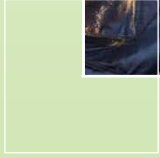
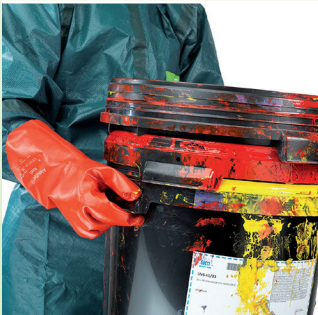


Annual Report 2020



A person wearing a white protective suit, hood, and a large white respirator mask is working with a welding torch. The background is a blurred industrial setting. The person is focused on their work, and the welding torch is emitting a bright light.

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Vision Missions Culture

Vision



To be a leading and sustainable provider of Safety, Health, Environment (SHE) products and services in Thailand and ASEAN



Missions

Culture

1

Be recognized in Thailand and ASEAN

P

Professional

Work professionally driving for success together

2

Be a leading company offering high-quality products and services of Safety, Health, Environment with reasonable price, innovation and expertise

H

Honest And Integrity

Having Ethic to themselves as well as to the public

3

Be equipped with an efficient and modern work system for quickly respond and excellent service

O

Ownership Quotient

Dedicated over a hundred and beyond what customers expectation

4

Be desirable workplace with efficient human management system along with a good working culture

L

Learning And Continuous Improvement

Dare to think, dare to do with aiming to create something better

5

Create value to stakeholders equally for sustainable growth

D

Drive For Results And Achievement

Focusing on the results of work for overall benefits of the public

Message from the Chairman



A handwritten signature in black ink, consisting of stylized initials and a surname.

Assoc. Prof. Dr. Ekachidd Chungcharoen
Chairman of the Board



A handwritten signature in black ink, featuring a stylized 'B' and 'S'.

Mr. Boonchai Suwanvutthiwat
Chief Executive Officer

Dear Shareholders

The Company's total revenue from sales and services in 2020 stood at 1,055.55 million Baht, increasing by 15.75%, with the net profit of 73.86 million Baht, increasing by 78.32% YoY. It was a year in which the company had its operating results grow beyond its target.

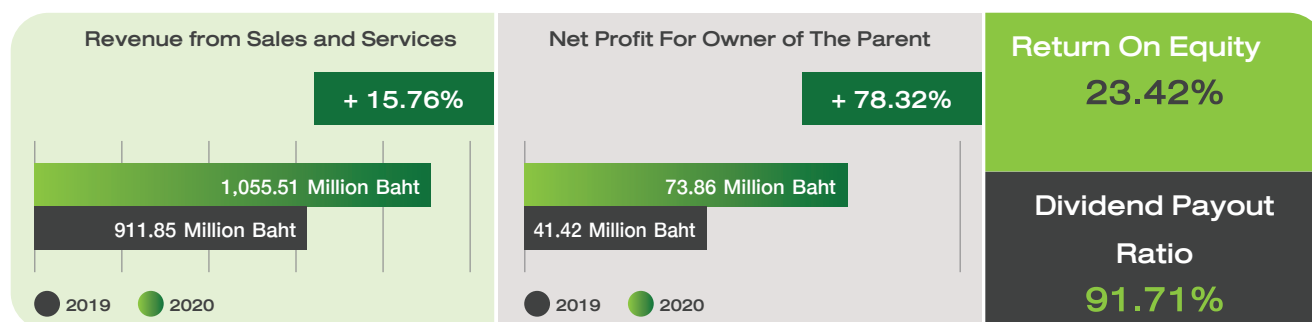
Amidst the transmission of Covid-19 pandemic throughout the course of 2020 that has significantly impacted the global economy and society, it has been the year full of challenges facing all business sectors. For Phol Dhanya, it can be said that the Covid-19 situation presents both crises and opportunities in operating the business concerning safety, occupational health and environment. However, the negative impact can be noticed from the fact that the Company's major customers in the industrial sector have all been affected by Covid-19. The lockdown measures in the country and overseas have caused interruptions among many businesses. Nevertheless, the Board of Directors and the management have been closely monitoring the situation and made essential preparations to accommodate the ever-changing situation; taking care of staff members' health, preparing the information technology system, adjusting work processes to ensure continuous business operations, and adjusting the strategies and supply chain management in a timely manner in the 'new normal' way of doing business and living lives. This has contributed to increase demand for safety and occupational health products, allowing the Company to grow amidst the crisis.

Apart from articulating business growth, the Company also adheres firmly to the principle of good governance, operating the business with responsibility towards the society and the environment, as well as all groups of stakeholders. Especially during the Covid-19 crisis, the Company places great emphasis on caring for customers, partners, employees, communities, and medical personnel whom the Company has been supporting with face masks, viral protection gears and equipment to hospitals and different organizations during the shortage of those essential items. Given the Company's determination in operating the business that satisfies the economic, social and environmental dimensions following the sustainable development direction, the Company has been listed in Thailand Sustainability Investment (THSI) in 2020 for the second consecutive year for the public limited company listed in the mai stock market. The Company has also been rated "excellent" for the sixth consecutive year in corporate governance operations.

In terms of the operational directions going forward, the Company is still determined to strive for sustainable growth. The pandemic has emphasized the need for the Company to actively adapt, change the strategic direction, improve work processes, human resources, enhance the competitive edge and enable business expansion opportunities to be able to respond to potential threats and rapidly changing business landscape and technology. The Board of Directors believe that the Company has sufficient potential to drive growth and create values for shareholders and all stakeholders in a sustainable manner.

On behalf of Phol Dhanya PCL's Board of Directors, we would like to thank valued shareholders, customers, partners and all stakeholders for giving trust and support to the Company's business execution all along. The gratitude should also be extended to the Board of Directors, the management and all staff members for being the key driving force behind the Company's great success.

Financial Highlights



As December 31 (Consolidated)

		2020	2019	2018
Financial Performance				
Revenue from Sales and Services	Million Baht	1,055.51	911.85	924.45
Cost of Sales and Services	Million Baht	781.38	675.85	696.84
Gross Profit	Million Baht	274.14	236.00	227.62
Net Profit For Owner of The Parent	Million Baht	73.86	41.42	36.51
Financial Position				
Total Assets	Million Baht	606.00	567.15	652.12
Total Liabilities	Million Baht	278.85	266.16	379.14
Total Shareholders' equity of the Company	Million Baht	328.45	302.29	274.28
Common Shares				
Paid Up Capital	Million shares	202.50	202.50	202.50
Par Value Per Share	Baht	1.00	1.00	1.00
Book Value Per Share	Baht	1.62	1.49	1.35
Dividend Per Share*	Baht	0.29	0.15	-
Dividend Payout Ratio	%	91.71	75.95	-
Financial Ratio				
Return On Equity	%	23.42	14.37	14.33
Return On Assets	%	15.95	9.63	6.52
Gross Profit Margin	%	25.97	25.88	24.62
Net Profit Margin	%	6.94	4.45	3.90
Current Ratio	Times	1.85	1.82	1.41
Debt to Equity Ratio	Times	0.85	0.88	1.38

*The 2020 dividend at the rate of 0.29 baht per share comprises an interim dividend at the rate of 0.15 baht per share and a dividend for the last six months at a rate of 0.14 baht per share, which will be proposed for approval at the 2021 Annual General Meeting of Shareholders in April 26, 2021

Awards and Recognitions



Thailand Sustainability Investment (THSI) 2020
for the second consecutive year
in the group of companies listed on the Market for
Alternative Investment (mai)



Excellent CG Scoring according to the Corporate
Governance Report of Thai Listed Companies
2020 for the sixth consecutive year



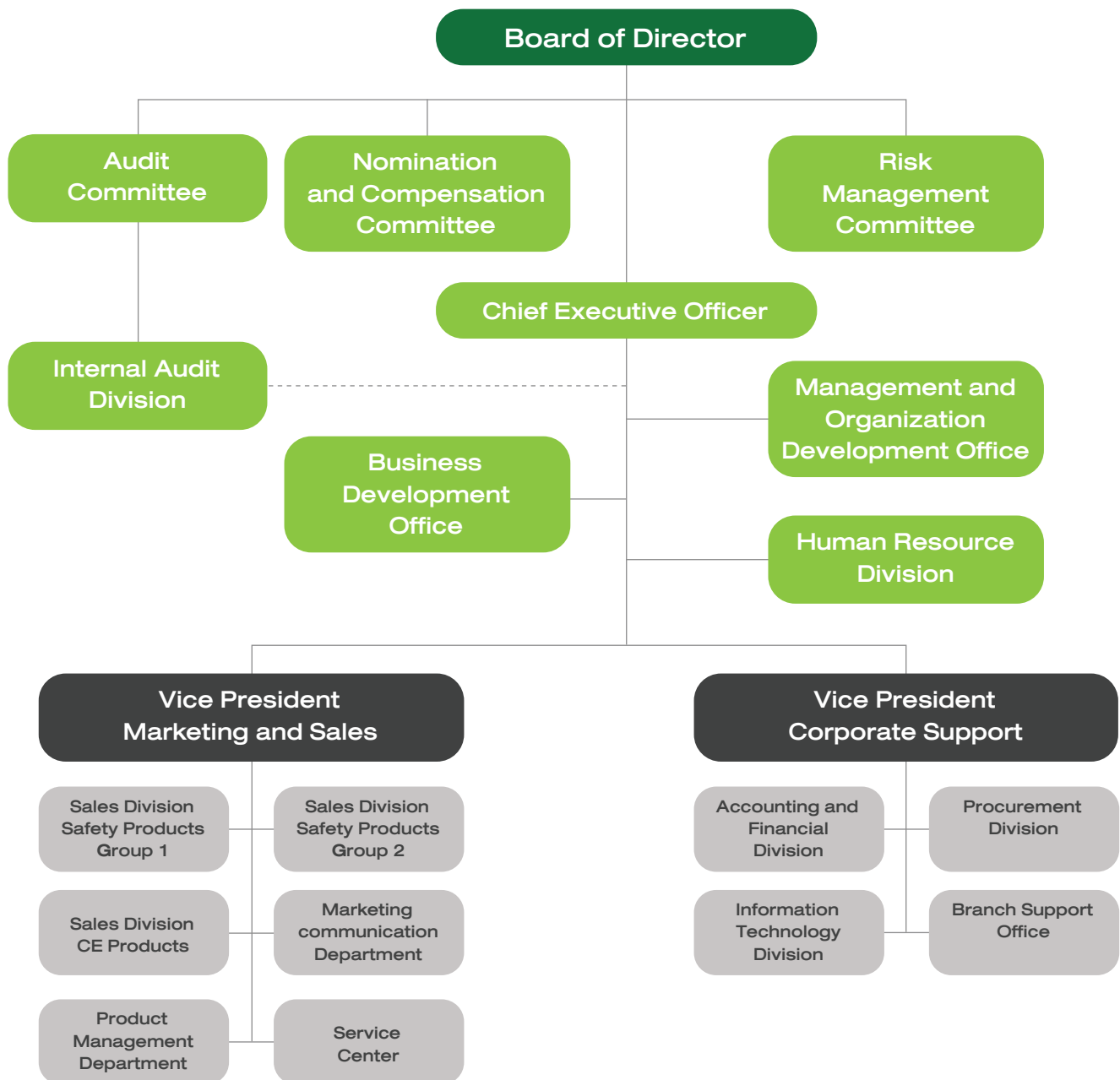
สมาคมส่งเสริมพลังทุนไทย
THAI INVESTORS ASSOCIATION

100% for 2020AGM Quality
Assessment Project organized by
Thai Investors Association.



A membership certificate of the
Private Sector Collective Action
Coalition against Corruption (CAC)

Organization Structure



Board of Directors



Assoc. Prof. Dr. Ekachidd Chungcharoen

Chairman of the Board
Independent Director
Chairman of Nomination and Compensation Committee



Mr. Noppadol Dheerabutrpongkul

Independent Director
Chairman of Audit Committee
Nomination and Compensation Committee



Mr. Teeradej Jarutangtrong

Director
Chairman of Risk Management Committee



Mr. Santi Niamnil

Independent Director
Audit Committee



Dr. Pallapa Ruangrong

Independent Director
Audit Committee



General Chaiwat Satondee

Independent Director
Nomination and Compensation Committee



Mr. Chavalit Wangthamrong

Director
Nomination and Compensation Committee



Mr. Boonchai Suwanvutthiwat

Director
Risk Management Committee



Mr. Thanya Wangthamrong

Director

Management Team



Mr. Boonchai Suwanvutthiwat
Chief Executive Officer



Mr. Pornsak Chunhajinda
Vice President Corporate Support
Chief Financial Officer



Mr. Thanya Wangthamrong
Vice President Marketing and Sales



Miss Kamolphopphan Puapansakul
Internal Audit Director



Miss Prapaipit Viriyabhupha
Sales Director
Control Environment Products



Mr. Paradorn Parepatara
Sales Director
Occupational Safety, Health and
Environment Products (SAFETY) Group 1



Mr. Nitipat Pedprasert
Sales Director
Occupational Safety, Health and
Environment Products (SAFETY) Group 2



Mr. Patsapong Wangthamrong
Human Resource Director

Detail of Directors and Management Team

Assoc. Prof. Dr. Ekachidd Chungcharoen

Age 58

- Chairman of the Board
- Independent Director
- Chairman of Nomination and Compensation Committee

Appointment as Director date: September 12, 2007

Appointment as Chairman of the Board date: September 19, 2017

Educational Background

- Ph.D. (Management Science) Faculty of Engineering, University of Waterloo
- Master of Management Science, Faculty of Engineering, University of Waterloo
- Master of Engineering Program in Electrical Engineering of Youngstown State University, USA
- Bachelor of Engineering Program in Electrical Engineering (Major in Computer), King Mongkut's Institute of Technology Ladkrabang

Training

Training programs of Thai Institute of Directors (IOD)

- Role of the Chairman Program (RCP) Class 42/2018
- Role of the Compensation Committee (RCC) Class 18/2014
- Director Accreditation Program (DAP) Class 68/2008
- Audit Committee Program (ACP) Class 23/2008

Experiences

- | | |
|----------------|---|
| 2017 - Present | Chairman of the Board/Chairman of Nomination and Compensation Committee, Phol Dhanya Plc. |
| 2011 - Present | Nomination and Compensation Committee, Phol Dhanya Plc. |
| 2007 - Present | Independent Director, Phol Dhanya Plc. |

Position in Other Listed Company at present : 2 Companies

- | | |
|----------------|---|
| 2018 - Present | Independent Director /Audit Committee/ Chairman of Nomination and Compensation Committee, JSP Property Plc. |
| 2013 - Present | Independent Director /Audit Committee, BJC Heavy Industries Plc. |

Other position at present: 3 Companies

- | | |
|----------------|--|
| 2019 - Present | Director, B&P Agri Products Co.,Ltd. |
| 2019 - Present | Independent Director, Sunshine International Company Limited |
| 2005 - Present | Associate Professor, Thammasat University |

Past Experiences

- | | |
|-------------|---|
| 2014 - 2017 | Committee of the Doctoral Program in Business Administration Program, Thammasat University |
| 2010 - 2017 | Director of Master of Business Administration Program, Thammasat University |
| 2007 - 2017 | Audit Committee, Phol Dhanya Plc. |
| 2011 - 2013 | Independent Director /Audit Committee, BJC Heavy Industries Co., Ltd. |
| 2001 - 2007 | Director of Bachelor of Business Administration (BBA) International Program, Thammasat University |

Number of Shares Held as of December 31, 2020 :

Personally : 0.01% (30,000 Shares)

Spouse and minor children : None

Family relationship among Director and Executive: None

Mr. Noppadol Dheerabutrvongkul

Age 54

- Independent Director
- Chairman of Audit Committee
- Nomination and Compensation Committee

Appointment as Director date: September 12, 2007

Educational Background

- Master of Science (Finance), University of Colorado at Denver
- Bachelor of Accounting, Thammasat University
- Certified Public Accountant (CPA) 4570

Training

Training programs of Thai Institute of Directors (IOD)

- Role of the Nominating and Governance Committee (RNG) Class 3/2012
- Audit Committee Program (ACP) Class 23/2008
- Director Accreditation Program (DAP) Class 68/2008

Experiences

- | | |
|----------------|---|
| 2017 - Present | Chairman of Audit Committee, Phol Dhanya Plc. |
| 2016 - Present | Nomination and Compensation Committee, Phol Dhanya Plc. |
| 2007 - Present | Independent Director /Audit Committee, Phol Dhanya Plc. |

Position in Other Listed Company at present : 1 Company

- | | |
|---------------|--|
| 2018- Present | Chairman of Audit Committee, BJC Heavy Industries Plc. |
| 2013- Present | Independent Director /Audit Committee, BJC Heavy Industries Plc. |

Other position at present: 2 Companies

- | | |
|----------------|--|
| 2019 - Present | Independent Director /Chairman of Audit Committee/ Nomination and Compensation Committee, Sunshine International Company Limited |
| 2007 - Present | Executive Director IFAC Co., Ltd |

Past Experiences

- | | |
|-------------|---|
| 2013- 2014 | Audit Committee, Zemash Corporation Co., Ltd. |
| 2011 - 2013 | Independent Director /Audit Committee BJC Heavy Industries Co., Ltd |
| 2005 - 2007 | Business Controller, Siam City Cement Plc. |

Number of Shares Held as of December 31, 2020 :

Personally : 0.01% (30,000 Shares)

Spouse and minor children : None

Family relationship among Director and Executive: None

Mr. Teeradej Jarutangtrong

Age 68

- Director
- Chairman of Risk Management Committee
- Authorized Signature

Appointment as Director date: September 12, 2007

Educational Background

- Bachelor of Engineering, Chulalongkorn University

Training

Training programs of Thai Institute of Directors (IOD)

- How to Develop a Risk Management Plan (HRP) Class 10/2016

- Anti-Corruption for Executive Program Class 14/2015

- Director Accreditation Program (DAP) Class 68/2008

Experiences

2014 - Present Chairman of Risk Management Committee, Phol Dhanya Plc.

2007 - Present Director, Phol Dhanya Plc.

Position in Other Listed Company at present : None**Other position at present: 2 Companies**

2007 - Present Director, Aegle Safety Equipment (Shanghai) Co., Ltd

2005 - Present Director, Aegle Alliance Pte., Ltd

Past Experiences

2013 - 2020 Chairman of the Board, Phol Palladium Co., Ltd

2006 - 2019 Director, Guzz Media Co., Ltd

2013 Vice Chairman of Executive Committee, Phol Dhanya Plc.

2012 - 2013 Chairman of Sub-Risk Management Committee, Phol Dhanya Plc.

2007 - 2012 Managing Director, Phol Dhanya Plc.

2004 - 2008 Director, PDC Supply Co., Ltd.

2003 - 2008 Director, PDA Supply Co., Ltd / PDR Supply Co., Ltd

2001 - 2008 Director, Palladium Intertrade Co., Ltd

1993 - 2008 Director, PD Progress Co., Ltd

1988 - 2008 Director, Personal Safety Co., Ltd

2001 - 2007 Managing Director, PDS International (Thailand) Co., Ltd

2004 - 2006 Chairman of the Board, Aegle Safety Equipment (Shanghai) Co., Ltd

Number of Shares Held as of December 31, 2020 :

Personally : 0.62% (1,250,000 Shares)

Spouse and miner children : 4.22% (8,551,250 Shares)

Family relationship among Director and Executive: None**Mr. Santi Niamnil**

Age 52

- Independent Director
- Audit Committee

Appointment as Director date: May 10, 2016

Educational Background

- Bachelor of Laws, Ramkhamhaeng University

- Attorney-At-Law License 995/2537

Training

Training programs of Thai Institute of Directors (IOD)

- Director Accreditation Program (DAP) class 80/2009

Experiences

2016 - Present Independent Director /Audit Committee, Phol Dhanya Plc.

Position in Other Listed Company at present : 1 Company2009 - Present Independent Director/Audit Committee,
Sanko Diecasting (Thailand) Plc.**Other position at present: 1 Company**

2018 - Present Attorney-At-Law, Thammacoop Law Co., Ltd.

Past Experiences

2015 - 2018 Attorney-At-Law, B&P Law Ltd.

2003 - 2015 Managing Director , Anek Advocate Co., Ltd.

2004 - 2015 Partner, Attorney-At-Law. Anek & Associates Lawyers Co., Ltd.

2003 - 2013 Director, Yusen Air & Sea Service Management (Thailand) Co., Ltd.

1995 - 2003 Attorney-At-Law. Anek & Associates Lawyers Co., Ltd.

Number of Shares Held as of December 31, 2020 :

Personally : None

Spouse and miner children : None

Family relationship among Director and Executive: None

Dr. Pallapa Ruangrong

Age 67

- Independent Director
- Audit Committee

Appointment as Director date: September 19, 2017**Educational Background**

- Doctor of Philosophy (Energy Management & Policy), University of Pennsylvania, USA
- Master of Science (Energy Management & Policy), University of Pennsylvania, USA
- Master of Science (Economic Development), National Institute of Development Administration (NIDA)
- Bachelor of Arts (Economics), Chiang Mai University, Thailand

Training

- Leadership Development Program, Hay Group, Malaysia (2007)
- Public Management and Public Law, King Prajadhipok's Institute Class 6/2007
- Mini MBA, Thammasart University (2006)
- Improving Governance of Public Sector Enterprise, Asian Development Bank Institute: ADBI (Tokyo, Japan) (2006)
- Ministry of Finance Executive Program 2005 (The Kellogg School Management and the Maxwell School of Citizenship and Public Affairs)
- Modern Management Program in Logistics and Supply Chain Class3/2005, Srinakharinwirot University
- State Enterprise's CEO Development Program, National Institute of Development Administration (NIDA) (2005)

Training programs of Thai Institute of Directors (IOD)

- Director Certification Program (DCP) class 17/2002

Experiences

- 2017 – Present Independent Director /Audit Committee, Phol Dhanya Plc.

Position in Other Listed Company at present : 1 Company

- 2019 - Present Director, Earth Tech Environment Plc.

Other position at present: 3 Companies

- 2019 – Present Chairperson of Agricultural and Natural Resources State-owned Enterprise Memorandum of Understanding on Performance Appraisal Sub-committee
- 2018 – Present Chairperson of Revolving Funds Performance Appraisal Sub-committee
- 2016 – Present Member of State-owned Enterprise Performance Appraisal Committee

Past Experiences

- 2017 - 2019 Member of Transportation State-owned Enterprise Problem Remedy Working Group
- 2016 – 2019 Chairperson of Transportation State-owned Enterprise Memorandum of Understanding on Performance Appraisal Sub-committee
- 2013 - 2016 Transportation State-owned Enterprise Memorandum of Understanding on Performance Appraisal Sub-committee
- 2008 - 2014 Commissioner, Energy Regulatory Commission
- 2006 - 2008 Director, State Enterprise Development Division State Enterprise Policy Office, Ministry of Finance
- 2006 - 2007 Board Member, State Railway of Thailand
- 2003 - 2011 Board Member, District Cooling System and Power Plant Co., Ltd.
- 2001 - 2003 Board Member, Eastern Water Resources Development and Management Plc.
- 2000 - 2004 Board Member, Provincial Waterworks Authority

Number of Shares Held as of December 31, 2020 :

Personally : None

Spouse and miner children : None

Family relationship among Director and Executive: None**General Chaiwat Satondee**

Age 67

- Independent Director
- Nomination and Compensation Committee

Appointment as Director date: October 12, 2015**Educational Background**

- Bachelor of Science, Chulachomklao Royal Military Academy
- Command and General Staff College Class 65
- National Defense College Class 2007

Training**Training programs of Thai Institute of Directors (IOD)**

- Nomination Director Event 1/2017 "Nomination Committee Best Practice Guideline"
- Director Certification Program (DCP) Class 216/2016

Experiences

- 2017 - Present Nomination and Compensation Committee, Phol Dhanya Plc.
- 2015 - Present Director, Phol Dhanya Plc.

Position in Other Listed Company at present : None**Other position at present: 3 Companies****Subsidiaries company: 1 Company**

- 2017 - Present Chairman of the Board, Phol Water Co.,Ltd

Other Company : 2 Companies

- 2019 - Present Advisor, The Thai-Myanmar Culture and Economic Cooperation Association
- 2019 - Present Advisor, Thailand Inter-Parliamentarians Friendship Group (Thailand - Myanmar)

Past Experiences

- 2015 - 2019 Advisor to Board of Security and Military Affairs, The National legislative Assembly
- 2012 - 2014 Director General of War Veteran Organization of Thailand
- 2008 Deputy Director of Defence Industry and Energy Centre
- 2007 Chief of Military Affairs Co-ordinations Officers of the National Security Council
- 2003 Chief of Staff in The Joint Security Council in Ache Monitoring Mission in Indonesia
- 1998 - 2001 Defense Attach to The Royal Thai Embassy in Yangon
- 1991 - 1994 Assistance Army Attach to The Royal Thai Embassy in Beijing

Number of Shares Held as of December 31, 2020 :

Personally : 0.12% (248,250 shares)

Spouse and miner children : None

Family relationship among Director and Executive: None

Mr. Chavalit Wangthamrong

Age 68

- Director
- Nomination and Compensation Committee

Appointment as Director date: September 12, 2007**Educational Background**

- Master of Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Bachelor of Engineering, Chulalongkorn University

Training**Training programs of Thai Institute of Directors (IOD)**

- Director Accreditation Program (DAP) Class 67/2007

Experiences

- 2020 - Present Nomination and Compensation Committee, Phol Dhanya Plc.
- 2019 - Present Director, Phol Dhanya Plc.

Position in Other Listed Company at present : None**Other position at present: 7 Companies****Subsidiaries company : 1 Company**

- 2013 - Present Director, Pholdhanya (Cambodia) Co., Ltd

Other Company : 6 Companies

- 2018 - Present Director, Supreeya 999 Co., Ltd
- 2018 - Present Director, Thai Biolex Co., Ltd.
- 2009 - Present Director, Thai Yonok Logistics Co., Ltd
- 2006 - Present Director, PDF Supply Co., Ltd.
- 2005 - Present Director, N.H.L. (Thailand) Co., Ltd
- 1996 - Present Director, VSV Asia Co., Ltd

Past Experiences

- 2006 - 2019 Director, Guzz Media Co., Ltd
- 2014 - 2017 Nomination and Compensation Committee, Phol Dhanya Plc.
- 2014 - 2017 Director, Phol Water Co., Ltd
- 2013 - 2016 Chairman of Executive Committee, Phol Dhanya Plc.
- 2007 - 2017 Director, Phol Dhanya Plc.
- 1977 - 2012 Chief Executive Officer, Phol Dhanya Plc.
- 2009 - 2008 Chairman of the Board, PD Genesis Engineering Co., Ltd
- 1992 - 2009 Director, P.D. Marketing & Manufacturer Co., Ltd
- 2001 - 2007 Director, PDC Supply Co., Ltd
- 2003 - 2008 Director, PDA Supply Co., Ltd / PDR Supply Co., Ltd
- 2001 - 2008 Chairman of the Board, Palladium Intertrade Co., Ltd
- 1993 - 2008 Director, PD Progress Co., Ltd
- 1988 - 2008 Director, Personal Safety Co., Ltd
- 2001 - 2007 Director, PDS International (Thailand) Co., Ltd

Number of Shares Held as of December 31, 2020 :

Personally : 9.26% (18,744,555 Shares)

Spouse and miner children : 9.69% (19,626,661 Shares)

Family relationship among Director and Executive: Mr. Thanya Wangthamrong's Father**Mr. Boonchai Suwanvutthiwat**

Age 58

- Director
- Risk Management Committee
- Chief Executive Officer

Appointment as Director date: April 30, 2013**Educational Background**

- Bachelor of Arts in Political Science (Major in Public Administration), Ramkhamhaeng University

Training

- Seminar: "Micro MBA: Corporate Strategy Development (In-house Training August 2020)
- City Administration Training Program for Senior Executive Class 3, Navamindradhiraj University
- Capital Market Academy Leadership Program, Capital Market Academy (CMA) Class 20/2015
- Advanced Certificate Course in Public Economics Management for Executives, King Prajadhipok's Institute Class 11/2013
- Senior Executive Program (SEP), Sasin Graduate Institute of Business Administration of Chulalongkorn University

Training programs of Thai Institute of Directors (IOD)

- Driving Company Success with IT Governance (ITG) class 3/2016
- Successful Formulation and Execution of Strategy (SFE) class 26/2016
- Anti-Corruption: The Practical Guide Program (ACPG) class 21/2015
- Director Certification Program (DCP) Class 155/2012

Experiences

- 2013 - Present Director/ Chief Executive Officer, Phol Dhanya Plc.
- 2014 - Present Risk Management Committee, Phol Dhanya Plc.

Position in Other Listed Company at present : None**Other position at present: 3 Companies****Subsidiaries company : 3 Companies**

- 2018 - Present Director, Phol Palladium Co., Ltd.
- 2014 - Present Director, Phol Water Co., Ltd.
- 2013 - Present Director, Pholdhanya (Cambodia) Co., Ltd

Past Experiences

- 2010 - 2017 Executive Director, Phol Dhanya Plc.
- 2010 - 2012 Senior Director - Central Industrial Zone Department, Phol Dhanya Plc.
- 2007 - 2010 Director of Sales Department Group 2, Phol Dhanya Plc.
- 1999 - 2006 Manager - Business Unit, Phol Dhanya Co., Ltd
- 1992 - 1998 Manager - Sales Department, Phol Dhanya Co., Ltd

Number of Shares Held as of December 31, 2020 :

Personally : None

Spouse and miner children : None

Family relationship among Director and Executive: None

Mr. Thanya Wangthamrong

Age 41

- Director
- Vice President Marketing and Sales
- Authorized Signature

Appointment as Director date: April 30, 2013**Educational Background**

- Master of Business Administration (International), Thammasat University
- Bachelor of Architecture, Chulalongkorn University

Training

- SD Professional Sharing 3/2020: Storytelling for Sustainability by SET (December 2020)
- Seminar: "Micro MBA: Corporate Strategy Development (In-house Training August 2020)

Training programs of Thai Institute of Directors (IOD)

- Director Certification Program (DCP) Class180/2013

Experiences

- 2018 - Present Vice President Marketing and Sales , Phol Dhanya Plc.
- 2013 - Present Director, Phol Dhanya Plc.

Position in Other Listed Company at present : None**Other position at present: None****Past Experiences**

- 2006 – 2019 Director, Guzz Media Co., Ltd
- 2010 - 2017 Executive Director/ Chief Marketing Officer/, Phol Dhanya Plc.
- 2011 - 2017 Director, Wilsiri Intertrade Co, Ltd.
- 2006 - 2017 Director, PDF Supply Co., Ltd
- 2015 Chief Information Technology Officer, Phol Dhanya Plc.
- 2014 Director – Environment Business Division, Phol Dhanya Plc.
- 2009 - 2010 Manager - Marketing Division, Phol Dhanya Plc.
- 2007 - 2009 Manager – Marketing Communication Department Phol Dhanya Co.,Ltd.

Number of Shares Held as of December 31, 2020 :

Personally : 7.48% (15,147,433 Shares)

Spouse and miner children : 2.61% (5,280,000 Shares)

Family relationship among Director and Executive: Mr.Chavalit Wangthamrong's son**Mr. Pornsak Chunhajinda**

Age 54

- Vice President Corporate Support
- Chief Financial Officer

Educational Background

- Bachelor of Science (Accounting), Kasetsart University
- Certified Public Accountant (CPA)

Training

- Seminar "CFO Refresher Course" by SET (November 2020)
- Seminar "THE NEW CFO Crisis Financial Officer" by maiA (November 2020)
- Seminar "Credit Analyst" by Thai BMA (November 2020)
- Seminar: "Summary of Understanding and Key Issues of TFRS for NPAs, by FAP (November 2020)
- Seminar: "Micro MBA: Corporate Strategy Development (In-house Training August 2020)
- Seminar: "Air Force Executive Relationship Development Training Program" class 15 (January 2020)
- Advanced Certificate Course Politics and Governance in Democratic for Executive Class 22 King Prajadhipok's Institute
- Chief Financial Officer Certification Program Class 11/2009 by Federation of Accounting Professions

Training programs of Thai Institute of Directors (IOD)

- Director Certification Program (DCP) Class 227/2016

Experiences

- 2018 - Present Vice President Corporate Support, Phol Dhanya Plc.
- 2010 - Present Chief Financial Officer, Phol Dhanya Plc.

Position in Other Listed Company at present : None**Other position at present: 3 Companies**

- 2015 - Present Director, BMS Audit Co., Ltd
- 2007 - Present Director, Nonsi Accounting Co., Ltd
- 2004 - Present Director, Rak Charoen Co., Ltd

Past Experiences

- 2016 - 2018 Director, Phol Dhanya Plc.
- 2016 - 2017 Managing Director, Phol Dhanya Plc.
- 2016 - 2017 Managing Director, Phol Dhanya Plc.
- 2014 - 2017 Managing Director, Phol Water Co., Ltd.
- 2010 - 2017 Executive Director, Phol Dhanya Plc.
- 2009 - 2013 Director, PD Genesis Engineering Co., Ltd
- 2007 - 2010 Director of Accounting and Finance Division, Phol Dhanya Plc.
- 1996 - 2006 Managing Director, Nonsi Accounting Co., Ltd

Number of Shares Held as of December 31, 2020 :

Personally : 0.08% (168,582 Shares)

Spouse and miner children : 0.43% (875,646 Shares)

Family relationship among Director and Executive: None

Miss Kamolphopphan Puapansakul

Age 59

- Internal Audit Director
- Secretary of Audit Committee

Miss Prapaipit Viriyabhupha

Age 52

- Sales Director Control Environment Products (CE)

Educational Background

- Master of Business Administration (Management), Kasetsart University
- Bachelor of Business Administration (Accounting), Ramkhamhaeng University

Training

- Seminar: "Micro MBA: Corporate Strategy Development (In-house Training August 2020)
- Seminar: "Checking the readiness of the entity to cope with Personal Information Act " by Dhamniti (April 2020)
- Strategic CFO in Capital Markets" Class 1/2015 by SET

Experiences

2007 - Present Internal Audit Director /Secretary of Audit Committee, Phol Dhanya Plc.

Position in Other Listed Company at present : None**Other position at present: None****Past Experiences**

2004 - 2007 Manager - Internal Audit Department, Phol Dhanya Co., Ltd
 2000 - 2003 Manager - Accounting Department, Phol Dhanya Co., Ltd
 1997 - 2000 Manager - Finance Department, Phol Dhanya Co., Ltd
 1995 - 1996 Manager - Accounting Department, Phol Dhanya Co., Ltd
 1991 - 1994 Supervisor – Accounting Unit, Phol Dhanya Co., Ltd

Number of Shares Held as of December 31, 2020 :

Personally : None

Spouse and minor children : None

Family relationship among Director and Executive: None**Educational Background**

- Master of Business Administration (Marketing), Ramkhamhaeng University
- Bachelor of Public Administration, Prince of Songkla University

Training

- Seminar: "Micro MBA: Corporate Strategy Development (In-house Training August 2020)

Experiences

2014 – Present Sales Director Control Environment Products, Phol Dhanya Plc.

Position in Other Listed Company at present : None**Other position at present: 2 Companies****Subsidiaries company : 2 Companies**

2020 - Present Chairman of the Board, Phol Palladium Co.,Ltd.

2014 - Present Director/Managing Director, Phol Water Co.,Ltd.

Past Experiences

2013 - 2018 Director, Phol Palladium Co., Ltd
 2010 - 2017 Chief Operation Officer, Phol Dhanya Plc.
 2010 - 2017 Chief Operation Officer, Phol Dhanya Plc.
 2016 - 2017 Chief Information Technology Officer, Phol Dhanya Plc.
 2007 - 2010 Chief Operation Officer, Phol Dhanya Plc.
 1995 - 2007 Manager of Procurement Department, Phol Dhanya Plc.
 1992 - 2004 Supervisor - Procurement Department, Phol Dhanya Plc.

Number of Shares Held as of December 31, 2020 :

Personally : 0.37% (750,000 Shares)

Spouse and minor children : None

Family relationship among Director and Executive: None

Mr. Paradorn Parepatara

Age 43

- Sales Director Occupational Safety, Health and Environment Products (SAFETY) Group 1

Educational Background

- Master of Business Administration (Marketing), Srinakharinwirot University
- Bachelor of Business Administration (Marketing), Kasetsart University

Training

- Seminar: "Micro MBA: Corporate Strategy Development (In-house Training August 2020)

Experiences

2018 - Present Sales Director Occupational Safety, Health and Environment Products (SAFETY) Group 2, Phol Dhanya Plc.

Position in Other Listed Company at present : None

Other position at present: None

Past Experiences

2014 - 2017 Manager - Rayong Branch, Phol Dhanya Plc.
 2008 - 2014 Sales Manager, Phol Dhanya Plc.
 2004 - 2008 Assistant Sales Manager, Phol Dhanya Plc.
 2001 - 2004 Sales Representative, Phol Dhanya Co., Ltd

Number of Shares Held as of December 31, 2020 :

Personally : None

Spouse and miner children : None

Family relationship among Director and Executive: None

Mr. Nitipat Pedprasert

Age 40

- Sales Director Occupational Safety, Health and Environment Products (SAFETY) Group 2

Educational Background

- Master of Business Administration (Marketing), Srinakharinwirot University
- Bachelor of Business Administration (Marketing), Kasetsart University

Training

- Seminar: "Micro MBA: Corporate Strategy Development (In-house Training August 2020)

Experiences

2018 - Present Sales Director Occupational Safety, Health and Environment Products (SAFETY) Group 2, Phol Dhanya Plc.

Position in Other Listed Company at present : None

Other position at present: None

Past Experiences

2012 - 2017 Sales Manager, Phol Dhanya Plc.
 2007 - 2012 Assistant sales manager, Phol Dhanya Plc.
 2004 - 2006 Sales Representative, Phol Dhanya Co., Ltd
 2003 Marketing Staff, Phol Dhanya Co., Ltd

Number of Shares Held as of December 31, 2020 :

Personally : None

Spouse and miner children : None

Family relationship among Director and Executive: None

Mr. Patsapong Wangthamrong

Age 53

- Human Resource Director

Educational Background

- Master of Business Administration (MBA), Major in Finance, Wright State University, Ohio, USA
- Bachelor of Business Administration (BBA), Major in Finance, Assumption University, Bangkok, Thailand

Training

-

Experiences

2020 - Present Human Resource Director, Phol Dhanya Plc.

Position in Other Listed Company at present : None

Other position at present: 2 Companies

2013 - Present Director, Attitude Living Co., Ltd
 2004 - Present Director, B-Right Co., Ltd

Past Experiences

2003 - 2019 General Manager, B-Right Co., Ltd
 1997 - 2001 Manager, Business Promotion Department, Sakura Bank, Bangkok Branch Thailand
 1995 - 1997 Investment Analyst, Research Department, SCB Security Limited

Number of Shares Held as of December 31, 2020 :

Personally : None

Spouse and miner children : None

Family relationship among Director and Executive: Director's Nephew
 (Mr.Chavalit Wangthamrong)

General Information

Company Name	: PHOL DHANYA PUBLIC COMPANY LIMITED
SET Symbol	: PHOL
Registered Capital	: THB 210,500,232.00 (210,500,232 common shares) with a par value of Baht 1.00
Paid-up Capital	: THB 202,500,232.00 (202,500,232 common shares) with a par value of Baht 1.00
Business Type	: The distribution of Occupational Safety, Health and Environment Products and Distribution, Construction, Production, and Service of Water Solution Systems
Registration No.	: 0107551000088
Website	: www.pdgth.com
Company's Secretary	: Miss. Saowapa Choorujiporn Tel. 66(0)-2791-0151, E-mail: cs@pdgth.com
Investor Relation	: Miss. Siriporn Ondee Tel. 66(0)-2791-0206, E-mail: ir@pdgth.com

Head office :	Branch:
1/11 Moo 3, Lumlukka Road, Ladsawai, Lumlukka, Pathumthani 12150 Thailand. Tel 66(0)-2791-0111-2, Fax 66(0)-2791-0100-3	Rayong: 155/213 Moo 2, Thabma sub-district, Muang district, Rayong Tel 66(0)-3803-4011-3, Fax 66(0)-3803-4017 Chiang Mai: 47/55-57 Chotana Road., Chang puak sub-district, Muang district, Chiang Mai Tel 66(0)-5322-6811, Fax 66(0)-5322-6898 Phuket: 1/127 Moo 3, Thepkasattri Road, Rasada sub-district, Muang district, Phuket Tel 66(0)-7621-5100, Fax 66(0)-7621-5714

Subsidiaries

- 1) Phol Palladium Co., Ltd.** Shareholding :99.99%
Head Office: 1/11 Moo 3, Lumlukka Road, Ladsawai, Lumlukka, Pathumthani 12150 Thailand. Tel 66(0)-2791-0111-2, Fax 66(0)-2791-0100-3
- 2) Phol Water Co., Ltd.** Shareholding :99.99%
Head Office: 1/11 Moo 3, Lumlukka Road, Ladsawai, Lumlukka, Pathumthani 12150 Thailand. Tel 66(0)-2791-0111-2, Fax 66(0)-2791-0100-3
Phuket Branch: 1/127 Moo 3, Thepkasattri Road, Rasada sub-district, Muang district, Phuket Tel 66(0)-7621-5100, Fax 66(0)-7621-5714
- 3) Pholdhanya (Cambodia) Co., Ltd.** Shareholding :100%
Head Office: No. 952D, Street 128, Khan Toul Kork, Phnom Penh, Cambodia

Other references

Registrar	: Thailand Securities Depository Co., Ltd. The Stock Exchange of Thailand Building 93 Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400 Tel 66(0)-2009-9999, Fax 66(0)-2009-9991
Auditor	: ANS Audit Co., Ltd 100/72, 16th Floor, 100/2 Vongvanij Building B, Rama 9 Road, Huaykwang, Bangkok, 10320 Thailand Tel 66(0)-2645-0109, Fax 66(0)-2645-0110
Legal Advisor	: Dherakupt Law Office Ltd. 546 Univest Complex 15th Floor, Rachadapisek Road, Chandrakasem, Jatuchak, Bangkok 10900 Tel 66(0)-2511-1512, Fax 66(0)-2938-1957

For more information, Please see From 56-1 on The Securities and Exchange Commission's website (www.sec.or.th) or
The Company's website(www.pdgth.com)

Nature of Business

Phol Dhanya Public Company Limited or “the Company” was registered and established on January 4, 1961 with the initial objective to distribute grain and agricultural products. The Company had halted its operation for a certain period till 1979, the Company’s operation changed its business mission to the distribution of Occupational Safety, Health and Environment Products. Over 40 years, The Company is one of the leading comprehensive distributors. In 2009, the Company has expanded into Water treatment business by selling water treatment equipment for home-use and industrial-use, by designing, manufacturing, construction and installing water treatment systems, as well as by selling treated water in the form of concession contract.

These 3 groups of products consist of the following:

1. Occupational Safety, Health and Environment Products or SAFETY



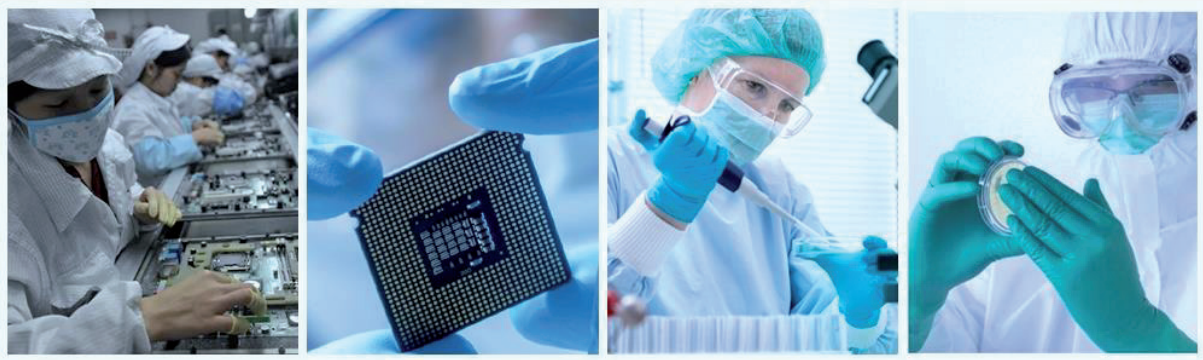
The product group used to create safety for workers or to enhance safety in the workplace. The Company is one of the leading comprehensive distributors of more than 3,000 safety products under well-recognized brands, the Company is appointed as a distributor of more than 30 brands and is an exclusive distributor for such brands as King’s, Microgard, Ansell and Chemtex. Moreover, it has also successfully developed its house-brands, including SYNOS, and ROCC. The Company's product distribution is divided into 2 groups as follows:

- **Personal Protective Equipment (PPE)**

This product is for the person or workers used to wear on any part(s) of their body during work operation in order to prevent from any dangers that may arise from the working environments such as dangers from heat, intense light, sound, toxic, and chemical substance. These personal protective equipment can be used to protect workers from head to toes such as helmet, safety eye glasses, ear plugs, face shield, safety gloves, shoes, firefighting clothing and other protective equipment.

- **Safety and Environment Products**

These products is used to enhance safety in the working place such as toxic gas and flammable gas detector, emergency eye and body washer, chemical containment, moving & transfer equipment, ventilator, safety lock, and safety sign.



Control Environment Products are used to control the environment for the cleanliness and safety in the workplace, such as Cleanroom for Hospital, Cleanroom for electronic component manufacturing industry, Cleanroom for automobile components manufacturing industry, Cleanroom for Pharmaceutical industry, Cleanroom for medical devices manufacturing industry, and etc., which need to contamination control small particles and dust coming from workers, machinery, manufacturing process, and outside air. These can result in products or workpieces of no quality Products in this category includes clean room clothing and clean room suit, equipment for cleanroom such as wipes, clean room stationary, cleaning equipment, antistatic device, and etc.

