

CONTENTS

3	Vision Mission Culture
4	Financial Highlights
5	Awards and Recognitions
7	Message from the Chairman
8	Board of Directors
10	Management Team
11	General Information
12	Report of Audit Committee
14	Report of Risk Management Committee
15	Report of Nomination and Compensation Committee

PART

1

Business Operation and Operating Results

17	Organizational Structure and Operation of the Group of Companies
31	Risk Management
35	Business Sustainability Development
51	Management Discussion and Analysis

PART

2

Corporate Governance

60	Corporate Governance Policy
61	Report on Key Operating Results Related to Corporate Governance
89	Corporate Governance Structure
105	Internal Control and Related Party Transactions
116	Other Information

PART

3

Financial Statements

118	Report of Board of Director's Responsibilities to Financial Statement
119	Independent Auditor's Report
122	Financial Statement and Note to Financial Statement

PART

4

Attachments

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

VISION

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

MISSIONS

- Be recognized in Thailand and ASEAN
- Be a leading company offering high-quality products and services of Safety, Health, Environment with reasonable price, innovation and expertise
- Be equipped with an efficient and modern work system for quickly respond and excellent service
- Be desirable workplace with efficient human management system along with a good working culture
- Create value to stakeholders equally for sustainable growth

CULTURE



Professional

Work professionally driving for success together



Honest and Integrity

Having Ethic to themselves as well as to the public



Ownership Quotient

Dedicated over a hundred and beyond what customers expectation



Learning and Continuous Improvement

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



Drive for Results and Achievement

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

Financial Highlights

As December 31 (Consolidated)

	2018	2019	2020	2021	2022
Financial performance (Million Baht)					
Revenue from sales and services	924.45	911.85	1,055.51	1,225.76	1,000.48
Cost of sales and services	696.84	675.85	781.38	938.17	742.74
Gross profit	227.62	236.00	274.14	287.59	257.74
Profit attributable to equity holders of the Company	36.51	41.42	73.86	81.89	54.04
Earnings per share (Baht per share)	0.18	0.20	0.36	0.40	0.27
Financial position (Million Baht)					
Total assets	652.12	567.15	606.00	636.23	638.82
Total liabilities	379.14	266.16	278.85	288.06	285.25
Total shareholders' equity of the Company	274.28	302.29	328.45	349.47	354.87
Common Shares					
1 Baht par value per share					
Issued and paid-up share capital	202.50	202.50	202.50	202.50	202.50
Book value per share (Baht per share)	1.35	1.49	1.62	1.72	1.75
Dividend per share (Baht per share)	-	0.15	0.29	0.32	0.20
Dividend Payout Ratio (%)	-	73.34	79.51	79.13	74.95
Financial ratio					
Return on equity (%)	14.33	14.37	23.42	24.16	15.34
Return on assets (%)	6.52	9.63	15.95	16.90	11.21
Gross profit margin (%)	24.62	25.88	25.97	23.46	25.76
Net profit margin (%)	3.91	4.52	6.95	6.66	5.39
Current ratio (times)	1.41	1.82	1.85	1.87	1.88
Debt to equity ratio (times)	1.39	0.88	0.85	0.83	0.81

Note : The 2022 dividend at the rate of 0.20 baht per share comprises an interim dividend at the rate of 0.08 baht per share and a dividend for the last six months at a rate of 0.12 baht per share, which will be proposed for approval at the 2023 Annual General Meeting of Shareholders on April 27, 2023

Awards and Recognitions

CAC Certificate

The Company received the second re-certificate of the Thai Private Sector Collective Action Coalition against Corruption (CAC)



Excellent CG Scoring



Excellent CG Scoring according to the Corporate Governance Report of Thai Listed Companies 2022 for the eighth consecutive year.

ESG100 for the year 2022

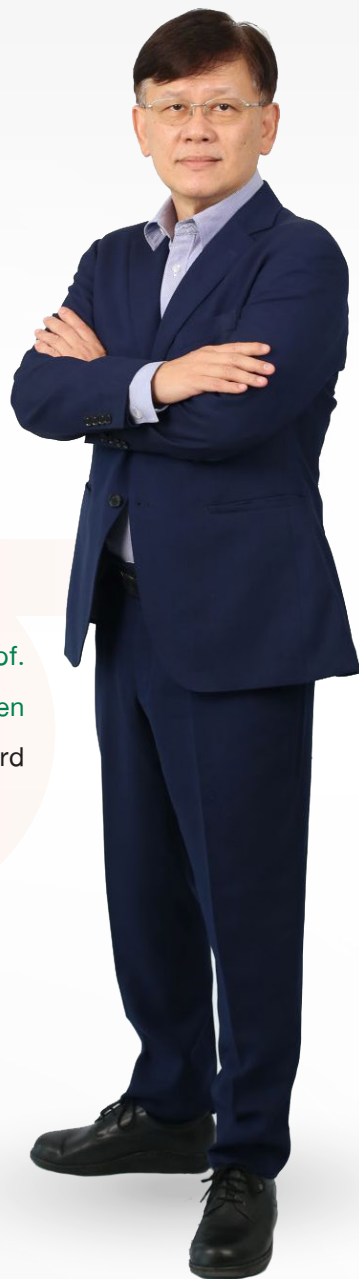
The Company is considered to be one of listed in the Universe of ESG100 Securities for the year 2022, the third consecutive year.



AGM Checklist 100 Full Scores



The Company's 2022 Annual General Meeting of Shareholders received 100 full scores for AGM Quality Assessment Project for the third consecutive year.



Assoc.Prof.

Dr. Ekachidd Chungcharoen

Chairman of the Board



Mr. Boonchai Suwanvutthiwat

Chief Executive Officer

Message from the Chairman

Even though the Thai economy has begun to recover in 2022 after the improvement in the COVID-19 situation, the overall economic landscape is still affected by the aftermath of the pandemic, coupled with external crises happening around the world, for instance, the geopolitical tension between Russia and Ukraine that has taken its toll on the energy costs, higher inflation rate, and Thai Baht volatility, which have all been challenging for the business sector. Amidst these challenges in business operations, the Company remains firmly determined to improve the operations in the economic, social and environmental aspects in accordance with the principle of good governance and sustainable development in order to ensure stable and consistent business operations.

In 2022, the Company has been evaluated “Excellent” in the corporate governance operations for the 8th consecutive year, and has been selected to be in the ‘Universe’ tier of ESG100; a listed company with operational excellence in environmental, social and governance aspects for the 3rd consecutive year, together with the second renewal of membership in the Thai Private Sector Collective Action Coalition against Corruption. For the operating performance in 2022, the Company’s revenue from sales and service provision was reported at 1,000.48 million Baht, with the net profit of 54.04 million Baht, decreasing from the year before due to a significant decrease in demand and prices of products related to the prevention of COVID-19. However, with sufficient liquidity and cash flow, the Board of Directors have considered paying dividend to shareholders at the rate of 0.20 Baht per share, equivalent to the payout ratio to the net profit of 74.95%.

The Company is moving towards the 45th year of business in 2023. We take great pride in and is confident that the Company has the potential to drive the economy, being able to constantly create values for shareholders and all stakeholders. On behalf of the Board of Directors, we would like to extend gratitude and appreciation towards shareholders, customers, partners, staff members and all stakeholders for providing support to the Company’s business operations all along. Please be assured of the Company’s determination to improve the organization towards success under the principle of good governance, for maximum benefits of all shareholders and stakeholders in a stable and sustainable manner.



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



Mr. Boonchai Suwanvutthiwat
Chief Executive Officer

Board of Directors



1

2

3

4

1 Assoc. Prof. Dr. Ekachidd Chungcharoen
Chairman of the Board / Independent Director /
Nomination and Compensation Committee

2 Mr. Noppadol Dheerabutrpongkul
Independent Director / Chairman of Audit Committee /
Nomination and Compensation Committee

3 General Chaiwat Satondee
Independent Director /
Chairman of Nomination and Compensation Committee

4 Mr. Santi Niamnil
Independent Director / Audit Committee



5

6

7

8

9

5 Dr. Pallapa Ruangrong
Independent Director / Audit Committee /
Risk Management Committee

6 Mr. Wisarute Sirojanakul
Independent Director

7 Mr. Boonchai Suwanvutthiwat
Director / Risk Management Committee

8 Mr. Thanya Wangthamrong
Director /
Risk Management Committee

9 Mr. Apichart Jarutungtrong
Director

Management Team



6

4

2

1

3

5

1 Mr. Boonchai Suwanvutthiwat
Chief Executive Officer

2 Mr. Thanya Wangthamrong
Vice President Marketing and Sales

3 Mr. Pomsak Chunhajinda
Vice President Corporate Support /
Chief Financial Officer

4 Miss Prapaipit Viriyabhupha
Sales Director
Control Environment Products (CE)

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

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

General Information

Company's Name PHOL DHANYA PUBLIC COMPANY LIMITED

SET Symbol : PHOL

Registration No. : 0107551000088

Business Type : The distribution of Occupational Safety, Health and Environment Products and Distribution, Construction, Production, and Service of Water Solution Systems.

Registered Capital : 202,500,232.00 Baht (202,500,232 common shares) with a par value of Baht 1.00

Paid-up Capital : 202,500,232.00 Baht (202,500,232 common shares) with a par value of Baht 1.00

Head Office : 1/11 Moo 3, Lumlukka Road, Ladsawai, Lumlukka, Pathumthani 12150 Thailand.
Tel. 0 2791 0111-2, Fax. 0 2791 0100-3

Branch Office : Rayong:
155/213 Moo 2, Thabma, Muang Rayong, Rayong.
Tel. 0 3803 4011-3, Fax. 0 3803 4017
: Chiang Mai:
47/55-57 Moo 2, Chotana Road, Chang Puak, Muang Chiang Mai, Chiang Mai.
Tel. 0 5322 6811, Fax. 0 5322 6898

Company's Website : www.pdgth.com

Company's Secretary : Ms. Kwandao Duangjan
Tel. 0 2791 0151
E-mail: cs@pdgth.com

Investor Relation : Ms. Siriporn Ondee
Tel. 0 2791 0206
E-mail: ir@pdgth.com

Subsidiaries : 1. Phol Palladium Co., Ltd.
Shareholding : 99.99%
Head Office : 1/11 Moo 3, Lumlukka Road, Ladsawai,
Lumlukka, Pathumthani 12150 Thailand.
Tel. 0 2791 0111-2, Fax. 0 2791 0100-3
2. Phol Water Co., Ltd.
Shareholding : 99.99%
Head Office : 1/11 Moo 3, Lumlukka Road, Ladsawai,
Lumlukka, Pathumthani 12150 Thailand.
Tel. 0 2791 0111-2, Fax. 0 2791 0100-3

Report of Audit Committee

Dear Shareholders

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

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

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

In 2022, the Audit Committee held six (6) Meetings with the external auditors, Acting Chief Financial Officer and Chief Internal Audit Officer attending the meeting in related agenda item, which is summarized as follows:

1. Reviewed the quarterly and annual financial statements of 2022, the Audit Committee has reviewed the quarterly financial statements by questioning and listening to the management and the external auditor's clarifications concerning the correctness and completeness of the financial statements, compliances with generally accepted accounting principles. Selecting accounting policies and its adequacy of information disclosure, as well as acknowledged the problems and solutions that beneficial to the Company's business. The Audit Committee agreed with the external auditors that the financial statements were correct and adhered to the general accepted accounting principles.
2. Reviewed and commented the connected transactions or transactions that may lead to conflicts of interest, including the disclosure of such transactions, in compliance with the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission. The Audit Committee opined that such transaction is reasonable and for the highest benefit of the Company's business operation, including the disclosure of information is correct and complete.
3. Review the results of internal audit performance by Internal Audit Division, the independently audit team according to 2022 internal audit annual plan, to internal control results more efficient and effectiveness. Overview, the results of the adequate assessment of internal control system of the company was adequacy.
4. Regulated the internal audit by reviewed the internal audit charter and internal audit key performance indicators, according to 2022 internal audit annual plan as well as monitor progress against the annual audit plan every quarter.
5. Reviewed the operational processes to ensure compliance with the Securities and Stock Exchange Law and in line with the regulations of the Stock Exchange of Thailand and other laws related to the Company's business, including compliance with the Company's requirements and obligations to the third parties. The Audit Committee informed that there are no significant issues regarding non-compliance with laws and regulations of the relevant item refer to the Stock Exchange of Thailand's regulatory.
6. Review the information technology management framework and security measures of the company's information technology system to ensure continual and efficient operation of the information system, and to support the applicable personal information protection laws.
7. Reviewed and commented the Anti-Corruption's procedure was suitability, in accordance with the said policy and practice be efficient and effectiveness.

8. To consider, select, and propose the appointment of the external auditor, and propose the auditor's remuneration for the year 2022 to the Board of Directors to propose the 2022 Annual General Meeting of Shareholders for approval. The Audit Committee has considered the performance, independence, and appropriateness of remuneration, deemed it appropriate the appointment of Mr. Sathien Vongsanan Certified Public Accountant No.3495, or Mr. Atipong Atipongsukul, Certified Public Accountant No. 3500, or Miss Kultida Pasurakul, Certified Public Accountant No. 5946, or Miss Panita Chotsaengmaneeikul Certified Public Accountant No. 9575 of ANS Audit Co. Ltd., as the Company's auditors for the year 2022.

The Audit Committee is of the view that over the course of 2022, the Company's corporate governance and internal control systems have been properly implemented and the financial reports disclosing truthful information have been completely prepared in accordance with the financial report standard and lawful disclosure of information as directed by relevant regulations. Also, it has been ensured that risk management measures are adequately implemented, and that compliance with the law, regulations and commitments are fulfilled. Connected transactions have been accurately disclosed and all aspects of operations are coherent with the corporate governance system, without identification of any significant errors that potentially affect the Company's financial position. Additionally, work systems and procedures have constantly been developed to improve quality and better suit the business landscape.



(Mr. Noppadol Dheerabutrpongkul)

Chairman of Audit Committee

Report of Risk Management Committee

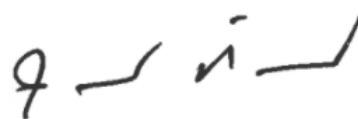
Dear Shareholders

The Company's Risk Management Committee is comprised of the director, executive and qualified individual from outside of the organization, for a total 4 members. All of them possess the knowledge and abilities that are beneficial for the Company's risk management operations. They have been appointed by the Board of Directors to support and encourage an organization-wide risk management adoption and to foster this as part of the organizational culture, with adherence to the COSO ERM Framework, moving towards the achievement of organizational objectives and goals effectively and efficiently. The 4 members are as follows:

1. Prof.Dr.Suluck Pattarathammas	Chairman of Risk Management Committee
2. Mr. Boonchai Suwanvuttiwat	Risk Management Committee
3. Dr. Pallapa Ruangrong	Risk Management Committee
4. Mr. Thanya Wangthamrong	Risk Management Committee

In 2022, there were five Risk Management Committee meetings in total, whereby the quorum was achieved in every meeting, with the following key takeaways:

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



(Prof.Dr.Suluck Pattarathammas)

Chairman of Risk Management Committee

Report of Nomination and Compensation Committee

Dear Shareholders

Director The Nomination and Compensation Committee is responsible for nominate candidates and consider the compensation packages of directors and top-level executives to ensure their transparency and fairness, the Committee must be comprised of at least 3 members and half of which must be independent directors. The Chairman of the Nomination and Remuneration Committee must be an independent director, with a 3-year tenure for each term of office. The Committee is comprised of 3 members as follows:

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

There were 3 Nomination and Compensation Committee meetings held in 2022, whereby the key operational takeaways can be summarized as follows:

1. Consideration of the structure of elements and qualifications required of the Board of Directors, with reference to the Board Skill Matrix to select qualified individuals to assume the director positions, in accordance with the Company's selection criteria and procedures:
 - 1.1 Nominate the candidates for the director position in replacement of the directors whose tenures are due to terminate in the Annual General Meeting of Shareholders. Minority shareholders are allowed to nominate candidates with the right qualifications to be selected in advance, however none of the nominations were reported.
 - 1.2 Consider the qualifications and role performance in the past year of the 3 directors whose tenures have terminated; General Chaiwat Satondee; Independent Director, Mr. Thanya Wangthamrong; Director and Mr. Wisarute Srirojanakul; Independent Director to be reinstated into another term of directorship.
 - 1.3 Consider the recruitment of a director position to assume the vacancy; Mr. Apichart Jarutangtrong, who has the remaining tenure of 8 months, in accordance with the Company's recruitment procedures. The orientation program for new directors has also been devised to enhance the knowledge and skills in performing the directors' roles, and to acknowledge the information relevant to business operations.
2. Consideration of the remuneration package for the Board of Directors and sub-committees in 2022, taking into account the appropriate remuneration criteria that align with the scope of duties and commitments of each director, and in the same level as similar industries. The remuneration is supposed to motivate and retain competent directors to work with the Company, and the components of remuneration should be clear and transparent. Details were proposed to the Board of Directors for an approval prior to proposing to the Annual General Meeting of Shareholders for the final approval. The information related to remuneration is disclosed in the Annual Report.
3. Review the structure of sub-committees and propose the tenure renewal for the Risk Management Committee and the nomination of an additional committee member - Mr. Thanya Wangthamrong; the top-level executive, to participate in the risk management operations, and the nomination of General Chaiwat Satondee to assume the Chairman of the Nomination and Remuneration Committee, in accordance with good practices and it is an opportunity to exercise rotation of directors' role performance, whereby the Nomination and Remuneration Committee's suggested components are still maintained. In this case, directors with potential benefits and losses shall refrain from voting.
4. Review the structure of subsidiaries' Board of Directors and propose the change of individuals to assume the director positions in subsidiaries to encourage rotation of duties, skills and ideas in managing the Company's businesses.
5. Consider the nomination of top-level executives; Mr. Pornsak Chunhajinda, to assume the Vice President Corporate Support and Chief Financial Officer, in replacement of the executive in an acting position, to align with the Company's managerial structure.
6. Consideration of the performance evaluation criteria and identification of the appropriate remuneration for Chief Executive Officer and top executives that comply with the Company's strategy.
7. Review the personnel compensation structure and proposal of the budget on the annual salary adjustment and bonus allocation for the Group at the suitable rate, taking into account the Company's operating performance and the market rate for similar businesses.
8. Follow up on the matter concerning the Company's succession plan for top-level executive positions and critical positions to prepare for the recruitment and development of personnel in those positions and ensure continuation of business administration.

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



(General Chaiwat Satondee)

Chairman of Nomination and Compensation Committee

PART

1

Business Operation and Operating Results

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

Organizational Structure and Operation of the Group of Companies

1 Policy and Business Overview

Vision

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

Mission

- Be recognized in Thailand and ASEAN
- Be a leading company offering high-quality products and services of Safety, Health, Environment with reasonable price, innovation and expertise
- Be equipped with an efficient and modern work system for quickly respond and excellent service
- Be desirable workplace with efficient human management system along with a good working culture
- Create value to stakeholders equally for sustainable growth

Policy

- Create sustainable growth with net profit growth of no less than 15 percent per year.
- Expand safety and environment and related business through direct investment and merger and acquisitions.
- Maintain the operations at an international standard and develop continuously.
- Maintain good governance in management practices and strongly uphold morals and ethics.
- Strictly comply to laws and related regulations.
- Promote promising talents with high morals to advance in the organization.
- Continually protect the interest of shareholders, partners and relevant stakeholders

Business Overview

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

Objectives of Business Operations

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

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

In 2023, the overall industrial economics tends to be better due to the recovery of the industrial sector after COVID situation gets better. The economic activities are resumed the operation and the domestic consumption tends to be improved based on the return of tourists and investors traveling to Thailand leading to higher manufacturing in the industrial sector as well as the investment promotion policies from the government such as BOI Promotions, Economic Corridors Development, the investment of transport infrastructure projects leading to the growth of industrial sector. Besides, the new law was announced. It's related to the safety of chemicals management in the industrial factories, which is more strictly. For supporting the demand of products and services related to safety, occupational health, environment, the company, therefore, implements the strategic plans for the operations that are in line with the aforementioned direction or trend of the industry's growth. The strategic goals can be classified into 4 major areas, as follows:

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

Important Changes and Developments

Important changes and developments as follow;

1978	<ul style="list-style-type: none"> • The Company started its business to the distribution of occupational safety, health, and environment products
2007	<ul style="list-style-type: none"> • The Company had moved its office to the present office at Lumlukka, Pathumthani which consists of the headquarter building and the storage building.
2008	<ul style="list-style-type: none"> • The Company became a public company limited and registered with an increase of capital of Baht 135 million. • The Company also received the certificate of quality standard of ISO 9001:2000 from UKAS & GLOBAL.
2009	<ul style="list-style-type: none"> • The Company expanded its business into environment, the water treatment system.
2010	<ul style="list-style-type: none"> • The Company is a listed company on the MAI with the trading symbol of "PHOL" on December 9, 2010. • The Company had moved Rayong branch office to the present office at Muang District, Rayong province which consists of the headquarter building and the storage building. • The Company also received the certificate of quality standard of ISO 9001: 2008 from UKAS & GLOBAL
2012	<ul style="list-style-type: none"> • The company expanded its business into Myanmar by establishing Aekar Co., Ltd. as its authorized distributor in Myanmar • The Company also received the certificate of occupational health and safety management systems OHSAS18001:2007 • The Company was awarded the "Top Corporate Governance Report" certificate at the SET Awards 2012 and Excellence CG Scoring from Corporate Governance Report of Thai Listed Companies 2012.
2013	<ul style="list-style-type: none"> • The Company established Phol Palladium Co., Ltd to distribute occupational health and safety products to government agencies, with the value of investments was accounted 99.99% of its registered capital of 1 million baht

	<ul style="list-style-type: none"> The Company established Pholdhanya (Cambodia) Co., Ltd. to distribute the Water treatment products. The value of investments was accounted 100 percent. However, the Company has ceased its operations due to no suitable business plans and to reduce the total operation expenses of the subsidiary. The Company was awarded the "Top Corporate Governance Report" certificate at the SET Awards 2013 and Excellence CG Scoring from Corporate Governance Report of Thai Listed Companies 2013. The Company received the MAI Special Encouragement from Board of the Year Awards 2013
2014	<ul style="list-style-type: none"> The Company has established the subsidiary, Phol Water Co., Ltd. To operate in water treatment by providing an all-rounded services, including distribution, engineering design, construction and maintenance services for both the public and the private sector. The value of investments was accounted 99.99% of its registered capital of 10 million baht. In 2017, the subsidiary increased the registered capital to 50 million baht. The company invested in the newly issued ordinary shares in the subsidiary company. The value of investments was accounted 99.99% of its registered capital of 50 million baht The resolution of Annual General Meeting 2014 approved to increase ordinary share capital 27,000,000 shares at par value of Baht 1 each from the existing share capital of Baht 135 Million to Baht 162 Million in order to reserve for the stock dividend to the shareholders. The Company received an "SET Award of Honor" Corporate Governance Report from SET Awards 2014 and Excellence CG Scoring from Corporate Governance Report of Thai Listed Companies 2014.
2015	<ul style="list-style-type: none"> The Company received The Honorable Mention-MAI from "Board of the Year Awards 2015" The Company has signed the declaration of intention to join the Private Sector Collective Action Coalition Against Corruption (CAC)
2016	<ul style="list-style-type: none"> The Company increase the registered capital to 251 million baht by issuing new ordinary shares, 40.50 million shares to the existing shareholders of the Company according to their shareholding position (Rights Offering), 40.50 million shares to support the exercise of warrants (PHOL-W1) and 8 million shares to support the rights adjustment of ESOP warrant allotted to Board of Director and employee of the Company (ESOP-Warrant). The Company received a membership certificate of the Private Sector Collective Action Coalition against Corruption (CAC).
2017	<ul style="list-style-type: none"> The Company also received the certificate of quality standard of ISO 9001:2015 from UKAS & GLOBAL
2019	<ul style="list-style-type: none"> The company reduced the registered capital by 40.50 million baht to 210.50 million baht by canceling ordinary shares to support the exercise of the warrants to purchase ordinary shares of the company no. 1 (PHOL-W1) that has not been issued, amounting to 40.50 million Baht The Company received a re-certificate of the Thailand's Private Sector Collective Action Coalition against Corruption (CAC) The Company was listed on Thailand Sustainability Investment (THSI) 2019 in the group of companies listed on the Market for Alternative Investment (mai).
2020	<ul style="list-style-type: none"> The Company received Excellence CG Scoring from Corporate Governance Report of Thai Listed Companies 2020 for the sixth consecutive year, held by Thai Institute of Director Association (IOD). The Company was listed on Thailand Sustainability Investment (THSI) 2020 for the second consecutive year in the group of companies listed on the Market for Alternative Investment (mai). The Company is considered to be one of listed in the Universe of ESG100 Securities for the year 2021 by Thaipat Institute.
2021	<ul style="list-style-type: none"> The Company received Excellence CG Scoring from Corporate Governance Report of Thai Listed Companies 2021 for the seventh consecutive year, held by Thai Institute of Director Association (IOD). The Company is considered to be one of listed in the Universe of ESG100 Securities for the year 2021 by Thaipat Institute.
2022	<ul style="list-style-type: none"> The Company received Excellence CG Scoring from Corporate Governance Report of Thai Listed Companies 2022 for the eighth consecutive year, held by Thai Institute of Director Association (IOD). The Company is considered to be one of listed in the Universe of ESG100 Securities for the year 2022 by Thaipat Institute. The Company received the second re-certificate of the Thailand's Private Sector Collective Action Coalition against Corruption (CAC)

2 Nature of Business

These 3 groups of products consist of the following:

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

Revenue Structure

The company's consolidated revenue structure in 2020 - 2022 as follows:

Unit: Million Baht						
Products	2022		2021		2020	
	Amount	%	Amount	%	Amount	%
1.Occupational Safety, Health and Environment Products (SAFETY)	746.81	74.65%	889.88	72.60%	800.40	75.83%
2.Control Environment Products (CE)	222.69	22.26%	305.75	24.94%	214.93	20.36%
3. Water Solution Products (WATER)	30.97	3.10%	30.13	2.46%	40.18	3.81%
Total revenue from sales and services	1,000.48	100%	1,225.76	100%	1,055.51	100%

Products Information

These 3 groups of products consist of the following:

1. Occupational Safety, Health and Environment Products or SAFETY



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

The Company's product distribution is divided into 2 groups as follows:

Personal Protective Equipment (PPE) This product is for the person or workers used to wear on any part(s) of their body during work operation in order to prevent from any dangers that may arise from the working environments such as dangers from heat, intense light, sound, toxic, and chemical substance, etc. Including equipment that people use in daily life to prevent dangers caused by changing environments such as the spread of the coronavirus, particulate matter that exceeds the standard or preventing danger from activities such as playing sports, etc.

These personal protective equipment can be used to protect workers from head to toes such as helmet, safety eye glasses, ear plugs, face shield, safety gloves, shoes, firefighting clothing and other protective equipment.

Important Brands ;



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

Important Brands ;



2. Control Environment Products or CE



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

Important Brands ;



Target Customers

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

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

2. Trade Partner Customers

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

In 2022, proportion of revenue from end users customer and trade partner customers represented approximately 72% and 28% of the total revenue from sales and services, respectively.

Marketing Strategies

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

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

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

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

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

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

Product Sourcing

Safety, occupational health and control environment-related products and services are sourced domestically and internationally. The overseas purchasing amount in 2022 accounted for approximately 59%, and domestic purchases were about 41% of the total purchases. Products sourced domestically are both from distributors and manufacturers who are brand owners, while overseas purchases are mostly from brand owners, whereby the Company has been appointed as the sole/exclusive distributor and non-exclusive distributor by brand owners.

The Company's house brands are SYNOS and ROCC, which are produced by both domestic and overseas manufacturers, with constant new product development under the Company's own brands. In 2022, there were over 500 items sold under the Company's own brands, generating about 21% of the total revenue from sales and service provision.

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

3. Water Solution Products or WATER



Comprehensive water treatment system services, design and structural engineering, production, installation or construction of systems in the form of Engineering Procurement and Construction or EPC, Build-Own-Operate or BOO and Build-Operate-Transfer or BOT as well as system administration services, maintenance and distribution of related equipment. The Company has categorized the operations into the following 3 main sectors:

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

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

Target Customers

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

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

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

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

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

Marketing Strategies

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

- **Pricing Strategy:** The Company's pricing strategy employs a cost-plus method. For projects, the Company analyzes the cost structure for products used in the whole project in a comprehensive manner to ensure appropriate quotation, together with seeking trade alliances to reduce costs, offering payment credit term for customers to increase competitive opportunities in pricing. Besides, the Company provides services in a Build-Own-Operate approach, so customers do not have to invest a large sum of money and bear investment risks and system maintenance burdens.

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

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

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

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

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

Product Sourcing

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

Overall Market and Competition Outlook

In 2022, the overall economics in Thailand tended to be improved since COVID situation was better and the economic activities have been resumed as normal operation. However, the overall economics still had the impacts from COVID and the crisis of other events including Russia-Ukraine conflict resulting in higher energy prices and inflation as well as the fluctuations in THB currency. According to Office of the National Economics and Social Development Council, the overall economic summary report of Thailand in 2022 stated that the growth of economics was 2.6%, which's increased from the last year by 1.5%. For the manufacturing industry, the growth was 0.4%, which's slow down if compared with that in last year due to the world's economics and the production shutdown throughout the supply chain. However, the manufacturing related to the domestic consumption was recovered due to the lifting of lockdown after the COVID pandemic got better. The manufacturing industries that have the growth are automotive industries, electronics industries, food and beverage industries and etc.

Occupational Safety, Health and Environment Products

The business that distributes products, which are in the field of Occupational Safety, Health and Environment Products, is linked to Thailand's industrial economy, as the products are normally used in industrial-related locations and by workers, who operate in those locations. If there is an expansion of the industrial sector, demand for safety and occupational health products will increase, including products that encourage safety in the work environment. Speaking of which, industrial premises and organizations in general place greater emphasis on occupational health and safety, in addition, the government is also giving importance by issuing safety legislation more stringent occupational health. In 2022, a new law was implemented. It's related to the safety measurements related to the chemicals management in the industrial factories. In 2022, the industrial companies are encouraged to have the additional policy of the chemicals management. Apart from ensuring compliance with the legal rules and regulations, organizations also intend to abide by the internationally verified standard. It serves as the measure to enhance production standard for the business, build trust and positive image, which Occupational Safety and Health Management System Standard such as ISO45001 standard. Furthermore, occupational health and safety management also involve the matter of sustainability development, hence businesses are more aware of and stress on operating the business in accordance with the safety, occupational health and environment standards. In addition, the situation of the Covid-19 virus and dust pollution outbreak is to raise safety awareness to the entire population, occupational health increases. Thus, distribution of products and services related to safety, occupational health and environment still has room for expansion in the future.

In 2022, revenue from sales and services provision in SAFETY products was decrease, compared to the previous year, mainly due to a decrease in market prices of rubber and nitrile gloves, coupled with lower purchase orders from distributors and medical sectors. In addition, the revenue from COVID-19 preventive equipment also dropped in relation to the intensity of the situation. However, SAFETY products in other categories are still generating a continuous increase in purchase orders both from existing customer bases and new customers in accordance with the expansion of the industrial sector.

The market competition for safety products was increased especially for the normal safety products such as face mask, gloves, PPE and etc., mainly due to higher new manufacturers and suppliers resulting in higher price competition. The Company's focus is still on supply chain management and inventory management to accommodate demand. The Company has been in this business for a long time, and the products and services are of quality and standard that are well accepted among customers and partners. Being a listed company in the Stock Exchange of Thailand, the Company is trustworthy and operates the business with transparency and responsibility towards the society and environment, and also with financial liquidity. Thus, the Company is at an advantage in terms of supply chain management and competitive cost management. Furthermore, being in this business for a long time, with satisfied operating performance, development and sourcing of new products especially technical products that require specialized expertise, has allowed for comprehensive service provision in safety, occupational health and environment aspects. The Company also emphasizes on creating maximum customer satisfaction on products and services, allowing the Company to maintain the viability of the market and good relationship with customers.

Control Environment products

Control Environment products (CE) are equipment used to prevent external factors or environmental conditions to impact the parts or industrial manufacturing processes. Major customers are in the electronics manufacturing industry. In 2022, the overall growth of electronics industry was slow down due to the shortage of raw materials in the supply chain. The customers ordered the lower volume of CE products. Also, there were impacts from the market price and the product demand of rubber gloves and nitrile gloves, which is the short-term impact. In overall, the growth of electronics industry tends to be better which is in line with the demand of electronic products. In addition, the company expands into the new markets and the new groups of customers in the electronic industry and medical supplies industry.

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

Water Solution Products

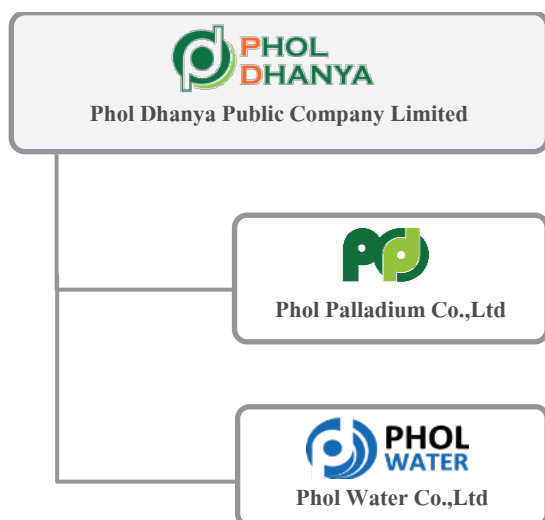
The Company's major customers for the water treatment business are industrial customers. Water resources are one of the important factors in the industrial production procedures, so entrepreneurs are required to be aware of managing water resource to minimize impact on the production, as well as managing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

In 2022, revenue from construction projects of water treatment systems decreased mainly due to the impact of COVID-19, customers have decided to delay or cancel the water treatment projects. However, revenue from sales of equipment increased from equipment for waste landfill construction, in collaboration with a business partner.

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

3 Shareholding structure of the group of companies

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



Phol Dhanya Public Company Limited

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

Phol Palladium Co., Ltd

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

Phol Water Co., Ltd

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

The Subsidiary's shareholders

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

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

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

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

Relationship with major shareholders' business

-None-

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

4 Securities and Shareholders Information

Registered capital and Paid-up Capital

As of December 31, 2022, The Company's registered capital and paid-up capital of Baht 202,500,232 divided into 202,500,232 common shares with a par value of Baht 1.00 per share.

Company doesn't issue other shares except ordinary shares.

Shareholders

Top 10 major shareholders of the company

As of December 31, 2021

No.	Shareholders Name	No. of shares	%
1	Group of Wangthamrong Family	68,918,678	34.03%
	- Mrs. Naowarat Wangthamrong	19,626,661	9.69%
	- Mr. Thanya Wangthamrong	15,147,433	7.48%
	- Mr. Chavalit Wangthamrong	14,753,155	7.29%
	- Miss. Thanthida Wangthamrong Helbardt	13,683,679	6.76%
	- Miss. Thanatsiri Siriworasit (The persons under Section 258 of Mr. Thanya Wangthamrong)	5,280,000	2.61%
	- Mrs. Wannee Wangthamrong	427,750	0.21%
2	Group of Jarutangtrong Family	30,811,250	15.22%
	- Mr. Apichart Jarutangtrong	22,160,000	10.94%
	- Mrs. Ananya Jarutangtrong	8,551,250	4.22%
	- Mr. Teeradej Jarutangtrong	100,000	0.05%
3	Mr. Weerachai Dechamornthun	8,953,200	4.42%
4	Mrs. Onanong nilphet	6,294,100	3.11%
5	Group of Chunhajinda Family	2,768,246	1.37%
	- Mr. Pornchai Chunhachinda	1,300,000	0.64%
	- Mrs. Saowanee Chunhajinda (The persons under Section 258 of Mr. Pornsak Chunhajinda)	875,646	0.43%
	- Miss Siriporn Chunhajinda	457,100	0.23%
	- Mr. Pornsak Chunhajinda	135,500	0.07%
6	Miss Nareekarn Sardsangjun	2,530,000	1.25%
7	Thai NVDR Co., Ltd.	2,389,494	1.18%
8	Miss Tanaporn Eimjai	1,841,555	0.91%
9	Mrs. Sirithorn Kreewong	1,750,000	0.86%
10	Mrs. Premjit Amnankamane	1,604,400	0.79%
11	Other Shareholders	74,639,309	36.86%
	Total	202,500,232	100.00%

Summary of Changes in Percentage of Shareholding of Directors and Executives As of December 31, 2022

No.	Name	As of December 31, 2021		As of December 31, 2022		Changed	
		No. of shares	%	No. of shares	%	No. of shares	%
Board of Director							
1	Assoc. Prof. Dr. Ekachidd Chungcharoen	30,000	0.01%	30,000	0.01%	-	-
	Spouse and miner children	-	-	-	-	-	-
2	Mr. Noppadol Dheerabutrsvongkul	30,000	0.01%	30,000	0.01%	-	-
	Spouse and miner children	-	-	-	-	-	-
3	General Chaiwat Satondee	248,250	0.12%	248,250	0.12%	-	-
	Spouse and miner children	-	-	-	-	-	-
4	Mr. Santi Niamnil	-	-	-	-	-	-
	Spouse and miner children	-	-	-	-	-	-
5	Dr. Pallapa Ruangrong	-	-	-	-	-	-
	Spouse and miner children	-	-	-	-	-	-
6	Mr. Wisarute Srirojanakul	-	-	-	-	-	-
	Spouse and miner children	-	-	-	-	-	-
7	Mr. Apichart Jarutongtrong ^{/1}	22,160,000 ^{/1}	10.94%	22,160,000	10.94%	-	-
	Spouse and miner children	-	-	-	-		
8	Mr. Boonchai Suwanvutthiwat	-	-	-	-	-	-
	Spouse and miner children	-	-	-	-	-	-
9	Mr. Thanya Wangthamrong	15,147,433	7.48%	15,147,433	7.48%	-	-
	Spouse and miner children	5,280,000	2.61%	5,280,000	2.61%	-	-
Total		42,895,683	21.17%	42,895,683	21.17%	-	-
Executives							
1	Mr. Pornsak Chunhajinda ^{/2}	135,500 ^{/2}	0.07%	135,500	0.07%	-	-
	Spouse and miner children	875,646 ^{/2}	0.43%	875,646	0.43%	-	-
2	Miss Prapaipit Viriyabhupha	750,000	0.37%	750,000	0.37%	-	-
	Spouse and miner children	-	-	-	-	-	-
3	Mr. Paradorn Parepatara	-	-	-	-	-	-
	Spouse and miner children	-	-	-	-	-	-
4	Mr. Nitipat Pedprasert	-	-	-	-	-	-
	Spouse and miner children	-	-	-	-	-	-
Total		1,761,146	0.87%	1,761,146	0.87%	-	-
Executives who resigned during the year 2022							
1	Miss Kamolphopphan Puapansakul ^{/3}	-	-	-	-	-	-
	Spouse and miner children	-	-	-	-	-	-
2	Mr. Patsapong Wangthamrong ^{/3}	-	-	-	-	-	-
	Spouse and miner children	-	-	-	-	-	-
Summary of Changes		44,656,829	22.04%	44,656,829	22.04%	-	-

Notes:

¹ Mr. Apichart Jarutongtrong was appointed as a director to replace the vacant director position, effective on August 11, 2022. The number of shares as of August 11, 2022 is 22,160,000 shares.

