



PHOL DHANYA PUBLIC COMPANY LIMITED

Annual Report 2023

(Form 56-1 One Report)



Make Every Day Safer and Better

We provide the best things for life that is safe and gets better in every day

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VISION

“ Make Every Day Safer And Better ”

We provide the best things for life that is safe and gets better in every day.

At Phol Dhanya, we commit to be the trusted company known for quality, professionalism, and expertise in procuring products and services. We aspire to be the top-of-mind choice for individuals and businesses alike when safety and health considerations arise, whether in the workplace or in daily life.



CULTURE



Professional

Work professionally driving for success together



Honest and Integrity

Having Ethic to themselves as well as to the public



Ownership Quotient

Dedicated over a hundred and beyond what customers expectation



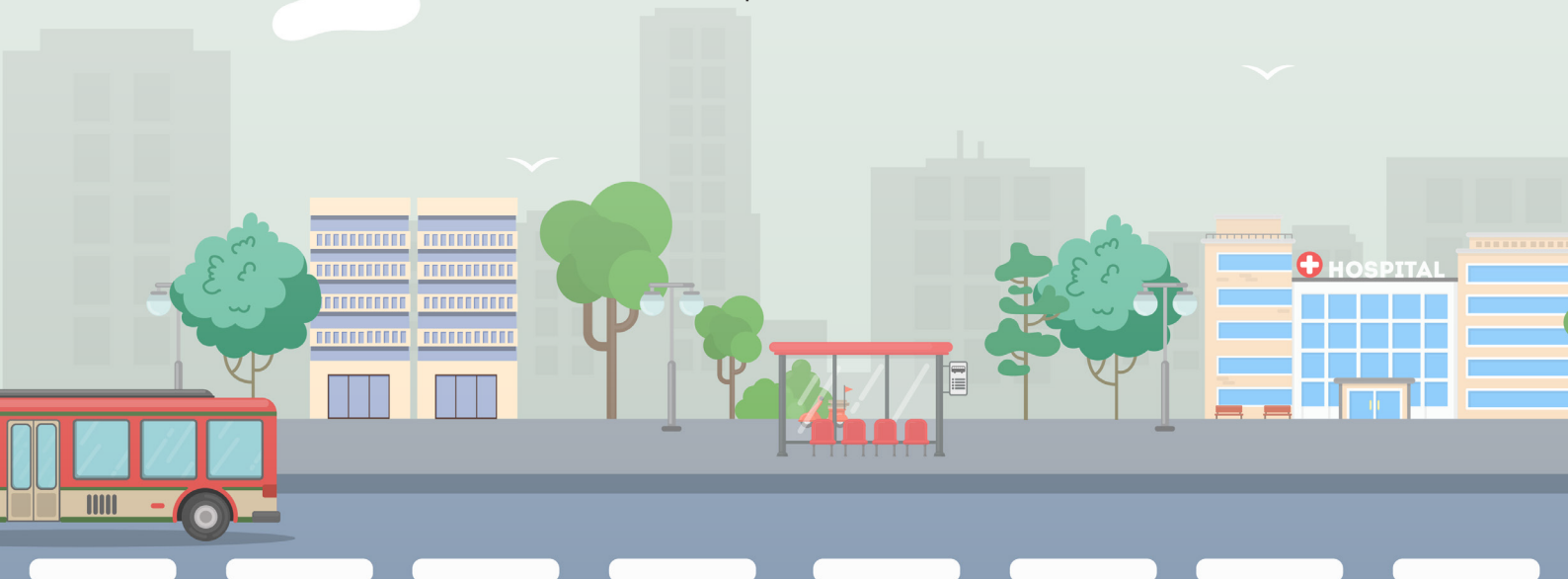
Learning and Continuous Improvement

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



Drive for Results and Achievement

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





MISSION

S

Safety Hub

Determine to be a center for safety products and services that can serve for all customers' needs in term of safety for life, products and environment with the products that have quality, standard and fair price.

A

Advanced Service

Commit to be the company that have the excellence in services and professional operation

F

Frontline Innovators

Lead the way in sourcing innovative products and services and in responding promptly to customers' demands to accommodate their changing expectations.

E

Expert Mastery

Prioritize the improvement of staff members' quality by fostering their potentials through knowledge, expertise, and sense of responsibility towards customers and by using efficient human resource management system together with positive cultivation of organizational culture.

T

Transformative Progress

Concentrate on growth through market expansion and investment in businesses that complement the existing of our business for sustainable growth.

Y

Yielding to ESG

Dedicate to be the company that operates in harmony with the international.





Financial Highlights

As December 31 (Consolidated)	2019	2020	2021	2022	2023
Financial performance (Million Baht)					
Revenue from sales and services	911.85	1,055.51	1,225.76	1,000.48	971.43
Cost of sales and services	675.85	781.38	938.17	742.74	712.76
Gross profit	236.00	274.14	287.59	257.74	258.67
Profit attributable to equity holders of the Company	41.42	73.86	81.89	54.04	58.30
Earnings per share (Baht per share)	0.20	0.36	0.40	0.27	0.29
Financial position (Million Baht)					
Total assets	567.15	606.00	636.23	638.82	643.39
Total liabilities	266.16	278.85	288.06	285.25	268.99
Total shareholders' equity of the Company	302.29	328.45	349.47	354.87	374.28
Financial ratio					
Return on equity (%)	14.37	23.42	24.16	15.34	15.99
Return on assets (%)	9.63	15.95	16.90	11.21	11.90
Gross profit margin (%)	25.88	25.97	23.46	25.76	26.63
Net profit margin (%)	4.52	6.95	6.66	5.39	6.09
Current ratio (times)	1.82	1.85	1.87	1.88	2.00
Debt to equity ratio (times)	0.88	0.85	0.83	0.81	0.72
Common Shares					
1 Baht par value per share					
Issued and paid-up share capital (Million shares)	202.50	202.50	202.50	202.50	202.50
Book value per share (Baht per share)	1.49	1.62	1.72	1.75	1.85
Dividend per share (Baht per share)	0.15	0.29	0.32	0.20	0.21
Dividend Payout Ratio (%)	73.34	79.51	79.13	74.95	72.95

Note: The 2023 dividend at the rate of 0.21 baht per share comprises an interim dividend at the rate of 0.09 baht per share and a dividend for the last six months at a rate of 0.12 baht per share, which will be proposed for approval at the 2024 Annual General Meeting of Shareholders on April 26, 2024



Awards and Recognitions

SET ESG Ratings 2023 : Level “A”

Achieved The 2023 SET ESG Ratings with “A”

The Company was 1 of 193 listed companies which passed the selection criteria and have been assigned SET ESG Ratings in the group of service industry companies listed on the mai market.

Excellent CG Scoring

Excellent CG Scoring according to the Corporate Governance Report of Thai Listed Companies 2023 for the ninth consecutive year.

100 full scores for AGM Checklist

The Company’s 2023 Annual General Meeting of Shareholders received 100 full scores for AGM Quality Assessment Project for the fourth consecutive year.

CAC Certificate

Continuously Recertified as a member of the Thai Private Sector Collective Action Against Corruption (CAC)

SET **A**
ESG Ratings 2023





Message from the Chairman

Dear shareholders,

2023 is considered another year of challenges for the business sector. Despite an improved outlook in economic recovery, surrounding factors remain prevalent that inevitably affect business operations, for instance, the increase in energy costs, higher interest rates and inflation, as well as the climate change that is gaining severity. The Company is well aware of the ever changing business landscape and therefore emphasizes the importance of operating the business in accordance with the principle of corporate governance, considering risk factors and opportunities covering economic, social and environmental dimensions, in order for the Company to adapt itself and be ready to accommodate the changing business environment, being an organization that is able to operate the business sustainably. In 2023, the Board of Directors appointed the Risk Management and Sustainability Committee to elevate the importance of the Company's sustainability operations, with the prescription of policies, strategies, and goals in accordance with international good practices, with the monitoring of the operations by the Board of Directors.

The award of achievement is reflective of the Company's determination in operating the business for sustainable and stable growth. In 2023, the Company was one out of 193 listed companies that was announced as a sustainable stock by SET ESG Ratings 2023 with the "A" score. Furthermore, the Company was also rated "Excellent" (Excellent CG Scoring) in the corporate governance performance with the 5-star badge for the 9th consecutive year. As for the financial performance in 2023, the Company generated revenue from sales and services of 971.43 million Baht, with the net profit of 58.30 million Baht, increasing by 7.98% from the previous year. The Board of Directors will consider making a dividend payment to shareholders at the rate of 0.21 Baht per share, equivalent to the dividend payout to net profit ratio of 72.95%.

2024 is considered another year of significant development. The Company has appointed Khun Thanya Wangthamrong to assume the Chief Executive Officer position, in replacement of Khun Boonchai Suwanvutthiwat who has retired, together with the announcement of a new vision and mission statement "Make Every Day Safer and Better", striving to be the hub of products and services that cater to all safety needs for individuals, products and environments, developing the operations to enable sustainable growth, being the organization that drives the economy and creates values for shareholders and stakeholders in a continuous manner.

On behalf of the Board of Directors, I would like to thank valued shareholders, customers, suppliers, staff members, stakeholders, and all related parties for giving support to the Company's business operations all along. Please be assured that the Company will continue to develop and achieve ultimate success, under the principle of good governance, through honest and transparent business operations. We aim to create balance in business development, together with value creation to the society and environment, contributing maximum benefits to shareholders and stakeholders consistently and sustainably.



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

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



Board of Directors



Assoc.Prof.Dr. Ekachidd Chungcharoen

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



Mr. Noppadol Dheerabutrvongkul

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



General Chaiwat Satondee

- Independent Director
- Chairman of Nomination and Compensation Committee



Dr. Pallapa Ruangrong

- Independent Director
- Audit Committee
- Risk Management and Sustainability Oversight Committee



Mr. Wisarute Srirojanakul

- Independent Director



Miss Mathusorn Srikerd

- Independent Director
- Audit Committee



Mr. Boonchai Suwanvutthiwat

- Director
- Risk Management and Sustainability Oversight Committee



Mr. Thanya Wangthamrong

- Director
- Risk Management and Sustainability Oversight Committee



Mr. Apichart Jarutangtrong

- Director



Management Team



Mr. Thanya Wangthamrong

- Chief Executive Officer



Mr. Pornsak Chunhajinda

- Vice President Corporate Support
- Chief Financial Officer



Miss Prapaipit Viriyabhupha

- Sales Director Control Environment Products (CE)



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



General Information

Company's Name	:	PHOL DHANYA PUBLIC COMPANY LIMITED
SET Symbol	:	PHOL
Registration No.	:	0107551000088
Business Type	:	The distribution of Occupational Safety, Health and Environment Products and Distribution, Construction, Production, and Service of Water Solution Systems
Registered Capital	:	202,500,232.00 Baht (202,500,232 common shares) with a par value of Baht 1.00
Paid-up Capital	:	202,500,232.00 Baht (202,500,232 common shares) with a par value of Baht 1.00
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
Branch Office	:	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 Moo 2, Chotana Road., Chang puak sub-district, Muang district, Chiang Mai Tel 66(0)-5322-6811, Fax 66(0)-5322-6898
Company's Website	:	www.pdgth.com
Company's Secretary	:	Ms. Kwandao Duangjan Tel 66(0)-2791-0151 E-mail: cs@pdgth.com
Investor Relations	:	Ms. Siriporn Ondee Tel 66(0)-2791-0206 E-mail: ir@pdgth.com
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



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 Dheerabutrtrongkul | Chairman of Audit Committee |
| 2. Dr. Pallapa Ruangrong | Audit Committee |
| 3. Miss Mathusorn Srikerd | 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.

During 2023, Audit Committee arranged the total 6 meetings in which CEO, auditors, CFO, head of internal audit and external auditors from Dharmniti Internal Audit joined the meetings for the related agendas. The key information is summarized as follow:

1. Reviewed the quarterly and annual financial statements of 2023, 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.

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 2023 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 and internal audit key performance indicators, according to 2022 internal audit annual plan as well as monitor progress against the annual audit plan every quarter.

5. Efficiently reviewed the process of risk management. In 2023, there was the jointed meeting between Risk Management and Sustainability Committee and Audit Committee by communicating and presenting the plan and measure of risk management to Audit Committee in order to improve the internal control system and support the risk management to be efficient.

6. Reviewed the operational processes to ensure compliance with the Securities and Stock Exchange Law and 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.

7. Review the information technology management framework and security measures of the company's information technology system to ensure continual and efficient operation of the information system, and to support the applicable personal information protection laws.

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

9. Appointed the Head of internal audit who's also assigned to be the secretary of Audit Committee replacing the employee who retired on December 31, 2022.

10. To consider, select, and propose the appointment of the external auditor, and propose the auditor's remuneration for the year 2022 to the Board of Directors to propose the 2023 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 Chotesaengmaneeekul Certified Public Accountant No. 9575 of ANS Audit Co. Ltd., as the Company's auditors for the year 2023.

The Audit Committee is of the view that over the course of 2023, 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 Dheerabutrtrongkul)
Chairman of Audit Committee



Report of Risk Management and Sustainability Oversight Committee

Dear Shareholders

The Risk Management and Sustainability Oversight Committee was appointed by the Board of Committee on October 18, 2023 and defined the duties and responsibilities covering both risk management and sustainability resulting in efficient and sustainable operation. The Committee consists of 4 company's directors and external qualified executives, who are qualified and knowledgeable for risk management and sustainability. They promote and support the company to have the risk management and create the culture of the company. The company implement the risk management by using COSO ERM Framework. The sustainable development is relevant to the business operation in order to achieve the company's objectives and mission as well as to support sustainable development goals (SGDs)

Here are the list of Risk Management and Sustainability Oversight Committee

- | | |
|----------------------------------|--|
| 1. Prof.Dr.Suluck Pattarathammas | Chairman of Risk Management and Sustainability Oversight Committee |
| 2. Mr. Boonchai Suwanvuttivat | Risk Management and Sustainability Oversight Committee |
| 3. Dr. Pallapa Ruangrong | Risk Management and Sustainability Oversight Committee |
| 4. Mr. Thanya Wangthamrong | Risk Management and Sustainability Oversight Committee |

In 2023, there were three Risk Management Committee meetings and two Risk Management and Sustainability Oversight Committee meetings in total, whereby the quorum was achieved in every meeting, with the following key takeaways:

Performance of Risk Management

1. Perform duties as assigned by the Board of Directors, under the scope of authority and responsibility as specified in the Risk Management Committee's Charter, which has been reviewed of the adequacy and appropriateness in risk management on a continuous basis.
2. Consider improving the risk management manual to cohere with the COSO ERM 2017 Framework and adopt the direction to match with the organizational context, with the objective of meeting the organization's strategic goals.
3. Supervise and monitor risk management operations, execute corporate risk analyses arising from internal and external factors covering critical risk areas and emerging risks, analyze the impact and business opportunities as well as significant risks that may affect business operations. The risk management protocols, key risk indicators and the development of key risks reporting should also be executed to accompany managerial decision making in a timely, accurate and comprehensive manner, to ensure that the Company's risks are being managed to be at an acceptable level, with quarterly following-up according to the risk management plan to report to the Company's Board of Directors.
4. With regards to risk management in case of business interruptions, the Business Continuity Plan (BCP) is regularly reviewed, with rehearsals being exercised under different scenarios to be ready to handle potential crises, together with impact assessment and proper responsive protocols.
5. Control and prevent risks concerning information system safety or cyber security that may occur, to ensure that the Company's information security system and network system are properly and sufficiently equipped with the preparedness to respond to cyber threats and support the company's business processes efficiently.
6. Execute the anti-corruption procedures and internal control measures to ensure a good, sufficient and appropriate internal control system that is suitable for corruption risks, to align with the self-assessment to develop the anti-corruption system.
7. The Risk Management Committee is confident that the Company's risk management policy and plan cover all aspects of key risk factors, with a proper and effective risk management systems in place, ensuring that risks are being managed to be at an acceptable level and align with the ever-changing situations, and that the laws and relevant standards are comprehensively complied with in accordance with the principles of good governance.

Performance of Sustainable Development

1. To consider the policy of sustainable development as well as reviewing the materiality assessment for sustainability and setting the short-term and long-term goals for the sustainable development covering economic, society and environment and presenting to the Board of Committee.
2. To set the operation plan for sustainability by using Key Performance Indicator (KPI) and to promote and create the sustainability culture in the company

(Prof.Dr.Suluck Pattarathammas)

Chairman of Risk Management and Sustainability Oversight Committee



Report of Nomination and Compensation Committee

Dear Shareholders

Director The Nomination and Compensation Committee is responsible for 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 3 members as follows:

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

There were 4 Nomination and Compensation Committee meetings held in 2023, whereby the key operational takeaways can be summarized as follows:

1. Consideration of the structure of elements and qualifications required of the Board of Directors, with reference to the Board Skill Matrix to select qualified individuals to assume the director positions, in accordance with the Company's selection criteria and procedures:

1.1 Nominate the candidates for the director position in replacement of the directors whose tenures are due to terminate in the Annual General Meeting of Shareholders. Minority shareholders are allowed to nominate candidates with the right qualifications to be selected in advance, however none of the nominations were reported.

1.2 Consider the qualifications and role performance in the past year of the 2 directors whose tenures have terminated; Mr. Noppadol Dheerabutrungkul; Independent Director and Mr. Apichart Jarutongtrong; Director to propose the 2023 Annual General Meeting of Shareholders to be reinstated into another term of directorship.

1.3 To consider on selecting a qualified Committee and nominating in the 2023 Annual General Meeting of Shareholders. There was the resolution to appoint Miss Mathusorn Srikerd as a Committee and Independent Committee to replace the Committee who decided to not renew the term, in accordance with the Company's recruitment procedures. The orientation program for new directors has also been devised to enhance the knowledge and skills in performing the directors' roles, and to acknowledge the information relevant to business operations.

2. Consideration of the remuneration package for the Board of Directors and sub-committees in 2023, taking into account the appropriate remuneration criteria that align with the scope of duties and commitments of each director, and in the same level as similar industries. The remuneration is supposed to motivate and retain competent directors to work with the Company, and the components of remuneration should be clear and transparent. Details were proposed to the Board of Directors for an approval prior to proposing to the Annual General Meeting of Shareholders for the final approval. The information related to remuneration is disclosed in the Annual Report (56-1 One Report).

3. To consider and review the structure and qualification of the Sub-Committee to appropriately and sufficiently supervise activities that are important and specific.

3.1 To nominate the appointment of the Risk Management and Sustainability Oversight Committee to promote the importance of operation in term of sustainability that is supervised by the Committee by changing the structure of Risk Management Committee and Sustainability Development Sub-Committee

3.2 Consideration to propose the appointment of Sub-Committee that completed the term which is the Audit Committee and the Nominating and Compensation Committee

4. Consideration of the development plan for the Committee. The Committee is encouraged to continuously enhance knowledge and skills and train for new skills that are beneficial to the Committee's performance

5. Consideration to propose the appointment of Chief Executive Officer, who is Mr. Thanya Wangthamrong in compliance with the policy of nomination and CEO succession.

6. Consideration of the performance evaluation criteria and identification of the appropriate remuneration for Chief Executive Officer and top executives that comply with the Company's strategy.

7. Review the personnel compensation structure and proposal of the budget on the annual salary adjustment and bonus allocation for the Group at the suitable rate, taking into account the Company's operating performance and the market rate for similar businesses.

8. Follow up on the matter concerning the Company's succession plan for top-level executive positions and critical positions to prepare for the recruitment and development of personnel in those positions and ensure continuation of business administration.

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.

(General Chaiwat Satondee)

Chairman of Nomination and Compensation Committee



Organizational Structure and Operation of the Group of Companies

- Organizational Structure and Operation of the Group of Companies
- Risk Management
- Business Sustainability Development
- Management Discussion and Analysis



Organizational Structure and Operation of the Group of Companies

1 Policy and Business Overview

Business Overview

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 45 years, The Company is one of the leading comprehensive distributors. Then 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.

In 2023, the Board of Directors reviewed the vision and mission. There was the meeting resolution to announce the new version of vision and mission in order to be in line with the company’s operation directions and be appropriate with the changing business environment today.

Vision

“Make Every Day Safer and Better”

We provide the best things for life that is safe and gets better in every day.

At Phol Dhanya, we commit to be the trusted company known for quality, professionalism, and expertise in procuring products and services. We aspire to be the top-of-mind choice for individuals and businesses alike when safety and health considerations arise, whether in the workplace or in daily life.

Mission

- **Safety Hub** : Determine to be a center for safety products and services that can serve for all customers’ needs in term of safety for life, products and environment with the products that have quality, standard and fair price.
- **Advanced Service** : Commit to be the company that have the excellence in services and professional operation
- **Frontline Innovators** : Lead the way in sourcing innovative products and services and in responding promptly to customers’ demands to accommodate their changing expectations.
- **Expert Mastery** : Prioritize the improvement of staff members’ quality by fostering their potentials through knowledge, expertise, and sense of responsibility towards customers and by using efficient human resource management system together with positive cultivation of organizational culture.
- **Transformative Progress** : Concentrate on growth through market expansion and investment in businesses that complement the existing of our business for sustainable growth.
- **Yielding to ESG** : Dedicate to be the company that operates in harmony with the international

Objectives of Business Operations

- To create the growth from the main business operation, which is the sales of safety, occupational health and environment products and services and products used to control environment for the customers in the existing industries and to expand to the new customers to other industries by developing the products and services that are met the customers’ needs.
- To extend customer base to the consumer group who has the awareness and needs of safety in doing an activity or daily living by developing products and services that are met with the customers’ needs and improving the distribution channels to be easily accessible for supporting the customer market.
- To increase products and services supporting the business expansion to the medical and health industry whose trend will be increased
- To expand service business to other environmental management projects, which are not the service for water solution services.
- 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
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 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. 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). - The Company is considered to be one of listed in the Universe of ESG100 Securities for the year 2021 by Thaipat Institute.
2021	- The Company received Excellence CG Scoring from Corporate Governance Report of Thai Listed Companies 2021 for the seventh consecutive year, held by Thai Institute of Director Association (IOD). - The Company is considered to be one of listed in the Universe of ESG100 Securities for the year 2021 by Thaipat Institute.
2022	- The Company received Excellence CG Scoring from Corporate Governance Report of Thai Listed Companies 2022 for the eighth consecutive year, held by Thai Institute of Director Association (IOD). - The Company is considered to be one of listed in the Universe of ESG100 Securities for the year 2022 by Thaipat Institute. - The Company received the second re-certificate of the Thailand's Private Sector Collective Action Coalition against Corruption (CAC)
2023	- The Company received Excellence CG Scoring from Corporate Governance Report of Thai Listed Companies 2022 for the eighth consecutive year, held by Thai Institute of Director Association (IOD). - The Company received 'A' rating from SET ESG Ratings 2023. The Company was 1 of 193 listed companies which passed the selection criteria and have been assigned SET ESG Ratings in the group of service industry companies listed on the mai market.

2 Nature of Business

These 3 groups of products consist of the following:

1. Occupational Safety, Health and Environment Products or SAFETY
2. Control Environment Products or CE
3. Water Solution Products or WATER

Revenue Structure

The company's consolidated revenue structure in 2021 - 2023 as follows:

Unit: Million Baht						
Products	Y2023		Y2022		Y2021	
	Amount	%	Amount	%	Amount	%
1.Occupational Safety, Health and Environment Products (SAFETY)	722.85	74.41%	746.81	74.65%	889.88	72.60%
2.Control Environment Products (CE)	216.33	22.27%	222.69	22.26%	305.75	24.94%
3.Water Solution Products (WATER)	32.25	3.32%	30.97	3.10%	30.13	2.46%
Total revenue from sales and services	971.43	100%	1,000.48	100%	1,225.76	100%

Products Information

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, etc. Including equipment that people use in daily life to prevent dangers caused by changing environments such as the spread of the coronavirus, particulate matter that exceeds the standard or preventing danger from activities such as playing sports, etc.

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.

Important Brands ;



Safety and Environment Products These products is used to enhance safety in the working place or other places such as toxic gas and flammable gas detector, emergency eye and body washer, chemical containment, moving & transfer equipment, ventilator, safety lock, and signs and equipment for safety or traffic, etc.

Important Brands ;



2. Control Environment Products or CE



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.

Important Brands ;



Target Customers

1. End Users: End users are target customers in the safety, occupational health and control environment-related products and services, including customers in almost every industrial sector in Thailand, as well as government and private sector organizations that aim to ensure safety and good working environment in business premises for staff members, or to ensure compliance with the manufacturing standards, and enhance positive image for the organization, both on the customers' own willingness or the necessity to comply with the laws or regulations put forth by the industrial customers of the Company. Furthermore, the Company focused on expanding the customer base to individual customers and general consumers who look for safety equipment used in daily lives for different activities to prevent potential dangers from the changing environment, for instance, the pandemic, dust particles or air pollution, etc.

For products and services in the control environment sector, the focus is on industrial plants with work or manufacturing procedures that take place in the clean room, as well as the upstream to downstream processes that require cleanliness of the parts and control of surface resistance that may lead to electrostatics, which may cause impact on the manufacturing process.

2. Trade Partner Customers

Trade partner customers are companies or stores that operate as distributors, wholesalers or retailers, contributing to the distribution of products in a wider circle.

In 2022, proportion of revenue from end users customer and trade partner customers represented approximately 76% and 24% of the total revenue from sales and services, respectively.

Marketing Strategies

- **Products:** The Company distributes a wide array of products, with over 4,000 items that comply with the safety standard required in Thailand and overseas. Products are distributed under renowned brands that are widely accepted, being able to respond to customers' requirements in every target group. New and modernized products are continuously sourced to propose to customers, while new product categories are always added on, together with house-brand products. Besides, the Company is capable of sourcing products with different features from available items, allowing the Company to meet diverse customers' requirements.

- **Services:** The Company has the system that keeps record of customers' purchases, which can be used to analyze demand and purchasing quantity, allowing for proper stock planning. There is also an effective warehouse management and logistic systems to allow for accurate and on-time deliveries. Sales representatives are regularly trained to increase the knowledge and expertise in products to improve the quality of customer services. Safety and product trainings are organized for customers, and the Company also participates in safety events in collaboration with customers upon request. Furthermore, the Company also improves the customer service effectiveness on a regular basis to strengthen good relationship with customers.

- **Pricing Strategy:** The Company employs a cost-plus method to the pricing strategy, depending on the types of products, quantity of purchases, payment terms and relationships with the suppliers, manufacturers or brand owners, taking into account the market price of the products that are fair and suitable. The Company regularly sources new products, or new suppliers to compare the quality and price, to ensure effective cost management and competitiveness, as well as the development of house-brand products.

- **Sales and Distribution Channels:** The major distribution channels are mainly executed by the Company's own sales team, at the headquarters in Pathumthani, and 2 branch offices in Chiang Mai and Rayong. The Company has allocated sales representatives in uncovered areas, for instance, the northeastern region. For areas uncovered by our sales team, the Company has incorporated the distribution channels by seeking business partners to serve as distributors in that particular area, whereby the Company will provide support to ensure mutual benefits, for instance, product knowledge, marketing activity support, etc. The Company also looks for overseas distribution channels via potential partners. Moreover, the Company also distributes products via domestic customers who then distribute the products overseas.

For retail or general consumers, the Company has arranged for telesales representatives and online distribution channels via the Company's website; www.pholonline.com, to encourage product awareness in a wider circle and expand the customer base both in Thailand and overseas, focusing on distributing safety products that can be used in daily lives or in different activities, and expanding the distribution channels to online platforms; Lazada, Shopee TIKTOK and social network sites, as well as retail stores for relevant products, in order for the Company's products to be widely recognized, to reach out to retail customers and consumers in general.

- **Promotion and Advertisement:** The Company regularly launches promotions to boost sales from each customer group, together with marketing activities to enhance customer penetration, facilitated by the development of online communication channels, via thai-safetywiki.com to serve as the channel to provide knowledge in safety and occupational health, product information and user guidelines, to encourage awareness of the Company and enhance public recognition as a safety and occupational health expert.

Product Sourcing

Safety, occupational health and control environment-related products and services are sourced domestically and internationally. The overseas purchasing amount in 2023 accounted for approximately 59%, and domestic purchases were about 41% of the total purchases. Products sourced domestically are both from distributors and manufacturers who are brand owners, while overseas purchases are mostly from brand owners, whereby the Company has been appointed as the sole/exclusive distributor and non-exclusive distributor by brand owners.

The Company's house brands are SYNOS and ROCC, which are produced by both domestic and overseas manufacturers, with constant new product development under the Company's own brands. In 2023, there were over 500 items sold under the Company's own brands, generating about 19% of the total revenue from sales and service provision.

Over the past 3 years, the Company has not been reliant upon any single distributor or manufacturer for more than 20% of the purchasing amount, with no environmental impact from the product sourcing procedures, and no disputes or lawsuits related to environmental issues.

3. Water Solution Products or WATER



Comprehensive water treatment system services, design and structural engineering, production, installation or construction of systems in the form of Engineering Procurement and Construction or EPC, Build-Own-Operate or BOO and Build-Operate-Transfer or BOT as well as system administration services, maintenance and distribution of related equipment. 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 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.

Target Customers

Target customers in products and services related to the water treatment system for consumption are as follows:

Industrial Customers are factories that have high water consumption expenses, from the nature of business operations, or due to the fact that the premises are located in water shortage areas or areas with high expenses for water consumption. The water treatment system not only can reduce pollution from releasing wastewater into water sources, it can also reduce water consumption expenses, by producing water from natural water sources or from wastewater treatment. It also allows for the selection of the suitable system for the water sources and the quality required for each type of business, while it can control the quality of water for specific utilization, for instance, hospitals or research facilities, etc. The Company already has the existing industrial customer base from the safety, occupational health and environment sector, allowing opportunities to offer products and services in the water treatment system.

Hotels and Residential Customers are hotel businesses, residential or large-scale buildings such as large houses, condominiums or office buildings, which usually have high quantity and expenses for water consumption. Customers can select the size and type of the water treatment system to ensure the desired quality of water, for instance, tap water, drinking water or water for watering plants, etc.

Government Bodies are communities or municipalities, which in some areas water production is insufficient for consumption demand, leading to water shortage problems.

Project Contractors are those who have to hire sub-contractors for the water management system or those who need to purchase parts or equipment to use in the projects.

Marketing Strategies

- **Products and Services:** Products and services range from designs, construction, and system maintenance, with the incorporation of different technologies to respond to customers' requirements in terms of the quality of the water and wastewater, as well as different objectives for reusing water. The products have been developed with the automated function, with the tracking system to ensure quality and add values to the products and enhance identity to encourage customers' recognition. Products have been designed in a ready-to-use kit (module) for ease of installation or expansion of the system's magnitude, whereby the Company's emphasis is on the standard and quality of the system, with the design that meets the engineering standards and quality equipment, warranty and after-sales services.

- **Pricing Strategy:** The Company's pricing strategy employs a cost-plus method. For projects, the Company analyzes the cost structure for products used in the whole project in a comprehensive manner to ensure appropriate quotation, together with

seeking trade alliances to reduce costs, offering payment credit term for customers to increase competitive opportunities in pricing. Besides, the Company provides services in a Build-Own-Operate approach, so customers do not have to invest a large sum of money and bear investment risks and system maintenance burdens.

- **Sales and Distribution Channels:** The Company's sales teams are mostly engineers with expertise in the water treatment system. The focus is mainly on presenting the solutions in a project-based basis, with sales teams assigned by major geographical areas; central, northern, eastern, western and southern regions. Besides, the Company also actively seeks alliances to expand distribution channels, for instance, construction contractors for buildings, factories or business premises, as well as distributors of water treatment system products, etc.

The existing customer base is being taken care of by the sales team on a continuous basis, in order to enhance after-sales opportunities to sell products or services, as well as to set up the water treatment system sales opportunities in future projects.

- **Promotions:** The sales promotions currently in use are, package sales and special price offers, with constant promotions as well as website improvement to encourage awareness.

- **On-Time Project Delivery:** The Company is aware of the importance of delivering the project on time, with material order planning, production and construction planning, and following-up to ensure the on-plan execution and to deliver the project as committed.

- **Sales Channels:** The service channels for the water treatment system are executed by the Company's sales team, comprising mostly of engineers with special expertise and with the ability to provide advices and accurately present the products and services.

Product Sourcing

For machinery and equipment used in the water treatment system sourced domestically and internationally, the Company has now been appointed the distributor of GE, PENTAIR and ADRITZ brands. General construction materials and equipment are usually sourced domestically, mostly from stores near the project sites to minimize transportation costs.

Overall Market and Competition Outlook

Based on the summary report of overall Thailand's economy in 2023, it expanded by 1.9%, which's below than the forecast. It's slowdown by 2.5% from last year. For the manufacturing industry, it was decreased by 3.2% due to the slowdown of world's economy and the tense of geopolitics, which broadly impacted on the supply chain as well as higher energy prices and interest rates, resulting in lower consumption and investments. The industries with the decrease in the operation were the industries manufacturing computers, electronic components and circuit boards and etc. However, the manufacturing for domestic consumption was recovered well, which's in line with the recovery of the tourism industry. The industries that were expanded were automotive industry and food industry and 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, in addition, the government is also giving importance by issuing safety legislation more stringent occupational health. 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 such as ISO45001 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 and dust pollution outbreak is to raise safety awareness to the entire population, occupational health increases. Thus, distribution of products and services related to safety, occupational health and environment still has room for expansion in the future.

For sales of safety products, in 2023, the overall revenue was decreased due to lower market price and demands of rubber gloves, nitrile gloves and products related to epidemic situation. However, the safety products had more orders from the industrial customers that the operation was expanded. The revenues that were increased were from technical and engineering work related to products for safe environment and from the products that are related to law and regulation regarding to hazardous substances control. Besides, the company expanded the markets to consumers and the lifestyle safety market by introducing the products that are beautiful, modern and appropriated with the consumer market as well as increasing the new products related to health and ergonomics

The market competition for safety products was increased especially for the normal safety products such as face mask, gloves, PPE and etc., mainly due to higher new manufacturers and suppliers resulting in higher price competition. 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 and services or CE are products used to prevent the impact from the external factors or other environment on the manufacturing works and process in an industry. The main customers are the customers in the manufacturing industry of electronic components. In 2023, the overall electronic industry was slowdown because the main customers in electronic industry decreases the orders, which's in line with the decrease in production. Besides, the revenue was decreased due to the lower price market of rubber gloves and nitrile gloves. However, the revenue from CE products was increased from higher product lists in the existing customer group and there was the increase in sales volume from a new product market in health and medical industry.

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

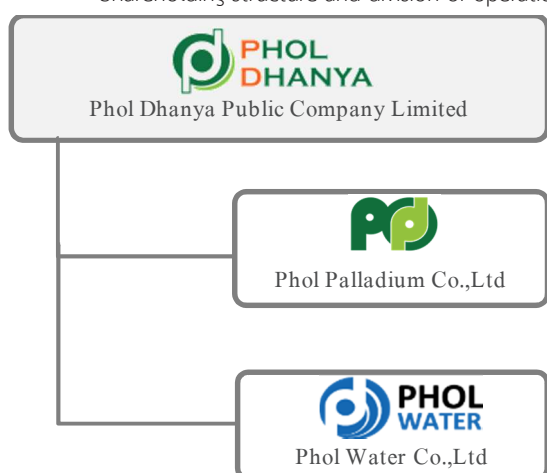
The Company's major customers for the water treatment business are industrial customers. Water resources are one of the important factors in the industrial production procedures, so entrepreneurs are required to be aware of managing water resource to minimize impact on the production, as well as managing 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 2023, the overall economy was recovered. After COVID-19 situation got better, the main customers in industrial sector did more investments in water solution project. In 2023, the company received higher revenue from the installation of water treatment systems and maintenance services if compared with that in last year. Besides, the company had more revenues from the sales of equipment and machineries for the construction projects of joint ventures.

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.

3 Shareholding structure of the group of companies

Shareholding structure and division of operations of the group of companies are as follows:



Phol Dhanya Public Company Limited

- Registered capital and paid-up capital of Baht 202,500,232
- Distributor of Occupational Safety, Health and Environment Products in domestic and oversea.

Phol Palladium Co., Ltd

- The Company holds 99.99% of shares.
- Distributor of Occupational Safety, Health and Environment Products to focus on government agencies and state enterprises customer.

Phol Water Co., Ltd

- The Company holds 99.99% of shares.
- Business integrated for water solution systems, distribution, construction, production, and service for both public and private sector clients.

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. Pornsak Chunhajinda	1	0.001%
3	Miss Prapaipit Viriyabhupha	1	0.001%
4	Mr. Thanya Wangthamrong	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%

Relationship with major shareholders' business

-None-

In this regard, there is a subsidiary, namely Pholdhanya (Cambodia) Company Limited, which has ceased its operations. The Company holding 100% of the shares, with registered and paid-up capital. 1,200,000,000 rial, value 300,000 USD or approximately 9.5 MB.

4 Securities and Shareholders Information

Registered capital and Paid-up Capital

As of December 31, 2023, The Company's registered capital and paid-up capital of Baht 202,500,232 divided into 202,500,232 common shares with a par value of Baht 1.00 per share.

Company doesn't issue other shares except ordinary shares.

Shareholders

Top 10 major shareholders of the company

As of December 31, 2023

No.	Shareholders Name	No. of shares	%
1	Group of Wangthamrong Family	67,398,378	33.28%
	- Mrs. Naowarat Wangthamrong	19,626,661	9.69%
	- Mr. Thanya Wangthamrong	15,147,433	7.48%
	- Miss. Thanthida Wangthamrong Helbardt	13,683,679	6.76%
	- Mr. Chavalit Wangthamrong	13,232,855	6.53%
	- 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	30,811,250	15.22%
	- Mr. Apichart Jarutangtrong	22,160,000	10.94%
	- Mrs. Ananya Jarutangtrong	8,551,250	4.22%
	- Mr. Teeradej Jarutangtrong	100,000	0.05%
3	Mr. Weerachai Dechamornthun	8,490,800	4.19%
4	Mrs. Onanong Nilphet	6,294,100	3.11%
5	Group of Chunhajinda Family	2,768,246	1.37%
	- Mr. Pornchai Chunhachinda	1,300,000	0.64%
	- Mrs. Saowanee Chunhajinda (The persons under Section 258 of Mr.Pornsak Chunhajinda)	875,646	0.43%
	- Miss Siriporn Chunhajinda	457,100	0.23%
	- Mr. Pornsak Chunhajinda	135,500	0.07%
6	Miss Nareekarn Sardsangjun	2,530,000	1.25%
7	Thai NVDR Co., Ltd.	2,389,494	1.18%
8	Miss Tanaporn Eimjai	1,841,555	0.91%
9	Mrs. Sirithorn Kreewong	1,750,000	0.86%
10	Mrs. Premjit Amnankamanee	1,604,400	0.79%
11	Other Shareholders	74,639,309	36.86%
	Total	202,500,232	100.00%

Summary of Changes in Percentage of Shareholding of Directors and Executives As of December 31, 2023

No.	Name	As of December 31, 2023		As of December 31, 2022		Changed	
		No. of shares	%	No. of shares	%	No. of shares	%
Board of Director							
1	Assoc. Prof. Dr. Ekachidd Chungcharoen	30,000	0.01%	30,000	0.01%	-	-
	Spouse and minor children	-	-	-	-	-	-
2	Mr. Noppadol Dheerabutrvongkul	30,000	0.01%	30,000	0.01%	-	-
	Spouse and minor children	-	-	-	-	-	-
3	General Chaiwat Satondee	248,250	0.12%	248,250	0.12%	-	-
	Spouse and minor children	-	-	-	-	-	-
4	Dr. Pallapa Ruangrong	-	-	-	-	-	-
	Spouse and minor children	-	-	-	-	-	-
5	Mr. Wisarute Sirojanakul	-	-	-	-	-	-
	Spouse and minor children	-	-	-	-	-	-
6	Ms. Mathusorn Srikerd ¹	-	-	-	-	-	-
	Spouse and minor children	-	-	-	-	-	-
7	Mr. Apichart Jarutungtrong	22,160,000	10.94%	22,160,000	10.94%	-	-
	Spouse and minor children	-	-	-	-		
8	Mr. Boonchai Suwanvutthiwat	-	-	-	-	-	-
	Spouse and minor children	-	-	-	-	-	-
9	Mr. Thanya Wangthamrong	15,147,433	7.48%	15,147,433	7.48%	-	-
	Spouse and minor children	5,280,000	2.61%	5,280,000	2.61%	-	-
Total		42,895,683	21.17%	42,895,683	21.17%	-	-
Director who retired by rotation in 2023							
1	Mr. Santi Niamnil	-	-	-	-	-	-
	Spouse and minor children	-	-	-	-	-	-
Executives							
1	Mr. Pornsak Chunhajinda	135,500	0.07%	135,500	0.07%	-	-
	Spouse and minor children	875,646	0.43%	875,646	0.43%	-	-
2	Miss Prapaipit Viriyabhupha	750,000	0.37%	750,000	0.37%	-	-
	Spouse and minor children	-	-	-	-	-	-
3	Mr. Paradorn Parepatara	-	-	-	-	-	-
	Spouse and minor children	-	-	-	-	-	-
4	Mr. Nitipat Pedprasert	-	-	-	-	-	-
	Spouse and minor children	-	-	-	-	-	-
Total		1,761,146	0.87%	1,761,146	0.87%	-	-
Summary of Changes		44,656,829	22.04%	44,656,829	22.04%	-	-

Notes:¹ Ms. Marthusorn Srikerd has been appointed as a director to replace Director who retired by rotation, effective from April 27, 2023, she has no shares as of April 27, 2023.

