



PATKOL

Public Company Limited

SINCE 1965

ANNUAL REPORT 2018

PATKOL Public Company Limited

www.patkol.com

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General Information

PATKOL PUBLIC COMPANY LIMITED

Location : No. 348 Chalerm Prakit Rama 9 Road,
Pravate, Nongbon, Bangkok 10250 Thailand

Tel : + 66 (0) 2328 1035

Fax : + 66 (0) 2328 1245

Website <http://www.patkol.com>

Registration : 0107536000587

Date of Establishment : 28 November 1965

Business Overview :

PATKOL is renowned for being an excellent engineering company specializing in providing quality refrigerating and food processing machines, varying in ice-making machine, refrigerated room, freezing system for liquid products such as pasteurized and UHT dairy, energy drink, fruit juice, and drinking water. Also keen on inventing high-quality machines and equipment food processing plants while developing freezing machine, grading machine for fish and shrimp etc.

Securities Information :

Common share of Patkol Public Company Limited were listed and traded on the Stock Exchange of Thailand in 1993 under the abbreviated security name of "PK"

Registered Capital : 600,243,737 Baht

Paid-up Capital : 494,095,237 Baht

Paid-up Common share : 414,607,781 Share

Paid-up Preferred share : 79,487,456 Share

Par Value : 1 Baht

Contacts :

Tel : + 66 (0) 2328 1035 Ext. 1013

Fax : + 66 (0) 2328 1245



Other Important Information

Summary Business held by the Company 10% upward

1. Patkol Manufacturing Company Limited (PKM) :

No. 129 Moo 3, Phechakasem Road, Huairong, Khao Yoi, Phetchaburi Province

Tel. +66 (032) 447 920-27

Business Type : Manufacture and sale of food related processing equipment and cooling equipment.

Registered Capital : 100,000,000 Baht shareholding 99.99%

2. Patkol Trading Company Limited (PKT):

No. 79/1 Moo 14, Rachathewa, Bang Phli, Samut Prakarn Province

Tel. +66 (0) 2328 1035 49

Business Type : Sale of the electric system equipment, spare part for industrial refrigeration

Registered Capital : 30,000,000 Baht shareholding 99.99%

3. S Panel Company Limited (SPN) :

No. 89/64 Moo 2 Kalong, Muang Samutsakorn, Samutsakorn Province

Tel. +66 (034) 885 090 91

Business Type : Manufacture and import foam plate and equipment for cold room business

Registered Capital : 40,000,000 Baht shareholding 80%

4. Heat Away Company Kimited (HA) :

No 135 Mo 7 Klong Prang, Maung Chachoengsao, Chachoengsao Province

Tel. +66 (038)-088 708

Business Type : Sale of evaporative condenser, spare parts and Equipment for evaporative condenser

Registered Capital : 10,000,000 Baht shareholding 99.99%

5. Tygienic Company Limited :

No 348 Chaloem Phrakiat Ratchakan Thi 9 Road, Nong Bon, Pravate, Bangkok

Tel. +66 (0) 2328 1035

Business Type : Designed and Produced hygienic standard tank And other tank components in food and beverage field, cosmetic, pharmaceutical and petrochemical industries

Registered Capital : 65,000,000 Baht shareholding 99.99%

6. Siam Patkol Company Limited (SPK) :

No 348 Chaloem Phrakiat Ratchakan Thi 9 Road, Nong Bon, Pravate, Bangkok

Tel. +66 (0) 2328 1035

Business Type : on process of registering dissolution the company Registered

Capital : 2,500,000 Baht shareholding 39.99% and PKT's shareholding 60%

7. Patkol Philippines Coporation Company Limited (PK-PH) :

Unit 12G IBM Plaza Building, E, Rodriguez Jr., Eastwood Quezon city 1110 Philippines

Business Type : Machinery and project sales representative, including providing machinery in

spallation and maintenance services in Philippines

Registered Capital : 11,750,000 Philippine Peso shareholding 60%

8. PT. Indonesia Patkol Service Corporation (PK-ID):

Kompleks City Resort Rukan Miami Block C No. 17B, Jln Kamal Raya Outer Rign Road, Cengkareng, Jakarata Barat 11730

Business Type : Machinery installation and maintenance services in Indonesia

Registered Capital : 2,737,400,000 Rupiah shareholding 99.99%

9. Patkol Malaasia Company Limited (PK-MY) :

Lot 6.05, Level 3, KPMG Tower, 8 Fist Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

Business Type : Machinery and project sales representative, including providing machinery in

spallation and maintenance services

Registered Capital : 1,000,000 Malaysian Ringgit shareholding 100 %

10. Patkol Myanmar Company Limited (PK-MM) :

No.808, 8th Floor, MGW Tower, Bo Aung Kyaw Street (Corner of Mahabandoola Street), 8th Quarter, Kyauktada Towership, Yangon, Myanmar

Business Type : : Machinery and project sales representative, including providing machinery

in spallation and maintenance services

Registered Capital : 50,000 USD shareholding 99 %

Reference Firms

Registrar off Common Shares : Thailand Securities Depository Co.,Ltd

93 Ratchadapisek Road, Dindaeng, Bangkok.

Tel. +66 (0) 2009-9000

Authorized Auditor : Karin Audit Company Limited

138, 6th floor Bunmit Buildingr, roomB, Silom Road, Suriyawong, Bangkok

Tel. +66 (0) 2634 2484

Legal Consultants : Dharmniti Law Office Company Limited

2/4, 4th Floor Nai Lert Tower, Wireless Road, Lumpini, Pathumwan, Bangkok

Tel. +66 (0) 2252 1260

VISION

“Leader in Food and Beverage,
Refrigeration,
Ice Industrial Machine Business
with Friendly Engineering”



MISSION

01

Serious and sincere friendly with partners by creating quality works and services for the maximum benefit of customer.

02

Friendly with employers by creating safe and sincere work environment with continuous development.

03

Friendly with our earth, society and community by committing to preserve environment.

Ice Making machine Business

เครื่องทำน้ำแข็งหลอด
Tube Ice Machine



เครื่องทำน้ำแข็งเกล็ด
Scale Ice Machine



โรงงานน้ำแข็งซอง
Block Ice Plant



เครื่องบรรจุน้ำแข็งหลอด
Tube Ice Packing Machine



REFRIGERATION BUSINESS

ห้องเย็นอุตสาหกรรม
Cold Room & Cold
Storage



ระบบทำน้ำเย็น
Ripple Plate Water
Chiller



ชุดระบายความร้อน
Evaporative
Condenser



ตู้แช่ผลิตภัณฑ์สำหรับ
ซูเปอร์มาร์เก็ต
Super Market
Showcase



LIQUID PRODUCT PROCESSING BUSINESS

เครื่องจักรสำหรับผลิต
สินค้าในอุตสาหกรรม
ผลิตภัณฑ์นมและเครื่องดื่ม
Dairy & Beverage
Industry



เครื่องจักรสำหรับผลิต
สินค้าในอุตสาหกรรม
ผลิตภัณฑ์เครื่องปรุงรส
Sauces & Seasoning
Industry



เครื่องจักรสำหรับผลิต
สินค้าในอุตสาหกรรม
ผลิตภัณฑ์เครื่องสำอางและยา
Pharmaceutical
Industry



เครื่องจักรสำหรับผลิต
สินค้าในอุตสาหกรรม
ผลิตภัณฑ์สกินแคร์และเครื่องสำอาง
Cosmetic Industry



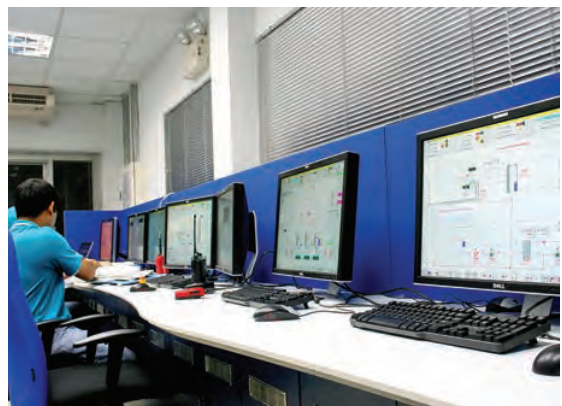
CONTROL AND AUTOMATION



R&D



Automation



Engineering Center



Process Improvement Consultancy



พัฒนกุล แมนูแฟคเจอร์ริง

โรงงานผลิตเครื่องจักรของบริษัทพัฒนกุล
ตั้งอยู่ที่ 129 หมู่ 3 ถ.เพชรเกษม กม.129
ต.ห้วยโรง อ.เขาย้อย จ.เพชรบุรี 76140
ประเทศไทย



Other service office and factory

สำนักงานใหญ่ กรุงเทพฯ



โรงงาน กิ่งแก้ว



โรงงาน เพชรบุรี



ศูนย์ภาคตะวันออกเฉิยเหนือ (ขอนแก่น)



ศูนย์ภาคเหนือ (ลำพูน)

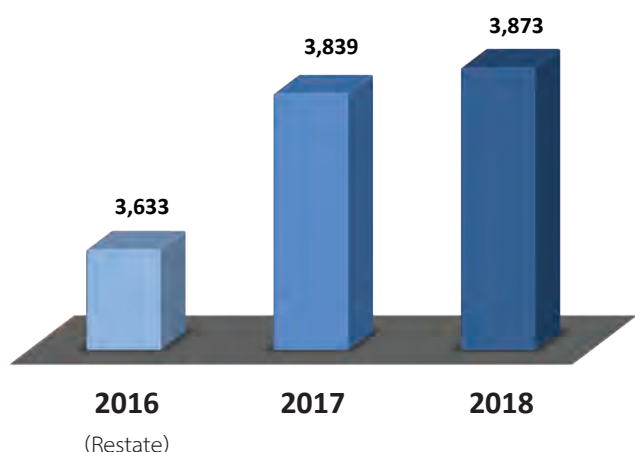


ศูนย์ภาคใต้ (สุราษฎร์ธานี)

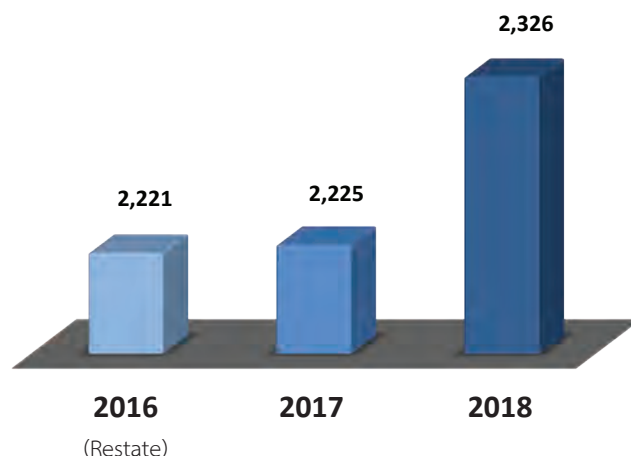


Financial Highlights

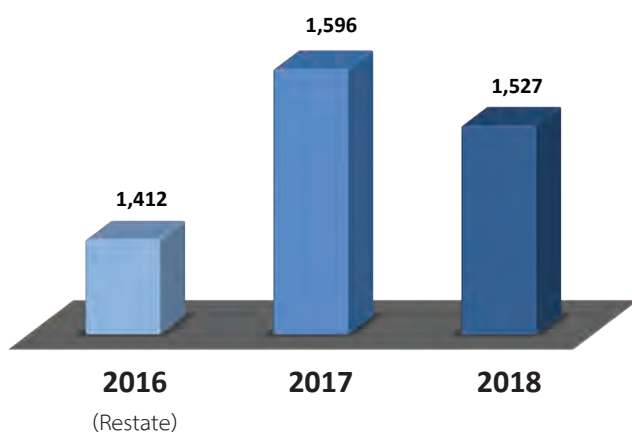
TOTAL ASSETS (Million Baht)



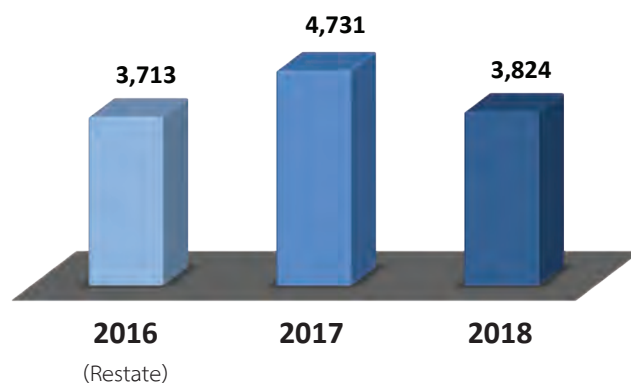
TOTAL LIABILITIES (Million Baht)



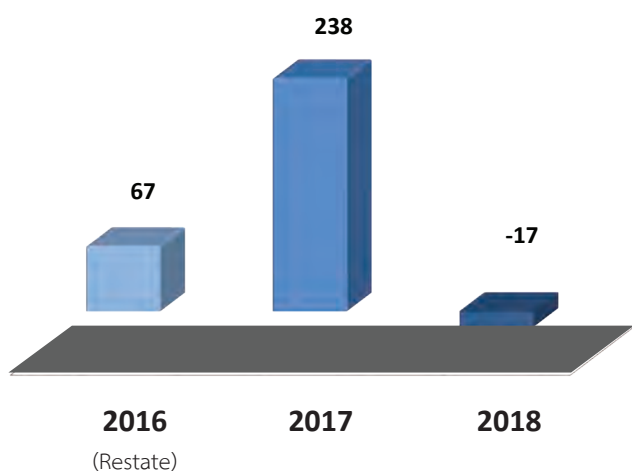
TOTAL SHAREHOLDERS EQUITY (Million Baht)



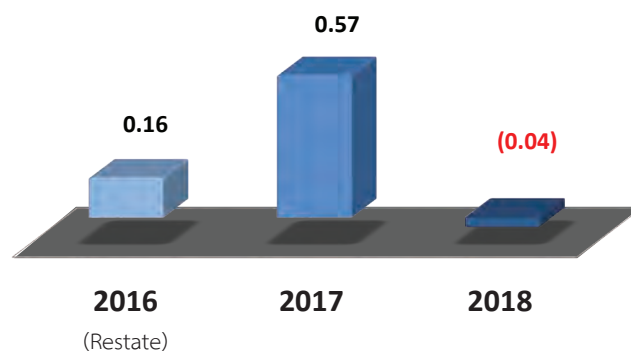
TOTAL REVENUES (Million Baht)



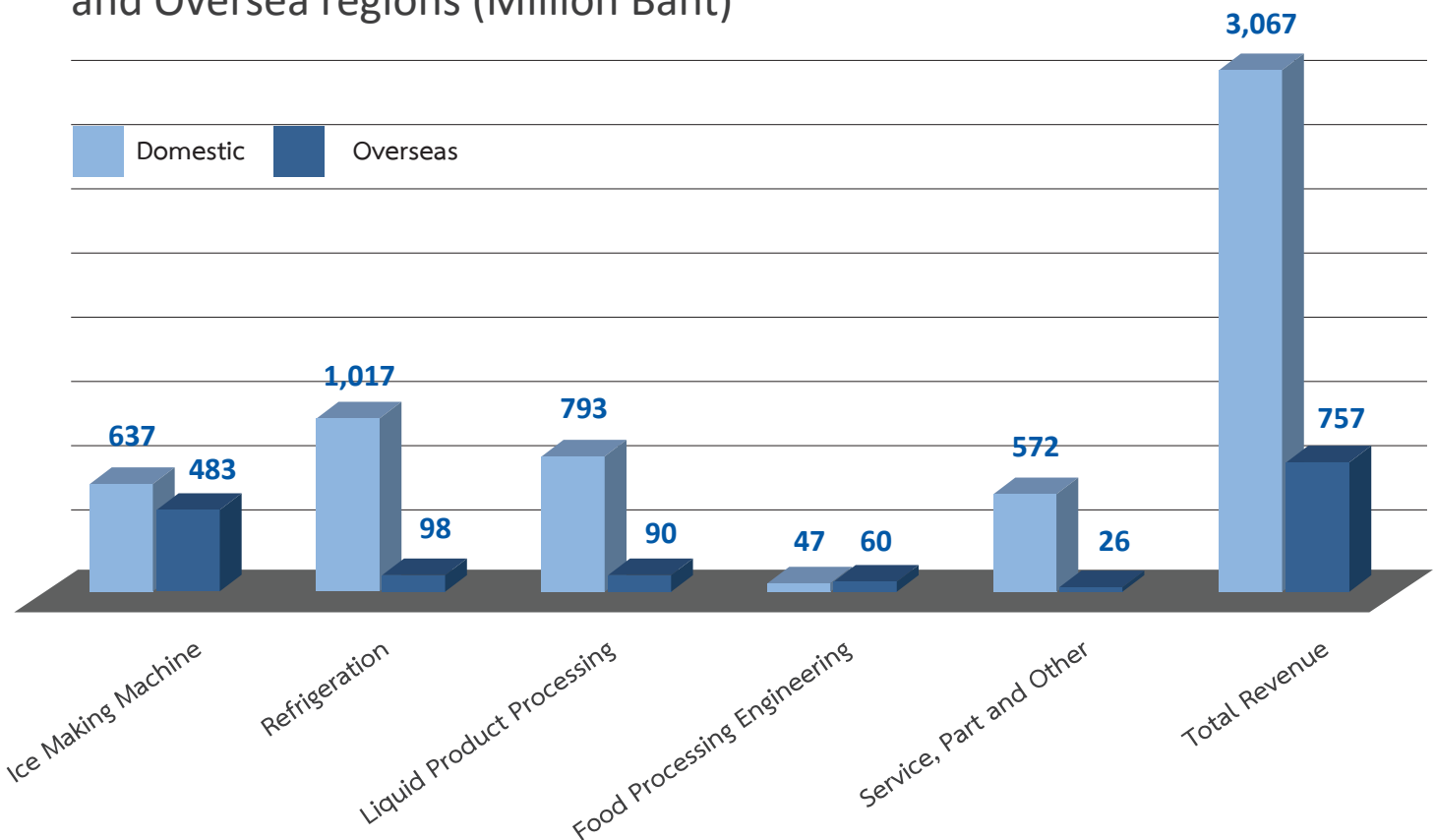
PROFIT ATTRIBUTABLE TO OWNERS OF THEPARENT (Million Baht)



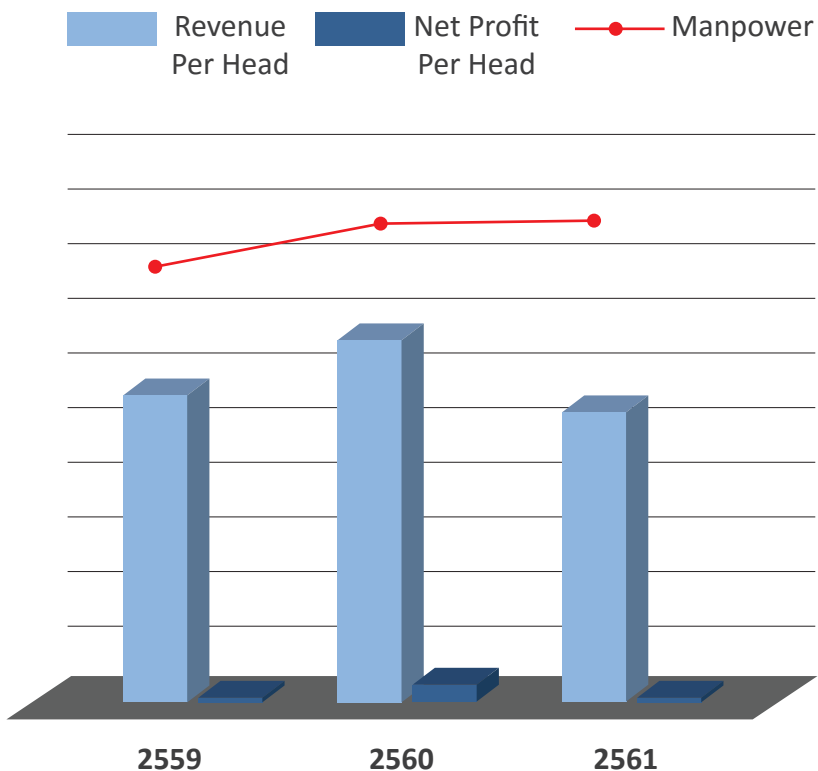
EARNINGS PER SHARE (Baht)



The Proportion of PATKOL GROUP revenue is split by Domestic and Oversea regions (Million Baht)



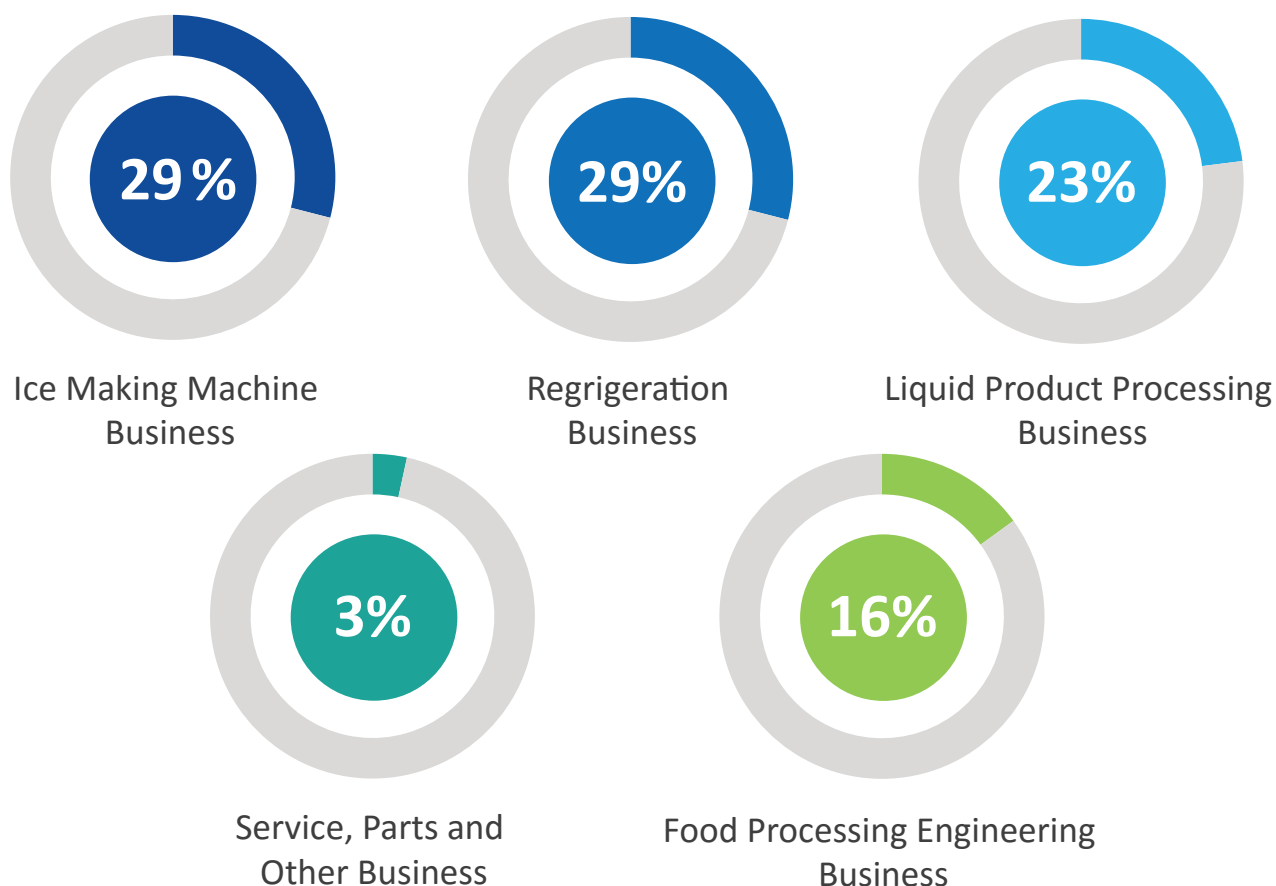
MANPOWER AND RETURN



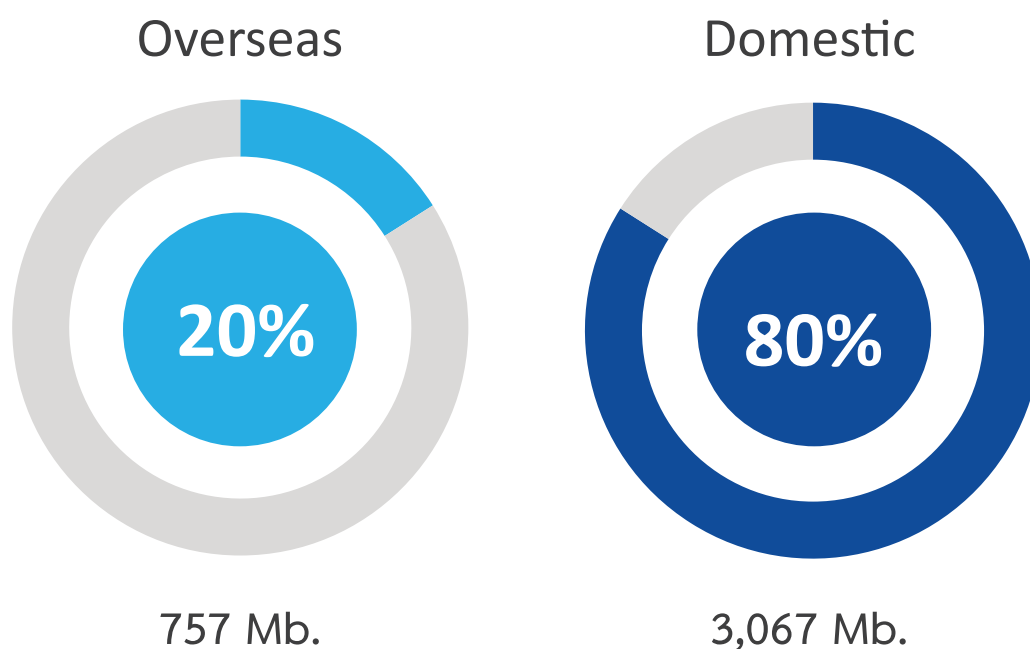
YEAR	Revenue Per Head	Net Profit Per Head	Manpower
2561	2.38	-0.01	1,604
2560	2.97	0.14	1,611
2559	2.51	0.05	1,475

Financial Highlights

The proportion of PATKOL Group revenue is split by business (%)



The proportion of PATKOL Group revenue is split by region (%)



Summary Consolidated Operational and Financial Highlights

Consolidated Financial Statement Highlights		Unit : Million Baht	
As at 31 December	2018	2017	2016 (Restate)
Total Assets	3,873	3,839	3,633
Total Liabilities	2,326	2,225	2,221
Total shareholders' Equity	1,547	1,613	1,412
Sales and services income	3,824	4,731	3,713
Profit before income tax	-4	322	92
Total comprehensive income (expense) for the year	-20	227	62
Owners of the parent	-17	238	67
Retained earnings	60	60	58

Consolidated Financial Ratios		Unit : Million Baht	
As at 31 December	2018	2017	2016 (Restate)
Liquidity ratio (Times)	1.51	1.55	1.61
Debt to equity ratio (Times)	1.52	1.40	1.60
Gross profit ratio (%)	24	25	26
Net profit (%)	0	5	2
Average return on equity ratio (%)	-1	16	5
Average return on assets ratio (%)	-0	6	2
Net earnings per share (Baht)	3.68	3.85	3.39
Book value per share (Baht)	-0.04	0.57	0.16

Message from The Chairman

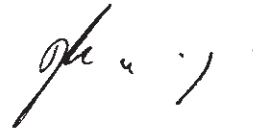
Dear Shareholders,

Changes in the global economy had caused Thailand's economic slowdown in recent years, which had a direct impact on PATKOL's business operations and performances. Customers had decided to delay their investments, partly resulted from Thailand's prolonged rainy season and the decreasing currency values in the ASEAN region, considered the company's major target market.

However, we had developed our management strategies and operational plans to cope efficiently with such difficulty. Although results of performances were not completely satisfactory compared to the previous years, we had still managed to achieve remarkable profits.

Recently, our management has prepared a strategic plan for 2019 to be proposed to the company's Board of Directors. We truly believe that the strategic plan will help stimulate greater performances and strong growth for the company, in which the Board of Directors will be entrusted with the responsibility to monitor the management's compliance of strategies on a quarterly basis.

On behalf of everyone in PATKOL, I would like to thank all shareholders for their continued confidence, trust, and support towards the company's business operations in the past and the near future.



H.E. Mr. Pitipong Puengboon Na Ayutthaya
Chairman

Message from the CEO

Dear Shareholders,

In recent years, many challenges are forced to exist and things have changed dramatically. However, PATKOL has managed to successfully solve almost all issues, for instance, the prolonged rainy season resulting in delayed investments of our ice customers. PATKOL still remains positive about the expansion of its foreign markets. Unlike our customers in ASEAN countries, they are facing an extreme currency depreciation problem, which also leads to the uncertainty of investments.

Exports are severely affected by the food industry resulted from the stricter enactment of laws related to Thailand's fishery business. As our customers are unable to generate exports as planned, it has a direct impact on our investment in machinery. The decreasing purchasing power in the country still remains unsolved and, as a consequence, it results in our slightly negative performances compared to those achieved in the previous years.

Our management has developed new strategies and management plans on a regular basis by reorganizing the company's manpower to be in line with direct responsibilities. Obviously, it is not necessary for us to maximize manpower, but human resource management always remains our top propriety, particularly since a number of employees are deployed to deal with international trades and foreign affairs. We expect to see a greater opportunity following the recovery of the currency and financial markets. With the development of our five-year business implementation plan, we have prepared to push our refrigeration and processed food markets forward aiming to demonstrate our biggest leadership in the ASEAN region similar to our ice market.

For more powerful product management, we still focus on market segmentation aiming for greater effectiveness of total cost management towards production, sales, and services. This efficiently helps us deal with possible challenges.

We have also fostered a strategic plan on spending and investment, which can be analyzed from various key factors, including the possibility and effectiveness of implementation based on the company's revenues. We are ready to put all strategies into practice to generate greater cost and marketing management in the long term.

I together with the management team, would dedicate my capability for manage everything and bring good profit to everyone onward.



Mr. Sangchai Chotchuangchutchaval
Chief Executive Office

Board of Director



1. Mr. Pitipong Phungbun na Ayutthaya
Chairman of the Board
(Independent Director)

2. Mr. Pairoj Sanyadechakul
Chairman of Audit Committee
(Independent Director)

3. Mr. Sangchai Chotchuangchutchaval
Vice Chairman of the Board
Chief Executive Committee

4. Mr. Paradorn Chulajata
Director, Audit Committee Advisor
Risk Management Committee Member
Nomination and Remuneration Committee Member

5. Ms. Anongsiri Chaiyakul
Director

6. Ms. Nongluck Sakdakrai
Director and Nomination and
Remuneration Committee Member



7



8



9



10



11



12

7. Mr. Veerachai Srikajorn

Audit Committee Member and
Chairman of the Risk Management Committee
(Independent Director)

8. Mr. Preecha Chantarangkul

Audit Committee Member (Independent Director)
Chairman of the Remuneration Committee

9. Mr. Sumet Jiambutr

Director and Executive Committee Member

10. Mr. Panet Chongvatana

Director, Executive Committee Member
Risk Management Committee Member

11. Mr. Rangsan Thammanee Wong

Director, Executive Committee Member
Risk Management Committee Member

12. Ms. Naitya Chongvatana

Director

Management Team



1 Mr. Sangchai Chotchuangchutchaval
Chief Executive Office

2 Mr. Panet Chongvatana
Chief Strategy Office
Managing Director of Refrigeration

3 Mr. Sumet Jiambutr
Chief Manufacturing Office

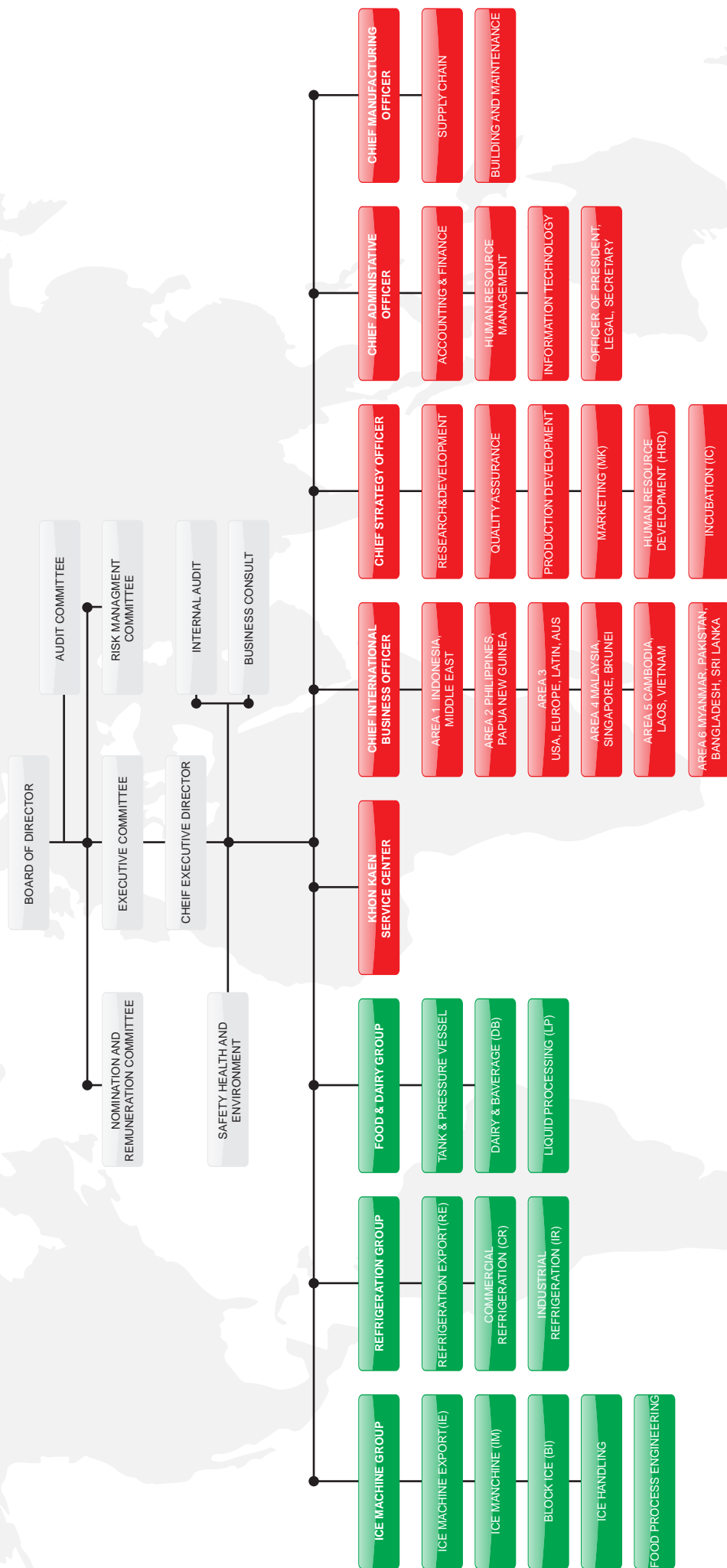
4 Mr. Mongkol Maduethong
Managing Director of Ice Machine Group

5 Ms. Wannaporn Trinvisuthikul
Chief Administrative Officer

6 Mrs. Siwaporn Dumronglaohapun
Managing Director of Food & Dairy Group

7 Mr. Chakkraphong Chaosuan
Chief International Business Officer (Acting)

Patkol Organization 2018



2016

- The progress of establishing a subsidiary in overseas

Philippines

Name of Patkol Philippines Corporation establishment at 29 March 2016, registered company of 23.5 million PHP (17.91 million baht) the company shares holding 60% for sales representative, including the installation and the machinery maintenance job.

Indonesia

Name of PT Indonesia Patkol Service establishment at 30 March 2016, registered capital of 800,000 million US (26.85 million baht) (the Company shareholding 99%) for provide a machinery and maintenance service.

- Expand overseas business

The Board of Directors' Meeting No. 2/2016 held on 13 May 2016 resolved to approved the establishment of subsidiary in the Malaysia for support the expansion in the ASEAN.

2017

- Increase investment in subsidiary company

S Panel Co., Ltd. a subsidiary company (the Company shareholding 80%) by increasing its registered capital from 10 million baht to 40 million baht for accommodates additional expansion.

- The progress of establishing a subsidiary in overseas

Malaysia

Patkol Malaysia SDN. BHD., establishment at 11 November 2016, registered company of 100 million MYR (7.96 million baht), the company shares holding 100% for sales representative, including the installation and the machinery maintenance job.

- Expand domestic business

The Board of Directors' Meeting No. 4/2017 held on 10 November 2017 resolved to approved the establishment new subsidiary for manufacture Pressure Vessel and other tanks and accessories.

- Expand oversea business

The Board of Directors' Meeting No. 4/2017 held on 10 November 2017 resolved to approved the establishment of subsidiary in Myanmar for support the expansion in the ASEAN.

2018

- Progress of set up subsidiary at oversea.

Myanmar

Patkol Myanma Co., Ltd was set up since 9 January 2018 with capital 50,000 US Dollar (1,584,560.05 Baht), the company are stoking shares at the rate 99 percent. The purposes are advice service, installation service, maintenance service relates with ice machine, refrigerator and machine relate with food and drink system.

- Progress of set up subsidiary at domestic.

Tygienic Co., Ltd was set up since 8 January 2018 with capital 65,000,000 Baht, the purposes are design, produce, install, and sell tank with pressure and non-pressure, heat exchange machine, refinery, cooling vent, filter tanks, machine' stirring and others equipment assemble tank.

- Expand business in domestic

Set up the new learning centre and new service centre at Khon Kaen, the name "Training Center for technicians". The purposes for learning centre and training a work skill of employees include give opportunity to persons at the area come to work with us.

- Expand industrial in domestic
- Expand Heataway Co., Ltd' factory at Chachoengsao for expand the production of Evaporative Condenser machine.