² Mr. Pornsak Chunhajinda was appointed as Vice president corporate support and Chief Financial Officer, effective on November 11, 2022. The number of shares (including spouse and miner children) as of November 11, 2022 is 1,011,146 shares.

³ Miss Kamolphopphan Puapansakul, the Executive who retired on December 31, 2022 and Mr. Patsapong Wangthamrong, the Executive who resigned during the year 2022.

Distribution of Shareholding

The distribution of shareholding by Nationality as of December 31, 2022, which is the latest closing date of the registered book of the Company as follows:

Shareholders	Total			Juristic Person			Individual Person		
	No. of persons	No. of shares	%	No. of persons	No. of shares	%	No. of persons	No. of shares	%
Thai Shareholders	3,890	202,500,232	100	5	2,553,664	1.26	3,885	199,946,618	98.74
Foreign Shareholders	-	-	-	-	-	-	-	-	-
Total	3,890	202,500,232	100	5	2,553,664	1.26	3,885	199,946,618	98.74

The distribution of shareholding by proportion of shareholders as of December 31, 2022, which is the latest closing date of the registered book of the Company as follows:

Shareholders	Total			Juristic Person			Individual Person		
	No. of persons	No. of shares	%	No. of persons	No. of shares	%	No. of persons	No. of shares	%
Shareholders more than 0.5%	20	131,666,027	65.02	1	2,389,494	1.18	19	129,276,533	63.84
Shareholders less than 0.5% but not less than one unit trade	3,623	70,829,774	34.98	4	164,120	0.08	3,619	70,665,654	34.90
Shareholders less than one unit trade	247	4,431	0.00	0	0	0.00	247	4,431	0.00
Total	3,890	202,500,232	100	5	2,553,614	1.26	3,885	199,946,618	98.74

Note: 1) The distribution data prepared by TSD

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

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

- None -

Other Securities

Company doesn't issue other securities.

5 Dividend payment policy

1. Dividend payment policy of the Company

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

Dividend history	2022	2021	2020	2019	2018
Interim Dividend (Baht)	0.08	0.16	0.15	0.05	-
Dividend for the second half year (Baht)	0.12*	0.16	0.14	0.10	-
Annual Dividend Payment (Baht)	0.20*	0.32	0.29	0.15	-
Earnings (Loss) per share (Baht)	0.27	0.40	0.36	0.20	0.18
Dividend Payout (%)	74.95%	79.13%	79.51%	73.34%	-

Note* Annual dividend for the year 2022 will be proposed for approval at the AGM2023 on April 27, 2023

2. Dividend payment policy of its subsidiaries

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

Risk Management

1 Risk Management Policy and Plan

Risk management is considered a critical tool that enables the Company to respond to internal and external risks that may affect business continuity as articulated in the vision and mission statements, as well as all groups of stakeholders; communities, society and environment. Besides, it also serves to identify business opportunities to accommodate changes. The Company is aware of the significance of the risk management under the principle of good governance, with a clear management structure, comprising of the Board of Directors, Risk Management Committee and Risk Management Working Team, whose roles are coherent with one another. The Audit Committee is responsible for reviewing and giving advices and suggestions for improvement of the internal control system, internal audit system and key risk management systems. The Company has adopted the risk management framework from COSO ERM, which is the international standard to use in the organization, comprising of such risk management procedures as risk analysis, identification of risk management protocols, following-up, reporting and supervision to ensure effective management of risk factors to be at the acceptable level. Furthermore, the Company has compiled the risk management regulations, with reference to the ISO45001: 2018, with the assessment of risk of dangers from the operations based on the occupational health and safety systems.

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

Key highlights for the risk management execution in 2022 can be summarized as follows:

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

(Risk Management Committee Charter has disclosed on the Company's website www.pdgt.com: Investor Relations Section")

2 Risk Factors on Business Operation

2.1 Risk from fluctuation in foreign currency exchange rates

The company's products were imported directly from an overseas supplier. In 2020 - 2022, the company imported products accounted for 66%, 54%, and 59% of the total purchase orders, respectively. The purchase orders and payments are mainly made in US dollar and Singapore dollar, while all products were sold locally. Therefore, the company may be subject to the risk of fluctuations in foreign exchange rate. Over the past 3 years. In 2020, the Company's FX gain was 2.40 million Baht. In 2021 - 2022, the FX loss was reported at 2.64 million Baht and 1.49 million Baht respectively. In 2022, the global economy was affected by the Russia-Ukraine war, inflation and appreciation of US Dollars, making it challenging to forecast the exchange rate in making transactions. However, The Company had considered the effects of the exchange rate and manages its risk by use forward contracts with financial institutions to protect itself against such risk, which covered all foreign trade payables for the period. As of December 31, 2022, the forward accounts stood at Baht 220 million and USD 1.15 million. The company bought forward contracts and monitored the exchange rates regularly to limit its exposure to exchange rate risk. In addition, when changes in the exchange rate caused an increase in cost of goods sold significantly, the company made adjustments to its prices to reflect the market conditions and notified its customers in advance so that the exchange rate volatility did not affect the costs significantly.

2.2 Risk from loss in becoming a distributor of the important brands

The company is a distributor of the occupational safety, health, and environment products with suppliers who are manufacturers or distributors with their well-known brands. The top 3 brands made up 30% of the total sales revenue in 2022. If the company is losing the rights to sell these brands, it may cause significant impacts on the total sales of the company. Nonetheless, over more than 40 years, the company had good relationships with suppliers, customers and adheres to ethical trading conditions. Therefore, the Company has been trusted with the manufacturing that owns the brand and has been appointed as distributor. In addition, the company is also well known in industrial market which are focus customers of the Company, with the image of professional distributor of the occupational safety, health, and environment products as well as developed and improved its distribution channels to cover its target market according the changing of environment in order to enable the brand owners to have confidence in the company, and the company continues to maintain its status as a distributor of products. Furthermore, the Company also has a policy to reduce the risks and the damage arising from the loss in becoming a distributor by developing its own brand to support the customer's demand. In 2022, the company had revenue from sales of its own brand products, representing 21% of total revenue from sales and services.

2.3. Risk from account receivables

Most of products distribution of the Company are credit for payment, proportion average at 86% of the total sales and services in 2020-2022. Thus, a customer's bad debt or doubtful account with a significant amount may lead to an effect on the Company's liquidity and operating results. The Company's policy focuses controlling of quality of account receivables, the Company also has a strict credit policy by consistently revising credit terms of the customers and separate of credit control department from sales department to independent credit consideration. In the past 3 years, bad debt accounted for 0.08% and 0.42% of trade receivables in 2020-2021 respectively and no bad debt in 2022. As for the allowance for doubtful accounts policy of the Company is performed through the recording of the allowance for doubtful accounts which is estimated from the amount of debts which may occur from the missing target of the debt collection based on the past debt collection data and the current situation of the outstanding accounts as of the date in the balance sheet. This will be considered with the account receivables with the debt period of over 180 days and have no movement. The allowance for doubtful accounts may be accounted for 100% of the total outstanding for each account.

2.4. Risk from procurement system and inventory management

The Company's products consist of more than 3,000 items, most of inventories are fast moving. Some of the items are popular among the customers and sometimes there is a shortage of those items or the remaining of some items in the storage due to the change of the demand of the market. The impact from the price competition has an impact on the inventory turnover rate and leads to the remaining of the products in the stock. However, the Company has established the plan for sales promotion and expansion of various distribution channels; online marketing or the Company's website, the Company's branches and international markets. In addition, the Company has improved service efficiency, developing new business models by using information technology systems to respond to customers' needs conveniently and quickly. The full-cycle supply chain management has been implemented to ensure proper operational alignment and the development of a warehouse management system. In 2022, the Company expanded the warehouse space at Rayong branch by about 30%, which is an industrial zone with high product demand, to be able to respond to customers' requirements effectively, accurately, rapidly and reduce the delivery lead time. Meanwhile, the operational system has been developed to allow for cross-functional integration to properly manage and plan inventory demand and minimize chance of supply chain disruption and strengthen their confidence toward the Company's services. The Company believes that the improved and continuous developed programs will serve the competitive environment, increase the efficiency of the warehouse management, and increase the inventory turnover of the products and the cost management with the utmost efficiency.

2.5 Occupational Health, Safety and Environmental Risks

The Company places emphasis on human resources, which are the organization's critical resources, in controlling safety, occupational health and environmental risks that may lead to losses of lives, injuries, or illnesses from work, which can result in business disruption and affect business continuity. The impact can also be felt upon the community, society and environment, hence the Company has devised the safety policy to serve as the framework in enhancing safety, occupational health and environmental awareness, focusing on prevention of accidents and illnesses from work, assessment of dangers, and identification of measures to alleviate the environmental impact caused by business operations. The Company strives to foster safety culture in the work settings; from the identification of indicators and reporting of the safety operations and encouraging participation in giving advices to stakeholders. The Chief Executive Officer has appointed the "Safety, Occupational Health and Environment Committee" since 2014, together with the compilation of the safety manual for staff members, training and communication on a regular basis. In this regard, the Company has been certified of the occupational health and safety standard ISO45001: 2018, and has been strictly complying with the safety, occupational health and environment laws and regulations. In 2022, the Company complied with the ISO45001:2018 framework, with operational environment inspection results that are in line with the laws, as well as the provision of equipment to ensure convenience and safety in the operations. In the previous year, no illnesses, injuries, death cases or accidents from work were reported.

2.6 Corruption Risks

Corruption is considered a shortcoming towards organizational and national prosperity. The Company is aware of operating the business with transparency and under the principle of good governance, and so announced the intention to guard against corruption, which has earned the certification of the Collective Action Coalition against Corruption of the Thai Private Sector since 2016, with a renewal every 3 years. The Company has devised the internal control measures to ensure adequate internal control system that is suitable for the accommodation of corruption risks, with the identification of anti-corruption policy that has been approved by the Board of Directors. The anti-corruption policy is also communicated to internal and external stakeholders, while partners and suppliers are also encouraged to execute the anti-corruption policy as well. The management structure has been developed, detailing duties and roles, channels for submission of complaints in a transparent and fair manner, together with the independent internal audit system. In the meantime, the responsible Committee is regularly updated of the operations. Furthermore, anti-corruption is fostered as part of the organizational culture via communication and training provided to executives and staff members on a regular basis. In 2022, the Company got a renewed membership of the Thai Private Sector Collective Action Coalition against Corruption for the second consecutive year, while also engaging participation from staff members in organizing anti-corruption campaigns on the International Anti-Corruption Day, as well as communicating internally and with the public to affirm the Company's determination to guard against corruption.

3 Emerging Risk

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

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

3.2 Risks Concerning Transmission of COVID-19 and Viral Mutation

The transmission of COVID-19 that has been going on for a certain period of time since the end of 2019, and the mutation of the virus which has affected the overall economic slowdown both domestically and internationally, the supply chain system, as well as the Company's stakeholders. The Company emphasizes on managing risks from the impact as such in order to control risks and their impact to be at an acceptable level, by evaluating the impact and identifying responsive measures, taking into account the risk factors and the possibility of happening, by integrating the Business Continuity Plan (BCP) that has been considered by the Board of Directors and has been executed via the management structure into the process. Besides, the Company is aware of staff members' safety and visitors, and so has explicitly identified the safety protocols, as well as sufficiently prepared for the safety and occupational health equipment, the business premises and the readiness of the information technology system to facilitate effective operations and Work from Home arrangement, including the safety of the community and society in preventing COVID-19. There were distributions of masks in community areas, donation of masks and PPE gears to hospitals or public health organizations. In terms of supply chain management to prevent business disruption, the Company has reviewed and adjusted the execution plan and strategies accordingly to be flexible and responsive to the risk factors and business opportunities. There was a supplier management plan by developing an Approved Vendor List, trade payable management as well as liquidity management.

3.3 Risks from Climate Change

Climate change is an internationally recognized issue, whereby at the domestic level, there is a greenhouse gas reduction target. The increasing greenhouse gas has affected the global warming problem, climatic fluctuations, seasonal irregularities and natural disasters that have become more intense that they can turn into severe disasters. The Company emphasizes on and is aware of the potential impact, and has identified the Sustainable Development policy, which has been considered and approved by the Board of Directors, with the establishment of the Sustainable Development Committee to supervise the operations and ensure proper execution. Besides, in 2022 the Company worked to ensure optimized resource utilization, encouraging staff members to take part in minimizing environmental issues, reducing and sorting waste, and circulating the use of resources. Moreover, the reduction in energy consumption target has constantly been identified and reported.

Business Sustainability Development

1 Policy and objectives of sustainable management

Sustainable Development Policy

- **Governance:**

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

- **Economy:**

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

- **Society and Community:**

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

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

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

- **Occupational Safety:**

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

- **Tax Policy:**

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

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

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

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

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

- **Information Disclosure:**

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

- **Policy Compliance:**

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

Sustainable Development Framework

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

- **Safer Living**

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

- **Operation Efficiency**

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

- **Minimize Environmental Footprint**

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

2 Managing Impact on Stakeholders in the Business Value Chain

Business Value Chain

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

Procurement

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

Relevant stakeholders are suppliers, society and staff members.

Marketing and Sales

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

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

Warehouse Management and Product Distribution

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

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

Stakeholders Engagement

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

Stakeholders	Expectations	Actions Responded by the Company	Communication and Participation
Customers	<ul style="list-style-type: none">- Products and services are of good quality, standard and proper pricing.- On-time delivery- Safety in using products and services- Fast access to products and services	<ul style="list-style-type: none">- Compliance with customers' conditions and agreements- Seeking new innovation, products and services to meet customers' needs- Provision of customer training on safety and using safety equipment- Control and selection of products to meet the standards- Using evaluation results and customers' advices to improve the effectiveness of products and services- Development of distribution and communication channels	<ul style="list-style-type: none">- Customer satisfaction survey- Channels for submitting complaints and customers' advices on the website and other channels

Stakeholders	Expectations	Actions Responded by the Company	Communication and Participation
Staff Members	<ul style="list-style-type: none"> - Fair and appropriate compensation and welfares - Job security and career advancement - Safe working environment - Fair and equal treatment - Participation in expressing opinions 	<ul style="list-style-type: none"> - Improving the human resource management system to be effective; compensation management that is desirable and competitive in the same industry, development of salary structure and career advancement structure. - Human resource development plan to enhance employee potential and retain high performers. - Organizing activities to foster engagement and motivation among staff members. - Implementation of safety and occupational health systems to minimize risks in work settings. - Complaint submission channels; both directly and indirectly. 	<ul style="list-style-type: none"> - Communication and exchange of opinions and suggestions between the management and staff members via meetings and different activities. - Staff member engagement survey - Self-assessment in expressing behaviors in relation to the organizational culture; PHOL-D - Receiving opinions and complaints via different communication channels both directly and indirectly. - Welfare promotion committee in the business premise.
Shareholders	<ul style="list-style-type: none"> - Good operating performance and continuous growth - Continuous returns on investment - Accurate, comprehensive and timely information disclosure - Transparent and verifiable business administration - Diverse and easily accessible communication channels 	<ul style="list-style-type: none"> - Strategic plan with continuous and sustainable growth - Transparent and verifiable business operations, in line with the corporate governance policy - Fast, accurate and comprehensive information disclosure; in time for decision making - News and information on the website that are up-to-date 	<ul style="list-style-type: none"> - Organization of shareholders' meetings - Communication with investor relations team - Comprehensive provision of information - Annual Report and Sustainability Report - Receiving opinions and suggestions via different channels
Suppliers and Business Partners	<ul style="list-style-type: none"> - Compliance with the payment terms - Continuous joint business operations - Compliance with agreements or contractual terms 	<ul style="list-style-type: none"> - Fair and transparent business operations with good governance - Development of trade agreements 	<ul style="list-style-type: none"> - Communication via phone calls or electronic media
Trade Creditors	<ul style="list-style-type: none"> - Compliance with the payment terms - Compliance with agreements, contractual terms or the laws 	<ul style="list-style-type: none"> - Compliance with the regulations, conditions or contractual terms - Transparent business operations 	<ul style="list-style-type: none"> - Communication via phone calls or electronic media
Communities and Society	<ul style="list-style-type: none"> - Caring for the environment and using natural resources wisely - Access to safety products - Compliance with relevant laws and regulations 	<ul style="list-style-type: none"> - Encourage and support and participation in activities with relevant communities and society - Provision of knowledge and understanding in safety to the private sector, government, institutions or communities. - Distribution of environment-friendly products - Development of diverse distribution channels with convenient access to products - Communication of safety information and knowledge via online channels 	<ul style="list-style-type: none"> - Organization of safety training in different locations - Organization of activities to provide social aid and support, e.g. donation in different locations - Online communication channels
Government Bodies	<ul style="list-style-type: none"> - Lawful business operations - Transparent business operations 	<ul style="list-style-type: none"> - Compliance with the laws and regulations - Transparent business operations in accordance with the principle of good governance 	<ul style="list-style-type: none"> - Compliance with the regulations and conditions of the government
Competitors	<ul style="list-style-type: none"> - Transparent and fair business operations 	<ul style="list-style-type: none"> - Business operations with good governance - Fair commercial competition 	<ul style="list-style-type: none"> - Business-related laws

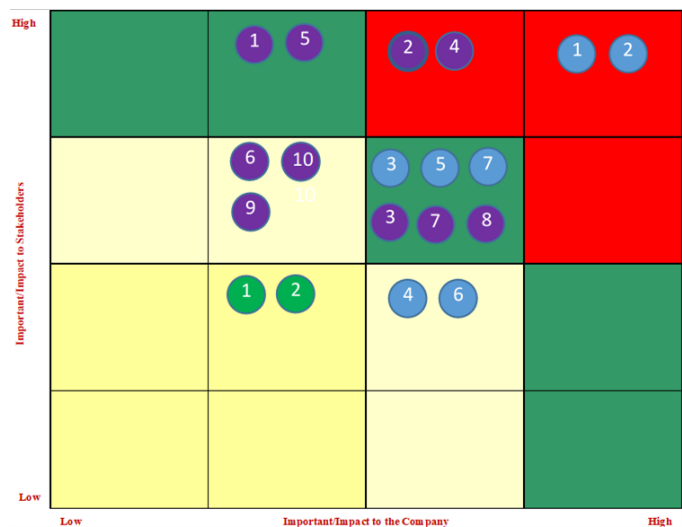
Sustainable Development Issues

The selection of sustainable development issues has been derived from the gathering of opinions and expectations from stakeholders, which have been analyzed and reviewed by the management to identify significant matters or ones that may impact the Company's business operations or stakeholders. These issues have been prioritized in order of importance towards the Company and stakeholders, which were then developed into the execution plan. In 2022, additional sustainable development issues were identified to cover different business activities and stakeholders' expectations as follows:







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

The Company has prioritized the sustainable development issues that matter to the organization in 2022, by selecting 4 significant issues as follows:

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



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

Key Sustainability Issues	Long-Term and Short-Term Goals	Global Sustainability Goals
Easy access to products and services	In order to play a part in enhancing safety for community members by developing distribution channels to cover all customer groups; juristic persons and general customers to be able to get hold of safety equipment as much as possible.	 
Effectiveness in work procedures	<ul style="list-style-type: none"> - Creating customer satisfaction - Maintaining customer base in the long term - Reducing operating expenses 	
Quality products and responsibility towards users	Select quality products for users' safety, whereby <ul style="list-style-type: none"> - All items must be certified of the safety standard. - There should be no customer complaints, exchanges or returns from product quality issues. - Users can use the products for the right applications safely. 	
Good and safe working environment	<ul style="list-style-type: none"> - Serious illnesses and accidents from work should be zero. - Illnesses from serious diseases should be zero. 	 

3. Sustainability Management for Environment

The policy and guidelines of environment

The company focuses on doing business with the responsibility for the environment by considering on all impacts, the stakeholders and the environmental impacts. The company emphasize on efficiently the use of resource and good resource management by setting the policy of sustainable development and publishing in the company's website. The Sub-Committee for the sustainability monitors and sets the appropriate practices of operation in order to response and lower the impacts as well as setting the policy of occupational health, safety and environment under ISO 45001:2015. In order to have the management in term of safety, occupational health and environment as per guideline, in 2022, the company set the objectives in term of environment by managing, controlling the efficient use of resource, reducing the use of resource from the previous year and setting the operating budget as per plan and goals. There was the review of roles and responsibility for the safety, occupational health and environment Committee so that the Committee performs the duties in accordance with the policy. The Committee also make the plans for the operation and activities in order to create the working environment with safety and manages to efficiently use the resources. For example, encouraging to have the organizational culture in term of safety and the conversation of energy and resources, creating the awareness and providing the monthly trainings about environment and widely the use of the resource to all employees through the communication methods in order to create the mindset of environmental responsibility, the trainings for the

targeted employees and the responsible person (working team) such as the training related to reduce the greenhouse gas complying with the scientific objectives in order to understand risks, opportunities and understand themselves as well to set the goals, guidelines, report and compensation of reducing carbon emission. In addition, the company assigns the administrative offices to monitor and manage the use of resource as well as doing the monthly performance report for the meeting of middle managers so that the performance can be improved for efficiency and effectiveness

Details on the Sustainable Development and Safety, Occupational Health and Environment Policies are available at http://investor.pdgh.com/safety_policy.html

The performance in term of environment

The management of greenhouse gas

The company emphasizes on the impact from greenhouse gas leading to have the global warming and the change of world's weather by doing the analysis and assessing the risks of the climate change in order to set the proper practices and guidelines. The company gives the importance to the resource management and widely the use of resource including the waste and pollution management. Since the company's business is operated in the service industry, the activities generated highest greenhouse gas is using electricity from the air condition in the office and using fuel in the vehicles. The company sets the operation plan in order to reduce the use of energy and set the goal of energy reduction, which is to lower the energy by 5% from the previous year. In 2022, the greenhouse gas generated by the company was 587.46 tons that's increased by 3% from the previous year especially during 2H22 since the employees returned back to work at the office which is in line with the COVID-19 situation that's better. Also, the company performed the operation in accordance with the guidelines or measurements of resource conservation by creating the organizational culture, providing trainings, creating the awareness of resource conservation, communicating and reporting the operating performance in order to improve the performance on monthly basis. In addition, there is the measurement to maintenance the air conditions and utilities in the building and check the condition of cargo trucks as per the plan.

The company is developing the informative system in order to publish the greenhouse gas emission to all stakeholder which is not passed the review by the external agency. The company set the future operation plans.

Summary of Resources Utilization and Greenhouse Gas Emission 2021-2022					
	Electricity Consumption (Unit)	Water Consumption (Cubic Meters)	Paper Usage (Tons)	Fuel Consumption (Liters)	Amount of Greenhouse Gas Emission (Tons)
2022	405,392	2,732	3,934	137,936	587.46
2021	409,785	2,836	3,907	131,327	573.44
2020	441,642	3,069	5,020	158,257	656.18

Remark: The calculation is based upon the evaluation of the Thailand Greenhouse Gas Management Organization (TGO).

*The amount of greenhouse gas emission (Scope 1&2) was first collected in 2021, including the amount of water and electricity consumption, paper usage, fuel consumption of the Company's transportation vehicles and salespersons' vehicles.

The management of energy

The company manages to efficiently use the resource including electricity and air condition systems by regularly doing the maintenance as per plan in order to have the efficiency and operate in accordance with the policy of energy conservation. In 2022, the company set the goal, which is to reduce the energy by 5%. In the previous year, the company found that electricity consumption was 4 05,392 units, which's decreased by 1% but the target was still not achieved. The company revised the operation plan to be appropriate and to align with the objectives. In 2023, the company has the operation plan to maintenance the energy-saving electrical equipment, improve the utilities in the work place in order to appropriately use the resource. Also, the company installs solar cells to reduce the expense for the long terms as well as to support the use of green energy that does not cause any air pollution. Also, there is an improvement of operation or performance that has the issue and the activity plan will be changed in the next year in order to increase the awareness and corporation of the employees.

Water Management

Since the business is operated in the service industry, the main business does not have any issues or problems including water issue. However, the company put the importance to wisely use the water. In 2022, the company set the goal in order to control the use of water and reduce the use of water by 5%. In the previous year, the use of water in the office and warehouse from the company's operation was decreased by 5% if compared from the previous year mainly due to operates in Work from Home in the first half of the year. However, the company assigned the administrative office to control the use of water. In case of abnormal volume of the water, they immediately find the root cause and regularly check for the utilities related equipment in the office and warehouse.

Waste and Pollution Management

The company emphasizes on the waste management in the right way in order to lower the volume of waste impacting on the environment as well as the pollution management by setting the plan to reduce the volume of waste in the company's office and warehouse. In 2022, the company had the waste management, for example, providing the trainings to employees about the waste management in the right ways, creating the awareness of energy conservation, encouraging the employees to understand the environmental issue. In addition, the company implemented the waste segregation by the type of waste, which is (1) recycle waste, (2) wet waste (3) toxic waste and had the correct waste management for each type of waste as well as reducing the volume of waste by using 3Rs waste management principal (Reduce, Reuse, Recycle). With the right waste management, the company has higher volume of recycle waste than that of last year as well as improving the logistic or distribution process to be effective and check the condition of vehicles in comply with the standard in order to lower the air pollution.

Summary of Waste Management	Recycle waste volume	Revenue from recycle waste
	unit: Kg.	unit: Baht
2022	3,823	17,066
2021	4,065	11,207
2020	2,559	7,464

Resource Reduction

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

- Using the copy paper that is 100% environment-friendly and reusing the paper
- Hiring the copy machine service provider whose products do not have chemicals that are harmful to health and carcinogen and have the eco-label certified the qualification in term of health, safety and environment and use the environment-friendly ink
- Improving the operation process in order to reduce the use of paper and increase the operation efficiency such as replacing paper slip by using E-slip for the employees' salary, approving and doing the report by using informative system, preparing the meeting presentation in the form of electronic and kept in the Google Sites instead of printed as hard copy. In 2022, the volume of paper used was decreased.

4 Sustainability management for the society

The company supports the safety society by setting the objective of the company that is responsible for the society, strictly follows the laws, has no any complaints or impeachment related to the illegal actions and the violation of business ethics or human rights. The company encourages the corporation in creating the safety and good occupational health to the community living inside and outside the organization under the sustainability concept of “Safer Living” and under “Better Together” principal through selecting the products and services that have good quality and the safety standard certified by law, improving the distribution channels resulting to increase the accessibility of safety products and providing the knowledge or trainings about safety to the community, customers, external parties and educational institutions. The trainings are provided through many communication channels such as the website and Facebook in order to create the safety society. In addition, the company put the importance to take care of employees by considering the human rights, complying with the law and regulations and treating all employees with equality and fairness. Also, the company emphasizes on the health and safety of employees by providing the sufficient benefits and compensation as well as giving the opportunities to employees exercising their rights and negotiating the employees’ benefits and compensations as specified in the law.

The performance of human rights

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

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

The policy of social and labor

The company considers on the code of business conducts and the benefits of all stakeholder and does not perform any actions, which are illegal, dishonesty to the customers, violate the law, take the advantage of others and impact on the environment and community such as air pollution. The operations are conducted with transparency. In addition, the company respects and follows the principles of human rights by emphasizing on the respects of human dignity, rights, freedom and equality of persons protected by Thai and International laws. The company sets the policy and practice in the code of business conduct regarding to the respects of human rights and practice of labor under fairness, equality and no discrimination including the employment, no child labor, the employment of disabled person, remuneration, performance evaluation, promotion, health, safety in workplace, trainings regardless ethnicity, gender, color, religion, language, political opinion, disabilities and other statues that are not relevant with the performance. The company supports the employment of disadvantaged people such as disabled people and performs the operation that is responsible for the community, society and all stakeholders.

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

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

The company sets the criteria of remuneration, performance evaluation, salary increase, and promotion in written for employees' acknowledgement. For supporting the employee's motivation, the company sets the policy of special payment for the employees whose performance is higher than the target and bonus payment based on the net profit. In 2022, the company paid the compensation to the employees with the amount of THB 110.51 million and the payment ratio for female: male was 51:49 (The compensation of employees excluding the compensation of executives)

The company sets the goals in term of human rights that is to have no impeachment in term of human rights. In 2022, the company had no any cases related to the violation of labor law, discrimination, harassment and human rights and no lawsuits related to labor laws. The company hires the disabled employees in accordance with Empowerment of Persons with Disabilities Act, supports the disabled employees to have the equitable work like the normal employees and supports the fund for the empowerment of persons with disabilities as specified by law.

Employee Treatment

The company believe "all employees in all levels" are the valuable human resource for the organization and the key factor helping the company to achieve the objectives and goals by supporting the employees to have the good quality of life and knowledge and utilizing the different knowledge, experience and skills of employees to enhance the strength of the company. High commitment is the important factor making the business be successfully. Also, the employee engagement has the significant relationship with the efficiency of performance. Therefore, the employee treatment is important for the business operation of the company and the compensations of employee that are not

salary are the important things that the company emphasizes on. The company has many types of compensations such as health insurance (insurance group), the support for funeral, gift basket for hospitalized employees, the support for marriage, uniforms, provident fund, annual health check, scholarship, annual leaves of 6 – 12 days (depending on the service year), training, company's outing and new year party. The company provides the benefits and compensations exceeding the ones specified by law in order to make the employees be happy and safety by considering on the appropriateness and reasonableness.

In 2022, the company emphasized on the employee treatment in order to improve the employees' health and good quality of working place such as the annual health check and the proper maintenance of the working place that is to have the sound and light check in the working environment. Also, the company supplies the proper equipment for work, for example the safety equipment, the ergonomics related equipment and concerns on the safety and hygiene of equipment in the office. In addition, the company has the measure to control the pandemic such as COVID and influenza in the office. In order to enhance the relationship with the employees, the company gives the opportunities to the employees sharing the comments about the good welfare and working condition. Also, the company assigns the Welfare Committee, who are elected by all employees to be the representative that is responsible for welfare by providing the comments, suggestions and complaints that are useful for the welfare management. It gives the opportunities for the communication in term of suggestions and complaints regarding to working, health and working environment in which the Welfare Committee is the representative of employees discussing and working with the employers as well as reviewing the solutions that are beneficial for all stakeholders and create the good relationship in collaboration.

The company conducts the survey of employee engagement and does the analysis of the result in order to improve the management process making the employee happily work, which influences on the operation efficiency. Based on the result of the survey, the company has the operation plan to improve the working environment, for example, renovating the building, improving 2-way communication, conducting the surveys for employees' opinions before arranging the activities and improving the working process to make it be faster and reduce the duplication.

Besides, the company supports the employees to have understanding and the training regarding to financing saving and planning. In 2022, there are 196 employees joining the provident fund, accounted for 97.51% of total employees.



Turnover Rate of Employee
Year 2022 = 12.3%

Employee Development

The company puts the importance to the employee development by promoting to have the good and talented employees by setting the policy of employee development, doing the employee development plan that is in compliance with the company's strategic plans and objectives and enhancing the various knowledge and skills required for the current and future work so that the employees can utilize the knowledge and skills for their self-development, the efficient performance and the promotion leading to have the sustainable development.

The company implements the human resource management tools for the human resource development such as performance ranking system, manpower planning, succession plan, personal development plan, career management, talent management, individual development plan and annual trainings

All employees are conducted the annual performance assessment in order to monitor the performance based on the objectives and use the result for employee development plan as well as providing the trainings and supporting the self-development through the programs with the objectives of skills development

In 2022, the number of employees joining the trainings were 190 people, accounted for 94.53% of all employees. The total hours of trainings were 8,064.63 hours. The average training hours per employee was 38.40 hours per year from the target of 6 hours per employee per year.

The company regularly conducts the trainings for employee development by providing in-house trainings, public classrooms, e-learning, virtual classrooms. The trainings are provided for the employee development based on the appropriateness of the individual development plan such as e-Learning for UiPath RPA Developer Foundation, RPA Advance Developer, Digital Transformation, Magento Training for E-commerce (Magento 2.4), Risk Based Thinking for ISO9001:2015 & Risk Management Overview, Ergonomics for Occupational Health and Safety, Safety with Chemicals and Dangerous Good (Behavior-Based Safety), ISO 22301:2019 Business Continuity Management System, Analytical Thinking for Professional Internal Auditor, the procedures and preparation of E-Filing, the requirement and criteria of e-Tax Invoice, Analytics & Strategy , Business Model Reinvention for Corporate Sustainability and etc.

Besides, the company has the development plan for soft skills by emphasizing on Upskill Re-skill and Cross-skill in form of Hybrid Learning, which consists of E-Learning and Virtual Classroom. The company has the collaboration with the training agency who is sophisticated in training courses to conduct the training courses for employees. The employees can choose the courses that they are interested in such as Service Excellence, Agile Mindset, Design Thinking, Transformational Leadership, How to Digital Transformation, Step-in Leader and etc.

The organizational culture

In 2022, the company implemented the plan for improving and supporting organizational culture in order to enhance the understanding of the organizational culture, namely “PHOL-D” by conducting the evaluation survey regarding to the awareness of employees towards to the organizational culture. The result of the survey is 82,48%, which’s higher than the score in 2021. The company regularly arranges the activities as follow

Activity 1: Creating awareness

The company publishes about the company’s value and organizational culture through “HR Journal” by communicating to the employees through many channels and providing Q&A session for employees.

Activity 2: Providing training for better understanding

The company provided the trainings in order to creatively create the organizational culture to all supervisors and managers on October 7, 2022 in order to enhance the understanding for the supervisors and managers who can implement the organizational culture as the example for subordinates.



The safety, occupational health and working environment.

The Company is aware of the importance of safety of lives, health and hygiene in work settings for staff members and related parties, and has established the standardized occupational health and safety management system to serve as the direction to set up the safe working environment and has been certified of the ISO 45001:2018 standard since 2012. The company strictly performs the duties following the relevant laws.

There is the Committee of Safety, Occupational Health and Working Environment. The Committee consists of 1 representative from executives as the head of Committee, 2 employer representatives, 3 employee representatives and 1 safety officer technical level acting as the Committee and the Committee of Secretary. Also, the safety officer supervisory levels are assigned to be responsible for the working area of each floor which is in accordance with Ministerial Regulation on the Prescribing of Standard for Administration and Management of Safety, Occupational Health and Environment B.E. 2549. The safety officer supervisory levels are responsible for controlling and monitoring the events related to the safety, occupational health and environment to be in line with the safety policy, performing the risk evaluation and doing the operation and prevention plans regarding to the risks related to safety, occupational health and environment. The company sets and publishes the safety policy on the company's website -www.pdgth.com



In 2022, the company continuously improved the operating process and the efficiency of safety under ISO45001:2018 in order to reduce the risk from illness, injury and death and to take care of employees to have the good and appropriate quality of life and be ready for working through danger identification, the risk assessment of the workplace, improvement, follow-up and report. The company has the maintenance plan to check the quality of environment in the work place at least one a year. Based on the report, the quality

standard of air, odor, sound and light was normal as specified by law. Also, the company provides the resources supporting the safety environment in the working place and creating the safety culture through basic training of firefighting and fire drill and fire evacuation drill which are the compulsory courses for all employees. In addition, the company communicates, creates the awareness and assesses the operation and working places to be in line the surveillance plan and measurement of occupational health and safety. There are many programs or activities implemented for supporting the safety policy that are PHOL – No Alcohol program, Annual health check program and PPE program. Besides, with COVID-19 pandemic, the company considers the impacts from COVID, therefore, the measurements are implemented. The company also closely monitors the announcement from the government and the situation in order to assess and set the proper measurement for employees and visitors' safety. The company adjusts the operation process to be appropriate and flexible and supports the essential equipment and informative system for "Work from Home" in order to lessen the impacts and create the creditability of employees and visitors.

The company continuously provides the information and news regarding to the safety and occupational health in order to increase the employee's awareness of the risks and dangers that can be happened in the working and daily life through email. Also, the company launches the campaigns for reducing accidents, the campaigns for safety, and the exercise programs for preventing office syndrome. The company shares the information about pandemic, occupational diseases and its prevention, the regulations and rules related to safety, occupational health such as labor law, safety law, transportation law, regulations of Ministry of industry, Laws related to business operation or new laws. All information is collected and documented as the file so that the employees can read and study.

The operation for customer services

The company performs the business by considering on the responsibility for society and all stakeholders throughout the supply chain value. The company puts the importance to select and distribute the safety products that meet the international safety standard. The company also has the policy to distribute the products that are certified with the safety standards as specified by laws and that does not violation of intellectual property, license or patent. In case the products have any issues or defects, the company allows the customers to return the products as per specified guidelines.

Besides, the company continuously develop the employees to be an expert understanding and explaining the products and services to the customers so that the customers can safely and efficiently use the equipment. In addition, the company has the evaluation process for the manufacturers and has the procedures and guidelines of product selection and quality control as well as improving the operation process in order to increase the customer's satisfaction and response to the customer's demand.

The selection and distribution of safety products.

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

The company plans to expand the customer bases of the safety products to normal customers by importing the life-style safety products such as shoes, sunglasses, face mask, KF94 mask, gloves and safety equipment for sports. This group of products can be used for fashion and safety in daily life. The first thing that the company consider for importing the product is to meet the criteria of selection and the safety standards

In 2022, the company improved and adjusted the strategic plans to be aligned with the changing situations and expanded the markets so that the customers can easily and quickly access the safety products by developing the distribution channel through Online Market of the company's website - www.pholonline.com which is the safety system and in accordance with PADP Act. Also, the company opened the online account, namely Phol Online in Shopee, Lazada, JD Central and other shops to increase the accessibility for customers such as Konvy, Multy, Beautrium, Lemon Farm and book stores like SE-ED and Nai-in. Also, the company improved the distribution system to be quick and reduce mistake and developed the communication channels to provide the supports about safety products and suggestions for the usage and receive the complains and comments through online channels such as Facebook, Line Application, Website and Email for convenience and fast.

Suggestions as professional

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

The control of product quality and the selection of manufacturers

The company implements the policy and guideline of procurement with transparency, fairness and no discrimination according to the code of conduct, which is published in the company's website – https://investor-th.pdgth.com/code_of_conduct.html. Also, there is the clear evaluation process for manufactures by considering on several factors that are human rights and no child and slave labors. For new manufactures and suppliers, they have to pass the selection criteria in term of quality, safety standard, timely distribution and service, do not violate laws and follows the code of business conducts. For the existing business partners, they are regularly evaluated and there is a visit for the manufacturer's factories. In case there is any issue or problems, the company work with the partners to appropriately solve the issue. The company considers the qualification of business partners in term of fairness, ethics, society and environment. The company also implements the policy of internal control that is appropriate for checking the quality of products. With this regard, the products that the company distributes have the quality and standard and can be safely used.

Besides, the company has the policy to develop "Own Brand" products with the business partners to increase the potential of the competition. The company visits the manufacturing factories and arranges the seminars with the business partners and customers. The company continuously has the growth of "Own Brand" products. In 2022, the company had the sales volume of "Own Brand" products accounted for 21% of total revenue of products and services.

In 2022, based on the customer satisfaction survey, the result of the customer satisfaction was 98.08% on average, which was higher than the target rate by 0.08%. Also, there was no any customer complaints that have the significant impacts on the business. Based on the comments from customers, the company improved the services, for example, doing product development with the manufacturers to resolve the issues the customers face, improving the

Customer satisfaction survey		
2022	98.08%	Target
2021	98.37%	98%
2020	98.60%	

distribution system to be faster by using technology to increase the customer satisfaction and increasing the distribution channels to enhance the accessibility of safety products to be easier and quicker.