Distribution of Shareholding

The distribution of shareholding by Nationality as of December 28, 2023, 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	4,947	202,499,232	100	3	2,502,494	1.24	4,944	199,996,738	98.76
Foreign Shareholders	1	1,000	0.00	-	-	-	1	1,000	0.00
Total	4,948	202,500,232	100	3	2,502,494	1.24	3,885	199,997,738	98.76

The distribution of shareholding by proportion of shareholders as of December 28, 2023, 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%	20	130,178,607	64.29	1	2,474,974	1.22	19	127,703,633	63.07
Shareholders less than 0.5% but not less than one unit trade	4,634	72,316,113	35.71	2	27,520	0.01	4,632	72,288,593	35.70
Shareholders less than one unit trade	294	5,512	0.00	-	-	-	294	5,512	0.00
Total	4,948	202,500,232	100	3	2,502,494	1.23	4,945	199,997,738	98.76

Note: 1) The distribution data prepared by TSD

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 -

Other Securities

Company doesn't issue other securities.

5 Dividend payment policy

1. 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	2023	2022	2021	2020	2019
Interim Dividend (Baht)	0.09	0.08	0.16	0.15	0.05
Dividend for the second half year (Baht)	0.12*	0.12	0.16	0.14	0.10
Annual Dividend Payment (Baht)	0.21*	0.20	0.32	0.29	0.15
Earnings (Loss) per share (Baht)	0.29	0.27	0.40	0.36	0.20
Dividend Payout (%)	72.95%	74.95%	79.13%	79.51%	73.34%

Note* Annual dividend for the year 2023 will be proposed for approval at the AGM2024 on April 26, 2023

2. 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.



Risk Management

1 Risk Management Policy and Plan

Risk management is considered a critical tool that enables the Company to respond to internal and external risks that may affect business continuity as articulated in the vision and mission statements, as well as all groups of stakeholders; communities, society and environment. Besides, it also serves to identify business opportunities to accommodate changes. The Company is aware of the significance of the risk management under the principle of good governance, with a clear management structure, comprising of the Board of Directors, Risk Management Committee and Risk Management Working Team, whose roles are coherent with one another. The Audit Committee is responsible for reviewing and giving advices and suggestions for improvement of the internal control system, internal audit system and key risk management systems. The internal control follows the Three Line of Defense Model, which is the principles of corporate governance as the three lines of defense to be in line with regulations and operation procedures resulting in good corporate governance and leading the company to achieve objective and mission.

The Company has adopted the risk management framework from COSO ERM, which is the international standard to use in the organization, comprising of such risk management procedures as risk analysis, identification of risk management protocols, following-up, reporting and supervision to ensure effective management of risk factors to be at the acceptable level. Furthermore, the Company has compiled the risk management regulations, with reference to the ISO45001: 2018, with the assessment of risk of dangers from the operations based on the occupational health and safety systems.

The Company's risk management policy focuses on the effective risk management system that complies with the international standard, and encourages risk management culture within the organization. The risk management mindset is fostered in every operational procedure; from the strategic level, by aligning risk management with the development of organizational strategic plan, and encouraging staff members to have proper knowledge in risk management, supported by continuous organizational communication.

Key highlights for the risk management execution in 2023 can be summarized as follows:

- 1) The Risk Management policy emphasizes on fostering risk management as a corporate culture, embedding risk management mindset in all operational levels, including encouraging staff members of all levels to have the knowledge and understanding in risk management, and be aware of the fact that risk management is part of the work that everyone is involved in as the risk owner. Trainings and new staff orientation programs are organized, including internal communication via different channels, for instance, e-mail, quarterly journals (Risk News), etc.
- 2) Developing the risk management system to enable organization-wide integration, incorporate risk management into the annual work execution plan, strategy articulation, investment in key projects, as well as cascading the direction to the departmental and divisional levels to ensure the fully-integrated risk management operations. And regulates risk management reporting from all departments in the Middle Management meeting on a regular basis. There is a meeting between the Risk Management Committee and the Audit Committee in order to have an integrated operation, develop the internal control and risk management with maximum efficiency and manage risk at the acceptable level
- 3) Reporting the risk management status conducted and analyzed by the management to identify the causes and come up with the risk management plan that coheres with the situation. The details should be reported to the Risk Management Committee and the Board of Directors on a quarterly basis.
- 4) Review the Risk Management policy and Risk Management Committee's Charter, including review the business continuity policy and business continuity plan (BCP) to prepare for the emergencies or crises.

2 Risk Factors on Business Operation

2.1 Risk from fluctuation in foreign currency exchange rates

The company's products were imported directly from an overseas supplier. In 2021 - 2023, the company imported products accounted for 55%, 61%, and 59% 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. Over the past 3 years. In 2021 and 2022, the Company's FX loss was 2.64 million Baht and 1.49 million Baht respectively. And in 2023, the FX gain was reported at 1.50 million Baht. In 2023, the beginning of the year, the world economy was impacted from the conflict of Russia – Ukraine, inflation and appreciation of USD currency. During the year, THB currency was significantly fluctuated. However, 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, 2023, the forward accounts stood at Baht 205 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. 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.

2.2 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 3 brands made up 27% of the total sales revenue in 2023. 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 2023, the company had revenue from sales of its own brand products, representing 19% of total revenue from sales and services.

2.3. 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 2021-2023. 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, bad debt accounted for 0.40% in 2021, no bad debt in 2022 and 1.12% of trade receivables in 2023. 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.

2.4. Risk from procurement system and inventory management

The Company's products consist of more than 4,000 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. The full-cycle supply chain management has been implemented to ensure proper operational alignment and the development of a warehouse management system. There was improvement in warehouse management system. Besides, the company expanded the warehouse in Rayong branch. It's increased by 30% in which the industry area has the demands, in order to effectively, accurately and rapidly respond or serve the demand of customers. In addition, it reduces the delivery times and improves Robotic Process Automation (RPA) to increase the operating efficiency and accuracy. In addition, the operational system has been developed to allow for cross-functional integration to properly manage and plan inventory demand and minimize chance of supply chain disruption 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.

2.5 Occupational Health, Safety and Environmental Risks

The Company places emphasis on human resources, which are the organization's critical resources, in controlling safety, occupational health and environmental risks that may lead to losses of lives, injuries, or illnesses from work, which can result in business disruption and affect business continuity. The impact can also be felt upon the community, society and environment, hence the Company has devised the safety policy to serve as the framework in enhancing safety, occupational health and environmental awareness, focusing on prevention of accidents and illnesses from work, assessment of dangers, and identification of measures to alleviate the environmental impact caused by business operations. The Company strives to foster safety culture in the work settings; from the identification of indicators and reporting of the safety operations and encouraging participation in giving advices to stakeholders. The Chief Executive Officer has appointed the "Safety, Occupational Health and Environment Committee" since 2014, together with the compilation of the safety manual for staff members, training and communication on a regular basis. In this regard, the Company has been certified of the occupational health and safety standard ISO45001: 2018, and has been strictly complying with the safety, occupational health and environment laws and regulations. In 2023, the Company complied with the ISO45001:2018 framework, with operational environment inspection results that are in line with the laws, as well as the provision of equipment to ensure convenience and safety in the operations. In the previous year, no illnesses, injuries, death cases or accidents from work were reported.

2.6 Corruption Risks

Corruption is considered a shortcoming towards organizational and national prosperity. The Company is aware of operating the business with transparency and under the principle of good governance, and so announced the intention to guard against corruption, which has earned the certification of the Collective Action Coalition against Corruption of the Thai Private Sector since 2016 and in 2022, the company received the approval of membership renewal from Collective Action against Corruption (CAC) project. The membership term will be 3 years. The company implemented the measurement of internal control in order to have a good and sufficient internal control system that is appropriate with the corruption risk. There is a policy and procedure to prevent corruption, approved by the Board of Directors. The trainings are conducted for all employees. Also, the communication is done both internal and outside of the company. The company supports the business partners doing with the businesses in comply with the anti-corruption policy and has the appropriate management structure. There are communication channels for complaints, that are transparent and fair and have an independent internal control system. The reports are often submitted to the Committees for review. In addition, the company supports and creates the company's culture through communications and trainings to the directors and employees all the times. The activities for anti-corruption are arranged on International Anti-Corruption Day so the employees can join the event. Also, the communications are done for both internal and outside of organization showing that the company emphasize on anti-corruption. In 2023, the company completed the anti-corruption assessment as well as reviewing the policy and procedure of anti-corruption prevention. The communication channels for complaints were improved to be easily accessible and up-to-date. During the year, there were no complaints regarding to anti-corruption.

3 Emerging Risk

3.1 Risks on Information Security, Information Technology System and Cyber Threats

The Company has incorporated the information technology system as part of the operations to enhance business opportunities and improve the operations to achieve goals and objectives. However, inevitable risks related to cyber threats or information theft on the Internet are somehow prevalent, which have become more complex and severe, and may affect operational continuity. Furthermore, the Company has exercised the Work from Home policy that may involve connecting to the Internet from the outside, which may expose the system to cyber threats. The Company is aware of this issue and has compiled the Information System Security Policy, developed the execution plan and invested in the development of the information technology system that is of the international standard in order to prevent, accommodate and minimize potential risks of cyber threats. The information technology personnel are also constantly upskilled, to understand different types of threats, as well as equipping knowledge and understanding among staff members, and ensuring sufficient and appropriate internal control system for the operations. Staff members are encouraged to be cautious, with notices for those who violate safety measures, the identification of access rights, inappropriate uses, system testing, the information technology system recovery drills, and internal audit procedures to ensure the sufficiency of the Company's information technology operations.

3.2 Risks from Climate Change

Climate change is an internationally recognized issue, whereby at the domestic level, there is a greenhouse gas reduction target. The increasing greenhouse gas has affected the global warming problem, climatic fluctuations, seasonal irregularities and natural disasters that have become more intense that they can turn into severe disasters. The company emphasizes on the impacts. As a result, the company implements the sustainability policy in order to response to the impact from climate change especially for landscape changes and natural disaster. These factors can affect the company's supply chain. The company implements Emergency Situation Plan regarding to disaster, which is the part of Business Continuity Plan. Besides, the company supports the reduction of greenhouse gas emission. The company aims to reduce the greenhouse gas emission by 5% from the base year by maximizing the usage of resource, encouraging employees to minimize the environmental problems, installing solar rooftops to reduce the electricity consumption and reducing the amount of waste through 3R (Reduce, Reuse, Recycle). The report is often prepared and submitted for review.



Business Sustainability Development

1 Policy and objectives of sustainable management

The company commits to do the business in accordance with good corporate governance and considers on stakeholders in the business chain including economy, society and environment, which are the important foundation for driving sustainability development. The Board of Directors set the policy of sustainable development that is in line with vision and mission in order to create the safe society and life by delivery the safety and health products and services used in work and daily life. The company sets the clear mission in order to let people be confident in the quality, professionalism and expertise of products and services. Besides, the company considers on the changing factors and all impacts. The company emphasizes on the preparation or readiness to handle crisis or unexpected events that can happen in the future and aims to treat and develop the potential and skills of employees as well as applying technology to improve the operation process and increase the ability of competition so the company can sustainably grow. The company sets the operation procedures and the short-term and long-term operation goals as well as apply sustainability in the operation process of each related department. Also, the company considers on the operation impacts on environment, society and people by setting the appropriate management procedures in order to achieve the company's sustainability goal and support sustainable development goals of United Nations (SDGs)

Also, the company publishes the policy of sustainable development in the company's website. You can see more information at https://investor-th.pdgh.com/sustainable_policy.html

In 2023, the company reviewed the structure of sustainability oversight. The Board of Directors had the meeting resolution to appoint the Committee for Risk and Sustainability Oversight to ensure that the policy, strategy and operation in term of the sustainable development are governed to be in line with the goals of organization and to appoint the risk management and sustainability team consisting of the directors from each department and chief executive officer (CEO) to drive the operation of sustainability to be concretely practiced

Sustainable Development Framework

The Company's sustainable development directions are based upon the principles of creating shared value or CSV among all stakeholders, in relation to the concept "Better Together" that focuses on encouraging the creation of shared values covering dimensions of the economy, society and environment through the Company's business operations. The sustainable development framework can be categorized into 3 aspects, namely;



Safer Living

Participating in creating safety and good hygiene for society members both inside and outside of the organization.



Operation Efficiency

Continuous improvement to increase work effectiveness and service provision to achieve stable and sustainable business growth.



Minimize Environmental Footprint

Control pollution from business operations, utilize natural resources effectively and take part in conserving the natural resources.

2 Managing Impact on Stakeholders in the Business Value Chain

Business Value Chain

The development of the business value chain is an important strategy for success, so the Company emphasizes on every procedure in the value chain in order to enhance trust in business operations that can pass on values to all stakeholders in a sustainable manner, in accordance with the policy and sustainable development directions. Key activities in business operations include purchasing and procurement, warehouse management and product distribution, marketing and sales. Other supporting activities that enable effective operations of key activities are governance, risk management, human resource management, information technology system, accounting and financial management, etc.



Procurement

Procurement is an important procedure to acquire quality and standardized products that meet customers' requirements. The Company procures products from domestic and overseas suppliers, whereby the emphasis is placed upon the effective and transparent procurement processes, together with quality inspection to ensure the standard and selection of suppliers that operate businesses with governance, in line with the Company's supplier evaluation criteria.

Relevant stakeholders are suppliers, society and staff members.

Marketing and Sales

The Company focuses on offering and introducing products that suit customers' applications and requirements, with an awareness of users' safety and after-sales services, together with advertising, promotions and communication on product knowledge, proper usage and other safety knowledge to ensure safety for customers and the society.

Relevant stakeholders are customers, staff members, communities and the society.

Warehouse Management and Product Distribution

Effective warehouse management and product distribution, coupled with professional services, are significant factors creating customer satisfaction and impression. Besides, effective product distribution not only minimizes operating costs, reduces mistakes and enhances safety for operators, but also reduces the use of resources in the operations. The Company is currently certified of the work system that meets the international standards; ISO9001-2015 and ISO45001-2018.

Relevant stakeholders are staff members, shareholders, trade creditors, government bodies, communities and the society.

Stakeholders Engagement

The Company identifies key stakeholders throughout the whole supply chain, emphasizing on participation of all groups of stakeholders both inside and outside of the organization via different communication channels to receive opinions, advices and expectations of each group, in order to identify proper actions in response to those expectations.

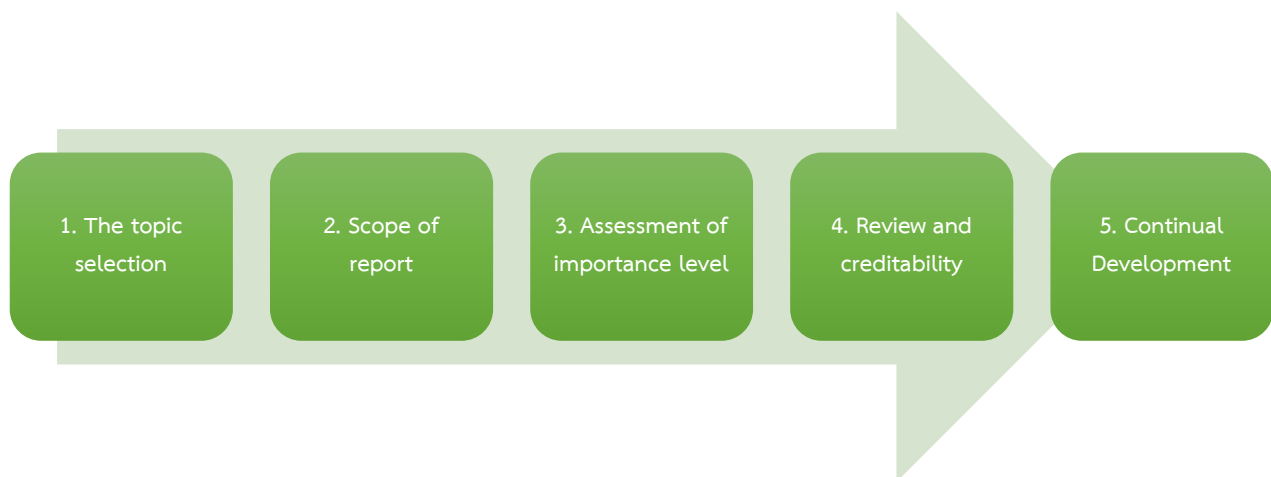
Stakeholders	Expectations	Actions Responded by the Company	Communication and Participation
Customers	• Products and services are of good quality, standard and proper pricing • On-time delivery • Safety in using products and services • Fast access to products and services	• Compliance with customers' conditions and agreements • Seeking new innovation, products and services to meet customers' needs • Provision of customer training on safety and using safety equipment • Control and selection of products to meet the standards • Using evaluation results and customers' advices to improve the effectiveness of products and services • Development of distribution and communication channels	• Customer satisfaction survey • Channels for submitting complaints and customers' advices on the website and other channels
Staff Members	• Fair and appropriate compensation and welfares • Job security and career advancement • Safe working environment • Fair and equal treatment • Participation in expressing opinions	• Improving the human resource management system to be effective; compensation management that is desirable and competitive in the same industry, development of salary structure and career advancement structure. • Human resource development plan to enhance employee potential and retain high performers. • Organizing activities to foster engagement and motivation among staff members. • Implementation of safety and occupational health systems to minimize risks in work settings. • Complaint submission channels; both directly and indirectly.	• Communication and exchange of opinions and suggestions between the management and staff members via meetings and different activities. • Staff member engagement survey • Self-assessment in expressing behaviors in relation to the organizational culture; PHOL-D • Receiving opinions and complaints via different communication channels both directly and indirectly. • Welfare promotion committee in the business premise and Safety committee

Stakeholders	Expectations	Actions Responded by the Company	Communication and Participation
Shareholders	• Good operating performance and continuous growth • Continuous returns on investment • Accurate, comprehensive and timely information disclosure • Transparent and verifiable business administration • Diverse and easily accessible communication channels	• Strategic plan with continuous and sustainable growth • Transparent and verifiable business operations, in line with the corporate governance policy • Fast, accurate and comprehensive information disclosure; in time for decision making • News and information on the website that are up-to-date	• Organization of shareholders' meetings • Communication with investor relations team • Comprehensive provision of information • Annual Report and Sustainability Report • Receiving opinions and suggestions via different channels
Suppliers and Business Partners	• Compliance with the payment terms • Continuous joint business operations • Compliance with agreements or contractual terms	• Fair and transparent business operations with good governance • Determined the suppliers' code of conduct • Development of trade agreements	• Communication via phone calls or electronic media • Meeting to share information or suggestion • Company Visits
Trade Creditors	• Compliance with the payment terms • Compliance with agreements, contractual terms or the laws	• Compliance with the regulations, conditions or contractual terms • Transparent business operations	• Communication via phone calls or electronic media
Communities and Society	• Caring for the environment and using natural resources efficiently • Access to safety products • Compliance with relevant laws and regulations	• Encourage and support and participation in activities with relevant communities and society • Provision of knowledge and understanding in safety to the private sector, government, institutions or communities. • Distribution of environment-friendly products • Development of diverse distribution channels with convenient access to products • Communication of safety information and knowledge via online channels	• Organization of safety training in different locations • Organization of activities to provide social aid and support, e.g. donation in different locations • Online communication channels
Government Bodies	• Lawful business operations • Transparent business operations	• Compliance with the laws and regulations • Transparent business operations in accordance with the principle of good governance	• Compliance with the regulations and conditions of the government
Competitors	• Transparent and fair business operations	• Business operations with good governance • Fair commercial competition	• Business-related laws

The materiality assessment and topic identification for sustainability

The company selects the topics of sustainable development from collecting information, comments and the stakeholder's expectations for analysis and review by the management team to indicate the important topics or impacts on the company's business operation and the important topics or impacts for the stakeholders and then order them based on the level of importance for the company and stakeholders. Then, the operating plan is prepared by the risk management and sustainability team and presented to the Committee of Risk management and Sustainability Oversight as approver.

The company has the process of materiality assessment and sustainability topic identification as follows;



1. The topic selection

The risk management and sustainability team is responsible for assessment and selection of sustainability topics by considering on the comments and analysis the information of stakeholders and related parties as well as considering on the risks of the company together with the procedures and strategies of business operation, impacts and the stakeholders' expectation as well as the company's sustainability management procedures and international sustainable development goals.

2. Scope of report

Scope of each topic is determined by considering on the impact on the company's business operation and internal and external stakeholders.

3. Assessment of importance level

The selected topics are ordered based on the level of importance by considering on the opportunity, the impacts on the company and stakeholders. The content of the report focuses on the topics with high level of importance and then covers on other topics.

4. Review and creditability

The Committee of Risk Management and Sustainability Oversight is responsible for monitoring the process of the company's sustainability report by providing the suggestions to make it be completed and cover all the important topics that are related to the company and the company's stakeholders as well as giving approval to publish the related policy and other information.

5. Continual Development

The company does the sustainability report to publish the key information about the operation in all aspects to investors and other people for acknowledge and aims to improve the report to meet the international standards by receiving the comments and suggestions from the stakeholders through many channels such as the assessment of SET ESG rating, the satisfactory assessment of customers, the assessment for business partners and the questionnaire of the related parties and etc.

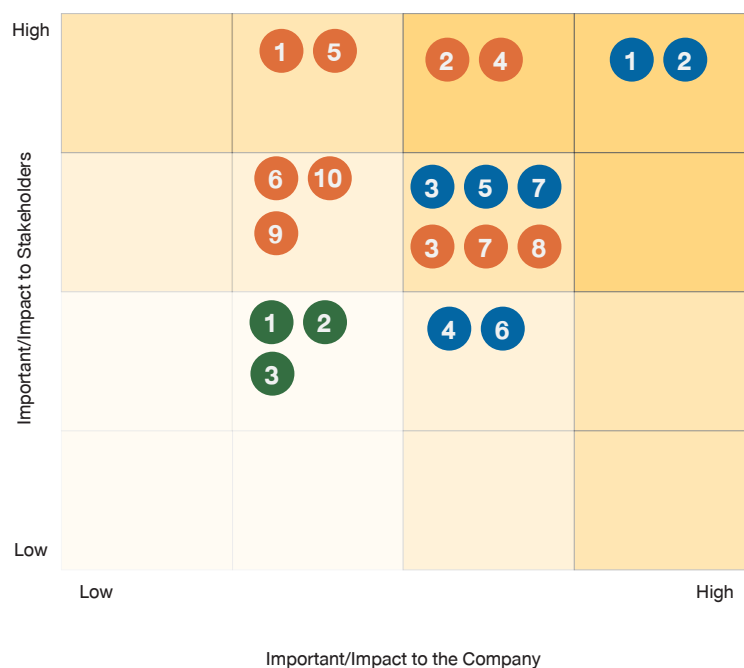
Sustainable Development Issues

In 2023, additional sustainable development issues were identified to cover different business activities and stakeholders' expectations as follows:

Development Issues		
Economy	Society	Environment
1. Easy access to products and services	1. Building employee engagement	1. Efficient use of resources
2. Effectiveness in work procedures	2. Quality products and responsibility towards users	2. Reduction of waste from the procedures
3. Innovation and technology in services	3. Provision of safety knowledge	3. Responding to climate change
4. IT system security	4. Good and safe working environment	
5. Effectiveness of the investments	5. Provision of compensation and staff members' motivation	
6. Building long-term relationship with customers	6. Training and staff members' competency development	
7. Risk management	7. Awareness of human rights	
	8. Business ethics and fair disclosure of information	
	9. Giving cooperation with communities	
	10. Personal data protection	

The Company has prioritized the sustainable development issues that matter to the organization in 2023, by selecting 4 significant issues as follows:

1. Easy access to products and services
2. Effectiveness in work procedures
3. Quality products and responsibility towards users
4. Good and safe working environment



The Company's business operations' goals and issues that are connected with and contribute to support global sustainable goals are as follows:

Key Sustainability Issues	Long-Term and Short-Term Goals	Global Sustainability Goals
Easy access to products and services	- In order to play a part in enhancing safety for community members by developing distribution channels to cover all customer groups; juristic persons and general customers to be able to get hold of safety equipment as much as possible. - Developing online sales channels, the Company's website; www.pholonline.com and increasing the number of visitors.	    
Effectiveness in work procedures	- Creating customer satisfaction - Maintaining customer base in the long term - Reducing operating expenses	
Quality products and responsibility towards users	- Select quality products for users' safety, whereby - All items must be certified of the safety standard. - There should be no customer complaints, exchanges or returns from product quality issues. Users can use the products for the right applications safely.	
Good and safe working environment	- Serious illnesses and accidents from work should be zero. - Illnesses from serious diseases should be zero.	

3. Sustainability Management for Environment

The policy and guidelines of environment

The company focuses on doing business with the environmental responsibility by considering on impacts in all aspects including all stakeholders as well as the impact on environment. The company supports the international and national goals for climate mitigation by implementing the policy of sustainable development and publishing in the company's website. Also, the company has the procedures and guidelines of environmental management and climate change by setting the guidelines and methods how to wisely use the resources and energy, environmental conservation including waste management and waste reduction to prevent, control and lessen impacts on environment, people and society and setting measures as the preparation for the risk of climate change so the business operation can continuously be operated and has less impacts. Besides, the company sets the structure of governance at the director level and appoints the working team in order to make the sustainable operation be efficient.

The company has the environmental goals to control greenhouse gas emission from Scope 1, Scope 2 and Scope 3 to be at the level as planned by implementing the guidelines of management to control the usage of resources with the maximum efficiency as well as having the budget to operate the work according to plans, goals and supporting the organizational culture of sustainability and energy and environment conservation by creating awareness and providing training about environment. Also, there is a continual internal communication within the organization to employee continuous basis in order to have the awareness of environmental

responsibility, and there is a training for target employees and responsible parties (the working team). Besides, the company clearly appoints the responsible people to control and monitor the usage of resources in the organization to wisely use and prepare the operation reports to improve and revise the operation to be effective.

Climate change management

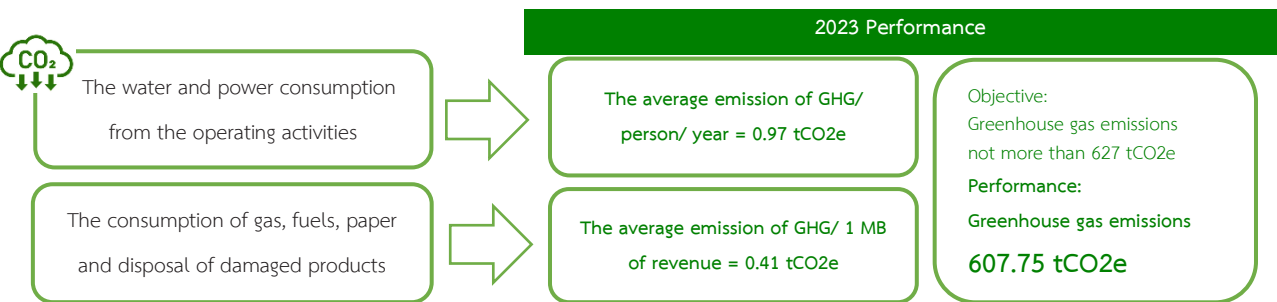
Climate change is a problem that everyone around the world emphasizes on. For the country level, there is a goal of mitigating greenhouse gases. The amount of greenhouse gasses that are increased have the impact on global warming, climate variability, season changes and natural disasters that tends to be severe and become disasters. Besides, there are law, regulations and rules that the government implements for everyone to follow and comply with the agreement of the United Nations Climate Change Conference – the 26th Meeting of the Conference of Parties (COP26) to create the awareness of global warming impacting on the supply chain and cost of products. The company emphasizes and considers on the impacts that can possibly happen by analyzing and assessing the risks of climate change and preparing the plans for minimizing risks and adapting to the risks that can happen to achieve the goal of greenhouse gas reduction that company has.

The performance in term of environment

The management for greenhouse gas reduction.

The company emphasizes on the impacts from greenhouse gas emission leading to global warming and the world’s climate changes by implementing a management plan for the usage of resource that is efficient and worth such as controlling the usage of resources and energy, using alternative energy to decrease the emission of greenhouse gases, improving or revising the operation system, fixing the equipment and renovating buildings as well as using energy efficient appliances and having waste and pollution management.

The company’s business is in the service business. We found that the activities that have the highest greenhouse gas are the power consumption from the air conditioners in the office and the usage of fuels from the company’s vehicles. Therefore, the company implements the activity plan of energy management in order to achieve the goal, which is to control the amount of greenhouse gas emission from Scope 1, Scope 2 and Scope 3 with the appropriate proportion with the growth of organization and manpower. In 2023, the company has CO₂ emission of 607.75 tCO₂e*, increased by 3% from the previous year since the operating activity of the salesperson was increased based on 2023 sales strategies leading to increase the fuel consumption. The company had the resource management that is efficient and worth and the reduction of CO₂ emission from using alternative energy such as installation of solar rooftops as per the activity plan for energy management that the company implemented.



Note: The Company is developing the informative system in order to publish the greenhouse gas emission to all stakeholder which is not passed the review by the external agency. The company set the future operation plans. The calculation is based upon the evaluation of the Thailand Greenhouse Gas Management Organization (TGO). The amount of greenhouse gas emission including the amount of water and electricity consumption, paper usage, fuel consumption of the Company’s transportation vehicles and salespersons’ vehicles.

The management of energy

The company manages the usage of energy that is efficient for both power and air condition system by having the maintenance plans on regular basis in order to have the efficient operation. According to 2023 energy management plans, there are plans for improving the working condition that is appropriate, using energy efficient appliances and applying window films to reduce heat from the outside of the building, reduce the work of the air conditioner, as well as using renewable energy from solar rooftops to save long-term expenses and support the green energy that does not cause any air pollution.

In 2023, the capacity of power produced by fossil the company consumed was 373,725 kWh, decreased by 7.82% from the consumption in 2022 and the capacity of green energy from solar rooftops was 75,760 kWh. As a result, the company saved the cost of energy by THB 273,171 and reduced the emission of greenhouse gas of 35.94 tons carbon dioxide equivalent (tCO₂e)

Renewable Energy from Solar rooftop in 2023



Renewable Energy from Solar rooftop

75,760 kWh.



The accumulative amount of carbon credit

35.94 tCO₂e.

In 2023, the company installed the window films applied for the office building to lower heat and save energy and installed solar rooftops around the company's warehouse at head office as per plan with the effective date of June 2023.



Window films applied for the office building to lower heat and save energy



Solar Rooftop Installation



Water Management

Since the company's operation is the service business, the main operation process has no issue with the usage of water. However, the company emphasizes on the usage of water by implementing the energy and resource management plan, encouraging and arranging the activities so that the employees can be part of the resource conservation and there is a control system to monitor the abnormal usage of water and regularly inspect the utility equipment in the office and warehouse. In 2023, the company's water consumption was increased by 9% from the previous cycle due to the leakage in water system. However, based on the overall 3-year consumption, the company's consumption is constantly decreased.

Waste and Pollution Management

The company emphasizes on the waste management in the right way in order to lower the volume of waste impacting on the environment as well as the pollution management by setting the plan to reduce the volume of waste in the company's office and warehouse. In 2023, the company had the waste management, for example, providing the trainings to employees about the waste management in the right ways, creating the awareness of energy conservation, encouraging the employees to understand the environmental issue. In addition, the company implemented the waste segregation by the type of waste, which is (1) recycle waste, (2) wet waste (3) toxic waste and had the correct waste management for each type of waste as well as reducing the volume of waste by using 3Rs waste management principal (Reduce/Reuse/Recycle). With the right waste management, the company has higher volume of recycle waste than that of last year as well as improving the logistic or distribution process to be effective and check the condition of vehicles in comply with the standard in order to lower the air pollution.

Resource Reduction

The company considers the operation that can lessen the environmental impacts by setting the procurement process of the company to be in line with the green procurement principal, that is to purchase the products and services that are environment-friendly including procuring the environment-friendly materials. In 2022, the company's operation was summarized as follow

- Using the copy paper that is 100% environment-friendly and reusing the paper
- Hiring the copy machine service provider whose products do not have chemicals that are harmful to health and carcinogen and have the eco-label certified the qualification in term of health, safety and environment and use the environment-friendly ink
- The company improved the operating process to reduce the usage of paper and increase the efficiency of operation such as replacing salary slip by E-slip, using informative system for approval and preparing document in other operations, having online meetings with the presentation in electronic form and saved in Google sites instead of printing the document and online conference for Annual General Meeting of Shareholders.

Besides, the company has the policy to support the sales of eco-friendly products and the products that the manufacturers operate in accordance with the policy of CO₂ reduction in their production.

Organizational Culture and Awareness on Energy Conservation

The company appoints the Committee of Risk Management and Sustainability Oversight whose members are directors who drives and reinforce the organizational culture for sustainability. In 2023, the company supported knowledge and created the awareness of energy conservation through activities, Risk News and ISO News.



4 Sustainability management for the society

The company as the distributor of the products for safety, occupational health and environment in the safe workplace pays attention to and encourages to create the safe society, become the organization that have the responsibility for the society and strictly operate in accordance with law and regulation. The company has the sustainability operation goal, which is to not have any complaint cases and any complaint cases that are related to the illegal operations and the violation of ethics and human rights. Also, the company supports and encourages to create the safety and good occupational health for people in the communities that are inside and outside the organization in compliance with the sustainable development guideline, which is “Safer Living”, and with the concept of “Better Together” through the product selection and good quality services that have the safety standards certified by law and the international standard as well as the improvement of distributional channels in order to increase the accessibility of safety products. In addition, the company supports the safety knowledge in the society by providing the training to customers, other people and educational institutions as well as proving the safety knowledge through other channels like website and online channels to create the safe communities and societies. Besides, the company emphasizes on the employee treatment strictly complying with labor law and related law and regulations and human rights principles. Also, the company treats the employees with equality and fairness and gives the importance to the employee’s health and safety by giving the sufficient benefits that are more than the requirements by law and proving the opportunities for the employees to exercise the rights for negotiating for the employee’s benefits in compliance with law.

The performance of human rights

The company respects the human rights through the supply chain value by setting the policy and guidelines of conducts and respects for human rights included in the policy of sustainable development, which is published in the company’s website (https://investor.th.pdgth.com/sustainable_policy.html) and in compliance with Universal Declaration and other international rules in accordance with law. The company emphasizes on the equality and respects of all stakeholders with fairness and under the basic human rights regardless of discrimination in term of gender, ethnicity, religion, color, which is the foundation of living together in the society. The company also reviews the practices of human rights in the organization, encourages the subsidiaries, business partners and stakeholders to perform according to the international standard of human rights and protect the rights of all stakeholders that have the impacts from the violation related to the company’s business operation by considering the compensation that is not lower than the rate specified by law.

The company strictly performs the operation in all operation processes and through supply chain value in comply with the law by doing the risk assessment based on the impact and its possibility, setting the policy of risk management for the partnership, improving the partner selection process under equality and fairness and developing the evaluation form of partners by considering on human rights as well as emphasizing on the employee treatment according to the laws and human rights policy.

The company sets the goals in term of human rights that is to have no impeachment in term of human rights. In 2023, the company had no any cases related to the violation of labor law, discrimination, harassment and human rights and no lawsuits related to labor laws. The company hires the disabled employees in accordance with Empowerment of Persons with Disabilities Act, supports the disabled employees to have the equitable work like the normal employees and supports the fund for the empowerment of persons with disabilities as specified by law.

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.

Labor Practices

The company operates the business in accordance with ethics by implementing the policy and guidelines prescribed in the business code of conduct regarding to respecting human rights and treating employees with fairness, equality and without discrimination starting since employment. Also, there is no child labor. In addition, the company emphasizes on the employment of disabled employees, remuneration, performance assessment, promotion, employee's health and well beings, safety in the workplace and the employee trainings and developments regardless of ethnicity, gender, color, religious, language, the political beliefs and other beliefs, disability and any statues that are not related to the operation. Also, the company focuses on the employment of disadvantaged people such as disabled people and considers on operation with the responsibility for people, society and stakeholders

The company sets the policy of human resource in compliance with the human rights principal as follow;

- Considering on hiring employees according to the annual human resource planning, necessity and appropriateness by equally proving the opportunities to everyone including female workers, disabled workers and disadvantaged workers. The employees that receive the letter of offer have to pass the selection process in which the company reviews the qualification based on the education background, experiences and skills that are appropriate for the assigned position.
- Considering on hiring the disabled employee based on the appropriateness and the working condition of the company. If the company cannot hire the disabled employee, the company contributes the money to the fund for the empowerment of persons with disabilities as specified by law
- Performing the duties in comply with the laws by avoiding the actions that are illegal and respecting the human rights of child labor and women by supporting the trainings in accordance with relevant rules and regulations
- Implementing the policy in which the employees perform the duties according to the relevant laws and the company's rules and regulations including the code of conduct and honesty.
- Supporting the employees to have the equitable training and development for promotion by considering on the employee's knowledge and skills that depend on the quality and key performance indicators under the code of conduct.
- Reviewing on the salary and compensation for the employees under fairness by considering on the roles and responsibility of each position, the economic condition, the cost of living and the current wage and salary in the market and then comparing the compensation to be close to or better than that of the companies doing the same business.
- Supporting the employees to have the better quality of life in the working place, have good health, safety and occupation health and be happy by encouraging the employees to share the comments in order to improve the quality of working place to be better.
- Supporting the unity and teamwork by creating the understanding between employees and executives and among employees themselves as well as giving the opportunities to employees to share the opinions and make the complaints. When the company receives employees' opinions or complaints, the company follows the procedures and guidelines.

Employee Treatment

Employees are the valuable resources and the important factor for driving the organization to be effective and efficient. Therefore, the company always gives the importance to the employee expectations for well beings and growth or promotion and employee engagement. In the previous year, the company focused on the employee development to support the organization's goals as well as the skill development of the employees to meet the employee's demands and expectation especially for career path, talent management and performance assessment process, which is a very important topic and is necessary to concisely and carefully manage for the better impacts for the organization and employees.

The company emphasized on the employee treatment in order to improve the employees' health and good quality of working place such as the annual health check and the proper maintenance of the working place that is to have the sound and light check in the working environment. Also, the company supplies the proper equipment for work, for example the safety equipment, the ergonomics related equipment and concerns on the safety and hygiene of equipment in the office. In addition, the company has the measurement to control the pandemic such as COVID and influenza in the office. In order to enhance the relationship with the employees, the company gives the opportunities to the employees sharing the comments about the good welfare and working condition. Also, the company assigns the Welfare Committee, who are elected by all employees to be the representative that is responsible for welfare by providing the comments, suggestions and complaints that are useful for the welfare management. It gives the opportunities for the communication in term of suggestions and complaints regarding to working, heath and working environment in which the Welfare Committee is the representative of employees discussing and working with the employers as well as reviewing the solutions that are beneficial for all stakeholders and create the good relationship in collaboration.

