

ANNUAL REPORT

2021



PATKOL

Public Company Limited

SINCE 1965

PATKOL Public Company Limited

Content

	Page
Message from The Chairman	1
Message from The CEO	2
Board of Director	3
Management Team	5
Organization Chart	6
Part 1 Business operations and results	
1. Management Structure and Business Operation	7
2. Risk Management	31
3. Sustainability Management Process	37
4. Management Discussion and Analysis: MD&A	42
5. General Information and Other Important Information	53
Part 2 Corporate Governance	
6. Corporate Governance	57
7. Management Structure and important information about the board, Sub-committees, management, employees and others	76
8. Corporate Governance Report	93
9. Internal control and related transactions	106
Part 3 Financial Statement for the year 2020	110
Part 4 Certification of the Correctness of Information	208
Appendix	
Attachment 1 Profiles of the Board of Directors and Management Team and Company Secretary	
Attachment 2 Detail of Director in Subsidiaries	
Attachment 3 Details of the Internal Audit Supervisor	
Attachment 4 Assets of business operations and Property appraisal list	
Attachment 5 Corporate Governance Code	
Attachment 6 Audit Committee Report	

Message from The Chairman

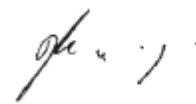


Dear Shareholders,

In the previous year, domestic and global economies were not doing too well, which had a direct impact on the Company's business. In addition, investment of the Company's customers was also affected by climate change and currency depreciation in the ASEAN region where the Company was expanding into.

In response, the Company needed to adjust its work plans and make organizational improvement. Although the Company's operating results were not as good as the years before, the Company were able to make some profit. The strategic plan developed and submitted to the Board of Directors by management should enable the Company to do better this year and the Board will follow up the implementation of this plan every quarter.

On behalf of the Board of Directors, management team, and employees, I would like to thank every shareholder for their continued support and encouragement that keep us moving forward.



H.E. Mr. Pitipong Puengboon Na Ayutthaya

Chairman

Message from The CEO



Dear Shareholders,

In the previous year, the COVID-19 pandemic has affected business operations and the lives of people around the world.

Our Company was also affected by the COVID-19 pandemic. The business continuity plan (BCP) was urgently developed to deal with the situation so that the Company could continue to operate its business. We came up with measures to prevent the spread of the virus and measures to work under the outbreak. We also reconfigured our information system to support the operation under such conditions. The updated information system allowed us to set up meetings, assign tasks, monitor progress, and work from home, as well as continue the organization's restructuring work that was started in the previous year, which continued into 2021. This includes the methodology for reaching our targets by managing roles and responsibilities. The new system developed during the COVID-19 pandemic became the New Normal. Our work will not be the same again. It helped us enhance our ability to compete. The new way of working is more efficient, yields expected results, and will allow us to handle similar situations in the future.

Thank you to the Board of Directors' recommendations and the management team for handling things in a timely manner. We applaud all employees who supported the measures and policies that were rolled out. This allowed us to return to profit under difficult circumstances. Once again, I would like to thank you all for your support.



Mr. Sangchai Chotchuangchutaval

Chief Executive Director

Board of Director



**Mr. Pitipong
Phungbun na Ayutthaya**

- Chairman of the Board
(Independent Director)



**Mr. Pairoj
Sanyadechakul**

- Chairman of Audit Committee
(Independent Director)



**Mr. Sangchai
Chotchuangchutchaval**

- Vice Chairman of the Board
- Chief Executive Committee



Mr. Paradorn Chulajata

- Director, Audit Committee Advisor
- Risk Management Committee Member
- Nomination and Remuneration
Committee Member



Ms. Anongsiri Chaiyakul

- Director



Ms. Nongluck Sakdakrai

- Director and Nomination
- Remuneration
Committee Member



Mr. Veerachai Srikajorn

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



Mr. Preecha Chantarangkul

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



Mr. Sumet Jiambutr

- Director and Executive Committee Member



Mr. Panet Chongvatana

- Director, Executive Committee Member
- Risk Management Committee Member



Mr. Rangsan Thammanee Wong

- Director, Executive Committee Member
- Risk Management Committee Member



Ms. Naitya Chongvatana

- Director

Management Team



① Mr. Sangchai Chotchuangchutaval
Chief Executive Officer

⑤ Mr. Thawatchai Tootabtong
Chief Food & Dairy Officer

② Mr. Panet Chongvatana
Chief Strategy Officer

⑥ Mr. Chakkraphong Chaosuan
Chief International Business Officer

③ Miss Wannaporn Trinvisutthikul
Chief Administrative Officer

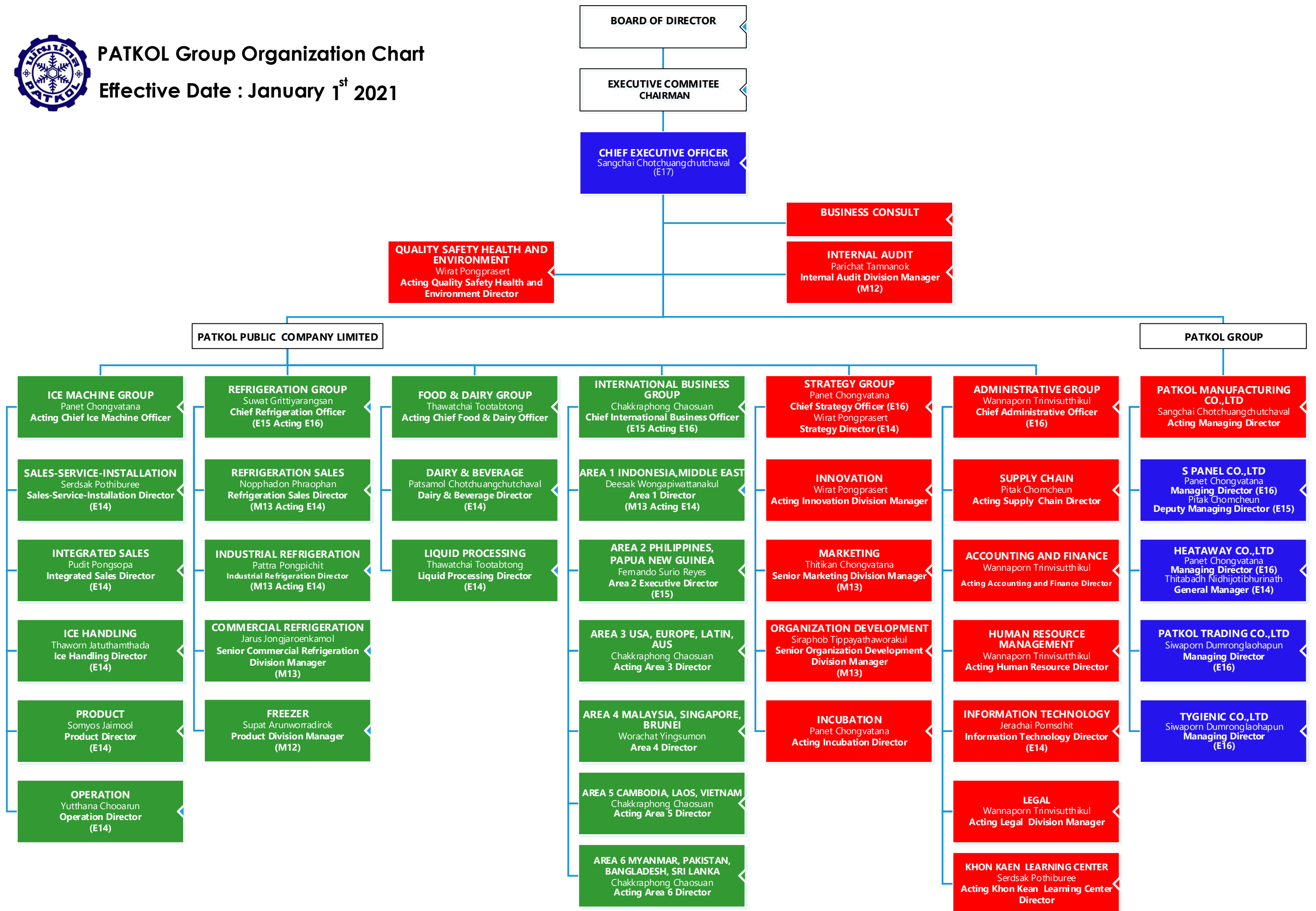
⑦ Mrs. Siwaporn Dumronglaohapun
Managing Director of Tygienic Company Limited
and Patkol Trading Company Limited

④ Mr. Suwat Grittiyarangsarn
Chief Refrigeration Officer



PATKOL Group Organization Chart

Effective Date : January 1st 2021



Part 1

Business operations and results

1. Management Structure and Business Operation

1.1 Policy on business operations and nature of business

1.1.1 Vision, objectives, goals or operating strategies of PK group

The company has a vision to operate the business by “ Leader in Food and Beverage, Refrigeration, Ice Industrial Machine Business with Friendly Engineering”

1) We have determination to develop the products and the manufacture of refrigeration machines and those used in processing and producing various types of food in response to the demand of the target groups in accordance with the pledge to the customers. It has presented the friendly service and created satisfactory to the customers to make our company can make a more profit from sales and to create the highest reward to our shareholders.

2) We have determination to respond to the demands of our customers by providing the integrated services covering from giving advice, design and engineering work up to the construction and installation to provide convenience to our customers and to receive the maximum benefits.

3) We have a policy on the investment by the affiliates and the subsidiaries by giving priority to the business that it has skills and stay close to our business line. It has invested in terms of the direct major shareholder or via the affiliates by holding shares in the ratio of more than 80 percent and/or has the control power in the invested companies. Except the condition of the business or competition do not support or the operations have to receive support and cooperation from other business participants, it can invest in terms of a joint venture.

4) We have a policy of developing personnel with continuity both in the profession and service, so our personnel shall have the knowledge and specialization in the ice maker industry and the manufacture of machinery for refrigeration and food processing and production of the various types.

5) We have given priority on creating new innovations and development of technology to maintain business leadership, including giving importance to the information technology. It focuses on the working system to be streamline and preparation of the information to be ready for the expedient and correct decision.

6) We have a policy of developing the working system to comply with the international standards all the time. The company has been certified ISO 14001 and ISO 45001 from Tuv Nord.

7) We have a policy of doing business under the principle of good governance by considering the benefit of the society and the environment in parallel with profitability for sustainable growth and development.

8) It gives priority on conservation of the environment and reward to the society, including development of life quality of the humanity to have better livelihood.

9) It has a policy of promoting to build the value for the stakeholders by setting the policy on taking care of the stakeholders, including the measures on compensating by the company has categorized the stakeholders into seven groups are employees, customers, shareholders, trade partners (including the consultants and contractors), creditors, governmental agencies and the communities surrounding the factory.

1.1.2 Major changes and developments over the last 3 years

2019	2020	2021
<ul style="list-style-type: none"> - In the year 2019, the company has emphasized to change and develop organization and management for focus and response to business strategies included to the major business changes in the past 2 years. - The company has restructured of internal management for more response to overseas companies and pay more attention about cost management in oversea company by focus on recruit local employees. - The company has emphasized on some products group to expand in overseas for comply with the economic, social and cultural contexts of each country. 	<ul style="list-style-type: none"> - During 2020, the Company had to conduct business during COVID-19, which has led to a change in working procedures as follows: <ol style="list-style-type: none"> 1. Announcement of the Business Continuity Plan (BCP) to deal with the COVID-19 pandemic by planning comprehensively to accommodate the impact on stakeholders of the Company, including customers, shareholders, employees and the surrounding communities. 2. Dividing employees into three groups to minimize the spread of COVID-19 as follows: <ul style="list-style-type: none"> Group 1: Employees who still need to come to the office every day 	<ul style="list-style-type: none"> - Although the situation of the COVID-19 epidemic in 2021 will be eased, the company still has to operate its business under the Business Continuity Plan or BCP to cope with the COVID-19 epidemic situation at any time and promptly by comprehensive planning to support the impact that will occur to the stakeholders of the company both in terms of customers, shareholders, employees and surrounding communities. 2. Employees are divided into 3 groups to reduce the spread of COVID-19 as follows: <ul style="list-style-type: none"> Group 1: Employees who still need to go to the office every day.

<p>- The Learning Center, Khon Kaen Province had developed to be the professional technician training center. Therefore, our technicians from domestic and oversea have to take course in both theory and practice.</p>	<p>Group 2: Employees who work from home</p> <p>Group 3: Employees who have to work at the customers' site</p> <ul style="list-style-type: none"> - Established PT Indonesia Patkol Refrigeration to support the sale of refrigeration business in Indonesia. - Continuous development of products and solutions, including commercial ice production, to raise the standard of ice production to be clean and safe for the entire ice industry. - Established an MOU between Patkol Public Company Limited and Faculty of Engineering, King Mongkut's Institute of Technology Ladkrabang to develop innovative prototypes of frozen food processing and beverages for small and medium enterprises (SMEs), including a total solution for SME business under the concept of a BCG Model (Bio Circular Green Economy Model) to achieve sustainable economic development in line with the government's policy. 	<p>Group 2: Employees who work from home.</p> <p>Group 3: Employees who have to work at the customers' site.</p> <ul style="list-style-type: none"> - Established Patkol Ice Solutions Co., Ltd. to support the continual expansion of the ice machine business. including developing the customer care process to be faster and have more flexibility which affects the growth of sales in the future. - Prepare projects to enhance safety and energy saving of the refrigeration industry in cooperation with government and universities as follows: <ol style="list-style-type: none"> 1) Cooperate with Thai Refrigeration Association (TRA) and Department of Industrial Works to join academic working groups "Draft announcement of the Department of Industrial Works regarding the determination of safety measures for refrigeration systems that use ammonia as a refrigerant" and jointly prepared a manual for the controller and inspection engineer Department of Industrial Works.
---	--	---

		<p>(2) Collaborate with Kasetsart University to undertake a prototype project of Smart Refrigeration under the concept of IOT or Internet of Things for ice plants and cold storage.</p> <p>- Participated in the development of a food innovation model factory for frozen food processing and drink for small and medium enterprises (SMEs) Total Solution for SME business under the concept of BCG Model (Bio Circular Green Economy Model) for sustainable economic development. In line with the government policy with the Faculty of Engineering King Mongkut's Institute of Technology Ladkrabang continuously under the MOU signed in 2020</p>
--	--	--

1.2 Patkol's Business

1.2.1 Revenue structure

- Revenue information by Group's operation segment

Revenue information by company

Busines Group	Company	% shareholding	Revenue 2021		Revenue 2020		Revenue 2019	
			MB	%	MB	%	MB	%
1. Ice machine and system - Ice Making Machine	Patkol PCL.	100.00%	962	30%	1,113	36%	1,131	31%
	Patkol Philippines Corporation Co., Ltd.	60.00%	8	0%	0	0%	45	1%
	Indonesia Patkol Service Corporation	99.99%	-	0%	3	0%	1	0%
			970	30%	1,116	36%	1,177	32%
2. Machinery for industrial refrigeration system - Cold Room - Panel Cold room - Evap	Patkol PCL.	100.00%	393	12%	486	16%	745	21%
	S Panel Co., Ltd.	80.00%	476	15%	417	14%	447	12%
	Heat away Co., Ltd.	99.99%	85	3%	92	3%	87	2%
	PT. Indonesia Patkol Refrigeration	86.80%	1	0%	0	0%	0	0%
			955	30%	995	33%	1,279	35%
3. Machinery and system for liquid - Food and dairy machine - Industrial tanks	Patkol PCL.	100.00%	825	26%	624	20%	618	17%
	Tygenic Co., Ltd.	99.99%	314	10%	186	6%	89	2%
	Patkol Malaysia Sendirian Berhad Co., Ltd.	100.00%	6	0%	5	0%	4.16	0%
	Patkol Myanmar Company Limited	100.00%	-	0%	1	0%	1.4	0%
			1,145	36%	816	27%	713	20%
4. Central management and others - Service	Patkol PCL.	100.00%	75	2%	70	2%	357	10%
	Patkol Trading Co., Ltd.	99.98%	63	2%	62	2%	111	3%
			138	4%	132	4%	468	13%
Total			3,208	100%	3,059	100%	3,637	100%

- Revenue Structure of the Company provincial part (Thailand and other countries)

Patkol Public Company Limited and subsidiaries

Business segment	2021		2020		2019	
	MB	%	MB	%	MB	%
Segment 1: Ice machine and system	970	30%	1,116	36%	1,271	35%
Thailand	806	25%	904	30%	898	25%
Other Country	164	5%	212	7%	373	10%
Segment 2: Machinery for industrial refrigeration system	955	30%	995	33%	1,139	31%
Thailand	933	29%	952	31%	1,087	30%
Other Country	22	1%	43	1%	52	1%
Segment 3 : Machinery and system for liquid	1,145	36%	816	27%	707	19%
Thailand	1,108	35%	688	22%	600	16%
Other Country	37	1%	128	4%	107	3%
Segment 4 : Central management and others	138	4%	132	4%	520	14%
Thailand	138	4%	132	4%	440	12%
Other Country	-	0%	-	0%	80	2%
Total Revenue	3,208	100%	3,059	100%	3,637	100%
Thailand	2,985	93%	2,676	87%	3,025	83%
Other Country	223	7%	383	13%	612	17%

1.2.2 Product information

(1) Product or Service Characteristics and Market and Competition

Patkol Public Company Limited aims to develop four main businesses supporting the food industry and food exports that continue to expand:

Group Business No.1: Ice Machine Business Unit

In 2021, the company established Patkol Ice Solutions Co., Ltd. to support the continued expansion of the ice machine business. Including developing the customer care process to be faster and have more flexibility which affects the growth of sales in the future.

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

1.1) Tube Ice Machine – PATKOL is able to produce the tube ice machine, with the production capacity of up to 10-120 tons per day. This can be ideal for the consumable ice manufacturing business and the food processing industry requiring the use of ice to maintain the freshness of their food products.

1.2) Scale Ice Machine – With the production capacity of up to 2.5-5 tons per day, the company's targeted customers are those using ice in food production, such as chicken meat processing factories, canned tuna processing factories, and shrimp processing factories. The scale ice machine is also used widely in the fishery industry.

1.3) Plate Ice Machine – The plate ice machine is used to produce ice for the food manufacturing industry. With the production capacity of 5-80 tons per day, the ice obtained from the plate ice machine will be used to ensure the freshness of food products. With advanced development of the machine, the ice must be maintained in good quality with no contamination of harmful substances according to the principles of Good Manufacturing Practice (GMP). In addition, the plate ice machine doesn't require a large space for installation, which can be ideal for the food manufacturing business.

1.4) Block Ice – PATKOL specializes in constructing and designing the block ice plant with the production capacity of up to 100-2,400 units per day, where the standard sizes are 50, 135, 150, 165, 180, and 200 kilograms per unit. As a majority of customers of block ice come from the fishery business, the block ice will be used to maintain the quality and freshness of food and raw materials prior to being processed.

1.5) Ice Handling and Cold Room – PATKOL successfully produces its ice handling machine of the semi-automatic and automatic systems, where ice will never be touched by bare hands throughout the entire production process. Ice containers vary in size, ranging from 1.5-5 kilograms to 10-25 kilograms or they can be produced according to customers' specific requirements. PATKOL's ice handling has become more special with the so-called 'Form-Fill-Seal Packing' technology, while the cold room can be constructed according to customers' specific requirements.

1.6) Automatic Control System – PATKOL is renowned for being Thailand's leading developer of software programs for automatic machines, backed by the advancement of an online monitoring system for controlling and inspecting such automatic machines. The automatic machines are developed to replace human workers with greater performance efficiency and convenience of operations.

Competitiveness and Distribution Channels

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

Competitive conditions

Although there is increasing competition in the market due to a large number of domestic and international tube ice machine manufacturers, our customers are also expanding their production capacity and adding more locations. The Company has the advantage of producing high quality and high standard machines. Our ice machines are manufactured in accordance with the ASME (American Society of Mechanical Engineers), which is a product design standard based on the principles of mechanical engineering. Very few manufacturers meet these standards, which are required by most customers who desire quality products.

The Company employs a team of engineers and skilled technicians to supervise, design and install our machines domestically and internationally. The Company produces ice machines, refrigeration machinery and equipment, ice packing machines, conveyor systems, cold storage, and water treatment systems. Our systems are designed to produce clean ice suitable for consumption in line with the Ministry of Public Health's announcement on clean and safe food production guidelines. Furthermore, we have one-stop service centers in all regions, including the North, Northeastern, Central, and Southern regions of Thailand, as well as service centers in many ASEAN countries. Therefore, Patkol was able to deliver machinery as well as after-sales service

to customers in a comprehensive way. Our products are accepted by both domestic and international customers with a 1-year warranty. There are after-sales service agencies that perform repairs, maintenance of equipment, and offer preventive maintenance programs. As a result, machines that are regularly maintained rarely break or cause problems, allowing customers to use the machines continuously.

The Company also continuously develops products and machines to be efficient. The goal is to increase machine efficiency by increasing production capacity and saving energy, as well as designing products with good quality. Therefore, the company is able to maintain its current customer base and expand into new markets consistently.

Customers

PATKOL has both domestic and foreign customers consisting of:

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

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

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

Industry conditions

The commercial ice industry was impacted by the heavy drought that occurred in the country in 2019 and continued into 2020 because water is the main raw material in ice production.

Restaurants and wholesale and retail businesses are still waiting to see the growth prospects of the economy. This includes a decrease in the number of foreign tourists, which has further reduced ice consumption. For industry conditions, the economic indicators of other ASEAN countries are better than Thailand's. However, in 2021, there was a global pandemic. As a result, the market for ice machine export has also been in decline.

Business Group No.2: Refrigeration Business

PATKOL is considered a major business entrepreneur in the ASEAN region specializing in industrial engineering of several aspects, including production, design, installation, and sales of spare parts of its refrigeration systems used in food processing plants, varying in processed meat, poultry, fish, shrimp, vegetables, and fruits. The company has developed the cold-water system to reduce temperature as well as

the refrigeration system to maintain the quality and freshness of products throughout the entire production process. Modern technology has been applied to ensure greater efficiency and energy-saving efforts. As a consequence of the increasing market share in the domestic market, the company has determined to maximize its exports to foreign countries.

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

2.1) Industrial Refrigeration

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

2.2) Commercial Refrigeration

PATKOL also provides production, design, and installation services for the refrigeration system for small and medium-sized entrepreneurs using the so-called Freon substance. Customers of commercial refrigeration are processed food manufacturers and producers of seafood, meat, and vegetables and fruits. Customers also include those operating the fishery business and possessing cold rooms for frozen food, such as chicken, seafood, vegetables, fruits, and other products and small-scale operators of retail shops and restaurants.

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

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

Competitiveness and Distribution Channels

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

Competitive conditions

The Company's main customers continue to maintain their market share with modern machines designed to support production processes requiring strict quality control of products, including energy-saving equipment and comprehensive service. Nonetheless, with the domestic and international economic conditions, customers are slowing down their investments. As a result, the company has not been able to rapidly expand in this market.

However, the Company still has an edge with factories using manual production, which is gradually automating their systems, as well as factories with automation systems, looking to upgrade their online monitoring systems. We see this in large companies, which are reducing manpower in production control due to steadily rising wages. Therefore, it is an opportunity for Patkol to consult, design and install automated control equipment. As Patkol has a programmer team with an understanding of the production process, it's able to upsell to existing customers in this group.

There is also the expansion of smaller customers that are becoming medium-sized exporters of chicken in support of the market expansion that is forecast to increase in 2022. As a result, factories are tightening quality inspections. Therefore, customers wanting to invest in factory expansion will need to upgrade their small cooling systems to medium size. The business must choose a company that offers advanced technology with machines designed to support the production process. With high-quality control and comprehensive service, such as Patkol's, the company is able to expand into the market in this group.

Customers

- Manufacturers and distributors of frozen food, ready-made food, seafood, meat, vegetables, and fruits.
- Providers of cold rooms for the storage of frozen food such as chicken, seafood, vegetables, and fruits.
- Manufacturers of ice cream, dairy products and sparkling beverages.
- Operators of food restaurants.

- Providers of distribution centers for fresh and frozen food.
- Operators of hypermarkets and supermarkets possessing commercial freezers.
- Providers of small and medium-sized commercial freezers.
- Operators not engaging in the food business, but requiring a refrigeration system for product storage.

Industry conditions

From the economic slowdown due to the epidemic situation of COVID-19 that remains unresolved as a result, purchasing power is reduced, resulting in a slowdown in investment in the export business, restaurants and wholesale and retail businesses are still waiting to see the growth prospects of the economy. This includes a decrease in the number of foreign tourists and reduced consumption. As a result, businesses in this group are still stagnant.

Business Group No.3: Liquid Product Processing

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

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

1. Dairy and Beverage Manufacturing

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

2. Liquid Food Processing

2.1) Seasoning Production – PATKOL provides a range of excellent services on manufacturing, design, and installation of machines for manufacturing seasonings, including seasoned soy sauce, soy bean sauce, fish sauce, bean paste, and other dipping sauces. Machines evolved by PATKOL are designed to facilitate each and every manufacturing process in line with customers' general and specific requirements, varying in cleaning and processing of raw materials, preparation of ingredients, fermentation, filtering, sterilization, and

packaging. Additionally, stainless tanks used for the aforementioned activities are required to be featured with hygienic structure and design, which are different from those used for other activities. Products and systems used in seasoning production are evolved according to the internationally accepted standards, supported by the so-called 'Cleaning in Place (CIP)' system.

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

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

Sales and Distribution Channels

Domestic Market:

- Highly professional and experienced engineers will be responsible for the distribution of major products, aiming to generate greater sales of each product category.
- Distribution channels will include services, which have been expected to increase due to customers' utilization of purchased products.
- Participating in local exhibitions as well as promoting products and services online can be effective and profitable.
- Foreign Markets:
 - Sales engineers shall oversee sales of key products in their respective countries.
 - Participating in international exhibitions as well as promoting products and services online can be effective and profitable.
 - Mainly penetrating foreign markets with high possibilities of production expansion and abundance of raw materials, referring to regular customers and previously used channels.
 - Developing strategic partnership with customers who possess enhanced potential in generating business expansion, while being adaptable to the company's general and specific requirements.

Competitive conditions

The Company is able to meet the needs of customers in all industries with one-stop service, ranging from consulting and planning to design. This includes the design of installation areas, production and machinery used in production, as well as operations. The ability to design customized systems to meet customer needs, as well as having their own branded machines, such as a CIP Unit, Pasteurization Unit, UHT Machine, etc., has led to confidence among leading customers in terms of quality and service. Furthermore, beverage factories are also moving towards online automatic control systems due to the rising wages. This is a great opportunity for Patkol, the first and only Thai company in the country, to advise, design and install online monitoring equipment comparable to any international firm. Patkol also provides customers with a programmer team who is familiar with the production process. They can design systems to suit various production lines, as well as expansion work for existing customers.

In addition, automated control systems can also help reduce mistakes due to human error during production. An automated control system is not only a great alternative to minimize problems but also makes it easier to adjust and increase capacity in the future.

The Company has another advantage in having a subsidiary, Tygienic Co., Ltd., which has extensive experience in making tanks for the food processing industry. Meeting the strict food processing standards, as we know, requires standardized quality control systems and well-engineered design. Tygienic is certified to produce pressure tanks, which received a U-STAMP certification according to ASME (American Society of Mechanical Engineer). This gives customers confidence in the quality of the Company's pressure tanks. However, due to the high cost of producing such high-quality tanks, they carry a higher price tag than other tanks from competitors.

Customers

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

Industry conditions

Thailand's major domestic beverage industry consists of bottled water, soft drinks, energy drinks, and alcoholic beverages. There was an increase in the consumption of non-alcoholic beverages, which was driven by the expansion of urban communities (urbanization) and lifestyle changes, such as the increased demand for eating out. As a whole, the domestic market has continued to expand.

A more diverse beverage market has emerged to meet the changing consumer demands from different age groups and different lifestyles, including health drinks. Customers are increasingly investing in more equipment to meet demand in this market segment.

The large and medium-sized ready-to-drink dairy industry has expanded its production capacity and gradually automated the production process. Nowadays, stricter regulations on hygienic production plant standards are a great opportunity for companies with a wealth of knowledge and expertise in the industry to help customers develop and improve their factories. As a result, the Company is still able to maintain total revenue from customers in this group.

As for the seasoning market, we see that the demand is increasing every year. Experience in creating and designing a one-stop sauce production process for leading customers has helped the Company expand the market for this segment.

Furthermore, there is an increase in the production and consumption of dairy products in ASEAN countries. The company has the ability to build machines and factories that meet FDA requirements based on customer investment capacity. This, along with efficient after-sales service, has allowed the Company to expand in international markets.

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

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

Products and Services

PATKOL offers a comprehensive range of after-sales services, including spare part allocation and preventive maintenance. Quality services are available for products that remain both inside and outside the warranty period. Similarly, our preventive maintenance services include the allocation of spare parts, repair and maintenance for major machines, and overhauling of existing machines, which are developed to support other business categories, for instance, maintenance services for tube ice machines, block ice machines, and refrigeration machines and systems available in various processed food and dairy product factories. The company also provides preventive and annual maintenance services for major ice manufacturing plants as well as leading modern trade operators, such as Big C Supercenter and Ek-Chai Distribution System.

Sales and Distribution Channels

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

Competitive conditions

The Company's advantage in service and maintenance is the cumulative experience of its personnel, who are knowledgeable and highly skilled. The Company aims to provide services to customers of Patkol's equipment but is also ready to provide services to customers of other products as well.

The Company offers preventive maintenance systems to help manage and maintain systems and machines before any problem occurs. As a result, there is no need to stop production, i.e., production can continue without loss or change in product quality. The Company will work on maintenance for customers from the delivery date until the end of the company's warranty. After that, the customer may choose to sign a contract for additional preventive maintenance services. This also generates additional revenue and expands the customer group.

The Company provides honest customer service from experts with reasonable warranty conditions plus fast and timely services. Patkol's service is, therefore, different from conventional services. This practice also fosters good customer relationships.

Customers

- Regular customers

Industry conditions

The ice machine and refrigeration industry have a long history in Thailand. The industry continues to grow every year. As a result, equipment maintenance or replacement of compressors is always needed. There are also customers who need speed and agility, so the Company is focused on providing services by establishing regional service centers. The Company was able to establish service centers in many regions in Thailand, as well as in many ASEAN countries, which further provide a competitive edge.

(2) Procurement of Products and Services

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

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

(3) Assets of business operations

The Company had fixed assets and intangible assets totaling of Baht 1,511.55 million use in the business operation. It consisted of property, plant and equipment of Baht 1,396.53 million, right of use assets Baht 13.89 million and intangible assets Baht 59.77 million.

Property, plant and equipment

Asset category	Thousand Baht
Land	757,293
Building and improvement	505,855
Machinery and equipment	106,134
Machinery for lease	270
Office equipment	8,363
Vehicles	7,438
Assets in progress	11,177
Total	1,396,530

Land with buildings and machinery totaling of Baht 1,333 million was used as collateral for overdrafts and short-term loans from financial institutions totaling of Baht 3,558 million.

Credit facilities	Million Baht
Overdrafts	93
Short-term loans	662
Long-term loans	1,088
Limited liability under trustee contracts/ pre-shipment financing	699
Letter of guarantee	560
Future contracts	456
Total	3,558

Right of use assets

Description	Thousand Baht
Office building and factory	2,321
Vehicles	7,809
Machinery and equipment	2,423
Office equipment	1,338
Total	13,891

Intangible assets

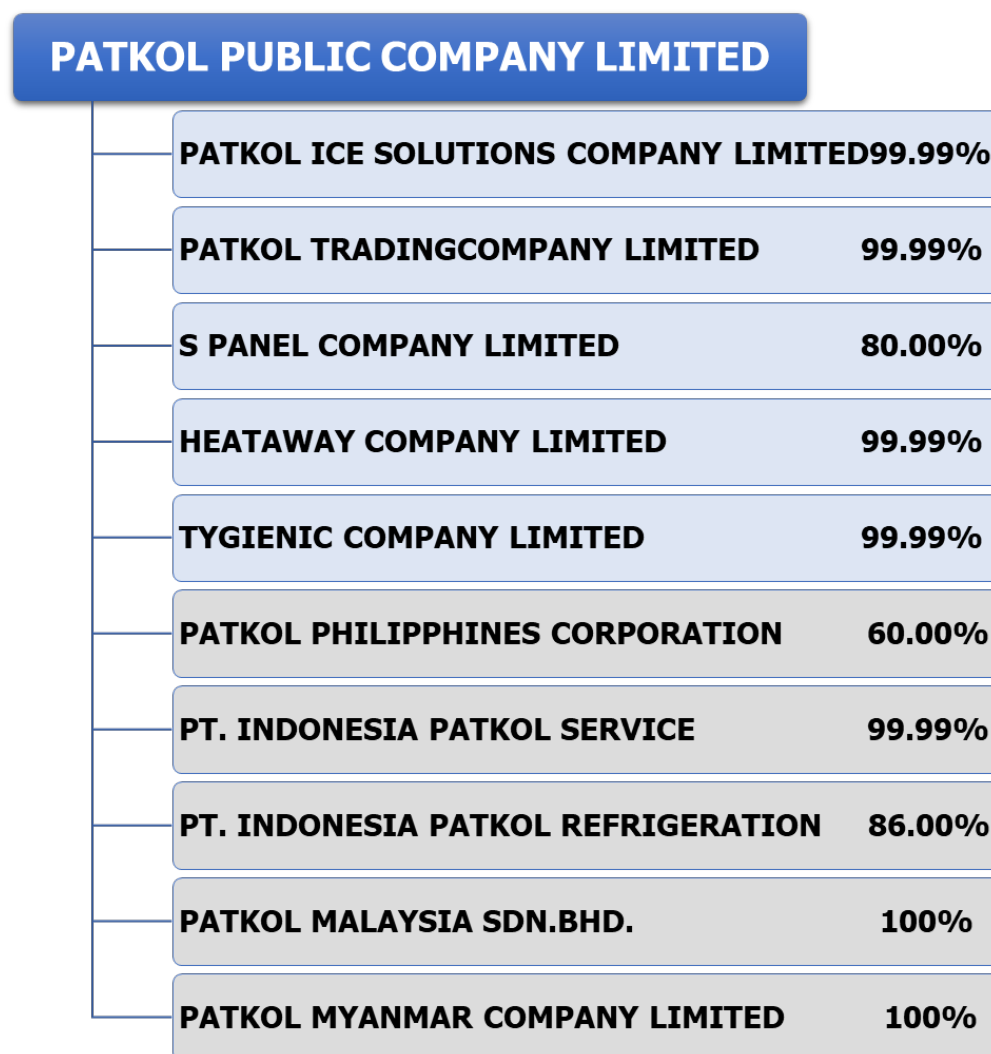
Type	Thousand Baht
<u>Cost</u>	
Computer program	163,251
Patent	7,441
Program during installation	1,274
Total	171,966
<u>Less Accumulated amortization</u>	(112,198)
Net	59,768

(4) Back log of 2021

The Group had back log of approximately Baht 1,550 million from many projects, which had no project with revenues of 10 percent or more of the Group's revenue

1.3 Shareholding Structure of the Company Group

Shareholding structure of Patkol Group as of December 31, 2021.



The Company has invested in a subsidiary. With the Company's shareholding proportion in subsidiaries and the types of businesses invested as follows. –

Subsidiary	Percentage Of Shares	Type of business
Patkol Ice Solutions Company Limited	99.99	Manufacture and sale of food related processing equipment and cooling equipment.
Patkol Trading Company Limited	99.99	Sale of the electric system equipment, spare part for industrial refrigeration
S Panel Company Limited	80.00	Manufacture and import foam plate and equipment for cold room business
Heataway Company Limited	99.99	Sale of evaporative condenser, spare parts and Equipment for evaporative condenser
Tygienic Company Limited	99.99	Designed and Produced hygienic standard tank and other tank components in food and beverage field, cosmetic, pharmaceutical and petrochemical industries
Patkol Philippines Coporation Company Limited	60	Machinery and project sales representative, including providing machinery in spallation and maintenance services in Philippines
PT. Indonesia Patkol Service Corporation	99.99	Machinery installation and maintenance services in Indonesia
PT. Indonesia Patkol Refrigeration	86	Machine and project distributor including service and installation machine in refrigeration business in Indonesia.
PATKOL Malaysia Sdn Bhd	100	Machinery and project sales representative, including providing machinery in spallation and maintenance services
Patkol Myanmar Company Limited	100	Machinery and project sales representative, including providing machinery in spallation and maintenance services

Relationship with the business group of major shareholders

Operation of the Company's main business do not have significant relationship or involvement in other business operations of the major shareholders or relationship with each other only sometime.

Major of Shareholders

The Company's 10 major shareholders as at 14 March 2022 (latest book-closing date)

No.	Shareholder Name	Amount of Shares	Percentage of paid-up capital
1.	Bangkok Bank Public Company Limited	119,951,500	19.98
2.	Mr. Sangchai Chotchuangchutchaval ²	45,841,303	7.64
3.	Ms. Ratchanee Chongvatana	35,970,942	5.99
4.	Mr. Panet Chongvatana ¹	35,618,586	5.93
5.	Mrs. Noppavan Chongvatana	34,638,842	5.77
6.	Ms. Nongluck Sakdakrai	29,985,080	5.00
7.	Ms. Thitikan Chongvatana	17,216,180	2.87
8.	Mrs. Natyanee Banyongpongler	12,886,400	2.15
9.	Ms. Surasa Poonapirat	12,516,673	2.09
10.	Mr. Jamorn Chulajata ³	12,432,500	2.07
11.	Other Shareholders	243,185,731	40.51
Total		600,243,737	100

¹ Chongvatana Group's Shareholding Structure

(1)	Mr. Panet Chongvatana	5.93%	(35,618,586 shares)
(2)	Ms. Noppavan Chongvatana	5.77%	(34,638,842 shares)
(3)	Ms. Thitikan Chongvatana	2.87%	(17,216,180 shares)
(4)	Mrs. Sirinuch Chongvatana	0.08%	(500,000 shares)

² Chotchuangchutchaval Group's Shareholding Structure

(1)	Mr. Sangchai Chotchuangchutchaval	7.64%	(45,841,303 shares)
(2)	Ms. Chanthipa Chotchuangchut	0.67%	(4,000,000 shares)

³ Chulajata Group's Shareholding Structure

(1)	Mr. Jamorn Chulajata	2.07%	(12,432,500 shares)
(2)	Mr. Paradorn Chulajata	1.85%	(11,080,500 shares)
(3)	Mr. Kornnop Chulajata	1.97%	(11,844,000 shares)
(4)	Ms. Surasa Poonapirat	2.09%	(12,516,673 shares)

The Company shareholders of directors and executives by Comparison of 2020-2021

No.	Shareholder Name of Directors and Executives	Amount of Shares 2020	Amount of Shares 2021
1.	Mr. Sangchai Chotchuangchutchaval	45,841,303	45,841,303
2.	Mr. Panet Chongvatana	31,618,586	35,618,586
3.	Ms. Nongluck Sakdakrai	29,985,080	29,985,080
4.	Mr. Paradorn Chulajata	11,080,500	11,080,500
5.	Mr. Sumet Jiambute	977,442	977,442
	Total	119,502,911	123,502,911

1.4 Amount of Registered Capital and Paid-up Capital

As of 31 December 2021, the company has registered capital of 600,243,737 Baht, paid-up capital of 600,243,737 Baht divided into 520,756,281 common shares and 79,487,456 preferred shares with a par value of 1 Baht.