3. Water Solution Products or WATER



The Company has categorized the operations into the following 3 main sectors:

- Engineering structural design, production, construction and installation of water treatment systems with focus on water management systems in order to meet the needs of water usage, includes tracking laboratory results analysis maintenance and after sales service. The services divided into 3 types depending on the needs of the customer, such as Engineering Procurement and Construction or EPC concession project in Build-Own-Operate or BOO and Build-Operate-Transfer or BOT.
- The distribution of machinery and equipment related to water treatment system used in industrial and household level such as sediment filtration device and chemical, water pumps, water storage tank, water treatment system kits (Module).
- The maintenance services of the system and equipment associated with water treatment system.

The water or wastewater treatment system that the company provides services to customers can be divided into 5 systems according to the demand and the required quality of water including Waste water treatment system Waste water recycling system Potable and drinking water system Purified water system and Desalination system.

Objectives of Business Operations

The Company operates in accordance with the annual strategic plan that has been signed off by the Board of Directors, whereby the strategies and objectives in different dimensions are cascaded to staff members in all departments to use as guidelines in the operations that align in the same direction in order to achieve organizational objectives.

In 2021, the economic outlook has shown signs of improvement both in Thailand and overseas, after the distribution of Covid-19 vaccines. Key industrial customers have started to resume business operations and ramp up their production. The transmission of Covid-19 also calls for continuous demand for preventive equipment, while the general public has also become more aware of safety and occupational health, leading to growth opportunities for the Company. The Company is aware of the rapidly changing business landscape and threats in the manufacturing industry that has higher tendency for the adoption of technology and automated machines in place of human labor. Thus, the Company has identified the strategies in market development to expand the scope of operations to new customer bases, especially end-users and consumers who require safety in carrying out activities in everyday lives, while at the same time expand customer bases in key industries and new industries with growth potential and in which the Company does not have large market share. In 2021, the Company's emphasis will be on the improvement of structures, work procedures and skills for staff members to accommodate the operational direction and continuous economic growth. The strategic goals can be classified into 4 major areas, as follows:

- Build financial growth by identifying revenue growth target from sales and service provision from 3 core businesses to be no less than 10-15% compared to 2020. Cost management and budgeting are to be maintained as planned.
- Execute market development, customers and marketing activities to enhance satisfaction and expand the existing industrial and government sector customers. The distribution channel will be developed to accommodate the consumer market, as well as the development of house brands and corporate brands to increase awareness.
- In terms of internal process improvement, there are technological system development to uplift operational effectiveness, supply chain management and inventory, customer data management system and the development of different online communication channels.
- Development of staff members' potential and competencies to increase competitive advantage and build skills and culture that align with organizational strategies.

Regarding the long-term business goals, the Company is determined to operate the business in a way that coheres with the vision and mission **To be a leading and sustainable provider of Safety, Health, Environment (SHE) products and services in Thailand and ASEAN**, and to be the company with growth potential, being able to create values for shareholders and all stakeholders, being responsible for the society and environment in a stable and continuous manner, with the operational objectives over the next 3-5 years as follows:

- Build growth from the core business in safety, occupational health and environment through business execution activities of the Company and subsidiaries in the existing industrial customers and other industries to increase the market share.
- Expand the business to reach new customers who have an awareness in safety in doing activities or living their everyday lives, by developing products and services that meet their needs and improving the distribution channels that are easily accessible to accommodate these groups of customers.
- Improve the information technology system, operational procedures and human resource development that facilitate the Company's growth strategies.
- Build an awareness in being the safety and well-being expert both in work and life, to be well accepted by all customers and stakeholders.

Important changes and Developments

Important changes and developments as follow;

- 1978**
 - The Company started its business to the distribution of occupational safety, health, and environment products, managed by Mr.Chavalit Wangthamrong.
- 2007**
 - The Company had moved its office to the present office at Lumlukka, Pathumthani which consists of the headquarter building and the storage building.
- 2008**
 - The Company became a public company limited and registered with an increase of capital of Baht 135 million.
 - The Company also received the certificate of quality standard of ISO 9001:2000 from UKAS & GLOBAL.
- 2009**
 - The Company expanded its business into environment, the water treatment system.
- 2010**
 - The Company is a listed company on the MAI with the trading symbol of “PHOL” on December 9, 2010.
 - The Company had moved Rayong branch office to the present office at Muang District, Rayong province which consists of the headquarter building and the storage building.
 - The Company also received the certificate of quality standard of ISO 9001: 2008 from UKAS & GLOBAL
- 2012**
 - The Company established its branch in Muang district, Phuket Province. Currently, the company has 3 branches at Rayong in Eastern part, at Chiang Mai in Northern part and at Phuket in Southern part
 - The company expanded its business into Myanmar by establishing Aekar Co., Ltd. as its authorized distributor in Myanmar
 - The Company also received the certificate of occupational health and safety management systems OHSAS18001:2007
 - The Company was awarded the "Top Corporate Governance Report" certificate at the SET Awards 2012 and Excellence CG Scoring from Corporate Governance Report of Thai Listed Companies 2012.
- 2013**
 - The Company established Phol Palladium Co., Ltd to distribute occupational health and safety products to government agencies, with the value of investments was accounted 99.99% of its registered capital of 1 million baht
 - The Company established Pholdhanya (Cambodia) Co., Ltd. to distribute the Water treatment products, with the value of investments was accounted 70 percent of its registered capital of Riel 1,200,000,000 (approximately USD 300,000 or Baht 9.5 million baht) In 2015, the Company negotiated to acquire the Subsidiary, Pholdhanya (Cambodia) Co., Ltd. The remaining 30 percent of paid-up capital shares at a price of 1 baht, due to the operating result reported loss. The value of investments was accounted 100 percent. However, the Company has ceased its operations due to no suitable business plans and to reduce the total operation expenses of the subsidiary.
 - The Company was awarded the "Top Corporate Governance Report" certificate at the SET Awards 2013 and Excellence CG Scoring from Corporate Governance Report of Thai Listed Companies 2013.
 - The Company received the MAI Special Encouragement from Board of the Year Awards 2013
- 2014**
 - The Company has established the subsidiary, Phol Water Co., Ltd. To operate in water treatment by providing an all-rounded services, including distribution, engineering design, construction and maintenance services for both the public and the private sector. The value of investments was accounted 99.99% of its registered capital of 10 million baht. In 2017, the subsidiary increased the registered capital to 50 million baht. The company invested in the newly issued ordinary shares in the subsidiary company. The value of investments was accounted 99.99% of its registered capital of 50 million baht
 - The resolution of Annual General Meeting 2014 approved to increase ordinary share capital 27,000,000 shares at par value of Baht 1 each from the existing share capital of Baht 135 Million to Baht 162 Million in order to reserve for the stock dividend to the shareholders.
 - The Company received an "SET Award of Honor" Corporate Governance Report from SET Awards 2014 and Excellence CG Scoring from Corporate Governance Report of Thai Listed Companies 2014.
- 2015**
 - The Company received The Honorable Mention-MAI from “Board of the Year Awards 2015”
 - The Company has signed the declaration of intention to join the Private Sector Collective Action Coalition Against Corruption (CAC)
- 2016**
 - The Company increase the registered capital to 251 million baht by issuing new ordinary shares, 40.50 million shares to the existing shareholders of the Company according to their shareholding position (Rights Offering), 40.50 million shares to support the exercise of warrants (PHOL-W1) and 8 million shares to support the rights adjustment of ESOP warrant allotted to Board of Director and employee of the Company (ESOP-Warrant).

- The Company received a membership certificate of the Private Sector Collective Action Coalition against Corruption (CAC).
- 2017**
- The Company also received the certificate of quality standard of ISO 9001:2015 from UKAS & GLOBAL
- 2019**
- The company reduced the registered capital by 40.50 million baht to 210.50 million baht by canceling ordinary shares to support the exercise of the warrants to purchase ordinary shares of the company no. 1 (PHOL-W1) that has not been issued, amounting to 40.50 million Baht
 - The Company received a re-certificate of the Thailand's Private Sector Collective Action Coalition against Corruption (CAC)
 - The Company was listed on Thailand Sustainability Investment (THSI) 2019 in the group of companies listed on the Market for Alternative Investment (mai).
- 2020**
- The Company received Excellence CG Scoring from Corporate Governance Report of Thai Listed Companies 2020 for the sixth consecutive year, held by Thai Institute of Director Association (IOD).
 - The Company was listed on Thailand Sustainability Investment (THSI) 2020 for the second consecutive year in the group of companies listed on the Market for Alternative Investment (mai).

Business Structure of PHOL Group



Industry Condition and Competition

The transmission of Covid-19 has impacted the overall global and domestic economy. The Office of the National Economic and Social Development Council reported that Thailand's economic outlook in 2020 witnessed a 6.1% decline; the lowest points in 22 years. The growth of the manufacturing industry declined by 5.7%, with the manufacturing production index dropping by 8.8%. According to the industrial economic report, the major industries that have experienced the recession in 2020 are automotive industry, both for the domestic and export markets; petrochemical industry, resulting from lower use of fuels caused by the transmission of Covid-19 and the lockdown measures, leading to production interruption and temporary halt in economic activities. However, the industries that realized growth in 2020 are the instant food manufacturing industry and pharmaceutical industry, following consumers' demand during the pandemic. This is in line with the Company's overall operating performance in 2020, whereby revenue from customers in certain industries have decreased. Nevertheless, the Company has diversified risks by building customer bases in several industries instead of relying on any particular industries, which has helped contain the impact within limits. In 2020, the Company adjusted the strategies and focused on industries that still have growth potential amidst the Covid-19 situation, which has led to 'new normal' ways of living lives, consequently leading to higher demand for safety, occupational health and environment products, followed by product shortage. With this, the Company has shifted focus to supply chain management, sourcing products to meet customers' needs in a timely manner, allowing the Company to expand to other groups of customers with small market share such as medical, public health and consumer markets, etc.

Occupational Safety, Health and Environment Products

The business that distributes products, which are in the field of Occupational Safety, Health and Environment Products, is linked to Thailand's industrial economy, as the products are normally used in industrial-related locations and by workers, who operate in those locations. If there is an expansion of the industrial sector, demand for safety and occupational health products will increase, including products that encourage safety in the work environment. Speaking of which, industrial premises and organizations in general place greater emphasis on occupational health and safety. Apart from ensuring compliance with the legal rules and regulations, organizations also intend to abide by the internationally verified standard. It serves as the measure to enhance production standard for the business, build trust and positive image, which Occupational Safety and Health Management System Standard there are continual improvements to the next level of the safety management such as the evolving ISO45001 standard to be replaced the OHSAS standard. Furthermore, occupational health and safety management also involve the matter of sustainability development, hence businesses are more aware of and stress on operating the business in accordance with the safety, occupational health and environment standards. In addition, the situation of the Covid-19 virus outbreak is to raise safety awareness to the entire population, occupational health increases it is necessary to prevent pathogens and provide safety solution for ourselves and society. Thus, distribution of products and services related to safety, occupational health and environment still has room for expansion in the future.

For the distribution of SAFETY products, the Company's customers are dispersed in different industries, with key customers in the automotive, petrochemical, and construction industries. The majority of which have been affected by Covid-19, leading to lower purchases in 2020. Hence, the Company has shifted focus to industries that still have growth potential during the Covid-19 pandemic, for instance, food, medical, public health industries, government institutes and state enterprises that require preventive products to guard against Covid-19 such as protective gears, gloves and face masks, etc. With effective supply chain management, the Company has generated higher revenue from sales and services, and with the changing lifestyles, disinfectant products will be in continuous demand all over the country, leading to higher revenue from resellers and end-customers than the previous year. The improvement in the distribution channels and advices given via phone calls, as well as online sales channels on the Company's website www.pholonline.com and social media platforms on the continuous basis have allowed the Company to better accommodate these customers.

The competitive landscape for the safety, occupational health and environment products has become more intense than before. Minor competitors have started to develop a wider variety of products, which are mostly general safety products, especially during the first wave of Covid-19, i.e. face masks, protective gears, etc. Higher demand for products has led to supply shortage, posing opportunities for new competitors to enter the market, resulting in more intense price competition for relevant products. The Company's focus is still on supply chain management and inventory management to accommodate demand. The Company has been in this business for a long time, and the products and services are of quality and standard that are well accepted among customers and partners. Being a listed company in the Stock Exchange of Thailand, the Company is trustworthy and operates the business with transparency and responsibility towards the society and environment, and also with financial liquidity. Thus, the Company is at an advantage in terms of supply chain management and competitive cost management. Furthermore, being in this business for a long time, with satisfied operating performance, development and sourcing of new products especially technical products that require specialized expertise, has allowed for comprehensive service provision in safety, occupational health and environment aspects. The Company also emphasizes on creating maximum customer satisfaction on products and services, allowing the Company to maintain the viability of the market and good relationship with customers.

Control Environment Products

Control Environment products (CE) are equipment used to prevent external factors or environmental conditions to impact the parts or industrial manufacturing processes. Major customers are in the electronics manufacturing industry, which experienced a slowdown in 2020 following the economic condition and export, caused by the pandemic during the first wave of the pandemic. However, the electronics manufacturing industry has shown signs of improvement in the second half of the year, following higher demand for electronics products related to information technology and communication system, resulting from the new way of attending classes, working online or working from home. Furthermore, the lockdown measures in several countries have impacted the supply chain in the electronics industry; CE products run into shortage and their market prices have increased. With the effective supply chain management, the Company has been able to source and procure products in a timely manner, resulting in higher revenue in the control environment products and services in 2020 both from key customers and new customers.

There is a higher tendency for higher competition, mostly on price, due to the fact that the majority of customers in the electronics industry take product costs as the priority, leading to a possibility of new competitors, who are sometimes manufacturers overseas. Nonetheless, these customers are less likely to change their product utilization as doing so may affect the production process, so the Company focuses on managing costs and the speed of service delivery, ensuring satisfaction in the service, creating brand awareness in customers' mind to realize the significance and the difficulty in changing, offering products catered to special needs and unique applications in order to capture the market share and maintain existing customer base with high potential, as well as studying new markets and products to expand to other groups of customers.

Water Solution Products

Water remains a limited resource, with a rising demand, following the increase in the population and economic growth. Likewise, demand for water consumption in Thailand is likely to increase in accordance with the population growth and urban expansion, development of the economic zone and industrial expansion. Besides, the climatic fluctuation and natural disasters have led to more severe cases of water shortage, flood, water pollution in the future. In this regard, Thailand has devised a 20-year water resource management master plan (2018-2037) as a systematic framework to solve problems that is effective and capable of managing water resources sustainably. Strictly of Law enforcement related to the allocation and management of water resource. As a result, every related private and public sector organization is now stressing on managing water more intensively.

The Company's major customers for the water treatment business are industrial customers. Water resources are one of the important factors in the industrial production procedures, so entrepreneurs are required to be aware of managing water resource to minimize impact on the production, as well as managing water system-related costs as best as possible, hence recycling water in the production process has become the subject of interest among entrepreneurs. Industrial wastewater treatment is another issue that entrepreneurs need to pay attention to, due to the obligation to comply with the law, which is likely to be stricter in the future. Besides, operating the business sustainably and responsibility towards the society and the environment are becoming more important, whereby water resource management and using water wisely in the organization are measures that reflect responsibility of the business. Speaking of which, the Company's water treatment business can accommodate the aforementioned concern, with a wide array of fully-integrated services that are capable of satisfying needs in water consumption for each customer; from design, construction and maintenance, by professionals with expertise. In 2020, The Company's revenue from sales and service provision for the water supply system installation has increased YoY, but still lower than the desired target, due to the lockdown measures and the overall impact of Covid-19, causing customers to delay their projects.

For the competitive landscape of the water treatment system business, there are small, medium and large-sized entrepreneurs, and each has different service requirements. Given diverse customers, the water management market has a higher tendency for expansion. The competition is currently said to be in the medium level, and the Company's focus is on small and medium-sized systems. Thus, competitors are small and medium-sized entrepreneurs, and so the Company's advantage is its investment capability, collaboration with manufacturers on technological advancement, management system, and credibility, including human resource development to expertise, it is comprehensive service provider enabling competitiveness for the Company.

Revenue Structure

The company's consolidated revenue structure in 2018-2020 as follows:

Unit:MB

Products Group	2020		2019		2018	
	Amount	%	Amount	%	Amount	%
1. Occupational Safety, Health and Environment Products (SAFETY)	800.40	75.16%	719.42	77.32%	715.73	76.43%
2. Control Environment Products (CE)	214.93	20.18%	167.96	18.05%	172.57	18.43%
3. Water Solution Products (WATER)	40.18	3.77%	24.48	2.63%	36.16	3.86%
4. Other revenues	9.45	0.89%	18.59	2.00%	12.02	1.28%
Total Revenues	1,064.96	100%	930.44	100%	936.47	100%

Management Discussion and Analysis

Overview

Phol Dhanya Public Company Limited (the Company) consolidated financial statement of the year, ending December 31, 2020 reported the revenue from sales and services of 1,055.51 MB, comprise 1,019.23 MB of revenue from sales and 36.28 MB of revenue from services. Revenue from sales and services increased by 143.66 MB or 15.76%, compared to the revenue from sales and services of 911.85 MB in the previous year mainly due to the increase of revenue from sales of Occupational safety, health and personal protective equipment due to the spread of the Covid-19 virus including latex gloves and nitrile gloves, protection suits and protection masks which is still need to use the product continuously. Revenue from services were increase mainly from installation services of recycled water treatment systems for industrial customers. In 2020, the Company's gross profit was 274.14 MB, accounted for gross profit margin of 25.97%, increasing by 38.14 MB or 16.16% compare with gross profit of 236 MB, accounted for gross profit margin of 25.88% in previous year. Selling and administrative expenses were similar compared to the previous year, as the result, the Company's net profit attributable to equity holders of 73.86 MB, accounted for net profit margin of 6.94%, increasing by 32.44 MB or 78.32% compare to net profit attributable to equity holders of 41.42 MB, accounted for net profit margin of 4.45% in the previous year.

	Unit:MB			
	2020	2019	Increased Decreased	% Changed
Revenue from sales	1,019.23	890.79	128.44	14.42%
Revenue from services	36.28	21.06	15.23	72.32%
Total Revenues	1,055.51	911.85	143.66	15.76%
Cost of sales	752.56	657.30	95.26	14.49%
Cost of services	28.81	18.54	10.27	55.38%
Total Costs	781.38	675.85	105.53	15.61%
Gross Profit	274.14	236.00	38.14	16.16%
Gross Profit Margin (%)	25.97%	25.88%		
Other income	9.45	18.59	(9.14)	-49.17%
Total Selling and Administrative Expenses	190.05	195.85	(5.81)	-2.96%
Profit before finance Costs and income taxes	93.54	58.74	34.80	59.25%
Profit before finance Costs and income taxes (%)	8.78%	6.31%		
Financial Cost	2.41	5.17	(2.76)	-53.42%
Income tax expenses	17.27	12.15	5.12	42.15%
Profit attributable to equity holders	73.86	41.42	32.44	78.32%
Net profit margin (%)	6.94%	4.45%		
Basic earnings per share (Baht)	0.36	0.20	0.16	78.32%

Revenue

						Unit:MB
Revenue Structure	2020	%	2019	%	Increased (Decreased)	% Changed
Occupational Safety, Health and Environment Products (SAFETY)	800.40	75.83%	719.42	78.90%	80.99	11.26%
Control Environment Products (CE)	214.93	20.36%	167.96	18.42%	46.97	27.97%
Water Solution Products (WATER)	40.18	3.81%	24.48	2.68%	15.70	64.13%
Total revenue from sales and services	1,055.51	100%	911.85	100%	143.66	15.75%

In 2020, revenue by products of the Company comprise 800.40 MB of Occupational Safety, Health and Environment Products or SAFETY account for 75.83%, 214.93 MB of Control Environment Products or CE account for 20.36% and 40.18 MB of Water Solution Products or WATER account for 3.81%.

Revenue from SAFETY products increased by 80.99 MB or 11.26% compare to the previous year, mainly due to the increase of revenue from sales of products for the safety in the spread of the Covid-19 virus including latex gloves and nitrile gloves, protection suits and protection masks, etc. And the Covid-19 virus outbreak, resulting in continued demand for such products throughout the year 2020 with increased in dealer customers, Government and state enterprises and food industry customers who have been growing up. In addition, proportion of revenues from new customers in consumer group increase from previous year. However, in the situation of the Covid-19 epidemic, affected to industrial customers like Auto and Petrochemical which orders decrease in order based on production. Revenue from CE products increased 46.97 MB or 27.97%, major customers in the electronics industry increase production expansion, In addition, the product price has been increased according to the market price as a result, higher revenue from CE products. And revenue from Water Solution Products increased 15.70 MB or 64.13%, mainly due to revenue from sales and installation services of water treatment systems for industrial customers.

Cost of Sales and Services

The Company's total costs in 2020 were 781.38 MB, comprising of 752.56 MB cost of sales, and 28.81 MB cost of services. Cost of sales and services increased proportionally with more revenue from sales and services. In 2020, costs of sales and services accounted for 74.03% of revenue from sales and service. The Company's gross profit was 274.14 MB, accounted for gross profit margin 25.97% which increased, compare with 236 MB of gross profit, accounted for gross profit margin 25.88% in the previous year.

Selling and Administrative Expenses

In 2020, selling and administrative expenses were 190.05 MB comprised 88.02 MB of selling expenses and 102.02 MB of administrative expenses. Total selling and administrative expenses were decrease compare to the previous year mainly from expenses for marketing activities and events that suspended due to the spread of the Covid-19 virus and employee benefit expense decreased resulting from the change in related laws in the previous year. However, there was the increase in expenses that were variable with revenue from sales and services, such as sales commissions, etc. The company's financial cost was 2.41 MB, decreasing by 2.76 MB or 53.42% compared to financial cost of 5.17 MB in the previous year due to the decrease in loan from financial institution.

Net profit

In 2020, the company's consolidate net profit attributable to equity holders was 73.86 MB, accounted for net profit margin 6.94%, increasing by 32.44 MB or 78.32% compared to net profit attributable to equity holders of 41.42 MB, accounted for net profit margin 4.45% in the previous year.

Financial Position

Unit : MB						
	December 31, 2020		December 31, 2019		Increased	%
	Amount	%	Amount	%	(Decreased)	Changed
Current Assets	428.90	70.78%	387.59	68.34%	41.32	10.66%
Non Current Assets	177.10	29.22%	179.56	31.66%	(2.46)	-1.37%
Total Assets	606.00	100.00%	567.15	100.00%	38.85	6.85%
Current Liabilities	231.44	38.11%	213.39	37.54%	18.06	8.46%
Non Current Liabilities	47.41	7.81%	52.77	9.28%	(5.37)	-10.17%
Total Liabilities	278.85	45.92%	266.16	46.82%	12.69	4.77%
Shareholder's Equity of the Company	328.45	54.08%	302.29	53.18%	26.16	8.66%

Assets

As of December 31, 2020, the Company's total assets were 606 MB, increased by 38.85 MB or 6.85% from December 31, 2019. The assets increased mainly from current assets, which increasing from 6.63 MB of cash and cash equivalents, trade receivables-net increased by 25.71 MB in line with higher revenue from sales. In addition, other receivables increased from an increase in advance payments for inventories by 7.02 MB and an increase in refundable import duty of 1.16 MB and increase of 1.72 MB in net-inventories. However, non-current assets mainly decreased from amortization and depreciation.

Liabilities

As of December 31, 2020, the Company's total liabilities were 278.85 MB, increased by 12.69 MB or 4.77% from December 31, 2019. Current Liabilities increased mainly due to the increase of 25.33 MB of trade and other payables, while short-term loans from financial institution was decrease 7.43 MB and accrued income tax decreased 0.62 MB. Non-current liabilities decreased mainly from 7.14 MB of long-term loans from financial institutions, however, net-liabilities under lease agreement increased 1.31 MB.

Shareholder's equity

As of December 31, 2020, Shareholders' equity of the Company was 328.45 MB, increased from the resulting from net profit of 73.86 MB and decreased by 50.63 MB from dividend payment.

Cash Flows

Unit : MB		
Cash Flows	December 31, 2020	December 31, 2019
Cash flow from (used in) operating activities	79.93	128.62
Cash flow from (used in) investing activities	(5.10)	7.11
Cash flow from (used in) financing activities	(68.01)	(107.22)
Net increase (decrease) in cash and cash equivalents	6.82	28.51
Cash and cash equivalents at the end of the period	92.39	85.76

The Company's net cash acquired from the operating activities was 79.93 MB, with operating profits prior to changes in the operating assets and liabilities of 111 MB and cash flow received from net- trade and other payables increased 25.51 MB. While, cash flow used for inventories 5.03 MB, trade and other receivables increased 33.10 MB and income tax of 18.94 MB.

Cash flow used in investment activities was 5.10 MB to purchase vehicles and equipment of 4.98 MB and purchase intangible assets of 0.71 MB, while, cash flow acquired from interest received of 0.47 MB.

Cash flow used in financing activities was 68.01 MB mainly used to repayment of loans from financial institutions of 14.56 MB, repayment of liabilities under lease agreement of 0.47 MB, interest expense of 2.34 MB and dividend payment of 50.63 MB.

The company's business, in response to the epidemic situation of the Covid-19

The transmission of Covid-19 that has spread all over the world has impacted the overall economic condition, causing economic recession in several industries, as well as the interruptions in certain industries. The Company is well aware of the vigorous impact amidst the Covid-19 pandemic and has been closely monitoring the updates from the beginning, having regular meetings to discuss and evaluate the situation and potential effects on the business in order to make preparations that allow for continuous business operations. The Company has forecasted and evaluated potential impact this may have on the business, either on the aspect of staff members' safety and related external parties, or on the aspect of supply chain disturbances that may cause business interruption. The course of actions can be summarized as follows:

Preparations of the Business Premises and Protocols on Staff Members' Occupational Health

- The Company has implemented the Covid-19 prevention protocols based on the guidelines of the Department of Disease Control, the Ministry of Public Health, which has been announced to staff members across the organization. This is to serve as common practices such as screening of staff members and external visitors, mandating the wearing of face masks at all times, using hand wash or alcohol gel, attending meetings online, maintaining social distancing in all activities and devising disciplinary actions in case of violations, etc.
- Business premises are to be cleaned and disinfected in the internal areas and public spaces that usually have physical contacts. Staff members' health and hygiene are thoroughly taken care of, for instance, distribution of face masks, alcohol spray or gel, or thermometer to measure body temperature. Proper social distancing is to be maintained while using work spaces and cafeteria.
- The business continuity management has been exercised; staff members are to take turns in coming into the office to minimize chance of transmission, while a certain number of people work from home. Preparations have been made to accommodate working from home; surveying the readiness in each department, asking each of them to develop the execution plan to prevent work interruption by way of identifying proper workflows and communication channels prior to working from home. The necessary technology, devices, equipment and software have been sufficiently prepared, while work processes have been adjusted to minimize the steps and paperwork, to allow for effective remote working.
- Making preparations on the information technology system is considered a significant part in ensuring business continuity, so the Disaster Recovery Plan (DRP) has been developed to accommodate any potential emergencies.

Crisis Management

The Company emphasizes on business continuity management to ensure that it can respond to emergencies immediately when crises arise. The Business Continuity Plan has been devised, with the clear structure, roles and responsibilities to enable timely management and commands. The protocols have been identified for emergency situations, and the incidents are to be reported to the management, the Audit Committee and the Board of Directors.

Evaluation of the Impact on Business Operations and Strategy Adjustments

The impact caused by the transmission of Covid-19;

- Key customers have been affected by the transmission of Covid-19, leading to a reduction in production capacity or temporary halt in operations in accordance with the government's protocols, consequently leading to lower revenue from these customers, i.e. automotive, electronics and petrochemical industries, etc.
- Given that the Company's business associates with the distribution of safety and occupational health products, there are higher sales opportunities amidst the transmission of Covid-19.
- The lockdown measures and the closing down of the transportation system in certain countries have caused some overseas vendors to delay shipments, leading to inventories running short.
- The Company's products related to the prevention of Covid-19 have become more expensive, with the emergence of new competitors following higher market demand, potentially leading to more severe price competition in the future.

Given the evaluation of the aforementioned situation and its impact, the Company has adjusted its strategies and plans to accommodate the changes as follows:

- **Speed** Focusing on sourcing products that satisfy customers' rapidly increasing needs in a timely manner.
- **Offering alternative products** In case of inventory running short, the Company offers alternative products in order to maintain existing customer base and expand to new groups of customers.
- **Addition of distribution channels and expanding to new groups of customers** Adding on from the existing plan to increase sales opportunities for products related to Covid-19 prevention such as minor customers, public health organizations and hospitals, etc.
- **Analyses of customer insights** Evaluate and make sales plans, as well as control purchases to prevent potential impact on the inventory. The work execution plan has been adjusted to suit the situation, for instance, increasing the frequency of purchases to ensure balance between product demand and the inventory level, enhancing caution in approving credit limit to customers (in case of changes in existing customers and new customers) and distributors. Cash payment option is exercised on products related to Covid-19 to minimize risks associated with accounts receivables, etc.

Supply Chain Management

The Company has evaluated risks and made preparations in supply chain management that might impact the business. Having realized that the critical point is about the transportation of products from overseas, the Company has actively been looking for new manufacturers from other sources in different regions, while ensuring good quality products with the right standard, to be able to accommodate customers' needs fast with minimum impact. The Company also sources products from Thai manufacturers as alternatives to cater to the market demand during the crisis, focusing on fast execution; from sourcing alternative products to closely communicating with customers on a regular basis. This has enabled the Company to deliver the products to customers, with minimum impact on their requirements.

Financial Position

The Company regularly reviews the financial position, with the allocation of reserves to ensure continuous business and sufficient liquidity. The Finance department has been instructed to monitor customers' situation especially those who might be affected by Covid-19. Moreover, the Company also controls spending and delays projects that are not necessary or urgent, and entered into an insurance contract in case of business interruption to accommodate potential impact.

Taking Care of Stakeholders

Apart from taking care of staff members in terms of health and safety, the Company is also aware of the importance of having the community and society that are safe from Covid-19, with the following course of actions:

- **Customers** For customers who have been affected by Covid-19 such as department stores and water business operators, the Company has provided support by way of reducing service fees for the water recycling system. Given that, the Company controls spending in relevant operations to resonate with lower revenue or to have the minimum impact possible.
- **Shareholders** The Company can organize the shareholders' meeting as required by law, though strictly complying with the protocols and practices in the organization of shareholders' meeting advised by the Department of Disease Control, the Ministry of Public Health. In this regard, the Company requires cooperation from shareholders to authorize proxies to attend the meeting on their behalf, whereby shareholders are informed in advance via the Stock Exchange of Thailand's portal and the Company's website.
- **Community and Society** The Company initiated a donation campaign to provide safety equipment for organizations or government institutes that need them, for instance, hospitals, public health organizations and distribution of face masks in communities as a helpful gesture for the general public, encouraging them to wear face masks. The Company also disseminates useful information on practices related to Covid-19 via the Company's website and online media.

Business Recovery Plan Post- Covid-19

The transmission of Covid-19 pandemic has impacted the economic system and business models. Many businesses have been forced to change and this may impact the Company's existing customers. However, the Company has made adjustments to the changing situation, reviewed goals and short-term execution plan and adjusted the strategies to align with changing factors, for instance;

- Emphasizing on expanding to high-growth customer base such as food industry, and new customers such as hospitals and public health organizations, consumers, pharmacies, etc.
- Improving the operation systems to align with the changes, reducing work processes, paperwork and operate using the information technology system more intensively.
- Managing the supply chain in preparation for the situation, sourcing new manufacturers in the region, adding alternative manufacturers into the list.
- Executing the work to align with rapid changes on the long run; ensuring that staff members are ready for the Company's growth, with training to equip the executives, supervisors and talents with the knowledge to be ready for changes.
- Preparing for the organizational strategy development plan, by conducting in-depth data analyses to accommodate global changes and enable sustainable growth opportunities.

Given the aforementioned course of actions, the impact that Covid-19 had on the Company in 2020 was not significant, and the Company has been able to operate the business continuously. The adjustment of work execution plan to align with the changing situation has allowed the overall operating performance in 2020 to be in accordance with the target, with the total revenue amounting to 1,055.51 million Baht, increasing by 15.76%, with the net profit of 73.86 million Baht, increasing by 78.32% YoY. The Company has sufficient liquidity to settle outstanding debt on time and to pay dividend to shareholders. In this regard, the Board of Directors reached a resolution for the dividend payment in 2020 at the rate of 0.29 Baht per share, whereby the interim dividend payment was made at the rate of 0.15 Baht per share, meaning that the remaining dividend payment will be 0.14 Baht per share, which will be proposed for the approval in the Annual General Meeting of Shareholders 2021 on April 26, 2021.

Risk Factors

Risk management is considered a critical mechanism for the Company in responding to internal and external risk factors that may prevent the Company from operating the business in accordance with the vision, mission and execution plan. The Company has devised the risk management policy based on the systematic risk management direction, with the identification of the structure and risk management policy that calls for an effective and efficient monitoring and management of risks, enabling business opportunities, as well as prescribing practices that cohere with the principle of good governance, taking into account internal and external risk factor analyses, economic, social, political, technological, industrial, competitive factors and other relevant aspects. This is in order to identify key risk factors, and follow up on risk management plans in order to enable effective risks management operations and to contain them in an acceptable level. The risk management culture is also fostered throughout the organization, with regular reviews of the policy to ensure it covers different aspects of risks, with the following key takeaways:

1. Risk from fluctuation in foreign currency exchange rates

The company's products were imported directly from an overseas supplier. In 2018-2020, the company imported products accounted for 55%, 60%, and 66% of the total purchase orders, respectively. The purchase orders and payments are mainly made in US dollar and Singapore dollar, while all products were sold locally. Therefore, the company may be subject to the risk of fluctuations in foreign exchange rate. The company had considered the effects of the exchange rate and manages its risk by use forward contracts with financial institutions to protect itself against such risk, which covered all foreign trade payables for the period. As of December 31, 2020, the forward accounts stood at Baht 220 million and USD 1.15 million. The company bought forward contracts and monitored the exchange rates regularly to limit its exposure to exchange rate risk. The results of this risk management were apparent in the 2018-2020 financials, where the profit from exchange rate was baht 2.22 million, baht 6.50 million and Baht 2.4 million, respectively. In addition, when changes in the exchange rate caused an increase in cost of goods sold significantly, the company made adjustments to its prices to reflect the market conditions and notified its customers in advance so that the exchange rate volatility did not affect the costs significantly.

2. Risk from loss in becoming a distributor of the important brands

The company is a distributor of the occupational safety, health, and environment products with suppliers who are manufacturers or distributors with their well-known brands. The top 2 brands made up 27% of the total sales revenue in 2020. If the company is losing the rights to sell these brands, it may cause significant impacts on the total sales of the company. Nonetheless, over more than 40 years, the company had good relationships with suppliers, customers and adheres to ethical trading conditions. Therefore, the Company has been trusted with the manufacturing that owns the brand and has been appointed as distributor. In addition, the company is also well known in industrial market which are focus customers of the Company, with the image of professional distributor of the occupational safety, health, and environment products as well as developed and improved its distribution channels to cover its target market according the changing of environment in order to enable the brand owners to have confidence in the company, and the company continues to maintain its status as a distributor of products. Furthermore, the Company also has a policy to reduce the risks and the damage arising from the loss in becoming a distributor by developing its own brand to support the customer's demand. In 2020, the company had revenue from sales of its own brand products, representing 23% of total revenue from sales and services.

3. Risk from account receivables

Most of products distribution of the Company are credit for payment, proportion average at 90% of the total sales and services in 2018-2020. Thus, a customer's bad debt or doubtful account with a significant amount may lead to an effect on the Company's liquidity and operating results. The Company's policy focuses controlling of quality of account receivables, the Company also has a strict credit policy by consistently revising credit terms of the customers and separate of credit control department from sales department to independent credit consideration. In the past 3 years, no doubtful accounts in 2018 and bad debt accounted for 0.04% of trade receivables in 2019 and 0.07% of trade receivables in 2020 respectively. As for the allowance for doubtful accounts policy of the Company is performed through the recording of the allowance for doubtful accounts which is estimated from the amount of debts which may occur from the missing target of the debt collection based on the past debt collection data and the current situation of the outstanding accounts as of the date in the balance sheet.

This will be considered with the account receivables with the debt period of over 180 days and have no movement. The allowance for doubtful accounts may be accounted for 100% of the total outstanding for each account

4. Risk from procurement system and inventory management

The Company's products consist of more than 3,000 items, most of inventories are fast moving. Some of the items are popular among the customers and sometimes there is a shortage of those items or the remaining of some items in the storage due to the change of the demand of the market. The impact from the price competition has an impact on the inventory turnover rate and leads to the remaining of the products in the stock. However, the Company has established the plan for sales promotion and expansion of various distribution channels; online marketing or the Company's website, the Company's branches and international markets. In addition, the Company has improved service efficiency, developing new business models by using information technology systems to respond to customers' needs conveniently and quickly. Developing supply chain system management in order to have consistent operation and integration all sectors, i.e. the Warehouse Management System (WMS) such provides integration with the ERP system to increase the operation accuracy, and the development of the MRP system efficiently manage the warehouse which will serve the demand of the customers and strengthen their confidence toward the Company's services. The Company believes that the improved and continuous developed programs will serve the competitive environment, increase the efficiency of the warehouse management, and increase the inventory turnover of the products and the cost management with the utmost efficiency.

5. Risks from Business Interruption

Under the rapid change in the business landscape, the Company is aware of the preparation to accommodate potential crises, and has devised the business continuity management plan that has been considered by the Company's Board of Director, with the following up and rehearsal to ensure they are in accordance with the plan, as well as the reporting routine to ensure that the Company is able to respond to potential crises and matter concerning the transmission of the coronavirus 2019 or Covid-19 that has affected domestic and global citizens and economy, as well as the Company's supply chain. There is an assessment of impact and identification of preparative protocols prior to, during and after the incident in order to effectively respond to the situation. Risk factors and opportunities are closely assessed, being aware of potential impact on all groups of stakeholders. The emphasis is on strictly complying with the Department of Disease Control, Ministry of Public Health's guidelines, and that the safety of staff members and visitors always comes first, with the following practices:

- In terms of staff members' and visitors' safety, the Company has devised the prevention protocols by announcing the Covid-19 prevention practices and identifying clear procedures and communicating with related parties for strict observation.
- In terms of safety and readiness of the information technology system, the Company is fully prepared to support effective operations and the 'Work from Home' scheme.
- The supply chain management practices are in place to prevent business interruption, ranging from the adjustment of work execution plan and strategies, making them flexible and able to respond to risk factors and business opportunities, with a good vendor management routine by developing a good quality vendor list, as well as accounts receivable management, etc.
- Ensure that financial liquidity is being managed, in case of financial impact.

Securities and Shareholders Information

Registered capital and Paid-up Capital

As of December 31, 2020, The Company's registered capital of Baht 210,500,232 divided into 210,500,232 common shares with a par value of Baht 1.00 per share and paid-up capital of Baht 202,500,232

Company doesn't issue other shares except ordinary shares.

Shareholders

Top 10 major shareholders of the company

As of December 31, 2020

No.	Shareholders Name	No. of Shares	%
1	Group of Wangthamrong Family	77,275,378	38.16%
	- Mrs. Naowarat Wangthamrong (The persons under Section 258 of Mr. Chavalit Wangthamrong)	19,626,661	9.69%
	- Mr. Chavalit Wangthamrong	18,744,555	9.26%
	- Miss. Thanthida Wangthamrong	18,048,979	8.91%
	- Mr. Thanya Wangthamrong	15,147,433	7.48%
	- Miss. Thanatsiri Siriworasi (The persons under Section 258 of Mr. Thanya Wangthamrong)	5,280,000	2.61%
	- Mrs. Wannee Wangthamrong	427,750	0.21%
2	Group of Jarutangtrong Family	32,661,250	16.13%
	- Mr. Apichart Jarutangtrong	22,860,000	11.29%
	- Mrs. Ananya Jarutangtrong (The persons under Section 258 of Mr. Teeradej Jarutangtrong)	8,551,250	4.22%
	- Mr. Teeradej Jarutangtrong	1,250,000	0.62%
3	Mr. Utain Pattananipol	4,200,000	2.07%
4	Mr. Weerachai Dechamornthun	3,974,000	1.96%
5	Group of Chunhajinda Family	3,209,457	1.58%
	- Mr. Pornchai Chunhachinda	1,648,129	0.81%
	- Mrs. Saowanee Chunhajinda (The persons under Section 258 of Mr. Pornsak Chunhajinda)	875,646	0.43%
	- Miss Siriporn Chunhajinda	517,100	0.26%
	- Mr. Pornsak Chunhajinda	168,582	0.08%
6	Thai NVDR Co., Ltd.	2,865,742	1.42%
7	Miss Wilasinee Dechamornthun	2,448,300	1.21%
8	Mr. Chao Kara	2,399,000	1.18%
9	Miss Tanaporn Eimjai	1,736,155	0.86%
10	Mr. Surachai Fongamornkul	2,030,000	1.00%
11	Other Shareholders	69,700,950	34.42%
	Total	202,500,232	100.00%

Summary of Changes in Percentage of Shareholding of Directors and Executives

As of December 31, 2020

No.	Name	December 31,2019		December 31,2020		Changed	
		No. of shares	%	No. of shares	%	No. of shares	%
Board of Directors							
1	Assoc. Prof. Dr. Ekachidd Chungcharoen	30,000	0.01%	30,000	0.01%	-	-
	Spouse and miner children	-	0.00%	-	0.00%	-	-
2	Mr. Noppadol Dheerabutrtrongkul	30,000	0.01%	30,000	0.01%	-	-
	Spouse and miner children	-	0.00%	-	0.00%	-	-
3	Mr. Teeradej Jarutangtrong	1,250,000	0.62%	1,250,000	0.62%	-	-
	Spouse and miner children	8,551,250	4.22%	8,551,250	4.22%	-	-
4	Mr. Boonchai Suwanvutthiwat	-	0.00%	-	0.00%	-	-
	Spouse and miner children	-	0.00%	-	0.00%	-	-
5	Mr. Santi Niamnil	-	0.00%	-	0.00%	-	-
	Spouse and miner children	-	0.00%	-	0.00%	-	-
6	Dr. Pallapa Ruangrong	-	0.00%	-	0.00%	-	-
	Spouse and miner children	-	0.00%	-	0.00%	-	-
7	General Chaiwat Satondee	248,250	0.12%	248,250	0.12%	-	-
	Spouse and miner children	-	0.00%	-	0.00%	-	-
8	Mr. Chavalit Wangthamrong	18,744,555	9.26%	18,744,555	9.26%	-	-
	Spouse and miner children	19,626,661	9.69%	19,626,661	9.69%	-	-
9	Mr. Thanya Wangthamrong	15,147,433	7.48%	15,147,433	7.48%	-	-
	Spouse and miner children	5,280,000	2.61%	5,280,000	2.61%	-	-
Total		68,908,149	34.03%	68,908,149	34.03%	-	-
Executive							
10	Mr. Pornsak Chunhajinda	168,582	0.08%	168,582	0.08%	-	-
	Spouse and miner children	875,646	0.43%	875,646	0.43%	-	-
11	Miss Prapaipit Viriyabhupha	750,000	0.37%	750,000	0.37%	-	-
	Spouse and miner children	-	0.00%	-	0.00%	-	-
12	Miss Kamolphopphan Puapansakul	-	0.00%	-	0.00%	-	-
	Spouse and miner children	-	0.00%	-	0.00%	-	-
13	Mr. Paradorn Parepatara	-	0.00%	-	0.00%	-	-
	Spouse and miner children	-	0.00%	-	0.00%	-	-
14	Mr. Nitipat Pedprasert	-	0.00%	-	0.00%	-	-
	Spouse and miner children	-	0.00%	-	0.00%	-	-
Total		1,794,228	0.89%	1,794,228	0.89%	-	-
Summary of Changes		70,702,377	34.91%	70,702,377	34.91%	-	-

Distribution of Shareholding

The distribution of shareholding by Nationality as of December 30, 2020, which is the latest closing date of the registered book of the Company as follows:

Shareholders	Total			Juristic Person			Individual Person		
	No. of persons	No. of shares	%	No. of persons	No. of shares	%	No. of persons	No. of shares	%
Thai Shareholders	2,044	202,500,232	100	3	2,871,162	1.42	2,041	199,629,070	98.58
Foreign Shareholders	-	-	-	-	-	-	-	-	-
Total	2,044	202,500,232	100	3	2,871,162	1.42	2,041	199,629,070	98.58

The distribution of shareholding by proportion of shareholders as of December 30, 2020, which is the latest closing date of the registered book of the Company as follows:

Shareholders	Total			Juristic Person			Individual Person		
	No. of persons	No. of shares	%	No. of persons	No. of shares	%	No. of persons	No. of shares	%
Shareholders more than 0.5%	27	145,791,930	72.00	1	2,865,742	1.42	26	142,926,188	70.58
Shareholders less than 0.5% but not less than one unit trade	1,828	56,704,853	28.00	2	5,420	0.00	1,826	56,699,433	28.00
Shareholders less than one unit trade	189	3,449	0.00	0	0	0.00	189	3,449	0.00
Total	2,044	202,500,232	100	3	2,871,162	1.42	2,041	199,629,070	98.58

Note: 1) The distribution data prepared by TSD, in case of multiple accounts and/or principle address will count as one shareholder.