Employee Engagement

The company does the survey for collecting the employee's opinions and suggestions every year in order to improve employee engagement based on the opinions and suggestions. In 2023, the employees completed the survey, accounted for 100% showing that the employees gave the importance to the company's management system guideline. The overall engagement score was around 74.79%. The company reviewed and analyzed the data based on the survey to implement a plan and revise the operation that is appropriate. The company arranges the activities in which the employees can participate in order to increase employee engagement, and all criteria are in writing and communicated to all employees for understanding such as promotion, team building activity and the improvement of landscape and working condition in workplace including canteen to support the employees for happily and safely operation. In addition, the company does the survey for employee's opinion before arranging activities and appoints a team as the representatives from employees to make the decisions for the organization's main activities such as team building activity and new year party, etc.

คะแนนความผูกพันองค์กร
(Overall Engagement Score)

Objective

Average Employee Engagement Survey
≥ 70%

Performance

Average Employee Engagement Survey

Y2023 = 74.79 %

Y2022 = 70.94 %

Y2021 = 71.09 %



The company continuously communicates the business directions and the organization's activities and other information to all employees through many channels and are open for the opinions and suggestions from the employees. Besides, there are direct communications from CEO in form of policy statement twice a year to ensure that the employees understand the business direction and to create the inspiration and to give the Q&A opportunity for employees. In addition, the Company arranges the meeting between CEO and middle management group once a month in order to exchange information, expressing opinions or propose guidelines for developing and improving work process to be more efficient, quickly and reduce duplication and problems, etc.

Remuneration Management, Employee Retention and Career Paths

The company gives the importance to the management of remuneration that is appropriate, fair and be able to motivate for work and regularly does the benchmarking survey for remuneration and benefits among the companies with the same business to review and revise the criteria of remuneration to be appropriate. The company clearly sets the criteria for remuneration, performance assessment, salary increase and promotion in writing for the employee's acknowledgment and motivation. The company has the policy of special payment for employees whose performance is better than the target and bonus payment based net profit. The employees have the performance assessment for twice a year to monitor the performance as per plan and be information for the development of skills sand potential as well as to support for training and development of employees. In 2023, the company paid the remuneration for employees with the amount of THB 133.42 million. The female: male proportion was 47:53.

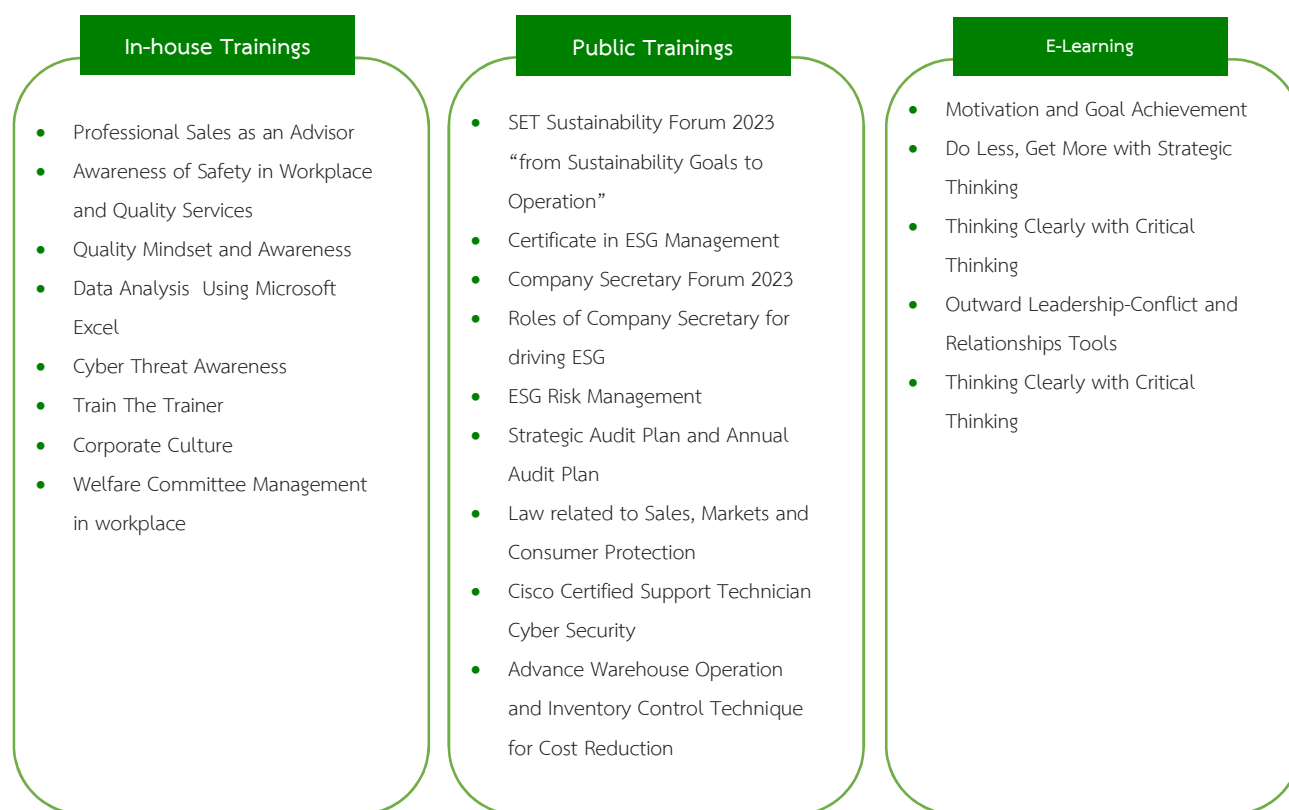
Besides, the company considers on the development and career path the employees want every year and gives the opportunity and support for the employee's career advancement in order to have the employees that are knowledgeable and have enough experiences. The employees, therefore, can have career path through career management and talent management. As supporting the growth in the organization, the company prepares the various skill development plans through individual development plan and succession plan in important position to prepare personnel for the organization to be able to operate continuously and supporting for retired employees by having successors and the appropriate development for successors.

Employee Potential Development

The company emphasizes on the personnel potential development and promotes the organization to have good and smart people by implementing the policy of personnel potential development and preparing the individual development plan in accordance with the strategic directions and the organization's goals as well as providing trainings to enhance knowledge and skills applied for the current and future work so the employees can apply the knowledge and skills for self development and operation improvement to be efficient and for career path with the sustainable development.

Every step of the company's growth and success always has employees who can make the company achieve the goals. This is the reason why many organizations focus on the individual development ensuring that the employees have knowledge and skills that are enough for the today's rapidly changing situations. The company gives the importance to people development in order to enhance knowledge and skills for the employees so they can apply knowledge and skills for self development and operation improvement, that is efficient, by using the organization's key performance indicator and preparing the individual development plan according to the goal. In 2023, the company provided the training for people development based on the appropriateness of individual development plan by in-house trainings and public trainings. Besides, the company develops the trainings in form of hybrid learning consisting of E-learning and virtual classroom. The Company works with a training institution that is expert to arrange the training through the modern platform for employees. The company gives the employees to select the courses they are interested in to up skill and re-skill in the E-Learning and Virtual Classroom platform for unlimited.

Important training courses in 2023 include:



For 2023 trainings, the number of training courses can be divided; In-House training: 49 courses, Public trainings and E-Learning: 116 courses. There was 196 employees from total 196 employees received the trainings, accounted for 100% and 8 courses per person per year on average. The total training hours were 842 hours, accounted for the average training of 35.52 hours per person per year. Based on the target, the employee should receive training at least for 6 hours per person per year.

The Organization Culture



In 2023, the company implemented the development plan and promoted the organizational culture for continuous awareness and understanding of the organizational value and culture, which is PHOL-D by communicating to employees through email and the company's line group as well as through HR Journal, which is published only monthly basis. Also, the company gave the opportunity for employees to participate in Q&A regarding to the organizational culture and to arrange team building activity in order to create the organizational culture in the concrete way. The company focused on the participation of directors and employees through the activities that are arranged in the accordance with "PHOL D" organizational culture supporting the working behaviors to comply with the organization's goals and vision and the positive attitudes for working together resulting in the cooperation among senior directors and employees in all levels.

Based on the survey in regard to the employee's organizational culture awareness, the result was better if compared with that in 2022. The overall result was 88.20% showing the success that the senior directors and employees at all level work together resulting in having the working behavior "PHOL-D" in compliance with the company's goal and vision.

In 2023, based on HR Journal regarding to moral and ethics, there are 188 employees who acknowledged. Based on total employee of 200 people, there are 123 people who participate Q&A in HR Journal

Team Building Activity



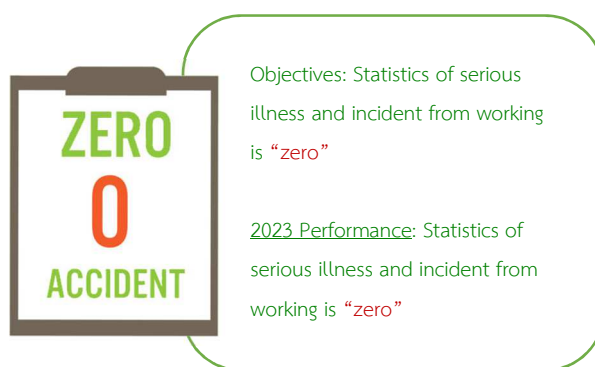
The safety, occupational health and working environment

The Company is aware of the importance of safety of lives, health and hygiene in work settings for staff members and related parties, and has established the standardized occupational health and safety management system to serve as the direction to set up the safe working environment and has been certified of the ISO 45001:2018 standard since 2012. The company strictly performs the duties following the relevant laws. There is the Committee of Safety, Occupational Health and Working Environment. The Committee consists of 1 representative from executives as the head of Committee, 2 employer representatives,

3 employee representatives and 1 safety officer technical level acting as the Committee and the Committee of Secretary. Also, the safety officer supervisory levels are assigned to be responsible for the working area of each floor which is in accordance with Ministerial Regulation on the Prescribing of Standard for Administration and Management of Safety, Occupational Health and Environment B.E. 2549. The safety officer supervisory levels are responsible for controlling and monitoring the events related to the safety, occupational health and environment to be in line with the safety policy, performing the risk evaluation and doing the operation and prevention plans regarding to the risks related to safety, occupational health and environment. The company sets and publishes the safety policy on the company's website; www.pdgth.com

In 2023, the company continuously improved the operating process and the efficiency of safety under ISO45001:2018 in order to reduce the risk from illness, injury and death and to take care of employees to have the good and appropriate quality of life and be ready for working through danger identification, the risk assessment of the workplace, improvement, follow-up and report. The company has the maintenance plan to check the quality of environment in the work place at least one a year. Based on the report, the quality standard of air, odor, sound and light was normal as specified by law. Also, the company provides the resources supporting the safety environment in the working place and creating the safety culture through basic training of firefighting and fire drill and fire evacuation drill which are the compulsory courses for all employees. In addition, the company communicates, creates the awareness and assesses the operation and working places to be in line the surveillance plan and measurement of occupational health and safety. There are many programs or activities implemented for supporting the safety policy that are PHOL – No Alcohol program, Annual health check program and PPE program. Besides, although COVID-19 situation gets better, the company considers on the impacts that can possibly happen by assessing and setting the appropriate operation measures.

The company continuously provides the information and news regarding to the safety and occupational health every month in order to increase the employee's awareness of the risks and dangers that can be happened in the working and daily life through email. Also, the company launches the campaigns for reducing accidents, the campaigns for safety, and the exercise programs for preventing office syndrome. The company shares the information about pandemic, occupational diseases and its prevention, the regulations and rules related to safety, occupational health such as labor law, safety law, transportation law, regulations of Ministry of industry, Laws related to business operation or new laws. All information is collected and documented as the file so that the employees can read and study. Besides, the company provides the trainings to all employees about courses related to safety and occupational health, injury reduction or office syndrome such as Occupational Safety Officer course Supervisor Level, Safety course in Electrical Work, Safety Awareness and Quality Service course, Ergonomics and Safety Operation course and etc.



The operation for creating social value

The management and sharing safety information

The company provides the trainings regarding to safety and occupational health and how to correctly use the safety equipment for the customers who purchase the products as well as notification alert for product inspection to support the maximum safety in the workplace. Also, the company provides the trainings to the external people since as universities with program in occupational health and safety, occupational health and safety officers, students in institute of vocational education and any users using safety equipment. The company continuously supports the training in order to create the safe society and also prepares materials or medias about safety and health equipment in several forms such as www.thai-safetywiki.com containing information about safety and occupational health, information and collecting information related to the standard of safety equipment and other information and news about health. Also, there is Facebook: Thai-safetywiki, Pholdhanya publishing information about safety, Facebook: @PHOL informing information to customers, general users and other people and other channels such as Line Application: @PHOL and @Dek Jor Por, which are the communication and Q&A channel for students that the company provides the safety training for universities, and TikTok: Phol Online, sharing knowledge in form of videos about safety. In 2023, there were more 500,000 people visiting and reading articles from website: thai-safetywiki.com and many followers following other online channels.

The Distribution of Safety equipment to the Community

The company gives the importance to promote knowledge and train how to correctly use and wear the safety equipment in the workplace and to support everyone as working officers to have the awareness of safety in workplace. In 2023, the company sufficiently and continuously delivered the safety equipment to the university and institutes of vocational education as well as other agencies that help other people and needs the safety equipment for officers such as hospitals and sub-district health promotion hospitals. Besides, the company gave the safety equipment to Department of Corrections for volunteer activities providing public benefits to society. In 2023, the company also delivered equipment to total 9 educational institutions, hospital and other agencies, accounted for THB 2.01 million.



5 Operation Efficiency

The company focuses on improving the operation system to increase the operation efficiency for integrated operation, which is the important factor for supporting the organization to be operated according to the organization's goals and objectives by continuously creating the business growths. The company gives the importance to customer based on Customer Centric Principles or does the business with customer centric by creating the customer's satisfactory though quick and efficient response to the customer's demands. With COVID-19 outbreak, the digital technology has been improved. The customers, therefore, can easily and quickly search and select the products. With this reason, the company decides to improve the digital market in order to quickly satisfy the customer's demands. The company always operates the business in accordance with Quality Management System Standard ISO9001:2018 so the customers have the confidence that the operation process in the organization has the appropriate and auditable control system and it is to support the organization to be able operate based on the customer's requirements.

The company considers on supply chain management to have potential and satisfy the customer's demands and all stakeholders. There is supplier management and resource management, which is to manage the existing resources with the maximum benefits for organization and efficiency. Also, the operation system in the organization is continuously improved by applying the modern and secured information system for the management of operation process and data processing that is precise, fast and efficient and being used for making decision on important topics by the management team and supporting the organization's long-term growths. Besides, the company can handle the crisis events that can happen any forms so the organization can continuously operate based on business continuity plan (BCP). The company implements enterprise resource management (ERP) and business application for improving the management including operation level and controlling and monitoring performance. The important computer system programs supporting the operation process to be efficient are warehouse management system (WMS), dashboard system using for report and analysis of sales and operation performance and customer relationship management program (CRM) as well as the improvement of approval systems to be available in the information system to quickly operate, decrease steps and be able to approve anywhere, which is quick, creates customer's satisfactory, be able to quickly and easily reviews and monitors operation and most importantly, reduces the consumption of paper used in operation too.

The company improves and revises the operation strategies to be in line with the changing situations and behaviors of normal consumers so the customers can conveniently and rapidly get products by improving distribution channel through the company's website, which is www.pholonline.com. It's E-commerce with full functionality including payment systems that are various and secured and consent management system that is in compliance with Personal Data Protection Act (PDPA). Besides, the customers can purchase the products from other market places that are popular such as Shopee, Lazada, NOC NOC, Line MyShop, TikTok Shop: pholonline and other shops like Konvy, Beautrium and book shops like SE-ED, Nain and etc.

The company improves the communication channels providing recommendations for selecting safety products and equipment and suggestions how to correctly use products and equipment as well as receiving complaints and suggestions from other popular online channels like Facebook, Line Application, Website and Email, for convenience and quick and comprehensive responses.

The operation for customer services

The company performs the business by considering on the responsibility for society and all stakeholders throughout the supply chain value. The company puts the importance to select and distribute the safety products that meet the international safety standard. The company also has the policy to distribute the products that are certified with the safety standards as specified by laws. In case the products have any issues or defects, the company allows the customers to return the products as per specified guidelines.

Besides, the company continuously develops the employees to be professional and be able to provide information to the customers and understand how to correctly use other products and equipment so the customers can safely and efficiently use the equipment. The company identifies the clear criteria and assessment process of manufacturers, product selection and quality control process as well as to improve other operation systems to satisfy the customer's demands and to increase the customer's satisfactory as well as to consider on the customer's rights in accordance to human rights principles and business code of conduct. Also, the company strictly operate in compliance with law including consumer protection law, Personal Data Protection Act B.E. 2562 (2019) (revision version) and related law and regulations.

The selection and distribution of safety products.

The company operates the main business in distribution of products and services related to the safety, occupational health and environment. The company's distributed products are a part of things making the quality of life and community be more safety according to Vision and Mission of the company to deliver the quality products meets the international standard to be life safety. The company also emphasizes on the safety standard of the products distributed to the customers because it's related to the life and health of the users. The selection of products and manufacturers is the first priority of the company so that the users can safely use the products. Therefore, the company implements the distribution policy in which is to distribute the safety products with the standard certified by laws such as Thai Industrial Standard, Standard of Food and Drug Administration, American National Standard (ANSI), Conformance European Standard (CE), Japanese Industrial Standard (JIS) and other standards that are acceptable in Thailand and International. In addition, the products should be the products that are violations of intellectual property, license or patent. In case the products do not meet the customers' demand, there is a satisfaction guarantee in which the customers can return the products within 7 days. All products that company distribute will be passed the selection criteria ensuring that the products meet the standard and are in line with the working condition of customers. Besides, the company strictly control the quality of the products by assigning the procurement team to work with the distributors and manufacturers to control the quality and certify the safety of the products.



Suggestions as professional

Apart from safety products and services, the company also emphasizes on providing the knowledge and understanding of using the equipment to other users and other people that are interested in so that everyone can efficiently and safely use the safety equipment. The company, therefore, regularly provides the trainings about products, standard and usage to the sales people as well as conducting the annual test for the sales people so that the sales people is not only responsible for selling the products but also providing the suggestion to the customers.

The selection of manufacturers and control of product quality

The Company advocates to sustainable development practices throughout the supply chain. Hence, the Company strives to promote this principle towards suppliers, who play critical roles in the Company's business operations and are part of the supply chain. It also serves to promote joint development efforts to foster sustainable growth, societal and environmental development in a wider circle. The Company determined the policy and guideline of procurement with transparency, fairness and no discrimination according to the code of conduct, which is published in the company's website; https://investor-th.pdgh.com/code_of_conduct.html. In 2023, the Company has compiled this Suppliers' Code of Conduct as a guided practice for all suppliers who are willing to deal businesses with the Company, to ensure that suppliers' business operations do not violate the Company's Code of Conduct, while at the same time encouraging business operations to be in line with the principle of corporate governance, with societal and environmental responsibility.

For selecting suppliers or manufacturers, the Company has determined the evaluation process for manufactures that take human rights principle and no child and slave labors. For new suppliers, they have to pass the selection criteria in term of quality, safety standard, timely distribution and service, do not violate laws and follows the code of business conducts and supplier's code of conduct. For the existing suppliers, they are regularly evaluated and there is a visit for the manufacturer's factories. In case there is any issue or problems, the company work with the partners to appropriately solve the issue. The company considers the qualification of business partners in term of fairness, ethics, society and environment. The company also implements the policy of internal control that is appropriate for checking the quality of products. With this regard, the products that the company distributes have the quality and standard and can be safely used.

Besides, the company has the policy to develop "Own Brand" products with the manufacturer to increase the potential of the competition. The company visits the manufacturing factories and arranges the seminars with the business partners and customers. The company continuously has the growth of "Own Brand" products. In 2023, the company had the sales volume of "Own Brand" products accounted for 19% of total revenue of products and services.

In 2023, based on the customer satisfaction survey, the result of the customer satisfaction was 96.60% on average. Also, there was no any customer complaints that have the significant impacts on the business. Based on the comments from customers, the company improved the services, for example, doing product development with the manufacturers to resolve the issues the customers face, improving the distribution system to be faster by using technology to increase the customer satisfaction and increasing the distribution channels to enhance the accessibility of safety products to be easier and quicker.

Objective

Average customer satisfaction survey $\geq$ 98%

2023 Performance

Average customer satisfaction survey

Y2023 = 96.60 %

Y2022 = 98.08 %

Y2021 = 98.37 %



The company implements the communication policy by providing the data and information to customers according to the law of customer protection. Information and the impact from using product and services are communicated to the customers. All distributed products, therefore, should have the product label, instruction manual and key information such as manufacturer, manufacturing date, expiry date, how to use, impact on health and contact detail. For advertising, it should be aligned with laws, product characteristic, product features, and no hype. The company implements the control system through the approval before launching the advertises. Besides, the company focuses on all customers' suggestions in order to improve the services and present the products that meet the customers' demand. Supporting the various usages, which is a part of sustainable develop, the customers can contact through many channels such as website, email – marketing@pdgth.com or through social media like Facebook and Line and via telephone: 02-791-0111 ext. 212.

The company prepares the sustainability report to publish for all stakeholders to understand the sustainability development guideline and the company's performance covering economy, society and environment with references global reporting initiative standard (GRI), which focuses on the topics that are related to the company's business operation and topics that stakeholders are interested in and shows the company's commitment in developing the organization to have the sustainable growth.

The company already published 2023 sustainability report in the company's website. You can see further information at www.pdgth.com



Management Discussion and Analysis

Operating Performance Overview

Referring to the operating performance in the consolidated financial statement for the year, ending December 31, 2023, Phol Dhanya PCL (the Company)'s total revenue from sales and services were 971.43 MB, decreasing by 29.05 MB or 2.90% compared to the last year with revenue from sales and services of 1,000.48 MB, mainly from revenue from Occupational Safety, Health and Environment Products or 'SAFETY' and Control Environment Product or 'CE' were decrease mainly due to a significant drop in market prices and demand of rubber gloves, nitrile gloves and disease related products. However, SAFETY and CE products used in the industrial sector are still securing a continuous increase in purchase orders in pursuit of the expansion of the manufacturing sector in key industries, and the revenue increased from new customers and new products marketing in healthcare products. In addition, revenue from Water Solution Products or WATER were increase from selling products, machinery and equipment for construction projects and revenue from water treatment system installation services and maintenance services increased compared to the same period of the previous year. The gross profit increased compare to the previous year due to the proportion of sales of products with high gross profit margins increased and adding new products and increases of selling price in some product categories, as the result, the company's gross profit was 258.67 MB, representing gross profit margin of 26.63%. Distribution costs and administrative expenses were increase mainly from advertising and promotion expenses and employee expenses. Other income increased mainly from receiving refunds on fines and fees from water treatment projects.

Summary of operating results for the 2023, the Company's net profit attributable to equity holders of was 58.30 MB, representing a net profit margin of 6.09%, increasing by 4.26 MB or 7.89%, compared to the previous year with 54.04 MB of net profit attributable to equity holders, representing a net profit margin of 5.39%.

Operating results

Unit : MB				
	Y2023	Y2022	Increased (Decreased)	% YoY
Revenue from sales	950.14	984.36	(34.21)	-3.48%
Revenue from rendering of services	21.28	16.12	5.16	31.99%
Total Revenues	971.43	1,000.48	(29.05)	-2.90%
Cost of sales	(698.00)	(732.12)	(34.12)	-4.66%
Cost of services	(14.76)	(10.63)	4.14	38.92%
Total Costs	(712.76)	(742.74)	(29.98)	-4.04%
Gross Profit	258.67	257.74	0.93	0.36%
Gross Profit Margin (%)	26.63%	25.76%		
Other income	11.51	2.86	8.65	302.79%
Total Distribution costs and administrative expenses	(194.63)	(187.69)	6.95	3.70%
Operating Profit	75.54	72.91	2.63	3.61%
Operating Profit Margin (%)	7.77%	7.12%		
Loss from impairment of financial assets	(9.31)	-	9.31	
Finance costs	(2.40)	(2.82)	(0.42)	-14.79%
Reversal of allowance for credit loss (credit loss) on financial asset-nets	9.14	(1.17)	7.97	683.57%
Share of profit (Loss) form investment in joint ventures	0.92	(0.27)	0.66	
Income tax expenses	(14.17)	(14.62)	(0.45)	-3.06%
Profit attributable to equity holders	58.30	54.04	4.26	7.89%
Net profit margin (%)	6.09%	5.39%		
Basic earnings per share (Baht)	0.29	0.27	0.02	7.89%

Revenue from Sales and Services

Unit : MB						
Revenue Structure	Y2023	%	Y2022	%	Increased (Decreased)	% YoY
Occupational Safety, Health and Environment Products (SAFETY)	722.85	74.41%	746.81	74.65%	(23.97)	-3.21%
Control Environment Products (CE)	216.33	22.27%	222.69	22.26%	(6.37)	-2.86%
Water Solution Products (WATER)	32.25	3.32%	30.97	3.10%	1.28	4.13%
Total revenue from sales and services	971.43	100%	1,000.48	100%	(29.05)	-2.90%

In 2023, the total revenue from sales and services provision were 971.43 MB, with 722.85 MB of Occupational Safety, Health and Environment Products or 'SAFETY', accounting for 74.41%, 216.33 MB of Control Environment Products or 'CE', accounting for 22.27% and 32.25 MB of Water Solution Products or 'WATER', accounting for 3.32%.

The revenue from sales and services provision in SAFETY products was 722.85 MB, decreasing by 23.97 MB or 3.21% compared to the previous year, mainly due to a decrease in market prices and demand of rubber gloves, nitrile gloves and disease related products. However, SAFETY products in other categories increased in purchase orders from industrial customers in accordance with the expansion of the industrial sector and more revenue from technical and engineering safety and environment products. In addition, revenue from new customers increased from new products marketing in related to the chemical storage of hazardous chemicals and healthcare products.

The revenue from sales and services provision in CE products was 216.33 MB, decreasing by 6.37 MB or 2.86% compared to the previous year due to the main customers in the electronics industry reducing their order quantities according production decreased. In addition, revenue decreased from the decrease in market prices and demand of rubber gloves and nitrile gloves. However, revenue from CE products increased sales from adding item products to existing customers and new products marketing in the medical industry.

The revenue from sales and services provision in the WATER products was 32.25 MB, increasing by 1.28 MB or 4.13% compared to the previous year, mainly due to the revenue from water treatment system installation services and maintenance services increased compared to the previous year. In addition, revenue increased from selling products, machinery and equipment for construction projects of joint ventures.

Other Income

In 2023, the Company had other income of 11.51 MB, increasing by 8.65 MB compared with other income of 2.86 MB in the previous year. Other income increased mainly from debt repayment and refunds fines and fees from water treatment system projects that end of the lawsuit amount of 4.91 MB and gain on exchange rate of 1.50 MB and other income of 5.10 MB.

Cost of Sales and Services

The Company's total costs in the year 2023 were 712.76 MB, comprising of 698 MB cost of sales and 14.76 MB cost of rendering of services. Cost of sales decreased proportionally with lower revenue from sales and cost of services increased proportionally with higher revenue from services. Costs of sales and services accounted for 73.37% of revenue from sales and services. The Company's gross profit was 258.67 MB, representing gross profit margin of 26.63%.

Distribution Costs and Administrative Expenses

In 2023, distribution costs and administrative expenses were 194.63 MB, consisting distribution costs of 102.23 MB and administrative expenses of 92.40 MB. Distribution costs were increase mainly from salespersons' travelling, advertising and promotion expenses in line with increased sales and marketing activities. Administrative expenses increased mainly from employee welfare and training, meanwhile, doubtful accounts and other administrative expenses decreased.

The company's financial cost was 2.40 MB, decreasing by 0.42 MB or 14.79% compared to financial cost of 2.82 MB in the previous year.

Other Transactions

In 2023, the Company recorded loss arising from bad debt of financial assets of 9.31 MB, reversal of allowance for credit loss on financial assets-net of 9.14 MB and share of profit form investment in joint ventures of 0.92 MB.

Net Profit

In 2023, the company's consolidate net profit attributable to equity holders was 58.30 MB, accounted for net profit margin 6.09%. Net profit increasing by 4.26 MB or 7.89% compared to net profit attributable to equity holders of 54.04 MB, accounted for net profit margin 5.39% in the previous year.

Financial Position

Unit : MB						
	December 31, 2023		December 31, 2022		Increased	%
	Amount	%	Amount	%	(Decrease)	Change
Current Assets	468.44	72.81%	455.95	71.37%	12.49	2.74%
Non-Current Assets	174.95	27.19%	182.87	28.63%	(7.92)	-4.33%
Total Assets	643.39	100.00%	638.82	100.00%	4.57	0.72%
Current Liabilities	234.39	36.44%	241.89	37.79%	(7.50)	-3.10%
Non-Current Liabilities	34.60	5.38%	43.36	6.77%	(8.76)	-20.20%
Total Liabilities	268.99	41.82%	285.25	44.56%	(16.26)	-5.70%
Shareholder's Equity of the Company	374.28	58.18%	354.87	55.44%	19.41	5.47%

Assets

As of December 31, 2023, the Company's total assets were 643.39 MB, increasing by 4.57 MB or 0.72% from December 31, 2022. The assets increased from current assets, increasing by 12.49 MB or 2.74%, mainly from cash and cash equivalents increased by 8.13 MB, trade and other current receivables-net increased by 10.28 MB. However, short-term loans to relate parties decreased by 2.94 MB and net-inventories decreased by 3.06 MB. Non-current assets decreased by 7.92 MB or 4.33%, mainly from investment in joint venture decreased by 1.33 MB, property, plant and equipment-net decreased by 2.43 MB and deferred tax assets - net decreased by 2.65 MB.

Liabilities

As of December 31, 2023, the Company's total liabilities were 268.99 MB, decreasing by 16.26 MB or 5.70% from December 31, 2022. Current liabilities decreased mainly from short-term loans from financial institutions decreased 13.27 MB while, trade payable increased by 6.03 MB.

Non-current liabilities decreased mainly from non-current provisions for employee benefit of 7.34 MB and lease liabilities decreased 1.42 MB.

Shareholder's equity

As of December 31, 2023, Shareholders' equity of the Company was 374.28 MB, increasing by 19.41 MB or 5.47% from December 31, 2022. Shareholders' equity increased from 58.30 MB of net profit for the period and 3.64 MB of other comprehensive income, while shareholders' equity decreased mainly from dividend payment of 42.53 MB.

Cash flows

	Unit:MB	
	December 31, 2023	December 31, 2022
Cash flow from (used in) operating activities	68.08	27.42
Cash flow from (used in) investing activities	0.71	(16.04)
Cash flow from (used in) financing activities	(60.68)	(16.50)
Net increase (decrease) in cash and cash equivalents	8.12	(5.12)
Cash and cash equivalents at the end of the period	61.68	53.55

For the year, ending December 31, 2023, the Company's net cash from the operating activities was 68.08 MB, with operating profits prior to changes in the operating assets and liabilities of 88.98 MB. Cash flow increased from trade and other payables increased by 6.98 MB and inventories-net decreased by 1.20 MB. While, cash flow decreased from trade and other current receivables increased by 10.54 MB, payment for employee benefit of 6.29 MB, payment for income tax 13.25 MB, however, cash received from income tax return of 0.98 MB.

Cash flow from investment activities was 0.71 MB from received short-term loan to related parties of 4.44 MB, return of capital of investment in joint venture of 2 MB and interest received of 0.78 MB. However, cash used to payment short-term loan to related parties of 1.50 MB, to install solar rooftop and utility improvement of 3.32 MB, office building improvement and purchase equipment of 1.59 MB and purchase computer software of 0.45 MB.

Cash flow used in financing activities was 60.68 MB to repayment of short-term loan from financial institutions of 13.27 MB, repayment of long-term loans from financial institutions of 0.62 MB, repayment of liabilities under lease agreement of 2 MB, interest expense of 2.23 MB and dividend payment of 42.57 MB.

Operational Direction and Factors that may Affect the Company's Business Operations in the Future

In 2024, the Company's overall business outlook boasts a continuous growth momentum, with the revenue growth target set at 15% from the previous year, given supports from the manufacturing sector in different industries with the tendency of expansion following higher demand for products and services arising from the economic stimulus measures and the expansion of the tourism sector, as well as the trade recovery between Thailand and major trade partners, resulting in positive growth of the industrial sector, which then supports growth for the products and services in safety, occupational health and environment. However, risk factors remain prevalent that may affect the overall industrial economy, for instance, the global economic slowdown from the geopolitical tension, higher costs of the business sector from energy prices, interest rates, and consumers' purchasing power that may prevent the industrial sector from achieving growth as forecasted.

The Company has devised the growth strategy for its core business in the distribution of safety, occupational health and environment products or SAFETY, and control environment 'CE' products, by developing new products and services, as well as developing a house brand to accommodate the expansion of customer base in different industries that have a tendency to grow, including the government sector. The enhancement of supply chain management effectiveness, development of human resources, increased incorporation of the information technology system to uplift the competitive edge. Furthermore, the Company has a policy to increase the proportion of distributing products from manufacturers who have the social and environmental responsibility policy in place, to be in line with customers' environmental policy that tends to be more intensive. For the water treatment for consumption and utilization business, or WATER, apart from the water treatment service, the Company has a plan to expand the service to other environmental management projects. In terms of new business opportunities creation, the Company plans to expand the customer base to the medical and health industries that has a promising growth outlook in the future. With the emphasis on health and the aging society, relevant products and services have been added, for example, blood and secretion protection equipment used in operating rooms, products for the elderly such as adult diapers, healthcare products; ergonomic devices or ergonomic chairs, etc.

Key Financial Statement and Financial Ratio

Statement of Financial Position

Unit: MB.			
Statement of Financial Position	Consolidated Financial Statements		
	Y2023	Y2022	Y2021
Assets			
Current assets			
Cash and cash equivalents	92.27	48.85	59.14
Trade and other current receivables - net	238.20	250.06	179.70
Short-term loans to related parties - net	-	0.00	-
Current portion of long-term loans to employees	1.10	1.49	1.51
Inventories - net	235.38	235.09	223.22
Current tax assets	4.34	1.14	0.00
Total current assets	576.63	770.07	508.18
Non-current assets			
Deposits at bank pledged as collateral	30.09	0.00	0.00
Investment in joint ventures	0.00	0.00	0.00
Long-term loans to employees - net	0.37	0.37	0.47
Investment properties - net	6.74	7.22	7.70
Property, plant and equipment - net	131.98	159.12	140.69
Right-of-use assets - net	0.00	0.00	0.00
Intangible assets - net	1.92	1.98	1.56
Deferred tax assets - net	37.00	18.47	6.12
Other non-current assets	1.02	1.61	0.20
Total non-current assets	210.85	190.88	159.21
Total assets	787.48	960.95	667.40

Statement of Financial Position	Consolidated Financial Statements		
	Y2023	Y2022	Y2021
Liabilities and shareholders' equity			
Current liabilities			
Short-term loans from financial institutions	91.27	104.53	61.72
Trade and other current payables	133.24	126.69	165.03
Current portion of long-term loan from financial institution	-	0.62	7.14
Current portion of lease liabilities	1.75	1.84	0.73
Current income tax payable	6.01	6.02	9.11
Provision for constructions and service contracts	2.13	2.19	2.57
Total current liabilities	234.39	241.89	246.31
Non-current liabilities			
Long-term loan from financial institution - net	-	-	0.62
Lease liabilities - net	1.65	3.07	1.61
Non-current provisions for employee benefit	32.95	40.29	39.42
Derivative liabilities	-	0.00	0.11
Total non-current liabilities	34.60	43.36	41.76
Total liabilities	268.99	285.25	288.06
Shareholders' equity			
Share capital			
Authorized share capital			
202,500,232 ordinary shares, Baht 1 par value	202.50	202.50	202.50
Issued and paid-up share capital			
202,500,232 ordinary shares, Baht 1 par value	202.50	202.50	202.50
Premium			
Premium on share capital	137.84	137.84	97.69
Deficit from the change in the ownership interests	(2.19)	0.00	0.00
Retained earnings			
Appropriated to legal reserve	16.20	16.20	16.20
Unappropriated	(119.51)	(2.04)	48.85
Other component of shareholders' equity	0.59	(2.20)	0.04
Total shareholders' equity of the Company	235.43	352.31	324.78
Non-controlling interests	(1.30)	(1.30)	(3.48)
Total shareholders' equity	234.13	351.01	321.30
Total liabilities and shareholders' equity	787.48	960.95	667.40

Statement of Comprehensive Income

Unit : MB			
Statement of Comprehensive Income	Consolidated Financial Statements		
	Y2023	Y2022	Y2021
Revenue from sales	950.14	984.36	1,203.45
Revenue from rendering of services	20.96	14.83	22.31
Revenue of water treatment system installation	0.32	1.29	-
Total revenues	971.43	1,000.48	1,225.76
Cost of rendering of services	(698.00)	(732.12)	(921.75)
Cost of water treatment system installation	(14.52)	(9.49)	(16.42)
Cost of water treatment system installation	(0.24)	(1.13)	-
Total Cost	(712.76)	(742.74)	(938.17)
Gross profit	258.67	257.74	287.59
Other income	10.01	2.86	4.06
Distribution cost	(102.23)	(93.01)	(92.61)
Administrative expenses	(92.40)	(93.19)	(96.51)
Gain (Loss) on exchange rate - net	1.50	(1.49)	(2.64)
Operating Profit	75.54	72.91	99.89
Loss arising from bad debt of financial assets	(9.31)	-	(0.70)
Finance costs	(2.40)	(2.82)	(2.76)
Reversal of allowance for credit loss (credit loss) on financial assets - net	9.14	(1.17)	5.81
Share of profit (loss) from investment in joint ventures	0.92	(0.27)	-
Profit before income tax	73.89	68.65	102.23
Income tax expenses	(14.17)	(14.62)	(20.34)
Profit for the year	59.72	54.04	81.89
Other comprehensive income (loss)	3.64	(0.04)	(0.13)
Total comprehensive income for the year	63.36	53.99	81.76
Profit attributable to:			
Equity holders of the Company	58.30	54.04	81.89
Non-controlling interests	1.42	-	-
	59.72	54.04	81.89
Total comprehensive income attributable to:			
Equity holders of the Company	61.93	53.99	81.76
Non-controlling interests	1.42	-	-
	63.36	53.99	81.76
Earnings per share			
Basic earnings per share (Baht)	0.29	0.27	0.40
Weighted average number of ordinary shares (Million Shares)	202.50	202.50	202.50

Key Financial Ratio

Key Financial Ratio		Consolidated Financial Statements		
		Y2023	Y2022	Y2021
Current Ratio				
Current Ratio	times	2.00	1.88	1.87
Quick Ratio	times	0.96	0.85	0.96
D/E Ratio	times	0.72	0.81	0.83
Interest Coverage	times	31.76	25.35	38.02
Profitability Ratio				
Gross Profit Margin	%	26.63%	25.76%	23.46%
EBIT Margin	%	7.77%	7.12%	8.54%
Net Profit Margin	%	6.09%	5.39%	6.66%
Return on Equity	%	15.99%	15.34%	24.16%
Return on Asset	%	11.90%	11.21%	16.90%
Operating Efficiency Ratio				
Total Asset Turnover	times	1.53	1.57	1.98
Account Receivable Turnover	times	6.65	6.43	7.42
Average Collection Period	days	54.93	56.75	49.21
Inventory Turnover	times	2.92	3.18	4.97
Average Sale Period	days	124.84	114.86	73.47
Account Payable Turnover	times	7.46	6.90	7.95
Average Payment Period	days	48.96	52.88	45.94
Cash Cycle	days	130.81	118.73	76.74
Dividend Payout				
Dividend per Share	Baht per Share	0.21*	0.20	0.32
Dividend payout ratio	%	72.95%	74.95%	79.13%
Dividend Yield	%	7.89%	6.71%	7.80%
Share information				
Book Value per Share -Equity holders of the Company	Baht per Share	1.85	1.75	1.72
Earnings per Share -Equity holders of the Company	Baht per Share	0.29	0.27	0.40

Note:

* The 2023 dividend at the rate of 0.21 baht per share comprises an interim dividend at the rate of 0.09 baht per share and a dividend for the last six months at a rate of 0.12 baht per share, which will be proposed for approval at the 2024 Annual General Meeting of Shareholders on April 26, 2024



Corporate Governance Policy

- Corporate Governance Policy
- Report on Key Operating Results Related to Corporate Governance
- Corporate Governance Structure
- Internal Control and Related Party Transactions
- Other Information



Corporate Governance Policy

The Board of Directors adheres to the ethical business operations in accordance with the principle of good governance, striving to create positive benefits for shareholders and all stakeholders in a sustainable manner, by operating the business with responsibility towards the society, communities, and environment, while ensuring transparency and verifiability. The Corporate Governance policy and the Business Code of Conduct have been devised, as well as the criteria, and organizational practices, to allow for directors, executives, and staff members to abide by in a tangible manner. Furthermore, the Board of Directors regularly reviews the Corporate Governance policy and the Business Code of Conduct to align with the principles of the Corporate Governance Code 2017 (CG Code), advised by the Securities and Exchange Commission following the new amendments, as well as the criteria of the Thai Institute of Directors (IOD), that have been adopted based on the organizational context to enhance governance efficiencies to comply with the identified standard. The Company has disseminated the Corporate Governance policy and the Business Code of Conduct on the Company's website, and communicated to the Board of Directors, executives, and staff members to acknowledge and adopt with honesty and ethics towards oneself and the public. The awareness of the importance of good governance and the Business Code of Conduct is also encouraged, which have been integrated as part of the organizational culture "PHOL-D", serving as the human resource development guidelines to drive the organization towards the vision, mission, and objectives and ultimately for the organization's sustainable growth.