Rights of Preferred Shares

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

1.5 Issuance of other securities

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

Warrant {"PK-W"}

The date of issuance of warrants	21 September 2011
Type	Warrants (Securities not listed on the SET)
Amount	106,148,500 units
Age	10 year
Exercise Date	Every 1st of March, June, September and December
First Exercise Date	1 December 2011
Last Exercise Date	1 August 2021
Exercise Ratio	1 Unit of Warrant: 1 new common share
Exercise Price	0.01 Baht: Unit
Remaining Warrant	- None -

On June 1, 2021, Bangkok Bank Public Company Limited, the holder of warrants to purchase ordinary shares (PK-W), has expressed his intention to exercise his right to purchase the Company's ordinary shares in full 106,148,500 units and the company has registered its paid-up capital in full according to the amount of registered capital. As a result, there is no stock of warrants to purchase ordinary shares (PK-W) remaining.

1.6 Dividend Payment Policy

The Company has a Dividend Payment Policy to pay not exceed than 70 % of net profit after income tax deduction on the company's Separate Financial Statement. Unless there is a need or justifiable reason not to pay dividends.

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

Dividend history of the Company for the past 3 years from 2019 to 2021

Schedule	2021	2020	2019
1. Net profit (Lost) (Baht)	203,320,512	(114,646,227)	(11,528,850)
2. Number of Share			
2.1 Preferred Share (Share)	79,487,456	79,487,456	79,487,456
2.2 Common Share (Share)	520,756,281	414,607,781	414,607,781
Total share	600,243,737	494,095,237	494,095,237
3. Dividend Per Share			
3.1 Preferred Share (Baht/Share)	0.02375	0	0
3.2 Common Share (Baht/Share)	0.065	0	0
Total paid dividend (Baht)	35,736,985.35	0	0
4. Dividend payout ratio (%) of separate financial statement profit	16.65%	0	0

Note: * In 2019, No dividend payment

* In 2020, No dividend payment

** In 2021, the right to receive dividend is uncertain because it has to wait resolution form Annual General Meeting of the Shareholder on 21 April 2022.

2. Risk Management

2.1 Policy of Risk Management

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

2.2 Risk Factors for the Company's Business Operations

From the corporate risk assessment. The risk factors that may cause a significant impact on the Company's business goals are as follows:

2.2.1 The risk from the fluctuations of the raw material price

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

Management of the risk

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

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

2.2.2 Risk of Talented Personnel Shortage

The Company is involved mainly in engineering work, which requires people with knowledge, skills, and experience in design, planning, and construction including project managers, project engineers or foreman, and specialized technicians that are in demand in the job market. It is highly competitive to recruit skilled labors.

Failure to recruit and/or retain quality personnel may affect the Company's ability to accept jobs or its work continuity, as well as impacting the Company's operations in the future.

Management of the risk

To prevent the risk of labor shortage, the Company has set a proactive recruitment plan in place by organizing activities to introduce the Company at vocational institutions and universities and accepting intern students to work at the Company in order to recruit them to join the Company.

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

The Company has established a learning and training center in Khon Kaen to train skilled labors and allow employees to be near their hometown and families in order to build morale at work.

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

2.2.3 Risk from depending the high-leveled management

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

Management of the risk

The company has a policy of decentralize on the administration with the Board of the Directors, the Chief Executive Officer, the chiefs of the various fields and the Executive Directors with the knowledge and suitable ability to take care of the respective field. Therefore, it reduces the risk to depend on the high-level management.

In addition, the Company has developed a successor plan by training qualified employees to take up executive positions. It also has a long-term plan to develop and build future generation of executives in order for the organization to continue to grow strongly.

In the previous year, the Company conducted organizational restructuring in order to make a chain of command and career path clearer and streamline operations.

2.2.4 Risk from depending on the large distributors

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

Management of the risk

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

2.2.5 Risk from the fluctuated rates of currency exchange

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

Management of the risk

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

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

2.2.6 Risk from a lack of the working capital

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

Management of the risk

The company has a procedure on preparing and inspecting the contracts from the customers by considering the terms of payment in each case precisely, e.g. verification of the financial status of the trade partners to supplement the consideration before taking the job, etc. It has designated the management of the

liquidity carefully by using the financial ratios as the as the indicator and there was an increase of more efficiency by setting the cash conversion cycle (CCC) as the joint key performance indicator (KPI) between the project administration and the financial section. On the purchase, it has designated the KPI to procure the suppliers who give the best price and terms of payment, etc. Moreover, it had sought working capital from the various financial institutions in reserve in case of emergency to use additional cash flow.

2.2.7 Risk from investment and overseas operations

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

Management of the risk

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

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

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

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

Management of the risk

Our company has the technology for producing food processors and machines with high efficiency, when compared with our competitors in the AEC. In addition, the company has improved and developed new innovations all the time, and expanded its business by setting up representative offices and incorporated

subsidiaries in the AEC group, including having the policy of expanding business in the AEC countries continuously. It is to support the economic expansion within the ASEAN group.

2.2.9 Risk from the economic and political factors

Global economic uncertainty due to the trade war between the United States and China and economic volatility in leading countries may cause domestic and international economies unable to reach the expected growth targets. Political change within the country should also be monitored closely since it may affect budget efficiency and confidence of the private sector, which have a direct impact on domestic and foreign investors' decision to invest, especially in expanding factories or production capacity. As a result, the Company has expanded its business to other countries to seek more business opportunities.

Management of the risk

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

2.2.10 Risk of responding to critical conditions

In the current business operations, there are many risk factors from inside and outside including natural disasters and human actions. Business Continuity Management (BCM) and business Continuity Planning (BCP) which are the business planning in order to continue to operate in unexpected events, it plays an important role in the business as to prevents or mitigates property damage, in-house information, revenue opportunities, and impacts on the organization's operations. This allows the business to continue to operate while indicating the causes of impact and damage. This makes it possible to fix the problem correctly and quickly, suitable for the situation.

Since 2020, continuing until this year 2021, the world and also Thailand, The covid-19 pandemic has had a wider impact on all sectors, and as a result of this situation, there has been a major change in both livelihoods and business operations, known as the new normal.

The impacts such as travel restrictions, social distancing, delayed transportation of goods, as well as overall economic impacts that reduce consumer purchasing power, and disruptions of businesses in many industries, which resulting in the company's sales being affected.

Management of the risk

The Company has developed a Business Continuity Plan (BCP) with the aim of planning, preventing, modifying the way we work and business practices to accommodate changes and unexpected events such as

preparing the system to accommodate work or online meetings. Improving the functionality structure to provide flexibility working, including preparing information systems and storing data in databases that are regularly backed up.

As a result of the COVID-19 situation in 2020, the company has taken the BCP plan seriously. The company's operations can be moved seamlessly, and has the meetings to consider the results and modify BCP in accordance with changing situations, such as segmentation of employees' work to reduce the risk of germ outbreaks. Change the way a meeting is online to reduce travel or face-to-face contact, as well as change the way customers are contacted by using video conferences, both in terms of meetings and troubleshooting basic problems at the site.

In addition, the meeting was structured in accordance with the chain of command. In-house meetings are held to monitor and update situations on a daily basis, including management meetings every morning, so that policies or working methods can be adjusted in accordance with the changes in a timely manner.

As for the short-term solution to the performance that may be affected by the current economic conditions, The Company has a policy to manage various working capital and liquidity risks such as overdue debt tracking, request for approval for outsourcing and internal contractors, abstaining from paying directors' meeting allowances, Inventory control, suspension of overtime, etc.

3. Driving business for sustainability

3.1 Sustainability Management Policies and Goals

Patkol Public Company Limited conducts sustainable business by balancing a stable society and a good environment while growing the business. Corporate social responsibility is part of Patkol's business operations. There are guidelines for developing and adhering to a responsibility to all stakeholders for sustainable mutual benefits. The framework for Patkol's sustainable development is based on an international approach, which covers the economy, society and environment. In order to ensure a balanced and consistent operation, the Company appointed the Sustainable Development (SD) committee in 2019. The committee helps enable sustainable development operations socially and environmentally and balances business growth to create a clear and consistent policy based on good corporate governance as the most important foundation. The Company also strives to develop sustainability throughout the value chain and support stakeholders to grow sustainably along with Patkol. The SD committee is responsible for overseeing social responsibility operations according to the main policy as follows:

1. Conduct business with the ultimate goal of creating mutual benefits for all stakeholders involved sustainably, not just profitability.
2. Develop communities, protect the environment and use resources efficiently. Help drive and improve the quality of life of people in the local communities wherever Patkol operates. The Company has always realized that a good industry must be coupled with social and environmental development for the sustainability of the Company. We regularly support activities that are constructive to society and allocate a portion of the Company's budget to carry out social responsibility activities.
3. Embed sustainable development as part of the Company's normal business operations, as well as develop and drive the country's economy through value from doing business.

In addition, the Company encourages the directors, management and employees to uphold the principle of "Quality service with determination and sincerity," as well as a commitment to social and environmental responsibility. We will earnestly and sincerely work to instill social and environmental awareness of all employees in order to sustain good corporate culture for years to come.

3.2 Managing the impact on stakeholders in the value chain of the business

The Company operates its business responsibly and takes into account key stakeholders. The Company is committed to creating value for products and services to meet stakeholders' expectations as follows:

1.) Fair business operations

The Company is committed to Good Corporate Governance, which serves as best practices for directors of listed companies and related practices of the Stock Exchange of Thailand. Corporate governance will be enhanced with ethics, transparency, and auditability. The Company has created the Company's "Good Corporate Governance Policies and Guidelines Handbook," which is distributed to the directors, executives and employees to acknowledge and adhere to guidelines that cover various practices in line with the expectations of shareholders and stakeholders.

The Board of Directors will make efforts to ensure that the good corporate governance policy and guidelines are strictly followed. The Company is committed to continuously improving the Company's corporate governance to achieve its goal of ensuring a stable, continuous, and sustainable growth for the Company and its shareholders.

2.) Anti-Corruption

The Company has a policy to conduct business in accordance with good corporate governance principles. In addition, it is aware of the problems of corruption, which have intensified and caused significant damage to economic and social development. The private sector consisting of the Thai Directors Association, the Thai Chamber of Commerce, the Association of Listed Companies, the Federation of Thai Industries, etc., have established the Private Sector Collective Action Coalition Against Corruption (CAC), which is in line with the Company's policy for conducting business. The Board of Directors' Meeting No.1/2016 held on February 29, 2016, passed a resolution for the Company to sign a declaration of intent not to engage in corruption and lead the Company into the CAC membership certification process to jointly fight corruption and ensure that business operations that may be at risk of corruption are carefully considered and implemented. Therefore, the Company appointed the "Anti-Corruption Committee" on August 11, 2016, to conduct anti-corruption operations of the Company and its subsidiaries. The committee has prepared the "Anti-Corruption Policy and Practices Guide" for all executives and employees of the Company and its subsidiaries to have an understanding of their roles and responsibilities in handling different forms of corruption. The guide is available through the Company's communication channel. There are also training and announcements of our intentions to external parties, as well as procedures for submitting complaints and protecting the whistleblower. The aim is to enhance the development of the country by reducing corruption in the future.

3.) Respect for human rights

The Company recognizes the importance of human rights and has a policy of treating employees with respect for their individuality and human dignity. It specifies that all employees have the right, freedom and equality to work and advance professionally, regardless of the employee's place of origin, race, language, religion, age, gender, physical condition or health, economic or social status, education and political views.

The Company also follows human rights agreements and labor laws with associations and organizations, both nationally and internationally. No children under 18 years of age are hired, nor illegal migrant workers for the countries in which the Company operates. In each country we operate, we will follow that country's labor law regarding the minimum age for hiring practice.

4.) Fair treatment of workers

The Company always recognizes that employees are the company's most valuable resource as a major contributor to the success of its mission and goals. The Company, therefore, will take care of the employees and operate fairly to ensure opportunities, wages and salary, promotion, transfers, and benefits for employees, especially in areas such as:

- Payroll management, salary and benefits are managed with the principle of incentivizing employees to perform their duties to the fullest capacity. The system is designed to be fair, meet the requirements of the law, and have a standardized system of practice. The Company's remuneration is suitable for the level of responsibility, consistent with the business operation and is at a competitive level or equivalent to the remuneration rate of other companies in the same business.
- The Company recognizes the importance of professional development in terms of knowledge, competency and management skills through training, seminars, job viewing and is committed to developing personnel to continuously increase the potential of employees at all levels.
- The Company has set clear guidelines as employment standards. It is based on non-discriminatory principles and complies with the relevant laws by giving everyone equal opportunities, including gender, ethnicity, religion, hometown, age, disabilities, social status or education.
- Regarding safety and workplace hygiene, the Company cares about the livelihood and health of all employees. Our safety and working environment not only meet the standards required by law, but the Company also supports and promotes continuous safety activities throughout the year.

Regarding safety and occupational health, the Company is compliant with the Occupational Health and Safety Assessment standards (OHSAS18001), which demonstrates our commitment to the safety and health of employees, contractors, and the surrounding communities. Safety awareness campaign includes providing personal safety equipment to employees at all levels, safety training for employees and contractors, and establishing safety measures for visitors, as well as preparation of safety promotional series, "regarding safe driving of vehicles" to government agencies for distribution to the general public.

5.) Responsibility to consumers

The Company recognizes the importance of customers to the success of its business, so it is determined to seek ways to meet the needs of customers more efficiently and effectively at all times. The Company has established guidelines as follows:

- 1) Produce quality products with standards and safety in mind.
- 2) Deliver quality products and provide quality products with determination and sincerity at a fair price.
- 3) Provide accurate, adequate and up-to-date information to customers so that they understand the products and services without misleading customers about the quality, quantity, or condition of the product or service.
- 4) Maintain customer confidentiality and avoid using the customers' information for one's own benefit or those involved.
- 5) Provide advice on how to use the Company's products and services effectively, benefiting customers as much as possible.

3.3 Environmental Sustainability Management

The Company recognizes the importance of environmental protection by implementing the ISO 14001 standards, which are used as a guideline for directing the operation of the organization. In terms of products, the Company is committed to producing and developing machines to be energy efficient and environmentally friendly. In terms of operation, there has also been a campaign for employees to save energy through activities, such as the campaign to turn off electricity, air conditioning and computer screen during lunch breaks between 12:00 and 13:00 to save energy and the environment, as well as encouraging all employees to participate in maintaining workplace cleanliness and setting goals for reducing paper consumption. This is to allow employees to be conscious of saving energy and applying these principles in their everyday lives.

In terms of managing environmental issues, the Company has established rules and regulations to identify environmental problems caused by product activities or services that affect and/or will affect the environment, including assessing the characteristics of environmental problems with significant levels to determine objectives and goals, prepare an environmental plan and/or manage accordingly.

3.4 Sustainability Management in the Social Dimension

The Company's normal business operations reflect our responsibility, care, and commitment towards stakeholders related to the Company. The Company has always adhered to the Company's motto: "Quality service with determination and sincerity" as follows:

1. The training of skilled workers for the industry and service sector in Thailand.

The increase in demand for skilled workers has led to a shortage of skilled workers, which will impact the country's development in the long run. Preparing workers with the right skills before starting professional work is important and in line with the economic development of the country. Thailand depends on vocational school graduates to become a major driver of its economy in the future. Patkol signed a memorandum of cooperation with Chaiyaphum Technical College on November 27, 2019, to promote and support academic activities in educational management, industry disciplines, refrigeration and air conditioning techniques. The Higher Vocational Certificate Program (Vocational Certificate) offers students practical training in the Company and encourages students to learn in an integrated way from work experience or from training to achieve skills and knowledge according to the purpose of the course.

2. Established an MOU between Patkol Public Company Limited and the Faculty of Engineering, King Mongkut's Institute of Technology Ladkrabang to develop innovative prototypes of frozen food processing and beverages for small and medium enterprises (SMEs), including a total solution for SME business under the concept of BCG Model (Bio Circular Green Economy Model) to achieve sustainable economic development in line with the government's policy.

3. Continuous Support for education: DMC Scholarships for Undergraduate Study in the Major of Dairy and Beverage Engineering Program (International Program) at Mahidol University, Thailand, which is an educational program that corresponds directly to the Company's business from 2018 to present. The Company supports scholarships for a total of 4 students: Mr. Eliya Ekta / Mr. Piyawat Utitsarn / Ms. Piyathida Wangboon / Ms. Peeraya Viriyanon. In the year 2021, there is 1 student who graduated and joined the company under the project conditions, namely: Mr. Piyawat Utitsarn

4. Establish a project to enhance safety and energy saving of the refrigeration industry in cooperation with government and universities as follows:

(1) Cooperate with the Thai Refrigeration Association (TRA) and the Department of Industrial Works to join the academic working group. "Draft announcement of the Department of Industrial Works regarding the determination of safety measures for refrigeration systems that use ammonia as a refrigerant" and jointly prepared a manual for the controller and inspection engineer Department of Industrial Works.

(2) Collaborate with Kasetsart University to undertake a prototype project of Smart Refrigeration under the concept of IOT or Internet of Things for ice plants and cold storage.

5. Donations and support for other social activities as determined by the Company.

4. Management Discussion and Analysis: MD&A

FINANCIAL POSITION AND RESULTS OF OPERATION 2021

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

Statements of Financial Position : As at 31 December (Unit : MB)	2021		2020		2019	
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	372	9%	396	11%	135	3%
Trade and other current accounts receivable - net	638	15%	440	12%	773	19%
Installments receivable due within one year - net	87	2%	57	2%	-	0%
Contract assets	385	9%	263	7%	396	10%
Inventories – net	594	14%	369	10%	574	14%
Current tax assets	20	0%	0	0%	-	0%
Other current assets	9	0%	14	0%	27	1%
Non - current assets classified as held for sale	7	0%	11	0%	-	0%
Total Current Assets	2,112	49%	1,549	43%	1,905	47%
NON-CURRENT ASSETS						
Other non - current financial assets	56	1%	31	1%	34	1%
Trade and other non current accounts receivable - net	383	9%	219	6%	276	7%
Investment property	80	2%	88	2%	137	3%
Property , plant and equipment -net	1,397	33%	1,455	40%	1,477	36%
Right of use	14	0%	14	0%	-	0%
Other intangible assets - net	60	1%	76	2%	89	2%
Deferred tax assets	128	3%	133	4%	105	3%
Other non-current assets	59	1%	63	2%	30	1%
Total non-current assets	2,177	51%	2,080	57%	2,148	53%
TOTAL ASSETS	4,289	100%	3,629	100%	4,053	100%

Statements of Financial Position : As at 31 December (MB)	2021		2020		2019	
LIABILITIES AND SHAREHOLDERS' EQUITY						
CURRENT LIABILITIES						
Bank overdrafts and short-term loans from financial institution	329	8%	170	5%	308	8%
Trade and other current accounts payable	742	17%	425	12%	519	13%
Contract liabilities	391	9%	425	12%	498	12%
Current portion of long-term debts	338	8%	282	8%	273	7%
Current portion of lease liabilities	14	0%	20	1%	15	0%
Corporate tax payable	4	0%	3	0%	4	0%
Current provisions for employee benefits	1	0%	0	0%	17	0%
Other current liabilities	18	0%	25	1%	22	1%
Total current liabilities	1,837	43%	1,351	37%	1,656	41%
NON-CURRENT LIABILITIES						
Long - term loans - net	390	9%	286	8%	430	11%
Lease liabilities	15	0%	22	1%	26	1%
Deferred tax liabilities	194	5%	179	5%	174	4%
Estimated liability - employee benefit	184	4%	240	7%	304	8%
Total non-current liabilities	783	18%	727	20%	934	23%
Total liabilities	2,620	61%	2,077	57%	2,590	64%
SHAREHOLDERS' EQUITY						
Convertible preferred shares	79	2%	79	2%	79	2%
Share capital - common shares authorized, issued and fully paid-up	521	12%	415	11%	415	10%
Warrant	-	0%	111	3%	111	3%
Premium on preferred shares	5	0%	5	0%	5	0%
Premium on common shares	15	0%	9	0%	9	0%
Discount on common shares	(22)	(0)	(22)	(0)	(22)	(0)
Company's shares held by a subsidiary	(4)	(0)	(4)	(0)	(4)	(0)
Retained earnings - Appropriated for reserve fund	60	1%	60	2%	60	1%
Unappropriated retained earnings	375	9%	251	7%	164	4%
Other components of shareholders' equity	615	14%	621	17%	623	15%
Total shareholders' equity	1,644	38%	1,524	42%	1,440	36%
Minority interest	25	1%	27	1%	23	1%
Total Shareholders' Equity - net	1,669	39%	1,551	43%	1,463	36%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	4,289	100%	3,629	100%	4,053	100%

Statements of Comprehensive Income (MB)	2021		2020		2019	
Revenue from sales and services	3,208	100%	3,059	100%	3,637	100%
Costs of good sold and services	(2,515)	(0)	(2,304)	(0)	(2,941)	(0)
Gross profit	693	22%	755	25%	696	19%
Other income	97	3%	66	2%	115	3%
Distribution costs	(303)	(0)	(314)	(0)	(359)	(0)
Administrative expenses	(319)	(0)	(458)	(0)	(594)	(0)
Profit (Loss) before financial cost	168	5%	49	2%	(142)	(0)
Finance cost	(30)	(0)	(41)	(0)	(49)	(0)
Profit (Loss) before income tax	139	0	8	0	(191)	(0)
Income tax	(40)	(0)	17	0	8	0
Profit (Loss) for the years	98	3%	25	1%	(183)	(0)
Other Comprehensive income for the years	20	1%	58	2%	97	3%
Total Comprehensive income for the years	118	4%	83	3%	(86)	(0)
Income (Loss) Attributable to :						
Owners of the parent	97	3%	22	1%	(186)	(0)
Non controlling interest	2	0%	2	0%	3	0
	99	3%	24	1%	-183	-5%
Attributable to :						
Equity holders of the parent	117	4%	81	3%	(89)	-2%
Minority interests of subsidiaries	2	0%	2	0%	3	0%
	119	4%	83	3%	(86)	-2%

Statements of Cash Flows (MB)	2021	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit (Loss) before income tax	139	8	(191)
Adjustment			
Depreciation	59	68	81
Amortized intangible assets	17	17	14
Amortization for Right of Use	10	11	-
Bad debt and doubtful accounts (reversal)	(4)	24	20
Loss on declining in value of inventories (reversal)	1	5	(3)
Gain on sales of fixed assets	(1)	(3)	(3)
Loss on termination of intangible assets	3	0	-
Provision for liabilities (reversal)	(7)	8	(9)
Employee benefit	31	43	63
Liabilities under debt restructuring plan (reversal)	-	(9)	-
Liabilities under debt restructuring agreement (reversal)	-	(19)	-
Amortized income tax	1	0	1
Interest income	(15)	(18)	(18)
Interest expenses	30	41	49
(Increase) Decrease in changes in parts of operating assets	263	175	3
Trade and current other accounts receivable	(405)	231	(117)
Inventories	(223)	201	204
Other current assets	7	(3)	0
Trade and other non current accounts receivable	-	57	(29)
Contract Assets decrease (increase)	(125)	132	(177)
Other non-current assets	(11)	2	(11)
Increase (Decrease) in changes in parts of operating liabilities			
Trade and other accounts payable increase	309	(85)	45
Contract liabilities increase (decrease)	(34)	(82)	73
Other current liabilities	(1)	-	-

Patkol Public Company Limited

Statements of Cash Flows (Con.) (MB)	2021	2020	2019
Cash generated from operation	(220)	628	(8)
Cash received from interest	15	18	18
Cash paid for interest	(30)	(44)	(48)
Cash paid from employee benefit	(47)	(67)	(29)
Cash received from company income tax	1	19	-
Income tax paid	(27)	(20)	(22)
Net cash provided by (used in) operating activities	(308)	532	(90)
Cash flows from investing activities			
(Increase) Decrease deposits at bank with commitment	(25)	2	(6)
Cash received from sales of fixed assets	1	3	6
Cash paid for purchase of fixed assets	(2)	(12)	(76)
Cash paid for purchase of intangible assets	(4)	(0)	(13)
Cash received (paid) from sales of investment		-	10
Cash received (paid) from sales of intangible assets		-	0
Decrease in other assets	21		
Net cash provided by (used in) investing activities	(9)	(6)	(77)

Patkol Public Company Limited

Statements of Cash Flows (Con.) (MB)	2021	2020	2019
Cash flows from financing activities			
Increase (Decrease) in overdrafts and short-term loans from financial institutions	159	(138)	88
Cash received for shares from minority shareholders	-	2	0
Paid for liabilities under rehabilitation plan	-	(329)	(51)
Paid for liabilities under rehabilitation agreement		(16)	(14)
Cash received from long-term loan from related person	285	314	69
Cash paid for long-term loans	(124)	(73)	(72)
Paid for liabilities under financial lease	(22)	(26)	(18)
Cash received from finance lease agreement		-	28
Cash paid for dividend	(3)	-	-
Net cash provided by (used in) financing activities	295	(265)	30
Differences from translation of financial statements in foreign currency	(2)	1	(2)
Net increase (decrease) in cash and cash equivalents	(23)	261	(139)
Cash and cash equivalents as at January 1	396	135	274
Cash and cash equivalents as at December 31	372	396	135

DATA PER SHARES (Baht)	2021	2020	2019
Book Value per shares	3.30	3.68	3.47
Earnings per shares	0.195	0.054	(0.448)
Cash Dividend per share	0.0056	0.00	0.00
Stock Dividend per share	0.00	0.00	0.00

GROWTH RATE (%)	2021	2020	2019
Total Assets	18%	-10%	5%
Total Liabilities	26%	-20%	13%
Sales and Services Income	5%	-16%	-5%
Cost and Expenses	-20%	-19%	1%
Net Income	331%	-112%	961%

FINANCIAL RATIO	2021	2020	2019
LIQUIDITY RATIO :			
Liquidity Ratio (Time)	1.15	1.15	1.15
Quick Ratio (Time)	0.81	0.86	0.79
Liquidity Ratio - Cash (Time)	-0.19	0.35	-0.06
Account Receivable-Turnover (Time)	3.61	3.36	3.31
Average no.of day for collection (days)	100	107	109
Inventory Turnover (Time)	5.10	4.79	4.36
Average no.of day for sales (days)	71	75	83
Account Payable-Turnover (Time)	4.31	4.88	4.15
Average no.of day for payment (days)	84	74	87
Cash Cycle (days)	87	108	105
PROFITABILITY RATIO :			
Gross margin (%)	22%	25%	19%
Operation profit margin (%)	5%	2%	-4%
Other Profit Margin (%)	3%	2%	3%
Cash to profitability ratio (%)	-182%	1078%	49%
Net profit margin (%)	3%	1%	-5%
Return on equity (%)	6%	2%	-15%
EFFICIENCY RATIO :			
Return on Assets (%)	2%	1%	-5%
Return on Fixed Assets (%)	11%	6%	-7%
Assets Turnover (Times)	1	1	1
FINANCIAL POLICY RATIO :			
Debt to Equity Ratio (Time)	1.6	1.4	1.8
Time Interest Earned (Time)	-8.4	13.5	-0.4
Cash debt coverage(Cash basis) (Time)	2.3	-43	1
Dividend payout ratio(%)	3%	0%	0%

Management Discussion and Analysis (MD&A)

The analysis of financial position and financial performance is based on consolidated financial statements for the year ended 31 December 2021.

In 2021, the company had revenues from sales and services of Baht 3,208 million, increased Baht 148 million or 5% from 2020. The COVID-19 situation has global impact, and also effect to company's operation. The management has issued special measures to deal with the COVID-19 situation. These measures are focusing on cash flow management, costs and expenses control and continue on BCP (Business Continuity Planning). In 2021, the company delivered project, as a result the company earned a net profit of Baht 98 million, increase 298 % from 2020.

The following tables present revenue and gross profit information regarding the Group's operating segments

Consolidated Amount (Million Baht)	Ice machine and system	Machinery for industrial refrigeration system	Machinery and system for liquid	Central management and others	Total
2021					
Revenue from customers-Thailand	806.0	933.0	1,108.0	138.0	2,985.0
Revenue from customers-Other Country	164.0	22.0	37.0	0.0	223.0
Total Revenue	970.0	955.0	1,145.0	138.0	3,208.0
Costs of good sold and services	(729.0)	(758.0)	(912.0)	(116.0)	(2,515.0)
Gross Profit	241.0	197.0	233.0	22.0	693.0
% of Gross profit to Total sales	25%	21%	20%	16%	22%
% Sales to Total Sales	30%	30%	36%	4%	100%
2020					
Revenue from customers-Thailand	904.0	952.0	688.0	132.0	2,619.5
Revenue from customers-Other Country	212.0	43.0	128.0	0.0	439.7
Total Revenue	1,116.0	995.0	816.0	132.0	3,059.2
Costs of good sold and services	(807.0)	(751.0)	(646.0)	(100.0)	(2,304.0)
Gross Profit	309.0	244.0	170.0	32.0	755.2
% of Gross profit to Total sales	28%	25%	21%	24%	25%

Patkol Public Company Limited

% Sales to Total Sales	36%	33%	27%	4%	100%
% Sales growth 2021 and 2020	(13%)	(4%)	40%	5%	5%

2019					
Revenue from customers-Thailand	898.0	1,087.0	600.0	440.0	3,025.0
Revenue from customers-Other Country	373.0	52.0	107.0	80.0	612.0
Total Revenue	1,271.0	1,139.0	707.0	520.0	3,637.0
Costs of good sold and services	(1,100.0)	(1,073.0)	(511.0)	(256.8)	(2,940.8)
Gross Profit	171.0	66.0	196.0	263.2	696.2
% of Gross profit to Total sales	13%	6%	28%	51%	19%
% Sales to Total Sales	35%	31%	19%	14%	100%
% Sales growth 2020 and 2019	(12%)	(13%)	15%	(75%)	(16%)

1. Revenue from sales and services

In 2021, the company's revenue mainly came from Machinery and system for liquid business segment representing 36% of total revenue. Ice machine and system and Machinery for industrial refrigeration system business segment both generated 30% of total revenue, Central management and others accounted for 4% of total revenue. The analysis for growth of each business segments are as follows:

The machinery and system for liquid business segment had 40% growth due to big projects were partial delivered in 4th quarter 2021.

For ice machine and system business segment, the growth rate decreased by 13% since customers delayed in installation of ice machine due to COVID-19 situation.

2. Other income

Other income of the group was Baht 97 million or 3% of the total revenue. It was revenue from other business operations ,such as gain from exchange rate and interest income which normally similar amount every year. In addition, the group had other income from sale of land without buildings (Investment property) and adjustment of obligation from retirement employees.

3. Costs of good sold and gross profit

In 2021, the company's gross profit was 22% of revenue, whereas in 2020, it was 25% of revenue.

This was a result from increasing of cost of raw material especially stainless and steel which still continue in 2022.

4. Distribution costs and administrative expenses

In 2021, distribution costs and administrative expenses were Baht 622 million or 19% of revenue, while in 2020 were Baht 772 million or 25% of revenue. The decreasing of distribution costs and administrative expenses of Baht 150 million, mainly from employee expenses and allowance for trade receivables.

5. Net Profit

In 2021, the company had a profit of Baht 97 million or 3% of revenue, while in 2020, the company had a profit of Baht 22 million or 1% of total revenue.

6. Assets and Liabilities

Assets

As at 31 December 2021, the company had assets of Baht 4,289 million, and as at 31 December 2020, it had assets of Baht 3,629 million. The company's assets increased by Baht 660 million or 18%

The increasing of assets, mainly from inventories, trade and other receivables, finance lease receivable and contract assets.

When analyzing collection period, the company had an average collection period of 100 days, which, in 2020, averaged 107 days. For average selling period, it was 71 days and in 2020 was 75 days.

Liabilities

As at 31 December 2021, the company had liabilities of Baht 2,620 million, and as at 31 December 2020, it had liabilities of Baht 2,077 million. The liabilities of the group increased Baht 543 million or 26%.

The increasing of liabilities mainly from trade payable and loan from financial institutions. The payment period of 2021 was 84 days, while it was 74 days in 2020. The loan from financial institutions consist of short-term and long-term loans.

7. Shareholders' Equity

As at 31 December 2021, the company had a shareholder's equity of Baht 1,669 million. As of December 31, 2020, the company had a shareholder's equity of Baht 1,551 million.

When considering the debt to equity ratio, as at 31 December 2021 and 2020, it was 1.6 and 1.4 times respectively, which does not exceed the company's policy at 2 times, demonstrating the company's operational efficiency and financial stability.

8. Liquidity Analysis

The company has liquidity ratios as at 31 December 2021 and 2020 at 1.15 times, for both year. For quick ratio turnover, as at 31 December 2021 and 2020 it was 0.81 times and 0.86 times, respectively.

The average collection period for 2021 and 2020 was 100 days and 107 days, respectively. The average sales period for 2021 and 2020 was 71 days and 75 days, respectively. The average payment period for 2021 and 2020 was 84 days and 74 days, respectively, so the company's cash cycle for 2021 and 2020 was 87 days and 108days, respectively.

The average collection period (including finance lease receivable) decreased due to the company's still strictly follow-up for debt collection. The sale period was slightly decreased and payment period was increased by 10 days.

When considering the cash flow statement, the company's net cash flow decreased by Baht 24 million from 31 December 2020; consisted of net cash flow used in operating activities of Baht 308 million, net cash flows used in investing activities of Baht 9 million, and net cash flow provided by financing activities of Baht 295 million.

9. Liabilities off balance sheet

As at December 31, 2021, the Company has contingent liabilities of Baht 288 million, EUR 0.0019 million and USD 0.43 million : consist of

1. Letter of guarantee for electricity, customs and fuel cards totaling of Baht 5.32 million
2. Letter of guarantee for project totaling of Baht 282.68 million, EUR 0.0019 million and USD 0.43 million

consisted of the following guarantees

- Envelope guarantee: For bidding, which will be returned once the bidding results have been announced.
- Advance Guarantee: To provide collateral for receiving advance deposit from customers.
- Contract Guarantee: To make guarantees during the performance of contracts with customers.
- Performance Guarantee: To guarantee performance instead of retention which will return to the company at the end of the guarantee period. This guarantee helps the company get cash flow faster.

5. General Information and Other Important Information

5.1 General Information

PATKOL PUBLIC COMPANY LIMITED

Head Office: No.348 Chalerm Prakit Ratchakarn Thi 9 Road, Nong Bon, Prawet, Bangkok 10250 Thailand

Tel: + 66 (0) 2328 1035 **Fax:** + 66 (0) 2328 1245

Website: <http://www.patkol.com> **Registration:** 0107536000587

Date of Establishment: 28 November 1965

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

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

Registered Capital: 600,243,737 Baht

Paid-up Capital: 600,243,737 Baht

Common share: 520,756,281 Shares

Preferred share: 79,487,456 Shares

Par Value: 1 Baht

Other references

Common Share Registrar: Thailand Securities Depository Company Limited

93 Ratchadapisek Road, Dindaeng, Bangkok.

Tel. +66 (0) 2009-9000

Authorized Auditor: Karin Audit Company Limited

72, 24th floor 72 CAT Telecom Tower, Floor 24, Charoen Krung Road, Bangrak, Bangkok. 10500 Thailand

Tel. (662) 105-4661 Fax. (662) 026-3760

5.2 Other Important Information

Summary Business held by the Company 10% upward

1. Patkol Ice Solutions Company Limited

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

Tel. +66 (032) 447 920-27

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

Registered Capital: 100,000,000 Baht

Shareholding 99.99%

2. Patkol Trading Company Limited

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

Tel. +66 (0) 2328 1035 49

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

Registered Capital: 30,000,000 Baht

Shareholding 99.99%

3. S Panel Company Limited

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

Tel. +66 (034) 885 090 91

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

Registered Capital: 40,000,000 Baht

Shareholding 80%

4. Heat Away Company Limited

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

Tel. +66 (038)-088 708

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

Registered Capital: 10,000,000 Baht

Shareholding 99.99%

5. Tygienic Company Limited

No 348 Chaloe Phraiat Ratchakan Thi 9 Road, Nong Bon, Pravate, Bangkok

Tel. +66 (0) 2328 1035

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

Registered Capital: 65,000,000 Baht

Shareholding 99.99%

6. Patkol Philippines Coporation

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

Business Type: Machinery and project sales representative, including providing machinery in spallation and maintenance services in Philippines

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

7. PT. Indonesia Patkol Service Corporation

Rukan Bisnis Blok KJA 12 A-14 Perum Daan Mogot Baru, Daan Mogot KM16-Kalideres, Jakarta Barat 11840

Business Type: Machinery installation and maintenance services in Indonesia

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

8. PATKOL Malaysia Sdn Bhd

S-01-09 Impian Meridian Commerzshop Jalan Subang1, Usj, 47600 Subang Jaya, Selangor, Malaysia

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

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

9. Patkol Myanmar Company Limited

No.19, Nwe Aye Ward, Minadar Road, Dawbon Township, Yangon Region, The Republic of the Union of Myanmar 11241

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

Registered Capital: 50,000 USD Shareholding 99 %

10. PT. Indonesia Patkol Refrigeration

Rukan Bisnis Blok KJA 12 A-14 Perum Daan Mogot Baru, Daan Mogot KM16-Kalideres, Jakarta Barat 11840

Business Type: Machine and project distributor including service and installation machine in refrigeration business in Indonesia.

Registered Capital: 10,000,000,000 Indonesian Rupiah Shareholding 86.80%

5.3 Legal Disputes

S Panel Co., Ltd., a subsidiary of the Company has pending civil disputes in the court as follows:

1) Chubb Samaggi Insurance Public Company Limited, plaintiff No.1 with two other plaintiffs sued S Panel Company Limited as the defendant No.1 to the Civil Court to request jointly be liable for compensation.

The lawsuit was due to the fire in the warehouse building, which the three plaintiffs were insurers, which S Panel Company Limited filed a defense against the case. In this case, the Civil Court Instance tried the case and dismissed the two defendants. The three plaintiffs appealed the verdict. The case is under consideration by the Court of Appeal.

2) LF Logistics Company Limited, the plaintiff sued S Panel Company Limited as the defendant No.2 to the Samut Prakan Provincial Court to request jointly be liable for compensation.

The lawsuit was due to the fire in the warehouse building, which the three plaintiffs were insurers, which S Panel Company Limited filed a defense against the case. During the court proceedings, Zurich Insurance Company Limited and Alliance Ayudhya Insurance Public Company Limited filed a petition to become a joint plaintiff. The Court of Appeal issued an order granting permission. The case is being considered by the Court of First Instance.

The case is currently pending in court. The Company's management and legal advisors are of the opinion that the outcome of the lawsuit is uncertain and inconclusive at this time. Therefore, the damage value has not been estimated.

