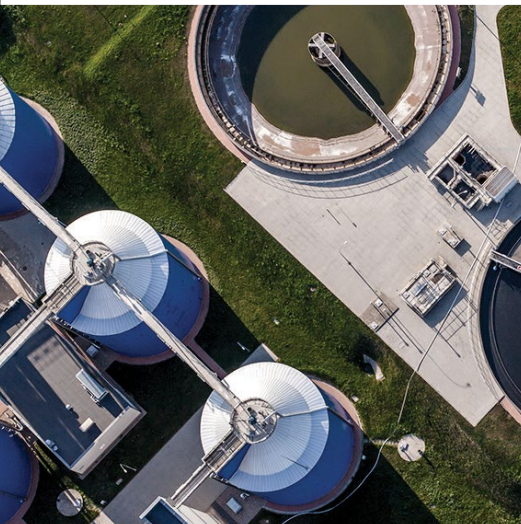




Phol Dhanya Public Company Limited



Annual Registration Statement
Annual Report 2021
(Form 56-1 One Report)

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Details of the directors of subsidiaries

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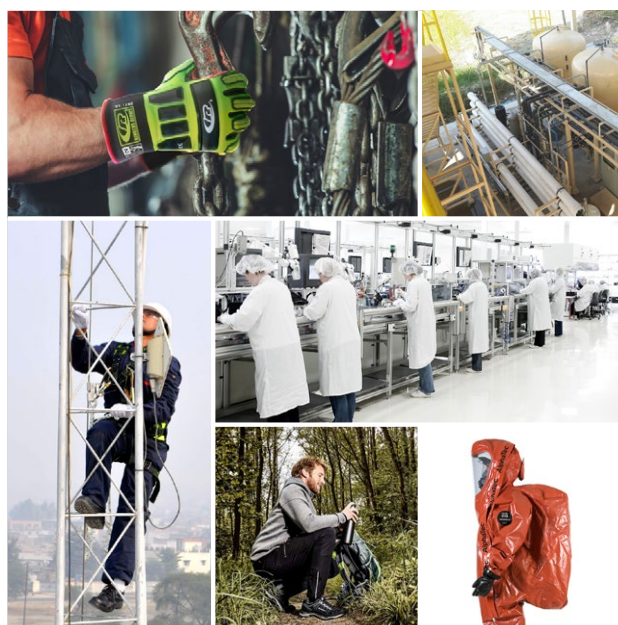
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Vision Missions Culture



VISION

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



MISSIONS

<p>1</p> <p>Be recognized in Thailand and ASEAN</p>	<p>2</p> <p>Be a leading company offering high-quality products and services of Safety, Health, Environment with reasonable price, innovation and expertise</p>	<p>3</p> <p>Be equipped with an efficient and modern work system for quickly respond and excellent service</p>	<p>4</p> <p>Be desirable workplace with efficient human management system along with a good working culture</p>	<p>5</p> <p>Create value to stakeholders equally for sustainable growth</p>
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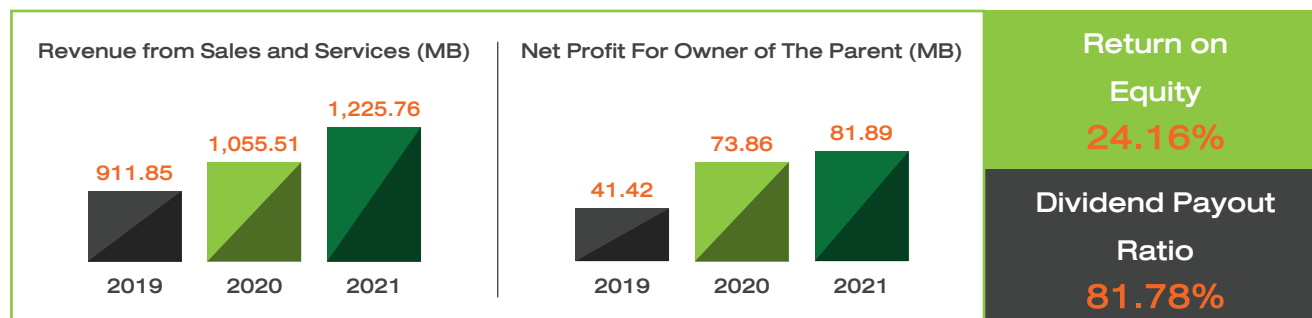


CULTURE

PHOL-D

- P** **Professional**
Work professionally driving for success together
- H** **Honest And Integrity**
Having Ethic to themselves as well as to the public
- O** **Ownership Quotient**
Dedicated over a hundred and beyond what customers expectation
- L** **Learning And Continuous Improvement**
Dare to think, dare to do with aiming to create something better
- D** **Drive For Results And Achievement**
Focusing on the results of work for overall benefits of the public

Financial Highlights



As December 31 (Consolidated)

		2021	2020	2019
Financial Performance				
Revenue from Sales and Services	Million Baht	1,225.76	1,055.51	911.85
Cost of Sales and Services	Million Baht	938.17	781.38	675.85
Gross Profit	Million Baht	287.59	274.14	236.00
Net Profit For Owner of The Parent	Million Baht	81.89	73.86	41.42
Financial Position				
Total Assets	Million Baht	636.23	606.00	567.15
Total Liabilities	Million Baht	288.06	278.85	266.16
Total Shareholders' equity of the Company	Million Baht	349.47	328.45	302.29
Common Shares				
Paid Up Capital	Million Baht	202.50	202.50	202.50
Par Value Per Share	Baht	1.00	1.00	1.00
Book Value Per Share	Baht	1.72	1.62	1.49
Dividend Per Share*	Baht	0.32	0.29	0.15
Dividend Payout Ratio	%	81.78	91.71	75.95
Financial Ratio				
Return On Equity	%	24.16	23.42	14.37
Return On Assets	%	16.90	15.95	9.63
Gross Profit Margin	%	23.46	25.97	25.88
Net Profit Margin	%	6.66	6.94	4.45
Current Ratio	Times	1.87	1.85	1.82
Debt to Equity Ratio	Times	0.83	0.85	0.88

* The 2021 dividend at the rate of 0.32 baht per share comprises an interim dividend at the rate of 0.16 baht per share and a dividend for the last six months at a rate of 0.16 baht per share, which will be proposed for approval at the 2022 Annual General Meeting of Shareholders in April 27, 2022

Awards and Recognitions



Excellent CG Scoring according to the Corporate Governance Report of Thai Listed Companies 2021 for the seventh consecutive year



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



The Company is considered to be one of listed in the Universe of **ESG100** Securities for the year 2021 by Thaipat Institute.



สมาคมส่งเสริมพลังคนไทย
THAI INVESTORS ASSOCIATION

100% for 2021 AGM Quality Assessment Project organized by Thai Investors Association.

Message from the Chairman



Assoc. Prof. Dr. Ekachidd Chungcharoen

Chairman of the Board



Mr. Boonchai Suwanvutthiwat

Chief Executive Officer

Dear Shareholders

2021 was another year that Thailand and the rest of the world were forced to live with the continued spread of COVID-19. However, the preparations put forth by the government and the private sector, the acceleration of vaccine roll-out to all citizens, and the learning on the adaptation to cope with this situation, have contributed to improve the economic activities compared to the year before, though the overall outlook is still in a downturn phase.

The Company has continuously been monitoring the situation in terms of making preparations and coping with the crises in accordance with the business continuity plan, to ensure strategic execution as identified, risk management, strategic reviews that are conducted in a timely manner, continuous enhancement of staff members' skills and abilities, as well as the improvement of the information system in the operations to accommodate the changing business environment. The revenue from sales and service provision was reported at 1,225.76 million Baht, increasing by 16.13%, with the net profit of 81.89 million Baht, increasing by 10.87% YoY, marking another year of record high operating performance and exceeding the target.

Apart from generating business growth, the Company is determined to observe the principle of governance and ensure transparent business operations with responsibility towards all stakeholders. In terms of governance, the Company has reviewed the addition of control measures on internal information utilization and securities trading. On caring for stakeholders during COVID-19, the Company has always emphasized on taking care of staff members, providing them with the required equipment to facilitate Working from Home without any interruptions, and stressing on safety and health of staff members and relevant

parties. Hence, personal hygiene measures have been identified, with preventive equipment provided for, and staff members are encouraged to get vaccinated. Work processes have been improved to ensure effective service provision to customers, while community and social responsibility is also an integral part of our operations, whereby the Company continuously supplies preventive equipment to hospitals and several organizations, with the determination to ensure that business operations cover the economic, social and environmental dimensions in a sustainable manner, enabling the Company to get rated "excellent" in the governance assessment for the 7th consecutive year, and ranked in the Universe tier of the ESG100 securities in 2021 for the 2nd consecutive year, organized by ThaiPat Institute.

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

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

Report of Audit Committee




Mr. Noppadol Dheerabutrvingkul

Chairman 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 Dheerabutrvingkul 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 2021, the Audit Committee held six (6) Meetings with the external auditors, Chief Financial Officer and Chief Internal Audit Officer attending the Meeting in related agenda item, which is summarized as follows:

1. Reviewed the quarterly and annual financial statements of 2021, the Audit Committee has reviewed the quarterly financial statements by questioning and listening to the management and the external auditor's clarifications concerning the correctness and completeness of the financial statements, compliances with generally accepted accounting principles. Selecting accounting policies and its adequacy of information disclosure, as well as acknowledged the problems and solutions that beneficial to the Company's business. The Audit Committee agreed with the external auditors that the financial statements were correct and adhered to the general accepted accounting principles and the disclosure of information is correct and complete.
2. Reviewed and commented the connected transactions or transactions that may lead to conflicts of interest, including the disclosure of such transactions, in compliance with the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission. The Audit Committee opined that such transaction is reasonable and for the highest benefit of the Company's business operation, including the disclosure of information is correct and complete.
3. Review the results of internal audit performance by Internal Audit Division, the independently audit team according to 2021 internal audit annual plan, to internal control results more efficient and effectiveness. Overview, the results of the adequate assessment of internal control system of the company was adequacy.
4. Regulated the internal audit by reviewed the internal audit charter, a manual on internal audits, internal audit key performance indicators, according to 2021 internal audit annual plan as well as monitor progress against the annual audit plan every quarter.

5. Reviewed the operational processes to ensure compliance with the Securities and Stock Exchange Law, in line with the regulations of the Stock Exchange of Thailand and other laws related to the Company's business, including compliance with the Company's requirements and obligations to the third parties. The Audit Committee informed that there are no significant issues regarding non-compliance with laws and regulations of the relevant item refer to the Stock Exchange of Thailand's regulatory.
6. Reviewed the scope of information technology management and security measure for the information technology system. 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. Effective 1 June 2022
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 2021 to the Board of Directors to propose the 2021 Annual General Meeting of Shareholders for approval. The Audit Committee has considered the performance, independence, and appropriateness of remuneration, deemed it appropriate the appointment of Mr. Sathien Vongsanan Certified Public Accountant No.3495, or Mr. Atipong Atipongsukul, Certified Public Accountant No. 3500, or Miss Kultida Pasurakul, Certified Public Accountant No. 5946, or Miss Panita Chotesaengmaneekul Certified Public Accountant No. 9575 of ANS Audit Co. Ltd., as the Company's auditors for the year 2021.

The Audit Committee is of the view that over the course of 2021, 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.

Report of Risk Management Committee




Prof. Dr. Suluck Pattarathammas

Chairman 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 3 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 3 members are as follows:

1. Prof.Dr.Suluck Pattarathammas Chairman of Risk Management Committee
2. Mr. Boonchai Suwanvuttivat Risk Management Committee
3. Dr. Pallapa Ruangrong Risk Management Committee

In 2021, there were six 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, dated November 10, 2020, which has been reviewed of the adequacy and appropriateness in risk management without any changes made.
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. Arrange for the development of risk management reporting system in inventory management, by developing the Warehouse Management System (WMS), forming linkages with the ERP system in the dashboard format to accompany decision making in a timely and comprehensive manner.
4. Perform risk management actions in case of business disruption (BCP) continuously from the previous year resulting from the transmission of COVID-19 and any other cases (if any) that may cause impact on the business, by way of assessing the impact and identifying proper responsive measures, as well as strictly considering the safety and health of staff members and external parties, and also the safety of the premises according to the Ministry of Public Health's measures.
5. Control and prevent risks concerning information system safety or cyber security that may occur, in order to ensure that the system can accommodate the Company's business procedures effectively. In this regard, this also applies to the compliance of the policy and Personal Data Protection Act B.E. 2562 that will be effective from June 1, 2022 onwards.
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 required for the renewal of the Collective Action Coalition against Corruption (CAC) certification that will be due in 2022.

The Risk Management Committee affirms that the Company's risk management policy and plan are effective, appropriate and can contain risks at the acceptable level, cohering with the changing situations, compliance to the relevant laws and standards in a comprehensive manner, under the principle of good governance.