In this regard, the Company has disseminated the Corporate Governance Policy on the website:

<https://investor.pdgth.com/misc/CG/20240129-phol-cg-policy-en.pdf>

Overall Outlook of the Corporate Governance Policy and Practices

The Board of Directors is aware of the roles, duties, and responsibilities as the driver of the organization, serving to ensure good administration, and operate the business ethically, with responsibility towards all stakeholders. The Board of Directors is also responsible for creating added values for the business in the long run and operating the business sustainably. The practical guidelines can be summarized as follows (with reference to the Board of Directors' Charter; under the topic of Corporate Governance and the Company's website).

The organizational objectives and key targets are to be identified together with the management, as well as reviews of the vision and mission. In 2023, the Company reviewed and improved the vision and mission statements to align with the changing surrounding factors to drive the organization towards sustainable development, under the vision **"Make Every Day Safer and Better"**. Phol Dhanya is determined to be the trusted company in terms of quality, professionalism and expertise in sourcing products and services, and be the top-of-mind choice for consumers when safety and health needs arise, both in the context of work and daily lives. The mission has clearly been prescribed, with strategies, execution plan and operations that cohere with one another, in order to achieve the target. The prescription of strategies and execution plan have taken inputs from the strategic consultants, through considerations and approvals of the Board of Directors, who has supervised and followed up to ensure there are transfers of the policies from the management to staff members, and that the organizational strategies have been adopted to achieve the target and objectives. The management is to report to the Board of Directors' meeting on a quarterly basis, to serve as input to follow up on the operations in a continuous manner. The management is expected to offer useful opinions for the improvement of strategies as appropriate to suit the changing context, as well as to supervise the organization to have the transparent and fair management system, with the operations that comply with the laws, rules and relevant regulations, making sure the operations are of international standards to instill confidence among investors and all groups of stakeholders, to protect maximum benefits of the organization and shareholders, along with considerations of the rights and equality of shareholders and relevant stakeholders.

In this regard, the Company is determined to operate the business with transparency, ethics, social responsibility and an awareness of all stakeholders. We aim to develop and strengthen the business foundation towards sustainable growth, by employing the principle of Creating Shared Value or "CSV" with all stakeholders based on the notion **"Better Together"** to cover all dimensions; economy, society and environment, through the Company's business operations procedures and the supervision to constantly ensure compliance with the policy and execution plan on sustainable business operations.

The Sustainability Report 2023 is available on the Company's website http://investor-th.pdgth.com/csr_report.html



Report on Key Operating Results Related to Corporate Governance

Major Changes and Developments and Corporate Governance in the past year

The Board of Directors, as the organization's topmost leader in creating sustainable values for the business, has always been determined and abided by the principle of corporate governance and ethics, business ethics of the company continuously, establish a written corporate governance policy in accordance with the CG Code 2560 practice issued by Securities and Exchange Commission adapting the 8 categories'CG Code practices to align with the organizational context, however still adheres to OECD corporate governance principles in accordance with international standards ASEAN CG Scorecard in all 5 categories; rights of shareholders, equitable treatment of shareholders, stakeholders engagement, disclosure and transparency and the Board of Directors's responsibilities, 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. Policy review and performance follow-up are reviewed regularly at least once a year and communicated to all employees to acknowledge and understand the Company's good corporate governance policy.

In 2023 PHOL has developed CG achievement as follows:

- To be announced as a sustainable stock in the SET ESG Ratings for the year 2023, with the SET ESG Ratings evaluation result being at the "A" level in the service industry, the group of companies on Market for Alternative investment (mai).
- The Company was received awarded with CGR Scoring an average of 98 scores (Excellent CG for the 9th consecutive year) higher than average of listed company of 81 scores according to the Corporate Governance Report for Listed Companies 2023 held by IOD.
- The Company was given 100 scores for the year 2023 an assessment result on its administration of general shareholders' meetings (AGM Checklist) held by Thai Investors Association (TIA).
- The Company was received the second re-certification of Thai Private Sector Collective Action Coalition against Corruption (CAC) for the year 2022
- To be selected in the Universe of ESG100 Securities for the year 2020-2022 from Thaipat Institute, which assesses listed companies with outstanding environmental performance Society and Governance.

This show that the company is devotion to strictly and strong commitment to comply with the good corporate governance as important. In 2023, there are guidelines for compliance topics that have not been implemented and appropriate alternative protocols are as follows:

Topics not exercised	Reasons
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 2. The Board of Directors should determine the maximum length that directors and members of committees can assume their positions	The Board of Director and sub-committee members have 3 years term, even though it does not specified the term of the independent director shall be not more than 9 years consecutively, but the Board of Directors may consider to extend the term of office for an independent director in there is a reasonable cause and it will be beneficial to the Company, to assume as believed that the independent director who holds office more than 9 years can understand nature of business operations of the company and still maintain independence on consideration, giving opinion or recommendation which will be beneficial to the Company, there is not persuaded or influenced by the management, being independent from the management, thus has the qualifications to assume the independent director's position as stated in the regulations of SET and SEC
3. The Board of Directors should provide external consultants to assist in formulating guidelines and suggest issues for evaluating the Board's performance at least every 3 years, including disclosing such operations in the annual report.	The Company has not provided outside consultants to assist in doing so, there is an annual performance appraisal every year by independently expressing their opinions and evaluating the self-assessment results and used to develop the performance of the Board of Directors and disclosed in the annual report.

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.pd9th.com, under the topic "Corporate Governance" in order to keep shareholders, investors and all stakeholders well informed, by electronic internal communication to all employee.

In addition, the relevant policies have been determined and reviewed accordingly, as follows:

- Corporate governance policy revised on November 10, 2023 (no change)
- Business Code of Conduct revised on November 10, 2023, updated to be in line with sustainable development practices that Social, Environmental and Corporate Governance.
- Anti-corruption policy and guidelines reviewed on November 10, 2023 (no change)
- Review the charter of the board of directors and sub-committee that is consistent with their responsibilities and review the authority to approve operations of the company and its subsidiaries to be consistent with the appropriate structure.
- The connected transaction policy and guidelines reviewed on August 11, 2022 to improve the management or operation to be appropriated in accordance with the suggestions from internal auditors ensuring that the company has the appropriate and sufficient internal control systems according to the policy
- Investment and partnership policy reviewed on August 11, 2022
- Risk management policy reviewed on August 11, 2022 to revise in accordance with COSO-ERM 2017 principals
- Personal data privacy policy on February 19, 2021 (no change)
- Internal information utilization and securities trading policy revised no. 2 on August 11, 2021 (no change)

Summary Performance of the Board of Directors in the past year

The Board of Directors are responsible for the Company's business operations. The Board has appointed 3 committees; Audit Committee, Nomination and Compensation Committee and Risk Management Committee to review and devise the policies and practices that align with the principle of good governance, strategies, business plans and budget, as well as monitor and supervise to ensure that the business is operated ethically and in line with the identified targets. The Board is also responsible for offering suggestions and beneficial direction to the management, and supervise the internal control system and management of potential risks by planning and reinforcing relevant protocols, ensuring that directors, executives and staff members perform their roles effectively in accordance with the principle of good governance. The company appoints the Sub-Committees for the sustainable development in which the director becomes the member of the Sub-Committees. The Board of Directors perform the duties with responsibility, caution and honesty as well as complying with the company's regulations and relevant laws. In last year, the Board of Directors focused on promoting and supporting the sustainable development in accordance with good corporate governance by setting goals, strategic plans and suggestions for the business operation in order to appropriately adjust or adapt to the environment changes and having proactive actions creating the business opportunities as well as closely monitoring and following up so that the company can achieve the goals according to the company's vision and missions.

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.

(The scope of Authority and duties responsibility of the Board of Directors and sub-committees are detailed shown in Section "Corporate Governance Structure")

Selection Development and Evaluation the Performance of the Board

The Nomination and Compensation Committee is responsible for recruiting and selecting individuals with appropriate qualifications in a transparent manner to ensure that the selected candidates for the director and top-level executive positions possess the qualifications as prescribed in the criteria and the selection procedure. The Nomination and Compensation Committee serves to consider the candidates with proper qualifications, and no prohibited attributes in accordance with relevant laws, the Company's regulations, criteria of the Securities and Exchange Commission and the Stock Exchange of Thailand. The company implemented the diversity policy of the directors as part of nomination process to have the appropriate composition and diversity Committee in term of gender, ethnicity, nationality and religion. The proportion of independent directors should be appropriate in accordance with good corporate governance and code of conduct. For the independent directors, they should be independent from management team, shareholders and directors and have no conflict of interest when making the business decision.

Definition of Independent Directors:

The Company has defined the definition of independent director of the Company, which is a director who is not an executive director, has not involve with routine management and not related to the major shareholders or controlling person, the qualification in accordance equal to the minimum criteria announce by the Securities and Exchange Commission and the Stock Exchange of Thailand, 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 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.

5. 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.

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 under taking 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 collective decision by 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.

There is no independent director of the Boards holding a directorship position more than 5 listed companies, and no director or senior management of the Company has been an employee or partner of an external audit firm used by the Company during the past 2 years.

For the position of Chief Executive Officer, the Board of Directors consider the appointment internal top-level executives or may be outsiders to assume the organizational leader position, according to the proposal and opinion of the Nomination and Compensation Committee, to obtain a qualified person experienced skills that are useful to the company to take leader of the organization towards sustainable growth.

As details is shown in the Board of Director's Charter published on website

<https://investor.pdgh.com/misc/CHARTER/20240123-phol-charter-director-committee-en.pdf>

Procedure of appointment and remove of Directors

Recruitment of New Directors

The appointment of directors is to be in accordance with the Company's regulations, rules and relevant laws, with the Nomination and Remuneration Committee considering and reviewing the individuals/professionals with suitable qualifications and attributes based on the Board Skill Matrix, as well as considering individual qualifications of each candidate in a prudent and careful manner, to make sure they possess the right qualifications as required by laws, with no attributes prohibited by laws, rules or the Company's regulations, and in accordance with the principles of good governance directed by the Securities and Exchange Commission (SEC) and the screening criteria for nominated candidates of the Thai Institute of Directors (IOD). The candidates must be professionals with knowledge, competencies, transparent work history, expertise, and experience in diverse fields of profession. The Board diversity is to be considered, together with the qualifications of the Board members, specific knowledge and expertise based on the Board Skill Matrix, to benefit and align with the business operations strategies, as well as contributions from external consultants or professional directory.

Appointment of directors shall be in accordance with the Company's Articles of Association and relevant legal requirements, there is a Nomination and Compensation Committee, responsible for selecting person or qualified persons/specialized to be nominated as a director according to the board skill matrix in accordance with the company's business operations or considered by external consultants or professional directors.

The Company allows minor shareholders to nominate persons to be considered for election as directors at the annual general meeting of shareholders, in accordance to the company's criteria, in the case of nominating a director who has retired by rotation to be re-elected for another term will be determined from the number of meetings attended performance of directors in the past year, proposed to the Board of Director for consideration and approval and presented to the shareholders meeting for approval to appoint in the Annual General Meeting of Shareholders, also reviewing the criteria at least yearly basis by applying the following criteria:

1. Directors shall be elected by the shareholders' meeting, whereby the Nomination and Compensation 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.

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

Details of qualifications and skills of individual directors as follows:

Board Skill-Matrix			Type of Director				Knowledge/ Skill/ Experience											IOD
Director			Independent Director (ID)	Non-Executive Director (NED)	Executive Director (ED)	Female Director (F)	Business & Management	Directly related to the Industry	Indirectly related to the Industry	Strategic Planning	Marketing Strategy	Legal and Jurisprudence	Accounting and Auditing	Finance and Investment Management	Communication Technology and Innovation	Corporate Governance	Risk Management	
Name	Title	Education Cert.																Related Course (IOD)
1. Asso.Prof.Dr. Ekachidd Chuengcharoen	Independent Director Chairman of the Board, Nomination and Compensation Committee	Ph.D. (Management Science) Faculty of Engineering / Master of Management Science (Faculty of Engineering)/ Master Engineering Electrical/ Engineering (Major in Computer)	✓	✓			✓	✓		✓					✓	✓	✓	DAP, ACP, RCC, RCP
2. Mr.Noppadol Dheerabutravongkul	Independent Director Chairman of Audit Committee Nomination and Compensation Committee	Master of Science (Finance)/Bachelor of Accounting/ CPA no.4570	✓	✓			✓		✓	✓			✓	✓		✓	✓	DAP, ACP, RNG
3. Gen. Chaiwat Satondee	Independent Director, Chairman of Nomination and Compensation Committee	Bachelor of Science, Chulachomklao Royal Military Academy/ Command and General Staff College	✓	✓			✓	✓		✓					✓	✓		DCP/NC Best Practice Guideline
4. Dr.Pallapa Ruangrong	Independent Director Audit Committee Risk Management Committee	Doctor of Philosophy (Energy Management & Policy)/ Master of Science (Economic Development), NIDA	✓	✓		✓	✓		✓	✓			✓	✓		✓	✓	DCP,Mini MBA,High level Development Project
5. Miss Mathusorn Srikerd	Independent Director Audit Committee	LL.M., in Commercial Law,U.S.A LL.B., Honors, Thammasat University	✓	✓		✓	✓		✓			✓				✓		DAP
6. Mr. Wisarute Sirojanakul	Independent Director	M.B.A. (Finance), Auburn University, U.S.A B.E. (Chemical), Chulalongkorn University Executive Program for Financial Planning Certification, University of Georgia, U.S.A.	✓	✓			✓			✓				✓	✓	✓	✓	DAP
7. Mr.Apichart Jarutangtrong	Director	Taiwan Bachelor of Science in Engineering (Bio-Industrial Mechatronics Engineering),National Taiwan University		✓			✓		✓	✓	✓				✓	✓	✓	DCP
8. Mr. Boonchai Suwanvuthiwat	Director, Risk Management Committee, Chief Executive Officer *Authorized Director Advanced	Certificate Course in Public Economics Management for Executives, King Prajadhipok's Institute/ Arts in Political Science (Major in Public Administration)			✓		✓	✓		✓	✓					✓	✓	DCP, ACPG, SFE, ITG
9. Mr. Thanya Wangthamrong	Director, Risk Management Committee *Authorized Director	M.B.A (International), TU/ BA.Architecture, CU			✓		✓	✓		✓	✓				✓	✓	✓	DCP
of Total 9 members			6	8	1	2	9	4	4	8	3	2	2	3	5	9	7	

Sub-Committees

The Board of Directors has appointed 3 sub-committees; Audit Committee, Nomination and Remuneration Committee, and Risk Management & Sustainability Committee, comprising individuals with knowledge and expertise to serve as committee members in specific matters in accordance with the Company's regulations to review different issues as assigned. The qualifications, tenure and scope of responsibilities are identified under the topic "Corporate Governance Structure", regulating that the performance report shall be submitted to the Board of Directors' meeting on a quarterly basis, and the performance evaluation should be conducted once a year.

Chief Executive Officer and Top-Level Executives

The Nomination and Remuneration Committee serves to consider and screen individuals/professionals based on the procedures and criteria put forth by the Company, based on the following criteria:

1. Possess suitable qualifications, with knowledge, skills, competencies, company management experience, and experience in operating businesses that coheres with the Company's business, together with diverse expertise beneficial to the Company's business, in alignment with business operation strategies, with no discrimination against gender, age, nationality or religion.
2. Possess leadership qualities, far-sighted vision, ethics, morality, and good attitude towards the Company, being able to dedicate enough time that suits business operations, and with no conflicts of interest with the Company.
3. Have transparent work history, and never got blacklisted by any organizations, as well as the Securities and Exchange Commission, and never have been judged guilty in criminal cases, with no legally prohibited attributes.

Considerations can be made both from the inside and outside of the organization as appropriate. Internal recruitment must be accompanied by the preparations for the individual to assume the Chief Executive Officer and top-level executives positions, with consideration of the person's preparedness in all aspects for the Company's utmost benefits. The Nomination and Remuneration Committee is to propose names of candidates to the Board of Directors for approval. In this regard, the Company prioritizes recruitment of the Chief Executive Officer and top-level executives, and so has prescribed the Success Plan to make preparations in a systematic and tangible manner, with continuous reviews and reporting.

Segregation of Directors' Roles and Duties and Management

The Board of Directors devised the management structure that clearly separates role and duties responsibilities of the Company's policy formulation and routine management are clearly separated from each other, important decisions 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, the Chairman of the Board is not the same person as the Chief Executive Officer, the Board will select one director to be the Chairman of the Board and the Board of Directors considers and appoints one person holding the position of Chief Executive Officer.

The Chairman Lead the meeting and act as the Chairman of the Board of Meeting and the Shareholders Meeting, planning the meeting in advance (annually), identifying the agendas together with the Chief Executive Officer, encourage all directors to participate in the meeting and express their freely opinions, in order to be an efficiency, there are no assigned authority of the company, does not participate in the operational management, no relationship with the management, but provides support and advice on business matters to the management through Chief Executive Officer. 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, policy, the articles of association, the board's and sub-committee solution, the shareholder's meeting solution, 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 maximum benefit to the organization.

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, 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. Taking a minute of meeting and kept the original certified documents to be used and verified.

In 2023 there were 9 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). The meeting 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.

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. In the event that the directors disagree with the meeting's resolution, they can inform the company secretary to record the objection in the minutes of the meeting.

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 at least 10 years.

The company has the company secretary to act as secretary to the Board of Directors, which is responsible for conducting the meeting of the Board of Directors and the shareholders' meeting, including supporting activities of the Board of Directors that related to legal and various regulations.

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 2023 there was arrange one time of meeting held on December 20, 2023 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 2023, details on the Board of Director and sub-Committee meeting attendance are as follows:

No.	Name		No. of Meeting Attendance /Total No. of Meeting						2023 AGM Attending
			Board of Directors	Audit Committee	NC Committee	RM Committee ^{/1}	Risk Management and Sustainability Oversight Committee ^{/1}	Directors' Meeting without	
			Total 9 times	Total 6 times	Total 4 times	Total 3 times	Total 2 times	Total 1 time	
1	Asso. Prof. Dr. Ekachidd Chungcharoen	times	9/9	-	4/4	-	-	1/1	1/1
		%	100%	-	100%	-	-	100%	100%
2	Mr. Noppadol Dheerabutrungkul	times	9/9	6/6	4/4	-	-	1/1	1/1
		%	100%	100%	100%	-	-	100%	100%
3	General Chaiwat Satondee	times	9/9	-	4/4	-	-	1/1	1/1
		%	100%	-	100%	-	-	100%	100%
4	Dr. Pallapa Ruangrong	times	9/9	6/6	-	3/3	2/2	1/1	1/1
		%	100%	100%	-	100%	100%	100%	100%
5	Miss Mathusorn Srikerd ^{/3}	times	6/6	4/4	-	-	-	1/1	-
		%	100%	100%	-	-	-	100%	-
6	Mr. Santi Niamnil ^{/3}	times	3/3	2/2	-	-	-	-	-
		%	100%	100%	-	-	-	-	-
7	Mr. Wisarute Srirojanakul	times	9/9	-	-	-	-	1/1	1/1
		%	100%	-	-	-	-	100%	100%
8	Mr. Apichart Jarutangtrong	times	9/9	-	-	-	-	1/1	1/1
		%	100%	-	-	-	-	100%	100%
9	Mr. Boonchai Suwanvutthiwat ^{/4}	times	9/9	-	-	3/3	2/2	-	1/1
		%	100%	-	-	100%	100%	-	100%
10	Mr. Thanya Wangthamrong ^{/4}	times	9/9	-	-	3/3	2/2	-	1/1
		%	100%	-	-	100%	100%	-	100%
11	Asst.Prof.Dr.Suluck Pattarathammas ^{/2}	times	-	-	-	3/3	2/2	-	1/1
		%	-	-	-	100%	100%	-	100%

Remarks:

^{/1} The resolution of the Board of Directors' Meeting held on. 7/2023 on October 18, 2023 resolved to appoint a Risk Management and Sustainability Oversight Committee., and to cancel the Risk Management Committee

^{/2} No.11 Asst.Prof.Dr.Suluck Pattarathammas is an external expert, who was appointed to the Chairman of Risk Management and Sustainability Oversight Committee since October 18, 2023 and is the company's risk management consultant, since February 10, 2014

^{/2} No.5 Miss Mathusorn Srikerd is a new director who was elected at the 2023 Annual General Meeting of Shareholders on April 27, 2023, replacing Mr. Santi Niamnil, a director those retired by rotation and does not wish to renew. Attended the first meeting in the Board of Directors' meeting No. 4/2024 on 12 May 2023.

Secretary of the Board of Directors and 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' was resolved to appoint Ms. Kwandao Duangjan to the position Company Secretary and Secretary to the Board of Directors.

Details appeared attachment 1). Details of directors, executives, controlling persons, the Company's secretary, the person assigned to take the highest responsibility in Accounting and Finance and the person assigned to take direct responsibility for accounting supervision

Performance Assessment and Knowledge Development

The assessment criteria of director's performance

The Board of Directors arranges for self-evaluation for the Board of Directors and sub-committee members annually, with evaluations of the entire Board of Directors and individual directors, referring to the evaluation form on corporate governance compliance for listed companies by the Stock Exchange of Thailand. The objective is to enable the Company to improve the operations to be in line with the principle of Corporate Governance Code (CG Code), allowing the organization to achieve the objectives, targets and create sustainable values for the business. This also applies to reviews of the operating performance, issues and obstacles encountered during the year, that can be improved to enhance governance efficiencies and the Board of Directors' performance, covering the Board of Directors, Audit Committee, Nomination and Remuneration Committee and Risk Management Committee.

Director's Performance Assessment (whole group)

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 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.

In 2023, the evaluation for the entire Board of Directors was conducted, with the average score of 99.17%, increasing by 0.42% from the previous year, from the improvement of the Board of Directors' structure and qualifications for enhanced suitability. The overall performance of the Board of Directors has been appropriate in accordance with the principle of good governance and the Board of Directors' Charter. There were also follow-up activities of the management's operations and consistent provision of suggestions to ensure that the operations are executed following the objectives and strategies. The facilitative meeting atmosphere has also been encouraged to foster creative opinions for the Company's maximum benefits.

The assessment result of the directors (individual)

The individual evaluation for directors (self-evaluation) comprises 3 major categories (1) directors' knowledge, expertise, and self-development (2) directors' performance (3) meeting attendance and independence whereby the individual evaluation presents an average score of 96.77%, together with analyses of the evaluation and identification of director development programs to align with the vision and mission to create values for the organization in the long run.

Sub-Committee Performance Assessment

Audit Committee

The Audit Committee is responsible for performing duties as authorized; conducting reviews to ensure that the Company's statement of financial position is correct and trustworthy, the internal control and risk management systems are adequate and appropriate, and the internal audit system is properly functioning. The Audit Committee is also responsible for considering inter-related transactions and ones that involve conflicts of interest to align with the criteria, inspecting compliance with the Personal Data Protection Act B.E.2562 and compliance with the policy and practices in anti-corruption, as well as ensuring proper complaint handling procedures. However, the assessment of the internal audit operations by the external independent and evaluating the self-assessment results has not yet been conducted. In 2023, the assessment result of the Audit Committee's performance as a whole had the score of 100%.

Nomination and Compensation Committee

The Nomination and Compensation Committee is responsible for performing duties as authorized; identifying qualifications of the directors based on the Board Skill Matrix, in coherence with the regulations and the nature of the business. The succession plan for the director and executive positions has been initiated, with continuous training and development activities. The compensation packages for directors and top-level executives; both financially and non-financially, have been identified, as well as the criteria for fair compensation, for instance, the package that is suitable for the assigned duties and obligations, and in line with the industry average. In 2023, the assessment result of the Nomination and Compensation Committee's performance as a whole had the score of 100%.

Risk Management Committee

The Risk Management Committee performs the duties in accordance with the roles and responsibilities in charter of the Risk Management Committee and the policy of risk management. The Committee emphasizes on the risk management that can create the culture of the company and support the risk management process complying with COSO ERM practices, linking with the company's strategic plans, supporting the integrated risk management and operating with the acceptable risk level to achieve the goals and objectives. In 2023, the assessment result of the risk management committee had the score of 98.44 % on average, increased from 2022 by 2.34%, with analysis of assessment result in improved operational efficiency.

CEO and Top Executive Performance Assessment

The Board of Director conducted the performance assessment of CEO and executives based the assessment criteria agreed since the beginning of the year, which is key performance indicators: KPIs. The performance assessment was conducted on individual basis and as organization based on the proportion of positions in order to have participation and achieve the 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.

Knowledge Development for Directors and Company's Secretary

The Board of Directors emphasize on the training of directors and corporate secretary by supporting and encouraging to have the training related to the corporate governance in compliance with corporate governance code regarding to the duties of directors and any knowledge supporting the performance of directors, executives and corporate secretary in order to have the continuous improvement of the performance., In 2023, the Board of Directors has approved of the director development initiatives as proposed by the Nomination and Remuneration Committee, to ensure systematic developmental procedures in a well-documented manner. The focus is to equip directors with skills and knowledge in different fields that are related to the directors' roles by attending the seminars conducted by the Stock Exchange of Thailand, the Securities and Exchange Commission, Thai Institute of Directors (IOD) and Thai listed companies association as well as other institutions, At present, there were all director to attending the director training program is 100 percent; currently 5 directors have been train role and duties of the Director Certification Program (DCP) and 5 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 and the Board of Directors encourages the Company Secretary to attend courses related to their role performance on a regular basis as well as to attend clarifications seminar and improving rules related online which is regularly organized by the regulatory agencies for listed companies in order to enhanced a better corporate governance procedure.

Succession Plan for a Top Executive

The Board of Directors realized to 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, be able to compete in competitive markets and maintain sustainable corporate growth both now and in the future, setting a policies and actions to select and develop potential employees (Talent Management) and Career Management, including formulating individual and succession plan for executives, the Human Resources Department has continuously implemented the individual development plan. The progress must be reported to the Nomination and Compensation Committee and the Board of Directors, in order to develop individual development plan by position afterwards.

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.

The Company's senior executive shall be performed the CEO work if the CEO is unable to perform their duties.

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.

The resolved of The 2023 Annual General Meeting of Shareholders held on April 27, 2023, to appoint a replacement director, namely Miss Mathusorn Srikerd, to be a independent director replacing Mr. Santi Niamnil, a independent director those retired by rotation and does not wish to renew., the company arranged the orientation session for new director in the first attending of the board's meeint on May 12, 2023, by providing necessary information about the company's business operations, company policies and practices as well as laws or important rules related to the conduct of director, and participated in the Director Accreditation Program (DAP) class 209/2023 by Thai Institute of Director (IOD) which has been certified by SET and SEC respectively.

Summary Training Course by IOD or Others Institute

Part1: Attending Seminar held by IOD or other institutes in 2023 are as follows:

No	Name		Training Course
1.	Assoc. Prof. Dr. Ekachidd Chungcharoen	Chairman of the Board Independent Director 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 Dheerabutrongsul	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 - Seminar "Role and Duties of Directors and Executives of Listed Companies" by SEC. (Jun, 2023) -Seminar "Audit Committee Forum 2023 Detection of Accounting Irregularities in Fast Growing Business: The Role of Audit Committee"by SET. (Aug, 2023) - Techniques and methods for examining income and trade receivables, class 2/2023, by TFAC. (Aug, 2023) - FRS9 course Workshop (Practical) Risk Prevention, Class 1/2023, by TFAC. (Oct. 2023)
3.	General Chaiwat Satondee	Independent Director Chairman of Nomination and Compensation Committee	- Nomination Director Event 1/2017 "Nomination Committee Best Practice Guideline" - Director Certification Program (DCP) Class 216/2016
4.	Dr. Pallapa Ruangrong	Independent Director/Audit Committee	- Director Certification Program (DCP) class 17/2002 - Seminar on "Leadership roles and driving business towards sustainability" by the SEC. (Mar., 2023) - Seminar "Role and Duties of Directors and Executives of Listed Companies" by SEC. (Jun, 2023) -Seminar "Audit Committee Forum 2023 Detection of Accounting Irregularities in Fast Growing Business: The Role of Audit Committee"by SET. (Aug, 2023)
5.	Miss Mathusorn Srikerd	Independent Director/Audit Committee	- Director Accreditation Program (DAP) Class 209/2023 (IOD) - Seminar "Role and Duties of Directors and Executives of Listed Companies" by SEC. (Jun, 2023) -Seminar "Audit Committee Forum 2023 Detection of Accounting Irregularities in Fast Growing Business: The Role of Audit Committee"by SET. (Aug, 2023)
6.	Mr.Wisarute Srirojanakul	Indepdnt Director	- Director Accreditation Program (DAP) Class 188/2021 - Agriculture & Cooperatives Executive Program Class 3/2023
7.	Mr. Boonchai Suwanvuthiwat	Director Risk Management Committee Chief Executive Officer	- Director Certification Program (DCP) Class 155/2012 - Anti-Corruption: The Practical Guide Program (ACPG) class 21/2015 - Successful Formulation and Execution of Strategy (SFE) class 26/2016 - Driving Company Success with IT Governance (ITG) class 3/2016 - ESG Matter to Supply Chain Management , SET (2022) -City Administration Training Program for Senior Executive Class 3, Navamindradhiraj University. - Micro MBA: Corporate Strategy Development by TU-RAC -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), Sasn Graduate Institute of Business Administration of Chulalongkorn University
8.	Mr. Thanya Wangthamrong	Director Vice President Marketing and Sales	- Director Certification Program (DCP) Class 180/2013 -Seminar"Preparation for Climate Change and Action taken to reduce greenhouse gas emissions.by TGO,SET(May-Jul., 2022) -Seminar"Techniques for Adding Value to Listed Companies from an analyst point of view securities" by SET (Aug., 2022) - "CFO's Orientation for New IPOs" by SET (Mar., 2022) - TLCA CFO Professional Development Program (TLCA,CFO,CPD) No. 1/2022 by SET (Aug., 2022) - Financial Statement Analysis by SET (Nov.,2022) - Seminar "Micro MBA: Corporate Strategy Development" by TU-RAC
9.	Mr. Apichart Jarutangtrong	Director	- Director Certification Program (DCP) Class 336/2023

Part 2. Attending Seminar for Executive and Company Secretary in 2023, as follows:

No	Name		Training Course
1.	Mr.Pornsak Chunhajinda	Vice President Corporate Support Chief Financial Officer	- Director Certification Program (DCP) Class 227/2016 - All TFRS courses, year 2023, batch 2/66, by TFAC. (Oct. 2023) - “CFO’s Orientation for New IPOs” by SET (Apr. 2023) - Seminar “Sampling in the Auditing” Class 1/65 by TFAC - Update TFRS 9, TFRS 16 Overall Class 1/65 by TFAC - The main issues of financial reporting standards for SMEs/NPAEs/PAEs accounts Comparison with the rules of income tax generation 2/65 by TFAC - Seminar: “Micro MBA: Corporate Strategy Development (In-house Training Aug, 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
2.	Mrs.Kwando Duangjan	Company Secretary	- COSO ERM 2017 Enterprise Risk Management by TLCA (Nov. 2023) - Company Secretary Forum 2023: The role of the company secretary in driving ESG (Oct. 2023) - CYBER VISION 2023: Protect and Detect: Don't Let Your Guard Down โดย SET (Sep., 2566) - ESG risk management and challenges in practice by the SEC and the Federation of Accounting Professions (Sep., 2566) - Organizational Carbon Footprint Preparation Course by SEC. (Sep., 2566) - The Corporate Responsibility to Respect Human Rights by TLCA (Sep., 2566) - Risk Management and Internal Control by RIC& TLCA (Sep., 2566) - Board Retreat /NED Meeting โดย TLCA (Aug., 2023) - Certificate in ESG Management (C-ESG) class 3/2566 by SET (Jun., 2023) - Business and human rights course for listed companies and HRDD guidelines (Jan., 2023)
3.	Miss.Siriporn Nilklum	The Head of Internal Audit Department (Supervisor internal audit office) Secretary of Audit Committee	- Risk Management and Internal Control by RIC& TLCA (Sep., 2566) - Strategic Audit Plan and Annual Audit Plan [End-to-End Process] course by IIAT (Jul., 2023)
4.	Miss.Siriporn Ondee	Investor Relation	- Course “Fundamentals for Corporate Secretaries” by TLCA (Nov.2020) - Business Model Reinvention for Corporate Sustainability (May, 2022) - “Preparation for Climate Change and Action taken to reduce greenhouse gas emissions.by TGO,SET(May-Jul., 2022) - “Techniques for Adding Value to Listed Companies From Securities Analyst” (Aug., 2022) - Certificate in ESG Management (C-ESG) (Nov., 2022) - Business and human rights course for listed companies and HRDD guidelines (Jan., 2023) - Preparation forTHSI 2023 sustainability assessment (Apr., 2023) - CGR Workshop 2023 clarifies criteria for surveying CGR projects in 2023 (Jun., 2023) - ESG Risks Management Workshop (Jun., 2023) - Disclosure of sustainability information according to ISSB standards and connection with the 56-1 One Report” (Aug. 2023) - Sustainable Development Goals Guide for Listed Companies and SDG Impact Standards (Oct., 2023) - TFRS Financial Reporting Standards 2023 and interesting accounting issues for listed companies by SET (Oct., 2023) - Guidelines for disclosing ESG information in One Report by TLCA (Nov. 2023)
5.	Group Seminar with Top Executives		- Team Building Project, Creating Organizational Culture (Aug., 2023) - “Data Analytics for Business, business data analysis” by the National Productivity Institute (September 2023)

The policy and guidelines about shareholders and stakeholders

The company emphasize the equitable treatment of all stakeholders such as customers, employees, business partnerships, shareholders, creditors, competitors, community and government by considering on the right of stakeholders in accordance with the good corporate governance and code of conduct revealed in the company's website and to comply with the law, relevant regulations and the mutual agreement, by focusing on social responsible business practices that include fair business operations respect for human rights, fair treatment of labor, Safety, Occupational Health and Work Environment, consumer responsibility, protection of personal data and privacy, environmental care and participate in social community development and anti-corruption.

Role and Responsibility to Stakeholders

The company considers the rights of stakeholder in compliance with the policy of sustainable development by evaluating the impacts on the stakeholders in order to set the good practices and guidelines as follows:

- **Shareholder** 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, don't act that infringes or deprives the rights of shareholders suitable, aiming to create added value and maximize returns in long run for shareholders, the company's growth adhering to business operations in accordance with corporate governance principles i.e. stipulates that independent directors are responsible for overseeing minority shareholders, measurer to prevent conflict of interest, do not use inside information for personal gain and overseeing the utilized and insider securities trading in one month period prior to release of the financial statements to the public, The company facilitates the shareholders before and after the Shareholders' meeting or during the meeting. Also, the company timely provides the important and clear information. The reveal of information is transparency and it gives the opportunities for the shareholders to make suggestions and comments or make the complaints through the provided communication methods and the company's website.
- **Employee** The Company always emphasizes on the importance of employees as they are invaluable assets of the Company, committed to developing employees to equipping knowledgeable, competent and competitive progress in work quality of working life equal to leading companies happy work pride of organization and relationship engagement in accordance with the Company's culture "PHOL-D"; working professionally driving for success together, having ethical towards themselves as well as to the public, dedicated over a hundred and beyond customer expectation, dare to think-dare to do with aiming to create something better and focusing on the results of work for over all benefits to the public.
 - Treat staff members fairly and equally, arranging for proper welfares; provident fund, life insurance, health and accident insurance, loan welfare, maternity leave, ordination leave, educational scholarship, personal protective equipment, annual health check-up, etc.
 - Arrange the compensation package, considering from the Company's operating performance and with reference to the market rate in the same industry to identify the appropriate compensation that is fair and competitive among peers. The performance evaluation is categorized into 2 parts; performance achievement (KPI) and staff members' competencies, as well as the development of career path to encourage growth and promotion/transfer to other functions to accommodate future business expansion.
 - In terms of striving to be the learning organization, the Company fosters the working environment that encourage teamwork, development of knowledge and skills to aim for career advancement and stability. The knowledge sharing sessions are also organized to share relevant knowledge, together with the improvement of work procedures to be more effective, and the organization of employee relations activities to encourage participation among staff members.
 - Complaints and Suggestions: Provide channels for receiving complaints, suggestion and opinion from employee i.e. comments box, e-mail, the Company's Website www.pdght.com etc., by specifying a process for protecting complainants Provide clear clues
- **Customer** The Company focuses on creating the customers' satisfaction and maintaining the relationship with customers and also emphasizes on providing the customers with maximum benefits in term of the quality, safety and reasonable price of services and products. The company equally treats the customers according to the terms and conditions and provides the seminars or trainings for customers, public and private sectors as well as schools and universities to gain knowledge of safety and occupational health and understand how to properly use the products. Also, the company puts the importance on customer confidentiality of personal information by implementing privacy notice and appointing the directors to set policy and guidelines in compliance with Personal Data Protection Act B.E 2019 (PDPA).

The company improves the processes in term of operation, management, sales and marketing in order to continuously provide the services to customer and quickly response to the customers and provides many channels for customers to contact the company 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 and other online channels

- **Business Partners** The Company always ensures to keep its business partners appropriately, transparently, fairly and takes into account human rights, society and environment, ethical in the purchasing and procurement process and treats business partners with fairness and equitable treatment under the principle competition, strictly abide by the contracts made with business partners in order to build trust, good relationship and collaboration for uplifting potential and effectiveness in mutual business operations in the long run, to deliver goods on time while maintaining good quality products 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.
- **Commercial Opponents** 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.
- **Creditors** 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.
- **Society and General Public** The company operates its business with responsibility to the community society and environment in terms of safety, quality of life 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. 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 various channels and online media. In addition, the company implements the projects providing the knowledge of safety and occupational health with schools and universities as well as doing the websites for safety (thai-safetywiki.com) and Facebook (Phol Dhanya)
- **Environment** The Company encourages all employee 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 stakeholder, 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, encouraging the use of the information system and communication technology for meetings or trainings to minimize the use of paper, travelling. which will subsequently help reduce the emission of carbon dioxide

In addition, it places emphasis on fundamental human rights to respect rights and freedoms through non-discrimination, does not infringe any intellectual property or copyright and anti-corruption. The Company has established a policy of conduct and responsibility to all stakeholders shown in the Code of Business Conduct disclosed on the company's website www.pdgth.com

More information about the Company's operations towards stakeholders and related persons is appears on "Sustainability Report 2023", 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.

The compensation for the violation of rights

The company emphasizes on the importance of the stakeholder's rights protection that they receive the impacts from the rights violation regarding to business operation. The compensation is considered based on the rate specified by the law.

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 company to engage in activities that violate human rights and accept practices that are beneficial to the public, including to provide channels for hearing opinions and suggestions from employees and outsiders for the purpose of review and correct the said guideline, which are disclosed on the company's website <http://investor.pdgt.com/misc/sustainable/20200925-phol-sustainable-policy-en.pdf>

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, which is stated in the Code of Business Conduct in order for all employees to know and strictly follow.

Ethics and Business Code of Conduct

Board of Directors Adhering to ethical business practices which has established a written business ethics manual to disseminate and encourage all directors, executives and employees disclosed the principles of compliance with the scope of responsibility to the company and all stakeholders, 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 i.e. respecting and complying with the law, conflicts of interest insider, use and confidentiality control system and internal audit and responsibility to stakeholders.