The Company and other subsidiaries have no other legal disputes that may negatively affect assets of the Company and its subsidiaries that amount to more than 5% of equity and/or have no significant impact on business operations.

5.3 Secondary Market

-None-

5.4 Regularly Contacted Financial Institutions

Bangkok Bank Plc.

333 Silom Road, Silom Subdistrict, Silom District, Bangkok 10500

Krungthai Bank Plc.

35 Sukhumvit Road, Klong Toei Nuea Subdistrict, Watthana District, Bangkok 10110

Siam Commercial Bank Plc.

9 Ratchadaphisek Road, Chatuchak District, Bangkok 10900

Part 2

Corporate Governance

6. Corporate Governance

6.1 The policy and guidelines of good corporate governance

6.1.1 Policies and guidelines related to company directors, executives and employees.

The Board of Directors consists of persons with knowledge, expertise and experience suitable for the Company. It also adheres to the following principles of good corporate governance:

1. The Board of Director, the management and all the employees have determined to apply the main principle in the good corporate governance in the six aspects as the principle in the practice are:
 - 1.1) It has accountability for its decision-making.
 - 1.2) It takes responsibility for the duty performance with the existing capability and sufficient efficiency.
 - 1.3) It has transparency that can be verified.
 - 1.4) It has fairness and equity for the stakeholders.
 - 1.5) It has a vision to create long-term value.
 - 1.6) It has virtue, ethics and code of conduct in the business operations
2. The Board of Director, the management and all of the employees determined to apply the practice on the principle of good corporate governance of the company, business ethics and code of conduct of the directors, the management and the employees as guidelines in the operation.
3. The Board of Director, the management and all of the employees determined to apply the practice on the principle of good corporate governance of the company, business ethics and code of conduct of the directors, the management and the employees as guidelines in the operation.
4. The Board of Director encourages participation and designation of the channel that can communication with the shareholders, the investors, the supervision agency, the stakeholders, including giving general information to the interested persons.
5. The Board of Director provided an operation for the managerial structure of the company by designating the duty and responsibility of each board of directors and the management clearly.
6. The Board of Director shall provide the system of risk management and the internal audit to be at the suitable and efficient level, including the accounting system and a report on finance with accuracy and reliability.

The Board of Directors

1. Components of the Board of Directors

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

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

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

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

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

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

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

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

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

2. Qualifications of the board of Directors

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

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

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

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

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

3. Term of the Directorship

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

4. The Meetings of the Board of Directors

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

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

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

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

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

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

4.7 The meeting of the Board of Directors must have a minimum quorum. While voting at each Board of Directors meeting There are not less than two-thirds of the total number of directors.

5. Self-Assessment of the Board of Directors

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

6. Independence of the Board of Directors and the management

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

7. Development of the Directors and the Management

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

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

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

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

6.1.2 Policy and guidelines related to shareholders and stakeholders

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

1. Meeting of the shareholders

1.1 Annual general meeting {AGM} of the shareholders: The Board of Director has designated the AGM once a year by no more than four months following the date of ending the financial year of the company. However, if there is necessity/emergency to present a special agenda, which affects or involves with the interests of the shareholders or related to the condition or guidelines on the applicability, it shall require prior approval from the shareholders.

1.2 Propagation of the information to supplement the shareholder's meetings: The company shall disseminate the information to complement the agenda of the shareholder meeting in advance by about one month before the meeting date in the website of the shareholders at www.patkol.com.

Moreover, it shall explain the right of the shareholders in the attendance of the meeting and the right to vote by the shareholders as well.

1.3 Providing convenience on the exercise of the right to the shareholders and the institution investors: The Company shall provide convenience to the shareholders and the institution investors to exercise the right by organizing the meeting venue of the shareholders that is convenient for the travel, with opening an opportunity for the shareholders and the institution investors to send a question related to the meeting agenda to the Board of Director a minimum of 90 days before the meeting date via the website of the company or by

fax number 02-328-1245. It shall notify via the news system of the SET with dissemination of the letter of invitation to the AGM of the shareholders.

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

2. Implementation on the shareholder's meeting date

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

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

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

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

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

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

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

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

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

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

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

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

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

Equitable Treatment of Shareholders

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

Policy in the equitable treatment of shareholders

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

1. Giving information before the shareholders meeting

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

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

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

2. Protection of the right of the minor shareholders

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

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

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

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

The Directors' Conflict of interest

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

Policy and practice on conflict of interest

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

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

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

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

Policy and Guidelines on Taking Care of the Vested Interests

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

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

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

1) Employee

Policies on taking care of the employees

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

2. Customers

Policies on taking care of the customers

1. The company has a duty to build up long-term relations and cooperation with the customers by adhering to the integrity, sincerity with the customers, trust and reliability to each other.
 2. The company has a duty to make maximum satisfaction for its customers by taking responsibility, attention, goods sales and service with friendliness and priority to the problems and demands of the customers.
- The management and all of its employees shall comply with the following measures:

- Adhering to the presentation and delivery of the product that meet the standards and qualities corresponded to the demand of the customers.
- Adhering to the various conditions made with the customers' utmost.
- Offering the trade prices and conditions to the customers in the same group with equity.

3. Shareholders

Policies on taking care of the shareholders

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

4. Trade Partners (including the consultants and subcontractors)

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

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

5. Creditors

Policies on taking care of the creditors

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

6. Governmental Agencies

Policies on taking care of the governmental agencies

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

7. Communities around the Factory

Polices on taking care of the communities around the factory

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

Mechanisms for Participation by the Stakeholders

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

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

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

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

Disclosure of Information and Transparency

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

1. Disclosure of the Information by the Board of Directors

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

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

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

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

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

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

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

2. Disclosure of Information on the Website of the Company

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

6.2 Business Ethics

Patkol Public Company Limited and its subsidiaries the “companies” have established good practice guidelines for directors, executives and all employees “personnel” to use as guidelines for achieving business goals along with ethical standards. including the relevant rules as follows:

1. Code of Conduct Towards the Company

- The Company's personnel must work under the concept of "Commitment to delivering quality-service with sincerity using friendly engineering."
- The Company's personnel must maintain the quality of the Company's products. Plan their work according to the work manual for inspection control at every stage of production.
- The Company's personnel must focus on their work with determination and dedication. They must be disciplined. Everyone will keep track of task progress regularly until the task is completed on time without succumbing to obstacles.
- The Company's personnel must comply with the Company's regulations/rules and not act in violation of the law and/or contrary to good ethics.
- The Company's personnel must make the most of the company's assets and not cause unnecessary waste, early-degradation, or loss.
- The Company's personnel must not engage in any business or investment that is competitive or causes a conflict of interest with the Company or be a permanent employee or temporary employee of other organizations operating in the same line of business as the Company or have a conflict of interest with the Company.
- The Company's personnel must maintain the Company's confidentiality by refraining from disclosing confidential information, news and technology or information affecting the Company's business to other external entities.
- The Company's personnel must maintain a safe workplace and good working environment.
- The Company's personnel must cooperate and comply with the Company's good corporate governance policy as well as the Company's anti-corruption policy.

2. Code of Conduct Towards Customers

- The Company is responsible for building long-term relationships and cooperation with customers under the concept of commitment to delivering quality-service using friendly engineering.
- The company is responsible for generating the highest level of customer satisfaction with good-quality and reliable products, using the right design with the right raw material to meet their needs. Careful planning and continuous product improvement are made in all stages of production. Manuals are written and used for inspection and control at all stages of production.
- The Company's personnel must serve customers with accuracy and speed. They must dress appropriately and be on-time for their appointments. They should be ready to provide services and be able to resolve issues without causing repeated problems.
- The Company's personnel must focus on their work, be committed and dedicated. They should keep track of task progress regularly until it is completed and are responsible for finishing the job on time.
- The Company's personnel must work sincerely and honestly, providing customers with useful information in a straightforward way. They must deliver work/goods to customers in line with the detailed agreement by cooperating fully with each other to achieve a common goal.
- The Company's personnel must adhere to the principles of friendly engineering, i.e., deliver products and services according to good engineering principles and provide customers with advice as if they are the customer's partner in doing business. We will satisfy our customers using technology that suits each customer and their environment.

3. Code of Conduct Towards Shareholders

- The Company will protect and respect the basic rights of shareholders with determination and sincerity. We encourage shareholders to exercise their rights, in particular, the right to attend shareholders' meetings.
- The Company's personnel must focus on working earnestly and sincerely and uphold the company's interests like their own. Each person will use their knowledge, competence and management skills to ensure that the Company thrives and generates appropriate returns to shareholders.
- The Company will enable shareholders to receive news, such as financial statements and details about any business performance in full. We will provide information adequately, with determination and

sincerity in accordance with the regulations of the supervisory authorities in order for shareholders to be informed correctly, transparently, clearly, and fairly.

4. Code of Conduct Towards Employees

- The Company will compensate employees fairly based on their work. Considerations will be made earnestly, sincerely and quantitatively, such as monthly pay, overtime pay, commissions, annual bonuses, pension funds, retirement cooperatives, life insurance, health insurance, etc.
- The Company aims to promote and provide professional development to personnel earnestly and sincerely so that employees can continuously improve their skills and knowledge. For example, the Company will provide training for the company's personnel throughout the year.
- The Company will treat all employees with fairness and equality, such as evaluating their work, as well as maintaining the confidentiality of work history and supporting employees to exercise their rights.
- The Company takes into account the rights of employees and allows employees to submit complaints.
- The Company will treat employees with respect by creating a safe, hygienic and conducive working environment.

5. Code of Conduct Towards Business Partners

- The Company's personnel must cooperate in the exchange of useful information with business partners. They must also comply with the agreed terms and conditions. If there is a situation that results in an inability to comply with any of the terms of the agreement where the Company is not able to comply with any of the terms, they will inform our partners as soon as possible to find a solution.
- The Company's personnel must be able to receive feedback and suggestions as well as convey accurate information to partners.
- The sourcing, purchasing, or hiring of partners is in accordance with the procurement policy. There are auditable processes and criteria for selecting partners fairly and transparently. We will support business operations with partners who operate legally with determination and sincerity.
- The Company's personnel must not request, accept, or offer any benefits that are indications of dishonest actions against the partner.

6. Code of Conduct towards Creditors

- The Company will build good relationships and treat creditors based on honesty, reliability and mutual trust.
- The Company will take responsibility, care and value the conditions in which the agreement is made with the creditors to the best of our abilities. If there is a situation that results in an inability to comply with any of the terms of the agreement resulting in the Company unable to comply with any of the terms, we will inform the creditors as soon as possible to work on a solution.

7. Code of Conduct for Society, Environment and Local Communities

- The Company will cooperate and support the activities of the government and private sectors as appropriate for projects that benefit the community and society as a whole.
- The Company will conduct business within the framework of the law. We shall avoid unlawful business and will not cooperate or support any individual who conducts transactions that are a threat to society and national security.
- The Company will evaluate environmental risks and potential impacts, as well as mitigate the environmental risks. The Company will treat nearby communities with compassion and support their well-being. In case there is any problem where the local community is affected by the company's actions, the Company will handle the amendments equally and fairly.
- The Company strives to preserve the environment, such as promoting the economic and sustainable use of eco-friendly resources and energy for the society, community and environment.
- The Company will provide a safe workplace and hygienic working areas for employees and contractors in accordance with occupational health and safety management standards. This includes supporting activities, such as safety awareness training, risk assessment, analysis of accident statistics, accident preparedness, accident control and accident prevention.
- The Company will develop information technology and communication systems to efficiently manage resources.

8. Code of Conduct Regarding Intellectual Properties

- The Company will make use of appropriate information technology under the Copyright Act B.E. 2537 (1994) and the Computer Crime Act B.E. 2550 (2007), as well as related laws.

- The Company will comply with intellectual property laws and will not infringe on the intellectual property of others. The Company will protect the Company's intellectual property against infringement by other parties.
- Intellectual property resulting from duties assigned by the Company or work used for the Company are owned by the Company. The company's personnel must turn over the work to the Company regardless of the format used to store information, work or copyright.

9. Code of Conduct for the Prevention of Conflicts of Interest and Protection of Confidential information

- The Company's personnel must avoid acting in conflict with the Company's interests, such as actions that result in loss or reduced profit for the Company.
- The Company will comply with the laws and regulations relating to the connected transactions of the SET and the Securities and Exchange Commission.
- In case of a connected transaction, the Company will record the transaction as if it were completed with a third party. Directors and executives who are involved in the transaction shall have no part in the approval.
- The Company's personnel must protect the Company's confidential information, especially any internal information that has not been made public, or information that affects the Company's business operations or stock prices.
- The company's personnel must protect internal information. They must not use inside information for their own benefit in trading the Company's shares or provide inside information to other persons for the benefit of trading shares of the Company and its subsidiaries.
- The Company's personnel must protect the Company's confidential information. The Company's confidential information must not be disclosed to competitors or third parties even after employment ends.

10. Code of Conduct Regarding Interactions with Regulatory Authorities and Government Agencies While Maintaining Political Neutrality

- The Company will abide by the relevant laws and regulations as well as follow the guidance of regulators and government agencies to conduct business properly.

- The Company is politically neutral. It does not support any political party, political group or politician, either directly or indirectly.
- The Company's personnel have the right to freely participate in political activities under the provisions of the law as long as their participation is done outside of business hours and the personnel does not wear the Company's uniform or use the Company's assets.

11. Code of Conduct Towards Competitors

- The Company will operate within the framework of good, fair and equal competition.
- The Company will not seek confidential information of competitors.
- The Company will not damage the reputation of its competitors by making malicious allegations.

6.3 Major Changes and Developments of Policy, Practices and Corporate Governance System in the past year

The Board of Directors has realized and reviewed the principles of the good corporate governance for listed companies in 2017 (CG Code 2017). In accordance with the guidelines of the Securities and Exchange Commission by reviewing and improving the roles and duties of the Audit Committee, Risk Management Committee and the Remuneration Committee in accordance with the principles of good corporate governance in accordance with the following guidelines:

Corporate Governance Code 2017

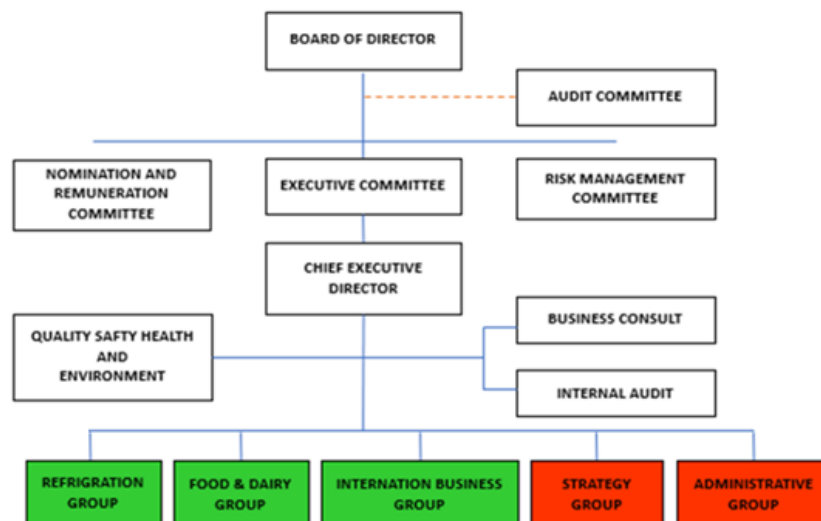


The Company plans to consider and review such principles. To increase the efficiency of governance and to demonstrate that the Company has raised the level of corporate governance standards of the company to be more in line with the principles of good corporate governance for listed companies in 2017 (CG Code).

7. Management Structure and important information about the board, Sub-committees, management, employees and others

7.1 Management structure

Internal management structure (As defined by SEC)



7.2 Information of Directors

Board of Directors

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

As at 31 December 2021, the Board of Directors There are a total of 12 directors who are highly qualified in the areas of skills, knowledge and experience that are beneficial to the operation

- 4 independent directors (equal to one-third of the total number of directors)
- 8 non-executive directors
- 4 executive directors

List of Board of Directors as follows:

Name	Position
1. Mr. Pitipong Phungbun na Ayutthaya	Chairman of the Board (Independent Director)
2. Mr. Sangchai Chotchuangchutchaval	Director, Chairman of Executive Committee and Chief Executive Officer
3. Mr. Pairoj Sanyadechakul	Chairman of Audit Committee (Independent Director)
4. Mr. Preecha Chantrangkul	Audit Committee Member (Independent Director) and Chairman of the Nomination and Remuneration Committee
5. Mr. Veerachai Srikajorn	Audit Committee Member and Chairman of the Risk Management Committee (Independent Director)
6. Mr. Paradorn Chulajata	Director, Audit Committee Advisor, Risk Management Committee Member and Nomination and Remuneration Committee Member
7. Ms. Nongluck Sakdakrai	Director and Nomination and Remuneration Committee Member
8. Ms. Anongsiri Chaiyakul	Director
9. Mr. Sumet Jiambutr	Director, Executive Committee Member
10. Mr. Rangsan Thammanee Wong	Director, Executive Committee Member and Risk Management Committee Member
11. Mr. Panet Chongvatana	Director, Executive Committee Member and Risk Management Committee Member
12. Ms. Naitya Chongvatana	Director

Authorized Directors at present

According to the Company's certificate dated December 1, 2021, the authorized directors are:

(1) Mr. Sangchai Chotchuangchutchaval and Mr. Panet Chongvatana jointly sign and affix the Company's seal; or

(2) Mr. Sangchai Chotchuangchutchaval or Mr. Panet Chongvatana co-sign with Mrs. Anongsiri Chaiyakul or Mr. Paradorn Chulajata or Mr. Sumet Jiambutr or Ms. Naitya Chongvatana, any one of them, totaling two. and affix the company's seal

The Authorities and Duties of the Board of Directors

The Board of Directors is primarily responsible to the shareholders regarding the Company's business operations. And have the roles and responsibilities to supervise the work of the management in accordance with the objectives and the company's article of association, compliance with law and shareholders' resolutions,

as well as careful care of the interests of all parties concerned equally under the duty of honesty, prudence and prudence, considering the maximum benefit of the Company and fairness to all shareholders. The scope of powers and duties are as follows:

- 1) Provide the business of the company to comply with the legal, objectives and the company's article of association, including resolutions of the shareholders' meeting, with honesty and be careful to maintain the interests of the company.
- 2) Responsible to shareholders on a regular basis and operate by maintaining the maximum benefit of the shareholders, and also disclosed the information's to investors accurately, fully, standard and transparent.
- 3) Determine and amend the list of authorized directors of the Company.
- 4) Appoint sub-committees to help monitor and control the management of the company in matters of essence.
- 5) The Board of Directors has assigned the Chief Executive Officer to be responsible for the Company's business and assign the management to reports on the performance of the Board of Directors at every meeting.
- 6) The Board of Directors may authorize to one or more persons to perform any act representational the Board as the Board deems appropriate, and within the time that the Board deems appropriate. The Board may revoke the revocation change or modify that power.
- 7) Prepare annual report and responsible for the preparation and disclosure of financial statements to reflect the financial position and the results of the past year to propose to the shareholders meeting.
- 8) Meet at least 3 months for decision of the Board of Directors' meeting is the majority vote. Any director who has a vested interest in any matter shall not have the right to vote on that matter and the Annual General Meeting of Shareholders within 4 months from the end of the fiscal year.
- 9) To set up a succession plan for the top management. To be prepared in case of top management cannot work.
- 10) Provide appropriate channels for communication with each group of shareholders and evaluate the disclosure to ensure accuracy, clarity, transparency and reliability.
- 11) Leadership and -role model in good performance consistent with good corporate governance and the corporate social responsibility approach.
- 12) Encourage the company operates to combat all types of corruption and corruption to maximize the Company's business and stakeholders.

13) Provide a Code of Conduct for Directors, Executives and Employees.

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

7.3 Information of Sub-committees

Sub-committees

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

1) Audit Committee

Definition Audit Committee

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

List of Audit Committee as follows:

Name	Position
1. Mr. Pairoj Sanyadechakul	Chairman of the Audit Committee
2. Mr. Veerachai Srikajorn	Audit Committee Member
3. Mr. Preecha Chantrangkul	Audit Committee Member

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

Qualifications and Requirements of Audit Committee

Same the qualifications of the Company's independent directors.

Scope of Authority and Duties of the Audit Committee

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

(2) Fraud or irregularity or defect in the internal control system

(3) Violation of the Securities and Exchange Act, the Stock Exchange of Thailand (SET) regulations or laws relating to the business of the Company.

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

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

Tenure and Vacancy

1) The Audit Committee has a term of office of 3 years, including the appointment, removal and removal from the Audit Committee.

2) Audit Committee members who vacated office by rotation May be re-appointed as the Board deems appropriate.

3) The Audit Committee vacates office upon

(1) The expiration of the term

(2) Die

(3) Resignation

(4) The Board of Directors has resolved to vacate office.

(5) Not being qualified as an audit committee in accordance with the charter of the audit committee or the rules and regulations of the Capital Market Supervisory Board; the Stock Exchange of Thailand (SET) And various regulators set up.

4) If the Audit Committee member(s) wish to resign before the end of the term should report to the Board of Director before at less 1 month in advance with the reason(s) for the Board of Directors to consider the appointment of another qualified person(s) to replace.

5) When a member of Audit Committee retires the Audit Committee cannot stay until the term. As a result, the number of Audit Committee member is less than 3 persons. The Board of Directors will immediately appoint the new Audit Committee of delayed within 3 months from the date the number of committees is incomplete. To ensure continuity in the work of the Audit Committee and the person who becomes a member of the Audit Committee will be in the position only for the remaining term of the member of the Audit Committee.

2) Executive Committee

Qualifications and Requirements of Executive Committee

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

List of Executive Committee as follows:

Name	Position
1. Mr. Sangchai Chotchuangchutchaval	Chairman of the Executive Committee
2. Mr. Panet Chongvatana	Vice Chairman of the Executive Committee
3. Mr. Rangsan Thammanee Wong	Executive Committee Member
4. Mr. Sumet Jiambutr	Executive Committee Member

Scope of Authority of the Executive Committee

- 1) Determine the policy, target, strategy, operating plan, investment project, annual budget and other management authorization to be proposed to the Board of Directors for approval.
- 2) Supervise and monitor the company' business operations consistent to the policy, target, strategy, operating plans, investment projects and the annual budget with approved by the Board of Directors to be effective and augment the business condition with giving consultation, introduction, management and report the operating results to the board meeting for acknowledgement.
- 3) Regulate the organizational structure and management with efficiency covering the recruitment, training, employment and termination of the employees, who are the management or senior executive. It may assign the chairman of the board of the Chairman of the Executive Committee as the authorized person to sign the employment contract.
- 4) Supervise and approve the matter related to the operations of the company such as,

- 4.1) Consider approving the sales from 100-300 million baht.
- 4.2) Consider approving the sales of the property, including the investment valued from 10-30 million baht.
- 4.3) Consider deciding in the case there is a problem in delivering jobs to customers with the total project value is more than 50 million baht, and cannot deliver the job by exceed 180 days.
- 4.4) Consider setting guidelines on taking legal actions,
 - In the case the company has become a plaintiff or defendant in the civil case with the capital exceed 10 million baht.
 - In the case the company has become a plaintiff or defendant in the criminal cases.
- 4.5) Consider accepting a fine and/or return of the goods with the total project value by more than 10 million baht.
- 5) Consider approving the financial transactions with a financial institution to open or close the account, lending/borrowing, pledging, mortgage, guarantee and anything, including a transaction, registration of land ownership to do the normal transaction of the company under the authorized amount of 10 million baht.
- 6) Consider screening all types of the jobs presented to the Board of Director except the job under the responsibility and/or authority of Sub-committees of the company to become the screener to present to the Board of Director directly.
- 7) It has the power to appoint and supervise the operations of the Management Committee appointed according to the set policy and target.
- 8) It may assign someone or a Management Committee with the power to act on behalf of the Executive Committee as it deems appropriate, and may cancel, revoke and change or revise such the power.
- 9) Perform other duties as assigned by the Board of Directors.

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

Tenure and Vacancy

- 1) Members of the Executive Committee deemed as members of the company's Board of Directors shall remain effective in the position for a 3-year term. When the term is due, the Board of Directors shall be allowed to re-appoint the same members to return to the position plausibly and appropriately.

2) Members of the Executive Committee deemed as members of the company's Board of Directors shall remain effective in the position of executive management, except as otherwise determined by the Board of Directors.

3) Members of the Executive Committee deemed as members of the third party shall remain effective in the position in accordance with the resolution of the company's Board of Directors and shall be altered as appropriate. Apart from the aforementioned provisions, members of the Executive Committee shall be withdrawn from the position due to the following causes;

- 1) Death
- 2) Resignation
- 3) Disqualification of directorial properties, possession of any illegal action under the law on public company limited, or lack of proper qualifications required for the company's corporate management, where shareholders are selected in accordance with the requirements cited in Article 89/3 of the Securities and Exchange Act (No. 4) B.E. 2551(2008).
- 4) The Board of Directors has resolved for retirement.

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

3) Nomination and Remuneration Committee

Qualifications and Requirements of Nomination and Remuneration Committee

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

List of Nomination and Remuneration Committee as follows:

Name	Position
1. Mr. Preecha Chantarangkul	Chairman of the Nomination and Remuneration Committee
2. Mr. Paradorn Chulajata	Nomination and Remuneration Committee Member
3. Ms. Nongluck Sakdakrai	Nomination and Remuneration Committee Member

Scope of Authority and Duties of the Nomination and Remuneration Committee

- 1) Select a qualified candidate who deserves to be nominated as a new director or Chief Executive Officer.
- 2) Determine procedures and standards for nominating members of the Board of Directors or Chief Executive Officer with transparency and fairness.
- 3) Nominate and appoint a person deemed appropriate for the nomination of the Board of Directors and Chief Executive Officer to be proposed to the meetings of the Board of Directors and shareholders accordingly.
- 4) Consider guidelines for remuneration offered to the sub-committee.
- 5) Determine procedures and standards for offering remuneration to members of the Nomination and Remuneration Consideration Committee and the sub-committee fairly and reasonably to be proposed to the meetings of the Board of Directors and shareholders accordingly.
- 6) Perform other tasks as assigned, particularly those related to the nomination and remuneration to be offered to the Board of Directors and Chief Executive Officer.

Tenure and Vacancy

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

3) Disqualification of directorial properties, possession of any action or lack of proper qualifications required for the company's Director.

4) Risk Management Committee

Qualifications and Requirements of Risk Management Committee

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

List of Risk Management Committee as follows:

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

Scope of Authority and Duties of the Risk Management Committee

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

Tenure and Vacancy

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

The directors' remuneration for the year 2021 in amount but not exceed 8 million baht as follows:

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

Annual General Meeting of the Shareholder on 2021 Resolved not to pay meeting allowances of the Board of Directors and 4 sub-committees from January to December 2021

7.4 Management Team

The management team consists of

1. Mr. Sangchai	Chotchuangchutchaval	Chief Executive Officer
2. Mr. Panet	Chongvatana	Chief Strategy Officer
3. Ms. Wannaporn	Trinvisutthikul	Chief Administrative Officer
		Company Secretary
4. Mr. Chakkraphong	Chaosuan	Chief International Business Officer
6. Mr. Suwat	Grittiyarangsan	Chief Refrigeration Officer
7. Mr. Thawatchai	Tootabtong	Chief Food and Dairy Officer
8. Ms. Yupaporn	Pongpetchdit	Accounting and Finance Executive Director

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

Scope of Authority and Duties of Chief Executive Officer

- 1) Define business plan, investment plan and annual budget plan to propose to the Executive Committee and/or Board of directors.
- 2) Overall management responsibility and consider various management policies of the company to achieve the company's goals under the policy framework, business plans and budget plans approved by the Board of Directors.
- 3) Approve the implementation or approve spending money for various actions according to the authority of approval of the company or according to annual budget approved by the Board of Directors.
- 4) Recruiting, hiring, transferring, suspending and dismissing executives and employees in all positions; Including the scope of authority and reasonable return for equivalent positions from senior director upwards, report to the Board of Directors for acknowledgment, equivalent level positions are managed by the Internal Audit Department, with the opinion of the Audit Committee.
- 5) Appoint the authorized signer in various documents the company's accounting, finance, procurement, production, sales and general administration, including other important documents.
- 6) Modify, amend and abolish rules, orders, announcements, regulations, penalties, and internal controls for serve as a guideline for all employees and to ensure that the management within the organization is in accordance with the company policy.

- 7) Appointment of consultants, necessary to operate for the benefit of the company and includes the authority to appoint a lawyer to prosecute or enter into litigation involving the company.
- 8) Assign to other persons to perform or act on their behalf as deemed appropriate and it can be revoked, revoked, changed or modified.
- 9) Performance reports the progress of the projects and as well as financial status to the Executive Committee and Board of Directors.
- 10) Perform other actions according to the Executive Committee or the Board of Directors.

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

Management Remuneration (E14-E16)

Total remuneration of the Company's management and the company groups of companies in 2021 in the amount of 23.2 Million Baht.

7.5 Employees

Employees

Number of employee's companies in Patkol group as of 31 December 2021, there are 1,052 people as detailed below:

Group	Executive (E14-E17)	Management (M12-M13)	Operation (S11-D1)	Total
Refrigeration Group	1	4	120	125
Food & Dairy Group	2	7	107	116
International Business Officer	2	5	46	53
Strategy Group	2	4	52	58
Administrative Officer	3	7	97	107
Management	1	3	14	18
PK ICE Solutions Co., Ltd.	5	10	264	279
S Panel Co., Ltd	1	1	75	77
Heataway Co., Ltd	1	1	70	72
Patkol Trading Co., Ltd	1	1	16	18
Tygienic Co., Ltd	1	4	124	129

Employee benefits

The totalling amount benefit of employees of the Company and the company groups as of 31 December 2021 in the amount of 522,588,983 Baht as detailed below:

Type of Benefits	Total (Baht)
Wages / Salary	467,968,088
Incentive	38,646,350
Provident fund	9,775,558
Social security fund	6,198,987

7.6 Other Important Information

Company Secretary

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

Scope of Authority and Duties of Company Secretary

- 1) To perform the meeting of the Board of Directors and subcommittees including the shareholders meeting to comply with the Company's article of association and the laws.
- 2) Supervise the company and the Board of Directors has a consistent implementation and in accordance with the law, regulations and the Company's article of association as well as resolutions of the Board of Directors, shareholders and good corporate governance as well as policies and code of conduct.
- 3) Supporting the provision of knowledge and training for directors / executives and related to the duties of directors and specific directors.
- 4) Provide training / orientation and provide necessary information for the current and reappointed members.
- 5) Advise on regulatory requirements to the Board of Directors and management.
- 6) Provide an assessment of the performance of the Board of Directors.

7) Prepare and keep the important documents of the company as follows.

- (A) Register of Directors.
- (B) Invitation letter of the Board of Directors' Meeting, Minutes and Annual Reports.
- (C) Invitation letter of Shareholders Meeting and Minutes.
- (D) Keeping a report of interest reported by a director or management.

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

Head of Internal Audit

The company appointed Ms. Parichat Tamnanok to hold the position from September 1, 2016 to present. The person has knowledge and experienced which useful in performing the duties, having completed the training courses and seminars that required and relevant in performing internal audit duties. Provide risk management advice to the Board of Directors, and overseeing the board of directors' business, as well as coordinating and monitoring the compliance with the Resolutions of the Board of Directors.

Responsibilities

- 1) Prepare the audit plan in accordance with the company's policies, as well as to implement the operational plan effectively.
- 2) To work according to the annual audit plan in accordance with internal audit professional standards.
- 3) Review, analyze and comment on accuracy of data or report, and evaluate adequacy, efficiency and effectiveness of the company's processes and internal control.
- 4) To investigate and suggest how to prevent leakage or fraud of the Company's funds and assets
- 5) To review the conduct of clarifications, statements or observations of the external auditor.
- 6) Conclude the preliminary investigation to draw conclusions and determine recommendations before closing the audit.
- 7) Follow up on the recommendations in the audit report and coordinate with the Company's auditors to ensure the effective performance of both parties.

Audit fee

1) Audit fee for the year 2021

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

The details of the certified auditors are as follows:

1. Mr. Komin	Linphrachaya	CPA No. 3675 and/or
2. Ms. Kannika	Wiphanurat	CPA No. 7305 and/or
3. Mr. Jirote	Sirirorote	CPA No. 5113 and/or
4. Ms. Nonglak	Pattanabundith	CPA No. 4713 and/or
5. Mrs. Sumana	Senivongse	CPA No. 5897 and/or
6. Mr. Mongkon	Laowarapong	CPA No. 4722 and/or
7. Ms. Kojchamon	Sunhuan	CPA No. 11536

One of the auditors shall have the authority to auditing and to give opinion on the financial statement of the Company. The proposed of auditing fees for financial statement quarterly review are in the amount of 1,035,000 Baht and the fees for financial statement for the year 2020 are in the amount 700,000 Baht.

The total fees for financial statement for the year 2021 are in the amount of 1,735,000 Baht.

2) Others Fee (Non-Audit fee)

-none-

8. Corporate Governance Report

8.1 Summary of the Board's Performance in the past year

8.1.1 Nomination, development and evaluation of the Board's performance of duties

In appointment of directors, The Nomination and Remuneration Committee has responsible for the selection and screening. Persons who are qualified according to the Company's Articles of Association and who nominate qualified candidates to acquire professional and diverse directors based on the structure, size and composition of the board. The proposed number is equal to the number of directors who complete their term. And propose opinions to the Board of Directors To seek approval from the directors Then the names of the aforementioned directors will be presented to them. The shareholders' meeting shall elect directors according to the following rules.

The Nomination and Remuneration Committee has considered the nature of the business. And future plans, the qualifications of the directors are determined. They must have knowledge and experience for at least 5 years. In addition, the Nominating Committee provides shareholders with opportunities to participate in nominating qualified directors.

Disclosure of the election of directors through the shareholders' meeting in voting for the election of directors The Company allows shareholders to use ballot papers to elect directors individually by requiring the shareholders to cast all their votes to elect persons nominated as directors one by one.

8.1.2 Meeting attendance and remuneration of individual committees

Meeting attendance of the directors for the year 2021

Name	Position	Meeting	
		Board of Director (Meeting/ Attendance)	Annual General Meeting (Meeting/ Attendance)
Mr. Pitipong Phungbun na Ayutthaya	Chairman of the Board (Independent Director)	6/6	1/1
Mr. Sangchai Chotchuangchutchaval	Director	3/6	0/1
	Chairman of Executive Committee	6/13	
Mr. Pairoj Sanyadechakul	Director (Independent Director)	6/6	1/1
	Chairman of Audit Committee	5/5	
Mr. Preecha Chantarangkul	Director (Independent Director)	6/6	1/1
	Audit Committee Member	5/5	
	Chairman of the Nomination and Remuneration Committee	1/1	
Mr. Veerachai Srikajorn	Director (Independent Director)	6/6	1/1
	Audit Committee Member	5/5	
	Chairman of the Risk Management Committee	6/6	
Mr. Paradorn Chulajata	Director	6/6	1/1
	Risk Management Committee Member	5/6	
	Nomination and Remuneration Committee Member	1/1	
	Audit Committee Advisor	5/5	
Ms. Nongluck Sakdakrai	Director	6/6	1/1
	Nomination and Remuneration Committee Member	1/1	
Ms. Anongsiri Chaiyakul	Director	6/6	1/1
Mr. Sumet Jiambutr	Director	6/6	1/1
	Executive Committee Member	13/13	
Mr. Rangsan Thammanee Wong	Director	5/6	1/1
	Executive Committee Member	13/13	
	Risk Management Committee Member	6/6	
Mr. Panet Chongvatana	Director	6/6	1/1
	Executive Committee Member	13/13	
	Risk Management Committee Member	6/6	
Ms. Naitya Chongvatana	Director	6/6	1/1

Remuneration for Directors of Directors for the year 2021

Name	Remueration for the Board (Baht)	Remueration for the Audit Committee (Baht)	Attendance the Meeting (Baht)					Total (Baht)
			Board	Audit Committee	Executive Committee	Nomination and Remueration Committee	Risk Management Committee	
1. Mr. Pitipong Phungbun na Ayutthaya	945,000	-	-	-	-	-	-	945,000
2. Mr. Sangchai Chotchuangchutchaval	415,800	-	-	-	-	-	-	415,800
3. Mr. Veerachai Srikajorn	415,800	277,200	-	-	-	-	-	693,000
4. Mr. Preecha Chantarangkul	415,800	277,200	-	-	-	-	-	693,000
5. Mr. Paradorn Chulajata	415,800	277,200	-	-	-	-	-	693,000
6. Ms. Nongluck Sakdakrai	415,800	-	-	-	-	-	-	415,800
7. Mr. Pairoj Sanyadechakul	415,800	277,200	-	-	-	-	-	693,000
8. Ms. Anongsiri Chaiyakul	415,800	-	-	-	-	-	-	415,800
9. Mr. Sumet Jiambutr	415,800	-	-	-	-	-	-	415,800
10. Mr. Rangsan Thammaneeewong	415,800	-	-	-	-	-	-	415,800
11. Mr. Panet Chongvatana	415,800	-	-	-	-	-	-	415,800
12. Ms. Naitya Chongvatana	415,800	-	-	-	-	-	-	415,800
Total								<u>6,627,600</u>

8.1.3 Supervision and operations of the affiliates and subsidiaries

The directors of the company have the power in the control, supervision, management and responsibility for the operations of the affiliates, which our company has supervision over the affiliates and the subsidiaries to have a policy and operation plans to be consistent. They also support the policy and the main plans of the company, which invests and prioritizes the business that it has skills and in the business that is similar to its business. Thus, for the supervision and management shall be efficient, the management shall supervise by sending the management team to join in setting the policy, budget, market and production plans closely. So that they can share information and use the existing resources of the company to be beneficial and complementary to the overall business better later.

The Company considered sending 4 directors and 4 executives to be directors in 5 subsidiaries, Patkol Ice Solutions Company Limited, Patkol Trading Company Limited, S Panel Company Limited, Heat Away Company Limited and Tygienic Company Limited, with such directors and executives approved by the Board of Directors' meeting. The Board of Directors will consider sending the personnel to look after the benefits from time to time.

8.1.4 Compliance with corporate governance policies and practices

The Company realizes the importance of good corporate governance by being able to formulate policies and guidelines. Relevant to corporate governance, ready for complete action to build confidence of all stakeholders.

(1) Policy and practice on conflict of interest

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

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

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

(2) Supervision on the use of internal information

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

Prevention of internal information

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

Measures on prevention from using the inside information

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

- 4) The company has designated its directors and senior management (from the E15 level and up as well as the director of accounting and finance) to notify the trade on securities of the company to the board each quarter, including revealing it in the annual report.