Policy on Business Operations and Nature of Business

Policies of Our Company Business:

- 1) We have determination to develop the products and the manufacture of refrigeration machines and those used in processing and producing various types of food in response to the demand of the target groups in accordance with the pledge to the customers. It has presented the friendly service and created satisfactory to the customers to make our company can make a more profit from sales and to create the highest reward to our shareholders.
- 2) We have determination to respond to the demands of our customers by providing the integrated services covering from giving advice, design and engineering work up to the construction and installation to provide convenience to our customers and to receive the maximum benefits.
- 3) We have a policy on the investment by the affiliates and the subsidiaries by giving priority to the business that it has skills and stay close to our business line. It has invested in terms of the direct major shareholder or via the affiliates by holding shares in the ratio of more than 80 percent and/or has the control power in the invested companies. Except the condition of the business or competition do not support or the operations have to receive support and cooperation from other business participants, it can invest in terms of a joint venture.
- 4) We have a policy of developing personnel with continuity both in the profession and service, so our personnel shall have the knowledge and specialization in the ice maker industry and the manufacture of machinery for refrigeration and food processing and production of the various types.
- 5) We have given priority on creating new innovations and development of technology to maintain business leadership, including giving importance to the information technology. It focuses on the working system to be streamline and preparation of the information to be ready for the expedient and correct decision.
- 6) We have a policy of developing the working system to comply with the international standards all the time, with in 2016 it was certified for the standards of ISO 14001 and BS OHSAS 18001 from TUV NORD.
- 7) We have a policy of doing business under the principle of good governance by considering the benefit of the society and the environment in parallel with profitability for sustainable growth and development.

- 8) It gives priority on conservation of the environment and reward to the society, including development of life quality of the humanity to have better livelihood.
- 9) It has a policy of promoting to build the value for the stakeholders by setting the policy on taking care of the stakeholders, including the measures on compensating by the company has categorized the stakeholders into seven groups are employees, customers, shareholders, trade partners (including the consultants and contractors), creditors, governmental agencies and the communities surrounding the factory.

Nature of Business

PATKOL Public Company Limited was established in 1965 under the registered name "Patanakolkarn Company Limited" and was renamed "PATKOL Company Limited" in 1992. The Company was registered as a public company listed on the Stock Exchange of Thailand (SET) and transformed into a public company limited on 28 June 1993 is the symbol "PK".

PATKOL Public Company Limited is a leading engineering manufacturer of refrigeration and industrial machinery, varying in ice maker, chiller, food and dairy processor, and pressure vessel. Additionally, the company specializes in manufacturing machinery for the paint, cosmetic, and petrochemical industries.

Staying beyond the leader of industrial engineering, PATKOL is capable of providing a complete range of one-stop services, consisting of consultancy, planning, design, installation, and operations. Several premium-quality products of PATKOL are certified with registered patents and international standards.

The company has always recognized the importance of selecting high-quality raw materials to manufacture excellent and unique machine structures. All industrial machines have passed complete inspection and are designed to unveil the most advanced technology, backed by enhanced quality, sanitization, safety, and convenience of use. Above all, the company aims to provide its customers with the highest satisfaction towards revolutionary products and excellent services evolved to meet all types of demands. Renowned for being the first manufacturer of tube ice machines in Thailand and currently honoured as the world's best producer of ice production machines, with a tremendous volume of exports to several countries in Asia, the Middle East, Africa, and Europe as well as the US and Australia.

Type of Product and Service

PATKOL is fully committed to generating greater development of four core businesses to serve the expansion of today's food and food export industries

Group Business No.1: Ice Machine Business Unit

Renowned for being Thailand's first pioneer and manufacturer of tube ice, PATKOL always recognizes the importance of product quality and sanitization in line with internationally accepted standards. Aside from the long-standing reputation of being the world's leading manufacturer of tube ice machines, the company also specializes in producing, designing, installing, and distributing equipment and parts of various types of ice machines for over 50 years.

- 1.1 Tube Ice Machine – PATKOL is able to produce the tube ice machine, with the production capacity of up to 10-120 tons per day. This can be ideal for the consumable ice manufacturing business and the food processing industry requiring the use of ice to maintain the freshness of their food products.
- 1.2 Scale Ice Machine – With the production capacity of up to 2.5-5 tons per day, the company's targeted customers are those using ice in food production, such as chicken meat processing factories, canned tuna processing factories, and shrimp processing factories. The scale ice machine is also used widely in the fishery industry.
- 1.3 Plate Ice Machine – The plate ice machine is used to produce ice for the food manufacturing industry. With the production capacity of 5-80 tons per day, the ice obtained from the plate ice machine will be used to ensure the freshness of food products. With advanced development of the machine, the ice must be maintained in good quality with no contamination of harmful substances according to the principles of Good Manufacturing Practice (GMP). In addition, the plate ice machine doesn't require a large space for installation, which can be ideal for the food manufacturing business.
- 1.4 Block Ice – PATKOL specializes in constructing and designing the block ice plant with the production capacity of up to 100-2,400 units per day, where the standard sizes are 50, 135, 150, 165, 180, and 200 kilograms per unit. As a majority of customers of block ice come from the fishery business, the block ice will be used to maintain the quality and freshness of food and raw materials prior to being processed.
- 1.5 Ice Handling and Cold Room – PATKOL successfully produces its ice handling machine of the semi-automatic and automatic systems, where ice will never be touched by bare hands throughout the entire production process. Ice containers vary in size, ranging from 1.5-5 kilograms to 10-25 kilograms or they can be produced according to customers' specific requirements. PATKOL's ice handling has become more special with the so-called 'Form-Fill-Seal Packing' technology, while the cold room can be constructed according to customers' specific requirements.
- 1.6 Automatic Control System – PATKOL is renowned for being Thailand's leading developer of software programs for automatic machines, backed by the advancement of an online monitoring

system for controlling and inspecting such automatic machines. The automatic machines are developed to replace human workers with greater performance efficiency and convenience of operations.

Competitiveness and Distribution Channels

PATKOL is renowned for being the first manufacturer of tube ice machines in Thailand and currently honored as the world's best producer of ice production machines, with a tremendous volume of exports to several countries in Asia, the Middle East, Africa, and Europe as well as the US and Australia. As the company's main distribution channels are agency, online marketing, and exhibition, it has successfully maintained its regular groups of customers who tend to increase their product orders, while being able to generate a continued expansion in emerging markets.

Competitiveness

Although the tube ice machine market in Thailand remains highly competitive, PATKOL has managed to obtain potential advantages in terms of premium-quality machines and globally accepted certification standards. The company's tube ice machines are manufactured in compliance with the American Society of Mechanical Engineering (ASME) standards. Therefore, PATKOL's tube ice machines are fully accepted by both domestic and foreign customers, backed by expertise, experience, and professionalism of teams of qualified engineers and technical specialists who are highly skilled in production, preparation, and design of ice machines and other related systems in line with the Ministry of Public Health's requirement on Good Manufacturing Practice (GMP). At the same time, the company provides its customers with a full one-year warranty from the date of delivery, while focusing on the timeliness and completion of services. The company establishes its service centers in the region and other foreign countries, as part of the determined effort to provide all customers with the best and most efficient after-sales and preventive maintenance services. PATKOL has continuously developed its products and machines to remain efficient and competitive, with the expectation to maximize the efficiency of machines based on the increased production capacity, while promoting its energy-saving products developed to unveil greater quality and convenience of use.

Customers

PATKOL has both domestic and foreign customers consisting of:

- Large and small-sized manufacturers of consumable ice
- Large and small-sized manufacturers of ice for the fishery business
- Small, Medium, and large-sized food processing factories

For the block ice market, the company has reiterated its intention to penetrate ASEAN nations with consumable ice and ice for the fishery business, expecting to see a rising sales volume in the long run.

PATKOL currently achieves the highest distribution ratio of tube ice in Asia and successfully generates tremendous exports to more than 50 countries in five continents around the globe.

Industrial Aspects

As the world is facing a rising average temperature, people in several areas have increased their demands for ice consumption. Also, the hot season seems to last longer nowadays and the demand for ice, both consumption and utilization, has been estimated to increase continuously. However, this is a great opportunity for business entrepreneurs to maximize production capacity and generate greater expansion in new markets.

Business Group No.2 : Refrigeration Business

PATKOL is considered a major business entrepreneur in the ASEAN region specializing in industrial engineering of several aspects, including production, design, installation, and sales of spare parts of its refrigeration systems used in food processing plants, varying in processed meat, poultry, fish, shrimp, vegetables, and fruits. The company has developed the cold water system to reduce temperature as well as the refrigeration system to maintain the quality and freshness of products throughout the entire production process. Modern technology has been applied to ensure greater efficiency and energy-saving efforts. As a consequence of the increasing market share in the domestic market, the company has determined to maximize its exports to foreign countries.

PATKOL has classified its products and services of the refrigeration business into two major categories as follows:

1. Industrial Refrigeration

PATKOL specializes in production, design, and installation of the refrigeration system for large to small-sized businesses with ammonia utilization. Customers of industrial refrigeration are processed food manufacturers and producers of seafood, meat, vegetables and fruits, and ready-made food products. Certain customers operate the fishery business and provide cold rooms for frozen food, such as chicken, seafood, vegetables, fruits, and other products.

2. Commercial Refrigeration

PATKOL also provides production, design, and installation services for the refrigeration system for small and medium-sized entrepreneurs using the so-called Freon substance. Customers of commercial refrigeration are processed food manufacturers and producers of seafood, meat, and vegetables and fruits. Customers also

include those operating the fishery business and possessing cold rooms for frozen food, such as chicken, seafood, vegetables, fruits, and other products and small-scale operators of retail shops and restaurants.

The refrigeration business also unveils several excellent products used in certain industries including:

1. The Cold Room of small, medium, and large sizes for product storage.
2. The Processing Room used during the processing and elaboration stages.
3. The Ripple Plat Chiller used to reduce food temperatures down to 0.5 degrees Celsius without being frozen as ice.
4. The Air Blast Freezer providing the most advanced freezing technology, where users are required to complete a full-amount loading of products prior to freezing.
5. The Supermarket Showcase available at leading supermarkets and hypermarkets in Bangkok and provincial areas.
6. Spare parts related to the refrigeration system, for instance, compressor, ripple plate, valve, and insulator for cold rooms.

PATKOL has established S Panel Company Limited and Heataway Company Limited as its affiliates, renowned for being a leading distributor of cold rooms and a leading manufacturer of evaporative condensers used widely in the refrigeration machine industry, respectively.

Competitiveness and Distribution Channels

For distribution channels, PATKOL has managed to focus on agency, online marketing, and exhibitions. The company already possesses regular customers who tend to increase their product orders, while preparing to penetrate new markets domestically and internationally. Meanwhile, the establishment of Heataway Co., Ltd., a leader of evaporative condenser manufacturing, aims to highly satisfy customers in an efficient and timely manner.

Competitiveness

As a consequence of investments in small and medium-sized refrigeration plants, a demand for Hydrofluorocarbon (HFC) has been estimated to increase continuously. PATKOL has hence managed to expand its business potential to small and medium-sized entrepreneurs in Thailand and the ASEAN region. Meanwhile, the company is poised to generate greater expansion on the global market.

The company has successfully maintained its lucrative market share resulted from the advancement of its modern technology, energy-saving machines, and comprehensive services, expecting to maximize its exports in foreign markets.

Customers

- Manufacturers and distributors of frozen food, ready-made food, seafood, meat, vegetables, and fruits.
- Providers of cold rooms for the storage of frozen food such as chicken, seafood, vegetables, and fruits.
- Manufacturers of ice cream, dairy products and sparkling beverages.
- Operators of food restaurants.
- Providers of distribution centers for fresh and frozen food.
- Operators of hypermarkets and supermarkets possessing commercial freezers.
- Providers of small and medium-sized commercial freezers.
- Operators not engaging in the food business, but requiring a refrigeration system for product storage.

Industrial Aspects

Obviously, the expansion of the CLMV group, including Cambodia, the Lao PDR, Malaysia, and Vietnam, takes place following the establishment of the ASEAN Economic Community (AEC) and the fresh food and processed food businesses are on the rise. Thailand is considered a strategic distribution hub of those products, where cold rooms and distribution centers, ranging from small to large sizes, are expanding tremendously in the region.

However, exporters are keeping an eye on the continuing growth in foreign markets.

Unlike local restaurant operators, wholesalers, and retailers, they emphasize mainly on the domestic economy. Tourism in the country has been expected to expand and help shift the national economy, while promotional campaigns can also be launched to stimulate domestic consumption in the short term. Nevertheless, the Thai economy has been anticipated to recover gradually.

Also, foreign customers in Vietnam, the Philippines, and Indonesia are expected to increase due to the existence of abundant raw materials, cheaper wages, and recovered purchasing power. The company has successfully maintained its regular customers in Thailand and is ready to penetrate new markets in other foreign nations.

Business Group No.3 : Liquid Product Processing

PATKOL has constructed a production plant equipped with advanced machines for the production of liquid products used for the combination, sterilization, and stabilization of pasteurized milk, UHT milk, energy drinks, and other beverages as well as food, cosmetics, medicines, chemicals, and petrochemicals.

The company has divided its liquid products into three major categories as follows:

1. Dairy and Beverage Manufacturing

PATKOL specializes in manufacturing, designing, and installing machines for dairy plants as well as alcoholic and non-alcoholic beverage factories, with the combination, sterilization, and stabilization of liquid products. The company has applied the use of automatic control and measurement systems for all machines, ensuring energy and time efficiency for the production of dairy and beverage products, including pasteurized milk, UHT milk, energy drinks, juices, drinking water, beer, and other beverages, while being able to allocate spare parts and equipment required for certain machines. PATKOL's products and services are in line with the Ministry of Public Health's Good Manufacturing Practice (GMP) standard.

2. Liquid Food Processing

2.1 Seasoning Production – PATKOL provides a range of excellent services on manufacturing, design, and installation of machines for manufacturing seasonings, including seasoned soy sauce, soy bean sauce, fish sauce, bean paste, and other dipping sauces. Machines evolved by PATKOL are designed to facilitate each and every manufacturing process in line with customers' general and specific requirements, varying in cleaning and processing of raw materials, preparation of ingredients, fermentation, filtering, sterilization, and packaging. Additionally, stainless tanks used for the aforementioned activities are required to be featured with hygienic structure and design, which are different from those used for other activities. Products and systems used in seasoning production are evolved according to the internationally accepted standards, supported by the so-called 'Cleaning in Place (CIP)' system.

2.2 Cosmetic and Medicine Production – PATKOL is capable of providing quality manufacturing, design, and installation services for machines reserved for cosmetic and medicine production, varying in body cream, shampoo, and general medicines. Machines and other related equipment are developed in compliance with the required standards, backed by the accuracy and stability of combination and measurement. Meanwhile, automatic systems will be applied to reduce difficulties in manufacturing and other relevant processes. To obtain the best and most efficient products and services, the company always emphasizes on the application of the control, monitoring, and reporting systems.

2.3 Paint, Chemical, and Petrochemical Production – PATKOL provides a complete range of manufacturing, design, and installation services for pressure vessel, storage tank, heat exchanger (shell and tube), stack, and pipeline in compliance with the American Society of Mechanical Engineers (ASME) standard.

3. Common Vessel and Pressure Vessel

PATKOL has established its affiliate company named Tygienic Company Limited, with a registered capital of 65 million baht, to support further business expansion. According to PATKOL, Tygienic Co., Ltd. specializes in manufacturing, designing, repairing, and distributing common vessels, pressure vessels, heat exchangers, refinery equipment, cooling vent, filtering tank, and more. The affiliate company will officially be established on January 1, 2019.

Tygienic Co., Ltd. possesses teams of highly professional and experienced engineers and a certified production plant for manufacturing food, beverages, cosmetics, medicines, chemicals and petrochemicals under the ASME, GMP, ISO 9001, ISO 14001, and OHSAS 18001 standards equivalent to those of foreign manufacturers and distributors.

Sales and Distribution Channels

Domestic Market:

- Highly professional and experienced engineers will be responsible for the distribution of major products, aiming to generate greater sales of each product category.

- Distribution channels will include services, which have been expected to increase due to customers' utilization of purchased products.
- Participating in local exhibitions as well as promoting products and services online can be effective and profitable.

Foreign Markets:

- Participating in international exhibitions as well as promoting products and services online can be effective and profitable.
- Mainly penetrating foreign markets with high possibilities of production expansion and abundance of raw materials, referring to regular customers and previously used channels.
- Developing strategic partnership with customers who possess enhanced potential in generating business expansion, while being adaptable to the company's general and specific requirements.

Competitiveness

PATKOL aims to provide its customers with the highest satisfaction of its one-stop services, varying in consultancy, planning, designing, installation, and operations. PATKOL is the one and only Thai company providing such services equivalent to those giants in foreign countries. As the company is seriously considering the increase of wages paid to skillful employees, it comes to a conclusion that the automatic system can be a good alternative as it guarantees operational accuracy and facilitates the increasing production capacity in the future. These are considered dominant aspects of the company.

The company always remains firm in developing the highest standard of its vessel production for the food industry. PATKOL Manufacturing Company Limited, an affiliate of PATKOL, is established to unveil excellent production and engineering standards of pressure vessels with U-STAMP and ASME certification. Customers can be confident of excellent quality of pressure vessels, where standards and prices of products and services always remain competitive. Another advantage is the company is able to design and support the entire system, while its automation system is evolved to ensure greater efficiency and convenience at the same time.

Customers

PATKOL's customers vary in manufacturers of daily products, ice cream, alcoholic and non-alcoholic beverages, juices, energy drinks, healthy drinks, sugar, and syrup as well as producers and distributors of seasonings, cosmetics, medicines, chemicals, and petrochemicals.

Industrial Aspects

As a consequence of the global economic slowdown and the recession of the Thai economy, PATKOL's exports have been affected by delayed investments. However, consumption trends have been expected to change due to a growing demand for non-traditional drinks and healthy drinks. With such development, the company has expected to see greater investments in machines.

Major customers are medium and large-sized manufacturers of dairy products who aim to expand their production capacity and improve manufacturing processes, and use automatic systems for greater efficiency. For producers of beverage products, only business giants will be expected to generate expansion. Meanwhile, due to the stricter enactment of laws on standardized manufacturing plants, PATKOL is taking this opportunity to promote its expertise, experience, and professionalism by providing efficient assistance for its customers, as part of the strategy to maintain its increasing sales.

Business Group No. 4 : Services, Spare Parts, and Others

From operational guidelines that adhere to the foundation of product and service development based on the principles of quality, completion, and timeliness, PATKOL has successfully promoted its high-quality products and engineering masterpieces to be accepted worldwide.

Products and Services

PATKOL offers a comprehensive range of after-sales services, including spare part allocation and preventive maintenance. Quality services are available for products that remain both inside and outside the warranty period. Similarly, our preventive maintenance services include the

allocation of spare parts, repair and maintenance for major machines, and overhauling of existing machines, which are developed to support other business categories, for instance, maintenance services for tube ice machines, block ice machines, and refrigeration machines and systems available in various processed food and dairy product factories. The company also provides preventive and annual maintenance services for major ice manufacturing plants as well as leading modern trade operators, such as Big C Supercenter and Ek-Chai Distribution System.

Sales and Distribution Channels

PATKOL can successfully maintain its regular customers who express their interests in several products and services provided by the company. In addition, the company is able to present a number of its engineering masterpieces to several leading companies, while, as a major distribution channel, focusing on exhibitions in both Thailand and foreign nations.

Competitiveness

Basically, normal maintenance services are provided by compressor dealers. However, PATKOL's customers, who have already purchased the company's machines and other products, will be offered high-quality maintenance services, thanks to the company's long-standing experience as well as expertise and professionalism of teams of qualified engineers. PATKOL is proud to present the best of its preventive maintenance services for machines and their systems prior to experiencing damage, ensuring stable quality of the machines and their systems. The company is pleased to offer comprehensive and high-quality maintenance services starting from the delivery to warranty stages. As a result, the company can obtain lucrative profits from the continuity of maintenance services. It can be said that PATKOL is fully committed to developing quality of its services based on the principles of integrity, expertise, professionalism, and timeliness, which always remain unique and excellent compared to other business competitors.

Customers

- Regular customers

Industrial Aspects

The ice machine and refrigeration industries exist for a long time and are poised to expand every year. In consequence, there will be an increasing demand for maintenance services requiring to be conducted with reliability and timeliness. PATKOL has always recognized the importance of providing quality services by establishing its service centers in the Asian region and other foreign nations.



Securities Information and Major of Shareholders

Amount of Registered Capital and Paid-up Capital

As of 31 December 2018 the Company has registered capital of 600,243,737 Baht, paid-up capital of 494,095,237 Baht divided into 414,607,781 common shares and 79,487,456 preferred shares with a par value of 1 Baht.

Rights of Preferred Shares

- Preference shares amount of 100 shares are entitled to one vote.
- To the preferred share had right to receive dividends from the resolution of the shareholders meeting to approved from results of the business operation of the year before the common share. In return, the rate is equal to a 12 month fixed deposit of Bangkok Bank Public Company Limited + 2 per annum, but not exceed than 4% per annum of the conversion price of the debt to preferred shares. When dividends are paid, dividends are not paid to preferred share. The remaining dividends (if any) are distributed to common share.
- Preferred share cannot convert into common shares.
- In the event of dissolution of the company for any reason, preferred share shall have right to refund before common share.

Major of Shareholders

The Company's 10 major shareholders as at 11 March 2019 (latest book-closing date)

No.	Shareholder Name	Amount of Shares	%
1.	Mrs. Noppavan Chongvatana ¹	84,537,108	17.11
2.	Mr. Sangchai Chotchuangchutaval ²	49,841,303	10.09
3.	Bangkok Bank Public Company Limited	49,307,800	9.98
4.	Ms. Ratchanee Chongvatana	45,970,942	9.30
5.	Mr. Paradorn Chulajata ³	33,492,000	6.78
6.	Ms. Nongluck Sakdakrai	29,985,080	6.19

No.	Shareholder Name	Amount of Shares	%
7.	Srisawad Finance Public Company Limited	11,400,000	2.30
8.	Mr. Chavalit Poonpermsuwan	7,974,700	1.61
9.	SCB Thai Equity Fund	6,629,143	1.34
10.	Emerson (Thailand) Company Limited	6,103,738	1.24
11.	Other Shareholders	168,853,423	34.06
Total		494,095,237	100.00

¹ Chongvatana Group's Shareholding Structure

(1)	Ms. Noppavan	Chongvatana	10.472%	(51,744,151 shares)
(2)	Mr. Panet	Chongvatana	5.063%	(25,018,586 shares)
(3)	Ms. Thitikan	Chongvatana	1.573%	(7,774,371 shares)

² Chotchuangchutchaval Group's Shareholding Structure

(1)	Mr. Sangchai	Chotchuangchutchaval	9.277%	(45,841,303 shares)
(2)	Ms. Chanthipha	Chotchuangchutchaval	0.809%	(4,000,000 shares)

³ Chulajata Group's Shareholding Structure

(1)	Mr. Paradorn	Chulajata	2.239%	(11,065,500 shares)
(2)	Mr. Jamorn	Chulajata	2.310%	(11,417,500 shares)
(4)	Mr. Kornnop	Chulajata	2.191%	(10,829,000 shares)
(5)	Mr. Danai	Chulajata	0.036%	(180,000 shares)

Issuance of other securities

The Company issued warrants ("PK-W") under the rehabilitation plan of the Central Bankruptcy Court on 30 March 2011 to a creditor of a financial institution for supported new credit lines for the company as a creditor (Debt-to-equity conversion) as follows:

Warrant {"PK-W"}

The date of issuance of warrants 21 September 2011

Type Warrants (Securities not listed on the SET)

Amount	106,148,500 units
Age	10 year
Exercise Date	Every 1 st of March, June, September and December
First Exercise Date	1 December 2011
Last Exercise Date	1 August 2021
Exercise Ratio	1 Unit of Warrant: 1 new common share
Exercise Price	0.01 Baht: Unit
Remaining Warrant	106,148,500 Units

Dividend Payment Policy

"The Company has a Dividend Payment Policy to pay no exceed than 70% of net profit after income tax deduction on the company's Separate Financial Statement. Unless there is a need or justifiable reason not to pay dividends"

In case of subsidiaries, the company does not regulate the Dividend Payment Policy.

Dividend history of the Company for the past 3 years from 2016 to 2018

Operation result year	2018	2017	2016* (restated)
1. Net profit (Lost) (Baht)	(11,528,850)	270,397,208	99,212,606
2. Number of Share			
2.1 Preferred Share (Share)	79,487,456	79,487,456	79,487,456
2.2 Common Share (Share)	414,607,781	414,607,781	414,607,781
Total share	494,095,237	494,095,237	494,095,237
3. Dividend Per Share			
3.1 Preferred Share (Baht/Share)	0	0.03250	0.03375
3.2 Common Share (Baht/Share)	0	0.12	0.08
Total paid dividend (Baht)	0	52,336,276.04	35,851,324.12
4. Dividend payout ratio (%) of separate financial statement profit	0	19.35%	36.13%

Note: *In 2014-2015, the company was unpaid dividend because the company must use cash flow for support extends work and reserve for business operation

*In 2016, Finance statement restated.

**In 2018, the right to receive dividend is uncertain because it have to wait resolution form Annual General Meeting of the Shareholder on 25 April 2019.



Management Structure

The Company's Management Structure comprises the Board of Directors and 4 committees to support and assist the Board of Directors the 4 committee as follows; (1) Executive Committee (2) Audit Committee (3) Nomination and Remuneration Committee and (4) Risk Management Committee.

Board of Directors

According to the company's article of association there must be at least 5 directors and no less than half of the total number of directors must reside in the country.

As at 31 December 2018, the Board of Directors There are a total of 12 directors who are highly qualified in the areas of skills, knowledge and experience that are beneficial to the operation.

(1) 8 executive directors

(2) 4 non-executive directors, consisting of

Four independent directors account for one-third of the total number of directors.

In the year 2018, the Board of Directors held 4 meetings with pre-arranged meeting schedules.

List of Board of Directors and attendance of directors Summarized as follows

Name	Position	Board of Directors Meeting	
		No. of times meeting	No. of times attended
1. Mr. Pitipong Phungbun na Ayutthaya	Chairman of the Board (Independent Director)	3	3
2. Mr. Sangchai Chotchuangchutchaval	Director, Chairman of Executive Committee and Chief Executive Officer	4	4
3. Mr. Pairoj Sanyadechakul	Chairman of Audit Committee (Independent Director)	3	3
4. Mr. Preecha Chantrangkul	Audit Committee Member (Independent Director) and Chairman of the Nomination and Remuneration Committee	4	4
5. Mr. Veerachai Srikajorn	Audit Committee Member and Chairman of the Risk Management Committee (Independent Director)	4	4
6. Mr. Paradorn Chulajata	Director, Audit Committee Advisor, Risk Management Committee Member and Nomination and Remuneration Committee Member	4	4

Name	Position	Board of Directors Meeting	
		No. of times meeting	No. of times attended
7. Ms. Nongluck Sakdakrai	Director and Nomination and Remuneration Committee Member	4	4
8. Ms. Anongsiri Chaiyakul	Director	4	4
9. Mr. Sumet Jiambutr	Director, Executive Committee Member	4	4
10. Mr. Rangsang Thammaneeewong	Director, Executive Committee Member and Risk Management Committee Member	4	4
11. Mr. Panet Chongvatana	Director, Executive Committee Member and Risk Management Committee Member	4	4
12. Ms. Naitya Chongvatana	Director	3	3

Authorized Directors at present

"Mr. Sangchai Chotchuangchutchaval and Mr. Panet Chongvatana, both of these Directors have been authorized to sign and stamp with the company's seal or Mr. Sangchai Chotchuangchutchaval or Mr. Panet Chongvatana has been authorized to sign with Ms. Anongsiri Chaiyakul, Mr. Paradorn Chulajata, Mr. Sumet Jiambutr , Ms. Naitya Chongvatana that combine 2 Directors of sign and stamp with the company's seal."

The Authorities and Duties of the Board of Directors

The Board of Directors is primarily responsible to the shareholders regarding the Company's business operations. And have the roles and responsibilities to supervise the work of the management in accordance with the objectives and the company's article of association, compliance with law and shareholders' resolutions, as well as careful care of the interests of all parties concerned equally under the duty of honesty, prudence and prudence, taking into account the maximum benefit of the Company and fairness to all shareholders.

The scope of authority of the Board of Directors is as follow:

- 1) Provide the business of the company to comply with the legal, objectives and the company's article of association, including resolutions of the shareholders' meeting, with honesty and be careful to maintain the interests of the company.
- 2) Responsible to shareholders on a regular basis and operate by maintaining the maximum benefit of the shareholders, and also disclosed the information's to investors accurately, fully, standard and transparent.
- 3) Determine and amend the list of authorized directors of the Company.
- 4) Appoint sub-committees to help monitor and control the management of the company in matters of essence.
- 5) The Board of Directors has assigned the Chief Executive Officer to be responsible for the Company's business and assign the management to reports on the performance of the Board of Directors at every meeting.

- 6) The Board of Directors may authorize to one or more persons to perform any act representational the Board as the Board deems appropriate, and within the time that the Board deems appropriate. The Board may revoke the revocation change or modify that power.
- 7) Prepare annual report and responsible for the preparation and disclosure of financial statements to reflect the financial position and the results of the past year to propose to the shareholders meeting.
- 8) Meet at least 3 months for decision of the Board of Directors' meeting is the majority vote. Any director who has a vested interest in any matter shall not have the right to vote on that matter and the Annual General Meeting of Shareholders within 4 months from the end of the fiscal year.
- 9) To set up a succession plan for the top management. To be prepared in case of top management cannot work.
- 10) Provide appropriate channels for communication with each group of shareholders and evaluate the disclosure to ensure accuracy, clarity, transparency and reliability.
- 11) Leadership and -role model in good performance consistent with good corporate governance and the corporate social responsibility approach.
- 12) Encourage the company operates to combat all types of corruption and corruption to maximize the Company's business and stakeholders.
- 13) Provide a Code of Conduct for Directors, Executives and Employees.

In case of any matter that any director or person may have a conflict according to the Securities and Exchange Commission (SEC) and I or the Stock Exchange of Thailand There is a part of the conflict or a conflict of interest. No authority to authorize such action for the benefit of the company and overall shareholders are important.

Sub-committees

Sub-committees are 4 groups. They are appointed by the Board of Directors, for support and administer the Board of Directors, make the operation of the Board of Directors has efficiency and success. Sub-committees are composed of (1) Audit Committee (2) Executive Committee (3) Nomination and Remuneration Committee and (4) Risk management Committee

● Executive Committee

Qualifications and Requirements of Executive Committee

- 1) Members of the Executive Committee shall be appointed by the Board of Directors, with the consideration of the appropriate number of members. The Executive Committee shall possibly consist of the Board of Directors, executives of the company, and/or members of any third party.
- 2) The Executive Committee shall compulsorily consist of the minimum requirement of 3 members.
- 3) The Board of Directors shall be required to appoint members of the Executive Committee, where one of the entire members shall be a member of the Board of Directors to hold the position of Chairman of the Executive Committee.
- 4) Members of the Executive Committee shall possess desirable knowledge and experience required for the roles and responsibilities while being able to devote great effort in implementing required tasks. All members are also expected to refrain from any illegal actions required by law.

As of 31 December 2018, the Executive Committee of the Company was composed of 4 members. In the previous year, there were 11 meetings. And attendance Summarized as follows;

Name	Position	Attendance the Meeting (times)
1. Mr. Sangchai Chotchuangchutchaval	Chairman of the Executive Committee	11/11
3. Mr. Rangsang Thammanee Wong	Executive Committee Member	11/11
4. Mr. Panet Chongvatana	Executive Committee Member	11/11
5. Mr. Sumet Jiambutr	Executive Committee Member	8/11

Scope of Authority of the Executive Committee

- 1) Determine the policy, target, strategy, operating plan, investment project, annual budget and other management authorization to be proposed to the Board of Directors for approval.
- 2) Supervise and monitor the company' business operations consistent to the policy, target, strategy, operating plans, investment projects and the annual budget with approved by the Board of Directors to be effective and augment the business condition with giving consultation, introduction, management and report the operating results to the board meeting for acknowledgement.
- 3) Regulate the organizational structure and management with efficiency covering the recruitment, training, employment and termination of the employees, who are the management or senior executive. It may assign the chairman of the board of the Chairman of the Executive Committee as the authorized person to sign the employment contract.
- 4) Supervise and approve the matter related to the operations of the company such as,
 - 4.1) Consider approving the sales from 100-300 million baht.
 - 4.2) Consider approving the sales of the property, including the investment valued from 10-30 million baht.
 - 4.3) Consider deciding in the case there is a problem in delivering jobs to customers with the total project value is more than 50 million baht, and cannot deliver the job by exceed 180 days.
 - 4.4) Consider setting guidelines on taking legal actions,
 - In the case the company has become a plaintiff or defendant in the civil case with the capital exceed 10 million baht.
 - In the case the company has become a plaintiff or defendant in all the criminal cases.
 - 4.5) Consider accepting a fine and/or return of the goods with the total project value by more than 10 million baht.
- 5) Consider approving the financial transactions with a financial institution to open or close the account, lending/borrowing, pledging, mortgage, guarantee and anything, including a transaction, registration of land ownership to do the normal transaction of the company under the authorized amount of 10 million baht.

- 6) Consider screening all types of the jobs presented to the Board of Director except the job under the responsibility and/or authority of Sub-committees of the company to become the screener to present to the Board of Director directly.
- 7) It has the power to appoint and supervise the operations of the Management Committee appointed according to the set policy and target.
- 8) It may assign someone or a Management Committee with the power to act on behalf of the Executive Committee as it deems appropriate, and may cancel, revoke and change or revise such the power.
- 9) Perform other duties as assigned by the Board of Directors.

Whereas, the power of the board shall not include approving any item for any director or a person with a conflict of interest or vested interests or a subsidiary according to the guidelines of the SEC and the SET. Meanwhile, such the approved items shall be presented to the board meeting and/or the shareholders' meeting to approve in accordance with the relevant law.

Tenure and Vacancy

- 1) Members of the Executive Committee deemed as members of the company's Board of Directors shall remain effective in the position for a 3 year term. When the term is due, the Board of Directors shall be allowed to re-appoint the same members to return to the position plausibly and appropriately.
- 2) Members of the Executive Committee deemed as members of the company's Board of Directors shall remain effective in the position of executive management, except as otherwise determined by the Board of Directors.
- 3) Members of the Executive Committee deemed as members of the third party shall remain effective in the position in accordance with the resolution of the company's Board of Directors and shall be altered as appropriate. Apart from the aforementioned provisions, members of the Executive Committee shall be withdrawn from the position due to the following causes;
 - 1) Death
 - 2) Resignation
 - 3) Disqualification of directorial properties, possession of any illegal action under the law on public company limited, or lack of proper qualifications required for the company's corporate management, where shareholders are selected in accordance with the requirements cited in Article 89/3 of the Securities and Exchange Act (No. 4) B.E. 2551 (2008).
 - 4) The Board of Directors has resolved for retirement.

Any member of the Executive Committee who intends to resign from the position shall be required to submit a resignation letter to the President of the Board of Directors. In case that the position is vacant due to any reason other than the normal expiration of tenure, the Board of Directors shall appoint a new qualified person who possesses no illegal manner required by law to substitute the vacant position. In case that the remaining period of effective tenure is less than 2 months, the Board of Directors shall be allowed to determine not to appoint any person to substitute the vacant position as the substituted member shall remain effective in the position for the remaining period of effective term only.

- **Audit Committee**

Definition

Audit Committee

Audit Committee means the person appointed by the Board of Directors or shareholders of the Company to be the Audit Committee. The Audit Committee members must be independent directors, not being a director assigned by the Board of Directors to make decisions on the operations of the Company, its parent company, subsidiaries, affiliated companies, subsidiaries, or a potentially conflicting entity, and not the director of the parent company, subsidiaries and subsidiaries of the same order. It also has the same qualifications and functions as those set forth in the Securities and Exchange Commission (SEC) and regulations of the Stock Exchange of Thailand (SET) on the qualifications and scope of work of the Audit Committee. They must have sufficient knowledge and experience to be able to review the reliability of the financial statements, including other duties as a member of the Audit Committee.

As at 31 December 2018, the Audit Committee held 3 meetings. In the past year, there were 7 meetings. The list of the Audit Committee and attendance Summarized as follows;

Name	Position	Attendance the Meeting (times)
1. Mr. Suchart Suksumitr (Resignation on April 2018)	Chairman of the Audit Committee	2/2
2. Mr. Pairoj Sanyadechakul (Appoint on April 2018)	Chairman of the Audit Committee	4/7
3. Mr. Veerachai Srikajorn	Audit Committee Member	7/7
4. Mr. Preecha Chantrangkul	Audit Committee Member	7/7

In addition, the Board of Directors has appointed Mr. Paradorn Chulajata to be the Audit Committee Consultant.

Qualifications and Requirements of Audit Committee

- Same the qualifications of the Company's independent directors.

Scope of Authority and Duties of the Audit Committee

- 1) Review the Company financial reporting in accordance with the accounting standards prescribed by law is accurate and adequate.
- 2) Review the Company an appropriate and effective internal control and internal audit system are in place, and the adequacy of the risk management process.
- 3) Review the Company to comply with the Securities and Exchange Act and the Stock Exchange of Thailand (SET) regulations, and the law related to the business of the company.
- 4) To consider connected transactions or transactions that may lead to conflicts of interests in accordance with the laws and regulations of the Stock Exchange of Thailand (SET).
- 5) Review and consider with the management regarding major defects detected and management response.

- 6) Have the power to investigate and investigate related parties within the scope of authority of the Audit Committee, and have the power to hire or bring specialized experts to help investigate and investigate by following the rules from the company.
- 7) To prepare a corporate governance report of the Audit Committee to be disclosed in the Company's annual report. The report must be signed by the Chairman of the Audit Committee.
- 8) To consider, select and nominate an independent person to be the Company's auditor and propose the compensation of such person. Also, attend meetings with the auditors without the management at least once a year.
- 9) Consider the scope of audit and audit plan of the auditor. And the internal audit section is related and complementary and reduces redundancy in respect of financial audits.
- 10) Approve charter, budget audit plan, training plan, and the power of the internal audit.
- 11) Consider, appoint, transfer and evaluate the annual performance of the head of internal audit. consider the independence of the internal audit.
- 12) Review the effectiveness and effectiveness of information technology systems related to internal control and risk management.
- 13) In performing duties of the Audit Committee. If there are any inquiries or doubts, there are transactions or actions that may have a material impact on the Company's financial position and performance.
 - (1) Transaction that causes a conflict of interest.
 - (2) Fraud or irregularity or defect in the internal control system
 - (3) Violation of the Securities and Exchange Act, the Stock Exchange of Thailand (SET) regulations or laws relating to the business of the Company.