Herewith published on the company's website <http://investor.pdgt.com/misc/CG/20160421-phol-cg-codeConduct-en.pdf>

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 2023, 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. The company supports and creates the awareness for employees operating the business with ethics complying with the company's culture (PHOL-D) regarding to honest and integrity through the communication and trainings

Prevention of 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 (56-1 One 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

The Board of Directors reviews the policy and guidelines for the conflict of interest and publishes to directors, executives and employees for acknowledgement by communicating through email and the company's annual operating plan meeting to enhance understanding of the policy in order to perform duties in accordance with the policy. Also, the orientation is provided for the new directors for understanding about the company's policies

<http://investor.pdgt.com/misc/PRINCIPLE/20190130-phol-principle-guidelinesConflict-en.pdf>

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 wives, 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 2023, 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, as shown in "Securities and Shareholders Information"

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).

Herewith published the rule of reporting conflict of interest on the company's website

<http://investor.pdgth.com/misc/PRINCIPLE/20130530-PHOL-PRINCIPLE-ShareholdingDirector-EN.pdf>

Internal Information Utilization and Securities Trading Policy

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. It is regulated that the Company's directors and executives in 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 in according to the Securities and Exchange Act Section 59 (revision no.5 B.E.2016) within 3 working days after the changing of securities, reporting via online channel regulated to the Securities and Exchange Commission and the Stock Exchange of Thailand, informed to the Board of Director for acknowledge through Company Secretary. Set policies for directors and executives to inform the company secretary, regarding the trading of the company's shares at least 1 day in advance of trading. The directors, executives and employees perform the duties in accordance with the guidelines and policy of confidentiality in order to protect other people to know about the information of company, customers, business partner and individual's personal information

The Board of Directors perform the duties according to the Code of Conduct. The Company Secretary submits the reports on changes of securities ownership of directors and executives on quarterly basic or immediately reports upon the changes. Also, according to the policy, the directors, executives and employees are prohibited from trading Company securities for period of 30 days prior to release of the Company's quarter 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. Any violations are punished.

The Board of Directors reviewed the policy and guidelines for internal information utilization and security trading and the policy of internal information control and published to directors, executives and employees for acknowledgement by communicating through email and the company's annual operating plan meeting in order to have the understanding of the policy and perform the duties in accordance with the policy. Also, the orientation is provided for the new directors for understanding about the company's policies

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

Herewith published the rule of internal information utilization and securities trading policy on the company's website

<http://investor.pdgth.com/misc/CG/20210901-phol-cg-InternalSecuritiesTrading-en.pdf>

Anti-Corruption

The Board of Directors places great attention to the business operations with honesty, fairness and transparency in according to the good corporate governance and thus has a resolution to approved the anti-corruption policies, do not seek personal benefits that conflict with the Company's interests taking into social responsibility and all groups of stakeholders, as well as giving an importance to compliance with the requirements of laws related to anti-corruption. The Company was participated the Thai Private Sector Collective Action Coalition against Corruption (CAC) to express the intention and determination to not support or accept all sorts of corruption both directly and indirectly, 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. To establish the policies and guidelines to prevent and anti-corruption, which has been approved by the Board of Directors and announced in writing for executives, employees and related persons to follow in the same direction, in emphasizing the awareness of anti-corruption of the Company' intension, through determine various channels and scope for whistle-blowing complaints including a mechanism to protect whistleblowers, complaints, or in the event of violations of their rights, monitoring and reporting to the Audit Committee and the Board of Directors on a quarterly basis.

More details as shown on the Company's website <http://investor.pdgth.com/misc/CG/20220309-phol-cg-anticorruption-en.pdf> Section "Whistleblowing and Complaint or Violation"

Policy: “The Company’s directors, executives and staff members are prohibited from supporting corruption or accepting corruption of all sorts, for one’s own direct or indirect benefits, or for one’s family members, friends, acquaintances, regardless whether one is the receiver, giver or offer of the bribes; monetary or non-monetary, to individuals, government officers, government bodies or private sector organizations that deal businesses with the Company. This includes businesses of subsidiaries, associates or other companies with the authority, and the anti-corruption protocols must be strictly observed. The responsible party structure and risk management system should be established, as well as the internal control and internal audit systems to prevent and suppress dishonest acts or organizational corruption, as well as to review the practices and operational regulations to align with changes in the business, regulations and the laws.”

The company has a commitment to continuously implementation of the Anti-Corruption Policy, which the company was received a certified of the Second CAC membership renewal dated September 30, 2022 valid in 3 years from the certified date.

In 2023, the performance of the company operated in compliance with Code of Conduct, Company’s policies and relevant rules and regulations can be summarized as follow;

1. Directors, Executives, and employees have not performed any actions causing the conflict of interest
2. Directors, Executives and employees do not violate or do not follow the guidelines of the connected transactions and securities trading. They do not perform any related transactions required the disclosure and approval from the shareholders in compliance with the regulations of the Stock Exchange of Thailand. The company does not trade securities by taking the advantage of internal information. The directors and executives are not claimed by the Securities and Exchange Commission, the Stock Exchange of Thailand regarding to securities trading by utilizing internal information
3. The Company does not perform any transactions in form of financial support to the companies that are not our subsidiaries
4. Directors, Executives and employees do not perform any actions violating the policy of internal information utilization, security trading policy and measures to prevent the use of inside information

Disclosure and Transparency

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 significant information both financial and non-financial information i.e. 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 2023, the Company has disclosed information both in the form that must be reported in accordance with the accounting period and important information by events, as follows:

Financial Information

The Company’s statement of financial position has been developed in accordance with the generally accepted accounting principles and has been reviewed and unconditionally opinionated by the auditors, who are independent from the management. The reports have been verified and agreed upon by the Company’s Audit Committee. Besides, the Company has never been asked to rectify the statement of financial position nor proceed to execute matters resulting from failure to meet the requirements in information disclosure or delayed submission of the statement of financial position.

Non-Financial Information

The Company always discloses the information not related to the statement of financial position as required by relevant laws and regulations in an accurate, comprehensive, timely, transparent and verifiable manner via the Stock Exchange of Thailand’s portal and on the Company’s website, which is always made up-to-date at <http://investor.pdgh.com/home.html>, details as follow:

- IR Home: LatestNews, Whistle Blowing and Complaints, IR Contact
- Corporate Infomation: Nature of Business, Vision and Mission, Board’s Structure and Sub-committee, Management Team, the Board’s Charter and Sub-committee and Company Document.
- Financial Information: Financial Statement (backward), MD&A
- Stock Information: Fact sheet as present link to SET

- Publication: Annual Report, Form 56-1 One Report, Company Snapshot
- Corporate Governance: CG Principle, Business Code of Conduct, Risk Management Policy, Risk Continuity Policy, Internal Information Utilization and Trading Security Policies, Anti-Corruption Policy and Guidelines, Disclosure Policy, Investor Relation Conduct and Principle and Practices etc.
- Sustainable Development: Sustainable Development Policy, Occupational Health Safety and Environment Policy, Sustainability Report
- Shareholder Information: Shareholders' Meeting, Major Shareholders, Dividend Policy, Letter Invitation and Minute of Shareholders Meeting (AGM) etc.
- News Room: SET Announcement, Press Release, News Clipping etc.
- Awards and Recognition: CGR, ESG100, SET ESG Rating, AGM Checklist etc.

Whistleblower and complainant or in case of Infringement

In addition to stipulating that the independent committee taking care of the interests of the stakeholders, has given an opportunity for complaint channels comment to employees and stakeholders any illegal actions, the Company has provided whistleblower channel or notice of complainant and express opinion including in case of infringement, as following:

	Whistleblower channel	Email
1. Electronic mail	Board of Director	board@pdgth.com
	Audit Committee	ind_dir@pdgth.com
	Company Secretary	cs@pdgth.com
	or through website: http://investor-th.pdgth.com/home.html	
2. Mailing post	Audit Committee (through The Head of Internal Audit Department) 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) which public on the company's website http://investor.pdgth.com/whistle_blowing.html

In this regards, the Company has followed up reports of clues or complaints through the specified channels. In the year 2022, the company did not get any incidents and indicating the said corruption, according to the company's complaint receiving process

In 2023, the complaints related to the violation of rights, dishonesty, the code of conduct and customers' complaints are summarized as follow

Type of complaints	Number of cases	Status update
Customer complaints related to services and delivery	3 cases	All cases were resolved
Employee complaints	-	-
Complaints regarding to safety and occupational health	-	-
Complaints related to business ethics or Code of conduct	-	-
Fraud within the organization	-	-
Violation of human rights	-	-
Corruption	-	-

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 as well as the appropriate resource management. In 2023, the company had no cases regarding to cyber security and business interruption related to information system. In addition, the company conducted the risk assessment and training according to annual business continuity plan as well as communicating to the employees to create culture and awareness of safety from cyber security and collaboratively performing the duties according to the law, regulation and the policy of information security.

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 disclose 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 <http://investor.pdgh.com/misc/CG/20201027-phol-cg-policy-en.pdf>

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. The Company implemented the good corporate governance policy allowing the shareholders to make the important decisions and facilitating the shareholders to join the shareholder meeting. Also, the company implemented the policy of information technology in the shareholder meeting by publishing the policy of good corporate governance in the company's website, 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 ahead of time, from October 1, 2022 to December 30, 2022, as well as notifying the criteria through SET's community portal and disclosed on the Company's website under menu "Investor Relations". 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 2023 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 17, 2023, 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 24, 2023. 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 send to shareholders (MOC and Auditor respectively) prior the meeting date in advance 21 days since April 6, 2023, which exceeds is required by law and follows the principle of corporate governance, 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, voting procedure and complete set of documents, including disseminating such information on the Company's website in both Thai and English languages, so that shareholders have an opportunity to get enough time to study the information.
5. The Company publicized the meeting invitation in the newspaper for 3 consecutive days on April 10-12, 2023 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). The company provides the detail about the name and profile of Independent Committee to shareholders for review. In case the shareholders want give the proxy to someone else, the company provides the instructions and the list of documents required for the proxy making the process be easy and convenient for the shareholders giving the proxy or joining the meeting
7. The Company allowed shareholders to submit questions in advance, 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. 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 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.
9. The Company held the meetings via electronic media (E-Meeting) According to the Emergency Decree on Electronic Meetings B.E.2563 and other laws and regulations related, which has guidelines for attending shareholders' meetings via electronic media (E-Meeting) in the Invitation Letter E-AGM as well as the shareholders have the problems about the registration, the proxy designation, the meeting attendance contact the staffs as follow OJ Internation Company Limited, telephone number 02-079-1811

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 2023 on April 27, 2023 via electronic media (E-Meeting), Live broadcast at the Company's address at the Company's Conference room address 1/11 Moo 3 Lamlukka Road, Ladsawai, Lamlukka, Pathumthani 12150 in compliance with the Emergency Decree on Electronics B.E. 2563 (2020), Personal Data Protection Act,B.E.2562(2019) and other related laws and regulations.Facilitate and encourage shareholders to attend the meeting, with the following actions:
 - The Company held the meetings via electronic media (E-Meeting) which the shareholders can join from many channels. The shareholders should provide the documents to verify identity as pre-registration for the meeting. They can submit the documents or QR code. The system opens for pre-registration during April 10, 2023
 - In case the technical problems for using E-AGM before or during the meeting, please contact to Quidlab company providing E-Meeting service. The company provides the channel of contacts in the email that's sent to inform the username.
 - Preparing duty stamps in case the shareholder assigns the proxy to attend the meeting, without any additional costs.
 - The shareholders can submit the questions in advance through email: ir@pdgth.com or by post to Investor Relations, Phol Dhanya Public Company Limited with the address shown in the invitation letter.
 - Pre-registration 1 hours (1.00pm – 2.00pm.) 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).

- The program or software that the company uses for the shareholders meeting is serviced by Quidlab Co.,Ltd providing E-Meeting services and being certified by Electronic Transactions Development Agency (ETDA) 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.
2. 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 89% 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 a representative volunteer rights protection of shareholder to participate the meeting.
 3. Chairman of the meeting conduct the meeting go through of the meeting agenda, background, reason, necessity and rationale proposal to the meeting without adding agenda or changed alerting an important information as specified in the meeting invitation letter distributed to shareholders beforehand, 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, except for the appointment of directors who must retire by their rotation, whose conflict of interest directors will walk out from the meeting room, to provide opportunities for shareholders to express their opinions and vote for individual directors independently, by collecting ballots only disagree or abstain individually for pre-counting vote , after the meeting will be kept all remiaing ballots for reference for accuracy and transparency.
 4. 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 from the shareholders to give an answer, published on the company's website www.pdgt.com
 5. The Company has involved the auditors's reporesentative "ANS Audit Co., Ltd." 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 2023, after finished the meeting there were 29 shareholders, 11 shareholders to attend the meeting in person and 18 shareholders by proxies, representing 104,054,375 shares, which accounted for 51.38 percent of the total issued shares,quarum of the meeting in according to the company's article of association.

After the Meeting

1. The Company distributes resolutions of the shareholders' meeting via SET Community Portal within the same day of meeting date April 27, 2023, the 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 2023 with correct and complete significant matters with summarized the question-answer both Thai and English.
3. The Company has published the minute of annual general shareholders' meeting both in Thai and English via SET Community Portal within 14 days since the meeting date on May 11, 2023 and the Company's website Investor Relation <http://investor.pdgt.com/misc/ShareholderMTG/agm2021/20210506-phol-agm-2021-minutes-en.pdf>, allow shareholders to review and completely during 30 days until 11 June 2023, 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 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 future shareholders' meeting.

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 2023.

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, 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, especially important agenda which shareholders had adequate information at ahead of time in order for decision making.
2. The Company gives an opportunity for shareholders to propose matters for inclusion as an agenda and nominate a qualified person to be elected as a director at the shareholders' meeting in advance according to the rules prescribed by the company.
3. 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)
4. The Company uses the AGM program to process vote casting, invite a representative volunteer to protect the rights of shareholders and the auditor shall verify the correctness. In particular, the agenda for the election of directors requires separate voting for each individual (one share-one vote) and collect every ballot for review and reference for accuracy and transparency.
5. The Company designated various communication channels for shareholders and investor through 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.pdgth.com/ir) or directly to Investor Relation (ir@pdgth.com)
6. The company has established measures to prevent the use of inside information in writing. Its 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.
7. 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 underage children reporting to SEC via online system in time.
8. 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.
9. 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, including taking action to mitigate and prevent potential network threats in the future. 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.

10. 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

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:

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.

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.

Oversight the Operation of Subsidiaries Company's

At present, the Company has 3 subsidiaries company namely; 1) Phol Water Co., Ltd. 2) Phol Palladium Co., Ltd. and 3) Pholdhanya (Cambodia) Co.,Ltd. (temporary suspend), as a large-scale company with the controlling authority in subsidiaries varied by shareholding proportions, there is good corporate governance in compliance with the policy of corporate governance of the subsidiaries, which are in written by appointing or nominating any qualified person to be a director and executive in the subsidiaries in order to set the guideline of business operation, goals and strategic plans that are in line with the parent or holding company. The directors and executives ensure that there is appropriate and sufficient internal control system, operate in accordance with the relevant laws, monitor the performance of subsidiary companies and report the key events or transactions to the Board of Directors in the parent/holding company. The key events and transactions are the connected transactions, any transactions required the approval from the Board of Director in the parent/holding company according to the company's approval authority. The directors and executives in the subsidiaries ensure that the resource is appropriately allocated and utilized in order to protect and maintain the company's benefit investment and timely disclose the information such as financial statement, performance report, related transactions and asset acquisition or disposal transactions (e.g. capital increase, capital decrease, dissolution and etc)

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 practices 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 issued by the regulators, 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

In 2023, Directors, Executives and employees of the Company and the subsidiaries all comply with the Corporate Governance policy and regularly follows up on the operating results had no violation regarding to stock repurchasing and did not perform any actions causing prohibiting communication among shareholders and violating the guidelines or policy. In addition, the Board of Directors had no news and were not be fined or claimed regarding to violation in term of corruption, dishonesty and ethics by the Securities and Exchange Commission, the Stock Exchange of Thailand and Office of the National Anti-Corruption Commission (NACC). Also, there was no case that the independent committee and non-executive directors had any issue regarding to corporate governance and no case that the Broad of Directors as a whole terminate a term.



Corporate Governance Structure

1. Corporate Governance Structure



2 Information on the Board of Directors

The Structure of the 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. As well as having the authorization to administer the business to achieve the objectives, regulations and resolutions agreed upon by the Annual General Meeting of Shareholders. Each director is required to perform duties with prudence, honesty and under the Business Code of Conduct, as well as to ensure that the management operates the business in accordance with the identified objectives and targets to achieve maximum benefits for the Company.

The company sets the diversity policy of the Committee in order to promote the diversity in the composition of the Board resulting in having the board range of perspectives and views, improving the good decision-making process and effectively performing the duties. The composition of the Boards has the independent directors and female directors, diverse qualifications in the term of races and nationalities, as well as providing a variety of skills, knowledge, experience, and specific expertise that are beneficial to the company. The Board of Directors is comprised of individuals with the knowledge, competencies and diverse skill matrix, with at least 1 non-management director and relevant experience to ensure maximum benefits for the Company. The number of directors should suit the size of the business, and the number of independent directors should be more than one-third of the total number of directors to allow for balance in considering different matters and offering opinions independently. Apart from the advocacy in good governance, environment and social responsibility that covers the matters of human rights and gender equality in operational procedures, and the enhancement of female roles in the organizational leadership level.

Currently, the Structure of the Board of Directors consists of 9 members who are qualified according to the criteria for nomination of directors in line with the company's business strategy. The Board of Directors divided into 7 male director and 2 female director, the proportion of the female director is representing 22.22% of them. If breakdown by the type of directors, there are 7 non-management directors of that 6 directors are the Independent director, representing 77.78% and 66.67% of the Board of Directors respectively (3 Independent director are the Audit Committee) and there are 1 non-management director and 2 management directors, representing 11.11% and 22.22% of the Board of Directors respectively.

Directors' Term on Board

The Board of Directors has been elected by the shareholders' meeting according to the Company's Articles of Association. At each Annual General Meeting of Shareholders, one-third of the total directors must retire from office, and once time has valid may be elected for another term. Each director has a term on Board for a period of 3 years. 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.

Authorized Directors

Authorized signatories are **Mr. Boonchai Suwanvutthiwat** 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.

As of December 31, 2023, The Board of Directors comprises 9 members as follows:

No.	Name	Position	Type	First Appointment	Last Appointment
1	Assoc. Prof. Dr. Ekachidd Chungcharoen ^{/1}	Chairman of The Board	Independent Director Non-Executive Director	September 12, 2007	2021
2	Mr.Noppadol Dheerabutrpongkul	Independent Director	Independent Director Non-Executive Director	September 12, 2007	2023
3	General Chaiwat Satondee	Independent Director	Independent Director Non-Executive Director	October 12, 2015	2022
4	Dr. Pallapa Ruangrong ^{/2}	Independent Director	Independent Director Non-Executive Director	September 19, 2017	2021
5	Mr. Wisarute Srirojanakul	Independent Director	Independent Director Non-Executive Director	September 17, 2021	2022
6	Miss Mathusorn Srikerd ^{/3}	Independent Director	Independent Director Non-Executive Director	April 27, 2023	2023
7	Mr. Apichart Jarutangtrong	Director	Non-Executive Director	August 11, 2022	2023
8	Mr. Boonchai Suwanvutthiwat Suwanvutthiwat ^{/1}	Director	Executive Director	April 30, 2013	2021
9	Mr.Thanya Wangthamrong	Director	Executive Director	April 30, 2013	2022

Notes:

^{/1}Being a director who will retire by rotation and was proposed to be re-elected as director for another term in the 2024 Shareholders' Meeting dated 26 April 2024

^{/2}Being a director who will retire by rotation in the 2024 Shareholders' Meeting dated 26 April 2024.

^{/3} Miss Mathusorn Srikerd was appointed as a director according to the resolution of the 2023 Shareholders' Meeting, effective on April 26, 2023.

Ms. Kwandao Duangjan is the Board of Director's secretary.

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.9/2023 on December 20, 2023 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.

Chairman's Duties

The Board of Directors are to nominate a director to assume the position of the Chairman of the Board of Directors. If appropriate, there can be one or more than one Vice Chairman. The Chairman of the Board of Directors should have the following duties:

1. Supervise, monitor and control role execution of the Board of Directors and sub-committees that they are effective and meet the Company's objectives and goals.
2. Take the leadership role in the Board of Directors, assume the Chairman's role in the Board of Directors' Meeting, Annual General Meeting of Shareholders and Non-Manual Directors' Meeting.
3. Determine the Board of Directors' Meeting schedules in advance (annually) and the Board of Directors' Meeting agendas together with the Chief Executive Officer and the Company Secretary, making sure that important matters get incorporated into the agendas. Ensure that the Board of Directors get the accurate information in a comprehensive and timely manner to allow for proper decision making.
4. Control the meeting to align with the Company's regulations and relevant laws.
5. Smoothly execute the meeting as detailed in the agendas stated in the meeting invitation letter and allocate an appropriate amount of time for the Board of Directors to express opinions independently and fully, with thorough discretion and with consideration of key stakeholders.
6. The judgment and meeting's resolutions are to rely on the majority's votes, whereby one director is entitled to one vote. A director with potential losses or benefits in certain matters is not allowed to vote in that particular matter. If votes turn out equally, the Chairman of the Meeting is to cast a deciding vote.
7. Foster good relationships among managerial and non-managerial directors and among the Board of Directors and the management, as well as support and encourage the executive team to perform their duties based on the Company's policies.
8. Support and encourage compliance of the corporate governance policy and Business Code of Conduct, ensuring that they are actively practiced in business execution with responsibility towards the society and the environment.
9. Supervise, monitor and control compliance of the Board of Directors' resolutions or assign the Company Secretary to take charge of specific matters.

In this regard, Board of Directors Charter, dated December 20, 2023, had disclose on the company's website <https://investor.pdgh.com/misc/CHARTER/20240123-phol-charter-director-committee-en.pdf>

3 Information on Subcommittees

The sub-committees consist of the Audit Committee, Nomination and Compensation Committee and Risk Management and Sustainability Oversight Committee.

1. 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 Dheerabutvongkul	Chairman of Audit Committee
2	Dr. Pallapa Ruangrong	Audit Committee
3	Miss Mathusorn Srikerd ¹	Audit Committee

Notes:

¹ Miss Mathusorn Srikerd was appointed as Audit Committee, effective on April 27, 2023.

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

Miss. Siriporn Ninklum 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. 9/2023, held on December 20, 2023, 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 with efficiency and effectiveness compliance with good corporate governance principles and sustainability development Corruption Risk Management and a whistleblowing notification system.
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. And including of significant event or abnormal transaction must be reported directly to the Audit Committee.
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 review the charter of the Audit Committee and Internal Audit as necessary and appropriate at least once a year.
10. To review the report about the violation of business ethics and company's regulation.
11. To ensure scope of the policy management of information technology and security measure for the information technology system.
12. To evaluate of performance, Problems and obstacles of the Internal Auditor as well as propose improving process at least once a year.
13. To carry out any other tasks assigned by the Board of the Director as approved by the Audit Committee.

In this regard, the Charter of Audit Committee, dated December 20, 2023, had disclose on the company's website <https://investor.pdgh.com/misc/CHARTER/20240123-phol-charter-audit-committee-en.pdf>

2. 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 3 members as follows

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

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. 7/2023, held on October 18, 2023, 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.

In this regard, the Charter of Nomination and Compensation Committee, dated October 18, 2023, had disclose on the company's website <https://investor.pdgeth.com/misc/CHARTER/20240110-phol-charter-nominating-and-compensating-en.pdf>

3. Risk Management and Sustainability Oversight Committee

The Board of Directors emphasizes on the organization development for sustainability. Also, to improve the importance of the company's operation in term of sustainability, the company implements the policies, strategies and goals covering environment, social and corporate governance, which is in line with the direction of the company's business operation and comply with the good corporate governance following the global standards as well as appropriately and sufficiently monitoring the operation by the directors.

In the Board of Directors meeting No. 7/2023 on October 18, 2023, there was the meeting resolution to appoint the company's the Risk Management and Sustainability Oversight Committee to monitor the company's risk management and sustainability development and to cancel the structure of the Risk Management Committee and the Sustainability Development Subcommittee.

Risk Management and Sustainability Oversight 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 and Sustainability Oversight Committee comprises 4 members as follows:

No	Name	Position
1	Asst.Prof.Dr.Suluck Pattarathammas ^{/1}	Chairman of Risk Management and Sustainability Oversight
2	Mr.Boonchai Suwanvutthiwat	Risk Management and Sustainability Oversight Committee
3	Dr. Pallapa Ruangrong	Risk Management and Sustainability Oversight Committee
4	Mr. Thanya Wangthamrong	Risk Management and Sustainability Oversight Committee

Notes:

^{/1} Asst. Prof. Dr. Suluck Pattarathammas is an external scholar.

Ms. Kwandao Duangjan is the Risk Management and Sustainability Oversight Committee's secretary.

Risk Management and Sustainability Oversight Committee's Term on Board

Members of the Risk Management and Sustainability Oversight 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 and Sustainability Oversight Committee shall vacate office upon death, resignation and dispossession of qualifications.

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

The Board of Directors' Meeting No. 7/2023, held on October 18, 2023, considered and approved to determine the scope of authority and responsibility of the Risk Management and Sustainability Oversight Committee as follows:

Scope of Authority, Duties and Responsibilities: Risk Management

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; Emerging Risk, including Sustainability Risk. 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 identify the acceptable risk levels, strategies, risk management plans and required resources in managing organizational risks to ensure they align with the risk management policy and the Company's business strategies and directions.
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.
4. To consider and approve of the risk management reports and disclose to the public.

Scope of Authority, Duties and Responsibilities: Sustainability Management

1. To consider and review the policy, strategies, objectives, and sustainability execution plan, covering environmental, social, governance and economic dimensions, and propose to the Board of Director for approvals.
2. To support and encourage an awareness and cooperation in sustainability operations within the organization, by providing suggestions and encouraging the integration of sustainability operations with the business strategies, risk management and the Company's execution plans both in the short and long term to achieve the desired sustainability goals.
3. To ensure that the operations align with the policy, strategies, and sustainability execution plans, and propose the Company's sustainability practices that cohere with good practices and international standard and encourage continuous improvement.
4. To consider and approve of the Company's key sustainability issues annually to align with stakeholders' demand and expectations, external context, organizational directions, and objectives, and propose to the Board of Directors for approvals, and assign the management to take responsive actions and follow up.
5. To consider and approve the sustainability reports and disclose them to the public.

In this regard, the Charter of Risk Management and Sustainability Oversight Committee, dated October 18, 2023, had disclose on the company's website <https://investor.pdgh.com/misc/CHARTER/20231027-phol-charter-risk-management-and-sustainability-oversight-committee-en.pdf>

4 Information on Executives

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.

As of December 31, 2023, there was an executive who retired, named Mr. Boonchai Suwanwuttiwat, Chief Executive Officer (CEO). In the Board of Director meeting no.9/2023 on December 20, 2023 there was the meeting resolution to appoint Mr.Thanya Wangthamrong to be CEO with the effective date of January 1,2024

Currently, Management Team comprises 5 members as follows:

No	Name	Position
1	Mr. Thanya Wangthamrong	Chief Executive Officer
2	Mr. Pornsak Chunhajinda	Vice President Corporate Support/Chief Financial Officer
3	Miss Prapaipit Viriyabhupha	Sales Director Control Environment Products
4	Mr. Paradorn Parepatara	Sales Director SAFETY Products Group 1
5	Mr. Nitipat Pedprasert	Sales Director SAFETY Products Group 2

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.

Details of educational background and qualifications of directors and executives has been show in "Attachment 1 Details of directors, executives, controlling persons, the Company's secretary, the person assigned to take the highest responsibility in Accounting and Finance and the person assigned to take direct responsibility for accounting supervision"

5 Compensating of Directors and Executives

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

The Company identified policy and criteria for directors' compensation 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 Compensation 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' compensation.

In 2023 Annual General Meeting on April 27, 2023, there was the approval of criteria for director's remunerations in form of monthly salary based on a position and meeting allowance based on the number of meetings that directors attend. The total monthly salary and meeting allowance should not exceed THB 4 million per year. This budget is excluded the director's bonus and the compensation in term of annual director bonus based on the company's performance and dividends paid to the shareholders. In this regard, the payment criteria of Director's bonus are at the rate of 2.5% of the annual dividends paid to shareholders, 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.

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

Position/Type of Director	Monthly compensation ^{/1}	Meeting allowance ^{/2}	Director's bonus
Board of Directors			
Chairman	25,000	22,500	2.5% of dividend paid to shareholders allocated to all Directors
Independent Director/Non-Executive Director	12,000	15,000	
Executive Director	None	15,000	
Audit Committee			
Chairman	20,000	18,000	None
Director	None	12,000	None
Nomination and Compensation Committee			
Chairman	15,000	18,000	None
Director	None	12,000	None
Risk Management Committee			
Chairman	15,000	18,000	None
Director	None	12,000	None

Notes:

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

^{/2} Meeting allowance to be paid for the director who attending

^{/3} The Board of Directors' Meeting No. 7/2023 on October 18, 2023 resolved to appoint a Risk Management and Sustainability Oversight Committee. By canceling the Risk Management Committee.

The company doesn't pay the remuneration in term of other benefits to the directors that are not monthly salary, meeting allowances and director's bonus as mentioned above. However, the company also considers on the responsibilities of directors by applying D&O insurance that is the directors and officers liability coverage for 12 consecutive years with the coverage amount of THB 100 million and the insurance premium of THB 155,000 per year.

2. Compensating of the Board of Directors

In 2023, the company paid the total remuneration for directors of THB 4,484,701. It can be divided into THB 1,297,200 for monthly salary, THB 1,972,500 for meeting allowance of the Committee and Subcommittee resulting in the total amount of THB 3,269,700 based on the approved budget of THB 4,000,000 from the shareholder meeting and THB 1,215,001 for the 2023 annual director's bonus that were paid to the directors in 2023. The total remuneration can be divided based on type of directors, which're THB 663,375 for executive committee and THB 3,821,326 for non-executive committee.

In 2023, the individual compensation of directors are as follows:

Unit: Baht									
No.	Directors' Name	Monthly Compensation	Meeting Allowance					Director's Bonus 2022 ²	Total
			BOD	AC	NC	Risk ¹	Risk and Sustainability ¹		
1	Asso. Prof. Dr. Ekachidd Chungcharoen	300,000	202,500	-	48,000	-	-	205,031	755,531
2	Mr. Noppadol Dheerabutvongkul	240,000	135,000	108,000	48,000	-	-	136,688	667,688
3	General Chaiwat Satondee	180,000	135,000	-	72,000	-	-	136,688	523,688
4	Dr. Pallapa Ruangrong	144,000	135,000	72,000	-	36,000	24,000	136,688	547,688
5	Mr. Wisarute Srirojanakul	144,000	135,000	-	-	-	-	136,688	415,688
6	Miss Mathusorn Srikerd ³	97,200	90,000	48,000	-	-	-	-	235,200
7	Mr. Apichart Jarutangtrong	144,000	135,000	-	-	-	-	53,156	332,156
8	Mr. Boonchai Suwanvutthiwat	-	135,000	-	-	36,000	24,000	136,688	331,688
9	Mr. Thanya Wangthamrong	-	135,000	-	-	36,000	24,000	136,688	331,688
10	Asst. Prof. Dr. Suluck Pattarathammas ⁴	-	-	-	-	54,000	36,000	-	90,000
Directors who retired by rotation in 2023									
11	Mr. Santi Niamnil ⁵	48,000	45,000	24,000	-	-	-	136,688	253,688
	Total	1,297,200	1,282,500	252,000	168,000	162,000	108,000	1,215,001	4,484,701

Notes:

¹ The Board of Directors meeting No. 7/2023 on October 18, 2023, there was the meeting resolution to appoint the Risk Management and Sustainability Oversight Committee and to cancel the structure of the Risk Management Committee.

² Director's Bonus for the year 2022 paid to directors in May 2023.

³ Miss Mathusorn Srikerd was appointed as Director and Audit Committee, effective on April 27, 2023. Firstly, attendance Board of Director meeting No.4/2023 and Audit Committee meeting No.3/2023 on May 12, 2023.

⁴ Asst. Prof. Dr. Suluck Pattarathammas is an external scholar has been appointed as Chairman of Risk Management Committee and Risk Management Consultant, received remuneration for risk management consultant position in amount of Baht 180,000.

⁵ Mr. Santi Niamnil directors who retired by rotation in 2023, received the Director's bonus for the year 2022 proportional upon the tenure of directorship.

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

3. Policy and Criteria of the Compensating of Chief Executive Officer and Top Executive

The policy to determine the criteria for compensation of Chief Executive Officer and Top Executive considering on the remuneration structure based on the responsibilities and duties, the short-term and long-term motivation, the comparison of the remuneration with the companies in the same industry, the remuneration information from the reliable institutions and organizations doing the human resource management and the economic data such as the growth of GDP and the average inflation rate, linked with the objectives and the performance of the companies and individual annual performance evaluation of Chief Executive Officer and Top Executives. The performance evaluation of Chief Executive Officer and Top executives are using Key Performance Indicators according to Balance Scorecard principles. The Nomination and Compensation Committee reviews the guidelines of performance assessment and the criteria of remuneration payment for Chief Executive Officer and Top Executive with fairness and appropriateness in order to propose to the Board of Directors for review and approval on annually basis. The compensations of the executives are in the form of money, including salary, bonuses, management fees, and provident fund, welfare and other benefits. Non-monetary compensation includes life insurance, health insurance, etc.

4. Compensating of Chief Executive Officer and Top Executive

In 2023, the company paid the compensation for 7 executives with the amount of Baht 24.32 million, accounted for 18.23% of total employee compensation.

Unit : MB		
Executive Compensation	Y2023 ¹	
	No. of person	Amount
Salary, bonuses, management fees, welfare and other benefits.	7	23.57
Contribution to provident fund and social security fund	7	0.67
Life and health insurance	7	0.08
Total	7	24.32

Notes:

¹In 2023, there were 1 executive retired and 1 person resigned.

5. Compensation of Directors and Executives in subsidiaries

In 2023, the compensation of Directors and Executives who was appointed as Directors in subsidiaries in the form of meeting allowance, summarized as follows:

No.	Directors' name	Subsidiaries				Total (Baht)
		Phol Palladium Co., Ltd.		Phol Water Co., Ltd.		
		Meeting attendance	Meeting Allowance (Baht)	Meeting attendance	Meeting Allowance (Baht)	
1	General Chaiwat Satondee ^{/1}	-	-	5/5	75,000	75,000
2	Mr. Thanya Wang thamrong	-	-	5/5	50,000	50,000
3	Mr. Pornsak Chunhajinda ^{/3}	4/4	40,000	5/5	50,000	90,000
4	Miss Prapaipit Viriyabhupha ^{/2}	5/5	75,000	-	-	75,000
5	Mr. Boonchai Suwanvutthiwat	5/5	50,000	-	-	50,000
6	Mr. Payotorn Mungthong ^{/3}	1/1	10,000	-	-	10,000
Total			175,000		175,000	350,000

Notes:

¹ General Chaiwat Satondee is the Chairman of the Subsidiary, Phol Water Co., Ltd.

² Miss Prapaipit Viriyabhupha is the Chairman of the Subsidiary, Phol Palladium Co., Ltd.

³ Mr. Pornsak Chunhajinda has appointed as Director of the subsidiary (Phol Palladium Co., Ltd.) to replace Mr. Payotorn Mungthong who resigned.

6 Information on employees

Number of employees of the Company and its subsidiaries as of December 31, 2023 amounts to total 196 as follows:

Department	Number of employees	
	Y2023	Y2022
1. Management	6	8
2. Internal Audit Office	1	1
3. Management and Organization Development Office	4	4
4. Business Development Office	1	1
5. Human Resource	4	4
6. Sales	77	69
7. Procurement	8	9
8. Product Management	6	5
9. Marketing Communication	4	7
10. Accounting and Finance	23	24
11. Information Technology	4	4
12. Warehouse and Logistic	31	31
13. Branch Support Office	11	12
14. Sales and engineering	13	18
15. Contract Staffs	3	4
Total	196	201

In this regard, during the period of 3 years, the Company had no significant change in the number of employees and the company has no major labor disputes.

Employees Compensation

The company has the policy of employee's remuneration that is appropriate and fair to be the short-term and long-term as incentives for the operation and annually reviews the remuneration policy by comparing the compensation and benefits with those of companies in the same industrial markets and setting the criteria of compensation based on the company's performance and the employee's individual performance assessment in which it's written and announced to all employees for acknowledgment and to motivate the employees for operation.

The Company's and subsidiaries' employees are entitled to receive financial and non-financial remuneration, for instance, salary, annual bonus, overtime pay, commission, incentives, diligence allowance, special allowance, provident fund, social security fund, life and health insurances as well as other welfares.

In 2023, the Company provided monetary compensation and non-monetary compensation for 109.10 MB and in 2022, the Company provided such compensation for 110.51 MB.

Provident Fund

The company registered the provident fund since 2008 with the objective of creating morale and encouragement for the employees to have the motivation for working with the company for the term terms and to support the saving mindset for the future. The Company has selected the fund manager that manages investment responsibly, with an awareness on the environmental, social and governance dimensions (ESG) to ensure that the funds are being operated with honesty and under the principle of good governance, taking into account maximum benefits of the Company's provident fund members in the long run. The company has the policy of provident fund contribution with the rate of 3-5%. The employee can choose the plans of provident funds and contribute at the rate of 3-15% based on the appropriateness and acceptable risk levels. During the year, the company provided the trainings regarding to fund investments and frequently communicate the performance of provident funds so that the employees can manage or change the investment plans themselves which is appropriate and flexible based on the situations. In 2023, there were 189 employees contributing in the provident funds, accounted for 96.43% of total employees in the company. The company contributed the provident fund of THB 3.56 million.

Human Resource Development Policy

The Company has the policy to develop staff members of all levels on a regular basis, to enhance knowledge, competencies and competitive potential among staff members that will lead to actual practices and the desired operating results for the Company to achieve the business objectives, as well as to accommodate future growth. The Company has developed the training plan and encouraged participation in activities for all staff members to equip them with the knowledge and working skills in different aspects. Details on human resource development are available in the topic “Business Sustainability Development” and Sustainability Report 2023.

7 Company Secretary

The Board of Directors was appoint Ms. Kwandao Duangjan 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 (4thAmendment), 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.

8 The Head of Internal Audit Department

Audit Committee be considered and approved an appointment, deprivation and evaluation of the head of Internal Audit Division. In the meeting of Audit Committee, no 1/2023 on January 27, 2023, there was the meeting resolution to appoint Miss Siriporn Ninklum to be the head of internal audit and the Audit Committee’s Secretary. The Audit Committee considered that Miss Siriporn Ninklum is qualified, knowledgeable and has experiences in accounting and internal audit for more than 10 years. She understands the company’s activities and businesses and regularly receives the appropriate and sufficient internal audit-related trainings as being the head of internal audit.

9 The person assigned to take direct responsibility for accounting supervision

The company appointed Miss Jintana Suwanpayom as Accounting Manager to take direct responsibility for accounting supervision, since April 1, 2008, who has the qualifications as prescribed by the SEC and is a qualified bookkeeper in accordance with the rules prescribed in the announcement of the Department of Business Development.

Detail of responsibilities, education background and qualifications of Company Secretary, Head of Internal Audit Department and The person assigned to take direct responsibility for accounting supervision has been show in “Attachment 1 Details of directors, executives, controlling persons, the Company’s secretary, the person assigned to take the highest responsibility in Accounting and Finance and the person assigned to take direct responsibility for accounting supervision”

10 Investor Relations

The Company has provided Investor Relation to responsible an activities to communicate with shareholders, small investor, institutional investors, analysts and everyone who are interested, providing or disseminating company information disclosure according to the evens of the accounting period such as Annual Registration Statement and Annual Report, management discussion and analysis (MD&A), press release through SET Community Portal and on the Company’s website including publishing information through media in order to equally keep all stakeholders informed. 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 Relations”

Contact information

Miss Siriporn Ondee

Tel: 0-2791-0111 ext. 206

Fax: 0-2791-0100 or Email: ir@pdgth.com or Website: www.pdgth.com

In 2023, the company published important information and activities as follows:

- Publication of Annual Report (56-1 One Report) to reported summary of important information of the company for the year, including business operations overview, risk management, business sustainability development, corporate governance, etc.
- Publication of Management discussion and analysis (MD&A) and Summary Company Snapshot by quarterly and yearly basis through SET System (4 times)
- Press Release, Trend of business, Operating results and the Company's activities through the company's website and mass media (7 times)

In this regard, shareholders, investors or those who are interested can see more information of the company at the company's website at www.pdgh.com Investor Relations Section

11 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 7 consecutive years.