(3) Anti-Corruption

The company has a policy on the operations according to the good corporate governance by virtue and ethics, integrity and transparency, also has awareness of the problems on dishonesty and corruption. Meanwhile, the corruption still increases in intensity and has caused damage to the economic and social developments very much. As a result, the Thai private sector consists of the Thai Institute of Directors, The Thai Chamber of Commerce and Board of Trade of Thailand, Thai Listed Companies Association, The Federation of Thai Industries, etc. have established a "Project Private Sector Collective Action Coalition against Corruption, "CAC," which is consistent with the business operations policy of the company. Thus, the meeting of the Board of Directors No. 6/2019 on 9 August 2019 resolved for the company to sign up to show the intention for not participation in corruption and bringing the company into the certification by the CAC membership to join the anti-corruption effort.

The company announced its intention to join the Private Sector Collective Action Coalition against Corruption on September 1, 2019. In order for the business operations that may have a risk on corruption, which shall be treated carefully, the company has appointed "the Anti-Corruption Committee on 2 December 2019 to operate for such the purpose. In addition, the companies in the group have prepared "the manual on policy and guidelines on anti-corruption" with the intention for its directors, the management and all of the employees and the companies in the group to have knowledge and understanding as well as realization of their role, duty and responsibility. They can adhere to it as guidelines on corruption in the various forms via the propagation through the communication channel of the company. It includes training to give knowledge and announce this intention to a third party. It has also provided for a whistleblower and measures to protect the informants. Nevertheless, this is to raise the level of country development by reducing the occurred corruption later.

At the meeting of the Thai Private Sector Collective Action Coalition Against Corruption Committee for Q4/2020 on March 31, 2021, the meeting resolved to certify the Company as a member of the Thai Private Sector Collective Action Coalition against Corruption. Such certification will be valid for 3 years from the date of approval.

8.2 The performance of the Audit Committee in 2020

List of Board of Directors and Attendance the Meeting

Name	Position	Attendance the Meeting (times)
1. Mr. Pairoj Sanyadechakul	Chairman of the Audit Committee	5/5
2. Mr. Veerachai Srikajorn	Audit Committee Member	5/5
3. Mr. Preecha Chantrangkul	Audit Committee Member	5/5

Performance of the Audit Committee

In 2021, Audit Committees performed their duties as assigned by the Board of Directors in accordance with the requirements of the Stock Exchange of Thailand. There were 5 meetings of the Committee, with discussions with management, internal auditors and auditors on related matters. The essence of the duties can be summarized as follows

1. Review financial reports

The Audit Committee has reviewed the quarterly financial statements and annual financial statements of Patkol Public Company Limited together with the auditors every quarter, asking the auditor for opinions and observations in the audit of the financial statements. To ensure that the preparation of financial statements is accurate enough and that it complies with generally certified accounting laws and standards in the preparation of financial statements in accordance with international standards and that the financial statements are disclosed adequately and timely to benefit investors or users of financial statements.

Additionally, this article The Audit Committee has commented on the preparation of the report, explanation and analysis. management to provide clear information. Performance analysis and factors that may have a comprehensive impact on operations

2. Reviewing the internal control system

The Audit Committee has reviewed Patkol Public Company Limited. There is an adequate, appropriate and effective internal control system and internal audit system, as well as a summary of significant issues proposed to the Board of Directors.

3. Reviewing compliance with applicable laws and regulations

The Audit Committee has reviewed Patkol Public Company Limited and its subsidiaries. Compliance with securities and exchange laws Regulations of the Stock Exchange of Thailand and/or laws relating to the Company's business. The Audit Committee has been informed of reports of compliance with laws relating to the business operations of Patkol Public Company Limited and its subsidiaries from management, as well as the results of the audit of compliance with applicable laws and regulations from the audit body. The audit has provided useful recommendations in order to effectively supervise the compliance with applicable laws and regulations, ensuring that the Company in Patkol Public Company Limited is fully compliant with the relevant laws and regulations.

4. Internal Audit Supervision

The Audit Committee has approved the audit annual audit plan using the criteria for auditing according to the risk assessment results, which are consistent with the significant risks and operational direction of Patkol Public Company Limited, as well as reviewing the site audit report. Audit of outstanding receivables, which are constantly considering important audit issues, including regular monitoring of revised adjustments. The internal audit division is an independent agency. Focus on effective and effective preventive inspections in accordance with international standards.

In addition, the Audit Committee Charter is reviewed annually, as well as to determine the adequacy of the man power rate of the internal audit unit.

5. To consider and propose the appointment of auditors of Patkol Public Company Limited and meetings with auditors.

The Audit Committee has considered the appointment of Arin Audit Co., Ltd. as an auditor of Patkol Public Company Limited as well as to consider the remuneration proposal in 2021. In addition, attended a meeting with the auditor and inspection agencies without the participation of the management to acknowledge the auditor's audit plan including problems or obstacles in the performance of the audit In order to suggest guidelines for improvements, which in 2021 had 4 meetings together.

The Audit Committee has carefully provided comments and recommendations which promote good corporate governance and benefit the Company's operations as well as to preserve the interests of shareholders and all stakeholders.

The location is perfect. Missions performed in 2021, as mentioned above. Audit Committee Here's a summary of your comments:

- Accounting system and financial reports of the Company It's accurate. Reliable and accurate disclosure of important, adequate and timely information.
- The Company's internal control system is adequate and appropriate. Continuous improvement of internal control system to suit the company's business operations. current and future and comply with relevant laws and regulations.
- The company's auditor, Arin Audit Co., Ltd., is independent and experienced in verifying the company's financial reports to be accurate. Reliable and accurate disclosure of important, adequate and timely information.
- By reviewing connected transactions or transactions that may have conflicts of interest, the Audit Committee deems that the Company has disclosed the information correctly and that it is a list with reasonable conditions and prices. Approved by management or the Board of Directors prior to the transaction.

8.3 The performance of Sub-committees in 2020

1) Executive Committee

List of Executive Committee and Attendance the Meeting

Name	Position	Attendance the Meeting (times)
1. Mr. Sangchai Chotchuangchutchaval	Chairman of the Executive Committee	6/13
2. Mr. Panet Chongvatana	Vice Chairman of the Executive Committee	13/13
3. Mr. Rangsan Thammanee Wong	Executive Committee Member	13/13
4. Mr. Sumet Jiambutr	Executive Committee Member	13/13

Performance of the Executive Committee

The Executive Committee considers and approved policies, goals, strategies, operational plans, investment projects, budgets and administrative powers of the Company for the year 2022 for submission to the Board of Directors for approval and monitor and supervise the Company's business operations to comply

with the policies, goals, strategies, operational plans, investment projects and the annual budget 2021 approved by the Board of Directors to be efficient and conducive to business conditions. Ready to give advice and advice on management to senior management. And to report the operating results to the Board of Directors meeting for acknowledgment.

In 2021, Executive Committee supervise and approve the matter related to the operations of the company such as

- 1.) Consider approving the sales from 100-300 million baht by considered a total of 7 projects
- 2.) Consider setting guidelines on taking legal actions in 3 case.
 - In the case the company has become a plaintiff or defendant in the civil case with the capital exceed 10 million baht.
 - In the case the company has become a plaintiff or defendant in the criminal cases.
- 3.) Consider and approve the change in the shareholding of Patkol Indonesia for the refrigeration business to 86%.
- 4.) Consider and approve the increase in the authority to pay and the authority to approve online transactions of Patkol Public Company Limited and the authority to pay by any director of Patkol Vietnam.
- 5.) Consider and approve the addition of directors in Patkol Group, both domestically and internationally to be flexible in work.
- 6.) Consider screening all types of the jobs presented to the Board of Director except the job under the responsibility and/or authority of Sub-committees of the company to become the screener to present to the Board of Director directly.
 - To consider and approve the proposal for projects worth more than 300 million baht to the Board of Directors for further approval for 4 projects.
 - Consider and approve project guarantees for affiliated companies of Patkol Group (Tygenic Company Limited)
 - Consider and approve the change in the Company's dividend payment policy to "not less than 30 percent of net profit after tax. (Part belonging to the parent company according to the consolidated financial statements) unless there is a necessity or a reasonable cause that cannot be paid."
 - To consider and approve the arrangement of the Extraordinary General Meeting of Shareholders in case of moving the ice machine business to a subsidiary in the Patkol Group.

2) Nomination and Remuneration Committee

List of Nomination and Remuneration Committee and Attendance the Meeting

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

Performance of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee selects the persons who deserve to be nominated as directors in accordance with the criteria for recruiting directors of the Company. Consider guidelines for remuneration offered to the sub-committee and Determine procedures and standards for offering remuneration to members of the Nomination and Remuneration Consideration Committee and the sub-committee fairly and reasonably to be proposed to the meetings of the Board of Directors and shareholders accordingly.

In 2021, Nomination and Remuneration Committee supervise and approve the matter related to the operations of the company such as

1.) To consider and propose the appointment of directors to replace those who retire by rotation in 2022 to the Board of Directors No. 6/2021 for approval. According to the Public Limited Companies Act 1992 and Article 14 of the Company's Articles of Association and Article 32, that at every annual general meeting, one-third or close to one-third of the directors shall resign from their positions. In year 2022, there were 4 directors who completed their term:

- | | | |
|-----------------|----------------------|----------------------------|
| 1) Mr. Petipong | Pungbun Na Ayudhya | Chairman of the Board |
| 2) Mr. Sangchai | Chotchuangchutchaval | Vice Chairman of the Board |
| 3) Ms. Nongluck | Sakdakrai | Director |
| 4) Mr. Rangsang | Thammaneeewong | Director |

2.) Consider the nomination for the position of Chief Executive Officer (CEO) because Mr. Sangchai Chotchuangchutchaval Currently holds the position of Chief Executive Officer and Chairman of Executive Committee. of Patkol Group will retire at the end of 2021

2.) Consider the remuneration for the directors, directors who perform duties in the Company's sub-committees and Chief Executive Officer fairly and reasonably. And proposed to the Board of Directors and the shareholders' meeting for approval. By comparing the remuneration of directors for the year 2021 from information on the remuneration of various committees of companies in the same industry as the company. Therefore, it is proposed to pay the remuneration to the directors with the details as follows:

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

This will propose the shareholders to consider the rate of directors' remuneration for the year 2022 in the 2022 shareholders' meeting for approval.

3) Risk Management Committee

List of Risk Management Committee and Attendance the Meeting

Name	Position	Attendance the Meeting (times)
1. Mr. Veerachai Srikajorn	Chairman of the Risk Management Committee	6/6
2. Mr. Paradorn Chulajata	Risk Management Committee Member	5/6
3. Mr. Panet Chongvatana	Risk Management Committee Member	6/6
4. Mr. Rangsan Thammanee Wong	Risk Management Committee Member	6/6

Performance of the Risk Management Committee

The Risk Management Committee has been responsible for scrutinizing the Company's overall risk management policies and guidelines covering important risks such as financial risks, operational risks and legal and litigation risks, etc., to present the Board of Directors for approval, as well as to establish strategies and guidelines for managing the Company's risks in accordance with the Risk Management Policy and adjust the measures to be used to manage risks according to the circumstances.

In addition, it is regularly reported to the Board of Directors regarding management. The Company's operations and risk status and changes, including adjustments to comply with the specified policies and strategies.

In summary, The Risk Management Committee has the opinion that in 2021, the Company has developed a risk management system to cover all risk factors. Risk management is ongoing and in line with changing circumstances. There are regular risk management committee meetings to consider important and urgent risks in a timely manner, which creates the effectiveness of risk management of Patkol Group.

9. Internal control and related transactions

9.1 Internal control

The Audit Committee Meeting No. 1/2021 on 24 February 2021 assessed the sufficiency of the internal audit of the company by summarizing the opinions on sufficiency of the internal audit into five parts as follows:

Part 1 Organization and the environment

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

Part 2 Risk Management

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

Part 3 Control of the Operations of the Management

The operation of the management has absolutely divided the duty and responsibility for approval of the records of accounting items, information and storing of the assets separately. Approval of the transactions of the company with the major shareholders, the directors, the management or the relevant persons shall consider the maximum benefit of the company and as if the items were made with the general public.

Part 4 Information Technology and Communication Systems

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

Part 5 Follow-up System

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

audit committee and the management within a reasonable time, including reporting the advance in the address of such the shortcomings.

9.2 Related transaction

Person with possible conflict of interest	Transaction	Transaction value (Million Baht)		Reasonable of the transaction
		2021	2020	
Mr. Rangsan Thammaneeewong <i>The business consultant provider</i>	<u>Service Fee</u> The Company has renewed of service contract in the field of consulting, defining, transferring and recommending the knowledge related to the determination, preparation, change, improvement, development of forms, methods, tools and information related to problem solving, and business process development and any other related work for the Company and its affiliates (Form 1 January 2021 to 31 December 2021)	1.8	1.3	<p>The management committee meeting resolved to approve the transaction between the Company and Mr. Rangsan Thammaneeewong in the extension of the service contract.</p> <p>The aforementioned list of service fees is for developing work processes and benefits in the Company's business operations. Prices and settlement terms are normal business rates. Such items are necessary. And reasonable and in the best interest of the company</p> <p>The Audit Committee does not have a different opinion from the management team.</p>

Person with possible conflict of interest	Transaction	Transaction value (Million Baht)		Reasonable of the transaction
		2021	2020	
Mr. Sumet Jiambutr <i>The business consultant provider</i>	<u>Service Fee</u> The Company has entered into an employment service agreement for consulting services. Introduce knowledge, develop patterns, methods, tools and information related to problem solving. And the development of business processes of the production business group with Mr. Sumet Jiambutr (Form 1 January 2021 to 31 December 2021)	3.5	3.5	The management committee meeting approved the transaction between the Company and Mr. Sumeth Chiambut in entering into the service contract The aforementioned list of service fees is for developing work processes and benefits in the Company's business operations. Prices and settlement terms are normal business rates. Such items are necessary. And reasonable and in the best interest of the company The Audit Committee does not have a different opinion from the management team.

Other inter-related transactions, including pricing and interest rate policies, determined by PATKOL and its subsidiaries, joint venture firms, and other related organizations, are shown in the Footnotes to Financial Statement No. 33.

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

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

In case that there shall be any inter-related transaction implemented by the company or its subsidiaries, joint venture firms, and other related organizations that may possibly cause any conflict of interest in the future, the Internal Audit Committee shall necessarily provide comments and suggestions on such implemented inter-related transaction with regard to its appropriate price by considering required conditions complying with the nature of business existed in the industry and the comparison of the price proposed by any third party or the current market price if necessary. The Internal Audit Committee shall deploy independent experts or auditors of the company to provide productive comments and suggestions on such implemented inter-related transaction to be used as reference to the Internal Audit Committee's verdict.

Admittedly, such comments and suggestions provided by the Internal Audit Committee, independent experts, or auditors shall also be used as reference to the verdict of the Board of Directors or shareholders depending on cases. The Board of Directors who are interested person are unauthorized to cast a vote on such

implemented inter-related transaction as it shall be disclosed in the Footnotes to Financial Statement verified by the company's internal auditors.

Part 3

Financial Statement for the year 2020

Independent Auditor's Report

To The Shareholders of Patkol Public Company Limited

Opinion

I have audited the financial statements of Patkol Public Company Limited and its subsidiaries, which comprise the consolidated and separate statements of financial position as at December 31, 2021, and the related consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position of Patkol Public Company Limited and its subsidiaries as at December 31, 2021, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King as relevant to my audit of the consolidated financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

Impairment of investments in subsidiaries Trade accounts and other receivables, and Loans and accrued interest

As disclosed in Note 12, as of December 31, 2021, the subsidiaries had accumulated losses in excess of capital. The management of the group of companies is in the process of managing the operation to improve in the future. The Company included net investment in this subsidiaries amount of Baht 34.81 million, and trade and other receivables amount of Baht 16.20 million and loans provided to the subsidiaries, which including interest receivable amount of Baht 18.87 million. I have paid particular attention to the determination of impairment of investment in subsidiaries and allowance for expected credit loss of trade and other account receivables and the allowance for expected credit loss for doubtful accounts with respect to loans to and interest receivable from the subsidiaries in the separate financial statements, since these accounts required the exercise of significant management judgment with respect to projections of the future operating performance of the subsidiaries, and the determination of an appropriate discount rate and key assumptions. There is thus a risk with respect to the amount of impairment loss and the allowance for doubtful accounts.

Risk Responses of Auditor

The audit procedures are as follow;

- I assessed the management's identification of cash-generating units. I also gained an understanding of and assessed the cash flow projections of the subsidiaries;
- Understand the process of acquiring such numbers;
- The Compare historical cash flow projections with actual operating results. To assess the management's judgment in projecting expected future cash flows;
- Evaluate the discount rate by considering and comparing it with information from companies in the same industry that can be referenced from publicly available information;
- Consider the adequacy of the disclosures in the notes to the financial statements.

Deferred Tax Assets

As described in the Note 18 to the consolidate financial statements, the Group Company recorded deferred tax assets of Baht of 127.75 million, and Baht of 48.59 million in the statement of financial position. The recognition of deferred tax assets is based on possibility of actual utilization and subject to management's judgment. Expected benefits from such assets depend on many factors, including appropriateness of temporary difference and sufficiency of future taxable profit.

Risk Responses of Auditor

The audit procedures are as follow;

- Evaluated the Company management's judgment regarding sufficiency of future taxable profit that will be available to utilize tax losses. Evaluation focused on the reasonableness of future cash flow projection and preparation process of cash flow projection;
- Tested reliability of calculation and compared with the latest annual budget approved by the Company's board of directors;
- Enquired the Company's management regarding a key assumption, long term growth rate, and compared with historical performance, economic conditions, and industrial trend;
- Consider the adequacy of the disclosures in the notes to the financial statements.

Revenue recognized under the percentage of completion

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

Risk Responses of Auditor

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

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

receivable under contract, reviewed the loss and cost of job to be incurred until the job on completion and including assessment of the allowance for losses on contracts.

- Check the actual cost. Compare it to an assessment by an engineer;
- Consider the completeness of all costs through a post-period data review;
- Consider the adequacy of the disclosures in the notes to the financial statements.

Acquisitions of businesses

As described in the Note 32 to the consolidate and separate financial statements, during the year 2021, the Company ("Seller") entered into a sales and purchase agreement of ice machine business with a subsidiary ("Buyer"). And the handover of the business on October 1, 2021 has been completed. As a result, the Company recorded a profit from sales of 139 million Baht in the separate income statement for the year ended December 31, 2021.

The acquisition method of accounting for business combinations is a complex and judgmental exercise. The Company hires an appraiser to assess the value of this business transaction to determine the value of the business.

I focussed due to the materiality of the transactions and the significant judgment and complexities involved in determining the fair value of business.

Risk Responses of Auditor

- Read the sale and purchase agreement to understand key terms and conditions;
- Understand the process of acquiring such numbers;
- Understand and assess the appropriateness of the assessment methods. including the assumptions used in the valuation of business transactions;
- Understand and assess the appropriateness of the assessment methods. including the assumptions used in the valuation of business transactions;
- Assess the evaluator's qualifications as knowledgeable and competent. Be independent;
- Ask the appraiser about the source of important basic information used in the valuation;
- Verify the accuracy of accounting records;
- Consider the adequacy of the disclosures in the notes to the financial statements.

Emphasis of matters

I draw attention to Note 39 Litigation to the consolidated financial statement.

- 1.1 On 14 January 2019, the second defendant's, a subsidiary, was sued as a civil case by Samutprakarn provincial court. about the claim of damages from fire the warehouse, which the subsidiary installed refrigeration equipment, indemnity of 246.42 million Baht plus interest rate at 7.5% of the amount, is the following day of the lawsuit. The case is currently under consideration by the court. The Company's management and lawyer have an opinion that there are uncertain of solution at present. Therefore, the amount of damages has not yet been determined.
- 1.2 On 11 January 2019, a subsidiary was sued as a civil case by the Civil Court. about the claim of damages from fire the warehouse, which the subsidiary installed refrigeration equipment, indemnity of 143.12 million Baht plus interest rate at 7.5% of the amount of the money, is the following day of the lawsuit. The court issued a judgment on 8 June 2020 to dismiss the plaintiff, but the plaintiff has appealed and the court of appeal received. The case was trialing. The Company's management and lawyer have an opinion that there are uncertain of solution at present. Therefore, the amount of damages has not yet been determined.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report. My opinion on the consolidated financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

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

(Ms. Kannika Wipanurat)

Certified Public Accountant

Registration No. 7305

Karin Audit Company Limited

Bangkok, Thailand

February 25, 2022

PATKOL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2021

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION

		(In Baht)			
		Consolidated financial statements		Separated financial statements	
		December 31,	December 31,	December 31,	December 31,
Notes		2021	2020	2021	2020
<u>ASSETS</u>					
CURRENT ASSETS					
Cash and cash equivalents	5	372,166,119	395,564,382	216,384,699	284,829,048
Trade and other receivables, net	6,35.3	638,014,235	440,458,967	540,062,557	424,334,770
Current portion of finance lease receivable	7	86,909,058	56,747,052	86,909,058	56,747,052
Contract assets, net	8,35.3	385,490,973	262,687,082	326,215,101	238,406,335
Short - term loans from related parties	35.3	-	-	88,540,176	41,702,528
Inventories, net	9	593,950,454	368,971,402	287,877,957	172,806,779
Current tax assets		19,746,860	374,259	12,629,871	-
Other current assets		8,485,590	13,467,122	7,954,333	10,678,849
Non - current assets classified as held for sale	10	7,126,245	10,695,000	-	10,695,000
Total current assets		<u>2,111,889,534</u>	<u>1,548,965,266</u>	<u>1,566,573,752</u>	<u>1,240,200,361</u>
NON - CURRENT ASSETS					
Other non - current financial assets	11	56,476,690	31,141,839	6,384,083	6,371,059
Investments in subsidiaries, net	12	-	-	343,862,236	348,162,090
Other receivables, net	35.3	-	-	100,506,964	-
Trade installment receivables, net	13	-	-	-	-
Finance lease receivable, net	7	383,466,356	219,007,560	383,466,356	219,007,560
Investment property, net	14	80,136,291	116,746,604	80,136,291	80,689,309
Property, plant and equipment, net	15	1,396,529,582	1,426,205,663	901,257,558	930,240,989
Right of use, net	16	13,891,496	14,263,489	4,158,891	12,813,984
Intangible assets, net	17	59,767,886	76,418,697	51,785,558	70,826,556
Deferred tax assets	18	127,752,120	133,250,973	48,591,889	82,608,684
Other non - current assets		59,205,407	62,730,836	34,965,993	33,678,553
Total non - current assets		<u>2,177,225,828</u>	<u>2,079,765,661</u>	<u>1,955,115,819</u>	<u>1,784,398,784</u>
TOTAL ASSETS		<u>4,289,115,362</u>	<u>3,628,730,927</u>	<u>3,521,689,571</u>	<u>3,024,599,145</u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>					
CURRENT LIABILITIES					
Bank overdrafts and short - term loans					
from financial institutions	19	329,064,934	169,997,448	189,532,194	2,979,634
Trade and other current accounts payable	20,35.3	741,501,016	425,194,633	513,680,254	336,586,690
Contract liabilities	8,35.3	390,753,359	424,507,096	267,399,414	386,311,636
Current portion of long - term loans					
from financial institutions, net	21	338,335,856	281,881,639	165,610,913	119,672,913
Current portion of lease liabilities, net	22	14,355,780	20,271,560	5,243,221	13,926,694
Income tax payable		4,031,848	3,329,155	-	-
Current provisions for employee benefits	23	830,378	438,981	-	-
Provision for liabilities		18,129,606	24,927,931	15,132,785	18,897,952
Total current liabilities		<u>1,837,002,777</u>	<u>1,350,548,443</u>	<u>1,156,598,781</u>	<u>878,375,519</u>

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

		(In Baht)			
		Consolidated financial statements		Separated financial statements	
		December 31,	December 31,	December 31,	December 31,
Notes		2021	2020	2021	2020
LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)					
NON - CURRENT LIABILITIES					
Long - term loans from financial institutions, net	21	390,178,325	286,040,000	367,695,000	267,790,000
Lease liabilities, net	22	14,867,392	22,166,502	2,228,529	9,672,682
Deferred tax liabilities	18	193,706,962	179,061,957	141,038,941	143,317,257
Provisions for employee benefits	23	184,106,643	239,675,353	90,283,854	186,598,024
Total non - current liabilities		782,859,322	726,943,812	601,246,324	607,377,963
TOTAL LIABILITIES		2,619,862,099	2,077,492,255	1,757,845,105	1,485,753,482
SHAREHOLDERS' EQUITY					
Share capital					
Authorised share capital					
79,487,456 preferred shares of Baht 1 each		79,487,456	79,487,456	79,487,456	79,487,456
520,756,281 common shares of Baht 1 each		520,756,281	414,607,781	520,756,281	414,607,781
Issued and paid - up share capital					
79,487,456 preferred shares of Baht 1 each	26	79,487,456	79,487,456	79,487,456	79,487,456
414,607,781 common shares of Baht 1 each	26	414,607,781	414,607,781	414,607,781	414,607,781
106,148,500 common shares of Baht 1 each		106,148,500	-	106,148,500	-
Warrants	26	-	111,455,925	-	111,455,925
Premium on preferred shares	26	4,555,919	4,555,919	4,769,247	4,769,247
Premium on common shares	26	14,911,575	8,542,665	14,911,575	8,542,665
Discount on common shares	26	(22,088,943)	(22,088,943)	(22,088,943)	(22,088,943)
Company's shares held by a subsidiary					
Preferred shares	27	(3,555,477)	(3,555,477)	-	-
Retained earnings (deficit)					
Appropriated - legal reserve	29	60,024,374	60,024,374	60,024,374	60,024,374
Unappropriated		374,996,101	250,713,724	536,317,945	309,305,218
Other components of shareholders' equity		615,387,756	620,615,832	569,666,531	572,741,940
Equity attributable to owners of the parent		1,644,475,042	1,524,359,256	1,763,844,466	1,538,845,663
Non - controlling interest		24,778,221	26,879,416	-	-
Total equity		1,669,253,263	1,551,238,672	1,763,844,466	1,538,845,663
TOTAL LIABILITIES AND EQUITY		4,289,115,362	3,628,730,927	3,521,689,571	3,024,599,145

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2021 AND 2020

		(In Baht)			
Notes		Consolidated financial statements		Separated financial statements	
		2021	2020	2021	2020
	Revenue from ongoing projects	2,521,540,416	2,403,895,078	2,043,879,826	2,045,022,139
	Revenue from sales and services	685,985,750	655,297,378	250,817,513	282,722,923
	Total Revenue	3,207,526,166	3,059,192,456	2,294,697,339	2,327,745,062
	Costs of good sold and services	(2,514,650,412)	(2,304,095,838)	(1,888,184,004)	(1,883,241,997)
	Gross profit	692,875,754	755,096,618	406,513,335	444,503,065
	Other income	97,038,693	66,728,900	314,887,415	118,883,442
	Income before expenses	789,914,447	821,825,518	721,400,750	563,386,507
	Distribution costs	(302,529,682)	(314,366,658)	(215,937,257)	(278,893,086)
	Administrative expenses	(318,537,436)	(458,090,073)	(257,668,103)	(376,418,342)
	Total expenses	(621,067,118)	(772,456,731)	(473,605,360)	(655,311,428)
	Profit (Loss) before financial cost	168,847,329	49,368,787	247,795,390	(91,924,921)
	Finance cost	(29,960,637)	(41,044,083)	(17,890,600)	(25,823,701)
	Profit (Loss) before income tax	138,886,692	8,324,704	229,904,790	(117,748,622)
	Income tax	(40,438,233)	16,403,320	(26,584,278)	3,289,660
	Profit (Loss) for the years	98,448,459	24,728,024	203,320,512	(114,458,962)
	Other comprehensive income :				
	Items that will be reclassified to profit or loss :				
	Exchange differences on translating financial statements	(4,736,064)	(2,654,940)	-	-
	Items that will never be reclassified to profit or loss :				
	Profit on remeasurement of defined benefit plans	24,593,487	60,947,467	25,771,008	44,423,427
	Total other comprehensive income for the years	19,857,423	58,292,527	25,771,008	44,423,427
	Total comprehensive income (expense) for the years	118,305,882	83,020,551	229,091,520	(70,035,535)
	Profit (loss) attributable to				
	Owners of the parent	96,849,475	22,461,659	203,320,512	(114,458,962)
	Non - controlling interest	1,598,984	2,266,365	-	-
		98,448,459	24,728,024	203,320,512	(114,458,962)
	Total comprehensive income (expense) attributable to				
	Owners of the parent	116,706,898	80,754,125	229,091,520	(70,035,535)
	Non - controlling interest	1,598,984	2,266,427	-	-
		118,305,882	83,020,552	229,091,520	(70,035,535)
	Basis Profit (loss) per share of the parent				
	Net Profit (loss) (Baht per shares)	0.195	0.054	0.408	(0.276)
	Weighted average number of common shares (thousand shares)	497,815,763	414,607,781	497,815,763	414,607,781
	Diluted Profit (loss) per share of the parent				
	Net Profit (loss) (Baht per shares)	0.195	0.043	0.408	(0.220)
	Weighted average number of common shares (thousand shares)	497,815,763	519,754,880	497,815,763	519,754,880

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2021

	(In Baht)													
	Consolidated financial information													
	Attributions to shareholders' equity of the parent													
Issued and paid - up share capital	Retained earnings (deficit)					Other components of shareholders' equity								
	Preferred shares	Common shares	Warrant	Premium on preferred shares	Premium on common shares	Discount on common shares	Company's shares held by a subsidiary	Appropriated - legal reserve	Unappropriated	Exchange differences on translation financial statements	Revaluation surplus on fixed assets	Changes in the proportion of interests in subsidiaries		Total other components of shareholders' equity
Balance as at January 1, 2021	79,487,456	414,607,781	111,455,925	4,555,919	8,542,665	(22,088,943)	(3,555,477)	60,024,374	250,713,724	(2,654,940)	623,270,772	-	620,615,832	1,551,238,672
Cash paid for Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,770,215)
Issuance of ordinary shares	-	106,148,500	(111,455,925)	-	6,368,910	-	-	-	-	-	-	-	-	1,061,485
Additional property depreciation	-	-	-	-	-	-	-	-	3,075,408	-	(3,075,408)	-	(3,075,408)	-
Changes in the proportion of interests in subsidiaries	-	-	-	-	-	-	-	-	-	(71,544,000)	-	-	(71,544)	(1,165,957)
Transferred to retained earning	-	-	-	-	-	-	-	-	24,593,487	-	-	-	-	24,593,487
Comprehensive income (expense) for the year	-	-	-	-	-	-	-	-	96,613,482	(2,081,124)	-	-	(2,081,124)	1,834,977
Balance as at December 31, 2021	79,487,456	520,756,281	-	4,555,919	14,911,575	(22,088,943)	(3,555,477)	60,024,374	374,996,101	(4,736,064)	620,195,364	(71,544)	615,387,756	1,669,253,263
Balance as at January 1, 2020	79,487,456	414,607,781	111,455,925	4,555,919	8,542,665	(22,088,943)	(3,555,477)	60,024,374	164,229,188	(3,644,210)	626,346,181	-	622,701,971	1,462,869,348
Additional property depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital increase in a subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	1,704,562
Transferred to retained earning	-	-	-	-	-	-	-	-	60,947,467	-	-	-	-	60,947,467
Comprehensive income for the year	-	-	-	-	-	-	-	-	25,337,069	989,270	(3,075,409)	-	(2,086,139)	25,717,295
Balance as at December 31, 2020	79,487,456	414,607,781	111,455,925	4,555,919	8,542,665	(22,088,943)	(3,555,477)	60,024,374	250,713,724	(2,654,940)	623,270,772	-	620,615,832	1,551,238,672



PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2021

	(In Baht)										
	Separate financial information										
	Retained earnings (deficit)										Total other comprehensive income (expense) for the period
	Premium on				Discount on		Appropriated -		Revaluation		
Notes	Preferred shares	Common shares	Warrant	preferred shares	common shares	common shares	legal reserve	Unappropriate	surplus on fixed assets	components of equity	Total shareholders' equity
Balance as at January 1, 2021	79,487,456	414,607,781	111,455,925	4,769,247	8,542,665	(22,088,943)	60,024,374	309,305,218	572,741,940	572,741,940	1,538,845,663
Issuance of ordinary shares	-	106,148,500	(111,455,925)	-	6,368,910	-	-	-	-	-	1,061,485
Additional property depreciation	-	-	-	-	-	-	-	3,075,409	(3,075,409)	(3,075,409)	-
Transferred to retained earning	-	-	-	-	-	-	-	20,616,806	-	-	20,616,806
Comprehensive income for the year	-	-	-	-	-	-	-	203,320,512	-	-	203,320,512
Balance as at December 31, 2021	79,487,456	520,756,281	-	4,769,247	14,911,575	(22,088,943)	60,024,374	536,317,945	569,666,531	569,666,531	1,763,844,466
Balance as at January 1, 2020	79,487,456	414,607,781	111,455,925	4,769,247	8,542,665	(22,088,943)	60,024,374	376,265,344	575,817,349	575,817,349	1,608,881,198
Additional property depreciation	-	-	-	-	-	-	-	-	-	-	-
Transferred to retained earning	-	-	-	-	-	-	-	44,423,427	-	-	44,423,427
Comprehensive (expense) for the year	-	-	-	-	-	-	-	(111,383,553)	(3,075,409)	(3,075,409)	(114,458,962)
Balance as at December 31, 2020	79,487,456	414,607,781	111,455,925	4,769,247	8,542,665	(22,088,943)	60,024,374	309,305,218	572,741,940	572,741,940	1,538,845,663

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

Notes	(In Baht)			
	Consolidated financial information		Separate financial information	
	2021	2020	2021	2020
Cash flows from operating activities				
Profit (Loss) before income tax	138,886,692	8,324,705	229,904,790	(117,748,622)
Adjustments				
Adjusted trade and other receivables (increase) decrease	(210,559,888)	234,101,834	(137,553,170)	219,686,144
Adjusted Trade and other non current accounts receivable (increase)	-	-	(100,506,964)	-
Adjusted finance lease receivable (increase) decrease	(194,620,802)	53,717,614	(194,620,802)	53,717,614
Adjusted contract assets (increase) decrease	(125,452,976)	132,177,752	(90,457,852)	103,688,970
Adjusted inventories (increase) decrease	(223,123,703)	200,588,289	(114,612,127)	90,053,761
Adjusted other current assets (increase) decrease	4,981,530	(2,616,260)	2,724,517	(835,457)
Adjusted other non - current assets decrease	2,403,488	1,614,759	1,275,535	1,540,156
Adjusted trade and other payables increase (decrease)	308,862,997	(85,217,572)	168,827,423	(41,256,639)
Adjusted contract liabilities (decrease)	(33,753,736)	(81,647,626)	(118,912,222)	(37,648,256)
Depreciation	58,728,642	68,389,977	25,031,137	33,579,535
Amortization	17,117,799	16,834,276	15,549,521	15,389,217
Depreciation for right of use	9,669,694	10,807,103	8,615,228	9,681,110
Amortization income tax	548,858	240,733	-	240,733
Adjusted bad debt and doubtful accounts (reversal)	(3,532,765)	23,575,581	(7,403,596)	30,550,058
Adjusted loss on declining in value of inventories	1,125,628	4,561,990	2,521,927	1,974,207
Adjusted unrealized (gain) on exchange rate	248,924	(478,822)	(2,430,228)	632,627
Adjusted (gain) on sale of fixed assets	(700,067)	(3,224,884)	(713,714)	(2,908,995)
Adjusted loss from write off fixed assets	24,062	-	2,714,602	-
Adjusted (gain) on sale of intangible assets	(1,812)	-	-	-
Adjusted (gain) loss from write off intangible assets	2,690,540	4,170	(10,930,973)	4,170
Adjusted loss on devaluation of investment	-	-	5,537,354	24,262,495
Adjust (gain) from disposals of non - current assets classified as held for sale	(10,930,973)	-	-	-
Adjust (gain) from cancel finance lease agreement	(1,397,164)	-	(685,599)	-
Adjusted provision for liabilities (reversal)	(6,798,325)	7,669,101	(3,765,167)	3,357,727
Adjusted employee benefit expenses	30,578,320	42,503,705	(18,044,346)	34,534,116
Adjusted Liabilities under debt restructuring plan (reversal)	-	(9,135,646)	-	(9,135,646)
Adjusted Liabilities under debt restructuring agreement (reversal)	-	(18,958,900)	-	-
Interest income	(15,093,883)	(18,003,540)	(17,575,862)	(21,222,952)
Financial cost	29,960,637	41,265,595	17,890,600	25,823,701
Dividend income	-	-	(11,080,859)	-
Total adjustment of profit (loss)	(220,138,283)	627,093,934	(348,700,847)	417,959,774
Net cash provided by (use in) operating activities				
Cash received interest	15,093,883	18,003,540	53,507,274	45,350,901
Cash paid interest	(29,905,433)	(44,128,670)	(17,890,600)	(25,410,035)
Cash received income tax	1,276,400	18,653,089	-	18,159,843
Cash paid income tax	(26,828,678)	(20,219,832)	(15,507,929)	(11,210,958)
Cash paid from employee benefit	(46,942,899)	(67,478,851)	(44,427,939)	(44,443,978)
Net cash provided by (use in) operating activities	(307,445,010)	531,923,210	(373,020,041)	400,405,547

Patkol Public Company Limited

Patkol Public Company Limited

Statement of Cash Flows (continued)

For the nine-month period ended 30 September 2021

Notes	(In Baht)			
	Consolidated financial information		Separate financial information	
	2021	2020	2021	2020
Cash flows from investing activities				
Deposits at bank with commitment (increase) decrease	(25,338,004)	2,397,231	(13,024)	(30,146)
Cash received from short - term loans to related parties	-	-	140,649,337	76,900,000
Cash paid for short - term loans to related parties	-	-	(188,518,460)	(48,324,212)
Cash received from disposals of property, plant and equipment	805,529	3,468,074	804,127	2,999,449
Cash paid for purchase of property, plant and equipment	(1,878,010)	(12,309,256)	2,209,032	(8,007,281)
Cash received from sale of intangible assets	25,964	-	25,964	-
Cash paid for purchase of intangible assets	(3,982,664)	(33,113)	(24,200)	(26,883)
Cash received from non-current assets classified as held for sale	21,625,973	-	21,625,973	-
Cash received from warrants	1,061,485	-	1,061,485	-
Cash received dividend	(1,237,500)	-	11,080,859	-
Cash paid for investments in subsidiaries	-	-	(1,237,500)	(3,638,938)
Net cash provided by (used in) investing activities	(8,917,227)	(6,477,064)	(12,336,407)	19,871,989
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	(17,324,714)	(31,176,011)	(2,287,441)	(17,844,995)
Cash received from shares from non -controlling interest	-	1,704,562	-	-
Cash received from short - term loans from financial institutions	749,157,000	836,431,800	440,840,000	317,144,000
Cash received from long - term loans from financial institutions	284,813,000	314,000,000	245,813,000	314,000,000
Cash paid for short - term loans from financial institutions	(572,764,800)	(943,154,800)	(252,000,000)	(417,144,000)
Cash paid for long - term loans from financial institutions	(124,220,457)	(72,657,046)	(99,970,000)	(61,560,000)
Cash paid for liabilities under debt restructuring plan	-	(328,816,061)	-	(329,504,350)
Cash paid for liabilities under debt restructuring agreement	-	(16,132,457)	-	-
Cash paid for liabilities under finance lease agreement	(21,844,717)	(25,641,280)	(15,483,460)	(19,058,542)
Cash paid dividend	(2,770,215)	-	-	-
Net cash provided by (used in) financing activities	295,045,097	(265,441,293)	316,912,099	(213,967,887)
The effects of exchange rates on cash and cash equivalents	(2,081,123)	989,270	-	-
Net increase (decrease) in cash and cash equivalents	(23,398,263)	260,994,123	(68,444,349)	206,309,649
Cash and cash equivalents, beginning of year	5 395,564,382	134,570,259	284,829,048	78,519,399
Cash and cash equivalents, ending of year	5 372,166,119	395,564,382	216,384,699	284,829,048
Supplementary information for cash flows				
Non - cash transaction				
Acquisition of right of use assets under lease contracts	11,945,151	24,295,090	2,607,586	22,495,093

1. GENERAL INFORMATION

- 1.1 The Company was incorporated as a limited company on November 28, 1965 with registration no. 372/2508 and changed to a public limited company on June 28, 1993 with registration No. 0107536000587.
- 1.2 The Company's office is located at 348 Chalermparkiat Rama 9 Road, Nongbon, Pravate, Bangkok 10250, and factory is located at 79/1 Moo 14, Soi King Kaew 33 Rachathewa, Bang Phli, SamutPrakan 10540, Thailand
- 1.3 The Company has branches in 5 namely Khon Kaen, Surat Thani, King Kaew, Charoen Nakhon and Lumpun.
- 1.4 The Company has representative offices in 5 branches, namely Philippines, Malaysia, Vietnam, and Indonesia 2 branches.
- 1.5 The Company is engaged in the trading and services of engineering products which include turnkey sales of services in design, manufacturing and installation of various types of industrial refrigeration for the ice making industry and supermarket, dairy and ice - cream processing, as well as food related processing plant and supplies made to order.
- 1.6 For reporting purposes, the Company and its subsidiaries are referred to as "the Group".