2) Refer Article of Associations shareholders ratio for foreigner not exceeding 49% of the existing shares and paid-up capital.

Shareholders' Agreement regarding significant matters which shall be affected the securities holding and management.

- None -

The Subsidiary's shareholders

Phol Palladium Company Limited

The subsidiary's issued and paid-up capital of Baht 1,000,000 divided into 100,000 common shares with a par value of Baht 10 per share. The shareholders are as follows:

No.	Shareholders Name	No. of Shares	%
1	Phol Dhanya Public Company Limited	99,997	99.997%
2	Mr. Payotorn Munthong	1	0.001%
3	Miss Prapaipit Viriyabhupha	1	0.001%
4	Mrs. Sugunya Wingworn	1	0.001%
	Total	100,000	100%

Phol Water Company Limited

The subsidiary's issued and paid-up capital of Baht 50,000,000 divided into 5,000,000 common shares with a par value of Baht 10 per share. The shareholders are as follows:

No.	Shareholders Name	No. of Shares	%
1	Phol Dhanya Public Company Limited	4,999,997	99.99%
2	Mr. Chavalit Wangthamrong	1	0.00%
3	Mr. Boonchai Suwanvutthiwat	1	0.00%
4	Mr. Pornsak Chunhajinda	1	0.00%
	Total	5,000,000	100%

Pholdhanya (Cambodia) Company Limited

The subsidiary's issued and paid-up capital of Riel 1,200,000,000 approximately 300,000 U.S. dollars or 9.5 Million Baht, divided into 30,000 common shares with a par value of Riel 40,000 per share. Phol Dhanya Public Company Limited holds 100%. However, the Company has ceased its operations due to no suitable business plans and to reduce the total operation expenses of the subsidiary.

Other Securities

Company doesn't issue other securities.

Dividend Payment Policy

Dividend payment policy of the Company

The Company has a policy of paying dividend at the rate of no less than 40 percent of net profit after deduction of corporate income tax, legal reserves and other necessary reserves in each year by considering net profit of the consolidated financial statements of the company. Nevertheless, such dividend payment rate may be subject to change depending on the investments plans, necessity and other appropriate in the future. A resolution of the Company's Board of Directors regarding the dividend payment must be proposed to the Shareholders' Meeting for approval, except for an interim dividend payment, which the Board of Directors may approve and then report to the next Shareholders' Meeting.

Dividend history	2020	2019	2018	2017	2016
Interim Dividend (Baht)	0.15	0.05	-	-	0.10
Annual Dividend Payment (Baht)	0.14*	0.10	-	-	-
Earnings (Loss) per share (Baht)	0.36	0.20	0.18	(0.58)	(0.08)
Dividend Payout (%)	91.71%	75.95%	-	-	-

Note* Annual dividend for the year 2020 will be proposed for approval at the AGM2021 on April 26, 2021

Dividend payment policy of its subsidiaries

The subsidiary's dividend policy is designated as the same its parent company. In normal circumstance, the company doesn't need money to invest or expand its business. The Board of Directors has a policy of offering its subsidiaries to propose the Shareholders' Meeting for approval of paying dividend at the rate of no less than 40 percent of net profit after deduction of corporate income tax, legal reserves and other necessary reserves in each year. Nevertheless, the Board of Directors of its subsidiaries may differ materially from such policies as appropriate and the necessity of its subsidiaries.

Management Structure

Management structure of the Company comprises of the Board of Directors, Sub-committee and management team as follows;

1. Board of Directors

The Board of Directors are comprised of not less five (5) persons, regardless of the gender, age and educational background. Not less than half of the total number of directors must have the residential address in the Kingdom of Thailand and the directors may or may not be the Company's shareholders. Directors can be elected or dismissed by the shareholders' meeting. With this, the number of independent directors must be least one-third (1/3) of the total number of directors but must not be less than three (3) persons. Independent directors must have the qualifications required by the Securities and Exchange Committee's regulations and/or relevant laws. In this regard, at least one (1) director must be well-versed in verifying the credibility of the financial statements.

The Board of Directors comprises 9 members as follows:

No	Name	Position	Type
1	Assoc. Prof. Dr. Ekachidd Chungcharoen	Chairman of The Board	Independent Director
2	Mr. Noppadol Dheerabutrpongkul	Independent Director	Independent Director
3	Mr. Santi Niamnil	Independent Director	Independent Director
4	Dr. Pallapa Ruangrong	Independent Director	Independent Director
5	General Chaiwat Satondee ^{/1}	Independent Director	Independent Director
6	Mr. Teeradej Jarutangtrong	Director	Non-Executive Director
7	Mr. Chavalit Wangthamrong	Director	Non-Executive Director
8	Mr. Boonchai Suwanvutthiwat	Director	Executive Director
9	Mr. Thanya Wangthamrong	Director	Executive Director

Note:

^{/1}The meeting of the Board of Director no. 2/2021 held on 18 February 2021 has approved to adjust the position status to independent director effective on 19 February 2021 onwards.

Authorized Directors

Authorized signatories are **Mr. Teeradej Jarutangtrong** signing together with **Mr. Thanya Wangthamrong** with affixing the Company's seal. Number or name of directors who are authorized signatories shall be two directors signing jointly, together with the Company's seal affixed. The Board has a power to determine and change the names of authorized signatories. The Board has a power to authorize any director or directors or other person(s) to act on any specific matter on behalf of the Board of Directors and it may cancel or change such authority at any time.

Directors' Term on Board

At each Annual General Meeting of Shareholders, one-third of the total directors must retire from office. If it is not possible to divide the total number of directors evenly by three, the number closest to one-third must retire from the office. The directors retiring in the first and second years after the registration of the Company shall be selected by drawing. In subsequent years, the director who has been in the post longest shall retire. A director who retires under this procedure may be re-elected.

Scope of Authority and Responsibilities of the Board of Directors

The Board of Directors is responsible to shareholders for the company's business, and supervision of the management of the business to meet goals and guidelines for the interests of its shareholders under the realm of ethics and takes into account the stakeholders' interests, including act in accordance with the rules and regulations set forth by the Stock Exchange of Thailand (SET), the Securities and Exchange Commission of Thailand (SEC), and the Capital Market Supervisory Board under the Securities and Exchange Act B.E. 2535 (As Amended).

The resolution of the Board of Directors' meeting No.7/2020 on August 11, 2020 has reviewed the Board Charter and approved scope Authority and responsibility as follows;

1. The Board of Directors must abide by the laws, objectives and regulations of the Company, as well as the shareholders' meeting's resolutions. They must perform duties honestly and be cautious of shareholders' benefits based on the principle of good governance, while disclosing the information in an adequate, correct and transparent manner towards all stakeholders.
2. Identify or change the Company's authorized signatory.
3. The Board of Directors must take part in considering important matters related to the Company's business operations in order to create added values for the business in a fair and continuous manner as follows:
 - 3.1 The Company's vision, mission, strategies, financial plans, risks, execution plans and budgeting, etc. of the previous year shall be considered and signed off.
 - 3.2 The management should ensure that the policies, strategies and scheduled plans are being followed up effectively and efficiently, as well as the reporting system against the target, obstacles and problem resolutions.
 - 3.3 The internal control and risk management systems, including the mechanisms for filing complaints in case of whistleblowing, are readily available.
 - 3.4 It is to be ensured that the business operations can be conducted sustainably over the long run, with staff member development plan and the continuity of managerial roles (Succession Plan).
4. The Chief Executive Officer's and high-level executives' performance evaluation criteria shall be identified in a way that resonates with the objectives and execution plan, with appropriate remuneration package that reflects the operating performance, benchmarked against the same type of business.
5. The policies concerning governance and anti-corruption shall be developed in writing. The policies should be approved at least once a year and it is to be ensured that compliance is observed, while cultivating organizational values that reflect good governance that they become the organizational culture.
6. It is to be encouraged that the Business Code of Conduct is available in writing, so that executives and staff members understand the ethical standard employed by the Company in operating the business. It is to be ensured that compliance with such Code of Conduct is strictly observed.
7. Transactions that may involve conflicts of interest are handled with care, with prime concern on the Company's and shareholders' benefits, while stakeholders should take part in making decisions, and compliance with regulations should be ensured, while the information related to potential conflicts of interest shall be comprehensively disclosed.
8. The internal control system is adequately available to ensure that transactions get approved by the authorized persons, with correct verification and preparation of accounting reports, and that the auditing process is credible, with different systems that can prevent inappropriate use of the Company's assets.
9. The Board of Directors, with the input of the Audit Committee, should provide opinions on the adequacy of the internal control and risk management systems, which are to be disclosed in the Annual Report.
10. Allocate the mechanism to control and monitor subsidiaries to ensure that the Company's investment capital is well taken care of. In this regard, the individuals assuming the director position in subsidiaries shall have appropriate qualifications to ensure compliance with the Company's policy and that the transactions are conducted lawfully in accordance with the securities and exchange laws, as well as the Stock Exchange's announcement.
11. Appoint the Company Secretary to provide information on rules and regulations that directors should be aware of, as well as coordinate with other parties to ensure compliance with the Board's resolutions.
12. Execute performance evaluation for the Board of Directors and sub-committees on an annual basis.

13. Report the Board of Director's responsibility in preparing the statement of financial position, to be attached with the auditor's report in the Annual Report. The statement should cover key matters based on good practices required of directors of listed companies in the Stock Exchange of Thailand.
14. The Board of Directors are eligible to invite an expert(s) to be the advisor(s), whereby the invitee(s) does not have the voting right in the Board of Directors' meeting.
15. The Board of Directors may appoint any individuals to operate the Company's business, under the control and supervision of the Board. The Board may also authorize such person and/or for a certain period of time deemed appropriate, and can terminate, withdraw, change or amend such authority.
16. Consider and approve inter-related transactions that may involve conflicts of interest, benefits or losses from the Company or subsidiaries, except for transactions that involve normal business activities and follow general commercial conditions, as authorized by the Board of Directors of the Company and/or subsidiaries. These are executed under the principle, conditions and methods that govern inter-related transactions and acquisition or divestment of assets of the Company according to the Stock Exchange of Thailand's or the Securities and Exchange Commission's announcement, in order to ensure that such transactions are reasonable and contribute to the Company's maximum benefits.

2. Audit Committee

The Audit Committee is responsible for reviewing the company's financial reporting, reviewing the adequacy of the company's internal control and risk management systems, comply with all applicable laws, rules, regulations, including the preparation of reports or providing comments to the Board for approval or to propose to the Shareholders' Meeting as the case.

Audit Committee comprises of Independent Director 3 members as follows:

No	Name	Position
1	Mr. Noppadol Dheerabutrvongkul	Chairman of Audit Committee
2	Mr. Santi Niamnil	Audit Committee
3	Dr. Pallapa Ruangrong	Audit Committee

Audit Committee No.1 has adequate knowledge and experience to review reliability of the Company's financial statements.

Miss. Kamolphopphan Puapunsakul is an Audit Committee's secretary.

Audit Committee's Term on Board

Audit Committee is subject to a three-year term. In the case that a member resigns from the position prior to the expiration of his term of office, a replacing person will hold the position only for the remainder of term of office of the resigning member.

Scope of Authority and Responsibilities of the Audit Committee

The Board of Directors' Meeting No. 1/2021, held on January 13, 2020, reviewed and approved to determine the scope, authority and responsibility of the Audit Committee as follows:

1. To ensure that the Company has fairly presented financial reports and fully disclosed information.
2. To ensure that the Company has the appropriate and effective internal control and internal audit systems maintains the independence of the internal audit system, approves the appointment, transfer, terminate the employment of the Chief of the Internal Audit Unit and other departments responsible for internal audit.
3. To ensure the Company's compliance with the Laws related to the Securities and Stock Exchange, the Requirements of the Stock Exchange of Thailand and the business of the Company.
4. To verify the correctness and completeness of the related matters or the matters which could cause conflict of interest.
5. To verify and give comments on preventive anti-corruption measures in line with the company's anti-corruption policy. Make sure that these measures are efficient and effective.

6. To verify the Company's risk management.
7. To consider, select, propose, appoint and terminate the employment of any independent person and auditor approved by the Office of Securities and Exchange Commission to perform duty of auditing the company's account and to offer the consideration of the auditor including attending the meeting with the auditor without the meeting organizing department at least once a year.
8. To prepare and disclose the report of corporate governance of the Audit Committee publicly in the annual report of the Company signed by the Chairman of the Audit Committee.
9. To carry out any other tasks assigned by the Board of the Director as approved by the Audit Committee.
10. To review the Charter of the Audit Committee as necessary and appropriate at least once a year.
11. To review the report about the violation of business ethics and company's regulation.
12. To ensure scope of the policy management of information technology and security measure for the information technology system.

3. Nomination and Compensation Committee

The Nomination and Compensation Committee consists at least 3 members and must be at least half of Independent Directors and the Chairman of the Nomination and Compensation Committee must be independent directors.

The Nomination and Compensation Committee comprises 4 members as follows

No	Name	Position
1	Assoc. Prof. Dr. Ekachidd Chungcharoen	Chairman of Nomination and Compensation Committee/Independent Director
2	Mr. Noppadol Dheerabutrpongkul	Nomination and Compensation Committee/Independent Director
3	General Chaiwat Satondee	Nomination and Compensation Committee/Independent Director
4	Mr. Chavalit Wangthamrong	Nomination and Compensation Committee

Miss Siriporn Ondee is a Nomination and Compensation Committee's secretary.

Nomination and Compensation Committee's Term on Board

Members of the Nomination and Compensation Committee are subject to a three-year term beginning from the date of appointment. The member who retires on expiration of his term of office may be re-elected through the consideration according to Nomination rules and procedures. In addition to vacating office on expiration of term of office, a member of the Nomination and Compensation Committee shall vacate office upon death, resignation and dispossession of qualifications.

Scope of Authority and Responsibilities of the Nomination and Compensation Committee

The Board of Directors' Meeting No. 10/2020, held on November 10, 2020, reviewed and approved to determine the scope, authority and responsibility of the Nomination and Compensation Committee as follows:

1. Nomination
 - 1.1 To consider the appropriateness of structures and compositions of the Board of Directors and Sub-Committee.
 - 1.2 To consider criteria and procedures for recruiting qualified candidates to a director and the executive management positions, comply with Corporate Governance best practice.
 - 1.3 To consider the selection of qualified directors according to the criteria and procedure of nomination of directors, sub-committee and executive management proposed to the Shareholders' Meeting or the Board of Director, depending on the composition of the Board, knowledge, ability and experience that are beneficial to the company business.
 - 1.4 To provide development plan, knowledge and skill in directorship continuous, provide an orientation new director to know deeply information related to business operation and related regulatory.
 - 1.5 To review the succession plan for the board and top management.

2. Compensation

- 2.1 Stipulate regulations and review remuneration structure of the Board of Directors, the Sub-Committees by proposing to the Board of Directors to approve and proposed to the meeting of the shareholders for approval.
- 2.2 Determine the evaluation regulations and remuneration for top management by proposing to the Board of Directors to approve.
- 2.3 Consider the remuneration structure for staff members and propose the timeline for salary adjustment and annual bonus for the group company to the Board of Directors for an approval.
- 2.4 Consider conditions of the issuance of new securities as appropriate and provide approval upon the Company's issuance of new securities to the Directors or staff and when the Directors or staffs receive the new securities of more than (five) 5% of the total allotted securities. There should be no Directors or employee receive the aforementioned allotted securities more than (five) 5%.
3. Evaluation of its own performance, the Nomination and Compensation Committee 1 time per year for presentation to the Board of Directors.
4. Annually prepare performance yearly report to the Board of Directors and shareholders' meeting.
5. To revise the Charter of the Nomination and Compensation Committee 1 time per year as necessary and appropriate
6. To perform other duties as assigned by the Board of Directors and law regulations or as necessary and appropriate.

4. Risk Management Committee

Risk Management Committee members included Board of Directors, Executive and/or external scholars who was appointed by Board of Director. The total membership of not more than 5 members.

Risk Management Committee comprises 3 members as follows:

No	Name	Position
1	Mr. Teeradej Jarutangtrong	Chairman of Risk Management Committee
2	Mr. Boonchai Suwanvuttiwat	Risk Management Committee
3	Asst.Prof.Dr.Suluck Pattarathammas ²	Risk Management Committee

Note:

² Asst. Prof. Dr. Suluck Pattarathammas was appointed to be Risk Management Committee-external scholar

Miss. Saowapa Choorujiporn is a Risk Management Committee's secretary.

Risk Management Committee's Term on Board

Members of the Risk Management Committee are subject to a three-year term beginning from the date of appointment. In addition to vacating office on expiration of term of office, a member of the Risk Management Committee shall vacate office upon death, resignation and dispossession of qualifications.

Scope of Authority and Responsibilities of the Risk Management Committee

The Board of Directors' Meeting No. 10/2020, held on November 10, 2020, reviewed and approved to determine the scope of authority and responsibility of the Risk Management Committee as follows:

1. To scrutinize company-Risk Management Policy and overall procedures that covered all defined important Risks which are as Financial Risk; Investment Risk; Operation Risk; Fraud Risk etc. This is not limited to assessment following up review the sufficiency of execution and its effectiveness of The Risk Management Policy and its system for propose to The Board of Director for approval.
2. To define The Risk Management Plan and its strategies including required resources using conforming to The Corporate Mission and Strategies.

3. To oversight execute and manage The Risk Management Strategy continuously to make sure that such strategies and all related procedures/process have been implemented appropriately and efficiently covering all defined Risks until they are in the Risk Appetite Level.

5. Management Team

The company has the first 4 executives according to the SEC, is second line from the Chief Executive Officer according to the organization of the company, with covering Chief Financial Officer, the overall responsibility of top-executives such as; to operating in accordance with the policy, vision and mission, strategy and company objective, including business plan and yearly budgeting approved by the Board of Directors.

The Board of Directors' Meeting No. 3/2021, held on March 11, 2021 considered the organizational structure and signed off the restructuring of the Human Resource Department to report directly to the Chief Executive Officer, effective from March 12, 2021 onwards. The Board of Directors also appointed an executive; Mr. Patsapong Wangthamrong, to assume the Human Resource Director position. Management Team comprises 8 members as follows:

No	Name	Position
1	Mr. Boonchai Suwanvutthiwat	Chief Executive Officer
2	Mr. Pornsak Chunhajinda	Vice President Corporate Support/Chief Financial Officer
3	Mr. Thanya Wangthamrong	Vice President Marketing and Sales
4	Miss Kamolphopphan Puapansakul	Internal Audit Director
5	Miss Prapaipit Viriyabhupha	Sales Director Control Environment Products
6	Mr. Paradorn Parepatara	Sales Director SAFETY Products Group 1
7	Mr. Nitipat Pedprasert	Sales Director SAFETY Products Group 2
8	Mr. Patsapong Wangthamrong	Human Resource Director

Chief Executive Officer's Scope of Duties and Responsibilities

1. To identify vision, direction, strategy, policies and corporate plans with covering potential risk issued.
2. Convey the company direction and strategies to the management to effectively implement the results.
3. Monitor supervise and implementation of key strategies and policies, Including objectives Financial goals, corporate plans and budgeting, reporting to the Board of Director.
4. Support and provide effective and efficient internal control an Audit system.
5. Resolve the conflicts of interest and connected transactions.
6. Coordination of comprehensive Risk Management ensure that effectively risk management system or procedure.

In this regard, the top executive management of the company is in accordance with the notification of the Capital Market Supervisory Board No. ThorJor. No.23/2551 Re: Defining executive definition for compliance with chapter 3/1 of the Securities and Exchange Act B.C.2535, amendment by the Public Securities and Exchange Act. B.E.2551 (no. 4), in which all 8 executives have no prohibited qualification found, as follows:

- 1) Judgment by court for criminal offences in relation to property committed in dishonesty of similar nature.
- 2) Judgment by court for transaction conflict of interest with the company.

In addition, the Board of Directors and the management of the company, are qualified shall not have prohibited characteristics including a lack of untrustworthiness, regarding to the Notification of the Securities and Exchange Commission No. KorJor. 3/2560 Re: Determine of Untrustworthiness Characteristics of Company Directors and Executive.

Authorized Level of the Company as follow:

Transactions	Board of Directors	Authorized Directors	CEO
1. Approval Annual Plan Budget Plan and Manpower	✓	-	-
2. Loan and issued Bond per time	✓	-	-
3. The documents signing; debt instruments, cheque and important issued related financial statement as stated in the company's Director of Authority table.	✓	✓	-
4. Certified the Company's Financial Report	✓	-	-
5. Approval Investment:			
5.1 Annual Investment Plan/ Investment for Joint venture or Subsidiaries	✓	-	-
5.2 Investment in Annual Investment Plan	✓ Over 4 MB	✓ Not Over 4 MB	✓ Not Over 2 MB ✓
5.3 Investment outside Annual Investment Plan	✓ Over 4 MB	✓ Not Over 4 MB	Not Over 2 MB
6. Approval the connected transaction of the Company and its subsidiaries which has been approved by the Audit Committee.	✓ Over 4 MB	✓ Not Over 4 MB	-
7. Asset Disposal	✓ Over 2 MB	-	✓ Not Over 2 MB
8. Write-off Debt	✓ Over 1 MB	-	✓ Not Over 1 MB
9. Approval Selling proposes per purchase order/Customer Credit Approval	✓ Over 40 MB	✓ Not Over 40 MB	✓ Not Over 4 MB
10. Approved Requisition Order and Purchase Order	✓ Over 40 MB	✓ Not Over 40 MB	✓ Not Over 4 MB
11. Authorized under Budget	✓ Over 1 MB	✓ Not Over 1 MB	✓ Not Over 0.5 MB
12. Approval for Purchase Order for operate and maintenance property.	✓ Over 4 MB	✓ Not Over 4 MB	✓ Not Over 2 MB

In this regard, the approvals of the above transactions are in accordance with the notification of the authority of the Company and its subsidiaries which was approved by Board of Director. And the aforementioned transactions are not inclusive of those in which the Board of Directors, Chief Executive Officer, or any individuals might possibly have stakes or conflicts of interest of any kinds (if any) with the Company or its subsidiaries, unless the transactions are in accordance with the policies and criteria indicated by the Board of Directors. Such transactions must be declared to the Audit Committee Meeting and the Board of Directors' Meeting and/or the Shareholders' Meeting (where appropriate) in order to obtain approvals as stated in the Company's regulations or relevant laws.

6. Sustainable Development Sub-Committee

The Board of Directors' Meeting No. 8/2020, held on September 18, 2020 appointed a Sustainable Development Sub-Committee to improve business operations that promote sustainability in economic, social and environmental dimensions.

Sustainable Development Sub-Committee comprises 3 members as follows:

No	Name	Position
1	Mr. Boonchai Suwanvutthiwat	Chairman of Sustainable Development Sub-Committee
2	Mr. Pornsak Chunhajinda	Sustainable Development Sub-Committee
3	Mr. Thanya Wangthamrong	Sustainable Development Sub-Committee

In this regard, Dr. Pallapa Ruangrong, the Company director and Dr. Chaityod Boonyakit, an external expert, were appointed advisors to the Sustainable Development Sub-Committee, whereby the scope of authority, duties and responsibilities of the sub-committee are as follows:

1. Prescribe the policy, identify matters, goals, strategies, execution plans and budget related to sustainable development in business operations to align with the organizational objectives and propose to the Board of Directors for an approval.
2. Ensure that the policy, strategies and sustainable development plan in economic, social and environmental aspects are executed, and the outcomes are reported to the Board of Directors for acknowledgement at least once every quarter.
3. Encourage communication to staff members of all levels, directors and organizational stakeholders to acknowledge, understand and be aware of sustainable development, as well as responsibility towards the society, community and environment.
4. Consider and approve of the Sustainable Development Report to disclose to the public.

7. Criteria for Directors and Management's Nomination

Criteria for Directors and Management's Nomination

The Company appointed Nomination and Compensation Committee to nominate qualified candidates for directors and Chief Executive Officer (CEO) to supervise the Company's business conduct and to determine policies and action plans for the maximum benefit of the organization and its shareholders. Nomination and Compensation Committee is responsible for reviewing and nominating qualified candidates to assume director and CEO positions, considering his/her qualified to comply with the criteria for selection director's nomination to replacement retired by their rotation director and/or vacancy director (if any), proposed to the Board of Director for consideration and deemed appropriate proposed to appointment by the Annual General Meeting of shareholders every year, for management level have appointed by the Board (if any), reviewing the criteria at least yearly basis.

The Company's articles of association stipulates that the Meeting of shareholders appoint directors by applying the following criteria:

1. Directors shall be elected by the shareholders' meeting, whereby the Nomination and Remuneration Committee will be selecting suitable candidates and nominating names of individuals with appropriate qualifications based on the following criteria and methodologies:
 - (1) Each shareholder gets the voting right equal to the number of shares held
 - (2) Each shareholder can use his/her voting right according to (1) to vote for one or many candidates, but cannot divide his/her voting rights to give to each candidate at will. In the case of appointing many directors, each shareholder can vote for a number of candidates up to the maximum number of directors that must be appointed, but cannot divide his/her voting rights to give to each candidate at will.
 - (3) Candidates with the top votes in the descending order will be appointed. The number of candidates appointed equal the number of directors needed to be appointed. In the case that two or more candidates share the same rank, Chairman of the Meeting will give a final vote to one of the candidates.
2. Directors are to select among themselves one person to be Chairman. If the directors agree, they may select another or other persons to be Vice Chairman.
3. The Chairman of the Board of Directors and Chief Executive Officer or Managing Director must not be the same person, for purposes of clearly separated duties and balance of power in business execution.
4. In the case that the director positions become vacant due to reasons other than expiration of terms, directors are to select new directors to assume the vacant position with the term equal to the remaining term of such position. Resolution to select new directors must consist of at least 3/4 votes from the remaining directors.

Qualifications of the Company Directors

1. Directors must be natural persons, with the following qualifications:

Directors must possess qualifications without prohibited attributes according to Section 68 of the Public Company Limited Act B.E.2535 (including endorsements). They must not display characteristics deemed inappropriate to assume the position in the public company according to Section 89/3 of the Securities and Stock Exchange Act B.E.2535 (including endorsements).

 - (1) One must become a sui juris
 - (2) One must not be in bankruptcy, incompetent or appears to be incompetent
 - (3) One must not have been imprisoned from the verdict related to securities obtained dishonestly.
 - (4) One must not have been punished, dismissed or terminated from the government sector, organizations or government institutes for dishonesty in one's duties.

2. One must possess a variety of qualifications, knowledge and relevant experiences that are useful for the business operations, as well as for the development of strategies and policies. One must monitor and follow up with the strategic plan effectively, with moral and ethical values and allocate adequate time to fully dedicate to performing one's duties
3. The independent director can assume the directorship in not more than 5 public listed companies.
4. An independent director means a director who is independent from the control of the management, major shareholders, authorized persons and does not have any potential benefits or losses from decisions related to business execution. With this, an independent director must possess the following qualifications:
 - (1) A director must hold no more than 1% of the total number of shares eligible for voting in the mother company, subsidiaries, affiliates or juristic persons that may have potential conflicts.
 - (2) A director must not be or never have been involved in managerial duties, staff members or consultants with salary on a fixed basis, or the authorized person of the mother company, subsidiaries, affiliates or juristic persons that may have potential conflicts.
 - (3) A director must not have blood relations, marital relations or any relations borne of registering marriage certificate with the persons that may have potential conflicts.
 - (4) A director must not have or never has business relationship with the mother company, subsidiaries, affiliates or juristic persons that may have potential conflicts in a way that may obstruct one's independent exercising of discretion or judgment.
 - (5) A director must not be or never have been the auditor of the mother company, subsidiaries, affiliates or juristic persons that may involve potential conflicts.
 - (6) A director must not possess other attributes that prevent one from independently expressing opinions related to the Company's business operations.

Methods and procedures of nomination of directors

1. Review the existing structure of the Board of Directors and assess whether it is supportive to the strategic needs of the Company, give recommendations on how to improve such structure, and propose the criteria to find candidates suitable for the recommended structure to the Board of Directors
2. Identify the lists of qualified candidates to nominate as directors
3. Review and screen the lists and curriculum vitae of the candidates and present to the Board of Directors
4. Arrange to have interviews sessions for candidates who have passed the preliminary screening from Nomination and Compensation Committee and propose the lists to the Board of Directors and present to the shareholders' meeting to get approval
5. In the nomination process, Nomination and Compensation Committee determines a nomination criteria to ensure that the selected candidates will be able to perform the roles of directors based on 2 Fiduciary Duties: Duty of Care and Duty of Loyalty
6. Aside from nomination by Nomination and Compensation Committee, the Committee also gives opportunities to minority shareholders to nominate qualified candidates to the Committee in the time period that is long enough to facilitate the screening procedure required by the Committee
7. To ensure transparency, Nomination and Compensation Committee discloses nominating policy and procedure to shareholders, as well as prepares nomination forms containing important information of candidates that shareholders can use to make decision together with consents of such candidates
8. Screen and cross-check the name of candidates in the list with the lists of relevant authorities to make sure that the candidates are not the persons in black lists or have been removed from the lists of such authorities, and meet and interview candidates who have passed the screening of Nomination and Compensation Committee

9. In the process of director nomination, Nomination and Compensation Committee should nominate candidates in a sufficient number to allow the Company's directors a chance to select from the candidate pool and propose the selected candidates to the shareholders' meeting in the number equal to the number of directors needed
10. Nomination and Compensation Committee submits the list of candidates and their resumes to the shareholders' meeting in advance together with the invitation to general shareholders' meeting
11. In the case of reappointing directors whose terms have expired, the candidates' performance and records of attendance in Board of Directors' meeting and shareholders' meeting will also be delivered to shareholders
12. In the process of nominating candidates for directors, the Board of Directors allows shareholders to vote one-by-one to give opportunities to shareholders to contemplate each candidate and disclose the voting result in the Meeting
13. Arrange to have an orientation session for the newly-appointed directors prior to their first attendance of the meeting of the Board of Directors

After the list of candidates is approved by the Board of Directors, Nomination and Compensation Committee will present to the general meeting of shareholders to approve and appoint the candidates.

However, the shareholders' meeting may pass a resolution of some directors to retire before the terms validation, with a vote of not less than (3/4) three-fourths of the number of shareholders attending the meeting and having the right to vote, total vote is not less than half of the shares held by the shareholders attending the meeting and have their rights to vote in the meeting.

Independent Directors

The Board of Directors or the Meeting of shareholders (depending on the case) has an authority to appoint independent directors with the minimum of 1/3 of the Board of Directors and at least 3 persons.

The criteria in selecting independent directors are similar to those in selecting directors. Qualifications of independent directors are defined applying the definition of qualifications and prohibited characteristics specified in Public Company Act and Securities and Exchange Act, as well as Notification of Securities and Exchange Commission. Such qualifications are the following:

Definition of Independent Directors:

The definition of independent directors of the company that is equal to the minimum requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand, which is in accordance with the criteria announced by the Capital Market Supervisory Board, details are as follows:

1. Holding shares not exceeding 1% of the total shares with voting right of the company, its parent company, subsidiaries, associates, major shareholders, and controlling parties of the company, provided that the shares held by the related parties of such independent director shall be included.
2. Neither being nor used to be an executive director, employee, staff, advisor who receives salary, nor controlling parties of the company, its parent company, subsidiaries, associates, same-level subsidiaries, major shareholders, or controlling parties of the applicant unless the foregoing status ended at least 2 years prior the date of appointed as an independent director to the Securities and Exchange Commission (SEC), provided that such prohibition shall not include the case that such independent director has ever been official or advisor of the government sector that is the major shareholder or controlling party of the company.
3. Not being a person related by blood or, legal registration under the status of father, mother, spouse, brothers and sisters, and children, The prohibitive persons also include spouses of daughters and sons of management, major shareholders, controlling party or the person who is in the process of nomination to be the management or controlling party of the company or its subsidiary.
4. Neither having nor used to have business relationship with the company, its parent company, subsidiaries, associates, major shareholders, or controlling parties of the company in respect of holding the power which may cause the obstacle of the

independent decision, including not being or never been the significant shareholders, or controlling parties of any person having business relationship with the company, its parent company, subsidiaries, associates, major shareholders, or controlling parties of the company unless the foregoing status ended at least 2 years prior to the date of appointed as an independent director.

The business relationship mentioned under the first paragraph shall include business transaction in ordinary business manner of rent, or lease the immovable property, transaction related to assets or services, or the financial support regardless of being lent or borrowed, guaranteed, secured, by assets, debt, and any otherwise similar performance which causes liability or obligation to the applicant or counter party, have provided that such liability is equal to or exceed 3% of the net tangible assets of the applicant or equal or above 20 million baht, whichever is lower.

5. Neither being nor used to be an auditor of the company, its parent company, subsidiaries, associates, major shareholders, or controlling parties of company, and is not the significant shareholder, controlling parties, or partner of the auditing firm which employs such auditor of the company, its parent company, subsidiaries, associates, major shareholders, or controlling parties of the company unless the foregoing status ended at least 2 years prior to the date of appointed as an independent director.
6. Neither being nor used to be the professional service provider, including but not limited to legal service or financial advisor with received service fee more than 2 million baht per year from the company, its parent company, subsidiaries, associates, major shareholders, or controlling parties, and is not the significant shareholder, controlling parties, or partner of the above mentioned service firms unless the foregoing status at least 2 years prior to the date of appointed as an independent director.
7. Neither being a director who is nominated to be the representative of directors of the company, major shareholders, or any other shareholder related to the major shareholders.
8. Not undertaking any business in the same and competitive business with the business of the company, or its subsidiaries, or is not significant partner of the partnership, or is not an executive director, employee, staff, advisor who receives salary, nor holds shares for more than 1% of the total shares with voting right of any other company which operates same and competitive business with the business of the company, or its subsidiaries.
9. Not having otherwise which is unable to have the independent opinion regarding the business operation of the company. After being appointed as the independent director, such independent director may be assigned by the board of directors to make decision in respect of collective decision on business operation of the company, its parent company, subsidiaries, associates, same-level subsidiaries, major shareholders, or controlling parties of company.

Where the person appointed by the company to be the independent director is the person who has or ever had the business relationship with or ever rendered professional service with higher service fees specified under the article (4) or (6), the Company, if the Board of Directors has considered that the appointment of such person does not affect the performance of duties and there is no interference in the independent opinion.

Director Nomination to the Meeting of Shareholders

The Company will attach the information of the candidates for directors with the shareholders' meeting invitation letter to allow shareholders to review the qualifications of the candidates who will replace the directors whose term expire. Such information consists of the candidate's education backgrounds, work experience, share ownership (direct and indirect), director position in companies and public companies, experiences, and disputes (if any). In the case of reappointment of directors whose term expired to resume director position, the information on the number of meeting attended and performance as directors in the past year will also be attached.

In the case that the director positions become vacant due to reasons other than expiration of terms, Nomination and Compensation Committee will propose qualified candidates to be considered and appointed in the next meeting. New directors are appointed with the votes of no less than $\frac{3}{4}$ of the remaining directors. The new directors in this case will have terms equal to the remaining terms of the previous directors whose terms are terminated.

8. Compensating of Directors and Executives

1. Policy and Criteria of the Compensating of the Board of Directors

The Company identified the criteria for directors' remuneration with consideration of the Company's operating performance, type and size of the business, benchmarking directors' compensation with other companies in similar industries, experiences, roles, duties and scope of responsibility of the Board of Directors and sub-committees, and the compensation that motivate and retain qualified individuals with proper attributes to assume the director position. The Nomination and Remuneration Committee hereby considers and identifies the initial payment criteria in accordance with the principle of good governance, and proposes to the Board of Directors to consider and propose to the Annual General Meeting of Shareholders to make a final approval of directors' remuneration. In the AGM 2020 held on April 28, 2020, the criteria of directors' remuneration were approved as follows:

- (1) Monthly compensation
- (2) Meeting allowance for each meeting attendance
- (3) Annual bonus for directors, considered from the Company's operating performance and dividend paid to shareholders

2. Policy and Criteria of the Compensating of Top Executives

The Nomination and Remuneration Committee considers and reviews the criteria for top executive's remuneration to ensure they are fair and appropriate, in order to propose to the Board of Directors for an approval on an annual basis, with consideration of the remuneration structure that aligns with the duties and responsibilities, the Company's operating performance, financial position, as well as the benchmarking with companies in the same industry, with reference to the salary survey conducted by trustworthy institutions and organizations. The reference also includes the GDP growth, average inflation rate, etc., in relation to the Company's goals, operating results, and individual executive's annual key performance indicator. In this regard, top executives' remuneration takes the form of salary, bonus and management incentives.

3. Compensation

Compensating of the Board of Directors

1. The monetary compensation to directors in the form of monthly fee, meeting allowance and bonus are as follows;

Board	Monthly fee ^{/3}	Meeting Allowance/Attendance ^{/4}	Director's bonus
Board of Directors			
Chairman	25,000	22,500	2.5% of dividend paid to shareholders
Director	12,000	15,000	
Audit Committee			
Chairman	20,000	18,000	-
Director	-	12,000	-
Nomination and Compensation Committee			
Chairman	15,000	18,000	-
Director	-	12,000	-
Risk Management Committee			
Chairman	15,000	18,000	-
Director	-	12,000	-

Notes:

^{1/3} Monthly fee; only for non-executive director, in case of the directors holding more than 1 position receive the highest monthly fee to be paid.

^{1/4} Meeting allowance to be paid for the director who attending

The 2020 Shareholder's Annual General Meeting on April 28, 2020, approved the criteria for remuneration for directors in the form of monthly fee, meeting allowances and Directors' bonus combined must not exceed the limit of 5 MB. In this regard, the payment criteria of Director's bonus are similar to that of the previous year; 1.5 portions are allocated to the Chairman of the Board and every individual director will be allocated 1 portion each. The calculation is proportional upon the tenure of directorship as appointed by the Annual General Meeting of Shareholders or in case where directors are appointed during the year in replacement of resigned directors. The exception applies when directors whose term of office is less than two months, whereby there will be no bonus payment.

In 2020, the total amount of directors' compensation comprise of 0.86 MB of monthly fee, 2.29 MB of meeting attendance fees of Board of Director and Sub-Committee and 1.25 MB of director's bonus 2019, totaling 4.40 MB. Directors' bonus for the year 2020 is in accordance with the criteria which has been approved by the shareholders' meeting, amounting 1.27 MB, totaling remuneration in the year 2020 amount 4.42 MB which not exceeding budgeting 5 MB. Also the said bonus shall be proposed to the 2021 Shareholder's meeting on 26 April, 2021.

2. The company does not other benefits for directors' remuneration.

In 2020, the individual compensation of directors are as follows:

Unit: Baht								
No.	Director's Name	Monthly Fee ¹⁵	Meeting Attendance				Director's Bonus 2019 ¹⁶	Total Compensation
			Board of Director	Audit Committee	NC Committee	RM Committee		
1	Asso. Prof. Dr. Ekachidd Chungcharoen	200,000	247,500	-	90,000	-	197,383	734,883
2	Mr. Noppadol Dheerabutrvongkul	160,000	165,000	108,000	60,000	-	131,589	624,589
3	Mr. Santi Niamnil	96,000	165,000	72,000	-	-	131,589	464,589
4	Dr. Pallapa Ruangrong	96,000	165,000	72,000	-	-	131,589	464,589
5	General Chaiwat Satondee	96,000	165,000	-	60,000	-	131,589	452,589
6	Mr. Teeradej Jarutangtrong	120,000	165,000	-	-	90,000	131,589	506,589
7	Mr. Chavalit Wangthamrong	96,000	165,000	-	48,000	-	131,589	440,589
8	Mr. Boonchai Suwanvutthiwat	-	165,000	-	-	60,000	131,589	356,589
9	Mr. Thanya Wangthamrong	-	165,000	-	-	-	131,589	296,589
10	Asst.Prof.Dr.Suluck Pattarathammas	-	-	-	-	60,000	-	60,000
	Total	864,000	1,567,500	252,000	258,000	210,000	1,250,095	4,401,595

Notes:

¹⁵ Monthly fee; only for non-executive director, in case of the directors holding more than 1 position receive the highest monthly fee to be paid, according to the resolution of the shareholders' meeting, effective on April 28, 2020, pay monthly fee from May 2020 onwards.

¹⁶ Director's Bonus for the year 2019 paid to directors in 2020, accordance the resolution of the Annual General Meeting of the Shareholders 2020 on April 28, 2020.

In 2020, moreover the remuneration as a director and sub-committee, there are directors who have received other consultant fee such as; Dr. Pallapa Ruangrong who has been appointed as advisor of the Sustainable Development sub-committee receive compensation in the form of traveling allowances of 10,000 Baht per meeting attendance, total amount of 30,000 Baht, Mr.Chavalit Wangthamrong received 1.32 MB for Strategic consultant, Mr. Teeradej Jarutangtrang received 1.14 MB for advisor of subsidiary "Phol Palladium Co.,Ltd" and Asst.Prof.Dr.Suluck Pattarathammas received 0.18 MB for Risk Management Consultant.

Details on the Meeting attendance of Board of Director and sub-Committee presented in topic "Corporate Governances; Board of Directors' Meeting"

Executive Compensation

The monetary compensation for executives of the company and its subsidiaries in the form of salaries, bonuses and management fee. In 2020, the Company has paid monetary compensation to 8 top executives of the Company and its subsidiaries, totaling 17.88 MB, summarized as follows:

Unit: MB

Executive Compensation	2020		2019	
	No. of person	Amount	No. of person	Amount
Salaries	8	13.11	8	12.53
Bonuses and Management Fee ⁷	8	4.08	8	2.58
Contribution to Provident Fund	8	0.69	8	0.67
Total	8	17.88	8	15.78

Note:

⁷ Bonuses and Management Fee for the year 2019 paid to top executives in 2020**Compensation of Directors and Executives in subsidiaries**

The compensation of Directors and Executives who was appointed as Directors in subsidiaries in the form of meeting allowance, summarized as follows:

No	Name	2020				
		Subsidiaries				Total (Baht)
		Phol Palladium Co., Ltd.		Phol Water Co., Ltd.		
		Meeting attendance	Meeting allowance (Baht)	Meeting attendance	Meeting allowance (Baht)	
1	Mr. Teeradej Jarutangtrong	4/4	60,000	-	-	60,000
2	General Chaiwat Satondee	-	-	6/6	90,000	90,000
3	Mr. Boonchai Suwanvutthiwat	6/6	60,000	6/6	60,000	120,000
4	Miss Prapaipit Viriyabhupha ^{/8}	2/2	30,000	6/6	60,000	90,000
5	Mr. Payotorn Mungthong	6/6	60,000	-	-	60,000
Total			210,000		210,000	420,000

Note:

⁸ Miss Prapaipit Viriyabhupha has been appointed as Chairman of the Board of subsidiary, to replace Mr. Teeradej Jarutangtrong, director who resigned, effective on September 28, 2020

9. Personnel

Number of personnel of the Company and its subsidiaries as of December 31, 2020 amounts to total 199 as follows:

Department	No. of Personnel	
	2020	2019
1. Management	8	8
2. Internal Audit	1	1
3. Management and Organization Development Office	5	5
4. Sales	67	65
5. Marketing	12	15
6. Procurement and Warehouse	39	38
7. Accounting and Finance	22	22
8. Human Resource	9	8
9. Information Technology	4	4
10. Branch Support Office	14	12
11. Sales and engineering	18	26
Total	199	204

Compensation for Employees

Employees of the Company and its subsidiaries receive compensations in the form of monetary and non-monetary compensations, include salary, annual bonus, overtime allowance, commission, incentives, diligence allowance, Provident fund, Life and health insurances and other welfares.

In 2020, the Company provided monetary compensation and non-monetary compensation for 115.44 MB and in 2019, the Company provided such compensation for 114.12 MB.

Changes in the number of employees in the past 3 years

In 2020, 21 employees left the Company and 18 new employees joined the Company

In 2019, 38 employees left the Company and 35 new employees joined the Company

In 2018, 27 employees left the Company and 42 new employees joined the Company

Significant labor dispute in the past 3 years

-None-

Human Resource Development Policy

The Company places a high value on continual human resource development to empower its employees to achieve performance objectives and steer the organization in the right direction to support future growth and competitiveness in the global stage. The Company set up a training plan and activity plan for its employees to enhance their knowledge and skills in several aspects. Human resource development of the Company can see more detail in the Sustainability Report 2020

Corporate Governance

The Board of Directors has always been determined and abided by the principle of corporate governance and ethics, business ethics of the company continuously, formulating policies, rules and guidelines for the organization; directors, executives and employees of the Company and its subsidiaries consistently comply with corporate governance policy to ensure responsible business operations towards the society, community and environment. Focusing on the creation of long term values for business for sustainable growth and constantly monitor the compliance results. In 2020, there was no issue or non-compliance situation with the aforesaid policy.

The Board of Directors, with its devotion to strictly and strong commitment to comply with the good corporate governance, comply to SEC's CG Code and IOD and international standard such as ASEAN CG Scorecard etc.

In 2020 PHOL has developed CG achievement as follows:

- The Company was given 100 scores for the year 2020 an assessment result on its administration of general shareholders' meetings (AGM Checklist) held by Thai Investors Association (TIA).
- The Company was received awarded with "Excellent CG Scoring" or "5 Stars" according to the Corporate Governance Report for Listed Companies 2020 held by Thai Institute of Director Association (IOD).
- The Company was achievement being awarded a plaque on the list of sustainable stock for THSI2020 (Thailand Sustainability Investment: THSI) held by SET in the Virtual events on SET Awards 2020.