Audit Fee

For the accounting period of 2023, the Company has reviewed and comments by Mr. Sathien Vongsnan Certified Public Accountant Number 3495 from "ANS Audit Co., Ltd." is the Company's Auditor, the said auditor signing the company's financial statement for 2018 and 2011 – 2015 (7 fiscal years) of. The remuneration of the audit fee of the Company and its subsidiaries for the fiscal year 2023, 2022 and 2021 amounted 1,680,000 Baht, 1,672,000 Baht, and 1,630,000 Baht respectively, which including audit fee of subsidiary company amounted 550,000 Baht , 550,000 Baht and 535,000 Baht respectively.

Non Audit Fee

In 2023, the Company and its subsidiaries was no others Audit fee.

Comparison of the Audit Fee

Audit Fee	2023	2022	2021
Audit Fee (Unit: Baht)			
1. Phol Dhanya Public Company Limited	1,130,000	1,122,000	1,095,000
2. PD Genesis Engineering Company Limited	5,000	5,000	5,000
3. Phol Palladium Company Limited	262,000	262,000	257,000
4. Phol Water Company Limited.	278,000	278,000	266,000
5. Pholdhanya (Cambodia) Co., Ltd.	5,000	5,000	7,000
Non Audit Fee	-	-	-
Total	1,680,000	1,672,000	1,630,000



Internal Control and Related Party Transactions

1 Internal Control Policy

The directors emphasize on the internal control system that is efficient and sufficient by setting the internal control process to comply with 2023 COSO Internal control framework, having Audit Committee to monitor, follow up and assess the company's internal control system and having the executives to monitor the operation process and supervise all employees in all departments to be part of operation. Providing adequate personnel, determined the duties and responsibilities including authority of the operations. Separation of duties of the workers, controllers and approvers in order to ensure mutual cross-check and audit, both for financial and non-financial transactions that is reliable and timely, to properly ensure that it can be managed effectively in changing environment, including their supervision in accordance to achieving the Company's goals and objective.

The company implements the policy of good corporate governance as well as other policies in compliance with the related law, rules and regulations and also communicates to all employees at all levels to strictly follow. Also, the company has the audit process and frequently reports the result of audit. In addition, the internal audit team is assigned to be responsible for the annual assessment of internal control to see if it is effective and sufficient ensuring that the operation process of the company is efficient and effective and comply with international standards. The key information is summarized as follow:

1. Control Environment

The company sets the structure of corporate governance consisting of the Committee and Subcommittees who are the Audit Committees, the Risk Management and Sustainability Committees and the Nomination and Remuneration Committees. Each committee has the committee charters and the clear roles and responsibilities for monitoring and operating the company to achieve the objectives of business operations with the maximum benefits for the shareholders. Also, they comply with the policy of corporate governance, business ethics and the code of conduct with fairness, honesty and transparency as well as appropriately following the code of conduct of the Committee, executives and employees. Also, there is corporate governance related to transactions and related parties that can cause the conflict of interests and to be responsible for the society by having senior executives to manage the other operations and activities, Communicate organizational goals to staff members at least once a year, to serve as operational guidelines for everybody, for purposes of appropriate resource allocation and human resources management to supports the achievement of the Company's goals and objective as well as 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 or at an acceptable level to encourage goal achievement for the Company. Risk management and Sustainability working group has been appointed to manage risks at the management level as well as ESG Risk. The working group comprising of top-level executives of all business unit, with the Chief Executive Officer as the Chairman of the working group, evaluating internal and external risk factors that may impact business operations and create risk management culture in the organization. Determined risk management plans and measures that align with the organizational strategy and integrated to the operational level and monitored in a quarterly manner and reported to the Risk Management and Sustainability Oversight 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 Management".

3. Control Activities

The Company arranged for the control activities to properly manage risks to ensure they are in an acceptable level, determining policies and guidelines for proper and appropriate implementation, as well as the determination of operational control measures in the form of documents such as operating regulations, working method and operating 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.

The company sets the policy of related party transactions or connected transactions to comply with the regulations or criteria of the Securities and Exchange Commission (SEC) and the Securities and Exchange of Thailand (SET) in which the stakeholders of the transactions have no rights for voting in approval of the related transactions and set the prices and conditions of the connected transactions or the related party transactions like at arm's length basis. Also, the company has the policy of confidentiality, data retention, and the use of inside information to prevent the conflict of interests by considering on the company's maximum benefits. For any transactions, the company has the monitoring measures to ensure that the transactions follow the procedures and are completed through the given approval process.

4. Information and Communication

The company emphasizes on the informative systems and the communication that is efficient and widespread through the organization so that the employees can be accessible for all communication channels. Also, there is the communication from the senior executives to all staffs to drive the organization to be the same directions. In addition, the company has the standard information storage system and the information storage and backup process for the important data in accordance with the related laws as well as 2019 Personal Data Protection Act and to communicate the precise and sufficient information to the Board of Directors, executives, shareholders and related parties for making 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 monitored and supervised with the operating performance to ensure they are in accordance with the aspired targets. There were 9 Board of Directors' meetings held in 2023, 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' meeting no.1/2024, dated January 18, 2024, was attended by 6 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 2023, 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 and monitoring activities. The Board of Directors had an opinion in accordance with the opinions which have been considered 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 changing risks. The Company determined an appropriate management structure, sufficient staff members and advocates continuous human resource development, providing equipment and tools suitable including information technology system to support operations to achieve the goals and objectives organizational effectively.

In 2023, the company had the result of assessment for the sufficiency of the internal control system, which's 100%. It's increased by 4% from last year by improving the internal control system to be more efficient such as supporting the employees in the organization to have the learning culture in order to operate the business in accordance with the code of conduct and the policy of good corporate governance.

Furthermore, the Company's auditor; ANS Audit Co., Ltd. by Mr. Sathien Vongsnan, an auditor of the quarterly statement of financial position and the statement of financial position in 2023, 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. Internal audit teams conduct the evaluation and improve the efficiency of internal control system, risk management system and corporate governance practices. They also support the operations in order to achieve the objectives and goals of the company and quarterly prepare the performance and audit reports including providing the key suggestions and improvements for the Audit Committee who presents to the Board of Directors for acknowledgement.

The Head of Internal Audit Department

The Audit Committee considers, approves, appoints, removes and evaluates the performance and compensation of the head of internal audit and support the head of internal audit to attend the seminars enhancing the relevant knowledge that can be benefit for the performance of internal audit. Also, the Committee sets the appropriate auditing plan to be in line with the current situations as well as the changes in related law and regulations.

In the meeting of Audit Committee, no 1/2023 on January 27, 2023, there was the meeting resolution to appoint Miss Siriporn Ninklum to be the head of internal audit and the Audit Committee's Secretary. The Audit Committee considered that she is qualified and knowledgeable and has experiences in accounting and internal audit for more than 10 years. She understands the company's activities and businesses and regularly receives the appropriate and sufficient internal audit-related trainings as being the head of internal audit.

In 2023, the Audit Committee appointed Dharmniti Internal Audit Company Limited as the external auditors who independently work with the company's internal audit to perform the annual performance audit for all company's departments approved by the Audit Committee.

The detail of qualification and trainings of the head of internal audit is shown in "Attachment# 3 – the detail related to the head of internal audit".

2 Related Transactions

Connected Persons and Related Transactions

The company performs the connected transactions with a person and a company that can have the conflict in the form of related relationship through shareholding of the directors and executives as follow:

Connected Persons	Nature of Relationship
Phol Palladium Co., Ltd.	A subsidiary company. The Company holds 99.99% of the register and paid-up capital of Phol Palladium Co., Ltd. There are the common director and executive, namely Mr. Boonchai Suwanwutthiwat and Ms. Prapaipit Wiriyabubpha and Mr.Pornsak Chunhajinda
Phol Water Co., Ltd.	A subsidiary company. The Company holds 99.99% of the register and paid-up capital of Phol Palladium Co., Ltd. There are the common director and executive, namely General Chaiwat Satondee, Mr. Thanya Wangthamrong, and Mr. Pornsak Chunhajinda
PD Genesis Engineering Co., Ltd.	A subsidiary company. The Company holds 76.67% of the register and paid-up capital of PD Genesis Engineering Co., Ltd. (Cessation of business operations and under the process of liquidation)
Pholdhanya (Cambodia) Co., Ltd.	A subsidiary company. The Company holds 100% of the register and paid-up capital of Pholdhanya (Cambodia) Co., Ltd. (Cessation of business operations)
B&P Agri Product Co.,Ltd.	A related company. There is the common director, namely Assoc. Prof. Dr. Ekachidd Chungcharoen, holding shares 99.99% of the register and paid-up capital of B&P Agri Product Co.,Ltd.
Thai Biolex Co., Ltd.	A related company. There are the common major shareholders and directors, namely Mr. Chavalit Wangthamrong, major shareholders of the Company who is director and holding shares 27.77% of the register and paid-up capital of Thai Biolex Co., Ltd. And Mr. Thanya Wangthamrong, Director and major shareholders of the Company, holding shares 22.22% of the register and paid-up capital of Thai Biolex Co., Ltd.
Loy Phol Joint Venture	Phol Water Co, Ltd, the company's subsidiary, is doing a joint venture business with Loy Corp Company Limited, named Loy Phol Joint Venture with the objective to have the waste management project in Ban Kraud municipality with the investment capital of THB 8 million
Phol SK Joint Venture	Phol Water Co,Ltd, the company's subsidiary, is doing a joint venture business with SK Tech 99 Company Limited, namely SK Joint Venture with the objective to construct the water distribution system by using solar, Department of Water Resources with the investment capital of THB 2 million.

Summary of connected transactions with subsidiaries and related companies

Persons with possible conflict of interest	Transaction	Transaction Value (Baht)			Necessity and reasonability of the transaction
		Y2021	Y2022	Y2023	
1. Phol Palladium Co., Ltd. (Subsidiary)	- 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. The Audit Committee's opinion The transaction was the normal trading transaction.
	- The Company sold goods to the Subsidiary				
	Sale of goods	26,235,516	9,239,570	5,385,395	
	Trade receivables in the Subsidiary	11,284,465	3,852,939	1,916,250	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%. The Audit Committee's opinion The transaction was the normal trading transaction.
	- The Company purchased goods from the subsidiary				
	Purchases of goods	1,218,814	2,256,398	2,483,617	The Company purchased goods from the Subsidiary as normal business operation with the policy at the cost price with an additional profit of margin 5-15%. The Audit Committee's opinion The transaction was the normal trading transaction.
	Trade payables in the Subsidiary	56,735	13,977	6,150	
	- Management fee income				
		1,560,000	1,560,000	1,560,000	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 amount to 130,000 baht per month. The Audit Committee's opinion The transaction was reasonable; because it is the expense of the subsidiary which the company holds 99.99% of shares.
2. Phol Water Co., Ltd. (Subsidiary)	- Investment in the Subsidiary	49,999,970	49,999,970	49,999,970	The Board of Directors approved to establish the subsidiary company with objective of doing business regarding to the water management system for consumption. The subsidiary has continuously accumulated operating losses, in 2022, the directors consider on having full the allowance for impairment losses in the subsidiary according to the accounting standard. The Audit Committee's opinion The provision was in accordance with the accounting standard.
	Allowance for impairment	45,594,639	49,999,970	49,999,970	
	Net-Investment in the Subsidiary	4,405,332	-	-	

Persons with possible conflict of interest	Transaction	Transaction Value (Baht)			Necessity and reasonability of the transaction
		Y2021	Y2022	Y2023	
2. Phol Water Co., Ltd. (Subsidiary)	- The Company sold goods to the Subsidiary Sale of goods	1,004,718	94,936	86,158	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%. The Audit Committee's opinion The transaction was the normal trading transaction.
	Trade receivables in the Subsidiary	544,534	7,544	12,521	
	- The Company sold fixed asset to the Subsidiary	467,290	-	-	The Company sold the assets to the Subsidiary at mutually agreed price according to the condition of the assets, which is normal business operation. The Audit Committee's opinion The transaction was the normal business transaction and does not affect the consolidated financial statements of the Company and its subsidiaries.
	- The Company purchased goods and services from the subsidiary	14,133	-	79,990	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%. The Audit Committee's opinion The transaction was the normal trading transaction.
	- Cost of water treatment system installation	-	1,254,140	313,535	The company hired the subsidiary to provide services for wastewater treatment, which is a main business, at the price agreed in the contract. The Audit Committee's opinion The transaction was the normal trading transaction.
	- Short-term loans-Promissory Note	7,000,000	25,876,000	8,000,000	The company provided short-term loans to the Subsidiary by issuing a promissory note to use for working capital in operation, which is repayable at call and with interest rate 4.625 – 6.225 per annum. The Audit Committee's opinion To support for a subsidiary in which the Company holds 99.99% of shares.
	Short-term loans receivable	5,000,000	17,676,000	19,736,000	
	Interest	168,041	944,471	1,051,222	The Company reconsidered short-term loan to the subsidiary and intends not to call for repayment within one year. Therefore, it is classified to long-term loan to related party. In 2023, the company has received full repayment of the loan. The Audit Committee's opinion To support for a subsidiary in which the Company holds 99.99% of shares.
	Interest receivable	901	2,493	9,816	
	Long-term Loan	2,000,000	-	-	
	Long-term loans receivable	2,000,000	2,000,000	-	

Persons with possible conflict of interest	Transaction	Transaction Value (Baht)			Necessity and reasonability of the transaction
		Y2021	Y2022	Y2023	
2. Phol Water Co., Ltd. (Subsidiary)	Management fee income	1,800,000	1,800,000	-	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 amount to 150,000 baht per month. The Audit Committee's opinion The transaction was reasonable; because it is the expense of the subsidiary which the company holds 99.99% of shares.
	Rental income for water treatment system	300,000	-	-	The Company charges rental for water treatment system from subsidiaries amount to 60,000 Baht per month. The Audit Committee's opinion The transaction was reasonable; it represents the actual operating costs.
	- Other receivable	520,000	-	-	Check during deposit. The Audit Committee's opinion The transaction was the normal trading transaction.
	- Repair and maintenance expenses	9,200	5,400	-	The Company hired a subsidiary to replace the water purifier filter in the office at the agreed price. The Audit Committee's opinion The transaction was the normal trading transaction.
3. PD Genesis Engineering Co., Ltd. (Subsidiary)	- Investment in the Subsidiary	11,500,000	11,500,000	11,500,000	The subsidiary reported loss and cessation of business operations and under the process of liquidation. 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. In 2023, the company considers writing off a full bad debts.
	Allowance for Impairment	11,500,000	11,500,000	11,500,000	
	Net investment in the Subsidiary	-	-	-	
	- Short-term loan to the subsidiary	5,000,000	5,000,000	5,000,000	
	Less Allowance for doubtful accounts	5,000,000	5,000,000	5,000,000	The Audit Committee's opinion The provision was in accordance with the accounting standard.
	Net Short-term loan to the subsidiary	-	-	-	
	- Interest income	126,278	126,278	126,278	
	Less Allowance for doubtful accounts	126,278	126,278	126,278	
	Net Interest income	-	-	-	

Persons with possible conflict of interest	Transaction	Transaction Value (Baht)			Necessity and reasonability of the transaction
		Y2021	Y2022	Y2023	
4. Pholdhaya (Cambodia) Co., Ltd. (Subsidiary)	- Investment in the Subsidiary Allowance for Impairment	6,770,686	6,770,686	6,770,686	The subsidiary reported loss earnings over capital, 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
	Net investment in the Subsidiary	-	-	-	
	- Trade receivables in the Subsidiary	3,598,376	3,720,905	3,647,950	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 full allowance for doubtful account. The Audit Committee's opinion
	Less Allowance for doubtful accounts	3,598,376	3,720,905	3,647,950	
	Trade receivables in the Subsidiary-net	-	-	-	The provision was in accordance with the accounting standard.
	- The Company purchased fix asset from the Subsidiary	-	-	25,217	The Company purchased computer from the Subsidiary at market as normal business operation. The Audit Committee's opinion
					The transaction was the normal transaction.
	- Other receivable	3,478,805	3,766,675	3,745,529	The Subsidiary lend from the Company to working capital, however, the subsidiary reported loss earnings over capital and 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. The Audit Committee's opinion
	Less Allowance for doubtful accounts	3,478,805	3,766,675	3,745,529	
	Other receivable-net	-	-	-	The provision was in accordance with the accounting standard.
5. B&P Agri Product Co.,Ltd. (Related Company)	- The Company sold goods to the related company	-	-	4,280	The Company sold goods to the related company at the market price, which is normal business operation. The Audit Committee's opinion
					The transaction was the normal trading transaction.

Persons with possible conflict of interest	Transaction	Transaction Value (Baht)			Necessity and reasonability of the transaction
		Y2021	Y2022	Y2023	
5. B&P Agri Product Co.,Ltd. (Related Company)	- The subsidiary of the Company sold goods to the related company	3,000	20,750	36,990	The subsidiary (Phol Water Co.,Ltd.) sold goods to the related company at the market price, which is normal business operation. The Audit Committee's opinion The transaction was the normal trading transaction.
	- The Company sold goods to the related company	-	-	168,210	The Company sold goods to the related company at the market price, which is normal business operation. The Audit Committee's opinion The transaction was the normal trading transaction.
	- The Company sold goods to the related company	-	-	2,204,800	The Company sold goods to the related company at the market price, which is normal business operation with the policy at the cost price with an additional profit of margin 5%. The Audit Committee's opinion The transaction was the normal trading transaction.
6. BJC Heavy Industries Public Company Limited (Related Company)	Investment in joint ventures	-	8,000,000	8,000,000	Phol Water Co, Ltd. does a joint venture business with Loy Corp Company Limited, named Loy Phol Joint Venture with the objective to have the waste management project in Ban Kraud municipality with the investment capital of THB 8 million. The Audit Committee's opinion It is the joint venture business according to the investment condition
	- The subsidiary of the Company sold goods to the related company.	-	-	6,641,015	The subsidiary (Phol Water Co.,Ltd.) sold goods to the related company, which is normal business operation with the policy at the cost price with an additional profit of margin 5%. The Audit Committee's opinion The transaction was the normal trading transaction.
	The subsidiary provides short-term loans to related company.				The subsidiary (Phol Water Co, Ltd) provides short-term loans as per the joint venture agreement with amount of THB 3 million and interest rate of 10% per year.
7. Loy Phol Joint Venture (Related Company)	- Short-term loans to joint ventures	-	2,940,000	1,500,000	The Audit Committee's opinion
	- Short-term loans receivable	-	2,940,000	-	It's normal transactions according to the joint venture agreement.
	- Interest	-	122,500	257,250	
	- Interest receivable	-	49,000	-	

Persons with possible conflict of interest	Transaction	Transaction Value (Baht)			Necessity and reasonability of the transaction
		Y2021	Y2022	Y2023	
7. Loy Phol Joint Venture (Related Company)	- Other receivable	-	119,100.00	-	Operating expense (Guarantee Fee) that subsidiary paid for the joint venture company and claimed back later is considered a normal operation. The Audit Committee's opinion It's normal transactions according to the joint venture agreement.
8. Phol SK Joint Venture (Related Company)	- Investment in joint ventures	-	2,000,000	-	Phol Water Co.,Ltd, the company's subsidiary does a joint venture business with SK Tech 99 Company Limited, namely SK Joint Venture with the objective to construct the water distribution system by using solar, Department of Water Resources with the investment capital of THB 2 million. In 2023, Phol SK Joint Venture returned capital the subsidiary in the entire amount. The Audit Committee's opinion It is the joint venture business according to the investment condition.
	- Short-term loans to joint ventures - Interest	- -	1,550,000 57,329	1,500,000 30,822	The subsidiary (Phol Water Co, Ltd) provides short-term loans as per joint venture agreement with amount of THB 1 million and interest rate of 15% per year. The Audit Committee's opinion It is the joint venture business according to the investment condition
9. Thai Biolox Co., Ltd. (Related Company)	- The subsidiary of the Company sold goods to the related company	537,068	620,410	-	The subsidiary (Phol Water Co.,Ltd.) sold goods to the related company at the market price, which is normal business operation. The Audit Committee's opinion The transaction was the normal trading transaction.

Procedures of the Approval of the Transaction

The Board of Directors set the policy and guidelines of connected transactions and also set measurements and procedures for the connected transactions between the company and subsidiary or joint ventures or any person with the potential conflict of interest through the process of verification, balance of power and the accurate disclosure of information in order to make the decision under transparency on the connected transactions that have the maximum benefits to the company and shareholders and be in accordance with the Security and Exchange Act, the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission as well as related law, rules and regulation. Procedures of the approval of the transaction are as follow;

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 auditor 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 the future, if the company has to do the connected transactions regarding to the normal business transactions or normal business support transactions with subsidiary, joint venture or any person with the potential conflict of interest, the company sets the policy of connected transactions with the conditions, which are similar to the normal business operated in the market that the price can be comparable with the price applied for the external customers, which is in accordance with the principals approved by the Board of Directors and in compliance with Securities and Exchange Act B.E. The company should strictly comply with the agreement as well as set the clear and fair pricing and conditions, which do not lead to the benefit transfer.

In case of the new connected transaction or the changes in price and condition, the internal audit team audits and prepares the reports to the Board of Directors for reviewing and providing the comments on the appropriateness and reasonableness of the connected transactions on quarterly basis. In case that the normal business transactions and normal business support transactions has the different condition from normal commercial transactions or other connected transactions, the company follows the policy and guidelines of connected transactions and complies with the measurement and procedures of approval for connected transactions before the transaction date.

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 registration statement and annual report (Form 56-1 One Report)

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.



Other Information

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

Website: www.set.or.th/tsd

- **Auditor**

ANS Audit Co., Ltd

100/72, 16th Floor, 100/2 Vongvanij Building B, Rama 9 Road, Huaykwang, Bangkok, 10320

Tel 66(0)-2645-0109, Fax 66(0)-2645-0110

Website: www.ans.co.th

- **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

Website: www.dherakupt-law.co.th

Legal disputes

As of December 31, 2023, the Company has no legal disputes that may have a significant negative impact on the Company's business. And the company has no legal disputes that may negatively affect the assets of the Company at an amount higher than 5 percent of the shareholders' equity.



Financial Statement

- Report of Board of Director's Responsibilities to Financial Statement
- Independent Auditor's Report
- Financial Statement and Note to Financial Statement



Report of Board of Director's Responsibilities to Financial Statement

Dear Shareholders

The Board of Directors recognize duties and responsibilities as Director of listed company The Board of Directors is responsible to the financial statements of the Company and its subsidiaries including financial information that appears in the 2023 Annual Report (56-1 One Report) 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 as well as to prevent corruption or conducting a transaction that is significantly and a related party transaction that can cause the conflict of interests is a real commercial transaction from the reasonable normal business operations that has maximum benefits to the company and comply with the related law and regulations and appointed the Audit Committee, consisting of independent directors to responsible on the quality of financial statement reports and internal control system. The opinion of Audit Committee shown in report of 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, 2023 in which the auditors have audited and provided the comments in the auditor's report of which was also shown in the 2023 Annual Report (56-1 One Report).

(Assoc. Prof. Dr. Ekachidd Chungcharoen)

Chairman of the Board

(Mr. Thanya Wangthamrong)

Chief Executive Officer



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, 2023, 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, 2023, 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 Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. 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, 2023, stated at cost of Baht 251.77 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.



Sathien Vongsnan
 Certified Public Accountant
 Registration Number 3495

ANS Audit Company Limited
 Bangkok, February 16, 2024



Financial Statement and Note to Financial Statement

Phol Dhanya Public Company Limited and Its Subsidiaries

Statement of Financial Position

As at December 31, 2023

Unit: Baht					
Notes	Consolidated financial statements		Separate financial statements		
	2023	2022	2023	2022	
Assets					
Current assets					
Cash and cash equivalents	6	61,680,051.05	53,553,517.86	55,536,688.93	47,989,555.24
Trade and other current receivables - net	5, 7	162,399,264.00	152,119,046.95	137,071,404.13	137,878,609.39
Short-term loans to related parties - net	5	-	2,940,000.00	19,736,000.00	17,676,000.00
Current portion of long-term loans to employees	13	1,291,531.02	1,423,869.90	1,165,675.27	1,345,721.90
Inventories - net	8	242,254,697.33	245,309,716.55	224,250,161.43	222,767,468.45
Current tax assets		814,467.96	606,362.05	-	-
Total current assets		468,440,011.36	455,952,513.31	437,759,929.76	427,657,354.98
Non-current assets					
Deposits at bank pledged as collateral	9, 29	30,608,834.79	30,555,759.57	30,608,834.79	30,555,759.57
Investment in subsidiaries - net	10	-	-	999,970.00	999,970.00
Investment in joint ventures	11	8,404,074.43	9,732,736.57	-	-
Other long-term investment - net	12	-	-	-	-
Long-term loans to employees - net	13	917,024.88	1,029,408.14	909,527.54	957,146.80
Long-term loan to related party	5	-	-	-	2,000,000.00
Investment properties - net	14	4,014,463.94	4,435,131.66	4,014,463.94	4,435,131.66
Property, plant and equipment - net	15	86,989,034.92	89,421,103.18	85,700,886.81	87,579,565.10
Right-of-use assets - net	16	4,869,461.04	5,969,360.11	4,869,461.04	5,969,360.11
Intangible assets - net		967,152.57	875,350.26	967,142.57	875,340.26
Deferred tax assets - net	17	38,155,596.96	40,804,259.06	36,778,238.63	38,509,195.08
Other non-current assets		22,000.00	43,028.04	22,000.00	43,028.04
Total non-current assets		174,947,643.53	182,866,136.59	164,870,525.32	171,924,496.62
Total assets		643,387,654.89	638,818,649.90	602,630,455.08	599,581,851.60

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, 2023

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2023	2022	2023	2022
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	18	91,265,447.91	104,534,433.38	86,265,447.91	104,534,433.38
Trade and other current payables	5, 19	133,236,384.57	126,694,371.97	123,218,137.07	109,762,325.50
Current portion of long-term loan from financial institution	20	-	615,000.00	-	615,000.00
Current portion of lease liabilities	21	1,749,702.92	1,836,609.30	1,749,702.92	1,836,609.30
Current income tax payable		6,014,255.65	6,020,614.75	6,014,255.65	6,020,614.75
Provision for constructions and service contracts		2,125,808.40	2,192,197.21	1,512,834.82	1,688,834.82
Total current liabilities		234,391,599.45	241,893,226.61	218,760,378.37	224,457,817.75
Non-current liabilities					
Lease liabilities - net	21	1,648,955.15	3,068,155.21	1,648,955.15	3,068,155.21
Non-current provisions for employee benefit	22	32,951,552.15	40,291,463.21	31,746,935.55	36,300,206.88
Derivative liabilities		-	964.16	-	964.16
Total non-current liabilities		34,600,507.30	43,360,582.58	33,395,890.70	39,369,326.25
Total liabilities		268,992,106.75	285,253,809.19	252,156,269.07	263,827,144.00

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, 2023

Unit: Baht				
Notes	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Shareholders' equity				
Share capital				
Authorised 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
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	14,712,000.00	11,912,000.00	14,712,000.00	11,912,000.00
Unappropriated	94,094,277.95	77,498,053.14	68,477,186.13	56,557,707.72
Other component of shareholders' equity	371,062.80	359,666.72	-	-
Total shareholders' equity of the Company	374,275,104.37	354,867,483.48	350,474,186.01	335,754,707.60
Non-controlling interests	120,443.77	(1,302,642.77)	-	-
Total shareholders' equity	374,395,548.14	353,564,840.71	350,474,186.01	335,754,707.60
Total liabilities and shareholders' equity	643,387,654.89	638,818,649.90	602,630,455.08	599,581,851.60

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, 2023

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2023	2022	2023	2022
5, 25, 28					
Revenues					
	Revenue from sales	950,144,182.99	984,355,495.18	880,910,278.56	920,859,288.96
	Revenue from rendering of services	20,958,245.66	14,830,388.22	4,051,320.00	2,923,975.00
	Revenue of water treatment system installation	323,232.00	1,292,928.00	323,232.00	1,292,928.00
	Total revenues	971,425,660.65	1,000,478,811.40	885,284,830.56	925,076,191.96
Costs					
	Cost of sales	(697,999,538.79)	(732,115,370.66)	(639,967,546.50)	(680,132,439.13)
	Cost of rendering of services	(14,521,692.78)	(9,492,906.62)	(788,728.87)	(445,152.90)
	Cost of water treatment system installation	(238,889.44)	(1,132,592.00)	(313,535.04)	(1,254,140.16)
	Total costs	(712,760,121.01)	(742,740,869.28)	(641,069,810.41)	(681,831,732.19)
	Gross profit	258,665,539.64	257,737,942.12	244,215,020.15	243,244,459.77
	Other income	10,007,458.19	2,857,184.23	8,480,486.72	6,354,719.60
	Distribution cost	(102,233,622.02)	(93,008,387.84)	(93,246,183.85)	(83,386,877.99)
	Administrative expenses	(92,400,785.89)	(93,189,935.57)	(88,710,583.48)	(86,778,221.61)
	Gain (loss) on exchange rate - net	1,501,001.91	(1,490,166.12)	1,490,761.14	(1,457,872.22)
	Loss on impairment of investment in subsidiary	10	-	-	(4,405,331.42)
	Profit from operating activities	75,539,591.83	72,906,636.82	72,229,500.68	73,570,876.13
	Loss arising from bad debt of financial assets	(9,308,554.77)	-	(9,884,110.75)	-
	Finance costs	(2,402,482.11)	(2,819,630.07)	(2,306,459.33)	(2,819,630.07)
	Reversal of allowance for credit loss (credit loss) on financial assets - net	9,140,078.24	(1,166,470.23)	9,728,954.08	(1,093,212.96)
	Share of profit (loss) from investment in joint ventures	11	922,833.19	(267,263.43)	-
	Profit before income tax	73,891,466.38	68,653,273.09	69,767,884.68	69,658,033.10
	Income tax expenses	26	(14,171,197.29)	(13,782,671.66)	(14,741,155.02)
	Profit for the year	59,720,269.09	54,035,319.34	55,985,213.02	54,916,878.08
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	11,396.08	(42,964.33)	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent year</i>					
	Actuarial gains - net from tax	3,623,790.98	-	1,259,014.11	-
	Other comprehensive income (loss) for the year	3,635,187.06	(42,964.33)	1,259,014.11	-
	Total comprehensive income for the year	63,355,456.15	53,992,355.01	57,244,227.13	54,916,878.08

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, 2023

Unit: Baht				
Notes	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Profit attributable to:				
Equity holders of the Company	58,297,182.55	54,035,319.34	55,985,213.02	54,916,878.08
Non-controlling interests	1,423,086.54	-	-	-
	59,720,269.09	54,035,319.34	55,985,213.02	54,916,878.08
Total comprehensive income attributable to:				
Equity holders of the Company	61,932,369.61	53,992,355.01	57,244,227.13	54,916,878.08
Non-controlling interests	1,423,086.54	-	-	-
	63,355,456.15	53,992,355.01	57,244,227.13	54,916,878.08
Earnings per share				
Basic earnings per share (Baht)	0.29	0.27	0.28	0.27
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 Shareholder's Equity

For The Year Ended December 31, 2023

Unit: Baht

Consolidated financial statements										
Equity attributable to shareholders' equity of the Company										
Notes	Issued and paid-up share capital	Premium on share capital	Deficit from the Change in the ownership interests in subsidiary	Retained earnings			Other component of shareholders' equity			
				Appropriated to legal reserve	Unappropriated	Translating financial statements	Actuarial gains - net	Total other component of shareholders' equity	Total	Total Shareholders' Equity
Balance as at January 1, 2023	202,500,232.00	64,784,767.88	(2,187,236.26)	11,912,000.00	77,498,053.14	359,666.72	-	359,666.72	354,867,483.48	353,564,840.71
Changes in shareholders' equity for the year										
23 Legal reserve	-	-	-	2,800,000.00	(2,800,000.00)	-	-	-	(42,524,748.72)	-
24 Dividend paid	-	-	-	-	(42,524,748.72)	-	-	-	61,932,369.61	(42,524,748.72)
Total comprehensive income for the year	-	-	-	-	58,297,182.55	11,396.08	3,623,790.98	3,635,187.06	1,423,886.54	63,355,456.15
Transfer to retained earnings	-	-	-	-	3,623,790.98	-	(3,623,790.98)	(3,623,790.98)	-	-
Balance as at December 31, 2023	202,500,232.00	64,784,767.88	(2,187,236.26)	14,712,000.00	94,094,277.95	371,062.80	-	371,062.80	374,275,104.37	374,395,548.14
Balance as at January 1, 2022	202,500,232.00	64,784,767.88	(2,187,236.26)	9,166,000.00	74,801,493.48	402,631.05	-	402,631.05	349,467,888.15	348,165,245.38
Changes in shareholders' equity for the year										
23 Legal reserve	-	-	-	2,746,000.00	(2,746,000.00)	-	-	-	-	-
24 Dividend paid	-	-	-	-	(48,592,759.68)	-	-	-	(48,592,759.68)	(48,592,759.68)
Total comprehensive income for the year	-	-	-	-	54,035,319.34	(42,964.33)	-	(42,964.33)	53,992,355.01	53,992,355.01
Balance as at December 31, 2022	202,500,232.00	64,784,767.88	(2,187,236.26)	11,912,000.00	77,498,053.14	359,666.72	-	359,666.72	354,867,483.48	353,564,840.71

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

Statement of Changes in Shareholder's Equity

Unit: Baht

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, 2023

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash flows from operating activities:				
Net profit	59,720,269.09	54,035,319.34	55,985,213.02	54,916,878.08
Adjustment to reconcile net profit to net cash by (used in) operating activities				
Income tax expenses	14,171,197.29	14,617,953.75	13,782,671.66	14,741,155.02
Loss on bad debt written off - financial assets	9,308,554.77	-	9,884,110.75	-
Credit loss on trade receivable	276,146.61	1,252,618.44	276,146.61	1,172,618.44
Reversal of allowance for credit loss	(9,416,224.85)	(86,148.21)	(10,005,100.69)	(79,405.48)
Loss on diminution in value of inventories	8,420,801.60	11,386,666.66	6,918,031.56	9,096,024.67
Loss from destruction of inventories	788,726.81	2,799,828.61	787,168.02	2,600,049.74
Reversal of allowance for diminution in value of inventories	(7,352,037.63)	(16,905,074.88)	(6,405,808.81)	(14,115,662.59)
Reversal of unrealized profit on sale with joint venture	251,495.33	-	-	-
Depreciation and amortisation	9,197,364.84	8,205,463.03	8,655,742.95	7,634,572.32
Profit (loss) on disposal and write-off of fixed assets	176,696.89	2,227.03	166,615.34	(8,016.73)
Loss on impairment of investment in subsidiary	-	-	-	4,405,331.42
Reversal of provision for project warranty	(66,388.81)	(382,166.27)	(176,000.00)	(86,000.00)
Share of profit (loss) from investment in joint ventures	(922,833.19)	267,263.43	-	-
Employee benefit expenses	3,479,610.01	2,955,432.21	3,310,278.64	2,630,566.33
Unrealised gain on exchange rate	(754,989.20)	(1,243,184.28)	(744,748.43)	(1,112,021.33)
Fair value adjustments to derivatives	25,067.46	(46,580.20)	25,067.46	(46,580.20)
Interest income	(729,072.31)	(905,648.13)	(1,440,264.06)	(1,255,315.04)
Interest expenses	2,402,482.11	2,819,630.07	2,306,459.33	2,819,630.07
Profit from operations before changes in operating assets and liabilities	88,976,866.82	78,773,600.60	83,325,583.35	83,313,824.72
Operating assets (increase) decrease				
Trade and other current receivables	(10,535,065.79)	26,066,431.29	988,875.07	22,633,422.87
Inventories	1,197,528.44	(20,426,266.50)	(2,782,083.75)	(17,086,627.31)
Other non-current assets	21,028.04	(21,028.04)	21,028.04	(21,028.04)
Operating liabilities increase (decrease)				
Trade and other current payables	6,982,877.59	(37,240,449.63)	13,887,822.36	(39,730,588.83)
Cash received from operating activities	86,643,235.10	47,152,287.72	95,441,225.07	49,109,003.41
Cash payment for employee benefits	(6,289,782.34)	(2,086,200.00)	(6,289,782.34)	(2,086,200.00)
Cash received from income tax return	980,560.73	95,705.54	-	-
Cash paid for corporate income tax	(13,249,309.25)	(17,742,649.57)	(12,372,827.08)	(16,313,432.20)
Net cash from operating activities	68,084,704.24	27,419,143.69	76,778,615.65	30,709,371.21

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, 2023

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash flows from investing activities:				
Increase in deposits at bank pledged as collateral	(53,075.22)	(30,231.49)	(53,075.22)	(30,231.49)
Cash payment for short-term loans to related parties	(1,500,000.00)	(4,490,000.00)	(8,000,000.00)	(25,876,000.00)
Cash receipt from short-term loans to related parties	4,440,000.00	1,550,000.00	5,940,000.00	13,200,000.00
Cash receipt from long-term loans to related party	-	-	2,000,000.00	-
(Increase) decrease in loan to employees	244,722.14	(503,238.79)	227,665.89	(464,564.18)
Proceeds from sales of fixed assets	163,000.00	250,921.51	163,000.00	250,921.51
Acquisition of fixed assets	(4,910,508.99)	(3,449,743.08)	(4,912,195.52)	(3,266,078.59)
Acquisition of intangible assets	(450,700.00)	(223,959.68)	(450,700.00)	(223,959.68)
Cash payment for investment in joint ventures	-	(10,000,000.00)	-	-
Cash received from return of capital of investment in joint venture	2,000,000.00	-	-	-
Interest received	778,072.31	856,648.13	1,440,264.06	1,255,315.04
Net cash from (used in) investing activities	711,510.24	(16,039,603.40)	(3,645,040.79)	(15,154,597.39)
Cash flows from financing activities:				
Increase (decrease) in short-term loans from financial institutions	(13,268,985.47)	42,810,313.06	(18,268,985.47)	42,810,313.06
Repayment of long-term loans from financial institutions	(615,000.00)	(7,140,000.00)	(615,000.00)	(7,140,000.00)
Repayment of lease liabilities	(2,000,091.75)	(667,696.99)	(2,000,091.75)	(667,696.99)
Interest paid	(2,226,764.22)	(2,953,282.06)	(2,132,128.02)	(2,954,873.88)
Dividend paid	(42,570,235.93)	(48,544,487.57)	(42,570,235.93)	(48,544,487.57)
Net cash used in financing activities	(60,681,077.37)	(16,495,153.56)	(65,586,441.17)	(16,496,745.38)
Net increase (decrease) in cash and cash equivalents	8,115,137.11	(5,115,613.27)	7,547,133.69	(941,971.56)
Exchange differences on translating financial statements of foreign operation	11,396.08	(42,964.33)	-	-
Cash and cash equivalents at beginning of the year	53,553,517.86	58,712,095.46	47,989,555.24	48,931,526.80
Cash and cash equivalents at end of the year	61,680,051.05	53,553,517.86	55,536,688.93	47,989,555.24
Supplemental cash flow information				
Non-cash transactions				
Right-of-use assets increased by lease liabilities	336,820.00	3,400,000.00	336,820.00	3,400,000.00
Actuarial gains - net from tax	3,623,790.98	-	1,259,014.11	-

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, 2023

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.
- 1.3 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. The current status of the subsidiary is defunct.
 - 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.

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 (%)	
			2023	2022
PD Genesis Engineering Co., Ltd.	Thailand	Cessation of business operations and under the status of being defunct	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

3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after January 1, 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group’s financial statements.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after January 1, 2024

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after January 1, 2024. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment, providing accounting guidance for users of the standards and amendments due to TFRS 17 Insurance Contracts.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

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 the water treatment system installation contracts

Revenue and cost of water treatment system installation 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 treatment system installation 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 treatment system installation contracts related to satisfying performance obligations under the contracts is recognized in the profit and loss when the cost incurred. The cost of water treatment system installation 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.