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

2.1 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

2.2 Basis for preparation of financial statements

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

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

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

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

2.3 Principles of consolidation

The consolidated financial statements include the financial statements of Patkol Public Company Limited and its subsidiary which are under its control with more than 50 percent voting rights as follows:

	Percentage of holding (%)		Nature of business
	As at December 31, 2021	As at December 31, 2020	
Patkol Ice Solutions Co., Ltd. (Formerly Known as Patkol Manufacturing Co., Ltd)	99.99	99.99	Manufacture and sale of food related processing equipment and service
Patkol Trading Co., Ltd.	99.98	99.98	Sale of the electric system equipment, spare part for industrial refrigeration and ice making industry.
S Panel Co., Ltd.	80.00	80.00	Manufacture and import foam plate and equipment for cold room business.
Heataway Co., Ltd.	99.99	99.99	Sale of evaporative condenser, spare parts and equipment for evaporative condenser.
Tygienic Co., Ltd.	99.99	99.99	Design, manufacture, installation, maintenance and sale of pressure/no pressure tank/heat exchanger.
Patkol Philippines Corporation Co., Ltd.	60.00	60.00	Machinery and project sales representative, including providing machinery installation and maintenance services in Philippines.
Indonesia Patkol Service Corporation Co., Ltd.	99.99	99.99	Machinery installation and maintenance services.
Patkol Malaysia Sendirian Berhad Co., Ltd.	100.00	100.00	Machinery and project sales representative, including maintenance services.
Patkol Myanmar Co., Ltd.	100.00	100.00	Running a business to provide business services for the business group, Refrigeration, Food processing and Liquid food processing.
PT Indonesia Patkol Refrigeration Co., Ltd.	86.80	67.00	Machinery and project sales representative, including maintenance service and installation in refrigeration business

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

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

2.4 Foreign currency translation

2.4.1 Functional and presentation currency

The financial statements are prepared and presented in Thai Baht, which is the Company's and the Group's functional and presentation currency. The financial statement presented in Thai Baht has been rounded to the nearest thousand or million in the notes unless otherwise stated.

2.4.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or the date of revaluation where items are re-measured.

Foreign exchange gains and losses resulting from foreign currency transactions of monetary assets and liabilities are recognised in the profit or loss.

Any exchange component of gains and losses on a non-monetary item that recognised in profit or loss, or other comprehensive income is recognised following the recognition of a gain or loss on the non-monetary item.

2.5 New financial reporting standards and accounting policies

A. Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after January 1, 2021. 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.

B. Financial reporting standards that will become effective for fiscal years beginning on or after January 1, 2022

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, 2022. 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, for some standards, providing temporary reliefs or temporary exemptions for users.

The management of the Group is currently in process of evaluating the plan to be executed and considering the impact of these standards on the financial statements in the year when they are adopted.

3. SIGNIFICANT ACCOUNTING POLICIES

Revenues and expenses recognition

Revenue's recognition

- Sales of goods are recognized when the company has transferred the control of the goods of ownership have passed to the customers, with revenue being recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts.

Multiple element arrangements involving delivery or provision of multiple products or services are separated into distinct performance obligations. Total transaction price of the bundled construct is allocated to each performance obligation based on their relative standalone selling prices or estimated standalone selling prices. Each performance obligation is recognised as revenue on fulfilment of the obligation to the customer.

The Company sells its products and delivers goods to the agreed destination as specified in the contracts. The Company considers that the delivery of goods is not a separate performance obligation; therefore, the Company has only one performance obligation for this type of sales. The Company then recognizes revenue from sales of goods at a point in time when a control of goods transferred to the customer at the agreed destination.

- Revenue from installment sales are recognized on effective interest rate method according to the agreement the Company and subsidiaries will stop the recognition when it is defaulted on payment more than three years.
- Construction revenue includes contracts to provide construction services. Revenue is recognised over time and used the input method to measure progress referencing the physical proportion of contract work completed as per the conditions agreed with customers. The Company satisfies a performance obligation by transferring such services and control of those services to customer over time.

Construction revenue for changes in the scope of work e.g. additional work and contract modification price changes, is recognised as if it were a part of the existing contract. The effect that the contract modification and measurement of progress toward satisfactory completion of the performance obligation, is recognised as an increase in or a reduction of revenue at the date of the contract modification.

Claims, variations and liquidated damages are accounted for as variable consideration and are included in contract revenue provided that it is highly probable that a significant reversal will not occur in the future.

The recognized revenue which is not yet due per the contracts has been presented under the caption of "Unbilled trade accounts receivable" in the statement of financial position. The amounts recognized as contract assets are reclassified to other receivables when the Company's right to consideration is unconditional. The obligation to provide to a customer for which the Company has received from the customer is presented under the caption of "Unearned Income" in the

statement of financial position. Contract liabilities are recognized as revenue when the Company perform under the contract.

Percentage of completion

Construction revenue or construction-type service contracts or service contracts where a defined output is promised, is recognised using the percentage of completion method. The stage of completion is generally determined as the percentage of cost incurred up until the reporting date relative to total estimated cost, adjusted with uninstalled materials that the customer accepts and takes control but not yet installed. Where the stage of completion is not reliably measured, revenue is only recognised up to the amount of contract costs expensed, provided it is recoverable.

- Revenue from service is recognized as revenue when the service is rendered based on the stage of completion which requires additional judgement in determining the timing of the transfer of control - at a point in time or over time.
- Rental income is recognized on an accrual basis by the straight - line method over the term of the lease.
- Interest income is recorded based on period by considering the effective interest rate until maturity and remaining outstanding principal.
- Other income is recognized on an accrual basis.

Expenses recognition

- Expense is recognized on an accrual basis.

Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, short-term highly liquid investments with maturities of three months or less from the acquisition date and bank overdrafts.

In the statement of financial position, bank overdrafts are shown in current liabilities.

Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Mostly of trade receivables have due 30 days, so trade receivables are shown in the current list.

Trade receivables are recognised initially at the amount of consideration, which is unconditional unless they contain significant financing components in which case they are recognised at present value.

The Group applies the TFRS 9 simplified approach to measuring expected credit losses which uses a simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables. To measure the expected credit losses, trade receivables have been grouped based on the days past due. The expected loss rates are based on the payment profiles and the corresponding historical credit losses which are adjusted to reflect the current and forward-

looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP, the unemployment rate and the consumer price index of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. The impairment losses are recognised in profit or loss within administrative expenses.

Contract assets

A contract asset is the excess of cumulative revenue earned over the billings to date. Allowance for impairment loss is provided for the estimated losses that may be incurred in customer collection. Contract assets are transferred to receivables when the rights become unconditional (i.e., services are completed and delivered to the customer).

Financial assets and financial liabilities

Classification and measurement of financial assets

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

The Group classifies its debt instruments in the following categories:

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

At initial recognition, the Group measures a financial asset at its fair value plus or minus, in the case of a financial asset not at FVPL, 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.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the financial assets. There are three measurement categories into which the Group classifies its debt instruments:

- Amortized cost: A financial asset will be measured at a mortised 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 assets 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: Assets that do not meet the criteria for amortised cost or FVOCI are 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.

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

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Classification and measurement of financial liabilities and equity

Financial instruments issued by the Group must be classified as financial liabilities or equity securities by considering contractual obligations.

- Where the Group has an unconditional contractual obligation to deliver cash or another financial asset to another entity, it is considered a financial liability unless there is a predetermined or possible settlement for a fixed amount of cash in exchange of a fixed number of the Group's own equity instruments.
- Where the Group has no contractual obligation or has an unconditional right to avoid delivering cash or another financial asset in settlement of the obligation, it is considered an equity instrument.

At initial recognition, the Group measures financial liabilities at fair value. The Group reclassifies all financial liabilities as subsequently measured at amortised cost, except for derivatives.

Recognition and derecognition

The Group shall recognize a financial asset or a financial liability in its statement of financial position when, and only when, the Group becomes party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets.

Impairment

The Group assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Group applies general approach for credit-impaired consideration.

Inventories

Inventories are valued at the lower of cost or net realizable value. The cost of goods is calculated by:

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

The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, rebates and other similar items. The cost of finished goods and work in progress comprises raw materials, direct labor costs, other direct costs and related production overheads based on normal operating capacity. It excludes borrowing costs.

Net realizable value is the estimate of the selling price in the ordinary course of business, less applicable variable selling expenses. Allowance is made, where necessary, for slow-moving, obsolete and defective inventories.

Non-current assets classified as held for sale

Non-current assets (or disposal groups comprising assets and liabilities), are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets (or disposal group), are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and investment properties. Impairment losses on initial classification as held for sale or held for distribution and subsequent gains and losses on remeasurement are recognized in profit or loss. Once classified as held for sale.

Intangible assets, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

Investment in subsidiaries

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

Investment properties

Investment property is measured initially at cost, including directly attributable costs and borrowing costs. Subsequently, they are carried at cost less accumulated depreciation and impairment.

Land is not depreciated.

Property, plant and equipment

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

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

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

	<u>Number of years</u>
Building and improvement	10 - 50
Machinery and equipment	5 - 20
Machinery for lease	10
Office equipment	3 - 5
Vehicles	5

Land and work in progress are not depreciated.

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

Gains or losses on disposal land building and equipment calculated by comparing the net consideration received from the disposal of assets with the book value of the asset and is recognized in other income or expense in the statement income.

Lease

Lease - 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 assesses the lease term for the non - cancellable period as stipulated in lease contract or the remaining period of active leases together with any period covered by an option to extend the lease if it is reasonably certain to be exercised or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercise by considering the effect of changes in technology and/or the other circumstance relating to the extension of the lease term.

A. Right of use asset

Right-of-use assets are measured at cost, less accumulated depreciation, any impairment losses, and adjusted for any remeasurement of lease liabilities (if any). The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs, and lease payments made on or before the commencement date of the lease.

The cost of right-of-use assets also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Depreciation of right-of-use assets is calculated by reference to their costs on the straight-line basis over the lease term or their estimated useful lives in case of the ownership of the leased asset is transferred to the Company at the end of the lease term.

	<u>Number of years</u>
Office building and factory	3 - 4
Vehicles	1 - 4
Machinery and equipment	1 - 4
Office equipment	1 - 4

B. Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include

the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the group of Company's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

C. Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognized as expenses 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 transfer substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

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

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

Intangible assets

The Company and subsidiaries present intangible assets are stated at cost less accumulated amortization. Such amortization is calculated at cost of assets on a straight - line basis over the estimated useful lives of the assets for 5 - 10 years.

Intangible assets consist of computer software and intellectual property.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

Impairment of assets

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

Borrowings

Borrowings are recognised initially at the fair value, net of transaction costs incurred.

Borrowings are subsequently stated at amortized cost; any difference between proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective yield method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

Trade and other current payables

Trade and other current payables are stated at cost.

Contract liabilities

A contract liability is recognized when the billings to date exceed the cumulative revenue earned and the Group have an obligation to transfer services to a customer. Contract liabilities are recognized as revenue when the Group fulfil their performance obligations under the contracts.

Employee's benefit

- Provident fund

The Company and subsidiaries have established provident fund under the defined contribution plan. The fund's assets are separated entities which are administered by the external fund manager. The fund is contributed to the employees at a rate of 3% - 15% of their employees' salaries. The fund contribution payments at a rate of 3% of their employees' salaries to the provident fund were recorded as expenses in the statements of income in the incurred period.

- Employee benefit

Short - term employee benefits

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

Post - employment benefits

Defined contribution plans

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

Defined benefit plans

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

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

Actuarial gains and losses arising from other long-term benefits are recognized immediately in comprehensive income (expense).

Termination benefits

The Group recognises termination benefits at the earlier of a) when the Group can no longer withdraw the offer of those benefits; and b) when the entity recognises costs for the related restructuring. Benefits more than 12 months due are discounted to their present value.

Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not recognised for temporary differences arise from:

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised
- investments in subsidiaries, associates and joint arrangements where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Provision for liabilities

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

Share Capital

Ordinary shares with discretionary dividends are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Earnings (loss) per share

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

Dilution earning (loss) per share

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

Financial instruments

Classification and measurement

Financial assets that are debt instruments are measured at fair value through profit or loss, fair value through other comprehensive income, or amortized cost. Classification is driven by the Company and its subsidiaries' business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets which is equity instruments are measured at fair value through profit or loss or through other comprehensive income.

Financial liabilities are classified and measured at amortized cost.

Impairment of financial assets

The Company and its subsidiaries recognize an allowance for expected credit losses on its financial assets measured at amortized cost, without requiring a credit-impaired event to have occurred prior to the recognition. The Company and its subsidiaries accounts for changes in expected credit losses in stages, with differing methods of determining allowance for credit losses and the effective interest rate applied at each stage. An exception from this approach is that for trade receivables or contract assets that do not contain a significant financing component, the Company and its subsidiaries applies a simplified approach to determine the lifetime expected credit losses.

Segment information

Operating segments are reported in the same manner as internal reports presented to the chief operating decision maker. Chief operating decision maker makes strategic decisions. Business segments provide products and services that are subject to risks and returns that are different from those of other business segments. Geographic segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those of components operating in other economic environments.

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

Troubled debt restructuring

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

Related parties

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

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

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximizes 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 categorized within the fair value hierarchy into three levels based on categorize of input to be used in fair value measurement as follows:

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

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

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

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

4. USE OF ACCOUNTING ESTIMATES

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

Allowance for expected credit losses of trade receivables and contract assets

In determining an allowance for expected credit losses of trade receivables and contract assets, 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.

Impairment of Inventory

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

Impairment of investments in subsidiaries

The Company treats investments in subsidiaries as impaired if the business operations of such companies are severely impacted by an economic crisis and the investments may take some time to recover their value. The management determines the amount by which such investments have been devalued based on judgement. The use of different estimates and assumptions could affect the amounts of the allowances for impairment of investments in subsidiaries and adjustments to the allowances may therefore be required in the future.

Depreciation plant and equipment and right-of-use assets and amortization of intangible assets.

In determining depreciation of plant and equipment and right-of-use assets and amortization of intangible assets, the management is required to make estimates of the useful lives and residual values (if any) and to review useful lives and residual values when there are any changes.

In addition, the property, plant and equipment, right-of-use assets and intangibles assets are subject to impairment if there is an indication, they may be impaired, and impairment losses are recorded in the period when it is determined that their recoverable amount is lower than the carrying amount.

Impairment of assets

The Company and subsidiaries have considered the impairment of asset when the carrying amount of an asset decrease significantly. The company will estimate its recoverable value the determination requires judgment.

Deferred tax assets

The Company and subsidiaries recognize deferred tax assets which is calculate on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts that it is probable that future taxable profit will be available. the management needs to make judgment and estimates, based on consideration of the taxable profits that are expected to occur in the future in each period.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate. In determining the appropriate discount rate, management selects an interest rate that reflects the current economic situation. The mortality rate is based on publicly available mortality rates in Thailand. However, the actual post-employment benefits may differ from the estimates.

Estimated of revenues from project and project cost

In estimation of revenues from project, management are required to make judgement based on their best knowledge of the current events and arrangements and their experience of the business in order to estimate the percentage of completion, based on information from the engineers/project managers. The Company estimate costs of projects based on details of the construction work, taking into account the volume and prices of construction materials to be used in the project, labor costs and other miscellaneous costs to be incurred to completion of service, taking into account the direction of the movement in these costs. Estimates are reviewed regularly or whenever actual costs differ significantly from the figures used in the original estimates.

Provision for losses on projects

Management applied judgment in estimating the loss they expect to be realized on each construction projects, based on estimates of anticipated costs that take into account the progress of the project and actual costs incurred to date, together with fluctuations in costs of construction materials, labor and the current situation.

5. CASH AND CASH EQUIVALENTS

Consist of:

	(In Thousand Baht)			
	Consolidated financial statements		Separated financial statements	
	As at December	As at December	As at December	As at December
	31, 2021	31, 2020	31, 2021	31, 2020
Cash	382	400	343	353
Cash at bank - current accounts	72,479	54,553	20,173	41,907
Cash at bank - saving accounts	299,305	340,611	195,869	242,569
Total cash and cash equivalents	372,166	395,564	216,385	284,829

As at 31 December 2021, the interest rates on saving deposits with banks were 0.125% to 0.250% per annum (2020: 0.125% to 0.250% per annum).

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2021



6. TRADE AND OTHER RECEIVABLE, NET

Consist of :

	(In Thousand Baht)			
	Consolidated financial statements		Separated financial statements	
	As at December	As at December	As at December	As at December
	31, 2021	31, 2020	31, 2021	31, 2020
Trade and other receivables, net	603,820	410,172	398,436	300,560
Trade and other receivable - related parties				
(Note 35.3)	-	-	110,335	100,537
Retention receivables, net	34,194	30,287	31,292	23,237
Total trade and other receivables, net	638,014	440,459	540,063	424,334

6.1 Trade and other receivables - third parties, net

	(In Thousand Baht)			
	Consolidated financial statements		Separated financial statements	
	As at December	As at December	As at December	As at December
	31, 2021	31, 2020	31, 2021	31, 2020
Trade receivables	546,736	461,380	369,903	341,517
<u>Less</u> Allowance for expected credit losses	(97,292)	(110,594)	(71,986)	(94,786)
Trade receivable, net	449,444	350,786	297,917	246,731
Other receivables				
Prepaid expenses	129,547	54,010	81,053	48,367
Advance payments	737	2,048	193	299
Other	29,852	8,030	20,846	5,705
<u>Less</u> Allowance for expected credit losses	(5,760)	(4,702)	(1,573)	(542)
Other receivables, net	154,376	59,386	100,519	53,829
Total trade and other receivables, net	603,820	410,172	398,436	300,560

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2021



Trade accounts receivable are classified by aging as follows:

	(In Thousand Baht)			
	Consolidated financial statements		Separated financial statements	
	As at December	As at December	As at December	As at December
	31, 2021	31, 2020	31, 2021	31, 2020
Undue:				
- Normal	297,426	232,455	189,848	153,136
- Not over 3 months	133,314	84,662	92,062	67,406
- Over 3 months to 6 months	16,447	10,964	12,568	9,276
- Over 6 months to 12 months	8,333	17,037	7,890	12,242
- Over 12 months	13,185	13,037	7,501	7,650
Debt acceptance	6,210	33,120	6,210	33,120
Under legal action	71,821	70,105	53,824	58,687
Total trade receivable	546,736	461,380	369,903	341,517
<u>Less</u> Allowance for expected credit losses	(97,292)	(110,594)	(71,986)	(94,786)
Trade receivables, net	449,444	350,786	297,917	246,731

Allowance for expected credit losses have changed during the years are as follows:

	(In Thousand Baht)			
	Consolidated financial statements		Separated financial statements	
	2021	2020	2021	2020
Beginning balance	110,594	89,358	94,786	72,392
Written - off bad debt	(3,132)	(3,501)	(2,976)	-
Increase (decrease)	(10,170)	24,737	(19,824)	22,394
Ending balance	97,292	110,594	71,986	94,786

As at 31 December 2021, Allowance for expected credit losses was decreased by receiving debts.

As at 31 December 2021, the Company and subsidiary written off trade receivables and other receivables of Baht 3.13 million and 2.98 million in the consolidated and separated financial statements respectively, because the debtor was ended according to the judgment of the court and expired.

During the year 2020, the subsidiaries written off trade receivables in the consolidated financial statements of Baht 3.50 million because the debtor was ended according to the judgment of the court and expired.

7. FINANCE LEASE RECEIVABLES

Consist of :

	(In Thousand Baht)			
	Consolidated financial statements		Separated financial statements	
	As at December	As at December	As at December	As at December
	31, 2021	31, 2020	31, 2021	31, 2020
<u>Current portion</u>				
Finance lease receivables	86,909	56,747	86,909	56,747
Total current portion, net	86,909	56,747	86,909	56,747
<u>Non - current portion</u>				
Finance lease receivables	383,466	219,008	383,466	219,008
Total non - current portion, net	383,466	219,008	383,466	219,008
Total finance lease receivables, net	470,375	275,755	470,375	275,755

8. CONTRACT ASSETS / CONTRACT LIABILITIES

8.1 Balance contract

	(In Thousand Baht)			
	Consolidated financial statements		Separated financial statements	
	As at December	As at December	As at December	As at December
	31, 2021	31, 2020	31, 2021	31, 2020
Contract assets				
Unbilled receivables	401,220	275,767	341,855	251,461
Unbilled receivables - related parties (Note 35.3)	-	-	89	25
<u>Less</u> Allowance for expected credit losses	(15,729)	(13,080)	(15,729)	(13,080)
Total contract assets, net	<u>385,491</u>	<u>262,687</u>	<u>326,215</u>	<u>238,406</u>
Contract liabilities				
Unearned income	73,160	171,602	61,420	151,730
Unearned income - related parties (Note 35.3)	-	-	376	492
Advanced receivables - third parties	317,593	252,905	204,521	234,090
Advanced receivables - related parties (Note 35.3)	-	-	1,082	-
Total contract liabilities	<u>390,753</u>	<u>424,507</u>	<u>267,399</u>	<u>386,312</u>

8.2 Unbilled receivables

As at 31 December 2021, the Company and subsidiary had outstanding balances of unbilled receivables amount to Baht 386.27 million and Baht 327 million in the consolidated and separated financial statements, respectively, expected to be paid within one year.

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2021



9. INVENTORIES, NET

Consist of:

(In Thousand Baht)

	Consolidated financial statements		Separated financial statements	
	As at December	As at December	As at December	As at December
	31, 2021	31, 2020	31, 2021	31, 2020
Finished goods	23,173	37,616	-	-
Raw materials, spare parts and supplies	376,284	245,924	144,722	121,571
Work in process	175,377	99,197	117,375	59,390
Goods in transit	41,430	4,828	39,393	2,936
	<u>616,264</u>	<u>387,565</u>	<u>301,490</u>	<u>183,897</u>
<u>Less</u> Allowance for declining of inventories	(20,569)	(18,594)	(13,612)	(11,090)
<u>Less</u> Allowance for declining of work in process	(1,745)	-	-	-
	<u>(22,314)</u>	<u>(18,594)</u>	<u>(13,612)</u>	<u>(11,090)</u>
Total inventories, net	<u>593,950</u>	<u>368,971</u>	<u>287,878</u>	<u>172,807</u>

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

(In Thousand Baht)

	Consolidated financial statements		Separated financial statements	
	2021	2020	2021	2020
Beginning balance	18,594	15,484	11,090	9,116
Increase (decrease)	3,720	3,110	2,522	1,974
Ending balance	<u>22,314</u>	<u>18,594</u>	<u>13,612</u>	<u>11,090</u>

10. NON - CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

Consist of:

10.1 The movements in these items for the year ended 31 December 2021 and 2020, are as follow:

	(In Thousand Baht)			
	Consolidated financial statements		Separated financial statements	
	2021	2020	2021	2020
Beginning balance	10,695	-	10,695	-
Increase Assets classification	7,126	10,695	-	10,695
Decrease sale	(10,695)	-	(10,695)	-
Ending balance	7,126	10,695	-	10,695

10.2 According to the resolution of the Executive Committee Meeting No.4/2019 held on 25 April 2019, the Company has approved the sale of land without buildings (Investment property) totaling of Baht 21.4 million.

On 7 December 2020, the Company has entered into a contract to sell the land to third party totaling of Baht 23.53 million (Appraised value based on the independent appraiser report of Baht 21.39 million of land). The detail of receiving payment as follows:

- The first deposit amount was received Baht 2.35 million on 4 December 2020 at the date of the contract.
- The second deposit amount was received Baht 2.35 million within 7 March 2021.

And on 7 June 2021, The Company has transferred land ownership to non - related company and received remaining land price totaling of Baht 18.82 million transfer expenses will be The Company responsibility, and The Company has to pay for commission by 3% of sell price.

The movements in these items are as follow:

	Thousand Bath
Net book value as at 1 January 2021	10,695
<u>Less</u> Disposal during the period	(10,695)
Net book value as at 31 December 2021	-
Selling price	23,529
Commission	(706)
Ownership transfer cost	(1,197)
Profit from sale	10,931

10.3 At the Board of Directors' meeting No. 5/2564 on 5 October 2021 of a subsidiary, the meeting approved a sale of land and building which were not used for operation with selling price of Baht 10 million.

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2021



11. OTHER NON - CURRENT FINANCIAL ASSETS

As at December 31, 2021 and 2020, the Group had other non-current financial assets are restricted deposits with financial institutions in the consolidated financial statement of Baht 56.48 million and Baht 31.14 million, in the separate financial statement of Baht 6.38 million and Baht 6.37 million, respectively. Used as collateral credit and bank guarantees.

12. INVESTMENTS IN SUBSIDIARIES, NET

Consist of :

Company	Paid - up capital		Proportion of investment		Cost method (Thousand Baht)		Dividend income (In Thousand Baht)	
	(Million Baht)		(%)				For the years ended	
	As at	As at	As at	As at	As at	As at	As at	As at
	December	December	December	December	December	December	December	December
	31, 2021	31, 2020	31, 2021	31, 2020	31, 2021	31, 2020	31, 2021	31, 2020
Subsidiaries: -								
- Patkol Ice Solutions								
Co., Ltd.	100.00	100.00	99.99	99.99	99,999	99,999	-	-
- Patkol Trading Co., Ltd.	30.00	30.00	99.98	99.98	29,999	29,999	-	-
- S Panel Co., Ltd.	40.00	40.00	80.00	80.00	32,000	32,000	11,081	-
- Heataway Co., Ltd.	100.00	100.00	99.99	99.99	99,997	99,997	-	-
- Tygienic Co., Ltd.	65.00	65.00	99.99	99.99	65,000	65,000	-	-
- Patkol Philippines								
Corporation Co., Ltd.	5.36	5.36	60.00	60.00	5,362	5,362	-	-
- Indonesia Patkol service								
Co., Ltd.	26.85	26.85	99.00	99.00	26,854	26,854	-	-
- Patkol Malaysia Sendirian								
Berhad Co., Ltd.	7.96	7.96	100.00	100.00	7,960	7,960	-	-
- Patkol Myanmar Co., Ltd.	1.61	1.61	100.00	100.00	1,615	1,615	-	-
- PT Indonesia Patkol								
Refrigeration Co., Ltd	5.34	5.34	86.80	67.00	4,876	3,639	-	-
Less Impairment of investment					(29,800)	(24,263)	-	-
Total investments in relate parties, net					343,862	348,162	11,081	-

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2021



According to the resolution of the Executive Committee Meeting No.1/2020 held on 21 February 2020, the resolution to approved to in the establishment of new subsidiary company Indonesia, registered capital of 10,000.00 million Indonesian rupiahs (or about Baht of 23 million). The Company hold representing 67% of the total shares. On 23 December 2020, the Company has paid for 25% of the shares, amounting to Baht 3.64 million.

Subsequently, at the Board of Directors' meeting No. 5/2564 on 12 November 2021, the meeting approved a change in shareholding from 67% to 86.8% which the Group must pay for additional investment totaling of Rupiah 495 million or equivalent to Baht 1.15 million on 17 December 2021 and the Group fully paid for this investment.

Non - controlling interests

Details of non - wholly owned subsidiaries which have material non - controlling interests as at December 31, 2021 and 2020, are as follows;

(In Thousand Baht)

Company's name	Proportion of equity interest held by non - controlling interests		Accumulated balance of non - controlling interests		Profit/loss allocated to non - controlling interests during the year		Dividend paid to non - controlling interests during the year	
					For the year ended December 31,			
	2021	2020	2021	2020	2021	2020	2021	2020
	(%)	(%)						
S Panel Co., Ltd.	20.00	20.00	13,184	14,594	3,296	3,648	-	-
Patkol Philippines Corporation Co., Ltd.	40.00	40.00	(3,238)	3,260	(2,159)	(1,186)	-	-

The summarized financial information before intragroup eliminations of each non - wholly owned subsidiary which has material non - controlling interests are as follows:

	(In Thousand Baht)			
	S Panel Co., Ltd.		Patkol Philippines Corporation Co., Ltd.	
	2021	2020	2021	2020
Condensed statement of financial position				
As at December 31,				
Current assets	182,841	159,586	26,347	15,817
Non - current assets	94,337	106,978	2,154	2,858
Current liabilities	153,999	147,116	25,465	10,176
Non - current liabilities	21,983	22,821	396	348
Equity attributable to owners of the Company	80%	80%	60%	60%
Non - controlling interests	20%	20%	40%	40%
Condensed statement of profit or loss and other comprehensive income				
For the year ended December 31,				
Revenues	496,825	433,522	23,443	28,672
Expenses	(49,579)	(52,241)	(19,038)	(18,384)
Profit (loss) for the years	16,480	18,242	(5,397)	(2,965)
Profit (loss) attributable to:				
Owner of the parent	13,184	14,594	(3,238)	(1,779)
Non - controlling interests	3,296	3,648	(2,159)	(1,186)
Total comprehensive income (expense)				
for the years:				
Owner of the parent	-	-	-	-
Non - controlling interests	-	-	-	-
Total comprehensive income (expense)				
attributable to:				
Owner of the parent	13,184	14,594	(3,238)	(1,779)
Non - controlling interests	3,296	3,648	(2,159)	(1,186)

	(In Thousand Baht)			
	S Panel Co., Ltd.		Patkol Philippines Corporation Co., Ltd.	
	2021	2020	2021	2020
Condensed statement of cash flows				
Net cash provided (used in) from operating activities	3,512	84,815	(279)	(474)
Net cash provided (used in) from investing activities	8,295	(729)	(538)	(808)
Net cash provided (used in) from financing activities	(40,438)	(54,748)	-	-
Net cash flow increase (decrease)	(28,630)	29,338	(817)	(1,282)

13. TRADE INSTALLMENT RECEIVABLE, NET

	(In Thousand Baht)			
	Consolidated financial statements		Separated financial statements	
	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021	As at December 31, 2020
Trade installment receivables	11,336	16,573	11,336	16,573
<u>Less</u> Allowance for expected credit losses	(11,336)	(16,573)	(11,336)	(16,573)
Total trade installment receivables, net	-	-	-	-

Allowance for expected credit losses have changed during the years are as follows:

	(In Thousand Baht)			
	Consolidated financial statements		Separated financial statements	
	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021	As at December 31, 2020
Beginning balance	16,573	16,573	16,573	16,573
Written - off bad debt	(5,237)	-	(5,237)	-
Increase (decrease)	-	-	-	-
Ending balance	11,336	16,573	11,336	16,573

As at 31 December 2021, the Company written off trade installment receivables in the separated financial statement of Baht 5.24 million because the debtor was ended according to the judgment of the court and expired.

14. INVESTMENT PROPERTY, NET

Consist of:

Consolidated financial statements (In Thousand Baht)			
	Land	Building and improvement	Total
Assets - cost			
As at December 31, 2020	81,833	26,007	107,840
Purchase	-	-	-
Disposal	-	-	-
Transfer in (Transfer out)	(6,041)	(1,771)	(7,812)
As at December 31, 2021	75,792	24,236	100,028
Accumulated depreciation			
As at December 31, 2020	-	(18,658)	(18,658)
Depreciation for the year	-	(641)	(641)
Transfer in (Transfer out)	-	685	685
As at December 31, 2021	-	(18,614)	(18,614)
Allowance for impairment of assets			
As at December 31, 2020	(1,278)	-	(1,278)
Increase	-	-	-
Decrease	-	-	-
As at December 31, 2021	(1,278)	-	(1,278)
Net book value of assets			
As at December 31, 2021	74,514	5,622	80,136
As at December 31, 2020	80,555	7,349	87,904

Consolidated financial statements (In Thousand Baht)			
	Land	Building and improvement	Total
Assets - cost			
As at December 31, 2019	92,528	26,007	118,535
Purchase	-	-	-
Disposal	-	-	-
Transfer in (Transfer out)	(10,695)	-	(10,695)
As at December 31, 2020	81,833	26,007	107,840
Accumulated depreciation			
As at December 31, 2019	-	(18,016)	(18,016)
Depreciation for the year	-	(642)	(642)
As at December 31, 2020	-	(18,658)	(18,658)
Allowance for impairment of assets			
As at December 31, 2019	(1,278)	-	(1,278)
Increase	-	-	-
Decrease	-	-	-
As at December 31, 2020	(1,278)	-	(1,278)
Net book value of assets			
As at December 31, 2020	80,555	7,349	87,904
As at December 31, 2019	91,250	7,991	99,241

Separated financial statements (In Thousand Baht)			
	Land	Building and improvement	Total
Assets - cost			
As at December 31, 2020	75,792	24,236	100,028
Purchase	-	-	-
Disposal	-	-	-
Transfer in (Transfer out)	-	-	-
As at December 31, 2021	75,792	24,236	100,028
Accumulated depreciation			
As at December 31, 2020	-	(18,061)	(18,061)
Depreciation for the year	-	(553)	(553)
As at December 31, 2021	-	(18,614)	(18,614)
Allowance for impairment of assets			
As at December 31, 2020	(1,278)	-	(1,278)
Increase	-	-	-
Decrease	-	-	-
As at December 31, 2021	(1,278)	-	(1,278)
Net book value of assets			
As at December 31, 2021	74,514	5,622	80,136
As at December 31, 2020	74,514	6,175	80,689

	Separated financial statements (In Thousand Baht)		
	Land	Building and improvement	Total
Assets - cost			
As at December 31, 2019	86,487	24,236	110,723
Purchase	-	-	-
Disposal	-	-	-
Transfer in (Transfer out)	(10,695)	-	(10,695)
As at December 31, 2020	75,792	24,236	100,028
Accumulated depreciation			
As at December 31, 2019	-	(17,508)	(17,508)
Depreciation for the year	-	(553)	(553)
As at December 31, 2020	-	(18,061)	(18,061)
Allowance for impairment of assets			
As at December 31, 2019	(1,278)	-	(1,278)
Increase	-	-	-
Decrease	-	-	-
As at December 31, 2020	(1,278)	-	(1,278)
Net book value of assets			
As at December 31, 2020	74,514	6,175	80,689
As at December 31, 2019	85,209	6,728	91,937

As at December 31, 2021, investment property consist of non - performed land and land with its construction of the Company and subsidiaries at present by cost in the consolidated and separated amount of Baht 80.14 million and 80.14 million respectively, (appraised value based on reports of the independent appraise in the year 2019, appraised value Market method in the consolidated and separated amount of Baht 165.81 million and 157.31 million respectively), and used for guarantee of overdraft and short - term loans from financial institutions (Note 19) and contingent liabilities (Note 38).

As at December 31, 2020, the Company has classified the land. That have a resolution to approve the sale and there is a contract to buy and sell. Net book value of Baht 10.70 million is non - current assets held for sale.