The Audit Committee shall report to the Board of Directors to implement the amendment within the period of time the Audit Committee deems appropriate. If the board of directors or the management fails to do so, it should rectify it within a reasonable time. A member of the Audit Committee may report any such transaction or action to the Securities and Exchange Commission SEC and/ or the Stock Exchange of Thailand (SET).

- 14) To perform any other act as assigned by the Board of Directors with the approval of the Audit Committee.

Tenure and Vacancy

1. The Audit Committee has a term of office of 3 years, including the appointment, removal and removal from the Audit Committee.
2. Audit Committee members who vacated office by rotation May be re-appointed as the Board deems appropriate.
3. The Audit Committee vacates office upon
 - (1) The expiration of the term
 - (2) Die
 - (3) Resignation
 - (4) The Board of Directors has resolved to vacate office.
 - (5) Not being qualified as an audit committee in accordance with the charter of the audit committee or the rules and regulations of the Capital Market Supervisory Board; the Stock Exchange of Thailand (SET) And various regulators set up.

4. If the Audit Committee member(s) wish to resign before the end of the term should report to the Board of Director before at less 1 month in advance with the reason(s) for the Board of Directors to consider the appointment of other qualified person(s) to replace.
5. When a member of Audit Committee retires the Audit Committee cannot stay until the term. As a result, the number of Audit Committee member is less than 3 persons. The Board of Directors will immediately appoint the new Audit Committee of delayed within 3 months from the date the number of committee is incomplete. To ensure continuity in the work of the Audit Committee and the person who becomes a member of the Audit Committee will be in the position only for the remaining term of the member of the Audit Committee.

● Nomination and Remuneration Committee

Qualifications and Requirements of Nomination and Remuneration Committee

- 1) The Nomination and Remuneration Committee consists of at least 3 members of the Board of Directors and at least 1 Nomination and Remuneration Committee must be independent directors.
- 2) Can devote sufficient time to the work of the Nominating and Remuneration Committee.
- 3) Independent directors who are the Chairman of the Nomination and Remuneration Committee. Qualifications of independent directors must be fully fulfilled in accordance with the Notification of the Capital Market Supervisory Board.

As of 31 December 2018, the Nomination and Remuneration Committee had 3 members. In the past year, there were 1 meeting. The Nomination and Remuneration Committee and attendance Summarized as follows;

***Mr. Suchart Suksumitr was resignation on April 2018 thus appoint Mr. Preecha Chantarangkul by replaced. After the appointment still not have any Nomination and Remuneration Committee Meeting.

Name	Position	Attendance the Meeting (times)
1. Mr. Preecha Chantarangkul	Chairman of the Nomination and Remuneration Committee	1/1
2. Mr. Paradorn Chulajata	Nomination and Remuneration Committee Member	1/1
3. Ms. Nongluck Sakdakrai	Nomination and Remuneration Committee Member	1/1

Scope of Authority and Duties of the Nomination and Remuneration Committee

1. Select a qualified candidate who deserves to be nominated as a new director or Chief Executive Officer.
2. Determine procedures and standards for nominating members of the Board of Directors or Chief Executive Officer with transparency and fairness.

3. Nominate and appoint a person deemed appropriate for the nomination of the Board of Directors and Chief Executive Officer to be proposed to the meetings of the Board of Directors and shareholders accordingly.
4. Consider guidelines for remuneration offered to the sub-committee.
5. Determine procedures and standards for offering remuneration to members of the Nomination and Remuneration Consideration Committee and the sub-committee fairly and reasonably to be proposed to the meetings of the Board of Directors and shareholders accordingly.
6. Perform other tasks as assigned, particularly those related to the nomination and remuneration to be offered to the Board of Directors and Chief Executive Officer.

Tenure and Vacancy

1. The Nomination and Remuneration Consideration Committee shall remain effective in the tenure for 3 financial years and shall be re-appoint to return to the position plausibly and appropriately.
2. When a member of the Nomination and Remuneration Consideration Committee is dismissed from the position or shall not be able to remain effective throughout the tenure, the Board of Directors shall appoint a new member to substitute a vacant position within a period of 3 months following the date of position vacancy. The newly appointed member shall remain effective in the position for the remaining period of effective tenure only.
3. The discharge of the Nomination and Remuneration Consideration Committee shall be considered from the termination of normal tenure and
 - 1) Death
 - 2) Resignation
 - 3) Disqualification of directorial properties, possession of any action or lack of proper qualifications required for the company's Director.

● Risk Management Committee

Qualifications and Requirements of Risk Management Committee

1. The Risk Management Committee consists of at least 3 members of the Risk Management Committee and at least 1 Risk Management Committee must be an independent director.
2. Can devote sufficient time to the work of the Risk Management Committee.
3. Independent Director who chaired the Risk Management Committee. Qualifications of independent directors must be fully fulfilled in accordance with the Notification of the Capital Market Supervisory Board.

As at 31 December 2018, the Risk Management Committee was composed of 4 members. In the previous year, there were 4 meetings. The Risk Management Committee and attendance summarized as follows;

Name	Position	Attendance the Meeting (times)
1. Mr. Veerachai Srikajorn	Chairman of the Risk Management Committee	4/4
2. Mr. Paradorn Chulajata	Risk Management Committee Member	3/4
3. Mr. Rangsan Thammanee Wong	Risk Management Committee Member	4/4
4. Mr. Panet Chongvatana	Risk Management Committee Member	4/4

Scope of Authority and Duties of the Risk Management Committee

- 1) Determine effective policies for integrated risk management framework covering major risks on the company's core business implementation specified below.
 - Strategic Risks
 - Market Risk
 - Financial Risks
 - Operational Risks
- 2) Develop a set of efficient risk management plans and procedures for the organization as a whole.
- 3) Promote follow-up and assessment actions to keep pace with the risk management policies applied for the entire organization.
- 4) Provide productive advices on the implementation of risk management.
- 5) Report to the Board of Directors about risk and risk management.
- 6) Perform other required tasks as assigned.

Tenure and Vacancy

- 1) The Risk Management Committee shall remain effective in the tenure for 3 years and shall be re-appoint to return to the position plausibly and appropriately.
- 2) If the position of the Risk Management Committee is vacant for any reason other than the expiration of the term as specified in Clause 1, such termination shall be the termination of the Board of Directors or resignation or removal. The Board of Directors shall appoint a qualified person to be the Risk Management Committee so that the Risk Management Committee has the number as prescribed by the Board of Directors. The person who becomes a member of the Risk Management Committee shall be in the position only for the remaining term of the Risk Management Committee member.

Management Team

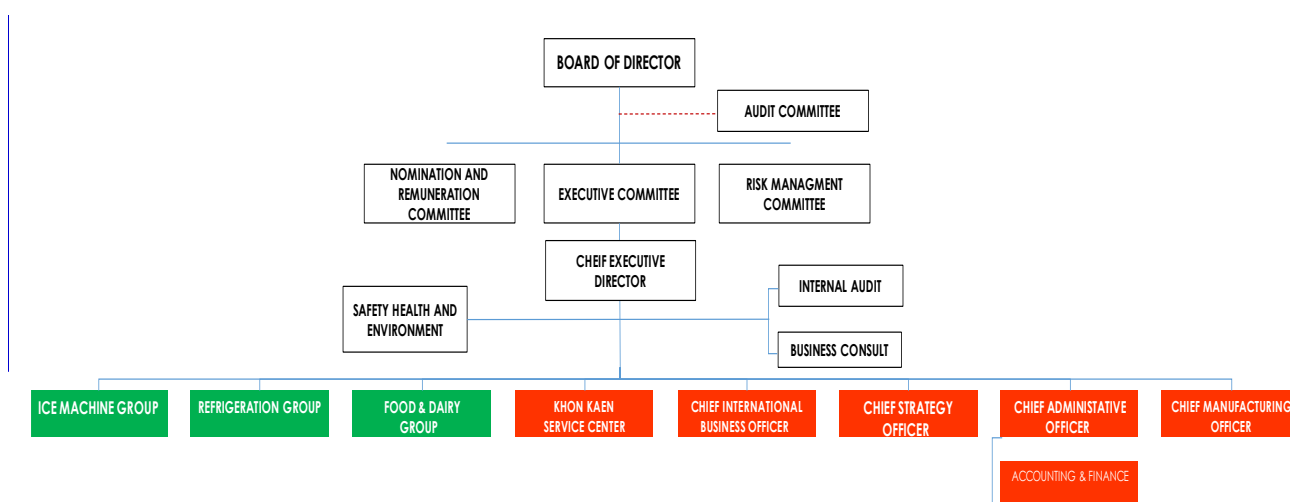
On 31 December 2018, the management team consists of

- | | | |
|-----------------|----------------------|--|
| 1. Mr. Sangchai | Chotchuangchutchaval | Chief Executive Officer and
Chief Operation Officer |
| 2. Mr. Mongkol | Maduethong | Managing Director Business Ice Machine |

3. Mr. Panet	Chongvatana	Chief Strategy Officer
4. Ms. Wannaporn	Trinvisutthikul	Managing Director of Refrigeration Chief Administrative Officer, Executive Director Accounting and Finance Company Secretary (November 2018 – Present)
5. Mrs. Siwaporn	Dumronglaohapun	Managing Director of FOOD & DAIRY GROUP
6. Mr. Chakkraphong	Chaosuan	Chief International Business Officer (Acting)
7. Mr. Sumet	Jiambutr	Chief Manufacturing Office

Note: Management as defined by the Securities and Exchange Commission (SEC) mean the first four executive management positions following the Chief Executive Officer, include those who are equivalent to the fourth level and includes those who hold executive positions in accounting or finance.

Internal management structure (As defined by SEC)



Scope of Authority and Duties of Chief Executive Officer

- 1) Define business plan, investment plan and annual budget plan to propose to the Executive Committee and/ or Board of directors.
- 2) Overall management responsibility and consider various management policies of the company to achieve the company's goals under the policy framework, business plans and budget plans approved by the Board of Directors.
- 3) Approve the implementation or approve spending money for various actions according to the authority of approval of the company or according to annual budget approved by the Board of Directors.
- 4) Recruiting, hiring, transferring, transferring, suspending and dismissing executives and employees in all positions; Including the scope of authority and reasonable return for equivalent positions from senior director upwards, report to the Board of Directors for acknowledgment, equivalent level positions are managed by the Internal Audit Department, with the opinion of the Audit Committee.

- 5) Appoint the authorized signer in various documents the company's accounting, finance, procurement, production, sales and general administration, including other important documents.
- 6) Modify, amend and abolish rules, orders, announcements, regulations, penalties, and internal controls for serve as a guideline for all employees and to ensure that the management within the organization is in accordance with the company policy.
- 7) Appointment of consultants, necessary to operate for the benefit of the company and includes the authority to appoint a lawyer to prosecute or enter into litigation involving the company.
- 8) Assign to other persons to perform or act on their behalf as deemed appropriate and it can be revoked, revoked, changed or modified.
- 9) Performance reports the progress of the projects and as well as financial status to the Executive Committee and Board of Directors.
- 10) Perform other actions according to the Executive Committee or the Board of Directors.

In the case of any action taken by the Chief Executive Officer or who may have conflicts Have any interest or conflict of interest. The Chief Executive Officer has no authority to authorize any such action.

● Company Secretary

The Board of Directors has resolved to appoint, Ms. Wannaporn Trinvisutthikul Company Secretary from 9 November 2018 onwards, such person is knowledgeable, and have practical experience in performing duties. They have been trained in necessary and relevant courses in the company secretarial duties and provide legal advice and rules and to oversee the affairs of the Board of Directors to coordinate and follow up the implementation of resolutions of the Board of Directors.

Scope of Authority and Duties of Company Secretary

- 1) To perform the meeting of the Board of Directors and subcommittees including the shareholders meeting to comply with the Company's article of association and the laws.
- 2) Supervise the company and the Board of Directors has a consistent implementation and in accordance with the law, regulations and the Company's article of association as well as resolutions of the Board of Directors, shareholders and good corporate governance as well as policies and code of conduct.
- 3) Supporting the provision of knowledge and training for directors / executives and related to the duties of directors and specific directors.
- 4) Provide training / orientation and provide necessary information for the current and re-appointed members.
- 5) Advise on regulatory requirements to the Board of Directors and management.
- 6) Provide an assessment of the performance of the Board of Directors.
- 7) Prepare and keep the important documents of the company as follows.
 - (A) Register of Directors.
 - (B) Invitation letter of the Board of Directors' Meeting, Minutes and Annual Reports.
 - (C) Invitation letter of Shareholders Meeting and Minutes.
 - (D) Keeping a report of interest reported by a director or management.

- 8) Perform other actions assigned by the Board of Directors and comply with the regulations announced by the Capital Market Supervisory Board.

Remuneration for Directors and Managements

The directors' remuneration for the year 2018 in amount but not exceed 8 million baht as follows:-

Position	Remuneration for the Board (Baht/Month)	Remuneration for Audit Committee (Baht/Month)	Attendance Meeting (Baht/Times)
Chairman of the Board	78,750	-	15,000
Director	34,650	-	10,000
Chairman of the Executive Committee	-	-	10,000
Executive Committee Member	-	-	5,000
Chairman of the Audit Committee	34,650	23,100	10,000
Audit Committee Member	34,650	23,100	5,000
Chairman of the Nomination and Remuneration Committee	-	-	10,000
Nomination and Remuneration Committee Member	-	-	5,000
Chairman of the Risk Management Committee	-	-	10,000
Risk Management Committee Member	-	-	5,000

Remuneration for Directors of Directors for the year 2018

Name	Remuneration for the Board (Baht)	Remuneration for the Audit Committee (Baht)	Attendance the Meeting (Baht)					Total (Baht)
			Board	Audit Committee	Executive Committee	Nomination and Remuneration Committee	Risk Management Committee	
1 Assoc. Prof. Dr. Somchob Chaiyavej (resign April 2018)	315,000	-	10,000	-	-	-	-	325,000
2. Dr.Piya Chongvatana (Pass away from 25 Janury 2018)	34,650	-	-	-	-	-	-	34,650
3. Mr. Sangchai Chotchuangchutchaval	415,800	-	40,000	-	90,000	-	-	545,800
4. Mr. Suchart Suksumitr (resign April 2018)	138,600	92,400	10,000	10,000	-	5,000	-	256,000
5. Mr. Veerachai Sriakajorn	415,800	277,200	40,000	35,000	-	-	35,000	803,000
6. Mr. Preecha Chantarangkul	415,800	277,200	40,000	35,000	-	-	-	768,000
7. Mr. Paradorn Chulajata	415,800	277,200	40,000	25,000	-	5,000	15,000	778,000
8. Ms. Nongluck Sakdakrai	415,800	-	40,000	-	-	5,000	-	460,800
9. Ms. Anongsiri Chaiyakul	415,800	-	40,000	-	-	-	-	455,800
10. Mr. Sumet Jiambutr	415,800	-	40,000	-	40,000	-	-	495,800

11. Mr. Rangsan Thammaneewong	415,800	-	40,000	-	55,000	-	20,000	530,800
12. Mr. Panet Chongvatana	415,800	-	40,000	-	55,000	-	20,000	530,800
13. Mr. Pitipong Phungbun na Ayutthaya (Appointed by AGM 26 April 2018)	630,000	-	45,000	-	-	-	-	675,000
14. Ms. Naitya Chongvatana (Appointed by AGM 26 April 2018)	277,200	-	30,000	-	-	-	-	307,200
15. Mr. Pairoj Sanyadechakul (Appointed by AGM 26 April 2018)	277,200	184,800	30,000	40,000	-	-	-	532,000
รวม								<u>7,498,650</u>

Details of holding securities of the Company directors

The shareholders who are the directors of the Company consist of:

No.	Name	Amount (Share)	%
1	Mr. Sangchai Chotchuangchutchava	45,841,303	9.27
2	Ms. Nongluck Sakdakrai	29,985,080	6.06
3	Mr. Panet Chongvatana	25,018,586	5.06
4	Mr. Paradorn Chulajata	11,065,500	2.24
5	Mr. Sumet Jiembutr	1,068,340	0.21

Management Remuneration

Total remuneration of the Company's management and the company groups of companies in 2018 in the amount of 60.44 Million Baht.

Employees

Employee benefits

The totalling amount benefit of employees of the Company and the company groups as of 31 December 2018 in the amount of 697,193,282.30 Baht with 1,604 employees as detailed below:

Type of Benefits	Total (Baht)
Wages / Salary	603,123,710.78
Incentive	67,793,045.31
Provident fund	13,183,732.43
Social security fund	13,092,793.79

Employee Development Policies

The Company has strategically issued regulatory policies to encourage its executive and operational employees at all levels to advance their working knowledge and skills, aiming to ensure technical expertise required for each particular task while prompting quality people for effective management and leadership. In addition, the company has always recognized the importance of quality, environment, and occupational health and safety, with the expectation to promote the company's employees of quality and professionalism who are eager to keep pace with organizational progress. Average in the year 2018, staff training was approximately 6 hours per person. The company provided a work safety manual for employees. Statistics for accidents or illness rates from work in 2018 amounted to 18 times, 48 days



To achieve the aforementioned ideas, we have determined to promote our employee development policies covering the following aspects;

1. Provide effective plans and budgets for corporate training programs and career-oriented activities in the short and long runs to support the company's continuing growth.

2. Foster development training programs and behaviour-focused activities to promote the significance of the "Friendly Engineering" working concept conforming to the corporate cultures in various fields.

3. Encourage executive and operational employees at all levels to have greater involvement in creating organizational development, with the effectiveness of mutual evaluation, proposal, and implementation through the "Syner Team" and "Program Alert Project" activities.

4. Conduct a survey on employee engagement and a group interview on other related corporate affairs to generate organizational development in various fields aiming to maximize the level of engagement among the employees.

5. Develop effective communication channels appropriate for employees of different ages and occupations to ensure the effectiveness and precision of organizational communication as a whole.

6. Provide tests of expertise and capacity standards for employees responsible for specialized tasks such as technicians, computer programmers, engineers, or accountants to maintain quality and professionalism of works at all times.

7. Arrange a management trainee program to prompt new graduates, who kick start their career with PATKOL, for further experiences and qualifications required by the company.

8. Organize the talent management project to seek employees with greatly outstanding performances in the short and long runs to support further expansion and continuing growth of the organization.

9. Promote the leadership development project to empower the management team with greater knowledge and skills required by the company.

10. Prepare a job profile for each working position to serve as guidelines for human resources development to ensure an opportunity to grow in the career path.

11. Develop effective performance management and reward presentation procedures to be connected to the development of employees' potential with regard to their working positions while linking the performance management to the targeted goals at corporate, departmental, and individual levels.

12. Provide sufficient training programs and knowledgeable activities to create greater awareness on quality, environment, and occupational health and safety via several communication channels provided by the company efficiently and appropriately.

13. Support executive and operational employees at all levels to participate in knowledge-sharing sessions to unveil personal experiences and exchange business insights via the knowledge management program.

14. Collaborate with public and private educational institutions to promote the development of knowledge and skills of their students to be prepared for the expected career goals after graduation, making PATKOL an organization that provides a productive internship program and research support for freshly graduated students who will be guided and supported by highly experienced and professional corporate teams.

Supervision and operations of the affiliates and subsidiaries

The directors of the company have the power in the control, supervision, management and responsibility for the operations of the affiliates, which our company has supervision over the affiliates and the subsidiaries to have a policy and operation plans to be consistent. They also support the policy and the main plans of the company, which invests and prioritizes the business that it has skills and in the business that is

similar to its business. Thus, for the supervision and management shall be efficient, the management shall supervise by sending the management team to join in setting the policy, budget, market and production plans closely. So that they can share information and use the existing resources of the company to be beneficial and complementary to the overall business better later.

Supervision on the use of internal information

The company has the system of internal control that is rules and procedures in all systems, including having the internal audit, which audits the performance to make sure that the operations shall be effective regularly in all systems throughout the year. It has the independence and consistency with the international standards reporting directly to the CEO and the audit committee according to the emphasis on preventive policy. It includes there is an update of the internal audit and a review on the guidelines and the methods on the use of the internal information constantly to prevent the important and accumulated data from being lost and/or the inside/outside persons from using the data personally. In the case an employee or the management reveals the important information or used it personally or acted that may cause a conflict of interest, the employee or the management shall be punishable according to the rules of the company.

Prevention of internal information

The board of directors has designated measures to prevent from using the inside information by the relevant persons, which means its board directors, senior management and the employees at the relevant units (including the spouse and underage offspring of such the people) as follows:

Measures on prevention from using the inside information

- 1) It is prohibited the relevant persons from trading in the securities of Patkol (PK) within 30 days before there is disclosure of the quarterly and annual financial statements within 24 hours after the blackout period.
- 2) In the case of learning of any information that is not yet revealed, which may have an impact on the securities price of the company, they shall not trade on the securities of the company until passing 24 hours from the disclosure of such the information to the public entirely. It includes prohibiting the management or agencies from receiving the inside information to be revealed to the outsiders or unauthorized persons or from utilizing the inside information illegally.
- 3) In the case the board and the management, which means to include their spouse and underage offspring, when there is a change in the number of shareholding shall notify the change on the holding with the SEC and the SET pursuant to Section 59 of the Security Exchange Act 1990, within three days from the trading, transferring or transferred date.
- 4) The company has designated its directors and senior management (from the E15 level and up as well as the director of accounting and finance) to notify the trade on securities of the company to the board each quarter, including revealing it in the annual report.

Audit fee

- 1) Audit fee for the year 2018

The Audit Committee has selected the Company's auditors based on the Company's independent appraisal standards, namely: And the auditor is qualified according to the announcement of the Stock Exchange of Thailand. The Board of Directors has selected Karin Audit Company Limited.

The details of the certified auditors are as follows:

- 1) Mr. Jadesada Hungsapruet CPA License No. 3759 or
- 2) Mr. Jirote Sirirorote CPA License No. 5113 or
- 3) Ms. Kannika Wipanut CPA License No. 7305

One of the auditors shall have the authority to auditing and to give opinion on the financial statement of the Company. The proposed of auditing fees for financial statement quarterly review are in the amount of 900,000 Baht and the fees for financial statement for the year 2018 are in the amount of 600,000 Baht. The total fees for financial statement for the year 2018 are in the amount of 1,500,000 Baht.

- 2) Non-Audit fee
-none-

Implementing good corporate governance principles for listed companies

The Board of Directors' Meeting No. 3/2008, held on 10 August 2018, acknowledged the good corporate governance for listed companies 2017 (CG Code 2017) in accordance with the guidelines of the Securities and Exchange Commission set forth in 8 categories. Which the Board of Directors considers that all eight topics are already normal

Corporate Governance

Corporate Governance Policy

The Board of Directors has the intention adhere to the supervision of Patkol Public Company Limited under the principle of good corporate governance with integrity, transparency and accountability. It focuses on building maximum benefit to the shareholders and considering the practice on the overall stakeholders with equity. As a result, the company can increase the ability on competition and economic value to the shareholders in the long term as well. So it has designated the policy on good corporate governance better for the Board of Directors, the management and the employees to adhere to as a policy and practice as follows:

The policy of good corporate governance of the company has been approved by the Board of Director and set up the manual on the policy and guidelines on good corporate governance as follows:

1. The Board of Director, the management and all the employees have determined to apply the main principle in the good corporate governance in the six aspects as the principle in the practice are:

- 1.1) It has accountability for its decision-making.
- 1.2) It takes responsibility for the duty performance with the existing capability and sufficient efficiency.
- 1.3) It has transparency that can be verified.
- 1.4) It has fairness and equity for the stakeholders.
- 1.5) It has a vision to create long-term value.
- 1.6) It has virtue, ethics and code of conduct in the business operations

2. The Board of Director, the management and all of its employees determined to apply the important principles on the good governance of the Stock Exchange of Thailand (SET) as guidelines on the practice in five chapters are:

- 2.1) Rights of the shareholders Considering the right of the shareholders and giving the right to the shareholders in the various matters as well as encouraging the shareholders to exercise their right, including not doing anything to violate or derogate the right of the shareholders.
- 2.2) Equitable treatment, treatment of the shareholders is for both as the shareholders who are the management and the non-management, including the foreign shareholders and the minor shareholders by being treated with equity and fairness.
- 2.3) Stakeholders Treatment of the stakeholders is by considering their right of each group in accordance with the law or the agreement with the company, including not doing anything in violation or derogation of their right.

2.4) Transparency Disclosure of the important information to the shareholders, the investors, the stakeholders, the supervising agency involved with the company both the financial information and the non-financial information correctly, completely, sufficiently, reliably and equally and within the specified time through the easily access channel.

2.5) Responsibilities of the board Performing the duty and responsibility of the board of directors for the shareholders by the board of directors has the leadership situation, vision, independence and decision-making for optimum benefit of the company and the overall shareholders. It has separated the role and responsibility between the directors and the management clearly as well as the care on the management under the framework of the law and the business ethics.

3. The Board of Director, the management and all of the employees determined to apply the practice on the principle of good corporate governance of the company, business ethics and code of conduct of the directors, the management and the employees as guidelines in the operation.

4. The Board of Director has the responsibility in taking care of reporting on finance and disclosure of the information with correctness and sufficiency according to the good guidelines and relevant criteria.

5. The Board of Director encourages participation and designation of the channel that can communication with the shareholders, the investors, the supervision agency, the stakeholders, including giving general information to the interested persons.

6. The Board of Director provided an operation for the managerial structure of the company by designating the duty and responsibility of each board of directors and the management clearly.

7. The Board of Director shall provide the system of risk management and the internal audit to be at the suitable and efficient level, including the accounting system and a report on finance with accuracy and reliability.

Chapter 1 Right of Shareholder

The Board of Director supervises the organization of the shareholders meeting in accordance with the law, bylaws and relevant regulations strictly, with support and provides convenience to the shareholders of every group, including the institution investors in attending the shareholder meeting. Moreover, the board also has set up a policy on taking care of the right of the shareholders for protection, promotion, support and no derogation of the right of all the shareholder groups as follows.

1. Meeting of the shareholders

Annual general meeting (AGM) of the shareholders: The Board of Director has designated the AGM once a year by no more than four months following the date of ending the financial year of the company. However, if there is necessity/emergency to present a special agenda, which affects or involves with the

interests of the shareholders or related to the condition or guidelines on the applicability, it shall require prior approval from the shareholders.

Propagation of the information to supplement the shareholders meetings: The company shall disseminate the information to complement the agenda of the shareholder meeting in advance by about one month before the meeting date in the website of the shareholders at www.patkol.com. Moreover, it shall explain the right of the shareholders in the attendance of the meeting and the right to vote by the shareholders as well.

Providing convenience on the exercise of the right to the shareholders and the institution investors: The Company shall provide convenience to the shareholders and the institution investors to exercise the right by organizing the meeting venue of the shareholders that is convenient for the travel, with opening an opportunity for the shareholders and the institution investors to send a question related to the meeting agenda to the Board of Director a minimum of 90 days before the meeting date via the website of the company or by fax number 02-328-1245. It shall notify via the news system of the SET with dissemination of the letter of invitation to the AGM of the shareholders.

Proxy: In the case the shareholders cannot attend the meeting by themselves, The Board of Director shall prepare a proxy statement in the form that is easy to fill the information that the shareholders can select the directors by themselves or use an alternative by presenting the name of the independent director or other people in giving the proxy by using a proxy statement that the company has sent with a meeting appointment. Moreover, the shareholders can download the proxy statement via the website of the company by another way as well. As for the shareholders who are institution investors or foreign investors and have appointed a custodian in Thailand shall be the depositor and caretaker of the company shares to coordinate on the document and evidence to show before attending the meeting in advance to register on the meeting date with convenience and speedier.

2. Implementation on the shareholder's meeting date.

2.1 The Board of Director encourages to apply the technology with the AGM on registering the shareholders on counting the scores and show the results, so that the meeting can be conducted expediently, correctly and accurately with voting by the show of hands for more accuracy.

2.2 The company shall encourage all the directors to attend the shareholder meeting, which the shareholders can inquire the chairman of the committees in the relevant matters.

2.3 In the shareholder meeting, it shall provide voting separately for each item. In case that item contains multiple names, e.g. the item on the appointment of individual directors, etc.

2.4 The Board of Director shall encourage on an independent counting person or inspector of the voting scores in the AGM and the extraordinary general meeting (EGM) and disclose to the meeting for acknowledgement with recording in the meeting report.

2.5 The Board of Director shall encourage using the ballots in the important items, e.g. making the related items, making an item of acquisition or disposal of assets, etc. for transparency and accountability, in the case there is an argument later on.

2.6 The chairman of the meeting shall allocate the appropriate time and encourage the shareholders to have a chance to express their opinions and ask a question(s) in the meeting on the relevant matter with the company.

2.7 The company has prepared a VDO on the meeting of the shareholders throughout the meeting time, so the shareholders who have a question can follow up on the meeting of the shareholders.

3. Preparation of the minutes of the meetings and disclosure of the resolutions of the meeting to the shareholders.

3.1 The minutes of the meeting of the shareholders shall record the explanations of the procedure on voting and the method of showing the scores to the meeting for acknowledgement before conducting the meeting, including open an opportunity for the shareholders to set an issue or inquiry. Moreover, it shall record the questions and answers as well as the results on voting in each item if the shareholders agree or disagree or abstain from voting. It includes the recording of the names of the attending directors and the directors taking leave.

3.2 As for convenience of the shareholders to provide registration by using the bar code system to show the registration number of each shareholder on the proxy statement, so the procedure on the registration shall be speedy.

3.3 Exercising the right to vote on each item by using the method of collecting the ballots of the voting shareholders who disagreed and abstained. At the end of the meeting, the shareholders can request for verification.

3.4 The company shall disclose to the public on the results of voting of each item in the AGM and the EGM in the next working day on its website.

3.5 The company has prepared the minutes of meeting within 14 days from the date of conducting the AGM, which has been submitted to the SET and the Ministry of Commerce within the specified time.

Chapter 2 Equitable Treatment of Shareholders

The Board of Directors considers the treatment of the shareholders with equity, so it has set up the following policies:-

Policy in the equitable treatment of shareholders

The Board of Directors has a duty to respect the right of the shareholders and the equitable treatment, regardless of being the major or minor or foreign shareholders. Meanwhile, the only types of the shares that can vote with equality consisted of 1 common share per 1 vote and 100 preferred shares per 1 vote. Moreover, the Board of Directors also has a duty to promote and encourage the shareholders to exercise the right on the various matters on the AGM and provide convenience to the shareholders on the various matters as well

1. Giving information before the shareholders meeting

1.1 The Board of Director shall take care of the company to notify the schedule on the shareholder meeting with the agenda and its opinions to the SET and disseminate it via the website of the company about one month before the appointment date of the shareholder meeting.

1.2 The Board of Director shall take care of the company to notify the shareholders for acknowledgement of the various guidelines used in the meeting, procedure on voting, including the right to vote in accordance with each type of the share.

1.3 The Board of Director shall supervise the company to prepare a letter of invitation to the shareholders in the complete Thai languages.

2. Protection of the right of the minor shareholders

2.1 The Board of Director shall provide convenience to the minor shareholders by setting up guidelines on the method of giving the right to the shareholders to present the subject to fill the agenda of the AGM in advance before the meeting date a minimum of 90 days via its website or the fax number 02-328-1245 through the news system of the SET.

2.2 The Board of Director shall provide convenience to the minor shareholders by setting up the guidelines on the method of giving the right to present the name of the persons to be considered in the election as directors in the AGM in advance before the meeting date a minimum of 90 days in advance. It is made through the website or the email of the company secretary at poonyavee.ch@patkol.com or the fax number 02-328-1245 through the news system of the SET.

2.3 The company has no policy to increase the agenda that has not been notified in advance without necessity, especially the important item that the shareholders have to spend time to study the information before making the decision.

2.4 The Board of Directors opens an opportunity for the shareholders to exercise the right to appoint the directors on an individual basis.

3. The Directors' Conflict of interest

The company has realized the importance on management related to a conflict of interest of the relevant person carefully, fairly and transparently, which means the board of directors, the management and the employees. The board of directors has set up a policy and guidelines on the conflict of interest as follows:

Policy and practice on conflict of interest

1) It designates the directors and the senior management (from the E16 level and up and the accounting and finance director) shall report on the conflict of interest related to the management of the company or its affiliate when holding the title of directorship or the senior management for the first time and report each time when there is a change of information on the conflict of interest, including reporting annually. However, the secretary of the company shall send a copy of the report on the conflict of interest to the chairman of the board and the chairman of audit for acknowledgement within 7 days from the date of receiving the report to comply with the Securities and Exchange Act 1982, and to use such the information in the examination and the prevention of a conflict of interest.

2) There is a disclosure of the structure on shareholding of the affiliates, subsidiaries, joint venture and other companies clearly, including the authorized shareholders to make sure that the company has the shareholding structure that is clear, transparent and no cross holding with the major shareholders to cause a conflict of interest to either party.

3) In a board meeting, if a director has a conflict of interest on the matter under consideration, that director shall not participate in making such the decision. They cannot attend the meeting or have to omit voting so the decision of the board shall be fair or for the true benefit of the shareholders.

Chapter 3 Roles of Stakeholders

The Board of Director has realized of the right of stakeholders and shall take care of it to make sure that such the right both specified by the law or by a joint agreement shall be protected and implemented strictly included suitable compensation suitably, if the interest of stakeholder's interests is violated.

1. Policy and Guidelines on Taking Care of the Vested Interests

The company has newly designated the Vested Interests to become a policy and measures to take care of them, which are classified into seven groups as follows:

- 1) Employees
- 2) Customers

- 3) Shareholders
- 4) Trade partners (included the consultants and subcontractors)
- 5) Creditors
- 6) Governmental agencies
- 7) Communities around the factory.

The Board of Directors has set up a policy and guidelines on the care of the Vested Interests as follows:

1) Employee

Policies on taking care of the employees

- 1) The company gives compensation to its employees by holding on to the principle of consideration with fairness and can measure the result, e.g. monthly income, income from overtime, commissions, annual bonus, provident fund, savings cooperative, life insurance and health insurance, etc.
- 2) The company intends to promote and develop its personnel to have knowledge and skills continuously, i.e. to have training and seminar of the management and the employees at all levels for the whole year, etc.
- 3) The company has treated all of its employees with equity, e.g. assessment of the employees, keeping the secret of the working experience and the exercise of their various rights, etc.
- 4) The company considers the right of the employees as priority and opens an opportunity for its employees to file a complaint in the case they are not treated fairly through the various channels, e.g. the complaint box, the Human Resources Department (HR), etc.
- 5) The company has a duty to take care of the working environment to have safety, hygiene and suitable for working with effectiveness, e.g. the company manages to have implementation on the 5S (1. Clearing up, 2. Organizing, 3. Cleaning, 4. Standardizing and 5. Training & Discipline). It has set up the safety unit to control and take care of the occupational health and safety health, etc.

2) Customers

Policies on taking care of the customers

- 1) The company has a duty to build up long-term relations and cooperation with the customers by adhering to the integrity, sincerity with the customers, trust and reliability to each other.
- 2) The company has a duty to make maximum satisfaction for its customers by taking responsibility, attention, goods sales and service with friendliness and priority to the problems and demands of the customers. The management and all of its employees shall comply with the following measures:
 - Adhering to the presentation and delivery of the product that meet the standards and qualities corresponded to the demand of the customers.
 - Adhering to the various conditions made with the customers utmost.

- Offering the trade prices and conditions to the customers in the same group with equity.

3) Shareholders

Policies on taking care of the shareholders

- 1) The company has a duty to protect and respect the basic rights of the shareholders, e.g. the right to trade or transfer shares, share the profits of the business, receive news and information on the business sufficiently, and attend the shareholders' meeting or appoint or remove the directors, appoint the auditor, allocate the dividends, setting up or amending the bylaws or the memorandum of association, reduction or increase of the capital and approve of the special items, etc.
- 2) The company has a duty to promote and encourage the shareholders to exercise their rights on the various matters in the annual general meeting (AGM) i.e. the right to present an item in the AGM in advance, the right to nominate a candidate to be elected as the directors in advance, the right to submit a question to the meeting in advance before the meeting, the right to express an opinion and ask a question with the meeting, etc.
- 3) The company shall not do anything to violate or limit the right of the shareholders.

4) Trade Partners (including the consultants and subcontractors)

Policies on taking care of the trade partners (including the consultants and the subcontractors)

- 1) The company has a duty to create good relations with all the trade partners.
- 2) The company has a duty to open an opportunity to all the trade partners to present the goods or service equally, while the management and its relevant employees with the trade partners shall comply with the following measures:
 - It has to work with the trade partners with integrity and equity.
 - The consideration and decision-making shall be based on the basis of comparison of quality and various conditions considering the company's interests both on the short term and long term.
 - It has to keep the secrets of the trade partners by prohibiting from accepting a bribe or commission from the trade partners, including being prohibited from disclosing information or a proposal from one or multiple trade partners for acknowledgement directly and indirectly.

5) Creditors

Policies on taking care of the creditors

- 1) The company has a duty to build up relations and practice on the creditors by adhering to the principle on integrity, reliability and mutual trust.
- 2) The company has a duty to take responsibility, attention and priority on the various conditions on the agreement with the creditors at the best.

6) Governmental Agencies

Policies on taking care of the governmental agencies

- 1) The company shall operation follow the law and any conditions that was determined. Moreover, we shall operation over than the law and/or any condition that was determined.
- 2) The company shall support the activities in the various occasions of the government agencies as appropriate.
- 3) The company has a policy of prohibiting from giving or receiving a bribe to the governmental authorities, which specified in the policy and guidelines on resist fraud and corruption of the company and its affiliates in Patkol group.

7) Communities around the Factory

Policies on taking care of the communities around the factory

- 1) The company and its employees have to adhere to the behavior of being good citizens and benefit the society and communities
- 2) The company and its employees have a duty to behave good to the communities residing nearby with friendliness, help and support the communities to have good living, including taking responsibility for addressing in case of a problem derived from the operations of the company with equity.
- 3) The company and its employees have a duty to take care and support of the activities with a benefit to the society and cooperation with the public sector and the various agencies with willingness and sacrifice for the benefit of the public.