Other services revenue

Other service revenue is recognised over time 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 on 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 financial assets 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 amortised 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).

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.

Investment in joint venture

Investment in joint venture is accounted for in the consolidated financial statements using the equity method.

Investment in joint venture is accounted for in the separate financial statements using the cost method, less allowance for loss on impairment of investment (if any).

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
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 amorisation 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 life 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 and other long-term employee benefits

The employee benefits liabilities in relation to the severance payment under the labor law and other long-term employee benefit plans (long service awards) is recognised 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/eligible year service 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 and losses arising from defined benefit plans in other comprehensive income and recognises actuarial gains and losses arising from other long-term benefits in profit or loss 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.

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 assets are as follows:

	Useful life (years)
Building and building improvements	30
Office equipment	5
Vehicles	5

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.

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. 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 recognised 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, whether directly or indirectly, or which are under common control with the Group.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Group 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 utilised. 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, property, plant and equipment and right-of-use assets/Depreciation

In determining depreciation of investment properties, plant and equipment and right-of-use assets, the management is required to make estimates of the useful lives and salvage values of the Company's building and equipment and right-of-use assets 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 and right-of-use assets 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/long service benefits to employees under the Thai Labour Law and the Group policy. 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 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
Subsidiaries			
PD Genesis Engineering Co., Ltd.	Thailand	Shareholding	Defunct company
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
Joint ventures			
Loy Phol Joint Venture	Thailand	Joint venture	Operation - active
Phol SK Joint Venture	Thailand	Joint venture	Operation - active
Related companies			
B&P Agri Products Co., Ltd.	Thailand	Co-director	Operation - active
Thai Biolex Co., Ltd.	Thailand	Co-director	Operation - active
BJC Heavy Industries PCL.	Thailand	Co-director	Operation - active

5.2 The transactions with related parties for the year ended December 31, 2023 and 2022, with related parties were as follows:

Unit: Baht

	Consolidated financial		Separate financial		Transfer pricing policy
	statements		statements		
	2023	2022	2023	2022	
Subsidiaries					
Purchases of goods	-	-	2,563,607.41	2,256,398.39	Cost plus margin 5% - 15% and mutually agreed price
Purchases of assets	-	-	25,216.52	-	Mutually agreed price
Sales of goods	-	-	5,471,552.24	9,334,506.07	Cost plus margin 5% - 15% and mutually agreed price
Cost of water treatment system installation	-	-	313,535.04	1,254,140.16	Mutually agreed price
Management fee income	-	-	1,560,000.00	3,360,000.00	Mutually agreed price
Interest income	-	-	1,051,222.34	944,471.33	Interest rate 5.975% - 6.225% per annum
Repair and maintenance expense	-	-	-	5,400.00	Mutually agreed price
Joint ventures					
Revenues from sales	8,845,815.00	-	2,204,800.00	-	Mutually agreed price
Management fee income	455,000.00	-	-	-	Mutually agreed price
Interest income	288,071.92	179,828.77	-	-	Interest rate 10% - 15% per annum
Related companies					
Sales of goods	174,359.64	627,910.00	174,359.64	-	Mutually agreed price
Revenue from rending of services	36,990.00	13,250.00	-	-	Market price

5.3 The balances of the accounts between the related parties as at December 31, 2023 and 2022 are as follows:

Unit: Baht				
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Trade and other current receivables - related parties				
Trade receivables - related parties				
Subsidiaries	-	-	5,576,721.74	7,581,387.65
Joint ventures	7,597,000.00	-	-	-
Total trade receivables - related parties	7,597,000.00	-	5,576,721.74	7,581,387.65
	7,597,000.00			
Less Allowance for expected credit losses	-	-	(3,647,950.08)	(3,720,904.77)
Total trade receivables - related parties - net	7,597,000.00	-	1,928,771.66	3,860,482.88
	7,597,000.00	-		
Other receivables - related parties				
Subsidiaries	-	-	3,755,344.83	4,052,213.31
Joint ventures	-	168,100.00	-	-
Total other receivables - related parties	-	168,100.00	3,755,344.83	4,052,213.31
Less Allowance for expected credit losses	-	-	(3,745,529.27)	(3,892,952.60)
Total other receivables - related parties - net	-	168,100.00	9,815.56	159,260.71
	-	168,100.00		
Trade and other current receivables - related parties	7,597,000.00	168,100.00	1,938,587.22	4,019,743.59
	7,597,000.00	168,100.00		
Short-term loans to related parties - net				
Subsidiaries				
Beginning balance	-	-	22,676,000.00	10,000,000.00
Add: Additional loans during the year	-	-	8,000,000.00	25,876,000.00
Less: Received loan repayments during the year	-	-	(5,940,000.00)	(13,200,000.00)
Less: Bad debt written-off	-	-	(5,000,000.00)	-
Total short-term loans to subsidiaries - related parties	-	-	19,736,000.00	22,676,000.00
Less Allowance for expected credit loss	-	-	-	(5,000,000.00)
Total short-term loans to subsidiaries - net	-	-	19,736,000.00	17,676,000.00
	-	-		
Joint ventures				
Beginning balance	2,940,000.00	-	-	-
Add: Additional loans during the year	1,500,000.00	4,490,000.00	-	-
Less: Received loan repayments during the year	(4,440,000.00)	(1,550,000.00)	-	-
Total short-term loans to joint ventures	-	2,940,000.00	-	-
	-	2,940,000.00		
Short-term loans to related parties - net	-	2,940,000.00	19,736,000.00	17,676,000.00
	-	2,940,000.00		

Unit: Baht				
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Long-term loan to related party				
Subsidiary				
Beginning balance	-	-	2,000,000.00	2,000,000.00
Add: Received loan repayments during the year	-	-	(2,000,000.00)	-
Total long-term loan to related party	-	-	-	2,000,000.00
	-	-		

- 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 5.975% - 6.225% per annum (2022: 4.625% - 4.70% per annum). The short-term loan classified to long-term loan was 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 0.13 million. The Company has stopped recognising interest income since July 2012.

During the year 2023, the Company written-off the promissory note receivable in the amount of Baht 5 million and accrued interest income in amount of Baht 0.13 million, according to the resolution of the Board of Directors' meeting.

- 5.3.3 The short-term loans to the joint ventures are provided under a joint venture agreement as described in Note 11.

During the year 2023, its subsidiary company has received short-term loan to joint ventures in the entire amount.

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Trade payable - related party				
Trade payable - related party				
Subsidiary	-	-	6,149.65	19,755.15
Total trade payable - related party	-	-	6,149.65	19,755.15

5.4 Compensation for directors and key management personnel

Compensation for directors and key management personnel for the year ended December 31, 2023 and 2022 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Short-term benefits	25,316,796.47	28,898,553.84	23,073,172.74	24,813,523.62
Post-employment benefits	695,034.49	853,737.78	695,034.49	741,701.78
Total compensation for directors and key management personnel	26,011,830.96	29,752,291.62	23,768,207.23	25,555,225.40

5.5 Guarantee commitments for related parties

As at December 31, 2023, the Company has guarantee commitments for related parties were as follows:

- Letter of guarantee with two financial institutions for the subsidiaries in the amount of Baht 40 million. As of this report, Baht 16.22 million of this credit facility has been used.
- Promissory notes with two financial institutions for the subsidiaries in the amount of Baht 30 million. As of this report, Baht 5 million of this credit facility has been used.
- Letters of credits and trust receipt with a financial institution for the subsidiary under a joint credit facility with a Baht 10 million credit limit, they have been unused.

6. Cash and Cash Equivalents

As at December 31, 2023 and 2022, this account consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash on hand	799,707.39	338,854.79	149,633.26	100,459.68
Saving deposits	23,568,389.80	13,292,824.94	20,995,533.77	10,086,565.51
Current deposits	36,158,529.76	39,253,546.32	33,446,637.12	37,163,128.24
Checks received but not yet deposited	1,153,424.10	668,291.81	944,884.78	639,401.81
Total cash and cash equivalents	61,680,051.05	53,553,517.86	55,536,688.93	47,989,555.24

7. Trade and Other Current Receivables - Net

7.1 As at December 31, 2023 and 2022, this account consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Trade receivables				
Trade receivables - other parties	142,810,033.34	148,942,694.88	127,107,748.82	129,083,811.25
Trade receivables - related parties	7,597,000.00	-	5,576,721.74	7,581,387.65
Total trade receivables	150,407,033.34	148,942,694.88	132,684,470.56	136,665,198.90
<u>Less</u> Allowance for expected credit losses	(871,679.84)	(6,111,687.86)	(4,519,629.92)	(5,905,627.63)
Trade receivables - net	149,535,353.50	142,831,007.02	128,164,840.64	130,759,571.27
Other receivables				
Other receivables - related parties	-	168,100.00	3,755,344.83	4,052,213.31
Other receivables	2,096,321.83	3,779,222.89	1,681,264.23	2,536,563.52
Advance payment for inventories	-			
other parties	4,738,723.24	1,033,915.65	2,782,195.85	954,365.65
Receivables for penalties arising from				
delays of constructions	58,521,584.51	58,664,964.51	58,111,684.01	58,111,684.01
Receivables for construction materials	50,321,798.51	52,175,284.00	50,321,798.51	52,175,284.00
Advance payments	13,253,887.85	13,679,021.85	13,253,887.85	13,664,021.85
Prepaid expenses	2,071,284.30	1,890,849.48	1,997,467.16	1,823,199.49
Input Value Added Tax not yet due	2,012,230.03	1,577,131.55	1,783,198.05	1,355,710.09
Contract assets	1,835,160.26	2,120,646.68	1,422,432.08	2,068,896.08
Others	1,589,654.65	1,675,708.22	615,852.53	619,398.17
Total other current receivables	136,440,645.18	136,764,844.83	135,725,125.10	137,361,336.17
<u>Less</u> Allowance for expected credit losses				
Other receivables - related parties	-	-	(3,745,529.27)	(3,892,952.60)
Other receivables	(1,609,463.81)	(3,012,668.54)	(1,515,661.97)	(2,438,489.59)
Receivables for penalties arising from delays of				
constructions	(58,521,584.51)	(58,664,964.51)	(58,111,684.01)	(58,111,684.01)
Receivables for construction materials	(50,321,798.51)	(52,175,284.00)	(50,321,798.51)	(52,175,284.00)
Advance payments	(13,123,887.85)	(13,623,887.85)	(13,123,887.85)	(13,623,887.85)
Total Allowance for expected credit losses	(123,576,734.68)	(127,476,804.90)	(126,818,561.61)	(130,242,298.05)
Other current receivables - net	12,863,910.50	9,288,039.93	8,906,563.49	7,119,038.12
Trade and other current receivables - net	162,399,264.00	152,119,046.95	137,071,404.13	137,878,609.39

7.2 As at December 31, 2023 and 2022, 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	
	2023	2022	2023	2022
<u>Trade receivables - other parties</u>				
Not yet due	101,130,542.46	105,099,203.48	91,390,332.55	94,642,825.07
Over due:				
1- 60 days	38,064,843.22	33,914,110.37	34,195,773.91	29,957,268.75
61-120 days	1,765,218.70	3,472,710.62	599,076.70	1,954,012.02
121-180 days	742,332.82	1,181,934.85	15,613.02	1,181,934.85
Over 180 days	1,107,096.14	5,274,735.56	906,952.64	1,347,770.56
Total trade receivables - other parties	142,810,033.34	148,942,694.88	127,107,748.82	129,083,811.25
<u>Less</u> Allowance for expected credit losses	(871,679.84)	(6,111,687.86)	(871,679.84)	(2,184,722.86)
Trade receivables - other parties - net	141,938,353.50	142,831,007.02	126,236,068.98	126,899,088.39
<u>Trade receivables - related parties</u>				
Not yet due	7,597,000.00	-	1,427,227.02	2,139,710.89
Over due:				
1- 60 days	-	-	501,544.64	1,236,548.20
61- 120 days	-	-	-	484,223.79
Over 180 days	-	-	3,647,950.08	3,720,904.77
Total trade receivables - related parties	7,597,000.00	-	5,576,721.74	7,581,387.65
<u>Less</u> Allowance for expected credit losses	-	-	(3,647,950.08)	(3,720,904.77)
Total trade receivables - related parties - net	7,597,000.00	-	1,928,771.66	3,860,482.88
Total trade receivables - net	149,535,353.50	142,831,007.02	128,164,840.64	130,759,571.27

8. Inventories - Net

As at December 31, 2023 and 2022, this account consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Finished goods	251,770,769.37	255,834,841.60	230,148,621.68	233,416,376.30
Goods in transit	21,907,784.73	19,820,657.19	20,852,966.77	15,595,259.39
Work in progress	364,046.89	381,203.88	49,919.83	44,956.86
Total	274,042,600.99	276,036,702.67	251,051,508.28	249,056,592.55
<u>Less</u> Allowance for diminution				
in value of inventories	(31,787,903.66)	(30,726,986.12)	(26,801,346.85)	(26,289,124.10)
Inventories - net	242,254,697.33	245,309,716.55	224,250,161.43	222,767,468.45

Movements of allowance for diminution in value of inventory for the year ended December 31, 2023 and 2022, are as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Balance as at January 1,	30,726,986.12	36,218,958.04	26,289,124.10	31,308,762.02
Increase	8,420,801.60	11,386,666.66	6,918,031.56	9,096,024.67
Decrease	(7,352,037.63)	(16,905,074.88)	(6,405,808.81)	(14,115,662.59)
Exchange differences on translating financial	(7,846.43)	26,436.30	-	-
Balance as at December 31,	31,787,903.66	30,726,986.12	26,801,346.85	26,289,124.10

9. Restricted Deposits With Financial Institution

As at December 31, 2023 and 2022 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 29).

10. Investment in Subsidiary Companies - Net

As at December 31, 2023 and 2022, this account consisted of:

Company	Share holding %		Unit: Baht					
			Separate financial statements					
			2023			2022		
			Amount	Allowance for impairment	Net	Amount	Allowance for impairment	Net
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	(49,999,970.00)	-	49,999,970.00	(49,999,970.00)	-
Total			69,270,626.00	(68,270,656.00)	999,970.00	69,270,626.00	(68,270,656.00)	999,970.00

11. Investment in Joint Ventures

11.1 As at December 31, 2023 and 2022 this account consisted of:

		Unit: Baht					
	Name	Profit and loss sharing ratio (%)		Consolidated financial statement			
		2023	2022	Carrying amounts		At cost	
				Equity method		2023	2022
Loy Phol Joint Venture		30	30	8,175,861.20	7,693,431.00	8,000,000.00	8,000,000.00
Phol SK Joint Venture		65	65	228,213.23	2,039,305.57	-	2,000,000.00
Total				8,404,074.43	9,732,736.57	8,000,000.00	10,000,000.00

On March 14, 2022, the subsidiary, Phol Water Co., Ltd. entered into a Joint Venture Agreement with Loy Corp Co., Ltd. to set up Loy Phol Joint Venture with a total capital of Baht 8 million. The subsidiary must front the entire investment amount in the joint venture. The subsidiary will share in 30% in profit or loss of the joint venture. The joint venture was registered with the Revenue Department on March 24, 2022.

On March 1, 2022, the subsidiary, Phol Water Co., Ltd. entered into a Joint Venture Agreement with SK Tech 999 Co., Ltd. to set up Phol SK Joint Venture with a total capital of Baht 2 million. The subsidiary must front the entire investment amount in the joint venture. The subsidiary will share in 65% in profit or loss of the joint venture. The joint venture was registered with the Revenue Department on June 16, 2022.

During the year 2023, Phol SK Joint Venture returned capital the subsidiary in the entire amount. Its remaining unallocated share of profit to the subsidiary as at December 31, 2023, was Baht 0.23 million.

The conditions of establishment of Loy Phol Joint Venture and Phol SK Joint Venture, according to the joint venture agreements are as follows:

Unit: Thousand Baht									
Joint Venture	Construction	Name	Obligation	Investment		Reserve Loans			
				Per agreement	Per agreement	Loan drawdown	Repayment of loans	Balance	Interest rate (%)
Loy Phol Joint Venture	Construction of a solid waste management centre in Ban Kruat Subdistrict Municipality.	Loy Corp Co., Ltd.	Manage project according to requirements and scope of work stipulated in the contract.	-	-	-	-	-	-
		Phol Water Co., Ltd.	Provide investment funds, machinery, materials and equipment, including guaranteed credit facility for project.	8,000	3,000	(2,940)	2,940	3,000	10 per annum
Phol SK Joint Venture	Construction of a solar water distribution system in the Department of Water Resources.	SK Tech 999 Co., Ltd.	Manage project according to requirements and scope of work stipulated in the contract.	-	-	-	-	-	-
		Phol Water Co., Ltd.	Provide investment funds, machinery, materials and equipment, including guaranteed credit facility for project.	2,000	1,000	(1,500)	1,500	1,000	15 per annum

Loy Phol Joint Venture and Phol SK Joint Venture are structured as separate tax entities, jointly controlled under their agreements with the joint venture partners. The subsidiary has a residual interest in the joint venture's net assets after deduction of its investment. Therefore, the subsidiary has classified its interest in such entity as a joint venture.

During the year 2023, the subsidiary used a bank guarantee of Baht 3.97 million as a guarantee of contractual performance of the solid waste management centre project for Ban Kruat Subdistrict Municipality and used a bank guarantee of Baht 0.65 million as a guarantee of contractual performance of the solar water distribution system project for the Department of Water Resources.

11.2 Share of profit (loss) from investment in joint ventures

During the year, the Group has recognised its share of profit (loss) from investment in joint ventures in the consolidated financial statements as follows:

Joint ventures	Unit: Baht	
	Consolidated financial statements	
	Share of profit (loss) from investment in joint ventures	
	For the years ended December 31,	
	2023	2022
Loy Phol Joint Venture	733,925.54	(306,569.00)
Phol SK Joint Venture	188,907.65	39,305.57
Total	922,833.19	(267,263.43)

11.3 Summarised financial information about joint ventures

Financial information of joint ventures as included in the consolidated financial statements is summarised below:

Summarised financial position as at December 31, 2023 and 2022

	Unit: Baht			
	Loy Phol Joint Venture		Phol SK Joint Venture	
	2023	2022	2023	2022
Current assets	31,092,858.91	11,026,358.33	659,828.19	3,085,805.60
Non-Current assets	-	-	47,932.40	-
Current liabilities	(21,780,329.35)	(4,068,100.00)	(147,823.24)	(990,088.26)
Non-current liabilities	-	-	(239,662.00)	(92,576.00)
Partner's capital	(8,000,000.00)	(8,000,000.00)	-	(2,000,000.00)
Net assets of the joint ventures	1,312,529.56	(1,041,741.67)	320,275.35	3,141.34
Eliminate entries	111,992.22	19,845.00	30,821.92	57,328.77
Total	1,424,521.78	(1,021,896.67)	351,097.27	60,470.11
Share of gain (loss) (%)	30	30	65	65
Proportional to the interests of the entity in				
assets - net	427,356.53	(306,569.00)	228,213.23	39,305.57
Capital of the Company's equity partners	8,000,000.00	8,000,000.00	-	2,000,000.00
Book value of the entity's interests in the joint venture	8,427,356.53	7,693,431.00	228,213.23	2,039,305.57
<u>Less: Unrealized profit on sales with joint venture</u>	<u>(251,495.33)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net	8,175,861.20	7,693,431.00	228,213.23	2,039,305.57

Summarised income statement (before eliminations) for the year ended December 31, 2023 and 2022

	Unit: Baht			
	Loy Phol Joint Venture		Phol SK Joint Venture	
	2023	2022	2023	2022
Revenue	41,002,946.73	7,972,318.00	7,354,325.70	4,628,813.08
Profit (Loss)	2,354,271.34	(1,041,741.67)	317,134.01	3,141.34

12. Other Long-Term Investment - Net

As at December 31, 2023 and 2022 this account consisted of:

	Share Holding %	Unit: Baht	
		Consolidated and separate financial statements	
		2023	2022
N&P Holding Company Limited			
Cost	2	1,000,000.00	1,000,000.00
Less Allowance for revaluation		(1,000,000.00)	(1,000,000.00)
Net		-	-

13. 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.

14. Investment Properties - Net

As at December 31, 2023 and 2022, this account consisted of:

	Unit: Baht		
	Consolidated and separate financial statements		
	Balance as at December 31, 2022	Movements during the year Increase Decrease	Balance as at December 31, 2023
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			
Building and building improvements	19,996,350.82	420,667.72 -	20,417,018.54
Total Accumulated depreciation	19,996,350.82	420,667.72 -	20,417,018.54
Net book value	4,435,131.66		4,014,463.94

The Company has appraised its investment properties and leasehold right on 4 locations as follows:

Location	Unit: Million Baht			Appraisal value	Independent appraisers	Appraisal reports dated
	Net book value					
	Investment properties	Right-of-use building leased				
	assets	Total				
1	1.82	-	1.82	5.20	Noble Property Valuation Co., Ltd	February 4, 2022
2	1.42	-	1.42	8.00	Noble Property Valuation Co., Ltd	March 14, 2023
3	0.77	-	0.77	7.45	Noble Property Valuation Co., Ltd	March 15, 2023
4	-	0.35	0.35	3.94	Noble Property Valuation Co., Ltd	October 28, 2014
	4.01	0.35	4.36			

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 0.35 million. (Notes 16).

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 properties No.1-3 has been categorised as Fair Value - Level 2 based on the use of observable inputs and the fair value measurement for investment property No.4 has been categorised as Fair Value - Level 3 based on the use of non-observable inputs.

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.

Depreciation for the years ended December 31, 2023 and 2022, have been charged to profit or loss of consolidated and separate financial statements amounted to Baht 0.42 million for both years.

As at December 31, 2023 and 2022, 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 1.68 million for both years.

As at December 31, 2023, investment property, at net book value of Baht 4.01 million has been mortgaged to secure its short-term loan (Notes 29).

15. Property, Plant and Equipment - Net

As at December 31, 2023 and 2022, this account consisted of:

	Unit: Baht			
	Consolidated financial statements			
	Balance as at	Movements during the year		Balance as at
	December 31, 2022	Increase	Decrease	December 31, 2023
Cost				
Land	32,384,486.00	-	-	32,384,486.00
Building and building improvements	103,137,972.31	421,712.38	(68,877.98)	103,490,806.71
Furniture and equipment	34,174,135.70	618,234.52	(1,280,496.63)	33,511,873.59
Demonstration goods and tools	19,751,800.88	423,408.11	(25,485.03)	20,149,723.96
Vehicles	2,465,158.87	-	(583,504.67)	1,881,654.20
Utility system	14,775,563.56	3,323,303.98	(18,249.00)	18,080,618.54
Water well drilling machines	496,240.00	-	-	496,240.00
Assets under water sales agreement	13,458,187.24	-	(9,275,258.45)	4,182,928.79
Safety equipment for rent	14,503,560.22	-	(177,750.00)	14,325,810.22
Assets under installation	190,930.00	123,850.00	-	314,780.00
Total Cost	235,338,034.78	4,910,508.99	(11,429,621.76)	228,818,922.01
Accumulated depreciation				
Building and building improvements	55,418,718.03	3,825,167.01	(41,934.90)	59,201,950.14
Furniture and equipment	30,672,859.86	1,608,373.00	(1,246,908.67)	31,034,324.19
Demonstration goods and tools	18,957,501.59	462,208.70	(28,649.55)	19,391,060.74
Vehicles	1,678,302.35	72,399.13	(383,504.67)	1,367,196.81
Utility system	12,602,530.18	650,513.70	(18,148.63)	13,234,895.25
Water well drilling machines	346,504.43	596.19	-	347,100.62
Assets under water sales agreement	6,855,126.04	385,275.83	(4,152,266.45)	3,088,135.42
Safety equipment for rent	14,113,259.26	80,566.80	(177,740.00)	14,016,086.06
Total Accumulated depreciation	140,644,801.74	7,085,100.36	(6,049,152.87)	141,680,749.23
<u>Less</u> Allowance for impairment	(5,272,129.86)	-	5,122,992.00	(149,137.86)
Net book value	89,421,103.18			86,989,034.92

Unit: Baht

	Separate financial statements			
	Balance as at December 31, 2022	Movements during the year		Balance as at December 31, 2023
		Increase	Decrease	
Cost				
Land	32,384,486.00	-	-	32,384,486.00
Building and building improvements	103,137,972.31	421,712.38	(68,877.98)	103,490,806.71
Furniture and equipment	33,349,185.10	619,921.05	(1,204,468.67)	32,764,637.48
Demonstration goods and tools	19,645,149.31	423,408.11	(25,485.03)	20,043,072.39
Vehicles	2,465,158.87	-	(583,504.67)	1,881,654.20
Utility system	14,713,199.07	3,323,303.98	(18,249.00)	18,018,254.05
Safety equipment for rent	14,503,560.22	-	(177,750.00)	14,325,810.22
Assets under installation	190,930.00	123,850.00	-	314,780.00
Total Cost	220,389,640.88	4,912,195.52	(2,078,335.35)	223,223,501.05
Accumulated depreciation				
Building and building improvements	55,418,718.03	3,825,167.01	(41,934.90)	59,201,950.14
Furniture and equipment	30,078,435.36	1,499,680.87	(1,189,915.27)	30,388,200.96
Demonstration goods and tools	18,969,586.99	417,823.67	(19,696.54)	19,367,714.12
Vehicles	1,678,302.35	72,399.13	(383,504.67)	1,367,196.81
Utility system	12,551,773.79	647,840.99	(18,148.63)	13,181,466.15
Safety equipment for rent	14,113,259.26	80,566.80	(177,740.00)	14,016,086.06
Total Accumulated depreciation	132,810,075.78	6,543,478.47	(1,830,940.01)	137,522,614.24
Net book value	87,579,565.10			85,700,886.81

Depreciation for the years ended December 31, 2023 and 2022, have been charged to profit or loss of consolidated financial statements amounted to Baht 7.09 million and Baht 6.69 million, respectively, and have been charged to profit or loss of separate financial statements amounted to Baht 6.54 million and Baht 6.12 million, respectively.

As at December 31, 2023, land, including buildings and structure thereon at net book value of Baht 68.11 million, has been mortgaged to secure its short-term loan with a financial institution (Notes 29).

As at December 31, 2023 and 2022 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 73.15 million and Baht 72.55 million, respectively, and separate financial statements are Baht 72.42 million and Baht 71.83 million, respectively.

16. Right-Of-Use Assets - Net

As at December 31, 2023 and 2022, this account consisted of:

	Unit: Baht		
	Consolidated and separate financial statements		
	Balance as at	Movements during the year	
	December 31, 2022	Increase	Decrease
Cost			
Right of use of building	5,600,000.00	-	-
Office equipment	3,863,012.00	336,820.00	(463,012.00)
Vehicles	2,540,207.78	-	-
Total Cost	12,003,219.78	336,820.00	(463,012.00)
Accumulated depreciation			
Right of use of building	5,028,053.98	225,399.88	-
Office equipment	296,437.34	775,257.68	(358,992.00)
Vehicles	709,368.35	332,041.51	-
Total Accumulated depreciation	6,033,859.67	1,332,699.07	(358,992.00)
Net book value	5,969,360.11		4,869,461.04

Amortization for the years ended December 31, 2023 and 2022, have been charged to profit or loss of consolidated financial statements and separate financial statement amounted to Baht 1.33 million and Baht 0.67 million, respectively.

17. Deferred Tax

Deferred tax as at December 31, 2023 and 2022 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Deferred tax assets	38,155,596.96	40,804,259.06	36,778,238.63	38,509,195.08
Deferred tax liabilities	-	-	-	-

Movements in deferred tax assets during the year ended December 31, 2023 and 2022 were as follows:

	Unit: Baht			
	Consolidated financial statements			
	As at January 1, 2023	Profit (loss)	Other comprehensive income (loss)	As at December 31, 2023
Deferred tax assets				
Allowance for expected credit losses	25,898,734.59	(1,058,622.64)	-	24,840,111.95
Allowance for devaluation of inventories	6,024,975.93	174,226.20	-	6,199,202.13
Non-current provision for employee benefits	8,058,292.64	(562,034.44)	(905,947.75)	6,590,310.45
Provision for penalties arising from delays of constructions	116,105.40	-	-	116,105.40
Provision for warranties	117,023.04	12,033.21	-	129,056.25
Provision for contingent losses	180,000.00	-	-	180,000.00
Derivative liabilities	21,630.22	5,013.49	-	26,643.71
Gain from sales of fixed asset to related party	63,805.47	(18,691.55)	-	45,113.92
Gain from sales of goods to related party	43,552.84	(14,499.69)	-	29,053.15
Tax loss	280,138.93	(280,138.93)	-	-
Total deferred tax assets	40,804,259.06	(1,742,714.35)	(905,947.75)	38,155,596.96

	Unit: Baht		
	Consolidated financial statements		
	As at January 1, 2022	Profit (loss)	As at December 31, 2022
Deferred tax assets			
Allowance for expected credit losses	25,665,440.55	233,294.04	25,898,734.59
Allowance for devaluation of inventories	7,089,130.98	(1,064,155.05)	6,024,975.93
Non-current provision for employee benefits	7,884,446.20	173,846.44	8,058,292.64
Provision for penalties arising from delays of constructions	116,105.40	-	116,105.40
Provision for warranties	193,456.30	(76,433.26)	117,023.04
Provision for contingent losses	180,000.00	-	180,000.00
Allowance for impairment of asset	95,547.86	(95,547.86)	-
Derivative liabilities	30,946.26	(9,316.04)	21,630.22
Gain from sales of fixed asset to related party	82,497.05	(18,691.58)	63,805.47
Gain from sales of goods to related party	38,014.95	5,537.89	43,552.84
Tax loss	-	280,138.93	280,138.93
Total deferred tax assets	41,375,585.55	(571,326.49)	40,804,259.06

	Unit: Baht			
	Separate financial statements			
	As at January 1, 2023	Profit (loss)	Other comprehensive income (loss)	As at December 31, 2023
Deferred tax assets				
Allowance for expected credit losses	25,657,242.70	(917,871.23)	-	24,739,371.47
Allowance for devaluation of inventories	5,257,824.82	102,444.55	-	5,360,269.37
Non-current provision for employee benefits	7,260,041.38	(595,900.74)	(314,753.52)	6,349,387.12
Provision for penalties arising from delays of Constructions	116,105.40	-	-	116,105.40
Provision for warranties	16,350.56	(9,889.00)	-	6,461.56
Provision for contingent losses	180,000.00	-	-	180,000.00
Derivative liabilities	21,630.22	5,013.49	-	26,643.71
Total deferred tax assets	38,509,195.08	(1,416,202.93)	(314,753.52)	36,778,238.63

	Unit: Baht		
	Separate financial statements		
	As at January 1, 2022	Profit (loss)	As at December 31, 2022
Deferred tax assets			
Allowance for expected credit losses	25,438,600.11	218,642.59	25,657,242.70
Allowance for devaluation of inventories	6,261,752.40	(1,003,927.58)	5,257,824.82
Non-current provision for employee benefits	7,151,168.11	108,873.27	7,260,041.38
Provision for penalties arising from delays of Constructions	116,105.40	-	116,105.40
Provision for warranties	33,550.56	(17,200.00)	16,350.56
Provision for contingent losses	180,000.00	-	180,000.00
Derivative liabilities	30,946.26	(9,316.04)	21,630.22
Total deferred tax assets	39,212,122.84	(702,927.76)	38,509,195.08

18. Short-Term Loans from Financial Institutions

As at December 31, 2023 and 2022, this account consisted of:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Promissory notes	15,000,000.00	5,000,000.00	10,000,000.00	5,000,000.00
Trust receipts	76,265,447.91	99,534,433.38	76,265,447.91	99,534,433.38
Total short-term loans from financial institutions	91,265,447.91	104,534,433.38	86,265,447.91	104,534,433.38

As at December 31, 2023 and 2022, the interest rate of short-term loans from financial institutions, were as follows:

	Interest rate per annum	
	2023	2022
Promissory notes	Interest rate of a bank announcement (3.33% - 3.44%)	Interest rate of a bank announcement (2.70% - 3.20%)
Trust receipt	Interest rate of a bank announcement (3.25% - 3.60%)	Interest rate of a bank announcement (2.70% - 3.31%)

19. Trade and Other Current Payables

As at December 31, 2023 and 2022, this account consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Trade payables				
Trade payables-other parties				
- Domestic	38,139,185.45	45,767,772.91	34,306,705.34	38,975,184.54
- Foreign	60,480,720.84	46,817,213.18	59,591,457.50	41,382,300.43
Trade payable - related parties	-	-	6,149.65	19,755.15
Total trade payables	98,619,906.29	92,584,986.09	93,904,312.49	80,377,240.12
Other payables				
Payables for penalties arising from delays of constructions	2,903,725.44	2,903,725.44	2,903,725.44	2,903,725.44
Output VAT not yet due	389,917.18	384,278.88	380,326.83	380,326.83
Revenue Department payable	2,544,036.64	2,228,242.87	2,137,457.96	1,878,963.49
Accrued commission expenses	2,464,294.28	2,419,508.98	2,354,870.45	2,300,836.15
Accrued bonus expenses	12,569,724.07	11,453,810.40	11,621,768.00	10,393,556.40
Management remuneration	1,793,000.00	3,314,000.00	1,793,000.00	3,051,500.00
Contract liabilities	1,761,085.23	2,158,795.34	531,703.23	2,063,695.34
Accrued import expenses	3,707,670.27	1,335,157.38	3,490,348.90	1,085,726.58
Payable for warranties	780,046.00	641,345.00	174,080.00	26,130.00
Accrued expenses	4,688,388.43	6,188,900.87	3,259,626.36	4,627,288.84
Others	1,014,590.74	1,081,620.72	666,917.41	673,336.31
Total other payables	34,616,478.28	34,109,385.88	29,313,824.58	29,385,085.38
Total trade and other current payables	133,236,384.57	126,694,371.97	123,218,137.07	109,762,325.50

20. Long-Term Loan From Financial Institution - Net

As at December 31, 2023 and 2022, this account consisted of:

	Unit: Baht	
	Consolidated and separate financial statements	
	2023	2022
Long-term loan from financial institution as at January 1,	615,000.00	7,755,000.00
Repayment	(615,000.00)	(7,140,000.00)
<u>Less</u> Current portion of long-term loan	-	(615,000.00)
Long-term loan from financial institution - net	-	-

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.

During the first quarter of the year 2023, the Company paid for long-term loan from financial institution in the entire amount.

21. Lease Liabilities

As at December 31, 2023 and 2022, this account consisted of:

	Unit: Baht	
	Consolidated and separate financial statements	
	2023	2022
Lease liabilities		
- Within 1 year	1,875,024.00	2,014,091.75
- Over 1 year but not over 5 years	1,691,935.00	3,200,359.00
<u>Less</u> Deferred interest expenses	(168,300.93)	(309,686.24)
Present value of lease liabilities	3,398,658.07	4,904,764.51
<u>Less</u> Current portion of lease liabilities	(1,749,702.92)	(1,836,609.30)
Lease liabilities - net	1,648,955.15	3,068,155.21

22. Non-Current Provisions For Employee Benefits

Movements of the present value of non-current provisions for employee benefit for the years ended December 31, 2023 and 2022 were as follows:

Unit: Baht				
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Non-current provisions for employee benefits as at January 1,	40,291,463.21	39,422,231.00	36,300,206.88	35,755,840.55
Included in profit or loss:				
Current service cost	2,176,088.50	2,311,790.12	2,011,661.53	2,048,445.22
Interest cost	915,922.16	643,642.09	874,098.93	582,121.11
Revaluation measurement of other long-term employee benefits plans (long service awards)	387,599.35	-	424,518.18	-
Included in other comprehensive income:				
Actuarial gains arising from				
experience adjustments	1,175,677.29	-	3,994,534.85	-
financial assumption changes	(4,685,181.04)	-	(4,576,113.26)	-
demographic assumption changes	(1,020,234.98)	-	(992,189.22)	-
Benefits paid during the year	(6,289,782.34)	(2,086,200.00)	(6,289,782.34)	(2,086,200.00)
Non-current provisions for employee benefits as at December 31,	32,951,552.15	40,291,463.21	31,746,935.55	36,300,206.88

Employee benefit expenses in profit or loss for the year ended December 31, 2023 and 2022, consisted of:

Unit: Baht				
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Distribution cost	1,483,766.61	1,049,734.57	1,314,435.24	873,175.30
Administrative expenses	1,995,843.40	1,905,697.64	1,995,843.40	1,757,391.03
Total employee benefit expenses	3,479,610.01	2,955,432.21	3,310,278.64	2,630,566.33

As at 31 December 2023, the Group expects to pay Baht 0.30 million of long-term employee benefit during the next year (2022: Baht 6.29 million).

As at 31 December 2023, the weighted average duration of the liabilities for long-term employee benefit the Group and the Company are 12-23 years and 12 years, respectively. (2022: 12-17 years and 14 years, respectively.)

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, 2023 and 2022 (represented by the weighted-average) consisted of:

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Discount rate per year	2.71% - 3.44%	1.61% - 1.81%	2.71%	1.61%
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
Gold price (Per Baht Gold)	Baht 30,450	Baht 22,000	Baht 30,450	Baht 22,000

The result of sensitivity analysis for significant assumptions that affect the present value of non-current provisions for employee benefits as at December 31, 2023 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	(3,395,414.94)	3,932,840.99	(3,318,762.93)	3,841,359.07
Salary increase rate	3,705,481.81	(3,269,531.02)	3,617,904.14	(3,194,489.26)
Turnover rate	(78,833.31)	79,390.95	(75,859.55)	76,386.88

23. 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.

24. Dividend Paid

Year 2023

Minutes of Board of Directors' Meetings of the Company No.6/2023 held on August 10, 2023, approved the payment of interim dividend of Baht 0.09 per share from the six-month period operation ended June 30, 2023, in the total amount of Baht 18.23 million. The Company paid the dividend on September 8, 2023.

Annual General Meeting of Shareholders of year 2023, held on April 27, 2023, approved the last payment of the dividend of Baht 0.12 per share from operation of the year ended December 31, 2022, in the total amount of Baht 24.30 million. The Company paid the dividend on May 19, 2023.

Year 2022

Minutes of Board of Directors' Meetings of the Company No.6/2022 held on August 11, 2022, approved the payment of interim dividend of Baht 0.08 per share from the six-month period operation ended June 30, 2022, in the total amount of Baht 16.20 million. The Company paid the dividend on September 9, 2022.

Annual General Meeting of Shareholders of year 2022, held on April 27, 2022, approved the payment of dividend of Baht 0.16 per share from the period operation ended December 31, 2021, in the total amount of Baht 32.39 million. The Company paid the dividend on May 20, 2022.