Report of Nomination and Compensation Committee




Assoc. Prof. Dr. Ekachidd Chungcharoen

Chairman of Nomination and Compensation Committee

Dear Shareholders

The Nomination and Remuneration 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 4 members as follows:

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

There were 3 Nomination and Remuneration Committee meetings held in 2021, 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; Assoc. Prof. Ekachidd Chungcharoen; Independent Director, Dr. Panlapa Ruangrong; Independent Director and Mr. Boonchai Suwanvutthiwat; Director to be reinstated into another term of directorship.
- 1.3 Consider and select a candidate for the Independent Director position; Mr. Wisarut Sirojanakul, in replacement of Mr. Chawalit Wangthamrong, who resigned during the year. In this regard, the procedure followed the Company's selection and nomination policy.
2. Consideration of the remuneration package for the Board of Directors and sub-committees in 2021, 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. Consideration of the performance evaluation criteria and identification of the appropriate remuneration for top executives that comply with the Company's regulations.
4. Proposal of the organizational restructuring for the Human Resource department to the Chief Executive Officer to support the administration of strategic human resource management to accommodate changes, which cohere with the Company's growth direction in the future. Meanwhile, the top executive; Mr. Passaraphog Wangthamrong, has been appointed to assume the Human Resource Director, with reference to the organizational structure.
5. Consideration 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.

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.

Board of Directors



1 Assoc. Prof. Dr. Ekachidd Chungcharoen

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



2 Mr. Noppadol Dheerabutrvingkul

Independent Director
Chairman of Audit Committee
Nomination and Compensation Committee



3 Mr. Boonchai Suwanvutthiwat

Director
Risk Management Committee
Chief Executive Officer



4 Mr. Santi Niamnil

Independent Director
Audit Committee



5 Dr. Pallapa Ruangrong

Independent Director
Audit Committee
Risk Management Committee



6 General Chaiwat Satondee

Independent Director
Nomination and Compensation Committee



7 Mr. Thanya Wangthamrong

Director



8 Mr. Wisarute Sirojanakul

Independent Director

Management Team



1 Mr. Boonchai Suwanvutthiwat

Chief Executive Officer
Acting Information Technology Director



2 Mr. Thanya Wangthamrong

Vice President Marketing and Sales
Acting Chief Financial Officer



3 Miss Kamolphopphan Puapansakul

Internal Audit Director



4 Miss Prapaipit Viriyabhupha

Sales Director Control Environment Products
Acting Procurement Director



5 Mr. Paradorn 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



7 Mr. Patsapong Wangthamrong

Human Resources Director

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 (MD&A)
- General Information and Other Material Facts

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”

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

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.

The key operational strategies in 2022 are mostly the continuation of the development plan from the previous year. The overall industrial economy has a positive outlook both domestically and internationally, supported by the export sector that is expected to grow in relation to the global economy. The government and private sector investments, though somehow affected by the spread of the new wave of COVID-19, should only be affected on a short-term basis. However, the Company closely monitors and evaluates the situation, as well as other threats that may occur in the future and aware of the rapidly changing business landscape and threats in the manufacturing industry that has higher tendency for the adoption of technology and automated machines in place of human labor. Thus, the Company has identified the strategies in market development to expand the scope of operations to new customer bases, especially end-users and consumers who require safety in carrying out activities in everyday lives, while at the same time expand customer bases in key industries and new industries with growth potential and in which the Company does not have large market share. In 2021, the Company's emphasis will be on the improvement of structures, work procedures and skills for staff members to accommodate the operational direction and continuous economic growth.

The strategic goals can be classified into 4 major areas, as follows:

- Build financial growth by identifying revenue growth target from sales and service provision from 3 core businesses to be no less than 10-15% 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 established its branch in Muang district, Phuket Province. Currently, the company has 3 branches at Rayong in Eastern part, at Chiang Mai in Northern part and at Phuket in Southern part • The company expanded its business into Myanmar by establishing Aekar Co., Ltd. as its authorized distributor in Myanmar • The Company also received the certificate of occupational health and safety management systems OHSAS18001:2007 • The Company was awarded the "Top Corporate Governance Report" certificate at the SET Awards 2012 and Excellence CG Scoring from Corporate Governance Report of Thai Listed Companies 2012.

- 2013**
- The Company established Phol Palladium Co., Ltd to distribute occupational health and safety products to government agencies, with the value of investments was accounted 99.99% of its registered capital of 1 million baht
 - The Company established Pholdhanya (Cambodia) Co., Ltd. to distribute the Water treatment products. The value of investments was accounted 100 percent. However, the Company has ceased its operations due to no suitable business plans and to reduce the total operation expenses of the subsidiary.
 - The Company was awarded the "Top Corporate Governance Report" certificate at the SET Awards 2013 and Excellence CG Scoring from Corporate Governance Report of Thai Listed Companies 2013.
 - The Company received the MAI Special Encouragement from Board of the Year Awards 2013
-
- 2014**
- The Company has established the subsidiary, Phol Water Co., Ltd. To operate in water treatment by providing an all-rounded services, including distribution, engineering design, construction and maintenance services for both the public and the private sector. The value of investments was accounted 99.99% of its registered capital of 10 million baht. In 2017, the subsidiary increased the registered capital to 50 million baht. The company invested in the newly issued ordinary shares in the subsidiary company. The value of investments was accounted 99.99% of its registered capital of 50 million baht
 - The resolution of Annual General Meeting 2014 approved to increase ordinary share capital 27,000,000 shares at par value of Baht 1 each from the existing share capital of Baht 135 Million to Baht 162 Million in order to reserve for the stock dividend to the shareholders.
 - The Company received an "SET Award of Honor" Corporate Governance Report from SET Awards 2014 and Excellence CG Scoring from Corporate Governance Report of Thai Listed Companies 2014.
-
- 2015**
- The Company received The Honorable Mention-MAI from "Board of the Year Awards 2015"
 - The Company has signed the declaration of intention to join the Private Sector Collective Action Coalition Against Corruption (CAC)
-
- 2016**
- The Company increase the registered capital to 251 million baht by issuing new ordinary shares, 40.50 million shares to the existing shareholders of the Company according to their shareholding position (Rights Offering), 40.50 million shares to support the exercise of warrants (PHOL-W1) and 8 million shares to support the rights adjustment of ESOP warrant allotted to Board of Director and employee of the Company (ESOP-Warrant).
 - The Company received a membership certificate of the Private Sector Collective Action Coalition against Corruption (CAC).
-
- 2017**
- The Company also received the certificate of quality standard of ISO 9001:2015 from UKAS & GLOBAL
-
- 2019**
- The company reduced the registered capital by 40.50 million baht to 210.50 million baht by canceling ordinary shares to support the exercise of the warrants to purchase ordinary shares of the company no. 1 (PHOL-W1) that has not been issued, amounting to 40.50 million Baht
 - The Company received a re-certificate of the Thailand's Private Sector Collective Action Coalition against Corruption (CAC)
 - The Company was listed on Thailand Sustainability Investment (THSI) 2019 in the group of companies listed on the Market for Alternative Investment (mai).
-
- 2020**
- The Company received Excellence CG Scoring from Corporate Governance Report of Thai Listed Companies 2020 for the sixth consecutive year, held by Thai Institute of Director Association (IOD).
 - The Company was listed on Thailand Sustainability Investment (THSI) 2020 for the second consecutive year in the group of companies listed on the Market for Alternative Investment (mai).
 - The Company is considered to be one of listed in the Universe of ESG100 Securities for the year 2021 by Thaipat Institute.
-
- 2021**
- The Company received Excellence CG Scoring from Corporate Governance Report of Thai Listed Companies 2021 for the seventh consecutive year, held by Thai Institute of Director Association (IOD).
 - The Company is considered to be one of listed in the Universe of ESG100 Securities for the year 2021 by Thaipat Institute.

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 2019-2021 as follows:

Unit:MB

Product groups	2021		2020		2019	
	Amount	%	Amount	%	Amount	%
1. Occupational Safety, Health and Environment Products (SAFETY)	889.88	72.60%	800.40	75.83%	719.42	78.90%
2. Control Environment Products (CE)	305.75	24.94%	214.93	20.36%	167.96	18.42%
3. Water Solution Products (WATER)	30.13	2.46%	40.18	3.81%	24.48	2.68%
Total revenue from sales and services	1,225.76	100%	1,055.51	100%	911.85	100%

Product 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 safety sign.

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.

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.

Furthermore, in 2021 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.

In 2021, the Company's distribution of products to end users accounted for about 68% of the total revenue from sales and service provision.

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 2021, this customer group represented approximately 32% of the total revenue from sales and service provision.

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 2021 accounted for approximately 54%, and domestic purchases were about 46% 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 2021, there were over 500 items sold under the Company's own brands, generating about 25% of the total revenue from sales and service provision, increasing from 23% in the previous year.

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 into 5 systems according to the demand and the required quality of water including Waste water treatment system Waste water recycling system Potable and drinking water system Purified water system and Desalination system.

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

The overall economic outlook in Thailand and overseas in 2021 was still affected by the spread of COVID-19 that has still been prevalent in different waves, causing economic activities to be limited within the strict control measures. However, the acceleration of the vaccine roll-out effort by the government has been progressing at a fast pace in 2021, coupled with the business sector's adjustment to cope with the situations and the positive outlook of the economic recovery. The Office of the National Economic and Social Development Council reported that the Thai economy's growth rate in 2021 was 1.6%, compared to the decline of 6.2% in 2020, while the industrial manufacturing sector expanded by 5.2%. The Office of the Industrial Economics reported that key industries that expanded in 2021 were; automotive industry; facilitated by the export market from the easing of the COVID-19 situation, and electronics industry; driven by higher global demand for electronic appliances. The food and pharmaceutical manufacturing industries still have continuous market demand, while other major industries have ramped up their production capacity in the fourth quarter, for instance, petrochemical and construction sectors.

Occupational Safety, Health and Environment Products

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

For sales and distribution of SAFETY products in 2021, major customers in different industries who were previously affected by COVID-19 have resumed production, coupled with the fact that the spread of the virus has called for constantly increasing demand for safety, occupational health and personal preventive equipment, for preventive uses in the industry and for medical protection, especially gloves that are in high demand, leading to supply shortage and price increase at the beginning of the year. The Company therefore focused on managing the supply chain, resulting in higher revenue both from existing and new customers.

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

Control Environment Products

Control Environment products (CE) are equipment used to prevent external factors or environmental conditions to impact the parts or industrial manufacturing processes. Major customers are in the electronics manufacturing industry. In 2021, the overall electronics industry expanded in pursuit of higher demand for electronics products related to the technological system and standard products in the information technology and communication sector, driven by the online learning, working from home, and the spread of COVID-19. These have caused impact on the supply chain of the electronics industry, and consequently shortage and higher prices of the control environment products. The effective supply chain management has allowed the Company to source products in time to cater to demands, resulting in revenue growth from sales and services in the control environment sector from major and new customers in 2021.

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. However, the performance lower than the desired target in 2021, due to the impact of the spread of COVID-19, causing most of customers to delay their projects.

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

3 Shareholding structure of the group of companies

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



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	Mrs. Sugunya Wingworn	1	0.001%
Total		100,000	100%

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

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

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, 2021, 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	69,711,578	34.43%
	- Mrs. Naowarat Wangthamrong (The persons under Section 258 of Mr. Chavalit Wangthamrong)	19,626,661	9.69%
	- Mr. Chavalit Wangthamrong	15,546,055	7.68%
	- Miss. Thanthida Wangthamrong Helbardt	13,683,679	6.76%
	- Mr. Thanya Wangthamrong	15,147,433	7.48%
	- Miss. Thanatsiri Siriworasi (The persons under Section 258 of Mr. Thanya Wangthamrong)	5,280,000	2.61%
	- Mrs. Wannee Wangthamrong	427,750	0.21%
2	Group of Jarutangtrong Family	30,921,250	15.27%
	- Mr. Apichart Jarutangtrong	22,210,000	10.97%
	- Mrs. Ananya Jarutangtrong (The persons under Section 258 of Mr. Teeradej Jarutangtrong)	8,551,250	4.22%
	- Mr. Teeradej Jarutangtrong	160,000	0.08%
3	Mr. Weerachai Dechamornthun	8,223,000	4.06%
4	Mrs. Onanong nilphet	5,400,000	2.67%
5	Group of Chunjajinda Family	3,191,328	1.58%
	- Mr. Pornchai Chunjajinda	1,600,000	0.79%
	- Mrs. Saowanee Chunjajinda (The persons under Section 258 of Mr.Pornsak Chunjajinda)	875,646	0.43%
	- Miss Siriporn Chunjajinda	457,100	0.23%
	- Mr. Pornsak Chunjajinda	258,582	0.13%
6	Thai NVDR Co., Ltd.	3,004,610	1.48%
7	Miss Nareekarn Sardsangjun	2,530,000	1.25%
8	Mrs. Sirithorn Kreewong	1,860,000	0.92%
9	Miss Tanaporn Eimjai	1,841,555	0.91%
10	Mrs. Premjit Amnankamane	1,440,000	0.71%
11	Other Shareholders	74,376,911	36.73%
	Total	202,500,232	100.00%