Adoption of Corporate Governance Principle for Listed Companies

The Board of Directors, as the organization's topmost leader in creating sustainable values for the business and is fully aware of the benefits of adopting the 8 categories' CG Code practices to align with the company's business operations, there is monitoring and oversight the compliance with the good corporate governance policy and find appropriate measures to replace the matters that are not covered by the criteria for the corporate governance survey project.

The following important developments in accordance with corporate governance principles;

- The meeting of the Board of Directors No. 7/2020 on 11 August 2020, has reviewed the Company's Corporate Governance Policy (amendment no.3) related to the CG Code, publicized on the company's website (www.pdgh.com)
- The meeting of the Board of Directors No. 2/2021 on 18 February 2021, has reviewed the board composition with qualifications, expertized of the Board of Directors (Board Skill Matrix) and adjust independent director status to be more than 50% and non-executive directors have more than 66% of all directors, relied on CGR criteria and the Nomination and Compensation Committee's suggestion.
- Besides, the Board has reviewed the company's policy and criteria i.e. the Board of Director's charter and sub-committee related director's roles and duties, Sustainable Development Policy and Risk Management Policy etc.
- Established Business Continuity Management Policy and the Personal Data Protection Act and Guided Practices, or others, communicating to all employee has awareness, strictly to follow the established policy.

Besides, the Company has required all employees to perform their duties with honesty, being ethical towards oneself and the public is part of the "PHOL-D" corporate culture, which plays a role in sustainable success, driving through Company's vision to achievement the goals and mission of the organization in the same direction For the organization to be stable, strong and sustainable.

In 2020, topics that have not been implemented and have appropriate alternative protocols are as follows:

Topics not exercised	Reasons for not exercising/Substitute measures
1. The Board of Directors should determine that independent directors can continually assume director positions for not longer than 9 years since the date of the first appointment	The Board of Directors and sub-committee members have 3 years term. has not determined the longest period of office for an independent director, director and sub-committee to assume, as believed that all members of the Board has knowledge, ability, experience, being independent from the management, there are no business relationship with the company will causes restrictions on express independent opinion, does not have any involvement with major shareholders and controlling authority, is not persuaded or influenced by the management, thus has the qualifications to assume the independent director's position as stated in the regulations of SET and SEC.
2. The Board of Directors should determine the maximum length that directors and members of committees can assume their positions	
3. Nomination and Compensation Committee should comprise of all independent members	Nomination and Compensation Committee comprises of 3 members, 2 of whom are independent members. Chairman of the Committee must be independent director
4. Determine that directors or high-level executives notify the <u>Board of Directors or delegated persons about their transaction (buy and sell) of the Company's shares</u> at least 1 business day before the transaction date	The Board of Directors determines the measures to prevent internal information misuse by relevant persons, including their spouses and minor descendants and person related information, not allowing aforementioned persons to use non-public information for their own benefits which can give rise to conflict of interest. Such action is regarded as severe misconduct and is accentuated in the Company's business ethics.

In this regard, the Company has disseminated the corporate governance policy and the business code of conduct, internal information control policy and guideline in case of conflict of interest available in two languages (Thai and English) has been published on the Company's website www.pdgh.com, under the topic "Corporate Governance" in order to keep shareholders, investors and all stakeholders well informed, by electronic internal communication to all employee.

To following-up overall activity of the implementation and monitor of the principles of good corporate governance in the year 2020 is as follows:

Principle 1: Realise the role and responsibility of the Board of Directors as the organisation leaders that create sustainable value for the business

The Board of Directors, as the organization's topmost leader, is aware of the roles, duties and responsibilities in ensuring effective management, operating the business ethically, being responsible for stakeholders and creating values to the business in the long run, in accordance with the following practices:

- 1.1 Devising the key organizational objectives and goals together with the management, being determined to operate the business in alignment with the organizational vision and mission **"to be the leading company in Thailand and ASEAN with sustainable business operations in products and services related to safety, occupational health and environment"**. The strategic plan for sustainable growth (Corporate Strategy), Speed (Business Strategy) and Expert/Cost (Functional Strategy) have been identified the objectives and key organizational goals to achieve desired targets. The competitive landscape and technological changes play significant roles in many aspects of societal changes, leading to a considerable impact on the economy, production, service and people's quality of lives. Being aware of safety, changing consumers' behaviors, a wide array of online distribution channels, marketing strategies have to be adjusted in accordance with the rapidly changing landscape. Hence, the Board of Directors can identify business growth opportunities in the future, and appointed the consultants for strategic development and executive development, in collaboration with Thammasat University Research and Consultancy Institute in the third quarter and held a workshop outside of the organization. The directors observed and offered suggestions for the strategic team, whereby the top-level executives and middle management have jointly articulated the strategies.

The Board of Directors' meeting no.11/2020, held on December 15, 2020, had approved the organizational strategies and budget for 2021, following the strategic direction jointly driven by all departments to ensure they align with the organizational objectives. The emphasis is on the adoption of innovation and technology to improve key business procedures and enable fast and accurate processing and evaluation, relationship management with customers, partners and all stakeholders, as well as the fostering of the value "PHOL-D" as part of the organizational culture on a continuous basis.

- 1.2 Ensuring that the operating performance aligns with the target, with quarterly report presented to the Board of Directors in order to assess and improve the operations as appropriate in changing situations.
- 1.3 Developing the Board of Directors' Charter, specifying duties and responsibilities of the Board to use as the operational guideline. Directors are responsible for monitoring the business to meet goals and contributing maximum benefits for shareholders, under the good governance framework, as well as compliance with the laws, regulations, meeting's resolutions and the specified directions. In this regard, it also applies to the Board of Directors' authority of the company and its subsidiaries in different matters as specified.

Principle 2: Determine objectives and key policies for sustainable business

The Board of Directors reviewed the vision and mission statements in yearly basis, and signed off the annual strategy and execution plan that align with the organizational vision, mission and goals, with consideration of the business landscape and different risk factors may impact to business operations. The sustainable development policy has been devised, with determination in operating the business transparently, ethically and with responsibility towards all stakeholders, with the aim of developing and laying foundation for the business for sustainable growth, employing the concept of Creating Shared Value or "CSV", in co-creating values with all stakeholders under the notion "Better Together", to cover all dimensions; economy, society and environment, via the Company's business operations.

The Board of Directors' meeting no.7/2020, held on August 11, 2020, had considered and reviewed the Company's sustainable development policy that adheres to transparent and ethical business operations, being responsible for the society and all stakeholders, to align with the concept of sustainable operation that strives for economic growth and social and environmental development. The sustainability sub-committee had been appointed, with the scope of duties in identifying the policy, strategic goal, plan and budget, as well as supervising and ensuring execution of the policy and plan as part of the process in continuously improving sustainable business operations.

(Sustainability Report 2020 is available on the Company's website; www.pdgth.com)

Principle 3: Strengthen Board Effectiveness

3.1 The Structure of the Board of Directors

The Board of Directors appointed by the shareholders' meeting and sub-committees are comprised of individuals with knowledge, ability, skills and experiences that are deemed beneficial in the operation of the company's business, perform their duties with the duty of care and duty of loyalty and honesty to the organisation and to ensure that operations are in accordance with the laws, regulations, and resolutions of the shareholders' meeting, must act in the same manner as a reasonable business operator under the same circumstances, the shareholders can be confident that the company has scrutinized and operated carefully, must have complete characteristics as follows:

- 1) Act in good faith, reasonable and for the best interest of the Company
- 2) Act based on sufficient information and
- 3) Act without direct or indirect interests

The Board of Directors has clearly identified the scope of authority and responsibility of each committee in the committees' charters. The chairman of each committee is responsible for monitoring the operations to align with the Board of Directors' policy and reporting the operating outcomes to the Board of Directors on a regular basis.

Board Composition

According to the Company's regulations, the number of directors shall not be less than 5, to be elected by the shareholders' meeting and no less than half of the total number of directors shall have residential address in the Kingdom of Thailand. There are a number of non-executive directors, independent directors and executive directors, in an appropriate balance of power and must have a proportion of independent directors at least one-third of all directors.

Nomination and Compensation Committee gave an opportunity for the minority shareholders to nominate a person to be considered as a director in the annual general meeting of shareholders in accordance with the rules specified by the company, the said criteria for eligibility of shareholders had been revised to increase the chance of granting rights to minor shareholders and in the case of nominating retire director to be re-elected for another term, that clarify; time attendance, director's performance in the past for considering by shareholder, once approved by the Board of Directors and Nomination and Compensation Committee will appropriate to propose the shareholder's meeting to pass a resolution for appointment as a director of the company.

(Board composition, scope of duties and responsibilities of the board of directors and sub-committees are shown in the section "Management Structure")

The Board's composition consisting of knowledgeable people various capabilities, there are suitable number for the business. At present there were 9 directors comprising of; 2 of Managerial directors and 7 of Non-Managerial directors, which including 5 persons of independent director, accounting for 55.55% of total members of the Board of Directors, individually each 3 years terms

Name	Title	Type	First Appointment	Last Appointment
1. Asso. Prof. Dr. Ekachidd Chungcharoen ^{/1}	Chairman of the Board	Independent Director	September 12, 2007	2018
2. Mr. Noppadol Dheerabutvongkul ^{/1}	Independent Director	Independent Director	September 12, 2007	2020
3. Mr. Santi Niamnil	Independent Director	Independent Director	May 10, 2016	2020
4. Dr. Pallapa Ruangrong ^{/1}	Independent Director	Independent Director	September 19, 2017	2018
5. General Chaiwat Satondee ^{/2}	Independent Director	Independent Director	October 12, 2015	2019
6. Mr. Teeradej Jarutangtrong	Director	Non-Executive Director	September 12, 2007	2020
7. Mr. Chavalit Wangthamrong	Director	Non-Executive Director	September 12, 2007	2019
8. Mr. Boonchai Suwanvuthiwat ^{/1}	Director	Executive Director	April 30, 2013	2019
9. Mr. Thanya Wangthamrong	Director	Executive Director	April 30, 2013	2019

Notes:

^{/1} Being a director who will retire by rotation and was proposed to be re-elected as director for another term in the 2021 Shareholders' Meeting dated 26 April 2021

^{/2} The meeting of the Board of Director no. 2/2021 held on 18 February 2021 has approved to adjusted the position status to independent director effective on 19 February 2021 onwards.

Directors' Term on Board

The Board of Directors has been elected by the shareholders' meeting according to the Company's Articles of Association, one-third of the directors, and once time has valid may be elected for another term. In the event that the position of directors is vacant due to other reasons except retired by their rotation, assigned the Nomination and Compensation Committee to select any person who has qualifications according to the criteria and proposed to the Board of Director for approval and appointment the director for the remaining term.

Termination of position

Aside from validation of term, the position of directors is terminated when such director deceases, resigns, lacks desirable qualifications, has prohibited characteristics as specified by laws, is demanded to terminate the position by the shareholders' meeting, resolved with the vote of not less than three-fourth of total number of votes of the shareholders attending the meeting and have voting rights.

3.2 Section and Appointment of Directors and Executive Management

The Nomination and Compensation Committee was appointed by the Board of Directors, with the responsibility to recruit individuals with knowledge, expertise, diverse experiences and proper qualifications as required by the Company's criteria, any way that aligns with one non-executive director has an experience related to the Company's business, in accordance with the Skill Matrix of the board of director. The Committee is aware of the diversity of the directors, independence and conflicts of interests, according to the good governance principle, once the company director position becomes vacant or the tenure is due, with the following criteria:

Selection of Directors

The Company allows opportunities for minor shareholders to nominate the names of individuals with appropriate qualifications, other than directors from credible institutes, for the Company's maximum benefits. The nomination of the same directors will be considered from the performance in the previous year, dedication and participation in different activities. One must not possess legally prohibited qualifications and characteristics in order to be considered for the director position in the election of the new director or in replacement of the vacant position.

Selection of Independent Directors

The number of independent directors must be at least one-third of the total number of directors, with the required qualifications, in alignment with the Securities and Exchange Commission's regulations and the Company's regulations. In this regard, the Board of Directors is confident that all directors possess the required knowledge and experiences and are independent from the management, with no business relationships with the company that will pose limitations in expressing opinions independently. One must not have or be involved with major shareholders or have the authority, not be persuaded or overwhelmed by the management, and must possess the qualifications required of the independent directors, in accordance with the Securities and Exchange Commission, the Stock Exchange of Thailand and the selection criteria disclosed on the Company's website. In 2020, there was no of independent director of the company holds positions in more than 5 listed companies.

The nomination and appointment of independent directors is the authority of the AGM, after having been considered and proposed by the Board of Directors.

Chief Executive Officer

The Nomination and Remuneration Committee will consider the internal top-level executives to assume the organizational leader position, who must be knowledgeable and competent, with skills and experiences that are relevant to the business directly and indirectly. However, one might be the external individual who is not a member of the management. The objective is to have one with the most suitable qualifications to assume the leadership position and to lead the organization towards stable and sustainable growth. The proposition must be made to the Board of Directors to consider and approve.

(Details and the Company's Criteria to Selection and Appointment of Directors and Executive Management has been identified in the "Management Structure" section.)

3.3 Sub Committees

The Board of Directors appointed 3 sub-committees altogether; Audit Committee, Nomination and Remuneration Committee and Risk Management Committee, who possess the knowledge and expertise to perform specific operations according to the Company's regulations, and to screen matters being assigned. The qualifications, tenure and scope of duties and responsibilities have been identified in the "Management Structure" section.

Moreover, each of the sub-committee will report their performance to the Board of Directors' Meeting on a quarterly basis, while the annual performance will be reported to shareholders in Form 56-1 and the Annual Report respectively.

Audit Committee

Audit Committee consists of 3 independent members, each of whom is highly experienced and well-regarded in auditing and/or finance-related fields, able to give an independent opinion. Mr. Noppadol Dheerabutrongsakul, an Audit Committee member who has knowledge and graduated in accounting and financing, sufficient experience to review the financial statements of the company, review the adequacy of the internal control system and risk management, review financial transactions, reviewing compliance with relevant policies and regulations as well as the laws and regulations of the supervisory authorities, to promote the development of financial and accounting reporting systems to align with international standards, including reviewing the internal control system, Internal audit and appropriate and effective risk management.

In 2020, the Company hired outsource the independent internal audit for the third consecutive year namely; Internal Audit Dharmniti Co., Ltd. responsible to audit internal control to ensure that it was conducted in compliance and policy and guidelines regarding the internal control system of the organization, ensure that there is sufficient and appropriate control. There have Chief Internal Audit Officer coordinated with monitoring and reporting directly to Audit Committee, Audit Committee exercises its delegated power and gives opinions independently and without interference. In practice, it exercises its power through Internal Audit Department, an operating unit directly reporting to Audit Committee, and through periodically consulting with external auditors, consultants and legal and accounting experts. Audit Committee and external auditors convene without the presence of management at least once a year, require an opinions on various issues from independent auditors. Audit Committee can also seek for advice from external, independent adviser on a case-by-case basis with the expense budget provided by the company.

In 2020, there were 6 (six) Audit Committee meeting, each of which was fully attended.

Nomination and Compensation Committee

The Nomination and Compensation Committee is comprised of 3 directors and at least 2 independent directors. The Chairman of the Committee must be an independent director in order to; consider, review Board's Structure, identify qualified individuals, reviewing board skill matrix for director improvement and selection the qualified person to appointment or replacement of directors whose tenure is terminating, monitor market changes and trends with regards to remuneration package for director and executive in order to compatible with same industrial standard by utilized the Director Compensation Survey Report conducted by the Thai Institute of Directors as a guidelines.

In 2020, there were 5(five) Nomination and Compensation Committee meeting, each of which was fully attended.

Risk Management Committee

The Risk Management Committee consisting of; Director Executive and/or Expert from external parties has been appointment by the Board, not more than 5 persons comprising of two-executive and one-members from expert, presently have 3 members; Mr. Teeradej Jarutangtrong as the Chairman of the Risk Management Committee, Chief Executive Officer and external expert committee. Risk Management Committee have responsibilities as specified in the Risk Management Committee Charter determine the appropriate risk management framework and link the company's strategy, reviewing risk factors that may affect the achievement of the business goals and procure risk prevention suitable for environment changed, as well as reviewing and proposing policies and guidelines on prevention and anti-corruption, risk management policy, also summarized the performance proposed to the Board of Directors for acknowledgement by quarterly basis.

In 2020, there were 5(five) Risk Management Committee meeting, most of which were fully attended.

3.4 Segregation of Directors' Roles and Duties

The Company devised the management structure that clearly separates the authority of the Board of Directors from that of the management in different levels. Consideration and decision making of significant matters must be agreed upon by the Board of Directors and sub-committees in order to maintain balance of power and ensure transparency and fairness among all related parties, including regular reviews of duties to be consistent with the direction of the organization, Separate roles and duties as follows:

Consolidation or Separation of Positions

The Company's policy separates the duties and responsibilities of the Chairman of the Board and Chief Executive Officer, who must possess the knowledge and proper experiences, and must not be the same person, in order to maintain balance of power and separate the monitoring and managerial roles. The duties and scope of management are detailed as follows:

Chairman of the Board does not have the authorized signage and does not have a role in managing the business, and no relationship with the management. The Chairman of the Board is responsible for monitoring the Board of Directors' performance to be effective and comply with the principle of corporate governance and the Company's Code of Conduct. One must also serve as the Chairman of the Board of Directors' Meeting, planning the meeting in advance (annually), identifying the agendas together with the Chief Executive Officer, but does not participate in the operational management. One is also required to execute the meeting in accordance with the Company's regulations and relevant laws.

Chief Executive Officer is the organization's topmost leader who has been appointed by the Board of Directors. One is responsible for managing the business to be in line with the policy and direction set forth by the Board of Directors, under the assigned authority and organizational structure. One has to communicate the vision, direction and strategies to the executive team so that they put them to practice and yield results, as well as control, supervise and follow-up the strategy execution and budget allocated. One is required to report the operating performance in comparison with the execution plan and target, and provide explanation in case the results deviate from the target, and propose corrective measures to the Board of Directors on a quarterly basis.

Chief Financial Officer is the topmost executive in accounting and finance operations, responsible for managing accounting and finance-related matters, by identifying the policy governing financial management, organizational assets, and tax, for purposes of securing financial liquidity for the organization.

3.5 Board of Directors' Meeting

The Board of Directors encourages every director to attend meetings on a regular basis, as the annual meeting schedule is planned in advanced yearly basis (Tuesday or 2nd Thursday of month), directors so that they can allocate their time to attend the meetings to acknowledge information and make decisions on important matters that might affect business opportunities and that require agreement from the Chairman of the Board on a case-by-case basis related to the Company's Memorandum Associations.

The Chairman of the Board and the Chief Executive Officer will be collaboratively considering the meeting agendas, directors are allowed to propose matters (if any) to be incorporated as the meeting agendas. For convenience, speed and reduce paper usage, the company secretary will be distributing the meeting invitation letter together with the agenda supporting documents to directors via email electronic and/or google forms through Google Site at least 7 days in advance, so the directors have enough time to study such information together with line application for communication between the board of directors and company secretary.

In 2020, there were 11 Board of Directors' Meetings held altogether and one time of Directors' Meeting without presence of executive directors. Prescribing the presence of not less than one-half of the total number of directors is required to form a quorum. each member of the board attended the meeting with everyone/every time, representing 100% of number of meeting held in this year, which coincides with the policy that encourages each director to attend meeting on average, the entire board of directors attended at least 80 percent of all board meetings in the past year.

The Chairman was performed the Chairman of the Meeting, his role is expected to leadership and control the meeting to be smooth and effectiveness, allocate enough time for the discussion of key matters, and encourage all directors to independently express their opinions in the meeting, Top-level executives or related parties such as executives or Managing Directors of subsidiaries, might be invited along to attend the meeting to explain, share information in support of decision-making on certain matters (if any).

In case of voting, it is to be held that the majority's votes are final, whereby one director can cast one vote and directors with potential benefits or losses will not be attending the meeting or will be refraining from casting vote on that particular matter. If the vote results turn out to be equal, the Chairman of the Meeting will cast one extra vote to be the decisive vote.

Once the meeting is drawn to a close, the Company Secretary is responsible for preparing the meeting minute and the information on key matters shall be recorded comprehensively; covering matters, resolution of the meeting, comments and relevant explanation, and proposed to the Board of Directors for verification in the next meeting. The Chairman of the Meeting is to sign in approval of the accuracy and signed such report is to be kept and held as important document of the Company. It is to be stored in an electronic format via Google Site for security and convenience to be retrieved and referred to. The originals are kept in the folder for at least 10 years at the Company Secretary Office.

The Board of Directors has constantly been monitoring organizational strategies and operating performance report in comparison with targets on a quarterly basis. Suggestions that are beneficial to the improvement of strategies are then duly made. For months that do not have the Board of Directors' meeting, directors will receive a summary report of the Company's and subsidiaries' operating performance (if any). These documents together with important news and updates of the Company, including criteria or regulations related to the Stock Exchange of Thailand and the Securities and Exchange Commission are sent to directors via electronic mail by the Company Secretary.

Nevertheless, the Company Secretary also performs the role of the Board Secretary in taking actions with regards to the arrangement of Board of Directors' meetings and Shareholders' meetings, as well as provision of supports to the Board of Directors activities on any matters relevant to rules of law and regulations.

3.6 Directors' Meeting without Presence of Executive Directors

The Board of Directors had a great importance on good corporate governance, once arranged once meeting between non-executive directors, giving an opportunity to discuss or provide recommendations and management guidelines related to the business of the company, comments or suggestions as well as various development. In 2020 there was arrange one time of meeting held on December 15, 2020 to discuss general issues, in which non-executive director to attend meeting together, the Chairman has summarized the meeting results and propose to the Board of Meetings in due occasion and inform Chief Executive Officer in those matters and take action for the said issued.

In 2020, details on the Board of Director and sub-Committee meeting attendance are as follows:

No.	Name	No. of Meeting Attendance /Total No. of Meeting					
		Board of Directors	AC Committee	NC Committee	RM Committee	Directors' Meeting without Executive Directors	2020 AGM Attending
1	Asso. Prof. Dr. Ekachidd Chungcharoen	11/11 (100%)	-	5/5 (100%)	-	1/1 (100%)	1/1 (100%)
2	Mr. NoppadolDheerabutrtrongkul	11/11 (100%)	6/6 (100%)	5/5 (100%)	-	1/1 (100%)	1/1 (100%)
3	Mr. Santi Niamnil	11/11 (100%)	6/6 (100%)	-	-	1/1 (100%)	1/1 (100%)
4	Dr. Pallapa Ruangrong	11/11 (100%)	6/6 (100%)	-	-	1/1 (100%)	1/1 (100%)
5	General Chaiwat Satondee	11/11 (100%)	-	5/5 (100%)	-	1/1 (100%)	1/1 (100%)
6	Mr. Teeradej Jarutangtrong	11/11 (100%)	-	-	5/5 (100%)	1/1 (100%)	1/1 (100%)
7	Mr. Chavalit Wangthamrong ^{/3}	11/11 (100%)	-	4/4 (100%)	-	1/1 (100%)	1/1 (100%)
8	Mr. Boonchai Suwanvutthiwat	11/11 (100%)	-	-	5/5 (100%)	-	1/1 (100%)
9	Mr. Thanya Wangthamrong	11/11 (100%)	-	-	-	-	1/1 (100%)
10	Asst.Prof.Dr.Suluck Pattarathammas ^{/4}	-	-	-	5/5 (100%)	-	-

Notes:

^{/3} No.7 Mr. Chavalit Wangthamrong was appointed to the position of the Nomination and Compensation Committee, according to the resolution of the Board of Directors' Meeting No. 2/2020 on February 20, 2020 and the Nomination and Compensation Committee Meeting for the first time on May 19, 2020

^{/4} No. 10. Asst.Prof. Dr. Suluck Pattarathammas is an external expert, appointed to be a member of the Risk Management Committee and the company's consulting since 10 February 2014.

3.7 Secretary of the Board of Directors and Company Secretary

Company Secretary

The Board of Directors, being aware of the importance role of company secretary, whose will be supporting the company's operations in accordance with the principles of good corporate governance comply with the rules and regulations of The Securities and Exchange of Commission, Thailand and The Stock Exchange of Thailand.

The Board of Directors agreed to appoint Miss Saowapa Choorujiporn to be Company Secretary, to perform duties specified under the authority to comply with the regulations and notifications of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission and Securities and Exchange Act B.E. 2551 (4th Amendment), perform duties in a responsible, careful and honesty, collaborate with internal units between the Board and Executive Management, oversee the legal and related regulations, provide information support the principles of good corporate governance for implementation, monitor to ensure that the resolutions of the Board's meeting and Shareholders' meeting are executed, as well as responsible to prepare and maintain the documents are required by law, and perform any other tasks delegated by the Board of Directors, for more details of qualification and experience shall be shown at the reporting 5 6-1 and annual report.

Brief Profile of Company Secretary

Miss Saowapa Choorujiporn

Company Secretary/Secretary of the Board of Director/Secretary of Risk Management Committee

Educational Background: Bachelor of Business Administration (Accounting), Ramkhamhaeng University

Training

- Company Secretary Forum “Virtual Board Meeting & the Evolving Role of Corporate Secretary” by IOD (Dec.2020)
- Seminar “Micro MBA: Corporate Strategy Development” (In-house training Aug, 2020)
- CG Workshop: Assist your BOD in leading through disruptions with CG perspective code workshop (Deloitte Audit)
- Company Secretary Program FPCS class 19/2008 Thai Listed Companies Association

Training programs of Thai Institute of Directors (IOD)

- Enhancing Good Corporate Governance based on CGR Scorecard
- IOD-Open House: Role of Company Secretary in promoting Good Corporate Governance for company.
- Anti-Corruption: The Practical Guide (ACPG) Class 17/2015
- Company Reporting Program (CRP) class 2/2011
- Board Reporting Program (BRP) class 5/2011
- Effective Minute Taking (EMT) class 19/2011

In 2020, the Company Secretary attended the online seminar to get clarification of the changes in relevant criteria of the regulatory body in charge of listed companies in order to improve company secretary’s operation and more effectiveness of the corporate governance execution. (Details has been presented under the topic “3.8.4 Performance Assessment and Knowledge Development”)

3.8 Performance Assessment and Knowledge Development

3.8.1 Directors’ Performance Assessment

The Board of Directors regulates an annual performance evaluation, with the objective of utilizing the evaluation results to improve the performance of the Board of Directors and sub-committees, in order to enhance the efficiency in the Board of Directors’ supervision. In 2020, the Board of Directors mandated 2 types of performance evaluation; self-evaluation for the whole group and self-evaluation for the individual, using the Stock Exchange of Thailand’s direction as the criteria as the year before, comprising of:

Director’s Performance Assessment

The evaluation criteria are categorized into 6 topics which are: (1) Structure and qualifications of the Board; the sufficient of knowledge and experience, the appropriateness of independent director, the appropriateness of executive director and qualifications of sub-committee (2) The Board’s role, duties and responsibilities; consider policy, vision & mission, the strategic plan, conflict of interest, corporate governance policy revision and implementation, Code of Conduct, performance appraisal and remuneration (3) The Board’s meetings; agenda setting and completeness of documents (4) Board of Directors’ performance; regulars meeting attendance and participants (5) The relationship with the management; freely opinion and (6) directors and executives’ self-improvement; succession plan for executive. In summary, the overall assessment results with average scored is (excellent) 98.75 percent equivalent same as last year. The Board’s opinion has appropriate qualifications and perform their duties and responsibility, the attendance and participation in expressing opinion in the meeting are in accordance with good practice for directors. Being continue to monitor progression of the succession plan for directors and executives, in order to arranged the development plan and training roadmap for an executive accordingly. The evaluation process as follows:-

- 1) The Board of Directors regularly conducts self-assessment on yearly basis at least one time per year.
- 2) The company secretary is responsible to collecting and summarizing the board’s evaluation as a whole, and propose to the Board of Directors’ meeting to consider the evaluation results and guidelines for improving operational efficiency accordingly.
- 3) The Board of Directors considers guidelines to improving operational efficiency.

Director's Individual Performance Assessment

The evaluation topics are categorized into 6 topics which are; (1) the structure and qualifications of the board (2) the board's meeting (3) the roles and responsibilities of the committee summary of the evaluation of individual committee (self-assessment) the results will average scores is 96.97 percent. Summary, there was an opinion in the board meeting, should prior study sufficient information before the meeting, appropriate to monitoring of management operations and learning to constantly increase skills in performing duties regularly.

3.8.2 Sub-Committee Performance Assessment

Audit Committee

The Audit Committee has conducted performance evaluation annually, using the self-evaluation form for the whole group as suggested in the Audit Committee evaluation manual, guideline by the Securities and Exchange Commission, which is categorized into 2 parts:

Part 1. The act of the Audit Committee; Structure, general environment, duties as prescribed in the Audit's Committee Charter assigned by the Board of Directors. The policy prescribes that each director may assume the director position in no more than 5 listed companies, however, has not determined to identified the independent directors' term is no longer more than 9 years.

Part 2. Specific their duties are to review the Company's financial reporting is accurate and adequate and no lawsuit obligations. There were review of internal control and evaluation of the efficiency of the review in the case that the company uses electronic data processing by external department experts for inspection, but has not yet evaluated the quality of the internal audit work from external independent appraisers and without incidents of non-compliance with the relevant ethics and regulations.

The Audit Committee has reported the self-evaluation form for the year 2020 to the Board of Directors in the meeting no.2/2021, dated February 18, 2021. It has been summarized that the composition, qualifications and performance of the Audit Committee were in line with the requirements stated, perform duties as prescribed in the Audit's Charter and, to review of the Company's operations, there were no events that did not comply with the law, rules and regulations, related ethics and regulations.

The Audit Committee's report 2020 has been prepared and declared together with the auditor's report which was proposed to shareholders in the topic "Report of Audit Committee".

Nomination and Compensation Committee

The Nomination and Compensation Committee has carried out the performance evaluation activity every year, using the self-evaluation form suggested by the Stock Exchange of Thailand as a guideline. The criteria are categorized into 3 main topics (1) structure and qualifications of the Committee (2) the Nomination and Compensation Committee's meetings and (3) roles, duties and responsibilities of the Nomination and Compensation Committee.

The Board of Directors ratified the self-evaluation conducted by the Nomination and Compensation Committee that the structure and qualifications are satisfied, as evident from the group's success in carrying out assigned responsibilities as regulated in the Committee's Charter. The performance score is 97.37 percent same as previously, and the Nomination and Compensation Committee report 2020 has been compiled and displayed under the topic "Report of Nomination and Compensation Committee".

Risk Management Committee

The Risk Management Committee has conducted performance evaluation activity every year, using a self-evaluation form that is inclusive of the structure and qualifications of the committee members, meetings and performance of the Committee. The Board of Directors has approved of the Risk Management Committee's satisfactory performance according to the Charter, with the full score of 100 percent. In 2021, there is a plan to improve the risk management manual in accordance with the COSO ERM2017 guideline framework to be used as an appropriate corporate risk management guideline. The Risk Management Committee's report 2020 has been presented under the topic "Report of Risk Management Committee".

3.8.3 CEO and Top Executive Performance Assessment

The Board of Director has determine the performance evaluation of the Chief Executive Officer and senior management, by assigning the Nomination and Remuneration Committee evaluation of the Chief Executive Officer and senior management as per the company's format. The criteria used in the assessment, main performance indicators approved since the beginning of the year, divided into evaluation from the main performance indicators, 80% proportion and the performance assessment, the proportion of 20% that is consistent with the corporate's goals with consideration of the burdens, individual responsibilities and the Company's operating performance under clear, transparent and fair criteria, which have been reviewed and considered by the Nomination and Compensation Committee before being proposed to the Board of Directors for approval. The Chairman of the Board will be notifying the evaluation results and directors' opinions to the Chief Executive Officer for future improvement.

3.8.4 Knowledge Development for Directors and Company's Secretary

The Board of Directors encourages and supports every directors to attend relevant training course that are beneficial to the Board's performance. To gain timely knowledge about innovation of management of business that is constantly competitive apply knowledge and appropriately, stipulates that the proportion of training for directors is more than 75 percent of the total number of directors. At present, there were all director to attending the director training program; currently 5 directors have been train role and duties of the Director Certification Program (DCP) and 4 persons of Directors Accreditation Program (DAP), with Asso.Prof.Dr. Ekachidd Chungcharoen, chairman attended the training course related to the duties of the Chairman course "Role of the Chairman Program" (RCP), also the sub-committee to participate related course such as ACCP, ACPG etc. Therefore both Directors and Senior Executive's member had been attended training course "Good corporate governance to be the foundation of sustainable business development" by CG expert, good governance development & alliance department from SET, to continually strength the leadership capability with enhance knowledge understanding of role and duties leading to good corporate governance.

For useful and more beneficially current information in according the new CG Code of good practices to the Board of Directors, the company secretary is responsible to supporting relevant practices together all information received from regulatory agencies The Stock Exchange of Thailand and the SEC, have notified the Board of Directors in notification agenda every meeting so that all directors receive equal, accurate and sufficient information. Besides, the Board of Directors encourages the Company Secretary to attend courses related to their role performance on a regular basis; FPCS, CRP, BRP, EMT and ACPG as well as virtual online seminars held by SET, SEC, IOD, TLCA and relevant institutes.

(Details on training history of directors are available in "Details of Directors and Executives" section.)

Summary Training Course by IOD or Others Institute

Part1: Attending Seminar held by IOD or other institutes in 2020 are as follows:

No	Name		Training Course
1.	Assoc. Prof. Dr. Ekachidd Chungcharoen	Chairman of the Board Independent Director Chairman of Nomination and Compensation Committee	- Role of the Chairman Program (RCP) Class 42/2018 - Role of the Compensation Committee (RCC) Class 18/2014 - Director Accreditation Program (DAP) Class 68/2008 - Audit Committee Program (ACP) Class 23/2008
2.	Mr. Noppadol Dheerabutrpongkul	Independent Director Chairman of Audit Committee Nomination and Compensation Committee	- Role of the Nominating and Governance Committee (RNG) Class 3/2012 - Audit Committee Program (ACP) Class 23/2008 - Director Accreditation Program (DAP) Class 68/2008
3.	Mr. Santi Niamnil	Independent Director Audit Committee	- Audit Committee Forum “Strategic Audit Committee: Beyond Figure and Compliance” (Oct 2019) - Director Accreditation Program (DAP) class 80/2009
4.	Dr. Pallapa Ruangrong	Independent Director/Audit Committee	- Director Certification Program (DCP) class 17/2002
5.	Mr. Teeradej Jarutangtrong	Director Chairman of Risk Management Committee	- How to Develop a Risk Management Plan (HRP) Class 10/2016 - Anti-Corruption for Executive Program Class 14/2015 - Director Accreditation Program (DAP) Class 68/2008
6.	General Chaiwat Satondee	Independent Director Nomination and Compensation Committee	- Nomination Director Event 1/2017 "Nomination Committee Best Practice Guideline" - Director Certification Program (DCP) Class 216/2016
7.	Mr. Chavalit Wangthamrong	Director Nomination and Compensation Committee	- Director Accreditation Program (DAP) Class 67/2007
8.	Mr. Boonchai Suwanvutthiwat	Director Risk Management Committee Chief Executive Officer	- Seminar: “Micro MBA: Corporate Strategy Development” by TU-RAC -City Administration Training Program for Senior Executive Class 3, Navamindradhiraj University. - Capital Market Academy Leadership Program, Capital Market Academy (CMA) Class 20/2015 - Advanced Certificate Course in Public Economics Management for Executives, King Prajadhipok’s Institute Class 11/2013 - Senior Executive Program (SEP), Sasin Graduate Institute of Business Administration of Chulalongkorn University - Driving Company Success with IT Governance (ITG) class 3/2016 - Successful Formulation and Execution of Strategy (SFE) class 26/2016 - Anti-Corruption: The Practical Guide Program (ACPG) class 21/2015 - Director Certification Program (DCP) Class 155/2012
9.	Mr. Thanya Wangthamrong	Director Vice President Marketing and Sales	- Seminar “Micro MBA: Corporate Strategy Development” by TU-RAC - SD Professional Sharing 3/2020: Storytelling for Sustainability” by SET - Online “Greenhouse Gas Reduction Policy: Opportunities, Challenges, and Assessment Methods” by SEC (Sep-Oct 2020) -Online: Action to reduce-global warming in the situation of COVID-19 with Care the Bear "by SET (Aug 2020) - Director Certification Program (DCP) Class 180/2013

Part 2. Attending Seminar for Executive and Company Secretary in 2020, as follows:

No	Name		Training Course
1.	Mr. Pornsak Chunhajinda	Vice President Corporate Support Chief Financial Officer	<ul style="list-style-type: none"> - Seminar: "Summary of Understanding and Key Issues of TFRS for NPAs, by FAP (Nov 2020) - TFRS 2020: Summary of Key Points to The Financial Reporting Standards (Nov 2020), by Accounting Association of Kasetsart University (Nov 2020) - Seminar: "THE NEW CFO (Crisis Financial Officer)" by maiA (Nov 2020) - Seminar: "CFO Refresher Course" by SET (Nov 2020) - Seminar: "Credit Analyst" by Thai BMA (Nov 2020) -Seminar: "Air Force Executive Relationship Development Training Program" class 15 (Jan.2020) - Advanced Certificate Course Politics and Governance in Democratic for Executive Class 22 King Prajadhipok's Institute - Chief Financial Officer Certification Program Class 11/2009 by Federation of Accounting Professions (FAP)
2.	Miss Kamolphopphan Puapansakul	Internal Audit Director	<ul style="list-style-type: none"> - Seminar: "Checking the readiness of the entity to cope with Personal Information Act " by Dharmniti (Apr 2020) - Strategic CFO in Capital Markets" Class 1/2015 by SET
3.	Miss Saowapa Choorujiporn	Company Secretary	<ul style="list-style-type: none"> - FB Live: "AGM Checklist 2564" by TIA (Jan 2021) - Company Secretary Forum "Virtual Board Meeting & the Evolving Role of Corporate Secretary" by IOD (Dec 2020) - Online: "Cyber Security – The Risk cannot overlook" by TLCA (Oct.2020) - Online: Enhancing Good Corporate Governance based on CGR Scorecard" IOD (Sep 2020) - Online: "Guidelines for preparing Annual Report to listed company" by TLCA (Sep 2020) - Online: "IOD Open House 1/2020" by IOD (Aug 2020) - FB Live: "Role of Company Secretary Beyond Regulations" by TLCA (June 2020) Seminar: "Micro MBA: Corporate Strategy Development" by TU-RAC - Guidelines for the implementation of the Personal Data Protection Law (PDPA) " by SET (May 2020) - Online: "Risk Management in COVID-19" by TLCA (May 2020)
4.	Others	Top Executives and Middle Management	<ul style="list-style-type: none"> Seminar: "Micro MBA: Corporate Strategy Development" by TU-RAC (Aug 2020) - Strategy Formulation - Strategy Implementation - Modern Marketing - Account and Finance for Project execution feasibility - Business Development and
		Accounting Senior Head	<ul style="list-style-type: none"> - Seminar: "TFRS 2020: Summary of Key Points to The Financial Reporting Standards (Nov.2020) by Accounting Association of KU (Nov.2020) - Seminar: "Credit Analyst" by Thai BMA (Nov.2020) - Seminar: "The different between the calculation of net income for corporate income tax and profit in accordance with relevant accounting standards" by Accounting Association of KU (Nov 2020)
		Investor Relation	<ul style="list-style-type: none"> -Seminar: "Fundamentals for Corporate Secretaries" by TLCA (Nov 2020) -Online: "Disclosure for Management discussion Analysis (MD&A)" by TLCA (July 2020) - Online: "Guidelines for preparing Annual Report to listed company" by TLCA (Sep.2020) - CCC Live Forum #5/2020 Re: "Write PR news, make it easy to understand" by SET (Aug 2020) - Seminar: "AGM Checklist 2020" by TIA (Jan 2020)
		Risk Management Officer	<ul style="list-style-type: none"> - Seminar: "Risk Management COSO ERM 2017" by FAP (Sep 2020) - Seminar: "Risk Management (Advance) COSO ERM 2017" by FAP (Sep 2020) - SD Professional Sharing 2/2020: Sustainability Report is not difficult as thinking" by SET (Sep 2020) - Online: "Risk Management in COVID-19" by TLCA (May 2020)

Principle 4: Recruitment and development of senior management and human resource management

4.1 Succession Plan for an Executive

The Board of Directors places emphasis on the development of the succession plan and executive development plan in preparation for the top-level executive positions and to equip potential staff members with readiness to assume critical positions, which is defined as corporate key performance indicator in the year 2020, the succession plan has been completed, being in the process of developing an individual development plan from last year. The progress must be reported to the Nomination and Remuneration Committee and the Board of Directors, in order to develop individual development plan by position afterwards.

- 1) Company's recruitment and selection process or employees to take charge of and responsible for key management position levels as appropriate, promoted a potential employee up to the executive level; two Sales Directors to enhance the business growth, considering to promoted the talent employees and salary increased according to the criteria specified by the company, in order to have a chance for his/her career path.
- 2) The Company's senior executive shall be performed the CEO work if the President is unable to perform their duties.

4.2 Director Orientation

The company has established guidelines for preparing the duties of the directors. In the event that a new director within one month of appointed, directors in charge can perform duties immediately, with the company secretary as the coordinator, details as follows:-

- 1) The Company's regulation, related regulations under law comprising an important; memorandum of association, company objective, company structure, Corporate Governance Manual, Business Code of Conduct, and the Company's policy and practices, Director's Handbook etc.
- 2) Meeting between the Chairman, the board of director and its subsidiaries, Chief Executive Officer and inquiring in-depth information of the business operation.

In 2020, there have not arranged orientation session for new director, since no new director appointment, but in the meeting of the Board of Directors, there have a summary to be informed on the agenda relevant importance practice of good corporate governance issues and related regulations.

Principle 5: Promote innovation and responsible business practices

The Company emphasizes on ensuring fair treatment towards all groups of stakeholders; customers, employees, business partners, shareholders, creditors, competitors, communities and government institutes, in accordance with the Sustainable Development Policy, with consideration of stakeholders' rights, compliance with the laws, relevant regulations or the agreements. The Company is determined to improve internal procedures to be effective to deliver quality products and services, and to satisfy stakeholders' expectations. The focus is also on fair and transparent business operations, as stated in the Business Code of Conduct for public benefits and long-term trust.

