2024, as follows: inventory write-down losses of 17.40 million baht, credit losses of 11.14 million baht, and impairment losses on fixed assets and prepaid expenses for fixed assets of 149.55 million baht. Consequently, the net asset value of Siam Herbal Tech Co., Ltd. was reduced to 33.17 million baht.

The financial statements of Siam Herbal Tech Company Limited which were reviewed by Finance department of the Company provide the following details:

Siam Herbal Tech Co., Ltd.		Liabilities and shareholders' equity	
Statements of financial position		Liabilities and shareholders' equity	
As at 30 June 2024			
(Unit: Baht)			
Note	<u>30.06.2567</u>		
<b>Assets</b>		<b>Total current liabilities</b>	
Current assets		Provision for long-term employee benefits	468,933
Cash and cash equivalents	593,389.59	<b>Total non-current liabilities</b>	468,933
Trade and other receivables	14,625,921.22	<b>Total liabilities</b>	115,239,702
Other current assets	447,647.59	<b>Shareholders' equity</b>	
Total current assets	<u>15,666,958.40</u>	Share capital	
Non-current assets		Registered	
Restricted bank deposits	800,000.00	2,600,000 ordinary shares of Baht 100 each	260,000,000
Property, plant and equipment	14,410,479.70	Issued and fully paid-up	
Other intangible assets	195,591.23	2,600,000 ordinary shares of Baht 100 each	260,000,000
Other non-current assets	2,101,813.09	Retained earnings (deficits)	
Total non-current assets	<u>17,507,884.02</u>	Appropriated-statutory reserve	(138,627,233)
<b>Total assets</b>	<u>33,174,842.42</u>	Unappropriated	(203,437,628)
		<b>Total shareholders' equity</b>	(82,064,860)
		<b>Total liabilities and shareholders' equity</b>	<u>33,174,842</u>

2. The Company's Board of Directors' Meeting No. 6/2567, held on June 27, 2024. The Board of Directors of the Company has resolved to acknowledged the contract for the sale and purchase of land by PCCA Laboratory Co., Ltd., a subsidiary located in Ban Bueng District, Chonburi Province. This contract constitutes a disposal of assets by the company. The key terms and conditions agreed upon were presented to the Board of Directors, with the details as follows:

<b>Date of Transaction</b>	June 19, 2024
<b>Parties Involved</b>	Seller: PCCA Laboratory Co., Ltd.

The buyer is a legal entity with no affiliation or connection to the company's directors, executives, major shareholders, or any persons related to them.

<b>Type of Transaction</b>	Acquisition or disposition of assets classified as a Type 2 Transaction according to the Notification of the Capital Market Supervisory Board No. TorJor. 20/2551 Re: Criteria for Significant Transactions Deemed as Acquisition or Disposal of Assets.
<b>Details of the Asset</b>	Land with buildings, currently not used for operations and free of encumbrances. The property is under land title deed No. 20087, map sheet No. 5235 IV 3276, 2476, land No. 192, survey page 968, located in Nong Bon Daeng Subdistrict, Ban Bueng District, Chonburi Province, with an area of approximately 29 rai 2 ngan 89 square wah.
<b>Valuation of the Transaction</b>	The company engaged UK Valuations and Agency Co., Ltd., an independent appraiser licensed by the SEC (the appraiser), to assess the aforementioned assets for the purpose of the sale. On December 22, 2022, the appraiser submitted the valuation report, reference No. UK 2022/454, indicating an appraised market value of 193,520,000 Baht.
<b>General Description of the Transaction</b>	<p>The company has agreed to enter into a sale and purchase agreement for the land and buildings, acting as the seller, at a price of 215,000,000 Baht. This sale price exceeds the appraised value.</p> <p>The payment is to be made in four installments as follows:</p> <p>First Installment: On June 19, 2024, a payment of 1,000,000 Baht.</p> <p>Second Installment: On June 20, 2024, a payment of 20,500,000 Baht.</p> <p>Third Installment: On July 25, 2024, a payment of 86,000,000 Baht.</p> <p>Fourth Installment: To be paid within four months after the third installment.</p>
<b>Size of the Transaction</b>	The total assets of the company and its subsidiaries amount to 1,415,232,202.15 Baht as of March 31, 2024, as reviewed by a certified public accountant.

Net Tangible Assets (NTA)	N/A	N/A
Net Operating Profits	N/A	N/A
Total Value of Consideraion Received	$\frac{215,000,000 \times 100}{1,415,232,202.15}$	15.19%
Value of equity shares issued for the payment of assets	N/A	N/A

**Benefits to be gained from the sale of the land** To enhance financial liquidity, provide working capital for the business, and repay debts to financial institutions

**Opinion of the Board of Directors** It is deemed appropriate to approve the sale of the land listed above, as the company has no plans to use or develop the said land in the future. Selling the land will help increase the company's financial liquidity, as well as reduce debt burdens and interest expenses associated with holding the land. The company has determined the selling price by comparing market data and considers the sale price of the listed land to be reasonable and beneficial to the company.

**Sufficiency of Working Capital** The company has sufficient working capital as there is no need for additional funds; therefore, this transaction has no impact.

**The opinion of the Audit Committee differing from the opinion of the Board of Directors** None

**Accuracy of the information** The company has disclosed information accurately and completely, without falsehood, and has not caused confusion or omitted any material information that should be reported. The company certifies that the financial statements and financial information summarized in the information provided accurately and completely reflect the company's financial position, results of operations, and cash flows in all material respects.

Other information that may have a significant impact on investors' decision-making None

Considering the criteria for the disposal of assets according to the announcement regarding the acquisition or disposal of assets, the size of the transaction is calculated based on the total value of the consideration, which represents 16.97% of the company's total assets. Since the transaction size exceeds 15% but does not exceed 50%, it falls under the category of an acquisition of assets as per the Securities and Exchange Commission of Thailand's announcement on Disclosure of Information and Practices of Listed Companies Regarding the Acquisition or Disposal of Assets B.E. 2547 and the Capital Market Supervisory Board Notification No. TorJor. 20/2551 on Criteria for Significant Transactions Involving the Acquisition or Disposal of Assets (including amendments). This must be reported to the Stock Exchange of Thailand and a circular notice must be sent to shareholders within 21 days from the date of notification to the Stock Exchange of Thailand.

Please be informed accordingly.

Yours sincerely,

DOD Biotech Public Company Limited

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Miss Suwarin Konthong

Director and Chief Financial Officer