25. Significant Expenses by Nature

Significant expenses by nature for the years ended December 31, 2023 and 2022 were as follow:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Changes in finished goods and work in progress	1,994,101.68	(17,652,874.19)	(1,994,915.73)	(14,486,577.57)
Purchase of goods	710,032,034.17	762,558,856.24	642,145,168.92	699,837,446.04
Loss (reversal) on allowance for diminution in value of inventories	1,068,763.97	(5,518,408.22)	512,222.76	(5,019,637.92)
Salaries, wages and other employee benefits	133,417,656.04	133,315,268.51	122,786,833.43	119,174,789.96
Depreciation and amortization	9,197,364.84	8,205,463.03	8,655,742.95	7,634,572.32
Advertising and promotion expenses	7,674,084.35	3,990,846.33	7,559,826.27	3,721,071.72
Delivery expenses	11,461,764.52	12,332,966.93	10,579,868.79	10,663,047.81
Utility expenses	3,338,701.25	3,509,355.80	3,322,512.25	3,459,089.80
(Reversal of) impairment on financial assets - net	(9,140,078.24)	1,166,470.23	(9,728,954.08)	1,093,212.96
Loss arising from bad debt of financial assets	9,308,554.77	-	9,884,110.75	-

26. Income Tax

Income tax expenses for the years ended December 31, 2023 and 2022 as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Current tax expenses				
Current year	(12,428,482.94)	(13,822,227.26)	(12,366,468.73)	(13,822,227.26)
Previous period	-	(224,400.00)	-	(216,000.00)
Deferred tax expenses				
Movements in temporary differences	(1,742,714.35)	(571,326.49)	(1,416,202.93)	(702,927.76)
Tax expenses	(14,171,197.29)	(14,617,953.75)	(13,782,671.66)	(14,741,155.02)

Tax expenses recognised in other comprehensive income for the years ended December 31, 2023 and 2022 as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Deferred tax expenses for actuarial gains	(905,947.75)	-	(314,753.52)	-

Reconciliation of effective tax rate for the years ended December 31, 2023 and 2022 as follows:

	Consolidated financial statements			
	2023		2022	
	Tax rates		Tax rates	
	(%)	Unit: Baht	(%)	Unit: Baht
Profit before income tax		73,891,466.38		68,653,273.09
Income tax using the corporate tax rate	20.00	14,778,293.28	20.00	13,730,654.62
Effect from eliminate transactions		(62,055.54)		-
Expenses not deductible for tax purposes		726,495.24		77,051.99
Expenses that are deductible at a greater amount from actual expenses		(771,131.17)		(345,129.75)
Share of profit (loss) from investment in joint ventures		(184,566.64)		53,452.69
Current year losses for which no deferred tax assets was recognized		266,066.36		877,524.20
Adjustment in respect of income tax of previous year		-		224,400.00
Other		(581,904.24)		-
Tax expenses	19.18	14,171,197.29	21.29	14,617,953.75

	Separate financial statements			
	2023		2022	
	Tax rates		Tax rates	
	(%)	Unit: Baht	(%)	Unit: Baht
Profit before income tax		69,767,884.68		69,658,033.10
Income tax using the corporate tax rate	20.00	13,953,576.94	20.00	13,931,606.62
Expenses not deductible for tax purposes		600,225.89		73,611.87
Expenses that are deductible at a greater amount from actual expenses		(771,131.17)		(361,129.75)
Impairment loss on investments		-		881,066.28
Adjustment in respect of income tax of previous year		-		216,000.00
Tax expenses	19.76	13,782,671.66	21.16	14,741,155.02

The deferred tax asset is not recognized in the statement of financial position consisted of:

	Unit: Baht	
	Consolidated financial statements	
	2023	2022
Unused tax losses	3,617,890.55	8,843,121.36

As at December 31, 2023, the subsidiaries have unused tax losses and deferred tax assets have not been recognised as the subsidiaries believe future taxable profits may not be sufficient to allow utilization of the unused tax losses which will expire during 2024 - 2028.

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.

27. 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 years ended December 31, 2023 and 2022, the Company, and its subsidiaries contributed Baht 3.56 million and Baht 3.52 million, respectively.

28. Operating Segments

The Group's business operations involve four principal segments (1) Trading in health and safety products (2) Water treatment system and (3) Other operation. 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 years ended December 31, 2023 and 2022 of the Group's segments.

Business segment information

The Group's business segment information and reconciliation of reportable segment profit or loss for the years ended December 31, 2023 and 2022 was as follows:

	Unit: Thousand Baht									
	Trading in health and safety products		Water treatment system		Other operation		Elimination of inter-segment revenues		Consolidation	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Revenue from sales of goods	935,046	966,474	6,253	5,947	8,846	11,935	-	-	950,145	984,356
Revenue from rendering of services	4,126	3,031	17,155	13,092	-	-	-	-	21,281	16,123
Total Revenue from sale of goods andrendering of services to externalcustomers	939,172	969,505	23,408	19,039	8,846	11,935	-	-	971,426	1,000,479
Cost of sales and rendered services	(685,640)	(716,408)	(19,337)	(15,091)	(7,876)	(11,335)	93	93	(712,760)	(742,741)
Segment gross profit	253,532	253,097	4,071	3,948	970	600	93	93	258,666	257,738
Share of profit (loss) of joint venture			189	(306)	734	39			923	(267)
Segment gross profit after share of profit (loss) of joint venture			4,260	3,642	1,704	639				
Unallocated income and expenses:										
Other income									10,007	2,857
Distribution cost									(102,234)	(93,008)
Administrative expenses									(92,401)	(93,190)
Gain (loss) on exchange rate - net									1,501	(1,490)
Finance costs									(2,402)	(2,820)
Loss arising from bad debt of financial assets									(9,309)	-
Reversal of allowance for credit loss (credit loss) on financial asset - net									9,140	(1,167)
Income tax expenses									(14,171)	(14,618)
Profit for the year									59,720	54,035
Timing if revenue recognition										
At a point of time	935,046	966,474	6,253	5,947	8,846	11,935	-	-	950,145	984,356
Overtime	4,126	3,031	17,155	13,092	-	-	-	-	21,281	16,123
Total	939,172	969,505	23,408	19,039	8,846	11,935	-	-	971,426	1,000,479

The Group's business segment information and reconciliation of reportable segment total assets to the Group's assets as at December 31, 2023 and 2022 as follows:

	Unit: Thousand Baht									
	Trading in health and safety products		Water treatment system		Other operation		Elimination of inter-segment revenues		Consolidation	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Investment in joint ventures	-	-	228	2,040	8,176	7,693	-	-	8,404	9,733
Segment assets	622,820	630,938	20,310	10,613	7,597	2,940	(19,757)	(19,841)	630,970	624,650
Total segment assets	622,820	630,938	20,538	12,653	15,773	10,633	(19,757)	(19,841)	639,374	634,383
Unallocated assets									4,014	4,435
Total assets									643,388	638,818

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 years ended December 31, 2023 and 2022 was as follows:

	Unit: Thousand Baht	
	Revenues	
	2023	2022
Thailand	968,543	998,552
Other countries	2,883	1,927
Total	971,426	1,000,479

Major customer

The Group has no revenues from transactions with single customer amount to 10 percent or more of the Group's revenues.

29. 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 or for the underlying assets which are low value.

As at December 31, 2023, the above commitments are summarized as follows:

	Unit: Baht
	Consolidated and Separate financial statements
<u>Payable</u>	
Within 1 year	192,800.00
Over 1 year but not over 5 years	201,366.67
Total	394,166.67

Commitments and contingent liabilities with financial institutions

- As at December 31, 2023, the Group has short-term credit facilities with the Bank of Baht 675.20 million and US Dollars 1.15 million.
- The above facilities were secured by pledged bank deposit (Notes 9) and mortgaging certain land and building of the Company recorded in investment properties - net account and property, plant and equipment - net account (Notes 14 and 15).
- The subsidiary guarantee letters of credits and trust receipt credit facility of the parent company within limit of Baht 10 million.
- As at December 31, 2023, the Group has a contingencies liabilities for bank guarantees issued by the banks to guarantee for bidding and the performance contract amounting to Baht 16.88 million.

30. 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, 2023 and 2022 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, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Euro	44.26	18.04	382.82	2,385.66	44.26	18.04	382.82	2,385.66
US Dollars	8,236.02	7,878.88	56,300.57	40,484.90	8,236.02	7,978.88	55,411.31	37,637.69
				-				-
Singapore Dollars	20.26	20.06	-		20.26	20.06	-	
Pound Sterling	-	-	56.71	325.86	-	-	56.71	325.86
Yen	-	-	188.13	587.56	-	-	188.13	587.56
Renminbi	0.01	1.10	2,993.92	174.40	0.01	1.10	2,993.92	174.40
Ringgit	-	-	-	0.63	-	-	-	0.63

Foreign currency	Unit: Baht/Unit Foreign Currency	
	Average exchange rate as at	
	December 31, 2023	December 31, 2022
Euro	38.0334	36.8274
US Dollars	34.2233	34.5624
Singapore Dollars	25.9733	25.7206
Pound Sterling	43.8440	41.6639
Yen	0.2423	0.2609
Renminbi	4.8071	4.9664
Ringgit	7.4168	7.8304

The Group manages their exposure to foreign currency risk by using derivatives when considered appropriate. As at December 31, 2023, the outstanding derivatives for managing the exposure to foreign currency risk are as follows:

Consolidated and separate financial statements					
Amount		Forward rate		Maturity date	
Forward contracts to “Purchase”					
USD/THB	0.60	Million USD	34.40	THB/USD	10 January 2024-24 January 2024

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.

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, 2023, the Group's debt-to-equity ratio was 0.72: 1 (December 31, 2022: 0.81: 1) and the Company's was 0.72: 1 (December 31, 2022: 0.79: 1).

32. Events after the Reporting Period

Minutes of Board of Directors' Meetings of the Company No.2/2024, held on February 16, 2024, approved the payment of the remaining dividend of Baht 0.12 per share from the period operation ended December 31, 2023, in the total amount of Baht 24.30 million. The Company will pay the dividend on May 20, 2024.

33. Approval of Financial Statements

These financial statements have been approved by the Company's Board of Directors to be issued on February 16, 2024.

A photograph of a person's hands in a white shirt filing a document into a filing cabinet drawer. The person is wearing a ring on their left hand. The background is a bright, out-of-focus window. The image is partially covered by a green curved overlay on the right side.

4

Attachment

Attachment 1	Details of Directors, Executives, Controlling Persons, The Company's Secretary, The person assigned to take the highest responsibility in accounting and finance and The person assigned to take direct responsibility for accounting supervision
Attachment 2	Details of the Directors of Subsidiaries
Attachment 3	Details of the Heads of the Internal Audit
Attachment 4	Assets for Business Undertaking
Attachment 5	Policy and Guidelines on Corporate Governance and Code of Business Conduct



Attachment 1

Details of Directors, Executives, Controlling Persons, The Company's Secretary, The person assigned to take the highest responsibility in accounting and finance and The person assigned to take direct responsibility for accounting supervision

1 Information on Directors and Executives

Assoc. Prof. Dr. Ekachidd Chungcharoen

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

Age 61

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)
- Director Forum Engaging Board in ESG (Jul 2023)
- 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, 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 : 1 Company

- 2013 - Present Independent Director /Audit Committee, BJC Heavy Industries Plc.

Other position at present: 3 Companies

- 2023 - Present Management Pim Beach Resort Part., Ltd.
- 2019 - Present Director, B&P Agri Products Co., Ltd.
- 2005 - Present Associate Professor, Thammasat University

Past Experiences

- 2017-2022 Chairman of Nomination and Compensation Committee, Phol Dhanya Plc.
- 2019 - 2021 Independent Director, Sunshine International Company Limited
- 2018 - 2022 Independent Director /Audit Committee/ Chairman of Nomination and Compensation Committee, JSP Property Plc.
- 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, 2023 :

Personally : 0.01% (30,000 Shares)

Spouse and minor children : None

Family relationship among Director and Executive: None

Mr. Noppadol Dheerabutrungkul

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

Age 57

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
- TFRS9 Workshop Preventive Control Class 1/2023 by TFAC (Oct 2023)
- Audit Committee Forum 2023 by SET (Aug 2023)
- Audit technique for checking income and trade receivables Class 2/2023 by TFAC (Aug 2023)
- Roles and duties of directors and executives of listed companies by SEC (Jun 2023)

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, BJC Heavy Industries Plc.

Other position at present: 2 Companies

- 2017 - Present Chairman of the Audit Committee/ Chairman of the Risk Management Committee/ Independent Director/ Nomination and Remuneration Committee, Food Moment Plc.
- 2007 - Present Executive Director IFAC Co., Ltd

Past Experiences

- 2007 - 2017 Audit Committee, Phol Dhanya Plc.
- 2019 - 2021 Independent Director /Chairman of Audit Committee/ Nomination and Compensation Committee, Sunshine International Company Limited
- 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, 2023 :

Personally : 0.01% (30,000 Shares)

Spouse and minor children : None

Family relationship among Director and Executive: None

General Chaiwat Satondee

- Independent Director
- Chairman of Nomination and Compensation Committee

Age 70

Appointment as Director date: October 12, 2015

Appointment as Independent Director date: February 19, 2021

Educational Background

- Bachelor of Science, Chulachomkiao 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

- 2022 - Present Chairman of Nomination and Compensation Committee, Phol Dhanya Plc.
- 2017 - Present Nomination and Compensation Committee, Phol Dhanya Plc.
- 2021 - Present Independent 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

- 2017 - 2022 Nomination and Compensation Committee, Phol Dhanya Plc.
- 2015- 2022 Director, Phol Dhanya Plc.
- 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 Aceh 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, 2023 :

Personally : 0.12% (248,250 shares)

Spouse and minor children : None

Family relationship among Director and Executive: None

Dr. Pallapa Ruangrong

- Independent Director
- Audit Committee
- Risk Management and Sustainability Oversight Committee

Age 70

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

- Training programs of Thai Institute of Directors (IOD)
- Director Certification Program (DCP) class 17/2002
- Audit Committee Forum 2023 by SET (Aug 2023)
- Roles and duties of directors and executives of listed companies by SEC (Jun 2023)
- Leadership role and driving business towards sustainability by SEC (Mar 2023)
- Mini MBA, Thammasart University (2006)
- Improving Governance of Public Sector Enterprise, Asian Development Bank Institute: ADBI (Tokyo, Japan) (2006)

Experiences

- 2023 – Present Risk Management and Sustainability Oversight Committee, Phol Dhanya Plc.
- 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

- 2021 - 2023 Risk Management Committee, Phol Dhanya Plc.
- 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.

Number of Shares Held as of December 31, 2026 :

Personally : None

Spouse and minor children : None

Family relationship among Director and Executive: None

Mr. Wisarute Srirojanakul

- Independent Director

Age 44

Appointment as Director date: September 17, 2021

Educational Background

- M.B.A. (Finance), Auburn University, U.S.A
- B.E. (Chemical), Chulalongkorn University

Training

- Training programs of Thai Institute of Directors (IOD)
- Director Accreditation Program (DAP) class 188/2021
- Agriculture & Cooperatives Executive Program (ACE) Class 3/2023
- Executive Program for Financial Planning Certification, University of Georgia, U.S.A

Experiences

2021-Present Independent Director, Phol Dhanya Plc.

Position in Other Listed Company at present : None

Other position at present: 7 Companies

2022 - Present Director, Thai Agro Service Co., Ltd.

2022 - Present Chief Financial Officer, Winvestment Co., Ltd.

2021 - Present Director, AGRI GATE Co., Ltd.

2021 - Present Director, Thai Agro Fresh Co., Ltd.

2021 - Present Director, Fresh Commerce Co.,Ltd.

2020 - Present Corporate Secretary, Thai Agro Exchange Co., Ltd. (TalaadThai)

2019- Present Assistant to Managing Director, Bangkok Terminal Co., Ltd.

Past Experiences

2018 - 2021 Deputy Chief Financial Officer, Winvestment Co., Ltd.

2017 - 2018 Head of Business Incubation , Beacon Venture Capital Co.,Ltd.

2009 - 2016 First Vice President, Kasikornbank Plc.

Number of Shares Held as of December 31, 2023 :

Personally : None

Spouse and minor children : None

Family relationship among Director and Executive: None

Ms. Mathusorn Srikerd

- Independent Director
- Audit Committee

Age 35

Appointment as Director date: April 27, 2023

Educational Background

- University of Bristol, United Kingdom (LL.M., in Commercial Law, 2013)
- Admitted to the Thai Bar Association and the Law Society of Thailand (2012)
- Thammasat University, Thailand (LL.B., Honors, 2011)

Training

- Training programs of Thai Institute of Directors (IOD)
- Director Accreditation Program (DAP) 209/2023
- Audit Committee Forum 2023 by SET (Aug 2023)
- Roles and duties of directors and executives of listed companies by SEC (Jun 2023)
- FinTech & Laws, Political Science Association of Kasetsart University (2019)

Experiences

2023 - Present Independent Director/Audit Committee, Phol Dhanya Plc.

Position in Other Listed Company at present : None

Other position at present: 1 Company

2020 - Present Present Legal Counsel (Financial Regulation) at Sea Group.

Past Experiences

2015 - 2020 Senior Associate at Baker & McKenzie Limited

2013 - 2015 Associate at The Siam Commercial Bank Public Company Limited

Number of Shares Held as of December 31, 2023 :

Personally : None

Spouse and minor children : None

Family relationship among Director and Executive: None

Note: Ms. Mathusorn Srikerd has been appointed as director to replace director who retired by rotation, effective from April 27, 2023

Mr. Boonchai Suwanvutthiwat

- Director
- Risk Management and Sustainability Oversight Committee
(Authorized Signature)

Age 61

Educational Background

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

Training

- 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
- 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), Sasn Graduate Institute of Business Administration of Chulalongkorn University

Experiences

- 2023 – Present Risk Management and Sustainability Oversight Committee, Phol Dhanya Plc.
- 2013 – Present Director/ Chief Executive Officer, Phol Dhanya Plc.

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

Subsidiaries company : 1 Company

- 2018 - Present Director, Phol Palladium Co.,Ltd.

Past Experiences

- 2013 – 2023 Chief Executive Officer, Phol Dhanya Plc.
- 2014 – 2023 Risk Management Committee, Phol Dhanya Plc.
- 2014 – 2022 Director, Phol Water Co.,Ltd.
- 2014 – 2022 Director, Phol Water Co.,Ltd.
- 2010 - 2017 Executive Director, Phol Dhanya Plc.
- 2013 - 2016 Director, Pholdhanya (Cambodia) Co., Ltd
- 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, 2023 :

Personally : None

Spouse and minor children : None

Family relationship among Director and Executive: None

Note: Mr.Boonchai Suwanvutthiwat, Chief Executive Officer who retired, effective from December 31, 2023

Mr. Thanya Wangthamrong

- Director
- Risk Management and Sustainability Oversight Committee
- Chief Executive Officer
(Authorized Signature)

Age 44

Appointment as Director date: April 30, 2013

Educational Background

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

Training

- Training programs of Thai Institute of Directors (IOD)
 - Director Certification Program (DCP) Class180/2013
- SET Sustainability Forum 2/2023 by SET (Jun 2023)

Experiences

- 2024 - Present Chief Executive Officer, Phol Dhanya Plc.
- 2023 - Present Risk Management and Sustainability Oversight Committee, Phol Dhanya Plc.
- 2013 - Present Director, Phol Dhanya Plc.

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

- 2011 - Present Director, Spirit Gems Co., Ltd.

Subsidiaries company : 1 Company

- 2022- Present Director, Phol Water Co.,Ltd.

Past Experiences

- 2018 – 2023 Vice President Marketing and Sales , Phol Dhanya Plc.
- 2021 – 2022 Acting Chief Financial Officer, Phol Dhanya Plc.
- 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, 2023 :

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

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

Family relationship among Director and Executive:

Mr.Chavalit Wangthamrong's son

Note: Mr.Thanya Wangthamrong has been appointed as Chief Executive Officer to replace Mr.Boonchai Suwanvutthiwat who retired, effective from January 1, 2024

Mr. Apichart Jarutangtrong

- Director

Age 28

Appointment as Director date: August 11, 2022

Educational Background

- Master of Business Administration (MBA), Sasin Graduate Institute of Business Administration of Chulalongkorn University (During Class)
- Taiwan Bachelor of Science in Engineering (Bio-Industrial Mechatronics Engineering), National Taiwan University

Training

- Training programs of Thai Institute of Directors (IOD)
- Director Certification Program (DCP) Class 336/2023 (During Class)

Experiences

2022-Present Director, Phol Dhanya Plc.

Position in Other Listed Company at present: None

Other position at present: None

Past Experiences

2020 - 2022 Business Portfolio Assistant Manager, The Siam Cement Plc.
2018 - 2020 Change Management Officer Agile Enablement Transformation and Business Analyst, Siam Commercial bank Plc.
2016 - 2018 Application Field Engineer, Coretech System Company Limited

Number of Shares Held as of December 31, 2023 :

Personally : 10.94% (22,160,000 shares)

Spouse and minor children : None

Family relationship among Director and Executive: None

Asst.Prof.Dr.Suluck Pattarathammas

- Chairman of Risk Management and Sustainability Oversight Committee

Age 58

Appointment as Director date: February 10, 2014

Educational Background

- DBA (Finance), Joint Doctoral Program in Business Administration (JDBA), Thammasat University, Bangkok.
- Bachelor of Laws, Sukhothai Thammathirat Open University, Bangkok.
- MBA, Finance, University of San Francisco, San Francisco, USA.
- Bachelor of Economics, First Class Honours, Chulalongkorn University, Bangkok.

Training

- Training programs of Thai Institute of Directors (IOD)
- Directors Accreditation Program (DAP) Class 138/2017
- Preliminary to Corporate Sustainability by SET (2023)

Experiences

2023 - Present Chairman of Risk Management and Sustainability Oversight Committee, Phol Dhanya Plc.

Position in Other Listed Company at present: None

Other position at present: 3 Companies

2018 - Present President, Christian University of Thailand
2017 - Present Guest lecturer, Thammasat Business School, Thammasat University
2016 - Present Managing Director, Lau Brothers International Co., Ltd.

Past Experiences

2021 - 2023 Chairman of Risk Management Committee, Phol Dhanya Plc.
2014 - 2023 Risk Management Committee, Phol Dhanya Plc.
2017 - 2022 Chairman, Risk Management Committee, Capital Engineering Network Public Co., Ltd. (CEN)
2016 - 2022 Director, Capital Engineering Network Public Co., Ltd. (CEN)
2014 - 2021 Risk Management Committee, Phol Dhanya Plc.
2019 - 2021 Vice Chairman No. 1, Capital Engineering Network Public Co., Ltd.
2016 - 2020 Executive Committee Member, PhD Program, Thammasat Business School, Thammasat University
2016 - 2017 Head, Department of Finance, Thammasat Business School, Thammasat University
2011 - 2013 Independent Director (Risk Management), Thong Come Asset Management Co., Ltd.

Number of Shares Held as of December 31, 2023 :

Personally : None

Spouse and minor children : None

Family relationship among Director and Executive: None

Mr. Pornsak Chunhajinda

- Vice President Corporate Support
- Chief Financial Officer

Age 57

Educational Background

- Bachelor of Science (Accounting), Kasetsart University
- Certified Public Accountant (CPA) No.4237

Training

- Training programs of Thai Institute of Directors (IOD)
- Director Certification Program (DCP) Class 227/2016
- TFRS Class 2/2023 by TFCA (Oct 2023)
- CFO's Orientation by SET E-learning (Apr 2023)
- 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

Experiences

Nov.2022 - Present Vice President Corporate Support/Chief Financial Officer, Phol Dhanya Plc.

Position in Other Listed Company at present : None

Other position at present: 5 Companies

Subsidiaries company : 2 Companies

2023 - Present Director/Managing Director, Phol Palladium Co.,Ltd.

2022 - Present Director/Managing Director, Phol Water Co.,Ltd.

Other company : 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

2018- Jul, 2021 Vice President Corporate Support, Phol Dhanya Plc.

2010- Jul, 2021 Chief Financial Officer, Phol Dhanya Plc.

2016 - 2018 Director/Risk Management Committee, 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, 2023 :

Personally : 0.07% (135,500 Shares)

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

Family relationship among Director and Executive: None

Miss Prapaipit Viriyabhupha

- Sales Director Control Environment Products (CE)

Age 55

Educational Background

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

Training

-

Experiences

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

Position in Other Listed Company at present : None

Other position at present: 1 Company

Subsidiaries company : 1 Company

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

Past Experiences

2018 - 2022 Director/Managing Director, Phol Water Co.,Ltd.

2013 - 2018 Director, Phol Palladium Co., Ltd

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, 2023 :

Personally : 0.37% (750,000 Shares)

Spouse and minor children : None

Family relationship among Director and Executive: None

Mr. Paradorn Parepatara

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

Age 46

Educational Background

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

Training

-

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, 2023 :

Personally : None

Spouse and minor children : None

Family relationship among Director and Executive: None

Mr. Nitipat Pedprasert

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

Age 43

Educational Background

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

Training

- Data Analytics for Business by Thailand Productivity Institute (Sep 2023)

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 Straff, Phol Dhanya Co., Ltd

Number of Shares Held as of December 31, 2023 :

Personally : None

Spouse and minor children : None

Family relationship among Director and Executive: None

2 Company Secretary

Ms. Kwandao Duangjan

- **Company Secretary**
- **Secretary of the Board of Director**
- **Secretary of Risk Management Committee**

Age 44

Educational Background

- Bachelor of Business Administration (Accounting), Phranakhon Rajabhat University

Training

- Training programs of Thai Institute of Directors (IOD)
- Role of Company Secretary to Driving ESG (6 Oct 2023)
- Company Secretary Program (CSP) Class 126/2022
- Company Reporting Program (CRP) Class 31/2022
- Board Reporting Program (BRP) Class 39/2022
- Corruption Risk and Control Workshop (CRC) Class 2/2019
- Anti-Corruption: The Practical Guide (ACPG) Class 19/2015
- Certificate "Professional Development Program for Company Secretary" by TLCA (May-Jun.,2022)
- COSO ERM 2017 Risk Management by TLCA (Jun 2023)
- CYBER VISION 2023: Protect and Detect: Don't Let Your Guard Down by SET (Sep 2023)
- ESG Risk Management and Challenges to Practices by SEC and TFCA (Sep 2023)
- Carbon Footprint for Organization by SEC (Sep 2023)
- The Corporate Responsibility to Respect Human Rights by TLCA (Sep 2023)
- Risk Management and Internal Control 2023 by Risk and Internal Control Club TLCA (Sep 2023)
- Board Retreat /NED Meeting by TLCA (Aug 2023)
- Certificate in ESG Management (C-ESG) Class 3/2023 by SET (Jun 2023)

Experiences

2023 – Present	Secretary of Risk Management and Sustainability Committee, Phol Dhanya Plc.
2022 – Present	Company Secretary/Secretary of the Board of Director, Phol Dhanya Plc.
2014 - Present	Risk Management Officer, Phol Dhanya Plc.

Position in Other Listed Company at present : None

Other position at present: None

Past Experiences

2022 - 2023	Secretary of Risk Management Committee, Phol Dhanya Plc.
2013 - 2014	Accounting Supervisor, Phol Dhanya Plc.
2005 – 2012	Accounting, Phol Dhanya Plc.
2002 - 2004	Accounting, RS Promotion Co., Ltd.

Number of Shares Held as of December 31, 2023 :

Personally : 0.001% (2,017 Shares)

Spouse and minor children : None

Family relationship among Director and Executive: None

Duties and responsibilities of Company Secretary

The Board of Directors appointed Mrs.Kwandao Duangjan to be Company Secretary since June 23, 2022 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 (4thAmendment), 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. Duties and responsibilities are as follow;

1. Prepare and maintain the following document:

- Director registration.
- Letter of invitation to the meeting of directors, minutes of the meeting of directors, the Company's annual reports.
- Letter of invitation to the shareholders' meeting and minutes of the meeting of directors.

2. Maintain reports on interests that are submitted by directors or executives and submit copies of such reports according to Chapter 89/14 to Chairman of the Board and Chairman of Audit Committee within 7 days since the date that the Company receives such reports.

3. Perform any other functions stipulated by Capital Market Supervisory Board.

In addition, Company Secretary also has other duties as delegated by the Board of Directors including:

- Administer the meetings of the Board of Directors, Executive Committee, and other Committees
- Administer the shareholders' meeting and prepare minutes of the shareholders' meeting
- Ensure that the Board of Directors complies with the laws and regulations relevant to the business of the Company.
- Provide information support on Corporate Governance to the Board of Directors.
- Perform any other tasks pertaining to the Board of Directors, Management, and shareholders.
- Monitor to ensure that the resolutions of the meeting of the Board of Directors and shareholders' meeting are executed.
- Collaborate with internal units to abide by resolutions of the meeting of the Board of Directors and shareholders' meeting.
- Collaborate with regulatory bodies such as SEC and SET and administer information disclosure and information reporting to regulatory bodies and the public to ensure that it is done correctly according to the laws.
- Perform other tasks as stipulated in Securities and Exchange Act. B.E.2551 (amendment), other relevant laws and regulations, as well as notifications and regulations of Capital Market Advisory Board.
- Perform any other tasks delegated by the Board of Directors.

The company secretary is selected based on secretary qualifications and skills and is structured under the Management and Organization Development Office, the department that is responsible to ensuring that secretary work is in compliance with laws, regulations, and the principle of corporate governance

3 The person assigned to take the highest responsibility in Accounting and Finance and the person assigned to take direct responsibility for accounting supervision

The person assigned to take the highest responsibility in Accounting and Finance

The Board of Directors No. 8/2022 on November 11, 2022 approved the appointment Mr.Pornsak Chunhajinda to the position Chief Financial Officer, the person assigned to take the highest responsibility in Accounting and Finance, who has the qualifications as specified by the SEC Office. Currently, Mr.Pornsak Chunhajinda is the position of Vice President Corporate Support. Detail of qualification and background has been shown on “Details of directors and executives”

The person assigned to take direct responsibility for accounting supervision

Miss Jintana Suwanpayom has been appointed as Accounting Manager to take direct responsibility for accounting supervision, since April 1, 2008, who has the qualifications as prescribed by the SEC and is a qualified bookkeeper in accordance with the rules prescribed in the announcement of the Department of Business Development.

Detail of The person assigned to take direct responsibility for accounting supervision

Miss Jintana Suwanpayom

- Accounting Manager

Age 45

Educational Background

- Master of Accountancy, Kasetsart University
- Bachelor of Accountancy, Dhurakij Pundit University

Training

- ESG Risk Management and Challenges to Practices by SEC and TFCA (Sep 2023)
- Course “Strategic CFO in capital market” Class 7/2018 by SET

Continuing Accounting Professional Development 2023

- Preparation and presentation of financial statements, recognition of income and expenses and knowledge about "Derivatives" for NPAs by the Accounting Association of Kasetsart University.
- Risk Accounting and Risk Management for Accountants by Dharmniti Seminar and Training Co.,Ltd.
- Data Analytics for Accounting by Dharmniti Seminar and Training Co.,Ltd.

CPD (Accounting)

- | | |
|---|-------|
| 6 | hours |
| 6 | hours |
| 6 | hours |

Experiences

2008 – Present Accounting Manager, Phol Dhanya Plc.

Position in Other Listed Company at present : None

Other position at present: None

Past Experiences

2005 – 2007 Accounting Supervisor, Phol Dhanya Plc.

Number of Shares Held as of December 31, 2023 :

Personally : None

Spouse and minor children : None

Family relationship among Director and Executive: None

4 Information on positions of directors, executives, and controlling persons

Name		The Company PHOL	Subsidiaries		
			PL	PHOLW	PHOLC
1	Assoc. Prof. Dr. Ekachidd Chungcharoen	X,ID	-	-	-
2	Mr. Boonchai Suwanvutthiwat	D,S	D,S	-	-
3	Mr. Thanya Wangthamrong	D,S,M	-	D,S	-
4	Mr. Noppadol Dheerabutrpongkul	ID	-	-	-
5	Dr. Pallapa Ruangrong	ID	-	-	-
6	General Chaiwat Satondee	ID	-	X,S	-
7	Mr. Wisarute Srirojanakul	ID	-	-	-
8	Ms. Mathusorn Srikerd	ID	-	-	-
9	Mr. Apichart Jarutangtrong	D	-	-	-
10	Mr.Pornsak Chunhajinda	M	D,S,M	D,S,M	-
11	Miss Prapaipit Viriyabhupha	M	X,S	-	-
12	Mr. Paradorn Parepatara	M	-	-	-
13	Mr. Nitipat Pedprasert	M	-	-	-

Remarks

X = Chairman of the Board ID = Independent Director D = Director S = Authorized Signature M = Executive

PHOL= Phol Dhanya Plc.

PL= Phol Palladium Co.,Ltd

PHOLW= Phol Water Co.,Ltd.

PHOLC= Pholdhanya (Cambodia) Co.,Ltd



Attachment 2

Details of the Directors of Subsidiaries

Subsidiaries Directors' Name	Phol Palladium Co.,Ltd.	Phol Water Co.,Ltd	Pholdhanya (Cambodia) Company Limited
1. Miss Prapaipit Viriyabhupha	X	-	-
2. General Chaiwat Satondee	-	X	-
3. Mr. Boonchai Suwanvutthiwat	D	-	-
4. Mr. Pornsak Chunhajinda	D/M	D/M	-
5. Mr. Thanya Wangthamrong	-	D	-
6. Mr. Chavalit Wangthamrong	-	-	D

X = Chairman of the Board

D = Director

M = Managing Director



Attachment 3

Details of the Heads of the Internal Audit

Miss Siriporn Ninklum

- Internal Audit Supervisor
- Secretary of Audit Committee

Age 30

Educational Background

- Master of Business Administration (Management), Ramkhamhaeng University
- Bachelor of Accounting (First Class Honors), Rangsit University

Training

- Risk Management and Internal Control 2023 by Risk and Internal Control Club TLCA (Sep 2023)
- Strategic Audit Plan and Annual Audit Plan [End-to-End Process] by Institute of Internal Audit Thailand (Jul 2023)

Experiences

2023 - Present Internal Audit Supervisor, Phol Dhanya Plc.

Position in Other Listed Company at present : None

Other position at present: None

Past Experiences

2016 - 2022 Internal Audit Officer, Phol Dhanya Plc.

2010 – 2016 Accountant, Minebea Mitsumi Group (Thailand)

Number of Shares Held as of December 31, 2023:

Personally : None

Spouse and minor children : None

Family relationship among Director and Executive: None



Attachment 4

Assets for Business Undertaking

1. Fixed Assets of the Company and its subsidiaries

As of December 31, 2023, details of the Company's fixed assets for business operations are summarized as follows:

Type of Fixed Assets	Net Book Value (Baht) December 31, 2023	Nature of Ownership	Encumbrance
1. Land and Land Improvement			
- Head Office and warehouse Lumlukka Pathumtani	28,324,286	Owner	Guarantee for credit limit
- Branch Office- Mueang District, Chiangmai	3,440,000	Owner	None Encumbrance
- Branch Office-Mueang District, Rayong	620,200	Owner	None Encumbrance
Total of Land and Land Improvement	32,384,486		
2. Building and building improvements			
- Head Office and warehouse Lumlukka Pathumtani Address 1/11 Lumlukka Pathumtani	40,168,972	Owner	Guarantee for credit limit
- Branch Office-Chiangmai address 47/55-57	222,265	Owner	None Encumbrance
- Branch Office-Mueang District, Rayong address 155/213	3,897,621	Owner	None Encumbrance
Total of Building and building improvements	44,288,857		
3. Furniture and equipment	2,477,549	Owner	None Encumbrance
4. Demonstration goods and tools	758,663	Owner	None Encumbrance
5. Vehicles	514,457	Owner	None Encumbrance
6. Utility system	4,845,723	Owner	None Encumbrance
7. Assets under water sales agreement	1,094,793	Owner	None Encumbrance
9. Safety equipment for rent	314,780	Owner	None Encumbrance
8. Assets under installation	309,724	Owner	None Encumbrance
Total Fixed Assets	89,421,103		

Right-of-Use Assets - Net

Type of Assets	Net Book Value (Baht) December 31, 2023
Right of use of building	346,546
Equipment	3,024,117
Vehicles	1,498,798

The Company has entered into lease agreements for warehouse 2 places, detail are as follow;

	Lease Agreements No. 1	Lease Agreements No. 2
Contract Parties	Assignee: Phol Dhanya Public Company Limited Transferor : Agro international Company Limited	Renter : Phol Dhanya Public Company Limited Lessor : CA&A Construction Company Limited
Type of Contract	Leasehold Agreement for 3-storey Building and Factory, No. 333/67 Moo 3, Bang Krui-Sainoi Rd. Bang Rak Phatthana Subdistrict, Bang Bua Thong District, Nonthaburi	Lease Agreement for 3-storey building and factory No. 333/68 Moo 3, Bang Krui-Sainoi Rd. Bang Rak Phatthana Subdistrict, Bang Bua Thong District, Nonthaburi Province
Contract Date	June 4, 2004	August 22, 1995
Term of Contract	30 Years (August 1, 1995 – July 31, 2025)	30 Years (August 1, 1995 – July 31, 2025)
Rental Rate	Sell out fee 2,800,000 Baht Rental fee for the first 10 years 1,000 Baht per month Rental fee for the 11th-20th years 1,500 Baht per month Rental fee for 21st-30th years 2,000 Baht per month	Sell out fee 2,800,000 Baht Rental fee for the first 10 years 1,000 Baht per month Rental fee for the 11th-20th years 1,500 Baht per month Rental fee for 21st-30th years 2,000 Baht per month

Investment Properties - Net

Type of Fixed Assets	Net Book Value (Baht) December 31, 2022	Nature of Ownership	Encumbrance
1. Land and Land Improvement			
- Land in Mueang District, Rayong	493,000	Owner	Guarantee for credit limit
- Land in Uthai District, Ayutthaya	128,000	Owner	Guarantee for credit limit
- Land of Narita Building, Chaeng Watthana, Bangkok	749,160	Owner	Guarantee for credit limit
Total of Land and Land Improvement	1,370,160		
2. Building and building improvements			
-Narita Tower, Chaeng Watthana, Bangkok Address 47/390	21,624	Owner	Guarantee for credit limit
-Building in Mueang District, Rayong address 308/3-4	1,332,947	Owner	Guarantee for credit limit
-Building in Uthai District, Ayutthaya address 27/44-45	1,289,727	Owner	Guarantee for credit limit
Total of Building and building improvements	2,644,304		
Total of Investment Properties	4,014,464		

The Company has appraised real estate for investment and leasehold rights. Details are shown in “Notes to financial statements, Clause 14 Investment properties - net”

Intangible Assets

- Computer Software

As of December 31, 2023, the Company has intangible assets: computer software with net book value of consolidated financial statements amount to 0.97 MB

- Trademark

The company has its own trademarks for some categories of products, detail are as follow;

Trademark	Products	Status
SYNOS 	Safety shoes, Safety glasses, Protective masks and Helmet	The trademark has been registered since 2007 and renewed from 2018 to 2027 and may be renewed every 10 years.
ROCC 	Safety shoes	The trademark has been registered since 2018 for a period of 10 years.
ergozo 	Ergonomic chair Back support Shoe insole	Trademark registration is in progress.
Surely 	Diapers	Trademark registration is in progress.

2 Investment Policy in Subsidiaries

Regarding the investments in subsidiaries, the company will appointment an executive to act as representatives in subsidiaries according to their shareholding proportion, if the subsidiary has a significant impact on the business operation, as controlling by determine proposed to the board of directors for consider critical matters and approval before proceeding etc.



Attachment 5

Policy and Guidelines on Corporate Governance and Code of Business Conduct

Corporate Governance Policy

The Company intends to operate the business with a good governance. It determines to support and develop the Company to become an effective organization adhering to ethical operations with ethics, transparency, and honesty based on business ethics. Be responsible to relevant stakeholders. The Company has established “Corporate Governance Policy” by adopted 8 main principles, sub-principles and guidelines from Corporate Governance Code (CG Code) for listed companies 2017 issued by the Securities and Exchange Commission with the purpose to be applied to the business context of companies to serves as best practice for the Company’s Board of Directors, Executives, Employees, Corporate Governance Support Agencies and Internal Audit Officet to create values and highest return to the business in a long run to achieve sustainable growth. The policy also creates trust in all groups of shareholders and stakeholders.

The policy has been disseminated on the Company’s website. Further information is available at <https://investor.pdgth.com/misc/CG/20240129-phol-cg-policy-en.pdf>

Business Code of Conduct

The Company is aware of the importance of a code of conduct in operating the business, with the belief that it serves as a crucial aspect that ensures sustainable business operations. With the Board of Directors’ intention in operating the business towards the vision and mission aimed for sustainable growth and based upon the principles of morality and ethics, social and environmental responsibility and accountability towards all stakeholders, the Business Code of Conduct has been compiled to serve as a significant tool for supporting corporate governance activities and ensuring transparency in the operations, as well as for facilitating the performance of directors, executives and staff members to be effective and efficient, enhancing trust among investors and all related parties. The Company has communicated to both internal and external stakeholders to acknowledge the principles and practices, understand and refer to as a practical guidance as prescribed in the Business Code of Conduct.

The guidelines have been disseminated on the Company’s website. Further information is available at <https://investor.pdgth.com/misc/CG/20240131-phol-cg-code-conduct-th.pdf>



PHOL DHANYA PUBLIC COMPANY LIMITED

Head office

1/11 Moo 3, Lumlukka Road,
Ladsawai, Lumlukka,
Pathumthani 12150 Thailand.
Tel. 0 2791 0111-2

Chiang Mai

47/55-57 Moo 2,
Chotana Road, Chang Puak,
Muang Chiang Mai, Chiang Mai.
Tel. 0 5322 6811

Rayong

155/213 Moo 2, Thabma,
Muang Rayong, Rayong.
Tel. 0 3803 4011-3



www.pdgth.com



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