2. Mechanisms for Participation by the Stakeholders

The company has opened a channel for the interested person to show their opinions/ recommendations/ complaints with the audit committee and/or secretary of the company on the matter that is beneficial, including the matter involved with the good corporate governance. For instance, on the law or ethics, financial report or the defective internal audit via the channel of receiving the complaint and advice specified in this policy.

Whereas the complainant shall state details of the matter to express the opinion/advice/ complaint with evidence or sufficient information for the verification and notification of the name, address and telephone number that can be contacted to the channel of receiving the matter as follows:

- (1) Notify via the telephone 02-328-1035 ext. 1013
- (2) Via the email info@patkol.com
- (3) Send a letter in the suggestion box inside the company at the canteen area at all plants.

(4) Send a letter to Patkol at Secretary of Audit Committee, Patkol Public Co., Ltd. No. 348, Chaloem Plra Kiat Ratchakan Thi 9 Rd., Nong Bon Sub-district, Prawet District, Bangkok, Thailand.

Chapter 4 Disclosure of Information and Transparency

The company has taken care on the disclosure of the important information involved both the financial information and others correctly, completely, transparently, widely and in time according to the requirement of the SEC and the SET. It can help the shareholders, investors, customers and the interested persons to access the information easily to have equity and reliability with the revelation as follows:

1. Disclosure of the Information by the Board of Directors

1. It has a system that takes care of the disclosed information to the investors to be correct without misunderstanding but sufficient for the decision-making of the investors.

2. It has to provide a report on the results of the operations in accordance with the policy on good governance, business ethics, risk management and policy on social and environmental care approved in summary. The results on the compliance with such the policy, including in the case it cannot comply with such the policy with the reason by reporting via the various channels, e.g. the annual report and its company website.

3. It has to provide a report on the liability of the board of directors on the financial report to show in parallel with the auditor's report in the annual report.

4. It has to disclose the explanations and analysis of the management discussion and analysis (MD&A) to complement the revelation of the financial statement every quarter.

5. It has to disclose the cost of the audit and other service costs provided by the auditor.

6. It has to disclose the role and duty of the board of directors and its committees, the number of the meetings and the number that the directors have attended the meeting in the past year. It included the training and development on the profession continuously by the board in the annual report.

7. It has to disclose the policy on the payment of the remuneration by the directors and the senior management that reflects the duty and responsibility for each person, including the compensation that each director has received from holding the directorship of the affiliates

2. Disclosure of Information on the Website of the Company

The Board of Directors has disclosed the information on its website on www.patkol.com both in Thai and English languages by updating it constantly.

Chapter 5 Responsibility of the Board of Directors

1. Components of the Board of Directors

1) It shall consist of the directors with diverse qualifications on the skills, experience and specialization that benefit the company.

2) It shall consist of a minimum of five persons, but no more than 12 persons.

3) It must have a director who is not in the Executive Committee Member a minimum of one person with experience in the business or main industry of the company.

4) It must have a minimum of four external directors or one-third of The Board of Directors, who can provide an opinion on the working of the management independently.

5) It must have the directorship term each time for three years. In the case of reinstating the directorship, it shall be presented to the annual general meeting (AGM) for approval.

6) It shall be the elector of the chairman of the board who is an outsider.

7) It shall set up the guidelines for the outside directors who can hold the directorship in other registered companies for no more than three places. It shall consider on the efficiency of working by the directors holding the title in multiple companies to make sure that they can dedicate their time on performance of the duty to the company sufficiently.

8) The director who is in the management can hold the directorship in other registered companies by no more than two other places.

9) The director have the complete qualifications and no prohibiting characteristics in accordance with the Public Company Limited Act and the Securities and Exchange Act, including no characteristics to show the lack of suitability to receive trust in the management

2. Qualifications of the board of Directors

1) They shall possess the complete qualifications and no prohibited characteristics pursuant to the Public Company Limited Act 1992 or the relevant laws, including the requirement of the SET and the SEC.

2) They shall be an authoritative person with the knowledge, skills and experience that can benefit the business operations of the company.

3) They shall have the leadership and independence on decision-making for a maximum benefit of the company and the overall shareholders.

4) They shall have responsibility for performing the duty of the directorship and can sacrifice their time in the performance of the directorship duty fully, including having the responsibility for the shareholders and making a decision with circumspection and maintaining the interests of the company.

5) They shall perform the duty with honesty, integrity, ethics and virtue under the legal framework, including the guidelines on the good governance and code of conduct.

3. Term of the Directorship

The term of the directors is specified by the Public Limited Company Act 1992 and its bylaws in the AGM of the shareholders. The company has to rotate the positions for one-third of the total number of the directors. The longest serving directors shall be rotated first. However, if the number of the directors cannot be divided into three exact numbers, it can be rounded up to the nearest number of one-third, but the rotated directors can be reinstated. Meanwhile, the recruitment and setting the remuneration committee can select and nominate the suitable names to the Board of Directors and the meeting of the shareholders for approval later.

4. The Meetings of the Board of Directors

1. The Board of Directors shall hold a board meeting a minimum of four times a year and implement the meeting to comply with the regulation of the company, the Public Limited Company Act 1992 and the SET regulations. While the chairman of the Board of Directors as the chairman of the meeting shall encourage to use the discretion that is prudent and allocate the time sufficient for the management to present the matter and sufficient for the directors can discuss the important problems with prudence. Including recording the minutes of the meeting each time for the directors and the relevant persons can verify. The directors have a duty to attend the board meeting each time except there is a special reason.

2. Before the Board of Directors meeting each year, the company secretary shall prepare a meeting schedule for the board of directors to acknowledge on the meeting in advance throughout the year, so the directors can plan in advance and allocate the time to attend the meeting.

3. In setting the number of times on the board meeting, the company shall consider the suitability with the duty and responsibility of its board. While the company secretary has shall prepare the annual schedule with stating the matter for consideration in each meeting, so the board can acknowledge on the details to consider in each meeting in advance. For instance, in the meeting in February shall have an approval on the annual financial budget and the schedule on the AGM, it is included the schedule on closing the register suspending the transfer of the company's shares. The meetings in May, August and December shall approve the verified financial budget on the quarterly basis at the 1, 2 and 3 quarters, etc.

4. In each meeting, the board secretary shall submit the meeting documents to the directors for consideration in advance a minimum of seven days before the meeting and shall prepare the documents and information to supplement the meeting.

5. Organizing the meeting shall comply with the bylaws of the company and the Public Limited Company Act 1992 strictly. It shall open an opportunity for the directors to discuss important problems prudently and widely. It shall have the company secretary to attend the meeting and record the minutes of the meeting, questions and recommendations of the directors as well. So the directors and the relevant persons can follow up and verify them.

6. In each board meeting, the chairman of the board shall spend the time in the meeting about 1-2 hours, which is sufficient for the management to present the matter for consideration, and the directors can discuss the important problems with circumspection thoroughly. Nevertheless, the Chairman of the Board has encouraged the directors in the meeting to use the careful discretion and can inquire from the meeting if there is someone to have a question additionally or there is an alternative opinion in the meeting on any item.

5. Self-Assessment of the Board of Directors

The company secretary shall consider on suitability in preparing the "Corporate Governance (CG) Self-Assessment" to be presented to the Board of Directors for consideration on an individual basis to consider the work products and addressing the various problems, including improving the efficiency and the better working effectiveness.

6. Independence of the Board of Directors and the management

The Board of Directors shall promote the good governance by designating the "Chairman of the Board" may not be the same person with "The Chief Executive Officer". It includes having separation of duty clearly, so the board can have the checks and balances with the management independently.

7. Development of the Directors and the Management

1. The Board of Directors has promoted and provided convenience to have training for development and knowledge to the relevant directors, including the directors in the various committees, so the improvement is continuous.

2. The company secretary has provided the manual on the directorship and guidelines on the disclosure of the information, records on possessing the securities, a change of the securities possession, etc. It shall submit each time with a change of the new director.

3. The Board of Directors shall require the Chief Executive Officer to prepare a regular report on the plan for development and successive jobs to prepare for readiness on the successor in the case they cannot perform the duty.

4. The Board of Directors has set up the structure for the development of the management by assigning the Chief Executive Officer to report annually for the things that they have performed during the year and consideration in parallel with the plan on job succession

Risk Factors and Risk Management

The company has been aware of the responsibility on performing good governance for optimization to our shareholders. Therefore, we have set up a risk committee to perform the duty in setting the policy, system and evaluate the various risks, including setting guidelines on administration/ management of the multiple risks. It includes setting guidelines on the administration and management of the risk to be at the acceptable level.

In the assessment of the risk level of the organization on 31 December 2019, the risk factors that may have an impact significantly with the achievement of the target in the business of the company as follows:

1. The risk from the fluctuations of the raw material price

The main raw materials in the production of the company such as steel, stainless steel and copper, which are commodities with their price is changed in accordance with the price in the world market. They are the external factors beyond control and may expose the company from such the fluctuations and the have some shortages in some occasions.

Management of the risk

The Company has designated planning team for plan to use of the raw materials, so the inventory administration has more efficiency. It has a policy to order the goods according to the demand without price speculation and would not hoard the goods. It shall place a purchase order and control it by a quarterly basis. It would send an internal circular to inform on the main raw material prices to the management. It is the same information in planning on the order for production and a follow-up on the information regularly and compares the raw material prices, so the purchase order may not be higher than the market price. In addition, there was a constant search for a new production source and new suppliers from the domestic and overseas sources to spread the risk and price competition among the sellers.

Furthermore, there were negotiations with the customers and specify in the contract that if the raw material prices had a change by more than the agreed percentage, the company would like to adjust the job price to be consistent with the increased price to close such the risk.

2. Risk from labor shortages

Through, our main job characteristics are engineering work, which needs to use specific skills. In the result that the labor, which is in demand in the market, so there was a fierce competition to acquire the skilled labor to work. Therefore, if our company cannot recruit and/or maintain the quality personnel, it may have a negative impact on our quality operations.

Management of the risk

We have designated the framework on the operations to prevent from a risk from labor shortages, with the company has organized an activity to introduce our company to the vocational institutions and various universities as well as opening to accept students to be trained at our facilities, so we can recruit these students to work with us.

This included the policy of promoting professional advancement with the various measures that can compete in the market. We took care of their income, safety, including providing suitable welfare according to the working years.

Continuously, we also offered the various benefits as an incentive for the personnel to work with us in the long term, including encouraging our employees to be trained and developed further skills and knowledge, especially in the performance of the duty, so our employees feel bonding and secure on their jobs. In addition, we have forged ahead/built up motivation for the employees with potential inside the organization to have a chance and ability to grow even further.

Moreover, there was an increase in the ratio on hiring subcontractors to be sufficient for the job volume in existence, so the operations can be continued smoothly.

3. Risk from depending the high-leveled management

Since the group of the high-level management at present is the established of the company is the group with experience in business and well-known and acceptable widely on the know-how of the company. Such the qualification plays an important part to make the company to be trusted by our customers for a long time. Thus, if there is a change of such the high-level management, it may cause the company to face with a problem.

Management of the risk

The company has a policy of decentralize on the administration with the Board of the Directors, the Chief Executive Officer, the chiefs of the various fields and the Executive Directors with the knowledge and suitable ability to take care of the respective field. Therefore, it reduces the risk to depend on the high-level management. Furthermore, we have provided training new management with the suitable qualification to be able to support the job of the high-level management. It includes the long-term planning in development and creation of the next management generation, so the company can grow stability.

4. Risk from depending on the large distributors

In procuring raw materials for use in the production, the company could procure raw materials from domestic and foreign sources, and there were multiple distributors, including there was management on the purchase continuously. Thus, the risk from dependence on the large distributors was very few.

Management of the risk

We have the policy on procuring raw materials from the domestic and foreign sources by trying to find the other production sources or reserved distributors as an alternative and prevention from dependence on a particular manufacturer or distributor solely.

5. Risk from the fluctuated rates of currency exchange

We have imported some raw materials from overseas to incur some debts in foreign currencies, and in the same time it had an income from selling goods overseas in the form of foreign currencies as well. We may incur a risk from the fluctuations of the currency exchange rate as well.

Management of the risk

Since the company has the list of purchases and sales that are in foreign currencies, so it had to manage the risk by using the natural hedge partially. Nonetheless, there is still a risk from the currency exchange rate arises from the difference between the sale and purchase turnover, which can have effects positively and negatively. Therefore, in order to reduce the risk the company has a policy to trade in the forward contracts as well as other financial instruments to prevent from the risk of the currency exchange that may happen.

In addition, it has sent a circular to inform on the internal exchange rate within the group of Patkol monthly, so the management can use the same information for the estimate of the cost and the sales offer as well.

6. Risk from a lack of the working capital

Since the company has a project on building food production processes, which requires working capital is for buying raw materials for working and pays the labor wages. In the part of the working capital shall come from the existing working capital of the company and support from the banks and the financial institutions in the form of the short-term revolving loans and the various guarantees, etc. In case there is a change in the payment of the customers with the combined sales value is high, it may affect the management on the working capital of the company.

Management of the risk

The company has a procedure on preparing and inspecting the contracts from the customers by considering the terms of payment in each case precisely, e.g. verification of the financial status of the trade partners to supplement the consideration before taking the job, etc. It has designated the management of the liquidity carefully by using the financial ratios as the as the indicator and there was an increase of more efficiency by setting the cash conversion cycle (CCC) as the joint key performance indicator (KPI) between the project administration and the financial section. On the purchase, it has designated the KPI to procure the suppliers who give the best price and terms of payment, etc. Moreover, it had sought working capital from the various financial institutions in reserve in case of emergency to use additional cash flow.

7. Risk from investment and overseas operations

The company has expanded its business to overseas in response to the policy on the business growth continuously. Nevertheless, the offshore investments have external risk factors that may affect the operations in each country such as the law, trade measures, political policies, natural disasters, labor practices, language and local cultures, etc. These impacts may result in the operations not to conform to the set goals.

Management of the risk

The company has a procedure on the study and analysis on the viability of the investment in each country prudently with hiring overseas consultants to give legal and other advice and operations involved with the respective country. Initially, the company shall appoint a representative office abroad to make a feasibility study first. After considering the result on the potential of the investment and decide if it is worthy of the investment to decide for an establishment of an offshore subsidiary.

Currently we have a sales representative office in Vietnam and subsidiaries in Myanmar, Indonesia (PT. Indonesia Patkol Service), the Philippines (Patkol Philippines Corporation) and Malaysia (Patkol Malaysia SDN.)

8. Risk from opening free trade and the step into the AEC that may have impact on the turnover and the production cost

The step into the ASEAN Economic Community (AEC) in the full form to have effect on the free movement of resources, capital, labor and trade among themselves in the ASEAN market, which can have goods/services from the ASEAN to compete more in Thailand. Moreover, our customers may move their production base to other countries in the ASEAN with the raw material or labor cost cheaper; therefore, it may pose a risk from the opening of the free trade in the AEC that may affect our turnover and the production cost.

Management of the risk

Our company has the technology for producing food processors and machines with high efficiency, when compared with our competitors in the AEC. In addition, the company has improved and developed new innovations all the time, and expanded its business by setting up representative offices and incorporated subsidiaries in the AEC group, including having the policy of expanding business in the AEC countries continuously. It is to support the economic expansion within the ASEAN group.

9. Risk from the economic and political factors

In the circumstances of the world economics that have fluctuated and are sensitive to impact the economic conditions in Thailand to be fluctuated along with it. Meanwhile, the political changes are the things to be followed closely. As it will have an impact on the efficiency on the payment of the budget and confidence of the private sector, which it may have affected directly on the investment atmosphere in the country and overseas. It is an important factor on decision making for the investors, especially the investment to expand a plant or production capacity of the company, so we have expanded our business to overseas to seek an increased business opportunity.

Management of the risk

Our company has held a meeting inside the organization on an analysis and follow-up on the impact from the economic and political factors in the meeting of the Management Committee monthly. The finding guidelines are to adjust our strategy to be consistent with the occurred situations. It also has held tactical seminars to develop the new investment administration and overseas growth.

Internal Control and Audit System

The Audit Committee Meeting No. 1/2018 on 22 February 2018 assessed the sufficiency of the internal audit of the company by summarizing the opinions on sufficiency of the internal audit into five parts as follows:

Part 1 Organization and the environment

The target on the business operations of the company was specified clearly with the possibility and measurement of the results. The company has organized its structure for helps the management to work with efficiency to achieve the established goal. It has the requirement and punishment, forbidding the management and its employees to do in the way that may cause a conflict of interest with its business. The company has a policy and procedure on the operations of finance, purchasing and risk management considering fairness to its trade partners for the company benefit.

Part 2 Risk Management

The company's risk management is prepared by assessing of the risks in the business operations both the internal and external factors regularly. It analyzes the cause and effect, designating the risk management, including the follow-up on the operations according to the risk management plans.

Part 3 Control of the Operations of the Management

The operation of the management has absolutely divided the duty and responsibility for approval of the records of accounting items, information and storing of the assets separately.

Approval of the transactions of the company with the major shareholders, the directors, the management or the relevant persons shall consider the maximum benefit of the company and as if the items were made with the general public.

Part 4 Information Technology and Communication Systems

The company shall provide important information sufficiently to supplement the decision-making of the committee. The board of directors shall receive an appointment for the meeting or supplemental document that states necessary and sufficient information before the meeting on the average of 7 days in advance. The documents supplementing the various recordings shall be kept in groups and prepared in accordance with the accounting policy as refer to the general accepted accounting principles and suitable with the business characteristics.

Part 5 Follow-up System

The company has organized the follow-up on the general operations by comparing with the target on the business operations. The audit shall comply with the internal control system organized regularly by the internal auditor shall prepare the result on the examination to be presented directly to the management, the audit committee and the audits. In the case there is a discovery of an irregularity in the essence, it shall report to the audit committee and the management within a reasonable time, including reporting the advance in the address of such the shortcomings.

Related transaction

Related transaction of person will be conflict on last year

Person with possible conflict of interest	Transaction	Transaction value (Million Baht)		Reasonable of the transaction
		2017	2018	
Prudent Advisory Co., Ltd. ("Prudent") <i>The business consultant provider, Mr. Rangsan Thammanee Wong joint as a director of the Company and Prudent.</i>	Service Fee The Company has renewed of service contract for strategic planning and conducted a workshop for executives in solving any corporate issues with Prudent over the next two years (1 April 2018 to 31 March 2020) Service fees increased from the original contract 50,000 baht per month	4.2	4.7	The Board of Director Meeting No. 2/2018 held on 11 May 2018 passed a resolution to approve the entering into the transaction between the company and Prudent for the renewed service contract next two years. The service fee is develop the work process and business benefits of the Company operation. The price terms of payment are normal business rates. Such items are needed and reasonable to the maximum benefit of the company. Also, the Audit Committee has no opinion different from the Board of Directors.

Other inter-related transactions, including pricing and interest rate policies, determined by PATKOL and its subsidiaries, joint venture firms, and other related organizations, are shown in the Footnotes to Financial Statement No. 27.

For inter-related transactions or items with possible conflicts of interest, the company has clearly designated the authority for granting an approval by considering the balance and flexibility of implementation based on the normal business operations. The company has also developed its effective internal control systems, where rules, regulations, and procedures have been reviewed by the Internal Audit Committee on a regular basis. In addition, for proceeding with inter-related transactions, PATKOL is always committed to providing the highest benefits to all parties involved.

Required Measures and Procedures in Granting Approval for Inter-Related Transactions in the Future

In case that there shall be any inter-related transaction implemented by the company or its subsidiaries, joint venture firms, and other related organizations that may possibly cause any conflict of interest in the future, the Internal Audit Committee shall necessarily provide comments and suggestions on such implemented inter-related transaction with regard to its appropriate price by considering required conditions complying with the nature of business existed in the industry and the comparison of the price proposed by any third party or the current market price if necessary. The Internal Audit Committee shall deploy independent experts or auditors of the company to provide productive comments and suggestions on such implemented inter-related transaction to be used as reference to the Internal Audit Committee's verdict. Admittedly, such comments and suggestions provided by the Internal Audit Committee, independent experts, or auditors shall also be used as reference to the verdict of the Board of Directors or shareholders depending on cases. The Board of Directors who are interested person are unauthorized to cast a vote on such implemented inter-related transaction as it shall be disclosed in the Footnotes to Financial Statement verified by the company's internal auditors.

Corporate Social and Environment Responsibilities

Policy Overview

PATKOL Public Company Limited is fully committed to operating its business based on the principles of sustainable development, with a clear emphasis on social equality and environmental conservation, paving the way to sustainable growth. Corporate Social Responsibility or CSR has become PATKOL's key strategy in achieving business progress, backed by development guidelines that adhere mainly to responsibilities towards stakeholders aiming for sustainable mutual benefits. The company has therefore fostered sustainable development frameworks in line with globally accepted standards of business implementation covering economic, social, and environmental aspects, as part of the ambitious goal to achieve greater balance and consistency of business operations.

1. We not only emphasize on profitability, but also create mutual benefits for stakeholders and other relevant parties.
2. We are fully committed to taking care of the entire environment, while using natural resources wisely and efficiently.

We always operate the business based on the principles of integrity and social responsibility, while taking part in improving the quality of life of people in different communities involved in PATKOL's business operations.

The company has always realized that the good industry together with the social development and the environment for its sustainability by supporting the activity with social creativity constantly. It has allocated a part of the budget from its revenue to be used for social responsibility activities.

Moreover, it has promoted the performance of its directors, the management and the employees to adhere to the **"quality of service for seriousness and sincerity principle."** The company has determination on the social responsibility and the environment, including instills conscience of its employees accordingly, so it can maintain the good organizational cultures forever, with the maximum goal for the community and society to grow with sustainability.

Operation

1. Operations with integrity

The company has determination on management by adhering to the good corporate governance, which is a good practice for the directors of the registered company and relevant practice of the Stock Exchange of Thailand (SET) to raise the level of supervision to the fair practice with transparency, accountability and has the standard on good corporate governance at the international level. The company has prepared the "Manual on the Policy and Guidelines on Good Governance" of the company and announced to its directors, the management and the employees for acknowledgement and adherence as practical guidelines. It covers the various practices and consistency with the expectation of the shareholders and the interested persons.

Meanwhile, the Board of Directors shall try to supervise with the practices according to the policies and guidelines on good supervision strictly. It also determines to develop the good governance of the company continuously to achieve the target in building stability and growth continuously with sustainability for the company, the shareholders and stakeholder forever.

2. Anti-Corruption

The company has a policy on the operations according to the good corporate governance by virtue and ethics, integrity and transparency, also has awareness of the problems on dishonesty and corruption. Meanwhile, the corruption still increases in intensity and has caused damage to the economic and social developments very much. As a result, the Thai private sector consists of the Thai Institute of Directors, The Thai Chamber of Commerce and Board of Trade of Thailand, Thai Listed Companies Association, The Federation of Thai Industries, etc. have established a "Project Private Sector Collective Action Coalition against Corruption, "CAC," which is consistent with the business operations policy of the company. Thus, the meeting of the Board of Directors No. 1/2016 on 29 February 2016 resolved for the company to sign up to show the intention for not participation in corruption and bringing the company into the certification by the CAC membership to join the anti-corruption effort.

In order for the business operations that may have a risk on corruption, which shall be treated carefully, the company has appointed "the Anti-Corruption Committee on 11 August 2016 to operate for such the purpose. In addition, the companies in the group have prepared "the manual on policy and guidelines on anti-corruption" with the intention for its directors, the management and all of the employees and the companies in the group to have knowledge and understanding as well as realization of their role, duty and responsibility. They can adhere to it as guidelines on corruption in the various forms via the propagation through the communication channel of the company. It includes training to give knowledge and announce this intention to a third party. It has also provided for a whistleblower and measures to protect the informants. Nevertheless, this is to raise the level of country development by reducing the occurred corruption later.

3. Respect for Human Rights

The company has realized of the importance to the human rights and has a policy with a respectful treatment on individualism and human dignity. It has designated all of its employees to exercise their rights, liberty and equality during the operations. It includes the progress in the occupation without discrimination based on job position, origin, race, language, religion, age, gender and physical conditions or health, and no bias based on the economic or social standing and educational qualification or political ideology whatsoever. Meanwhile, the company also has complied with the agreement on human rights and law on using labor with the associations and organizations at the national and international levels as well. It had not employed child labor with their age under 18 years old, including no employment of illegal aliens. While in the international employment that our company has been operating, it has set the age qualification in accordance with the regulation of the host country.

4. Fair Treatment of Labor

The company has always realized that all of its employees are the most valuable resource as the factor for the success of its mission and goal. The company has taken care of the practice that is fair on the opportunity, reward, appointment, transfer and suitable and fair welfare in various stances, e.g.

- On the management of wages, rewards and welfare, it has managed by considering the principle of incentive for the employees to work in full capacity with the equity to comply with the requirement of the law and has the same practical procedure. It shall be suitable with the level of responsibility in consistent with the business operation, and in the level that can compete or equal to the rate of compensation by other companies in the same business.

- On development of the employee potential, it has given priority on development of knowledge, ability and managerial skills via training process, seminars, observation and determination for personnel development to increase capability of its employees at all levels with continuity.

- On employment, operations, progress in the occupation, it has designated the clear guidelines for standardization based on the principle of no prejudice and in consistent with the various relevant laws. It gives the opportunity to everyone for equality on the ratio of male and female, race, religion, origin, age, disability, economic and social standing or educational qualification.

- On safety and health at the workplace, it has concerns on life and health of all of its employees. Thus, the management on safety and working environment other than complying with the standards as designated the law, the company still supports and promotes the safety activity with continuity as well.

Other than the safety, occupational health, the company has operated the business considering safety, occupational health by developing the management standard system on safety and occupational health (OHSAS18001) to fit its operation on all procedures. It shall be on the safety basis with life and health of the employees and the contractors with fairness and without bias. It includes the referral to the responsibility of the surrounding community, e.g. provision of personal safety gear for all levels of the employees. Training on safety for all employees and the contractors and the designation of safety measures for the visitors, and the preparation for the safety media "related to the driving of vehicle safely" for the governmental agency and the distribution to the general public.

5. Responsibilities for the consumers

The company has realized of the importance of the customers for its business success. So it has shown intention to seek the method of responding to the demand of the customers by having more efficiency and effectiveness all the time and has designated the guidelines as follows:

1. Produce quality goods by considering the standards and safety on their use.
2. Deliver goods and service with quality, seriousness and sincerity at the fair price.
3. Give correct information sufficiently and in time for its customers, so they learn of the goods and the services without exaggerating to cause misunderstanding on the quality, number or any conditions of the goods or services.
4. Keep the secret of the customers and shall not exploit it for its own or the relevant party illegally.
5. Provide advice on the use of the goods and the services of the company to have efficiency with optimization to customers.

6. Conservation of the environment

The company has been aware of the importance of the conservation of the environment all along by applying the ISO 14001 system to use as guidelines in its operations on the products. It has determined to produce and develop various machines to save energy and is friendly to the environment. In the operation, it has campaigned for its employees to save on the energy via the various activities, e.g. the campaign to shut off

the electrical, air conditioner and close the computer screen during the break time from 12.00 - 13.00 pm. to save the energy and the environment. It practices on the 5S activity to encourage all of its employees to participate in cleaning of the workplace, setting the goal on reducing the paper use volume. These are for the employees to have conscience on energy saving and to apply in the daily life.

7. Participation in the community or social development

The company has realized of the importance of the community development and the surrounding society by encouraging help on the various occasions to the agencies in the community. They include the infrastructure, utilities, employment, financial support and equipment for education, support of the activity of the local administration, as well as participation and support of the activities on the culture and tradition of the locality where it situated regularly.

8. Having innovation and propagation of innovations derived from working with corporate social responsibility, the environment and the interested person.

The company has encouraged its employees to follow up and extend their knowledge, applying it and new technologies to develop the jobs by organizing activities promoting innovative development continuously. This is to stimulate the idea on development of quality goods and services having efficiency and considering the use of the resources with cost effectiveness by reducing the use of resources. For instance, the promotion of registering a patent right in the innovation that helps in the company goods and increase efficiency on working to save energy and various resources, e.g. ice- making machine and refrigerating machine.

Activities to benefit the society and the environment

The operation that is part of the regular business operations of the company that shows our responsibility towards the interested person involved with our company with circumspection under the specified law. It has operated activities related to the social responsibility and the environment as follows:

1. Establishment of Khon Kaen Learning Centre

PATKOL has recognized the importance of fostering progressive development for sustainable growth, backed by strategic investments in machinery and manpower. The company basically spends up to 2-3 years in training our manpower. The company had established a learning center in Khon Kaen province to generate greater manpower development, while providing people with enhanced career opportunity. The company had determined to relocate its northeastern office to be under the supervision and management of the learning center. Obviously, the establishment of the Khon Kaen learning center aimed at carrying out our core mission of human resource development to get its people equipped with intelligence and virtue. The company's manpower would be exposed to greater potential as well as enhanced quality of life inspired by career professionals and business specialists. Also, the learning center was established to provide an extensive

range of vocational training and skill development programs, where all trainees would be invited to practice with authentic machines to ensure the readiness of operations prior to being deployed to work on site. Every single trainee was required to be skillful and competent in generating a driving force for greater national and economic development to be achieved via the values of performances.

Strategically situated in a vast area of over 2,300 square meters, the Khon Kaen learning center could support daily operations of over 600 employees, creating a lucrative career opportunity for people in the region without having to relocate for work. This efficiently helped alleviate difficulties affecting people's family life nowadays.

2. Production of Skillful Workers for Industrial and Service Sectors

Admittedly, skillful workers still remained insufficient and this issue might affect Thailand's development in various aspects in the long run, particularly for a person's preparedness prior to stepping into professional works. This was in line with the country's economic progress requiring a number of vocational experts to push forward the Thai economy in the future. To remain consistent with the idea, PATKOL had determined to upgrade vocational education by launching a bilateral project focusing on industrial engineering and production management for students of the high vocational level. Launched for seven consecutive years, the company aimed to develop vocational students' potential in learning before actually entering into the labor market as they had been expected to be equipped with 'intelligence and virtue'.

3. Prototype Factory Project on Learning of Freezing Processes for SMEs

PATKOL had presented a freezer to King Mongkut's Institute of Technology Ladkrabang (KMITL) to support the technology oriented university's 3 year academic research project to be conducted during 25 April 2017 to 25 April 2020. The project aimed to promote a prototype factory established for the learning of freezing process. Serving as a research center, the prototype factory provided advanced technology and academic information on frozen food products for small and medium-sized enterprises or SMEs, researchers, students, and people interested in this business to be operated in Thailand and foreign markets.

4. DPT Education Support Project 2017

This education support project had presented scholarships to Mr. Eliya Ekta and Mr. Piyawat Utitsan, the winners of DMC Scholarship Award 2017. The project, which was expected to run for two years starting from 2017 to 2019, aimed to promote the accurate use of traffic signs to reduce road accidents in Bangkok's Prawet community.

5. Activities for Public Benefits

In the previous years, PATKOL had offered its concrete supports to a number of activities for public benefits as follows:

- a) **Scholarship Presentation Project for Children of Employees** – This project aimed to support children of employees who received monthly salaries not exceeding 20,000 baht, totalling 41 scholarships, in 2017.
- b) **Blood Donation Project** – The Thai Red Cross Society had collected the donated blood to be presented to Rajavithi Hospital, as part of the goal to assist people in the society and encourage PATKOL's employees to possess volunteer spirits.
- c) **PATKOL Loves the Earth Project** – Held at Ngammana School in Prawet district, this project aimed to provide basic knowledge on fire prevention and evacuation for teachers and students of Ngammana School. Additionally, the project was launched to promote harmony, assertiveness, self-discipline, and responsibility toward the society among Thai youths.
- d) **Children's Day** – Children's Day activities were held at Mitrphap, Mahadthai 1, Racha Thewa, and Fueang Fa communities as well as Khot Phueak Anuson School to present food, beverages, and gifts to young children living in communities surrounding PATKOL. The fun-filled activities also aimed to promote harmony, assertiveness, self-discipline, and responsibility toward the society among Thai youths.
- e) **Traffic Sign Presentation Project** – PATKOL had presented traffic signs to Udomsuk Police Station aiming to promote the accurate use of traffic signs to reduce road accidents in Bangkok's Prawet community.
- f) **Reuse of Old Calendars** – Old calendars were collected to produce braille codes and learning tools for blind students from Thammik Wittaya School in Phetchaburi province. In the event, PATKOL also hosted a luncheon to bring happiness to those blind students.
- g) **Canal Digging Project** – Held at the Huayrong Sub-district Administration Office in Petchaburi province, the canal digging project aimed to provide greater environmental assistance for people living in communities surrounding PATKOL.
- h) **Buddhist Lent Ceremony** – PATKOL held a merit-making ceremony to mark the Buddhist Lent at Wat Kaeo Phithak Charoen Tham in Bangkok's Prawet district.
- i) **Kathina (Robe Offering) Ceremony** – PATKOL held a sacred Kathina (robe offering) ceremony at Wat Ka Chap Satthatham in Khao Yoi district, Petchaburi province.
- j) **Other Social Activities** – PATKOL had also supported various other social activities aiming to provide Thai people with a better quality of life.

Policy Quality, Safety, Occupational Health and Environment

Patkol Public Company Limited was founded in 1965 and has become well-known as an expert in cooling systems and food processing machines in the Asia-Pacific region. Patkol expanded its business operations to accept contracts for the installation of ice plants, cooling machines and refrigeration rooms based on customer needs by providing one-stop services covering design, installation, engineering work and services with acceptance and trust from domestic and overseas customers worldwide under the company's motto: "Quality with Service, Sincerity and Honesty". The company considers organization safety and environment. Therefore, the company created the Safety Section on 16 May 2012

The company is also determined to raise awareness of corporate social responsibility in terms of care for corporate personnel and contractors. The company hopes to provide work areas meeting occupational safety and health principles for employees and contractors. At present, the company has certified the OHSAS 18001 occupational health and safety management standards ISO 9001 and ISO 14001 environmental standards by Tuv Nord.

Policy Quality, Safety, Occupational Health and Environmental are as follows:

"The leader in the business in machinery industry of food and beverage, refrigeration, ice machine with friendly engineering".

1. Friendly, earnestly and sincerely to customers by make quality work with service for highest customer' benefit.
2. Friendly to employees by striving to create a sincere and safe work environment in accordance with the law And related requirements Prevent injuries and occupational diseases And continuous development
3. Be friendly to the world, community, society by striving to protect and protect the environment. Reduce the impact of pollution from work

The main components of occupational safety, health and the environment work are composed of the following:

The company provides training for employees at every level. The company also provides education and imparts good attitudes to new employees.

- Safety promotion and support activities.
- Risk assessment and prevention.
- Preparation and analysis of accident statistics and accident investigations to make improvements and corrections.
- Work methods, pre-work prevention, regulations and safety inspection preparations

In addition to enacting protection by various measures, the company divided work safety management steps as follows:

1. Safety plans are composed of educational orientation for new operators, training for safety staff at the supervisor/management level, Safety Committee appointments, equipment/tool inspections, machine testing, hazard indication and risk assessment, safety manual preparations, Toolbox Talks, House Keeping, work area inspections, emergency plan and fire suppression plan preparations and safety promotion activities, etc.

2. In working, the company controls work methods in line with specified procedures such as construction site preparations, warning sign installation, wearing personal protective equipment, working in high places, scaffolding work, machine related work, work in confined spaces, work related to electricity, lifting work and work license request systems, etc.



Management Discussion and Analysis (MD&A)

The Company's overall performance in 2018 and 2017 can be summarized as Follows:

Consolidated (Million Baht)	2018		2017		Different	
	Amount	%	Amount	%	Amount	%
Revenue from sales and revenues from services	3,824	100.0%	4,731	100.0%	(908)	-19.2%
Cost of sales of goods and costs of rendering of services	(2,903)	-75.9%	(3,538)	-74.8%	634	-17.9%
Gross profit (loss)	921	24.1%	1,194	25.2%	(273)	-22.9%
Other income	78	2.0%	65	1.4%	13	20.0%
Distribution costs	(311)	-8.1%	(328)	-6.9%	17	-5.2%
Administrative expenses	(650)	-17.0%	(577)	-12.2%	(73)	12.6%
Net income from operation	37	1.0%	353	7.5%	(316)	-89.7%
Finance cost - Interest expenses	(41)	-1.1%	(31)	-0.7%	(10)	32.1%
Profit (Loss) before Corporate Income Tax	(4)	-0.1%	322	6.8%	(326)	101.4%
Corporate Income tax	(10)	-0.3%	(82)	-1.7%	72	-87.8%
Profit (Loss) for the years	(14)	-0.4%	240	5.1%	(255)	106.0%
Other Comprehensive income for the years	(5)	-0.1%	(14)	-0.3%	8	-60.4%
Total Comprehensive income for the years	(20)	-0.5%	227	4.8%	(246)	108.7%
Income (Loss) Attributable to :						
Owners of the parent	(17)	-0.5%	238	5.0%	(255)	107.4%
Non-controlling interest	3	0.1%	2	0.0%	1	38.9%
	(14)	-0.4%	240	5.1%	(255)	106.0%

Referring to the above information of 2017, the company and its subsidiaries had revenue from sales and service of 3,824 million baht while in 2016 it had the same type of revenue at 4,713 million baht, a decrease less than the previous year by 908 million baht or 19.2%. Due to the most customers in industrial group was retard to invest.

Because of retard to invest of all business groups as upper, the company was loss in part of shareholder of head quarter at 17 million baht or - 0.4% of the revenue. Meanwhile, in 2017 we had the profit

that was the net worth for the parent company at 238 million baht or 5% of the revenue. Performance lessened from the previous year at 255 million baht or 106%, meanwhile the company has capital from sale and cost from management in the year 2018 total 962 million baht or 25.1%

In order that, it can analysis the details of each business group as follow

The result of last performance of each product line or business group

Consolidated Amount (Million Baht)	Ice machine and Industrial refrigeration machine	Machineries for liquid and food processing	Service and Spare part	Total
2018				
Sales and services - domestic	1,654.0	840.2	572.4	3,066.6
Sales and services - overseas	580.7	150.3	26.2	757.3
Total	2,234.7	990.5	598.6	3,823.8
Cost of goods sold	(1,802.9)	(674.6)	(425.7)	(2,903.2)
Gross Profit	431.8	315.9	172.9	920.6
% of profit per total sales	19%	32%	29%	24%
% sales per total Sales	58%	26%	16%	100%
2017				
Sales and services - domestic	2,204.3	1,215.3	532.0	3,951.6
Sales and services - overseas	647.0	108.6	24.4	779.9
Total	2,851.3	1,323.8	556.3	4,731.5
Cost of goods sold	(2,156.4)	(994.3)	(387.0)	(3,537.6)
Gross Profit	694.9	329.6	169.4	1,193.9
% of profit per total sales	24%	25%	30%	25%
% sales per total Sales	60%	28%	12%	100%
Sales and services - domestic	-22%	-25%	8%	-19%

1. Revenue from sales and services

Other revenues of the company in 2017 came from the business group of ice machines and the industrial refrigeration system with the highest ratio or 58% of the combined revenue. The machine business group and the system for liquid products and food processing could earn the income for the company or

26%, and the service work group was 16% from the total revenue. The analysis of the growth rate of each business group as follows:

The ice machine business group and the industrial refrigeration system had growth rate decreased by 22%, it came from the most customers of industrial group in domestic and oversea was retard to invest.