Summary of Changes in Percentage of Shareholding of Directors and Executives

As of December 31, 2021

No.	Name	As of December 31,2020		As of December 31,2021		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. Boonchai Suwanvutthiwat	-	-	-	-	-	-
	Spouse and miner children	-	-	-	-	-	-
3	Mr. Noppadol Dheerabutrpongkul	30,000	0.01%	30,000	0.01%	-	-
	Spouse and miner children	-	-	-	-	-	-
4	Mr. Santi Niamnil	-	-	-	-	-	-
	Spouse and miner children	-	-	-	-	-	-
5	Dr. Pallapa Ruangrong	-	-	-	-	-	-
	Spouse and miner children	-	-	-	-	-	-
6	General Chaiwat Satondee	248,250	0.12%	248,250	0.12%	-	-
	Spouse and miner children	-	-	-	-	-	-
7	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%	-	-
8	Mr. Wisarute Sirojanakul ¹	-	-	-	-	-	-
	Spouse and miner children	-	-	-	-	-	-
Total		20,735,683	10.24%	20,735,683	10.24%	-	-
Executives							
9	Miss Kamolphopphan Puapansakul	-	-	-	-	-	-
	Spouse and miner children	-	-	-	-	-	-
10	Miss Prapaipit Viriyabhupha	750,000	0.37%	750,000	0.37%	-	-
	Spouse and miner children	-	-	-	-	-	-
11	Mr. Paradorn Parepatara	-	-	-	-	-	-
	Spouse and miner children	-	-	-	-	-	-
12	Mr. Nitipat Pedprasert	-	-	-	-	-	-
	Spouse and miner children	-	-	-	-	-	-
13	Mr. Patsapong Wangthamrong ²	-	-	-	-	-	-
	Spouse and miner children	-	-	-	-	-	-
Total		750,000	0.37%	750,000	0.37%	-	-
Directors and executives who resigned during the year							
1	Mr. Chavalit Wangthamrong ³	18,744,555	9.26%	15,546,055	7.68%	(3,198,500)	(1.58%)
	Spouse and miner children	19,626,661	9.69%	19,626,661	9.69%	-	-
2	Mr. Teeradej Jarutangtrong ³	1,250,000	0.62%	160,000	0.08%	(1,090,000)	(0.54%)
	Spouse and miner children	8,551,250	4.22%	8,551,250	4.22%	-	-
3	Mr. Pornsak Chunhajinda ⁴	168,582	0.08%	258,582	0.13%	90,000	0.04%
	Spouse and miner children	875,646	0.43%	875,646	0.43%	-	-
Summary of Changes		70,702,377	34.91%	66,503,877	32.84%	(4,198,500)	(2.07%)

Notes:

¹Mr. Wisarute Sirojanakul was appointed as a director to replace the resigned director, effective on September 17, 2021

² Mr. Patsapong Wangthamrong was appointed as Human Resources Director, effective on March 12, 2021

³ Mr. Chavalit Wangthamrong and Mr. Teeradej Jarutangtrong, directors who resigned during the year, effective on July 12, 2021

⁴ Mr. Pornsak Chunhajinda, executive who resigned during the year effective on July 12, 2021

Distribution of Shareholding

The distribution of shareholding by Nationality as of December 30, 2021, which is the latest closing date of the registered book of the Company as follows:

Shareholders	Total			Juristic Person			Individual Person		
	No. of persons	No. of shares	%	No. of persons	No. of shares	%	No. of persons	No. of shares	%
Thai Shareholders	4,303	202,500,232	100	4	3,509,630	1.73	4,299	198,990,602	98.27
Foreign Shareholders	-	-	-	-	-	-	-	-	-
Total	4,303	202,500,232	100	4	3,509,630	1.73	4,299	198,990,602	98.27

The distribution of shareholding by proportion of shareholders as of December 30, 2021, 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%	18	129,709,243	64.05	1	3,004,610	1.48	17	126,704,633	62.57
Shareholders less than 0.5% but not less than one unit trade	4,008	72,785,788	35.95	3	505,020	0.25	4,005	72,280,768	35.70
Shareholders less than one unit trade	277	5,201	0.00	0	0	0.00	277	5,201	0.00
Total	4,303	202,500,232	100	4	3,509,630	1.73	4,299	198,990,602	98.27

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

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

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

- None -

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	2021	2020	2019	2018	2017
Interim Dividend (Baht)	0.16	0.15	0.05	-	-
Annual Dividend Payment (Baht)	0.16*	0.14	0.10	-	-
Earnings (Loss) per share (Baht)	0.40	0.36	0.20	0.18	(0.58)
Dividend Payout (%)	81.78%	91.71%	75.95%	-	-

Note* Annual dividend for the year 2021 will be proposed for approval at the AGM2022 on April 27, 2022

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 2021 can be summarized as follows:

- Fostering risk management to be part of the organizational culture, by 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.
- 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.
- 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.
- 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.h.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 2019 - 2021, the company imported products accounted for 60%, 66%, and 54% 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 2019 and 2020, the Company's FX gain was 6.50 million Baht and 2.40 million Baht respectively. In 2021, the FX loss was reported at 2.64 million Baht due to the global economic slowdown resulting from COVID-19, leading to the high volatility in the exchange rate and making it difficult to forecast when 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, 2021, 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 27% of the total sales revenue in 2021. 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 2021, the company had revenue from sales of its own brand products, representing 25% 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 2019-2021. 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 0.04%, 0.07% and 0.04% of trade receivables in 2019-2021 respectively. As for the allowance for doubtful accounts policy of the Company is performed through the recording of the allowance for doubtful accounts which is estimated from the amount of debts which may occur from the missing target of the debt collection based on the past debt collection data and the current situation of the outstanding accounts as of the date in the balance sheet. This will be considered with the account receivables with the debt period of over 180 days and have no movement. The allowance for doubtful accounts may be accounted for 100% of the total outstanding for each account

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. Developing supply chain system management in order to have consistent operation and integration all sectors, i.e. the Warehouse Management System (WMS) such provides integration with the ERP system to increase the operation accuracy, and the development of the MRP system efficiently manage the warehouse which will serve the demand of the customers and strengthen their confidence toward the Company's services. The Company believes that the improved and continuous developed programs will serve the competitive environment, increase the efficiency of the warehouse management, and increase the inventory turnover of the products and the cost management with the utmost efficiency.

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.

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. Throughout the course of 2021, there were no complaints received related to misconduct, violation or inappropriate behaviors in bribery and corruption, or conducts that violate the laws and the Company's Code of Conduct.

3 Emerging Risk

3.1 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, has continued to impact the current situation and the foreseeable future, causing the domestic and global economic condition to slow down and the impact on the supply chain system, as well as stakeholders of the Company. In this regard, since the Company's core business is the distribution of products and services in safety, occupational health and environment, coupled with the strategy that emphasizes on having the goods ready to ship, the Company is well stocked with products related to fighting against COVID-19, and is able to respond to customers in times when the supply is tight. Besides, the Company is also aware of the safety of the society and community in terms of COVID-19 prevention, as seen from the giveaways of masks in the communities, donation of masks and PPEs to hospitals or public health organizations in order to contain risks and impact to be at the acceptable level. The Company also conducted impact analyses and identified responsive measures, taking into account risk factors and opportunities, reiterating the strict compliance with the Ministry of Public Health's directions, principally prioritizing safety of staff members and visitors. The Company has adopted the business continuity plan or BCP that has been reviewed by the Board of Directors and supervised via the management structure to utilize in this situation. Key operational highlights in 2021 are as follows:

- For the safety of staff members and visitors, the Company has enforced preventive measures by announcing the operational guidelines to control the viral transmission with reference the COVID-free setting protocols regulated by the Ministry of Public Health.
- Adequately prepare for safety equipment for staff members, ensure that the premises are safe from COVID-19 and that the information technology system is ready to accommodate business operations effectively and the Work from Home (WFH) arrangement, which resulted in over 70% of the staff members working from home.
- Execute supply chain management initiatives to prevent business disruption; reviewing, improving the execution plan and strategies to suit the situation and be flexible to cater to risk factors and business opportunities. Supplier management has been worked on by developing the Approved Vendor List, as well as account receivables management, etc.
- Ensure that financial liquidity is being managed properly.

3.2 Risks Concerning Violation of Personal Data, with Reference to the Personal Data Protection Act B.E. 2562

The advancement in the information technology and communication system has been very fast-paced, coupled with the fact that the Company has been developing business operations in online distribution channels, making it easier, more convenient and faster to access, collect, utilize and disclose personal data, which can be risky towards data owners and may affect the organization. The Company is aware of the significance of the security of personal data protection to comply with the Personal Data Protection Act B.E. 2562, and so has regulated the standardized internal control system that can process personal data in an appropriate and adequate manner, with identification of measures to respond to potential risk factors; from the development of personal data protection policy, manual of good practices, and disciplinary actions if violations or failure to comply are detected, as well as the appointment of the data controller, data processor and data protector to ensure that the personal data is properly utilized, in line with the objectives and does not lead to any losses or damages to the data owners. Furthermore, the Company has devised the operational direction in controlling and preventing risks in the information system security or potential technological threats, by identifying the regulations in utilizing the information technology system, as well as continuously communicating and fostering awareness among staff members on this particular matter.

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 determine 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 represent 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
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

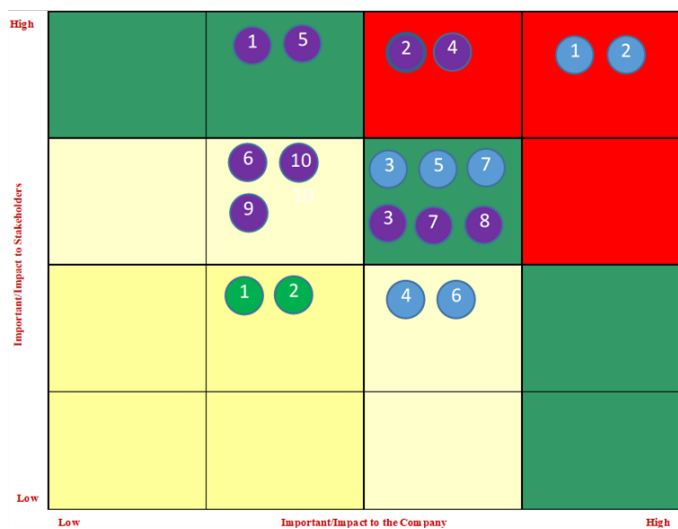
Sustainable Development Issues

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 2021, 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 natural resources
2 Effectiveness in work procedures	2 Quality products and responsibility towards users	2 Reduction of waste from the procedures
3 Innovation and technology in services	3 Provision of safety knowledge	
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 2021, 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 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 in Environmental Dimension

Environmental Policy and Practices

The Company operates the business responsibly, with a thorough awareness on potential impact, all groups of stakeholders and environmental impact. Hence, the sustainable development policy has been devised to ensure supervision, planning and proper operational direction in responding to and alleviating the impact, coupled with the identification of policy in safety, occupational health and environment under the ISO 45001:2015, to ensure administration of safety, occupational health and environment that is in line with the regulations. In 2021, the Company reviewed the roles and duties of the Safety, Occupational Health and Environment Committee to make sure they align with the aforementioned operational guidelines, and that their roles and duties cover the execution of the plan, encouragement of the safe working environment and management of resource utilization, as well as fostering safety as part of the corporate culture, environmental and energy conservation and operating reports for purposes of improvement and correction to enhance efficiency and effectiveness.

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

Operating Performance in Environmental Dimension

Reduction of Greenhouse Gases

The Company is well aware of the impact of greenhouse gas emission that can lead to global warming and global climate change, and therefore places emphasis on energy and resource consumption management, as well as the management of waste, sewage and pollution. In this regard, the Company's business is in the service sector, and it has been discovered that activities constituting the highest amount of greenhouse gas is the use of air conditioners in offices and fuel consumption from the Company's vehicles. However, the Company is aware of the importance of reducing greenhouse gas emission and has identified the target to reduce energy consumption by 5% from the previous year. The amount of greenhouse gas emission in 2021 (Scope 1 & 2) was 340.56 tons*, whereby the Company has executed the energy conservation plan; from fostering the organizational culture, promoting knowledge and awareness in energy conservation, communication and reporting of the performance to continuously improve the quality of the operations. The Company also has exercised the protocols in the maintenance of air conditioners and different public utility systems in office buildings, inspection of delivery vehicles as planned, and the Work From Home arrangement in response to the spread of COVID-19.

Since the Company is in the process of initiating and gathering the information to disclose the greenhouse gas emission information to stakeholders, the process has not yet been inspected by the external bodies, which should be executed in the following year.

Summary of Resources Utilization and Greenhouse Gas Emission 2020-2021

	Electricity Consumption (Unit)	Water Consumption (Cubic Meters)	Paper Usage (Tons)	Fuel Consumption (Liters)	Amount of Greenhouse Gas Emission (Tons)
2020	392,488	2,712	4,620	158,256.47	N/A
2021	372,968	2,458	3,508	133,544.65	340.56
% Change	(4.97%)	(9.37%)	(24.07%)	(15.62%)	N/A

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.

Energy Management

The Company encourages effective energy consumption; electricity and air conditioning systems, with planned maintenance of the equipment on a regular basis to ensure the functionality and compliance with the energy conservation plan. In 2021, the target was set to reduce energy consumption by 5% from the previous year, and it was found that the amount of electricity consumption decreased by 19,520 units or 4.97% YoY, which was lower than the 2021 target by 0.03%. In this regard, the Company is still executing the plan that has been developed, together with the improvement of the reported shortcomings, and the adjustment of the activities in the next year to encourage staff members' participation and engagement.

Water Management

Because the Company's business is in the service sector, the core operating procedures are not directly involved with water consumption issues. However, the Company is well aware of the importance of consuming water wisely, whereby in 2021 the Company set the target to reduce energy consumption by 5% from the year before. It was found that water consumption in office buildings and warehouses decreased by 9.37% compared to 2020, and was better than the 2021 target by 4.37%. The Company has executed the energy conservation plan, together with the improvement and maintenance of the public utility systems in the buildings on a regular basis.