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2021



15. PROPERTY, PLANT AND EQUIPMENT

Consist of:

	Consolidated financial statements (In Thousand Baht)									
	Land		Building and improvement		Machinery and equipment	Machinery for lease	Office equipment	Vehicles	Assets in progress	Total
	Cost	Revaluation	Cost	Revaluation						
Assets - cost										
As at December 31, 2020	152,586	605,784	703,406	167,743	362,693	270	145,715	86,533	17,455	2,242,185
Purchase	-	-	-	-	4,915	-	324	32	7,402	12,673
Disposal	-	-	-	-	(36,862)	-	(19,786)	(1,655)	-	(58,303)
Transfer in (Transfer out)	-	-	-	-	744	-	(39)	-	(13,680)	(12,975)
As at December 31, 2021	152,586	605,784	703,406	167,743	331,490	270	126,214	84,910	11,177	2,183,580
Accumulated depreciation										
As at December 31, 2020	-	-	(257,577)	(39,969)	(235,282)	-	(126,519)	(73,863)	-	(733,210)
Depreciation for the year	-	-	(12,149)	(3,334)	(26,221)	-	(11,118)	(5,264)	-	(58,086)
Depreciation for disposal	-	-	-	-	36,732	-	19,786	1,655	-	58,173
Depreciation for transfer out	-	-	-	-	-	-	-	-	-	-
As at December 31, 2021	-	-	(269,726)	(43,303)	(224,771)	-	(117,851)	(77,472)	-	(733,123)
Allowance for impairment of assets										
As at December 31, 2020	-	(1,077)	(16,482)	(35,783)	(585)	-	-	-	-	(53,927)
Increase	-	-	-	-	-	-	-	-	-	-
Decrease	-	-	-	-	-	-	-	-	-	-
As at December 31, 2021	-	(1,077)	(16,482)	(35,783)	(585)	-	-	-	-	(53,927)
Net book value of assets										
As at December 31, 2021	152,586	604,707	417,198	88,657	106,134	270	8,363	7,438	11,177	1,396,530
As at December 31, 2020	152,586	604,707	429,347	91,991	126,826	270	19,196	12,670	17,455	1,455,048

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2021



	Consolidated financial statements (In Thousand Baht)									
	Land		Building and improvement		Machinery and	Machinery for	Office		Assets in	
	Cost	Revaluation	Cost	Revaluation	equipment	lease	equipment	Vehicles	progress	Total
Assets - cost										
As at December 31, 2019	152,586	605,784	702,170	167,743	370,620	270	154,697	100,735	15,505	2,270,110
Purchase	-	-	772	-	3,167	-	129	35	11,884	15,987
Disposal	-	-	-	-	(1,883)	-	-	(14,237)	-	(16,120)
Transfer in (Transfer out)	-	-	464	-	(9,211)	-	(9,111)	-	(9,934)	(27,792)
As at December 31, 2020	152,586	605,784	703,406	167,743	362,693	270	145,715	86,533	17,455	2,242,185
Accumulated depreciation										
As at December 31, 2019	-	-	(245,444)	(36,635)	(220,929)	-	(116,726)	(81,833)	-	(701,567)
Depreciation for the year	-	-	(12,133)	(3,334)	(27,090)	-	(18,975)	(6,267)	-	(67,799)
Depreciation for disposal	-	-	-	-	1,643	-	-	14,237	-	15,880
Depreciation for transfer out	-	-	-	-	11,094	-	9,182	-	-	20,276
As at December 31, 2020	-	-	(257,577)	(39,969)	(235,282)	-	(126,519)	(73,863)	-	(733,210)
Allowance for impairment of assets										
As at December 31, 2019	-	(1,077)	(16,482)	(35,783)	(585)	-	-	-	-	(53,927)
Increase	-	-	-	-	-	-	-	-	-	-
Decrease	-	-	-	-	-	-	-	-	-	-
As at December 31, 2020	-	(1,077)	(16,482)	(35,783)	(585)	-	-	-	-	(53,927)
Net book value of assets										
As at December 31, 2020	152,586	604,707	429,347	91,991	126,826	270	19,196	12,670	17,455	1,455,048
As at December 31, 2019	152,586	604,707	440,243	95,325	149,106	270	37,971	18,902	15,505	1,514,616

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2021



Separated financial statements (In Thousand Baht)

	Land		Building and improvement		Machinery and equipment	Machinery for lease	Office equipment	Vehicles	Assets in progress	Total
	Cost	Revaluation	Cost	Revaluation						
Assets - cost										
As at December 31, 2020	64,491	539,252	320,873	167,743	76,304	14,180	115,403	82,070	14,486	1,394,802
Purchase	-	-	-	-	2,935	-	94	-	5,557	8,586
Disposal	-	-	-	-	(36,836)	-	(19,825)	(1,655)	(10,794)	(69,110)
Transfer in (Transfer out)	-	-	-	-	-	-	-	-	(2,141)	(2,141)
As at December 31, 2021	64,491	539,252	320,873	167,743	42,403	14,180	95,672	80,415	7,108	1,332,137
Accumulated depreciation										
As at December 31, 2020	-	-	(170,121)	(39,969)	(63,736)	(14,180)	(104,567)	(70,327)	-	(462,900)
Depreciation for the year	-	-	(4,334)	(3,334)	(5,697)	-	(6,341)	(4,772)	-	(24,478)
Depreciation for disposal	-	-	-	-	36,720	-	19,786	1,655	-	58,161
Depreciation for transfer out	-	-	-	-	-	-	-	-	-	-
As at December 31, 2021	-	-	(174,455)	(43,303)	(32,713)	(14,180)	(91,122)	(73,444)	-	(429,217)
Allowance for impairment of assets										
As at December 31, 2020	-	(1,077)	-	-	(585)	-	-	-	-	(1,662)
Increase	-	-	-	-	-	-	-	-	-	-
Decrease	-	-	-	-	-	-	-	-	-	-
As at December 31, 2021	-	(1,077)	-	-	(585)	-	-	-	-	(1,662)
Net book value of assets										
As at December 31, 2021	64,491	538,175	146,418	124,440	9,105	-	4,550	6,971	7,108	901,258
As at December 31, 2020	64,491	538,175	150,752	127,774	11,983	-	10,836	11,743	14,486	930,240

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2021



Separated financial statements (In Thousand Baht)

	Land		Building and improvement		Machinery and equipment	Machinery for lease	Office equipment	Vehicles	Assets in progress	Total
	Cost	Revaluation	Cost	Revaluation						
Assets - cost										
As at December 31, 2019	64,491	539,252	320,137	167,743	77,246	14,180	118,809	95,271	11,365	1,408,494
Purchase	-	-	-	-	169	-	75	36	10,671	10,951
Disposal	-	-	-	-	(1,064)	-	-	(13,237)	-	(14,301)
Transfer in (Transfer out)	-	-	736	-	(47)	-	(3,481)	-	(7,550)	(10,342)
As at December 31, 2020	64,491	539,252	320,873	167,743	76,304	14,180	115,403	82,070	14,486	1,394,802
Accumulated depreciation										
As at December 31, 2019	-	-	(165,817)	(36,635)	(58,589)	(14,180)	(94,701)	(77,726)	-	(447,648)
Depreciation for the year	-	-	(4,304)	(3,334)	(6,168)	-	(13,382)	(5,838)	-	(33,026)
Depreciation for disposal	-	-	-	-	974	-	-	13,237	-	14,211
Depreciation for transfer out	-	-	-	-	47	-	3,516	-	-	3,563
As at December 31, 2020	-	-	(170,121)	(39,969)	(63,736)	(14,180)	(104,567)	(70,327)	-	(462,900)
Allowance for impairment of assets										
As at December 31, 2019	-	(1,077)	-	-	(585)	-	-	-	-	(1,662)
Increase	-	-	-	-	-	-	-	-	-	-
Decrease	-	-	-	-	-	-	-	-	-	-
As at December 31, 2020	-	(1,077)	-	-	(585)	-	-	-	-	(1,662)
Net book value of assets										
As at December 31, 2020	64,491	538,175	150,752	127,774	11,983	-	10,836	11,743	14,486	930,240
As at December 31, 2019	64,491	538,175	154,320	131,108	18,072	-	24,108	17,545	11,365	959,184

Depreciation for the year ended December 31, 2021 and 2020 were Baht 58.25 million and Baht 67.80 million in the consolidated financial statements amount of Baht 24.48 million and Baht 33.03 million in the separate financial statements, respectively.

As at December 31, 2021 and 2020, The Company and its subsidiaries building and equipment at cost of Baht 297.97 million and Baht 330.14 million in the consolidated financial statements, respectively. Baht 160.96 million and Baht 199.99 million in the separate financial statements, respectively. have been fully depreciated but are still in use.

As at December 31, 2021 and 2020, land with its construction and machinery at cost of Baht 1,332.64 million and Baht 1,332.64 million in the consolidated financial statements, respectively. Baht 663.32 million and Baht 663.32 million in the separate financial statements, respectively are used as guarantees for bank overdrafts and short - term loans from financial institutions (Note 19) long - term loans (Note 21) and contingent liabilities (Note 38).

As at December 31, 2021 and 2020, lands and buildings of the Company and subsidiaries are stated at appraised value based on reports of the independent appraiser in the year 2020. The appraised value of lands was based on market price method, while the appraised value of buildings was based on replacement cost method. Revaluation surplus of fixed assets are shown under “Shareholders’ Equity” in the statement of financial position. The revaluation surplus of fixed assets is not available for dividend distribution.

Subsidiaries recorded land with appraised value and recorded revaluation surplus of fixed assets amounting to Baht 30.23 million, as the independent appraiser report dated on December 30, 2019.

As at December 31, 2021 and 2020, the fair value of the land and building were assessed in the year 2020 by the report of the appraisal assessed using the market approach by selling price of comparable land nearby to improve by using the replacement cost approach. The fair value is in the second level of the hierarchy of fair value.

16. RIGHT OF USE ASSETS

The recognised right - of - use assets relate to the following types of assets:

	(In Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	As at December	As at December	As at December	As at December
	31, 2021	31, 2020	31, 2021	31, 2020
Right of use assets				
Office building and factory	2,321	332	1,418	-
Vehicles	7,809	12,814	1,877	12,814
Machinery and equipment	2,423	1,117	-	-
Office equipment	1,338	-	863	-
Total	13,891	14,263	4,158	12,814

For the year ended December 31, 2021 and 2020, amounts charged to profit or loss and cash flows relating to leases are as follows:

	Consolidated financial statements		Separate financial statements	
	As at December	As at	As at December	As at
	31, 2021	December	31, 2021	December 31,
		31, 2020		2020
Depreciation for the right of use assets				
Office building and factory	38,580		76	-
Vehicles	7,963		7,963	9,681
Machinery and equipment	683		-	-
Office equipment	482		250	-
Total	47,708	10,807	8,289	9,681
Addition to the right - of -				
use assets during the year	200,682	250,071	2,608	22,495
Subtraction on the right - of -				
use assets during the year	(2,242)	-	(2,241)	-
Total cash outflow for leases	30,717	15,836	9,647	9,253

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2021



17. INTANGIBLE ASSETS, NET

Consist of:

(In Thousand Baht)					
Consolidated financial statements					
	Balance January 1, 2021	Increases	Transfer in (Transfer out)	(Decrease)	Balance December 31, 2021
<u>Cost</u>					
Computer program	172,292	3,965	(12,952)	(54)	163,251
Patent	25,537	-	(18,096)	-	7,441
Program during installation	8,378	18	(7,122)	-	1,274
Total	206,207	3,983	(38,170)	(54)	171,966
<u>Less Accumulated amortization</u>	(126,462)	(17,118)	34,678	30	(108,872)
Net	79,745	(13,135)	(3,492)	(24)	63,094
<u>Less Allowance for asset impairment</u>	(3,326)	-	-	-	(3,326)
Net	76,419	(13,135)	(3,492)	(24)	59,768

(In Thousand Baht)					
Consolidated financial statements					
	Balance January 1, 2020	Increases	Transfer in (Transfer out)	(Decrease)	Balance December 31, 2020
<u>Cost</u>					
Computer program	172,334	11	-	(53)	172,292
Patent	25,537	-	-	-	25,537
Program during installation	4,522	23	3,833	-	8,378
Total	202,393	34	3,833	(53)	206,207
<u>Less Accumulated amortization</u>	(109,676)	(16,834)	-	48	(126,462)
Net	92,717	(16,800)	3,833	(5)	79,745
<u>Less Allowance for asset impairment</u>	(3,326)	-	-	-	(3,326)
Net	89,391	(16,800)	3,833	(5)	76,419

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2021



(In Thousand Baht)					
Separated financial statements					
	Balance January 1, 2021	Increases	Transfer in (Transfer out)	(Decrease)	Balance December 31, 2021
<u>Cost</u>					
Computer program	163,374	6	(12,952)	(54)	150,374
Patent	22,196	-	(18,096)	-	4,100
Program during installation	7,104	18	(7,122)	-	-
Total	192,674	24	(38,170)	(54)	154,474
<u>Less Accumulated amortization</u>	(118,522)	(15,549)	34,679	30	(99,362)
Net	74,152	(15,525)	(3,491)	(24)	55,112
<u>Less Allowance for asset impairment</u>	(3,326)	-	-	-	(3,326)
Net	70,826	(15,525)	(3,491)	(24)	51,786

(In Thousand Baht)					
Separated financial statements					
	Balance January 1, 2020	Increases	Transfer in (Transfer out)	(Decrease)	Balance December 31, 2020
<u>Cost</u>					
Computer program	163,423	4	-	(53)	163,374
Patent	22,196	-	-	-	22,196
Program during installation	3,248	23	3,833	-	7,104
Total	188,867	27	3,833	(53)	192,674
<u>Less Accumulated amortization</u>	(103,181)	(15,389)	-	48	(118,522)
Net	85,686	(15,362)	3,833	(5)	74,152
<u>Less Allowance for asset impairment</u>	(3,326)	-	-	-	(3,326)
Net	82,360	(15,362)	3,833	(5)	70,826

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2021



(In Thousand Baht)

	Consolidated financial statements		Separated financial statements	
	For the year ended December 31,		For the year ended December 31,	
	2021	2020	2021	2020
Amortization for the years	17,118	16,834	15,549	15,389

18. DEFERRED TAX ASSETS AND LIABILITIES

Consist of:

(In Thousand Baht)

	Consolidated financial statements		Separated financial statements	
	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021	As at December 31, 2020
Deferred tax assets, net	127,752	133,251	48,592	82,608
Deferred tax liabilities, net	(193,707)	(179,062)	(141,039)	(143,317)

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2021



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

	(In Thousand Baht)				
	Consolidated financial statements				
	(Charged) / credited to:				
	As at	Other			As at
	January	Profit	comprehensive	Shareholders	December
	1, 2021	(loss)	income	equity	31, 2021
Deferred tax assets					
Allowance for expected credit losses	30,198	(2,448)	-	-	27,750
Allowance for demotion in value					
of inventories	2,961	744	-	758	4,463
Allowance for impairment asset	2,294	-	-	9,096	11,390
Provision of project cost	4,985	(1,360)	-	-	3,625
Lease liabilities	2,876	14,936	-	3,441	21,253
Employee benefit obligations	45,090	(4,985)	(6,148)	1,942	35,899
Tax losses that have not been used	44,847	(19,178)	-	(2,297)	23,372
Total deferred tax assets	133,251	(12,291)	(6,148)	12,940	127,752
Deferred tax liabilities					
Accumulated depreciation - Building					
extension	(18,943)	(3,155)	-	5,136	(16,962)
Profit of fair value adjustment					
for investments.	(377)	377	-	-	-
Lease assets	(3,250)	(13,779)	-	(3,962)	(20,991)
Unrealized gain / (loss) from foreign					
exchange rate	-	(31)	-	-	(31)
Revaluation surplus on fixed assets	(156,492)	769	-	-	(155,723)
Total deferred tax liabilities	(179,062)	(15,819)	-	1,174	(193,707)
Total income (expense)		(28,110)			

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2021



(In Thousand Baht)					
Consolidated financial statements					
	(Charged) / credited to:				As at December 31, 2020
	As at January 1, 2020	Profit (loss)	Other comprehensive income	Shareholders equity	
Deferred tax assets					
Allowance for expected credit losses	25,307	4,891	-	-	30,198
Allowance for demotion in value of inventories	2,130	831	-	-	2,961
Allowance for impairment asset	2,294	-	-	-	2,294
Provision of project cost	3,301	1,684	-	-	4,985
Lease liabilities	-	2,876	-	-	2,876
Employee benefit obligations	52,326	(7,236)	-	-	45,090
Tax losses that have not been used	19,770	25,077	-	-	44,847
Total deferred tax assets	105,128	28,123	-	-	133,251
Deferred tax liabilities					
Accumulated depreciation - Building extension	(16,882)	(2,061)	-	-	(18,943)
Profit of fair value adjustment for investments.	-	(377)	-	-	(377)
Lease assets	-	(2,563)	-	-	(2,563)
Revaluation surplus on fixed assets	(157,261)	(687)	769	-	(157,179)
Total deferred tax liabilities	(174,143)	(5,688)	769	-	(179,062)
Total income (expense)		(22,435)			

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2021



(In Thousand Baht)

	Separated financial statements			
	(Charged) / credited to:			As at December 31, 2021
	As at January 1, 2021	Profit (loss)	Other comprehensive income	
			Shareholders equity	
Deferred tax assets				
Allowance for expected credit losses	24,997	(4,808)	-	20,189
Allowance for demotion in value				
of inventories	2,218	504	-	2,722
Allowance for impairment asset	937	-	-	937
Provision of project cost	3,780	(753)	-	3,027
Lease liabilities	2,648	(1,783)	-	865
Employee benefit obligations	37,319	(14,109)	(5,154)	18,056
Tax losses that have not been used	10,709	(7,913)	-	2,796
Total deferred tax assets	82,608	(28,862)	(5,154)	48,592
Deferred tax liabilities				
Accumulated depreciation - Building				
extension	2,431	(222)	-	2,209
Lease assets	(2,563)	1,731	-	(832)
Revaluation surplus on fixed assets	(143,185)	769	-	(142,416)
Total deferred tax liabilities	(143,317)	2,278	-	(141,039)
Total income (expense)		(26,584)		

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2021



(In Thousand Baht)

	Separated financial statements			
	(Charged) / credited to:			As at December 31, 2020
	As at January 1, 2020	Profit (loss)	Other comprehensive income	
			Shareholders equity	
Deferred tax assets				
Allowance for expected credit losses	20,388	4,609	-	24,997
Allowance for demotion in value of inventories	1,823	395	-	2,218
Allowance for impairment asset	937	-	-	937
Provision of project cost	3,108	672	-	3,780
Lease liabilities	-	2,648	-	2,648
Employee benefit obligations	48,186	(10,867)	-	37,319
Tax losses that have not been used	8,166	2,543	-	10,709
Total deferred tax assets	82,608	-	-	82,608
Deferred tax liabilities				
Accumulated depreciation - Building extension	(2,653)	5,084	-	2,431
Lease assets	-	(2,563)	-	(2,563)
Revaluation surplus on fixed assets	(143,954)	-	769	(143,185)
Total deferred tax liabilities	(146,607)	2,521	769	(143,317)
Total income (expense)		2,521		

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2021



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

(In Thousand Baht)				
	Consolidated financial statements		Separated financial statements	
	As at December	As at December	As at December	As at December
	31, 2021	31, 2020	31, 2021	31, 2020
Allowance for declining in value				
of inventories	-	758	-	-
Allowance for impairment asset	-	9,096	-	-
Lease liabilities	-	3,441	-	-
Employee benefit obligations	-	1,942	-	-
Loss carries forward less than 5 years	-	7,233	-	-
Net deferred tax assets	-	22,470	-	-

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

Consist of:

(In Thousand Baht)				
	Consolidated financial statements		Separated financial statements	
	As at December	As at December	As at December	As at December
	31, 2021	31, 2020	31, 2021	31, 2020
Bank overdrafts	703	18,027	692	2,980
Short - term loans	328,362	151,970	188,840	-
Loan - trust receipt	-	-	-	-
Total bank overdrafts and short -				
term loans from financial institutions	329,065	169,997	189,532	2,980

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2021



Movement of short - term loans from financial institutions are as follows;

	(In Thousand Baht)	
	Consolidated financial statements	Separated financial statements
Beginning balance as at January 1, 2021	151,970	-
Add Additional loans	749,157	440,840
Less Payment of loans	(572,765)	(252,000)
Ending balance as at December 31, 2021	328,362	188,840

As at 31 December 2021 and 2020 have credit facilities from several banks totaling Baht 3,558 million and Baht 2,182 million on Consolidated financial statements, and Baht 2,618 million and Baht 1,631 million on Separated financial statements, balance Baht 2,127 and 1,212 million on Consolidated financial statements and Baht 1,678 and 1,003 million on Separated financial statements, respectively with interest rates ranging from 2.00% to 5.25% and 3.75% to 5.25% in the consolidated and interest rates ranging from 4.25% to 5.25% and 4.75% to 5.25% respectively in the separated financial statements, respectively, the credit facilities are secured against the Group's restricted deposits in banks, investment property (Note 14), land with its construction and machinery (Note 15).

20. TRADE AND OTHER CURRENT ACCOUNTS PAYABLE

Consist of:

	(In Thousand Baht)			
	Consolidated financial statements		Separated financial statements	
	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021	As at December 31, 2020
Trade and other current accounts payable – third parties	713,908	411,740	330,079	203,394
Retention payable	27,593	13,455	19,558	9,711
Trade accounts payable - related parties (Note 35.3)	-	-	164,044	123,482
Total trade and other current accounts payable	741,501	425,195	513,680	336,587

The fair value of trade accounts payable and other payables equals their carrying amount, as those payables had a short period of maturity.

21. LONG - TERM LOANS FROM FINANCIAL INSTITUTIONS, NET

Consist of:

	(In Thousand Baht)			
	Consolidated financial statements		Separated financial statements	
	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021	As at December 31, 2020
<u>CURRENT PORTION</u>				
Long - term loans, net	319,233	262,778	146,508	100,570
Liabilities under debt				
restructuring plan, net	19,103	19,103	19,103	19,103
Total current portion of liabilities, net	<u>338,336</u>	<u>281,881</u>	<u>165,611</u>	<u>119,673</u>
<u>NON - CURRENT PORTION</u>				
Long - term loans, net	<u>390,178</u>	<u>286,040</u>	<u>367,695</u>	<u>267,790</u>
Total non - current portion of				
liabilities, net	<u>390,178</u>	<u>286,040</u>	<u>367,695</u>	<u>267,790</u>
Total long - term loans, net	<u>728,514</u>	<u>567,921</u>	<u>533,306</u>	<u>387,463</u>

21.1 As at 31 December 2021, a subsidiary has long - term credit facilities with financial institutions totaling of Baht 215 million with interest ranging from 2.00% to 5.25%. There is repayment with the principal and interest from Baht 0.08 to 1.40 million per an installment. The first repayment on monthly due count from the first draw and next installments when due each month and all repayment within 60 to 84 months. The credits were guaranteed by the mortgage of subsidiaries' land with its construction and machinery (Note 15).

21.2 As at 31 December 2021, a subsidiary has long - term credit facilities (soft loan) with financial institutions totalling of Baht 45 million with interest ranging 2% per year (according to the condition by the first 6 months was repayment by the government). The first repayment with principle due within 13 months from received soft loan form the financial institutions and all repayment within 24 months.

21.3 As at 31 December 2021, the Company has entered into loan agreement with the financial institutions amount of Baht 514 million with interest rate from 4.25% to 5.25%. There is each repayment of Baht 0.69 to 4.19 million. The first repayment on monthly due count from the first draw and next instalments when due each month and all repayment within 38 to 84 months. Guaranteed by agreement security which consists of; the right to claims the Company's machinery rental collection, and machinery own by the Company.

21.4 Under the above loan agreement, it requires certain conditions to comply, for example

- maintaining the debt-to-equity ratio not over than 2:1 time
- maintaining the debt-service coverage ratio

As at 31 December 2021 and 2020, a subsidiary was unable to comply with certain conditions as stipulated in the loan agreement. As a result, the loan became a liability that must be repaid on demand and reclassified to current portion of long - term loans institutions

22. LEASE LIABILITIES, NET

	(In Thousand Baht)		
	Consolidated financial statements		
	Lease liabilities	Interest	Net
As at December 31, 2021			
Due within one year	14,928	(573)	14,355
Due after one year but within five years	15,281	(413)	14,868
Total	30,209	(986)	29,223
As at December 31, 2020			
Due within one year	21,141	(870)	20,271
Due after one year but within five years	22,489	(322)	22,167
Total	43,630	(1,192)	42,438

	(In Thousand Baht)		
	Separated financial statements		
	Lease liabilities	Interest	Net
As at December 31, 2021			
Due within one year	5,455	(211)	5,244
Due after one year but within five years	2,288	(60)	2,228
Total	7,743	(271)	7,472
As at December 31, 2020			
Due within one year	14,673	(747)	13,926
Due after one year but within five years	9,910	(238)	9,672

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2021



Total	<u>24,583</u>	<u>(985)</u>	<u>23,598</u>
--------------	---------------	--------------	---------------

23. PROVISION FOR EMPLOYEE BENEFIT

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

	(In Thousand Baht)			
	Consolidated financial statements		Separated financial statements	
	As at December	As at December	As at December	As at December
	31, 2021	31, 2020	31, 2021	31, 2020
Estimated current liabilities				
for employee benefits	830	439	-	-
Estimated non-current liabilities				
for employee benefits	184,107	239,675	90,284	186,598
Total provision for employee benefit	<u>184,937</u>	<u>240,114</u>	<u>90,284</u>	<u>186,598</u>

	(In Thousand Baht)			
	Consolidated financial statements		Separated financial statements	
	2021	2020	2021	2020
Beginning balance	240,114	326,037	186,598	240,931
<u>Add</u> recognized amount				
Current service cost	28,222	39,640	21,129	29,029
Interest cost	3,546	5,386	2,780	4,029
<u>Add</u> (Less) past service cost	-	-	(40,003)	1,150
<u>Add</u> (Less) (Profit) Loss from paid	(2,788)	(2,523)	(3,712)	146
<u>Less</u> paid	(55,013)	(67,479)	(52,499)	(44,444)
<u>Add</u> (Profit) actuary assumption	(29,144)	(60,947)	(24,009)	(44,423)
Provision for employee benefits	<u>184,937</u>	<u>240,114</u>	<u>90,284</u>	<u>186,598</u>
 Other Comprehensive Income				
(Loss) actuary assumption	<u>29,144</u>	<u>60,947</u>	<u>24,009</u>	<u>44,423</u>

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2021



Costs of employee benefits recognized in the statement of income are as follow:

	(In Thousand Baht)			
	Consolidated financial statements		Separated financial statements	
	2021	2020	2021	2020
Current service cost	28,252	39,640	21,129	29,209
Interest cost	3,546	5,386	2,780	4,029
Past service cost	-	-	(40,003)	1,150
Total	31,798	45,026	(16,094)	34,388

The key assumptions for the actuarial estimates used in the calculation of employee benefit liability provisions are as follows:

	Consolidated financial statements		Separated financial statements	
	2021	2020	2021	2020
Discount rate (% Per annum)	2.22 - 2.85	1.49 - 1.90	2.56	1.49
Future salary increases (% Per annum)	3 - 7	3 - 7	3 - 7	3 - 7
Retirement age (year old)	60 - 65	60 - 65	60 - 65	60 - 65
Turnover rate	Age band	Age band	Age band	Age band
Mortality rate	TMO 2017	TMO 2017	TMO 2017	TMO 2017

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2021



The result of sensitivity analysis for significant assumptions that affect the present value of the long - term employee benefit obligations as at December 31, 2021 and 2020 are summarized below:

(In Thousand Baht)

	Change of the present value of the employee benefit obligations increase (decrease)							
	Consolidated financial statements				Separated financial statements			
	Increase		Decrease		Increase		Decrease	
	2021	2020	2021	2020	2021	2020	2021	2020
Discount rate (1 %)	(19,365)	(23,465)	22,781	27,692	(10,106)	(17,677)	3,833	21,057
Salary increases rate (1 %)	20,783	24,729	(17,794)	(21,054)	10,857	18,575	(17,356)	(15,819)
Turnover rate (10 %)	(7,348)	(10,019)	8,106	10,964	(3,858)	(7,510)	(3,818)	8,225

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

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2021



As at December 31, 2021, the maturity analyses of undiscounted cash flows of benefit payments are as follows:

	(In Thousand Baht)	
	Consolidated financial statements	Separated financial statements
Within 1 year	830	-
Within 1 - 3 years	10,106	5,837
Within 3 - 5 years	21,487	4,358
Within 5 - 10 years	91,432	26,787
Over 10 years	410,687	53,302

24. FINANCIAL ASSETS AND LIABILITIES

	(In Thousand Baht)			
	Consolidated financial statements			
	Classification and measurement in accordance with TFRS 9			
	Fair value		Fair value	
	Through other	Fair value	Amortization	
	comprehensive	through profit		
	income	or loss	cost	Total
Financial assets				
As at December 31, 2021				
Cash and cash equivalents	-	-	372,166	372,166
Trade and other current accounts receivable	-	-	724,923	724,923
Other current assets	-	-	8,485	8,485
Trade and other non - current accounts receivable	-	-	383,466	383,466
Other non - current assets	-	-	59,205	59,205
Total financial assets	-	-	1,548,245	1,548,245

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2021



	(In Thousand Baht)			
	Consolidated financial statements			
	Classification and measurement in accordance with TFRS 9			
	Fair value			
	Through other	Fair value	Amortization	
	comprehensive	through profit		
	income	or loss	cost	Total
Financial assets				
As at December 31, 2020				
Cash and cash equivalents	-	-	395,564	395,564
Trade and other current accounts	-	-	518,703	518,703
Other current assets	-	-	13,467	13,467
Trade and other non - current				
accounts receivable	-	-	219,008	219,008
Other non - current assets	-	-	26,728	26,728
Total financial assets	-	-	1,173,470	1,173,470

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2021



(In Thousand Baht)				
Separated financial statements				
Classification and measurement in accordance with TFRS 9				
	Fair value			
	Through other	Fair value		
	comprehensive	through profit	Amortization	
	income	or loss	cost	Total
Financial assets				
As at December 31, 2021				
Cash and cash equivalents	-	-	216,385	216,385
Trade and other current accounts	-	-	602,434	602,434
Other non - current financial			6,384	6,384
Short term loans related parties	-	-	88,540	88,540
Other current assets	-	-	7,954	7,954
Trade and other non - current				
accounts receivable	-	-	522,466	522,466
Other non - current assets	-	-	34,966	34,966
Total financial assets	-	-	1,479,129	1,479,129

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2021



(In Thousand Baht)				
Separated financial statements				
Classification and measurement in accordance with TFRS 9				
Fair value				
Through other	Fair value			
comprehensive	through profit	Amortization		
income	or loss	cost		Total
Financial assets				
As at December 31, 2020				
Cash and cash equivalents	-	-	284,829	284,829
Trade and other current accounts	-	-	428,657	428,657
Other non - current financial			6,371	3,671
Short term loans related parties	-	-	94,127	94,127
Other current assets	-	-	10,679	10,679
Trade and other non - current				
accounts receivable	-	-	219,008	219,008
Other non - current assets	-	-	22,468	22,468
Total financial assets	-	-	1,066,139	1,066,139

On December 31, 2021, the Company has does not classification financial liabilities for measurement at fair value through profit or loss (FVPL).

25. COMPENSATION LIABILITIES - CONVERTIBLE PREFERRED SHARES

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

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

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2021



	Amount	As at December 31, 2021		As at December 31, 2020	
	of share	Shares	Amount	Shares	Amount
<i>Authorized share capital consists of</i>					
Ordinary shares	1	520,756,281	520,756,281	414,607,781	414,607,781
Preferred shares	1	79,487,456	79,487,456	79,487,456	79,487,456
Warrant	1	-	-	106,148,500	111,455,925
		600,243,737	600,243,737	600,243,737	605,551,162
<i>Issued and paid - up share capital</i>					
Ordinary shares	1	520,756,281	520,756,281	414,607,781	414,607,781
Preferred shares	1	79,487,456	79,487,456	79,487,456	79,487,456
Issue of new shares					
Ordinary shares	1	-	-	-	-
Preferred shares	1	-	-	-	-
		600,243,737	600,243,737	494,095,237	494,095,237
<i>Issued and paid - up share capital</i>					
<i>Consist of</i>					
Ordinary shares	1	520,756,281	520,756,281	414,607,781	414,607,781
Preferred shares	1	79,487,456	79,487,456	79,487,456	79,487,456
		600,243,737	600,243,737	494,095,237	494,095,237
<i>Premium on shares</i>					
Ordinary shares	0.06	520,756,281	14,911,574	414,607,781	8,542,665
Preferred shares	0.06	79,487,456	4,769,247	79,487,456	4,769,247
<i>Discount on common shares</i>					
As at December 31					
Ordinary shares	1	414,607,781	(22,088,943)	414,607,781	(22,088,943)

26. SHARE CAPITAL AND PREMIUM (DISCOUNT) ON COMMON

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

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

Under rehabilitation plan

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

Warrants

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

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

	Consolidated/ Separated	
	As at December 31, 2021	
	(Unit)	(Baht)
Number of warrants	106,148,500	111,455,925
<u>Less</u> The number of exercised warrants - cumulative	(106,148,500)	(111,455,925)
<u>Less</u> The number of expired warrants - cumulative	-	-
Balance number of warrants	-	-

As at 30 September 2021, warrants of 106 million units were exercised at total of Baht 113 million, resulting in 106 million new ordinary shares, at par value of Baht 1 each, totaling Baht 106 million and share premium of Baht 6 million. The newly issued shares were fully paid - up.

Premium on share

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

27. COMPANY'S SHARES HELD BY SUBSIDIARIES

As at December 31, 2021 and 2020, The share of the Company that is held by subsidiary includes preferential right in the amount of 3,555,477 shares with the value of 1 Baht per share which the subsidiary has been received from transforming the debt into capital under the operation according to the reorganizational plan of the Company. The said share has been shown as they deduct in the part of shareholders under the topic "share of the Company held by subsidiary" in the consolidated.

28. REVALUATION SURPLUS ON FIXED ASSETS

Consist of:

	(In Thousand Baht)			
	Consolidated financial statements		Separated financial statements	
	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021	As at December 31, 2020
Revaluation surplus on land				
Beginning balance	643,042	643,042	579,880	579,880
Increase	-	-	-	-
Decrease	-	-	-	-
Ending balance	643,042	643,042	579,880	579,880
Revaluation surplus on building				
Beginning balance	136,047	139,891	136,047	139,891
Increase	-	-	-	-
Decrease	-	-	-	-
Decrease - Depreciation	(3,844)	(3,844)	(3,844)	(3,844)
Ending balance	132,203	136,047	132,203	136,047

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2021



(In Thousand Baht)

	Consolidated financial statements		Separated financial statements	
	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021	As at December 31, 2020
Revaluation surplus on fixed assets	775,244	779,089	712,083	715,927
Deferred tax liabilities	(155,049)	(155,818)	(142,417)	(143,185)
Revaluation surplus on fixed assets - net	620,195	623,271	569,666	572,742

As at December 31, 2021, the Company and a subsidiary's land and plant are stated at appraised value, reports of the independent appraiser Agency for T.A. Management Corporation (1999) Co., LTD at date of December 31, 2020 respectively. The excess of appraised value of land and plant, which based on Market Approach and Cost Approach, are shown as "Revaluation surplus of fixed assets" under "Shareholders' Equity" in the statement of financial position. The revaluation surplus of fixed assets is not available for dividend distribution.

29. LEGAL RESERVE

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

30. DIRECTOR AND MANAGEMENT REMUNERATION

Director's remuneration

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

Management's remuneration

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

31. EARNING PROFIT (LOSS) PER SHARE

Basic earnings profit (loss) per share:

Basic earnings profit (loss) per share for the years ended December 31, 2021 and 2020, are calculated by net profit (loss) of ordinary shareholder and preferred shareholder of ordinary shares and preferred shares issued and paid up during in the year by calculated follow as:

	For the years ended December 31,			
	Consolidated financial statements		Separated financial statements	
	2021	2020	2021	2020
Net profit (loss) attributable to the owners				
of the parent (Thousand Baht)	96,849	22,462	203,321	(114,459)
Weighted average number of ordinary shares				
(Thousand shares)	497,816	414,608	497,816	414,608
Basic earnings (loss) per share				
(Thousand Bath per thousand shares)	0.195	0.054	0.408	(0.276)

Diluted earnings (loss) per share:

The reduced profit (loss) per share for the year ended December 31, 2021 and 2020, which is calculated from the profit (loss) of the last year as the part for shareholders of the Company and the amount of common share that has been sold between the year in each year by averaging after the adjustment of the effect of the reduced share as follows:

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2021



	For the years ended December 31,			
	Consolidated financial statements		Separated financial statements	
	2021	2020	2021	2020
Net profit (loss) attributable to the owners of the parent (Thousand Baht)	96,849	22,462	203,321	(114,459)
Weighted average number of ordinary shares for earnings per share (Thousand shares)	497,816	414,608	497,816	414,608
Dilutive potential ordinary shares (Thousand shares)	-	-	-	-
Warrant	-	105,147	-	105,147
Weighted average number of ordinary shares for diluted earnings per share (Thousand shares)	497,816	519,755	497,816	519,755
Diluted earnings (loss) per share (Thousand Bath per thousand shares)	0.195	0.043	0.408	(0.220)

32. OTHER INCOME

Other Income for the years ended December 31, 2021 and 2020, Consist of:

	(In Thousand Baht)			
	Consolidated financial statements		Separated financial statements	
	2564	2563	2564	2563
Rental income	-	-	6,110	5,708
Service income	-	-	51,652	51,704
Interest income	15,135	17,773	17,576	21,223
Gain / (Loss) from foreign exchange rate	23,314	13,189	21,749	11,726
Gain from partial business transfer	-	-	165,466	2,689
Other	58,590	47,728	52,335	25,834
Total	97,039	78,690	314,888	118,884

On 15 September 2021, the company and a subsidiary entered into Purchase Agreement of Ice machine business. The Company as “Seller” will transfer such business within 1 October 2021, and Patkol Ice Solutions Co., Ltd. as “Buyer” will pay for such transaction with a value of Baht 139 million within 30 September 2026.

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2021



33. EXPENSES ANALYZED BY NATURE

Consist of:

	(In Thousand Baht)			
	Consolidated financial statements		Separated financial statements	
	2564	2563	2564	2563
Changes in inventories and work in process	(53,119)	(57,312)	(57,986)	(23,109)
Raw materials and supplies used	2,925,549	2,682,881	1,563,232	1,483,515
Staff expense	518,568	568,072	341,367	407,417
Depreciation and amortization	105,598	81,565	45,028	43,416
Bad debt (reversal)	(39,076)	23,782	(50,880)	23,061
Loss (reversal) decrease of inventory	5,242	2,790	2,522	1,974
Loss (reversal) on impairment of investment	5,537	24,262	5,537	24,262

34. CORPORATE INCOME TAX

Income tax expense for the years ended December 31, 2021 and 2020, Consist of:

	(In Thousand Baht)			
	Consolidated financial statements		Separated financial statements	
	2021	2020	2021	2020
Current income tax:				
Income tax for the years	7,853	6,801	-	-
Deferred income tax:				
Deferred income tax effect of temporary difference and the reversal of temporary differences	32,585	(23,204)	26,584	(3,290)
Operating expense (income) tax present in the statement of comprehensive income	40,438	(16,403)	26,584	(3,290)

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2021



Reconciliation for effective tax rate

(In Thousand Baht)			
Separated financial statements			
Rate %	2021	Rate %	2020
Profit (loss) before income tax expense	229,905		(117,749)
Income tax using the Thai corporation			
tax rate	20	20	(23,550)
Income not subject to tax	(4,951)		(8,953)
Expenses not deductible for tax purposes	555		1,326
Permission to carry forward losses			
for 5 years	(33,528)		-
Difference and the reversal of			
temporary differences	(8,057)		31,177
Total	-		-

35. TRANSACTIONS WITH RELATED PARTIES

The Company has significant transactions with the related parties. The transactions between related parties are assets, liabilities, revenues, costs and expenses. These related parties are related through shareholdings and/or with directorship. The effect of these transactions, arose in the normal business, has been included in the financial statements whose bases agreed upon between the Company and the related parties.