The machine business group and the system for liquid products and food processing had the decreased by 25% due to the most customers of industrial group in domestic was retard to invest. However, the company is expanding customer base in oversea and customers expand their investment abroad Which still allows the company to accept jobs overseas.

The service and spare part business group had an increased growth rate by 8% due to the company expanded the investment by opening the service centers covering all of the regions and expanded the service in the form of more preventive maintenance, the service of maintenance and repair the system and machine before damage. In oversea, is extend the service business for service customer at oversea faster.

2. Other revenues

Normally it consisted of the revenue from other businesses, e.g. profit from the exchange rate, paid interest, recovered debts, etc., which in 2018 increased by 13 million baht or 20%. This result is from loss receives 4.5 million baht. Revenue from dividend of leasing 8.5 million baht

3. Cost of goods sales and gross profits

In 2018 the company had the gross profit rate of about 24.1% on the revenue, while in 2017 it had the gross profit of about 25.2% of the revenue as the same as last year. In the year 2018, the company profit was decrease from last year in amount 273 million baht or 22.9% which follow percent of sale of the company in the year 2018 that was decreased and revenue recognition of some projects with low gross margin. In order that, the company still control capital from sale and service even if the main raw material for produce e.t. steel and stainless are change the price follow world market. Including, the company has plan to manage capital since policy to operation by more.

4. Expenditures on selling and administration

In 2017 the expenditures on sales and administration combined were 962 million baht or 25% of the revenue, compared with the expense from sales and administration found in 2017, the company had the expenditures on sales and administration combined were by 906 million baht or 19% of revenue. Comparison from last year, the company has expended increasing 56 million baht. The expenditures are from employees and computer technology.

The capital of sales and administration are increase because the expend for reserve the work, guess the work will increase by continually. Including, the expend is prepare for strategy by extend the work in

domestic and overseas e.t. cost from marketing and any exhibitions. Moreover, the company has policy to support employees of all level for improve knowledge and capability by short-term and long-term. And for reserve the growth of the company in domestic and overseas, the company was hire professional company for develop employee of operation level to manager level. Also, the expend from go abroad to other country is increasing, as follow the operation strategy of company to focus extend customer base to overseas market in Asia, Middle East and Europe.

5. Net profits

In 2018 we had a net loss of 17 million baht or -0.5% of the revenue, while in 2017 a net profit of 238 million baht or 5% of the revenue. In the meantime, the percentage from sale of each business was decrease because retardation to invest in industrial group.

6. Assets and liabilities

Assets

At the end of 2018 the company had the assets of 3,873 million baht, and the end of year 2017 the company had the assets of 3,839 million baht. The growth rate of the assets increase 34 million baht or 1%

The part of assets decrease e.t. trade accounts receivable and other current receivables from business operation for example payment account payable from buy raw material, Investment in fixed asset and include payment for any long-term debt.

The part of asset increase, the most is trade accounts receivable and other current receivables and fixed asset. When analyze from collect debt by long term, the year 2018 the company has percentage of period for collect debt amount 119 days, the year 2017 average is 87 days. The period for collect debt in the year 2018, the company has percentage of period for collect debt amount 123 days, has credit term more than the year 2017 in amount 112 days.

However, the company realizes to control the quality of debtor and inventory thus has policy and measure for control it.

Policy on setting up reserves for doubtful debts

- The debtors owed by more than 6-12 months were reserved for the doubtful debts of 20%.
- The debtors owed by more than 12-18 months were reserved for 50%.
- The debtors owed by more than >18 months were reserved for 100%, and considered additionally on the debtors in the ratings of 1 and 2 to be set up the allowance for the doubtful debt by 100% immediately after there is a sale with the principle on ratings as follows:
 - Rating 1 means the debtors that the company used to take a legal action or under business rehabilitation.

- Rating 2 means the debtors with a history of debt restructuring with us.
- Rating 3 means the debtors with the history of overdue exceeding 90 days during the past three months.
- Rating 4 means the debtors with the history of overdue from 31 days, but not exceeding 90 days in the past three months.
- Rating 5 means the debtors that normally were overdue by no more than 30 days.

Policy on setting the reserves for deteriorated goods

- Non-movement goods from 12-18 months were set up a reserve for 10%.
- Non-movement goods from 18-24 months for 30%.
- Non-movement goods from 24-36 months for 60%.
- Non-movement goods from >36 months for 85%.

Analysis of the debtor quality

	As December 31, 2018		As December 31, 2017	
Undue :				
- Normal	235	38%	192	23%

	As December 31, 2018		As December 31, 2017	
Overdue :				
- Not over 3 months	197	32%	464	55%
- Over 3 months	120	19%	98	12%
Debt acceptance	1	1%	1	1%
Under legal action	63	9%	74	9%
Total trade accounts receivable	616	100%	829	100%
Less Allowance for doubtful accounts	(99)	-16%	(90)	-11%
Total trade accounts receivable - net	517	84%	739	89%

The company had the rate of doubtful debts at the end of the years 2018 at 16% of the entire debts and the end of the year 2017 had the rate of doubtful debts at 11% of the entire debts, the percentage was increase from last year. Analyse from quality of debtor, the overdue debtor is decrease because there is a follow-up to receive payments and most customers are in the period that has not yet been due in the part of the debtor. The rate of debtor by law is decrease because the company have a policy to keep track of debt

collection more closely including the establishment of a debt collection management team to solve problems promptly.

Analysis of the inventory quality

INVENTORIES - NET	As December 31, 2018		As December 31, 2017	
INVENTORIES	794	100%	790	100%
Less Allowance for declining in	(18)	-2%	(23)	-3%
INVENTORIES - NET	776	98%	767	97%

The company had the rate of setting up the cost of allowance for the reduction of the goods value at the end of 2018 and at the end of 2017 at 1%. Most of inventory at the end of 2017 increased by 4 million baht due to the company ordered raw materials for the deferred work and to support the expansion.

Debts

At the end of 2018 the company had debts of 2,326 million baht, and by the end of 2017 had 2,225 million baht. It was found that the company had the growth rate of the debts increased by 101 million baht or 4.5%.

The company has short-term borrowed money from the financial institutions for normal business operation and long-term loans increased for building at Khon Kaen branch and factory at subsidiaries, but the account payable is reduces.

As such the information shown that in the year 2018, the total growth rate of asset is 1% meanwhile the total loss growth rate is 5%.

7. Ratio for the shareholders

At 31 December 2018 the company had the net worth at the parent company at 1,527 million baht, while on 31 December 2017 the company had the net worth at the parent company at 1,596 million baht.

When considered the ratio of the debt to the net worth of the parent company found on 31 December 2018 and 31 December 2017 at 1.5 times, which did not exceed the policy of the company that established the ratio of debt to net worth by no more than 2 times. It also showed the efficiency on the operations and financial stability.

8. Analysis of liquidity

The company had the liquidity ratio at the end of 2018 and 2017 at 1.51 and 1.55 times respectively. It had the quick ratio at the end of 2018 and 2017 at 0.90 and 1.01 times respectively that showed the company could manage its liquidity very well but there a little high inventory The company ontrolling

When considered the time of debt collection at the end of 2018 and 2017 was at 119 and 87 days respectively. The period of average goods selling period at the end of 2018 and 2017 was at 96 and 74 days respectively, the debt payment was at the end of 2018 and 2017 at 123 and 112 days respectively. Thus, the cash cycle of the company at the end of 2018 and 2017 at 92 and 49 days respectively. The company had the cash cycle a little longer when considered in detail finding that the time on debt collection increased a little due to it had the contractual debtors in the long term. However, The company has more time to sell the average product. Due to the need to manage the production balance However, the company is able to manage the repayment period longer due to better negotiation. When considered the cash flow found at the end 2017 the company had it increase by 16 million baht from the year 2016. Meanwhile, the net cash flow consisted of the flow derived from the operation activity of 124 million baht. Moreover, the company had the cash flow used from the investment activity (292) million baht, most used to buy permanent properties, e.g. building at Khon Kaen branch and subsidiaries with the cash flow came from the money procurement activity 196 million baht.

9. Debt burden outside the balance sheet

At the end of 2018 the company had the burden on bank guarantees by 174.48 million baht, 0.13 million Euros and 0.44 million US dollars divided into:

1. Bank guarantees for the utilities in the amount of 2.11 million baht to guarantee on the use of electricity to comply with the rules of the Electricity Authority.
2. Bank guarantee for working on the projects in the amount of 172.37 million baht, 0.13 million Euros and 0.44 US dollars, consisted of the various guarantees as follows:
 - Bid bond: It is for bidding, which shall be refunded after announcing the result on the bid.
 - Prepayment bond: It is used as an advance payment guarantee placed by the customers.
 - Performance bond: It is to guarantee working according to contract made with the customers.
 - Maintenance bond: It is used as a guarantee on behalf of the retention money that the customers deducted from the wages and shall be refunded at the end of the warranty period. This guarantee can help the company to receive its cash flow faster.

Audit Committee Report

The Board of Directors of Patkol Public Company Limited resolved to appoint the Audit Committee Consisting of 3 qualified independent directors, namely, Mr. Suchat Sooksumit (resigned from the position of Independent Director on 26 April 2018 and then the Company appointed Mr. Pairoj Sanyadechakul to be the Chairman of the Audit Committee. With effective from May 11, 2018), Mr. Virachai Srikajorn and Mr. Preecha Chantarangkul, 3 directors have experience, qualifications and scope of duties according to the Stock Exchange of Thailand announcement And did not serve as an executive with 1 director, Mr. Preecha Chantarangkul, has knowledge about accounting and finance And has the Internal Audit Manager acting as the Secretary to the Audit Committee by position.

In 2018, the Audit Committee has performed its duties as assigned by the Board of Directors, which was consistent with the requirements of the Stock Exchange of Thailand. Total of 7 meetings of the Audit Committee had been convened and the discussion had been made with the management, internal comptrollers and auditors on related matters in which material context of the operation can be summarized as follows:

1. Audit of Financial Report

The Audit Committee has reviewed quarterly financial statements and annual financial statements of Patkol Public Company Limited with the auditors on a quarterly basis by asking the auditors' comment and observation on the audit of financial statements in order to ensure that financial statements have been accurately prepared, legal requirements and generally accepted accounting standards have been complied with when preparing financial statements in accordance with international standards, and information has been disclosed in the financial statements adequately and timely for the benefit of investors and users of financial statements.

In addition, the Audit Committee has commented on the preparation of discussion and analysis report by the management in order to provide clear information and analysis on overall operation and factors that may affect the operation in all aspects

2. Review of Internal Control System

The Audit Committee has reviewed to ensure that Patkol Public Company Limited will have internal control system and internal monitoring system that are adequate, appropriate and effective, and has also summarized and presented significant issues to the Board of Directors.

3. Review of Compliance with applicable Laws and Regulations.

The Audit Committee has reviewed to ensure that Patkol Public Company Limited and its subsidiaries comply with the laws on securities and stock exchange, requirements of the Stock Exchange of Thailand and/or laws relating to business operation of the Company. Furthermore, the Audit Committee has acknowledged report on the compliance with the laws relating to business operation of Patkol Public Company Limited and its subsidiaries, as well as auditing result on the compliance with applicable laws and regulations from auditing agency. The Audit Committee has provided useful comments to ensure that there will be process to monitor the compliance with applicable laws and regulations in an effective manner, and ensure that subsidiaries of Patkol Public Company Limited will completely comply with applicable laws and regulations

4. Monitoring of Internal Audit

The Audit Committee has approved the plan on the annual audit of the audit agency by using the guidelines on the audit of the risk evaluation, which is consistent with the important risks and the direction of the operations of Patkol Public Company Limited including the review of the results on the site audit, counting the inventory and verification of the deferred debtors. It has considered the issues on the important audits continuously, including the follow-up on the improvement regularly. However, the internal audit unit is an independent agency, focusing on the preventive audit with sufficient efficiency and effectiveness to meet the international standards.

Moreover, it has reviewed the charter of the audit committee annually, including the consideration on sufficiency of the manpower of the internal audit unit.

5. Consideration to propose for the appointment of auditor of Patkol Public Company Limited and meeting with the auditor

The Audit Committee has considered proposing the appointment of Karin Audit Company Limited as the auditor of Patkol Public Company Limited, and has also considered proposing remuneration for year 2018. Moreover, the Audit Committee has convened meeting with auditor and auditing agency without management participation in order to acknowledge the auditing plan of the auditor, as well as problems or obstacles for auditing operation so that improvement guidelines can be suggested. In 2018 and 4 meetings had been convened.

The Audit Committee has conducted the operation carefully, and has offered comments and suggestions that helped promoting good corporate governance, and for the benefit of the Company's operation, as well as for the interest of all shareholders and stakeholders.

For the operation being carried out in 2018 as mentioned above, the Audit Committee's opinion can be concluded as follows:

☐ The Company's accounting and financial reporting systems are accurate, credible, and disclose significant information completely, sufficiently and timely.

☐ The Company's internal control system is adequate and suitable; improvement on the internal control system has been carried out regularly to suit the Company's business operation at present and in the future, and is consistent with applicable laws and regulations.

☐ Karin Audit Company Limited which is the Company's auditor, is independent and experienced in the audit of financial reports in which it can be assured that the Company's financial reports will be accurate, credible, and disclose significant information completely, sufficiently and timely.

☐ From reviewing related transactions or transactions with potential conflict of interest, the Audit Committee views that the Company has disclosed accurate and complete information, and those transactions have suitable condition and fair price which have been approved by the management or the Board of Directors in advance.

22 February 2019

On behalf of the Audit Committee



(Mr. Pairoj Sanyadechakul)

Chairman of the Audit Committee

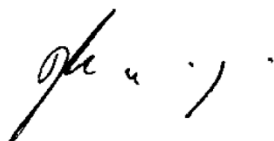
Report on Board Responsibilities Financial

The Company's Board of Directors is responsible for Financial Statements of the Company and its subsidiaries including financial information appearing in the Annual Financial Report. Such Financial Statements are prepared in accordance with the generally accepted accounting standards with the selection of and consistent compliance with appropriate accounting policy. Discretion and estimation had been exercised at the best in the preparation of these statements with sufficient disclosure of significant information in the Notes to the Financial Statements, for the best benefit of shareholders and investors in general transparently.

The Company's Board of Director has caused to avail Risk Management System, to establish and maintain the suitable and effective Internal Control System in order to reasonably ensure that the accounting data are accurate and complete in nature and adequate to maintain the assets as well as to prevent any corruptions or irregularities to occur

In this respect, the Audit Committee the members of which are independent directors has performed duties in verifying the accounting policy and quality of the financial report, the internal control system, internal audit system, risk management system, as well as making a consideration on data disclosures on the connected transactions which, in this connection, the opinions of the Audit Committee in relation to this matter have appeared in the Internal Audit Committee Report which have already been disclosed in the Annual Report.

Financial Statements of the Company and its subsidiaries are audited by Karin Audit Co., Ltd., which is the Company's independent auditor. In auditing, the Company's Board of Directors and the Management provide supports on the aspects of various data and documents in order to enable the auditor to audit and express opinions in accordance with the auditing standard which, in this respect, the auditor's opinions will appear in the Report of Independent Auditor shown in the Annual Report. The internal control system was at the satisfactory level and could reasonably build the confidence that the Financial Statements of the Company and its subsidiaries for the year then ended 31 December 2018 were reliable and adhered to the generally accepted accounting standard and practiced properly in accordance with related law and regulations.



Mr. Pitipong Phungbun na Ayutthaya
Chairman of the Board



Mr. Sangchai hotchuangchutchaval
Director and Chief Executive Officer

Financial Statement for the year 2018

Independent Auditor's Report

To The Shareholders of Patkol Public Company Limited

Opinion

I have audited the financial statements of Patkol Public Company Limited and its subsidiaries, which comprise the consolidated and separate statements of financial position and as at December 31, 2018, and the related consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position of Patkol Public Company Limited and its subsidiaries as at December 31, 2018, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King as relevant to my audit of the consolidated financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. 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 financial statements of the current period. These matters were addressed in the context of my audit of the consolidated financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Revenue recognized under the percentage of completion

Risk

The Company's business features that reflect the risk of the contract, which requires significant judgment in evaluating the financial performance of both present and future contracts. Revenue and profits are recognized on completion of the contract for each contract with calculating the proportion of the total cost incurred up to the date of the financial statements compared to estimated total cost of the contract. The status of the contracts are always evaluated and adjusted to a constant current. In this regard, the management must exercise judgment in assessing the value of the contract, completeness and accuracy of cost estimates until the job will be completed and the ability to work under contract to be completed within the planned deadlines. Profits and losses ,be possible in most of the contracts ,may be calculated out many of the quite wide ranges and such ranges may be significant. In addition, changes in management's judgment and changes in estimates involved that occurs when contracts be progressing steadily may significantly result in improved revenue and profit, which may be either an increase or decrease in revenue and profit.

Risk Responses of Auditor

My audit procedures responded to the risk referred to above are as follows:

- evaluated and tested the design of control systems and navigation control used for the recognition of revenue and profit from the contract.
- tested control to determine whether the control has been effective in practice all year round.
- selected contracts by sampling to check that the accuracy of the results of operations based on present and future contracts, as follows, assessed the reasonableness of the estimated costs until completion, assessed ability to deliver on time according to the schedule plan, evaluated the repayment of debt from receivable under contract, reviewed the loss and cost of job to be incurred until the job on completion and including assessment of the allowance for losses on contracts.

Based on the above audit procedures, I have found no significant difference on revenue recognition in any project that does not meet the conditions in the agreement.

Allowance for the decline in value of inventory

Risk

As described in Note 7 in the notes to the financial statements, the Group has inventory of Baht 468 million or 14% of the total assets in the consolidated financial statements. The finished goods are freezer. Some of the purchase orders acquired are by entering into selling agreement. The selling price is determined in advance and the goods are delivered in the long-term. The price of raw materials fluctuate with oil price. Additionally, some raw materials of the subsidiary are moving slower. As a result, the cost of goods may be higher than the net realizable value. Inventory is stated at cost or net realizable value, whichever is lower. Such matter requires significant judgment and estimates by the management in considering the allowance for the decline in value of inventory. I have identified that the measurement of inventory is a significant risk which requires special attention in the audit.

Risk Responses of Auditor

My audit procedures responded to the risk referred to above are as follows:

- I have tried to understand the internal control system related to the inventory management.
- Tested the internal control related to the product cost preparation has been effective in practice all year round.
- Attended the inventory count observation to check the deterioration and obsolete stock.
- Tested the accuracy of product aging report preparation.
- Inquired the management and considered the reasonableness and approach applied by the management in defining the net realizable value by checking the supporting document that represents the best estimate of the management.
- Testing the calculation of allowance for declining in value of inventory.
- The adequacy of the disclosure of information related to the accounting policies and the amount related to the recognition of allowance for declining in value of inventory.

Based on my procedures above, I found that the assumptions made by management use in the valuation of inventory and allowance for decreasing in inventory valuation to be reasonable based on the available evidence.

Other matters

The consolidated financial statements of Patkol Public Company Limited and its subsidiaries and the separate financial statement of Patkol Public Company Limited as at December 31, 2017. The consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended the separate financial statements of the Company, were audited by another auditor who, under his report dated February 23, 2018, expressed an qualified opinion on those financial statements

Other Information

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

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

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

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

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

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

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

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Ms. Kannika Wipanurat

(Ms. Kannika Wipanurat)
Certified Public Accountant
Registration No. 7305

Karin Audit Company Limited
Bangkok, Thailand
February 22, 2019

PATKOL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FINANCIAL STATEMENTS
DECEMBER 31, 2018
AND AUDITOR'S REPORT

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

		(In Baht)			
		Consolidated		Separated	
		December 31,	December 31,	December 31,	December 31,
		2018	2017	2018	2017
Notes					
<u>ASSETS</u>					
CURRENT ASSETS					
Cash and cash equivalents	5	273,570,725	257,650,261	161,414,347	183,871,182
Trade and other current accounts receivable - net	6,27.3	899,214,416	1,192,496,243	776,550,104	1,241,707,996
Short - term loans and accrued interest income related parties	27.3	-	-	335,930,371	241,758,560
Inventories - net	7	775,679,800	767,896,469	468,341,858	390,166,734
Current tax asset		19,312,398	410,111	18,819,122	-
Other current assets		11,042,563	5,378,137	9,253,583	3,416,566
Total current assets		1,978,819,902	2,223,831,221	1,770,309,385	2,060,921,038
NON - CURRENT ASSETS					
Investments in subsidiaries - net	8	-	-	320,035,873	213,173,263
Investments		5,559,850	-	999,850	-
Trade and other non current accounts receivable - net	9	246,471,967	196,215,210	246,471,967	196,215,210
Investment property - net	10	85,958,121	44,055,806	85,958,121	20,843,481
Property, plant and equipment - net	11	1,350,526,986	1,163,665,455	850,053,826	867,159,538
Other intangible assets - net	12	91,763,503	83,092,194	84,736,116	80,854,616
Deferred tax assets	13	84,206,734	84,161,984	68,731,210	68,611,646
Other non - current assets		29,503,990	43,599,064	11,366,550	34,166,723
Total non - current assets		1,893,991,151	1,614,789,713	1,668,353,513	1,481,024,477
TOTAL ASSETS		3,872,811,053	3,838,620,934	3,438,662,898	3,541,945,515
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>					
CURRENT LIABILITIES					
Bank overdrafts and short - term loans from financial institutions	14	220,115,254	191,908,169	70,266,033	61,831,128
Trade and other current accounts payable	15,27.3	899,062,951	1,088,817,131	828,382,818	992,267,689
Current portion of long - term loans institutions	16	144,405,653	98,896,600	104,306,734	78,677,889
Income tax payable		3,473,461	23,201,495	-	18,411,784
Provision for liabilities		26,094,418	29,314,177	24,894,430	27,592,904
current provision for employee benefit	17	13,168,125	2,803,261	11,276,694	2,679,385
Total current liabilities		1,306,319,862	1,434,940,833	1,039,126,709	1,181,460,779
NON - CURRENT LIABILITIES					
Long - term loans institutions - net	16	651,618,848	444,564,891	471,044,734	381,324,340
Deferred tax liabilities	13	133,200,988	133,216,923	113,313,628	115,028,162
Non - current provision for employee benefit	17	235,062,040	212,635,921	169,866,226	154,955,507
Total non - current liabilities		1,019,881,876	790,417,735	754,224,588	651,308,009
TOTAL LIABILITIES		2,326,201,738	2,225,358,568	1,793,351,297	1,832,768,788

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (CONT.)

		(In Baht)			
		Consolidated		Separated	
		December 31,	December 31,	December 31,	December 31,
Notes		2018	2017	2018	2017
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>					
SHAREHOLDERS' EQUITY					
Share capital	19				
Authorised share capital					
79,487,456 preferred shares of Baht 1 each		79,487,456	79,487,456	79,487,456	79,487,456
520,756,281 common shares of Baht 1 each		520,756,281	520,756,281	520,756,281	520,756,281
Issued and paid - up share capital					
79,487,456 preferred shares of Baht 1 each		79,487,456	79,487,456	79,487,456	79,487,456
414,607,781 common shares of Baht 1 each		414,607,781	414,607,781	414,607,781	414,607,781
Warrants	19	111,455,925	111,455,925	111,455,925	111,455,925
Premium on preferred shares	19	4,555,919	4,555,919	4,769,247	4,769,247
Premium on common shares	19	8,542,665	8,542,665	8,542,665	8,542,665
Discount on common shares	19	(22,088,943)	(22,088,943)	(22,088,943)	(22,088,943)
Company's shares held by a subsidiary	20				
Preferred shares		(3,555,477)	(3,555,477)	-	-
Common shares		-	-	-	-
Retained earnings (deficit)					
Appropriated - legal reserve	22	60,024,374	60,024,374	60,024,374	60,024,374
Unappropriated		390,297,310	456,622,553	529,944,803	590,420,555
Other components of shareholders' equity		483,366,421	486,818,541	458,568,293	461,957,667
Total attributable to owners of the parent		1,526,693,431	1,596,470,794	1,645,311,601	1,709,176,727
Non - controlling interest		19,915,884	16,791,572	-	-
TOTAL SHAREHOLDERS' EQUITY		1,546,609,315	1,613,262,366	1,645,311,601	1,709,176,727
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		3,872,811,053	3,838,620,934	3,438,662,898	3,541,945,515

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2018

	Notes	(In Baht)			
		Consolidated		Separated	
		2018	2017	2018	2017
Revenue from sales and revenues from services		3,823,817,590	4,731,487,123	3,300,157,659	4,189,983,700
Cost of sales of goods and costs of rendering of services		(2,903,189,964)	(3,537,612,143)	(2,608,538,567)	(3,170,130,461)
Gross profit		920,627,626	1,193,874,980	691,619,092	1,019,853,239
Other income		77,513,481	64,619,488	103,801,215	91,761,367
Income before expenses		998,141,107	1,258,494,468	795,420,307	1,111,614,606
Distribution costs		(311,205,526)	(328,187,232)	(267,491,218)	(289,452,307)
Administrative expenses		(650,419,228)	(577,460,374)	(508,689,577)	(461,175,708)
Total expenses		(961,624,754)	(905,647,606)	(776,180,795)	(750,628,015)
Profit before financial cost		36,516,353	352,846,862	19,239,512	360,986,591
Finance cost		(40,935,748)	(30,986,906)	(28,410,121)	(21,285,815)
Profit before income tax		(4,419,395)	321,859,956	(9,170,609)	339,700,776
Income tax		(9,952,962)	(81,688,602)	(2,358,241)	(69,303,568)
Profit for the year		(14,372,357)	240,171,354	(11,528,850)	270,397,208
Other comprehensive income :					
Items that will be reclassified to profit or loss :					
Exchange differences on translating financial statements		(1,976,196)	(1,913,450)	-	-
Items that will never be reclassified to profit or loss :					
Depreciation of revaluation surplus on fixed assets		(3,389,374)	(3,389,375)	(3,389,374)	(3,389,375)
Gain (losses) on remeasurement of defined benefit plans		-	(8,233,130)	-	(12,423,067)
Total other comprehensive (expense) for the year		(5,365,570)	(13,535,955)	(3,389,374)	(15,812,442)
Total comprehensive income (expense) for the year		(19,737,927)	226,635,399	(14,918,224)	254,584,766
Profit (loss) attributable to					
Owners of the parent		(17,493,894)	237,923,745	(11,528,850)	270,397,208
Non - controlling interest		3,121,537	2,247,609	-	-
		(14,372,357)	240,171,354	(11,528,850)	270,397,208
Total comprehensive income (expense) attributable to					
Owners of the parent		(22,859,464)	224,387,790	(14,918,224)	254,584,766
Non - controlling interest		3,121,537	2,247,609	-	-
		(19,737,927)	226,635,399	(14,918,224)	254,584,766
Basis earnings (loss) per share of the parent	24				
Net profit (loss) (Baht per share)		(0.04)	0.57	(0.03)	0.65
Weighted average number of common shares (shares)		414,607,781	414,607,781	414,607,781	414,607,781
Diluted earnings per share of the parent	24				
Net profit (loss) (Baht per share)		(0.03)	0.46	(0.02)	0.52
Weighted average number of common shares (shares)		519,754,880	519,754,880	519,754,880	519,754,880

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2018

(In Baht)																					
Consolidated																					
Attributions to shareholders' equity of the parent																					
Issued and paid - up share capital				Retained earnings (deficit)						Other components of sharholders' equity											
										Total other comprehensive income (expense) for the period											
										Exchange differences on translation financial statements		Gain (losses) on remeasurement of benefit plans		Revaluation surplus on fixed assets		Total other components of shareholders' equity		Non - controlling interest		Total shareholders' equity	
Notes	Preferred shares	Common shares	Warrant	Premium on preferred shares	Premium on common shares	Discount on common shares	Company's shares held by a subsidiary	Appropriated - legal reserve	Unappropriated												
Balance as at January 1, 2017	79,487,456	414,607,781	111,455,925	4,555,919	8,542,665	(22,088,943)	(3,555,477)	58,267,210	261,148,931		(749,898)	-	492,121,366	491,371,468	8,344,504						1,412,137,439
Cash paid for Dividend	-	-	-	-	-	-	-	-	(35,849,204)		-	-	-	-	-						(35,849,204)
Capital increase	-	-	-	-	-	-	-	-	-		-	-	-	-	6,199,459						6,199,459
Transferred to retained earnings	-	-	-	-	-	-	-	-	(8,233,130)		-	8,233,130	-	8,233,130	-						-
Legal reserve	22	-	-	-	-	-	-	1,757,164	(1,757,164)		-	-	-	-	-						-
Comprehensive income (expense) for the year	-	-	-	-	-	-	-	-	241,313,120		(1,163,552)	(8,233,130)	(3,389,375)	(12,786,057)	2,247,609						230,774,672
Balance as at December 31, 2017	79,487,456	414,607,781	111,455,925	4,555,919	8,542,665	(22,088,943)	(3,555,477)	60,024,374	456,622,553		(1,913,450)	-	488,731,991	486,818,541	16,791,572						1,613,262,366
Cash paid for Dividend	28	-	-	-	-	-	-	-	(52,220,723)		-	-	-	-	-						(52,220,723)
Capital increase	8	-	-	-	-	-	-	-	-		-	-	-	-	2,775						2,775
Comprehensive income (expense) for the year	-	-	-	-	-	-	-	-	(14,104,520)		(62,746)	-	(3,389,374)	(3,452,120)	3,121,537						(14,435,103)
Balance as at December 31, 2018	79,487,456	414,607,781	111,455,925	4,555,919	8,542,665	(22,088,943)	(3,555,477)	60,024,374	390,297,310		(1,976,196)	-	485,342,617	483,366,421	19,915,884						1,546,609,315

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2018

(In Baht)												
Separated												
Issued and paid - up share capital				Retained earnings (deficit)					Other components of shareholders' equity			
Notes	Preferred shares	Common shares	Warrant	Premium on preferred shares	Premium on common shares	Discount on common shares	Appropriated -		Gain (losses) on remeasurement of benefit plans	Revaluation surplus on fixed assets	Total other components shareholders' of equity	Total shareholders' equity
							legal reserve	Unappropriated				
Balance as at January 1, 2017	79,487,456	414,607,781	111,455,925	4,769,247	8,542,665	(22,088,943)	58,267,210	366,663,407	-	465,347,042	465,347,042	1,487,051,790
Cash paid for Dividend	-	-	-	-	-	-	-	(35,849,204)	-	-	-	(35,849,204)
Legal reserve	22	-	-	-	-	-	1,757,164	(1,757,164)	-	-	-	-
Transferred to retained earnings	-	-	-	-	-	-	-	(12,423,067)	12,423,067	-	12,423,067	-
Comprehensive income (expense) for the year	-	-	-	-	-	-	-	273,786,583	(12,423,067)	(3,389,375)	(15,812,442)	257,974,141
Balance as at December 31, 2017	79,487,456	414,607,781	111,455,925	4,769,247	8,542,665	(22,088,943)	60,024,374	590,420,555	-	461,957,667	461,957,667	1,709,176,727
Cash paid for Dividend	28	-	-	-	-	-	-	(52,336,276)	-	-	-	(52,336,276)
Comprehensive income (expense) for the year	-	-	-	-	-	-	-	(8,139,476)	-	(3,389,374)	(3,389,374)	(11,528,850)
Balance as at December 31, 2018	79,487,456	414,607,781	111,455,925	4,769,247	8,542,665	(22,088,943)	60,024,374	529,944,803	-	458,568,293	458,568,293	1,645,311,601

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2018

	(In Baht)			
	Consolidated		Separated	
Notes	2018	2017	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit (loss) before income tax	(4,419,395)	321,859,956	(9,170,609)	339,700,776
Adjustments				
Trade and current other accounts receivable (increase) decrease	297,021,918	(281,827,956)	468,102,164	(238,460,074)
Inventories (increase)	(8,633,312)	(83,103,439)	(80,325,878)	(86,977,697)
Other current assets (increase) decrease	(5,664,425)	10,019,437	(5,837,018)	10,208,204
Trade and other non current accounts receivable (increase)	(50,256,757)	(196,215,210)	(50,256,757)	(196,215,210)
Other non - current assets (increase)	(1,473,795)	(2,626,491)	(1,714,777)	(1,698,059)
Trade and other current accounts payable (decrease)	(189,277,471)	(54,687,253)	(164,094,032)	(93,945,020)
Depreciation	65,750,274	62,690,253	46,061,147	43,476,051
Amortized	12,668,414	12,414,132	12,093,078	11,960,185
Amortized income tax	3,075,045	3,253,873	3,075,045	3,156,303
Bad debt and doubtful accounts (reversal)	3,558,990	(12,061,720)	1,968,593	(11,161,044)
(Gain) Loss on declining in value of inventories (reversal)	(2,668,339)	(1,151,370)	(1,367,566)	1,575,115
Unrealized loss on exchange rate	256,922	345,599	595,175	360,633
(Gain) on sale of fixed assets	(3,000,484)	(2,481,318)	(2,514,724)	(2,248,679)
Loss on impairment of investment (Reversal)	-	-	-	(2,999,400)
(Gain) loss form lose the control in subsidiaries	2,084,824	-	(3,094,049)	-
Provision for liabilities (reversal)	(3,219,759)	9,218,637	(2,698,474)	8,668,199
Employee benefit expenses	32,790,983	33,352,519	23,508,029	23,868,394
Employee benefit expense (reversal)	-	(18,840,895)	-	(15,340,444)
Interest income	(17,686,612)	(6,322,858)	(35,351,029)	(27,821,795)
Interest expenses	40,935,748	31,032,400	28,410,121	21,285,815
Total adjustment of profit (loss)	171,842,769	(175,131,704)	227,388,439	(212,607,747)
Net cash provided (use in) by operating activities				
Interest income	17,686,612	6,322,858	17,279,218	20,132,229
Interest expenses	(38,498,403)	(30,205,068)	(27,582,789)	(20,458,482)
Income tax (paid)	(48,517,269)	(53,872,155)	(40,575,900)	(48,600,069)
Income tax (received)	21,485,824	37,198,330	21,485,824	37,198,330
Cash paid form employee benefit	-	(11,031,352)	-	(4,451,808)
Net cash provided (use in) by operating activities	123,999,533	(226,719,091)	197,994,792	(228,787,547)

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2018

		(In Baht)				
		Consolidated		Separated		
	Notes	2018	2017	2018	2017	
CASH FLOWS FROM INVESTING ACTIVITIES						
	Deposits at bank with commitment (increase)	(8,581,889)	(1,435,609)	(45,920)	(151,585)	
	Cash received from short - term loans to related parties	-	-	466,400,000	411,200,000	
	Cash paid for short - term loans to related parties	-	-	(542,500,000)	(363,000,000)	
	Cash received from sales of property, plant and equipment	3,890,572	3,002,883	2,576,086	2,687,369	
	Cash paid for purchase of property, plant and equipment	(264,735,431)	(93,425,815)	(63,462,717)	(51,054,533)	
	Cash paid for purchase of machine	(893,681)	-	-	-	
	Cash paid for purchase of intangible assets	(21,339,781)	(2,425,033)	(15,974,578)	(2,183,033)	
	Cash paid for investments in subsidiaries	-	-	(107,862,460)	(51,706,421)	
	Net cash (used in) investing activities	(291,660,210)	(94,283,574)	(260,869,589)	(54,208,203)	
CASH FLOWS FROM FINANCING ACTIVITIES						
	Increase (decrease) in bank overdrafts and short - term loans from financial institutions	(29,060,915)	19,358,048	(11,565,095)	15,036,869	
	Cash received from shares from minority shareholders	2,775	6,199,459	-	-	
	Cash received from short - term loans from financial institutions	790,145,000	466,786,000	213,572,000	46,786,000	
	Cash received from long - term loans from financial institutions	327,736,488	15,000,000	171,390,000	-	
	Cash paid for short - term loans from financial institutions	(732,877,000)	(404,367,000)	(193,572,000)	-	
	Cash paid for long - term loans from financial institutions	(35,924,000)	(1,674,000)	(30,800,000)	-	
	Cash paid for liabilities under debt restructuring plan	(45,602,133)	(64,113,668)	(47,301,716)	(65,186,228)	
	Cash paid for liabilities under debt restructuring agreement	(15,609,441)	(14,292,543)	-	-	
	Cash paid for liabilities under finance lease agreement	(10,677,822)	(2,822,052)	(8,968,951)	(599,703)	
	Cash paid for dividend	(52,220,723)	(35,729,207)	(52,336,276)	(35,849,204)	
	Net cash provided (used in) financing activities	195,912,229	(15,654,963)	40,417,962	(39,812,266)	
	Differences from translation of financial statements in foreign currency	(1,976,196)	(1,913,450)	-	-	
	Net increase (decrease) in cash and cash equivalents	26,275,356	(338,571,078)	(22,456,835)	(322,808,016)	
	Cash and cash equivalents, beginning of years	5	257,650,261	596,221,339	183,871,182	506,679,198
	Cash (decrease) from lose control in subsidiary		(10,354,892)	-	-	-
	Cash and cash equivalents, ending of years	5	273,570,725	257,650,261	161,414,347	183,871,182

SUPPLEMENTAL CASHFLOW INFORMATION

In year 2018, The subsidiary has registered for the liquidation that cause the company lose the control insubsiary,

the detail that effect cash flow at the beginning of year below :

Trade and other current payable	(190,358)	-	-	-
Share capital	(2,500,000)	-	-	-
Premium on common shares	(725,340)	-	-	-
Apprepiated - legal reserve	(250,000)	-	-	-
Retained earnings	(6,879,552)	-	-	-
Cash and cash equiravalents at beginning	(10,542,250)	-	-	-

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2018

1. GENERAL INFORMATION

- 1.1 The Company was incorporated as a limited company on November 28, 1965 with registration no. 372/2508 and changed to a public limited company on June 28, 1993 with registration No. 0107536000587.
- 1.2 The Company's office is located at 348 Chalermprakit Rama 9 Road, Nongbon, Prave, Bangkok 10250, and factory is located at 79/1 Moo 14, Soi King Kaew 33 Rachathewa, Bang Phli, SamutPrakan 10540, Thailand
- 1.3 The Company is engaged in the trading and services of engineering products which include turnkey sales of services in design, manufacturing and installation of various types of industrial refrigeration for the ice making industry and supermarket, dairy and ice-cream processing, as well as food related processing plant and supplies made to order.
- 1.4 The Company has representative offices in 4 countries, namely Philippines, Indonesia, Malaysia, and Vietnam.
- 1.5 The Company has branches in 5 namely Khon Kaen, Surat Thani, King Kaew, Charoen Nakhon and Lumphun.

2. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS AND PRINCIPLES OF CONSOLIDATION

2.1 Basis of preparation

The financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

An English version of the financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

2.2 Principles of consolidation

The consolidated financial statements as at December 31, 2018 and 2017, have been consolidated the financial statements of Patkol Public Company Limited and subsidiaries which Patkol Public Company Limited has controlled over financial policy and operations as follows:

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2018

	Percentage of holding (%)		Nature of business
	As at December 31, 2018	As at December 31, 2017	
Patkol Manufacturing Co., Ltd.	99.99	99.99	Manufacture and sale of food related processing equipment and cooling equipment.
Patkol Trading Co., Ltd.	99.98	99.98	Sale of the electric system equipment, spare part for industrial refrigeration and ice making industry.
S Panel Co., Ltd.	80.00	80.00	Manufacture and import foam plate and equipment for cold room business.
Heataway Co., Ltd.	99.99	99.99	Sale of evaporative condenser, spare parts and equipment for evaporative condenser.
Patkol Philippines Corporation Co., Ltd.	60.00	60.00	Machinery and project sales representative, including providing machinery installation and maintenance services in Philippine.
Indonesia Patkol service Co., Ltd.	99.99	99.99	Machinery installation and maintenance services in Indonesia.
Patkol Malaysia Sendirian Berhad Co., Ltd.	100.00	100.00	Machinery and project sales representative, including maintenance services.
Tygienic Co., Ltd.	99.99	-	Design, manufacture, installation, maintenance and sale of pressure/no pressure tank/heat exchanger.
Patkol Myanmar Co., Ltd.	100.00	-	Running a business to provide business services for the business group, Refrigeration, Food processing and Liquid food processing.
Siam Patkol Co., Ltd.**	-	99.98	Manufacture and sale of the cooling system equipment.
(39.99% of share capital held by Patkol Plc. And 60% of share capital held by Patkol Trading Co., Ltd.)			

Significant transactions with subsidiaries have been eliminated in the consolidated financial statements.

The consolidated financial statements have been prepared with the same accounting policies for the separate financial statements for the same accounting transactions or accounting events.

** Derequisted company at December 4, 2018.

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2018

3. Revised accounting standards and financial reporting standards

3.1.1 Financial reporting standards that became effective in the current year

During the year, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2017) and new accounting treatment guidance which are effective for fiscal years beginning on or after January 1, 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

3.1.2 Financial reporting standards that will become effective for fiscal years beginning on or after January 1, 2019

During the current year, the Federation of Accounting Professions issued a number of revised and new financial reporting standards and interpretations (revised 2018) including new accounting treatment guidance, which are effective for fiscal years beginning on or after January 1, 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Company and its subsidiaries believe that most of the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied. However, the new standard involves changes to key principles, as summarised below.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes the following accounting standards together with related Interpretations.

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2018

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The management of the Company and its subsidiaries believe that this standard will not have any significant impact on the financial statements when it is initially applied.

3.1.3 Financial reporting standards that will become effective for fiscal years beginning on or after January 1, 2020

During the current year, the Federation of Accounting Professions issued the set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Accounting standard:

TAS 32 Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiaries is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2018

3.2 Significant accounting policies

Revenues and expenses recognition

- Revenues and expenditures are recognized on an accrual basis.
- Revenue from sales is recognized on the value of delivered goods and the significant risks and rewards of ownership have been transferred to the buyer.
- Revenue from installment sales are recognized on effective interest rate method according to the agreement the Company and subsidiaries will stop the recognition when it is defaulted on payment more than three years.
- Revenue from services is recognized by the percentage of completion which is based on the proportion of actual costs to the total estimated costs by considering the effects to the most recent estimates of total costs, coupled with the consideration of the physical completion estimated by the engineer.

Cash and cash equivalents

Cash and cash equivalents are cash on hand and deposits at financial institutions which held to maturity not over three months and without restriction.

Trade and other account receivable

The Company and subsidiaries recorded trade and other account receivable are carried at anticipated realizable value provided allowance for doubtful accounts equal to the estimated uncollectible receivable. The estimated losses are based on historical collection experience coupled with a review of the current status of existing receivables.

Hire - purchase contract receivables

Hire - purchase contract receivables are stated initial value noted in the financed lease agreement less received from installment unearned interest, and allowance for doubtful account.

Inventories

The company and subsidiaries inventories are valued at the lower of cost or net realizable value. The cost calculation are detailed as follows :

- Finished goods and work in process are recorded on a specific method.
- Raw material, spare and supplies are recorded on a moving average method.

Investment

Investments in subsidiaries and associated companies under the Company only financial statements are stated in Balance sheet at cost less allowance for impairment in value. The devaluation of investment is presented as impairment loss of investment, which reflected in the statement of comprehensive income.

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2018

Securities available for sales are carried at fair value less allowance for impairment of investments. The differences between book value and fair value are presented as unrealized gain or loss in the equity.

Other investments are stated in Statement of financial position at cost less allowance for impairment in value. The devaluation of investment is presented as impairment loss of investment, which reflected in the statement of comprehensive income.

Cost of short-term and long-term investments sold during the period were computed by the weighted average method. Gain or loss of those investment sales are stated in the Statement of comprehensive income.

Investment properties

Investment property, defined as property owned to earn rentals; capital appreciation; or both, is disclosed in the financial statements separately from other property, plant and equipment.

The Company and subsidiaries has selected the cost model for accounting for its investment properties (if any).

Property, plant and equipment

The Company and subsidiaries initially recorded property, plant and equipment at cost. In 2004, the Company hired an independent appraiser to revalue land by market approach and plant by cost approach and revised the asset value. The Company and subsidiaries recorded increased amount occurred from the revaluation as "increment of assets" together with "revaluation surplus on fixed assets" under the shareholders' equity in balance sheets. The depreciation on assets which were stated at cost method is recorded in the statements of income and depreciation on increment of fixed assets will be recorded in revaluation surplus on fixed assets account. Therefore, revaluation surplus on fixed assets will be decreased by depreciation on increment of fixed assets and has no effect to retained earnings. The Company has complied with the Federation of Accounting Professions' notification No. 25/2549 dated October 11, 2006 and the Government Gazette's announcement dated October 30, 2006 regarding "Accounting for Revaluation" by applying cost basis.

After the revaluation, the Company and subsidiaries stated land at the new value less provision for impairment of assets (if any). Buildings are stated at the new value less accumulated depreciation and provision for impairment of assets (if any). Equipment is stated at cost less relevant accumulated depreciation and provision for impairment of assets (if any).

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2018

Building and equipment are depreciated by the straight - line method over the estimated useful lives of the assets as follows:

Building and improvement	30 years and 50 years
Machinery and equipment	5 years
Machinery for lease	8 years
Office equipment	3 years and 5 years
Vehicles	5 years

Land and assets in progress are not depreciated.

The Company and subsidiaries present interest from long - term borrowings for acquisition of fixed assets is capitalized as part of fixed assets and stopped to recognize as cost of fixed assets when the assets are ready for use.

Intangible assets

The Company and Subsidiaries Present intangible assets are stated at cost less accumulated amortization. Such amortization are calculated at cost of assets on a straight - line basis over the estimated useful lives of the assets for 10 years. Intangible assets consist of computer software and intellectual property.

Impairment of assets

The Company and subsidiaries have considered the impairment of assets whenever events or changes indicated that the carrying amount of an assets exceeds its recoverable value (net selling price of the assets under current operation or its utilization value whichever is higher). The Company and subsidiaries will consider the impairment for each asset item or each asset unit generating cash flows, whichever is practical. In case of the carrying amount of an asset exceeds its recoverable value, the Company will recognize an impairment in the statements of income. The Company will reverse the impairment loss whenever there is an indication that there is no longer impairment or reduction in impairment.

Transaction in foreign currencies

The Company and subsidiaries records its transactions in foreign currencies converted into Thai Baht by using the exchange rates ruling on the transaction dates. The balance of assets and liabilities in foreign currencies as at the financial statements date are converted into Thai Baht on the average commercial bank buying and selling rate except forward contracts which are based on contractual rate.

Gain or loss on exchange rate is included in the results of its operation.

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2018

Long - term lease agreement

The Company and subsidiaries recorded vehicles and office equipments under financial lease agreement / hire purchase agreement as assets and liabilities in an amount equal to the fair value at the leased assets or the present value of minimum payments under agreement. Interest expenses are recorded on over the term of agreement.

Operating lease - where the Company and subsidiaries are the lessee

The Company and subsidiaries records leases of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under an operating lease are recognized as an expense on straight-line basis, over the lease term.

Operating lease - where the Company and subsidiaries are the lessor

The Company and subsidiaries present assets for lease under operating lease contract in the financial statements according to the nature of assets. Income from operating lease is recognized as income over the lease term.

Employee's benefit

- Provident fund

The Company and some subsidiaries have established provident fund under the defined contribution plan. The fund's assets are separated entities which are administered by the external fund manager. The fund is contributed to both by the employees and the Company at the same rate of 3% of employees' salaries. The fund contribution payments to the provident fund were recorded as expenses in the statements of income in the incurred period.

- Employee benefit

Short - term employee benefits

The Company and subsidiaries salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post - employment benefits

Defined contribution plans

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

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Defined benefit plans

The Company and its subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

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

Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit or loss.

Income tax

The Company and subsidiaries recorded corporate income tax by calculating from taxable net profit based on the condition described in the revenue code.

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

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

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

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group/Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group/Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

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Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. 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.

Provision for liabilities

The Company and subsidiaries recognize a provision for liabilities when an entity has a present legal or constructive obligation as a result of a past event. It is probable that an outflow of economic benefits resources will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. If some or all the expenditure is required to settle a provision, is expected to be reimbursed when it is virtually certain that reimbursement will be received if the Company and subsidiaries settles the obligation. The amount recognized should not exceed the amount of the provision.

Earnings (loss) per share

Basic earnings (loss) per share are calculated by dividing the net profit (loss) for the year by the weighted average number of ordinary shares issued and paid up.

Dilution earning (loss) per share

Profit (loss) per share is adjusted by calculating by dividing the net profit (loss) that belongs to the shareholder Average common share which is sold and requested to pay during improving year by the affect from the right to buy share.

Financial instruments

Financial instruments are presented in statement of financial position, consist of cash and cash equivalents, track accounts receivable, other receivable, short-term loans, deposit at bank with commitment, bank overdrafts and short-term loans from financial institutions, accounts payable, other payables, short-term loans, long-term loans and long-term liabilities under financial lease agreement The basis of recognition and measurement of each item are separately disclosed in the related transactions.

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Segment information

Business segments provide products and services that are subject to risks and returns that are different from those of other business segments. Geographic segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those of components operating in other economic environments.

Segment information is presented by business segments and geography segments of the Group's operations.

Troubled debt restructuring

The Group records troubled debt restructuring transactions in accordance with Thai Accounting Standard No. 104 "Accounting for Troubled Debt Restructuring" (Revise 2002).

Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Fair value measurement

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

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

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

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

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

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

4. USE OF ACCOUNTING ESTIMATES

Preparation of financial statements in conformity with generally accepted accounting principles required the management to make several estimation and assumption which affect the reported amounts in the financial statements and notes related thereto. Consequent actual results may differ from these estimates.

Allowance for doubtful accounts

Allowances for doubtful accounts are intended to adjust the value of receivables for probable credit losses. The management uses judgment to establish reserves for estimated losses for each outstanding debtor. The allowances for doubtful accounts are determined through a combination of specific reviews, collection experience, and analysis of debtor aging, taking into account changes in the current economic conditions. However, the use of different estimates and assumptions could affect the amounts of allowances for receivable losses and adjustments to the allowances may therefore be required in the future.

Impairment of investments

The Company and subsidiaries treat investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgment.

Depreciation

In calculating depreciation of plant and equipment, the management estimates useful lives and salvage values of the plant and equipment and reviews estimated useful lives and salvage values if there are any changes.

Intangible assets

Intangible assets are systematically amortized over their estimated useful lives, and are subject to impairment if there is an indication they may be impaired.

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Impairment of Inventory

In order that financial statements report present value of inventory and performance. The company has reviewed and revised policy for impairment of inventory to cover all inventories, which include finished goods, raw material, spare part and supply. The impairment is considered when book value of inventory is higher than its net realizable value and when the inventory has no movement for a certain period, whichever is practical.

Estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the financial statements is included in the following.

Note 17 discount rate, future salary increase, retirement aye and mortality rate.

5. CASH AND CASH EQUIVALENTS

Consist of:

	(In Thousand Baht)			
	Consolidated		Separated	
	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017
Cash	645	819	575	664
Cash at bank - current accounts	52,961	55,357	27,419	6,431
Cash at bank - saving accounts	219,965	201,474	133,420	176,776
Total cash and cash equivalents	273,571	257,650	161,414	183,871

Cash and cash equivalents are denominated and without obligation.

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6. TRADE AND OTHER CURRENT ACCOUNTS RECEIVABLE - NET

Consist of :

	(In Thousand Baht)			
	Consolidated		Separated	
	As at December	As at December	As at December	As at December
	31, 2018	31, 2017	31, 2018	31, 2017
Trade and other current accounts				
receivable - net	608,953	814,306	492,892	720,105
Trade and other current accounts receivable				
related parties	-	-	15,255	169,387
Unbilled trade accounts receivable - net	218,556	307,124	198,415	283,240
Unbilled trade accounts receivable				
related parties	-	-	-	1,395
Retentions receivable - net	30,311	43,172	28,594	39,687
Hire - purchase contract receivables				
current portion of long - term assets	41,394	27,894	41,394	27,894
Total trade current and other account receivable -				
receivable - net	899,214	1,192,496	776,550	1,241,708

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6.1 TRADE AND OTHER CURRENT ACCOUNTS RECEIVABLE - NET

	(In Thousand Baht)			
	Consolidated		Separated	
	As at December	As at December	As at December	As at December
	31, 2018	31, 2017	31, 2018	31, 2017
Trade accounts receivable	615,921	829,044	523,278	752,834
<u>Less</u> Allowance for doubtful accounts	(99,141)	(90,366)	(89,623)	(81,025)
Trade accounts receivable - net	516,780	738,678	433,655	671,809
Other accounts receivable				
Prepaid expenses	67,571	68,508	50,405	43,492
Advance	3,171	4,397	1,213	2,349
Other	24,996	7,652	8,161	2,996
<u>Less</u> Allowance for doubtful accounts	(3,565)	(4,929)	(542)	(541)
Total other accounts receivable	92,173	75,628	59,237	48,296
Total trade and other account receivable - net	608,953	814,306	492,892	720,105

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Trade accounts receivable are classified by aging as follows:

	(In Thousand Baht)			
	Consolidated		Separated	
	As at December	As at December	As at December	As at December
	31, 2018	31, 2017	31, 2018	31, 2017
Undue :				
- Normal	234,591	192,344	185,970	162,440
Overdue :				
- Not over 3 months	196,965	464,384	175,478	430,411
- Over 3 months to 6 months	38,793	51,751	30,431	48,660
- Over 6 months to 12 months	41,872	32,493	38,081	32,391
- Over 12 months	40,182	13,674	35,244	11,776
Debt acceptance	598	641	598	641
Under legal action	62,920	73,757	57,476	66,515
Total trade accounts receivable	615,921	829,044	523,278	752,834
<u>Less</u> Allowance for doubtful accounts	(99,141)	(90,366)	(89,623)	(81,025)
Total trade accounts receivable - net	516,780	738,678	433,655	671,809

Allowance for doubtful accounts have changed during the years are as follows:

	(In Thousand Baht)			
	Consolidated		Separated	
	As at December	As at December	As at December	As at December
	31, 2018	31, 2017	31, 2018	31, 2017
Beginning balance	90,366	105,160	81,025	92,680
Written - off bad debt	(1,588)	(2,341)	(4)	(2,341)
Increase (decrease) - net	10,363	(12,453)	8,602	(9,314)
Ending balance	99,141	90,366	89,623	81,025

As at December 31, 2018 and 2017 allowance for doubtful in the consolidated increase (decrease) amount of Baht 10.36 million and Baht (12.45) million, respectively and the separated increase (decrease) amount of Baht 8.60 million and Baht (9.34) million, respectively.

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6.2 TRADE AND OTHER CURRENT ACCOUNTS RECEIVABLE RELATED PARTIES

(In Thousand Baht)				
	Consolidated		Separated	
	As at December	As at December	As at December	As at December
	31, 2018	31, 2017	31, 2018	31, 2017
Trade accounts receivable	-	-	14,582	166,579
<u>Less</u> Allowance for doubtful accounts	-	-	-	-
Trade accounts receivable - net	-	-	14,582	166,579
Other accounts receivable				
Advance	-	-	673	2,808
Other	-	-	-	-
<u>Less</u> Allowance for doubtful accounts	-	-	-	-
Total other accounts receivable	-	-	673	2,808
Total trade and other current account receivable related parties	-	-	15,255	169,387

Trade accounts receivable related parties are classified by aging as follows:

(In Thousand Baht)				
	Consolidated		Separated	
	As at December	As at December	As at December	As at December
	31, 2018	31, 2017	31, 2018	31, 2017
Undue :				
- Normal	-	-	4,866	5,666
Overdue :				
- Not over 3 months	-	-	4,022	7,436
- Over 3 months to 6 months	-	-	1,172	12,043
- Over 6 months to 12 months	-	-	1,704	24,092
- Over 12 months	-	-	2,818	117,342
Total trade accounts receivable	-	-	14,582	166,579
<u>Less</u> Allowance for doubtful accounts	-	-	-	-
Total trade accounts receivable related parties	-	-	14,582	166,579

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6.3 UNBILLED TRADE ACCOUNT RECEIVABLE - NET

(In Thousand Baht)				
	Consolidated		Separated	
	As at December	As at December	As at December	As at December
	31, 2018	31, 2017	31, 2018	31, 2017
Unbilled trade account receivable	230,984	324,593	210,843	300,709
<u>Less</u> Allowance for doubtful accounts	(12,428)	(17,469)	(12,428)	(17,469)
Total unbilled trade account receivable - net	<u>218,556</u>	<u>307,124</u>	<u>198,415</u>	<u>283,240</u>

Allowance for doubtful accounts have changed during the years are as follows:

(In Thousand Baht)				
	Consolidated		Separated	
	As at December	As at December	As at December	As at December
	31, 2018	31, 2017	31, 2018	31, 2017
Beginning balance	17,469	18,494	17,469	18,166
Increase (decrease) - net	(5,041)	(1,025)	(5,041)	(697)
Ending balance	<u>12,428</u>	<u>17,469</u>	<u>12,428</u>	<u>17,469</u>

6.4 UNBILLED TRADE ACCOUNT RECEIVABLE RELATED PARTIES

(In Thousand Baht)				
	Consolidated		Separated	
	As at December	As at December	As at December	As at December
	31, 2018	31, 2017	31, 2018	31, 2017
Unbilled trade receivable related parties	-	-	-	1,395
Total unbilled trade account receivable related parties	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,395</u>

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6.5 RETENTION RECEIVABLE - NET

(In Thousand Baht)				
	Consolidated		Separated	
	As at December	As at December	As at December	As at December
	31, 2018	31, 2017	31, 2018	31, 2017
Retention receivable	33,816	46,803	28,594	40,786
<u>Less</u> Allowance for doubtful accounts	(3,505)	(3,631)	-	(1,099)
Total retention receivable - net	30,311	43,172	28,594	39,687

Allowance for doubtful accounts have changed during the years are as follows:

(In Thousand Baht)				
	Consolidated		Separated	
	As at December	As at December	As at December	As at December
	31, 2018	31, 2017	31, 2018	31, 2017
Beginning balance	3,631	1,099	1,099	1,099
Increase (decrease) - net	(126)	2,532	(1,099)	-
Ending balance	3,505	3,631	-	1,099

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7. INVENTORIES - NET

Consist of :

(In Thousand Baht)				
	Consolidated		Separated	
	As at December	As at December	As at December	As at December
	31, 2018	31, 2017	31, 2018	31, 2017
Finished goods	51,423	63,930	-	-
Raw materials, spare parts and supplies	626,555	592,155	410,911	350,324
Work in process	106,533	107,612	62,484	38,382
Goods intransit	9,194	26,741	7,198	15,079
Total	793,705	790,438	480,593	403,785
<u>Less</u> Allowance for declining in value of inventories	(18,025)	(22,542)	(12,251)	(13,618)
Total inventory - net	775,680	767,896	468,342	390,167

Allowance for declining in value of inventories have changed during the years are as follows:

(In Thousand Baht)				
	Consolidated		Separated	
	As at December	As at December	As at December	As at December
	31, 2018	31, 2017	31, 2018	31, 2017
Beginning balance	22,542	23,693	13,618	12,044
Increase (decrease) - net	(4,517)	(1,151)	(1,367)	1,574
Ending balance	18,025	22,542	12,251	13,618

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8. INVESTMENTS IN SUBSIDIARIES - NET

Consist of :

Company	Paid - up capital		Proportion of investment		Cost method (Thousand Baht)		Dividend income (In Thousand Baht)	
	(Million Baht)		(%)				For the years ended	
	As at	As at	As at	As at	As at	As at	As at	As at
	December	December	December	December	December	December	December	December
	31, 2018	31, 2017	31, 2018	31, 2017	31, 2018	31, 2017	31, 2018	31, 2017
Subsidiaries :-								
- Patkol Manufacturing								
Co., Ltd.	100.00	100.00	99.99	99.99	99,999	99,999	-	-
- Siam Patkol Co., Ltd.*	-	2.50	-	39.99	-	1,000	-	-
- Patkol Trading Co., Ltd.	30.00	30.00	99.98	99.98	29,999	29,999	-	-
- S Panel Co., Ltd.	40.00	40.00	80.00	80.00	32,000	32,000	-	-
- Heataway Co., Ltd.	100.00	10.00	99.99	99.99	99,997	9,999	-	-
- Patkol Philippines								
Corporation Co., Ltd.	5.36	5.36	60.00	60.00	5,362	5,362	-	-
-Indonesia Patkol service								
Co., Ltd.	26.85	26.85	99.00	99.00	26,854	26,854	-	-
- Patkol Malaysia Sendirian								
Berhad Co., Ltd.	7.96	7.96	100.00	100.00	7,960	7,960	-	-
- Tygienic Co.,Ltd.	16.25	-	99.99	-	16,250	-	-	-
- Patkol Myanmar Co.,Ltd.	1.61	-	100.00	-	1,615	-	-	-
<u>Less</u> Allowance for impairment								
of investments					-	-	-	-
Total investments in subsidiaries - net					320,036	213,173	-	-

*Deregistered company at December 4, 2018.

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The aforementioned subsidiaries' financial statements as at December 31, 2018 and 2017 brought into the preparation of consolidated financial statements were reviewed and audited by the auditor already.

As the extraordinary general meeting of Shareholders of Siam Patkol Co.,Ltd. No. 1/2018 held on November 26, 2018, approves the implementation of the company dissolution and liquidation, effective on December 4, 2018. And dissolution of the company on December 4, 2018.

The Board of Directors' Meeting No. 4/2017 on November 10, 2017. The resolution were as follows.

1. Resolved to approve in the establishment of new subsidiary company Myanmar, authorized share capital USD 50,000 or approximately Baht 1.65 million. On May 23, 2018, the company and call up share capital fully.
2. Resolved to approve in the establishment of new subsidiary company, authorized share capital Baht 65 million. The registered with the Ministry of commerce on January 8, 2018. And call up the share capital (Rate 25 %).
3. Resolved to approve the capital increase in the subsidiary company, Heataway Co.,Ltd, from Million Baht 10 to Million Baht 100 by issuing 900,000 ordinary shares of Baht 100 each. The company registered the increase of share capital on January 8, 2018. And call up the increased share capital.

According to the resolution of the Board of Directors Meeting No. 3/2017, held on August 11, 2017, a resolution was passed to approve the capital increase in the subsidiary company, S Panel Co., Ltd. , from Million Baht 10 to Million Baht 40 by issuing 300,000 ordinary shares of Baht 100 each. The Company registered the increase of share capital on September 4, 2017.

Based on The Board of Director Approval No.4/2015 Dated August 11, 2015. The Company, Shareholder agreed to set up new oversea subsidiary at Indonesia Country with The Authorized of Capital Registration in total value of 10,950 Million Rupiah (Indonesia Currency) or approximately Baht 26.59 million, by portion of registered capital of 99 percent with total authorized 800 shares. The refore, on dated December 4, 2015, the Company had issue authorized capital of the Company is 5,475 Million Rupiah divided into 400 shares and fully first portion paid-up 25 percent with 200 registered of shares in amount of 7.11 Million Baht on dated December 16, 2016. On Dated November 1, 2017, The Shareholders agreed to release authorized, issued and fully paid-up capital of the Company in balance of 25 percent with 200 registered of shares in amount of 6.58 Million Baht, and Later on dated September 19, 2017 shareholder also approved to issue and fully paid-up capital of last 50 percent with 400 registered shares in amount of 13.16 Million Baht on dated November 17, 2017. The Total of 800 registered shares were fully paid-up, properly.

The Board of Director's Meeting No. 2/2016, held on May 13, 2016 resolved approve in establishment of new subsidiary company in Malaysia, authorized share capital MYR 1 million or approximately Baht 9 million, as 100% paid-up capital (MYR 1 million) and on July 3, 2017, the Company paid the share proportion amounting Baht 7.96 million.

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Non-controlling interest

Details of non-wholly owned subsidiaries which have material non-controlling interests as at December 31, 2018 and 2017, are as follows;

In Thousand Baht								
Company's name	Proportion of equity		Accumulated balance of		Profit/loss allocated to		Dividend paid to	
	interest held by							
	non-controlling		non-controlling interests		non-controlling interests		non-controlling interests	
	interests							
					during the year		during the year	
	2018	2017	2018	2017	2018	2017	2018	2017
	(%)	(%)						
S Panel Co., Ltd.	20.00	20.00	12,692	10,508	2,184	2,091	-	-
Patkol Philippines								
Corporation Co., Ltd.	40.00	40.00	3,930	3,146	1,061	262	-	-

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The summarized financial information before intragroup eliminations of each non-wholly owned subsidiary which has material non-controlling interests for the years ended December 31, 2018 and 2017, are as follows;

	(In Thousand Baht)			
	S Panel Co., Ltd.		Patkol Philippines Corporation Co., Ltd.	
	2018	2017	2018	2017
Condensed statement of financial position				
As at December 31,				
Current assets	159,372	140,387	19,805	14,037
Non-current assets	112,512	111,395	2,768	956
Current liabilities	162,445	178,137	12,749	7,129
Non-current liabilities	45,979	20,008	-	-
Equity attributable to owners of the Company	80%	80%	80%	80%
Non-controlling interests	20%	20%	20%	20%
Condensed statement of profit or loss and other comprehensive income				
For the years ended December 31,				
Revenues	382,558	391,556	37,228	16,575
Expenses	(39,591)	(30,539)	(18,706)	(7,989)
Profit (loss) for the year	10,922	10,454	2,653	655

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	(In Thousand Baht)			
	S Panel Co., Ltd.		Patkol Philippines Corporation Co., Ltd.	
	2018	2017	2018	2017
Condensed statement of profit or loss and other comprehensive income				
For the years ended December 31,				
(Continued)				
Profit attributable to:				
Owner of the parent	8,738	8,363	1,592	393
Non-controlling interests	2,184	2,091	1,061	262
Total comprehensive income for the year				
Owner of the parent	-	814	-	-
Non-controlling interests	-	204	-	-
Total comprehensive income attributable to:				
Owner of the parent	8,738	9,178	1,592	393
Non-controlling interests	2,184	2,294	1,061	262
Condensed statement of cash flows				
Dividends paid to non-controlling interests				
Net cash inflow (outflow) from operating activities	(46,425)	(11,188)	8,723	1,922
Net cash inflow (outflow) from investing activities	(7,018)	(25,759)	(4,263)	(882)
Net cash inflow (outflow) from financing activities	51,094	25,707	-	(424)
Net cash inflow (outflow)	(2,349)	(11,241)	4,460	616

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9. TRADE AND OTHER NON - CURRENT ACCOUNT RECEIVABLES - NET

Consist of :

(In Thousand Baht)				
	Consolidated		Separated	
	As at December	As at December	As at December	As at December
	31, 2018	31, 2017	31, 2018	31, 2017
Trade receivables Installment - net	-	-	-	-
Hire - purchase contract				
receivables	246,472	196,215	246,472	196,215
Total trade and other non - current				
account receivables - net	246,472	196,215	246,472	196,215

9.1 TRADE RECEIVABLES INSTALLMENT - NET

(In Thousand Baht)				
	Consolidated		Separated	
	As at December	As at December	As at December	As at December
	31, 2018	31, 2017	31, 2018	31, 2017
Trade receivables Installment	28,543	29,033	28,543	29,033
<u>Less</u> Allowance for doubtful	(28,543)	(29,033)	(28,543)	(29,033)
Trade receivables Installment - net	-	-	-	-

Allowance for doubtful accounts have changed during the years are as follows:

(In Thousand Baht)				
	Consolidated		Separated	
	As at December	As at December	As at December	As at December
	31, 2018	31, 2017	31, 2018	31, 2017
Beginning balance	29,033	30,529	29,033	30,529
Increase (decrease) - net	(490)	(1,496)	(490)	(1,496)
Ending balance	28,543	29,033	28,543	29,033

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9.2 HIRE - PURCHASE CONTRACT RECEIVABLES - NET

	(In Thousand Baht)			
	Consolidated		Separated	
	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017
Hire - purchase contract receivables	323,547	256,369	323,547	256,369
<u>Less</u> Unearned interest income	(35,681)	(32,260)	(35,681)	(32,260)
Net	287,866	224,109	287,866	224,109
<u>Less</u> Current portion of hire - purchase contract receivables (Note 6)	(41,394)	(27,894)	(41,394)	(27,894)
Total Hire - purchase contract receivables - net	<u>246,472</u>	<u>196,215</u>	<u>246,472</u>	<u>196,215</u>

10. INVESTMENT PROPERTY - NET

Consist of :

	(In Thousand Baht)	
	Consolidated	Separated
For the year ended December 31, 2018		
Net book value at the beginning year	44,056	20,843
<u>Add</u> Purchase / Transfer in	83,086	83,086
<u>Less</u> Disposal	(23,213)	-
<u>Less</u> Depreciation / Transfer out	(16,880)	(16,880)
<u>Less</u> Allowance for impairment	(1,091)	(1,091)
Net book value at the ending year	<u>85,958</u>	<u>85,958</u>

As at December 31, 2018 the subsidiary (Patkol Manufacturing Co., Ltd.) has sold the land to another subsidiary (Heataway Co., Ltd.) at the pricing (fair value) by Baht 38.48 million (cost : Baht 23.21 million), gain from disposal asset by Baht 15.22 million.

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As at December 31, 2018 investment property consist of non - performed land of the Company at (Suanluang, Rayong, Tark, Kalasin provinces, Khon Kaen Center and Charoen Nakorn Land and Building) present by cost in the consolidated and separated amount of Baht 85.96 million and 85.96 million respectively, (appraised value based on reports of the independent appraise in the year 2015, appraised value Market method in the consolidated and separated amount of Baht 73.29 million and 34.86 million respectively), and used for guarantee of overdraft and short - term loans (Note 14) liabilities under rehabilitation plan (Note 16.3) and commitment and contingent liabilities (Note 32)

As at December 31, 2017, investment property consist of non - performed land of the Company at (Suanluang, Rayong, Tark, and Kalasin provinces) and of the subsidiary (Cha-cheoy-saow) present by cost in the consolidated and separated amount of Baht 44.05 million and 20.84 million respectively, (appraised value based on reports of the independent appraise in the year 2015, appraised value Market method in the consolidated and separated amount of Baht 73.29 million and 34.86 million respectively), and used for guarantee of overdraft and short - term loans (Note 14) liabilities under rehabilitation plan (Note 16.3) and commitment and contingent liabilities (Note 32)

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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11. PROPERTY, PLANT AND EQUIPMENT - NET

Consist of :

	Consolidated (In Thousand Baht)									
	Land		Building and improvement		Machinery and equipment	Machinery for lease	Office equipment	Vehicles	Assets in progress	Total
	Cost	Revaluation	Cost	Revaluation						
Assets - cost										
As at December 31, 2017	132,469	513,357	536,448	128,906	325,183	270	116,908	111,152	44,595	1,909,288
Purchase	23,212	-	901	-	13,112	-	28,064	15,813	244,193	325,295
Disposal	-	-	-	-	(47)	-	(1,734)	(13,135)	(9,782)	(24,698)
Transfer in (Transfer out)	8,540	(39,429)	83,415	(10,334)	49,318	-	7,188	-	(178,597)	(79,899)
As at December 31, 2018	164,221	473,928	620,764	118,572	387,566	270	150,426	113,830	100,409	2,129,986
Accumulated depreciation										
As at December 31, 2017	-	-	(233,744)	(25,072)	(252,398)	-	(86,663)	(90,800)	-	(688,677)
Depreciation for the year	-	-	(11,636)	(4,264)	(18,489)	-	(20,002)	(12,260)	-	(66,651)
Depreciation for disposal	-	-	-	-	43	-	1,676	13,125	-	14,844
Depreciation for transfer out	-	-	12,078	4,802	-	-	-	-	-	16,880
As at December 31, 2018	-	-	(233,302)	(24,534)	(270,844)	-	(104,989)	(89,935)	-	(723,604)
Allowance for impairment of assets										
As at December 31, 2017	-	(3,325)	(15,949)	(37,087)	(585)	-	-	-	-	(56,946)
Increase	-	-	-	-	-	-	-	-	-	-
Decrease	-	960	-	131	-	-	-	-	-	1,091
As at December 31, 2018	-	(2,365)	(15,949)	(36,956)	(585)	-	-	-	-	(55,855)
Net book value of assets										
As at December 31, 2018	164,221	471,563	371,513	57,082	116,137	270	45,437	23,895	100,409	1,350,527

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Consolidated (In Thousand Baht)										
	Land		Building and improvement		Machinery and equipment	Machinery for lease	Office equipment	Vehicles	Assets in progress	Total
	Cost	Revaluation	Cost	Revaluation						
Assets - cost										
As at December 31, 2016	112,015	513,357	515,093	128,906	298,069	270	110,917	121,154	35,655	1,835,436
Purchase	21,000	-	39	-	27,936	-	7,161	5,211	36,462	97,809
Disposal	(546)	-	(155)	-	(2,752)	-	(3,635)	(15,213)	-	(22,301)
Transfer in (Transfer out)	-	-	21,471	-	1,930	-	2,465	-	(27,522)	(1,656)
As at December 31, 2017	132,469	513,357	536,448	128,906	325,183	270	116,908	111,152	44,595	1,909,288
Accumulated depreciation										
As at December 31, 2016	-	-	(223,693)	(20,835)	(239,250)	-	(72,079)	(90,405)	-	(646,262)
Depreciation for the year	-	-	(10,173)	(4,237)	(15,680)	-	(17,917)	(15,608)	-	(63,615)
Depreciation for disposal	-	-	122	-	2,532	-	3,333	15,213	-	21,200
Depreciation for transfer out	-	-	-	-	-	-	-	-	-	-
As at December 31, 2017	-	-	(233,744)	(25,072)	(252,398)	-	(86,663)	(90,800)	-	(688,677)
Allowance for impairment of assets										
As at December 31, 2016	-	(3,325)	(15,949)	(37,087)	(585)	-	-	-	-	(56,946)
Increase	-	-	-	-	-	-	-	-	-	-
Decrease	-	-	-	-	-	-	-	-	-	-
As at December 31, 2017	-	(3,325)	(15,949)	(37,087)	(585)	-	-	-	-	(56,946)
Net book value of assets										
As at December 31, 2017	132,469	510,032	286,755	66,747	72,200	270	30,245	20,352	44,595	1,163,665

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	Separated (In Thousand Baht)									
	Land		Building and improvement		Machinery and	Machinery	Office		Assets in	
	Cost	Revaluation	Cost	Revaluation	equipment	for lease	equipment	Vehicles	progress	Total
Assets - cost										
As at December 31, 2017	87,564	477,043	288,877	128,906	75,725	14,180	92,418	102,927	14,992	1,282,632
Purchase	-	-	901	-	7,272	-	22,264	13,567	56,454	100,458
Disposal	-	-	-	-	(43)	-	(1,448)	(9,002)	(8,997)	(19,490)
Transfer in (Transfer out)	(17,479)	(39,429)	30,320	(10,334)	2,070	-	6,026	-	(50,741)	(79,567)
As at December 31, 2018	70,085	437,614	320,098	118,572	85,024	14,180	119,260	107,492	11,708	1,284,033
Accumulated depreciation										
As at December 31, 2017	-	-	(164,202)	(28,501)	(51,692)	(14,180)	(68,838)	(82,845)	-	(410,258)
Depreciation for the year	-	-	(7,083)	(4,264)	(7,701)	-	(16,294)	(11,567)	-	(46,909)
Depreciation for disposal	-	-	-	-	39	-	1,390	9,002	-	10,431
Depreciation for transfer out	-	-	12,078	4,802	-	-	-	-	-	16,880
As at December 31, 2018	-	-	(159,207)	(27,963)	(59,354)	(14,180)	(83,742)	(85,410)	-	(429,856)
Allowance for impairment of assets										
As at December 31, 2017	-	(3,325)	-	(1,304)	(585)	-	-	-	-	(5,214)
Increase	-	-	-	-	-	-	-	-	-	-
Decrease	-	960	-	131	-	-	-	-	-	1,091
As at December 31, 2018	-	(2,365)	-	(1,173)	(585)	-	-	-	-	(4,123)
Net book value of assets										
As at December 31, 2018	70,085	435,249	160,891	89,436	25,085	-	35,518	22,082	11,708	850,054

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	Separated (In Thousand Baht)									
	Land		Building and improvement		Machinery and	Machinery	Office		Assets in	
	Cost	Revaluation	Cost	Revaluation	equipment	for lease	equipment	Vehicles	progress	Total
Assets - cost										
As at December 31, 2016	66,564	477,043	269,178	128,906	59,897	14,180	89,997	112,689	31,306	1,249,760
Purchase	21,000	-	39	-	18,072	-	3,301	5,211	7,187	54,810
Disposal	-	-	-	-	(2,379)	-	(2,929)	(14,973)	-	(20,281)
Transfer in (Transfer out)	-	-	19,660	-	135	-	2,049	-	(23,501)	(1,657)
As at December 31, 2017	87,564	477,043	288,877	128,906	75,725	14,180	92,418	102,927	14,992	1,282,632
Accumulated depreciation										
As at December 31, 2016	-	-	(158,439)	(24,265)	(48,355)	(14,180)	(57,809)	(82,731)	-	(385,779)
Depreciation for the year	-	-	(5,763)	(4,236)	(5,497)	-	(13,740)	(15,087)	-	(44,323)
Depreciation for disposal	-	-	-	-	2,160	-	2,711	14,973	-	19,844
Depreciation for transfer out	-	-	-	-	-	-	-	-	-	-
As at December 31, 2017	-	-	(164,202)	(28,501)	(51,692)	(14,180)	(68,838)	(82,845)	-	(410,258)
Allowance for impairment of assets										
As at December 31, 2016	-	(3,325)	-	(1,304)	(585)	-	-	-	-	(5,214)
Increase	-	-	-	-	-	-	-	-	-	-
Decrease	-	-	-	-	-	-	-	-	-	-
As at December 31, 2017	-	(3,325)	-	(1,304)	(585)	-	-	-	-	(5,214)
Net book value of assets										
As at December 31, 2017	87,564	473,718	124,675	99,101	23,448	-	23,580	20,082	14,992	867,160

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Depreciation for the year ended December 31, 2018 and 2017 were Baht 66.65 million and Baht 42.51 million in the consolidated financial statements, Baht 46.91 million and Baht 24.48 million in the separate financial statements, respectively.