Waste, Sewage and Pollution Management

The Company places emphasis on proper waste, sewage and pollution management to minimize excessive waste that can cause environmental impact, and therefore devised the plan to reduce the amount of waste and sewage in business premises and warehouse uses. In 2021, the waste management campaign involved encouraging staff members to be aware of proper waste handling, fostering an awareness in energy conservation and environmental problems, exercising the waste sorting initiative, reduction of sewage, with appropriate waste management based on the 3Rs principle (Reduce Reuse Recycle). Sorting waste correctly has resulted in higher amount of recycled waste compared to the year before, while the logistic system has been improved for higher effectiveness, with vehicle inspection to ensure compliance with the standard to reduce pollution. Furthermore, the Company also inspects the environmental quality in the premises at least once a year, whereby the index of the air quality, odor, noise and lighting were in the standardized range in 2021.

Summaries of Waste management for the years 2020-2021

	Recycled waste volume	Revenue from sales of recycled waste
2020	2,559 kg.	7,464 Baht
2021	4,425 kg.	11,207 Baht



4 Sustainability Management in Social Dimension

Social Policy and Practices

The Company respects and complies with the human right laws, focusing on and respecting the pride of humanity, rights, freedom and equality of the protected individuals, in coherence with the Thai and international laws. The policy and practices have been identified in the Business Code of Conduct, on respecting the human rights, fair treatment of labor, and equal opportunities in employment, compensation, promotion, training and development, regardless of the races, genders, skin colors, religions, languages, political views or any other beliefs, disabilities or shortcomings, or any other statuses not directly related to work performance. The Company also encourages employment opportunities for the underprivileged, for instance, the disabled, while taking consideration of the operations with responsibility towards the communities, society and all groups of stakeholders.

Details on the Human Rights Policy are available at http://investor-th.pdgh.com/human_rights_policy.html

Operating Performance in Social Dimension

Human Resource Management and Development

The Company complies with the principle of human rights, with the identification of human resource management practices that align with the rules of law, and taking care of staff members fairly and equally, encouraging safety and the feeling of joy at work. The Company also encourages good culture, employing the Happy Workplace principle to aim for efficiency and effectiveness in work, increasing the overall employee satisfaction. In 2021, the Company developed the employee satisfaction survey system to align with the organizational strategy that allows for effective employee satisfaction evaluation, leading up to true success.

Target

Averaged Employee Engagement Survey \geq 80%

Result

Averaged Employee Engagement

2021 = 71.09%

2020 = 70.74%

2019 = 66.75%



In terms of human resource development, the Company recognizes the importance of developing potential and skills for staff members to enhance knowledge, competencies, skills and attitude towards work to be in line with the direction in business operations and goals in relation to organizational strategies, by devising the human resource development plan and learning management with reference to staff members' learning behaviors to accommodate the changes that happen at a rapid pace.

The development of knowledge, potential and skills for staff members takes a combination of different formats; experiential learning, provision of work instruction, self-learning via curriculum aiming to further enhance existing knowledge (upskill), increasing new skills (reskill), and encouragement of multi-skills, which are necessary for the development of human resources in accordance with the organizational mission. The Company has adopted the human resource management tool to develop staff members, for instance, competency index for each position and using competencies in every human resource management procedure, as well as manpower planning, succession planning, development of human capital to have the right fit with the jobs, career management, talent management, individual development plan, annual training plan, creation of engaging work values and cultures, honesty, transparency, reviews, effective performance management system and encouragement of participation in decision making among staff members.

There was a continuous execution of staff members training in 2021 to enhance their potential, changing the format of development to cohere with limitations under the COVID-19 situation. The training and development activities take a number of formats; on-the-job training based on the knowledge and skills required of each position, whereby supervisors are responsible for training and giving instructions to aim for accurate and effective performance, new staff orientation, in-house training for specific knowledge and skills, and public training; both on-site and virtual classes. There are curricula to develop knowledge, skills and potential that cover all levels of staff members; executives, managers, and supervisors. In 2021, a total of 190 staff members attended the training, accounting for 94.53% of the total number of staff members, equivalent to the average training hours of 18.70 hours per person, compared to the target of 6 hours per person per year. The total amount of training budget was reported at 334,543 Baht.

Furthermore, the Company has arranged for the Welfare Committee within the premises that has been selected by staff members to serve as their representatives in taking care of welfares and offering suggestions that are useful for welfare allocation. Staff members are also allowed opportunities to communicate their voices and file complaints related to work, health, hygiene and environment. These suggestions will be considered by the Welfare Committee, which is a staff members' representative, and discussed jointly with the employer. The Company hereby strictly complies with the rules of law, and allocates the welfare that exceeds legal requirements to ensure that staff members work happily and safely, with consideration of the rationality. The Welfare Committee also collaboratively considers and identifies solutions for mutual benefits towards all parties, with the objective of fostering good relationships in working with one another. So far, there have not been any reports or complaints of violation of human rights or unfair treatment of labor.

Safety, Occupational Health and Work 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 45001:2015 standard.


In 2021, the Company continued to execute the development and improvement of the effectiveness in safety, in accordance with the ISO45001:2015 framework to minimize risks of illnesses, injuries or losses of lives. The scope also covers taking care of staff members to ensure good quality of lives and readiness to work, ranging from the identification of dangers and evaluation of risks in working areas, improvement, following-up and reporting of the results in a systematic manner. Resources are arranged to promote a safe working environment, with the advocacy of safety culture via training, communication, activities and campaigns to raise awareness among staff members, for instance, inspection of the operations and the premises to comply with the surveillance plan and key measurements in occupational health and safety, annual health check-up, provision of personal protective equipment to staff members exposed to work-related risks, "PHOL No Alcohol" campaign, and training to enhance knowledge in safety and occupational health, etc.

Besides, the Company has established the Safety, Occupational Health and Environment Committee to control and monitor the operations concerning safety, occupational health and environment to go in line with the policy and execution plan. The Committee is also responsible for sourcing protective equipment against dangers and encouraging staff members to emphasize on safety. In this regard, the Company's policy in safety, occupational health and environment is available on the website www.pdgth.com

Amidst the spread of COVID-19, the Company is aware of the impact of the situation, and has identified measures in response to the Ministry of Public Health's announcement, to ensure safety for staff members and visitors. The Company also provides support to staff members who are affected, with the adjustment of operational systems to be flexible, provision of equipment and information technology system support required for the Work From Home arrangement to alleviate the impact and build trust among staff members and visitors.

Customer Administration

The Company operates the business with an awareness of social responsibilities and all groups of stakeholders throughout the entire value chain, and emphasizes on selecting and distributing safety products of internationally standardized quality, with the policy to distribute products that are certified of the safety standard and are lawfully authorized to claim so. These products must not violate intellectual properties, copyrights or patents. In this regard, in case of product-related problems, the Company offers returns or exchanges based on the set criteria. Moreover, the Company continuously develops the human capital to enhance their expertise, being able to share knowledge and understanding in utilizing products and equipment to users, allowing them to use the equipment to prevent dangers most effectively and safely. The Company has a clear manufacturer evaluation procedures in place, with the system and criteria in product selection and quality control, as well as the development of operational systems to respond to customers' requirements and increase their satisfaction.



Target: Serious illness and
Fatal accident statistics = 0
2021 Result
Serious illness and
Fatal accident statistics = 0

In 2021, the Company made adjustments to the operational strategies to cater to changing situations, expanding the market towards consumers to allow for easier, more convenient and faster access to the safety products. This has been enabled by the development of the distribution channel in an online marketplace via www.pholonline.com, which is safe and complies with the Personal Data Protection Act. Furthermore, the Company has launched Phol Online Store on Shopee, Lazada, JD Central and other stores to allow easier access, for instance, Konvy, Multy, Beautrium, Lemon Farm and bookstores such as SE-ED, Nai-In, etc. The Company also improved the transportation system to make it faster, reduce errors and arranged for contact channels to provide consultation in product or safety equipment selection, as well as advices on proper usage. Complaints and suggestions can also be submitted via online channels for convenience and speed, for instance, Facebook, Line Application, website and e-mail.

The customer satisfaction survey in 2021 was reported at 98.37%; higher than the target of 98%, with no customer complaints that significantly impact the business. Suggestions received from customers have been utilized to continuously improve the quality of service provision.

Customers Satisfaction Survey			
	2019	2020	2021
<i>Customers Satisfaction</i>	97.76%	98.60%	98.37%
<i>Number of survey respondents</i>	1141	842	864

Operations in Social Value Creation

Safety Knowledge Management and Sharing

The Company has continuously been providing training to disseminate the knowledge on safety equipment to customers, external parties and educational institutes, as a way of promoting the safety society, with the compilation of a variety of media to share knowledge in safety equipment, for instance, the website www.thai-safetywiki.com, Facebook page: Thai-safetywiki, Pholdhanya and Line Application: @PHOL.

Provision of Safety Equipment to the Community and Society

The Company is aware of the importance of using safety equipment at work and properly using them. In order to promote an awareness of safety in the society and communities, the Company has provided safety equipment to community members. Speaking of which, Thailand was still affected by the spread of COVID-19 in 2019, and the Company was well aware of the impact, especially shortages of medical preventive equipment in several hospitals nationwide. Hence, the Company has supplied COVID-19 preventive equipment, medical devices and other essentials to medical personnel for a total of 15 hospitals in Thailand. Besides, the Company also provided preventive equipment to students and teachers in remote provinces and communities, as a gesture of moral support to medical personnel and Thai citizens to get through this crisis together.

Management Discussion and Analysis (MD&A)

Overview

Referring to the operating performance in the consolidated financial statement for the year, ending December 31, 2021, Phol Dhanya PCL (the Company)'s total revenue from sales and services were 1,225.76 MB, increasing by 170.25 MB or 16.13% YoY at 1,055.51 MB. Occupational Safety, health and personal protective equipment as well as control environment products with increase continuous purchase orders from major industrial customers such as electronics industry, foods industry and automotive industries that have expanded their production capacity compared to the previous year. And the situation of the epidemic of COVID-19, there is still the demand for disease prevention items continuously, both for the industrial and medical sectors, leading to increase the revenues from hospital, medical and public health organizations, including more dealer customers. In addition, revenue increased due to the price increased of nitrile gloves, rubber gloves, which significant at the beginning of this year, however, gloves normally do not secure high gross margin, despite higher sales. Meanwhile, sales of products with higher gross margin has decreased, leading to lower average gross margin compared to the last year. In 2021, the Company's gross profit margin was 287.59 MB, or equivalent to 23.46%, the gross profit increased 13.45 MB or 4.91% compare with gross profit of 274.14 MB or equivalent to 25.97% in previous year and selling and administrative expenses slightly increased from the previous year.

As the result, the Company's net profit attributable to equity holders of 81.89 MB, equivalent to 6.66%, increasing by 8.03 MB or 10.87% compare to net profit attributable to equity holders of 73.86 MB, equivalent to 6.94% in the previous year.

Operating performance

Unit : MB

	2021	2020	Increased (Decreased)	% YoY
Revenue from sales	1,203.45	1,019.23	184.22	18.07%
Revenue from services	22.31	36.28	(13.97)	-38.51%
Total Revenues	1,225.76	1,055.51	170.25	16.13%
Cost of sales	(921.75)	(752.56)	169.19	22.48%
Cost of services	(16.42)	(28.81)	(12.40)	-43.02%
Total Costs	(938.17)	(781.38)	156.80	20.07%
Gross Profit	287.59	274.14	13.45	4.91%
Gross Profit Margin (%)	23.46%	25.97%		
Other income	4.06	9.45	(5.38)	-56.99%
Total Selling and Administrative Expenses	(191.77)	(190.05)	1.72	0.90%
Profit before finance Costs and income taxes	99.89	93.54	6.35	6.79%
Profit before finance Costs and income taxes (%)	8.12%	8.78%		
Loss from impairment of trade and other receivables	(0.70)	0.00	0.70	n/a
Financial Cost	(2.76)	(2.41)	0.36	14.76%
Reversal of impairment of trade and other receivables	5.81	0.00	5.81	n/a
Income tax expenses	(20.34)	(17.27)	3.07	17.78%
Profit attributable to equity holders	81.89	73.86	8.03	10.87%
Net profit margin (%)	6.66%	6.94%		
Basic earnings per share (Baht)	0.40	0.36	0.04	10.87%

Revenue

Revenue Structure	Unit : MB					
	2021	%	2020	%	Increased (Decreased)	% YoY
Occupational Safety, Health and Environment Products (SAFETY)	889.88	72.60%	800.40	75.83%	89.48	11.18%
Control Environment Products (CE)	305.75	24.94%	214.93	20.36%	90.82	42.26%
Water Solution Products (WATER)	30.13	2.46%	40.18	3.81%	(10.05)	-25.02%
Total revenue from sales and services	1,225.76	100%	1,055.51	100%	170.25	16.13%

In 2021, the total revenue from sales and services provision were 1,225.76 MB, with 889.88 MB of Occupational Safety, Health and Environment Products or SAFETY accounting for 72.60%, 305.75 MB of Control Environment Products or CE accounting for 24.94% and 30.13 MB of Water Solution Products or WATER accounting for 2.46%.