The company expands the accessibility of safety products to not limit only for the industrial factories by implementing the marketing strategy for a new distribution channel of safety products, which is the consumer market. Since there are not many products that have quality and standard in this market and the customers in this market lack of knowledge and understanding of the products, they do not know how to purchase the products that can be used in the daily life. Therefore, the company implemented a new distribution channel by using "Online Marketplace" through website – www.pholonline.com, which is the full E-commerce website that the customer can order the products and make the payment by using credit card and money transfer through Gateway of banks that is safe. The website has the security socket layer (SSL) and is operated in the accordance with the laws and the policy and guideline of privacy according to PDPA Act as per published in the company's website.

Apart from the distribution of products through online channels, the company also emphasizes on increasing the online distribution channels through other marketplaces that have the higher growth. The company opens the account, namely Phol Online in Shopee, Lazada, JD Central, Noc Noc and other stores for general customers like Konvy, Multy, Beatrium, Lemon Farm and book stores such as SE-ED and Nai-in. The company puts the importance to increase the distribution channels so that the products and services of company can be delivered to the customers.

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

The operation for creating social value

The management and sharing safety information

The company regularly conducts trainings and publishes the documents about safety equipment to customers, external parties and educational institutions in order to support the safety society. The company implements the document about the safety and health equipment in many forms such as the website - www.thai-safetywiki.com, Facebook: Thai-safetywiki, Pholdhaya, Line application: @PHOL and Tiktok: Phol Online by publishing the information, articles and videos about the safety for the followers and visitors. In 2022, there were more than 590,000 people visiting and reading the articles through the website (thai-safetywiki.com). For other online channels, the number of followers tend to be increased.

The Distribution of Safety equipment to the Community

The company emphasizes on the importance of wearing proper PPE and safety equipment. In order to create the safety awareness for the society and community, the company provided the safety equipment to the community in 2022 as follow

- Supporting the safety shoes for Department of Corrections and other jails in the nearby provinces so that the prisoners can wear for social activities such as drainage pipes and occupational trainings
- Providing the safety equipment for Office of the Non-Formal and Informal Education (NFE) in Pathumthani that will further distribute to the disadvantaged person in term of education, people with lower income, construction workers, bike taxi drivers or other workers in the factories and other occupations requiring the basic education and having the difficult opportunity to access the safety products and equipment.

Management Discussion and Analysis

Overview

Referring to the operating performance in the consolidated financial statement for the year, ending December 31, 2022, Phol Dhanya PCL (the Company)'s total revenue from sales and services were 1,000.48 MB, decreasing by 225.28 MB or 18.38% YoY at 1,225.76 MB. The decline in revenue is mainly from the significant drop in market prices and demand for rubber and nitrile gloves, compared with the last year that still in the situation of the epidemic of the COVID virus that has demand for products in both industrial and medical sectors. Furthermore, the sales revenue from COVID related products also decreased in accordance with the intensity of the spread. However, the overall economy and production in the industrial sector are expanding and there is still an increase in orders among those customers. The gross profit decreased in line with lower revenue from sales and services, however, the gross profit margin increased due to effectively cost management and adjustment of selling price increases according to the cost price of certain products and the proportion of sales of products with high gross profit margins increased. In 2022, the Company's gross profit was 257.74 MB, representing gross profit margin of 25.76%, compared to gross profit of 287.59 MB, representing gross profit margin of 23.46% in previous year. Distribution costs and administrative expenses were decrease from previous year. For the year 2022, the Company's net profit attributable to equity holders of 54.04 MB, representing a net profit margin of 5.39%.

Operating performance

Unit : MB.				
	2022	2021	Increased (Decreased)	% YoY
Revenue from sales	984.36	1,203.45	(219.09)	-18.21%
Revenue from services	16.12	22.31	(6.19)	-27.73%
Total Revenues	1,000.48	1,225.76	(225.28)	-18.38%
Cost of sales	(732.12)	(921.75)	(189.64)	-20.57%
Cost of services	(10.63)	(16.42)	(5.79)	-35.29%
Total Costs	(742.74)	(938.17)	(195.43)	-20.83%
Gross Profit	257.74	287.59	(29.85)	-10.38%
Gross Profit Margin (%)	25.76%	23.46%		
Other income	2.86	4.06	(1.21)	-29.69%
Total Distribution costs and Administrative expenses	(187.69)	(191.77)	(4.08)	-2.13%
Profit before finance costs and income taxes	72.91	99.89	(26.98)	-27.01%
Profit before finance costs and income taxes (%)	7.27%	8.12%		
Financial Cost	(2.82)	(2.76)	0.06	2.11%
Loss from impairment of trade and other receivables	-	(0.70)	(0.70)	-100.00%
Reversal of allowance for credit loss (credit loss) on trade and other receivables-nets	(1.17)	5.81	(4.64)	-79.93%
Share of loss form investment in joint ventures	(0.27)	-	0.27	
Income tax expenses	(14.62)	(20.34)	(5.73)	-28.14%
Profit attributable to equity holders	54.04	81.89	(27.86)	-34.02%
Net profit margin (%)	5.39%	6.66%		
Basic earnings per share (Baht)	0.27	0.40	(0.14)	-34.02%

Revenue from Sales and Services

Unit :MB.						
Products	2022	%	2021	%	Increased (Decreased)	% YoY
Occupational Safety, Health and Environment Products (SAFETY)	746.81	74.65%	889.88	72.60%	(143.07)	-16.08%
Control Environment Products (CE)	222.69	22.26%	305.75	24.94%	(83.06)	-27.17%
Water Solution Products (WATER)	30.97	3.10%	30.13	2.46%	0.85	2.81%
Total revenue from sales and services	1,000.48	100%	1,225.76	100%	(225.28)	-18.38%

In 2022, the total revenue from sales and services provision were 1,000.48 MB, with 746.81 MB of Occupational Safety, Health and Environment Products or SAFETY accounting for 74.65%, 222.69 MB of Control Environment Products or CE accounting for 22.26% and 30.97 MB of Water Solution Products or WATER accounting for 3.10%.

The revenue from sales and services provision in SAFETY products was 746.81 MB, decreasing by 143.07 MB or 16.08% compared to the previous year, mainly due to a decrease in market prices of rubber and nitrile gloves, coupled with lower purchase orders from distributors and medical sectors. In addition, the revenue from COVID-19 preventive equipment also dropped in relation to the intensity of the situation. However, SAFETY products in other categories are still generating a continuous increase in purchase orders both from existing customer bases and new customers in accordance with the expansion of the industrial sector.

The revenue from sales and services provision in CE products was 222.69 MB, has also dropped by 83.06 MB or 27.17% due to a decrease in market prices of rubber and nitrile gloves, and the quantity of orders decreased both in the key customers in the electronics industry and distributor customers compared to the last year when there was a product shortage caused by COVID-19, the customers have increased purchase orders to accumulate the inventory. However, the CE product has increased sales from new products marketing in the electronics industry and medical device industry.

The revenue from sales and service provision in the WATER products was 30.97 MB, similar to the previous year. Revenue from WATER products increased from sales of equipment for waste landfill construction, in collaboration with a business partner. However, revenue from construction projects of water treatment systems decreased mainly due to the impact of COVID-19, customers have decided to delay or cancel the water treatment projects.

Cost of Sales and Services

In 2022, the Company's total costs were 742.74 MB, comprising of 732.12 MB cost of sales and 10.63 MB cost of services. Cost of sales and services decreased proportionally with lower revenue from sales and services, however, the cost of some products has been increased by manufacturers and the effect of depreciation of Baht.

Costs of sales and services accounted for 74.24% of revenue from sales and service. The Company's gross profit was 257.74 MB, decreased by 29.85 MB or 10.38% due to lower revenue from sales and services. However, gross profit margin was 25.76%, increase from the last year with a gross profit margin of 23.46% due to effectively cost management and adjustment of the selling price increases according to the cost price, moreover the proportion of sales of products with high gross profit margins increased.

Distribution Costs and Administrative Expenses

In 2022, distribution costs and administrative expenses were 187.69 MB comprised 93.01 MB of distribution costs, 93.19 MB of administrative expenses and 1.49 MB of loss on exchange rate. Distribution costs increased mainly from sales and marketing activities compared to the previous year in the epidemic situation and transportation and traveling expenses in line with oil prices. Administrative expenses were increase, mainly from the employee compensation and the employee welfare and product donations expenses related to situation of the epidemic of COVID-19 decreased. And loss on exchange rate decreased compared to the previous year.

The company's financial cost was 2.82 MB, similar to the previous year with financial cost of 2.76 MB.

Net Profit

In 2022, the company's consolidate net profit attributable to equity holders was 54.04 MB, accounted for net profit margin 5.39%, decreasing by 27.86 MB or 34.02% compared to net profit attributable to equity holders of 81.89 MB, accounted for net profit margin 6.66% in the previous year.

Financial Position

Unit :MB.					
	December 31, 2022		December 31, 2021		Increased (Decreased)
	Amount	%	Amount	%	% Changed
Current Assets	455.95	71.37%	461.67	72.56%	(5.72)
Non-Current Assets	182.87	28.63%	174.56	27.44%	8.31
Total Assets	638.82	100.00%	636.23	100.00%	2.59
Current Liabilities	241.89	37.79%	246.31	38.63%	(4.41)
Non-Current Liabilities	43.36	6.77%	41.76	6.55%	1.60
Total Liabilities	285.25	44.56%	288.06	45.18%	(2.81)
Shareholder's Equity of the Company	354.87	55.44%	349.47	54.82%	5.40

Assets

As of December 31, 2022, the Company's total assets were 638.82 MB, increasing by 2.59 MB or 0.41% from December 31, 2021. Current assets increased from 23.15 MB of net-inventories and 2.94 MB of short-term loans to joint ventures. However, cash and cash equivalents decreasing by 5.16 MB and trade receivables-net decreased 25.43 MB. Non-current assets mainly increased from investments in joint venture of 10 MB and right-of-use office equipment of 3.40 MB. However, non-current assets decreasing by 8.21 MB from depreciation and amortization.

Liabilities

As of December 31, 2022, the Company's total liabilities were 285.25 MB, decreasing by 2.81 MB or 0.98% from December 31, 2021. The Liabilities decreased mainly from 38.34 MB of trade and other payables, 6.53 MB of current portion of long-term loan from financial institution-net and 3.09 MB of current income tax payable. However, current liabilities increasing by 42.81 from short-term loans from financial institutions to pay for goods and working capital. Non-current asset mainly increased from lease liabilities 1.46 MB and non-current provisions for employee benefit 0.87 MB.

Shareholder's Equity

As of December 31, 2022, Shareholders' equity of the Company was 354.87 MB, increasing by 5.40 MB or 1.55% from December 31, 2021. The shareholders' equity increased from the net profit for the period of 54.04 MB, however, shareholders' equity decreased from dividend payment of 48.60 MB and appropriated to legal reserve of 2.75 MB.

Cash Flow

Unit: MB.		
Cash Flow	December 31, 2022	December 31, 2021
Cash flow from operating activities	27.42	35.31
Cash flow used in investing activities	(16.04)	(4.64)
Cash flow used in financing activities	(16.50)	(64.22)
Net decrease in cash and cash equivalents	(5.12)	(33.55)
Cash and cash equivalents at the end of the period	53.55	58.71

For the year, ending December 31, 2022, the Company's net cash from the operating activities was 27.42 MB, with operating profits prior to changes in the operating assets and liabilities of 78.77 MB. Cash flow increased from trade and other receivables decreased 26.07 MB. However, cash flow decreased from inventories increased 20.43 MB, net- trade and other payables decreased 37.24 MB, paid for employee benefits of 2.09 MB and paid for corporate income tax of 17.74 MB.

Cash flow used in investment activities was 16.04 MB to investment in joint ventures of 10 MB and payment for short-term loans to joint ventures of 4.49 MB, purchase fix assets and intangible assets of 3.67 MB. However, cash flow receipt from short-term loans to related party of 1.55 MB, sales fix assets 0.25 MB and interest received of 0.86 MB.

Cash flow used in financing activities was 16.50 MB to repayment of long-term loans from financial institutions 7.14 MB, repayment of liabilities under lease agreement 0.67 MB, interest expense 2.95 MB and dividend payment 48.54 MB. While, cash flow acquired from short-term loan from financial institutions amount of 42.81 MB.

The key drivers influencing on the operation performance of the company in the future

In 2023, the company aims to have the revenue growth from the 3 main businesses of 10% - 15% from the following key drivers. First is the recovery of industrial sector after CODIV situation gets better. Second is the economics activities that are operated as normal. Third is the recovery of domestic consumption mainly due to the higher number of tourists and investors traveling to Thailand leading to increase the manufacturing in many industries. Forth is the investment promotion policies such BOI Promotions, Economic Corridors Development, the investment of transport infrastructure projects. With key drivers, it results in the higher growth of industrial sector which is the beneficial to the demand of products and services related to safety, occupational health and environment of the company. However, there are several negative factors. First, the overall economics tend to be recession. Second, the inflation rate tends to be increased leading to higher the manufacturing cost. With these factors, the growth of industrial sector will not be as high as expected. The company aims to improve the products and services to serve the demand of existing customers and expand the business to the new target markets such as electronic car industry, medical industry and etc. as well as providing products and services to the group of customers emphasizing on health and safety. The company improves the operation process to order to increase the efficiency of services and develops the employees' skills and competencies in order to enhance competitiveness.

Key Financial Statement and Financial Ratio

Statement of Financial Position

Unit: MB.			
Statement of Financial Position	Consolidated Financial Statements		
	2022	2021	2020
Assets			
Current assets			
Cash and cash equivalents	53.55	58.71	92.39
Trade and other current receivables - net	152.12	178.85	178.82
Short-term loans to related parties - net	2.94	-	-
Current portion of long-term loans to employees	1.42	1.40	1.51
Inventories - net	245.31	222.16	155.50
Current tax assets	0.61	0.54	0.69
Total current assets	455.95	461.67	428.90
Non-current assets			
Deposits at bank pledged as collateral	30.56	30.53	30.50
Investment in subsidiaries - net	9.73	-	-
Long-term loans to employees - net	1.03	0.55	0.67
Investment properties - net	4.44	4.86	5.31
Property, plant and equipment - net	89.42	92.91	94.67
Right-of-use assets - net	5.97	3.24	3.42
Intangible assets - net	0.88	1.08	1.09
Deferred tax assets - net	40.80	41.38	41.42
Other non-current assets	0.04	0.02	0.02
Total non-current assets	182.87	174.56	177.10
Total assets	638.82	636.23	606.00

Statement of Financial Position	Consolidated Financial Statements		
	2022	2021	2020
Liabilities and shareholders' equity			
Current liabilities			
Short-term loans from financial institutions	104.53	61.72	54.60
Trade and other current payables	126.69	165.03	161.19
Current portion of long-term loan from financial institution	0.62	7.14	7.14
Current portion of lease liabilities	1.84	0.73	0.52
Current income tax payable	6.02	9.11	5.46
Provision for constructions and service contracts	2.19	2.57	2.55
Total current liabilities	241.89	246.31	231.44
Non-current liabilities			
Long-term loan from financial institution - net	0.00	0.62	7.76
Lease liabilities - net	3.07	1.61	1.31
Non-current provisions for employee benefit	40.29	39.42	37.77
Derivative liabilities	0.00	0.11	0.42
Other non-current liabilities	-	-	0.15
Total non-current liabilities	43.36	41.76	47.41
Total liabilities	285.25	288.06	278.85
Shareholders' equity			
Share capital			
Authorized share capital			
202,500,232 ordinary shares, Baht 1 par value			
(2020 : 210,500,232 ordinary shares, Baht 1 par value)	202.50	202.50	210.50
Issued and paid-up share capital			
202,500,232 ordinary shares, Baht 1 par value	202.50	202.50	202.50
Premium			
Premium on share capital	64.78	64.78	64.78
Deficit from the change in the ownership interests	(2.19)	(2.19)	(2.19)
Retained earnings			
Appropriated to legal reserve	11.91	9.17	5.20
Unappropriated	77.50	74.80	57.62
Other component of shareholders' equity	0.36	0.40	0.53
Total shareholders' equity of the Company	354.87	349.47	328.45
Non-controlling interests	(1.30)	(1.30)	(1.30)
Total shareholders' equity	353.56	348.17	327.15
Total liabilities and shareholders' equity	638.82	636.23	606.00

Statement of Comprehensive Income

Unit: MB.

Statement of Comprehensive Income	Consolidated Financial Statements		
	2022	2021	2020
Revenue from sales	984.36	1,203.45	1,019.23
Revenue from rendering of services	14.83	22.31	36.13
Revenue of water treatment system installation	1.29	-	-
Revenue from construction contracts	-	-	0.15
Total revenues	1,000.48	1,225.76	1,055.51
Cost of sales	(732.12)	(921.75)	(752.56)
Cost of rendering of services	(9.49)	(16.42)	(28.60)
Cost of water treatment system installation	(1.13)	-	-
Cost of construction	-	-	(0.21)
Total costs	(742.74)	(938.17)	(781.38)
Gross profit	257.74	287.59	274.14
Other income	2.86	4.06	7.04
Distribution cost	(93.01)	(92.61)	(88.02)
Administrative expenses	(93.19)	(96.51)	(102.02)
Loss on exchange rate - net	(1.49)	(2.64)	2.40
Profit from operating activities	72.91	99.89	93.54
Finance costs	(2.82)	(2.76)	(2.41)
Loss arising from bad debt of trade and other receivables	-	(0.70)	-
Reversal of allowance for credit loss (credit loss) on trade and other current receivables - net	(1.17)	5.81	-
Share of loss from investment in joint ventures	(0.27)	-	-
Profit before income tax	68.65	102.23	91.13
Income tax expenses	(14.62)	(20.34)	(17.27)
Profit for the year	54.04	81.89	73.86
Other comprehensive income (loss) for the year	(0.04)	(0.13)	3.41
Total comprehensive income for the year	53.99	81.76	77.27
Profit attributable to:			
Equity holders of the Company	54.04	81.89	73.86
Non-controlling interests	-	-	-
	54.04	81.89	73.86
Total comprehensive income attributable to:			
Equity holders of the Company	53.99	81.76	77.27
Non-controlling interests	-	-	-
	53.99	81.76	77.27
Earnings per share			
Basic earnings per share (Baht)	0.27	0.40	0.36
Weighted average number of ordinary shares (Shares)	202.50	202.50	202.50

Key Financial Ratio

Key Financial Ratio		Consolidated Financial Statements		
		2022	2021	2020
Current Ratio				
Current Ratio	Times	1.88	1.87	1.85
Quick Ratio	Times	0.85	0.96	1.17
Account Receivable Turnover	Times	6.43	7.42	7.06
Average Collection Period	Days	56.75	49.21	51.67
Inventory Turnover	Times	3.18	4.97	5.05
Average Sale Period	Days	114.86	73.47	72.24
Account Payable Turnover	Times	6.90	7.95	7.24
Average Payment Period	Days	52.88	45.94	50.38
Cash Cycle	Days	118.73	76.74	73.52
Profitability Ratio				
Gross Profit Margin	%	25.76%	23.46%	25.97%
EBIT Margin	%	7.12%	8.54%	8.80%
Net Profit Margin	%	5.39%	6.66%	6.94%
Return on Equity	%	15.34%	24.16%	23.42%
Operating Efficiency Ratio				
Return on Asset	%	11.21%	16.90%	15.95%
Fixed Asset Turnover	%	39.99%	59.71%	52.45%
Total Asset Turnover	Times	1.57	1.98	1.81
Leverage Ratio				
D/E Ratio	Times	0.81	0.83	0.85
Interest Coverage	Times	25.35	38.02	38.87
Dividend payout ratio	%	74.95%	79.13%	79.51%
Share information				
Book Value per Share -Equity holders of the Company	Baht per Share	1.75	1.72	1.62
Earnings per Share -Equity holders of the Company	Baht per Share	0.27	0.40	0.36
Dividend per Share	Baht per Share	0.20*	0.32	0.29

* The 2022 dividend at the rate of 0.20 baht per share comprises an interim dividend at the rate of 0.08 baht per share and a dividend for the last six months at a rate of 0.12 baht per share, which will be proposed for approval at the 2023 Annual General Meeting of Shareholders on April 27, 2023

PART

2

Corporate Governance

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

Corporate Governance Policy

The Board of Directors are determined to operate the business ethically in accordance with the principle of good governance and the Business Code of Conduct, with the prescription of policies, criteria and internal practical guidelines for directors, executives and staff members of Phol Dhanya PCL and subsidiaries to abide by. The Company hereby complies with the Corporate Governance Policy and ensures transparent business operations, with responsibility towards the society, communities, environment and all stakeholders, in order to build trust and focus on creating long-term business values, aiming towards sustainable growth. The committee regularly reviews the policy of good corporate governance to comply with the corporate governance code of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) including the revised/upgraded guidelines and in compliance with the guidelines of the Thai Institute of Directors Association (IOD). The Company regularly follows up on the operating results and disseminates the Corporate Governance Policy on the Company's website and acknowledges the Board of Directors, executives and staff members to foster an awareness of good governance, as well as encourages all staff members to perform their duties with honesty and ethics towards oneself and the public, as part of the corporate culture "PHOL-D", which serves as a human capital development direction in driving the organization towards the vision, mission and objectives to achieve sustainable growth.

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

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

Overall Outlook of the Corporate Governance Policy and Practices

The Board of Directors aware of the roles, duties and responsibilities as the controlling body to ensure good organizational administration, with the objective of operating the business ethically and responsibly towards stakeholders, and creating long-term business values, as summarized in the following practices:

Identify key organizational objectives and targets together with the management, review the vision and mission to determine whether they are still appropriate and align with the business operations, with the determination to operate the business in coherence with the vision and mission **"to be the leading company in Thailand and ASEAN with sustainable business in safety, occupational health and environment products and services"**, which has been incorporated as the sustainable growth strategic plan through Growth (Corporate Strategy) Speed (Business Strategy) and Expert/Cost (Functional Strategy) to achieve the aspired goals, Strategic planning process and action plan that are advised and suggested by strategic consultants are reviewed and approved by the Board of Directors. The Board of Directors monitor and follow up with the management team. Also, they inform the management team communicate about the policy to the employees. The strategic plans are applied for the operation in order to achieve the goals and objectives of the company. The management team quarterly reports to the Board of Director in order to continuously monitor the performance and to provide the useful suggestions that can be applied for the improvement with the appropriateness based on the changing situations. In addition, the company emphasizes on the good corporate governance in which the business operation is conducted under transparency and fairness and in accordance with the related law and regulations as well as international standards in order to create the creditability of investors and all stakeholders and to maintain the maximize interests of the company and shareholders as well as to emphasize on the equitable treatment of shareholders and stakeholders.

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

The Sustainability Report 2022 is available on the Company's website http://investor-th.pdgth.com/csr_report.html

Report on Key Operating Results Related to Corporate Governance

Major Changes and Developments and Corporate Governance in the past year

The Board of Directors, as the organization's topmost leader in creating sustainable values for the business, has always been determined and abided by the principle of corporate governance and ethics, business ethics of the company continuously, establish a written corporate governance policy in accordance with the CG Code 2560 practice issued by Securities and Exchange Commission adapting the 8 categories' CG Code practices to align with the organizational context, however still adheres to OECD corporate governance principles in accordance with international standards ASEAN CG Scorecard in all 5 categories; rights of shareholders, equitable treatment of shareholders, stakeholders engagement, disclosure and transparency and the Board of Directors's responsibilities, there is monitoring and oversight the compliance with the good corporate governance policy and find appropriate measures to replace the matters that are not covered by the criteria for the corporate governance survey project. Policy review and performance follow-up are reviewed regularly at least once a year and communicated to all employees to acknowledge and understand the Company's good corporate governance policy.

In 2022 PHOL has developed CG achievement as follows:

- To be selected in the Universe of ESG100 Securities Group 2022 from Thaipat Institute, which assesses listed companies with outstanding environmental performance Society and Governance.
- The Company was received awarded with CGR Scoring an average of 94 scores (Excellent CG for the 8th consecutive year) higher than average of listed company of 85 scores according to the Corporate Governance Report for Listed Companies 2022 held by IOD.
- The Company was given 100 scores for the year 2022 an assessment result on its administration of general shareholders' meetings (AGM Checklist) held by Thai Investors Association (TIA).

This show that the company is devotion to strictly and strong commitment to comply with the good corporate governance as important. In 2022, there are guidelines for compliance topics that have not been implemented and appropriate alternative protocols are as follows:

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

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

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

- Corporate governance policy revised no.3 on August 11, 2020 (no change)
- Personal data privacy policy on February 19, 2021 (no change)
- Internal information utilization and securities trading policy revised no. 2 on August 11, 2021 (no change)
“It is regulated that, directors, executives and employee or persons related to inside information notify the Board (via company secretary) regarding the trading and/or transfer of the company's shares at least 1 day in advance and report the results to the Board of Directors within 3 working days”.
- Anti-corruption policy and guidelines reviewed on February 21, 2022 in order to update the guidelines to comply with the self-evaluation survey (revision 4.0). There is the improvement of the monitoring process, reporting and risk assessment from all departments. The review and reporting should be done in paper ensuring that the company has the appropriate measurement complying with the anti-corruption policy and guidelines.
- The connected transaction policy and guidelines reviewed on August 11, 2022 to improve the management or operation to be appropriated in accordance with the suggestions from internal auditors ensuring that the company has the appropriate and sufficient internal control systems according to the policy
- Investment and partnership policy reviewed on August 11, 2022
- Risk management policy reviewed on August 11, 2022 to revise in accordance with COSO-ERM 2017 principals

Summary Performance of the Board of Directors in the past year

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

The Structure of the Board of Directors

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

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

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

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

Selection Development and Evaluation the Performance of the Board

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

Definition of Independent Directors:

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

1. Holding shares not exceeding 1% of the total shares with voting right of the company, its parent company, subsidiaries, associates, major shareholders, and controlling parties of the company, provided that the shares held by the related parties of such independent director shall be included.
2. Neither being nor used to be an executive director, employee, staff, advisor who receives salary, nor controlling parties of the company, its parent company, subsidiaries, associates, same-level subsidiaries, major shareholders, or controlling parties of the applicant unless the foregoing status ended at least 2 years prior the date of appointed as an independent director to the Securities and Exchange Commission (SEC), provided that such prohibition shall not include the case that such independent director has ever been official or advisor of the government sector that is the major shareholder or controlling party of the company.
3. Not being a person related by blood or, legal registration under the status of father, mother, spouse, brothers and sisters, and children, The prohibitive persons also include spouses of daughters and sons of management, major shareholders, controlling party or the person who is in the process of nomination to be the management or controlling party of the company or its subsidiary.
4. Neither being nor used to be an auditor of the company, its parent company, subsidiaries, associates, major shareholders, or controlling parties of company, and is not the significant shareholder, controlling parties, or partner of the auditing firm which employs such auditor of the company, its parent company, subsidiaries, associates, major shareholders, or controlling parties of the company unless the foregoing status ended at least 2 years prior to the date of appointed as an independent director.
5. Neither having nor used to have business relationship with the company, its parent company, subsidiaries, associates, major shareholders, or controlling parties of the company in respect of holding the power which may cause the obstacle of the independent decision, including not being or never been the significant shareholders, or controlling parties of any person having business relationship with the company, its parent company, subsidiaries, associates, major shareholders, or controlling parties of the company unless the foregoing status ended at least 2 years prior to the date of appointed as an independent director.

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

6. Neither being nor used to be the professional service provider, including but not limited to legal service or financial advisor with received service fee more than 2 million baht per year from the company, its parent company, subsidiaries, associates, major shareholders, or controlling parties, and is not the significant shareholder, controlling parties, or partner of the above mentioned service firms unless the foregoing status at least 2 years prior to the date of appointed as an independent director.

7. Neither being a director who is nominated to be the representative of directors of the company, major shareholders, or any other shareholder related to the major shareholders.

8. Not under taking any business in the same and competitive business with the business of the company, or its subsidiaries, or is not significant partner of the partnership, or is not an executive director, employee, staff, advisor who receives salary, nor holds shares for more than 1% of the total shares with voting right of any other company which operates same and competitive business with the business of the company, or its subsidiaries.

9. Not having otherwise which is unable to have the independent opinion regarding the business operation of the company.

After being appointed as the independent director, such independent director may be assigned by the board of directors to make decision in respect of collective decision on business operation of the company, its parent company, subsidiaries, associates, same-level subsidiaries, major shareholders, or collective decision by parties of company.

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

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

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

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

<http://investor.pdgth.com/misc/CHARTER/20210923-phol-charter-director-committee-en.pdf>

Procedure of appointment and remove of Directors

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

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

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

In the case that the director positions become vacant due to reasons other than expiration of terms, directors are to select new directors to assume the vacant position with the term equal to the remaining term of such position. Resolution to select new directors must consist of at least 3/4 votes from the remaining directors

Details of qualifications and skills of individual directors as follows:

Board Skill-Matrix			Type of Director				Knowledge/ Skill/ Experience												IOD	
Director			Independent Director (ID)	Non-Executive Director (NED)	Executive Director (ED)	Female Director (F)	Business & Management	Directly related to the Industry	Indirectly related to the Industry	Strategic Planning	Marketing Strategy	Legal and Jurisprudence	Accounting and Auditing	Finance and Investment Management	Communication Technology and Innovation	Corporate Governance	Risk Management	Related Course (IOD)		
Name	Title	Education Cert.																		
1. Asso.Prof.Dr. Ekachidd Chuengcharoen	Independent Director Chairman of the Board, Nomination and Compensation Committee	Ph.D. (Management Science) Faculty of Engineering / Master of Management Science (Faculty of Engineering)/ Master Engineering Electrical/ Engineering (Major in Computer)	✓	✓			✓	✓		✓					✓	✓	✓	DAP, ACP, RCC, RCP		
2. Mr.Noppadol Dheerabutravongkul	Independent Director Chairman of Audit Committee Nomination and Compensation Committee	Master of Science (Finance)/Bachelor of Accounting/ CPA no.4570	✓	✓			✓		✓	✓			✓	✓		✓	✓	DAP, ACP, RNG		
3. Mr.Santi Niamnil	Independent Director Audit Committee	Bachelor of Laws, Ramkhamhaeng	✓	✓					✓			✓				✓	✓	DAP		
4. Dr.Pallapa Ruangrong	Independent Director Audit Committee Risk Management Committee	Doctor of Philosophy (Energy Management & Policy)/ Master of Science (Economic Development), NIDA	✓	✓		✓	✓		✓	✓			✓	✓		✓	✓	DCP,Mini MBA,High level Development Project		
5. Gen. Chaiwat Satondee	Independent Director, Chairman of Nomination and Compensation Committee	Bachelor of Science, Chulachomklao Royal Military Academy/ Command and General Staff College	✓	✓			✓	✓		✓		✓			✓	✓	✓	DCP/NC Best Practice Guideline		
6. Mr. Boonchai Suwanvuthiwat	Director, Risk Management Committee, Chief Executive Officer *Authorized Director Advanced	Certificate Course in Public Economics Management for Executives, King Prajadhipok's Institute/ Arts in Political Science (Major in Public Administration)			✓		✓	✓		✓	✓					✓	✓	DCP, ACPG, SFE, ITG		
7. Mr. Thanya Wangthamrong	Director, Risk Management Committee *Authorized Director	M.B.A (International), TU/ BA.Architecture, CU			✓		✓	✓		✓	✓				✓	✓	✓	DCP		
8. Mr. Wisarute Srirojanakul	Independent Director	M.B.A. (Finance), Auburn University, U.S.A B.E. (Chemical), Chulalongkorn University Executive Program for Financial Planning Certification, University of Georgia, U.S.A.	✓	✓			✓			✓				✓	✓	✓		DAP188		
9. Mr.Apichart Jarutangtrong	Director	Taiwan Bachelor of Science in Engineering (Bio-Industrial Mechatronics Engineering),National Taiwan University		✓			✓		✓	✓	✓				✓			DCP336/2023		
of Total 9 members			6	7	2	1	8	3	4	8	3	2	2	3	5	8	7			

Sub-Committee

The Board of Directors appointed 3 sub-committees altogether; Audit Committee, Nomination and Compensation Committee and Risk Management Committee, who possess the knowledge and expertise to perform specific operations according to the Company's regulations, and to screen matters being assigned. The qualifications, tenure and scope of duties and responsibilities have been identified in the "Corporate Governance Structure" section. Moreover each of the sub-committee will report their performance to the Board of Directors' Meeting on a quarterly basis, which report in the registration statements/annual report (56-1 One Report) respectively. The Sub-Committee for the sustainable development is appointed. The director and consultant, who are experienced and have the expertise of sustainability, also become the members of the sub-committees. The Committee monitors and follows up the performance of the company's sustainable development

Segregation of Directors' Roles and Duties and Management

The Board of Directors devised the management structure that clearly separates role and duties responsibilities of the Company's policy formulation and routine management are clearly separated from each other, important decisions making of significant matters must be agreed upon by the Board of Directors and sub-committees in order to maintain balance of power and ensure transparency and fairness among all related parties, the Chairman of the Board is not the same person as the Chief Executive Officer, the Board will select one director to be the Chairman of the Board and the Board of Directors considers and appoints one person holding the position of Chief Executive Officer.

The Chairman Lead the meeting and act as the Chairman of the Board of Meeting and the Shareholders Meeting, planning the meeting in advance (annually), identifying the agendas together with the Chief Executive Officer, encourage all directors to participate in the meeting and express their freely opinions, in order to be an efficiency, there are no assigned authority of the company, does not participate in the operational management, no relationship with the management, but provides support and advice on business matters to the management through Chief Executive Officer. One is also required to execute the meeting in accordance with the Company's regulations and relevant laws.

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

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

Board of Directors' Meeting

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

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

In 2022, there were 9 Board of Directors' Meetings held altogether and one time of Directors' Meeting without presence of executive directors. Prescribing the presence of not less than one-half of the total number of directors is required to form a quorum, each member of the board attended the meeting with everyone/every time, representing 100% of number of meeting held in this year, which coincides with the policy that encourages each director to attend meeting on average, the entire board of directors attended at least 80 percent of all board meetings in the past year.

The Chairman was performed the Chairman of the Meeting, his role is expected to leadership and control the meeting to be smooth and effectiveness, allocate enough time for the discussion of key matters, and encourage all directors to independently express their opinions in the meeting, Top-level executives or related parties such as executives or Managing Directors of subsidiaries, might be invited along to attend the meeting to explain, share information in support of decision-making on certain matters (if any). The meeting has constantly been monitoring organizational strategies and operating performance report in comparison with targets on a quarterly basis. Suggestions that are beneficial to the improvement of strategies are then duly made. For months that do not have the Board of Directors' meeting, directors will receive a summary report of the Company's and subsidiaries' operating performance (if any). These documents together with important news and updates of the Company, including criteria or regulations related to the Stock Exchange of Thailand and the Securities and Exchange Commission are sent to directors via electronic mail by the Company Secretary.

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

Nevertheless, the Company Secretary also performs the role of the Board Secretary in taking actions with regards to the arrangement of Board of Directors' meetings and Shareholders' meetings, as well as provision of supports to the Board of Directors activities on any matters relevant to rules of law and regulations at least 10 years.

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

Directors' Meeting without Presence of Executive Directors

The Board of Directors had a great importance on good corporate governance, once arranged once meeting between non-executive directors, giving an opportunity to discuss or provide recommendations and management guidelines related to the business of the company, comments or suggestions as well as various development. In 2022 there was arrange one time of meeting held on December 22, 2022 to discuss general issues, in which non-executive director to attend meeting together, the Chairman has summarized the meeting results and propose to the Board of Meetings in due occasion and inform Chief Executive Officer in those matters and take action for the said issued.

In 2022, details on the Board of Director and sub-Committee meeting attendance are as follows:

No.	Directors Name	Total Meeting Attendance 2022					AGM 2022
		Board of Directors	AC Committee	NC Committee	RM Committee	Directors' Meeting without Executive Directors	
		9 Times	6 Times	3 Times	5 Times	1 Time	
1	Asso. Prof. Dr. Ekachidd Chungcharoen	9/9	-	3/3	-	1/1	1/1
		100%		100%		100%	100%
2	Mr. Noppadol Dheerabutvongkul	9/9	6/6	3/3	-	1/1	1/1
		100%	100%	100%		100%	100%
3	General Chaiwat Satondee	8/9	-	3/3	-	1/1	1/1
		89%		100%		100%	100%
4	Mr. Santi Niamnil	9/9	6/6	-	-	1/1	1/1
		100%	100%			100%	100%
5	Dr. Pallapa Ruangrong	9/9	6/6	-	5/5	1/1	1/1
		100%	100%		100%	100%	100%
6	Mr. Boonchai Suwanvutthiwat	9/9	-	-	5/5	-	1/1
		100%			100%		100%
7	Mr. Thanya Wangthamrong	9/9	-	-	-	-	1/1
		100%					100%
8	Mr. Wisarute Srirojanakul	9/9	-	-	-	1/1	1/1
		100%				100%	100%
9	Mr. Apichart Jarutangtrong ^{/1}	3/3	-	-	-	1/1	-
		100%				100%	
10	Asst.Prof.Dr.Suluck Pattarathammas ^{/2}	-	-	-	5/5	-	1/1
					100%		100%

Remarks:

^{/1} No.9 The resolution of the Board of Directors' Meeting No. 6/2022 on August 11, 2022 was appointed Mr.Apichart Jarutangtrong to the position of Director to replace the vacancy position, with the remaining term of 8 months, to participate the Board's Meeting No.7/2022 for the first time on October 28, 2022

^{/2} No.11 Asso.Prof. Dr. Suluck Pattarathammas is an external expert, appointed to be a member of the Risk Management Committee and the company's consulting since 10 February 2014, was appointed to the Chairman of Risk Management Committee, effective on July 13, 2021

Secretary of the Board of Directors and Company Secretary

Company Secretary

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

In 2022, the Board of Directors' meeting No. 5/2022 on June 23, 2022, was resolved to appoint Ms. Kwandao Duangjan to the position Company Secretary and Secretary to the Board of Directors in replacement of Miss Saowapa Choorujiporn since her retirement

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

Performance Assessment and Knowledge Development

The assessment criteria of director's performance

The Committee arranges annual performance assessment for the Board of Directors and the Sub-Committees by assessing the Board's performance as a whole and conducting the self-assessment in order to review the past performance, problems and obstacles. The result of the performance evaluation shall be used for purpose of work improvement for the Board of Directors such as the Board of Directors, Audit Committees, Nomination and Compensation Committee and Risk Management Committee. The performance assessment form is adapted from the Stock Exchange of Thailand's the performance assessment forms of the Board of Director and the Sub-Committees.

Director's Performance Assessment (whole group)

The evaluation criteria are categorized into 6 topics which are: (1) Structure and qualifications of the Board; the sufficient of knowledge and experience, the appropriateness of independent director, the appropriateness of executive director and qualifications of sub-committee (2) The Board's role, duties and responsibilities; consider policy, vision & mission, the strategic plan, conflict of interest, corporate governance policy revision and implementation, Code of Conduct, performance appraisal and remuneration (3) The Board's meetings; agenda setting and completeness of documents (4) Board of Directors' performance; regulars meeting attendance and participants (5) The relationship with the management; freely opinion and (6) directors and executives' self-improvement; succession plan for executive. In summary.