As at December 31, 2018 and 2017, building and equipment at cost of Baht 522.87 million and Baht 485.78 million in the consolidated financial statements, Baht 325.20 million and Baht 295.17 million in the separate financial statements, respectively were fully depreciated.

As at December 31, 2018 and 2017 land with its construction and machinery at cost of Baht 1,102.51 million and Baht 819.17 million in the consolidated financial statements, Baht 563.85 million and Baht 563.85 million in the separate financial statements, respectively are used as guarantees for bank overdrafts and short - term loans from financial institutions (Note 14) liabilities under restructuring plan (Note 16.3) liabilities under restructuring agreements (Note 16.4) and commitment and contingent liabilities (Note 32)

As at December 31, 2018 and 2017, lands and buildings of the Company and subsidiaries are stated at appraised value based on reports of the independent appraiser in the year 2015 and 2012, respectively. The appraised value of lands were based on market price method, while the appraised value of buildings were based on replacement cost method. Revaluation surplus of fixed assets are shown under "Shareholders' Equity" in the statement of financial position. The revaluation surplus of fixed assets is not available for dividend distribution.

Subsidiaries recorded land with appraised value and recorded revaluation surplus of fixed assets amounting to Baht 36.31 million, as the independent appraiser report dated on December 25, 2015.

As at December 31, 2018 and 2017, the fair value of the land and building were assessed in 2015 by the report of the appraisal assessed using the market approach by selling price of comparable land nearby to improve and building by using the replacement cost approach. The fair value is in the second level of the hierarchy of fair value.

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12. OTHER INTANGIBLE ASSETS - NET

Consist of :

(In Thousand Baht)					
Consolidated					
	Balance December 31, 2017	Increases	Transfer in (Transfer out)	(Decrease)	Balance December 31, 2018
<u>Cost</u>					
Computer software	144,889	5,740	331	(926)	150,034
Intellectual property	25,041	-	-	-	25,041
Intangible asset in process	-	15,269	-	-	15,269
Total	169,930	21,009	331	(926)	190,344
<u>Less</u> Accumulated amortization	(83,512)	(12,668)	-	926	(95,254)
Net	86,418	8,341	331	-	95,090
<u>Less</u> Allowance for asset impairment	(3,326)	-	-	-	(3,326)
Net	83,092	8,341	331	-	91,764

(In Thousand Baht)					
Consolidated					
	Balance December 31, 2016	Increases	Transfer in (Transfer out)	(Decrease)	Balance December 31, 2017
<u>Cost</u>					
Computer software	142,578	769	1,542	-	144,889
Intellectual property	24,927	-	114	-	25,041
Total	167,505	769	1,656	-	169,930
<u>Less</u> Accumulated amortization	(71,098)	(12,414)	-	-	(83,512)
Net	96,407	(11,645)	1,656	-	86,418
<u>Less</u> Allowance for asset impairment	(3,326)	-	-	-	(3,326)
Net	93,081	(11,645)	1,656	-	83,092

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(In Thousand Baht)					
	Separated				
	Balance December 31, 2017	Increases	Transfer in (Transfer out)	(Decrease)	Balance December 31, 2018
<u>Cost</u>					
Computer software	139,987	4,920	-	-	144,907
Intellectual property	22,061	-	-	-	22,061
Intangible asset in process	-	11,054	-	-	11,054
Total	162,048	15,974	-	-	178,022
<u>Less</u> Accumulated amortization	(77,867)	(12,093)	-	-	(89,960)
Net	84,181	3,881	-	-	88,062
<u>Less</u> Allowance for asset impairment	(3,326)	-	-	-	(3,326)
Net	80,855	3,881	-	-	84,736

(In Thousand Baht)					
	Separated				
	Balance December 31, 2016	Increases	Transfer in (Transfer out)	(Decrease)	Balance December 31, 2017
<u>Cost</u>					
Computer software	137,918	527	1,542	-	139,987
Intellectual property	21,947	-	114	-	22,061
Total	159,865	527	1,656	-	162,048
<u>Less</u> Accumulated amortization	(65,907)	(11,960)	-	-	(77,867)
Net	93,958	(11,433)	1,656	-	84,181
<u>Less</u> Allowance for asset impairment	(3,326)	-	-	-	(3,326)
Net	90,632	(11,433)	1,656	-	80,855

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	(In Thousand Baht)			
	Consolidated		Separated	
	For the years ended December 31,		For the years ended December 31,	
	2018	2017	2018	2017
Amortization for the years	12,668	12,414	12,093	11,960

13. DEFERRED TAX ASSETS AND LIABILITIES

As at December 31, 2018 and 2017, the components of deferred tax asset and liabilities are as follows:

	(In Thousand Baht)			
	Consolidated		Separated	
	As at December	As at December	As at December	As at December
	31, 2018	31, 2017	31, 2018	31, 2017
Net deferred tax assets (Asset) - net	84,207	84,161	68,731	68,612
Net deferred tax liabilities - net	(133,201)	(133,217)	(113,314)	(115,029)

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Movements in total deferred tax assets and liabilities during the year were as follows:

	(In Thousand Baht)				
	Consolidated				
	(Charged) / credited to:				
	As at	Other		As at	
	January	Profit	comprehensive	December	
	1, 2018	(loss)	income	Equity	31, 2018
Deferred tax assets					
Allowance for doubtful accounts	28,798	639	-	-	29,437
Allowance for diminution in value					
of inventories	3,471	(748)	-	-	2,723
Allowance for income tax	4,211	(4,211)	-	-	-
Allowance for impairment asset	2,642	-	-	-	2,642
Provision of project cost	2,982	(309)	-	-	2,673
Employee benefit obligations	33,674	5,058	-	-	38,732
Tax losses that have not been used	8,383	(383)	-	-	8,000
Total deferred tax assets	84,161	46	-	-	84,207
Deferred tax liabilities					
Accumulated depreciation - Building					
extension	(10,464)	(832)	-	-	(11,296)
Revaluation surplus on fixed assets	(122,753)	-	848	-	(121,905)
Total deferred tax liabilities	(133,217)	(832)	848	-	(133,201)
Total income (expense)		(786)			

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	(In Thousand Baht)				
	Separated				
	(Charged) / credited to:				
	As at	Other			As at
	January	Profit	comprehensive		December
	1, 2018	(loss)	income	Equity	31, 2018
Deferred tax assets					
Allowance for doubtful accounts	25,834	393	-	-	26,227
Allowance for diminution in value					
of inventories	2,724	(274)	-	-	2,450
Allowance for income tax	4,211	(4,211)	-	-	-
Allowance for impairment asset	1,392	-	-	-	1,392
Provision of project cost	2,924	(491)	-	-	2,433
Employee benefit obligations	31,527	4,702	-	-	36,229
Tax losses that have not been used	-	-	-	-	-
Total deferred tax assets	68,612	119	-	-	68,731
Deferred tax liabilities					
Accumulated depreciation - Building					
extension	461	867	-	-	1,328
Revaluation surplus on fixed assets	(115,490)	-	848	-	(114,642)
Total deferred tax liabilities	(115,029)	867	848	-	(113,314)
Total income (expense)		986			

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Deferred tax assets arising from temporary differences and unused tax losses that have not been recognized in the financial statements were as follows:

	(In Thousand Baht)			
	Consolidated		Separated	
	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017
Allowance for doubtful accounts	-	-	-	-
Allowance for diminution in value of inventories	883	1,037	-	-
Allowance for impairment asset	9,096	9,096	-	-
Employee benefit obligations	10,913	9,414	-	-
Loss carry forward less than 5 years	24,973	33,495	-	-
Net deferred tax assets net	45,865	53,042	-	-

As at December 31, 2018 and 2017, The consolidated financial statement have deductible temporary differences totaling Baht 45.87 million and 53.04 million respectively. On which deferred tax assets have not been recognized as the Company's management considers that there is uncertainty whether the Company will have sufficient future taxable income to utilize such items and or they might not be used to offset taxable income in the future.

14. BANK OVERDRAFTS AND SHORT - TERM LOANS FROM FINANCIAL INSTITUTIONS

Consist of :

	(In Thousand Baht)			
	Consolidated		Separated	
	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017
Bank Over drafts	3,990	20,077	3,480	-
Short – term loans	214,054	156,786	66,786	46,786
Loan - trust receipt	2,071	15,045	-	15,045
Total bank overdrafts and short - Term loans from financial institutions	220,115	191,908	70,266	61,831

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As at December 31, 2018 the Company and subsidiaries have credit facilities from several banks totaling Baht 1,609.89 million. Most credit facilities of Baht 1,030.00 million are belong to the Company and are guaranteed by deposits at banks, investment property, land with its construction and machinery (Note 11), non - performed land, leasehold land and subsidiaries in the consolidated financial statements.

	Million Baht		
	As at December 31, 2018		
	Credit line	Balance	Guarantee
<u>Bank overdraft</u>			
The Company	30.00	26.52	- By the mortgage of land with its construction and machinery (Note 11). - By the mortgage of investment properties (Note 10).
The subsidiaries	59.00	58.49	- By the mortgage of investment properties (Note 10). - By the mortgage of land with its construction and machinery (Note 11). - By the Parent Company.
<u>Short-term loans</u>			
The Company	100.00	33.21	- By the mortgage of land with its construction and machinery (Note 11). - By the mortgage of investment properties (Note 10). - By the mortgage of Subsidiary. - By the Fixed Account.
The subsidiaries	190.00	42.73	- By the mortgage of investment properties (Note 10). - By the mortgage of land with its construction and machinery (Note 11). - By the Parent Company.
<u>Long-term loans</u>			
The subsidiaries	221.00	49.84	- By the mortgage of land with its construction (Note 11). - By the mortgage of machinery (Note 11).

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	<u>Million Baht</u>		
	<u>As at December 31, 2018</u>		
	<u>Credit line</u>	<u>Balance</u>	<u>Guarantee</u>
<u>Trust receipts / Letter of credit / Packing</u>			
The Company	100.00	100.00	- By the mortgage of land with its construction and machinery (Note 11). - By the mortgage of investment properties (Note 10). - By the mortgage of Subsidiary. - By the Fixed Account.
The subsidiaries	35.00	35.00	- By the mortgage of land with its construction and machinery (Note 11).
<u>Guarantee</u>			
The Company	400.00	216.93	- By the mortgage of land with its construction and machinery (Note 11). - By the mortgage of investment properties (Note 10). - By the Fixed Account.
The subsidiaries	22.89	12.27	- By the mortgage of investment properties (Note 10). - By the mortgage of land with its construction and machinery (Note 11). - By the Parent Company. - By the Fixed Account.
<u>Forward Contract</u>			
The Company	400.00	400.00	- By the mortgage of land with its construction and machinery (Note 11). - By the mortgage of investment properties (Note 10). - By the mortgage of Subsidiary.
The subsidiaries	52.00	52.00	- By the Fixed Account.

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15. TRADE AND OTHER CURRENT ACCOUNT PAYABLE

Consist of :

	(In Thousand Baht)			
	Consolidated		Separated	
	As at December	As at December	As at December	As at December
	31, 2018	31, 2017	31, 2018	31, 2017
Trade and other current accounts payable	457,397	527,817	291,905	363,981
Advanced receivable	275,189	287,555	259,287	271,263
Unearned Income	144,606	251,010	138,240	246,600
Retention payable	21,871	22,436	17,885	20,459
Trade accounts payable related parties	-	-	121,066	89,965
Total trade and other current account	899,063	1,088,818	828,383	992,268

16. LONG - TERM LOANS INSTITUTIONS - NET

Consist of :

	(In Thousand Baht)			
	Consolidated		Separated	
	As at December	As at December	As at December	As at December
	31, 2018	31, 2017	31, 2018	31, 2017
Long - term loans institution	242,532	14,555	98,830	-
Liabilities under debt restructuring plan	355,725	375,625	356,413	378,615
Liabilities under debt restructuring agreements	36,911	50,094	-	-
Liabilities under finance lease agreement	16,451	4,291	15,801	2,709
Total long - term loans institutions - net	651,619	444,565	471,044	381,324

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CURRENT PORTION OF LONG - TERM LOANS INSTITUTIONS

Consist of :

	(In Thousand Baht)			
	Consolidated		Separated	
	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017
Long - term loans institution	67,760	3,924	41,760	-
Liabilities under debt				
restructuring plan	51,145	76,021	53,447	77,720
Liabilities under debt				
restructuring agreements	15,470	16,285	-	-
Liabilities under finance				
lease agreement	10,031	2,667	9,099	958
Total current portion of				
liabilities	144,406	98,897	104,306	78,678

- 16.1 As at December 31, 2018, two subsidiaries have long-term credit facilities with financial institutions totaling to Baht 221 million, with bank customer's interest rate, and guaranteed by the mortgage of land and building and machinery of the subsidiaries.
- 16.2 As at December 31, 2018, the Company has entered into loan agreement with the financial institution amount of Baht 133 million, bank customer's interest rate, and guaranteed by agreement security which consists of; the right to claims the Company's machinery rental collection, and machinery own by the Company.
- 16.3 Debt under restructuring plan of the Company are secured by the assets of the Company which are indicated in the original loan agreement before the restructuring ie. The mortgage of land and buildings, the pledge of the Company's machinery.

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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Debt allocation

CREDITOR	PRINCIPLE	NEW INTEREST
Creditor Group 1 Financial institution creditors - secured	Amount of Baht 417,922,322.28 to be repaid on an installment within 8 years by monthly.	Interest rate at MLR per annum with monthly repayment.
Creditor Group 2 Financial institution creditors - non secured	Amount of Baht 92,353,650.01 to be repaid on an installment within 10 years by quarterly.	Interest rate at 0.01% per annum with quarterly repayment.
Creditor Group 3 Financial institution creditors - transferred the right	Amount of Baht 209,628,804.52 to be repaid on an installment within 10 years by quarterly.	Interest rate at 0.01% per annum with quarterly repayment.
Creditor Group 4 Accounts Payable	Amount of Baht 227,520,954.88 to be repaid on an installment within 10 years by quarterly.	-
Creditor Group 5 Payable - taxation	Amount of Baht 22,433,940.58 to be repaid on an installment within 10 years by quarterly. Creditor will be paid for if the Appeal Committee has the final judgmental /command that.	Interest rate at 0.01% per annum with quarterly repayment.
Creditor Group 10 Creditor - guarantee to other company	Debt as request for payment amount of Baht 303,242,835.38 which creditor will be paid by the following; 1. Because of PKM and SPN which are the receivable of 10 th group creditor still operate and able to pay to creditor by themselves. At the present, PKM and SPN still pay to creditor under the contact negotiate between the creditor and PKM and SPN. 2. Later, if PKM and SPN default, and PKM and SPN unable to pay to 10 th group creditor within 120 days. Creditor has to inform by written to the Company and will has right to receive the payment from the Company follow the remaining debt, And will be paid after 1 st , 2 nd , 3 rd , 4 th , 5 th , and 12 th creditors finishing the payment follow the rehabilitation plan within 30 days.	

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16.4 On March 30, 2011 and June 27, 2011, two subsidiaries have entered into debt restructuring agreements with financial institutions. Under the conditions of such agreements, creditors have extended the repayment schedule for the subsidiaries.

Liabilities under debt restructuring are secured by mortgage a part of land and machinery of subsidiaries, and land and construction of the Company, and guaranteed by the Company (Note 11).

Liabilities under debt restructuring including accrued interest are as follow;

	PRINCIPLE	NEW INTEREST	ACCRUED INTEREST
Loan agreement (1)	Amount of Baht 62,625,877.40 to be repaid on an installment, finishing within February 2021, by quarterly and not less than Baht of 1,568,000 each quarter.	MLR per annum, payment by monthly.	Accrued interest amount of Baht 3,087,541.54 , to be paid at the signing agreement date by Baht of 1,077,079.30 , and the remaining by Baht 2,010,462.24 will be forgiven when follow the restructuring agreement.

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
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	PRINCIPLE	NEW INTEREST	ACCRUED INTEREST
Loan agreement (2)	Amount of Baht 41,566,225.07 to be repaid on an installment, finishing within February 2021, by quarterly and not less than Baht of 1,024,000 each quarter.	MLR per annum, payment by monthly.	Accrued interest amount of Baht 2,142,084.08 , to be paid at the signing agreement date by Baht of 705,202.32, and the remaining by Baht 1,436,881.76 will be forgiven when follow the restructuring agreement.
Loan - Promissory note	Amount of Baht 100,000,000 to be repaid on an installment, finishing within February 2012. If subsidiaries able follow the debt restructuring agreement, there will be “Gain from debt restructuring” amount of Baht 13.13 million.	MLR per annum.	Accrued interest amount of Baht 28,150,684.93, to be paid at the signing agreement date by Baht of 243,000, and the remaining by Baht of 16,966,438.35 will be forgiven when follow the restructuring agreement.
Loan - Trust Receipt	Amount of Baht 23,940,354.50 to be repaid on an installment, finishing within February 2021, by quarterly and not less than Baht of 608,000 each quarter.	MLR per annum.	Accrued interest amount of Baht 6,519,437.61, to be paid on an installment by Baht of 57,000 per quarterly, total 2,589,843.47 and the remaining by Baht of 3,929,594.14 will be forgiven when follow the restructuring agreement.
Loan - bank overdraft	Amount of Baht 11,404,901.99 to be paid at the signing agreement date 1,404,901.99 , and the remaining to be repaid on an installment, finishing within March 2015, by monthly and not less than Baht of 250,000 each month.	MLR per annum, payment by monthly.	Accrued interest amount of Baht 63,274.01, to be paid at the signing agreement date by Baht of 36,777.33, and the remaining by Baht of 26,496.68 will be forgiven when follow the restructuring agreement.

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17. PROVISION FOR EMPLOYEE BENEFIT

An independent actuary carried out an evaluation of the Company's obligations for employees' long - term benefits using the projected unit credit method. The Company has provided the estimated for employees' long - term benefits as follows:

(In Thousand Baht)				
	Consolidated		Separated	
	As at December	As at December	As at December	As at December
	31, 2018	31, 2017	31, 2018	31, 2017
Estimated current liabilities				
for employee benefits	13,168	2,803	11,277	2,679
Estimated non current liabilities				
for employee benefits	235,062	212,636	169,866	154,956
Total provision for employee benefit	248,230	215,439	181,143	157,635

(In Thousand Baht)				
	Consolidated		Separated	
	As at December	As at December	As at December	As at December
	31, 2018	31, 2017	31, 2018	31, 2017
Provision for employee benefits				
beginning	215,439	235,873	157,635	168,253
<u>Add</u> recognized amount	32,791	33,352	23,508	23,868
<u>Less</u> paid	-	(62,019)	-	(46,909)
<u>Add</u> (Profit) Loss actuary assumption	-	8,233	-	12,423
Provision for employee benefits ending	248,230	215,439	181,143	157,635
Present value of unfunded obligation	248,230	215,439	181,143	157,635

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	(In Thousand Baht)	
	For the years December 31, 2018	
	Consolidated	Separated
Total amount recognized in the statement of		
Comprehensive income for the year:		
Provision for employee benefits beginning	215,439	157,635
Profit (loss) for the years		
<u>Add</u> recognized amount		
Current service cost	25,002	18,636
Interest cost	7,789	4,872
<u>Less</u> paid	-	-
Provision for employee benefits ending	248,230	181,143
Gain (losses) on remeasurement of defined benefit plans	-	-

	(In Thousand Baht)			
	Consolidated		Separated	
	As at December	As at December	As at December	As at December
	31, 2018	31, 2017	31, 2018	31, 2017
Expense recognized in profit or loss				
as reported by the actuary				
Current service cost	25,002	24,946	18,636	18,340
Interest cost	7,789	8,405	4,872	5,528
Total - recognized in the statement				
of income	32,791	33,351	23,508	23,868

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Principal actuarial assumptions (Actuarial basis)

	Consolidated	Separated
	As at December 31, 2018 and 2017	As at December 31, 2018 and 2017
Discount rate (Per annum)	3.13	3.13
Future salary increase (Per annum)	8.00	8.00
Retirement age (year old)	60	60
Turn over rate	Age band	Age band
Mortality rate	TMO 2008	TMO 2008

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The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2018 are summarized below:

	(In Thousand Baht)							
	Change of the present value of the employee benefit obligations increase (decrease)							
	Consolidated				Separate			
	Increase		Decrease		Increase		Decrease	
	2018	2017	2018	2017	2018	2017	2018	2017
Discount rate (1 annum)	(20,617)	(19,537)	23,962	22,609	(14,922)	(14,193)	17,390	16,453
Salary increase rate (1 annum)	20,363	16,607	(17,531)	(14,383)	14,676	12,032	(12,677)	(10,392)
Turnover rate (10 annum)	(11,170)	(10,103)	12,348	11,160	(8,425)	(7,575)	9,351	8,403

The sensitivity analysis presented above may not be representative of the actual change in employee benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

On December 13, 2018, the National Legislative Assembly passed a resolution approving the draft of a new Labor Protection Act, which is in the process being announced in the Royal Gazette. The new Labor Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than that of the last 400 days, based on the final wage rate. This change is considered a post-employment benefits plan amendment. The Company and its subsidiaries will reflect the effect of the change by recognizing past service cost as an expense in the consolidated and separate statements of profit or loss, of the period in which the law is effective. At present, is during estimate the effect to the financial statement.

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18. COMPENSATION LIABILITIES - CONVERTIBLE PREFERRED SHARES

The Company recorded liabilities for obligations to pay the unpaid dividend in the amount of Baht 17,101,510 and the difference amount between the market price of the Company's shares and the offering price as at the exercise date of Baht 3.1647 per share (33,744,100 shares) amounting to Baht 106,833,875 as "compensation liabilities - convertible preferred shares" in current liabilities.

On March 30, 2011, the Company reclassified compensation liabilities - convertible preferred shares to present in liabilities under rehabilitation plan (Note 16.3).

19. SHARE CAPITAL AND PREMIUM (DISCOUNT) ON COMMON

	Amount	As at December 31, 2018		As at December 31, 2017	
	of share	Shares	Amount	Shares	Amount
<i>Authorized share capital consist of</i>					
Ordinary shares	1	414,607,781	414,607,781	414,607,781	414,607,781
Preferred shares	1	79,487,456	79,487,456	79,487,456	79,487,456
Warrant	1	106,148,500	106,148,500	106,148,500	106,148,500
		<u>600,243,737</u>	<u>600,243,737</u>	<u>600,243,737</u>	<u>600,243,737</u>
<i>Issued and paid-up share capital</i>					
Ordinary shares	1	414,607,781	414,607,781	414,607,781	414,607,781
Preferred shares	1	79,487,456	79,487,456	79,487,456	79,487,456
Issue of new shares					
Ordinary shares	1	-	-	-	-
Preferred shares	1	-	-	-	-
		<u>494,095,237</u>	<u>494,095,237</u>	<u>494,095,237</u>	<u>494,095,237</u>
<i>Issued and paid-up share capital</i>					
<i>Consist of</i>					
Ordinary shares	1	414,607,781	414,607,781	414,607,781	414,607,781
Preferred shares	1	79,487,456	79,487,456	79,487,456	79,487,456
		<u>494,095,237</u>	<u>494,095,237</u>	<u>494,095,237</u>	<u>494,095,237</u>
<i>Premium on shares</i>					
Ordinary shares	0.06	414,607,781	8,542,665	414,607,781	8,542,665
Preferred shares	0.06	79,487,456	4,769,247	79,487,456	4,769,247

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	Amount	As at December 31, 2018		As at December 31, 2017	
	of share	Shares	Amount	Shares	Amount
<i>Discount on common shares</i>					
As at December 31					
Ordinary shares	<i>1</i>	414,607,781	(22,088,943)	414,607,781	(22,088,943)

Fair value of shares and preferred share at date of issue which pay off creditor under rehabilitation plan have its value of 1.06 Baht share as the independent appraiser financial report at August 5, 2011.

On September 21, 2011 increase shares capital are becoming registration securities (Preferred shares are not registration securities).

Under rehabilitation plan

1. The Company approve deduction share capital amount of baht 52.99 million (52,999,999 shares of Baht 1 each) to 272.23 million (272,230,101 shares of Baht 1 each) by cancel non paid-up share capital 52,999,999 shares of Baht 1 each. And approve increase authorized share capital from amount of baht 272.23 million (272,230,101 shares of Baht 1 each) to 600.24 million (600,243,737 shares of Baht 1 each). The Company has registered increase and deduction share capital with ministry of Commerce on August 10, 2011 and September 9, 2011 respectively.
2. The Company has the resolution to approve the operation by debt to equity conversion under rehabilitation plan splitting common share million 142.38 Baht (142,377,680 shares with the share of 1 Baht) and the preferential right of million 79.49 Baht (79,487,456 shares which is worth 1 Baht per share) in order to pay the debt in the total amount of million 221.87 Baht.

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Warrants

Under rehabilitation plan passed the resolution on determining the conditions and details of the warrants issued to a financial institution (convert liabilities to be capital) who propose the new credit facility to the Company, under the rehabilitation plan processing. On March 30, 2011, the Central Bankruptcy Court ordered the Company to rehabilitate its business as described in.

In August, 2011 the Company has issued 106,148,500 units of warrants to purchase ordinary shares, allocated to a financial institution who proposes the new credit facility to the Company. Each unit of warrant has a right to purchase 1 ordinary share of Baht 0.01 each. The warrants will be with 10 years term, the first exercise month on March, June, September and the last exercise month on December.

	Consolidated/ Separated	
	As at December 31, 2018	
	(Unit)	(Baht)
Number of warrants	106,148,500	111,455,925
<u>Less</u> : The number of exercised warrants - cumulative	-	-
<u>Less</u> : The number of expired warrants - cumulative	-	-
Balance number of warrants	106,148,500	111,455,925

Premium on share

According to the provision of the Limited Public Company Act, B.E. 2535 (1992) section 51 in the case that the company has proposed to sell share higher than the value of the share that has been registered, the Company must set this excessive share amount as backup capital ("share value excessive part"). This share value excessive part cannot be paid as dividend.

20. COMPANY'S SHARES HELD BY SUBSIDIARIES

As at December 31, 2018 and 2017, The share of the Company that is held by subsidiary includes preferential right in the amount of 3,555,477 shares with the value of 1 Baht per share which the subsidiary has been received from transforming the debt into capital under the operation according to the reorganizational plan of the Company. The said share has been shown as they deduct in the part of shareholders under the topic "share of the Company held by subsidiary" in the consolidated.

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21. REVALUATION SURPLUS ON FIXED ASSETS

Consist of :

	(In Thousand Baht)			
	Consolidated		Separated	
	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017
Revaluation surplus on land				
Beginning balance	510,512	510,512	477,043	477,043
Increase	-	-	-	-
Decrease	-	-	-	-
Ending balance	510,512	510,512	477,043	477,043
Revaluation surplus on building				
Beginning balance	100,403	104,640	100,403	104,640
Increase	-	-	-	-
Decrease	-	-	-	-
Decrease - Sale	-	-	-	-
Decrease - Depreciation	(4,236)	(4,237)	(4,236)	(4,237)
Ending balance	96,167	100,403	96,167	100,403
Revaluation surplus on fixed assets	606,679	610,915	573,210	577,446
Deferred tax liabilities	(121,336)	(122,183)	(114,642)	(115,489)
Revaluation surplus on fixed assets - net	485,343	488,732	458,568	461,957

As at December 31, 2018 and 2017 the Company and a subsidiary's land and plant are stated at appraised value, reports of the independent appraiser Agency for T.A. Management Corporation (1999) Co., LTD at date of December 25, 2015 respectively. The excess of appraised value of land and plant, which based on Market Approach and Cost Approach, are shown as "Revaluation surplus of fixed assets" under "Shareholders' Equity" in the statement of financial position. The revaluation surplus of fixed assets is not available for dividend distribution.

22. LEGAL RESERVE

According to the Public Companies Act, the Company has appropriated its reserve as a legal reserve not less than 5% of the annual net profit deducted by the total accumulated deficit brought forward (if any) until the reserve reaches an amount not less than 10% of the issued and paid-up share capital. The legal reserve may not be distributed as dividends.

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23. DIRECTOR AND MANAGEMENT REMUNERATION

DIRECTORS' REMUNERATION

Directors' remuneration is contributed to directors of the Company and subsidiaries under Section 90 of the Public Companies Act excluding salaries and related fringe benefit paid to executive directors.

MANAGEMENT'S REMUNERATION

Management's remuneration is salaries, remunerations and other benefits to the executive directors, in accordance with the definitions of the Office of the Securities and Exchange Commission. Management under definition includes a chief executive officer, the next four executive levels immediately below that chief executive officer and all persons in positions comparable to these fourth executive levels.

24. EARNING (LOSS) PER SHARE

Basic earnings (loss) per share :

Basic earnings (loss) per share for the years ended December 31, 2018 and 2017 are calculated by net profit (loss) of ordinary shareholder and preferred shareholder of ordinary shares and preferred shares issued and paid up during in the years by calculated follow as;

	For the years ended December 31,			
	Consolidated		Separate	
	2018	2017	2018	2017
Owner of the parent				
Earning(loss) for the years				
(Thousand Baht)	(17,494)	237,924	(11,529)	270,397
Weighted average number of share				
(Thousand Share)	414,608	414,608	414,608	414,608
Basic earnings(loss) per share	(0.04)	0.57	(0.03)	0.65

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Earnings (loss) per diluted share :

The reduced profit (loss) per share for the years ended December 31, 2018 and 2017 which is calculated from the profit (loss) of the last years as the part for shareholders of the Company and the amount of common share that has been sold between the years in each year by averaging after the adjustment of the effect of the reduced share as follows :

	For the years ended December 31,			
	Consolidated		Separate	
	2018	2017	2018	2017
Owners of the parent				
Earnings(Loss) for the years				
(Thousand Baht)	(17,494)	237,924	(11,529)	270,397
Number of ordinary share as at January 1,	414,608	414,608	414,608	414,608
Warrant	105,147	105,147	105,147	105,147
Weighted average number of share				
(Thousand Share)	519,755	519,755	519,755	519,755
Diluted earnings(Loss) per share				
(Baht/share)	(0.03)	0.46	(0.02)	0.52

25. CORPORATE INCOME TAX

Income tax expense for the years ended December 31, 2018 and 2017 Consist of :

	(In Thousand Baht)			
	Consolidated		Separate	
	2018	2017	2018	2017
Income tax :				
Income tax for the year	9,166	76,017	3,345	67,012
Defer income tax :				
Deferred income tax effect of				
temporary difference and the				
reversal of temporary differences	787	5,672	(987)	2,292
Operating (expense) income tax				
present in the statement of				
comprehensive income	9,953	81,689	2,358	69,304

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Reconciliation for Effectiven Tax Rate

	(In Thousand Baht)			
	Separated			
	Rate %	2018	Rate %	2017
Profit before income tax expense		(9,171)		339,701
Income tax using the Thai corporation				
tax rate	20	(1,834)	20	67,940
Income not subject to tax		(2,548)		(8,145)
Expenses not deductible for tax		7,769		7,260
Difference and the reversal of				
temporary differences		(42)		(43)
Total		3,345		67,012

Income tax reduction

It is understood that the Government will proceed to amend the law in order to maintain the corporate income tax rate at not higher than 20% for the accounting period which begins on or after January 1, 2015 and onwards in order to give full effect to the Cabinet resolution dated October 11, 2011 to increase Thailand's tax competitiveness.

26. EXPENSES ANALYZED BY NATURE

The key is as follows.

	(In Thousand Baht)			
	Consolidated		Separated	
	For the years ended December 31,		For the years ended December 31,	
	2018	2017	2018	2017
Changes in inventories and work in process	5,112	20,846	(24,102)	5,759
Raw materials and supplies used	3,370,917	4,228,187	1,901,157	2,365,112
Staff expense	790,922	812,710	599,961	596,899
Depreciation and amortization	71,166	72,576	51,670	53,364
Bad debt (reversal)	(204)	(19,466)	2,525	(17,307)
Loss (reversal) decrease of inventory	(1,379)	(1,568)	(1,368)	1,575
(Reversal) on impairment of investment	(4,162)	-	-	-

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27. TRANSACTIONS WITH RELATED PARTIES

Certain assets, liabilities, revenues and expenses of the Company arose from transactions with related parties. These related transactions are determined on the conditions in the normal course of business and based on agreed - upon basis as follows:

27.1 Relationship

<u>Name of relate of parties</u>	<u>Inter - transaction</u>	<u>Relationship</u>
Patkol Manufacturing Co., Ltd.	Sale of goods and services	Subsidiary
Patkol Trading Co., Ltd.	Sale of goods and services	Subsidiary
S Panel Co., Ltd.	Sale of goods and services	Subsidiary
Siam Patkol Co., Ltd.	Services	Subsidiary of Patkol Trading Co., Ltd. and common director
Heataway Co., Ltd.	Sale of goods and services	Subsidiary
Patkol Philippines Corporation Co., Ltd.	Sale of goods and services	Subsidiary
Indonesia Patkol Service Corporation Co.,Ltd.	Sale of goods and services	Subsidiary
Patkol Malaysia Sendirian Berhad Co.,Ltd.	Sale of goods and services	Subsidiary
Tygienic Co.,Ltd.	Sale of goods and services	Subsidiary
Patkol Myanmar Co.,Ltd.	Sale of goods and services	Subsidiary
Prepack (Thailand) Co., Ltd.	Services	Common director
Prudent Advisory Corporate Finance & Strategy Co., Ltd.	Services	Common director

27.2 Pricing policy

	<u>Pricing policy</u>
Sale of goods and services	Cost plus profit 1% for raw materials Cost plus profit 7% to 10% for finished goods
Purchase of goods and services	Cost plus profit 1% for raw materials Cost plus profit 7% to 10% for finished goods
Interest income received from subsidiaries	At the interest rate MOR per annum
Building rental and services	At Baht 1,000 - 360,800 per month
Interest expense paid to subsidiaries	At the interest rate of MOR per annum
Management fee	Price as agreed
Management fee system	Price as agreed

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
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27.3 Assets and liabilities with related parties are as follows:

(In Thousand Baht)				
	Consolidated		Separated	
	As at December	As at December	As at December	As at December
	31, 2018	31, 2017	31, 2018	31, 2017
Trade accounts and others current receivable				
related parties				
<u>Trade accounts receivable</u>				
Patkol Trading Co., Ltd.	-	-	1,176	47,115
S Panel Co., Ltd.	-	-	1,179	44,520
Patkol Manufacturing Co., Ltd.	-	-	1,952	71,417
Heataway Co., Ltd.	-	-	851	321
Patkol Philippines Corporation Co., Ltd.	-	-	4,858	2,838
Indonesia Patkol service Co., Ltd.	-	-	2,879	368
Patkol Malaysia Sendirian Berhad Co.,Ltd.	-	-	1,687	-
Total	-	-	14,582	166,579
<u>Others receivable - advanced payment</u>				
S Panel Co., Ltd.	-	-	673	2,808
Total trade and other accounts receivable	-	-	15,255	169,387

Separated financial statements

As at December 31, 2018, trade accounts receivable with overdue period more than 6 months consist of many subsidiaries which have outstanding balances totaling Baht 4.52 million. The Company's management has considered that these trade accounts receivable are able pay their debts in full amount.

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
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	(In Thousand Baht)			
	Consolidated		Separated	
	As at December	As at December	As at December	As at December
	31, 2018	31, 2017	31, 2018	31, 2017
Unbilled trade account receivable related parties				
S Panel Co., Ltd.	-	-	-	1,395
Total unbilled trade account receivable				
related parties	-	-	-	1,395

Short - term loans and accrued interest income
to related parties

Short - term loans

S Panel Co., Ltd.	-	-	48,900	53,300
Patkol Trading Co., Ltd.	-	-	15,000	2,500
Patkol Manufacturing Co., Ltd.	-	-	196,000	128,000
Total	-	-	259,900	183,800

Accrued interest income

S Panel Co., Ltd.	-	-	15,422	12,292
Patkol Trading Co., Ltd.	-	-	7,438	6,378
Patkol Manufacturing Co., Ltd.	-	-	53,170	39,289
Total	-	-	76,030	57,959

Total short - term loans and accrued interest
income

-	-	335,930	241,759
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Increase and decrease in short - term loans to related parties are as follows:

	(In Thousand Baht)			
	Balance			Balance
	As at	Movement		As at
	January 1, 2018	Addition	(Deduction)	December 31, 2018
S Panel Co., Ltd.	53,300	154,000	(158,400)	48,900
Patkol Trading Co., Ltd.	2,500	62,500	(50,000)	15,000
Patkol Manufacturing Co., Ltd.	128,000	326,000	(258,000)	196,000
Total	183,800	542,500	(466,400)	259,900

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
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The Company has granted loans to related parties by issuing promissory notes with interest rate at MOR per annum (Referring to interest rate of Bangkok Bank) and due on demand.