The revenue from sales and service provisions from SAFETY products was 889.88 MB, increasing by 89.48 MB or 11.18%, mainly from existing customers and new customers in the foods industry and electronics industry that have continue expanded their production capacity and other major industries, such as automotive, petrochemicals, have increased production compared to the previous year. And the situation of the epidemic of COVID-19, there is still the demand for disease prevention items continuously, leading to increased revenues from hospital, medical and public health organizations and more dealer customers, in addition, there was an increase in the revenue from consumer through online sales channels.

The revenue from sales and service provision in CE products was 305.75 MB, increasing by 90.82 MB or 42.26% mainly from key customers in the electronics industry that have continued expanded their production capacity, leading to higher demand for CE products. In addition, product prices have increased in pursuit of the higher market prices at the beginning of the year especially higher demand for clean room gloves and disposable gloves amidst COVID-19 has led to an increase in revenue for CE products both from existing and new customers.

The revenue from sales and service provision in WATER Products was 30.13 MB, decreasing by 10.05 MB or 25.02%, mainly from the installation of water supply system and continue providing services for existing customers, including after-sales services and maintenance. However, the COVID-19 situation has caused certain customers' new projects to delay.

Other income

In 2021, the Company had other income 4.06 MB, decreasing by 5.38 MB or 56.99% compare to other income of 9.45 MB from previous year mainly due to the refund of penalties from the water supply projects.

Cost of Sales and Services

In 2021, the Company's total costs was 938.17 MB, comprising of 921.75 MB cost of sales and 16.42 MB cost of services. Cost of sales increased proportionally with more revenue from sales and increased cost of goods in some product categories and from exchange rates. Cost of services decreased in line with lower sales of services compared to the previous year.

Costs of sales and services accounted for 76.54% of revenue from sales and service. Gross profit was 287.59 MB with gross profit margin 23.46%, gross profit increased 13.45 MB or 4.91% proportionally with more revenue from sales compare to gross profit of 274.14 MB with gross profit margin 25.97% in the previous year. However, the gross profit margin declined, due to increased cost of goods in some categories and the sales proportion of products with lower gross profit margins increased while the proportion of sales of products with higher gross profit margin decreased.

Selling and Administrative Expenses

In 2021, selling and administrative expenses were 191.77 MB comprised 92.61 MB of selling expenses, 96.51 MB of administrative expenses and 2.64 MB of loss from exchange rates. Selling expenses increased mainly from variable with revenue from sales, such as sales commissions, transportation expense, etc. and more promotional advertising expenses to expand consumer and online marketing. However, administrative expenses declined due to lower travelling and activities expenses due to the COVID-19 situation and reduced from employee benefit expenses.

The company's financial cost was 2.76 MB, increasing by 0.36 MB or 14.76% compared to financial cost of 2.41 MB in the previous year due to the increase in short term loan from financial institution.

Other Transaction

The reversal of impairment loss on trade and other receivables of 5.81 MB and loss arising from bad debts of trade and other receivable of 0.70 MB, resulting from the operation of offsetting creditors, retention payments due to the debtor of sub-contractor, which the company has reserved the loss on impairment of receivables and the trial is over.

Net Profit

In 2021, the company's consolidate net profit attributable to equity holders was 81.89 MB, accounted for net profit margin 6.66%, net profit increase of 8.03 MB or 10.87% compared to net profit of 73.86 MB, accounted for net profit margin 6.94% in the previous year.

Financial Position

Unit : MB

	December 31, 2021		December 31, 2020		Increased	%
	Amount	%	Amount	%	Amount	%
Current Assets	461.67	72.56%	428.90	70.78%	32.76	7.64%
Non-Current Assets	174.56	27.44%	177.10	29.22%	(2.53)	-1.43%
Total Assets	636.23	100.00%	606.00	100.00%	30.23	4.99%
Current Liabilities	246.31	38.63%	231.44	38.11%	14.86	6.42%
Non-Current Liabilities	41.76	6.55%	47.41	7.81%	(5.65)	-11.91%
Total Liabilities	288.06	45.18%	278.85	45.92%	9.22	3.30%
Shareholder's Equity of the Company	349.47	54.82%	328.45	54.08%	21.01	6.40%

Assets

As of December 31, 2021, the Company's total assets were 636.23 MB, increasing by 30.23 MB or 4.99% from December 31, 2020. The assets increased mainly from current assets, which increased from 66.66 MB of net-inventories, while, cash and cash equivalents decreased by 33.67 MB. And non-current assets decreased mainly from depreciation and amortization.

Liabilities

As of December 31, 2021, the Company's total liabilities were 288.06 MB, increasing by 9.22 MB or 3.31% from December 31, 2020. The Liabilities increased mainly from the increase of 7.13 MB of short-term loans-trust receipt from financial institutions, 9.14 MB of trade payables and 3.65 MB of accrued income tax. However, other payables decreased 5.29 MB. Non-current liabilities decreased mainly from 5.36 MB of long-term loans from financial institutions and 0.29 MB of lease liabilities-net while the provision for employee benefit liabilities increasing by 1.65 MB.

Shareholder's equity

As of December 31, 2021, Shareholders' equity of the Company was 349.47 MB, increasing by 21.01 MB or 6.40% from December 31, 2020 from the resulting from net profit of 81.89 MB, while, decreasing by 60.75 MB from dividend payment and allocated as a legal reserve of 3.96 MB.

Cash flows

Unit : MB		
Cash flows	December 31, 2021	December 31, 2020
Cash flow from (used in) operating activities	35.31	79.93
Cash flow from (used in) investing activities	(4.64)	(5.10)
Cash flow from (used in) financing activities	(64.22)	(68.01)
Net increase (decrease) in cash and cash equivalents	(33.55)	6.82
Cash and cash equivalents at the end of the period	58.71	92.39

The Company's net cash from the operating activities was 35.31 MB, with operating profits prior to changes in the operating assets and liabilities of 116.38 MB. Cash flow received from trade and other receivables decreased 5.50 MB and net-trade and other payables increased 3.81 MB. While, cash flow used for 72.42 MB of inventories 72.42 MB, 1.31 MB to paid employee benefits and 17.19 MB of income tax.

Cash flow used in investment activities was 4.64 MB to purchase 0.77 MB of equipment, 1.94 MB to improved public utilities and 1.93 MB of assets under water sales agreement and purchased 0.49 MB of intangible assets, while cash flow acquired 0.23 MB from loan to employees and interest received of 0.37 MB.

Cash flow used in financing activities was 64.22 MB mainly used to repayment of loans from financial institutions 7.14 MB, repayment of liabilities under lease agreement 0.80 MB, interest expense 2.67 MB and dividend payment of 60.74 MB. However, cash flow acquired 7.13 MB from short-term loans-trust receipt from financial institutions.

Key Financial Statement and Financial Ratio

Statement of Comprehensive Income

Unit:MB

Statement of Comprehensive Income	Consolidated financial statements		
	2021	2020	2019
Revenue from sales	1,203.45	1,019.23	890.79
Revenue from rendering of services	22.31	36.13	20.95
Revenue from construction contracts	0.00	0.15	0.11
Total revenues	1,225.76	1,055.51	911.85
Cost of sales	(921.75)	(752.56)	(657.30)
Cost of rendering of services	(16.42)	(28.60)	(17.17)
Cost of construction	0.00	(0.21)	(1.38)
Total costs	(938.17)	(781.38)	(675.85)
Gross profit	287.59	274.14	236.00
Gain (loss) on exchange rate - net	(2.64)	2.40	6.50
Other income	4.06	7.04	4.85
Distribution costs	(92.61)	(88.02)	(89.90)
Administrative expenses	(96.51)	(102.02)	(102.10)
Gain (loss) on disposal of fixed assets - net	-	-	(3.28)
Reversal of loss on impairment of assets - net	-	-	7.24
Penalties arising from delays of constructions	-	-	(0.58)
Profit from operating activities	99.89	93.54	58.74
Loss arising from bad debt of trade and other receivables	(0.70)	-	-
Finance costs	(2.76)	(2.41)	(5.17)
Reversal of loss on impairment of trade and other receivables - net	5.81	-	-
Profit before income tax	102.23	91.13	53.57
Income tax expenses	(20.34)	(17.27)	(12.15)
Profit for the year	81.89	73.86	41.42
Other comprehensive income (loss) for the year	(0.13)	3.41	(3.29)
Total comprehensive income for the year	81.76	77.27	38.13
Profit attributable to:			
Equity holders of the Company	81.89	73.86	41.42
Non-controlling interests	-	-	-
	81.89	73.86	41.42
Total comprehensive income attributable to:			
Equity holders of the Company	81.76	77.27	38.13
Non-controlling interests	-	-	-
	81.76	77.27	38.13
Earnings per share			
Basic earnings per share (Baht)	0.40	0.36	0.20
Weighted average number of ordinary shares (shares)	202.50	202.50	202.50

Statement of Financial Position

Unit:MB

Statement of Financial Position	Consolidated financial statements		
	2021	2020	2019
Assets			
Current assets			
Cash and cash equivalents	58.71	92.39	85.76
Trade and other current receivables - net	178.85	178.82	146.18
Current portion of long-term loans to employees	1.40	1.51	1.33
Inventories - net	222.16	155.50	153.78
Current tax assets	0.54	0.69	0.55
Total current assets	461.67	428.90	387.59
Non-current assets			
Deposits at bank pledged as collateral	30.53	30.50	30.42
Long-term loans to employees - net	0.55	0.67	0.56
Investment properties - net	4.86	5.31	5.79
Property, plant and equipment - net	92.91	94.67	98.75
Leasehold right - net	-	-	1.25
Right-of-use assets - net	3.24	3.42	-
Intangible assets - net	1.08	1.09	0.93
Deferred tax assets - net	41.38	41.42	41.84
Other non-current assets	0.02	0.02	0.02
Total non-current assets	174.56	177.10	179.56
Total assets	636.23	606.00	567.15

Unit:MB

Statement of Financial Position	Consolidated financial statements		
	2021	2020	2019
Liabilities and shareholders' equity			
Current liabilities			
Short-term loans from financial institutions	61.72	54.60	62.02
Trade and other current payables	165.03	161.19	135.86
Current portion of long-term loan from financial institution	7.14	7.14	7.14
Current portion of lease liabilities	0.73	0.52	0.23
Current income tax payable	9.11	5.46	6.07
Provision for constructions and service contracts	2.57	2.55	2.05
Total current liabilities	246.31	231.44	213.39
Non-current liabilities			
Long-term loan from financial institution - net	0.62	7.76	14.90
Lease liabilities - net	1.61	1.31	0.04
Non-current provisions for employee benefit	39.42	37.77	37.52
Derivative liabilities	0.11	0.42	0.00
Other non-current liabilities	-	0.15	0.32
Total non-current liabilities	41.76	47.41	52.77
Total liabilities	288.06	278.85	266.16
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	210.50	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	9.17	5.20	2.00
Unappropriated	74.80	57.62	34.48
Other component of shareholders' equity	0.40	0.53	0.72
Total shareholders' equity of the Company	349.47	328.45	302.29
Non-controlling interests	(1.30)	(1.30)	(1.30)
Total shareholders' equity	348.17	327.15	300.99
Total liabilities and shareholders' equity	636.23	606.00	567.15

Key Financial Ratio

Key Financial Ratio		Consolidated financial statements		
		2021	2020	2019
Current Ratio				
Current Ratio	(Times)	1.87	1.85	1.82
Quick Ratio	(Times)	0.96	1.17	1.09
Account Receivable Turnover	(Times)	7.42	7.06	6.45
Average Collection Period	(Days)	49.21	51.67	56.60
Inventory Turnover	(Times)	4.97	5.05	3.63
Average Sale Period	(Days)	73.47	72.24	100.42
Account Payable Turnover	(Times)	7.95	7.24	5.60
Average Payment Period	(Days)	45.94	50.38	65.19
Cash Cycle	(Days)	76.74	73.52	91.84
Profitability Ratio				
Gross Profit Margin	%	23.46%	25.97%	25.88%
EBIT Margin	%	8.54%	8.80%	6.41%
Net Profit Margin	%	6.66%	6.94%	4.52%
Return on Equity	%	24.16%	23.42%	14.37%
Operating Efficiency Ratio				
Return on Asset	%	16.90%	15.95%	9.63%
Fixed Asset Turnover	%	59.71%	52.45%	31.43%
Total Asset Turnover	(Times)	1.98	1.81	1.50
Leverage Ratio				
D/E Ratio	(Times)	0.83	0.85	0.88
Interest Coverage	(Times)	38.02	38.87	11.37
Dividend payout ratio	%	79.13%	79.51%	73.34%
Share information				
Book Value per Share -Equity holders of the Company	Baht per Share	1.72	1.62	1.49
Earnings per Share -Equity holders of the Company	Baht per Share	0.40	0.36	0.20
Dividend per Share	Baht per Share	0.32*	0.29	0.15

*The 2021 dividend at the rate of 0.32 baht per share comprises an interim dividend at the rate of 0.16 baht per share and a dividend for the last six months at a rate of 0.16 baht per share, which will be proposed for approval at the 2022 Annual General Meeting of Shareholders in April 27, 2022