5.1 Treatment of stakeholders, the practice as follows:

<p>■ Shareholders</p>	<p>The Company respect the basic rights of shareholders as specified by laws and regulations of the company, ensures that all shareholders are treated with equality and fairness, suitable communication channels are arranged for, with accurate, transparent and timely disclosure of information, aiming to create added values and maximum returns to shareholders over the long run, stipulates that independent directors are responsible for overseeing minority shareholders in order to oversee and review the operations in accordance with the guidelines for good corporate governance i.e.; measures to prevent conflicts of interest, do not use inside information for personal gain, internal information utilization and securities insider trading policy during 1 month prior to public release of the financial statements.</p> <p><i>More details of shareholders' rights are shown in the business ethics and disclosed on the company website. (www.pdgh.com)</i></p>
<p>■ Employee</p>	<p>The Company always emphasizes on the importance of employees as they are invaluable assets of the Company, by way of equipping knowledge, ability and potential to compete. The Company aims to promote quality of work life, job satisfaction, pride and organizational engagement.</p> <p>Provide fair remuneration and welfare package that are in accordance with individual performance and the Company's operating performance, while at the same time match with the market average in the same industry.</p> <p>Arrange for the welfare and safety measures for staff members, with basic welfare and benefits as regulated by laws; working days, working hours, holidays, vacation, leaves, social security, workmen's compensation fund, provident fund, with consistent communication on staff benefits. The</p>

	<p>preparation of business premises, supervision of staff members' occupational health and hygiene, compliance with the advices of the Department of Disease Control, the Ministry of Public Health, for instance, working from home, online meetings, maintain social distancing in all activities, distribution of face masks to wear at all times when in work premises, etc.</p> <p>Arrange for other welfares that are not regulated by laws; annual health check-up, health insurance that covers the OPD, IPD and dental care, life and accident insurance, basic first aid provision during working hours, and different types of financial aid, e.g. for funeral of close relatives, employee loans, marriage, maternity leave, ordination, etc.</p> <p>Arrange for respect the employee care by organized employee relations activities to ensure that engagement towards the company, employee satisfaction evaluation twice a year and results for activities development, supports its people to continuously enhance knowledge and capabilities through internal and external training, relevant knowledge sharing as a tool to improve work processing and focusing continuous improvement for valuable their work. Provide channels for receiving complaints, suggestion and opinion from employee etc.</p> <p><i>Also, the Employees' Code of Conduct is present in the Business Code of Conduct and disclosed on the Company's website (www.pdgth.com)</i></p>
■ Customer	<p>The Company is firmly determined to deliver products and services with the best quality and in reasonable prices. It also places emphasis on; the provision of accurate information in a sufficient and timely manner; strict compliance with different terms and conditions towards clients; development and maintenance of sustainable relationship; creating satisfaction and engagement with clients; provision of systems and channels for clients to lodge complaints with regards to quality, quantity, safety and service; provision of consulting service for any issues for clients' maximum satisfaction in products and services, as well as maintaining strictly confidential or personal information of clients' with care.</p> <p>In addition, the company also provides several communication channels to contacting with customers such as online market place on the company's website: www.pholonline.com communication, public presentation, knowledge of safety, occupational health products and the company's activities via online channels; thai-safetywiki.com, Facebook Fan Page "PHOL" and Line@ application.</p> <p>Furthermore, the Company has arranged for the seminar to share knowledge on safety, occupational health and proper ways to use safety equipment for customers from public and private sector organizations, including educational institutes.</p> <p><i>The Company has prescribed policies and practices with regards to responsibilities towards clients which are detailed in the Business Code of Conduct and are also disclosed on the website (www.pdgth.com).</i></p>
■ Business Partners	<p>The Company is ethical in the purchasing and procurement processes and treats business partners with fairness and equitable treatment under the principle competition. The Company always ensures to keep commitments given to clients and partners and strictly abide by the contracts made with business partners in order to build trust, good relationship and collaboration, for purposes of uplifting potential and effectiveness in mutual business operations in the long run. It is the Company's policy to deliver goods on time while maintaining good quality, business conducts business partner to be enhance according to the standard of business i.e. regular arrangement of visiting the business partners' premises, evaluation assessment questionnaire, to raise up the level of business operation with equality and fairness, taking into the greatest benefits and ensure stability and sustainability between the Company's and suppliers.</p> <p>Moreover, the Company also communicates with target customers in writing to reiterate and express the Company's determination to develop towards stability and sustainability, treating all stakeholders according to the corporate governance principle, comply with the anti-corruption policy (CAC) and encouraging customers with common intention to sign the ethical agreement and work together to prevent and guard against corruption between the Company and suppliers.</p> <p><i>Policies and practices on responsibilities towards business partners are displayed in the Business Code of Conduct and on the Company's website (www.pdgth.com).</i></p>
■ Commercial Opponents	<p>The Company strictly abides by the principle of honest competition, with firm adherence to ethical and lawful business operations with regards to commercial competition. It will never conduct breach of confidentiality or attempt to obtain opponents' confidential information via deceptive means, but instead strictly abide by practices regulated in the Business Code of Conduct. In the previous year, there were no any disputes relevant to commercial opponents.</p> <p><i>The Company has prescribed policies and practices regarding treatment and responsibilities towards commercial opponents which are displayed in the Business Code of Conduct and on the Company's website (www.pdgth.com).</i></p>
■ Creditors	<p>The Company always keeps commitments and strictly follows terms and conditions of the contract with regards to its responsibilities fairness and transparency towards creditors, both for creditors in the business sector and financial institutions and bank guarantee covering principal repayment, interest and fees, maintaining financial ratios per conditions. The Company not using dishonest method, conceal information or facts that will cause damages to creditors. Moreover, the Company participates in different activities/campaigns arranged by creditors in order to build good relationship and avoid any incidents that are prone to conflicts of interest. In the past company has no cause of default.</p> <p><i>The Company has regulated policies and practices with regards to treatment and responsibilities towards creditors which are displayed in the Business Code of Conduct and on the Company's website (www.pdgth.com).</i></p>

<p>■ Society and General Public</p>	<p>The Company operates the business with moral and ethical values towards all stakeholders and always adhere to the ideology in business operations, by way of arranging activities that improve quality of lives and benefits for the society and the environment as a whole; in business premises, communities and vicinities, for instance, knowledge sharing sessions on safety as well as products and services to clients in private and public sectors.</p> <p>Furthermore, staff members and related parties are encouraged to be good citizens, contributing benefits to the communities and society to grow alongside one another. Even during the crisis that has caused economic impact all over the world, resulting from the COVID-19 pandemic, the Company has been making contribution to the society by donating safety equipment for organizations and government bodies that do not have enough of them, i.e. hospitals and public health organizations. Face masks were distributed to community members to aid the general public and encourage them to wear face masks, as well as to disseminate useful information on good practices during the transmission of COVID-19 via the Company's website and online media.</p>
<p>■ Environment</p>	<p>The Company encourages every department in the organization to realize the significance of using resources effectively and anticipate development and growth simultaneously with quality of lives of citizens, as well as safe, clean and hygienic environment for employees and all groups of stakeholders. The Company is determined to take responsibility towards the society and environment, by devising the environmental policy and coping with the climate change, identifying ways to minimize utilization of resources and energy, as well as reduce the amount of waste in order to prevent and control activities that might impact the society, community and environment. The focus is on the consumption of energy for maximum benefits, including water and electricity, sorting waste to minimize environmental impact, encouraging the use of the information system and communication technology for meetings or trainings to minimize the use of paper, which will subsequently help reduce the emission of carbon dioxide</p> <p><i>This is part of the sustainable development policy, which is available in the corporate governance section and on the Company's website (www.pdgth.com)</i></p>

More details are displayed on section "Corporate Social Responsibilities" which appears on "Sustainability Report 2020", which prepared to report the results of operations in social and environmental responsibility to the company's stakeholder, including business practices based on sustainability in terms of economy, society and environment, based on international reporting "GRI Standard" as a part of this report.

5.2 Ethics and Business Code of Conduct

The BOD adheres to the principals of morality, honesty, and righteousness to conduct the business correctly, transparency and fairness. It, therefore, encourages directors, executives, and employees to strictly follow the principle of ethics by determining a written Code of Business Conduct, which is to be commonly held according to responsibilities to the Company and all stakeholders with honesty under the laws and regulations of the Company. It also values transparent, fair, and honest business conduct to drive the Company to international standards as well as treating all stakeholders. Those action is not against the law, policy and corporate culture with acceptable by society, does not cause damage to the reputation of the corporate image and affect seriously to stakeholders, as show in the business code of conduct, which published on the company's website www.pdgth.com

In order to promote and encourage the review and following up of the policy compliance and the business ethics, there was no group training held in 2020, but instead the information was communicated via the quarterly Risk News and the IA News to all staff members to foster awareness in a continuous manner. The evaluation showed that their understanding and awareness were good and satisfactory, reflecting that staff members are aware of the Company's policy. In this regard, the Internal Audit Department has reviewed the Company's courses of actions in case of failure to comply with the code of conduct and relevant regulations, and none of the violations have been detected.

5.3 Respects to Human Rights and Fair Labor Treatment

The Company supports and respects the principle of human rights, which is the foundation of human resource development and a key factors in the creation of value-added and productivity. Essentially, the Company monitors to prevent the group of PHOL to engage in activities that violate human rights and accept practices that are beneficial to the public, such as Universal Declaration of Human Rights, the Principle of Human Rights of the United Nations.

By focusing the operation of the Board of Directors, executives and all employees must treat each other with respect, to protection of human rights by persistent surveillance the business of the Company to be involved in human rights, dignity, freedom, equality such as physical or verbal actions towards others based on human rights including race, color, sex, religion, language, political beliefs, political opinion or do not support force labor support against the use of child labor, provide safety system in the workplace properly to be safe from

harm that may be caused either by accidents and disease, employees receive proper compensation, encourage employees to balance in life between work life and personal life, using the sufficiency economy philosophy and encourage the opportunity for their benefits, doing good thing for society compliance with the principles of various religions equally, provide whistle blowers, including the management and employees of the company shall not act in any that violate or threaten the rights whether it is physical or verbal actions towards others based on human rights.

5.4 Guidelines for Non-violation of Intellectual Property Rights

The Company have the policy and guidelines, shall conduct its business without violation of intellectual property rights or copyrights of others. It shall not corruptly seek to have classified trading information of other companies in the form of contracts, agreements, or other forms of document which may cause damages to those companies., encourage employees to respect and not violate intellectual property rights such as the operating results under their duties as hold the intellectual property of the company, after employment termination must be deliver such intellectual property to the Company whether the data stored in any format, including employee use of company computers must be used under permission of the copyright owner software and allowed to be used, to prevent the abuse of intellectual property, for prevent intellectual property infringement.

Principle 6: Ensure an appropriate risk management and internal control system

6.1 Internal Control System and Risk Management

The Board of Directors has supervise an appropriate to effective internal control system in the company's operation, there we Audit Committee comprising of 3 independent directors, which are qualified in accordance with the regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand, to assume the duties of inspecting the statement of financial position, information disclosure in financial reports complete and accuracy and credibility of the information, inter-related transactions or conflicts of interest between the Company and its subsidiaries, to be completely there is appropriate supervision and risk management system of the company. Assign the risk management committee to consider risk identification, risk assessment, risk opportunity, in order to prioritize the risk and appropriate risk management methods.

(More details of Risk Management and Internal Control System are appeared in Section "Internal Control System and Risk Management")

6.2 Preparation of Disclosure Report on Conflicts of Interest

The Board of Directors give an importance to the management of conflicts of interest those involved, all directors, executives and employees are required to report conflicts of interest to the board of directors annually once a year, determines policy and procedures as in the followings:

- The Company has a clear and transparent shareholder structure with no cross-holding of shares with major shareholders, so the structure does not give rise to conflicts of interest. The Company discloses detailed shareholder structure of the Company and its subsidiaries in the annual report, as well as discloses securities holding of directors completely
- The Company has put in place clear segregation of duties between the BOD, Executive Committee, top executives/management, and shareholders, so there is no overlapping of responsibilities. In the case that any director or executive has interest in the ongoing agenda, such person will be absent from the meeting or hold the vote to make the decision making of the BOD and executives fair and truly beneficial to shareholders.
- Determine written governance policy and usage of internal information in the authorities and rules of employees with penalties in the case that executives or employees disclose internal information to public for their own interest.
- Determine policy and practices for conflicts of interest and related transactions to ensure suitability of the transactions that must be reviewed by Audit Committee, and supervise to make sure that the Company complies with regulations of capital market advisory board.

- Stipulate that directors, executives, and employees who have interests in transactions of the Company or its subsidiaries be absent from the consideration or approval of the agenda of such transactions. Pricing of such transactions are determined fairly according to normal trading conditions as if they are transactions with unrelated parties.
- Demand that related transactions be presented to Audit Committee to give opinion before proposing for approval from the BOD, consistent with the principle of good corporate governance and the rules imposed by the regulations of capital market advisory board.
- The Company's ethics determines additional practices to prohibit employees from using the Company's properties or working hours to regularly search for information, make contacts, or trade securities for their own benefits or others' benefits and not for the Company's benefits without reasonable necessity.
- Employees and their families must not engage in any activity that obstruct the Company's benefit seeking by contacting relevant parties, including competitors, trading partners or customers, by using opportunities or information gained from being employees for their own benefits, by competing in the same business as the Company's, or by using office hours to do other jobs other which have effects on the Company's jobs.
- Avoid or refrain from expressing opinion or making comments about the Company to external parties or press which may affects the Company's reputation or operation without having authorities or responsibilities to do so.

Herewith published on the company's website (website: www.pdgh.com)

In 2020, the Company did not engage in activity that violates or inconsistent with conflict of interest transaction.

6.3 Preparation of Report on Securities Holding and Change of Securities Holding

The Board of Directors has setting rules criteria for the preparation and disclosure of securities holding reports of directors and executives of the company to comply with Section 59 of the Securities and Exchange Act, 2016 (no.5) and issues regulations Notification of the Office of the Securities and Exchange Commission refer to preparation of report on changes to the securities and derivatives holding of director and executive, required directors and executives of listed companies holding securities or derivatives including the amount of securities held by relevant persons under Section 59 of the Securities and Exchange Act. (covering Spouse or person who's cohabit as husband and wife s, children who've not yet attained legal age and juristic persons in which they and their spouses or children hold more than 30 % of the total voting rights of such juristic persons), responsibilities to reporting securities holding and future contract in electronic system to the SEC's office within 3 working days from the date of purchase, sale or transfer.

Company Secretary is responsible for reporting the changes in securities holding submit to the Chairman of the Board and Chairman of Audit Committee within 3 days after the Company receives such report, summarizing changes in securities holding to the Board of Directors by quarterly basis, and maintaining reports on securities holding and reports on interest that directors and executives submit to inspection and reference.

In 2020, there is no significant change in the securities holding of directors and executive management, which disclosed the report of securities holding of directors and executives.

6.4 Preparation of Report on Interests of Directors, Management, and Related Persons

The Board of Directors has regulated the directors, executives (the definition of the forth executive level of SEC and SET) perform according to the Securities and Exchange Act. and the announcement of the Capital Market Supervisory regarding the report of conflict of interest for directors and executives must prepare and submitting an own report of interest or any related parties stakes, that are relevant to management and administration of the company or its subsidiaries, comply with the company's conflict of interest policy. The Company Secretary will be compiling and submitting copies of these documents to the Chairman of the Board, who will then examine, verify and summarize all the changes and movements to the Board of Directors. This endeavor is considered a way to urge directors and executives to perform duties with honesty, based upon the following criteria and procedures:

- Report when assuming director or management position for the first time.
- Report every time that the information on interests change or every 6 months.
- In the case that directors are relieved and reappointed immediately, such directors need not file new report of interests if there is no changes from the previous filing.
- All directors, executives, and employees report conflicts of interest annually in December and during the year on a case-by-case basis if such transactions occur (additional items).

6.5 Related Transaction Policy

The Board of directors has been approved the policy and procedures for connected transactions and connected transactions of the company and its subsidiaries or associated companies or persons that may have conflicts of interest, in order to comply with the law on securities and stock exchange regulations of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.

Details of the policy and procedure for connected transactions and connected transactions of the company and its subsidiaries appears on section “Related Transaction”

6.6 Monitoring the Use of Internal Information

The Company places great emphasis on the utilization of internal information of the Company as subsidiaries, with the determination in treating all shareholders with transparency and fairness, base on the principle of good governance, in accordance to comply with the Securities and Exchange Act, 2016 (no.5) refer to insider trading and issues regulations Notification of the Office of the Securities and Exchange Commission refer to preparation of report on changes to the securities and derivatives holding of Director and Executive, Auditor, Plan paper and Plan Administrator. Guidelines as follows:

1. It is regulated that the Company’s directors and executives (according to SEC’s definitions) are required to prepare reports on changes of one’s securities ownership, including that of spouses and children who have not attained legal age within 3 working days after the purchase, selling, transfer or receiving of securities, according to the Securities and Exchange Act Section 59 to the Securities and Exchange Commission and the Stock Exchange of Thailand, using means regulated by the SEC, informed to the Company Secretary.
2. Directors, executives and staff members who are aware of the Company’s internal information must keep it strictly confidential and not disclose it to the public or seek benefits by trading such securities for oneself or for benefits of others both directly and indirectly, regardless of whether or not the benefits are obtained from doing so.
3. Directors, executives and staff members or those who are associated with the internal information are prohibited from buying or purchasing the Company’s securities during the 30-day blackout period prior to the disclosure of the quarterly and annual financial statements or internal information to the public, and during the 24-hour period after the financial statement or internal information is disclosed to the public and has been notified to the Stock Exchange of Thailand, and other periods as identified by the Company.
4. Directors, executives and staff members, those who are associated with the internal information and staff members who already resigned are prohibited from disclosing the internal information or the Company’s confidential information, as well as partners’ confidential information that one is aware of from performing duties to seek benefits for outsiders or other companies in which one is a shareholder, director, executive or staff member, even though such disclosure is not going to cause any adverse impact on the Company and the Company’s partners. The exception applies to when the information is required by law to be disclosed.
5. With regards to the safety of the information system, the Company controls and/or prevents access to the Company’s information from outsiders and allows rights of access to the information to different levels of staff members, based on authorized duties and responsibilities.

The Company Secretary, there was communication within the organization to alert all directors, executives and employees, to acknowledgment the 30-days period of the Blackout Period before every quarter and annual financial statements are disclosed.

The punishment is stated in the Company's work regulations, whereby disciplinary actions will be considered on case by case basis, herewith published on the company's website.

6.7 Anti-Corruption

The Board of Directors places great attention to the business operations with honesty, fairness and transparency and thus has a resolution to approved the anti-corruption policies, prohibiting directors, executives and employees to support or accept all sorts of corruption both directly and indirectly, has regularly reviewed such policies in accordance with the environment and corruption risks, to be able to set preventive measures and respond to such risks at acceptable levels with covering cases of infringement, which has announced the policy scope of notification of complaints including protection mechanism of whistle blowers or file complaints or cases of abuse and published on the company's website. However, the Company has internal communicate the said policy to all employees of the company and its subsidiaries, for external communicate through customer, partner and the stakeholders, emphasizing the awareness of anti-corruption of the Company' intension, through various channels; electronics mail, newsletter and public on the Company's website. (As disclosed in Section: Whistle Blowing and Filing Complaints or Violation of Rights)

Policy:

"The Directors, The Management and employees of the Company are prohibited from performing, accepting or supporting corruption in any forms, whether directly or indirectly. This shall be applicable to all business lines of the Company and its subsidiary and affiliate companies. The Directors, The Management and employees of the Company shall strictly comply with the anti-corruption measures and establishes a structure of responsible persons including risk management, internal control and internal audit systems to prevent and suppress any corruption within the organization; and shall review the operation procedures and implementation guides to ensure compliance with the rules, regulations, laws and business change"

The company has a commitment to continual implementation of the Anti-Corruption Policy, which the company was received a resolution to approved the first extension of certificate membership of the Private Sector Collective Action Coalition Against Corruption (CAC) no.1 dated August 5, 2019 shall be expired 3 years after the resolution date within August 2022.

In this regards, the Company have issued the corruption prevention protocols, protocols of detection of corruption, protocols on handling corruption, risk management and review internal control system measures that are appropriate, as well as a mechanism for whistleblowing or follow-up complaints, directly reporting by quarterly basis to Audit Committee and the Board of Director. Details of Anti-Corruption Policy and more information shown on the Company's website: www.pdgh.com

Measure that the company took to prevent corruption activities, can be shown are as follows:

1. Review: The Board of Director reviews the anti-corruption policy and guidelines every year.
2. Assessment: regularly review corruption risks determine measures to reduce risk if the existing internal control is not enough and should be comply with the risk manual regarding sector anti-corruption.
3. Communication: both internal and external, as follows:
 - Internal communication to director, management and employee to acknowledge and strictly adhered, through electronic communication channels within the organization, including quarterly risk news journals and public on the boards.
 - External communication sent notice of anti-corruption policy to customers, partners, refrain from receiving and giving and receiving of gifts reception or others expenses in any form and disseminated through the company's website, publicized to the company and its subsidiaries' partner such as customer, partners, director or indirect vendor, as well as partners both domestically and internationally, acknowledge the said policy, in order to requesting cooperation from trading partners to prevent and combat corruption by signing together the ethics agreement document.

Principle 7: Maintain financial reliability and disclosure

Board of directors is responsible for ensuring that the financial reporting and disclosure procedure are accurate, sufficient, timely, in accordance with the rules and related practices as well as monitoring the adequacy of financial liquidity and other mechanisms that can solve the problem under consideration of the rights of stakeholders.

7.1 Execution Report of the Board of Directors and Sub-Committees

The Board of Directors is aware of the significance of developing different reports to submit to relevant regulatory bodies and of fairly disseminating accurate and comprehensive information to the public, covering the operating performance and key events throughout the year for shareholders' acknowledgement. The Board of Directors is also responsible for assessing the sufficiency of the internal control system evaluated by the management, which is to be verified and commented by the Audit Committee prior to proposing to the Board of Director for final approval. Regarding the rectification of the accuracy of the Company's and subsidiaries' statements of financial position, they must be compiled following the financial reporting standard and proper accounting policy, exercising prudence and reporting critical information sufficiently in the remark section of the financial statement. Such information disclosure has been verified by the Company's auditors who are independent and can express unconditional opinions with regards to the Company's financial statements. They have been verified by the Audit Committee, whereby the Board of Directors have compiled a report of responsibility towards the financial statements and disclosed it in the Annual Report, together with the auditor's report. In this regard, execution reports of all sub-committees have been gathered and proposed to the shareholders in the annual information disclosure form and the Annual Report, together with organizational sustainability report.

The Board of Directors emphasizes on disclosing critical information to shareholders and investors sufficiently, comprehensively and on a timely manner, in order to ensure that all individuals have access to the information equally, hence identified a policy in disclosing and communicating the Company's information with a clear scope of disclosure. The Chief Executive Officer, the topmost executive in the financial operations or the CFO or any individuals assigned by the CEO ("Investor Relations Officer") are responsible for providing significant financial and non-financial information to investors and related parties. The information can be the quarterly financial report, Management Discussion and Analysis (MD&A), press release, or other significant information that may impact the Company's securities price and shareholders' or general investors' decision making.

In 2020, the Company has disclosed the Company's information, performance results, quarterly basis of financial statements both Thai and English through SET, could be download on the Company's website. The company's financial statements have been unconditionally certified and submitting the said statements on time to the Stock Exchange of Thailand and the Securities and Exchange Commission and the Stock Exchange of Thailand, no amendment required, not being notified of any action due to not comply with any requirements.

Shareholders

The Company has provided Investor Relation to responsible an activities to communicate with shareholders, small investor, institutional investors and analysts providing or disseminating company information disclosure according to the events of the accounting period such as press release, an operating results, management discussion and analysis, any queries or publishing information in order to equally keep all stakeholders informed in order to build good relations.

- Summary Company Snapshot by quarterly basis, under the Project mai Company Snapshot by maiA (4 times)
- Press Release, Trend of business, Operating results and the Company's image through mass media (8 times)
- Taking care of shareholders to attend the 2020 AGM meeting in the situation of COVID-19 (1 time)
- Tele-conference call, Analyst meeting and Company visit: None

Shareholders, Investor or interested person could be contact directly to Investor Relations, as follow:

Address: 1/11 Moo 3 Lamlukka road, Ladsawai, Lamlukka, Pathumthani 12150 Tel: 0-2791-0111 ext. 206

Telefax: 0-2791-0100 or Email: ir@pdgth.com or via the Company's website

The Board of Director had prescribed Investor Relations Ethics as a guideline for oversight practices regarding “Equitable Treatment of Shareholders and Disclosure and Transparency” which shown on the Company’s website: www.pdgth.com “Investor Relation”

Employee

Both of the Company and its subsidiaries’ employee , either or full time or temporary staff, being take care and receive equally information though such as intranet, sharing drive and posting on the company’s board, group line application, which high level executive as well. The objective to enable employees to be informed of various company news as news and activities, projects news or welfare information news that are relevant to employees such as all benefits, social security news, tax news, etc. (if any)

7.2 Whistleblower and complainant or in case of Infringement

In addition to stipulating that the independent committee taking care of the interests of the stakeholders, the Company has provided whistleblower channel or notice of complainant and express on opinion including in case of infringement, as following:

	Whistleblower channel	Email
1. Electronic mail	Board of Director Audit Committee Company Secretary or through website: www.pdgth.com/ir_index.php	board@pdgth.com ind_dir@pdgth.com cs@pdgth.com
2. Mailing post	Audit Committee (through Chief Internal Audit) Phol Dhanya Public Company Limited. No. 1/11 Moo. 3, Lamlukka Road, Ladsawai, Lamlukka, Pathumthani 12150 Tel. 02-791 0111 Fax: 02-791 0100	

In the event that the stakeholders would like to contact directly to the Board of Directors (without an involvement of executive level) to report or file complaints in case of infringement report fraud doing illegal or business ethics that involves high level-executives, including suggestions an opinion, email directly to the Board: board@pdgth.com

In any doubt concern about corporate governance policy or anti-corruption policy, could inquire further direct via electronic mail to Company Secretary: cs@pdgth.com Tel. 02-7910111 (ext.151) or Chief Internal Audit: ia@pdgth.com Tel. 02-7910111 (ext. 115)

Whistleblower Procedure

- 1) Employees or stakeholders can report any clues, complaints or suggestions via identified channels provided. The information received will be treated confidentially, whereby there is a protection measure for the whistle-blowers or in case of rights violation, as specified in the Corruption Prevention and Prohibition policy and practices and/or the Company’s Business Code of Conduct.
- 2) Internal Audit Division: Receive complaints and consider the cases using the “Complaints Handling Manual”. Complaints can be classified into 3 main categories as follows:
 1. Dishonesty
 2. Conducts that are against the laws/rules/regulations of the Company
 3. Violation of ethics/morality/Code of Conduct, policy and practices regarding Prevention and Prohibition of Corruption of the Company and subsidiaries.
- 3) Execution Procedures: Inspect initial information and seek additional information from credible sources. In case the wrongdoing is deemed valid, the case is to be considered according to each category of the conduct; employees-borne cases are to be handled by the Human Resource or Legal divisions, while executive-level cases are to be considered by the Board of Directors or the Audit Committee. In case the alleged person is the Internal Audit Director or the Internal Audit staff members, the Audit Committee will appoint a committee to consider the case. If the case involves the Chief Executive Officer or directors, the Board of Directors will appoint the committee to collect information and work on the case in a hierarchical manner.

- 4) Following-up and Evaluation: The Complaints Consideration Board will be executing following-up and evaluation activities until the resolution is reached or the corrective measures are identified, and will notify the person filing complaint within 7 working days after arriving at a resolution. The Internal Audit shall be prepared the summarized report to Audit Committee and Board of Directors by quarterly basis respectively.

In this regards, the Company has followed up reports of clues or complaints through the specified channels. In the year 2020, the company did not get any incidents and indicating the said corruption.

7.3 Information Technology and Communication

The Company is aware of the significance of using the information technology and communication, which are important factors that will enhance the effectiveness of business operations and work performance. It is the mutual responsibility of all staff members to abide by, under the rules of laws and the announcement of the information system security policy, it is a framework for operational guidelines to raise-up security standards to meet international standards ISO/IEC27001 covers a wide range of areas including safety, acceptable usability, access code to information systems, in terms of access to the network and server, access to system control and backup security, applied programs or applications used in the operations.

Every employee is responsible for protecting and maintaining the Company's information technology system and communication from violation and unpermitted distribution of internal information to access, do not discloses important information of the business to unrelated person which may be directly or indirectly affect the company.

(By the guideline of practices are displayed in the Business Code of Conduct, published on the Company's website (www.pdgth.com))

Principle 8: Encourage participation and communication with Shareholders

The Board of Directors equally aware of shareholders' rights, the implementation of good corporate governance principles, the essence is as follows

8.1 The Rights of Shareholders

The Company has recognizes and keeping in mind the importance of basic rights of shareholders, to protect and facilitate the exercise of shareholders' rights as investors and company ownership such as buy, sell, transfer, receive the allocate profit sharing (dividend), get significant information, timely and equitable through easy access channel, encouraging shareholders to fully exercise their voting rights through the shareholders' meeting by independently, appoint or relieve directors and determine directors' compensation, to appoint the Company's auditor and determine its compensation and the participation in decision making on important matters of the company such as amendment to the memorandum of association, the articles of association, capital increase / capital reduction etc. This is to allow shareholders to participate in decision making or important issues that affect the company directions or relate to their rights and interests. Aside from basic legal rights aforementioned, the Company also promoted the protection of the rights of shareholders to facilitate in exercising their rights, summarized as follows:

Administration of Shareholders' Meeting

The Company administers general shareholders' meeting once a year within 4 months after the end of its financial year to allow its shareholders to participate in the monitoring and acknowledging of the Company's performance in the past year. In the case of emergency agenda for issues that affect or are related to shareholders' benefits or are related to enforcement of conditions, rules, or regulations that require approval from shareholders, the Company will arrange extraordinary meeting on a case-by-case basis.

The Company was arranged in accordance with AGM Checklist issued by Thai Investors Association and Listed Company Association, for reliability, transparency, check-balance according to the mission assigned by the Securities and Exchange Commission (SEC) as individual shareholders representative organization, as following procedures:

Before the Day of the Meeting

The Company prepares documents that contain complete substantial information to be used in the voting process of shareholders and distributes to shareholders in advance through SET Community Portal and on the Company's website.

1. The Company allows opportunities for shareholders to propose meeting agendas for the Shareholders' Meeting and name of qualified candidate to be nominated as Director in advance, 50 days ahead of time, from November 10, 2020 to December 30, 2020. The Company has published criteria for shareholders through SET community portal and the Company's website under the menu "Investor Relations" since October 29, 2020 when the proposal period has been ended, there are no any shareholders proposing agendas or a nominees' name of qualified candidate to be elected as the Company's director for this meeting. The matter or nominated person will be considered in accordance with the criteria set by the company, as for the selection of qualified person through screening by the Nomination and Compensation Committee present to the Board of Directors for consideration and inform the resolution to the shareholders in the 2020 Annual Shareholder Meeting, further information to shareholders in advance through SET system and the Company's website. There was no shareholder proposed any matter agenda or qualified person for an appointment to a director in the Shareholders' Meeting.
2. The Company has disclosed the date of the 2020 Annual General Meeting, agenda item and fix record date to entitle rightful shareholders to attend the meeting in advance 2 months. By notifying immediately once the Board of Directors has a resolution to set the meeting date from February 18, 2020, published via the SET's information reporting system to allow shareholders to acknowledge the rights and plan to attend the shareholders' meeting as scheduled.
3. The Company has published invitation letter and relevant documents both Thai-English version on the Company's website in advance 30 days before meeting date since March 27, 2020. To allow the shareholder have enough times to study information. By invitation letter the agenda for shareholders' meeting consisting of-the agenda for shareholder's meeting consisted of topics defined in Section 5 of the Company's articles of association: Shareholders' meeting. Each agenda includes its objectives, clarification of background, directors' opinion on each agenda and the rights of shareholders to attend and vote in the Meeting.
4. The Company assigned Thailand Securities Depository Co., Ltd "TSD" the Company's securities custodian to distribute the invitation letter with relevant documents of each agenda to shareholders prior the meeting date within 21 days (since April 7, 2020), which exceeds what is required by law and follows the principle of corporate governance. Listed companies are to distribute the meeting invitation letter to shareholders at least 7 days and 21 days in advance respectively, especially foreigner shareholders have provided with covering English version's letter together. The invitation letter specified details; date time venue of the meeting, map location and complete set of documents. Meanwhile, the meeting invitation letter was sent to the registrar and the Company's Auditor on the same date: April 7, 2020 (not less than 7 days as required by law).
5. The Company publicized the meeting invitation in the newspaper for 3 consecutive days on April 10-11-12, 2020 and not less than 7 days prior to the meeting date as required by law and the Company's regulations so that shareholders have enough time to study the information beforehand.
6. The Company informed details regarding supporting evidence prior to the meeting; the power of attorney letter and the method of proxy designation. In case shareholders cannot attend the meeting by themselves, they may assign independent directors of the Company or any other individuals as proxies to attend the meeting and cast vote on their behalf, or they can bestow authority upon the Company's independent directors using the power of attorney letter Form B that was sent together with the invitation letter. In this regard, shareholders can download 3 forms of power of attorney letter (Form A, B, and C) via the Company's website, whereby the Company has prepared the revenue stamp for shareholders to put on the power of attorney letter on the meeting day. (The company provided stamp for proxy).
7. The Company allowed shareholders to submit questions beforehand at least 1 working day in advance (within April 23, 2021), provide various channel for queries via the company's website or Email: cs@pdgth.com or ir@pdgth.com or telefax: 02-791 0100 to collect and

answer any questions in relevant agenda. Since in the past year intend to hold the shareholders' meeting in the situation of the coronavirus outbreak 2020, it's necessary to control the meeting in shortly and concise in order to ensure safety for all shareholders, the company should be summarized the question-answer from the meeting, public on the Company's website (www.pdgth.com) in order for all shareholders to acknowledge equitably information.

8. The Company allows its shareholders who wish to receive printed annual reports to send their request through various channels, such as emails, telephone, fax, and letters in return-envelopes. The Company will immediately send annual reports through postal service as per requests and also prepare printed copies for shareholders on the meeting date.

On the Meeting Date

The Company encourages shareholders to exercise their rights to attend and vote in the shareholders' meeting by accommodating shareholders who attended the meeting and administering the meeting in a transparent and verifiable manner, abstaining from any activities that violate or deprive the rights of shareholders. It also allows shareholders to make inquiries and express opinions freely.

1. The Company held the Annual General Meeting for 2020 on April 28, 2020 at Conference Room of the Company address 1/11 Moo3 Lamlukka Rd, Ladsawai, Lamlukka, Pathumthani 12150. Facilitate and encourage shareholders to attend the meeting, with the following actions:
 - Sharing the map displaying location of the meeting venue that is convenient to commute to and from (expressway) and allocating sufficient parking spaces
 - Transportation service provided to taking care the shareholders to the shareholders' meeting (BTS-PHOL)
 - Properly identifying the point of registration for shareholders and proxies (document inspection kiosk), with the Company's officers providing reception and facilitation to shareholders.
 - Preparing duty stamps in case the shareholder assigns the proxy to attend the meeting, without any additional costs.
 - The registration can be completed 2 hours (2.00pm – 4.00pm.) before the meeting and shareholders arriving after the meeting commences can also register and attend the meeting and cast vote on agendas (for agendas that have not been voted yet).
 - Using the meeting assistance program and the barcode system in the registration and vote counting processes, for better effectiveness, faster results and transparency.
 - Arrange for screening measures of shareholders who attend the meeting, strictly comply with the recommendations of the department of disease control, ministry of public health, to preventing such outbreak, Safety of all attendees and facilitates appropriately.
 - The Chairman, Chief Executive Officer and the Chairman of sub-committee were participated in the shareholders' meeting. The Board of Director total 8 members were present to the meeting accounted 100% of all directors, executives, auditors and independent legal advisors attending the meeting. The Chairman has performed his role of the Meeting according to the Company's regulations, starting from informing the meeting quorum, portion of shareholders to attend the meeting in person and by proxies, assigning the Company Secretary to take a minute of meeting and introducing directors, executives, auditors and legal advisors attending the meeting to provide further information and answer shareholders' questions. There have volunteer rights protection and shareholder who are volunteers acted as a witness in the vote counting.
2. The Company of the meeting will conduct the meeting go through the meeting agenda as stated in the invitation letter distributed to shareholders beforehand, shall be reflect the background, necessity, rationale and proposal to the meeting without adding agenda or changing altering any important information specified in the invitation letter, allocate time appropriately for the meeting and grant an opportunity for the shareholders to ask question or express any opinion related to the agenda item, before voting the resolution. Being assign company secretary to notify shareholders of how to cast votes in each agenda as well as the vote counting methods to reach a

resolution by using barcodes to counting the vote with accurate, demonstrating transparency, verifiable and announcing the resolution of each agenda item.

3. The dividend from operation result, notified the dividend payment policy, proposed the rate of dividend to be paid, reason and supporting information for consideration.
4. Appoint directors whose tenure is going to cease. Brief background information of individuals nominated to assume/resume the director position for another term will be provided, as well as other relevant information that is beneficial for the consideration. Anyhow, prior to the consideration those nominated director whose conflict of interest in this agenda for a nominated director walk out from the meeting, in order to allow shareholders to express opinions and vote independently. The Company will be collecting ballots from every shareholder attending the meeting, only those that disagree or refrain from voting on an individual basis and will be collecting the remaining all ballots after the meeting to reference, accuracy and transparency.
5. The agenda concerning directors' remuneration features an explanation provided to shareholders of the budgets and remuneration packages for each type of director. The remuneration can be categorized into monthly fee, meeting attendance and directors' bonuses, including compensation in case the person gets appointed the committee. Policies and criteria utilized in the remuneration consideration have been provided in details in the annual report.
6. The agenda concerning the appointment of an accounting auditor and identification of remuneration features a list of nominated individuals deemed appropriate to be the accounting auditor/resume the position, the duration of service as well as other relevant information that is of benefits to shareholders' consideration.
7. During the meeting, Chairman of the Meeting is responsible to conduct a meeting appropriately concisely, quickly and gives an opportunities for shareholders to inquire on related matters. The company collected all questions both in the meeting and in advance from the shareholders, to give an answer, published on the company's website www.pdgh.com
8. The Company informed the meeting of the resolution of each agenda upon completion of vote-counting. Votes can be classified into "agree", "disagreed" and "abstain" or "void".
9. The Company has involved the legal advisor "Dherakupt Law Office Co., Ltd." and the auditor's representative "ANS Audit Co., Ltd." all 2(two) to act as intermediary "inspectors", to ensure that the Shareholders' Meeting is carried out with transparency, in accordance with laws and the Company's regulations on the following matters:
 - Document inspection process exercised upon shareholders or proxies who are eligible to attend the meeting.
 - The quorum, vote casting and vote counting approaches are coherent with the Company's regulations.
 - Ballot collection from shareholders, verification of resolution and vote results as appeared on the ballots.
 - Signing to certify the accuracy and validity of vote results in each agenda once the meeting is over.

For the AGM 2020, after finished the meeting there were 28 shareholders, 14 shareholders to attend the meeting in person and 14 shareholders by proxies, representing 115,563,498 shares, which accounted for 57.07 percent of the total issued shares. In 2020, there were 26 shareholders to attend the meeting and by proxies, representing 115,557,798 shares 57.06 percent of the total issued shares.

After the Meeting

1. The Company distributes resolutions of the shareholders' meeting via SET Community Portal within the same day of meeting date (April 28, 2020) with full details as per good corporate governance standard. The vote results of each agenda were displayed as "agree", "disagreed" and "abstain" or "void", with clear display of vote results in each category.
2. The Company prepares the minute of general shareholders' meeting 2020 with correct and complete significant matters both Thai and English, including the following details:
 - Names and positions of directors, members of Committees, top executives, auditors/legal consultants who attended the meeting, and those absent from the meeting (if any).

- Quorum including the number of shareholders who attended the meeting by themselves, the number of proxies, and the number of shareholders who granted the power of attorney to the Company's independent directors.
 - Voting method used in each agenda, counting method for resolution, and guideline for using voting cards.
 - The resolutions and number of vote with agreement, disagreement, abstained and void results for every agenda that requires voting. Voting results must be verifiable after the meeting.
 - Shareholders' questions, Board of Directors' and the management's instruction, and suggestions from meeting participants were clearly summarized.
3. The Company has published the minute of annual general shareholders' meeting both in Thai and English via SET Community Portal and the Company's website (www.pdgth.com menu Investor Relation) within 14 days since the meeting date on May 11, 2020, allow shareholders to review and completely during 30 days until 10 June 2020, after the end of period, there was no any request to amend the minutes from shareholders, remaining the said report is considered certified by the shareholders. In addition, it also has a system to maintain minutes of shareholders' meeting to allow review and reference.
 4. The minute of meeting that has been signed in approval by the Chairman was submitted to SET (and SEC respectively) within 14 days after the meeting, along with sending the minutes of meeting to the registrar (Department of Business Development) together with the financial statement and Bor.Mor.Jor 006 within 30 days after the date of the shareholders' meeting as required by law.
 5. The Company arranged to have visual and audio recording in the form of audio-visual media (AV) throughout the meeting to allow shareholders who did not attend the meeting to see the actual event, such media was posted on the Company's website after the meeting was finished.
 6. The Company has surveyed the satisfaction of evaluating the meeting quality regarding the Shareholders' Meeting, get a good average score equivalent to last year and the suggestions and comments have been gathered regarding the quality of meeting invitation letters, annual report, shareholders' facilitation, meeting execution and the preparation of minute of meeting from the evaluation forms as guideline for continuous improvement of the shareholders' meeting arrangement in the future.

From continuous improvement of the shareholders' meeting arrangement, the Company got evaluated 'outstanding' on the quality of the AGM Checklist arrangement from the Thai Investors Association (TIA) with excellent of 100 scores from the project AGM Checklist 2020.

8.2 The Equitable Treatment of Shareholders

The Board of Directors places emphasis on shareholders' rights and equality, for all individual shareholders; major, minor, or institutional shareholders, Thai or foreign nationalities, ensure of the company's equal treatment towards minority shareholders apart from regulated by law, such as the shareholders' meeting, facilitating and encouraging shareholders to attend the meeting, as well as get involve to make decision in the company's key matters, in which every shareholders is eligible to cast vote according to the number of shares held, have the rights one share one vote. However, the company still treats shareholders equally, no events or practices which is a violation or depriving the rights of shareholders. The Company has clearly disclosed the shareholding structure of the company and subsidiaries, including the top 10 major shareholders and the controlling person to ensure that the company has a transparent operational structure that can be verified without cross shareholding or pyramid shareholding, as following:

1. The Company preserved the rights of all shareholders and no agenda item would be added at the shareholders' meeting without prior notice to ensure that the shareholders had adequate information at ahead of time in order to make any decisions.
2. The Company has sent the proxy Form B together with the notification letter which in a format that can direct how votes are casted (with reference to the Ministry of Commerce) supporting the shareholders are unable to attend the meeting by themselves, as alternative to shareholders able to authorize one of independent directors (3 persons) to attend the meeting and vote on behalf, public and download on the Company's website at www.pdgth.com (both Form A, Form B and Form C)

3. Regarding vote casting, the ballots must be used to cast votes in the AGM, using the computer system to process vote results. Legal advisors or shareholders' representatives will serve as volunteers to ensure the accuracy in counting votes, especially for the agenda that involves the election of directors, in that case an individual vote is required (1 share is equivalent to 1 vote) and all the ballots must be collected for inspection and reference to ensure accuracy and transparency.

4. The Company designated various communication channels for shareholders to equally receive information, with the SET Community Portal as a major channel and the persons appointed to disclose the Company's information are the Chief Executive Officer and Chief Financial Officer and Investor Relations. To public relations channels have been arranged via the Company's website (www.pdgt.com/ir) or directly to Investor Relation (ir@pdgt.com)

5. The company has established measures to prevent the use of inside information in writing. It prohibits directors, executive and staff members who are related to the information from using it to inappropriately seek personal benefits both direct or indirectly stakeholders, by specifying 30 days trading period before the company announces operating results or until such information has already been disclosed to the public.

6. The Board of Directors regulated that directors and the management are obliged to report any changes in ownership of one's own company, spouse and children who have not yet become sui juris reporting to SEC via online system in time.

7. The Board of Directors has identified criteria and approaches in reporting the stakes of directors and executives in writing and shall be regarded as standard practices. In case directors or executives appear to have critical stakes that are of particular significance, the said directors shall refrain from voting and participating in the consideration of the relevant agenda, and this shall be recorded in the meeting minute.

8. The Company regulated and announced the "Information System Security Policy" for the computer network system in order to enhance the Company's information system security to be of international standard, with reference to the ISO/IEC 27001 framework via internal communication channels to align with the regulations and Act on computer crime. The scope is also on impact minimization for any incidents, speedy system recovery right after the attack, and continuous prevention of network threats, to serve as guidelines for effective utilization of the network and computer system and for maximum benefits, as summarized below:

- Access authority is prescribed using passwords, which shall be kept confidential.
- Employees are to use the Internet to facilitate ones' works, and shall not disseminate inappropriate information that goes against the tradition, morality and the laws.
- Use e-mail, the Internet and computer equipment authorized by the Company, according to the regulations and instruction for safety, for the Company's benefits only.
- Inspect, seek for, follow up, interrogate and control the use of information system to ensure safety and appropriateness.

9. The Board of Directors has regulated protocols and procedures in making connected transactions as determined by law and standards prescribed by the Securities and Exchange Commission and the Stock Exchange of Thailand and the Stock Exchange of Thailand, approved in principle on general trade agreements for transaction between the company and its subsidiaries, and transaction with related persons who have conflicts of interest must be considered and commented on the necessity to enter into those transaction before proposing to the Board of Directors for approval, and if there are connected transactions and the acquisition or disposal of assets in accordance with the criteria that must be approved by the shareholders' meeting before entering into the transaction, the company must disclose important details in the notice letter invitation for consideration.

In 2020, there were no reports of connected transactions (Please refer to the "Procedures of the Approval of the Related Transaction")

8.3 Directorship in Other Listed Companies

The Board of Directors is attentive to the director's performance of duties and responsibilities in order to ensure that their time is fully dedicated to the execution of corporate governance. Thus, directorship policies have been adjusted as below:

1) Assumption of Director Position in Other Listed Companies of the Company's Directors

The Board of Directors has reviewed the policy regarding the assumption of the director position in other listed companies in order to enhance effectiveness in performance as the Company's directors, and thus prescribed "policies" in regulating that directors shall not assume the position in more than 5 other listed companies that are not listed for each director for maximum benefits of the Company's future business growth.

2) Assumption of Director Position in Subsidiaries or Affiliates of High-Level Executives

The Board of Directors has prescribed the policy on the assumption of the director position in subsidiaries or affiliates of high-level executives/Chief Executive Officer, conditional upon the Board of Directors' approval, unless it is the case where the individual has been delegated by the Board of Directors to assume the director position in the Company's subsidiaries or affiliates according to shareholding proportions or as assigned by the Board of Directors.

At present, of the 9 directors, none of them are assuming the director position in other listed and non-listed companies in excess of specified criteria.

8.4 Oversight the Operation of Subsidiaries Company's

The Company, as controlling by stakeholders proportion, setting the direction of strategic plan and budgeting, supervision and allocation of appropriate resources, the Board of Director was oversight the operations of its subsidiaries or affiliates to maintain the benefits of investment, as follows:

1. Appointment of senior executives to represent as directors agent or management of the company in proportion to their shareholding in the Company.
2. Promoted good governance in accordance with the Company's directors and executive officers are assigned both operation processing and personnel systems in accordance with company policy.
3. Follow up on the subsidiaries' operating performance continuously on a regular basis, comply with the strategic plan to be approved by the Board of Directors of the parent company and report the status/key incidents to the Board of Directors or provide suggestions and resolutions in case of incidents (if any).
4. Consider critical matters that need approval before proceeding or seek approval from the mother company according to the authorization structure of the Company, e.g. the appointment and withdrawal of directors, identification of Managing Directors' remuneration package, capital injection or reduction, strategic plan and business directions or the expansion of business scope that goes beyond core businesses, etc.
5. Arrange for the internal audit activities conducted by the mother company's Internal Audit Division to ensure that the internal control system is appropriately adequate and coheres with the legal compliance and related regulations.

8.5 Corporate Governance Division

The Board of Directors has appointed sub-committees to supervise different aspects of operations, for instance, the Audit Committee is in charge of the investigation process to ensure legal compliance and the regulations of the Stock Exchange of Thailand and other relevant bodies, review the connected transaction that may causes conflict of interest to be correct including practice s that are coherent with the policies. The Company Secretary is responsible for providing information and coordinating with the management with regards to comments and/or improvement of criteria by the Good Governance Development Department, the Stock Exchange of Thailand, the Securities and Exchange Commission, and other relevant bodies and proposes to adjust for better suit the business operations. The management has been assigned to execute the corporate governance policy for sustainable growth and reliability in the views of investors or external parties.