35.1 Relationship

<u>Name of relate of parties</u>	<u>Relationship</u>
Patkol Ice Solutions Co., Ltd. (Formerly known as Patkol Manufacturing Co., Ltd.)	Subsidiary
Patkol Trading Co., Ltd.	Subsidiary
S Panel Co., Ltd.	Subsidiary
Heataway Co., Ltd.	Subsidiary
Tygienic Co., Ltd.	Subsidiary
Patkol Philippines Corporation Co., Ltd.	Subsidiary
Indonesia Patkol Service Corporation Co., Ltd.	Subsidiary
Patkol Malaysia Sendirian Berhad Co., Ltd.	Subsidiary
Patkol Myanmar Co., Ltd.	Subsidiary
PT Indonesia Patkol Refrigeration Co., Ltd.	Subsidiary
Prepack (Thailand) Co., Ltd.	Common director
Prudent Advisory Corporate Finance & Strategy Co., Ltd.	Common director

35.2 Pricing policy

	<u>Pricing policy</u>
Sale of goods and services	Cost plus profit 1% for raw materials Cost-plus profit 7% to 10% for finished goods
Purchase of goods and services	Cost plus profit 1% for raw materials Cost-plus profit 7% to 10% for finished goods
Interest income	At the interest rate MOR per annum
Rental income and services	At Baht 1,000 - 525,584 per month
Management fee income	Price as agreed
Management fee system income	Price as agreed
Rental and Services	Price as agreed

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2021



35.3 Assets and liabilities with related parties are as follows:

Trade and others accounts receivable - related parties

	(In Thousand Baht)			
	Consolidated financial statements		Separated financial statements	
	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021	As at December 31, 2020
Trade accounts receivable - related parties	-	-	3,704	6,997
<u>Less</u> Allowance for expected credit losses	-	-	(1,169)	(1,391)
Trade accounts receivable - related parties, net	-	-	2,535	5,606
Others account receivable - related parties	-	-	34,537	20,825
<u>Less</u> Allowance for expected credit losses	-	-	(11,033)	(6,098)
Others account receivable - related parties, net	-	-	23,504	14,727
Accrued interest - related parties	-	-	41,281	52,424
<u>Less</u> Allowance for expected credit losses	-	-	(575)	-
Accrued interest - related parties, net	-	-	40,706	52,424
Advance payment - related parties	-	-	39,904	25,115
Accrued income - related parties	-	-	3,686	2,665
Total Trade and others accounts receivable, net	-	-	110,335	100,537

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2021



Trade accounts receivable are classified by aging as follows:

(In Thousand Baht)				
	Consolidated financial statements		Separated financial statements	
	As at December	As at December	As at December	As at December
	31, 2021	31, 2020	31, 2021	31, 2020
Undue	-	-	1,557	3,110
- Not over 3 months	-	-	567	2,792
- Over 3 months to 6 months	-	-	510	75
- Over 6 months to 12 months	-	-	160	665
- Over 12 months	-	-	910	355
Total	-	-	3,704	6,997
<u>Less</u> Allowance for expected credit losses	-	-	(1,169)	(1,391)
Total trade accounts receivable - related parties, net	-	-	2,535	5,606

Contract assets - related parties

(In Thousand Baht)				
	Consolidated financial statements		Separated financial statements	
	As at December	As at December	As at December	As at December
	31, 2021	31, 2020	31, 2021	31, 2020
Contract assets - related parties	-	-	89	25

Short - term loans to related parties

(In Thousand Baht)				
	Consolidated financial statements		Separated financial statements	
	As at December	As at December	As at December	As at December
	31, 2021	31, 2020	31, 2021	31, 2020
Short - term loans - related parties	-	-	91,185	41,703
<u>Less</u> Allowance for expected credit losses	-	-	(2,645)	-
Short - term loans - related parties, net	-	-	88,540	41,703

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2021



Increase and decrease in short - term loans to related parties are as follows:

	(In Thousand Baht)	
	Consolidated financial statements	Separated financial statements
Opening balance	-	41,703
Addition	-	188,518
Repayment	-	(140,649)
Unrealized gain on exchange rate	-	1,613
Closing balance	-	91,185

The Company has granted loans to related parties by issuing promissory notes with interest rate at 5.88% - 13% per year (Referring to interest rate of Bangkok Bank) and due on demand.

Other non - current account receivables - related parties

	(In Thousand Baht)			
	Consolidated financial statements		Separated financial statements	
	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021	As at December 31, 2020
Other accounts payable - related parties	-	-	139,000	-

Trade and other current accounts payable related parties

	(In Thousand Baht)			
	Consolidated financial statements		Separated financial statements	
	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021	As at December 31, 2020
Trade accounts payable - related parties	-	-	164,044	123,482

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2021



Contract Liabilities - related parties

	(In Thousand Baht)			
	Consolidated financial statements		Separated financial statements	
	As at December	As at December	As at December	As at December
	31, 2021	31, 2020	31, 2021	31, 2020
Contract Liabilities - related parties	-	-	376	492
Unearned Income - related parties	-	-	1,082	-
Total contract liabilities - related parties	-	-	1,458	492

Provision employee benefit obligation - for management

	(In Thousand Baht)			
	Consolidated financial statements		Separated financial statements	
	As at December	As at December	As at December	As at December
	31, 2021	31, 2020	31, 2021	31, 2020
Provision employee benefit obligation -				
for management	23,935	29,874	23,935	29,874

35.4 Revenues and expenses transactions with related parties

Revenues - related parties

	(In Thousand Baht)			
	Consolidated financial statements		Separated financial statements	
	2021	2020	2021	2020
Revenues from sales and rendering				
services - related parties	-	-	37,919	34,379
Revenue from rent and services -				
related parties	-	-	57,762	57,412
Interest income - related parties	-	-	2,635	3,542
Dividend income - related parties	-	-	11,081	-
Revenues from partial business transfer -	-	-	139,000	-
related parties				

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2021



Expenses - related parties

(In Thousand Baht)				
	Consolidated financial statements		Separated financial statements	
	2021	2020	2021	2020
Revenues from sales and rendering				
services - related parties	-	-	745,976	816,136
Administrative expense - related parties	-	-	-	800
Administrative expense - Director	-	-	5,294	4,844

Managements' remuneration

(In Thousand Baht)				
	Consolidated financial statements		Separated financial statements	
	2021	2020	2021	2020
Managements remuneration				
Short - term benefits	29,146	33,841	29,146	29,787
Post - employment benefits	(5,940)	3,037	(5,940)	3,037
Total	23,206	36,878	23,206	32,824

36. FINANCIAL INFORMATION BY SEGMENT

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

The Group has modified the presentation of segment information in order to align with the current business activities which involve in design, manufacturing and installation of machine and equipment. The Group is organized into the following 4 business segments:

- Ice machine and system
- Machinery for industrial refrigeration system
- Machinery and system for liquid
- Central management and others

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. The Group measures segment performance based on gross profit, which is a consistent basis with that used to measure gross profit in the financial statements.

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2021



36.1 The following tables present revenue and gross profit information regarding the Group's operating segments

	(In Million Baht)				
	Consolidated financial statements				
	for the year ended 31 December 2021				
	Machinery for				
	Ice machine	industrial	Machinery	Central	
	and system	refrigeration	and system	management	
		system	for liquid	and others	Total
Total revenue	1,491	1,071	1,287	176	4,025
<u>Less</u> Inter - segment	521	116	142	38	817
Revenue from external					
customers	970	955	1,145	138	3,208
Results					
Segment gross profit	241	197	233	22	693
Selling and administrative					
expenses					(621)
Operating profit (not including					
other income)					72
Finance costs					(30)
Profit before income tax					139
Income tax					(40)
Profit for the year from					
continuing operations					98
Profit for the year					98
Timing of revenue recognition					
At a point in time	-	586	-	100	686
Over time	970	369	1,146	37	2,522

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2021



(In Million Baht)

	Consolidated financial statements				
	for the year ended 31 December 2020				
	Machinery for				
	Ice machine	industrial	Machinery	Central	
	and system	refrigeration	and system	management	
		system	for liquid	and others	Total
Total revenue	1,673	1,135	959	166	3,933
Less Inter-segment	557	140	143	34	874
Revenue from external customers	1,116	995	816	132	3,059
Results					
Segment gross profit	309	244	170	32	755
Selling and administrative expenses					(772)
Operating profit (not including other income)					(17)
Finance costs					(41)
Profit before income tax					8
Income tax					16
Profit for the year from continuing operations					25
Profit for the year					25
Timing of revenue recognition					
At a point in time	-	560	-	95	655
Over time	1,116	436	816	36	2,404

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2021



36.2 Geographic information

(In Million Baht)					
Consolidated financial information					
for the year ended 31 December 2021					
	Machinery Ice machine and system	Machinery for industrial refrigeration system	Machinery and system for liquid	Central management and others	Total
Revenue from external customers					
Thailand	806	933	1,108	137	2,984
Other Country	164	22	38	-	224
Total revenue from external customers	970	955	1,146	137	3,208

(In Million Baht)					
Consolidated financial information					
for the year ended 31 December 2020					
	Machinery Ice machine and system	Machinery for industrial refrigeration system	Machinery and system for liquid	Central management and others	Total
Revenue from external customers					
Thailand	904	952	689	131	2,676
Other Country	212	44	127	-	383
Total revenue from external customers	1,116	996	816	131	3,059

36.3 Major customer

During the year ended 31 December 2021 and 2020, the Group had no customer with revenues of 10 percent or more of the Group's revenue

37. DISCLOSURE OF FINANCIAL INSTRUMENTS

37.1 Accounting policy

The significant accounting policies and method adopted including the basis of recognition and measurement relating to each class of financial assets and liabilities have been disclosed in note 4

37.2 Non - performance of contract risk

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

37.3 Credit risk

The Group is exposed to credit risk primarily with respect to trade receivables, contract assets, deposits with banks and other financial instruments. Except for derivative financial instruments as disclosed under liquidity risk, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

Trade receivables and contract assets

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables and contract assets are regularly monitored and any sale of products to major dealers are covered by credit insurance obtained from the banks. In addition, the Group does not have high concentrations of credit risk since it has a large customer base.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision for expected credit losses rates are based on days past due for groupings of various customer segments with similar credit risks. The calculation reflects the reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade and other receivables are written-off in accordance with the Group's policy.

37.4 Interest rate risk

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

As at December 31, 2021 and 2020, significant financial assets and liabilities classified by type of interest rate are summarized in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date :

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2021



(In Thousand Baht)							
Consolidated financial statements							
As at December 31, 2021							
Fixed interest rates							
	Within 1 year	1 - 5 years	Over 5 years	Floating Interest rate	Non interest bearing	Total	Effective interest rate (% per annum.)
Financial Assets							
Cash and cash equivalents	-	-	-	371,804	362	372,166	0.125 - 0.250
Trade and other current account receivables	-	-	-	-	724,923	724,923	-
Contract assets	-	-	-	-	385,491	385,491	-
Non - current financial assets	19,175	-	-	37,302	-	56,477	-
Trade and other non - current account receivables	-	-	383,466	-	-	383,466	-
	<u>19,175</u>	<u>-</u>	<u>383,466</u>	<u>409,106</u>	<u>1,110,776</u>	<u>1,922,523</u>	
Financial liabilities							
Bank overdraft	-	-	-	703	-	703	5.875
Short - term loans	4,000	-	-	324,362	-	328,362	3.750 - 4.750
Trade and other current account payables	-	-	-	-	741,501	741,501	-
Contract liabilities	-	-	-	-	390,753	390,753	-
Long - term loans	27,417	11,583	-	689,514	-	728,514	2.000 - 5.250
Lease liabilities	14,356	14,867	-	-	-	29,223	1.710 - 5.540
	<u>45,773</u>	<u>26,450</u>	<u>-</u>	<u>1,014,579</u>	<u>1,132,254</u>	<u>2,219,056</u>	

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2021



(In Thousand Baht)							
Consolidated financial statements							
As at December 31,2020							
Fixed interest rates				Floating	Non		
Within 1 year	1 - 5 years	Over 5 years	Interest rate	interest bearing	Total		Effective interest rate (% per annum.)
Financial Assets							
Cash and cash equivalents	-	-	-	340,612	54,952	395,564	0.125 - 0.250
Trade and other current account receivables	-	-	-	-	518,703	518,703	-
Contract assents	-	-	-	-	262,687	262,687	-
Non - current financial assets	26,099	-	-	5,040	-	31,139	0.125 - 0.500
Trade and other non - current account receivables	-	-	219,008	-	-	219,008	-
	<u>26,099</u>	<u>-</u>	<u>219,008</u>	<u>345,652</u>	<u>836,342</u>	<u>1,427,101</u>	
Financial liabilities							
Bank overdraft	-	-	-	18,027	-	18,027	5.875 - 5.875
Short - term loans	-	-	-	151,970	-	151,970	3.750 - 5.500
Trade and other current account payables	-	-	-	-	431,394	431,394	-
Contract liabilities	-	-	-	-	415,902	415,902	-
Long - term loans	-	-	-	567,921	-	567,921	3.750 - 5.250
Lease liabilities	<u>20,272</u>	<u>22,167</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,439</u>	0.055 - 6670
	<u>20,272</u>	<u>22,167</u>	<u>-</u>	<u>737,918</u>	<u>847,296</u>	<u>1,627,653</u>	

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2021



(In Thousand Baht)							
Separated financial statements							
As at December 31, 2021							
Fixed interest rates							
	Within 1 year	1 - 5 years	Over 5 years	Floating Interest rate	Non interest bearing	Total	Effective interest rate (% per annum.)
Financial Assets							
Cash and cash equivalents	-	-	-	216,042	343	216,385	0.125 - 0.250
Trade and other current account Receivables	-	-	-	-	499,356	499,356	-
Contract assents	-	-	-	-	326,215	326,215	-
Short - term loans and Accrued interest income	-	-	-	88,540	16,103	104,643	5.875 - 13.000
Non - current financial assets	6,384	-	-	-	-	6,384	-
Trade and other non - current account receivables	-	-	-	100,507	-	100,507	4.250 - 6.000
	<u>6,384</u>	<u>-</u>	<u>-</u>	<u>405,089</u>	<u>842,017</u>	<u>1,253,490</u>	
Financial liabilities							
Bank overdraft	-	-	-	692	-	692	5.875
Trade and other current account payables	-	-	-	-	513,680	513,680	-
Contract liabilities	-	-	-	-	267,399	267,399	-
Long - term loans	-	-	-	533,306	-	533,306	4.250 - 5.250
Lease liabilities	5,243	2,229	-	-	-	7,472	1.710 - 5.540
	<u>5,243</u>	<u>2,229</u>	<u>-</u>	<u>533,998</u>	<u>781,079</u>	<u>1,322,549</u>	

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2021



	(In Thousand Baht)						
	Separated financial statements						
	As at December 31,2020						
	Fixed interest rates			Floating	Non		
	Within 1	1 - 5	Over	Interest	interest	Total	Effective
	year	years	5 years	rate	bearing		interest rate
							(% per annum.)
Financial Assets							
Cash and cash equivalents	-	-	-	242,569	42,260	284,829	0.200 - 0.205
Trade and other current account							
receivables	-	-	-	-	428,657	428,657	-
Contract assents	-	-	-	-	238,406	238,406	-
Short - term loans and Accrued							
interest income	-	-	-	41,703	52,424	94,127	5.875 -13.000
Non - current financial assets	4,340	-	-	2,031	-	6,371	-
Trade and other non - current							
account receivables	-	-	219,008	-	-	219,008	-
	<u>4,340</u>	<u>-</u>	<u>219,008</u>	<u>286,303</u>	<u>761,747</u>	<u>1,271,398</u>	
Financial liabilities							
Bank overdraft	-	-	-	2,980	-	2,980	5.875
Trade and other current account							
payables	-	-	-	-	336,587	336,587	-
Contract liabilities	-	-	-	-	386,312	386,312	-
Long - term loans	-	-	-	387,463	-	387,463	3.750-4.500
Lease liabilities	<u>13,927</u>	<u>9,673</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,600</u>	<u>6.170 - 6.670</u>
	13,927	9,673	-	390,443	722,899	1,136,942	

37.5 Exchange rate risk

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

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2021



As at December 31, 2021 and 2020, the Company and subsidiaries have assets and liabilities denominated as follows :

Transaction	Currency	Consolidated financial		Separated financial	
		statements		statements	
		As at December 31, 2021	As at December 31, 2020	As at December 31, 2021	As at December 31, 2020
Deposit at banks	Thousand USD	1,632	4,559	989	4,559
	Thousand IDR	211,910	210,498	211,910	210,498
	Thousand PHP	-	65	-	65
	Thousand VND	411,572	396,208	411,572	396,208
Trade accounts					
Receivable	Thousand USD	22,911	1,130	22,825	1,803
/ Deposit	Thousand EUR	796	385	785	385
	Thousand MYR	-	-	-	-
	Thousand AUD	-	3	-	3
	Thousand PHP	-	-	-	-
	Thousand IDR	14,465	83,450	14,465	83,450
	Thousand GBP	-	7	-	7
Trade accounts payable	Thousand USD	138	988	366	697
	Thousand EUR	998	274	929	50
	Thousand VND	-	1,800	-	1,800
	Thousand IDR	-	31,500	-	31,500
	Thousand PHP	-	-	-	-
	Thousand GBP	-	7	-	7
	Thousand MMK	5	-	5	-
	Thousand JPY	-	-	-	-
	Thousand MYR	-	5	-	5
	Thousand AUD	-	83	-	-
Loan-trust receipt	Thousand USD	-	-	-	-

37.6 Fair values of financial instruments

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

37.7 Fair value hierarchy

In applying the above-mentioned valuation techniques, the Group's endeavors to use relevant observable inputs as much as possible. TFRS 13 *Fair Value Measurement* establishes a fair value hierarchy categorizing such inputs into three levels as follows:

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

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

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

38. COMMITMENTS AND CONTINGENT LIABILITIES

38.1 Capital commitments

	(In Million Baht)			
	Consolidated financial statements		Separated financial statements	
	As at December	As at December	As at December	As at December
	31, 2021	31, 2020	31, 2021	31, 2020
Capital commitments				
- Purchase of goods agreement	162.17	80.50	8.69	0.33
- Contractor agreement	69.15	3.21	-	0.53
Total	231.32	83.71	8.69	0.86

38.2 Operating lease commitments

	(In Million Baht)			
	Consolidated financial statements		Separated financial statements	
	As at December	As at December	As at December	As at December
	31, 2021	31, 2020	31, 2021	31, 2020
Operating lease commitments				
Within 1 year	6.48	1.99	5.04	1.98
More than 1 to 5 years	6.16	3.63	5.74	3.63
Total	12.64	5.62	10.78	5.61

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2021



As at December 31, 2021, the Company and subsidiaries has commitments of lease office buildings den foreign currencies as follows:

		As at December 31, 2021	
Buildings and offices in domestic and foreign countries	Currency	Within 1 year	More than 1 to 2 years
- Vietnam	VND	346,000,000	678,000,000

38.3 Letters of guarantee

As at December 31, 2021, the Company and subsidiaries has contingent liabilities with commercial banks as follows:

	Consolidated financial statements	Separated financial statements
	As at December 31, 2021	As at December 31, 2021
Letters of guarantee		
- Domestic currency (Million Baht)	288.00	136.00
- Foreign currency		
Thousand EUR	18.92	18.92
Thousand USD	430.20	430.20
Cheque guarantee (Million Baht)	4.72	4.48

39. Litigation

Subsidiaries

1. On 14 January 2019, the second defendant's, a subsidiary, was sued as a civil case by Samutprakarn provincial court. about the claim of damages from fire the warehouse, which the subsidiary installed refrigeration equipment, indemnity of 246.42 million Baht plus interest rate at 7.5% of the amount, is the following day of the lawsuit. The case is currently under consideration by the court. The Company's management and lawyer have an opinion that there are uncertain of solution at present. Therefore, the amount of damages has not yet been determined.
2. On 11 January 2019, a subsidiary was sued as a civil case by the Civil Court. about the claim of damages from fire the warehouse, which the subsidiary installed refrigeration equipment, indemnity of 143.12 million Baht plus interest rate at 7.5% of the amount of the money, is the following day of the lawsuit. The court issued a judgment on 8 June 2020 to dismiss the plaintiff, but the plaintiff has appealed and the court of appeal received appeal. The case was trialing. The

Company's management and lawyer have an opinion that there are uncertain of solution at present. Therefore, the amount of damages has not yet been determined.

40. RECLASSIFICATIONS

The Company certain amounts in the financial statements for the year 2020 have been reclassified to conform to the current period's classification.

41. CAPITAL MANAGEMENT

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

As at December 31, 2021 and 2020, debt to equity ratio in the consolidated financial statements is 1.57 : 1 and 1 : 1, respectively (the separate financial statements: debt to equity ratio is 1.04 : 1 and 0.96 : 1, respectively).

42. SUBSEQUENT EVENT AFTER THE REPORTING PERIOD

The Board of Directors' Meeting No. 2/2022 on February 25, 2022, approved to propose to the Annual General Meeting of Shareholders for the year 2022 ("2022 AGM") to consider and approve the allocation of a part of annual net profit and dividends for operations 2021 as follows;

42.1 Dividend payment to shareholders as follows;

42.1.1 Preferred share at the rate of Baht 0.02375 per share.

42.1.2 Common share at the rate of Baht 0.065 per share.

Total dividend payment was Baht 35,736,985.35 (as a result, the Company has legal reserves, amounting Baht 60,024,373.70 not less than 10% of authorized capital).

43. FINANCIAL STATEMENTS APPROVAL

These financial statements have been approved for issue by the Company's board of directors on February 25, 2022.

Part 4

Certification of the Correctness of One Report Information

The Company has carefully reviewed the information in this annual report. The Company assures that it is complete and accurate. There is no false, misleading or missing information that should be provided. In addition, the Company assures that:

(1) The financial statements and financial information summarized in the annual report are accurately displayed regarding the financial position, operating results, and cash flows of the Company and its subsidiaries.

(2) The Company is responsible for ensuring that the Company maintains a good disclosure system to ensure that the Company has properly disclosed the information of the Company and its subsidiaries, as well as supervised the compliance with such system.

(3) The Company has provided a good internal control system and supervised compliance with the system. The Company has informed the Company's auditors and audit committee regarding the internal assessment as of February 17, 2021, including any significant deficiencies and changes in the internal control system, as well as misconduct that may affect the preparation of financial reports of the Company and its subsidiaries.

In this regard, as evidence that all documents are the same documents that the Company has authenticated, the Company has assigned Ms. Wannaporn Trinvisutthikul, the Company's Secretary, to sign this document on all pages. If any document does not contain the signature of Ms. Wannaporn Trinvisutthikul, the Company's Secretary, the Company shall assume that it is not information of which the Company has certified the accuracy, as mentioned above.

	Name	Position	Signature
1.	Mr. Sangchai Chotchuangchutaval	Director	
2.	Mr. Panet Chongvatana	Director	
Attorney			
	Name	Position	Signature
1.	Miss Wannaporn Trinvisutthikul	Company Secretary	

Attachment 1

Profiles of the Board of Directors and Management Team and Company Secretary

Name / Position	Age (year)	Highest Academic Qualification	Holding of Company's Share	Relationship	Experience	
					Year	Position / Name of Company
1. Mr. Pitipong Phungbun na Ayutthaya <ul style="list-style-type: none"> Chairman of the Board Independent Director 	75	Master of Public Administration (MPA) California State University (East Bay) <u>IOD Training</u> - Director Accreditation Program (DAP 149/2018) - Risk Management Program for Corporate Leaders (RCL 7/2017)	-	-	Present	<u>Other business</u> - Director of the Council of State - President of the Agricultural Economics Society of Thailand Under Royal Patronage
2. Mr. Pairoj Sanyadechakul <ul style="list-style-type: none"> Chairman of the Audit Committee Independent Director 	72	Bachelor's Degree in Engineering, Chulalongkorn University <u>IOD Training</u> - Director Certification Program (DCP 258/2018) - Advanced Audit Committee Program (AACP 30/2018)	-	-	Present	<u>Other business</u> - Director and Foundation for Industrial Development (FID) - Director of Thailand Productivity Foundation - Chairman of the Board of Electrical and Electronics Institute - Independent Director and Chairman of Risk Management Committee - Chairman of the Board of Good corporate governance of NEP Reality and Industry PUBLIC COMPANY LIMITED

Name / Position	Age (year)	Highest Academic Qualification	Holding of Company's Share	Relationship	Experience	
					Year	Position / Name of Company
3 Mr. Sangchai Chotchuangchutchaval <ul style="list-style-type: none"> • Vice Chairman of the Board • Chairman of Executive Committee • Chief Executive Officer 	66	Doctor of Philosophy (Industrial Engineering), King Mongkut's institute of Technology North Bangkok <u>IOD Training</u> - Director Accreditation Program (DAP 5/2003) - Director Certification Program (DCP 237/2017)	9.28%	-	Present	<u>Subsidiaries</u> Director - Patkol Trading Co., Ltd - Spanel Co., Ltd. - Patkol Ice Solutions Co., Ltd. - Heataway Co., Ltd. - Tygienic Co., Ltd. - Patkol Philippines Corporation Co., Ltd. - PT Indonesia Patkol Service Co., Ltd. - Patkol Malaasia Co., Ltd. - Patkol Myanmar Co., Ltd. - PT Indonesia Patkol Refrigeration Co., Ltd. <u>Other business</u> - Director, Dr. Piya Chongvatana Foundation - Executive Board of King Mongkut's institute of Technology North Bangkok

211

Name / Position	Age (year)	Highest Academic Qualification	Holding of Company's Share	Relationship	Experience	
					Year	Position / Name of Company
6. Mr. Preecha Chantarangkul <ul style="list-style-type: none"> Audit Committee Member Chairman of Nomination and Remuneration Committee Independent Director 	78	Bachelor's Degree in Business Administration, Faculty of Management, Thammasart University <u>IOD Training</u> -Directors Accreditation Program (DAP 2/2003) - Finance for Non-Finance Director (FND 11/2004)	-	-	Present	<u>Other business</u> -
7. Mr. Paradorn Chulajata <ul style="list-style-type: none"> Director Audit Committee Consultant Risk Management Committee Member Nomination and Remuneration Committee Member 	55	Master's Degree in Business Administration, Faculty of Finance, Eastern Michigan University, USA. <u>IOD Training</u> - Directors Accreditation Program (DAP 2/2003) - Directors Certification Program (DCP 38/2003) - Refresher Course DCP (DCP Re 4/2007) - Advanced Audit Committee Program (AACP 21/2015)	2.24%	-	Present	<u>Other business</u> - Director, Prepack Thailand Co.,Ltd. - Honorary President of Plastic Industry Club, The Federation of Thai Industries - Excusive Committee and Professional of Center of Excellence on Petrochemical and Material, Chulalongkorn University - Advisor of the Working Group Government cooperation project Business sector Civil society for sustainable waste and plastic disposal - Subcommittee of Circular Economic Planning of National Higher Education Science Research and Innovation Policy Council

Name / Position	Age (year)	Highest Academic Qualification	Holding of Company's Share	Relationship	Experience	
					Year	Position / Name of Company
8. Mr. Sumet Jiambutr <ul style="list-style-type: none"> Director Executive Committee Member 	67	Bachelor's Degree in Engineering in Mechanical Engineer of King Mongkut's Institute of Technology North Bangkok	0.20%	-	Present	<u>Subsidiaries</u> Director - Patkol Ice Solutions Co., Ltd. - Patkol Trading Co., Ltd. - Spanel Co., Ltd - Heataway Co., Ltd. - Tygienic Co., Ltd.
9. Ms. Anongsiri Chaiyakul <ul style="list-style-type: none"> Director 	79	Bachelor's Degree in Accounting, Thammasart University <u>IOD Training</u> - Directors Accreditation Program (DAP 50/2006)	-	-	Present	<u>Subsidiaries</u> Director - Patkol Ice Solutions Co., Ltd. - Patkol Trading Co., Ltd.
10. Ms. Nongluck Sakdakrai <ul style="list-style-type: none"> Director Nomination and Remuneration Committee Member 	47	Master's Degree in Perfect Management, George Washington University <u>IOD Training</u> - Directors Certification Program (DCP 19/2002) - Refresher Course (DCP Re 3/2006) - Board Nomination and Compensation Program Class (BNCP Re 3/2018)	6.07%	-	Present 2000-2019	<u>Other business</u> - Director of Thai Ice tube Co., Ltd. - Director, of Watcharaphol tube ice Co., Ltd. - Deputy Managing Director, Thai Ice Tube Co., Ltd. - Deputy Managing Director, Watcharaphol tube ice Co., Ltd.

Name / Position	Age (year)	Highest Academic Qualification	Holding of Company's Share	Relationship	Experience	
					Year	Position / Name of Company
11. Mr. Panet Chongvatana <ul style="list-style-type: none"> • Director • Executive Committee Member • Risk Management Committee Member • Acting Chief Executive Officer • Chief Strategy Officer 	45	Master's Degree of Science in Engineering Management Majoring in Project Management has Jersey Institute of Technology, USA. <u>IOD Training</u> - Directors Certification Program (DCP 228/2016) - Financial Statement for Director (FSD 2/2008) - Company Secretary Program (CSP 67/2015)	6.40%	Cousin of Ms. Naitya Chongvatana	Present	<u>Subsidiaries</u> Director - Patkol Ice Solutions Co.,Ltd. - Patkol Trading Co., Ltd. - Spanel Co., Ltd. - Heataway Co., Ltd. - Tygienic Co., Ltd. - Patkol Philippines Corperation Co., Ltd. - PT Indonesia Patkol Service Co., Ltd. - Patkol Malaasia Co., Ltd. - Patkol Myanmar Co., Ltd. - PT Indonesia Patkol Refrigeration Co., Ltd.
12. Mr. Rangsan Thammaneeewong <ul style="list-style-type: none"> • Director • Executive Committee • Risk Management Committee Member • Business consultants 	60	Master's Degree in College of Business Administration, Joesph M. Katz, Graduate School University of Pittsburgh, Pittsburgh, Pennsylvania, USA. <u>IOD Training</u> - Directors Accreditation Program (DAP 133/2017)	-	-	Present	<u>Other business</u> - Chairman, Prudent Advisor Co., Ltd. - Director, SS National Logistics Co., Ltd. - Director, Sermasuk Public Co., Ltd. - Member of Chartered, Society of Advancement for Consulting, USA

Name / Position	Age (year)	Highest Academic Qualification	Holding of Company's Share	Relationship	Experience	
					Year	Position / Name of Company
13. Ms. Wannaporn Trinvisutthikul <ul style="list-style-type: none"> Chief Administrative Officer The person taking the highest responsibility in finance and accounting Company Secretary (November 2018 – Present) 	49	Master's Degree in Business Administration, Ramkhamhaeng University <u>IOD Training</u> - Directors Certification Program (DCP 225/2016) - How to Develop a Risk Management Plan (HRP 17/2018) - Company Secretary Program (CSP 95/2019) <u>Training for the person taking the highest responsibility in finance and accounting</u> - CFO Focus Financial reporting 5 by SEC and Federation of Accounting Professions 16 hr. <u>Training for Management</u> - Company Secretary Program (CSP) 16 hr. - OSH&E Committee Program 12 hr.	-	-	Present	<u>Subsidiaries</u> Director - Patkol Trading Co., Ltd - Patkol Ice Solutions Co.,Ltd - Tygienic Co., Ltd - PT Indonesia Patkol Refrigeration Co., Ltd.

Name / Position	Age (year)	Highest Academic Qualification	Holding of Company's Share	Relationship	Experience	
					Year	Position / Name of Company
14. Mr. Chakkraphong Chaosuan • Chief International Business Officer (Acting)	49	Bachelor's Degree in Electronic engineering, King Mongkut's Institute of Technology Ladkrabong	-	-	Present	<u>Subsidiaries</u> Director - Heataway Co., Ltd - Patkol Ice Solutions Co., Ltd. - Patkol Philippines Corporation Co., Ltd. - PT Indonesia Patkol Service Co., Ltd. - PT Indonesia Patkol Refrigeration Co., Ltd.
15. Mr. Suwat Grittiyarangsarn • Managing Director of Refrigeration (Acting)	50	Master's degree Business Administration National Institute of Development Administration (NIDA)	-	-	-	-
16. Mrs. Siwaporn Dumronglaohapun • Managing Director of Patkol Trading Co., Ltd and Tygienic Co., Ltd	55	Master's Degree in Chemical Engineering, King Mongkut's University of Technology Thouburi	-	-	Present	<u>Subsidiaries</u> Director - Patkol Trading Co., Ltd - Tygienic Co., Ltd

Attachment 2

Detail of Director in Subsidiaries As of 31 December 2021

Name	PK	Subsidiaries											Related Company (by definition of SEC)
		PKI	PKT	SPN	HA	TG	PK-PH	PK-IDSV	PK-IDRF	PK-MY	PK-MM	Consul	
1. Mr. Pitipong Phungbun na Ayutthaya	X, //												
2. Ms. Naitya Chongvatana	/												
3. Mr.Sangchai Chotchuangchutchaval	V,IV	VI	VI	/	/	/	X	X	X	X	/		
4. Mr. Pairoj Sanyadechakul	///												
5. Mr. Veerachai Srikajorn	///												
6. Mr. Preecha Chantarangkul	///												
7. Mr. Paradorn Chulajata	/												
8. Ms. Nongluck Sakdakrai	/												
9. Ms. Anongsiri Chaiyakul	/	/	/										
10. Mr. Sumet Jiambutr	/	/	/	/	/	/						/	
11. Mr. Rangsan Thammaneewong	/											/	
12. Mr. Panet Chongvatana	/	/	/	VI	VI	/	/	/	/	/	/		
13. Ms. Wannaporn Trinvisuthikul		/	/			/							
14. Mr. Suvachai Jaiwat				/	/								
15. Mr. Mongkol Maduethong		/		/	/								
16. Mr. Chakkraphong Chaosuan		/			/		/	/	/	/	/		
17. Mrs. Siwaporn Dumronglaohapun			/			/							
18. Mr. Boonyong Kulkanjanachin				/									
19. Mr. Pitak Chomcheun			/										
20. Mr. Metha Chairoon		/											
21. Mr. Fernando S.Reyes							/						
22. Mr. Geraldine L.Reyes							/						
23. Mr. Hartono Siau									/				

Noted: The symbol of the position of directors and executive

X	Chairman of the Board	/	Director
V	Vice Chairman of the Board	//	Independent Director
IV	Chief Executive Officer	///	Independent Director/ Audit Committee Member
VI	Managing Director		

The symbol of the Company, subsidiaries and related company (by definition of SEC)

PK	Patkol Public Company Limited
PKI	Patkol Ice Solutions Company Limited
PKT	Patkol Trading Company Limited
SPN	Spanel Company Limited
HA	Heat Away Company Limited
TG	Tygienic Company Limited
PK-PH	Patkol Philippines Corporation
PK-IDSV	PT. Indonesia Patkol Service
PK-IDRF	PT Indonesia Patkol Refrigeration
PK-MY	Patkol Malaysia Company Limited
PK-MM	Patkol Myanmar Company Limited (PK-MM)
Consult	Consult

Attachment 3

Details of the Internal Audit Supervisor (compliance)



Name Parichat Tamnanok
Age 43 years
Nationality Thai
Position Internal Audit Manager

Education: Bachelor Degree of Commerce and Accountancy, Thammasat University, March 2001

Work Experiences:

Period	Position	Company
2016-Present	Internal Audit Manager	Patkol Public Company Limited
2014-2016	Internal Audit Manager	Thai Rubber Latex Corporation (Thailand) PCL.
2012-2013	Assistant Accounting Manager	Gaysorn Property Co.,Ltd.
2008-2011	Internal Audit Manager	Bangpakok Hospital Group Co.,Ltd.
2001-2008	Internal Auditor	KPMG Phoomchai Audit Ltd.

Training:

- COSO ERM
- Leadership Skills for Auditors
- Fraud Audit
- Communication and coaching technique for supervisor

Attachment 4

Assets of business operations and Property appraisal list
1. Assets of business operations

The Company had fixed assets and intangible assets totaling of Baht 1,511.55 million use in the business operation. It consisted of property, plant and equipment of Baht 1,396.53 million, right of use assets Baht 13.89 million and intangible assets Baht 59.77 million.

Property, plant and equipment

Asset category	Thousand Baht
Land	757,293
Building and improvement	505,855
Machinery and equipment	106,134
Machinery for lease	270
Office equipment	8,363
Vehicles	7,438
Assets in progress	11,177
Total	1,396,530

Land with buildings and machinery totaling of Baht 1,333 million was used as collateral for overdrafts and short-term loans from financial institutions totaling of Baht 3,558 million.

Credit facilities	Million Baht
Overdrafts	93
Short-term loans	662
Long-term loans	1,088
Limited liability under trustee contracts/ pre-shipment financing	699
Letter of guarantee	560
Future contracts	456
Total	3,558

Right of use assets

Description	Thousand Baht
Office building and factory	2,321
Vehicles	7,809
Machinery and equipment	2,423
Office equipment	1,338
Total	13,891

Intangible assets

Type	Thousand Baht
<u>Cost</u>	
Computer program	163,251
Patent	7,441
Program during installation	1,274
Total	171,966
<u>Less</u> Accumulated amortization	(112,198)
Net	59,768

2. Property Valuation

The Company's land and buildings are shown for the new valuation, according to the Independent Appraiser's Assessment Report. In 2019, the land valuation was based on the market value. The building valuation, on the other hand, was based on variable costs.

The fair value of land and buildings, which was assessed using the land and building appraiser's report, was assessed by comparing the market price with the sale price of comparable land nearby adjusted by renewable cost method using a fair value at level 2 of the fair value class.

Intangible assets were represented by cost less accumulated amortization. Amortization of intangible assets is calculated from the cost of the asset based on a service life of about 5 - 10 years.

3. Recognition of right-of-use assets

The Company recognizes right-of-use assets and lease liabilities as of the effective date of the lease agreement. Right-of-use assets are measured at cost, which consists of the amount of lease liabilities from the initial valuation adjusted by payment according to any lease agreement as of the effective date or before the effective date of the contract, any initial direct costs incurred and estimates of the costs incurred for tenants in dismantling and moving underlying assets, restoration of the location of the underlying asset or the restoration of the underlying asset to the specified condition, less any lease incentives received.

Lease liabilities are calculated at the present value of unpaid lease payments as of the date the lease starts, which is reduced by the implied interest rate of the lease if the rate can be set at any time. However, if the rate cannot be determined at any time, the group's incremental borrowing rate is used.



Corporate Governance Code

PATKOL Public Company Limited

ACCOUNTABILITY
RESPONSIBILITY
TRANSPARENCY
INTEGRITY
CAREFULLY **FAIRNESS**
BOARD STRUCTURE
COMMITTEE **TRANSPARENCY**
ACCOUNTABILITY **CAREFULLY**
INTEGRITY
FAIRNESS **RESPONSIBILITIES**
COMMITTEE **BOARD STRUCTURE**



Content

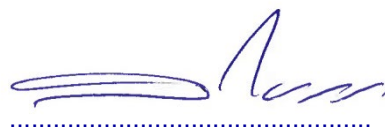
	Page
1. Message from Chairman of the Board and Chief Executive Officer	2
2. Corporate Governance Policy	3
3. Guidelines for good corporate governance	
Chapter 1 Right of Shareholder	5
Chapter 2 Equitable Treatment of Shareholders	8
Chapter 3 Roles of Stakeholders	11
Chapter 4 Disclosure of Information and Transparency	16
Chapter 5 Responsibility of the Board of Directors	18

Message from Chairman of the Board and Chief Executive Officer

The Board of Directors is committed to good corporate governance principles, which are good practices for the directors of listed companies and related practices of the Stock Exchange of Thailand. At Patkol Public Company Limited, we are committed to enhancing corporate governance with good ethics, transparency and auditability. This document, the Company's "Good Corporate Governance Policies and Guidelines Handbook," has been written to enable the Board of Directors, executives and employees to adhere to operational guidelines that cover various practices to meet the expectations of shareholders and stakeholders.