The evaluation process as follows:-

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

In 2022, the assessment result of the Board's performance as a whole had the score of 99.58% on average, which's increased by 0.83 from the previous year assessment from the Board structure and qualification that was reorganized with appropriateness. The overall performance was operated with appropriateness in compliance with good corporate governance. The suggestions are to allow the directors to have enough times reviewing the document before meeting and to support the trainings improving the operation and management skills, the structure and qualifications of the Board of Directors are appropriately established, ensuring performance of duties in coherence with the Board of Directors' Charter, in relation to the good practices required of the Board. Sub-committees' performance is also in accordance with the assigned roles and duties, while the recruitment process of qualified individuals is transparent, with appropriate compensation package. The succession planning and individual development plan for executives are being continuously executed, with the management's regular monitoring and suggestions. The Board of Directors' meetings are usually timely scheduled in advance for the entire year to allow for adequate time to consider, review and make decisions. The participative meeting atmosphere is encouraged to constitute constructive opinions and maximum benefits for the Company.

The assessment result of the directors (individual)

There are 3 assessment topics for the performance assessment of directors on individual basis (Self-assessment) which are (1) Board structure and qualifications (2) roles, duties and responsibilities of the board (3) the board meeting and independency. The assessment result of the Board's performance on individual basis had the score of 94.34% on average. With the analysis of the assessment result, it leads to have the efficient improvement of the operation and performance in term of the board's meeting preparation.

Sub-Committee Performance Assessment

Audit Committee

The Audit Committee is responsible for performing duties as authorized; conducting reviews to ensure that the Company's statement of financial position is correct and trustworthy, the internal control and risk management systems are adequate and appropriate, and the internal audit system is properly functioning. The Audit Committee is also responsible for considering inter-related transactions and ones that involve conflicts of interest to align with the criteria, inspecting compliance with the Personal Data Protection Act B.E.2562 and compliance with the policy and practices in anti-corruption, as well as ensuring proper complaint handling procedures. However, the assessment of the internal audit operations by the external independent and evaluating the self-assessment results has not yet been conducted. In 2022, the assessment result of the Audit Committee's performance as a whole had the score of 100%.

Nomination and Compensation Committee

The Nomination and Compensation Committee is responsible for performing duties as authorized; identifying qualifications of the directors based on the Board Skill Matrix, in coherence with the regulations and the nature of the business. The succession plan for the director and executive positions has been initiated, with continuous training and development activities. The compensation packages for directors and top-level executives; both financially and non-financially, have been identified, as well as the criteria for fair compensation, for instance, the package that is suitable for the assigned duties and obligations, and in line with the industry average. In 2022, the assessment result of the Nomination and Compensation Committee's performance as a whole had the score of 100%.

Risk Management Committee

The Risk Management Committee performs the duties in accordance with the roles and responsibilities in charter of the Risk Management Committee and the policy of risk management. The Committee emphasizes on the risk management that can create the culture of the company and support the risk management process complying with COSO ERM practices, linking with the company's strategic plans, supporting the integrated risk management and operating with the acceptable risk level to achieve the goals and objectives. In 2022, the assessment result of the risk management committee had the score of 96.09% on average. With the analysis of assessment result, it leads to have the efficient improvement of the operation by continuously monitoring the emerging risks.

The reporting performance of the Board of Directors, Audit Committee's report declared together with the auditor's report with covering Nomination and Compensation Committee and Risk Management Committee's report has been presented at Annual Register Statement (56-1 One Report).

CEO and Top Executive Performance Assessment

The Board of Director conducted the performance assessment of CEO and executives based the assessment criteria agreed since the beginning of the year, which is key performance indicators: KPIs. The performance assessment was conducted on individual basis and as organization based on the proportion of positions in order to have participation and achieve the goals with consideration of the burdens, individual responsibilities and the Company's operating performance under clear, transparent and fair criteria, which have been reviewed and considered by the Nomination and Compensation Committee before being proposed to the Board of Directors for approval. The Chairman of the Board will be notifying the evaluation results and directors' opinions to the Chief Executive Officer for future improvement.

Knowledge Development for Directors and Company's Secretary

The Board of Directors emphasize on the training of directors and corporate secretary by supporting and encouraging to have the training related to the corporate governance in compliance with corporate governance code regarding to the duties of directors and any knowledge supporting the performance of directors, executives and corporate secretary in order to have the continuous improvement of the performance by attending the seminars conducted by the Stock Exchange of Thailand, the Securities and Exchange Commission, Thai Institute of Directors (IOD) and Thai listed companies association as well as other institutions, stipulates that the proportion of training for directors is more than 75 percent of the total number of directors. At present, there were all director to attending the director training program is 100 percent; currently 5 directors have been train role and duties of the Director Certification Program (DCP) and 4 persons of Directors Accreditation Program (DAP), with Asso.Prof.Dr. Ekachidd Chungcharoen, chairman attended the training course related to the duties of the Chairman course "Role of the Chairman Program" (RCP), also the sub-committee to participate related and the Board of Directors encourages the Company Secretary to attend courses related to their role performance on a regular basis as well as to attend clarifications seminar and improving rules related online which is regularly organized by the regulatory agencies for listed companies in order to enhanced a better corporate governance procedure.

Succession Plan for a Top Executive

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

Company's recruitment and selection process or employees to take charge of and responsible for key management position levels as appropriate, promoted a potential employee up to the executive level; two Sales Directors to enhance the business growth, considering to promoted the talent employees and salary increased according to the criteria specified by the company, in order to have a chance for his/her career path.

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

Director Orientation

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

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

In 2022, The Board of Directors' meeting No. 6/ 2122, held on August 11, 2022, resolved to appoint a replacement director, namely Mr.Apichart Jarutangtrong, to be a director, the company arranged the orientation session for new director in the first attending of the board's meeint on October 28, 2022, by providing necessary information about the company's business operations, company policies and practices as well as laws or important rules related to the conduct of director, during in the process of attending the Director Certification Program (DCP) Class 336/2023 by Thai Institute of Director (IOD) which has been certified by SET and SEC respectively.

Summary Training Course by IOD or Others Institute

Part1: Attending Seminar held by IOD or other institutes in 2022 are as follows:

No	Name		Training Course
1.	Assoc. Prof. Dr. Ekachidd Chungcharoen	Chairman of the Board Independent Director Chairman of Nomination and Compensation Committee	- Role of the Chairman Program (RCP) Class 42/2018 - Role of the Compensation Committee (RCC) Class 18/2014 - Director Accreditation Program (DAP) Class 68/2008 - Audit Committee Program (ACP) Class 23/2008
2.	Mr. Noppadol Dheerabutrungkul	Independent Director Chairman of Audit Committee Nomination and Compensation Committee	- Role of the Nominating and Governance Committee (RNG) Class 3/2012 - Audit Committee Program (ACP) Class 23/2008 - Director Accreditation Program (DAP) Class 68/2008 - “Easy listening” Accounting knowledge that AC should not miss” ,SEC (Jul., 2022)
3.	General Chaiwat Satondee	Independent Director Nomination and Compensation Committee	- Nomination Director Event 1/2017 "Nomination Committee Best Practice Guideline" - Director Certification Program (DCP) Class 216/2016
4.	Mr. Santi Niamnil	Independent Director Audit Committee	- Audit Committee Forum “Strategic Audit Committee: Beyond Figure and Compliance” (Oct 2019) - Director Accreditation Program (DAP) class 80/2009
5.	Dr. Pallapa Ruangrong	Independent Director/Audit Committee	- Director Certification Program (DCP) class 17/2002 - “Easy listening” Accounting knowledge that AC should not miss” ,SEC (Jul., 2022)
6.	Mr. Boonchai Suwanvutthiwat	Director Risk Management Committee Chief Executive Officer	- ESG Matter to Supply Chain Management , SET (December,2022) - Seminar: “Micro MBA: Corporate Strategy Development” by TU-RAC -City Administration Training Program for Senior Executive Class 3, Navamindradhiraj University. - Capital Market Academy Leadership Program, Capital Market Academy (CMA) Class 20/2015 - Advanced Certificate Course in Public Economics Management for Executives, King Prajadhipok’s Institute Class 11/2013 - Senior Executive Program (SEP), Sasin Graduate Institute of Business Administration of Chulalongkorn University - Driving Company Success with IT Governance (ITG) class 3/2016 - Successful Formulation and Execution of Strategy (SFE) class 26/2016 - Anti-Corruption: The Practical Guide Program (ACPG) class 21/2015 - Director Certification Program (DCP) Class 155/2012
7.	Mr. Thanya Wangthamrong	Director Vice President Marketing and Sales	-Seminar“Preparation for Climate Change and Action taken to reduce greenhouse gas emissions.by TGO,SET(May-Jul., 2022) -Seminar“Techniques for Adding Value to Listed Companies from an analyst point of view securities" by SET (Aug., 2022) - “CFO’s Orientation for New IPOs” by SET (Mar., 2022) - TLCA CFO Professional Development Program (TLCA,CFO,CPD) No. 1/2022 by SET (Aug., 2022) - Financial Statement Analysis by SET (Nov.,2022) - Seminar “Micro MBA: Corporate Strategy Development” by TU-RAC - SD Professional Sharing 3/2020: Storytelling for Sustainability” by SET - Director Certification Program (DCP) Class 180/2013
8.	Mr.Wisarute Sirojanakul	Indepdent Director	- Director Accreditation Program (DAP) Class 188/2021
9.	Mr. Apichart Jarutangtrong	Director	- During seminar, Director Certification Program (DCP) Class 336/2023

Part 2. Attending Seminar for Executive and Company Secretary in 2022, as follows:

No	Name		Training Course
1.	Mr.Pornsak Chunhajinda	Vice President Corporate Support Chief Financial Officer	<ul style="list-style-type: none"> - During e-learning “CFO’s Orientation for New IPOs” by SET - Seminar“Sampling in the Auditing” Class 1/65 by TFAC -Update TFRS 9, TFRS 16 Overall Class 1/65 by TFAC - The main issues of financial reporting standards for SMEs/NPAEs/PAEs accounts Comparison with the rules of income tax generation 2/65 by TFAC - Seminar: “Micro MBA: Corporate Strategy Development (In-house Training Aug, 2020) - Seminar: “Air Force Executive Relationship Development Training Program” class 15 (Jan, 2020) - Advanced Certificate Course Politics and Governance in Democratic for Executive Class 22 King Prajadhipok’s Institute - Chief Financial Officer Certification Program Class 11/2009 by Federation of Accounting Professions - Director Certification Program (DCP) Class 227/2016
2.	Mrs.Kwando Duangjan	Company Secretary	<ul style="list-style-type: none"> - Seminar“Preparedness to support the enforcement of PDPA for company secretaries” by TLCA (May, 2022) - Seminar“Preparation for Climate Change and Action taken to reduce greenhouse gas emissions.by TGO,SET(May-Jul., 2022) - Certificate “Professional Development Program for Company Secretary” by TLCA (May-Jun.,2022) - Seminar “Recruitment and dressing Director” by TLCA (Nov., 2022) - Course Company Secretary Program (CSP) Class 126/2022 - Course Company Reporting Program (CRP) Class 31/2022 - Course Board Reporting Program (BRP) Class 39/2022 - Course Corruption Risk and Control Workshop (CRC) Class 2/2019 - Course Anti-Corruption: The Practical Guide (ACPG) Class 19/2015
3.	Miss.Siriporn Nilklum	The Head of Internal Audit Department (Supervisor internal audit office) Secretary of Audit Committee	<ul style="list-style-type: none"> - Course “Analytical Thinking for Professional Internal Auditor” by IIA (Sep, 2022) - Course “Anti-Corruption Working Paper -CAC Class 1” by TFAC - CAE Forum 2019 Winning 5G and the 4th Industrial Revolution by SET - Compliance and Compliance Audit by IIA - Seminar “ IA Clinic Risks-based Audit Plan” by SET - Team Mate, Audit program course: a program that helps in planning and reporting. inspection efficient by PWC - Audit Program Development by IIA
4.	Miss.Siriporn Ondee	Investor Relation	<ul style="list-style-type: none"> - Preparation for reporting Form 56-1 One Report and reporting on sustainability information by SET (Jan, 2022) - Business Model Reinvention for Corporate Sustainability (May, 2022) - Seminar“Preparation for Climate Change and Action taken to reduce greenhouse gas emissions.by TGO,SET(May-Jul., 2022) -Seminar “Techniques for Adding Value to Listed Companies From Securities Analyst” (Aug, 2022) - Certificate in ESG Management (C-ESG) (Nov., 2022) - CCC Live Forum#10 Topic "How to utilize Big Data for Public Relations" - CCC Live Forum#9 Topic " Developing strong holistic leadership of communicators" - CCC Live Forum #7/2021 Topic “Understanding Google Tools to increase productivity for communicators" - Course “Fundamentals for Corporate Secretaries” by TLCA (Nov.2020)
5.	Group Seminar with Top Executives		<ul style="list-style-type: none"> - Preparation Sustainability Disclosure in comply One Report (RE01), SET - Sustainability Report by Service Industry (RE02) No.5, SET - ESG Sustainability, SET - Development Disclosure for Integrated Report, SET - Preparation for Sustainability Changed, SET - Greenhouse Gas Emission Report 56-1 One Report for listed companies, Service Industry , SET - SETLink usage manual: the Registration Report Statement/Annual Report Creation Function (56-1 One Report) - Anti-Corruption Policya and Procedur (Inhouse) - Project virtual training for soft skill personnel development, SEAC Institute

The policy and guidelines about shareholders and stakeholders

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

Role and Responsibility to Stakeholders

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

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

- **Customer** The Company focuses on creating the customers' satisfaction and maintaining the relationship with customers and also emphasizes on providing the customers with maximum benefits in term of the quality, safety and reasonable price of services and products. The company equally treats the customers according to the terms and conditions and provides the seminars or trainings for customers, public and private sectors as well as schools and universities to gain knowledge of safety and occupational health and understand how to properly use the products. Also, the company puts the importance on customer confidentiality of personal information by implementing privacy notice and appointing the directors to set policy and guidelines in compliance with Personal Data Protection Act B.E 2019 (PDPA).

The company improves the processes in term of operation, management, sales and marketing in order to continuously provide the services to customer and quickly response to the customers and provides many channels for customers to contact the company such as online market place on the company's website www.pholonline.com communication, public presentation, knowledge of safety, occupational health products and the company's activities via online channels; thai-safetywiki.com, Facebook Fan Page "PHOL" and Line@ application.

- **Business Partners** The Company always ensures to keep its business partners appropriately, transparently, fairly and takes into account human rights, society and environment, ethical in the purchasing and procurement process and treats business partners with fairness and equitable treatment under the principle competition, strictly abide by the contracts made with business partners in order to build trust, good relationship and collaboration for uplifting potential and effectiveness in mutual business operations in the long run, to deliver goods on time while maintaining good quality products i.e. regular arrangement of visiting the business partners' premises, evaluation assessment questionnaire, to raise up the level of business operation with equality and fairness, taking into the greatest benefits and ensure stability and sustainability between the company's and suppliers.
- **Commercial Opponents** The Company strictly abides by the principle of honest competition, with firm adherence to ethical and lawful business operations with regards to commercial competition. It will never conduct breach of confidentiality or attempt to obtain opponents' confidential information via deceptive means, but instead strictly abide by practices regulated in the Business Code of Conduct. In the previous year, there were no any disputes relevant to commercial opponents.
- **Creditors** The Company always keeps commitments and strictly follows terms and conditions of the contract with regards to its responsibilities fairness and transparency towards creditors, both for creditors in the business sector and financial institutions and bank guarantee covering principal repayment, interest and fees, maintaining financial ratios per conditions. The Company not using dishonest method, conceal information or facts that will cause damages to creditors. Moreover, the Company participates in different activities/campaigns arranged by creditors in order to build good relationship and avoid any incidents that are prone to conflicts of interest. In the past company has no cause of default.
- **Society and General Public** The company operates its business with responsibility to the community society and environment in terms of safety, quality of life by way of arranging activities that improve quality of lives and benefits for the society and the environment as a whole; in business premises, communities and vicinities, for instance, knowledge sharing sessions on safety as well as products and services to clients in private and public sectors. In the past, during the crisis of an epidemic of COVID-19 pandemic that has cause impact all over the world, the Company has been making contribution to the society by donating safety equipment for organizations and government bodies that do not have enough of them, i.e. hospitals and public health organizations, face masks were distributed to community members to aid the general public and encourage them to wear face masks, as well as to disseminate useful information on various channels and online media. In addition, the company implements the projects providing the knowledge of safety and occupational health with schools and universities as well as doing the websites for safety (thai-safetywiki.com) and Facebook (Phol Dhanya)
- **Environment** The Company encourages all employee to realize the significance of using resources effectively and anticipate development and growth simultaneously with quality of lives of citizens, as well as safe, clean and hygienic environment for employees and all groups of stakeholder, by devising the environmental policy and coping with the climate change, identifying ways to minimize utilization of resources and energy, as well as reduce the amount of waste in order to prevent and control activities that might impact the society, community and environment, encouraging the use of the information system and communication technology for meetings or trainings to minimize the use of paper, travelling, which will subsequently help reduce the emission of carbon dioxide

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

More information about the Company's operations towards stakeholders and related persons is appears on "Sustainability Report 2022", which prepared to report the results of operations in social and environmental responsibility to the company's stakeholder, including business practices based on sustainability in terms of economy, society and environment, based on international reporting "GRI Standard" as a part of this report.

The compensation for the violation of rights

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

Respects to Human Rights and Fair Labor Treatment

The Company supports and respects the principle of human rights, which is the foundation of human resource development and a key factors in the creation of value-added and productivity, essentially, the Company monitors to prevent the group of company to engage in activities that violate human rights and accept practices that are beneficial to the public, including to provide channels for hearing opinions and suggestions from employees and outsiders for the purpose of review and correct the said guideline, which are disclosed on the company's website <http://investor.pdgth.com/misc/sustainable/20200925-phol-sustainable-policy-en.pdf>

Guidelines for Non-Violation of Intellectual Property Rights

The Company have the policy and guidelines, shall conduct its business without violation of intellectual property rights or copyrights of others. It shall not corruptly seek to have classified trading information of other companies in the form of contracts, agreements, or other forms of document which may cause damages to those companies., encourage employees to respect and not violate intellectual property rights, which is stated in the Code of Business Conduct in order for all employees to know and strictly follow.

Ethics and Business Code of Conduct

Board of Directors Adhering to ethical business practices which has established a written business ethics manual to disseminate and encourage all directors, executives and employees disclosed the principles of compliance with the scope of responsibility to the company and all stakeholders, which is to be commonly held according to responsibilities to the Company and all stakeholders with honesty under the laws and regulations of the Company. It also values transparent, fair, and honest business conduct to drive the Company to international standards as well as treating all stakeholders i.e. respecting and complying with the law, conflicts of interest insider, use and confidentiality control system and internal audit and responsibility to stakeholders.

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

In order to promote and encourage the review and following up of the policy compliance and the business ethics, there was no group training held in 2022, but instead the information was communicated via the quarterly Risk News and the IA News to all staff members to foster awareness in a continuous manner. The evaluation showed that their understanding and awareness were good and satisfactory, reflecting that staff members are aware of the Company's policy. In this regard, the Internal Audit Department has reviewed the Company's courses of actions in case of failure to comply with the code of conduct and relevant regulations. The company supports and creates the awareness for employees operating the business with ethics complying with the company's culture (PHOL-D) regarding to honest and integrity through the communication and trainings

Prevention of Conflicts of Interest

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

- The Company has a clear and transparent shareholder structure with no cross-holding of shares with major shareholders, so the structure does not give rise to conflicts of interest. The Company discloses detailed shareholder structure of the Company and its subsidiaries in the annual report (56-1 One Report), as well as discloses securities holding of directors completely
- The Company has put in place clear segregation of duties between the BOD, Executive Committee, top executives/management, and shareholders, so there is no overlapping of responsibilities. In the case that any director or executive has interest in the ongoing agenda, such person will be absent from the meeting or hold the vote to make the decision making of the BOD and executives fair and truly beneficial to shareholders.
- Determine written governance policy and usage of internal information in the authorities and rules of employees with penalties in the case that executives or employees disclose internal information to public for their own interest.
- Determine policy and practices for conflicts of interest and related transactions to ensure suitability of the transactions that must be reviewed by Audit Committee, and supervise to make sure that the Company complies with regulations of capital market advisory board.
- Stipulate that directors, executives, and employees who have interests in transactions of the Company or its subsidiaries be absent from the consideration or approval of the agenda of such transactions. Pricing of such transactions are determined fairly according to normal trading conditions as if they are transactions with unrelated parties.
- Demand that related transactions be presented to Audit Committee to give opinion before proposing for approval from the BOD, consistent with the principle of good corporate governance and the rules imposed by the regulations of capital market advisory board.
- The Company's ethics determines additional practices to prohibit employees from using the Company's properties or working hours to regularly search for information, make contacts, or trade securities for their own benefits or others' benefits and not for the Company's benefits without reasonable necessity.
- Employees and their families must not engage in any activity that obstruct the Company's benefit seeking by contacting relevant parties, including competitors, trading partners or customers, by using opportunities or information gained from being employees for their own benefits, by competing in the same business as the Company's, or by using office hours to do other jobs other which have effects on the Company's jobs.
- Avoid or refrain from expressing opinion or making comments about the Company to external parties or press which may affects the Company's reputation or operation without having authorities or responsibilities to do so.

Herewith published on the company's website

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

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

Preparation of Report on Securities Holding and Change of Securities Holding

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

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

In 2022, there is no significant change in the securities holding of directors and executive management, which disclosed the report of securities holding of directors and executives, as shown in "Securities and Shareholders Information"

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

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

- Report when assuming director or management position for the first time.
- Report every time that the information on interests change or every 6 months.
- In the case that directors are relieved and reappointed immediately, such directors need not file new report of interests if there is no changes from the previous filing.

All directors, executives, and employees report conflicts of interest annually in December and during the year on a case-by-case basis if such transactions occur (additional items).

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

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

Internal Information Utilization and Securities Trading Policy

The Company places great emphasis on the utilization of internal information of the Company as subsidiaries, with the determination in treating all shareholders with transparency and fairness, base on the principle of good governance. It is regulated that the Company's directors and executives in according to SEC's definitions are required to prepare reports on changes of one's securities ownership, including that of spouses and children who have not attained legal age in according to the Securities and Exchange Act Section 59 (revision no.5 B.E.2016) within 3 working days after the changing of securities, reporting via online channel regulated to the Securities and Exchange Commission and the Stock Exchange of Thailand, informed to the Board of Director for acknowledge through Company Secretary. Set policies for directors and executives to inform the company secretary, regarding the trading of the company's shares at least 1 day in advance of trading. The directors, executives and employees perform the duties in accordance with the guidelines and policy of confidentiality in order to protect other people to know about the information of company, customers, business partner and individual's personal information

The Board of Directors perform the duties according to the Code of Conduct. The Company Secretary submits the reports on changes of securities ownership of directors and executives on quarterly basis or immediately reports upon the changes. Also, according to the policy, the directors, executives and employees are prohibited from trading Company securities for period of 30 days prior to release of the Company's quarter and annual financial statements or internal information to the public, and during the 24-hour period after the financial statement or internal information is disclosed to the public. Any violations are punished.

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

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

Herewith published the rule of internal information utilization and securities trading policy on the company's website
<http://investor.pdgth.com/misc/CG/20210901-phol-cg-InternalSecuritiesTrading-en.pdf>

Anti-Corruption

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

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

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

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

In 2022, the performance of the company operated in compliance with Code of Conduct, Company's policies and relevant rules and regulations can be summarized as follow;

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

Disclosure and Transparency

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

In 2022, the Company has disclosed information both in the form that must be reported in accordance with the accounting period and important information by events, as follows:

Financial Information

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

Non-Financial Information

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

- IR Home: Latest News, Whistle Blowing and Complaints, IR Contact
- Corporate Information: Nature of Business, Vision and Mission, Board's Structure and Sub-committee, Management Team, the Board's Charter and Sub-committee and Company Document.
- Financial Information: Financial Statement (backward), MD&A
- Stock Information: Fact sheet as present link to SET
- Publication: Annual Report, SET 56-1, Company Snapshot

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

Whistleblower and complainant or in case of Infringement

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

	Whistleblower channel	Email
1. Electronic mail	Board of Director	board@pdgth.com
	Audit Committee	ind_dir@pdgth.com
	Company Secretary	cs@pdgth.com
	or through website: http://investor-th.pdgth.com/home.html	
2. Mailing post	Audit Committee (through The Head of Internal Audit Department) Phol Dhanya Public Company Limited. No. 1/11 Moo. 3, Lam Lukka Road, Lad Sawai, Lam Lukka, Pathumthani 12150 Tel. 02-791 0111 Fax: 02-791 0100	

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

In any doubt concern about corporate governance policy or anti-corruption policy, could inquire further direct via electronic mail to Company Secretary: cs@pdgth.com Tel. 02-7910111 (ext.151) or Chief Internal Audit: ia@pdgth.com Tel. 02-7910111 (ext. 115) which public on the company's website http://investor.pdgth.com/whistle_blowing.html

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

In 2022, the complaints related to the violation of rights, dishonesty, the code of conduct and customers' complaints are summarized as follow

Type of complaints	Number of cases	Status update
Customer complaints related to services and delivery	11 cases	All 11 cases were resolved
Employee complaints	-	-
Complaints regarding to safety and occupational health	-	-
Complaints related to business ethics or Code of conduct	-	-
Fraud	1 case	The case was resolved

Information Technology and Communication

The Company is aware of the significance of using the information technology and communication, which are important factors that will enhance the effectiveness of business operations and work performance. It is the mutual responsibility of all staff members to abide by, under the rules of laws and the announcement of the information system security policy, it is a framework for operational guidelines to raise-up security standards to meet international standards ISO/IEC27001 covers a wide range of areas including safety, acceptable usability, access code to information systems, in terms of access to the network and server, access to system control and backup security, applied programs or applications used in the operations as well as the appropriate resource management. In 2022, the company had no cases regarding to cyber security and business interruption related to information system. In addition, the company conducted the risk assessment and training according to annual business continuity plan as well as communicating to the employees to create culture and awareness of safety from cyber security and collaboratively performing the duties according to the law, regulation and the policy of information security.

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

By the guideline of practices are displayed in the Business Code of Conduct, published on the Company's website <http://investor.pdgh.com/misc/CG/20201027-phol-cg-policy-en.pdf>

The Rights of Shareholders

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

Administration of Shareholders' Meeting

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

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

Before the Day of the Meeting

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

1. The Company allows opportunities for shareholders to propose meeting agendas for the Shareholders' Meeting and name of qualified candidate to be nominated as Director in advance ahead of time, from September 17, 2021 to December 30, 2021, as well as notifying the criteria through SET's community portal and disclosed on the Company's website under menu "Investor Relations". There was no shareholder proposed any matter agenda or qualified person for an appointment to a director in the Shareholders' Meeting.
2. The Company has disclosed the date of the 2022 Annual General Meeting, agenda item and fix record date to entitle rightful shareholders to attend the meeting in advance 2 months. By notifying immediately once the Board of Directors has a resolution to set the meeting date from February 18, 2022, published via the SET's information reporting system to allow shareholders to acknowledge the rights and plan to attend the shareholders' meeting as scheduled.
3. The Company has published invitation letter and relevant documents both Thai-English version on the Company's website in advance 30 days before meeting date since March 25, 2022. To allow the shareholder have enough times to study information. By invitation letter the agenda for shareholders' meeting consisting of the agenda for shareholder's meeting consisted of topics defined in Section 5 of the Company's articles of association: Shareholders' meeting. Each agenda includes its objectives, clarification of background, directors' opinion on each agenda and the rights of shareholders to attend and vote in the Meeting.
4. The Company assigned Thailand Securities Depository Co., Ltd "TSD" the Company's securities custodian to distribute the invitation letter with relevant documents send to shareholders (MOC and Auditor respectively) prior the meeting date in advance 21 days since April 5, 2022, which exceeds is required by law and follows the principle of corporate governance, especially foreigner shareholders have provided with covering English version's letter together. The invitation letter specified details; date time venue of the meeting, map location, voting procedure and complete set of documents, including disseminating such information on the Company's website in both Thai and English languages, so that shareholders have an opportunity to get enough time to study the information.
5. The Company publicized the meeting invitation in the newspaper for 3 consecutive days on April 7-9, 2022 and not less than 7 days prior to the meeting date as required by law and the Company's regulations so that shareholders have enough time to study the information beforehand.
6. The Company informed details regarding supporting evidence prior to the meeting; the power of attorney letter and the method of proxy designation. In case shareholders cannot attend the meeting by themselves, they may assign independent directors of the Company or any other individuals as proxies to attend the meeting and cast vote on their behalf, or they can bestow authority upon the Company's independent directors using the power of attorney letter Form B that was sent together with the invitation letter. In this regard, shareholders can download 3 forms of power of attorney letter (Form A, B, and C) via the Company's website, whereby the Company has prepared the revenue stamp for shareholders to put on the power of attorney letter on the meeting day. (The company provided stamp for proxy). The company provides the detail about the name and profile of Independent Committee to shareholders for review. In case the shareholders want give the proxy to someone else, the company provides the instructions and the list of documents required for the proxy making the process be easy and convenient for the shareholders giving the proxy or joining the meeting
7. The Company allowed shareholders to submit questions in advance, provide various channel for queries via the company's website or Email: cs@pdgth.com or ir@pdgth.com or telefax: 02-791 0100 to collect and answer any questions in relevant agenda. Since in the past year intend to hold the shareholders' meeting in the situation of the Covid-19, it's necessary to control the meeting in shortly and concise in order to ensure safety for all shareholders, the company should be summarized the question-answer from the meeting, public on the Company's website in order for all shareholders to acknowledge equitably information.

8. The Company allows its shareholders who wish to receive printed annual reports to send their request through various channels, such as emails, telephone, fax, and letters in return-envelopes. The Company will immediately send annual reports through postal service as per requests and also prepare printed copies for shareholders on the meeting date.
9. The Company held the meetings via electronic media (E-Meeting) which has guidelines for attending shareholders' meetings via electronic media (E-Meeting) in the Invitation Letter E-AGM as well as the shareholders have the problems about the registration, the proxy designation, the meeting attendance contact the staffs as follow Tel. 080-0087616 and 02-0134322 Email: info@quidlab.com

On the Meeting Date

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

1. The Company held the Annual General Meeting for 2022 on April 27, 2022 via electronic media (E-Meeting), Live broadcast at the Company's address at the Company's Conference room address 1/11 Moo 3 Lamukka Road, Ladsawai, Lamukka, Pathumthani 12150 in compliance with the Emergency Decree on Electronics B.E. 2563 (2020), Personal Data Protection Act, B.E. 2562 (2019) and other related laws and regulations. Facilitate and encourage shareholders to attend the meeting, with the following actions:

- The Company held the meetings via electronic media (E-Meeting) which the shareholders can join from many channels. The shareholders should provide the documents to verify identity as pre-registration for the meeting. They can submit the documents through <https://Quidlab.fokus.vc/registration> or QR code. The system opens for pre-registration during April 11-25, 2022
 - In case the technical problems for using E-AGM before or during the meeting, please contact to Quidlab company providing E-Meeting service. The company provides the channel of contacts in the email that's sent to inform the username.
 - Preparing duty stamps in case the shareholder assigns the proxy to attend the meeting, without any additional costs.
 - The shareholders can submit the questions in advance through email: ir@pdgth.com or by post to Investor Relations, Phol Dhanya Public Company Limited with the address shown in the invitation letter.
 - Pre-registration 1 hours (1.00pm – 2.00pm.) before the meeting and shareholders arriving after the meeting commences can also register and attend the meeting and cast vote on agendas (for agendas that have not been voted yet).
 - The program or software that the company uses for the shareholders meeting is serviced by Quidlab Co., Ltd providing E-Meeting services and being certified by Electronic Transactions Development Agency (ETDA) in the registration and vote counting processes, for better effectiveness, faster results and transparency.
 - Arrange for screening measures of shareholders who attend the meeting, strictly comply with the recommendations of the department of disease control, ministry of public health, to preventing such outbreak, Safety of all attendees and facilitates appropriately.
2. The Chairman, Chief Executive Officer and the Chairman of sub-committee were participated in the shareholders' meeting. The Board of Director total 8 members were present to the meeting accounted 100% of all directors, executives, auditors and independent legal advisors attending the meeting. The Chairman has performed his role of the Meeting according to the Company's regulations, starting from informing the meeting quorum, portion of shareholders to attend the meeting in person and by proxies, assigning the Company Secretary to take a minute of meeting and introducing directors, executives, auditors and legal advisors attending the meeting to provide further information and answer shareholders' questions, there have a representative volunteer rights protection of shareholder to participate the meeting.

3. Chairman of the meeting conduct the meeting go through of the meeting agenda, background, reason, necessity and rationale proposal to the meeting without adding agenda or changed alerting an important information as specified in the meeting invitation letter distributed to shareholders beforehand, allocate time appropriately for the meeting and grant an opportunity for the shareholders to ask question or express any opinion related to the agenda item, before voting the resolution. Being assign company secretary to notify shareholders of how to cast votes in each agenda as well as the vote counting methods to reach a resolution by using barcodes to counting the vote with accurate, demonstrating transparency, verifiable and announcing the resolution of each agenda item, except for the appointment of directors who must retire by their rotation, whose conflict of interest directors will walk out from the meeting room, to provide opportunities for shareholders to express their opinions and vote for individual directors independently, by collecting ballots only disagree or abstain individually for pre-counting vote , after the meeting will be kept all remiaing ballots for reference for accuracy and transparency.
4. During the meeting, Chairman of the Meeting is responsible to conduct a meeting appropriately concisely, quickly and gives an opportunities for shareholders to inquire on related matters, the company collected all questions from the shareholders to give an answer, published on the company's website www.pdgh.com
5. The Company has involved the auditors's reporesentatiive "ANS Audit Co., Ltd." to act as intermediary "inspectors", to ensure that the Shareholders' Meeting is carried out with transparency, in accordance with laws and the Company's regulations on the following matters:
 - Document inspection process exercised upon shareholders or proxies who are eligible to attend the meeting.
 - The quorum, vote casting and vote counting approaches are coherent with the Company's regulations.
 - Ballot collection from shareholders, verification of resolution and vote results as appeared on the ballots.
 - Signing to certify the accuracy and validity of vote results in each agenda once the meeting is over.

For the AGM 2022, after finished the meeting there were 29 shareholders, 12 shareholders to attend the meeting in person and 17 shareholders by proxies, representing 104,435,408 shares, which accounted for 57.57 percent of the total issued shares,quarum of the meeting in according to the company's article of association.

After the Meeting

1. The Company distributes resolutions of the shareholders' meeting via SET Community Portal within the same day of meeting date April 27, 2022, the results of each agenda were displayed as "agree", "disagreed" and "abstain" or "void", with clear display of vote results in each category.
2. The Company prepares the minute of general shareholders' meeting 2022 with correct and complete significant matters with summaryzied the question-answer both Thai and English.
3. The Company has published the minute of annual general shareholders' meeting both in Thai and English via SET Community Portal within 14 days since the meeting date on May 10, 2022 and the Company's website Investor Relation <http://investor.pdgh.com/misc/ShareholderMTG/agm2021/20210506-phol-agm-2021-minutes-en.pdf>, allow shareholders to review and completely during 30 days until 6 10une 2021, after the end of period, there was no any request to amend the minutes from shareholders, remaining the said report is considered certified by the shareholders. In addition, it also has a system to maintain minutes of shareholders' meeting to allow review and reference.
4. The minute of meeting that has been signed in approval by the Chairman was submitted to SET within 14 days after the meeting, along with sending the minutes of meeting to the registrar (Department of Business Development) together with the financial statement and Bor.Mor.Jor 006 within 30 days after the date of the shareholders' meeting as required by law.

5. The Company arranged to have visual and audio recording in the form of audio-visual media (AV) throughout the meeting to allow shareholders who did not attend the meeting to see the actual event, such media was posted on the Company's website after the meeting was finished.
6. The Company has surveyed the satisfaction of evaluating the meeting quality regarding the Shareholders' Meeting, get a good average score equivalent to last year and the suggestions and comments have been gathered regarding the quality of meeting invitation letters, annual report, shareholders' facilitation, meeting execution and the preparation of minute of meeting from the evaluation forms as guideline for continuous improvement of the future shareholders' meeting.

From continuous improvement of the shareholders' meeting arrangement, the Company got evaluated 'outstanding' on the quality of the AGM Checklist arrangement from the Thai Investors Association (TIA) with excellent of 100 scores from the project AGM Checklist 2022.

The Equitable Treatment of Shareholders

The Board of Directors places emphasis on shareholders' rights and equality, for all individual shareholders; major, minor, or institutional shareholders, Thai or foreign nationalities, ensure of the company's equal treatment towards minority shareholders apart from regulated by law, no events or practices which is a violation or depriving the rights of shareholders. The Company has clearly disclosed the shareholding structure of the company and subsidiaries, including the top 10 major shareholders and the controlling person to ensure that the company has a transparent operational structure that can be verified without cross shareholding or pyramid shareholding, as following:

1. The Company preserved the rights of all shareholders and no agenda item would be added at the shareholders' meeting without prior notice, especially important agenda which shareholders had adequate information at ahead of time in order for decision making.
2. The Company gives an opportunity for shareholders to propose matters for inclusion as an agenda and nominate a qualified person to be elected as a director at the shareholders' meeting in advance according to the rules prescribed by the company.
3. The Company has sent the proxy Form B together with the notification letter which in a format that can direct how votes are casted (with reference to the Ministry of Commerce) supporting the shareholders are unable to attend the meeting by themselves, as alternative to shareholders able to authorize one of independent directors (3 persons) to attend the meeting and vote on behalf, public and download on the Company's website at www.pdgt.com (both Form A, Form B and Form C)
4. The Company uses the AGM program to process vote casting, invite a representative volunteer to protect the rights of shareholders and the auditor shall verify the correctness. In particular, the agenda for the election of directors requires separate voting for each individual (one share-one vote) and collect every ballot for review and reference for accuracy and transparency.
5. The Company designated various communication channels for shareholders and investor through SET Community Portal as a major channel and the persons appointed to disclose the Company's information are the Chief Executive Officer and Chief Financial Officer and Investor Relations. To public relations channels have been arranged via the Company's website (www.pdgt.com/ir) or directly to Investor Relation (ir@pdgt.com)
6. The company has established measures to prevent the use of inside information in writing. Its prohibits directors, executive and staff members who are related to the information from using it to inappropriately seek personal benefits both direct or indirectly stakeholders, by specifying 30 days trading period before the company announces operating results or until such information has already been disclosed to the public.
7. The Board of Directors regulated that directors and the management are obliged to report any changes in ownership of one's own company, spouse and underage children reporting to SEC via online system in time.
8. The Board of Directors has identified criteria and approaches in reporting the stakes of directors and executives in writing and shall be regarded as standard practices. In case directors or executives appear to have critical stakes that are of particular significance, the said directors shall refrain from voting and participating in the consideration of the relevant agenda, and this shall be recorded in the meeting minute.