Compliance with other Good Corporate Governance Principle

The Director, Executive and Employee of the company and subsidiaries has complied with the corporate governance policy and strictly consistent comply and monitoring to implementation plan. In 2020 there was no issue or situation of non-compliance with the aforesaid policy.

Auditor's Fee

Auditor Appointment

The Company's article of association determines that the General Meeting of Shareholders appoints auditor and determines compensation package for auditor on a yearly basis. The auditor is nominated by Audit Committee and agreed by the Board of Directors, who will later propose to the Meeting of Shareholder for approval of auditor and auditor's compensation for the Company and its subsidiaries. The said auditor have been approved in accordance with the SEC notification to audit and express independence opinion, have no any relationship with and/or conflict of interest with the company, its management, major shareholders, and relevant parties of aforementioned persons. Complying with the notification of the Securities and Exchange Commission (SEC), the Company also arranges to have mandatory auditor rotation in the case that such auditor has audited the same company for 5 consecutive years to.

Audit Fee

For the accounting period of 2020, the Company has reviewed and comments by Ms. Panita Chotesaengmaneeekul Certified Public Accountant Number 9575 from "ANS Audit Co., Ltd." is the Company's Auditor, the said auditor signing the company's financial statement for 2020 (2 fiscal years) of. The remuneration of the audit fee of the Company and its subsidiaries for the fiscal year 2020, 2019 and 2018 amounted 1,565,000 Baht 1,565,000 Baht and 1,490,000 Baht respectively, which including audit fee of subsidiary company amounted 517,000 Baht 517,000 Baht and 515,000 Baht respectively.

Non Audit Fee

In 2020, the Company and its subsidiaries was no others Audit fee.

Comparison of the Audit Fee

Unit : MB

Audit Fee	2020	2019	2018
Audit Fee			
1. Phol Dhanya Public Company Limited	1,048,000	1,048,000	975,000
2. PD Genesis Engineering Company Limited	5,000	5,000	20,000
3. Phol Palladium Company Limited	252,000	252,000	240,000
4. Phol Water Company Limited.	253,000	253,000	230,000
4. Pholdhanya (Cambodia) Co., Ltd.	7,000	7,000	25,000
Non Audit Fee	-	-	-
Total	1,565,000	1,565,000	1,490,000

Internal Control and Risk Management

The Board of Directors places significant focus on management process control system, in supervision all staff member each department to participates in the operation provided appropriate resources allocation, by assigning the duties and responsibilities of the operations and executives have been identified roles and responsibilities of the operators, controllers/approvers are clearly separated, in order to ensure mutual cross-check and audit, both for financial and non-financial transactions, to properly ensure that it can be managed effectively in a constantly of changing environment, including their supervision in accordance to achieving goals, objective, law, relevant requirements and established policy and guidelines of anti-corruption policy with communicate to employee strictly adhere, including review regular audit report, summarized as follows:

1. Control Environment

The Company has devised the control structure, comprising of the Board of Directors and sub-committees; Audit Committee, Risk Management Committee, Nomination and Compensation Committee and top-level executives. Each committee member bears responsibility towards shareholders regarding the Company's operating performance and hence must operate the business in accordance with the goals for shareholders' maximum benefits, with reference to the Corporate Governance Policy announcement and the Business Code of Conduct, the principles of honesty and transparency, good practices required of the directors, executives and staff members, monitoring of transactions with relevant parties or ones that may involve conflicts of interest, with the awareness of responsibility towards the society in general. The top-level executives are responsible for supervising all aspects of the operations to align with business objectives and communicating them to staff members at least once a year, to serve as operational guidelines for everybody, for purposes of appropriate resource allocation, monitoring and managing subsidiaries' businesses to have proper internal control system as the mother company does.

2. Risk Assessment

The risk management policy is one of the critical policies, with the objective of identifying, assessing and managing forecasted risks in an appropriate manner, to encourage goal achievement for the Company. The Risk Management Committee in the managerial level was established, comprising of top-level executives of all divisions, with the Chief Executive Officer as the Chairman of the Committee, evaluating internal and external risk factors that may impact business operations to be in an acceptable level and to manage them in a timely manner. This is considered the responsibility of all executives to plan and identify risk management measures that align with the organizational strategy, and they must be cascaded down to all staff members to take part in their relevant responsibility for organizational goal achievement. The risk management operations of different divisions are monitored in a quarterly manner and reported to the Risk Management Committee and the Board of Directors for acknowledgement. It is also ensured that the sufficiency of the internal control system is properly evaluated.

Details regarding organizational risk assessment and management are displayed in the topic "Risk Factors".

3. Control Activities

The Company arranged for the control activities to properly manage risks to ensure they are in an acceptable level, considering the type of work, complexity, and environment to determine the appropriate control and monitoring measures and to ensure compliance. The policy and practices in several aspects have been written out; purchasing manual, financial manual, human resource management manual, as well as information technology security management, in line with the company's information technology security policy and procedure.

Furthermore, the Company has clearly identified the authorization level for the management and the assignment of responsibility for check and balance purposes, for instance, the role of authorization is separated from the role of bookkeeping and the role of maintaining the assets. Staff members are encouraged to be aware of the significance of strictly complying with relevant rules and regulations, in order for the internal control system to be efficient as prescribed. The operating performance can be monitored via the Chief Executive Officer and/or the Managing Director of a respected subsidiary or the assigned representative.

In this regard, in making transactions with major shareholders, directors, executives or relevant individuals, the Company has a concise measure in following-up and ensuring that such transactions align with the regulations and practices, and comply with the prescribed authorization procedures. Stakeholders shall not take part in considering or approving the transaction to prevent conflicts of interest, considering the Company's maximum benefits as a priority.

4. Information and Communication

The Company places emphasis on the information system and communication to ensure they are accurate and sufficient for the Board of Directors, executives, shareholders and relevant individuals to make decisions. The accounting policy that complies with the generally accepted accounting standard that suits the business is implemented, while the accounting documents are properly maintained for verification. The meeting invitation letters with the supporting documents are prepared and distributed to the Board of Directors to study 7 days in advance. The Company Secretary hereby provides advices regarding the regulations and criteria, supervises the activities carried out by the Board of Directors, and liaises with relevant parties to ensure compliance with the Board's resolutions. The Company Secretary also serves as a hub for preparing and systematically keeping important documents; director registration, Board of Directors' meeting appointment letter, Board of Directors' meeting minutes, shareholders' meeting invitation letter and meeting minutes, for shareholders to verify as appropriate. The function is also responsible for identifying the rights of access to confidential information.

Furthermore, the information disclosure policy to shareholders and investors has been devised in a comprehensive, accurate, sufficient and timely manners, to ensure all individuals fairly have access to the information, as well as identification of whistle blowing channels, and the measures to protect the whistle blowers and other practices as stated in the topic "Anti-Corruption" in the Corporate Governance section as appeared on the website: www.pdgth.com Investor Relations section.

5. Monitoring Activities

The Board of Directors follow up with the operating performance to ensure they are in accordance with the aspired targets. There were 11 Board of Directors' meetings held in 2020, whereby 1 meeting was held without the director in managerial position's presence. The management team holds a meeting on a monthly basis to follow up with the operating performance and benchmark against the targets and organizational strategies that were approved by the Board of Directors and to tackle problems that may arise and adjust the execution plan to suit the changing situations. The management also considers and provides advices in solving problems and reports the outcomes regularly, monitors the Internal Audit Division's performance reports quarterly to ensure that the internal control operations are effective and suitable for the changing environment. If any shortcomings are detected, the responsible person must identify the solution in a timely manner, while the management is accountable for ensuring compliance with the internal control system, and the Internal Audit Division is responsible for inspecting, following-up and reporting results independently to the Audit Committee on a quarterly manner to propose to the Board of Directors respectively.

The Board of Directors' Opinions on the Internal Control System

The Board of Director's meeting no.2/2021, dated February 18, 2021, was attended by 4 independent directors, whereby 3 of which were members of the Audit Committee. They conducted an annual assessment of the sufficiency of the internal control system for 2020, with reference to the "Internal Control System Sufficiency Assessment Form" of the Securities and Exchange Commission, as a guideline in reviewing the Company's internal control system that adheres to the COSO Framework 2013, comprising of 5 components; control environment, risk assessment, control activities, information and communication. The Audit Committee had arrived at a conclusion that the Company's internal control system is sufficient and appropriate for business operations, and aligns with the COSO 2013 principles, covering 5 major aspects; control environment, risk assessment, control activities, information and communication, and monitoring activities that have been reviewed by the Audit Committee. The Audit Committee agreed that the Company's and subsidiaries' internal control systems are sufficient and appropriate, with no significant shortcomings detected in the internal control operations.

The Board of Directors affirmed that the Company's internal control system calls for the staff members to comply with the laws, policies and practices related to transactions with stakeholders in a sufficient and appropriate manner, aligning with constantly changing risks. The Company ensures there are sufficient staff members and advocates continuous human resource development, providing equipment and tools suitable for the work settings, to allow for effective execution and goal achievement.

Furthermore, the Company's auditor; ANS Audit Co., Ltd. by Ms. Panita Chotesaengmaneeekul, an auditor of the quarterly statement of financial position and the statement of financial position in 2020, did not identify any shortcomings regarding the internal control system.

Internal Audit

In order to implement good governance procedures, the Board of Directors has determined the Internal Audit division to report directly to the Audit Committee and to the Chief Executive Officer. In this regard, the Internal Audit Director shall take the role of the Audit Committee's Secretary, responsibilities under the Internal Audit Charter which has been reviewed and approved at least once a year by the Audit Committee to ensure that the responsibilities specified in the charter and the duties of the internal audit division are consistent. In this regard, the Internal Audit division should report operating performance and present advices or significant short coming to Audit Committee on a quarterly basis and also report to the quarterly audit results to the Board of Directors.

The Head of Internal Audit Department

Audit Committee has appointed Miss. Kamolphobphan Puapansakul, Internal Audit Director, as the head of Internal Audit Division and Audit Committee Secretary, who is the right qualification, knowledge and experience in our internal operation for more than 10 years, to supporting the Audit Committee to achieve an efficiency in their objective. Consideration and approval the audit plan, an appointment, deprivation and evaluation and compensation of the head of Internal Audit Division must be approved (or agreed) by the Audit Committees. The head of Internal Audit Division usually internal and external seminars related the internal audit responsibilities to improve her performance i.e.; Seminar: "Checking the readiness of the entity to cope with Personal Information Act ", which shall be effective on 1 June 2021 for preparing the Auditing plan onwards.

The qualifications of the head of the Internal Audit Division are shown under the topic of 'Detail of Directors and Management Team'.

In 2020, The Company uses internal auditor services, independently from the company "Internal Audit Dharmniti Co., Ltd." continued for the fourth year, to enter the internal audit work under the scope of internal audit operations plan 2020. Miss. Kamolphobphan Puapansakul, Internal Audit Director, determine the scope of internal audit according internal audit operations plan 2020 which approved by Audit Committee.

Risk Management

The Board of Directors places significant focus on a systematic risk management scheme, which forms an important part of corporate governance, and is a strategy for the annual business plan that will enable goal achievement for the organization, ultimately for sustainable growth. The Risk Management Committee has been appointed to take charge of and manage potential risks that might impact goal achievement of the organization, and to consider the adequacy of the risk management protocols to be in an acceptable level as specified in the risk management manual, to be proposed to the Board of Directors on a quarterly basis. The risk management working team is comprised of the Chief Executive Officer as the Chairman of the group and executives of every relevant department, whereby supporting activities under the risk management plan will be executed and reported to the Risk Management Committee in every quarter.

The execution with regards to the risk management plan in 2020 can be summarized as follows:

1. Reviewed the Risk Management Committee's Charter is update and consistently, comply with the objective, scope of responsibility by focusing on risk management cover all access risk of the company-wide risk management and risk culture to occurred at all level.

2. To cultivating risk management into corporate culture, encouraging and educating employees at all levels to have understanding of risk management, to be held as part of everyone's work as they are owners of potential divisional risks, including provide new employee's orientation, provide in-house training by expert speaker with covering internal communication; E-mail and Risk News etc.

3. Provide risk management in corporation as a part of the annual execution plan which is cascaded down to departmental execution all risk management to integrate throughout the organization.

4. Compile the status report of risk management, detailing the stable, lower and higher risk levels of any given transactions, together with their causes for the management to further make plans. The report shall be presented to the Board of Directors on a quarterly basis.

5. Develop the Business Continuity Policy and Business Continuity Plan (BCP) to prepare for the emergency or crises.

Through collaboration from all staff members in all departments, the Company's risk management system has been maintained at an acceptable level and can be developed to align with the organizational objectives and goals.

(The Company has disclosed the "Risk Management Committee's Charter" on the website www.pdgth.com , Investor Relation section).

Corporate Social Responsibility

The company operates the business with good governance, ethics, morality, transparency, accountability and responsibility for all stakeholders. In 2020, the company's listed in Thailand Sustainability Investment (THSI) 2020 for the second consecutive year in the group of mai listed companies. Adhering, commitment of such development with cover 3 dimensions; Economic, Social and Environmental, in accordance with the policy and guidelines for sustainable development, for business operations to be steadily and continuously.

Sustainable Development Policy

- **Governance:**

- Adhere to moral principles and transparency in business operations as well as comply with laws, regulations, procedures and standards that are set and practiced.
- Adhere to and comply with policies and guidelines that the Company determines, including corporate governance policy, business ethics policy and guidelines to prevent and oppose to corruption and others.

- **Economy:**

- Continuously seek for development and improvement of operational efficiency in all processes by setting goals, measuring methods, tracking results, and evaluating for efficiency and effectiveness.
- Develop and promote innovation as well as new technologies to support operational processes and services as per a business strategy in order to create additional values and long-term organizational growth.
- Promote and encourage partners, trading partners and stakeholders throughout the business chain to conduct business in accordance with sustainable development guidelines.

- **Society and Community:**

- Promote and develop capabilities of employees by continuously providing trainings and creating safe and healthy working environment to stimulate creativity and potential capabilities to respond to customers' needs and satisfaction in terms of quantity and quality of both products and services.
- Strengthen and promote activities between communities and related stakeholders with the openness of opinions and creative consultation, equal treatment, and supports of development of quality of life and the strength of communities.
- Cooperate with government agencies, business partners and other stakeholders to participate in the development of communities.

- **Environment and Coping with Climate Change:**

- Seek for methods including efficiency campaigning to reducing uses of resources and energy, environment protection as well as wastes in order to prevent, control and reduce impacts on environment, community and society, as well as preparing to cope with various environmental risks in order for the business to be continuously run and encounter the least impact.

- **Occupational Safety:**

- Set goals to be free from injuries and illness from any working process by developing and improving safety standards, good hygiene to be higher than legal requirements.
- Do not do anything without safety control policy, safety equipment as well as appropriate and sufficient training by continuously and consistently participating in consciousness stimulation and culture cultivation regarding safety to the community and society.

- **Tax Policy:**

The Company aims to be an organization with valuable growth and high tax responsibility, the Company's operations must be consistent and meet the tax standards by adhering to the following practices.

- Tax Structure: The Company will not use any fraudulent tax structure as well as inappropriate approach or create any complexity for tax benefits and tax avoidance.
- Tax Incentives: The Company aims to legally and efficiently use tax benefits under a sustainable and appropriate business decision which is also under the national tax policy.
- Tax Transparency: The Company has a transparent tax reporting to the government, which can also be verified.

- **Policy of Conducts and Respects for Human Rights:**

The Company respects and follows the principles of human rights by respecting human dignity, rights, freedom and equality of persons who are certified or protected both by Thai and International laws Executives and employees are obliged to comply with principles of human rights and the rule of law as well as respects for human dignity, rights, freedom and equal treatment.

- To perform, promote, protect and encourage for respects for the rights of protection and basic human rights in all levels without any person being treated unfairly or discriminated regarding race, ethnicity, color, religion, gender, age, physical appearance, language, political opinion or any other status.
- Executives and employees have duties and responsibilities to promote the rights of individuals according to international standards within either the Company or the business group to ensure that a business operation will not engage in any violation of human rights.
- To determining and maintain fair working conditions as well as to be in accordance with human rights such as not using child labor or other matters that represents the disrespect of human rights or not based on international standards regarding human rights, freedom and equality.

- **Information Disclosure:**

- Disclose sustainable development policies, information on sustainability operations, and performance in all dimensions in accordance with the criteria and requirements of relevant agencies, including transparency, sufficiency, and completion to demonstrate the commitment to sustainable organization development.
- Disclose this policy to employees and stakeholders to acknowledge and practice to be able to conduct business with the Company.

- **Policy Compliance:**

- Directors, Executives and Employees in all levels are responsible for supporting, promoting and complying in accordance with this sustainable development policy of the Company and being parts of the corporate culture as well as carrying out tasks that take into account the overall social responsibilities regarding economic, social and environmental matters.

For more details regarding the sustainability operations were appeared in the Sustainability Report 2020, which is shown on the company website: www.pdgth.com

Connected Transactions

Persons with possible conflict of interest	Relationship / Transaction	Transaction Value (Baht)			Necessity and reasonability of the transaction
		2018	2019	2020	
1. Phol Palladium Co., Ltd. (Subsidiary)	The Company holds 99.99% of shares				
	- Investment in the Subsidiary	999,970	999,970	999,970	The Board of Directors approved an establishment of Phol Palladium Co., Ltd. to distribute occupational health and safety products to government agencies in order to reach and expand its customer base in this group <u>The Audit Committee's opinion</u> The transaction was the normal trading transaction.
	- The Company sold goods to the Subsidiary				
	Sale of goods Trade receivables in the Subsidiary	16,582,529 9,923,185	16,335,294 4,459,884	32,428,792 8,649,912	The Company sold goods to the Subsidiary as normal business operation with the policy of selling goods to the Subsidiary at the cost price with an additional profit of margin 5-15% <u>The Audit Committee's opinion</u> The transaction was the normal trading transaction.
	- The Company purchased goods from the subsidiary				
	Purchases of goods Trade payables in the Subsidiary	936,402 150	123,031 225	624,754 27,392	The Company purchased goods from the Subsidiary as normal business operation with the policy of selling goods to the Subsidiary at the cost price with an additional profit of margin 5-15% <u>The Audit Committee's opinion</u> The transaction was the normal trading transaction.
	- Other income				
	Management fee income Management fee receivable	850,000 53,500	1,560,000 139,100	1,560,000 139,100	The Company charges management fee from subsidiary from use of personnel in the support departments of the Company for its operation, such as accounting, finance, human resources, information technology including the equipment of the Company. In 2019, The Company increases the management fee by 130,000 baht per month from the 50,000 baht per month in previous year. <u>The Audit Committee's opinion</u> The transaction was reasonable; because it is the expense of the subsidiary which the company holds 99.99% of shares.

Persons with possible conflict of interest	Relationship / Transaction	Transaction Value (Baht)			Necessity and reasonability of the transaction
		2018	2019	2020	
2. Phol Water Co., Ltd. (Subsidiary)	The Company holds 99.99% of shares				
	- Investment in the Subsidiary	49,999,970	49,999,970	49,999,970	The subsidiary reported loss earnings. Thus, in order to be in accordance with the accounting standard, the Company provided allowance for impairment of such investment in subsidiary <u>The Audit Committee's opinion</u> The provision was in accordance with the accounting standard.
	Allowance for impairment	41,566,624	45,594,639	45,594,639	
	Net-Investment in the Subsidiary	8,433,346	4,405,332	4,405,332	
	- The Company sold goods to the Subsidiary				The Company sold goods to the Subsidiary as normal business operation with the policy of selling goods to the Subsidiary at the cost price with an additional profit of margin 5-15% <u>The Audit Committee's opinion</u> The transaction was the normal trading transaction
	Sale of goods	1,185,106	1,611,796	2,225,191	
	Trade receivables in the Subsidiary	343,328	80,403	19,002	
	- The Company purchased goods and services from the Subsidiary				The company hired the Subsidiary to operate the water treatment as normal business operation with the policy of selling goods and services to the Subsidiary at the cost price with an additional profit of margin 5-30% <u>The Audit Committee's opinion</u> The transaction was the normal trading transaction.
	Purchase of goods and services	178,640	245	-	
	Cost of service for water treatment system	971,003	-	-	
	Trade and other payables in the Subsidiary	121,969	-	-	The company provided short-term loans to the Subsidiary by issuing a promissory note and short-term loan to use for working capital in operation, which is repayable at call and with interest rate 4.70% per annum. <u>The Audit Committee's opinion</u> The transaction was the normal trading transaction.
	- Short-term loans				
	Promissory Note				
	Short-term loans receivable	3,000,000	3,000,000	2,000,000	
	Interest	186,970	142,159	212,079	

Persons with possible conflict of interest	Relationship / Transaction	Transaction Value (Baht)			Necessity and reasonability of the transaction
		2018	2019	2020	
2. Phol Water Co., Ltd. (Subsidiary)	The Company holds 99.99% of shares				
	- Short-term loans	-	2,000,000	-	The company provided short-term loans to the Subsidiary to use for working capital in operation. <u>The transaction was the normal trading transaction.</u> The transaction was reasonable; the Company needs to provide finance to the subsidiary for working capital.
	Short-term loans receivable	-	-	-	
	Interest	-	8,499	-	
	- Other income				
	Management fee income	600,000	1,800,000	180,000	The Company charges management fee from subsidiary from use of personnel in the support departments of the Company for its operation, such as accounting, finance, human resources, information technology including the equipment of the Company. In 2019, The Company increases the management fee by 150,000 baht per month from the 50,000 baht per month in previous year. <u>The Audit Committee's opinion</u> The transaction was reasonable; because it is the expense of the subsidiary which the company holds 99.99% of shares.
	Management fee receivable	53,500	160,500	160,000	
	Rental income for water treatment system	720,000	720,000	720,000	The Company charges rental for water treatment system from subsidiaries amount to 60,000 Baht per month. <u>The Audit Committee's opinion</u> The transaction was reasonable; it represents the actual operating costs.
	Rental receivable	64,200	64,200	64,200	

Persons with possible conflict of interest	Relationship / Transaction	Transaction Value (Baht)			Necessity and reasonability of the transaction
		2018	2019	2020	
3. PD Genesis Engineering Co., Ltd. (Subsidiary)	The Company holds 76.67% of shares	11,500,000	11,500,000	11,500,000	The Company saw an opportunity in the business operation concerning environment, the Company expanded its business to water treatment products. However, the earnings of the Company reported loss. Thus, in order to be in accordance with the accounting standard, there was a necessity to have a full allowance of impairment and allowance for doubtful accounts following the loss earnings over capital. The Audit Committee's opinion The provision was in accordance with the accounting standard.
		11,500,000	11,500,000	11,500,000	
		-	-	-	
		5,000,000	5,000,000	5,000,000	
		5,000,000	5,000,000	5,000,000	
4. Pholdhanya (Cambodia) Co., Ltd. (Subsidiary)	The Company holds 100% of shares	-	-	-	The Board of Directors approved to establishment of the subsidiary to expand investment to Cambodia, however, the Company reported loss earnings over capital. Thus, in order to be in accordance with the accounting standard, there was a necessity to have an allowance of impairment. The Audit Committee's opinion The provision was in accordance with the accounting standard.
		126,278	126,278	126,278	
		126,278	126,278	126,278	
		-	-	-	
		-	-	-	
		6,770,686	6,770,686	6,770,686	These are trade accounts receivable from sales of products to subsidiaries which are normal business operations, however, The Company reported loss earnings over capital and the Subsidiary has temporarily ceased its operations. Thus, in order to be in accordance with the accounting standard, there was a necessity to have an full allowance for doubtful accounts. The Audit Committee's opinion The provision was in accordance with the accounting standard.
		6,770,686	6,770,686	6,770,686	
		-	-	-	
		-	-	-	
		-	-	-	
		3,564,680	3,312,601	3,236,540	
		3,564,680	3,312,601	3,236,540	
		-	-	-	
		-	-	-	
		-	-	-	

Persons with possible conflict of interest	Relationship / Transaction	Transaction Value (Baht)			Necessity and reasonability of the transaction
		2018	2019	2020	
4. Pholdhanya (Cambodia) Co., Ltd. (Subsidiary)	The Company holds 100% of shares	-	-	67,040	The Company purchased goods from the Subsidiary at cost price to use for the water treatment project. <u>The Audit Committee's opinion</u> The transaction was the normal trading transaction.
	- The Company purchased goods from the Subsidiary Purchase of goods	3,632,632	3,485,760	3,478,805	The Subsidiary lend from the Company to working capital, which is repayable at call and no interest charge.
	- Other receivable Less Allowance for doubtful accounts Other receivable-net	3,632,632	3,485,760	3,478,805	The Company reported loss earnings over capital and the Subsidiary has temporarily ceased its operations. Thus, in order to be in accordance with the accounting standard, there was a necessity to have a full allowance for doubtful accounts. <u>The Audit Committee's opinion</u> The provision was in accordance with the accounting standard.
5. B&P Agri Product Co., Ltd. (Related Company)	Assoc. Prof. Dr. Ekachidd Chungcharoen, Director of the Company holding shares in related company	-	105,850	22,250	The subsidiary of the Company (Phol Water Co., Ltd.) sold goods to the related company at the market price <u>The Audit Committee's opinion</u> The transaction was the normal trading transaction.

Procedures of the Approval of the Transaction

Connected Transaction Policy between the company, subsidiaries, associated companies, executives and related parties as follow

The Board of Directors approved the measures and procedures of related-party transactions and connected transactions between the Company and its subsidiaries or associated companies or the parties that may have the conflict of interest in order to comply with the regulation prescribed by the Securities and Exchange Act, the Stock Exchange of Thailand, and the Securities and Exchange Commission as following measures and procedures

1. Normal business transaction: In case there is the connected transactions between the Company and the related parties, parties with conflict of interest, interest or future conflict of interest, the Company considers the trading terms that must be similar to those terms a reasonable business person would be expected to enter into with other parties in general in similar circumstances with an equal bargaining power, free of any undue pressure as a result of a person being a director, executive or related person and normal trading terms or market price conditions that are under reasonable condition and accountable. The management can do the normal operation in accordance with measures and procedures that the Board of Directors approved and prepares the summary report to the Audit Committee in every quarter such as sales and services. The Company considers based on general trading terms and the terms that must be similar to those with other people or general customers; for example, using cost-plus pricing of 5%-15% as operating criteria.

2. Transactions supporting normal business: (apart from item no.1), in case for approval of the related-party transactions or connected transactions that are not normal trading transactions, the Company proposes to ask the consideration from the Audit Committee on the necessity and appropriateness of the transaction. In case of the Audit Committee does not have relevant expertise to consider the proposed transaction, the Company shall arrange for an expert such as an independent audit or or appraiser, to provide an opinion on the proposed transaction for further consideration of the Board of Directors or the shareholders, as the case may be, to approve the proposed transaction before implementation. A person with the potential conflict of interest in the proposed transaction shall not be allow to vote or approve the proposed transaction as

1. Transactions supporting normal business including lease or rental transactions, the Company shall consider based on general trading terms, and the compensation value can be calculated from the assets or the underlying value
2. Transactions relating to products or services such as investment or sales of investment, the Company shall appraise the total value of compensation or the book value or the market value of products or services, whichever is higher
3. Transactions receiving financial assistance such as loans or guarantees including offer and/or receipt of financial assistance, the Company may consider with fair and generates the optimal benefits to the Company; for example, financial cost/interest rate or the cost-plus pricing of 2% based on general trading terms that are reasonable.
4. Resource sharing including assets, human resources or related and/or connected expenses, the Company considers the cost management on expense to reflect the actual cost with fair and transparency

Future Connected Transaction Policy

In case the Company shall have a related-party transaction and/or a connected transaction in the future among subsidiaries, associated companies or any related parties who may have the potential conflict of interest, the Company shall comply with the measures and procedures of related-party transactions and connected transactions mentioned in the above section. The Board of Directors shall ensure that the Company comply with the Securities and Exchange Act, regulations, notifications, orders or requirements prescribed by the Stock Exchange of Thailand as well as the regulations regarding to Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets and comply with the Accounting Standards prescribed by Federation of Accounting Professions. The Company will footnote the connected transaction to the financial statement audited by the Company's auditor and disclose the related-party transactions or connected transactions in annual information disclosure form (Form 56-1) and annual report (Form 56-2)

Assets Acquisition and Disposition of the Company and Subsidiaries or Associated companies

In case the Company shall have asset acquisition and disposition of the Company and Subsidiaries or Associated companies such as purchase, sales, transfer, acquisition of the rights, forgoing of the rights, investment or disinvestment that shall have the significant impact on financial position and performance, the Company shall operate as follow

1. The transactions should be transparent and fair
2. The Company should receive the optimal benefits that must be similar to those benefits received from the transactions with other people.
3. The Company shall operate in the accordance with related laws, notifications, regulations and comply with the regulations regarding to Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets

Report of Risk Management Committee

Dear Shareholders

Phol Dhanya PCL's Board of Directors are aware of the significance of risk management; the factor that enables continuous business operations in accordance with the principle of good governance, under the COSO Enterprise Risk Management Framework, and therefore have appointed the Risk Management Committee, comprising of 3 members from the Company's directors, executives and external honorary individuals with diverse knowledge and expertise.

Risk Management Committee is comprised of 3 members as follows:

- | | |
|--|---------------------------------------|
| 1. Mr. Teeradej Jarutangtrong, | Chairman of Risk Management Committee |
| 2. Asst. Prof. Dr. Suluck Pattarathammas | Risk Management Committee |
| 3. Mr. Boonchai Suwanvuttawat | Risk Management Committee |

In 2020, there were five Risk Management Committee meetings in total, whereby the quorum was achieved in every meeting, with the following key takeaways:

1. Identify the policy and strategies, as well as review the organizational risk management framework to ensure it is appropriate and coheres with the strategic plan and the Company's operations, allowing for adjustments based on the changing situation.
2. Follow up, evaluate and provide suggestions on the risk management operations under the designated risk management policy and framework to ensure that the systematic and effective risk management system is in place, being aware of incidents that may have significant impact on the organization, to ensure that risks are being contained at an acceptable level.
3. Encourage the fostering of risk management culture in the organization; all staff members are aware of the importance of risk management, making it part of work procedures and organizational culture.
4. Encourage an awareness of transparent business operations that align with the principle of good governance, legal compliance, as well as the determination to observe the anti-corruption policy and practices. Staff members and all groups of stakeholders are to be communicated to acknowledge the Company's determination.
5. Consider the Organizational Risk Report 2020 that is in line with the strategic direction and organizational objectives.
6. Report organizational risk management outcomes to the Board of Directors on a quarterly basis.

From the aforementioned areas of execution, the Risk Management Committee is confident that the Company has a continuous and effective risk management practices, in line with the good governance principle and practices, allowing for business opportunities for the organization's and stakeholders' maximum benefits. The internal control system is also sufficient and appropriate for the business, with legal compliance and the righteous and comprehensive regulations related to business operations.



Mr. Teeradej Jarutangtrong
Chairman of Risk Management Committee

Report of Nomination and Compensation Committee

Dear Shareholders

With regards to Phol Dhanya PCL's Board of Directors' appointment of the Nomination and Remuneration Committee to nominate candidates and consider the compensation packages of directors and top-level executives to ensure their transparency and fairness, the Committee must be comprised of at least 3 members and half of which must be independent directors. The Chairman of the Nomination and Remuneration Committee must be an independent director, with a 3-year tenure for each term of office. The Committee is comprised of 4 members as follows:

1. Assoc. Prof. Dr. Ekachidd Chungcharoen	Chairman of Nomination and Compensation Committee/Independent Director
2. Mr. Noppadol Dheerabutrungkul	Nomination and Compensation Committee/Independent Director
3. General Chaiwat Satondee	Nomination and Compensation Committee/Independent Director
4. Mr. Chavalit Wangthamrong	Nomination and Compensation Committee

In 2020, a total of 5 meetings were held for the Nomination and Remuneration Committee, with the following key takeaways on role performance:

1. Consider and select individuals with suitable qualifications to assume the director position based on the Company's selection criteria and procedures, whereby;

1.1 The criteria and qualifications for shareholders who are eligible for proposing the meeting agendas in advance, and nominating the names of individuals to assume the director position, have been adjusted to increase the chance of eligibility for minor shareholders.

1.2 In nominating an individual to replace the director whose tenure has terminated, minor shareholders are allowed to nominate those with suitable qualifications to assume the director position prior to the meeting, though at the end there was no nomination coming from such opportunity.

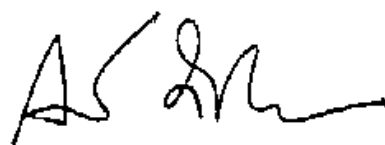
1.3 The qualifications and roles performed in the previous year have been reviewed for 3 directors whose tenures have terminated; Mr. Noppadol Dheerabutrungkul-Independent Director, Mr. Santi Niamnil-Independent Director and Mr. Teeradej Jarutangtrong-Director. It has been proposed to the Annual General Meeting of Shareholders 2020 that the three directors are to be re-appointed for another term of office.

2. Consider and prescribe the criteria in identifying the compensation packages for directors and top-level executives that are appropriate and in accordance with the Company's criteria.

3. Consider and prescribe the compensation packages for the Company's directors in 2020, based on the suitability and coherence with each director's scope of duties and responsibilities, taking into account the industry benchmark, in a way that can motivate and retain directors with knowledge, competencies and quality in performing their duties for the Company. The remuneration components shall be clear and transparent, and are proposed to the Board of Directors for an approval, prior to proposing to the Shareholders' Meeting to sign off. The remuneration details are disclosed in the Annual Report.

4. Propose the appointment of the consulting team for the Company's strategic development and growth management project, organizational development and executive coaching in managing change and creating growth opportunities for the Company in accordance with the organizational goals.

The Nomination and Remuneration Committee has comprehensively performed duties as specified in the Nomination and Remuneration Committee's Charter that has been approved by the Board of Directors, with the knowledge, competencies, caution and independence in a sufficient manner to offer opinions and suggestions for the Company's benefits.



Assoc. Prof. Dr. Ekachidd Chungcharoen

Chairman of Nomination and Compensation Committee

Report of Audit Committee

Dear Shareholders

The Audit Committee was appointed by the Board of Directors consists of three (3) independent directors namely;

- | | |
|-----------------------------------|-----------------------------|
| 1. Mr. Noppadol Dheerabutrpongkul | Chairman of Audit Committee |
| 2. Mr. Santi Niamnil | Audit Committee |
| 3. Dr. Pallapa Ruangrong | Audit Committee |

Audit Committee assumes the roles and responsibilities in governing and ensuring that the Company's operation conforms to its business strategies and policies, that relevant rules, laws, and regulations are strictly complied, that the management and control of business risks are carried out, and that financial reporting are properly done and suitable accounting practices are properly selected. It must also make sure that internal control and internal audit processes are put in place, that related transactions with related parties are monitored, that selection and nomination of auditor are correctly conducted, and that information disclosure are correctly and completely done. While performing its tasks, Audit Committee must maintain its independency.

In 2020, the Audit Committee held six (6) Meetings with the external auditors, Chief Financial Officer and Chief Internal Audit Officer attending the Meeting in related agenda item, which is summarized as follows:

1. Reviewed the quarterly and annual financial statements of 2020, the Audit Committee has reviewed the quarterly financial statements by questioning and listening to the management and the external auditor's clarifications concerning the correctness and completeness of the financial statements, compliances with generally accepted accounting principles. Selecting accounting policies and its adequacy of information disclosure, as well as acknowledged the problems and solutions that beneficial to the Company's business. The Audit Committee agreed with the external auditors that the financial statements were correct and adhered to the general accepted accounting principles and the disclosure of information is correct and complete.

2. Reviewed and commented the connected transactions or transactions that may lead to conflicts of interest, including the disclosure of such transactions, in compliance with the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission. The Audit Committee opined that such transaction is reasonable and for the highest benefit of the Company's business operation, including the disclosure of information is correct and complete.

3. Review the results of internal audit performance by Internal Audit Division, the independently audit team according to 2020 internal audit annual plan, to internal control results more efficient and effectiveness. Overview, the results of the adequate assessment of internal control system of the company was adequacy.

4. Regulated the internal audit by reviewed the internal audit charter, a manual on internal audits, internal audit key performance indicators, according to 2020 internal audit annual plan as well as monitor progress against the annual audit plan every quarter.

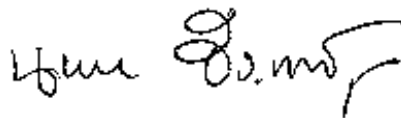
5. Reviewed the operational processes to ensure compliance with the Securities and Stock Exchange Law, in line with the regulations of the Stock Exchange of Thailand and other laws related to the Company's business, including compliance with the Company's requirements and obligations to the third parties. The Audit Committee informed that there are no significant issues regarding non-compliance with laws and regulations of the relevant item refer to the Stock Exchange of Thailand's regulatory.

6. Reviewed the scope of information technology management and security measure for the information technology system.

7. Reviewed and commented the Anti-Corruption's procedure was suitability, in accordance with the said policy and practice be efficient and effectiveness.

8. To consider, select, and propose the appointment of the external auditor, and propose the auditor's remuneration for the year 2020 to the Board of Directors to propose the 2020 Annual General Meeting of Shareholders for approval. The Audit Committee has considered the performance, independence, and appropriateness of remuneration, deemed it appropriate the appointment of Mr. Sathien Vongsanan Certified Public Accountant No.3495, or Mr. Atipong Atipongsukul, Certified Public Accountant No. 3500, or Miss Kultida Pasurakul, Certified Public Accountant No. 5946, or Miss Panita Chotesaengmaneekul Certified Public Accountant No. 9575 of ANS Audit Co. Ltd., as the Company's auditors for the year 2020.

The Audit Committee is of the view that over the course of 2020, the Company's corporate governance and internal control systems have been properly implemented and the financial reports disclosing truthful information have been completely prepared in accordance with the financial report standard and lawful disclosure of information as directed by relevant regulations. Also, it has been ensured that risk management measures are adequately implemented, and that compliance with the law, regulations and commitments are fulfilled. Connected transactions have been accurately disclosed and all aspects of operations are coherent with the corporate governance system, without identification of any significant errors that potentially affect the Company's financial position. Additionally, work systems and procedures have constantly been developed to improve quality and better suit the business landscape.



Mr. Noppadol Dheerabutrvongkul

Chairman of Audit Committee

Report of Board of Director's Responsibilities to Financial Statement

Dear Shareholders

The Board of Directors is responsible for the financial statements of Phol Dhanya Public Company Limited and its subsidiaries which were prepared in consistent with the financial reporting standards. The financial statements were prepared in accordance with generally accepted accounting standards by consistently adopting appropriate accounting policies and practices, careful discretion, and rational reporting in the preparation. Furthermore, the significant information was disclosed in the notes to the financial statements according to the auditor's report for the benefits of shareholders and investors.

The Board of Directors maintained good corporate governance as well as the effective risk management and internal control systems to ensure that accounting records are accurate, completed, and adequate to maintain the assets of the company. Moreover, the Audit Committee was appointed and shown in the report, consisting of independent directors who were in charge of financial reports, internal control system and relevant comments from the Audit Committee.

The Board of Directors opined that the internal control system and internal audit which could relate to the reliability of the consolidated financial statements of Phol Dhanya Public Company Limited and its subsidiaries for the year ended December 31, 2020 in which the auditors have audited and provided the comments in the auditor's report of which was also shown in the annual report.



Assoc. Prof. Dr. Ekachidd Chungcharoen
Chairman of the Board



Mr. Boonchai Suwanvutthiwat
Chief Executive Officer

Independent Auditor's Report

Independent Auditor's Report

To the Shareholders and the Board of Directors of Phol Dhanya Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Phol Dhanya Public Company Limited and its subsidiaries, and of Phol Dhanya Public Company Limited, respectively, which comprise the consolidated and separate statements of financial position as at December 31, 2020, the consolidated and separate statements of comprehensive income, statements of changes in shareholders' equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements referred to above present fairly, in all material respects, the consolidated and separate financial position of the Phol Dhanya Public Company Limited and its subsidiaries, and of Phol Dhanya Public Company Limited, respectively, as at December 31, 2020, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

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

Key Audit Matters

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

Provision for devaluation of inventories***Risk***

According to Notes to Financial Statement No. 8, the Group had inventories as at December 31, 2020 of Baht 171.25 million.

I focused on this area because the determination of the appropriateness of the provision for devaluation of inventories involves significant judgment by Management.

Auditor's Response

I assessed the appropriateness of the assumptions used by the Management for the determination of the provision for devaluation of inventories by:

- Observing annual physical inventory counts to determine the slow-moving and obsolete inventory items;
- Testing the report on long outstanding inventory;
- Analyzing the quantity of slow-moving inventories; and
- Considering the appropriateness of the allowance for devaluation in value of inventories.