General Information and other Material Facts

General Information

PHOL DHANYA PUBLIC COMPANY LIMITED

SET Symbol	PHOL
Registered Capital	THB 202,500,232.00 (202,500,232 common shares) with a par value of Baht 1.00
Paid-up Capital	THB 202,500,232.00 (202,500,232 common shares) with a par value of Baht 1.00
Business Type	The distribution of Occupational Safety, Health and Environment Products and Distribution, Construction, Production, and Service of Water Solution Systems.
Registration No.	0107551000088
Website	www.pdgth.com
Company's Secretary	Miss. Saowapa Choorujiporn Tel. 66(0)-2791-0151, E-mail: cs@pdgth.com
Investor Relation	Miss. Siriporn Ondee Tel. 66(0)-2791-0206, E-mail: ir@pdgth.com
Head office:	Branch:
1/11 Moo 3, Lumlukka Road, Ladsawai, Lumlukka, Pathumthani 12150 Thailand. Tel 66(0)-2791-0111-2, Fax 66(0)-2791-0100-3	Rayong: 155/213 Moo 2, Thabma sub-district, Muang district, Rayong Tel 66(0)-3803-4011-3, Fax 66(0)-3803-4017 Chiang Mai: 47/55-57 Chotana Road., Chang puak sub-district, Muang district, Chiang Mai Tel 66(0)-5322-6811, Fax 66(0)-5322-6898

Subsidiaries

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

Other references

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 Thailand

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, 2021, 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 2



Corporate Governance

- Corporate Governance Policy
- Report on Key Operating Results Related to Corporate Governance
- Corporate Governance Structure and Material Facts Related to the Board, Subcommittees, Executives, Employees and Others
- Internal Control and Related Party Transactions

Corporate Governance Policy

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 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, as the supreme leader of the organization, is 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, whereby key takeaways and suggestions offered by the strategic consultants were taken into consideration in developing the strategic plan that has been continued from the year before. The Board of Directors have been following up, supervising and cascading the policy via the management to staff members, ensuring the adoption of organizational strategies in practice to achieve the objectives and targets. In this regard, the management will report the operating results in comparison with the identified goals, and acknowledge the Board of Directors' meeting on a quarterly basis, in order to use this information as the input to continuously follow up on the operations and provide useful suggestions to make appropriate improvement on the strategies in accordance with the changing situations.

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 2021 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 2021 PHOL has developed CG achievement as follows:

- To be selected in the Universe of ESG100 Securities Group 2021 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 93 scores (Excellent CG for the 7th consecutive year) higher than average of listed company of 84 scores according to the Corporate Governance Report for Listed Companies 2021 held by IOD.
- The Company was given 100 scores for the year 2021 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 2021, there are guidelines for compliance topics that have not been implemented and appropriate alternative protocols are as follows:

Topics not exercised	Reasons for not exercising/Substitute measures
<ol style="list-style-type: none"> 1. The Board of Directors should determine that independent directors can continually assume director positions for not longer than 9 years since the date of the first appointment 2. The Board of Directors should determine the maximum length that directors and members of committees can assume their positions 	<p>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</p>
<ol style="list-style-type: none"> 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. 	<p>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.</p>

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

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

- The announcement of the Privacy Policy and Guidelines to comply with the law Comply with the Personal Data Protection Act B.E. 2562, dated 19 February, 2021
 - Reviewed the Corporate Governance Policy, dated 14 January 2020 (remain unchanged)
 - Reviewed Risk Management Manual, dated 14 January 2021
 - Reviewed Internal Informaton Utilizations and Securities Trade Policy, dated 13 Decemer 2021
- “Its regulated that, directors, executives and employee or persons related to inside information notify the Board (via compan y 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”.
- Reviewed the Charter of the Board of Direcotr and all sub-committee in accordance with the responsibilities and reviewing the authority to approve the operations of the Company and its subsidiaries to be consistent with the appropriate structure.
 - Reviewed Investment Policy, the Policy of Measures on connected transactions with connected persons and the acquisition or disposition of assets of the Company and its subsidiaries, dated 20 January 2022
 - Reviewed Anti CorruptionPolicy and Guidelines, dated 21 February 2022 to develop guidelines in accordance with the self-assessment form (Revised version 4.0) Thailand's Private Sector Collective Action Coalition Against Corruption Checklist 71 items

Summary Performance of the Board of Direcotr 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 ben eficial 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 Board has perform duties with responsibility, prudence, honesty; in line with the Company’s regulations and relevant laws.

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 Cection “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 regulatio ns, criteria of the Securities and Exchange Commission and the Stock Exchange of Thailand. The candidates should have diverse qualifications, knowledge, abilities and relevant experiences that are beneficial for the Company’s business operations. In case of independent directors, one must be

independent from the controls of the management, major shareholders, controlling bodies and must not be related to or have any losses or benefits in administrative decision making. In this regard, one must possess the following independent qualifications;

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.pdgh.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.

Details of qualifications and skills of individual directors as follows:

Board Skill-Matrix			Type of Director				Knowledge/Skill/ Experience										IOD	
Name	Title	Education Cert.	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	Legalise & Jurisprudence	Accounting and Auditing	Finance and Investment Management	Communication Technology and Information Systems	Corporate Governance	Risk Management	Related Course (IOD)
1. Asso.Prof.Dr. Ekachidd Chuengcharoen	Independent Director Chairman of the Board Chairman of 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 Dheerabutrongsukul	Independent Director Chairman of Audit Committee Nominaion and Compensation Committee	Master of Science (Finance)Bachelor of Accounting/ CPA no.4570	✓	✓			✓	✓	✓			✓	✓		✓	✓		DAP, ACP, RNG
3. Mr.Santi Niannil	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 Nomination and Compensation Committee	Bachelor of Science, Chulachomkloay Royal Military Academy/ Command and General Staff College	✓	✓			✓	✓	✓			✓			✓	✓		DCP/NC Best Practice Guidline
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), RU			✓		✓	✓	✓	✓					✓	✓		DCP, ACPG, SFE, ITG
7. Mr. Thanya Wangthamrong	Director *Authorized Director	M.B.A (International), TU/ BA/Architecture, CU			✓		✓	✓	✓	✓					✓	✓	✓	DCP
8. Ms. Wisanute 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
of Total 8 members			6	6	2	1	7	3	3	7	2	2	2	3	4	7	7	7

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

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.

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 (second Thursday of month), directors so that they can allocate their time to attend the meetings to acknowledge information and make decisions on important matters that might affect business opportunities and that require agreement from the Chairman of the Board on a case-by-case basis related to the Company's Memorandum Associations.

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

In 2021, there were 13 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, since last year was in the epidemic situation of coviral disease for the convenience of the directors, most of the meetings were organized online meeting, 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.

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 2021 there was arrange one time of meeting held on December 16, 2021 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 2021, details on the Board of Director and sub-Committee meeting attendance are as follows:

No.	Name	No. of Meeting Attendance /Total No. of Meeting ⁶					
		Board of Directors	AC Committee	NC Committee	RM Committee	Directors' Meeting without Executive Directors	2021 AGM Attending
1	Asso. Prof. Dr. Ekachidd Chungcharoen	13/13 (100%)	-	3/3 (100%)	-	1/1 (100%)	1/1 (100%)
2	Mr. Noppadol Dheerabutrvongkul	13/13 (100%)	6/6 (100%)	3/3 (100%)	-	1/1 (100%)	1/1 (100%)
3	Mr. Santi Niamnil	13/13 (100%)	6/6 (100%)	-	-	1/1 (100%)	1/1 (100%)
4	Dr. Pallapa Ruangrong	13/13 (100%)	6/6 (100%)	-	3/3 (100%)	1/1 (100%)	1/1 (100%)
5	General Chaiwat Satondee	13/13 (100%)	-	3/3 (100%)	-	1/1 (100%)	1/1 (100%)
6	Mr. Teeradej Jarutangrong	9/9 (100%)	-	-	3/3 (100%)	1/1 (100%)	1/1 (100%)
7	Mr. Chavalit Wangthamrong ³	9/9 (100%)	-	2/2 (100%)	-	1/1 (100%)	1/1 (100%)
8	Mr. Boonchai Suwanvutthiwat	13/13 (100%)	-	-	6/6 (100%)	-	1/1 (100%)
9	Mr. Thanya Wangthamrong	13/13 (100%)	-	-	-	-	1/1 (100%)
10	Mr. Wisarute Srirojanakul ⁴	2/2 (100%)	-	-	-	1/1 (100%)	-
11	Asst.Prof.Dr.Suluck Pattarathammas ⁵	-	-	-	6/6 (100%)	-	-

Remarks:

¹ No.6 Mr.Teeradej Jarutangrong was resigned from the position of director and Chairman of the Risk Management Committee Effective July 13, 2021 by the resolution of the Board of Directors' Meeting No. 9/2021 on July 12, 2021 was appointed Dr.Pallapa Ruangrong to the position of the Risk Management Committee and Asst.Prof.Dr.Suluck Pattarathammas to the Chairman of Risk Management Committee.

² No.7 Mr.Chavalit Wanthamrong was resigned from the position of director and Nomination and Compensation Committee, effective on July 13, 2021

³ No.4 Dr.Pallapa Ruangrong was appointed to the position of Risk Management Committee, effective on July 13, 2021

⁴ No.10 Mr.Wisarute Srirojanakul the resolution of the Board of Directors' Meeting No. 11/2021 on September 17, 2021 was appointed to the position of Independent Director to replace the vacancy position, to participate the Board's Meeting for the first time on November 2021

⁵ 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

⁶ The Board's Meeting 2021 hold online meeting 80% of all meeting both the board of director and sub-committee (started May 2021) where all directors to attend the meeting/all committee.

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 (details appeared attachment 1).

Performance Assessment and Knowledge Development

Directors' Performance Assessment

In 2021, the Board of Directors mandated 2 types of performance evaluation; self-evaluation for the whole group and self-evaluation for the individual in yearly basis, utilizing the evaluation results to improve the performance of the Board of Directors and 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 committee's self-assessment form is divided into 5 levels as follows:

- 0 = Strongly disagree or no action in that regard
- 1 = Disagree or little action in that matter
- 2 = Agree or action that matter are reasonable
- 3 = Quite agree or there is good action in that regard
- 4 = Mostly agree or has performed excellently in that matter

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 overall assessment results with average scored is (excellent) 98.75 percent equivalent same as last year. The Board's opinion has appropriate qualifications and perform their duties and responsibility, the board should be sufficiently studied before the meeting, in order to arrange the development plan and training roadmap for an executive in good practice accordingly.

The evaluation process as follows:-

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

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 2021, there was no incident of non-compliance with the Business Code of Conduct and related regulations.

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 success on 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. The performance according to the Charter, with excellent score of 97.37 percent.

Risk Management Committee

The Risk Management Committee is responsible for performing duties as assigned; fostering risk management as part of the organizational culture, integrating the risk management procedures with the organizational strategies, managing risks concerning safety, occupational health and environment, improving the risk management manual to cohere with the COSO ERM principle, and continuously establishing the risk management plan for 2022 etc. The satisfactory performance according to the Charter, with the full score of 100 percent.

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

Knowledge Development for Directors and Company's Secretary

The Board of Directors encourages and supports every directors to attend relevant training course in accordance with good corporate governance conduct that are beneficial to the Board's performance Top Executive and Company Secretary in order to have continuous improvement and development both seminar in the form of virtual seminar held by SET, SEC, IOD, TLCA relevant institutes, others channel i.e.FBLive etc., stipulates that the proportion of training for directors is more than 75 percent of the total number of directors. At present, there were all director to attending the director training program; currently 5 directors have been train role and duties of the Director Certification

Program (DCP) and 5 persons of Directors Accreditation Program (DAP), with Asso.Prof.Dr. Ekachidd Chungcharoen, chairman attended the training course related to the duties of the Chairman course “Role of the Chairman Program” (RCP), also the sub-committee to participate related such as ACCP, ACPG etc. and the Board of Directors encourages the Company Secretary to attend courses related to their role performance on a regular basis; FPCS, CRP, BRP, EMT and ACPG as well as 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 2021, The Board of Directors' meeting No. 11 / 2121, held on September 17, 2021, resolved to appoint a replacement director, namely Mr. Wisarute Srijanakul, to be an independent director, the company arranged the orientation session for new director in the first attending of the board's meeint on November 11, 2021, 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, In addition, the Director Accreditation Accreditation Program (DAP) Class 188/2021 has been organized online (via zoom) date 8 November 2021 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 2021 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 Dheerabutravongkul	Independent Director Chairman of Audit Committee Nomination and Compensation Committee
		- Role of the Nominating and Governance Committee (RNG) Class 3/2012 - Audit Committee Program (ACP) Class 23/2008 - Director Accreditation Program (DAP) Class 68/2008
3.	Mr. Santi Niamnil	Independent Director Audit Committee
		- Audit Committee Forum "Strategic Audit Committee: Beyond Figure and Compliance" (Oct 2019) - Director Accreditation Program (DAP) class 80/2009
4.	Dr. Pallapa Ruangrong	Independent Director/Audit Committee
		- Director Certification Program (DCP) class 17/2002
5.	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
6.	Mr. Wisarute Srojjanakul	Independent Director
		- หลักสูตร Director Accreditation Program (DAP) รุ่น 188/2021
7.	Mr. Boonchai Suwanvuthiwat	Director Risk Management Committee Chief Executive Officer
		- Preparation of Greenhouse Gas Emissions Report 56-1 One Report for listed companies under service sector, SEC (Oct.2021) - 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
8.	Mr. Thanya Wangthamrong	Director Vice President Marketing and Sales
		- Preparation of Greenhouse Gas Emissions Report 56-1 One Report for listed companies under service sector, SEC (Oct.2021) - Seminar "ESG: Opportunities and Risks that Listed Company Should Know", TLCA (Oct. 2021) - Trends, direction of M&A, important issues to consider and strategies for making M&A successful, SET (Nov.2021) - EC01: Sustainable Supply Chain Management No.2, SET (Aug.2021) - SD Professional Sharing 3/2021: Climate Change Business risk that should not be overlooked and report greenhouse gases in One Report", SET (June.2021) - Business Health Check through Financial Statements", FAP (Dec. 2021) - Seminar "Micro MBA: Corporate Strategy Development" by TU-RAC - SD Professional Sharing 3/2020: Storytelling for Sustainability" by SET - Online "Greenhouse Gas Reduction Policy: Opportunities, Challenges, and Assessment Methods" by SEC (Sep-Oct 2020) - Online: Action to reduce-global warming in the situation of COVID-19 with Care the Bear "by SET (Aug 2020) - Director Certification Program (DCP) Class 180/2013
1	Resignation Directors Mr. Teeradej Jarutangrong	Director Chairman of Risk Management Committee
		- How to Develop a Risk Management Plan (HRP) Class 10/2016 - Anti-Corruption for Executive Program Class 14/2015 - Director Accreditation Program (DAP) Class 68/2008
2	Mr. Chavalit Wangthamrong	Director Nomination and Compensation Committee
		- Director Accreditation Program (DAP) Class 67/2007