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

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

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

Directorship in Other Listed Companies

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

Assumption of Director Position in Other Listed Companies of the Company’s Directors

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

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

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

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

Oversight the Operation of Subsidiaries Company's

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

Corporate Governance Division

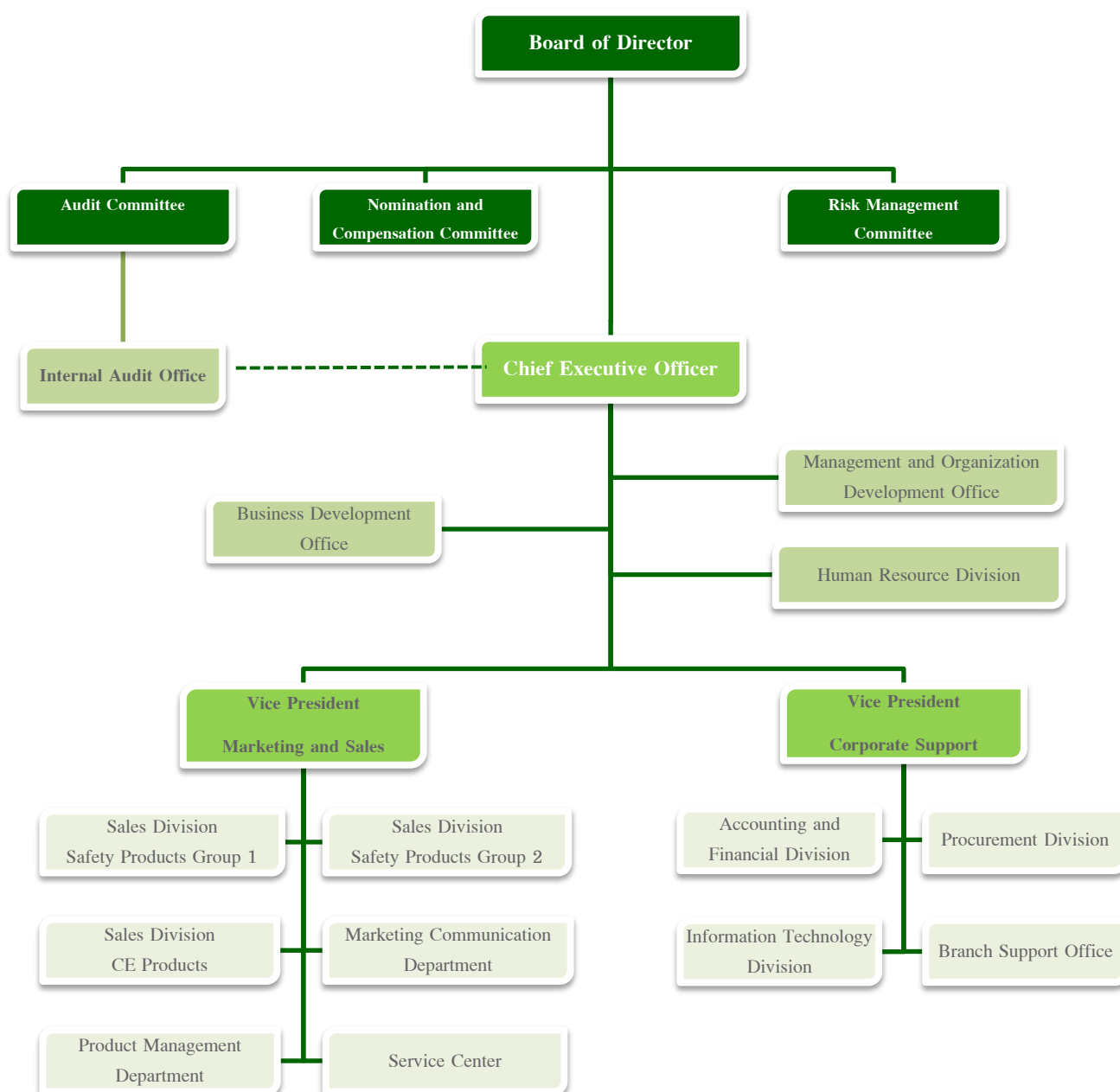
The Board of Directors has appointed sub-committees to supervise different aspects of operations, for instance, the Audit Committee is in charge of the investigation process to ensure legal compliance and the regulations of the Stock Exchange of Thailand and other relevant bodies, review the connected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

Compliance with other Good Corporate Governance Principle

In 2022, Directors, Executives and employees of the Company and the subsidiaries all comply with the Corporate Governance policy and regularly follows up on the operating results had no violation regarding to stock repurchasing and did not perform any actions causing prohibiting communication among shareholders and violating the guidelines or policy. In addition, the Board of Directors had no news and were not be fined or claimed regarding to violation in term of corruption, dishonesty and ethics by the Securities and Exchange Commission, the Stock Exchange of Thailand and Office of the National Anti-Corruption Commission (NACC). Also, there was no case that the independent committee and non-executive directors had any issue regarding to corporate governance and no case that the Broad of Directors as a whole terminate a term.

Corporate Governance Structure

1 Corporate Governance Structure



2 Information on the Board of Directors

The Structure of the Board of Directors

The Board of Directors are comprised of not less five (5) persons, regardless of the gender, age and educational background. Not less than half of the total number of directors must have the residential address in the Kingdom of Thailand and the directors may or may not be the Company's shareholders. Directors can be elected or dismissed by the shareholders' meeting. With this, the number of independent directors must be least one-third (1/3) of the total number of directors but must not be less than three (3) persons. Independent directors must have the qualifications required by the Securities and Exchange Committee's regulations and/or relevant laws. In this regard, at least one (1) director must be well-versed in verifying the credibility of the financial statements. As well as having the authorization to administer the business to achieve the objectives, regulations and resolutions agreed upon by the Annual General Meeting of Shareholders. Each director is required to perform duties with prudence, honesty and under the Business Code of Conduct, as well as to ensure that the management operates the business in accordance with the identified objectives and targets to achieve maximum benefits for the Company.

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

Currently, the Committee consists of 9 members who are qualified according to the criteria for nomination of directors in line with the company's business strategy. The Board of Directors divided into 8 male director and 1 female director, the proportion of the female director is representing 12% of them. If breakdown by the type of directors, there are 7 non-management directors of that 6 directors are the Independent director, representing 77.78% and 66.67% of the Board of Directors respectively (3 Independent director are the Audit Committee) and there are 1 non-management director and 2 management directors, representing 12% and 23% of the Board of Directors respectively.

Directors' Term on Board

The Board of Directors has been elected by the shareholders' meeting according to the Company's Articles of Association. At each Annual General Meeting of Shareholders, one-third of the total directors must retire from office, and once time has valid may be elected for another term. Each director has a term on Board for a period of 3 years. In the event that the position of directors is vacant due to other reasons except retired by their rotation, assigned the Nomination and Compensation Committee to select any person who has qualifications according to the criteria and proposed to the Board of Director for approval and appointment the director for the remaining term.

Termination of position

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

Authorized Directors

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

The Board of Directors comprises 8 members as follows:

No.	Name	Position	Type	First Appointment	Last Appointment
1	Assoc. Prof. Dr. Ekachidd Chungcharoen	Chairman of The Board	Independent Director Non-Executive Director	September 12, 2007	2021
2	Mr.Noppadol Dheerabutrpongkul ^{/1}	Independent Director	Independent Director Non-Executive Director	September 12, 2007	2020
3	General Chaiwat Satondee	Independent Director	Independent Director Non-Executive Director	October 12, 2015	2022
4	Mr. Santi Niamnil ^{/3}	Independent Director	Independent Director Non-Executive Director	May 10, 2016	2020
5	Dr. Pallapa Ruangrong	Independent Director	Independent Director Non-Executive Director	September 19, 2017	2021
6	Mr. Wisarute Srirojanakul	Independent Director	Independent Director Non-Executive Director	September 17, 2021	2022
7	Mr. Apichart Jarutangtrong ^{/1/2}	Director	Non-Executive Director	August 11, 2022	2022
8	Mr. Boonchai Suwanvutthiwat	Director	Executive Director	April 30, 2013	2021
9	Mr.Thanya Wangthamrong	Director	Executive Director	April 30, 2013	2022

Notes:

^{/1 3}Being a director who will retire by rotation and was proposed to be re-elected as director for another term in the 2023 Shareholders' Meeting dated 27 April 2023

^{/2}Mr. Apichart Jarutangtrong was appointed as a director to replace the vacant director position, effective on August 11, 2022

^{/3}Being a director who will retire by rotation in the 2023 Shareholders' Meeting dated 27 April 2023.

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

Scope of Authority and Responsibilities of the Board of Directors

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

The resolution of the Board of Directors' meeting No.9/2022 on December 22, 2022 has reviewed the Board Charter and approved scope Authority and responsibility as follows;

1. The Board of Directors must abide by the laws, objectives and regulations of the Company, as well as the shareholders' meeting's resolutions. They must perform duties honestly and be cautious of shareholders' benefits based on the principle of good governance, while disclosing the information in an adequate, correct and transparent manner towards all stakeholders.
2. Identify or change the Company's authorized signatory.
3. The Board of Directors must take part in considering important matters related to the Company's business operations in order to create added values for the business in a fair and continuous manner as follows:
 - 3.1 The Company's vision, mission, strategies, financial plans, risks, execution plans and budgeting, etc. of the previous year shall be considered and signed off.
 - 3.2 The management should ensure that the policies, strategies and scheduled plans are being followed up effectively and efficiently, as well as the reporting system against the target, obstacles and problem resolutions.

- 3.3 The internal control and risk management systems, including the mechanisms for filing complaints in case of whistleblowing, are readily available.
- 3.4 It is to be ensured that the business operations can be conducted sustainably over the long run, with staff member development plan and the continuity of managerial roles (Succession Plan).
4. The Chief Executive Officer's and high-level executives' performance evaluation criteria shall be identified in a way that resonates with the objectives and execution plan, with appropriate remuneration package that reflects the operating performance, benchmarked against the same type of business.
 5. The policies concerning governance and anti-corruption shall be developed in writing. The policies should be approved at least once a year and it is to be ensured that compliance is observed, while cultivating organizational values that reflect good governance that they become the organizational culture.
 6. It is to be encouraged that the Business Code of Conduct is available in writing, so that executives and staff members understand the ethical standard employed by the Company in operating the business. It is to be ensured that compliance with such Code of Conduct is strictly observed.
 7. Transactions that may involve conflicts of interest are handled with care, with prime concern on the Company's and shareholders' benefits, while stakeholders should take part in making decisions, and compliance with regulations should be ensured, while the information related to potential conflicts of interest shall be comprehensively disclosed.
 8. The internal control system is adequately available to ensure that transactions get approved by the authorized persons, with correct verification and preparation of accounting reports, and that the auditing process is credible, with different systems that can prevent inappropriate use of the Company's assets.
 9. The Board of Directors, with the input of the Audit Committee, should provide opinions on the adequacy of the internal control and risk management systems, which are to be disclosed in the Annual Report.
 10. Allocate the mechanism to control and monitor subsidiaries to ensure that the Company's investment capital is well taken care of. In this regard, the individuals assuming the director position in subsidiaries shall have appropriate qualifications to ensure compliance with the Company's policy and that the transactions are conducted lawfully in accordance with the securities and exchange laws, as well as the Stock Exchange's announcement.
 11. Appoint the Company Secretary to provide information on rules and regulations that directors should be aware of, as well as coordinate with other parties to ensure compliance with the Board's resolutions.
 12. Execute performance evaluation for the Board of Directors and sub-committees on an annual basis.
 13. Report the Board of Director's responsibility in preparing the statement of financial position, to be attached with the auditor's report in the Annual Report. The statement should cover key matters based on good practices required of directors of listed companies in the Stock Exchange of Thailand.
 14. The Board of Directors are eligible to invite an expert(s) to be the advisor(s), whereby the invitee(s) does not have the voting right in the Board of Directors' meeting.
 15. The Board of Directors may appoint any individuals to operate the Company's business, under the control and supervision of the Board. The Board may also authorize such person and/or for a certain period of time deemed appropriate, and can terminate, withdraw, change or amend such authority.

16. Consider and approve inter-related transactions that may involve conflicts of interest, benefits or losses from the Company or subsidiaries, except for transactions that involve normal business activities and follow general commercial conditions, as authorized by the Board of Directors of the Company and/or subsidiaries. These are executed under the principle, conditions and methods that govern inter-related transactions and acquisition or divestment of assets of the Company according to the Stock Exchange of Thailand's or the Securities and Exchange Commission's announcement, in order to ensure that such transactions are reasonable and contribute to the Company's maximum benefits.

Chairman's Duties

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

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

In this regard, Board of Directors Charter, dated December 22, 2022, had disclose on the company's website

<http://investor.pdgh.com/misc/CHARTER/20210923-phol-charter-director-committee-en.pdf>

3 Information on Subcommittees

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

1. Audit Committee

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

Audit Committee comprises of Independent Director 3 members as follows:

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

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

Miss. Siriporn Ninklum is an Audit Committee's secretary.

Audit Committee's Term on Board

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

Scope of Authority and Responsibilities of the Audit Committee

The Board of Directors' Meeting No. 2/2023, held on February 17, 2023, reviewed and approved to determine the scope, authority and responsibility of the Audit Committee as follows:

1. To ensure that the Company has fairly presented financial reports and fully disclosed information.
2. To ensure that the Company has the appropriate and effective internal control and internal audit systems maintains the independence of the internal audit system, approves the appointment, transfer, terminate the employment of the Chief of the Internal Audit Unit and other departments responsible for internal audit.
3. To ensure the Company's compliance with the Laws related to the Securities and Stock Exchange, the Requirements of the Stock Exchange of Thailand and the business of the Company.
4. To verify the correctness and completeness of the related matters or the matters which could cause conflict of interest.
5. To verify and give comments on preventive anti-corruption measures in line with the company's anti-corruption policy. Make sure that these measures are efficient and effective.
6. To verify the Company's risk management with efficiency and effectiveness compliance with good corporate governance principles and sustainability development Corruption Risk Management and a whistleblowing notification system.
7. To consider, select, propose, appoint and terminate the employment of any independent person and auditor approved by the Office of Securities and Exchange Commission to perform duty of auditing the company's account and to offer the consideration of the auditor including attending the meeting with the auditor without the meeting organizing department at least once a year. And including of significant event or abnormal transaction must be reported directly to the Audit Committee.
8. To prepare and disclose the report of corporate governance of the Audit Committee publicly in the annual report of the Company signed by the Chairman of the Audit Committee.
9. To review the charter of the Audit Committee and Internal Audit as necessary and appropriate at least once a year.
10. To review the report about the violation of business ethics and company's regulation.
11. To ensure scope of the policy management of information technology and security measure for the information technology system.
12. To evaluate of performance, Problems and obstacles of the Internal Auditor as well as propose improving process at least once a year.
13. To carry out any other tasks assigned by the Board of the Director as approved by the Audit Committee.

In this regard, the Charter of Audit Committee, dated February 17, 2023, had disclose on the company's website

<http://investor.pdgth.com/misc/CHARTER/20220112-phol-charter-audit-committee-en.pdf>

2. Nomination and Compensation Committee

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

The Nomination and Compensation Committee comprises 3 members as follows

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

Note:

^{/1} General Chaiwat Satondee was appointed as Chairman of Nomination and Compensation Committee effective on August 11, 2022

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

Nomination and Compensation Committee's Term on Board

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

Scope of Authority and Responsibilities of the Nomination and Compensation Committee

The Board of Directors' Meeting No. 6/2022, held on August 11, 2022, reviewed and approved to determine the scope, authority and responsibility of the Nomination and Compensation Committee as follows:

1. Nomination
 - 1.1. To consider the appropriateness of structures and compositions of the Board of Directors and Sub-Committee.
 - 1.2. To consider criteria and procedures for recruiting qualified candidates to a director and the executive management positions, comply with Corporate Governance best practice.
 - 1.3. To consider the selection of qualified directors according to the criteria and procedure of nomination of directors, sub-committee and executive management proposed to the Shareholders' Meeting or the Board of Director, depending on the composition of the Board, knowledge, ability and experience that are beneficial to the company business.
 - 1.4. To provide development plan, knowledge and skill in directorship continuous, provide an orientation new director to know deeply information related to business operation and related regulatory.
 - 1.5. To review the succession plan for the board and top management.
2. Compensation
 - 2.1 Stipulate regulations and review remuneration structure of the Board of Directors, the Sub-Committees by proposing to the Board of Directors to approve and proposed to the meeting of the shareholders for approval.
 - 2.2 Determine the evaluation regulations and remuneration for top management by proposing to the Board of Directors to approve.
 - 2.3 Consider the remuneration structure for staff members and propose the timeline for salary adjustment and annual bonus for the group company to the Board of Directors for an approval.
 - 2.4 Consider conditions of the issuance of new securities as appropriate and provide approval upon the Company's issuance of new securities to the Directors or staff and when the Directors or staffs receive the new securities of more than (five) 5% of the total allotted securities. There should be no Directors or employee receive the aforementioned allotted securities more than (five) 5%.

3. Evaluation of its own performance, the Nomination and Compensation Committee 1 time per year for presentation to the Board of Directors.
4. Annually prepare performance yearly report to the Board of Directors and shareholders' meeting.
5. To revise the Charter of the Nomination and Compensation Committee 1 time per year as necessary and appropriate
6. To perform other duties as assigned by the Board of Directors and law regulations or as necessary and appropriate.

In this regard, the Charter of Nomination and Compensation Committee, dated August 11, 2022, had disclose on the company's website <http://investor.pdgh.com/misc/CHARTER/20210923-phol-charter-nomianting-and-compensating-en.pdf>

3. Risk Management Committee

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

Risk Management Committee comprises 4 members as follows:

No	Name	Position
1	Asst.Prof.Dr.Suluck Pattarathammas ¹	Chairman of Risk Management Committee
2	Mr. Boonchai Suwanvuttiwat	Risk Management Committee
3	Dr. Pallapa Ruangrong	Risk Management Committee
4	Mr. Thanya Wangthamrong ²	Risk Management Committee

Notes:

¹ Asst. Prof. Dr. Suluck Pattarathammas is an external scholar.

² Mr. Thanya Wangthamrong has been appointed to Risk Management Committee effective on December 21, 2022.

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

Risk Management Committee's Term on Board

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

Scope of Authority and Responsibilities of the Risk Management Committee

The Board of Directors' Meeting No. 7/2022, held on October 28, 2022, reviewed and approved to determine the scope of authority and responsibility of the Risk Management Committee as follows:

1. To scrutinize company-Risk Management Policy and overall procedures that covered all defined important Risks which are as Financial Risk; Investment Risk; Operation Risk; Fraud Risk etc. This is not limited to assessment following up review the sufficiency of execution and its effectiveness of The Risk Management Policy and its system for propose to The Board of Director for approval.
2. To define The Risk Management Plan and its strategies including required resources using conforming to The Corporate Mission and Strategies.
3. To oversight execute and manage The Risk Management Strategy continuously to make sure that such strategies and all related procedures/process have been implemented appropriately and efficiently covering all defined Risks until they are in the Risk Appetite Level.

In this regard, the Charter of Risk Management Committee, dated October 28, 2022, had disclose on the company's website <http://investor.pdgh.com/misc/CHARTER/20211123-phol-charter-risk-management-en.pdf>

4 Information on Executives

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

The Board of Directors' Meeting No. 8/2022 on November 11, 2022, there was the meeting resolution to appoint Mr. Pornsak Chunhajinda to be the Vice President Corporate Support and Chief Financial Officer to replace of the executives in the acting positions. During the year, there was 1 resigned executive who's Mr. Passaphong Wangthumrong, Human Resource Director and there was 1 re tired executive who's Miss Kamonpobpan Puapansakul, Internal Audit Director, effective on December 31, 2022.

Currently, Management Team comprises 6 members as follows:

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

Chief Executive Officer's Scope of Duties and Responsibilities

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

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

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

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

Authorized Level of the Company as follow:

Transactions	Board of Directors	Authorized Directors	CEO
1. Approval Annual Plan Budget Plan and Manpower	✓	-	-
2. Loan and issued Bond per time	✓	-	-
3. The documents signing; debt instruments, cheque and important issued related	✓	✓	-
4. Certified the Company's Financial Report	✓	-	-
5. Approval Investment:			
6. Approval the connected transaction of the Company and its subsidiaries which has	✓ Over 4 MB	✓ Not Over 4 MB	-
7. Asset Disposal	✓ Over 2 MB	-	✓ Not Over 2 MB
8. Write-off Debt	✓ Over 1 MB	-	✓ Not Over 1 MB
9. Approval Selling proposes per purchase order/Customer Credit Approval	✓ Over 40 MB	✓ Not Over 40 MB	✓ Not Over 4 MB
10. Approved Requisition Order and Purchase Order	✓ Over 40 MB	✓ Not Over 40 MB	✓ Not Over 4 MB
11. Authorized under Budget	✓ Over 1 MB	✓ Not Over 1 MB	✓ Not Over 0.5 MB
12. Approval for Purchase Order for operate and maintenance property.	✓ Over 4 MB	✓ Not Over 4 MB	✓ Not Over 2 MB

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

Sustainable Development Sub-Committee

The Board of Directors appointed a Sustainable Development Sub-Committee to improve business operations that promote sustainability in economic, social and environmental dimensions.

Sustainable Development Sub-Committee comprises 3 members as follows:

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

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

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

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

5 Compensating of Directors and Executives

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

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

In the Annual General Meeting of Shareholders as of 2022 on April 27, 2022, the criteria of the remuneration for the Directors were approved, which are the monthly compensation depending on the positions and the type of directors, the meeting allowance (per meeting) depending on the number of meetings that the Directors attend and the annual bonus depending on the company's performance and the dividend paid to the shareholders. The company does not provide the remuneration in term of other benefits.

2. Compensating of the Board of Directors

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

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

Notes:

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

² Meeting allowance to be paid for the director who attending

The 2022 Shareholder's Annual General Meeting on April 27, 2022, approved the criteria for remuneration for directors in the form of monthly compensation, meeting allowances combined must not exceed the limit of 4 MB (not include Directors' bonus). In this regard, the payment criteria of Director's bonus are at the rate of 2.5% of the annual dividends paid to shareholders, similar to that of the previous year; 1.5 portions are allocated to the Chairman of the Board and every individual director will be allocated 1 portion each. The calculation is proportional upon the tenure of directorship as appointed by the Annual General Meeting of Shareholders or in case where directors are appointed during the year in replacement of resigned directors. The exception applies when directors whose term of office is less than two months, whereby there will be no bonus payment.

The remuneration paid to the Directors in 2022 can be divided into the type of the directors. The compensation for the Executive Directors was Baht 676,316 and the compensation for the Non-Executive Directors was Baht 3,793,436. The remuneration can be divided into the monthly compensation of Baht 1,185,500 and the meeting allowance for the Board of Directors and Sub-Committees of Baht 1,765,500 resulting in the total amount of Baht 2,951,000 from the budget of Baht 4 million approved from the 2022 Annual Shareholders Meeting and the 2021 annual director's bonus of Baht 1,518,752 paid to Directors in 2022 as per the approval from the 2022 Annual Shareholders Meeting. Also the Directors' bonus for the year 2022 shall be proposed to the 2023 Shareholder's meeting on 27 April, 2023.

In 2022, the individual compensation of directors are as follows:

Unit: Baht								
No.	Directors	Monthly Compensation ^{1/}	Meeting Allowance				Director's Bonus 2021 ^{2/}	Total Compensation
			Board of Director	Audit Committee	NC Committee	Risk Management Committee		
1	Asso. Prof. Dr. Ekachid Chungcharoen	300,000	202,500	-	48,000	-	259,737	810,237
2	Mr. Noppadol Dheerabutr vongkul	240,000	135,000	108,000	36,000	-	173,158	692,158
3	General Chaiwat Satondee ^{3/}	157,900	120,000	-	42,000	-	173,158	493,058
4	Mr. Santi Niamnil	144,000	135,000	72,000	-	-	173,158	524,158
5	Dr. Pallapa Ruangrong	144,000	135,000	72,000	-	60,000	173,158	584,158
6	Mr. Boonchai Suwanvutthiwat	-	135,000	-	-	60,000	173,158	368,158
7	Mr. Thanya Wangthamrong	-	135,000	-	-	-	173,158	308,158
8	Mr. Wisarute Srirojanakul	144,000	135,000	-	-	-	49,542	328,542
9	Mr. Apichart Jarutangtrong ^{4/}	55,600	45,000	-	-	-	-	100,600
10	Asst. Prof. Dr. Suluck Pattarathammas ^{5/}	-	-	-	-	90,000	-	90,000
Directors who resigned								
11	Mr. Chavalit Wangthamrong ^{6/}	-	-	-	-	-	85,263	85,263
12	Mr. Teeradej Jarutangtrong ^{6/}	-	-	-	-	-	85,263	85,263
Total Compensation		1,185,500	1,177,500	252,000	126,000	210,000	1,518,752	4,469,752

Notes:

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

^{2/} Director's Bonus for the year 2021 paid to directors in May 2022, accordance the resolution of the Annual General Meeting of the Shareholders 2022 on April 27, 2022.

^{3/} General Chaiwat Satondee has been appointed as Chairman of Nomination and Compensation Committee, effective on August 11, 2022.

^{4/} Mr. Apichart Jarutangtrong has been appointed as director to replace vacant director, effective on August 11, 2022. Firstly, attendance Board of Director meeting No.7/2022 on October 28, 2022.

^{5/} ศศ.ดร.สุลักษณ์ ภักดิ์ธรรมมาศ Asst. Prof. Dr. Suluck Pattarathammas is an external scholar has been appointed as Chairman of Risk Management Committee and Risk Management Consultant, received remuneration for risk management consultant position in amount of Baht 180,000.

^{6/} Mr. Chavalit Wangthamrong and Mr. Teeradej Jarutangtrong, directors who resigned during the year 2021, received the Director's bonus for the year 2021 proportional upon the tenure of directorship.

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

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

The Nomination and Compensation Committee reviews the guidelines of performance assessment and the criteria of remuneration payment for Chief Executive Officer and Top Executive with fairness and appropriateness in order to propose to the Board of Directors for review and approval on annually basis by considering on the remuneration structure based on the responsibilities and duties, the short-term and long-term motivation, the comparison of the remuneration with the companies in the same industry, the remuneration information from the reliable institutions and organizations doing the human resource management and the economic data such as the growth of GDP and the average inflation rate, linked with the objectives and the performance of the companies. The performance evaluation of the president and executives is using Key Performance Indicators according to Balance Scorecard principles. The compensations of the executives are salary, bonus, management fee, provident fund and others.

4. Compensating of Chief Executive Officer and Top Executive

The compensation of the executives from the company and subsidiaries is in the form of salary, bonus, management fee and provident fund. In 2022, the company paid the compensation for 9 executives with the amount of Baht 21.01 million, accounted for 15.97% of total employee compensation. The non-money compensations are life insurance, health insurance and other benefits.

Unit : MB				
Executive Compensation ^{/1}	2022		2021	
	No. of person	Amount	No. of person	Amount
Salaries	9	12.80	9	13.62
Bonus and Management Fee ^{/2}	9	7.58	9	7.36
Contribution to Provident Fund	9	0.63	9	0.65
Total	9	21.01	9	21.63

Notes:

^{/1} During the year, there were 1 new executive and 1 resignation.

^{/2} Bonus and Management Fee for the year 2021 paid to top executives in 2022

5. Compensation of Directors and Executives in subsidiaries

In 2022, the compensation of Directors and Executives who was appointed as Directors in subsidiaries in the form of meeting allowance, summarized as follows:

No.	Name	Subsidiaries				Total (Baht)
		Phol Palladium Co., Ltd.		Phol Water Co., Ltd.		
		Meeting attendance	Meeting Allowance (Baht)	Meeting attendance	Meeting Allowance (Baht)	
1	General Chaiwat Satondee ^{/1}	-	-	5/5	75,000	75,000
2	Mr. Boonchai Suwanvutthiwat	5/5	50,000	5/5	50,000	100,000
3	Miss Prapaipit Viriyabhupha ^{/2}	5/5	75,000	5/5	50,000	125,000
4	Mr. Payotorn Mungthong	5/5	50,000	-	-	50,000
Total			175,000		175,000	350,000

Notes:

^{/1} General Chaiwat Satondee is the Chairman of the Subsidiary, Phol Water Co., Ltd.

^{/2} Miss Prapaipit Viriyabhupha is the Chairman of the Subsidiary, Phol Palladium Co., Ltd.

6 Information on employees

Number of employees of the Company and its subsidiaries as of December 31, 2022 amounts to total 201 as follows:

Department	Number of employees	
	2022	2021
1. Management	8	8
2. Internal Audit	1	1
3. Management and Organization Development Office	4	7
4. Business Development Office	1	-
5. Sales	69	72
6. Marketing	12	13
7. Procurement and Warehouse	40	39
8. Accounting and Finance	24	25
9. Human Resource	4	3
10. Information Technology	4	4
11. Branch Support Office	12	9
12. Sales and engineering	18	23
13. Contract Staffs	4	-
Total	201	204

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

Employees Compensation

The Company's and subsidiaries' employees are entitled to receive financial and non-financial remuneration, for instance, salary, annual bonus, overtime pay, commission, incentives, diligence allowance, special allowance, provident fund, life and health insurances, Work from Home allowance during the spread of COVID-19, as well as other welfares.

In 2022, the Company provided monetary compensation and non-monetary compensation for 110.51 MB and in 2021, the Company provided such compensation for 116.39 MB.

Provident Fund

The company registered the provident fund since 2008 with the objective of creating morale and encouragement for the employees to have the motivation for working with the company for the term terms and to support the saving mindset for the future. In addition, the company regularly provides the trainings about finance and investment to the employees and communicates the performance of provident funds so that the employees can use the information to manage their plan of provident fund by themselves based on the appropriate risk level that is acceptable. The Company has selected the fund manager that manages investment responsibly, with an awareness on the environmental, social and governance dimensions (ESG) to ensure that the funds are being operated with honesty and under the principle of good governance, taking into account maximum benefits of the Company's provident fund members in the long run.

In 2022, there were 196 employees joining the provident funds, accounted for 97.51% of the total employees

Human Resource Development Policy

The Company has the policy to develop staff members of all levels on a regular basis, to enhance knowledge, competencies and competitive potential among staff members that will lead to actual practices and the desired operating results for the Company to achieve the business objectives, as well as to accommodate future growth. The Company has developed the training plan and encouraged participation in activities for all staff members to equip them with the knowledge and working skills in different aspects. Details on human resource development are available in the Sustainability Report 2022.

7 Company Secretary

The Board of Directors' Meeting No. 5/2022 on June 23, 2022, there was the meeting resolution to appoint Ms. Kwandao Duangjan to be Company Secretary replacing Miss Saowapa Choorujiporn who retired, to perform duties specified under the authority to comply with the regulations and notifications of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission and Securities and Exchange Act B.E. 2551 (4th Amendment), perform duties in a responsible, careful and honesty, collaborate with internal units between the Board and Executive Management, oversee the legal and related regulations, provide information support the principles of good corporate governance for implementation, monitor to ensure that the resolutions of the Board's meeting and Shareholders' meeting are executed, as well as responsible to prepare and maintain the documents are required by law, and perform any other tasks delegated by the Board of Directors.

8 The Head of Internal Audit Department

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

9 The person assigned to take direct responsibility for accounting supervision

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

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

10 Investor Relation

The Company has provided Investor Relation to responsible an activities to communicate with shareholders, small investor, institutional investors, analysts and everyone who are interested, providing or disseminating company information disclosure according to the evens of the accounting period such as Annual Registration Statement and Annual Report, management discussion and analysis (MD&A), press release through SET Community Portal and on the Company's website including publishing information through media in order to equally keep all stakeholders informed. The Board of Director had prescribed Investor Relations Ethics as a guideline for oversight practices regarding "Equitable Treatment of Shareholders and Disclosure and Transparency" which shown on the Company's website: www.pdgth.com "Investor Relation"

Contact information

Miss Siriporn Ondee

Tel: 0-2791-0111 ext. 206

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

In 2022, the company published important information and activities as follows:

- Publication of Annual Registration Statement and Annual Report to reported summary of important information of the company for the year, including business operations overview, risk factor, corporate governance, etc.
- Publication of Management discussion and analysis (MD&A) and Summary Company Snapshot by quarterly and yearly basis through SET System (4 times)
- Press Release, Trend of business, Operating results and the Company's activities through the company's website and mass media (6 times)

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

11 Auditor's Fee

Auditor Appointment

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

Audit Fee

For the accounting period of 2022, the Company has reviewed and comments by Ms. Panita Chotesaengmaneekul Certified Public Accountant Number 9575 from "ANS Audit Co., Ltd." is the Company's Auditor, the said auditor signing the company's financial statement for 2019-2022 (4 fiscal years) of. The remuneration of the audit fee of the Company and its subsidiaries for the fiscal year 2022, 2021 and 2020 amounted 1,672,000 Baht, 1,630,000 Baht and 1,565,000 Baht respectively, which including audit fee of subsidiary company amounted 550,000 Baht, 535,000 Baht and 517,000 Baht respectively.

Non Audit Fee

In 2022, the Company and its subsidiaries was no others Audit fee.

Comparison of the Audit Fee

Audit Fee	2022	2021	2020
Audit Fee (Unit: Baht)			
1. Phol Dhanya Public Company Limited	1,122,000	1,095,000	1,048,000
2. PD Genesis Engineering Company Limited	5,000	5,000	5,000
3. Phol Palladium Company Limited	262,000	257,000	252,000
4. Phol Water Company Limited.	278,000	266,000	253,000
5. Pholdhanya (Cambodia) Co., Ltd.	5,000	7,000	7,000
Non Audit Fee	-	-	-
Total	1,672,000	1,630,000	1,565,000

Internal Control and Related Party Transactions

1 Internal Control Policy

The Board of Directors places significant focus on internal control to management process control system, in supervision all staff member each department to participates in the operation, provided appropriate resources allocation, determined the duties and responsibilities including authority of the operations. Separation of duties of the workers, controllers and approvers in order to ensure mutual cross-check and audit, both for financial and non-financial transactions that is reliable and timely, to properly ensure that it can be managed effectively in changing environment, including their supervision in accordance to achieving the Company's goals and objective.

The company established a good corporate governance policy, including other policies to be in accordance with the law and relevant with communicate to employee strictly adhere, including review regular audit report according to the principles of COSO 2013 , summarized as follows:

1. Control Environment

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

2. Risk Assessment

The risk management policy is one of the critical policies, with the objective of identifying, assessing and managing forecasted risks in an appropriate manner or at an acceptable level to encourage goal achievement for the Company. Risk management working group has been appointed to manage risks at the management level comprising of top-level executives of all business unit, with the Chief Executive Officer as the Chairman of the working group, evaluating internal and external risk factors that may impact business operations and create risk management culture in the organization. Determined risk management plans and measures that align with the organizational strategy and integrated to the operational level and monitored in a quarterly manner and reported to the Risk Management Committee and the Board of Directors for acknowledgement. It is also ensured that the sufficiency of the internal control system is properly evaluated.

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

3. Control Activities

The Company arranged for the control activities to properly manage risks to ensure they are in an acceptable level, determining policies and guidelines for proper and appropriate implementation, as well as the determination of operational control measures in the form of documents such as operating regulations, working method and operating manual as well as information technology security management, in line with the company's information technology security policy and procedure.

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

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

4. Information and Communication

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

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

5. Monitoring Activities

The Board of Directors follow up with the operating performance to ensure they are in accordance with the aspired targets. There were 9 Board of Directors' meetings held in 2022, whereby 1 meeting was held without the director in managerial position's presence. The management team holds a meeting on a monthly basis to follow up with the operating performance and benchmark against the targets and organizational strategies that were approved by the Board of Directors and to tackle problems that may arise and adjust the execution plan to suit the changing situations. The management also considers and provides advices in solving problems and reports the outcomes regularly, monitors the Internal Audit Division's performance reports quarterly to ensure that the internal control operations are effective and suitable for the changing environment. If any shortcomings are detected, the responsible person must identify the solution in a timely manner, while the management is accountable for ensuring compliance with the internal control system, and the Internal Audit Division is responsible for inspecting, following-up and reporting results independently to the Audit Committee on a quarterly manner to propose to the Board of Directors respectively.

The Board of Directors' Opinions on the Internal Control System

The Board of Directors' meeting no.1/2023, dated January 27, 2023, was attended by 6 independent directors, whereby 3 of which were members of the Audit Committee. They conducted an annual assessment of the sufficiency of the internal control system for 2022, with reference to the "Internal Control System Sufficiency Assessment Form" of the Securities and Exchange Commission, as a guideline in reviewing the Company's internal control system that adheres to the COSO Framework 2013, comprising of 5 components; control environment, risk assessment, control activities, information and communication and monitoring activities. The Board of Directors had an opinion in accordance with the opinions which have been considered by the Audit Committee. The Audit Committee agreed that the Company's and subsidiaries' internal control systems are sufficient and appropriate, with no significant shortcomings detected in the internal control operations.

The Board of Directors affirmed that the Company's internal control system calls for the staff members to comply with the laws, policies and practices related to transactions with stakeholders in a sufficient and appropriate manner, aligning with changing risks. The Company determined an appropriate management structure, sufficient staff members and advocates continuous human resource development, providing equipment and tools suitable including information technology system to support operations to achieve the goals and objectives organizational effectively.

In 2022, the company had the performance assessment of sufficient internal control system with the score of 96%. The Board of Directors provided comments and set the guidelines to improve the internal control system to be more efficient by supporting and encouraging the employees to have the culture of learning in order to perform the duties complying with ethics and good corporate governance policy.

Furthermore, the Company's auditor; ANS Audit Co., Ltd. by Ms. Panita Chotesaengmaneeekul, an auditor of the quarterly statement of financial position and the statement of financial position in 2022, did not identify any shortcomings regarding the internal control system.

Internal Audit

In order to implement good governance procedures, the Board of Directors has determined the Internal Audit division to report directly to the Audit Committee and to the Chief Executive Officer. Internal audit teams conduct the evaluation and improve the efficiency of internal control system, risk management system and corporate governance practices. They also support the operations in order to achieve the objectives and goals of the company and quarterly prepare the performance and audit reports including providing the key suggestions and improvements for the Audit Committee who presents to the Board of Directors for acknowledgement.

The Head of Internal Audit Department

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

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

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

In 2022, the Audit Committee appointed Dharmniti Internal Audit Company Limited as the external auditors who independently work with the company's internal audit to perform the annual performance audit for all company's departments approved by the Audit Committee.