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of Financial Statements

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

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


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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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



Panita Chotesaengmaneeekul

Certified Public Accountant

Registration Number 9575

ANS Audit Company Limited

Bangkok, February 18, 2021

Financial Statement and Note to Financial Statement

PHOL DHANYA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

	Notes	Unit: Baht			
		Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Assets					
Current assets					
Cash and cash equivalents	6	92,385,265.20	85,755,065.44	69,701,787.88	76,679,483.67
Trade and other current receivables - net	5, 7	178,816,587.79	146,180,537.06	163,439,250.77	135,997,395.11
Short-term loans to related party - net	5	-	-	2,000,000.00	3,000,000.00
Current portion of long-term loans to employees	12	1,508,322.53	1,326,980.81	1,351,240.21	1,288,320.77
Inventories - net	8	155,502,117.41	153,778,412.07	148,595,920.95	146,368,066.21
Current tax assets		692,429.25	545,790.77	-	-
Total current assets		428,904,722.18	387,586,786.15	385,088,199.81	363,333,265.76
Non-current assets					
Deposits at bank pledged as collateral	9	30,495,326.49	30,416,180.68	30,495,326.49	30,416,180.68
Investment in subsidiaries company - net	10	-	-	5,405,301.42	5,405,301.42
Other long-term investment - net	11	-	-	-	-
Long-term loans to employees - net	12	667,106.93	564,314.55	599,003.66	547,654.64
Investment properties - net	13	5,311,894.74	5,789,570.69	5,311,894.74	5,789,570.69
Property, plant and equipment - net	14	94,667,957.28	98,753,299.86	94,208,245.13	98,218,199.91
Leasehold right - net	3	-	1,248,146.02	-	1,248,146.02
Right-of-use assets - net	15	3,424,434.99	-	3,424,434.99	-
Intangible assets - net		1,086,907.10	928,130.64	1,086,897.10	898,695.83
Deferred tax assets	16	41,420,115.11	41,839,034.13	39,717,741.03	40,132,515.84
Other non-current assets		22,000.00	22,000.00	22,000.00	22,000.00
Total non-current assets		177,095,742.64	179,560,676.57	180,270,844.56	182,678,265.03
Total assets		606,000,464.82	567,147,462.72	565,359,044.37	546,011,530.79

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

PHOL DHANYA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2020	2019	2020	2019
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	17	54,598,879.92	62,023,469.32	54,598,879.92	62,023,469.32
Trade and other current payables	5, 18	161,185,077.93	135,857,977.74	142,252,552.39	124,227,960.33
Current portion of long-term loan from financial institution	19	7,140,000.00	7,140,000.00	7,140,000.00	7,140,000.00
Current portion of lease liabilities	20	516,046.74	234,898.94	516,046.74	234,898.94
Current income tax payable		5,456,299.86	6,074,715.43	3,929,328.98	6,074,715.43
Provision for constructions and service contracts		2,546,791.01	2,054,448.48	1,842,440.14	2,054,448.48
Total current liabilities		231,443,095.46	213,385,509.91	210,279,248.17	201,755,492.50
Non-current liabilities					
Long-term loan from financial institution - net	19	7,755,000.00	14,895,000.00	7,755,000.00	14,895,000.00
Lease liabilities - net	20	1,313,280.70	40,090.68	1,313,280.70	40,090.68
Non-current provisions for employee benefit	21	37,769,874.00	37,517,534.00	34,848,746.00	35,269,072.00
Derivative liabilities	29, 30	418,768.29	-	418,768.29	-
Other non-current liabilities		148,530.00	321,226.51	148,530.00	252,840.00
Total non-current liabilities		47,405,452.99	52,773,851.19	44,484,324.99	50,457,002.68
Total liabilities		278,848,548.45	266,159,361.10	254,763,573.16	252,212,495.18

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

PHOL DHANYA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2020	2019	2020	2019
Shareholders' equity					
Share capital					
Authorized share capital					
	210,500,232 ordinary shares, Baht 1 par value	210,500,232.00	210,500,232.00	210,500,232.00	210,500,232.00
Issued and paid-up share capital					
	202,500,232 ordinary shares, Baht 1 par value	202,500,232.00	202,500,232.00	202,500,232.00	202,500,232.00
Premium					
	Premium on share capital	64,784,767.88	64,784,767.88	64,784,767.88	64,784,767.88
Deficit from the change in the ownership interests		(2,187,236.26)	(2,187,236.26)	-	-
Retained earnings					
	Appropriated to legal reserve	5,203,000.00	2,001,000.00	5,203,000.00	2,001,000.00
	Unappropriated	57,623,956.76	34,475,571.43	38,107,471.33	24,513,035.73
	Other component of shareholders' equity	529,838.76	716,409.34	-	-
Total shareholders' equity of the Company		328,454,559.14	302,290,744.39	310,595,471.21	293,799,035.61
Non-controlling interests		(1,302,642.77)	(1,302,642.77)	-	-
Total shareholders' equity		327,151,916.37	300,988,101.62	310,595,471.21	293,799,035.61
Total liabilities and shareholders' equity		606,000,464.82	567,147,462.72	565,359,044.37	546,011,530.79

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

PHOL DHANYA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2020

Notes	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
5, 27				
Revenues				
Revenue from sales	1,019,230,457.84	890,793,559.66	942,058,894.69	838,916,158.13
Revenue from rendering of services	36,133,817.87	20,950,837.25	2,474,974.00	3,406,776.12
Revenue from construction and service contracts	150,019.25	105,241.14	150,019.25	105,241.14
Total revenues	1,055,514,294.96	911,849,638.05	944,683,887.94	842,428,175.39
Costs				
Cost of sales	(752,561,255.17)	(657,303,393.53)	(699,555,995.98)	(619,890,546.62)
Cost of rendering of services	(28,601,876.03)	(17,165,886.32)	(1,476,178.30)	(2,993,151.09)
Cost of construction and service contracts	(212,894.00)	(1,378,900.67)	(212,894.00)	(1,378,900.67)
Total costs	(781,376,025.20)	(675,848,180.52)	(701,245,068.28)	(624,262,598.38)
Gross profit	274,138,269.76	236,001,457.53	243,438,819.66	218,165,577.01
Gain on exchange rate - net	2,402,811.57	6,496,081.83	2,259,797.01	6,432,487.54
Other income	7,044,651.31	4,850,060.00	11,438,994.94	8,878,040.66
Distribution cost	(88,024,425.64)	(89,895,664.81)	(80,625,806.67)	(81,661,203.16)
Administrative expenses	(102,022,390.51)	(102,096,464.49)	(95,218,518.14)	(92,325,647.92)
Loss on impairment of investment in subsidiary	-	-	-	(4,028,014.48)
Gain (loss) on disposal of fixed assets - net	-	(3,279,956.92)	-	154,254.52
Reversal of loss on impairment of assets - net	-	7,241,136.84	-	-
Penalties arising from delays of constructions	-	(580,527.00)	-	(580,527.00)
Profit from operating activities	93,538,916.49	58,736,122.98	81,293,286.80	55,034,967.17
Finance costs	(2,406,401.03)	(5,166,252.73)	(2,384,817.81)	(4,538,570.94)
Profit before income tax	91,132,515.46	53,569,870.25	78,908,468.99	50,496,396.23
Income tax expenses	25 (17,272,965.75)	(12,150,886.10)	(14,878,349.01)	(10,487,271.57)
Profit for the year	73,859,549.71	41,418,984.15	64,030,119.98	40,009,124.66
Other comprehensive income (loss)				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Exchange differences on translating financial statements of foreign operation	(186,570.58)	84,198.49	-	-
<i>Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent year</i>				
Actuarial gains (loss) - net from tax	3,596,037.60	(3,370,077.33)	3,871,517.60	(3,370,077.33)
Other comprehensive income (loss) for the year	3,409,467.02	(3,285,878.84)	3,871,517.60	(3,370,077.33)
Total comprehensive income for the year	77,269,016.73	38,133,105.31	67,901,637.58	36,639,047.33

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

PHOL DHANYA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2020

Notes	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Profit attributable to:				
Equity holders of the Company	73,859,549.71	41,418,984.15	64,030,119.98	40,009,124.66
Non-controlling interests	-	-	-	-
	73,859,549.71	41,418,984.15	64,030,119.98	40,009,124.66
Total comprehensive income attributable to:				
Equity holders of the Company	77,269,016.73	38,133,105.31	67,901,637.58	36,639,047.33
Non-controlling interests	-	-	-	-
	77,269,016.73	38,133,105.31	67,901,637.58	36,639,047.33
Earnings per share				
Basic earnings per share (Baht)	0.36	0.20	0.32	0.20
Weighted average number of ordinary shares (shares)	202,500,232	202,500,232	202,500,232	202,500,232

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

PHOL DHANYA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2020

Unit: Baht											
Consolidated financial statements											
Equity attributable to shareholders' equity of the Company											
Notes	Issued and paid-up share capital	Premium on share capital	Change in the ownership interests in subsidiary	Retained earnings (deficit)	Other component of shareholders' equity				Total	Non-controlling interests	Total Shareholders' Equity
					Appropriated for legal reserve	Unappropriated	Translating financial statements	Other comprehensive income (loss)			
								Actuarial gains (loss) - net	component of shareholders' equity		
Balance as at January 1, 2020 - before restated	202,500,232.00	64,784,767.88	(2,187,236.26)	34,475,571.43	2,001,000.00	(480,143.98)	716,409.34	-	716,409.34	302,290,744.39	300,988,101.62
Effects of changes in accounting policies	-	-	-	(480,143.98)	-	-	-	-	-	(480,143.98)	(480,143.98)
Balance as at January 1, 2020 - as restated	202,500,232.00	64,784,767.88	(2,187,236.26)	33,995,427.45	2,001,000.00	-	716,409.34	-	716,409.34	301,810,600.41	300,507,957.64
Changes in equity for the year											
Legal reserve	-	-	-	(3,202,000.00)	3,202,000.00	-	-	-	-	-	-
Dividend paid	-	-	-	(50,625,058.00)	-	-	-	-	-	(50,625,058.00)	(50,625,058.00)
Total comprehensive income (loss) for the year	-	-	-	73,859,549.71	-	-	(186,570.58)	3,596,037.60	3,409,467.02	77,269,016.73	77,269,016.73
Transfer to retained earnings	-	-	-	3,596,037.60	-	-	-	(3,596,037.60)	(3,596,037.60)	-	-
Balance as at December 31, 2020	202,500,232.00	64,784,767.88	(2,187,236.26)	57,623,956.76	5,203,000.00	-	529,838.76	-	529,838.76	328,454,559.14	327,151,916.37
Balance as at January 1, 2019	202,500,232.00	137,843,939.03	(2,187,236.26)	(80,706,494.94)	16,200,000.00	-	632,210.85	-	632,210.85	274,282,650.68	272,980,007.91
Changes in equity for the year											
Reduction of legal reserve and premium on ordinary shares to offset the deficits	-	(73,059,171.15)	-	89,259,171.15	(16,200,000.00)	-	-	-	-	-	-
Legal reserve	-	-	-	(2,001,000.00)	2,001,000.00	-	-	-	-	-	-
Dividend paid	-	-	-	(10,125,011.60)	-	-	-	-	-	(10,125,011.60)	(10,125,011.60)
Total comprehensive income (loss) for the year	-	-	-	41,418,984.15	-	-	84,198.49	(3,370,077.33)	(3,285,878.84)	38,133,105.31	38,133,105.31
Transfer to retained earnings	-	-	-	(3,370,077.33)	-	-	-	3,370,077.33	3,370,077.33	-	-
Balance as at December 31, 2019	202,500,232.00	64,784,767.88	(2,187,236.26)	34,475,571.43	2,001,000.00	-	716,409.34	-	716,409.34	302,290,744.39	300,988,101.62

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

PHOL DHANYA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2020

Unit: Baht							
Notes	Issued and paid-up share capital	Premium on share capital	Separate financial statements		Other component of shareholders' equity		
			Retained earnings (deficit)		Unappropriated	Actuarial gains (loss) - net	Total other component of shareholders' equity
			Appropriated - statutory reserve	Appropriated - statutory reserve			
Balance as at January 1, 2020 - before restated	202,500,232.00	64,784,767.88	2,001,000.00	2,001,000.00	24,513,035.73	-	293,799,035.61
Effects of changes in accounting policies	-	-	-	-	(480,143.98)	-	(480,143.98)
Balance as at January 1, 2020 - as restated	202,500,232.00	64,784,767.88	2,001,000.00	2,001,000.00	24,032,891.75	-	293,318,891.63
Changes in equity for the year							
Legal reserve	-	-	3,202,000.00	3,202,000.00	(3,202,000.00)	-	-
Dividend paid	-	-	-	-	(50,625,058.00)	-	(50,625,058.00)
Total comprehensive income for the year	-	-	-	-	64,030,119.98	3,871,517.60	67,901,637.58
Transfer to retained earnings	-	-	-	-	3,871,517.60	(3,871,517.60)	-
Balance as at December 31, 2020	202,500,232.00	64,784,767.88	5,203,000.00	5,203,000.00	38,107,471.33	-	310,595,471.21
Balance as at January 1, 2019	202,500,232.00	137,843,939.03	16,200,000.00	16,200,000.00	(89,259,171.15)	-	267,284,999.88
Changes in equity for the year							
Reduction of legal reserve and premium on ordinary shares to offset the deficits	-	(73,059,171.15)	(16,200,000.00)	(16,200,000.00)	89,259,171.15	-	-
Legal reserve	-	-	2,001,000.00	2,001,000.00	(2,001,000.00)	-	-
Dividend paid	-	-	-	-	(10,125,011.60)	-	(10,125,011.60)
Total comprehensive income (loss) for the year	-	-	-	-	40,009,124.66	(3,370,077.33)	36,639,047.33
Transfer to retained earnings	-	-	-	-	(3,370,077.33)	3,370,077.33	-
Balance as at December 31, 2019	202,500,232.00	64,784,767.88	2,001,000.00	2,001,000.00	24,513,035.73	-	293,799,035.61

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

PHOL DHANYA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2020

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from operating activities:				
Net profit	73,859,549.71	41,418,984.15	64,030,119.98	40,009,124.66
Adjustment to reconcile profit to net cash by				
(used in) operating activities				
Income tax expenses	17,272,965.75	12,150,886.10	14,878,349.01	10,487,271.57
Bad debt	123,208.68	54,212.44	123,208.68	54,212.44
Doubtful accounts	353,813.40	175,216.33	287,337.80	81,414.49
Reversal of allowance for doubtful accounts	(143,596.00)	(115,215.09)	(70,813.82)	(92,573.09)
Withholding tax written-off	-	48,234.89	-	48,234.89
Loss on diminution in value of inventories	10,082,104.41	13,476,188.97	9,247,480.13	12,527,426.28
Loss from destruction of inventories	2,523,403.46	-	2,523,403.46	-
Reversal of allowance for diminution in value of inventories	(9,302,062.67)	(9,856,648.66)	(9,045,537.30)	(9,387,734.53)
Loss on impairment of investment in subsidiary	-	-	-	4,028,014.48
Depreciation and amortisation	9,534,776.49	13,066,146.54	9,282,421.76	9,650,285.00
Reversal of loss on impairment of assets	-	(7,241,136.84)	-	-
Loss on disposal of fixed assets	(124,187.99)	3,279,956.92	(140,003.20)	(154,254.52)
Employee benefits expenses	4,747,387.00	11,531,705.00	4,419,071.00	10,823,779.00
Unrealized (gain) loss on exchange rate	(451,684.16)	(45,766.71)	(408,756.85)	(45,766.71)
Fair value adjustments to derivatives	(49,267.39)	-	(49,267.39)	-
Provision for penalties arising from delays of construction	138,727.74	580,527.00	138,727.74	580,527.00
Expected loss on construction contracts	-	900,000.00	-	900,000.00
(Reversal of) provision for project warranty	492,342.53	(1,426,228.07)	(212,008.34)	(1,426,228.07)
Interest income	(467,536.63)	(567,846.55)	(634,551.47)	(686,013.06)
Interest expense	2,406,401.03	5,166,252.73	2,384,817.81	4,538,570.94
Profit from operations before changes in operating				
assets and liabilities	110,996,345.36	82,595,469.15	96,753,999.00	81,936,290.77
Operating assets (increase) decrease				
Trade and other current receivables	(33,104,889.95)	30,621,536.77	(27,787,739.98)	30,342,044.64
Inventories	(5,025,597.16)	60,774,594.19	(4,953,201.03)	58,559,397.53
Other non-current liabilities	-	552,115.00	-	552,115.00
Operating liabilities increase (decrease)				
Trade and other current payables	25,506,293.02	(36,653,464.13)	18,160,857.58	(37,536,064.35)
Other non-current liabilities	(172,696.51)	(1,123,958.99)	(104,310.00)	(1,184,345.50)
Cash received from operating activities	98,199,454.76	136,766,291.99	82,069,605.57	132,669,438.09
Cash paid for employee benefit	-	(586,466.66)	-	(586,466.66)
Cash received from income tax return	675,052.25	4,291,284.08	-	3,577,885.75
Cash paid for corporate income tax	(18,943,864.95)	(11,853,092.40)	(17,456,804.05)	(11,015,080.16)
Net cash from operating activities	79,930,642.06	128,618,017.01	64,612,801.52	124,645,777.02

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

PHOL DHANYA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2020

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from investing activities:				
Increase deposits at bank pledged as collateral	(79,145.81)	(165,054.02)	(79,145.81)	(165,054.02)
Cash payment for short-term loan to related party	-	-	(6,000,000.00)	-
Cash receipt from short-term loan to related party	-	-	4,000,000.00	-
Cash receipt from long-term loan to related party	-	-	3,000,000.00	-
(Increase) decrease in loan to employees	(284,134.10)	19,081.53	(114,268.46)	(16,338.51)
Proceeds from sales of fixed assets	727,102.80	9,258,608.14	727,102.80	160,290.38
Acquisition of fixed assets	(4,982,344.54)	(2,569,216.60)	(4,818,987.11)	(2,262,838.38)
Acquisition of right-of-use assets	(244,773.76)	-	(244,773.76)	-
Acquisition of intangible assets	(707,372.40)	-	(707,372.40)	-
Interest received	467,536.63	567,846.55	634,551.47	686,013.06
Net cash from (used in) investing activities	(5,103,131.18)	7,111,265.60	(3,602,893.27)	(1,597,927.47)
Cash flows from financing activities:				
Increase (decrease) in short-term loans from financial institutions	(7,424,589.40)	(72,071,446.31)	(7,424,589.40)	(72,071,446.31)
Repayment of long-term loans from financial institutions	(7,140,000.00)	(7,140,000.00)	(7,140,000.00)	(7,140,000.00)
Repayment of lease liabilities	(474,443.18)	(13,359,983.08)	(474,443.18)	(841,229.18)
Interest paid	(2,345,096.68)	(4,519,948.63)	(2,323,513.46)	(4,519,479.65)
Dividend paid	(50,625,058.00)	(10,125,011.60)	(50,625,058.00)	(10,125,011.60)
Net cash used in financing activities	(68,009,187.26)	(107,216,389.62)	(67,987,604.04)	(94,697,166.74)
Net increase (decrease) in cash and cash equivalents	6,818,323.62	28,512,892.99	(6,977,695.79)	28,350,682.81
Exchange differences on translating financial statements of foreign operation	(188,123.86)	29,226.26	-	-
Cash and cash equivalents at beginning of the year	85,755,065.44	57,212,946.19	76,679,483.67	48,328,800.86
Cash and cash equivalents at end of the year	92,385,265.20	85,755,065.44	69,701,787.88	76,679,483.67
Supplemental cash flow information				
Non-cash transactions				
Lease liabilities	1,975,247.60	-	1,975,247.60	-

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

PHOL DHANYA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO FINANCIAL STATEMENTS****FOR THE YEAR ENDED DECEMBER 31, 2020****1. GENERAL INFORMATION**

1.1 Phol Dhanya Public Company Limited (“the Company”) was incorporated and domiciled in Thailand on January 4, 1961 and became a public company limited on April 30, 2008. The Company was listed on the Stock Exchange of Thailand on December 9, 2010.

1.2 The address of its registered office and branches are as follows:

1.2.1 Head office: 1/11 Moo 3 Lamlukka Road, Tambol Ladsawai, Amphur Lamlukka, Pathumthani.

1.2.2 Rayong branch: 155/213 Tambol Thupma, Muang Rayong, Rayong.

1.2.3 Chiangmai branch: 47/55-57 Chotana Road, Changphueak, Muang Chiangmai, Chiangmai.

1.2.4 Phuket branch: 1/127 Moo 3 Tambol Rasada, Muang Phuket, Phuket.

1.3 The Company engages in a trading business, i.e. distribution of occupational safety, health and environmental products and the distribution, production and servicing of water treatment systems.

1.4 The Company has the following four subsidiaries:

1.4.1 PD Genesis Engineering Co., Ltd., which engages in Water Treatment Systems. The Company held 76.67% of its share capital. This subsidiary was registered to be dissolved with Ministry of Commerce on November 7, 2013. It is currently under the process of liquidation.

1.4.2 Phol Palladium Co., Ltd., which was registered with Ministry of Commerce on January 22, 2013 to engage in government bidding related to occupational safety, health and environmental products to facilitate the Company’s business. The Company held 99.99% of its share capital.

1.4.3 Phol Dhanya (Cambodia) Co., Ltd., which was registered with Ministry of Commerce of Cambodia on September 5, 2013 to engage in water treatment equipment and systems for the consumer and concessions for water supply to the community in Cambodia. The Company held 100% of its share capital. Currently, the Company has ceased its business operations and under the process of dissolution of its company.

1.4.4 Phol Water Co., Ltd., which was registered with Ministry of Commerce on March 17, 2014 to engage production, designing, construction and distribution of machinery systems and equipments for water treatment systems. The Company held 99.99% of its share capital.

1.5 The major shareholders of the Company are Wangthamrong family and Jarutangtrong family.

2. BASIS FOR PRESENTATION OF THE FINANCIAL STATEMENTS

The accompanying financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”) including related interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”) and applicable rules and regulations of the Thai Securities and Exchange Commission.

Presentation of the financial statements complies with Notification of the Department of Business Development, dated December 26, 2019, issued under the Accounting Act B.E. 2543.

The accompanying financial statements have been prepared in Thai language and expressed in Thai Baht. Such financial statements have been prepared for domestic reporting purposes. For the convenience of the readers not conversant with the Thai language, an English version of the financial statements has been provided, translated based on the Thai version.

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

Preparation of the financial statements in conformity with Thai Financial Reporting Standards (“TFRS”) requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Subsequent actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, and in the period of the revision and future periods, if the revision affects both current and future periods.

Coronavirus Pandemic 2019 (COVID-19)

The COVID-19 pandemic has caused an economic slowdown adversely affecting most businesses and industries. This situation may bring uncertainties and affect the environment in which the Group operates. These uncertainties may have a financial impact on the valuation of assets, provisions and contingent liabilities.

Basis of preparation of consolidation financial statements

- a. The consolidated financial statements include the financial statements of Phol Dhanya Public Company Limited and its subsidiaries (together referred to as “Group”) as follow:

Subsidiaries	Countries	Business Type	Percentage of holding (%)	
			2020	2019
PD Genesis Engineering Co., Ltd.	Thailand	Cessation of business operations and under the process of liquidation	76.67	76.67
Phol Palladium Co., Ltd.	Thailand	Government bidding	99.99	99.99
Phol Dhanya (Cambodia) Co., Ltd.	Cambodia	Cessation of business operations	100.00	100.00
Phol Water Co., Ltd.	Thailand	Production, designing, construction and distribution of machinery systems and equipments for water treatment systems	99.99	99.99

- b. The Company is deemed to have control over an investee or subsidiary if it has rights to, or is exposed to, variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c. Subsidiaries are fully consolidated as from the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d. The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e. Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- f. Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

3. NEW FINANCIAL REPORTING STANDARDS AND ACCOUNTING GUIDANCE

(a) Financial reporting standards that became effective in the current year

During the year 2020, the Company and its subsidiaries adopted the revised (revised 2020) and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after January 1, 2020. These financial reporting standards seek

alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the financial statements of either the Company or its subsidiaries, except the adoption of the financial reporting standards related to financial instruments and TFRS 16 Leases. The changes to key principles and impacts are summarized as follows:

Financial reporting standards related to financial instruments

TFRSs related to financial instruments consists of the following five accounting standards and interpretations:

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 related 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.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

For lessor, there are no significant change from TAS 17. The Company recognized lease liabilities in relation to leases, which had previously been classified as operating leases or financial leases under the principles of TAS 17 Leases.

Impacts on the financial information

The Group has adopted these two groups of reporting standards as from January 1, 2020 under the modified retrospective approach. The comparative figures have not been restated. The reclassifications and the adjustments arising from the changes in accounting policies are therefore recognized in the statement of financial position as at January 1, 2020.

The impact of first-time adoption of new accounting standards on the consolidated and separate statement of financial position as at January 1, 2020 is as follows:

Unit: Baht

Consolidated financial statements

		Financial reporting standards related to financial instruments		
Statement of financial position	December 31, 2019		TFRS 16	January 1, 2020
Non-current assets				
Property, plant and equipment - net	98,753,299.86	-	(496,525.44)	98,256,744.42
Leasehold right - net	1,248,146.02	-	(1,248,146.02)	-
Right-of-use assets - net	-	-	2,207,683.46	2,207,683.46
Deferred tax assets	41,839,034.13	120,036.00	-	41,959,070.13
Current liabilities				
Current portion of lease liabilities	234,898.94	-	105,373.97	340,272.91
Non-current liabilities				
Derivative liabilities	-	600,179.98	-	600,179.98
Lease liabilities - net	40,090.68	-	357,638.03	397,728.71
Shareholders' equity				
Retained earnings - unappropriated	34,475,571.43	(480,143.98)	-	33,995,427.45

Unit: Baht

Separate financial statements

		Financial reporting standards related to financial instruments		
Statement of financial position	December 31, 2019		TFRS 16	January 1, 2020
Current assets				
Short-term loans to related party - net	3,000,000.00	(3,000,000.00)	-	-
Non-current assets				
Long-term loans to related party	-	3,000,000.00	-	3,000,000.00
Property, plant and equipment - net	98,218,199.91	-	(496,525.44)	97,721,674.47
Leasehold right - net	1,248,146.02	-	(1,248,146.02)	-
Right-of-use assets - net	-	-	2,207,683.46	2,207,683.46
Deferred tax assets	40,132,515.84	120,036.00	-	40,252,551.84
Current liabilities				
Current portion of lease liabilities	234,898.94	-	105,373.97	340,272.91
Non-current liabilities				
Derivative liabilities	-	600,179.98	-	600,179.98
Lease liabilities - net	40,090.68	-	357,638.03	397,728.71
Shareholders' equity				
Retained earnings - unappropriated	24,513,035.73	(480,143.98)	-	24,032,891.75

The total impact on the retained earnings as at January 1, 2020 is as follows:

	Unit: Baht	
	Consolidated financial statements	Separate Financial statements
Unappropriated retained earnings as at December 31, 2019	34,475,571.43	24,513,035.73
Derivatives	(600,179.98)	(600,179.98)
Income tax expense related	120,036.00	120,036.00
Unappropriated retained earnings as at January 1, 2020	33,995,427.45	24,032,891.75

Financial instruments

Classification and measurement

On January 1, 2020 (the date of initial application), the Group's management has assessed which business models applied to the financial assets and liabilities held by the Group and has classified the financial assets and liabilities as below.

	Unit: Baht		
	Consolidated financial statements		
	Fair value through profit or loss	Amortised cost	Total
Financial assets as at January 1, 2020			
Cash and cash equivalents	-	85,755,065.44	85,755,065.44
Trade and other receivables - net	-	146,180,537.06	146,180,537.06
Current portion of long-term loans to employees	-	1,326,980.81	1,326,980.81
Deposits at bank pledged as collateral	-	30,416,180.68	30,416,180.68
Long-term loans to employees - net	-	564,314.55	564,314.55
Other non-current assets	-	22,000.00	22,000.00
Financial liabilities as at January 1, 2020			
Short-term loans from financial institutions	-	62,023,469.32	62,023,469.32
Trade and other current payables	-	135,857,977.74	135,857,977.74
Current portion of long-term loan from financial institutions	-	7,140,000.00	7,140,000.00
Current portion of lease liabilities	-	340,272.91	340,272.91
Long-term loans from financial institutions - net	-	14,895,000.00	14,895,000.00
Lease liabilities - net	-	397,728.71	397,728.71
Derivative liabilities	600,179.98	-	600,179.98
Other non-current liabilities	-	321,226.51	321,226.51

	Unit: Baht		
	Separate financial statements		
	Fair value through profit or loss	Amortised cost	Total
Financial assets as at January 1, 2020			
Cash and cash equivalents	-	76,679,483.67	76,679,483.67
Trade and other current receivables - net	-	135,997,395.11	135,997,395.11
Short term loan to related party - net	-	3,000,000.00	3,000,000.00
Current portion of long-term loans to employees	-	1,288,320.77	1,288,320.77
Deposits at bank pledged as collateral	-	30,416,180.68	30,416,180.68
Long-term loans to employees - net	-	547,654.64	547,654.64
Other non-current assets	-	22,000.00	22,000.00

	Unit: Baht		
	Separate financial statements		
	Fair value - Derivatives	Amortised cost	Total
Financial liabilities as at January 1, 2020			
Short-term loans from financial institutions	-	62,023,469.32	62,023,469.32
Trade and other current payables	-	124,227,960.33	124,227,960.33
Current portion of long-term loan from financial institutions	-	7,140,000.00	7,140,000.00
Current portion of lease liabilities	-	340,272.91	340,272.91
Long-term loans from financial institutions - net	-	14,895,000.00	14,895,000.00
Lease liabilities – net	-	397,728.71	397,728.71
Derivative liabilities	600,179.98	-	600,179.98
Other non-current liabilities	-	252,840.00	252,840.00

Derivatives

The Group has the following derivative instruments:

	Unit: Thousand Baht	
	Consolidated and separate financial statements	
	As at December 31, 2020	As at January 1, 2020
Non-current liabilities		
Cross currency interest rate swaps - cash flow hedges	418,768.29	600,179.98
Total non-current liabilities - derivative	418,768.29	600,179.98

Impairment of financial assets

The Group has trade receivables that are subject to the expected credit loss model and the Company has trade receivables and short-term loans to related parties that are subject to the expected credit loss model. The effect of adoption of such standard is not immaterial to the financial statements.

Lease agreement

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases, which had previously been classified as operating leases under the principles of TAS 17 Leases. The right-of-use assets were measured at amount equal to the lease liability, recognised in the statement of financial position immediately before the date of initial application. These liabilities were measured at the present value of the remaining lease payments, discounted using the Group's implicit interest rate. The Group and the Company's implicit interest rate applied to the lease liabilities as at January 1, 2020 was 6.12%.

For leases previously classified as finance leases applying TAS 17, the Group recognised the carrying amount of the lease assets and lease liabilities immediately before adoption of TFRS 16 as the carrying amount of the right-of-use assets and the lease liabilities at the date of initial application.

As at January 1, 2020, the Group has the following right-of-use assets and lease liabilities as follows:

	Unit: Baht
	Consolidated and separate financial statements
Present value of the remaining lease payments	523,200.00
<u>Less:</u> Deferred interest expenses	(60,188.00)
Additional lease liabilities from TFRS 16 adoption	463,012.00
Finance lease liabilities as at December 31, 2019	274,989.62
Lease liabilities recognised as at January 1, 2020	738,001.62
Of which are:	
Current lease liabilities	340,272.91
Non-current lease liabilities	397,728.71
	738,001.62

(b) Revised financial reporting standards

In January 2021, the Federation of Accounting Professions announced the new TFRS 16 Lease (revised 2020), which was amended to provide the following two practical forms of relief:

1) Rent concessions to lessees as a result of the COVID-19 pandemic:

A lessee may elect not to assess whether a COVID-19 related rent concession is a lease modification and shall account for those rent concessions as if they were not lease modifications. This amendment is effective for fiscal periods beginning on or after June 1, 2020.

2) Lease modifications as a result of interest rate benchmark reform:

This will be effective for fiscal periods beginning on or after January 1, 2022.

The management of the Group believes that the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied.

(c) Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation”

The Federation of Accounting Professions announced Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation”.

On April 22, 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between January 1, 2020 and December 31, 2020.

The Company has elected to apply the following temporary relief measures on accounting alternatives, not to consider forward-looking information to measure the expected credit losses of trade receivable when using simplified approach.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue and expenses recognition

Sales of goods

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

Revenue and cost of water supply systems for villages and the water treatment system construction contracts

Revenue and cost of water supply systems for villages and the water treatment system contracts are recognised over time when services have been rendered taking into account the stage of completion, measuring based on information provided by the Group's project managers and certificates of works from its customers (output method).

Revenue and cost of water supply systems for villages and the water treatment system contracts are recognised upon completion of service in cases where the projects are low value, the work had a short duration, and control of the assets created has not yet been transferred to the customers.

Cost of water supply systems for villages and the water treatment system construction contracts related to satisfying performance obligations under the contracts is recognized in the profit and loss when the cost incurred. The cost of water supply systems for villages and the water treatment system construction contracts comprises the costs of materials, labor, subcontractors' charges, consultation, services and other expenses.

Contract assets and contract liabilities

The recognised revenue which is not yet due per the contracts has been presented under the caption of "contract assets" under current assets in the statements of financial position. The amounts recognised are reclassified to trade receivables when the Group's right to consideration is unconditional such as upon completion of services and acceptance by the customer.

The obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer is presented under the caption of "contract liabilities" under current liabilities in the statements of financial position. The amounts are recognised as revenue when the Group performs under the contract.

The Group recognizes expected losses on uncompleted contracts and penalties arising from delays that the Group not seeks to collect from subcontractors as expenses in the period immediately.

Other services revenue

Other service revenue is recognised when services have been rendered.

Interest income and other income

Interest income and other income are recognised on an accrual basis.

Expenses

Expense is recognised in profit or loss on accrual basis.

Cash and cash equivalents

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

Trade receivables

Trade receivables are amounts due from customers for goods sold or service performed in the ordinary course of business.

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at present value.

The Group applies TFRS 9's simplified approach to measuring expected credit losses. The simplified approach requires expected lifetime losses to be recognised from initial recognition of the receivables.

Financial assets and financial liabilities**Classification and measurement of financial assets and financial liabilities*****Classification***

The classification of financial assets depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Group classifies its debt instruments in the following categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

The equity instruments held must be irrevocably classified to two measurement categories; i) at fair value through profit or loss (FVPL), or ii) at fair value through other comprehensive income (FVOCI) without recycling to profit or loss.

Measurement

At initial recognition, where a financial asset is not at FVPL, the Group measures the financial asset at its fair value plus or minus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

There are three measurement categories into which the Group classifies its debt instruments:

- *Amortised cost:* A financial asset will be measured at amortised cost when the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows. In addition, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in financial income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented in profit or loss.
- *FVOCI:* A financial asset will be measured at FVOCI when it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. In addition, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and related foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised on other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of comprehensive income.
- *FVPL:* A asset that does not meet the criteria for amortised cost or FVOCI is measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments shall be subsequently measured at fair value and the fair value change is to be recognised through profit or loss or other comprehensive income depending on the classification of such equity instrument.

Derivatives are classified and measured at fair value through profit or loss unless hedge accounting is applied.

Dividends from such investments continue to be recognised in profit or loss when the Group's right to receive payments is established.

Impairment

Expected credit losses associated with financial assets carried at amortized cost and FVOCI, and assets from loan commitments and financial guarantees, are assessed without the increases in credit risk. The Group applies the general approach to the measurement of expected credit losses. In the case of trade receivables, however, the Group applies the simplified approach to measure expected credit losses.

Inventories

Finished goods and work in process are valued at the lower of cost calculated by moving average and net realisable value. The costs of purchased inventories comprise of the purchase price, conversion cost and other costs directly attributed to the acquisition of goods.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Allowance for diminution in value of inventories is recorded by considering obsolete inventories and slow moving inventories.

Investment

Investment in subsidiaries accounted for in the separate financial statements is stated at cost net of allowance for loss on impairment (if any).

Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for loss on impairment (if any).

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount. The impairment loss is charged to profit or loss.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged to profit or loss. When disposing of part of the Group's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

Property, plant and equipment

Land is stated at cost less accumulated allowance for impairment loss (if any).

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

The Group separates part of assets and their estimated useful life as follows:

	Useful life (years)
Building and building improvements	20 - 30
Furniture and office equipments	3 - 5
Demonstration goods and tools	5
Vehicles	5
Utility system	10
Water well drillings machines	5
Assets under water sales agreement	periods of agreements, 5 years
Safety equipment for rent	periods of agreements, 3 years

Investment property

Investment property are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are stated at cost less accumulated depreciation and less accumulated allowance for impairment loss (if any).

The Group separates part of assets and their estimated useful life as follows:

	Useful life (years)
Building and building improvements	20 - 30

Depreciation

Depreciation is computed by the straight-line method based on the useful life of assets.

Depreciation is included in determining operating result and no depreciation is provided on assets under installation.

The Group has reviewed and adjusted residual value and expected useful lives of the asset, if appropriate, at the end of each reporting period.

Repairs and maintenance are charged to profit or loss during the financial years in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group.

Major renovations are depreciated over the remaining useful life of the related asset.

Intangible assets and amortisation

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment loss (if any).

Intangible assets with finite lives are amortised on systematic basis over the economic useful live and tested for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end.

Amortisation is included in determining operating result.

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

	Useful life (years)
Computer softwares	5

Impairment of assets

At each reporting date, the Group performs impairment reviews in respect of the property, plant and equipment whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in the statement of profit or loss.

Employee benefits

Short-term benefits

The Group recognizes salaries, wages, bonus and social security contribution as expenses on an accrual basis.

Post-employment benefits – defined contribution plan

The Group has established a provident fund that is a defined contribution plan. The assets of which are held in a separate trust fund. The provident fund is funded by the contribution from employees and the Group. Contributions to the provident fund are charged to profit or loss in the period to which they relate.

Post-employment benefits – defined benefit plan

The employee benefits liabilities in relation to the severance payment under the labor law is recognized as a charge to results of operations over the employee's service period. It is calculated by the estimation of the amount of future benefit to be earned by the employee in return for the service provided to the Group through the service period up to the retirement age and the amount is discounted to determine the present value. The reference discount rate is the yield rate of government bonds as at the reporting date. The calculation is based on the actuarial technique using the Projected Unit Credit Method.

When the actuarial assumptions are changed, the Group recognizes actuarial gains or losses in other comprehensive income in the period in which they arise.

Lease*Leases - where the Group is the lessee*

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

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, initial direct costs and estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any incentive received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group uses the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed payments including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price, under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period; and
- payments of penalties for early termination of a lease if the Group is reasonably certain to terminate early.

To apply a cost model, the Group measures the right-of-use asset at cost, less accumulated depreciation and accumulated impairment loss and adjusted for any remeasurement of the lease liability. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. However, if the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. The useful life of the right-of-use asset is determined on the same basis as those of property, plant and equipment.

The lease liability is re-measured when there is a change in future lease payments arising from the following:

- a change in an index or a rate used to determine those payments
- a change in the Group's estimate of the amount expected to be payable under a residual value guarantee
- the Group changes its assessment of whether it will exercise a purchase, extension or termination option

When the lease liability is re-measured to reflect changes to the lease payments, the Group recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. However, if the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the remeasurement in profit or loss.

Short-term leases and Leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Leases - where the Group is the lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease substantially transfers all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return. Initial direct costs are included in the initial measurement of the finance lease receivable and will be gradually reduced against the income over the lease term.

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Group. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

Foreign currencies

Functional and presentation currency

The financial statements of each entity within the Group are presented in the functional currency which is the currency of the primary economic environment in which the entity operates. The financial statements of the Group are presented in the presentation currency as Thai Baht in accordance with the regulatory requirements in Thailand. The functional currencies of the Company, PD Genesis Engineering Co., Ltd., Phol Palladium Co., Ltd., and Phol Water Co., Ltd., is Thai Baht and of Phol Dhanya (Cambodia) Co., Ltd, is US Dollars.

Foreign currency transactions

Transactions in foreign currencies are translated into the functional currencies using the exchange rate at the date of transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of reporting period date are translated into the functional currency using the exchange rate at the end of reporting period date. Gain or loss on translating is recognized in profit or loss.

Non-monetary assets and liabilities measured at cost in foreign currencies at the end of reporting period date are translating into the functional currency using the exchange rate at the date of transaction.

Translation of the Group's financial statements

The financial statements of the Group are translated into the presentation currency using the following exchange rate:

- The Group's assets and liabilities are translated at the closing rate as at the end of reporting period date.
- The Group's revenues and expenses are translated at the average exchange rates during the periods which are approximate the exchange rates at the dates of transactions; and
- Share capital is translated at historical rates.

Exchange differences on translating financial information are recognized in the other comprehensive income (loss) and presented in the exchange differences as a separate component of shareholders' equity until the disposal of the foreign operation.

Related party transactions

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

They also include associated companies and individuals which directly or indirectly own a voting interest in the Group and the Company that gives them significant influence over the Group and the Company, key management personnel, 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.

Provisions

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

Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred taxes are recognised in profit or loss except to the extent that they relate to items recognised directly in shareholders' equity or in other comprehensive income (loss).

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 end of reporting period 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:

- 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 end of reporting period date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group 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 Group to change their 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.

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 utilized. Deferred tax assets are reviewed at the end of reporting period date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Earnings per share

The calculations of basic earnings per share for the year were based on the profit for the year attributable to equity holders divided by the weighted average number of ordinary shares held by outsiders outstanding during the year. The calculations of diluted earnings per share for the year were

based on the weighted average number of ordinary shares on the assumption that all dilutive potential ordinary shares have been converted to ordinary shares.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group 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 Group 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.

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 Group 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.

Significant accounting judgments and estimates

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

Allowance for expected credit losses of trade receivables

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

Allowance for diminution in value of inventory

Allowances for diminution in the value of inventory accounts are intended to adjust the value of inventory for probable credit losses. The management uses judgment to estimate losses, based on an analysis of inventory aging, taking into account the current situation with respect to sales of inventory items, on a specific basis. However, the use of different estimates and assumptions could affect the amounts of allowance for diminution in value of inventory in the future.

Investment properties, and property plant and equipment/Depreciation

In determining depreciation of investment properties, and plant and equipment, the management is required to make estimates of the useful lives and salvage values of the Company's building and equipment and to review estimate useful lives and salvage values when there are any changes.

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

Retirement employee benefits

The Group has commitments on retirement benefits to employees under the Thai Labour Law. The amount of provision presented in the statement of financial position represents the present value of employee benefit obligations which is determined on an actuarial basis using various

assumptions. The assumptions used in determining the net period cost for employee benefits includes the discount rate, the rate of salary inflation and employee turnover and others. Any changes in these assumptions will impact the net periodic cost recorded for employee benefits. On an annual basis the Group determines those assumptions i.e. the appropriate discount rate, which should represent the interest rate that should be used to determine the present value of future cash flows currently expected to be required to settle the employee benefits. In determining the appropriate discount rate, the Group considers the current yields on long-term government bonds.

Fair valuation of financial assets and derivatives

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

5. RELATED PARTY TRANSACTIONS

Related parties are those parties linked to the Group and the Company as shareholders or by common shareholders or directors. Transactions with related parties are conducted at prices based on market prices or, where no market price exists, at contractually agreed prices.

Relationships with related parties that control the Company or are being controlled by the Company or have transactions with the Group were as follows:

5.1 Related parties consist of:

Name	Country	Relationship	Status
<u>Subsidiaries</u>			
PD Genesis Engineering Co., Ltd.	Thailand	Shareholding	During of liquidation
Phol Palladium Co., Ltd.	Thailand	Shareholding	Operation - active
Phol Dhanya (Cambodia) Co., Ltd.	Cambodia	Shareholding	Operation - inactive
Phol Water Co., Ltd.	Thailand	Shareholding	Operation - active
<u>Related Company</u>			
B&P Agri Products Co., Ltd.	Thailand	Co-director	Operation - active

5.2 The transactions with related parties for year ended December 31, 2020 and 2019, with related parties were as follows:

	Unit: Baht				Transfer pricing policy	
	Consolidated financial statements		Separate financial statements			
	2020	2019	2020	2019		
Subsidiaries						
Phol Palladium Co., Ltd.						
Purchases of goods	-	-	624,754.10	123,031.24	Cost plus margin 5 - 15%	
Sales of goods	-	-	32,428,791.51	16,335,293.50	Cost plus margin, as mutually agreement	
Management fee income	-	-	1,560,000.00	1,560,000.00	Mutually agreed price	
Phol Water Co., Ltd.						
Purchases of goods	-	-	-	245.00	Mutually agreed price	
Sales of goods	-	-	2,225,191.00	1,611,796.24	Cost plus margin 5 - 15%	
Management fee income	-	-	1,800,000.00	1,800,000.00	Mutually agreed price	
Rental income	-	-	720,000.00	720,000.00	Mutually agreed price	
Other income	-	-	171,598.58	-	Mutually agreed price	
Interest income	-	-	212,079.40	150,657.56	Interest rate 4.7% per annum	

	Unit: Baht				Transfer pricing policy
	Consolidated financial statements		Separate financial statements		
	2020	2019	2020	2019	
Phol Dhanya (Cambodia) Co.,Ltd.					
Purchases of goods	-	-	67,040.45	-	Cost price
Related Company					
Revenue from rending of					
services	22,250.00	105,850.00	-	-	Market price

5.3 The balances of the accounts between the related parties as at December 31, 2020 and 2019 are as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade and other current receivables-related parties				
Trade receivables - related parties				
Phol Palladium Co., Ltd.	-	-	8,649,912.22	4,459,883.59
Phol Dhanya (Cambodia) Co., Ltd.	-	-	3,236,540.03	3,312,601.02
Phol Water Co., Ltd.	-	-	19,002.13	80,403.01
Total trade receivables - related parties	-	-	11,905,454.38	7,852,887.62
<u>Less</u> Allowance for doubtful accounts	-	-	(3,236,540.03)	(3,312,601.02)
Total trade receivables - related parties - net	-	-	8,668,914.35	4,540,286.60
Other receivables - related parties				
PD Genesis Engineering Co., Ltd.	-	-	126,278.09	126,278.09
Phol Palladium Co., Ltd.	-	-	139,100.00	139,100.00
Phol Dhanya (Cambodia) Co., Ltd.	-	-	3,478,805.18	3,485,760.27
Phol Water Co., Ltd.	-	-	224,700.00	224,700.00
Total other receivables - related parties	-	-	3,968,883.27	3,975,838.36
<u>Less</u> Allowance for doubtful accounts	-	-	(3,605,083.27)	(3,612,038.36)
Total other receivables - related parties - net	-	-	363,800.00	363,800.00
Trade and other current receivables - related parties	-	-	9,032,714.35	4,904,086.60

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Short-term loans to related parties - net				
PD Genesis Engineering Co., Ltd.				
Beginning balance	-	-	(5,000,000.00)	(5,000,000.00)
<u>Less:</u> Allowance for doubtful accounts	-	-	5,000,000.00	5,000,000.00
Ending balance	-	-	-	-
Phol Water Co., Ltd.				
Beginning balance	-	-	3,000,000.00	3,000,000.00
<u>Less:</u> Reclassification to long-term loan to related party				
related party due to TFRS 9 first adoption	-	-	(3,000,000.00)	-
Beginning balance after reclassified	-	-	-	3,000,000.00
<u>Add:</u> Additional loans during the year	-	-	6,000,000.00	-
<u>Less:</u> Received loans during the year	-	-	(4,000,000.00)	-
Ending balance	-	-	2,000,000.00	3,000,000.00
Short-term loans to related parties - net	-	-	2,000,000.00	3,000,000.00

5.3.1 The Company provided a short-term loan to its subsidiary company, Phol Water Co., Ltd., by issuing a promissory note, which is repayable at call and with an interest rate 4.70% per annum. The loan in amount of Baht 3 million, which was a loan since the previous year, the company intends not to call for repayment within 1 year. Therefore, it is classified to the long-term loan to related party. During the year 2020, the Company has received for such long-term loan to related party in the entire amount.

5.3.2 The Company provided a short-term loan to its subsidiary company, PD Genesis Engineering Co., Ltd., by issuing a promissory note, which is repayable at call and with an interest rate set at the MLR of KASIKORN BANK plus 3% per annum (10.13% - 10.25%).

The subsidiary had been in default of principal and interest since January 2012. As such, the Company provided allowance for doubtful account in the full amount of both the principal of Baht 5 million and accrued interest income during January 2012 - June 2012, of Baht 0.25 million. The Company has stopped recognising interest income since July 2012.

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade payables - related party				
Trade payable - related party				
Phol Palladium Co., Ltd.	-	-	27,392.00	224.70
Total trade payable - related party	-	-	27,392.00	224.70

5.4 Compensation for directors and key management personnel

Compensation for directors and key management personnel for the year ended December 31, 2020 and 2019 consisted of:

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Short-term benefits	32,439,993.49	24,372,768.18	28,240,034.02	21,979,073.40
Post-employment benefits	1,026,108.00	3,275,607.00	891,375.00	2,902,028.00
Total compensation for directors and key management personnel	33,466,101.49	27,648,375.18	29,131,409.02	24,881,101.40

5.5 Guarantee commitments for related parties

As at December 31, 2020, the Company has guarantee commitments for related parties were as follows:

- Letter of guarantee with a financial institution for the subsidiary, Phol Palladium Co., Ltd. in the amount of Baht 10 million. As of this report, Baht 2.82 million of this credit facility has been used.
- Promissory notes with a financial institution for the subsidiary, Phol Palladium Co., Ltd. in the amount of Baht 10 million, they have been unused.
- Letter of guarantee with a financial institution for the subsidiary, Phol Water Co., Ltd. under a joint credit facility with a Baht 10 million credit limit. As of this report, Baht 2.96 million of this credit facility has been used.
- Letters of credits and trust receipt with a financial institution for the subsidiary, Phol Water Co., Ltd. under a joint credit facility with a Baht 10 million credit limit. As at December 31, 2020, they have been unused.