Part 2. Attending Seminar for Executive and Company Secretary in 2021, as follows:

No	Name	Training Course
1.	Miss Kamolphopphan Puapansakul Internal Audit Director	- Seminar: "Fraud : Prevention and Detection" (Jan.2021) - Online: Working Paper for Better Corruption Prevention Enhance working paper expert review Anti-Corruption, FAP (Mar 2021) - Seminar: "Elevat level expertof working paper expert review Anti-Corruption, (Mar. 2021) - Seminar: "Checking the readiness of the entity to cope with Personal Information Act " by Dharmniti (Apr 2020) - Strategic CFO in Capital Markets" Class 1/2015 by SET
2.	Miss Saowapa Choorujiporn Company Secretary	- Online: "ESG Sustainability", SET - Online: "Lesson Low carbon for sustainable development", TLCA - FB Live: "AGM Checklist 2564" by TIA (Jan 2021) - Seminar CGR Workshop No. 1/2021, IOD - SD Professional Sharing 4/2021: Business and Human Rights in ONE REPORT, SET - Guidelines for preparing a conflict of interest report and highlight for insider information policy, SET - Precessing for selction director in according to comply with law and CG principle, TLCA Seminar "ESG:Opportunities and Risks that Listed Company Should Know", TLCA (Oct. 2021)
3.	Miss.Siriporn Ondee Investor Relation	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)
4.	Group Seminar with Top Executives	- 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 companes, Service Industry , SET - SETLink usage manual: the Registration Report Statement/Annual Report Creation Function (56-1 One Report) - Anti-Corruption Policya and Procedur (Inhouse) - Ownership : Building a sense of Ownership to success together, calss 3 (inhouse)

Role and Responsibility to Stakeholders

The Company emphasizes on ensuring fair treatment towards all groups of stakeholders; customers, employees, business partners, shareholders, creditors, competitors, communities and government institutes, equally in accordance with sustainable developme nt policy, taking into the stakeholders' rights, compliance with the laws, relevant regulations or the agreements, 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, conummer responsibility, protection of personal data and privacy, environmental care and participate in soci al community development and anti-corruption, summarized 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, communication channels are arranged with accurate, transparent and timely disclosure of information.
- Employee** The Company always emphasizes on the importance of employees as they are invaluable assets of the Company, committed to developing employees to equipping knowledgeable, competent and competitive progress in work quality of working life equal to leading companies happy work pride of organization and relationship engagement in accordance with the Company's culture "PHOL-D"; working professionally driving for success together, having ethical towards themselves as well as to the public,

dedicated over a hundred and beyond customer expectation, dare to think-dare to do with aiming to create something better and focusing on the results of work for over all benefits to the public.

- Treat staff members fairly and equally, arranging for proper welfares; provident fund, life insurance, health and accident insurance, loan welfare, maternity leave, ordination leave, educational scholarship, personal protective equipment, annual health check-up, etc.
- Arrange the compensation package, considering from the Company's operating performance and with reference to the market rate in the same industry to identify the appropriate compensation that is fair and competitive among peers. The performance evaluation is categorized into 2 parts; performance achievement (KPI) and staff members' competencies, as well as the development of career path to encourage growth and promotion/transfer to other functions to accommodate future business expansion.
- In terms of striving to be the learning organization, the Company fosters the working environment that encourage teamwork, development of knowledge and skills to aim for career advancement and stability. The knowledge sharing sessions are also organized to share relevant knowledge, together with the improvement of work procedures to be more effective, and the organization of employee relations activities to encourage participation among staff members.
- Complaints and Suggestions: Provide channels for receiving complaints, suggestion and opinion from employee i.e. comments box, e-mail, the Company's Website www.pdght.com etc
- **Customer** The Company is determined to create customer satisfaction and engagement, taking care of and being responsible for users of products and services by ensuring that they take maximum benefits in terms of quality and safety at the fair price point. The Company strictly complies with the prescribed conditions, regulations and standards, with the organization of seminars to disseminate the knowledge in safety, occupational health and using the products safely for customers, public and private sector organizations, and educational institutes, while also maintains confidentiality of the customers' personal data with prudence. With that, the customer satisfaction score in 2021 was reported at 98.37%.

In addition, the company also provides several communication channels to contacting with customers such as online market place on the company's website www.pholonline.com communication, public presentation, knowledge of safety, occupational health products and the company's activities via online channels; thai-safetywiki.com, Facebook Fan Page "PHOL" and Line@ application.

- **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 good practices during the transmission of COVID-19 via the Company’s website and online media.
- **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 202”, 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.

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 provid hannels 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 2021, but instead the information was communicated via the quarterly Risk News and the IA News to all staff members to foster awareness in a continuous manner. The evaluation showed that their understanding and awareness were good and satisfactory, reflecting that staff members are aware of the Company's policy. In this regard, the Internal Audit Department has reviewed the Company's courses of actions in case of failure to comply with the code of conduct and relevant regulations, and none of the violations have been detected

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

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

In 2021, the Company did not engage in activity that violates or inconsistent with conflict of interest transaction.

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 2021, 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.pdgh.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.

Directors, executives and staff members or those who are associated with the internal information are prohibited from buying or purchasing the Company's securities during the 30-day blackout period prior to the disclosure of the quarterly and annual financial statements or internal information to the public, by the Company Secretary was communication within the organization in advance to alert any time.

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.pdpth.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 whistleblowing 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.pdpth.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 first CAC membership renewal dated August 5, 2019 valid in 3 years from the certified date, shall valid in August 2022.

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 2021, 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: LatestNews, 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 opinion including in case of infringement, as following:

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

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

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

In this regards, the Company has followed up reports of clues or complaints through the specified channels. In the year 2021, the company did not get any incidents and indicating the said corruption.

Information Technology and Communication

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

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.pdgth.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, 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, 90 days ahead of time, from October 1, 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" since October 1, 2021. 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 2021 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, 2021, 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 26, 2021. 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 7, 2021, which exceeds is required by law and follows the principle of corporate governance, especially foreigner shareholders have provided with covering English version's letter together. The invitation letter specified details; date time venue of the meeting, map location, voting procedure and complete set of documents, including disseminating such information on the Company's website in both Thai and English languages, so that shareholders have an opportunity to get enough time to study the information.
5. The Company publicized the meeting invitation in the newspaper for 3 consecutive days on April 10-11-12, 2020 and not less than 7 days prior to the meeting date as required by law and the Company's regulations so that shareholders have enough time to study the information beforehand.
6. The Company informed details regarding supporting evidence prior to the meeting; the power of attorney letter and the method of proxy designation. In case shareholders cannot attend the meeting by themselves, they may assign independent directors of the Company or any other individuals as proxies to attend the meeting and cast vote on their behalf, or they can bestow authority upon the Company's independent directors using the power of attorney letter Form B that was sent together with the invitation letter. In this regard, shareholders can download 3 forms of power of attorney letter (Form A, B, and C) via the Company's website, whereby the Company has prepared the revenue stamp for shareholders to put on the power of attorney letter on the meeting day. (The company provided stamp for proxy).
7. The Company allowed shareholders to submit questions beforehand at least 1 working day in advance (within April 23, 2021), provide various channel for queries via the company's website or Email: cs@pdgth.com or ir@pdgth.com or telefax: 02-791 0100 to collect and answer any questions in relevant agenda. Since in the past year intend to hold the shareholders' meeting in the situation of the coronavirus outbreak 2020, it's necessary to control the meeting in shortly and concise in order to ensure safety for all shareholders, the company should be summarized the question-answer from the meeting, public on the Company's website (www.pdgth.com) in order for all shareholders to acknowledge equitably information.
8. The Company allows its shareholders who wish to receive printed annual reports to send their request through various channels, such as emails, telephone, fax, and letters in return-envelopes. The Company will immediately send annual reports through postal service as per requests and also prepare printed copies for shareholders on the meeting date.

On the Meeting Date

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

1. The Company held the Annual General Meeting for 2021 on April 26, 2021 at Conference Room of the Company address 1/11 Moo3 Lamlukka Rd, Ladsawai, Lamlukka, Pathumthani 12150. Facilitate and encourage shareholders to attend the meeting, with the following actions:
 - Sharing the map displaying location of the meeting venue that is convenient to commute to and from (expressway) and allocating sufficient parking spaces
 - Transportation service provided to taking care the shareholders to the shareholders' meeting (BTS-PHOL)
 - Properly identifying the point of registration for shareholders and proxies (document inspection kiosk), with the Company's officers providing reception and facilitation to shareholders.
 - Preparing duty stamps in case the shareholder assigns the proxy to attend the meeting, without any additional costs.
 - The registration can be completed 2 hours (2.00pm – 4.00pm.) before the meeting and shareholders arriving after the meeting commences can also register and attend the meeting and cast vote on agendas (for agendas that have not been voted yet).
 - Using the meeting assistance program and the barcode system in the registration and vote counting processes, for better effectiveness, faster results and transparency.
 - Arrange for screening measures of shareholders who attend the meeting, strictly comply with the recommendations of the department of disease control, ministry of public health, to preventing such outbreak, Safety of all attendees and facilitates appropriately.
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 reposesentatiive "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 2021, after finished the meeting there were 28 shareholders, 12 shareholders to attend the meeting in person and 16 shareholders by proxies, representing 114,455,618 shares, which accounted for 56.52 percent of the total issued shares, quorum 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 26, 2021, 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 2021 with correct and complete significant matters with summarized the question-answer both Thai and English.
3. The Company has published the minute of annual general shareholders' meeting both in Thai and English via SET Community Portal within 14 days since the meeting date on May 6, 2021 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 June 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 2021.

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.pdgh.com (both Form A, Form B and Form C)

4. The Company uses the AGM program to process vote casting, invite a representative volunteer to protect the rights of shareholders and the auditor shall verify the correctness. In particular, the agenda for the election of directors requires separate voting for each individual (one share-one vote) and collect every ballot for review and reference for accuracy and transparency.

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

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

7. The Board of Directors regulated that directors and the management are obliged to report any changes in ownership of one's own company, spouse and underage children reporting to SEC via online system in time.

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

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

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

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

In 2021, there were no reports of connected transactions (Please refer to the "Procedures of the Approval of the Related Transaction")

Directorship in Other Listed Companies

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

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

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

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

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

At present, of the 8 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 a good governance operations in place, with the appointment of the director as the representative or the Chief Executive Officer to assume the director position in subsidiaries in order to identify the business operations directions, objectives and strategic plans that align with the parent company, follow up on the operating performance of subsidiaries on a regular basis, and report key events to acknowledge the Board of Directors, for instance, transactions that require approvals from the parent company's Board of Directors in accordance with the authorization structure, as well as the supervision and proper allocation of resources to protect the returns on the Company's investment capital.

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.