2 Related Transactions

Connected Persons and Related Transactions

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

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

Summary of connected transactions with subsidiaries and related companies

Persons with possible conflict of interest	Transaction	Transaction Value (Baht)			Necessity and reasonability of the transaction
		2020	2021	2022	
1. Phol Palladium Co., Ltd. (Subsidiary)	- Investment in the Subsidiary	999,970	999,970	999,970	The Board of Directors approved an establishment of Phol Palladium Co., Ltd. to distribute occupational health and safety products to government agencies in order to reach and expand its customer base in this group <u>The Audit Committee's opinion</u> The transaction was the normal trading transaction.
	- The Company sold goods to the Subsidiary				
	Sale of goods	32,428,792	26,235,516	9,239,570	The Company sold goods to the Subsidiary as normal business operation with the policy of selling goods to the Subsidiary at the cost price with an additional profit of margin 5-15%
	Trade receivables in the Subsidiary	8,649,912	11,284,465	3,852,939	<u>The Audit Committee's opinion</u> The transaction was the normal trading transaction.
	- The Company purchased goods from the subsidiary	624,754	1,218,814	2,256,398	The Company purchased goods from the Subsidiary as normal business operation with the policy at the cost price with an additional profit of margin 5-15%
2. Phol Water Co., Ltd. (Subsidiary)	Purchases of goods	27,392	56,735	13,977	<u>The Audit Committee's opinion</u> The transaction was the normal trading transaction.
	Trade payables in the Subsidiary				
	-Other income				
	Management fee income	1,560,000	1,560,000	1,560,000	The Company charges management fee from subsidiary from use of personnel in the support departments of the Company for its operation, such as accounting, finance, human resources, information technology including the equipment of the Company amount to 130,000 baht per month
	Management fee receivable	139,100	-	-	<u>The Audit Committee's opinion</u> The transaction was reasonable; because it is the expense of the subsidiary which the company holds 99.99% of shares.
2. Phol Water Co., Ltd. (Subsidiary)	- Investment in the Subsidiary	49,999,970	49,999,970	49,999,970	The Board of Directors approved to establish the subsidiary company with objective of doing business regarding to the water management system for consumption. Since the financial performance of subsidiary is the net loss, the directors consider on having the allowance for impairment losses in the subsidiary according to the accounting standard. As of December 3, 2022, the total equity of the subsidiary was around THB 218,010.
	Allowance for impairment	45,594,639	45,594,639	49,999,970	<u>The Audit Committee's opinion</u>
	Net-Investment in the Subsidiary	4,405,332	4,405,332	-	The provision was in accordance with the accounting standard

Persons with possible conflict of interest	Transaction	Transaction Value (Baht)			Necessity and reasonability of the transaction
		2020	2021	2022	
2. Phol Water Co., Ltd. (Subsidiary)	- The Company sold goods to the Subsidiary Sale of goods	2,225,191	1,004,718	94,936	The Company sold goods to the Subsidiary as normal business operation with the policy of selling goods to the Subsidiary at the cost price with an additional profit of margin 5-15% <u>The Audit Committee's opinion</u> The transaction was the normal trading transaction.
	Trade receivables in the Subsidiary	19,002	544,534	7,544	
	- The Company sold fixed asset to the Subsidiary	-	467,290	-	The Company sold the assets to the Subsidiary at mutually agreed price according to the condition of the assets, which is normal business operation. <u>The Audit Committee's opinion</u> The transaction was the normal business transaction and does not affect the consolidated financial statements of the Company and its subsidiaries
	- The Company purchased goods and services from the subsidiary	-	14,133	-	
	- Cost of water treatment system installation	-	-	1,254,140	The company hired the subsidiary to provide services for wastewater treatment, which is a main business, at the price agreed in the contract. <u>The Audit Committee's opinion</u> The transaction was the normal trading transaction.
	- Short-term loans-Promissory Note	6,000,000	7,000,000	25,876,000	
	Promissory Note	2,000,000	5,000,000	17,676,000	The company provided short-term loans to the Subsidiary by issuing a promissory note to use for working capital in operation, which is repayable at call and with interest rate 4.625 - 4.70 per annum. <u>The Audit Committee's opinion</u> To support for a subsidiary in which the Company holds 99.99% of shares.
	Short-term loans receivable	-	-	-	
	Long-term Loan	3,000,000	2,000,000	2,000,000	The Company reconsidered short-term loan to the subsidiary and intends not to call for repayment within one year. Therefore, it is classified to long-term loan to related party. <u>The Audit Committee's opinion</u> To support for a subsidiary in which the Company holds 99.99% of shares.
	Long-term loans receivable	-	2,000,000	2,000,000	
	Interest	212,079	168,041	944,471	
	Interest receivable	-	901	2,493	

Persons with possible conflict of interest	Transaction	Transaction Value (Baht)			Necessity and reasonability of the transaction
		2020	2021	2022	
2. Phol Water Co., Ltd. (Subsidiary)	Management fee income	1,800,000	1,800,000	1,800,000	<p>The Company charges management fee from subsidiary from use of personnel in the support departments of the Company for its operation, such as accounting, finance, human resources, information technology including the equipment of the Company amount to 150,000 baht per month</p> <p><u>The Audit Committee's opinion</u></p> <p>The transaction was reasonable; because it is the expense of the subsidiary which the company holds 99.99% of shares.</p>
	Management fee receivable	160,500	-	-	
	Rental income for water treatment system	720,000	300,000	-	
	Rental receivable	64,200	-	-	
	- Other receivable	-	520,000	-	
3. PD Genesis Engineering Co., Ltd. (Subsidiary)	- Repair and maintenance expenses	-	9,200	5,400	<p>The Company hired a subsidiary to replace the water purifier filter in the office at the agreed price.</p> <p><u>The Audit Committee's opinion</u></p> <p>The transaction was the normal trading transaction.</p>
	- Investment in the Subsidiary	11,500,000	11,500,000	11,500,000	
	Allowance for Impairment	11,500,000	11,500,000	11,500,000	
	Net investment in the Subsidiary	-	-	-	
	- Short-term loan to the subsidiary	5,000,000	5,000,000	5,000,000	
	Less Allowance for doubtful accounts	5,000,000	5,000,000	5,000,000	<p>The subsidiary's earnings reported loss and cessation of business operations and under the process of liquidation. In order to be in accordance with the accounting standard, there was a necessity to have a full allowance of impairment and allowance for doubtful accounts following the loss earnings over capital.</p> <p><u>The Audit Committee's opinion</u></p> <p>The provision was in accordance with the accounting standard.</p>
	Net Short-term loan to the subsidiary	-	-	-	
	- Interest income	126,278	126,278	126,278	
	Less Allowance for doubtful accounts	126,278	126,278	126,278	
	Net Interest income	-	-	-	

Persons with possible conflict of interest	Transaction	Transaction Value (Baht)			Necessity and reasonability of the transaction
		2020	2021	2022	
4. Pholdhanya (Cambodia) Co., Ltd. (Subsidiary)	- Investment in the Subsidiary Allowance for Impairment	6,770,686	6,770,686	6,770,686	The subsidiary reported loss earnings over capital, in order to be in accordance with the accounting standard, there was a necessity to have an allowance of impairment. <u>The Audit Committee's opinion</u> The provision was in accordance with the accounting standard.
	Net investment in the Subsidiary	-	-	-	
	- Trade receivables in the Subsidiary Less Allowance for doubtful accounts Trade receivables in the Subsidiary-net	3,236,540 3,236,540 -	3,598,376 3,598,376 -	3,720,905 3,720,905 -	
	- The Company purchased goods from the Subsidiary	67,040	-	-	The Company purchased goods from the Subsidiary at cost price to use for the water treatment project. <u>The Audit Committee's opinion</u> The transaction was the normal trading transaction.
	- Other receivable	3,478,805	3,478,805	3,766,675	
	Less Allowance for doubtful accounts Other receivable-net	3,478,805 -	3,478,805 -	3,766,675 -	
5. B&P Agri Product Co.,Ltd. (Related Company)	- The subsidiary of the Company sold goods to the related company	22,250	3,000	20,750	The subsidiary of the Company (Phol Water Co.,Ltd.) sold goods to the related company at the market price, which is normal business operation. <u>The Audit Committee's opinion</u> The transaction was the normal trading transaction with market price.
	- The subsidiary of the Company sold goods to the related company	-	537,068	620,410	
6. Thai Biotex Co., Ltd.					

Persons with possible conflict of interest	Transaction	Transaction Value (Baht)			Necessity and reasonability of the transaction
		2020	2021	2022	
7. Loy Phol Joint Venture	- Investment in joint ventures	-	-	8,000,000	Phol Water Co, Ltd, does a joint venture business with Loy Corp Company Limited, named Loy Phol Joint Venture with the objective to have the waste management project in Ban Kraud municipality with the investment capital of THB 8 million <u>The Audit Committee's opinion</u> It is the joint venture business according to the investment condition
	- Short-term loans to joint ventures	-	-	2,940,000	The short-term loan as per the joint venture agreement with amount of THB 3 million and interest rate of 10% per year
	- Interest	-	-	122,500	<u>The Audit Committee's opinion</u>
	- Interest receivable	-	-	49,000	It's normal transactions according to the joint venture agreement
8. Phol SK Joint Venture	- Other receivable	-	-	119,100.00	Operating expense (Guarantee Fee) that subsidiary paid for the joint venture company and claimed back later is considered a normal operation <u>The Audit Committee's opinion</u> It's normal transactions according to the joint venture agreement
	- Investment in joint ventures	-	-	2,000,000	Phol Water Co,Ltd, the company's subsidiary does a joint venture business with SK Tech 99 Company Limited, namely SK Joint Venture with the objective to construct the water distribution system by using solar, Department of Water Resources with the investment capital of THB 2 million. <u>The Audit Committee's opinion</u> It is the joint venture business according to the investment condition
	- Short-term loans to joint ventures	-	-	1,550,000	The short-term loan as per joint venture agreement with amount of THB 1 million and interest rate of 15% per year
	- Interest	-	-	57,329	<u>The Audit Committee's opinion</u> It is the joint venture business according to the investment condition

Procedures of the Approval of the Transaction

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

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

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

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

Future Connected Transaction Policy

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

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

The Company will footnote the connected transaction to the financial statement audited by the Company's auditor and disclose the related-party transactions or connected transactions in annual registration statement and annual report (Form 56-1 One Report)

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

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

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

Other Information

Other references

- **Registrar**

Thailand Securities Depository Co., Ltd.

The Stock Exchange of Thailand Building

93 Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400

Tel 66(0)-2009-9999

Fax 66(0)-2009-9991

Website: www.set.or.th/tsd

- **Auditor**

ANS Audit Co., Ltd

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

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

Website: www.ans.co.th

- **Legal Advisor**

Dherakupt Law Office Ltd.

546 Univest Complex 15th Floor, Rachadapisek Road, Chandrakasem, Jatuchak, Bangkok 10900

Tel 66(0)-2511-1512

Fax 66(0)-2938-1957

Website: www.dherakupt-law.co.th

Legal disputes

As of December 31, 2022, the Company has no legal disputes that may have a significant negative impact on the Company's business. And the company has no legal disputes that may negatively affect the assets of the Company at an amount higher than 5 percent of the shareholders' equity.

PART

3

Financial Statements

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

Report of Board of Director's Responsibilities to Financial Statement

Dear Shareholders

The Board of Directors recognize duties and responsibilities as Director of listed company The Board of Directors is responsible to the financial statements of the Company and its subsidiaries including financial information that appears in the 2022 Annual Registration Statement/Annual Report (56-1 One Report) which were prepared in consistent with the financial reporting standards. The financial statements were prepared in accordance with generally accepted accounting standards by consistently adopting appropriate accounting policies and practices, careful discretion, and rational reporting in the preparation. Furthermore, the significant information was disclosed in the notes to the financial statements according to the auditor's report for the benefits of shareholders and investors.

The Board of Directors maintained good corporate governance as well as the effective risk management and internal control systems to ensure that accounting records are accurate, completed, and adequate to maintain the assets of the company as well as to prevent corruption or conducting a transaction that is significantly. And appointed the Audit Committee, consisting of independent directors to responsible on the quality of financial statement reports and internal control system. The opinion of Audit Committee shown in report of Audit Committee.

The Board of Directors opined that the internal control system and internal audit which could relate to the reliability of the consolidated financial statements of Phol Dhanya Public Company Limited and its subsidiaries for the year ended December 31, 2022 in which the auditors have audited and provided the comments in the auditor's report of which was also shown in the 2022 Annual Registration Statement/Annual Report (56-1 One Report).



(Assoc. Prof. Dr. Ekachidd Chungcharoen)

Chairman of the Board



(Mr. Boonchai Suwanvutthiwat)

Chief Executive Officer

Independent Auditor's Report

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

Opinion

I have audited the consolidated and separate financial statements of Phol Dhanya Public Company Limited and its subsidiaries, and of Phol Dhanya Public Company Limited, respectively, which comprise the consolidated and separate statements of financial position as at December 31, 2022, the consolidated and separate statements of comprehensive income, statements of changes in shareholders' equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements referred to above present fairly, in all material respects, the consolidated and separate financial position of the Phol Dhanya Public Company Limited and its subsidiaries, and of Phol Dhanya Public Company Limited, respectively, as at December 31, 2022, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

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

Key Audit Matters

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

Provision for devaluation of inventories

Risk

According to Notes to Financial Statement No. 8, the Group had inventories as at December 31, 2022 of Baht 255.83 million. I focused on this area because the determination of the appropriateness of the provision for devaluation of inventories involves significant judgment by Management.

Auditor's Response

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

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

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of Financial Statements

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

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

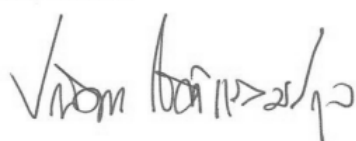
- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion.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

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

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

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

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



Panita Chotesaengmaneeikul
 Certified Public Accountant
 Registration Number 9575

ANS Audit Company Limited
 Bangkok, February 17, 2023

Financial Statement and Note to Financial Statement

PHOL DHANYA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2022

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2022	2021	2022	2021
Assets					
Current assets					
Cash and cash equivalents	6	53,553,517.86	58,712,095.46	47,989,555.24	48,931,526.80
Trade and other current receivables - net	5, 7	152,119,046.95	178,851,940.88	137,878,609.39	161,600,265.14
Short-term loans to related parties - net	5	2,940,000.00	-	17,676,000.00	5,000,000.00
Current portion of long-term loans to employees	13	1,423,869.90	1,397,954.18	1,345,721.90	1,312,810.17
Inventories - net	8	245,309,716.55	222,164,870.44	222,767,468.45	203,261,252.96
Current tax assets		606,362.05	541,733.05	-	-
Total current assets		455,952,513.31	461,668,594.01	427,657,354.98	420,105,855.07
Non-current assets					
Deposits at bank pledged as collateral	9, 29	30,555,759.57	30,525,528.08	30,555,759.57	30,525,528.08
Investment in subsidiaries - net	10	-	-	999,970.00	5,405,301.42
Investment in joint ventures	11	9,732,736.57	-	-	-
Long-term loans to employees - net	13	1,029,408.14	552,085.07	957,146.80	525,494.35
Long-term loan to related party	5	-	-	2,000,000.00	2,000,000.00
Investment properties - net	14	4,435,131.66	4,855,799.56	4,435,131.66	4,855,799.56
Property, plant and equipment - net	15	89,421,103.18	92,913,427.26	87,579,565.10	90,674,419.20
Right-of-use assets - net	16	5,969,360.11	3,238,033.69	5,969,360.11	3,238,033.69
Intangible assets - net		875,350.26	1,078,593.51	875,340.26	1,078,583.51
Deferred tax assets - net	17	40,804,259.06	41,375,585.55	38,509,195.08	39,212,122.84
Other non-current assets		43,028.04	22,000.00	43,028.04	22,000.00
Total non-current assets		182,866,136.59	174,561,052.72	171,924,496.62	177,537,282.65
Total assets		638,818,649.90	636,229,646.73	599,581,851.60	597,643,137.72

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

PHOL DHANYA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2022

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	18	104,534,433.38	61,724,120.32	104,534,433.38	61,724,120.32
Trade and other current payables	5, 19	126,694,371.97	165,031,528.01	109,762,325.50	150,460,049.61
Current portion of long-term loan from financial institution	20	615,000.00	7,140,000.00	615,000.00	7,140,000.00
Current portion of lease liabilities	21	1,836,609.30	726,652.22	1,836,609.30	726,652.22
Current income tax payable		6,020,614.75	9,110,275.01	6,020,614.75	8,295,819.69
Provision for constructions and service contracts		2,192,197.21	2,574,363.48	1,688,834.82	1,774,834.82
Total current liabilities		241,893,226.61	246,306,939.04	224,457,817.75	230,121,476.66
Non-current liabilities					
Long-term loan from financial institution - net	20	-	615,000.00	-	615,000.00
Lease liabilities - net	21	3,068,155.21	1,605,749.50	3,068,155.21	1,605,749.50
Non-current provisions for employee benefit	22	40,291,463.21	39,422,231.00	36,300,206.88	35,755,840.55
Derivative liabilities	30, 31	964.16	114,481.81	964.16	114,481.81
Total non-current liabilities		43,360,582.58	41,757,462.31	39,369,326.25	38,091,071.86
Total liabilities		285,253,809.19	288,064,401.35	263,827,144.00	268,212,548.52

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

PHOL DHANYA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2022

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
Shareholders' equity					
Share capital					
Authorised share capital					
202,500,232 ordinary shares, Baht 1 par value		202,500,232.00	202,500,232.00	202,500,232.00	202,500,232.00
Issued and paid-up share capital					
202,500,232 ordinary shares, Baht 1 par value		202,500,232.00	202,500,232.00	202,500,232.00	202,500,232.00
Premium					
Premium on share capital		64,784,767.88	64,784,767.88	64,784,767.88	64,784,767.88
Deficit from the change in the ownership interests		(2,187,236.26)	(2,187,236.26)	-	-
Retained earnings					
Appropriated to legal reserve	23	11,912,000.00	9,166,000.00	11,912,000.00	9,166,000.00
Unappropriated		77,498,053.14	74,801,493.48	56,557,707.72	52,979,589.32
Other component of shareholders' equity		359,666.72	402,631.05	-	-
Total shareholders' equity of the Company		354,867,483.48	349,467,888.15	335,754,707.60	329,430,589.20
Non-controlling interests		(1,302,642.77)	(1,302,642.77)	-	-
Total shareholders' equity		353,564,840.71	348,165,245.38	335,754,707.60	329,430,589.20
Total liabilities and shareholders' equity		638,818,649.90	636,229,646.73	599,581,851.60	597,643,137.72

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

PHOL DHANYA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2022

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2022	2021	2022	2021
5, 25, 28					
Revenues					
	Revenue from sales	984,355,495.18	1,203,450,030.14	920,859,288.96	1,098,840,950.63
	Revenue from rendering of services	14,830,388.22	22,309,799.73	2,923,975.00	3,801,362.00
	Revenue of water treatment system installation	1,292,928.00	-	1,292,928.00	-
	Total revenues	1,000,478,811.40	1,225,759,829.87	925,076,191.96	1,102,642,312.63
Costs					
	Cost of sales	(732,115,370.66)	(921,752,978.87)	(680,132,439.13)	(837,250,249.99)
	Cost of rendering of services	(9,492,906.62)	(16,419,079.23)	(445,152.90)	(1,307,296.74)
	Cost of water treatment system installation	(1,132,592.00)	-	(1,254,140.16)	-
	Total costs	(742,740,869.28)	(938,172,058.10)	(681,831,732.19)	(838,557,546.73)
	Gross profit	257,737,942.12	287,587,771.77	243,244,459.77	264,084,765.90
	Other income	2,857,184.23	4,063,578.11	6,354,719.60	7,507,258.57
	Distribution cost	(93,008,387.84)	(92,610,643.47)	(83,386,877.99)	(83,377,130.49)
	Administrative expenses	(93,189,935.57)	(96,512,362.24)	(86,778,221.61)	(89,740,651.01)
	Loss on exchange rate - net	(1,490,166.12)	(2,642,796.25)	(1,457,872.22)	(2,725,215.50)
	Loss on impairment of investment in subsidiary	10	-	(4,405,331.42)	-
	Profit from operating activities	72,906,636.82	99,885,547.92	73,570,876.13	95,749,027.47
	Finance costs	(2,819,630.07)	(2,761,493.05)	(2,819,630.07)	(2,761,493.05)
	Loss arising from bad debt of trade and other receivables	-	(700,917.27)	-	(700,917.27)
	Reversal of allowance for credit loss (credit loss)				
	on trade and other current receivables - net	(1,166,470.23)	5,810,919.23	(1,093,212.96)	5,782,919.23
	Share of loss from investment in joint ventures	11	(267,263.43)	-	-
	Profit before income tax	68,653,273.09	102,234,056.83	69,658,033.10	98,069,536.38
	Income tax expenses	26	(14,617,953.75)	(14,741,155.02)	(18,828,631.77)
	Profit for the year	54,035,319.34	81,890,606.32	54,916,878.08	79,240,904.61
Other comprehensive income (loss)					
<i>Items that may be reclassified subsequently to profit or loss</i>					
	Exchange differences on translating financial statements				
	of foreign operation	(42,964.33)	(127,207.71)	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent year</i>					
	Actuarial gains - net from tax	-	-	-	344,282.98
	Other comprehensive income (loss) for the year	(42,964.33)	(127,207.71)	-	344,282.98
	Total comprehensive income for the year	53,992,355.01	81,763,398.61	54,916,878.08	79,585,187.59

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

PHOL DHANYA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2022

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2022	2021	2022	2021
Profit attributable to:					
	Equity holders of the Company	54,035,319.34	81,890,606.32	54,916,878.08	79,240,904.61
	Non-controlling interests	-	-	-	-
		54,035,319.34	81,890,606.32	54,916,878.08	79,240,904.61
Total comprehensive income attributable to:					
	Equity holders of the Company	53,992,355.01	81,763,398.61	54,916,878.08	79,585,187.59
	Non-controlling interests	-	-	-	-
		53,992,355.01	81,763,398.61	54,916,878.08	79,585,187.59
Earnings per share					
	Basic earnings per share (Baht)	0.27	0.40	0.27	0.39
	Weighted average number of ordinary shares (Shares)	202,500,232	202,500,232	202,500,232	202,500,232

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

PHOL DHANYA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2022

Unit: Baht

Consolidated financial statements										
Equity attributable to shareholders' equity of the Company										
Notes	Issued and paid-up share capital	Premium on share capital	Deficit from the Change in the ownership interests in subsidiary	Retained earnings		Other component of shareholders' equity				Total Shareholders' Equity
				Appropriated to legal reserve	Unappropriated	Translating financial statements	component of shareholders'	Total	Non-controlling interests	
Balance as at January 1, 2022	202,500,232.00	64,784,767.88	(2,187,236.26)	9,166,000.00	74,801,493.48	402,631.05	402,631.05	349,467,888.15	(1,302,642.77)	348,165,245.38
Changes in shareholders' equity for the year										
Legal reserve	-	-	-	2,746,000.00	(2,746,000.00)	-	-	-	-	-
Dividend paid	-	-	-	-	(48,592,759.68)	-	-	(48,592,759.68)	-	(48,592,759.68)
Total comprehensive income for the year	-	-	-	-	54,035,319.34	(42,964.33)	(42,964.33)	53,992,355.01	-	53,992,355.01
Balance as at December 31, 2022	202,500,232.00	64,784,767.88	(2,187,236.26)	11,912,000.00	77,498,053.14	359,666.72	359,666.72	354,867,483.48	(1,302,642.77)	353,564,840.71
Balance as at January 1, 2021	202,500,232.00	64,784,767.88	(2,187,236.26)	5,203,000.00	57,623,956.76	529,838.76	529,838.76	328,454,559.14	(1,302,642.77)	327,151,916.37
Changes in shareholders' equity for the year										
Legal reserve	-	-	-	3,963,000.00	(3,963,000.00)	-	-	-	-	-
Dividend paid	-	-	-	-	(60,750,069.60)	-	-	(60,750,069.60)	-	(60,750,069.60)
Total comprehensive income for the year	-	-	-	-	81,890,606.32	(127,207.71)	(127,207.71)	81,763,398.61	-	81,763,398.61
Balance as at December 31, 2021	202,500,232.00	64,784,767.88	(2,187,236.26)	9,166,000.00	74,801,493.48	402,631.05	402,631.05	349,467,888.15	(1,302,642.77)	348,165,245.38

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

PHOL DHANYA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2022

Unit: Baht

		Separate financial statements					
		Retained earnings			Other component of shareholders' equity		
Notes	Issued and paid-up share capital	Premium on share capital	Appropriated to legal reserve	Unappropriated	Actuarial gains (loss) - net	Total other component of shareholders' equity	Total
Balance as at January 1, 2022	202,500,232.00	64,784,767.88	9,166,000.00	52,979,589.32	-	-	329,430,589.20
Changes in shareholders' equity for the year							
Legal reserve	23	-	2,746,000.00	(2,746,000.00)	-	-	-
Dividend paid	24	-	-	(48,592,759.68)	-	-	(48,592,759.68)
Total comprehensive income for the year		-	-	54,916,878.08	-	-	54,916,878.08
Balance as at December 31, 2022	202,500,232.00	64,784,767.88	11,912,000.00	56,557,707.72	-	-	335,754,707.60
Balance as at January 1, 2021	202,500,232.00	64,784,767.88	5,203,000.00	38,107,471.33	-	-	310,595,471.21
Changes in shareholders' equity for the year							
Legal reserve	23	-	3,963,000.00	(3,963,000.00)	-	-	-
Dividend paid	24	-	-	(60,750,069.60)	-	-	(60,750,069.60)
Total comprehensive income for the year		-	-	79,240,904.61	344,282.98	344,282.98	79,585,187.59
Transfer to retained earnings		-	-	344,282.98	(344,282.98)	(344,282.98)	-
Balance as at December 31, 2021	202,500,232.00	64,784,767.88	9,166,000.00	52,979,589.32	-	-	329,430,589.20

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

PHOL DHANYA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2022

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash flows from operating activities:				
Net profit	54,035,319.34	81,890,606.32	54,916,878.08	79,240,904.61
Adjustment to reconcile net profit to net cash by				
(used in) operating activities				
Income tax expenses	14,617,953.75	20,343,450.51	14,741,155.02	18,828,631.77
Loss on bad debt written off - trade and other receivables	-	700,917.27	-	700,917.27
Credit loss on trade receivable	1,252,618.44	51,659.60	1,172,618.44	51,659.60
Reversal of allowance for credit loss on trade and other current receivables	(86,148.21)	(5,862,578.83)	(79,405.48)	(5,834,578.83)
Loss on diminution in value of inventories	11,386,666.66	14,907,375.51	9,096,024.67	12,031,005.15
Loss from destruction of inventories	2,799,828.61	-	2,600,049.74	-
Reversal of allowance for diminution in value of inventories	(16,905,074.88)	(9,147,331.74)	(14,115,662.59)	(9,092,929.76)
Depreciation and amortisation	8,205,463.03	8,368,493.79	7,634,572.32	8,092,279.46
(Gain) loss on disposal and write-off of fixed assets	2,227.03	21,587.14	(8,016.73)	(442,688.19)
Gain on forgiveness of debt	-	(500,000.00)	-	-
Employee benefit expenses	2,955,432.21	2,961,740.00	2,630,566.33	2,646,831.27
Unrealised (gain) loss on exchange rate	(1,243,184.28)	744,199.55	(1,112,021.33)	670,607.34
Fair value adjustments to derivatives	(46,580.20)	(396,181.31)	(46,580.20)	(396,181.31)
Loss on impairment of investment in subsidiary	-	-	4,405,331.42	-
Reversal of provision for project warranty	(382,166.27)	(98,982.53)	(86,000.00)	(194,160.32)
Share of loss from investment in joint ventures	267,263.43	-	-	-
Interest income	(905,648.13)	(370,022.26)	(1,255,315.04)	(492,390.74)
Interest expenses	2,819,630.07	2,761,493.05	2,819,630.07	2,761,493.05
Profit from operations before changes in operating				
assets and liabilities	78,773,600.60	116,376,426.07	83,313,824.72	108,571,400.37
Operating assets (increase) decrease				
Trade and other current receivables	26,066,431.29	5,497,048.87	22,633,422.87	7,343,387.59
Inventories	(20,426,266.50)	(72,422,796.80)	(17,086,627.31)	(57,603,407.40)
Other non-current assets	(21,028.04)	-	(21,028.04)	-
Operating liabilities increase (decrease)				
Trade and other current payables	(37,240,449.63)	3,812,860.38	(39,730,588.83)	7,747,499.73
Other non-current liabilities	-	(148,530.00)	-	(148,530.00)
Cash received from operating activities	47,152,287.72	53,115,008.52	49,109,003.41	65,910,350.29
Cash payment for employee benefits	(2,086,200.00)	(1,309,383.00)	(2,086,200.00)	(1,309,383.00)
Cash received from income tax return	95,705.54	692,429.25	-	-
Cash paid for corporate income tax	(17,742,649.57)	(17,186,678.85)	(16,313,432.20)	(14,042,593.61)
Net cash from operating activities	27,419,143.69	35,311,375.92	30,709,371.21	50,558,373.68

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

PHOL DHANYA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2022

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash flows from investing activities:				
Increase deposits at bank pledged as collateral	(30,231.49)	(30,201.59)	(30,231.49)	(30,201.59)
Cash payment for short-term loans to related parties	(4,490,000.00)	-	(25,876,000.00)	(6,000,000.00)
Cash receipt from short-term loans to related party	1,550,000.00	-	13,200,000.00	1,000,000.00
(Increase) decrease in loan to employees	(503,238.79)	225,390.21	(464,564.18)	111,939.35
Proceeds from sales of fixed assets	250,921.51	21,448.60	250,921.51	481,869.16
Acquisition of fixed assets	(3,449,743.08)	(4,732,987.64)	(3,266,078.59)	(2,673,626.01)
Acquisition of intangible assets	(223,959.68)	(490,000.00)	(223,959.68)	(490,000.00)
Cash payment for investment in joint ventures	(10,000,000.00)	-	-	-
Interest received	856,648.13	370,022.26	1,255,315.04	492,390.74
Net cash used in investing activities	(16,039,603.40)	(4,636,328.16)	(15,154,597.39)	(7,107,628.35)
Cash flows from financing activities:				
Increase in short-term loans from financial institutions	42,810,313.06	7,125,240.40	42,810,313.06	7,125,240.40
Repayment of long-term loans from financial institutions	(7,140,000.00)	(7,140,000.00)	(7,140,000.00)	(7,140,000.00)
Repayment of lease liabilities	(667,696.99)	(798,568.00)	(667,696.99)	(798,568.00)
Interest paid	(2,953,282.06)	(2,665,342.32)	(2,954,873.88)	(2,665,342.32)
Dividend paid	(48,544,487.57)	(60,742,336.49)	(48,544,487.57)	(60,742,336.49)
Net cash used in financing activities	(16,495,153.56)	(64,221,006.41)	(16,496,745.38)	(64,221,006.41)
Net decrease in cash and cash equivalents	(5,115,613.27)	(33,545,958.65)	(941,971.56)	(20,770,261.08)
Exchange differences on translating financial statements				
of foreign operation	(42,964.33)	(127,211.09)	-	-
Cash and cash equivalents at beginning of the year	58,712,095.46	92,385,265.20	48,931,526.80	69,701,787.88
Cash and cash equivalents at end of the year	53,553,517.86	58,712,095.46	47,989,555.24	48,931,526.80
Supplemental cash flow information				
Non-cash transactions				
Right-of-use assets increased by lease liabilities	3,400,000.00	1,205,598.42	3,400,000.00	1,205,598.42
Prepaid expense increased by lease liabilities	-	422,400.00	-	422,400.00
Transfer right-of-use assets to property, plant and equipment	-	338,404.86	-	338,404.86

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

PHOL DHANYA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

1. GENERAL INFORMATION

- 1.1 Phol Dhanya Public Company Limited (“the Company”) was incorporated and domiciled in Thailand on January 4, 1961 and became a public company limited on April 30, 2008. The Company was listed on the Stock Exchange of Thailand on December 9, 2010.
- 1.2 The address of its registered office and branches are as follows:
 - 1.2.1 Head office: 1/11 Moo 3 Lamlukka Road, Tambol Ladsawai, Amphur Lamlukka, Pathumthani.
 - 1.2.2 Rayong branch: 155/213 Tambol Thupma, Muang Rayong, Rayong.
 - 1.2.3 Chiangmai branch: 47/55-57 Chotana Road, Changphueak, Muang Chiangmai, Chiangmai.
- 1.3 The Company engages in a trading business, i. e. distribution of occupational safety, health and environmental products and the distribution, production and servicing of water treatment systems.
- 1.4 The Company has the following four subsidiaries:
 - 1.4.1 PD Genesis Engineering Co., Ltd., which engages in Water Treatment Systems. The Company held 76.67% of its share capital. This subsidiary was registered to be dissolved with Ministry of Commerce on November 7, 2013. The current status of the subsidiary is defunct.
 - 1.4.2 Phol Palladium Co., Ltd., which was registered with Ministry of Commerce on January 22, 2013 to engage in government bidding related to occupational safety, health and environmental products to facilitate the Company’s business. The Company held 99.99% of its share capital.
 - 1.4.3 Phol Dhanya (Cambodia) Co., Ltd., which was registered with Ministry of Commerce of Cambodia on September 5, 2013 to engage in water treatment equipment and systems for the consumer and concessions for water supply to the community in Cambodia. The Company held 100% of its share capital. Currently, the Company has ceased its business operations and under the process of dissolution of its company.
 - 1.4.4 Phol Water Co., Ltd., which was registered with Ministry of Commerce on March 17, 2014 to engage production, designing, construction and distribution of machinery systems and equipments for water treatment systems. The Company held 99.99% of its share capital.
- 1.5 The major shareholders of the Company are Wangthamrong family and Jarutangtrong family.

2. BASIS FOR PRESENTATION OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

Basis of preparation of consolidation financial statements

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

Subsidiaries	Countries	Business Type	Percentage of holding (%)	
			2022	2021
PD Genesis Engineering Co., Ltd.	Thailand	Cessation of business operations and under the status of being defunct	76.67	76.67
Phol Palladium Co., Ltd.	Thailand	Government bidding	99.99	99.99
Phol Dhanya (Cambodia) Co., Ltd.	Cambodia	Cessation of business operations	100.00	100.00
Phol Water Co., Ltd.	Thailand	Production, designing, construction and distribution of machinery systems and equipments for water treatment systems	99.99	99.99

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

3. NEW FINANCIAL REPORTING STANDARDS

3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised and new financial reporting standards and interpretations which are effective for fiscal periods 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 providing accounting guidance for users of the standards.

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

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after January 1, 2023

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, 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, for some standards, providing temporary reliefs or temporary exemptions for users.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue and expenses recognition

Sales of goods

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

Revenue and cost the water treatment system installation contracts

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

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

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

Contract assets and contract liabilities

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

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

Other services revenue

Other service revenue is recognised when services have been rendered.

Interest income and other income

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

Expenses

Expense is recognised in profit or loss on accrual basis.

Cash and cash equivalents

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

Trade receivables

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

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

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

Financial assets and financial liabilities

Classification and measurement of financial assets and financial liabilities

Classification

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

The Group classifies its financial assets in the following categories:

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

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

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

Measurement

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

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

- *Amortised cost:* A financial asset will be measured at amortised cost when the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows. In addition, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in financial income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented in profit or loss.
- *FVOCI:* A financial asset will be measured at FVOCI when it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. In addition, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and related foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised on other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of comprehensive income.

- *FVPL*: A asset that does not meet the criteria for amortised cost or FVOCI is measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

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

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

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

Impairment

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

Inventories

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

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

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

Investment

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

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

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

Investment in joint venture

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

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

Property, plant and equipment

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

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

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

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

Investment property

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

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

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

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

Depreciation

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

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

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

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

Intangible assets and amortisation

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

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

Amortisation is included in determining operating result.

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

	Useful life (years)
Computer softwares	5

Impairment of assets

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

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

Employee benefits

Short-term benefits

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

Post-employment benefits - defined contribution plan

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

Post-employment benefits - defined benefit plan and other long-term employee benefits

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

When the actuarial assumptions are changed, the Group recognizes actuarial gains and losses arising from defined benefit plans in other comprehensive income and recognises actuarial gains and losses arising from other long-term benefits in profit or loss in the period in which they arise.

Lease

Leases - where the Group is the lessee

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

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

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

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

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

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

Short-term leases and Leases of low-value assets

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

Leases - where the Group is the lessor

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

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

Foreign currencies

Functional and presentation currency

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

Foreign currency transactions

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

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

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

Translation of the Group's financial statements

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

- The Group's assets and liabilities are translated at the closing rate as at the end of reporting period date.

- The Group's revenues and expenses are translated at the average exchange rates during the periods which are approximate the exchange rates at the dates of transactions; and
- Share capital is translated at historical rates.

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

Related party transactions

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

They also include associated companies and individuals which directly or indirectly own a voting interest in the Group that gives them significant influence over the Group and the Company, key management personnel, directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

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

Provisions

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

Income tax

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

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for the following temporary differences:

- differences relating to investments in subsidiaries and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

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

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

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

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at the end of reporting period date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Earnings per share

The calculations of basic earnings per share for the year were based on the profit for the year attributable to equity holders divided by the weighted average number of ordinary shares held by outsiders outstanding during the year. The calculations of diluted earnings per share for the year were based on the weighted average number of ordinary shares on the assumption that all dilutive potential ordinary shares have been converted to ordinary shares.

Fair value measurement

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

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

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

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

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

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

Significant accounting judgments and estimates

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

Allowance for expected credit losses of trade receivables

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

Allowance for diminution in value of inventory

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

Investment properties, property, plant and equipment and right-of-use assets/Depreciation

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

In addition, the management is required to review investment properties, and property, plant and equipment and right-of-use assets for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

Retirement employee benefits

The Group has commitments on retirement/long service benefits to employees under the Thai Labour Law and company's policy. The amount of provision presented in the statement of financial position represents the present value of employee benefit obligations which is determined on an actuarial basis using various assumptions. The assumptions used in determining the net period cost for employee benefits includes the discount rate, the rate of salary inflation and employee turnover and others. Any changes in these assumptions will impact the net periodic cost recorded for employee benefits. On an annual basis the Group determines those assumptions i.e. the appropriate discount rate, which should represent the interest rate that should be used to determine the present value of future cash flows currently expected to be required to settle the employee benefits. In determining the appropriate discount rate, the Group considers the current yields on long-term government bonds.

Fair valuation of financial assets and derivatives

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

5. RELATED PARTY TRANSACTIONS

Related parties are those parties linked to the Group as shareholders or by common shareholders or directors. Transactions with related parties are conducted at prices based on market prices or, where no market price exists, at contractually agreed prices.