6. CASH AND CASH EQUIVALENTS

As at December 31, 2020 and 2019, this account consisted of:

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash on hand	334,419.91	309,810.08	109,143.27	91,748.74
Saving deposits	37,522,973.24	26,590,677.49	18,600,429.78	25,534,730.00
Current deposits	54,294,160.67	57,521,885.80	50,793,757.65	49,820,462.48
Checks received but not yet deposited	233,711.38	1,332,692.07	198,457.18	1,232,542.45
Total cash and cash equivalents	92,385,265.20	85,755,065.44	69,701,787.88	76,679,483.67

7. TRADE AND OTHER CURRENT RECEIVABLES - NET

7.1 As at December 31, 2020 and 2019, this account consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade receivables				
Trade receivables - other parties	167,783,161.40	141,780,540.09	143,944,624.72	124,375,855.94
Trade receivables - related parties	-	-	11,905,454.38	7,852,887.62
Total trade receivables	167,783,161.40	141,780,540.09	155,850,079.10	132,228,743.56
<u>Less</u> Allowance for doubtful accounts	(5,516,659.99)	(5,224,764.70)	(4,871,492.29)	(4,582,875.81)
Trade receivables - net	162,266,501.41	136,555,775.39	150,978,586.81	127,645,867.75
Other receivables				
Other receivables - related parties	-	-	3,968,883.27	3,975,838.36
Other receivables	3,778,870.86	3,928,321.13	3,010,225.51	3,090,243.50
Advance payment for inventories - other parties	7,441,636.05	419,467.91	5,971,331.05	419,467.91
Receivables for penalties arising from delays of constructions	59,801,218.18	59,801,218.18	59,247,937.68	59,247,937.68
Receivables for construction materials	55,622,247.92	55,622,247.92	55,622,247.92	55,622,247.92
Advance payments	13,653,887.85	13,764,128.75	13,653,887.85	13,760,128.75
Prepaid expenses	2,125,708.17	2,708,839.17	2,091,396.03	2,582,516.95
Input Value Added Tax not yet due	746,733.81	333,335.17	581,510.55	293,819.46
Withholding tax receivable	562,019.28	471,508.46	-	-
Refundable import duty	2,011,831.42	847,061.58	2,011,831.42	847,061.58
Revenue Department receivable	-	279,689.83	-	-
Contract assets	3,022,831.08	3,687,786.08	1,422,432.08	3,687,786.08
Others	499,383.53	492,378.14	72,886.19	106,754.33
Total other current receivables	149,266,368.15	142,355,982.32	147,654,569.55	143,633,802.52
<u>Less</u> Allowance for doubtful accounts	(132,716,281.77)	(132,731,220.65)	(135,193,905.59)	(135,282,275.16)
Other current receivables - net	16,550,086.38	9,624,761.67	12,460,663.96	8,351,527.36
Trade and other current receivables - net	178,816,587.79	146,180,537.06	163,439,250.77	135,997,395.11

7.2 As at December 31, 2020 and 2019, the Group had outstanding balances of trade accounts receivable aged by number of days outstanding as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade receivables - other parties				
Not yet due	111,698,540.10	90,228,683.35	103,838,852.64	83,224,868.48
Over due:				
1- 60 days	41,330,075.68	42,305,132.40	37,190,062.19	37,306,838.49
61-120 days	1,987,795.59	3,209,534.20	1,132,329.59	2,145,001.74
121-180 days	6,126,362.04	603,839.25	136,502.04	220,286.25
Over 180 days	6,640,387.99	5,433,350.89	1,646,878.26	1,478,860.98
Total trade receivables - other parties	167,783,161.40	141,780,540.09	143,944,624.72	124,375,855.94

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<u>Less</u> Allowance for doubtful accounts	(5,516,659.99)	(5,224,764.70)	(1,634,952.26)	(1,270,274.79)
Trade receivables - other parties - net	162,266,501.41	136,555,775.39	142,309,672.46	123,105,581.15
Trade receivables - related parties				
Not yet due	-	-	3,744,145.19	1,963,376.17
Over due:				
1- 60 days	-	-	4,924,769.16	2,562,923.39
61- 120 days	-	-	-	13,987.04
Over 180 days	-	-	3,236,540.03	3,312,601.02
Total trade receivables - related parties	-	-	11,905,454.38	7,852,887.62
<u>Less</u> Allowance for doubtful accounts	-	-	(3,236,540.03)	(3,312,601.02)
Total trade receivables - related parties - net	-	-	8,668,914.35	4,540,286.60
Total trade receivables - net	162,266,501.41	136,555,775.39	150,978,586.81	127,645,867.75

8. INVENTORIES - NET

As at December 31, 2020 and 2019, this account consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Finished goods	171,245,938.83	169,213,522.38	163,604,460.11	161,150,923.42
Goods in transit	14,209,063.16	13,842,735.32	13,281,569.44	13,304,490.73
Work in progress	427,755.08	324,305.67	80,578.03	81,395.86
Total	185,882,757.07	183,380,563.37	176,966,607.58	174,536,810.01
<u>Less</u> Allowance for diminution				
in value of inventories	(30,380,639.66)	(29,602,151.30)	(28,370,686.63)	(28,168,743.80)
Inventories - net	155,502,117.41	153,778,412.07	148,595,920.95	146,368,066.21

Movements of allowance for diminution in value of inventory for the year ended December 31, 2020 and 2019, are as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Balance as at January 1,	29,602,151.30	26,037,668.26	28,168,743.80	25,029,052.05
Increase	10,082,104.41	13,476,188.97	9,247,480.13	12,527,426.28
Decrease	(9,302,062.67)	(9,856,648.66)	(9,045,537.30)	(9,387,734.53)
Exchange differences on translating financial	(1,553.38)	(55,057.27)	-	-
Balance as at December 31,	30,380,639.66	29,602,151.30	28,370,686.63	28,168,743.80

9. RESTRICTED DEPOSITS WITH FINANCIAL INSTITUTION

As at December 31, 2020 and 2019 the fixed deposit of the Company amounted to Baht 30 million have been pledged with a financial institution as collateral for short-term loan facility (Note 28).

10. INVESTMENT IN SUBSIDIARY COMPANIES - NET

As at December 31, 2020 and 2019, this account consisted of:

			Unit: Baht					
			Separate financial statements					
			Share Holding %		2020			2019
Company	2020	2019	Amount	Allowance for	Net	Amount	Allowance for	Net
				impairment			impairment	
PD Genesis Engineering Co., Ltd.	76.67	76.67	11,500,000.00	(11,500,000.00)	-	11,500,000.00	(11,500,000.00)	-
Phol Palladium Co., Ltd.	99.99	99.99	999,970.00	-	999,970.00	999,970.00	-	999,970.00
Phol Dhanya (Cambodia) Co., Ltd.	100.00	100.00	6,770,686.00	(6,770,686.00)	-	6,770,686.00	(6,770,686.00)	-
Phol Water Co., Ltd.	99.99	99.99	49,999,970.00	(45,594,638.58)	4,405,331.42	49,999,970.00	(45,594,638.58)	4,405,331.42
Total			69,270,626.00	(63,865,324.58)	5,405,301.42	69,270,626.00	(63,865,324.58)	5,405,301.42

11. OTHER LONG-TERM INVESTMENT - NET

As at December 31, 2020 and 2019, this account consisted of:

	Share Holding %	Unit: Baht	
		Consolidated and separate financial statements	
		2020	2019
N&P Holding Company Limited			
Cost	2	1,000,000.00	1,000,000.00
<u>Less</u> Allowance for impairment		(1,000,000.00)	(1,000,000.00)
Net		-	-

12. LONG-TERM LOANS TO EMPLOYEES

Long-term loans to employees are in the form of employee welfare loan agreements with an interest rate of 10% per annum.

13. INVESTMENT PROPERTIES - NET

As at December 31, 2020 and 2019, this account consisted of:

	Unit: Baht			
	Consolidated and separate financial statements			
	Movement during the year			
	Balance as at December 31, 2019	Increase	Decrease	Balance as at December 31, 2020
Cost				
Land	1,370,160.00	-	-	1,370,160.00
Building and building improvements	23,061,322.48	-	-	23,061,322.48
Total Cost	24,431,482.48	-	-	24,431,482.48
Accumulated depreciation				

Unit: Baht

Consolidated and separate financial statements				
	Balance as at December 31, 2019	Movement during the year		Balance as at December 31, 2020
		Increase	Decrease	
Building and building improvements	18,641,911.79	477,675.95	-	19,119,587.74
Total Accumulated depreciation	18,641,911.79	477,675.95	-	19,119,587.74
Net book value	5,789,570.69			5,311,894.74

The Company has appraised its investment properties and leasehold right on 4 locations as follows:

Unit: Million Baht						
Location	Net book value			Appraisal value	Independent appraisers	Appraisal reports dated
	Investment properties	Right-of-use building	Total			
1	2.29	-	2.29	5.00	Noble Property Valuation Co., Ltd	February 13, 2018
2	1.81	-	1.81	7.90	Noble Property Valuation Co., Ltd	September 3, 2020
3	1.18	-	1.18	6.92	Noble Property Valuation Co., Ltd	September 8, 2020
4	0.03	1.02	1.05	3.94	Noble Property Valuation Co., Ltd	October 28, 2014
	5.31	1.02	6.33			

The appraisal value of investment property No.4 in the amount of Baht 3.94 million has been appraised by inclusive of leasehold right which has net book value of Baht 1.02 million.

The appraisal prices have been appraised by using Market Comparison Approach for investment properties No. 1-3 and income approach for investment property No. 4.

The fair value measurement for investment property has been categorised as a Level 2 fair value based on the inputs to the valuation technique used.

As at December 31, 2020, the Company's management has not yet re-assessed the fair value of investment property No.4 because the value of the investment property according to the management's long-term plan will be considered insignificant.

Depreciations for the year ended December 31, 2020 and 2019, have been charged to profit or loss of consolidated and separate financial statements amounted to Baht 0.48 million for both years.

As at December 31, 2020 and 2019, certain investment property items have been fully depreciated but are still in use. The original cost of those assets of consolidated financial statements and separate financial statements are Baht 0.54 million for both years.

As at December 31, 2020 and 2019, investment property, at net book value of Baht 5.28 million and Baht 5.70 million, respectively, has been mortgaged to secure its short-term loan and long-term loan with 2 financial institutions (Note 19 and 28).

14. PROPERTY, PLANT AND EQUIPMENT - NET

As at December 31, 2020 and 2019, this account consisted of:

Unit: Baht						
Consolidated financial statements						
	Balance as at December 31, 2019	Movement during the year				Balance as at December 31, 2020
		Transfer to right-of-use assets due to TFRS 16 first adoption			Exchange differences on translating financial statements	
			Increase	Decrease		
<u>Cost</u>						
Land	32,384,486.00	-	-	-	-	32,384,486.00
Building and building improvements	100,871,008.58	-	2,327,381.00	-	-	103,198,389.58
Furniture and equipment	32,051,709.37	-	1,864,745.96	(875,246.91)	(192.88)	33,041,015.54
Demonstration goods and tools	23,510,450.01	-	138,166.59	(83,648.17)	-	23,564,968.43
Vehicles	4,795,443.91	(919,626.16)	362,000.00	(2,030,981.30)	-	2,206,836.45
Utility system	15,333,807.77	-	192,000.00	-	-	15,525,807.77
Water well drilling machines	496,240.00	-	-	-	-	496,240.00
Assets under water sales agreement	16,267,266.57	-	-	-	-	16,267,266.57
Safety equipment for rent	14,776,148.46	-	-	-	-	14,776,148.46
Assets under installation	-	-	98,051.00	-	-	98,051.00
Total Cost	240,486,560.67	(919,626.16)	4,982,344.55	(2,989,876.38)	(192.88)	241,559,209.80
<u>Accumulated depreciation</u>						
Building and building improvements	44,908,579.48	-	3,553,830.65	-	-	48,462,410.13
Furniture and equipment	28,067,241.12	-	2,185,024.78	(854,556.44)	(192.78)	29,397,516.68
Demonstration goods and tools	20,415,486.35	-	1,278,826.87	(66,425.83)	-	21,627,887.39
Vehicles	2,818,262.66	(423,100.72)	337,658.66	(1,465,979.30)	-	1,266,841.30
Utility system	14,031,911.43	-	586,321.82	-	-	14,618,233.25
Water well drilling machines	305,840.40	-	26,583.99	-	-	332,424.39
Assets under water sales agreement	11,138,384.02	-	-	-	-	11,138,384.02
Safety equipment for	14,775,425.49	-	-	-	-	14,775,425.49
Total Accumulated depreciation	136,461,130.95	(423,100.72)	7,968,246.77	(2,386,961.57)	(192.78)	141,619,122.65
Net book value before impairment	104,025,429.72					99,940,087.14
<u>Less</u> Allowance for impairment	5,272,129.86					5,272,129.86
Net book value	98,753,299.86					94,667,957.28

Unit: Baht					
Separate financial statements					
	Movement during the year				Balance as at December 31, 2020
	Balance as at December 31, 2019	Transfer to right-of-use assets due to TFRS 16 first adoption	Increase	Decrease	
Cost					
Land	32,384,486.00	-	-	-	32,384,486.00
Building and building improvements	100,353,060.58	-	2,327,381.00	-	102,680,441.58
Furniture and equipment	31,358,201.63	-	1,772,890.44	(875,246.91)	32,255,845.16
Demonstration goods and tools	23,522,823.80	-	66,664.67	(55,707.44)	23,533,781.03
Vehicles	4,795,443.91	(919,626.16)	362,000.00	(2,030,981.30)	2,206,836.45
Utility system	15,207,616.45	-	192,000.00	-	15,399,616.45
Assets under water sales agreement	9,884,202.50	-	-	-	9,884,202.50
Safety equipment for rent	14,776,148.46	-	-	-	14,776,148.46
Assets under installation	-	-	98,051.00	-	98,051.00
Total Cost	232,281,983.33	(919,626.16)	4,818,987.11	(2,961,935.65)	233,219,408.63
Accumulated depreciation					
Building and building improvements	44,390,636.48	-	3,553,830.65	-	47,944,467.13
Furniture and equipment	27,700,096.51	-	2,054,121.25	(854,556.44)	28,899,661.32
Demonstration goods and tools	20,595,329.21	-	1,213,384.47	(54,300.31)	21,754,413.37

Vehicles	2,818,262.66	(423,100.72)	337,658.66	(1,465,979.30)	1,266,841.30
Utility system	13,905,721.11	-	586,321.82	-	14,492,042.93
Assets under water sales agreement	9,878,311.96	-	-	-	9,878,311.96
Safety equipment for rent	14,775,425.49	-	-	-	14,775,425.49
Total Accumulated depreciation	134,063,783.42	(423,100.72)	7,745,316.85	(2,374,836.05)	139,011,163.50
Net book value	98,218,199.91				94,208,245.13

Depreciations for the year ended December 31, 2020 and 2019, have been charged to profit or loss of consolidated financial statements amounted to Baht 7.97 million and Baht 11.80 million, respectively, and have been charged to profit or loss of separate financial statements amounted to Baht 7.75 million and Baht 8.43 million, respectively.

As at December 31, 2020 and 2019, land, including buildings and structure thereon at net book value of Baht 76.53 million and Baht 79.53 million, respectively, has been mortgaged to secure its short-term loan and long-term loan with a financial institution (Note 19 and 28).

As at December 31, 2020 and 2019 certain plant and equipment items have been fully depreciated but are still in use. The original cost of those assets in consolidated financial statements are Baht 79.93 million and Baht 69.93 million, respectively, and separate financial statements are Baht 79.16 million and Baht 68.90 million, respectively.

15. RIGHT-OF-USE ASSETS - NET

As at December 31, 2020 and 2019, this account consisted of:

	Unit: Baht			
	Separate financial statements			
	Movement during the year			
	Balance as at December 31, 2019	Adjust right-of-use assets due to TFRS 16 first adoption	Increase	Balance as at December 31, 2020
Cost				
Right of use of building	-	5,600,000.00	-	5,600,000.00
Furniture and equipment	-	463,012.00	-	463,012.00
Vehicles	-	919,626.16	1,757,009.36	2,676,635.52
Total Cost	-	6,982,638.16	1,757,009.36	8,739,647.52
Accumulated depreciation				
Right of use of building	-	4,351,853.98	225,400.00	4,577,253.98
Furniture and equipment	-	-	92,602.41	92,602.41
Vehicles	-	423,100.72	222,255.42	645,356.14
Total Accumulated depreciation	-	4,774,954.70	540,257.83	5,315,212.53
Net book value	-			3,424,434.99

Amortization for the year ended December 31, 2020, have been charged to profit or loss of consolidated financial statements and separate financial statement amounted to Baht 0.54 million.

16. DEFERRED TAX

Deferred tax as at December 31, 2020 and 2019 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Deferred tax assets	41,420,115.11	41,839,034.13	39,717,741.03	40,132,515.84
Deferred tax liabilities	-	-	-	-

Movements in deferred tax assets during year ended December 31, 2020 and 2019 were as follows:

	Unit: Baht			
	Consolidated financial statements			
	As at	Impact from	Other comprehensive	As at
	December 31,			December 31,
	2019	TFRS 9	Profit (loss)	2020
Deferred tax assets				
Allowance for doubtful accounts	26,821,804.07	-	5,820.33	26,827,624.40
Allowance for devaluation of inventories	5,775,799.49	-	161,322.75	5,937,122.24
Depreciation of safety equipment for rent	445,960.66	-	(445,960.66)	-
Non-current provision for employee benefits	7,503,506.80	-	949,477.40	7,553,974.80
Provision for penalties arising from delays of constructions	118,758.24	-	(2,652.84)	116,105.40
Provision for warranties	120,431.69	-	92,821.11	213,252.80
Provision for contingent losses	185,377.08	-	(5,377.08)	180,000.00
Allowance for impairment of asset	867,396.10	-	(385,543.15)	481,852.95
Derivative liabilities	-	120,036.00	(9,853.48)	110,182.52
Total deferred tax assets	41,839,034.13	120,036.00	360,054.38	41,420,115.11

	Unit: Baht			
	Separate financial statements			
	As at	Impact from	Other comprehensive	As at
	December 31, 2019			December 31,
		TFRS 9	Profit (loss)	2020
Deferred tax assets				
Allowance for doubtful accounts	26,588,102.31	-	7,081.64	26,595,183.95
Allowance for devaluation of inventories	5,633,748.76	-	40,388.57	5,674,137.33
Depreciation of safety equipment for rent	445,960.66	-	(445,960.66)	-
Non-current provision for employee benefits	7,053,814.40	-	883,814.20	6,969,749.20
Provision for penalties arising from delays of				
Constructions	118,758.24	-	(2,652.84)	116,105.40
Provision for warranties	106,754.39	-	(34,371.76)	72,382.63
Provision for contingent losses	185,377.08	-	(5,377.08)	180,000.00
Derivative liabilities	-	120,036.00	(9,853.48)	110,182.52
Total deferred tax assets	40,132,515.84	120,036.00	433,068.59	39,717,741.03

Unit: Baht

	Consolidated financial statements				Separate financial statements			
	As at January 1, 2019	Profit (loss)	Other comprehensive income (loss)	As at December 31, 2019	As at January 1, 2019	Profit (loss)	Other comprehensive income (loss)	As at December 31, 2019
Deferred tax assets								
Allowance for doubtful accounts	26,809,803.82	12,000.25	-	26,821,804.07	26,590,334.03	(2,231.72)	-	26,588,102.31
Allowance for devaluation of inventories	5,051,891.43	723,908.06	-	5,775,799.49	5,005,810.41	627,938.35	-	5,633,748.76
Depreciation of safety equipment for rent	1,043,236.22	(597,275.56)	-	445,960.66	1,043,236.22	(597,275.56)	-	445,960.66
Non-current provisions for employee benefits	4,471,939.80	2,189,047.67	842,519.33	7,503,506.80	4,163,832.60	2,047,462.47	842,519.33	7,053,814.40
Provision for penalties arising from delays of constructions	2,652.84	116,105.40	-	118,758.24	2,652.84	116,105.40	-	118,758.24
Provision for warranties	393,600.00	(273,168.31)	-	120,431.69	392,000.00	(285,245.61)	-	106,754.39
Provision for expected loss on construction contracts	5,377.08	180,000.00	-	185,377.08	5,377.08	180,000.00	-	185,377.08
Allowance for impairment of asset	2,502,653.34	(1,635,257.24)	-	867,396.10	-	-	-	-
Total	40,281,154.53	715,360.27	842,519.33	41,839,034.13	37,203,243.18	2,086,753.33	842,519.33	40,132,515.84

17. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

As at December 31, 2020 and 2019, this account consisted of:

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Short-term loan - Promissory notes	-	20,000,000.00	-	20,000,000.00
Short-term loan - Trust receipts	54,598,879.92	42,023,469.32	54,598,879.92	42,023,469.32
Total short-term loans from financial institutions	54,598,879.92	62,023,469.32	54,598,879.92	62,023,469.32

As at December 31, 2020 and 2019, the interest rate of short-term loans from financial institutions, were as follows:

	Interest rate per annum	
	2020	2019
Promissory notes	-	Interest rate of a bank announcement (3.35%)
Trust receipt	Interest rate of a bank announcement (2.70%)	Interest rate of a bank announcement (2.70% and 2.90%)

18. TRADE AND OTHER CURRENT PAYABLES

As at December 31, 2020 and 2019, this account consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade payables				
Trade payables-other parties				
- Domestic	64,495,193.46	40,245,405.89	56,073,222.88	35,290,080.78
- Foreign	49,013,730.40	61,954,895.33	45,553,504.00	58,823,955.00
Trade payable - related parties	-	-	27,392.00	224.70
Total trade payables	113,508,923.86	102,200,301.22	101,654,118.88	94,114,260.48
Other payables				
Payables for penalties arising				
from delays of constructions	3,067,061.44	2,928,333.70	3,067,061.44	2,928,333.70
Output VAT not yet due	486,203.28	1,579,420.55	380,326.83	1,578,238.51
Revenue Department payable	1,450,273.92	2,566,263.55	838,538.02	2,161,936.27
Accrued commission expenses	2,800,547.93	2,207,453.17	2,382,011.78	2,042,543.53
Accrued bonus expenses	17,625,165.75	10,498,205.40	16,476,300.00	9,831,290.40
Management remuneration	3,845,250.00	2,432,000.00	3,382,750.00	2,128,000.00
Contract liabilities	6,176,737.88	838,871.63	4,182,014.15	755,511.63
Accrued import expenses	915,403.23	862,209.04	915,403.23	862,209.04
Payable for warranties	5,186,319.06	4,871,009.06	4,558,319.06	4,454,009.06
Accrued expenses	4,840,796.75	4,012,037.39	3,492,147.84	2,687,072.47
Others	1,282,394.83	861,873.03	923,561.16	684,555.24
Total other payables	47,676,154.07	33,657,676.52	40,598,433.51	30,113,699.85
Total trade and other current payables	161,185,077.93	135,857,977.74	142,252,552.39	124,227,960.33

19. LONG-TERM LOAN FROM FINANCIAL INSTITUTION - NET

As at December 31, 2020 and 2019, this account consisted of:

	Unit: Baht	
	Consolidated and separate financial statements	
	2020	2019
Long-term loan from financial institution as at January 1,	22,035,000.00	29,175,000.00
Repayment	(7,140,000.00)	(7,140,000.00)
<u>Less</u> Current portion of long-term loan	(7,140,000.00)	(7,140,000.00)
Long-term loan from financial institution - net	7,755,000.00	14,895,000.00

On January 26, 2016, the Company entered into the long-term agreement facility of Baht 50 million with a local commercial bank for supporting its Core-Trading Asset such as inventories of the Company. The Company has a commitment to repay the loan principal in 84 monthly installments, of which the 1st - 83rd installments are Baht 595,000 each and the 84th installment is the remaining loan principal amount. The loan bearing interest rate of THBFIX plus 1.85% per annum or in case of the interest rate of THBFIX less than 0% per annum, the Company has to use the rate of 1.85%

per annum. The Company also entered into an Interest Rate Swap agreement with a lender bank, whereby the Company agreed to swap interest rate of THBFIX plus 1.85% per annum to a fixed annual interest rate (4.7%). The first principal and interest installment were February 2016.

Under the term of such long-term agreement facility for supporting its Core-Trading Asset, the Company has committed to comply with following certain conditions:

- Maintain Debt to Equity Ratio not more than 2 but not less than zero.
- Maintain Debt-Service Coverage Ratio (DSCR) not less than 2.

The Company has mortgaged its land, including buildings and structure thereon recorded in investment properties - net account and property, plant and equipment - net to secure its long-term loan facility with financial institution (Note 13, 14).

20. LEASE LIABILITIES

As at December 31, 2020 and 2019, this account consisted of:

	Unit: Baht	
	Consolidated and separate financial statements	
	2020	2019
Lease liabilities		
- Within 1 year	578,567.74	241,775.92
- Over 1 year but not over 5 years	1,382,148.00	40,296.00
<u>Less</u> Deferred interest expenses	(131,388.30)	(7,082.30)
Present value of lease liabilities	1,829,327.44	274,989.62
<u>Less</u> Current portion of lease liabilities	(516,046.74)	(234,898.94)
Lease liabilities - net	1,313,280.70	40,090.68

21. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFITS

Movement of the present value of non-current provisions for employee benefit for the years ended December 31, 2020 and 2019 were as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Non-current provisions for employee				
benefits as at January 1,	37,517,534.00	22,359,699.00	35,269,072.00	20,819,163.00
Included in profit or loss:				
Current service cost and interest cost	2,873,051.00	3,791,217.00	2,642,216.00	3,563,562.00
Past service cost	1,874,336.00	7,740,488.00	1,776,855.00	7,260,217.00
Included in other comprehensive income:				
Actuarial gains (loss) arising from				
experience adjustments	(5,475,913.00)	-	(5,787,619.00)	-
financial assumption changes	5,017,077.00	4,212,596.66	4,638,094.00	4,212,596.66
demographic assumption changes	(4,036,211.00)	-	(3,689,872.00)	-
Benefits paid during the year	-	(586,466.66)	-	(586,466.66)
Non-current provisions for employee				
benefits as at December 31,	37,769,874.00	37,517,534.00	34,848,746.00	35,269,072.00

Employee benefit expenses in profit or loss for the year ended December 31, 2020 and 2019, consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Distribution cost	1,713,688.00	4,210,693.00	1,520,105.00	3,876,346.00
Administrative expenses	3,033,699.00	7,321,012.00	2,898,966.00	6,947,433.00
Total employee benefit expenses	4,747,387.00	11,531,705.00	4,419,071.00	10,823,779.00

The actuarial assumption of discount rate is estimated from weighted average of yield rate of government bonds as at the end of reporting date that reflects the estimated timing of benefit payments.

The actuarial assumption of mortality rate for reasonable estimation of probability of retirement in the future is estimated from mortality table.

Principal actuarial assumptions as at December 31, 2020 and 2019 (represented by the weighted-average) consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Discount rate	1.61% - 1.81%	1.71% - 3.04%	1.61%	1.71%
Future monthly salary increase rate	5.00%	5.00%	5.00%	5.00%
Mortality rate	100% of Mortality Tables of 2017	100% of Mortality Tables of 2017	100% of Mortality Tables of 2017	100% of Mortality Tables of 2017

The result of sensitivity analysis for significant assumptions that affect the present value of non-current provisions for employee benefits as at December 31, 2020 are summarised below:

	Unit: Baht			
	Change of the present value of non-current provisions for employee benefits			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(3,858,233.00)	4,165,429.00	(3,553,241.00)	3,840,593.00
Salary increase rate	4,150,075.00	(3,874,323.00)	3,849,413.00	(3,590,159.00)
Turnover rate	(92,040.00)	99,742.00	(86,707.00)	93,979.00

As at December 31, 2020, the maturity analysis of undiscounted cash flows of benefit payments was as follows:

	Unit: Baht	
	Consolidated financial statements	Separate financial statements
Over 1 and up to 5 years	8,603,949.00	8,603,949.00
Over 5 years	216,704,018.00	204,709,477.00

The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette on April 5, 2019, and become effective on May 5, 2019. The Act stipulates additional severance pay rates. Employees who have worked for an uninterrupted period of 20 years or more, are entitled to receive no less than 400 days' compensation at the latest wage rate. This change qualifies as an amendment to the post-employment benefits plan. The Company and its subsidiaries reflected the effect of the change by recognizing past service costs as expenses in the income statement for the second quarter of 2019, the period during which the law become effective.

22. LEGAL RESERVE

22.1 Transfer of legal reserve and premium on ordinary shares to compensate the deficits

Annual General Meeting of Shareholders of the Company No. 1/2019, held on April 24, 2019, approved the transfer of legal reserve in the amount of Baht 16,200,000 and premium on ordinary shares in the amount of Baht 73,059,171.15, to compensate the deficits of amount Baht 89,259,171.15. As at December 31, 2019, the remaining amount of premium on ordinary shares is Baht 64,784,767.88.

22.2 Appropriation of legal reserve

Pursuant to the Public Limited Companies Act B.E. 2535, the Company must appropriate annual net profit as a reserve fund of not less than 5% of the annual net profit deducted by the total deficit brought forward (if any) until reserve reaches an amount no less than 10% of the registered capital. This legal reserve is not available for dividend distribution.

23. DIVIDEND PAID

Minutes of Board of Directors' Meetings of the Company No.7/2020, held on August 11, 2020 approved the payment of interim dividend of Baht 0.15 per share from the six-month period operation ended June 30, 2020, in the total amount of Baht 30.38 million. The Company paid the dividend on September 9, 2020.

Annual General Meeting of Shareholders of year 2020, held on April 28, 2020, approved the payment of dividend of Baht 0.10 per share from the period operation ended December 31, 2019, in the total amount of Baht 20.25 million. The Company paid the dividend on May 19, 2020.

Minutes of Board of Directors' Meetings of the Company No.7/2019 held on August 9, 2019 approved the payment of interim dividend of Baht 0.05 per share from the six-month period operation ended June 30, 2019, in the total amount of Baht 10.13 million. The Company paid the dividend on September 6, 2019.

24. EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, 2020 and 2019 were as follow:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Changes in finished goods and work in progress	(2,138,669.35)	42,628,550.04	(2,452,718.86)	40,448,278.34
Purchase of goods	783,879,621.38	603,808,507.67	705,264,643.57	556,440,586.45
Depreciation and amortization	9,534,776.49	13,066,146.54	9,282,421.76	9,650,285.00
Salaries, wages and other employee benefits	133,323,470.96	129,903,555.64	124,165,681.41	119,068,160.12
Advertising and promotion expenses	2,524,976.43	3,649,226.05	2,468,670.68	3,491,029.22
Delivery expenses	9,716,488.42	10,034,196.78	9,124,653.47	9,531,541.86
Utility expenses	3,331,490.00	3,713,389.23	3,274,615.62	3,622,273.75
Doubtful accounts - net	(210,217.40)	60,001.24	(216,523.98)	11,158.60
Loss on impairment of investment in subsidiary	-	-	-	4,028,014.48
(Gain) loss from property disposal	-	3,279,956.92	-	(154,254.52)
Reversal loss on impairment of assets - net	-	(7,241,136.84)	-	-

25. INCOME TAX

Income tax expenses for the year ended December 31, 2020 and 2019 as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Current tax expense				
Current period	(17,633,020.13)	(12,866,246.37)	(15,311,417.60)	(12,574,024.90)
Deferred tax expense				
Movements in temporary differences	360,054.38	715,360.27	433,068.59	2,086,753.33
Tax expense	(17,272,965.75)	(12,150,886.10)	(14,878,349.01)	(10,487,271.57)

Tax expenses recognised in other comprehensive income for the year ended December 31, 2020 and 2019 as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Deferred tax expenses for actuarial gains (loss)	(899,009.40)	842,519.33	(967,879.40)	842,519.33

Reconciliation of effective tax rate for the year ended December 31, 2020 and 2019 as follows:

	Consolidated financial statements			
	2020		2019	
	Tax rate (%)	Unit: Baht	Tax rate (%)	Unit: Baht
Profit before income tax		91,132,515.46		53,569,870.25
Income tax using the corporate tax rate	20.00	18,226,503.09	20.00	10,713,974.05
Effect from eliminate transactions	-	-	(1.50)	(805,603.18)
Expenses not deductible for tax purposes	0.10	94,178.22	1.77	950,726.36
Expenses that are deductible at a greater amount from actual expenses	(1.08)	(983,272.72)	(0.96)	(516,333.01)
Current year losses for which no deferred tax assets was recognized	-	-	3.38	1,808,121.88
Previous year losses for which no deferred tax assets was recognized but adopted to reduce the tax cost	(0.07)	(64,442.84)	-	-
Tax expense	18.95	17,272,965.75	22.69	12,150,886.10

	Separate financial statements			
	2020		2019	
	Tax rate		Tax rate	
	(%)	Unit: Baht	(%)	Unit: Baht
Profit before income tax		78,908,468.99		50,496,396.23
Income tax using the corporate tax rate	20.00	15,781,693.80	20.00	10,099,279.25
Expenses not deductible for tax purposes	0.10	80,256.98	1.79	904,325.33
Expenses that are deductible at a greater amount from actual expenses	(1.24)	(983,601.77)	(1.02)	(516,333.01)
Tax expense	18.86	14,878,349.01	20.77	10,487,271.57

The deferred tax asset is not recognized in the statement of financial position consisted of:

	Unit: Baht	
	Consolidated financial statements	
	2020	2019
Unused tax losses		
expire in 1 years	1,442,927.84	-
expire in 2 - 5 years	5,793,941.08	7,301,311.76
Total	7,236,868.92	7,301,311.76

Foreign subsidiary company

A foreign subsidiary company, Phol Dhanya (Cambodia) Co., Ltd. which was established in Cambodia, is obliged to pay corporate income tax either at the tax rate of 20% of taxable profit or at the minimum tax rate of 1% of total revenue, whichever is the higher.

26. PROVIDENT FUND

The Company, its subsidiaries, and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company, its subsidiaries and the staff will contribute the same amount at 3% to 5% of staff salary to this fund. Staff will receive payment from the provident fund upon retirement based on the rules of the fund.

During the year ended December 31, 2020 and 2019, the Company, and its subsidiaries contributed Baht 3.18 million and Baht 3.16 million, respectively.

27. OPERATING SEGMENTS

The Group's business operations involve three principal segments (1) Trading in health and safety products (2) Water treatment system and (3) Water supply systems for villages. These operations are mainly carried on in Thailand.

The operating segment's performance is regularly reviewed by the Chief Executive officer, in order to make decisions about the allocation of resources to the segment and assess its performance. The Company and its subsidiaries assess the performance of the operating segment by using the operating profit or loss as the same basis to assess operating profit or loss in the financial statements.

Below is the consolidated financial information for the year ended December 31, 2020 and 2019 of the Group segments.

Business segment information

The Group's business segment information and reconciliation of reportable segment profit or loss for the year ended December 31, 2020 and 2019 was as follows:

	Unit: Thousand Baht									
	Trading in health and safety products		Water treatment system		Water supply systems for villages		Elimination of inter- segment revenues		Consolidation	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenue from sales and rendered services	1,015,333	887,366	40,031	24,379	150	105	-	-	1,055,514	911,850
Cost of sales and rendered services	(749,459)	(655,121)	(32,424)	(20,068)	(213)	(1,379)	720	720	(781,376)	(675,848)
Segment gross profit (loss)	265,874	232,245	7,607	4,311	(63)	(1,274)	720	720	274,138	236,002
Penalties arising from delays of constructions					-	(581)			-	(581)
Unallocated income and expenses:										
Loss from sales of assets - net					-	(3,280)			-	(3,280)
Reversal loss on impairment of assets			-	7,241					-	7,241
Gain on exchange rate - net									2,402	6,496
Other income									7,045	4,850
Distribution cost									(88,024)	(89,896)
Administrative expenses									(102,022)	(102,096)
Finance costs									(2,406)	(5,166)
Income tax income									(17,273)	(12,151)
Profit (loss) for the year			7,607	11,552	(63)	(5,135)			73,860	41,419

The Group's business segment information and reconciliation of reportable segment total assets to the Group's assets as at December 31, 2020 and 2019 as follow:

Unit: Thousand Baht	
Consolidated financial statements	
	2020
	2019
Investment properties - net	5,312
Property plant and equipment - net	94,668
Unallocated assets	506,020
Total assets	606,000
	567,147

Geographical segments information

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. However, the Group has insignificant assets located in foreign countries.

The Group's Geographical segments information based on location of customer for the year ended December 31, 2020 and 2019 was as follows:

	Unit: Thousand Baht	
	Revenues	
	2020	2019
Thailand	1,040,489	906,897
Other countries	15,025	4,953
Total	1,055,514	911,850

Major customer

The Group has no revenues from transactions with single customer amount to 10 percent or more of the Group's revenues.

28. COMMITMENTS AND CONTINGENT LIABILITIES

Commitments

Commitments under leases

The Group has commitments under leases of building and equipment for which the lease term end within one year from the date of an adoption of TFRS 16 or for the underlying assets which are low value.

As at December 31, 2020, the above commitments are summarized as follows:

<u>Payable</u>	Unit: Baht	
	Consolidated financial	Separate financial
	statements	statements
Within 1 year	261,750.00	153,350.00
Over 1 year but not over 5 years	401,466.67	401,466.67
Total	663,216.67	554,816.67

Commitments and contingent liabilities with financial institutions

As at December 31, 2020, there are outstanding commitments and contingent liabilities with financial institutions as follows:

	Unit: Million Baht					
	Consolidated financial statements			Separate financial statements		
	Credit			Credit		
	arrangement	Used	Unused	arrangement	Used	Unused
1) Letters of credits and trust receipt	183.00	57.38	125.62	183.00	57.38	125.62
2) Promissory notes	175.00	-	175.00	165.00	-	165.00
3) Letters of guarantee	70.70	8.59	62.11	60.70	2.82	57.88
4) Bank overdraft	56.50	-	56.50	56.50	-	56.50
5) Forward exchange contracts	220.00	9.30	210.70	220.00	9.30	210.70
6) Forward exchange contracts US Dollars 1.15 million of credit arrangement and as at December 31, 2020, they have been unused.						

The above facilities were secured by pledged bank deposit and mortgaging certain land and building of the Company recorded in investment properties - net account and property, plant and equipment - net account (Note 9, 13 and 14).

The subsidiary guarantee letters of credits and trust receipt credit facility of the parent company within limit of Baht 10 million.

Letters of guarantee

As at December 31, 2020 the Group has outstanding letters of guarantee issued by financial institutions as follows:

	Unit: Baht	
	Consolidated financial statements	Separate financial statements
Letters of guarantee		
Guarantee for the construction contracts	2,615,376.00	2,615,376.00
Guarantee for the performance contract	5,773,451.00	-
Guarantee for electricity usage and other	200,000.00	200,000.00
Total	8,588,827.00	2,815,376.00

Contingent liabilities

Litigation

PD Genesis Engineering Co., Ltd.

On October 27, 2015, the creditor sued the subsidiary in the CIPIT Court under Black Case No. Gor Kor. 223/2558 on grounds of breach of a Sales and Purchase Agreement. The subsidiary filed a rejoinder with the CIPIT Court. The CIPIT Court has since been conducting several rounds of conciliation between the parties.

The latest on November 8, 2018, the CIPIT Court issued its judgment that the subsidiary purchased two items from the creditor, but the prescription period for one item has expired. The subsidiary has to pay the creditor in amount of USD 9,806.14, along with interest calculated at the rate of 7.5% per annum, as from January 2, 2012 for its claim in connection with the other item for which the prescription period is still valid. However, the plaintiff did not agree with the CIPIT Court's judgment and willing to appeal by filing the request to extend the appeal period as the third time. The CIPIT Court made permission to the plaintiff for extension appeal period as the last time by filing the appeal to the CIPIT Court within February 22, 2019. As the plaintiff did not file the request to extend the appeal period within the period fixed by the CIPIT Court, the case was settled by final judgment. The plaintiff has a right of execution over the defendant's assets, according to the judgment of the CIPIT Court, for a period of 10 years from the date of the CIPIT Court issued its judgment.

The management of the Company considered that these cases would unlikely significantly affect the Company's financial statements because the Company provided allowance for doubtful accounts of loans and provided allowance for impairment of investment in this subsidiary in the whole amount.

29. FINANCIAL INSTRUMENTS

Credit risk

Credit risk refers to the risk that counterparty will default on its agreement and conditions resulting in collection losses to the Company and its subsidiaries. Credit limit is granted for specific credit amount and is being monitored regularly. Furthermore, the Company manages the risk by adopting the policy of only dealing with creditworthy counterparty and obtaining sufficient collateral or other security where appropriated, as a means of mitigating the risk of financial losses from defaults.

In the case of recognized financial assets, the carrying amount of the assets recorded in the statements of financial position, net of a portion of allowance for the doubtful account, represents the company maximum exposure to credit risk.

Foreign currency risk

As at December 31, 2020 and 2019 the significant outstanding balances of the Group's financial assets and liabilities denominated in foreign currencies are as follows:

Foreign currency	Unit: Thousand Baht							
	Consolidated financial statements				Separate financial statements			
	Financial assets		Financial liabilities		Financial assets		Financial liabilities	
	December 31,	December 31,	December	December 31,	December 31,	December 31,	December	December 31,
	2020	2019	31, 2020	2019	2020	2019	31, 2020	2019
Euro	18.06	16.52	1,048.14	553.96	18.06	16.52	1,048.14	553.96
US Dollars	6,765.92	13,149.30	39,778.44	44,187.73	9,963.76	16,423.20	38,896.61	43,507.41
Singapore Dollars	11.88	-	4,709.86	14,209.20	11.88	-	4,709.86	14,209.20
Pound Sterling	-	-	237.70	294.03	-	-	237.70	294.03
Yen	-	-	660.59	259.37	-	-	660.59	259.37
Renminbi	0.10	0.10	-	-	0.10	0.10	-	-
Ringgit	-	-	0.60	-	-	-	0.60	-

Foreign currency	Unit: Baht/Unit Foreign Currency	
	Average exchange rate as at	
	December 31, 2020	December 31, 2019
Euro	36.8764	33.7311
US Dollars	30.0371	30.1540
Singapore Dollars	22.6632	22.3245
Pound Sterling	40.6403	39.5217
Yen	0.2907	0.2759
Renminbi	4.6187	4.3147
Ringgit	7.4357	7.3222

The Group manages their exposure to foreign currency risk by using derivatives when considered appropriate.

As at

December 31, 2020, the outstanding derivatives for managing the exposure to foreign currency risk are as follows:

Forward contracts to "Purchase"	Consolidated and separate financial statements		
	As at December 31, 2020		
	Amount	Forward rate	Maturity date
USD/THB	0.31 Million USD	30.47 THB/USD	6 and 25 January, 2021

Interest rate risk

The Company has loans from banks, and interest rate is referred at the market rate (MOR rate and MLR rate), therefore, interest rate risk arises from the potential for a change in interest rate.

The Group exposures to interest rate risk relate primarily to their cash at banks, current investments and short-term loans. However, since most of the Company and subsidiaries' financial assets and liabilities have been repaid within one year, the interest rate risk is expected to be minimal.

As at December 31, 2020 and 2019 the Company had outstanding interest rate swap agreement as detailed below:

Contract date	Maturity date	Book value of hedging					
		Notional amount		instrument		Interest rate loan	Interest rate swap
		Million Baht		Million Baht		contract	
		December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019	(Percentage/annum)	(Percentage/annum)
January 2016	January 2022	14.90	22.04	0.42	0.60	THBFIX+1.85	4.7

30. FAIR VALUES OF FINANCIAL INSTRUMENTS

The Group uses the market approach to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

Fair value hierarchy

In applying the above-mentioned valuation techniques, the Group's endeavors to use relevant observable inputs as much as possible. TFRS 13 Fair Value Measurement establishes a fair value hierarchy categorising such inputs into three levels 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

As at December 31, 2020 and 2019, the Group had certain assets and liabilities that were measured or disclosed at fair value using different levels inputs as follows:

	Unit: Million Baht			
	Consolidated and separate financial statements			
	As at December 31, 2020			
	Level 1	Level 2	Level 3	Total
Liabilities measured at fair value				
Forward contracts to "Purchase"	-	0.13	-	0.13
Interest rate swap	-	0.42	-	0.42
	Unit Million Baht			
	Consolidated and separate financial statements			
	As at December 31, 2019			
	Level 1	Level 2	Level 3	Total
Liabilities measured at fair value				
Interest rate swap	-	0.60	-	0.60

Valuation techniques and inputs to Level 2 valuation

The fair value of derivatives has been determined by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, forward rates of foreign currencies and interest rate yield curves.

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

31. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it has an appropriate financing structure and to preserve the ability to continue its business as a going concern.

According to the statement of financial position as at December 31, 2020, the Group's debt-to-equity ratio was 0.85: 1 (December 31, 2019: 0.88: 1) and the Company's was 0.82: 1 (December 31, 2019: 0.86: 1).

32. EVENTS AFTER THE REPORTING PERIOD

Board of Directors' Meeting of the Company No. 2/2021, held on February 18, 2021, resolved as follows:

- 1) To approve the the last payment of dividend in the amount of Baht 0.14 per share from net profit of the year ended December 31, 2020, in the total amount of Baht 28.35 million. The Company fixed the date of dividend payment on May 20, 2021.
- 2) To decrease the Company's authorized share capital in the amount of Baht 8,000,000 from the existing authorized share capital of Baht 210,500,232 to Baht 202,500,232 by way of cancelling the remain unsubscribed shares reserved for the exercise of right under the warrant allotted to the directors and/or the employees of the Company and/or it subsidiaries No. 1 (ESOP-Warrant) in the amount of 8,000,000 ordinary shares at a par value of Baht 1.

33. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's Board of Directors to be issued on February 18, 2021



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