(In Thousand Baht)				
	Consolidated		Separated	
	As at December	As at December	As at December	As at December
	31, 2018	31, 2017	31, 2018	31, 2017
Trade and other accounts payable				
related parties				
<u>Trade accounts payable</u>				
Patkol Manufacturing Co., Ltd.	-	-	78,877	57,816
S Panel Co., Ltd.	-	-	1,520	4,087
Patkol Trading Co., Ltd.	-	-	1,891	7,483
Heataway Co., Ltd.	-	-	33,964	23,703
Patkol Philippines Corp. Co., Ltd.	-	-	2,921	1,567
Indonesia Patkol service Co., Ltd.	-	-	410	-
Patkol Malaysia Sendirian Berhad Co., Ltd.	-	-	1,482	-
Total trade and other accounts payable				
related parties	-	-	121,065	94,656
Provision employee benefit obligation -				
for management	77,267	69,736	68,037	61,000

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
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27.4 Revenues and expenses transactions with related parties

Revenues and expenses transactions with related parties for the years ended December 31, 2018 and 2017 are as follows:

(In Thousand Baht)				
	Consolidated		Separated	
	For the years ended December 31,		For the years ended December 31,	
	2018	2017	2018	2017
Revenues from sales and rendering services				
Subsidiaries				
Patkol Manufacturing Co., Ltd.	-	-	5,849	10,845
S Panel Co., Ltd.	-	-	134	3,686
Patkol Trading Co., Ltd.	-	-	9,090	5,498
Heataway Co., Ltd.	-	-	181	114
Patkol Philippines Corp. Co., Ltd.	-	-	99	-
Patkol Malaysia Sendirian Berhad Co., Ltd.	-	-	828	-
Total	-	-	16,181	20,143
Cost of sales and rendering services				
Subsidiaries				
Patkol Manufacturing Co., Ltd.	-	-	792,382	1,061,673
S Panel Co., Ltd.	-	-	33,048	57,753
Patkol Trading Co., Ltd.	-	-	21,860	4,925
Heataway Co., Ltd.	-	-	153,559	196,956
Patkol Philippines Corp. Co., Ltd.	-	-	19,189	11,124
Patkol Malaysia Sendirian Berhad Co., Ltd.	-	-	8,438	-
Indonesia Patkol service Co., Ltd.	-	-	779	-
Total	-	-	1,029,255	1,332,431
Administrative expenses and rent				
Subsidiaries				
Patkol Manufacturing Co., Ltd.	-	-	4,906	4,179
Patkol Philippines Corp. Co., Ltd.	-	-	-	129
Total	-	-	4,906	4,308

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
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	Consolidated		Separated	
	For the years ended December 31,		For the years ended December 31,	
	2018	2017	2018	2017
Related company				
Prudent Advisory Corporate Finance & Strategy Co., Ltd.	4,700	2,800	4,700	2,800
Revenue from rent and services				
Subsidiaries				
Patkol Manufacturing Co., Ltd.	-	-	13,869	6,940
Patkol Trading Co., Ltd.	-	-	5,340	7,984
S Panel Co., Ltd.	-	-	6,303	3,256
Siam Patkol Co., Ltd.	-	-	12	12
Heataway Co., Ltd.	-	-	4,216	4,070
Patkol Philippines Corp. Co., Ltd.	-	-	1,807	2,826
Indonesia Patkol service Co., Ltd.	-	-	1,807	-
Patkol Malaysia Sendirian Berhad Co., Ltd.	-	-	1,807	-
Total	-	-	35,161	25,088
Interest income				
Subsidiaries				
Patkol Trading Co., Ltd.	-	-	1,060	1,729
S Panel Co., Ltd.	-	-	3,130	5,391
Patkol Manufacturing Co., Ltd.	-	-	13,882	14,978
Total	-	-	18,072	22,098
Managements' remuneration				
Short - term benefits	60,442	65,707	56,315	61,150
Post - employment benefits	8,209	10,738	7,037	8,928
Total	68,651	76,445	63,352	70,078

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2018

27.5 Inter transactions with subsidiaries and related parties

	(In Thousand Baht)	
	Consolidated	
	For the years ended December 31,	
	2018	2017
Patkol Manufacturing Co., Ltd.		
Patkol Trading Co., Ltd.		
Trade accounts receivable related parties	-	10
Trade accounts payable related parties	557	1,480
Revenues from sales and rendering services	94	128
Cost of sales and rendering services	4,005	3,638
S Panel Co., Ltd.		
Trade accounts payable - related parties	61	-
Revenues from sales	12	-
Cost of sales and services	250	190
Heat Away Co., Ltd.		
Trade accounts receivable related parties	38,248	6,636
Trade accounts payable related parties	115	-
Revenues from sales and rendering services	195,026	249,677
Other revenues	66	28
Other expense	180	-
S Panel Co., Ltd.		
Patkol Manufacturing Co., Ltd.		
Trade accounts receivable related parties	61	-
Revenue from sale and rendering service	250	190
Cost of sales and rendering services	12	-
Patkol Trading Co., Ltd.		
Trade accounts payable - related parties	83	236
Cost of sales and rendering services	569	651

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		(In Thousand Baht)	
		Consolidated	
		For the years ended December 31,	
		2018	2017
Heat Away Co., Ltd.			
Patkol Manufacturing Co., Ltd.			
Trade accounts receivable related parties	115	-	
Trade accounts payable related parties	38,248	6,636	
Cost of sales and rendering services	195,026	249,677	
Other revenues	180	-	
Orther expense	66	28	
Patkol Trading Co., Ltd.			
Trade accounts receivable related parties	39	-	
Revenue from sale and rendering service	90	313	
Patkol Philippines Corp. Co., Ltd.			
Heat Away Co., Ltd.			
Trade accounts payable related parties	535	-	
Patkol Trading Co., Ltd.			
Patkol Manufacturing Co., Ltd.			
Trade accounts receivable related parties	557	1,480	
Trade accounts payable related parties	-	10	
Revenues from sales and rendering services	4,005	3,638	
Cost of sales and rendering services	94	128	
S Panel Co., Ltd.			
Trade accounts receivable - related parties	83	236	
Revenues from sales and rendering services	569	651	
Heat Away Co., Ltd			
Trade accounts payable related parties	39	-	
Cost of sales and rendering services	90	313	

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
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28. DIVIDEND

The Annual General Meeting of Shareholders on April 26, 2018, to consider and approve the allocation of a part of annual net profit and dividends for operations 2017 as follows;

28.1 Allocation of a part of annual net profit amount of Baht 1,757,163.22 as legal reserves (as a result, the Company has legal reserves, amounting Baht 60,024,373.70 not less than 10% of authorized capital)

28.2 Dividend payment to shareholders as follows;

- Preferred share at the rate of Baht 0.0325 per share.
- Common share at the rate of Baht 0.12 per share.

Total the dividend payment to Baht 52,336,276.04.

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
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29. FINANCIAL INFORMATION BY SEGMENT

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

The Company and the subsidiaries' operations involved in the trading and services of engineering products which include turnkey sales of services in design, manufacturing and installation of various types of industrial refrigeration for the ice making industry and supermarket, dairy and ice - cream processing, as well as food related processing plant and applies made to order and operated the business in geographical segment both in domestic and overseas.

Business unit and geographical segment information of the Company and subsidiaries for the years ended December 31, 2018 and 2017, are as follows :

	(In Million Baht)				
	Consolidated				
	For the year ended				
	Ice machine and industrial refrigeration system	Machinery for liquid and food processing system	Service and spare parts	Central management and others	Total
December 31, 2018					
Statement of comprehensive income					
Revenue from sales and rendering					
services - domestic	1,654.00	840.17	572.39	-	3,066.56
Revenue from sales and rendering					
services - overseas	580.74	150.29	26.23	-	757.26
Cost of sales rendering services	(1,802.93)	(674.57)	(425.69)	-	(2,903.19)
Gross profit	431.81	315.89	172.93	-	920.63
Other income	17.78	19.23	4.74	35.76	77.51
Distribution cost	(136.87)	(83.11)	(76.44)	(14.79)	(311.21)
Administrative expenses	-	-	-	(650.41)	(650.41)
Profit (loss) before financial cost	312.72	252.01	101.23	(629.44)	36.52
Financial cost - interest expense	-	-	-	(40.94)	(40.94)
Profit (loss) before income tax	312.72	252.01	101.23	(670.38)	(4.42)
Income tax	-	-	-	(9.95)	(9.95)
Net profit (loss)	312.72	252.01	101.23	(680.33)	(14.37)
Statement of financial position					
Property, plant and equipment - net	-	-	-	1,350.53	1,350.53

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
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	(In Million Baht)				
	Consolidated				
	For the year ended				
	Ice machine and industrial refrigeration system	Machinery for liquid and food processing system	Service and spare parts	Central management and others	Total
December 31, 2017					
Statement of comprehensive income					
Revenue from sales and rendering services - domestic	2,204.32	1,215.27	531.97	-	3,951.56
Revenue from sales and rendering services - overseas	647.00	108.57	24.36	-	779.93
Cost of sales rendering services	(2,156.38)	(994.25)	(386.97)	-	(3,537.60)
Gross profit	694.94	329.59	169.36	-	1,193.89
Other income	17.46	7.32	0.51	39.32	64.61
Distribution cost	(162.48)	(72.01)	(73.11)	(20.59)	(328.19)
Administrative expenses	-	-	-	(577.46)	(577.46)
Profit (loss) before financial cost	549.92	264.90	96.76	(558.73)	352.85
Financial cost - interest expense	-	-	-	(30.99)	(30.99)
Profit (loss) before income tax	549.92	264.90	96.76	(589.72)	321.86
Income tax	-	-	-	(81.69)	(81.69)
Net profit (loss)	549.92	264.90	96.76	(671.41)	240.17
Statement of financial position					
Property, plant and equipment - net	-	-	-	1,163.67	1,163.67

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
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	(In Million Baht)				
	Separated				
	For the year ended				
	Ice machine and Industrial refrigeration system	Machinery for liquid and food processing system	Service and spare parts	Central management and others	Total
December 31, 2018					
Statement of comprehensive income					
Revenue from sales and rendering services - domestic	1,276.52	840.18	476.26	-	2,592.96
Revenue from sales and rendering services - overseas	548.47	150.29	8.43	-	707.19
Cost of sales rendering services	(1,557.88)	(709.21)	(341.44)	-	(2,608.53)
Gross profit	267.11	281.26	143.25	-	691.62
Other income	17.78	19.21	0.65	66.17	103.81
Distribution cost	(105.92)	(83.11)	(63.68)	(14.78)	(267.49)
Administrative expenses	-	-	-	(508.70)	(508.70)
Profit (loss) before financial cost	178.97	217.36	80.22	(457.31)	19.24
Financial cost - interest expense	-	-	-	(28.41)	(28.41)
Profit (loss) before income tax	178.97	217.36	80.22	(485.72)	(9.17)
Income tax	-	-	-	(2.36)	(2.36)
Net profit (loss)	178.97	217.36	80.22	(488.08)	(11.53)
Statement of financial position					
Property, plant and equipment - net	-	-	-	850.05	850.05

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
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	(In Million Baht)				
	Separated				
	For the year ended				
	Ice machine and Industrial refrigeration system	Machinery for liquid and food processing system	Service and spare parts	Central management and others	Total
December 31, 2017					
Statement of comprehensive income					
Revenue from sales and rendering					
services - domestic	1,808.42	1,215.22	424.59	-	3,448.23
Revenue from sales and rendering					
services - overseas	620.29	108.57	12.89	-	741.75
Cost of sales rendering services	(1,846.50)	(1,016.47)	(307.16)	-	(3,170.13)
Gross profit	582.21	307.32	130.32	-	1,019.85
Other income	17.46	7.32	0.51	66.47	91.76
Distribution cost	(137.70)	(72.01)	(59.16)	(20.58)	(289.45)
Administrative expenses	-	-	-	(461.18)	(461.18)
Profit (loss) before financial cost	461.97	242.63	71.67	(415.29)	360.98
Financial cost - interest expense	-	-	-	(21.28)	(21.28)
Profit (loss) before income tax	461.97	242.63	71.67	(436.57)	339.70
Income tax	-	-	-	(69.30)	(69.30)
Net profit (loss)	461.97	242.63	71.67	(505.87)	270.40
Statement of financial position					
Property, plant and equipment - net	-	-	-	867.16	867.16

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
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30. DISCLOSURE OF FINANCIAL INSTRUMENTS

30.1 Accounting policy

The significant accounting policies and method adopted including the basis of recognition and measurement relating to each class of financial assets and liabilities have been disclosed in note 3.

30.2 Credit risk

Credit risk derives from failure by counterparties to discharge their obligations resulting in financial loss to the Company and subsidiaries. Financial assets shown in balance sheets at the book value deducted by allowance for doubtful accounts is maximum value of credit risk.

30.3 Exchange rate Risk

The Company and subsidiaries have the exchange rate risk for trade accounts receivable and other receivable payable and other payable denominated to foreign currency. The Company has reduced the uncertainty of future cash flow by using natural hedge. Besides, the Company has managed the risk by entering into forward contract.

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As at December 31, 2018 and 2017, the Company and subsidiaries have assets and liabilities denominated as follows :

Transaction	Currency	Consolidated		Separated	
		As at	As at	As at	As at
		December	December	December	December
		31, 2018	31, 2017	31, 2018	31, 2017
Deposit at banks	Thousand USD	2,099	2,227	2,099	2,227
	Thousand IDR	207,285	28,048	207,285	28,048
	Thousand PHP	6	279	6	279
	Thousand VND	385,721	221,340	385,721	221,340
Trade accounts	Thousand USD	2,360	2,663	2,200	2,571
Receivable	Thousand EUR	454	765	444	765
/ Deposit	Thousand MYR	479	83	479	83
	Thousand PHP	-	480	-	480
	Thousand AUD	19	15	3	3
	Thousand JPY	23,692	-	23,692	-
Trade accounts payable	Thousand USD	622	322	531	151
	Thousand EUR	1,021	265	450	209
	Thousand SGD	-	18	-	7
	Thousand AUD	46	28	-	-
	Thousand NOK	2	-	2	-
	Thousand MYR	5	-	5	-
	Thousand VND	22,049	-	22,049	-
Loan-trust receipt	Thousand USD	63	-	-	-

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

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30.4 Interest rate risk

Interest rate risk from changes in market interest rate will affect the results of the Company and subsidiaries' operations and cash flows. The Company and subsidiaries exposed the interest rate risk due to its deposits at financial institutions, deposits at bank with commitment, short - term loans from financial institutions, long - term loans and long - term liabilities under financial lease agreement. The Company and subsidiaries do not use derivative financial instruments to hedge such risk.

As at 31 December 2018 and 2017, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date :

	Thousand Baht						
	Consolidated financial statements						
	2018						
	Fixed interest rates			Floating	Non		
	Within	1 - 5	Over	Interest	interest	Total	Effective
	1 year	years	5 years	rate	bearing		interest rate
							(% per annum.)
Financial Assets							
Cash and cash equivalents	-	-	-	219,965	53,606	273,571	0.250-0.625
Trade and other							
current receivables	-	-	-	-	899,214	899,214	-
Deposits at bank with restrictions	19,237	-	-	2,019	-	21,256	0.250-1.000
Trade and other non -							
current receivables	-	-	246,472	-	-	246,472	5.850
	<u>19,237</u>	<u>-</u>	<u>246,472</u>	<u>221,984</u>	<u>952,820</u>	<u>1,440,513</u>	
Financial liabilities							
Bank overdraft	-	-	-	3,990	-	3,990	7.125
Short-term loans	-	-	-	214,054	-	214,054	5.250-6.250
Trade and other payables	-	-	-	-	894,863	894,863	-
Loan-trust receipt	2,071	-	-	-	-	2,071	4.680
Long-term loans from banks	-	-	-	796,025	-	796,025	5.250-6.250
	<u>2,071</u>	<u>-</u>	<u>-</u>	<u>1,014,069</u>	<u>894,863</u>	<u>1,911,003</u>	

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
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Thousand Baht							
Consolidated financial statements							
2017							
Fixed interest rates			Floating Interest rate	Non interest bearing	Total	Effective interest rate (% per annum.)	
Within 1 year	1 - 5 years	Over 5 years					
Financial Assets							
Cash and cash equivalents	-	-	-	215,899	41,751	257,650	0.400-0.625
Trade and other current receivables	-	-	-	-	1,192,496	1,192,496	-
Deposits at bank with restrictions	10,663	-	-	2,012	-	12,675	0.400-1.000
Trade and other non - current receivables	-	-	196,215	-	-	196,215	5.850
	10,663	-	196,215	217,911	1,234,247	1,659,036	
Financial liabilities							
Bank overdraft	-	-	-	20,077	-	20,077	7.125
Short-term loans	-	-	-	171,831	-	171,831	2.250-6.250
Trade and other payables	-	-	-	-	1,088,817	1,088,817	-
Long-term loans from banks	-	-	-	543,461	-	543,461	5.250-6.250
	-	-	-	735,369	1,088,817	1,824,186	

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	Thousand Baht						
	Separated financial statements						
	2018						
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum.)
	Within 1 year	1-5 years	Over 5 years				
Financial Assets							
Cash and cash equivalents	-	-	-	133,420	27,994	161,414	0.250-0.625
Trade and other current accounts receivables	-	-	-	-	776,550	776,550	-
Short - term loans	-	-	-	335,930	-	335,930	7.125
Deposits at bank with restrictions	4,272	-	-	2,019	-	6,291	0.250-1.000
Trade and other non current accounts receivable	-	-	246,472	-	-	246,472	5.850
	4,272	-	246,472	471,369	804,544	1,526,657	
Financial liabilities							
Bank overdrafts	-	-	-	3,480	-	3,480	7.125
Short-term loans	-	-	-	66,786	-	66,786	6.250
Trade and other payables	-	-	-	-	824,183	824,183	-
Long-term loans from banks	-	-	-	575,352	-	575,352	5.250
	-	-	-	645,618	824,183	1,469,801	

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	Thousand Baht						
	Separated financial statements						
	2017						
	Fixed interest rates						
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum.)
Financial Assets							
Cash and cash equivalents	-	-	-	176,776	7,095	183,871	0.400-0.625
Trade and other current accounts							
receivables	-	-	-	-	1,241,708	1,241,708	-
Short - term loans	-	-	-	241,759	-	241,759	7.125
Deposits at bank with restrictions	4,233	-	-	2,012	-	6,245	0.250-1.000
Trade and other non current							
accounts receivable	-	-	196,215	-	-	196,215	5.850
	4,233	-	196,215	420,547	1,248,803	1,869,798	
Financial liabilities							
Short-term loans	-	-	-	61,831	-	61,831	6.250
Trade and other payables	-	-	-	-	992,268	992,268	-
Long-term loans from banks	-	-	-	460,002	-	460,002	5.250
	-	-	-	521,833	992,268	1,514,101	

30.5 Fair values of financial instruments

Since the majority of the Company and its subsidiaries' financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

During the current year, there were no transfers within the fair value hierarchy.

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31. Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date. Fair values have been determined for measurement and/or disclosure purposes based on the following methods (when applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability).

The fair value of cash and cash equivalents, trade and other accounts receivable, short-term loans, other current assets, bank overdrafts, short-term borrowings, trade and other accounts payable and other current liabilities is taken to approximate the carrying value.

The fair value of investments in equity securities - available-for-sales, are determined by reference to their quoted bid prices at the reporting date.

The fair value of long-term borrowings is taken to approximate the carrying value because most of these financial instruments bear interest at market rates.

Fair values and the carrying values of financial assets and liabilities other than the aforementioned were as follows:

(In Thousand Baht)								
Consolidate								
Level 1		Level 2		Level 3		Total		
2018	2017	2018	2017	2018	2017	2018	2017	
Financial assets measured at fair value								
Investment properties	-	-	85,958	44,056	-	-	85,958	44,056
Property, plant and equipment	-	-	1,350,527	1,163,665	-	-	1,350,527	1,163,665

* Level 2 – The fair value determined by using the net asset value as published by the Asset Management

(In Thousand Baht)								
Separate								
Level 1		Level 2		Level 3		Total		
2018	2017	2018	2017	2018	2017	2018	2017	
Financial assets measured at fair value								
Investment properties	-	-	85,958	20,843	-	-	85,958	20,843
Property, plant and equipment	-	-	850,054	867,160	-	-	850,054	1,163,665

* Level 2 - The fair value determined by using the net asset value as published by the Asset Management

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2018

32. COMMITMENTS AND CONTINGENT LIABILITIES

32.1 Commitments

	(In Million Baht)		
	Consolidated	Separated	
	As at December	As at December	As at December
	31, 2018	31, 2018	31, 2017
Capital commitments			
- Purchase of goods agreement	296.17	80.31	91.99
- Contractor agreement	51.93	49.55	61.38
- Construction agreement	22.83	-	-
Total	370.93	129.86	153.37
Operating lease commitments			
Within 1 year	12.82	12.82	9.30
More than 1 to 5 years	17.30	17.30	9.91
Total	30.12	30.12	19.21

As at December 31, 2018, the subsidiary has commitments for purchase of machinery from foreign country and foreign currencies amount USD 62,970.

As at December 31, 2018, the Company and subsidiaries has commitments of lease office buildings den foreign currencies as follows :

		As at December 31, 2018	
		Within 1 year	More than 1 to 2 years
Buildings and offices in domestic and foreign countries	Currency		
- Malaysia	MYR	22,800	19,000
- Vietnam	VND	346,060,000	677,820,000

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2018

32.2 Contingent liabilities

As at December 31, 2018, the Company and subsidiaries has contingent liabilities with commercial banks as follows.

	Consolidated	Separated
	As at	As at
	December 31, 2018	December 31, 2018
Letters of guarantee		
- Domestic currency (Million Baht)	174.48	163.80
- Foreign currency		
(Thousand EUR)	133.83	133.83
(Thousand USD)	435.84	435.84

33. CAPITAL MANAGEMENT

The objective of financial management of the Company and subsidiaries is to maintain the continuity of operation capability and appropriate capital structure.

As at December 31, 2018 and 2017, debt to equity ratio in the consolidated financial statements is 1.50 : 1 and 1.38 : 1, respectively (the separate financial statements: debt to equity ratio is 1.09 : 1 and 1.07 : 1, respectively).

34. FINANCIAL STATEMENTS APPROVAL

These financial statements have been approved for issue by the Company's board of directors on February 22, 2019.

Profile of the Board of Director

Name / Position	Age (year)	Highest Academic Qualification	Holding of Company's Share	Relationship	Experience	
					Year	Position / Name of Company
1. Mr. Pitipong Phungbun na Ayutthaya • Chairman of the Board (Independent Director)	72	Master of Public Administration (MPA) California State University, Los Angeles <u>IOD Training</u> -Director Accreditation Program (DAP 149/2018) - Risk Management Program for Corporate Leaders (RCL 7/2017)	-	-	Present	<u>Other business</u> <ul style="list-style-type: none"> - Chairman of the Center for Excellence in Life Sciences (TCELS) (Public Organization) - Chairman of Biodiversity-Based Economy Development Office (Public Organization) - Chairman of the National Social Reform Committee - Director of the Council of State
2. Ms. Naitya Chongvatana • Director	50	- M.A. Business Administration, Johnson and Wales University <u>IOD Training</u> - Director Certification Program (DCP 259/2018)	-	Cousin of Mr. Panet Chongvatana (Director)	Cousin of Mr. Panet Chongvatana (Director)	<u>Other business</u> <ul style="list-style-type: none"> - Sale Manager of Prepack Thailand Co., Ltd. - Sale Manager of Sarakom Co., Ltd.

Name / Position	Age (year)	Highest Academic Qualification	Holding of Company's Share	Relationship	Experience	
					Year	Position / Name of Company
3.Mr. Sangchai Chotchuangchutchaval <ul style="list-style-type: none"> • Director • Vice Chairman of the Board • Chief Executive Committee • Executive Committee Member • Chief Executive Officer 	63	Master Degree of Public Administration, National Institute of Development Administration (NIDA) <u>IOD Training</u> - Director Accreditation Program (DAP รุ่น 5/2003) - Director Certification Program (DCP รุ่น 237/2017)	9.27%	-	Present	<u>Subsidiaries</u> Director <ul style="list-style-type: none"> • Patkol Manufacturing Co.,Ltd. • Patkol Trading Co., Ltd. • Siam Patkol Co., Ltd. • Spanel Co., Ltd. • Heataway Co., Ltd. • Patkol Philippines Corporation Co., Ltd. • PT Indonesia Patkol Service Co., Ltd. • Tygienic Co., Ltd. • Patkol Malaasia Co., Ltd. • Patkol Myanmar Co., Ltd. <u>Other business</u> <ul style="list-style-type: none"> • Director, Dr. Piya Chongvatana Foundation • Executive Board of King Mongkut's institute of Technology North Bangkok
4. . Mr. Pairoj Sanyadechakul <ul style="list-style-type: none"> • Chairman of the Audit Committee (Independent Director) 	70	<ul style="list-style-type: none"> • Bachelor's Degree in Engineering, Chulalongkorn University <u>IOD Training</u> - Director Certification Program (DCP 258/2018) - Advanced Audit Committee Program (AACP 30/2018)	-	-	Present	<u>Other business</u> <u>Director</u> <ul style="list-style-type: none"> • FOUNDATION FOR INDUSTRIAL DEVELOPMEN (FID) • Thailand Productivity Foundation • Chairman of the Board of Electrical and Electronics Institute

Name / Position	Age (year)	Highest Academic Qualification	Holding of Company's Share	Relationship	Experience	
					Year	Position / Name of Company
5. Mr. Virachai Srikajorn • Audit Committee Member • Chairman of the Risk Management Committee • Independent Director	64	Master's Degree in Business Administration, South Eastern University, Washington DC, USA <u>IOD Training</u> <u>IOD</u> - Directors Accreditation Programm (DAP 9/2004) - Directors Certification Programm (DCP 102/2008) - Advanced Audit Committee Program (AACP 30/2018) - Risk Management Program for Corporate Leaders (RCL 14/2018) - Board Nomination and Compensation Program (BNCP4/2018)	-	-	Present	<u>Other business</u> Director • Thonburi Healthcare group Co., Ltd. • Director, TKS Technologies Public Co., Ltd.
6. Mr. Preecha Chantarangkul • Audit Committee Member • Chairman of Remuneration Committee • Independent Director	75	Bachelor's Degree in Business Administration, Faculty of Management, Thammasart University <u>IOD Training</u> -Directors Accreditation Program (DAP 2/2003) - Finance for Non-Finance Director (FND 11/2004)	-	-	Present	<u>Other business</u> -

Name / Position	Age (year)	Highest Academic Qualification	Holding of Company's Share	Relationship	Experience	
					Year	Position / Name of Company
7. Mr. Paradorn Chulajata • Director • Audit Committee Consultant • Risk Management Committee Member • Nomination and Remuneration Committee Member	53	Master's Degree in Business Administration, Faculty of Finance, Eastern Michigan University, USA. <u>IOD Training</u> -Directors Accreditation Programm (DAP รุ่น 2/2003) - Directors Certification Program (DCP 38/2003) - Refresher Course DCP (DCP Re 4/2007) - Advanced Audit Committee Program (AACP 21/2015)	0.004%	-	Present	<u>Other business</u> - Director, Prepack Thailand Co.,Ltd. -Chairman of Plastic Industry Club, The Federation of Thai Industries - Director Subcommittee for subcommittee Management garbage plastic, National Environment Board - Exclusive Committee and Professional of Center of Excellence on Petrochemical and Material, Chulalongkorn University - Chairman of the Working Group Government cooperation project Business sector Civil society For sustainable waste and plastic disposal
8. Ms. Nongluck Sakdakrai • Director • Nomination and Remuneration Committee Member	43	Master's Degree in Perfect Management, George Washington University <u>IOD Training</u> - Directors Certification Programm (DCP 19/2002) - Refresher Course DCP (DCP Re 3/2006)	5.52%	-	Present	<u>Other business</u> • Deputy Managing Director, Thai Ice tube Co., Ltd. • Deputy Managing Director, Watcharaphol tube ice Co., Ltd.

Name / Position	Age (year)	Highest Academic Qualification	Holding of Company's Share	Relationship	Experience	
					Year	Position / Name of Company
9. Ms. Anongsiri Chaiyakul • Director	75	Bachelor's Degree in Accounting, Thammasart University <u>IOD Training</u> - Directors Accreditation Program (DAP 50/2006)	-	-	Present	<u>Subsidiaries</u> Director <ul style="list-style-type: none"> Patkol Manufacturing Co., Ltd. Patkol Trading Co., Ltd. Siam Patkol Co., Ltd.
10. Mr. Sumet Jiambutr • Director • Executive Committee Member • Chief Manufacturing Officer	64	Bachelor's Degree in Engineering in Mechanical Engineer of King Mongkut's Institute of Technology North Bangkok	0.19%	-	Present	<u>Subsidiaries</u> Director <ul style="list-style-type: none"> Patkol Manufacturing Co., Ltd. Patkol Trading Co., Ltd. Siam Patkol Co., Ltd. Spanel Co., Ltd Heataway Co., Ltd. Tygienic Co., Ltd.
11. Mr. Rangsana Thamaneewong • Director • Executive Committee Member • Risk Management Committee Member	58	Master's Degree in College of Business Administration, Joseph M.Katz, Graduate School University of Pittsburgh, Pittsburgh, Pennsylvania, USA. <u>IOD Training</u> -Directors Accreditation Program (DAP 133/2017)	-	-	Present	<u>Other business</u> <ul style="list-style-type: none"> Chairman, Prudent Advisor Co., Ltd. Director, SS National Logistics Co., Ltd. Director, Sermasuk Public Co.,Ltd. Member of Chartered, Society of Advancement for Consulting, USA

Name / Position	Age (year)	Highest Academic Qualification	Holding of Company's Share	Relationship	Experience	
					Year	Position / Name of Company
12. Mr. Panet Chongvatana <ul style="list-style-type: none"> • Director • Executive Committee Member • Risk Management Committee Member • Chief Strategy Officer 	42	Master's Degree of Science in Engineering Management Majoring in Project Management has Jersey Institute of Technology, USA. <u>IOD Training</u> -Directors Certification Program (DCP 228/2016) -Financial Statement For Director (FSD 2/2008) - Company Secretary Program (CSP 67/2015)	3.84%	Cousin of Ms. Naitya Chongvatana	Present	<u>Subsidiaries</u> Director <ul style="list-style-type: none"> • Patkol Manufacturing Co.,Ltd. • Patkol Trading Co., Ltd. • Siam Patkol Co., Ltd. • Spanel Co., Ltd. • Heataway Co., Ltd. • Patkol Philippines Corporation Co., Ltd. • PT Indonesia Patkol Service Co., Ltd. • Tygienic Co., Ltd. • Patkol Malaasia Co., Ltd. • Patkol Myanmar Co., Ltd.

Management Team and Company Secretary

Name / Position	Age (year)	Highest Academic Qualification	Holding of Company's Share	Relationship	Experience	
					Year	Position / Name of Company
1. Mr. Mongkol Maduethong • Managing Director Business Ice Machine	60	Bachelor's Degree in Engineering Program in Mechanical Engineering of King Mongkut's Institute of Technology North Bangkok	-	-	Present	<u>Subsidiaries</u> Director • Heataway Co., Ltd. • Spanel Co., Ltd.
2. Ms. Wannaporn Trinvisutthikul • CHIEF ADMINISTRATIVE OFFICER • The person taking the highest responsibility in finance and accounting • Company Secretary (November 2018 – Present)	46	Master's Degree in Business Administration, Ramkhamhaeng University <u>IOD Training</u> - Directors Certification Program (DCP 225/2016) - How to Develop a Risk Management Plan (HRP 17/2018) - Company Secretary Program (CSP 95/2019) <u>Training for The person taking the highest responsibility in finance and accounting</u> - CFO Focus Financial reporting 5 by SEC and Federation of Accounting Professions 16 hr.	-	-	Present	<u>Subsidiaries</u> Director • Patkol Trading Co., Ltd • Patkol Manufacturing Co.,Ltd • Tygienic Co., Ltd

Name / Position	Age (year)	Highest Academic Qualification	Holding of Company's Share	Relationship	Experience	
					Year	Position / Name of Company
3. Mrs. Siwaporn Dumronglaohapun • Managing Director of FOOD & DAIRY GROUP	53	Master's Degree in Chemical Engineering, King Mongkut's University of Technology Thouburi	-	-	Present	<u>Subsidiaries</u> Director • Patkol Trading Co., Ltd • Tygienic Co., Ltd
4. Mr. Chakkraphong Chaosuan • CHIEF INTERNATIONAL BUSINESS OFFICER (Acting)	46	Bachelor's Degree in Electronic engineering, King Mongkut's Institute of Technology Ladkrabong	-	-	Present	<u>Subsidiaries</u> Director • Heataway Co., Ltd • Patkol Philippines Corporation Co., Ltd. • PT Indonesia Patkol Service Co., Ltd.
5. Miss Nunthaporn Thongchaisuriya • Accountant	48	Master's Degree in Accounting University of the Thai Chamber of Commerce <u>Training for accountants</u> <u>(count CPD hours)</u> - accounting course 6 hour - Course on issues arising from the use of financial reporting standards for businesses that do not have a public interest of 6 hours Total 12 hours	-	-	2018- Present 2015-2018 2013-2015	- Accounting Department Manager/ Patkol Public Company Limited -Accounting Department Manager/ SC Carrier Company Limited -Accounting Department Manager/ Paradise Park Company Limited

Appendix

Detail of Directors in Subsidiaries

As of 31 December 2018

Name	PK	Subsidiaries										Related Company (by definition of SEC)
		PKT	SPK	SPN	PKM	HA	PK-PH	PK-ID	PK-MY	PK-MM	TG	Prudent
1.Mr. Pitipong Phungbun na Ayutthaya	X, //											
2. Ms. Naitya Chongvatana	/											
3. Mr. Sangchai Chotchuangchutchaval	/,V,IV	VI	/	/	/	/	X	X	X	/	/	
4. Mr. Pairoj Sanyadechakul	///											
5. Mr. Veerachai Srikajorn	///											
6. Mr. Preecha Chantarangkul	///											
7. Mr. Paradorn Chulajata	/											
8. Ms. Nongluck Sakdakrai	/											
9. Ms. Anongsiri Chaiyakul	/	/	/		/							
10. Mr. Sumet Jiambutr	/	/	/	/	VI	/					/	
11. Mr. Rangsan Thammaneeuwong	/											X
12. Mr. Panet Chongvatana	/	/	/	VI	/	VI	/	/	/	/	/	
13. Mr. Adisak Poolsri		/			/							
14. Ms. Noppawan Chongvatana			/									
15. Ms. Wannaporn Trinvisuthikul		/			/						/	
14. Mr. Suvachai Jaiwat				/		/						
15. Mr. Mongkol Maduethong				/		/						
16. Mr. Chakkraphong Chaosuan						/	/	/				
17. Mrs. Siwaporn Dumronglaohapun		/									/	
18. Mr. Boonyong Kulkanjanachin				/								

Noted:

☐ The symbol of the position of directors and executive

X Chairman of the Board

/ Director

V Vice Chairman of the Board

// Independent Director

IV	Chief Executive Officer	///	Independent Director and Audit Committee Member
VI	Managing Director		

The symbol of the Company, subsidiaries and related company (by definition of SEC)

PK	Patkol Public Company Limited	HA	Heat Away Company Limited
PKT	Patkol Trading Company Limited	PK-PH	Patkol Philippines Corporation
SPK	Siam Patkol Company Limited	PK-ID	PT. Indonesia Patkol Service
SPN	Spanel Company Limited	PK-MM	Patkol Myanmar Company Limited (PK-MM)
TG	Tygienic Company Limited	PKM	Patkol Manufacturing Company Limited
PK-MY	Patkol Malaasia Company Limited		
Prudent	Prudent Advisor Company Limited		



QUALITY^{WITH} SERVICE



We serve in
5 continents

Subsidiaries & Sales offices

Thailand (Head office)

348 Chalerm Prakit Rama 9 Road,
Pravate, Bangkok 10250
Tel : +66 2-328-1035
Fax : +66 2-328-1245
E-mail : sales@patkol.com

Malaysia

S-01-09, Impian, Commerz Shop,
Jalan Subang 1, USJ 1, 47600 Subang Jaya,
Selangor, Malaysia
Tel : +60-3-8021-7720
E-mail : malaysia@patkol.com

Indonesia

Rukan Bisnis Blok KJA 12A - 14
Perum, Daan Mogot Baru,
Daan Mogot km 16 - Kalideres,
Jakarta 11840
Tel : +62-212-230-2397
E-mail : indonesia@patkol.com

Vietnam

No 10, 14 Street, Van Phuc 1 resident,
Thu Duc District, Ho Chi Minh City,
Vietnam
E-mail : vietnam@patkol.com

Philippines

Unit 12G, 12th Flr., IBM Plaza Bldg. 8,
Eastwood City, Bagumbayan, Quezon City,
Metro Manila 1110, Philippines
Tel : +63-2-709-6519
E-mail : philippines@patkol.com

Myanmar

6th Floor, Room NO.606, MGW Tower,
Bo Aung Kyaw Street (Corner to
Mahabandoola Street), 8th quarter,
Kyauktada Township 11182, Yangon Region,
The Union of Myanmar
Tel : +95-0997-2992-405
E-mail : myanmar@patkol.com

PATKOL Public Company Limited

8 Chaklarm Prakit Rama 9 Road, Nongbon, Pravate,
Bangkok 10250 THAILAND

Tel : (66) 2328 1035
Fax : (66) 2328 1245

Website : www.patkol.com
e-mail : sureerats@patkol.com



www.patkol.com