Relationships with related parties that control the Company or are being controlled by the Company or have transactions with the Group were as follows:

5.1 Related parties consist of:

Name	Country	Relationship	Status
<u>Subsidiaries</u>			
PD Genesis Engineering Co., Ltd.	Thailand	Shareholding	Unoccupied company
Phol Palladium Co., Ltd.	Thailand	Shareholding	Operation - active
Phol Dhanya (Cambodia) Co., Ltd.	Cambodia	Shareholding	Operation - inactive
Phol Water Co., Ltd.	Thailand	Shareholding	Operation - active
<u>Joint ventures</u>			
Loy Phol Joint Venture	Thailand	Joint venture	Operation - active
Phol SK Joint Venture	Thailand	Joint venture	Operation - active
<u>Related companies</u>			
B&P Agri Products Co., Ltd.	Thailand	Co-director	Operation - active
Thai Biolex Co., Ltd.	Thailand	Co-shareholder	Operation - active

5.2 The transactions with related parties for the year ended December 31, 2022 and 2021, with related parties were as follows:

	Unit: Baht				
	Consolidated financial		Separate financial		
	statements		statements		
	2022	2021	2022	2021	Transfer pricing policy
Subsidiaries					
Purchases of goods	-	-	2,256,398.39	1,232,947.80	Cost plus margin 5 - 15% and mutually agreed price
Sales of goods	-	-	9,334,506.07	27,240,233.73	Cost plus margin 5 - 15% and mutually agreed price
Cost of water treatment system installation	-	-	1,254,140.16	-	Mutually agreed price
Management fee income	-	-	3,360,000.00	3,360,000.00	Mutually agreed price
Rental income	-	-	-	300,000.00	Mutually agreed price
Sale of asset			-	467,289.72	Mutually agreed price
Interest income	-	-	944,471.33	168,942.45	Interest rate 4.625 - 4.7% per annum
Repair and maintenance expense	-	-	5,400.00	9,200.00	Mutually agreed price
Joint ventures					
Interest income	179,828.77	-	-	-	Interest rate 10-15% per annum
Related Companies					
Sales of goods	627,910.00	537,068.00	-	-	Mutually agreed price
Revenue from rending of services	13,250.00	3,000.00	-	-	Market price

5.3 The balances of the accounts between the related parties as at December 31, 2022 and 2021 are as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Trade and other current receivables - related parties				
Trade receivables - related parties				
Subsidiaries	-	-	7,581,387.65	15,427,375.17
Total trade receivables - related parties	-	-	7,581,387.65	15,427,375.17
<u>Less</u> Allowance for expected credit losses	-	-	(3,720,904.77)	(3,598,376.20)
Total trade receivables - related parties - net	-	-	3,860,482.88	11,828,998.97
Other receivables - related parties				
Subsidiaries	-	-	4,052,213.31	4,341,032.37
Joint ventures	168,100.00	-	-	-
Total other receivables - related parties	168,100.00	-	4,052,213.31	4,341,032.37

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<u>Less</u> Allowance for expected credit losses	-	-	(3,892,952.60)	(3,820,131.00)
Total other receivables - related parties - net	168,100.00	-	159,260.71	520,901.37
Trade and other current receivables - related parties	168,100.00	-	4,019,743.59	12,349,900.34
<u>Short-term loans to related parties - net</u>				
Subsidiaries				
Beginning balance	-	-	10,000,000.00	7,000,000.00
<u>Add:</u> Additional loans during the year	-	-	25,876,000.00	6,000,000.00
<u>Less:</u> Received loans during the year	-	-	(13,200,000.00)	(1,000,000.00)
<u>Less:</u> Reclassification to long - term loan to related party	-	-	-	(2,000,000.00)
Total other receivables - related parties - net	-	-	22,676,000.00	10,000,000.00
<u>Less</u> Allowance for expected credit losses	-	-	(5,000,000.00)	(5,000,000.00)
Total other receivables - related parties - net	-	-	17,676,000.00	5,000,000.00
Joint ventures				
Beginning balance	-	-	-	-
<u>Add:</u> Additional loans during the year	4,490,000.00	-	-	-
<u>Less:</u> Received loans during the year	(1,550,000.00)	-	-	-
Total short-term loans to joint ventures	2,940,000.00	-	-	-
Short-term loans to related parties - net	2,940,000.00	-	17,676,000.00	5,000,000.00
<u>Long-term loan to related party</u>				
Subsidiary				
Beginning balance	-	-	2,000,000.00	-
Add: Reclassification from short - term loan to related party	-	-	-	2,000,000.00
Total long-term loan to related party	-	-	2,000,000.00	2,000,000.00

- 5.3.1 The Company provided a short-term loan to its subsidiary company, Phol Water Co., Ltd., by issuing a promissory note, which is repayable at call and with an interest rate 4.625% - 4.70% per annum (2021: 4.70% per annum). The loan in the amount of Baht 2 million that the Company intended not to call for repayment within one year. Therefore, it is classified to long-term loan to related party.

- 5.3.2 The Company provided a short-term loan to its subsidiary company, PD Genesis Engineering Co., Ltd., by issuing a promissory note, which is repayable at call and with an interest rate set at the MLR of KASIKORN BANK plus 3% per annum (10.13% - 10.25%). The subsidiary had been in default of principal and interest since January 2012. As such, the Company provided allowance for doubtful account in the full amount of both the principal of Baht 5 million and accrued interest income during January 2012 - June 2012, of Baht 0.25 million. The Company has stopped recognising interest income since July 2012.
- 5.3.3 The short-term loans to the joint ventures are provided under a joint venture agreement as described in Note 11.

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Trade payable - related party				
Trade payable - related party				
Subsidiary	-	-	19,755.15	56,735.41
Total trade payable - related party	-	-	19,755.15	56,735.41

5.4 Compensation for directors and key management personnel

Compensation for directors and key management personnel for the year ended December 31, 2022 and 2021 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Short-term benefits	28,898,553.84	34,922,003.51	24,813,523.62	30,819,312.06
Post-employment benefits	853,737.78	831,702.96	741,701.78	722,742.96
Total compensation for directors and key management personnel	29,752,291.62	35,753,706.47	25,555,225.40	31,542,055.02

5.5 Guarantee commitments for related parties

As at December 31, 2022, the Company has guarantee commitments for related parties were as follows:

- Letter of guarantee with two financial institutions for the subsidiaries in the amount of Baht 40 million. As of this report, Baht 13.82 million of this credit facility has been used.
- Promissory notes with two financial institutions for the subsidiaries in the amount of Baht 30 million, they have been unused.
- Letters of credits and trust receipt with a financial institution for the subsidiary under a joint credit facility with a Baht 10 million credit limit, they have been unused.

6. CASH AND CASH EQUIVALENTS

As at December 31, 2022 and 2021, this account consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash on hand	338,854.79	333,082.79	100,459.68	98,666.89
Saving deposits	13,292,824.94	27,592,010.50	10,086,565.51	19,426,535.27
Current deposits	39,253,546.32	30,138,974.19	37,163,128.24	28,758,296.66
Checks received but not yet deposited	668,291.81	648,027.98	639,401.81	648,027.98
Total cash and cash equivalents	53,553,517.86	58,712,095.46	47,989,555.24	48,931,526.80

7. TRADE AND OTHER CURRENT RECEIVABLES - NET

7.1 As at December 31, 2022 and 2021, this account consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Trade receivables				
Trade receivables - other parties	148,942,694.88	173,205,534.35	129,083,811.25	143,536,208.23
Trade receivables - related parties	-	-	7,581,387.65	15,427,375.17
Total trade receivables	148,942,694.88	173,205,534.35	136,665,198.90	158,963,583.40
<u>Less</u> Allowance for expected credit losses	(6,111,687.86)	(4,945,217.63)	(5,905,627.63)	(4,689,886.10)
Trade receivables - net	142,831,007.02	168,260,316.72	130,759,571.27	154,273,697.30
Other receivables				
Other receivables - related parties	168,100.00	-	4,052,213.31	4,341,032.37
Other receivables	3,779,222.89	3,155,916.14	2,536,563.52	2,447,980.30
Advance payment for inventories	-	-	-	-
other parties	1,033,915.65	3,065,742.47	954,365.65	1,690,619.27
Receivables for penalties arising from				
delays of constructions	58,664,964.51	58,664,964.51	58,111,684.01	58,111,684.01
Receivables for construction materials	52,175,284.00	52,175,284.00	52,175,284.00	52,175,284.00
Advance payments	13,679,021.85	13,663,887.85	13,664,021.85	13,653,887.85
Prepaid expenses	1,890,849.48	1,951,089.97	1,823,199.49	1,891,948.77
Input Value Added Tax not yet due	1,577,131.55	1,311,527.20	1,355,710.09	1,259,076.46
Contract assets	2,120,646.68	2,853,351.18	2,068,896.08	1,422,432.08
Others	1,675,708.22	1,226,665.74	619,398.17	502,099.18
Total other current receivables	136,764,844.83	138,068,429.06	137,361,336.17	137,496,044.29
<u>Less</u> Allowance for expected credit losses				
Other receivables - related parties	-	-	(3,892,952.60)	(3,820,131.00)
Other receivables	(3,012,668.54)	(3,012,668.54)	(2,438,489.59)	(2,438,489.59)
Receivables for penalties arising from delays				
of constructions	(58,664,964.51)	(58,664,964.51)	(58,111,684.01)	(58,111,684.01)
Receivables for construction materials	(52,175,284.00)	(52,175,284.00)	(52,175,284.00)	(52,175,284.00)
Advance payments	(13,623,887.85)	(13,623,887.85)	(13,623,887.85)	(13,623,887.85)
Total Allowance for expected credit losses	(127,476,804.90)	(127,476,804.90)	(130,242,298.05)	(130,169,476.45)
Other current receivables - net	9,288,039.93	10,591,624.16	7,119,038.12	7,326,567.84
Trade and other current receivables - net	152,119,046.95	178,851,940.88	137,878,609.39	161,600,265.14

7.2 As at December 31, 2022 and 2021, the Group had outstanding balances of trade accounts receivable aged by number of days outstanding as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Trade receivables - other parties				
Not yet due	105,099,203.48	116,328,895.96	94,642,825.07	105,012,273.38
Over due:				
1- 60 days	33,914,110.37	42,557,529.10	29,957,268.75	36,252,604.79
61-120 days	3,472,710.62	1,511,373.40	1,954,012.02	748,351.80
121-180 days	1,181,934.85	546,811.41	1,181,934.85	276,266.51
Over 180 days	5,274,735.56	12,260,924.48	1,347,770.56	1,246,711.75
Total trade receivables - other parties	148,942,694.88	173,205,534.35	129,083,811.25	143,536,208.23
<u>Less</u> Allowance for expected credit losses	(6,111,687.86)	(4,945,217.63)	(2,184,722.86)	(1,091,509.90)
Trade receivables - other parties - net	142,831,007.02	168,260,316.72	126,899,088.39	142,444,698.33
Trade receivables - related parties				
Not yet due	-	-	2,139,710.89	2,120,745.59
Over due:				
1- 60 days	-	-	1,236,548.20	6,114,449.73
61- 120 days	-	-	484,223.79	3,593,803.65
Over 180 days	-	-	3,720,904.77	3,598,376.20
Total trade receivables - related parties	-	-	7,581,387.65	15,427,375.17
<u>Less</u> Allowance for expected credit losses	-	-	(3,720,904.77)	(3,598,376.20)
Total trade receivables - related parties - net	-	-	3,860,482.88	11,828,998.97
Total trade receivables - net	142,831,007.02	168,260,316.72	130,759,571.27	154,273,697.30

8. INVENTORIES - NET

As at December 31, 2022 and 2021, this account consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Finished goods	255,834,841.60	238,444,481.20	233,416,376.30	217,310,458.41
Goods in transit	19,820,657.19	18,924,152.32	15,595,259.39	17,210,824.67
Work in progress	381,203.88	1,015,194.96	44,956.86	48,731.90
Total	276,036,702.67	258,383,828.48	249,056,592.55	234,570,014.98
<u>Less</u> Allowance for diminution				
in value of inventories	(30,726,986.12)	(36,218,958.04)	(26,289,124.10)	(31,308,762.02)
Inventories - net	245,309,716.55	222,164,870.44	222,767,468.45	203,261,252.96

Movements of allowance for diminution in value of inventory for the year ended December 31, 2022 and 2021, are as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Balance as at January 1,	36,218,958.04	30,380,639.66	31,308,762.02	28,370,686.63
Increase	11,386,666.66	14,907,375.51	9,096,024.67	12,031,005.15
Decrease	(16,905,074.88)	(9,147,331.74)	(14,115,662.59)	(9,092,929.76)
Exchange differences on translating financial	26,436.30	78,274.61	-	-
Balance as at December 31,	30,726,986.12	36,218,958.04	26,289,124.10	31,308,762.02

9. RESTRICTED DEPOSITS WITH FINANCIAL INSTITUTION

As at December 31, 2022 and 2021 the fixed deposit of the Company amounted to Baht 30 million have been pledged with a financial institution as collateral for short-term loan facility (Note 29).

10. INVESTMENT IN SUBSIDIARY COMPANIES - NET

As at December 31, 2022 and 2021, this account consisted of:

Company	Share Holding %		Unit: Baht					
			Separate financial statements					
			2022			2021		
			Allowance for			Allowance for		
	2022	2021	Amount	impairment	Net	Amount	impairment	Net
PD Genesis Engineering Co., Ltd.	76.67	76.67	11,500,000.00	(11,500,000.00)	-	11,500,000.00	(11,500,000.00)	-
Phol Palladium Co., Ltd.	99.99	99.99	999,970.00	-	999,970.00	999,970.00	-	999,970.00
Phol Dhanya (Cambodia) Co., Ltd.	100.00	100.00	6,770,686.00	(6,770,686.00)	-	6,770,686.00	(6,770,686.00)	-
Phol Water Co., Ltd.	99.99	99.99	49,999,970.00	(49,999,970.00)	-	49,999,970.00	(45,594,638.58)	4,405,331.42
Total			69,270,626.00	(68,270,656.00)	999,970.00	69,270,626.00	(63,865,324.58)	5,405,301.42

As at December 31, 2022 the Company's management considered providing additional allowance for loss on impairment of investment in the subsidiary company, Phol Water Company Limited in the entire amount because Phol Water Company Limited was operating at a loss.

11. INVESTMENT IN JOINT VENTURES

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

		Unit: Baht					
	Name	Profit and loss sharing ratio (%)		Consolidated financial statement			
				Carrying amounts		At cost	
		2022	2021	Equity method			
				2022	2021	2022	2021
Loy Phol Joint Venture		30	-	7,693,431.00	-	8,000,000.00	-
Phol SK Joint Venture		65	-	2,039,305.57	-	2,000,000.00	-
Total				9,732,736.57	-	10,000,000.00	-

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

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

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

Unit: Thousand Baht							
Joint Venture	Construction	Name	Obligation	Investment		Reserve Loans	
				Per agreement	Per agreement	Loan drawdown	Repayment of loans
Loy Phol Joint Venture	Construction of a solid waste management centre in Ban Kruat Subdistrict Municipality.	Loy Corp Co., Ltd.	Manage project according to requirements and scope of work stipulated in the contract.	-	-	-	-
		Phol Water Co., Ltd.	Provide investment funds, machinery, materials and equipment, including guaranteed credit facility for project.	8,000	3,000	(2,940)	-
Phol SK Joint Venture	Construction of a solar water distribution system in the Department of Water Resources.	SK Tech 999 Co., Ltd.	Manage project according to requirements and scope of work stipulated in the contract.	-	-	-	-
		Phol Water Co., Ltd.	Provide investment funds, machinery, materials and equipment, including guaranteed credit facility for project.	2,000	1,000	(1,550)	1,550
							1,000
							15 per annum

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

During the year 2022, the subsidiary used a bank guarantee of Baht 3.97 million as a guarantee of contractual performance of the solid waste management centre project for Ban Kruat Subdistrict Municipality and used a bank guarantee of Baht 1.85 million as a guarantee of contractual performance of the solar water distribution system project for the Department of Water Resources.

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

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

Joint ventures	Unit: Baht	
	Consolidated and separate financial statements	
	Share of profit (loss) from investment in joint ventures	
	For the years ended 31 December	
	2022	2021
Loy Phol Joint Venture	(306,569.00)	-
Phol SK Joint Venture	39,305.57	-
Total	(267,263.43)	-

11.3 Summarised financial information about joint ventures

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

Summarised financial position as at December 31, 2022

	Unit: Baht	
	Loy Phol Joint Venture	Phol SK Joint Venture
Current assets	11,026,358.33	3,085,805.60
Current liabilities	(4,068,100.00)	(990,088.26)
Non-current liabilities	-	(92,576.00)
Partner's capital	(8,000,000.00)	(2,000,000.00)
Net assets of the joint ventures	(1,041,741.67)	3,141.34
Eliminate entries	19,845.00	57,328.77
Total	(1,021,896.67)	60,470.11
Share of gain (loss) (%)	30	65
Proportional to the interests of the entity in assets - net	(306,569.00)	39,305.57
Capital of the Company's equity partners	8,000,000.00	2,000,000.00
Book value of the entity's interests in the joint venture	7,693,431.00	2,039,305.57

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

	Unit: Baht	
	Loy Phol Joint Venture	Phol SK Joint Venture
Revenue	7,972,318.00	4,628,813.08
Profit (Loss)	(1,041,741.67)	3,141.34

12. OTHER LONG-TERM INVESTMENT - NET

As at December 31, 2022 and 2021, this account consisted of:

	Share Holding	%	Unit: Baht	
			Consolidated and separate financial statements	
			2022	2021
N&P Holding Company Limited				
Cost	2		1,000,000.00	1,000,000.00
Less Allowance for revaluation			(1,000,000.00)	(1,000,000.00)
Net			-	-

13. LONG-TERM LOANS TO EMPLOYEES

Long-term loans to employees are in the form of employee welfare loan agreements with an interest rate of 10% per annum.

14. INVESTMENT PROPERTIES - NET

As at December 31, 2022 and 2021, this account consisted of:

	Unit: Baht		
	Consolidated and separate financial statements		
	Balance as at December 31, 2021	Movements during the year Increase Decrease	Balance as at December 31, 2022
Cost			
Land	1,370,160.00	-	1,370,160.00
Building and building improvements	23,061,322.48	-	23,061,322.48
Total Cost	24,431,482.48	-	24,431,482.48
Accumulated depreciation			
Building and building improvements	19,575,682.92	420,667.90	19,996,350.82
Total Accumulated depreciation	19,575,682.92	420,667.90	19,996,350.82
Net book value	4,855,799.56		4,435,131.66

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

Location	Unit: Million Baht			Appraisal value	Independent appraisers	Appraisal reports dated
	Net book value					
	Investment properties	Right-of-use building	Total			
1	1.98	-	1.98	5.20	Noble Property Valuation Co., Ltd	February 4, 2022
2	1.55	-	1.55	7.90	Noble Property Valuation Co., Ltd	September 3, 2020
3	0.91	-	0.91	6.92	Noble Property Valuation Co., Ltd	September 8, 2020
4	-	0.57	0.57	3.94	Noble Property Valuation Co., Ltd	October 28, 2014
	4.44	0.57	5.01			

The appraisal value of investment property No.4 in the amount of Baht 3.94 million has been appraised by inclusive of leasehold right which has net book value of Baht 0.57 million.

The appraisal prices have been appraised by using Market Comparison Approach for investment properties No. 1-3 and income approach for investment property No. 4.

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

As at December 31, 2022, the Company's management has not yet re-assessed the fair value of investment property No.4 because the value of the investment property according to the management's long-term plan will be considered insignificant.

Depreciation for the years ended December 31, 2022 and 2021, have been charged to profit or loss of consolidated and separate financial statements amounted to Baht 0.42 million and Baht 0.46 million, respectively.

As at December 31, 2022 and 2021, certain investment property items have been fully depreciated but are still in use. The original cost of those assets of consolidated financial statements and separate financial statements are Baht 1.68 million for both years.

As at December 31, 2022 and 2021, investment property, at net book value of Baht 4.44 million and Baht 4.86 million, respectively, has been mortgaged to secure its short-term loan and long-term loan with 2 financial institutions (Notes 20 and 29).

15. PROPERTY, PLANT AND EQUIPMENT - NET

As at December 31, 2022 and 2021, this account consisted of:

Unit: Baht						
Consolidated financial statements						
	Movements during the year				Exchange differences on translating financial statements	Balance as at December 31, 2022
	Balance as at December 31, 2021	Reclassified	Increase	Decrease		
Cost						
Land	32,384,486.00	-	-	-	-	32,384,486.00
Building and building improvements	102,680,441.58	-	564,610.73	(107,080.00)	-	103,137,972.31
Furniture and equipment	32,038,418.69	3,296,952.39	2,351,535.73	(3,514,656.23)	1,885.12	34,174,135.70
Demonstration goods and tools	23,571,254.02	(3,760,166.29)	40,555.42	(99,842.27)	-	19,751,800.88
Vehicles	3,126,462.61	-	-	(661,303.74)	-	2,465,158.87
Utility system	14,374,661.87	465,222.25	90,179.44	(154,500.00)	-	14,775,563.56
Water well drilling machines	496,240.00	-	-	-	-	496,240.00
Assets under water sales agreement	18,193,647.74	-	-	(4,735,460.50)	-	13,458,187.24
Safety equipment for rent	14,776,148.46	-	402,861.76	(675,450.00)	-	14,503,560.22
Assets under installation	190,930.00	-	-	-	-	190,930.00
Total Cost	241,832,690.97	2,008.35	3,449,743.08	(9,948,292.74)	1,885.12	235,338,034.78
Accumulated depreciation						
Building and building improvements	51,703,617.43	-	3,773,210.23	(58,109.63)	-	55,418,718.03
Furniture and equipment	29,398,996.84	3,277,146.54	1,489,288.66	(3,494,456.17)	1,883.99	30,672,859.86
Demonstration goods and tools	22,349,636.30	(3,890,356.78)	584,623.22	(86,401.15)	-	18,957,501.59
Vehicles	2,091,787.93	-	82,813.16	(496,298.74)	-	1,678,302.35
Utility system	11,788,775.66	615,218.59	347,543.92	(149,007.99)	-	12,602,530.18
Water well drilling machines	339,464.41	-	7,040.02	-	-	346,504.43
Assets under water sales agreement	11,199,429.79	-	391,153.75	(4,735,457.50)	-	6,855,126.04
Safety equipment for rent	14,775,425.49	-	13,245.66	(675,411.89)	-	14,113,259.26
Total Accumulated depreciation	143,647,133.85	2,008.35	6,688,918.62	(9,695,143.07)	1,883.99	140,644,801.74
Less Allowance for impairment	(5,272,129.86)					(5,272,129.86)
Net book value	92,913,427.26					89,421,103.18

Unit: Baht

	Separate financial statements				
	Balance as at	Movements during the year			Balance as at
	December 31, 2021	Reclassified	Increase	Decrease	December 31, 2022
<u>Cost</u>					
Land	32,384,486.00	-	-	-	32,384,486.00
Building and building improvements	102,680,441.58	-	564,610.73	(107,080.00)	103,137,972.31
Furniture and equipment	31,305,341.47	3,345,751.98	2,197,735.73	(3,499,644.08)	33,349,185.10
Demonstration goods and tools	23,461,902.04	(3,759,965.88)	24,055.42	(80,842.27)	19,645,149.31
Vehicles	3,126,462.61	-	-	(661,303.74)	2,465,158.87
Utility system	14,374,661.87	416,222.25	76,814.95	(154,500.00)	14,713,199.07
Assets under water sales agreement	4,735,460.50	-	-	(4,735,460.50)	-
Safety equipment for rent	14,776,148.46	-	402,861.76	(675,450.00)	14,503,560.22
Assets under installation	190,930.00	-	-	-	190,930.00
Total Cost	227,035,834.53	2,008.35	3,266,078.59	(9,914,280.59)	220,389,640.88
<u>Accumulated depreciation</u>					
Building and building improvements	51,703,617.43	-	3,773,210.23	(58,109.63)	55,418,718.03
Furniture and equipment	28,861,680.60	3,325,511.70	1,370,802.13	(3,479,559.07)	30,078,435.36
Demonstration goods and tools	22,410,548.26	(3,889,722.94)	526,292.66	(77,530.99)	18,969,586.99
Vehicles	2,091,787.93	-	82,813.16	(496,298.74)	1,678,302.35
Utility system	11,788,775.66	566,219.59	345,786.53	(149,007.99)	12,551,773.79
Assets under water sales agreement	4,729,579.96	-	5,877.54	(4,735,457.50)	-
Safety equipment for rent	14,775,425.49	-	13,245.66	(675,411.89)	14,113,259.26
Total Accumulated depreciation	136,361,415.33	2,008.35	6,118,027.91	(9,671,375.81)	132,810,075.78
Net book value	90,674,419.20				87,579,565.10

Depreciation for the years ended December 31, 2022 and 2021, have been charged to profit or loss of consolidated financial statements amounted to Baht 6.69 million and Baht 6.78 million, respectively, and have been charged to profit or loss of separate financial statements amounted to Baht 6.12 million and Baht 6.51 million, respectively.

As at December 31, 2022 and 2021, land, including buildings and structure thereon at net book value of Baht 71.61 million and Baht 73.52 million, respectively, has been mortgaged to secure its short-term loan and long-term loan with a financial institution (Notes 20 and 29).

As at December 31, 2022 and 2021 certain plant and equipment items have been fully depreciated but are still in use. The original cost of those assets in consolidated financial statements are Baht 87.24 million and Baht 78.12 million, respectively, and separate financial statements are Baht 86.52 million and Baht 77.81 million, respectively.

16. RIGHT-OF-USE ASSETS - NET

As at December 31, 2022 and 2021, this account consisted of:

Unit: Baht				
	Consolidated and separate financial statements			
	Balance as at	Movements during the year		Balance as at December
	December 31, 2021			31, 2022
		Increase	Decrease	
Cost				
Right of use of building	5,600,000.00	-	-	5,600,000.00
Office equipment	463,012.00	3,400,000.00	-	3,863,012.00
Vehicles	2,540,207.78	-	-	2,540,207.78
Total Cost	8,603,219.78	3,400,000.00	-	12,003,219.78
Accumulated depreciation				
Right of use of building	4,802,653.98	225,400.00	-	5,028,053.98
Office equipment	185,204.81	111,232.53	-	296,437.34
Vehicles	377,327.30	332,041.05	-	709,368.35
Total Accumulated depreciation	5,365,186.09	668,673.58	-	6,033,859.67
Net book value	3,238,033.69			5,969,360.11

Amortization for the years ended December 31, 2022 and 2021, have been charged to profit or loss of consolidated financial statements and separate financial statement amounted to Baht 0.67 million and Baht 0.63 million, respectively.

17. DEFERRED TAX

Deferred tax as at December 31, 2022 and 2021 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Deferred tax assets	40,804,259.06	41,375,585.55	38,509,195.08	39,212,122.84
Deferred tax liabilities	-	-	-	-

Movements in deferred tax assets during the year ended December 31, 2022 and 2021 were as follows:

	Unit: Baht		
	Consolidated financial statements		
	As at		As at
	January 1, 2022	Profit (loss)	December 31, 2022
Deferred tax assets			
Allowance for expected credit losses	25,665,440.55	233,294.05	25,898,734.60
Allowance for devaluation of inventories	7,089,130.98	(1,064,155.05)	6,024,975.93
Non-current provision for employee benefits	7,884,446.20	173,846.44	8,058,292.64
Provision for penalties arising from delays of constructions	116,105.40	-	116,105.40
Provision for warranties	193,456.30	(76,433.26)	117,023.04
Provision for contingent losses	180,000.00	-	180,000.00
Allowance for impairment of asset	95,547.86	(95,547.86)	-
Derivative liabilities	30,946.26	(9,316.04)	21,630.22
Gain from sales of fixed asset to related party	82,497.05	(18,691.58)	63,805.47
Gain from sales of goods to related party	38,014.95	5,537.89	43,552.84
Tax loss	-	280,138.93	280,138.93
Total deferred tax assets	41,375,585.55	(571,326.49)	40,804,259.06

Unit: Baht			
Consolidated financial statements			
	As at		As at
	January 1, 2021	Profit (loss)	December 31, 2021
Deferred tax assets			
Allowance for expected credit losses	26,827,624.40	(1,162,183.85)	25,665,440.55
Allowance for devaluation of inventories	5,937,122.24	1,152,008.74	7,089,130.98
Non-current provision for employee benefits	7,553,974.80	330,471.40	7,884,446.20
Provision for penalties arising from delays of constructions	116,105.40	-	116,105.40
Provision for warranties	213,252.80	(19,796.50)	193,456.30
Provision for contingent losses	180,000.00	-	180,000.00
Allowance for impairment of asset	481,852.95	(386,305.09)	95,547.86
Derivative liabilities	110,182.52	(79,236.26)	30,946.26
Gain from sales of fixed asset to related party	-	82,497.05	82,497.05
Gain from sales of goods to related party	-	38,014.95	38,014.95
Total deferred tax assets	41,420,115.11	(44,529.56)	41,375,585.55

Unit: Baht			
Separate financial statements			
	As at		As at
	January 1, 2021	Profit (loss)	December 31, 2022
Deferred tax assets			
Allowance for expected credit losses	25,438,600.11	218,642.59	25,657,242.70
Allowance for devaluation of inventories	6,261,752.40	(1,003,927.58)	5,257,824.82
Non-current provision for employee benefits	7,151,168.11	108,873.27	7,260,041.38
Provision for penalties arising from delays of Constructions	116,105.40	-	116,105.40
Provision for warranties	33,550.56	(17,200.00)	16,350.56
Provision for contingent losses	180,000.00	-	180,000.00
Derivative liabilities	30,946.26	(9,316.04)	21,630.22
Total deferred tax assets	39,212,122.84	(702,927.76)	38,509,195.08

Unit: Baht

	Separate financial statements		
	As at January 1, 2021	Profit (loss)	Other comprehensive income (loss)
			As at December 31, 2021
Deferred tax assets			
Allowance for expected credit losses	26,595,183.95	(1,156,583.84)	-
Allowance for devaluation of inventories	5,674,137.33	587,615.07	-
Non-current provision for employee benefits	6,969,749.20	267,489.65	(86,070.74)
Provision for penalties arising from delays of Constructions	116,105.40	-	-
Provision for warranties	72,382.63	(38,832.07)	-
Provision for contingent losses	180,000.00	-	-
Derivative liabilities	110,182.52	(79,236.26)	-
Total deferred tax assets	39,717,741.03	(419,547.45)	(86,070.74)

18. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

As at December 31, 2022 and 2021, this account consisted of:

	Unit: Baht	
	Consolidated and separate financial statements	
	2022	2021
Promissory notes	5,000,000.00	-
Trust receipts	99,534,433.38	61,724,120.32
Total short-term loans from financial institutions	104,534,433.38	61,724,120.32

As at December 31, 2022 and 2021, the interest rate of short-term loans from financial institutions, were as follows:

	Interest rate per annum	
	2022	2021
Promissory notes	Interest rate of a bank announcement (2.70 - 3.20%)	-
Trust receipt	Interest rate of a bank announcement (2.70 - 3.31%)	Interest rate of a bank announcement (2.70%)

19. TRADE AND OTHER CURRENT PAYABLES

As at December 31, 2022 and 2021, this account consisted of:

Unit: Baht				
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Trade payables				
Trade payables-other parties				
- Domestic	45,767,772.91	47,049,542.34	38,975,184.54	43,152,825.74
- Foreign	46,817,213.18	75,597,225.01	41,382,300.43	71,679,041.05
Trade payable - related parties	-	-	19,755.15	56,735.41
Total trade payables	92,584,986.09	122,646,767.35	80,377,240.12	114,888,602.20
Other payables				
Payables for penalties arising				
from delays of constructions	2,903,725.44	3,596,867.21	2,903,725.44	3,067,061.44
Output VAT not yet due	384,278.88	651,425.99	380,326.83	380,326.83
Revenue Department payable	2,228,242.87	2,053,491.31	1,878,963.49	1,499,742.78
Accrued commission expenses	2,419,508.98	2,662,466.56	2,300,836.15	2,374,491.26
Accrued bonus expenses	11,453,810.40	18,682,869.00	10,393,556.40	16,976,409.00
Management remuneration	2,100,000.00	6,168,841.74	1,837,500.00	5,652,440.63
Contract liabilities	2,158,795.34	896,889.09	2,063,695.34	624,079.59
Accrued import expenses	1,335,157.38	1,147,557.17	1,085,726.58	1,147,557.17
Payable for warranties	641,345.00	821,345.00	26,130.00	26,130.00
Accrued expenses	7,402,900.87	4,810,958.00	5,841,288.84	3,226,153.69
Others	1,081,620.72	892,049.59	673,336.31	597,055.02
Total other payables	34,109,385.88	42,384,760.66	29,385,085.38	35,571,447.41
Total trade and other current payables	126,694,371.97	165,031,528.01	109,762,325.50	150,460,049.61

20. LONG-TERM LOAN FROM FINANCIAL INSTITUTION - NET

As at December 31, 2022 and 2021, this account consisted of:

	Unit: Baht	
	Consolidated and separate financial statements	
	2022	2021
Long-term loan from financial institution as at January 1,	7,755,000.00	14,895,000.00
Repayment	(7,140,000.00)	(7,140,000.00)
<u>Less</u> Current portion of long-term loan	<u>(615,000.00)</u>	<u>(7,140,000.00)</u>
Long-term loan from financial institution - net	-	615,000.00

On January 26, 2016, the Company entered into the long-term agreement facility of Baht 50 million with a local commercial bank for supporting its Core-Trading Asset such as inventories of the Company. The Company has a commitment to repay the loan principal in 84 monthly installments, of which the 1st - 83rd installments are Baht 595,000 each and the 84th installment is the remaining loan principal amount. The loan bearing interest rate of THBFIX plus 1.85% per annum or in case of the interest rate of THBFIX less than 0% per annum, the Company has to use the rate of 1.85% per annum. The Company also entered into an Interest Rate Swap agreement with a lender bank, whereby the Company agreed to swap interest rate of THBFIX plus 1.85% per annum to a fixed annual interest rate (4.7%). The first principal and interest installment were February 2016.

Under the term of such long-term agreement facility for supporting its Core-Trading Asset, the Company has committed to comply with following certain conditions:

- Maintain Debt to Equity Ratio not more than 2 but not less than zero.
- Maintain Debt-Service Coverage Ratio (DSCR) not less than 2.

The Company has mortgaged its land, including buildings and structure thereon recorded in investment properties - net account and property, plant and equipment - net to secure its long-term loan facility with financial institution (Notes 14 and 15).

21. LEASE LIABILITIES

As at December 31, 2022 and 2021, this account consisted of:

	Unit: Baht	
	Consolidated and separate financial statements	
	2022	2021
Lease liabilities		
- Within 1 year	2,014,091.75	802,271.75
- Over 1 year but not over 5 years	3,200,359.00	1,679,876.00
Less Deferred interest expenses	(309,686.24)	(149,746.03)
Present value of lease liabilities	4,904,764.51	2,332,401.72
Less Current portion of lease liabilities	(1,836,609.30)	(726,652.22)
Lease liabilities - net	3,068,155.21	1,605,749.50

22. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFITS

Movements of the present value of non-current provisions for employee benefit for the years ended December 31, 2022 and 2021 were as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Non-current provisions for employee				
benefits as at January 1,	39,422,231.00	37,769,874.00	35,755,840.55	34,848,746.00
Included in profit or loss:				
Current service cost	2,311,790.12	2,367,463.10	2,048,445.22	2,108,622.10
Interest cost	643,642.09	594,276.90	582,121.11	538,209.17
Included in other comprehensive income:				
Actuarial gains arising from experience adjustments	-	-	-	(430,353.72)
Benefits paid during the year	(2,086,200.00)	(1,309,383.00)	(2,086,200.00)	(1,309,383.00)
Non-current provisions for employee				
benefits as at December 31,	40,291,463.21	39,422,231.00	36,300,206.88	35,755,840.55

Employee benefit expenses in profit or loss for the year ended December 31, 2022 and 2021, consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Distribution cost	1,049,734.57	1,033,836.00	873,175.30	862,902.01
Administrative expenses	1,905,697.64	1,927,904.00	1,757,391.03	1,783,929.26
Total employee benefit expenses	2,955,432.21	2,961,740.00	2,630,566.33	2,646,831.27

The actuarial assumption of discount rate is estimated from weighted average of yield rate of government bonds as at the end of reporting date that reflects the estimated timing of benefit payments.

The actuarial assumption of mortality rate for reasonable estimation of probability of retirement in the future is estimated from mortality table.

Principal actuarial assumptions as at December 31, 2022 and 2021 (represented by the weighted-average) consisted of:

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Discount rate per year	1.61% - 1.81%	1.61% - 1.81%	1.61%	1.61%
Future monthly salary increase rate	5.00%	5.00%	5.00%	5.00%
Mortality rate	100% of Mortality Tables of 2017	100% of Mortality Tables of 2017	100% of Mortality Tables of 2017	100% of Mortality Tables of 2017
Gold price (Per Baht Gold)	Baht 22,000	Baht 22,000	Baht 22,000	Baht 22,000

The result of sensitivity analysis for significant assumptions that affect the present value of non-current provisions for employee benefits as at December 31, 2022 are summarised below:

	Unit: Baht			
	Change of the present value of non-current provisions for employee benefits			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(3,791,855.00)	4,076,453.00	(3,496,249.00)	3,764,013.00
Salary increase rate	4,864,195.00	(4,528,299.00)	4,508,871.00	(4,193,149.00)
Turnover rate	(115,433.00)	125,958.00	(108,908.00)	118,873.00

23. LEGAL RESERVE

Pursuant to the Public Limited Companies Act B.E. 2535, the Company must appropriate annual net profit as a reserve fund of not less than 5% of the annual net profit deducted by the total deficit brought forward (if any) until reserve reaches an amount no less than 10% of the registered capital. This legal reserve is not available for dividend distribution.

24. DIVIDEND PAID

Year 2022

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

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

Year 2021

Minutes of Board of Directors' Meetings of the Company No.10/2021 held on August 11, 2021, approved the payment of interim dividend of Baht 0.16 per share from the six-month period operation ended June 30, 2021, in the total amount of Baht 32.40 million. The Company paid the dividend on September 9, 2021.

Annual General Meeting of Shareholders of year 2021, held on April 26, 2021, approved the payment of dividend of Baht 0.14 per share from the period operation ended December 31, 2020, in the total amount of Baht 28.35 million. The Company paid the dividend on May 20, 2021.

25. SIGNIFICANT EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, 2022 and 2021 were as follow:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Changes in finished goods and work in progress	(17,652,874.19)	(72,422,796.80)	(14,486,577.57)	(57,603,407.40)
Purchase of goods	762,558,856.24	1,004,018,234.29	699,837,446.04	894,491,364.37
Salaries, wages and other employee benefits	131,523,735.14	138,017,329.27	118,907,089.96	124,635,182.68
Depreciation and amortization	8,205,463.03	8,368,493.79	7,634,572.32	8,092,279.44
Advertising and promotion expenses	3,990,846.33	3,553,510.99	3,721,071.72	3,347,688.46
Delivery expenses	12,332,966.93	11,122,717.41	10,663,047.81	10,389,620.21
Utility expenses	3,509,355.80	3,015,237.48	3,459,089.80	2,957,369.10
(Reversal of) impairment on trade and other receivables - net	(1,166,470.23)	5,810,919.23	(1,093,212.96)	5,782,919.23

26. INCOME TAX

Income tax expenses for the years ended December 31, 2022 and 2021 as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Current tax expenses				
Current year	(13,822,227.26)	(20,298,920.95)	(13,822,227.26)	(18,409,084.32)
Previous period	(224,400.00)	-	(216,000.00)	-
Deferred tax expenses				
Movements in temporary differences	(571,326.49)	(44,529.56)	(702,927.76)	(419,547.45)
Tax expenses	(14,617,953.75)	(20,343,450.51)	(14,741,155.02)	(18,828,631.77)

Tax expenses recognised in other comprehensive income for the years ended December 31, 2022 and 2021 as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Deferred tax expenses for actuarial gains (loss)	-	-	-	(86,070.74)

Reconciliation of effective tax rate for the years ended December 31, 2022 and 2021 as follows:

	Consolidated financial statements			
	2022		2021	
	Tax rates (%)	Unit: Baht	Tax rates (%)	Unit: Baht
Profit before income tax		68,653,273.09		102,234,056.83
Income tax using the corporate tax rate	20.00	13,730,654.62	20.00	20,446,811.37
Effect from eliminate transactions	-	-	0.01	9,071.21
Expenses not deductible for tax purposes	0.11	77,051.99	0.04	37,685.35
Expenses that are deductible at a greater amount				
from actual expenses	(0.50)	(345,129.75)	(0.40)	(412,285.08)
Revenues granted income tax exemption	-	-	(0.46)	(465,600.00)
Share of loss from investment in joint ventures	0.08	53,452.69	-	-
Current year losses for which no deferred tax assets				
was recognized	1.27	893,524.20	0.71	727,767.66
Adjustment in respect of income tax of previous year	0.33	224,400.00	-	-
Tax expenses	21.29	14,617,953.75	19.90	20,343,450.51

	Separate financial statements			
	2022		2021	
	Tax rates (%)	Unit: Baht	Tax rates (%)	Unit: Baht
Profit before income tax		69,658,033.10		98,069,536.38
Income tax using the corporate tax rate	20.00	13,931,606.62	20.00	19,613,907.28
Expenses not deductible for tax purposes	0.11	73,611.87	0.03	33,809.57
Expenses that are deductible at a greater amount				
from actual expenses	(0.52)	(361,129.75)	(0.42)	(412,285.08)
Revenues granted income tax exemption	-	-	(0.41)	(406,800.00)
Impairment loss on investments	1.26	881,066.28	-	-
Adjustment in respect of income tax of previous year	0.31	216,000.00	-	-
Tax expenses	21.16	14,741,155.02	19.20	18,828,631.77

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

	Unit: Baht	
	Consolidated financial statements	
	2022	2021
Unused tax losses	8,843,121.36	7,965,811.92

As at December 31, 2022, the subsidiaries have unused tax losses and deferred tax assets have not been recognised as the subsidiaries believe future taxable profits may not be sufficient to allow utilization of the unused tax losses which will expire during 2023 - 2027.