The Board of Directors will make efforts to ensure strict compliance with these policies and practices and is committed to continuously improve the company's corporate governance in order to achieve its goal of ensuring continuous and sustainable growth and stability for the Company and its shareholders.

As chairman of the Executive Committee, we would like to announce the "Good Corporate Governance Policies and Guidelines Handbook" approved by the Board of Directors' Meeting No. 1/2017 on February 23, 2017, to ensure that the Board of Directors, executives and employees of the Company are aware of their duties and responsibilities per these guidelines for the implementation of moral and ethical principles with the aim of improving competitiveness.



(Mr. Sangchai Chotchuangchutthaval)
Chief Executive Director

Corporate Governance

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

Corporate Governance Policy

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

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

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

2.1) Rights of Shareholders

Considering the right of the shareholders and giving the right to the shareholders in the various matters as well as encouraging the shareholders to exercise their right, including not doing anything to violate or derogate the right of the shareholders.

2.2) Equitable Treatment of the shareholders

Treatment of the shareholders is for both as the shareholders who are the management and the non-management, including the foreign shareholders and the minor shareholders by being treated with equity and fairness.

2.3) Stakeholders

Stakeholders Treatment of the stakeholders is by considering their right of each group in accordance with the law or the agreement with the company, including not doing anything in violation or derogation of their right.

2.4) Transparency)

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

2.5) Responsibilities

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

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

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

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

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

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

Guidelines for good corporate governance

The Company has established guidelines for good corporate governance for listed companies in 2012 according to the guidelines set by the Stock Exchange of Thailand in 5 categories as follows:

Chapter 1 Right of Shareholder

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

Policy on The Rights of Shareholders

- The Board of Directors has a duty to protect and respect the basic rights of the shareholders, e.g., the right to trade or transfer shares, the right to get a share of the profits of the business, the right to receive adequate business information, and the right to attend shareholders' meetings to appoint or remove directors, the appointment of auditors, dividend allocation, determination or amendment of articles of association or memorandum of association, capital reduction or capital increase, approval of special items, etc.
- The Board of Directors is responsible for promoting and encouraging all groups of shareholders, including institutional shareholders, to exercise their rights in various matters, e.g., to attend the Annual General Meeting of Shareholders, namely, the right to propose agenda items for the AGM in advance, the right to propose persons to be selected as directors in advance, the right to submit questions prior to the meeting, the right to express opinions and pose questions in the meeting, etc.
- The Board of Directors is responsible for refraining from any actions that violate or restrict or deprive the rights of shareholders to study the Company's information, such as suddenly not handing out documents containing additional important information, adding agenda items or changing important information without prior notice to shareholders.
- The Board of Directors is obliged to facilitate the shareholders' exercise of the right to attend the shareholders' meeting and vote fully and refrain from any actions that limit the chances of attending the shareholders' meeting, such as creating a cumbersome voting process. The Board must also

facilitate shareholders to exercise additional rights, such as providing important information that is current through the Company's website, arranging office visits for shareholders, etc.

1. Meeting of the shareholders

1.1 Meeting of the shareholders

The Board of Director has designated the AGM once a year by no more than four months following the date of ending the financial year of the company. However, if there is necessity/emergency to present a special agenda, which affects or involves with the interests of the shareholders or related to the condition or guidelines on the applicability, it shall require prior approval from the shareholders.

1.2 Propagation of the information to supplement the shareholder's meetings

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

1.3 Extraordinary General Meeting of Shareholders

The Company will call the Extraordinary General Meeting of Shareholders on a case-by-case basis or when shareholders have a combined share count of not less than one-fifth of the total number of shares or if any time 25 shareholders who together hold a total of no less than at least one-tenth of the total number of shares combined sign a letter asking the Board of Directors to call an extraordinary general meeting of shareholders. The reason for requesting the meeting must also be clearly stated in the letter. In such cases, the Board of Directors shall hold a shareholders' meeting within one month from the date of receipt of the letter from the shareholders. All shareholders of the Company have the right to vote according to the number of shares held (ordinary shares: 1 share per vote, preferred shares: 100 voting shares per vote), and no shares have privileges that restrict the rights of other shareholders

1.4 Providing convenience on the exercise of the right to the shareholders and the institution investors

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

1.5 Proxy

In the case the shareholders cannot attend the meeting by themselves, The Board of Director shall prepare a proxy statement in the form that is easy to fill the information that the shareholders can select the directors by themselves or use an alternative by presenting the name of the independent

director or other people in giving the proxy by using a proxy statement that the company has sent with a meeting appointment. Moreover, the shareholders can download the proxy statement via the website of the company by another way as well. As for the shareholders who are institution investors or foreign investors and have appointed a custodian in Thailand shall be the depositor and caretaker of the company shares to coordinate on the document and evidence to show before attending the meeting in advance to register on the meeting date with convenience and speedier.

2. Implementation on the shareholder's meeting date

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

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

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

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

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

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

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

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

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

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

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

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

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

Chapter 2 Equitable Treatment of Shareholders

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

Policy in the equitable treatment of shareholders

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

1. Giving information before the shareholders meeting

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

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

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

2. Protection of the right of the minor shareholders

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

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

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

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

3. Prevention of internal information

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

Measures on prevention from using the inside information

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

- 4) *The company has designated its directors and senior management (from the E15 level and up as well as the director of accounting and finance) to notify the trade on securities of the company to the board each quarter, including revealing it in the annual report.*

4. The Directors' Conflict of interest

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

Policy and practice on conflict of interest

- 1) *It designates the directors and the senior management (from the E16 level and up and the accounting and finance director) shall report on the conflict of interest related to the management of the company or its affiliate when holding the title of directorship or the senior management for the first time and report each time when there is a change of information on the conflict of interest, including reporting annually. However, the secretary of the company shall send a copy of the report on the conflict of interest to the chairman of the board and the chairman of audit for acknowledgement within 7 days from the date of receiving the report to comply with the Securities and Exchange Act 1982, and to use such the information in the examination and the prevention of a conflict of interest.*
- 2) *There is a disclosure of the structure on shareholding of the affiliates, subsidiaries, joint venture and other companies clearly, including the authorized shareholders to make sure that the company has the shareholding structure that is clear, transparent and no cross holding with the major shareholders to cause a conflict of interest to either party.*
- 3) *In a board meeting, if a director has a conflict of interest on the matter under consideration, that director shall not participate in making such the decision. They cannot attend the meeting or have to omit voting so the decision of the board shall be fair or for the true benefit of the shareholders*

Chapter 3 Roles of Stakeholders

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

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

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

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

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

1. Employee

Policies on taking care of the employees

- 1) *The company gives compensation to its employees by holding on to the principle of overtime, commissions, annual bonus, provident fund, savings cooperative, life insurance and health insurance, etc. consideration with fairness and can measure the result, e.g. monthly income, income from*
- 2) *The company intends to promote and develop its personnel to have knowledge and skills continuously, i.e. to have training and seminar of the management and the employees at all levels for the whole year, etc.*
- 3) *The company has treated all of its employees with equity, e.g. assessment of the employees, keeping the secret of the working experience and the exercise of their various rights, etc.*
- 4) *The company considers the right of the employees as priority and opens an opportunity for its employees to file a complaint in the case they are not treated fairly through the various channels, e.g. the complaint box, the Human Resources Department (HR), etc.*

- 5) *The company has a duty to take care of the working environment to have safety, hygiene and suitable for working with effectiveness, e.g. the company manages to have implementation on the 5S (1. Clearing up, 2. Organizing, 3. Clearing, 4. Standardizing and 5. Training & Discipline). It has set up the safety unit to control and take care of the occupational health and safety health, etc.*

2. Customers

Policies on taking care of the customers

- 1) *The company has a duty to build up long-term relations and cooperation with the customers by adhering to the integrity, sincerity with the customers, trust and reliability to each other.*
- 2) *The company has a duty to make maximum satisfaction for its customers by taking responsibility, attention, goods sales and service with friendliness and priority to the problems and demands of the customers. The management and all of its employees shall comply with the following measures:*
 - *Adhering to the presentation and delivery of the product that meet the standards and qualities corresponded to the demand of the customers.*
 - *Adhering to the various conditions made with the customers' utmost.*
 - *Offering the trade prices and conditions to the customers in the same group with equity.*
 - *Provide accurate and truthful information to customers about the properties and quality of manufactured products. To build confidence and fairness to the company's customers*
 - *Ready to answer customer questions Including handling complaints Giving advice and monitoring the progress on various issues As notified by the customer*

3. Shareholders

Policies on taking care of the shareholders

- 1) *The company has a duty to protect and respect the basic rights of the shareholders, e.g. the right to trade or transfer shares, share the profits of the business, receive news and information on the business sufficiently, and attend the shareholders' meeting or appoint or remove the directors, appoint the auditor, allocate the dividends, setting up or amending the bylaws or the memorandum of association, reduction or increase of the capital and approve of the special items, etc.*
- 2) *The company has a duty to promote and encourage the shareholders to exercise their rights on the various matters in the annual general meeting (AGM) i.e. the right to present an item in the AGM in advance, the right to nominate a candidate to be elected*

as the directors in advance, the right to submit a question to the meeting in advance before the meeting, the right to express an opinion and ask a question with the meeting, etc.

- 3) *The company shall not do anything to violate or limit the right of the shareholders.*

4. Trade Partners (including the consultants and subcontractors)

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

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

5. Creditors

Polies on taking care of the creditors

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

6. Governmental Agencies

Policies on taking care of the governmental agencies

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

7. Communities around the Factory

Polices on taking care of the communities around the factory

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

2. Measures to compensate stakeholders for damages due to violations

The Company has established measures to compensate stakeholders for damages due to violations as follows.

1. Employees

Preventive measures against damages due to violation of employee's rights

The Company has thoroughly allocated employee salary and benefits as well as strictly followed its policy to care for the employees and set up a complaint and/or suggestion box as a way to solicit feedback from employees regarding their jobs and working conditions.

2. Customers

Preventive measures against damages due to violation of customer's rights

According to the Company's customer care policy, employees will care for customers as though they are close acquaintances. The sales department from each business unit, together with marketing, is responsible for receiving complaints from customers if customers are experiencing problems and need help.

Preventive measures against damages due to violation of debtor's rights

To prevent damages from violations to debtor's rights, the accounting department will consider the qualifications of all receivables prior to the transaction to prevent problems from occurring at a later date. Such qualifications are honesty and reliably based on customer history, financial status and payment history.

3. Shareholders

Preventive measures against damages due to violation of shareholder's rights

The Company will protect and maintain basic shareholders' rights, including the right to receive information, the right to attend shareholders' meetings and will support the exercise of rights in addition to the law. The Company evaluates and monitors operations to prevent damages due to violations of shareholders' rights. Assessment is done within the organization by the management team responsible for protecting shareholders' rights along with external assessments in the form of the Annual General

Meeting (AGM Checklist). The AGM Checklist is assessed annually by the SEC, the Thai Investors Association and the Listed Companies Association.

4. Partners (including consultants and contractors)

Preventive measures against damages due to violation of suppliers' and contractors' rights

The Company has a policy to build good relationships with all partners and treat all partners equally.

5. Creditors

Preventive measures against damages due to violation of debtors' rights

The Company has preventive measures against damages due to violations of creditors' rights. The accounting department will consider the qualifications of all creditors prior to the transaction to prevent problems from occurring at a later date. The qualification used for considerations is based on their honesty and reliability.

6. Government Agencies

Preventive measures against damages due to violation of the law and regulations

The Company has preventive measures against damages due to violation of the law and regulations. The Company's legal department will regularly monitor the operations to ensure that everyone complies with the law.

7. Local communities

Preventive measures against damages due to violation of local communities' rights

The Company has preventive measures against damages to local communities near the plant by complying with social and community care policies to build good relationships with society and surrounding communities, as well as to help and support their well-being.

3. Mechanisms for Participation by the Stakeholders

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

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

- (1) Notify via the telephone 02-328-1035 ext. 1013
- (2) Via the email info@patkol.com
- (3) Send a letter in the suggestion box inside the company at the canteen area at all plants.
- (4) Send a letter to Patkol at Secretary of Audit Committee, Patkol Public Co., Ltd. No. 348,

Chaloem Plra Kiat Ratchakan Thi 9 Rd., Nong Bon Sub-district, Prawet District, Bangkok, Thailand.

4. Whistleblower Protection Procedures

- (1) The Company will keep the whistle-blower's information and identity confidential.
- (2) The Company will disclose only necessary information taking into account the safety and damage to the reporter, the source of the information, or the persons concerned.
- (3) The Company prohibits anyone from intimidating, harassing, or obstructing employees intending to comply with this policy. If employees believe they have been threatened or harassed, please report directly to their supervisor or human resources director. If no corrective actions are taken, then they are encouraged to report the behaviour via the Company's whistleblowing channels.
- (4) Steps taken after a complaint is reported are as follows; Initially, the Company Secretary will submit the matter to the Internal Audit Department to compile a summary of the matter and present it to the Audit Committee for further investigation. If it is found to be information that affects the Company, it must be presented to the Board of Directors for further consideration.

Chapter 4 Disclosure of Information and Transparency

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

1. Disclosure of the Information by the Board of Directors

1. It has a system that takes care of the disclosed information to the investors to be correct without misunderstanding but sufficient for the decision-making of the investors.
2. It has to provide a report on the results of the operations in accordance with the policy on good governance, business ethics, risk management and policy on social and environmental care approved in summary. The results on the compliance with such the policy, including in the case it cannot comply with such the policy with the reason by reporting via the various channels, e.g. the annual report and its company website.
3. It has to provide a report on the liability of the board of directors on the financial report to show in parallel with the auditor's report in the annual report.
4. It has to disclose the explanations and analysis of the management discussion and analysis (MD&A) to complement the revelation of the financial statement every quarter.

5. It has to disclose the cost of the audit and other service costs provided by the auditor.
6. It has to disclose the role and duty of the board of directors and its committees, the number of the meetings and the number that the directors have attended the meeting in the past year. It included the training and development on the profession continuously by the board in the annual report.
7. It has to disclose the policy on the payment of the remuneration by the directors and the senior management that reflects the duty and responsibility for each person, including the compensation that each director has received from holding the directorship of the affiliates

2. Disclosure of Information on the Website of the Company

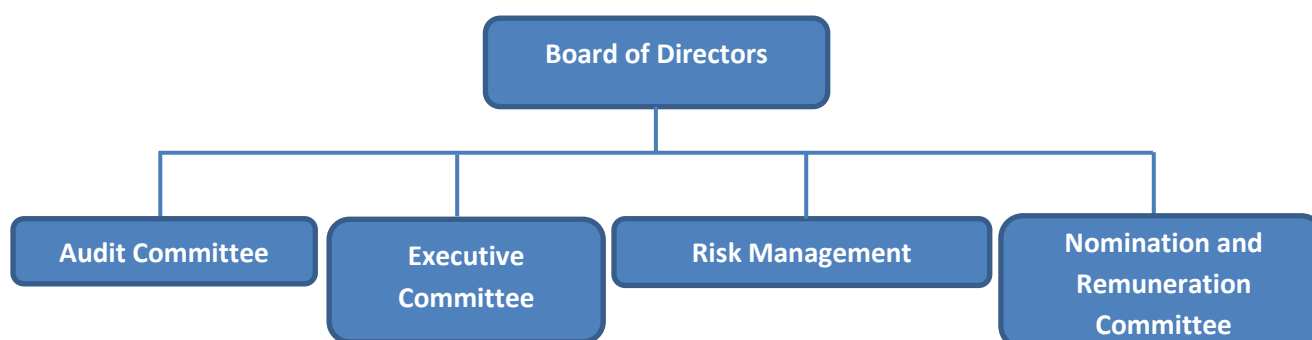
The Board of Directors has disclosed the information on its website on www.patkol.com both in Thai and English languages by updating it constantly.

- 1) vision and mission
- 2) Nature of business
- 3) List of the Board of Directors and Executives
- 4) Current financial statements and reports on financial status and operating results of previous year
- 5) Form 56-1 and the annual report that can be downloaded.
- 6) Any other information or documents presented by the company to analysts. Fund manager or various media
- 7) Direct and indirect shareholding structures
- 8) Structure of Company Group, subsidiary company, joint company, joint venture, etc
- 9) A group of major shareholders, both directly and indirectly, who hold shares of 5% of the total issued shares and have voting rights.
- 10) Direct and indirect shareholding of directors and executive
- 11) Invitation letter to the Ordinary and Extraordinary General Meeting of Shareholders
- 12) Company regulations memorandum and agreement of shareholders (if any)
- 13) Good corporate governance policy, anti-corruption policy, etc.
- 14) Risk Management Policy Including measures to manage risks in various fields
- 15) Tenure Charter of the Board of Directors And sub-committees
- 16) Code of Conduct for Employees and Directors
- 17) Information that can contact the agency or the person in charge of the investor relations

Chapter 5 Responsibility of the Board of Directors

1. The Authorities and Duties of the Board of Directors

The Company's management structure consists of the Board of Directors. And 4 sub-committees: (1) Executive Committee (2) Audit Committee (3) Nomination and Remuneration Committee and (4) Risk Management Committee.



1. Board of Directors

1) The Board of Directors must consist of directors with a wide range of qualifications, including skills, experience, and specific competencies that are beneficial to the Company.

2) The Board of Directors consists of at least 5 directors and not more than 12 members.

3) The Board of Directors must have at least one non-executive director with experience in the company's core business or industry.

4) The Board of Directors has at least 4 independent directors, or one-third of the Board of Directors, who can freely comment on the management's performance.

5) The Board of Directors has a 3-year term. The appointment of a director is presented to the Annual General Meeting of shareholders for approval.

6) The Board of Directors selects the Chairman of the Board. The Chairman should be an independent director.

7) The Board of Directors has established criteria for independent directors such that each independent director can serve as directors in no more than 3 other listed companies to ensure that directors who hold multiple positions in the company can still devote sufficient time to perform their duties.

8) Executive directors can hold director positions in no more than 2 other listed companies.

9) Directors are fully qualified and do not exhibit prohibited qualities under the Public Limited Companies Act and the Securities and Exchange Act as well as other characteristics that indicate a lack of trustworthiness for overseeing the business.

Independent Director of the Company refers to directors with the following qualifications:

1. Independent directors shall hold no more than 1% of the total voting shares in the Company, its subsidiaries, or associate companies. They must not be major shareholders or controlling entities when considering shares held by related parties (pursuant to Section 258 of the Securities and Exchange Act).
2. An independent director must not be or have been a director who is involved in management, an employee, personnel, or a consultant who receive regular salaries or who has control over the Company, its subsidiaries, or associate companies, and have no interests unless they have been out of such position or relationship for no less than 2 years.
3. An independent director must not be a person with a blood relationship or legally registered as a parent, spouse, sibling or child of an executive, spouses of children of executives, major shareholders, controlling entities, or persons nominated as executives or controlling entities of the Company or its subsidiaries.
4. An independent director must not be a person who has or has a business relationship with the Company, its subsidiaries, associate companies, major shareholders or any controlling entity in the form of professional and commercial services according to the requirements of the Stock Exchange of Thailand regarding connected transactions, unless such relationship ended no less than 2 years ago.
5. An independent director must not have been an auditor of the Company, its subsidiaries, associate companies, major shareholders, or controlling entities nor can they be a shareholder unless such relationship ended no less than 2 years ago.
6. An independent director must not be or has never been a professional service provider, including a legal consultant or financial advisor, who receives fees in excess of 2 million baht per year from the Company, its parent company, subsidiaries, or associate companies nor can they be a major shareholder, a controlling entity, a partner of such service provider unless such relationship ended no less than 2 years ago.
7. An independent director must not be an appointed person to represent the directors of the Company, a major shareholder, or a shareholder who is connected to major shareholders.
8. An independent director must not operate similar businesses which are implicitly competitive with the Company or its subsidiaries. They must not be implied partners in the partnership or are directors who are engaged in management. Employees, employees, consultants receive regular salaries or hold more than 1% of the total voting shares of other companies operating in the same business and in significant competition with the company's or its subsidiaries.
9. There are no other characteristics that prevent independent opinions from being made.
10. The independent director is able to protect the interests of all shareholders equally and prevent a conflict of interest between the Company and related parties and can attend the Board of Directors' meeting to decide on the company's important activities.

Criteria for the selection of independent directors

The Company has the following criteria for selecting independent directors by recruiting talented, experienced and knowledgeable persons in the area of the Company's main business. He or she is also a visionary, has sufficient time to perform his or her duties, and meets the qualifications required according to the official announcement. Once they are invited to become independent directors of the Company, the independent director has a term of office not exceeding 9 years from the date of his or her first appointment as an independent director. In the event that an independent director is to be re-appointed to the position, the Board of Directors will appropriately consider the reasons for such necessities.

Executive Director

Executive Directors refers to directors who are involved in regular management and have the authority to manage the business. They may or may not be members of the management committee or have the power to sign binding agreements for the Company.

Non-Executive Directors

Non-Executive Directors refers to external directors who are not executives or permanent employees of the Company. They are not members of the management committee and do not have the authority to sign a binding agreement for the Company.

Scope of Duties and Responsibilities of the Chairman of the Board

- 1) The Chairman of the Board of Directors must not be the Chief Executive Officer.
- 2) The Chairman of the Board shall call the Board of Directors' meetings and shareholders' meetings, as well as oversee the delivery of invitations and documents to ensure that the Board of Directors and shareholders receive adequate and timely information.
- 3) The Chairman of the Board shall strengthen Good Corporate Governance Standards of the Board of Directors.
- 4) The Chairman of the Board shall act as chairman of the shareholders' meeting and facilitate the meeting in accordance with the Company's articles of association and in accordance with the regulations prescribed.
- 5) The Chairman of the Board shall ensure effective communication between directors and shareholders.

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

- 1) Provide the business of the company to comply with the legal, objectives and the company's article of association, including resolutions of the shareholders' meeting, with honesty and be careful to maintain the interests of the company.

- 2) Responsible to shareholders on a regular basis and operate by maintaining the maximum benefit of the shareholders, and also disclosed the information's to investors accurately, fully, standard and transparent.
- 3) Determine and amend the list of authorized directors of the Company.
- 4) Appoint sub-committees to help monitor and control the management of the company in matters of essence.
- 5) The Board of Directors has assigned the Chief Executive Officer to be responsible for the Company's business and assign the management to reports on the performance of the Board of Directors at every meeting.
- 6) The Board of Directors may authorize to one or more persons to perform any act representational the Board as the Board deems appropriate, and within the time that the Board deems appropriate. The Board may revoke the revocation change or modify that power.
- 7) Prepare annual report and responsible for the preparation and disclosure of financial statements to reflect the financial position and the results of the past year to propose to the shareholders meeting.
- 8) Meet at least 3 months for decision of the Board of Directors' meeting is the majority vote. Any director who has a vested interest in any matter shall not have the right to vote on that matter and the Annual General Meeting of Shareholders within 4 months from the end of the fiscal year.
- 9) To set up a succession plan for the top management. To be prepared in case of top management cannot work.
- 10) Provide appropriate channels for communication with each group of shareholders and evaluate the disclosure to ensure accuracy, clarity, transparency and reliability.
- 11) Leadership and -role model in good performance consistent with good corporate governance and the corporate social responsibility approach.
- 12) Encourage the company operates to combat all types of corruption and corruption to maximize the Company's business and stakeholders.
- 13) Provide a Code of Conduct for Directors, Executives and Employees.

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

2. Sub-committees

- **Audit Committee**

Definition Audit Committee

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

Qualifications and Requirements of Audit Committee

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

Scope of Authority and Duties of the Audit Committee

- 1) Review the Company financial reporting in accordance with the accounting standards prescribed by law is accurate and adequate.
- 2) Review the Company an appropriate and effective internal control and internal audit system are in place, and the adequacy of the risk management process.
- 3) Review the Company to comply with the Securities and Exchange Act and the Stock Exchange of Thailand (SET) regulations, and the law related to the business of the company.
- 4) To consider connected transactions or transactions that may lead to conflicts of interests in accordance with the laws and regulations of the Stock Exchange of Thailand (SET).
- 5) Review and consider with the management regarding major defects detected and management response.
- 6) Have the power to investigate and investigate related parties within the scope of authority of the Audit Committee, and have the power to hire or bring specialized experts to help investigate and investigate by following the rules from the company.
- 7) To prepare a corporate governance report of the Audit Committee to be disclosed in the Company's annual report. The report must be signed by the Chairman of the Audit Committee.
- 8) To consider, select and nominate an independent person to be the Company's auditor and propose the compensation of such person. Also, attend meetings with the auditors without the management at least once a year.
- 9) Consider the scope of audit and audit plan of the auditor. And the internal audit section is related and complementary and reduces redundancy in respect of financial audits.
- 10) Approve charter, budget audit plan, training plan, and the power of the internal audit.

11) Consider, appoint, transfer and evaluate the annual performance of the head of internal audit. consider the independence of the internal audit.

12) Review the effectiveness and effectiveness of information technology systems related to internal control and risk management.

13) In performing duties of the Audit Committee. If there are any inquiries or doubts, there are transactions or actions that may have a material impact on the Company's financial position and performance.

(1) Transaction that causes a conflict of interest.

(2) Fraud or irregularity or defect in the internal control system

(3) Violation of the Securities and Exchange Act, the Stock Exchange of Thailand (SET) regulations or laws relating to the business of the Company.

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

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

Tenure and Vacancy

1.The Audit Committee has a term of office of 3 years, including the appointment, removal and removal from the Audit Committee.

2.Audit Committee members who vacated office by rotation May be re-appointed as the Board deems appropriate.

3.The Audit Committee vacates office upon

(1) The expiration of the term

(2) Die

(3) Resignation

(4) The Board of Directors has resolved to vacate office.

(5) Not being qualified as an audit committee in accordance with the charter of the audit committee or the rules and regulations of the Capital Market Supervisory Board; the Stock Exchange of Thailand (SET) And various regulators set up.

4.If the Audit Committee member(s) wish to resign before the end of the term should report to the Board of Director before at less 1 month in advance with the reason(s) for the Board of Directors to consider the appointment of other qualified person(s) to replace.

5. When a member of Audit Committee retires the Audit Committee cannot stay until the term. As a result, the number of Audit Committee member is less than 3 persons. The Board

of Directors will immediately appoint the new Audit Committee of delayed within 3 months from the date the number of committees is incomplete. To ensure continuity in the work of the Audit Committee and the person who becomes a member of the Audit Committee will be in the position only for the remaining term of the member of the Audit Committee.

- **Executive Committee**

Qualifications and Requirements of Executive Committee

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

Scope of Authority of the Executive Committee

- 1) Determine the policy, target, strategy, operating plan, investment project, annual budget and other management authorization to be proposed to the Board of Directors for approval.
- 2) Supervise and monitor the company' business operations consistent to the policy, target, strategy, operating plans, investment projects and the annual budget with approved by the Board of Directors to be effective and augment the business condition with giving consultation, introduction, management and report the operating results to the board meeting for acknowledgement.
- 3) Consider and approve the spending of money for investment. Conducting financial transactions with financial institutions for account opening, loan, pledge, mortgage, guarantee and any other activities including trading. Registration of ownership of land for normal business transactions of the company under the specified credit authority.
- 4) Regulate the organizational structure and management with efficiency covering the recruitment, training, employment and termination of the employees, who are the

management or senior executive. It may assign the chairman of the board of the Chairman of the Executive Committee as the authorized person to sign the employment contract.

- 5) Supervise and approve the matter related to the operations of the company such as,
- 5.1) Consider approving the sales from 100-300 million baht.
 - 5.2) Consider approving the sales of the property, including the investment valued from 10-30 million baht.
 - 5.3) Consider deciding in the case there is a problem in delivering jobs to customers with the total project value is more than 50 million baht, and cannot deliver the job by exceed 180 days.
 - 5.4) Consider setting guidelines on taking legal actions,
 - In the case the company has become a plaintiff or defendant in the civil case with the capital exceed 10 million baht.
 - In the case the company has become a plaintiff or defendant in all the criminal cases.
 - 5.5) Consider accepting a fine and/or return of the goods with the total project value by more than 10 million baht.

And may appoint or assign to any person Or many people act on behalf of the Executive Committee as they deem appropriate And the Executive Committee can cancel, change or amend such power.

- 6) Consider screening all types of the jobs presented to the Board of Director except the job under the responsibility and/or authority of Sub-committees of the company to become the screener to present to the Board of Director directly.
- 7) Perform other duties as assigned by the Board of Directors.

Tenure and Vacancy

- 1) Members of the Executive Committee deemed as members of the company's Board of Directors shall remain effective in the position for a 3-year term. When the term is due, the Board of Directors shall be allowed to re-appoint the same members to return to the position plausibly and appropriately.
- 2) Members of the Executive Committee deemed as members of the company's Board of Directors shall remain effective in the position of executive management, except as otherwise determined by the Board of Directors.
- 3) Members of the Executive Committee deemed as members of the third party shall remain effective in the position in accordance with the resolution of the company's Board of Directors and shall be altered as appropriate. Apart from the aforementioned provisions, members of the Executive Committee shall be withdrawn from the position due to the following causes;

- 1) Death
- 2) Resignation
- 3) Disqualification of directorial properties, possession of any illegal action under the law on public company limited, or lack of proper qualifications required for the management, where shareholders are selected in accordance with the requirements cited in Article 89/3 of the Securities and Exchange Act (No. 4) B.E. 2551 (2008).
- 4) The Board of Directors has resolved for retirement.

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

- **Risk Management Committee**

Qualifications and Requirements of Risk Management Committee

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

Scope of Authority and Duties of the Risk Management Committee

- 1) Determine effective policies for integrated risk management framework covering major risks on the company's core business implementation specified below.
 - ☐ Strategic Risks
 - ☐ Market Risk
 - ☐ Financial Risks
 - ☐ Operational Risks
- 2) Develop a set of efficient risk management plans and procedures for the organization as a whole.
- 3) Promote follow-up and assessment actions to keep pace with the risk management policies applied for the entire organization.

- 4) Provide productive advices on the implementation of risk management.
- 5) Report to the Board of Directors about risk and risk management.
- 6) Perform other required tasks as assigned.

Tenure and Vacancy

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

● Nomination and Remuneration Committee

Qualifications and Requirements of Nomination and Remuneration Committee

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

Scope of Authority and Duties of the Nomination and Remuneration Committee

1. Select a qualified candidate who deserves to be nominated as a new director or Chief Executive Officer.
2. Determine procedures and standards for nominating members of the Board of Directors or Chief Executive Officer with transparency and fairness.
3. Nominate and appoint a person deemed appropriate for the nomination of the Board of Directors and Chief Executive Officer to be proposed to the meetings of the Board of Directors and shareholders accordingly.
4. Consider guidelines for remuneration offered to the sub-committee.
5. Determine procedures and standards for offering remuneration to members of the Nomination and Remuneration Consideration Committee and the sub-committee fairly and

reasonably to be proposed to the meetings of the Board of Directors and shareholders accordingly.

6. Perform other tasks as assigned, particularly those related to the nomination and remuneration to be offered to the Board of Directors and Chief Executive Officer.

Tenure and Vacancy

1. The Nomination and Remuneration Consideration Committee shall remain effective in the tenure for 3 financial years and shall be re-appointed to return to the position plausibly and appropriately.

2. When a member of the Nomination and Remuneration Consideration Committee is dismissed from the position or shall not be able to remain effective throughout the tenure, the Board of Directors shall appoint a new member to substitute a vacant position within a period of 3 months following the date of position vacancy. The newly appointed member shall remain effective in the position for the remaining period of effective tenure only.

3. The discharge of the Nomination and Remuneration Consideration Committee shall be considered from the termination of normal tenure and

- 1) Death
- 2) Resignation
- 3) Disqualification of directorial properties, possession of any action or lack of proper qualifications required for the company's Director.

Scope of Authority and Duties of Chief Executive Officer

1) Define business plan, investment plan and annual budget plan to propose to the Executive Committee and/ or Board of directors.

2) Overall management responsibility and consider various management policies of the company to achieve the company's goals under the policy framework, business plans and budget plans approved by the Board of Directors.

3) Approve the implementation or approve spending money for various actions according to the authority of approval of the company or according to annual budget approved by the Board of Directors.

4) Recruiting, hiring, transferring, suspending and dismissing executives and employees in all positions; Including the scope of authority and reasonable return for equivalent positions from senior director upwards, report to the Board of Directors for acknowledgment, equivalent level positions are managed by the Internal Audit Department, with the opinion of the Audit Committee.

5) Appoint the authorized signer in various documents the company's accounting, finance, procurement, production, sales and general administration, including other important documents.

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

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

Nomination of Directors, Chief Executive Officer and Executives

(1) Nomination of Directors and Chief Executive Officer

When the position of Director or Chief Executive Officer of the Company is vacant, the Nomination and Remuneration Committee has a duty to select and recruit suitable candidates to be nominated as directors or Chief Executive Officer by the Board of Directors. Nomination and remuneration will be considered for the selection of qualified persons in terms of knowledge, expertise, competency, experience, and specific qualifications in various areas that the Board of Directors needs and is necessary to conduct the Company's business. The nomination and remuneration committee selection will be based on the following criteria:

1. Each candidate should be qualified in accordance with the Public Company Act B.E. 2535 (1992), Section 68 and in accordance with the notices or regulations of the Stock Exchange of Thailand and the SEC, as well as the rules and regulations of the Company.
2. Each candidate must be knowledgeable, talented, experienced and unique in various areas beneficial to the company's operations effectively.
3. Each candidate must be a virtuous person who promotes good corporate governance such as morality and ethics, is independent, has the courage to express opinions, is creative, performs duties with care and integrity and can fully devote his or her time to the Company.

(2) Nomination of Directors (if a director leaves the position at the end of his or her term according to the law)

Election of replacement directors who leave their positions at the end of their term must be approved by the Annual General Meeting of Shareholders with a majority of votes from shareholders attending the meeting with voting rights. The rules and procedures for electing directors are as follows:

1. One shareholder has one vote per share.
2. Each shareholder must use all available votes in accordance with Article 1 to elect one or more candidates as director but will not be able to divide the votes among the candidates.
3. The candidate(s) who receives the highest number of votes, respectively, shall be elected as a director, as many as the number of directors to be named or elected at that time. In the event that the person who is elected has the same number of votes exceeding the number of directors to be elected at that time, the person who is chairman will decide on the final results.

In addition, the election of a director for a vacant position not due to the end of the term according to the law must be approved by the Board of Directors with at least two-thirds of the votes of the remaining directors. However, the person who is appointed will have the same term of office as the remaining term of the director who had left.

In case of the resignation of a director, the Company's articles of association require the Board of Directors to appoint a replacement director.

(3) Executive Recruitment

The Chief Executive Officer is authorized to consider the nomination and appointment of qualified candidates in terms of qualifications, knowledge, competency and experience in business operations. The selection will be carried out in accordance with human resource management regulations. If it is an equivalent position from the managing director or above, it will be reported to the Board of Directors for acknowledgement. An executive position of the Internal Audit Office must also be approved by the Audit committee first.

3. The Meetings of the Board of Directors

1. The Board of Directors shall hold a board meeting a minimum of four times a year and implement the meeting to comply with the regulation of the company, the Public Limited Company Act 1992 and the SET regulations. While the chairman of the Board of Directors as the chairman of the meeting shall encourage to use the discretion that is prudent and allocate the time sufficient for the management to present the matter and sufficient for the directors can discuss the important problems

with prudence. Including recording the minutes of the meeting each time for the directors and the relevant persons can verify. The directors have a duty to attend the board meeting each time except there is a special reason.

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

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

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

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

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

4. Self-Assessment of the Board of Directors

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

5. Remuneration of Directors

The Nomination and Remuneration Committee has specified the policy for the remuneration of directors, the chief executive officer, and senior management as follows:

Remuneration Policy for the directors, Chief Executive Officer and senior executives

- 1. The remuneration of directors, Chief Executive Officer and senior executives must consider the suitability of their roles, assigned responsibilities, fairness and adequate incentives, which should be comparable to the remuneration of directors of listed companies on the Stock Exchange of Thailand in similar industries and businesses. The remuneration should also consider the results, performance, business environment, and overall economic conditions.*
- 2. The Nomination and Remuneration Committee shall consider and present the remuneration plan to the Board of Directors for approval. Once it is approved, the remuneration plan will be presented to the Annual General Meeting of Shareholders for further approval. This includes the approval of the maximum remuneration limit each year and determination of pay, including meeting allowances.*
- 3. The Nomination and Remuneration Committee shall comply with the resolutions of the AGM, which have approved the remuneration limit and remuneration details as disclosed in the annual report. In addition, the directors shall disclose the portions received from other duties to the Company, such as consulting fees, as well as the portions received from directorships and other functions, such as consulting fees from its subsidiaries, etc.*

6. Development of the Directors and the Management

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

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

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

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

Attachment 6

Audit Committee Report 2021

The Audit Committee of Patkol Public Company Limited consists of three independent directors with knowledge and experience in reviewing the reliability of financial statements, legal affair, and corporate management. There are 3 directors as follows; Mr. Pairoj Sanyadechakul to be the Chairman of Audit Committee, Mr. Virachai Srikajorn and Mr. Preecha Chantarangkul as independent directors.

In 2021, the Audit Committee has performed its duties as assigned by the Board of Directors, which was consistent with the requirements of the Stock Exchange of Thailand. Total of 5 meetings of the Audit Committee had been convened and the discussion had been made with the management, internal comptrollers and auditors on related matters in which material context of the operation can be summarized as follows:

1. Audit of Financial Report

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

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

2. Review of Internal Control System

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

3. Review of Compliance with applicable Laws and Regulations.

The Audit Committee has reviewed to ensure that Patkol Public Company Limited and its subsidiaries comply with the laws on securities and stock exchange, requirements of the Stock

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

4. Monitoring of Internal Audit

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

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

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

The Audit Committee has considered proposing the appointment of Karin Audit Company Limited as the auditor of Patkol Public Company Limited and has also considered proposing remuneration for year 2022. Moreover, the Audit Committee has convened meeting with auditor and auditing agency without management participation in order to acknowledge the auditing plan of the auditor, as well as problems or obstacles for auditing operation so that improvement guidelines can be suggested. In 2021 and 4 meetings had been convened.

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

For the operation being carried out in 2021 as mentioned above, the Audit Committee's opinion can be concluded as follows:

- The Company's accounting and financial reporting systems are accurate, credible, and disclose significant information completely, sufficiently, and timely.
- The Company's internal control system is adequate and suitable; improvement on the internal control system has been carried out regularly to suit the Company's business operation at present and in the future and is consistent with applicable laws and regulations.
- Karin Audit Company Limited which is the Company's auditor, is independent and experienced in the audit of financial reports in which it can be assured that the Company's financial reports will be accurate, credible, and disclose significant information completely, sufficiently, and timely.
- From reviewing related transactions or transactions with potential conflict of interest, the Audit Committee views that the Company has disclosed accurate and complete information, and those transactions have suitable condition and fair price which have been approved by the management or the Board of Directors in advance.

24 February 2022

On behalf of the Audit Committee



(Mr. Pairoj Sanyadechakul)

Chairman of the Audit Committee