Foreign subsidiary company

A foreign subsidiary company, Phol Dhanya (Cambodia) Co., Ltd. which was established in Cambodia, is obliged to pay corporate income tax either at the tax rate of 20% of taxable profit or at the minimum tax rate of 1% of total revenue, whichever is the higher.

27. PROVIDENT FUND

The Company, its subsidiaries, and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company, its subsidiaries and the staff will contribute the same amount at 3% to 5% of staff salary to this fund. Staff will receive payment from the provident fund upon retirement based on the rules of the fund.

During the years ended December 31, 2022 and 2021, the Company, and its subsidiaries contributed Baht 3.52 million and Baht 3.37 million, respectively.

28. OPERATING SEGMENTS

The Group's business operations involve four principal segments (1) Trading in health and safety products (2) Water treatment system and (3) Other operation. These operations are mainly carried on in Thailand.

The operating segment's performance is regularly reviewed by the Chief Executive officer, in order to make decisions about the allocation of resources to the segment and assess its performance. The Company and its subsidiaries assess the performance of the operating segment by using the operating profit or loss as the same basis to assess operating profit or loss in the financial statements.

Below is the consolidated financial information for the years ended December 31, 2022 and 2021 of the Group's segments.

Business segment information

The Group's business segment information and reconciliation of reportable segment profit or loss for the years ended December 31, 2022 and 2021 was as follows:

Unit: Thousand Baht

	Trading in health and safety products		Water treatment system		Other operation		Elimination of inter- segment revenues		Consolidation	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Revenue from sales and rendered services	969,505	1,195,630	19,039	30,130	11,935	-	-	-	1,000,479	1,225,760
Cost of sales and rendered services	(716,408)	(912,599)	(15,091)	(25,845)	(11,335)	-	93	272	(742,741)	(938,172)
Segment gross profit (loss)	253,097	283,031	3,948	4,285	600	-	93	272	257,738	287,588
Unallocated income and expenses:										
Other income									2,857	4,063
Distribution cost									(93,008)	(92,611)
Administrative expenses									(93,190)	(96,512)
Loss on exchange rate - net									(1,490)	(2,643)
Finance costs									(2,820)	(2,761)
Loss arising from bad debt of trade and other receivables									-	(701)
Reversal of allowance for credit loss (credit loss) on trade and other current receivables - net									(1,167)	5,811
Share of loss of joint venture accounted for using equity method									(267)	-
Income tax expenses									(14,618)	(20,343)
Profit for the year									54,035	81,891

The Group's business segment information and reconciliation of reportable segment total assets to the Group's assets as at December 31, 2022 and 2021 as follow:

	Unit: Thousand Baht	
	Consolidated financial statements	
	2022	2021
Investment properties - net	4,435	4,856
Property plant and equipment - net	89,421	92,913
Right-of-use assets - net	5,969	3,238
Unallocated assets	538,994	535,223
Total assets	638,819	636,230

Geographical segments information

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. However, the Group has insignificant assets located in foreign countries.

The Group's Geographical segments information based on location of customer for the years ended December 31, 2022 and 2021 was as follows:

	Unit: Thousand Baht	
	Revenues	
	2022	2021
Thailand	998,552	1,224,112
Other countries	1,927	1,648
Total	1,000,479	1,225,760

Major customer

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

29. COMMITMENTS AND CONTINGENT LIABILITIES

Commitments

Commitments under leases

The Group has commitments under leases of building and equipment for which the lease term end within one year or for the underlying assets which are low value.

As at December 31, 2022, the above commitments are summarized as follows:

	Unit: Baht
	Consolidated and Separate financial statements
<u>Payable</u>	
Within 1 year	192,800.00
Over 1 year but not over 5 years	394,166.67
Total	586,966.67

Commitments and contingent liabilities with financial institutions

- As at December 31, 2022, the Group has short-term credit facilities with the Bank of Baht 675.20 million and US Dollars 1.15 million.
- The above facilities were secured by pledged bank deposit and mortgaging certain land and building of the Company recorded in investment properties - net account and property, plant and equipment - net account (Notes 14 and 15).
- The subsidiary guarantee letters of credits and trust receipt credit facility of the parent company within limit of Baht 10 million.
- As at December 31, 2022, the Group has a contingencies liabilities for letters of credits issued by the banks amounting to Baht 4.97 million.
- As at December 31, 2022, the Group has a contingencies liabilities for bank guarantees issued by the banks to guarantee for bidding and the performance contract amounting to Baht 14.54 million.

30. FINANCIAL INSTRUMENTS

Credit risk

Credit risk refers to the risk that counterparty will default on its agreement and conditions resulting in collection losses to the Company and its subsidiaries. Credit limit is granted for specific credit amount and is being monitored regularly. Furthermore, the Company manages the risk by adopting the policy of only dealing with creditworthy counterparty and obtaining sufficient collateral or other security where appropriated, as a means of mitigating the risk of financial losses from defaults.

In the case of recognized financial assets, the carrying amount of the assets recorded in the statements of financial position, net of a portion of allowance for the doubtful account, represents the company maximum exposure to credit risk.

Foreign currency risk

As at December 31, 2022 and 2021 the significant outstanding balances of the Group's financial assets and liabilities denominated in foreign currencies are as follows:

Foreign currency	Unit: Thousand Baht							
	Consolidated financial statements				Separate financial statements			
	Financial assets		Financial liabilities		Financial assets		Financial liabilities	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Euro	18.04	18.57	2,385.66	568.76	18.04	18.57	2,385.66	568.76
US Dollars	7,878.88	7,567.04	40,484.90	69,108.15	7,978.88	7,567.04	37,637.69	67,782.83
Singapore Dollars	20.06	12.98	-	1,024.37	20.06	12.98	-	1,024.37
Pound Sterling	-	-	325.86	227.79	-	-	325.86	227.79
Yen	-	-	587.56	386.30	-	-	587.56	386.30
Renminbi	1.10	0.11	174.40	913.25	1.10	0.11	174.40	913.25
Ringgit	-	-	0.63	0.65	-	-	0.63	0.65

Unit: Baht/Unit Foreign Currency		
Foreign currency	Average exchange rate as at	
	December 31, 2022	December 31, 2021
Euro	36.8274	37.8948
US Dollars	34.5624	33.4199
Singapore Dollars	25.7206	24.7357
Pound Sterling	41.6639	45.0984
Yen	0.2609	0.2906
Renminbi	4.9664	5.2507
Ringgit	7.8304	8.0143

The Group manages their exposure to foreign currency risk by using derivatives when considered appropriate. As at December 31, 2022, the outstanding derivatives for managing the exposure to foreign currency risk are as follows:

Consolidated and separate financial statements					
		Amount	Forward rate		Maturity date
Forward contracts to “Purchase”					
USD/THB	0.33	Million USD	34.70	THB/USD	8 February 2023 - 7 March 2023

Interest rate risk

The Company has loans from banks, and interest rate is referred at the market rate (MOR rate and MLR rate), therefore, interest rate risk arises from the potential for a change in interest rate.

The Group exposures to interest rate risk relate primarily to their cash at banks, current investments and short-term loans. However, since most of the Company and subsidiaries' financial assets and liabilities have been repaid within one year, the interest rate risk is expected to be minimal.

As at December 31, 2022 and 2021 the Company had outstanding interest rate swap agreement as detailed below:

Book value of hedging							
		Notional amount		instrument		Interest rate loan	
		(Million Baht)		(Million Baht)		contract	Interest rate swap
Contract date	Maturity date	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	(Percentage/annum)	(Percentage/annum)
January 2016	January 2023	0.62	7.76	0.001	0.11	THBFIX+1.85	4.7

31. FAIR VALUES OF FINANCIAL INSTRUMENTS

The Group uses the market approach to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

As at December 31, 2022 and 2021, the Group had certain assets and liabilities that were measured or disclosed at fair value using different levels inputs as follows:

	Unit: Million Baht			
	Consolidated and separate financial statements			
	As at December 31, 2022			
	Level 1	Level 2	Level 3	Total
Liabilities measured at fair value				
Forward contracts to “Purchase”	-	0.11	-	0.11
Interest rate swap	-	0.001	-	0.001
	Unit Million Baht			
	Consolidated and separate financial statements			
	As at December 31, 2021			
	Level 1	Level 2	Level 3	Total
Liabilities measured at fair value				
Forward contracts to “Purchase”	-	0.04	-	0.04
Interest rate swap	-	0.11	-	0.11

Valuation techniques and inputs to Level 2 valuation

The fair value of derivatives has been determined by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, forward rates of foreign currencies and interest rate yield curves.

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

32. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it has an appropriate financing structure and to preserve the ability to continue its business as a going concern.

According to the statement of financial position as at December 31, 2022, the Group's debt-to-equity ratio was 0.80: 1 (December 31, 2021: 0.82: 1) and the Company's was 0.79: 1 (December 31, 2021: 0.81: 1).

33. EVENTS AFTER THE REPORTING PERIOD

Minutes of Board of Directors' Meetings of the Company No.2/2023, held on February 17, 2023, approved the payment of the remaining dividend of Baht 0.12 per share from the period operation ended December 31, 2022, in the total amount of Baht 24.30 million. The Company paid the dividend on May 19, 2023.

34. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's Board of Directors to be issued on February 17, 2023.

PART

4

Attachments

- Attachment 1

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

- Attachment 2

Details of the Directors of Subsidiaries

- Attachment 3

Details of The Heads of the Internal Audit

- Attachment 4

Assets for Business Undertaking

- Attachment 5

Policy and Guidelines on Corporate Governance and Code of Business Conduct

Attachment 1

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

1 Information on Directors and Executives

Assoc. Prof. Dr. Ekachidd Chungcharoen

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

Age 60

Appointment as Director date: September 12, 2007

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

Educational Background

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

Training

- Training programs of Thai Institute of Directors (IOD)

Role of the Chairman Program (RCP) Class 42/2018

Role of the Compensation Committee (RCC) Class 18/2014

Director Accreditation Program (DAP) Class 68/2008

Audit Committee Program (ACP) Class 23/2008

Experiences

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

Position in Other Listed Company at present : 1 Company

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

Other position at present: 2 Companies

- 2019 - Present Director, B&P Agri Products Co.,Ltd.
- 2005 - Present Associate Professor, Thammasat University

Past Experiences

- 2017-2022 Chairman of Nomination and Compensation Committee, Phol Dhanya Plc.
- 2019 - 2021 Independent Director, Sunshine International Company Limited
- 2018 - 2022 Independent Director /Audit Committee/ Chairman of Nomination and Compensation Committee, JSP Property Plc.
- 2014 - 2017 Committee of the Doctoral Program in Business Administration Program, Thammasat University
- 2010 - 2017 Director of Master of Business Administration Program, Thammasat University
- 2007 - 2017 Audit Committee, Phol Dhanya Plc.
- 2011 - 2013 Independent Director /Audit Committee, BJC Heavy Industries Co., Ltd.
- 2001 - 2007 Director of Bachelor of Business Administration (BBA) International Program, Thammasat University

Number of Shares Held as of December 31, 2022 :

Personally : 0.01% (30,000 Shares)

Spouse and miner children : None

Family relationship among Director and Executive: None

Mr. Noppadol Dheerabutrtrvongkul

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

Age 56

Appointment as Director date: September 12, 2007

Educational Background

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

Training

- "Easy listening" Accounting knowledge that AC should not miss", SEC (Jul., 2022)
- Training programs of Thai Institute of Directors (IOD)

Role of the Nominating and Governance Committee (RNG) Class 3/2012

Audit Committee Program (ACP) Class 23/2008

Director Accreditation Program (DAP) Class 68/2008

Experiences

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

Position in Other Listed Company at present : 1 Company

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

Other position at present: 1 Companies

- 2007 - Present Executive Director IFAC Co., Ltd

Past Experiences

- 2007 - 2017 Audit Committee, Phol Dhanya Plc.
- 2019 - 2021 Independent Director /Chairman of Audit Committee/ Nomination and Compensation Committee, Sunshine International Company Limited
- 2013- 2014 Audit Committee, Zemash Corporation Co., Ltd.
- 2011 - 2013 Independent Director /Audit Committee BJC Heavy Industries Co., Ltd
- 2005 - 2007 Business Controller, Siam City Cement Plc.

Number of Shares Held as of December 31, 2022 :

Personally : 0.01% (30,000 Shares)

Spouse and miner children : None

Family relationship among Director and Executive: None

General Chaiwat Satondee

- Independent Director
- Chairman of Nomination and Compensation Committee

Age 69

Appointment as Director date: October 12, 2015

Appointment as Independent Director date: February 19, 2021

Educational Background

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

Training

- Training programs of Thai Institute of Directors (IOD)
- Nomination Director Event 1/2017 "Nomination Committee Best Practice Guideline"
- Director Certification Program (DCP) Class 216/2016

Experiences

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

Position in Other Listed Company at present : None

Other position at present: 3 Companies

Subsidiaries company: 1 Company

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

Other Company : 2 Companies

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

Past Experiences

- | | |
|-------------|--|
| 2017 - 2022 | Nomination and Compensation Committee, Phol Dhanya Plc. |
| 2015- 2022 | Director, Phol Dhanya Plc. |
| 2015 - 2019 | Advisor to Board of Security and Military Affairs, The National legislative Assembly |
| 2012 - 2014 | Director General of War Veteran Organization of Thailand |
| 2008 | Deputy Director of Defence Industry and Energy Centre |
| 2007 | Chief of Military Affairs Co-ordinations Officers of the National Security Council |
| 2003 | Chief of Staff in The Joint Security Council in Aceh Monitoring Mission in Indonesia |
| 1998 - 2001 | Defense Attach to The Royal Thai Embassy in Yangon |
| 1991 - 1994 | Assistance Army Attach to The Royal Thai Embassy in Beijing |

Number of Shares Held as of December 31, 2022 :

Personally : 0.12% (248,250 shares)

Spouse and minor children : None

Family relationship among Director and Executive: None

Mr. Santi Niamnil

- Independent Director
- Audit Committee

Age 54

Appointment as Director date: May 10, 2016

Educational Background

- Bachelor of Laws, Ramkhamhaeng University
- Attorney-At-Law License 995/2537

Training

- Training programs of Thai Institute of Directors (IOD)
- Director Accreditation Program (DAP) class 80/2009

Experiences

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

Position in Other Listed Company at present : 1 Company

- | | |
|----------------|---|
| 2009 - Present | Independent Director/Audit Committee,
Sanko Diecasting (Thailand) Plc. |
|----------------|---|

Other position at present: 1 Company

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

Past Experiences

- | | |
|-------------|---|
| 2015 - 2018 | Attorney-At-Law, B&P Law Ltd. |
| 2003 – 2015 | Managing Director , Anek Advocate Co., Ltd. |
| 2004 - 2015 | Partner, Attorney-At-Law. Anek & Associates Lawyers Co., Ltd. |
| 2003 – 2013 | Director, Yusen Air & Sea Service Management (Thailand) Co., Ltd. |
| 1995 - 2003 | Attorney-At-Law. Anek & Associates Lawyers Co., Ltd. |

Number of Shares Held as of December 31, 2022 :

Personally : None

Spouse and minor children : None

Family relationship among Director and Executive: None

Dr. Pallapa Ruangrong

- Independent Director
- Audit Committee
- Risk Management Committee

Age 69

Appointment as Director date: September 19, 2017

Educational Background

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

Training

- “Easy listening” Accounting knowledge that AC should not miss”, SEC (Jul., 2022)
- Leadership Development Program, Hay Group, Malaysia (2007)
- Public Management and Public Law, King Prajadhipok’s Institute Class 6/2007
- Mini MBA, Thammasart University (2006)
- Improving Governance of Public Sector Enterprise, Asian Development Bank Institute: ADBI (Tokyo, Japan) (2006)
- Ministry of Finance Executive Program 2005 (The Kellogg School Management and the Maxwell School of Citizenship and Public Affairs)
- Modern Management Program in Logistics and Supply Chain Class3/2005, Srinakharinwirot University
- State Enterprise’s CEO Development Program, National Institute of Development Administration (NIDA) (2005)
- Training programs of Thai Institute of Directors (IOD)
- Director Certification Program (DCP) class 17/2002

Experiences

- | | |
|----------------|---|
| 2022 – Present | Risk Management Committee, Phol Dhanya Plc. |
| 2017 – Present | Independent Director /Audit Committee, Phol Dhanya Plc. |

Position in Other Listed Company at present : 1 Company

- | | |
|----------------|---------------------------------------|
| 2019 - Present | Director, Earth Tech Environment Plc. |
|----------------|---------------------------------------|

Other position at present: 3 Companies

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

Past Experiences

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

Number of Shares Held as of December 31, 2022 :

Personally : None

Spouse and miner children : None

Family relationship among Director and Executive: None

Mr. Wisarute Srirojanakul

- Independent Director

Age 43

Appointment as Director date: September 17, 2021

Educational Background

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

Training

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

Experiences

- | | |
|--------------|--|
| 2021-Present | Independent Director, Phol Dhanya Plc. |
|--------------|--|

Position in Other Listed Company at present : None

Other position at present: 7 Companies

- | | |
|----------------|--|
| 2022 - Present | Director, Thai Agro Service Co., Ltd. |
| 2021 - Present | Director, AGRI GATE Co., Ltd. |
| 2021 - Present | Director, Fresh Commerce Co.,Ltd. |
| 2020 - Present | Corporate Secretary, Thai Agro Exchange Co., Ltd. (TalaadThai) |
| 2019- Present | Assistant to Managing Director, Bangkok Terminal Co., Ltd. |
| 2018- Present | Deputy Chief Financial Officer, Winvestment Co., Ltd. |

Past Experiences

- | | |
|-------------|---|
| 2017-2018 | Head of Business Incubation , Beacon Venture Capital Co.,Ltd. |
| 2009 - 2016 | First Vice President, Kasikornbank Plc. |

Number of Shares Held as of December 31, 2022 :

Personally : None

Spouse and miner children : None

Family relationship among Director and Executive: None

Mr. Boonchai Suwanvutthiwat

- Director
- Risk Management Committee
- Chief Executive Officer

(Authorized Signature)

Age 60

Educational Background

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

Training

- City Administration Training Program for Senior Executive Class 3, Navamindradhiraj University
- Capital Market Academy Leadership Program, Capital Market Academy (CMA) Class 20/2015
- Advanced Certificate Course in Public Economics Management for Executives, King Prajadhipok's Institute Class 11/2013
- Senior Executive Program (SEP), Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Training programs of Thai Institute of Directors (IOD)
- Driving Company Success with IT Governance (ITG) class 3/2016
- Successful Formulation and Execution of Strategy (SFE) class 26/2016
- Anti-Corruption: The Practical Guide Program (ACPG) class 21/2015
- Director Certification Program (DCP) Class 155/2012

Experiences

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

Position in Other Listed Company at present : None

Other position at present: 2 Companies

Subsidiaries company : 2 Companies

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

Past Experiences

- 2014 – 2022 Director, Phol Water Co.,Ltd.
- 2010 - 2017 Executive Director, Phol Dhanya Plc.
- 2010 - 2012 Senior Director – Central Industrial Zone Department, Phol Dhanya Plc.
- 2007 – 2010 Director of Sales Department Group 2, Phol Dhanya Plc.
- 1999 – 2006 Manager – Business Unit, Phol Dhanya Co., Ltd
- 1992 - 1998 Manager – Sales Department, Phol Dhanya Co., Ltd

Number of Shares Held as of December 31, 2022 :

Personally : None

Spouse and minor children : None

Family relationship among Director and Executive: None

Mr. Thanya Wangthamrong

- Director
- Risk Management Committee
- Vice President Marketing and Sales

(Authorized Signature)

Age 43

Appointment as Director date: April 30, 2013

Educational Background

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

Training

- Seminar "Preparation for Climate Change and Action taken to reduce greenhouse gas emissions, by TGO, SET (May-Jul., 2022)
- Seminar "Techniques for Adding Value to Listed Companies from an analyst point of view securities" by SET (Aug., 2022)
- CFO's Orientation for New IPOs by SET (Mar 2022)
- TLCA CFO Professional Development Program (TLCA, CFO, CPD) No. 1/2022 by SET (Aug., 2022)
- Financial Statement Analysis by SET (Nov., 2022)
- Training programs of Thai Institute of Directors (IOD)

Director Certification Program (DCP) Class 180/2013

Experiences

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

Position in Other Listed Company at present : None

Other position at present: 1 Company

Subsidiaries company : 1 Company

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

Past Experiences

- 2021 – 2022 Acting Chief Financial Officer, Phol Dhanya Plc.
- 2006 – 2019 Director, Guzz Media Co., Ltd
- 2010 - 2017 Executive Director/ Chief Marketing Officer/, Phol Dhanya Plc.
- 2011 - 2017 Director, Wilsiri Intertrade Co, Ltd.
- 2006 - 2017 Director, PDF Supply Co., Ltd
- 2015 Chief Information Technology Officer, Phol Dhanya Plc.
- 2014 Director – Environment Business Division, Phol Dhanya Plc.
- 2009 - 2010 Manager - Marketing Division, Phol Dhanya Plc.
- 2007 - 2009 Manager – Marketing Communication Department Phol Dhanya Co.,Ltd.

Number of Shares Held as of December 31, 2022 :

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

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

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

Mr. Apichart Jarutangtrong

• Director

Age 27

Appointment as Director date: August 11, 2022

Educational Background

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

Training

Training programs of Thai Institute of Directors (IOD)

- Director Certification Program (DCP) Class 336/2023 (During Class)

Experiences

2022-Present Director, Phol Dhanya Plc.

Position in Other Listed Company at present: None

Other position at present: None

Past Experiences

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

Number of Shares Held as of December 31, 2022 :

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

Spouse and miner children : None

Family relationship among Director and Executive: None

Note: Mr. Apichart Jarutangtrong was appointed as a director to replace the vacant director position, effective on August 11, 2022

Asst.Prof.Dr.Suluck Pattarathammas

• Chairman of Risk Management Committee

Age 57

Appointment as Director date: February 10, 2014

Educational Background

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

Training

- Training programs of Thai Institute of Directors (IOD)

Directors Accreditation Program (DAP) Class 138/2017

Experiences

2021-Present Chairman of Risk Management Committee, Phol Dhanya Plc.

2014 – Present Risk Management Committee, Phol Dhanya Plc.

Position in Other Listed Company at present: None

Other position at present: 3 Companies

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

Past Experiences

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

Number of Shares Held as of December 31, 2022 :

Personally : None

Spouse and miner children : None

Family relationship among Director and Executive: None

Mr. Pornsak Chunhajinda

- Vice President Corporate Support
- Chief Financial Officer

Age 56

Educational Background

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

Training

- Training programs of Thailand Federation of Accounting Professions (TFCA)
- Seminar "Sampling in the Auditing" Class 1/65
 - Seminar "Update TFRS 9, TFRS 16 Overall" Class 1/65
 - Seminar "The main issues of financial reporting standards for SMEs/NPAEs/PAEs accounts Comparison with the rules of income tax generation" Class 2/65
 - Advanced Certificate Course Politics and Governance in Democratic for Executive Class 22 King Prajadhipok's Institute
 - Chief Financial Officer Certification Program Class 11/2009 by Federation of Accounting Professions
 - Training programs of Thai Institute of Directors (IOD)
- Director Certification Program (DCP) Class 227/2016

Experiences

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

Position in Other Listed Company at present : None

Other position at present: 4 Companies

Subsidiaries company : 1 Company

- 2565- Present Director/Managing Director, Phol Water Co.,Ltd.

Other company : 3 Companies

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

Past Experiences

- 2018- Jul, 2021 Vice President Corporate Support, Phol Dhanya Plc.
- 2010- Jul, 2021 Chief Financial Officer, Phol Dhanya Plc.
- 2016 - 2018 Director/Risk Management Committee, Phol Dhanya Plc.
- 2016 - 2017 Managing Director, Phol Dhanya Plc.
- 2014 - 2017 Managing Director, Phol Water Co., Ltd.
- 2010 - 2017 Executive Director, Phol Dhanya Plc.
- 2009 - 2013 Director, PD Genesis Engineering Co., Ltd
- 2007 - 2010 Director of Accounting and Finance Division, Phol Dhanya Plc.
- 1996 - 2006 Managing Director, Nonsi Accounting Co., Ltd

Number of Shares Held as of December 31, 2022 :

Personally : 0.07% (135,500 Shares)

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

Family relationship among Director and Executive: None

Note: Mr. Pornsak Chunhajinda was appointed as Vice President Corporate Support and Chief Financial Officer , effective on November 11, 2022

Miss Prapaipit Viriyabhupha

- Sales Director Control Environment Products (CE)

Age 54

Educational Background

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

Training

-

Experiences

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

Position in Other Listed Company at present : None

Other position at present: 1 Company

Subsidiaries company : 1 Company

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

Past Experiences

- 2018 - 2022 Director/Managing Director, Phol Water Co.,Ltd.
- 2013 - 2018 Director, Phol Palladium Co., Ltd
- 2010 - 2017 Chief Operation Officer, Phol Dhanya Plc.
- 2016 - 2017 Chief Information Technology Officer, Phol Dhanya Plc.
- 2007 - 2010 Chief Operation Officer, Phol Dhanya Plc.
- 1995 - 2007 Manager of Procurement Department, Phol Dhanya Plc.
- 1992 - 2004 Supervisor - Procurement Department, Phol Dhanya Plc.

Number of Shares Held as of December 31, 2022 :

Personally : 0.37% (750,000 Shares)

Spouse and minor children : None

Family relationship among Director and Executive: None

Mr. Paradorn Parepatara

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

Age 45

Educational Background

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

Training

- Virtual Classroom by SEAC Center in 2022
- Course “Communication for effective results”
- Course “Become A Leader That Others Will Want to Follow”
- Course “Data Visualization and Storytelling”
- Course “Digital Mindset”
- Course “Outward Mindset at Work”
- Course “Digital Transformation” by SET (Sep, 2022)
- CCC Live Forum #6/2022 MAKOTO MARKETING” Go with Heart by SET (Jun, 2022)

Experiences

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

Position in Other Listed Company at present : None

Other position at present: None

Past Experiences

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

Number of Shares Held as of December 31, 2022 :

Personally : None

Spouse and minor children : None

Family relationship among Director and Executive: None

Mr. Nitipat Pedprasert

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

Age 42

Educational Background

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

Training

- Virtual Classroom by SEAC Center in 2022
- Course “Communication for effective results”
 - Course “Become A Leader That Others Will Want to Follow”
 - Course “Data Visualization and Storytelling”
 - Course “Digital Mindset”
 - Course “Outward Mindset at Work”
 - Course “Go-to-Market: Customer Centric Strategy”
 - Course “Practical Data Analytics and Machine Learning for Organizations”
 - Course “Digital Strategies & Tactics”
 - Course “Digital tools for tracking trends”
 - CCC Live Forum#10 “Social media trends and adjustments for the year 2023” by SET (Nov., 2022)
 - Course “Customer Insights & Engagement” by SET (May, 2022)

Experiences

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

Position in Other Listed Company at present : None

Other position at present: None

Past Experiences

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

Number of Shares Held as of December 31, 2022 :

Personally : None

Spouse and minor children : None

Family relationship among Director and Executive: None

Ms. Kwandao Duangjan

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

Age 43

Educational Background

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

Training

- Seminar "Recruitment and dressing Director" by TLCA (Nov., 2022)
 - Seminar "Preparation for Climate Change and Action taken to reduce greenhouse gas emissions by TGO, SET (May-Jul., 2022)
 - Certificate "Professional Development Program for Company Secretary" by TLCA (May-Jun., 2022)
 - Course "Applying ISO 22301:2019 according to the business continuity management system standard Business" by BSI Group (Thailand) (June, 2022)
 - CGR Workshop 2022 by IOD (June, 2022)
 - Seminar "Preparedness to support the enforcement of PDPA for company secretaries" by TLCA (May, 2022)
 - Seminar "SD Professional Sharing Seminar 4/2021: Business with Human rights in ONE REPORT" by SET (Nov, 2021)
 - Role of Company Secretary to Good Corporate Governance IOD Open House 1/2022
 - Seminar "ESG: Opportunities and risks that companies should know" by TLCA (Oct 2021)
 - Preparation of greenhouse gas emissions report 56-1 One Report for listed companies for Service Sector by SEC (Oct 2021)
 - Course Sustainability Report by industry Class 5, Service group by SET (Aug. 2021)
 - Developing Disclosure Request Information to Integrated Report by SET (Aug, 2021)
 - Anti-Corruption Working Paper – CAC by TFCA (Mar, 2021)
 - Risk analysis and sustainability risk by SET (Oct, 2020)
 - Risk Management (Advance) COSO ERM2017 by TFCA (Sep, 2020)
 - Open House CAC Checklist 4.0 by IOD (๙.๓.2563)
- Training programs of Thai Institute of Directors (IOD)
- Company Secretary Program (CSP) Class 126/2022
 - Company Reporting Program (CRP) Class 31/2022
 - Board Reporting Program (BRP) Class 39/2022
 - Corruption Risk and Control Workshop (CRC) Class 2/2019
 - Anti-Corruption: The Practical Guide (ACPG) Class 19/2015

Experiences

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

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

2013 - 2014	Accounting Supervisor, Phol Dhanya Plc.
2005 – 2012	Accounting, Phol Dhanya Plc.
2002 - 2004	Accounting, RS Promotion Co., Ltd.

Number of Shares Held as of December 31, 2022 :

Personally : 0.001% (2,017 Shares)

Spouse and minor children : None

Family relationship among Director and Executive: None**Duties and responsibilities of Company Secretary**

The Board of Directors appointed Mrs. Kwandao Duangjan to be Company Secretary since June 23, 2022 to perform duties specified under the authority to comply with the regulations and notifications of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission and Securities and Exchange Act B.E. 2551 (4th Amendment), perform duties in a responsible, careful and honesty, collaborate with internal units between the Board and Executive Management, oversee the legal and related regulations, provide information support the principles of good corporate governance for implementation, monitor to ensure that the resolutions of the Board's meeting and Shareholders' meeting are executed, as well as responsible to prepare and maintain the documents are required by law, and perform any other tasks delegated by the Board of Directors. Duties and responsibilities are as follow;

1. Prepare and maintain the following document:

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

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

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

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

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

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

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

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

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

The person assigned to take direct responsibility for accounting supervision

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

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

Miss Jintana Suwanpayom

Age 43

- Accounting Manager

Educational Background

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

Training

Virtual Classroom by SEAC Center in 2022

- Course “Leadership”
- Course “Practical Data Analytics and Machine Learning for Organizations”
- Course “7 Thinking Tools to Unleash Creativity”
- Course “How to Digital Transformation”
- Course “Pomodoro Technique - Time Management System”
- Course “Basic Data Analytics with Excel: A case study from online shopping”
- Course “Criteria for issuing and using electronic tax invoices” by Dharmniti Training and Seminar Co., Ltd. (Jul. 2022)
- “Smart FSCOMP” by SET (Feb, 2022)
- Course “Strategic CFO in capital market” Class 7/2018 by SET

Continuing Accounting Professional Development 2022

CPD (Accounting)

- | | |
|---|---------|
| - Course “Writing monthly, quarterly performance reports for attractive presentation and practical use effectively” | 6 hours |
| - General meeting Federation of Accounting Professions for the year 2022 | 2 hours |
| - Course “Insights into Comprehensive Tax Issues That Accountants and Accountants Should Not Miss” | 7 hours |

Experiences

2008 – Present Accounting Manager, Phol Dhanya Plc.

Position in Other Listed Company at present : None

Other position at present: None

Past Experiences

2005 – 2007 Accounting Supervisor, Phol Dhanya Plc.

Number of Shares Held as of December 31, 2022 :

Personally : None

Spouse and minor children : None

Family relationship among Director and Executive: None

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

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

Remarks

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

PHOL= Phol Dhanya Plc.

PL= Phol Palladium Co.,Ltd

PHOLW= Phol Water Co.,Ltd.

PHOLC= Pholdhanya (Cambodia) Co.,Ltd

Attachment 2

Details of the Directors of Subsidiaries

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

X = Chairman of the Board M = Managing Director / = Director

Attachment 3

Details of The Heads of the Internal Audit

Miss Siriporn Ninklun

- Internal Audit Supervisor
- Secretary of Audit Committee

Age 29

Educational Background

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

Training

- Analytical Thinking for Professional Internal Auditor by Institute of Internal Audit Thailand (Sep 2022)
- Anti-Corruption Working Paper CAC Class 1 : by FAP (Mar 2021)
- Fraud: Prevention and Detection: by SEC (Jan 2021)
- Personal Data Protection Act, 2562 BE by Dharmniti Seminar and Training Co.,Ltd. (Apr 2020)
- Seminar "IA Clinic 2020 Emerging Risk for IA" by SET
- CAE Forum 2019 Winning 5G and the 4th Industrial Revolution by SET
- Compliance and Compliance Audit by Institute of Internal Audit Thailand
- Seminar "IA Clinic Risks-based Audit Plan" by SET
- Program Team Mate+ Audit by PWC
- Audit Program Development by Institute of Internal Audit Thailand

Experiences

2023 - Present Internal Audit Supervisor, Phol Dhanya Plc.

Position in Other Listed Company at present : None

Other position at present: None

Past Experiences

2016 - 2022 Internal Audit Officer, Phol Dhanya Plc.

2010 – 2016 Accountant, Minebea Mitsumi Group (Thailand)

Number of Shares Held as of December 31, 2022:

Personally : None

Spouse and minor children : None

Family relationship among Director and Executive: None

Attachment 4

Assets for Business Undertaking

1. Fixed Assets of the Company and its subsidiaries

As of December 31, 2022, details of the Company's fixed assets for business operations are summarized as follows:

Type of Fixed Assets	Net Book Value (Baht) December 31, 2022	Nature of Ownership	Encumbrance
1. Land and Land Improvement			
- Head Office and warehouse Lumlukka Pathumtani	28,324,286	Owner	Guarantee for credit limit
- Branch Office- Mueang District, Chiangmai	3,440,000	Owner	None Encumbrance
- Branch Office-Mueang District, Rayong	620,200	Owner	None Encumbrance
Total of Land and Land Improvement	32,384,486		
2. Building and building improvements			
- Head Office and warehouse Lumlukka Pathumtani Address 1/11 Lumlukka Pathumtani	43,281,050	Owner	Guarantee for credit limit
- Branch Office-Chiangmai address 47/55-57	251,476	Owner	None Encumbrance
- Branch Office-Mueang District, Rayong address 155/213	4,186,728	Owner	None Encumbrance
Total of Building and building improvements	47,719,254		
3. Furniture and equipment	3,501,276	Owner	None Encumbrance
4. Demonstration goods and tools	794,299	Owner	None Encumbrance
5. Vehicles	786,857	Owner	None Encumbrance
6. Utility system	2,173,033	Owner	None Encumbrance
7. Water well drilling machines	149,736	Owner	None Encumbrance
8. Assets under water sales agreement	1,330,931	Owner	None Encumbrance
9. Safety equipment for rent	390,301	Owner	None Encumbrance
10. Assets under installation	190,930	Owner	None Encumbrance
Total Fixed Assets	89,421,103		

Right-of-Use Assets - Net

Type of Assets	Net Book Value (Baht) December 31, 2022
Right of use of building	571,946
Equipment	3,566,575
Vehicles	1,830,839

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

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

Investment Properties - Net

Type of Fixed Assets	Net Book Value (Baht) December 31, 2022	Nature of Ownership	Encumbrance
1. Land and Land Improvement			
- Land in Mueang District, Rayong	493,000	Owner	Guarantee for credit limit
- Land in Uthai District, Ayutthaya	128,000	Owner	Guarantee for credit limit
- Land of Narita Building, Chaeng Watthana, Bangkok	749,160	Owner	Guarantee for credit limit
Total of Land and Land Improvement	1,370,160		
2. Building and building improvements			
-Narita Tower, Chaeng Watthana, Bangkok Address 47/390	158,579	Owner	Guarantee for credit limit
-Building in Mueang District, Rayong address 308/3-4	1,485,471	Owner	Guarantee for credit limit
-Building in Uthai District, Ayutthaya address 27/44-45	1,485,476	Owner	Guarantee for credit limit
Total of Building and building improvements	3,064,972		
Total of Investment Properties	4,435,132		

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

Intangible Assets

- Computer Software

As of December 31, 2022, the Company has intangible assets: computer software with net book value of consolidated financial statements amount to 0.88 MB

- Trademark

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

Trademark	Products	Status
	Safety shoes, Safety glasses, Protective masks and Helmet	The trademark has been registered since 2007 and renewed from 2018 to 2027 and may be renewed every 10 years.
	Safety shoes	The trademark has been registered since 2018 for a period of 10 years.

2 Investment Policy in Subsidiaries

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

Attachment 5

Policy and Guidelines on Corporate Governance and Code Of Business Conduct

Corporate Governance Policy

The Board of Directors are determined to develop the organization to achieve sustainable growth, being a transparent organization with good governance practices, social responsibility and maintenance of benefits for stakeholders and the society in general. The “Corporate Governance Policy” has been devised to promote the principle of organizational governance, emphasizing on operating the business with transparency, morality, ethics and honesty on the basis of “Business Ethics and Code of Conduct”, serving as good practical guidelines for the directors, executives and all staff members, as well as all stakeholders equally and fairly, striving towards creating long-term business values for sustainable growth.

The policy has been disseminated on the Company’s website. Further information is available at <http://investor.pdgeth.com/misc/CG/20201027-phol-cg-policy-en.pdf>

Business Code of Conduct

The Company is well aware of the significance of encouraging and enhancing the quality of good governance, as it is considered a critical foundation for stability and sustainable growth, leading up to trust among investors and all stakeholders.

The Board of Directors are of the view that the “Business Code of Conduct” should be adopted and disseminated to staff members as practical guidelines, as a display of intention in operating the business with transparency, fairness and responsibility towards all stakeholders, as well as with social responsibility.

The guidelines have been disseminated on the Company’s website. Further information is available at <http://investor.pdgeth.com/misc/CG/20160421-phol-cg-codeConduct-en.pdf>



Official website:
www.pdgth.com



Safety Knowledge Center
www.thai-safetywiki.com



PHOL DHANYA PUBLIC COMPANY LIMITED

Head office : 1/11 Moo 3, Lumlukka Road, Ladsawai, Lumlukka,
Pathumthani 12150 Thailand.

Tel. 0 2791 0111-2

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

Chiang Mai : 47/55-57 Moo 2, Chotana Road, Chang Puak,
Muang Chiang Mai, Chiang Mai.

Tel. 0 5322 6811