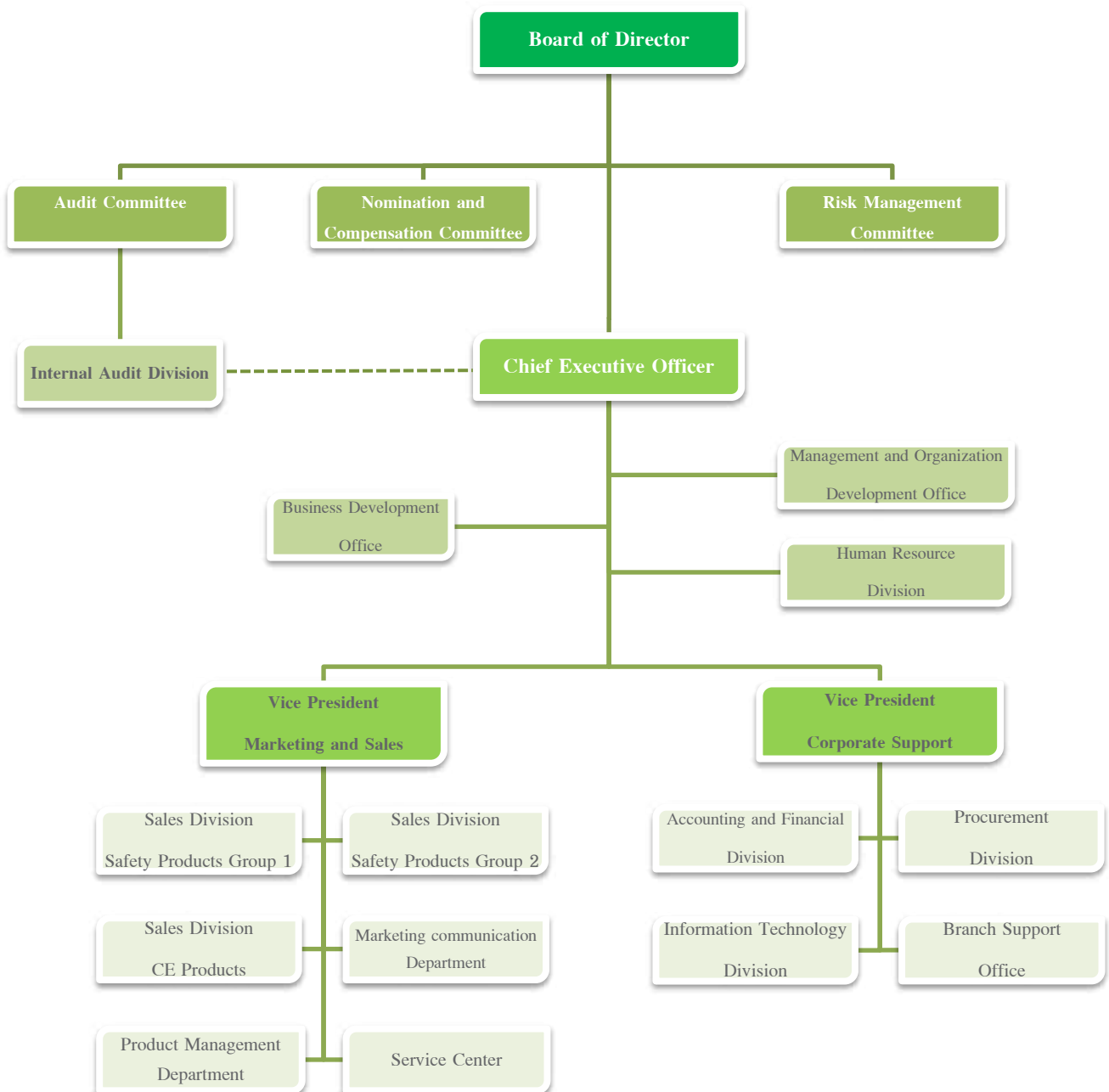
Compliance with other Good Corporate Governance Principle

The Board of Directors, executives and staff members of the Company and subsidiaries all comply with the Corporate Governance policy and regularly follows up on the operating results. In 2021, the Securities and Exchange Commission had executed the legal proceedings, exercising civil sanctions upon the directors and executives for disposing the Company's shares and warrants (PHOL-W1) with the knowledge or possession of the internal information and disclosing such information to others. The memorandum of consent has been signed to comply with the civil sanctions regulated by the Civil Sanction Committee, while the time period where one is prohibited to assume the director or executive position has been identified.

Corporate Governance Structure and Material Facts Related to the Board, Subcommittees, Executives, Employees and Others

1 Corporate Governance Structure

Organization Chart



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 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, the Board of Directors is currently comprised of 8 directors; 7 male directors and 1 female director, with 6 non-management independent directors (representing 75%; 3 of them also assume the positions of Independent Director and Audit Committee members) and 2 directors in the management team (representing 25% of the Board of Directors).

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 Dheerabutrvongkul	Independent Director	Independent Director Non-Executive Director	September 12, 2007	2020
3	Mr. Santi Niarnil	Independent Director	Independent Director Non-Executive Director	May 10, 2016	2020
4	Dr. Pallapa Ruangrong	Independent Director	Independent Director Non-Executive Director	September 19, 2017	2021
5	General Chaiwat Satondee ^{1/3}	Independent Director	Independent Director Non-Executive Director	October 12, 2015	2019
6	Mr. Wisarute Srirojanakul ^{2/3}	Independent Director	Independent Director Non-Executive Director	September 17, 2021	2021
7	Mr. Boonchai Suwanvutthiwat	Director	Executive Director	April 30, 2013	2021
8	Mr.Thanya Wangthamrong ³	Director	Executive Director	April 30, 2013	2019

Notes:

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

²Mr. Wisarute Srirojanakul was appointed as a director to replace Mr. Chavalit Wangthamrong ,the resigned director, effective on September 17, 2021

³Being a director who will retire by rotation and was proposed to be re-elected as director for another term in the 2022 Shareholders' Meeting dated 27 April 2022

Miss. Saowapa Choorujiporn is the Board of Director's secretary.

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.

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.11/2021 on September 17, 2021 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-Managerial 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 September 17, 2021, 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 Dheerabutrungkul	Chairman of Audit Committee
2	Mr. Santi Niamnil	Audit Committee
3	Dr. Pallapa Ruangrong	Audit Committee

Audit Committee No.1 has adequate knowledge and experience to review reliability of the Company's financial statements. Miss. Kamolphopphan Puapunsakul is an Audit Committee's secretary.

Audit Committee's Term on Board

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

Scope of Authority and Responsibilities of the Audit Committee

The Board of Directors' Meeting No. 13/2021, held on December 16, 2021, reviewed and approved to determine the scope, authority and responsibility of the Audit Committee as follows:

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

In this regard, the Charter of Audit Committee, dated December 16, 2021, 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	Assoc. Prof. Dr. Ekachidd Chungcharoen	Chairman of Nomination and Compensation Committee/ Independent Director
2	Mr. Noppadol Dheerabutrvongkul	Nomination and Compensation Committee/Independent Director
3	General Chaiwat Satondee	Nomination and Compensation Committee/Independent Director

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

Nomination and Compensation Committee's Term on Board

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

Scope of Authority and Responsibilities of the Nomination and Compensation Committee

The Board of Directors' Meeting No. 11/2021, held on September 17, 2021, 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 September 17, 2021, had disclose on the company's website <http://investor.pdgt.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 3 members as follows:

No	Name	Position
1	Asst.Prof.Dr.Suluck Pattarathammas ^{/1}	Chairman of Risk Management Committee
2	Mr. Boonchai Suwanvuttivat	Risk Management Committee
3	Dr. Pallapa Ruangrong ^{/1}	Risk Management Committee

Notes:

^{/1} Asst. Prof. Dr. Suluck Pattarathammas, external scholar was appointed to Chairman of Risk Management Committee and Dr. Pallapa Ruangrong was appointed to Risk Management Committee, to replacement resigned Director effective on July 13, 2021.

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

Risk Management Committee's Term on Board

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

Scope of Authority and Responsibilities of the Risk Management Committee

The Board of Directors' Meeting No. 12/2021, held on November 11, 2021, 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 November 11, 2021, had disclose on the company's website <http://investor.pdgt.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. 3/2021, held on March 11, 2021 considered the organizational structure and signed off the restructuring of the Human Resource Department to report directly to the Chief Executive Officer, effective from March 12, 2021 onwards. The Board of Directors also appointed an executive; Mr. Patsapong Wangthamrong, to assume the Human Resource Director position.

During the year, Mr. Pornsak Chunhachinda resigned from the Executive Vice President in Corporate Affairs and Chief Financial Officer positions. The Board of Directors meeting no.9/2021, dated July 12, 2021 appointed Mr. Thanya Wangthamrong, to assume the Acting Chief Financial Officer position and another executive to supervise the Corporate Affairs operations while recruiting the suitable candidate.

Management Team comprises 7 members as follows:

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

Chief Executive Officer's Scope of Duties and Responsibilities

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

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

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

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

Authorized Level of the Company as follow:

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

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

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

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

2. Policy and Criteria of the Compensating of Top Executives

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

3. Compensation

Compensating of the Board of Directors

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

Board	Monthly fee ^{1/}	Meeting Allowance/Attendance ^{2/}	Director's bonus
Board of Directors			
Chairman	25,000	22,500	2.5% of dividend paid to shareholders
Director	12,000	15,000	
Audit Committee			
Chairman	20,000	18,000	-
Director	-	12,000	-
Nomination and Compensation Committee			
Chairman	15,000	18,000	-
Director	-	12,000	-
Risk Management Committee			
Chairman	15,000	18,000	-
Director	-	12,000	-

Notes:

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

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

The 2021 Shareholder's Annual General Meeting on April 26, 2021, approved the criteria for remuneration for directors in the form of monthly fee, 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.

In 2021, the total amount of directors' compensation comprise of 1,186,000 Baht of monthly fee, 2,416,500 Baht of meeting attendance fees of Board of Director and Sub-Committee, totaling 3,602,500 Baht, which not exceeding budgeting 4 MB. And Directors' bonus for the year 2020, paid to Directors in 2021 amounting 1,265,628 Baht is in accordance with the criteria which has been approved by the shareholders' meeting. Also the Directors' bonus for the year 2021 shall be proposed to the 2022 Shareholder's meeting on 27 April, 2022.

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

In 2021, moreover the remuneration as a director and sub-committee, there are directors who have received other consultant fee such as; Dr. Pallapa Ruangrong who has been appointed as advisor of the Sustainable Development sub-committee receive compensation in the form of traveling allowances of 10,000 Baht per meeting attendance, total amount of 10,000 Baht, Mr.Chavalit Wangthamrong received 1,320,000 Baht for Strategic consultant, Mr. Teeradej Jarutangtrang received 1,1140,000 MB for advisor of subsidiary "Phol Palladium Co.,Ltd" and Asst.Prof.Dr.Suluck Pattarathammas received 180,000 Baht for Risk Management Consultant.

In 2021, the individual compensation of directors are as follows:

Unit: Baht								
No.	Director's Name	Monthly Fee ¹	Meeting Attendance				Director's Bonus 2020 ²	Total Compensation
			Board of Director	Audit Committee	NC Committe	RM Committee		
1	Asso. Prof. Dr. Ekachidd	300,000	292,500	-	54,000	-	199,836	846,336
2	Mr. NoppadolDheerabutrongsul	240,000	195,000	108,000	36,000	-	133,224	712,224
3	Mr. Santi Niamnil	144,000	195,000	72,000	-	-	133,224	544,224
4	Dr. Pallapa Ruangrong	144,000	195,000	72,000	-	-	133,224	580,224
5	General Chaiwat Satondee	144,000	195,000	-	36,000	-	133,224	508,224
6	Mr. Boonchai Suwanvutthiwat	-	195,000	-	-	72,000	133,224	400,224
7	Mr.Thanya Wangthamrong	-	195,000	-	-	-	133,224	328,224
8	Mr. Wisarute Sirojanakul ³	41,200						71200
9	Asst.Prof.Dr.Suluck	-	-	-	-	90,000	-	90,000
Directors and executives who resigned during the year								
10	Mr. Chavalit Wangthamrong ⁴	76,800	135,000	-	24,000	-	133,224	369,024
11	Mr. Teeradej Jarutangtrong ⁴	96,000	135,000	-	-	54,000	133,224	418,224
	Total Compensation	1,186,000	1,762,500	252,000	150,000	252,000	1,265,628	4,868,128

Notes:

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

² Director's Bonus for the year 2020 paid to directors in May 2021, accordance the resolution of the Annual General Meeting of the Shareholders 2021 on April 26, 2021.

³ Mr. Wisarute Sirojanakul was appointed as independent director to replace resigned director, effective on September 17, 2021. Firstly, attendance Board of Director meeting No.12/2021 in November 2021.

⁴ Mr. Chavalit Wangthamrong and Mr. Teeradej Jarutangtrong, directors who resigned during the year effective on July 12,

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

Executive Compensation

The monetary compensation for executives of the company and its subsidiaries in the form of salaries, bonuses and management fee. In 2021, the Company has paid monetary compensation to 9 top executives of the Company and its subsidiaries, totaling 21.63 MB, accounting for 15.67% of the total employee compensation summarized as follows:

Unit: MB

Executive Compensation ¹	2021		2020	
	No. of person	Amount	No. of person	Amount
Salaries	9	13.62	8	13.11
Bonuses and Management Fee ²	9	7.36	8	4.08
Contribution to Provident Fund	9	0.65	8	0.69
Total	9	21.63	8	17.88

Notes:

¹ During the year, there were 1 new executive and 1 resignation.

² Bonuses and Management Fee for the year 2020 paid to top executives in 2021

Compensation of Directors and Executives in subsidiaries

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

No.	Name	2021				Total (Baht)
		Subsidiaries				
		Phol Palladium Co., Ltd.		Phol Water Co., Ltd.		
		Meeting attendance	Meeting allowance (Baht)	Meeting attendance	Meeting allowance (Baht)	
1	General Chaiwat Satondee ^{1/}	-	-	6/6	90,000	90,000
2	Mr. Boonchai Suwanvutthiwat	5/5	50,000	6/6	60,000	110,000
3	Miss Prapaipit Viriyabhupha ^{2/}	5/5	75,000	6/6	60,000	135,000
4	Mr. Payotorn Mungthong	5/5	50,000	-	-	50,000
Total			175,000		210,000	385,000

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, 2021 amounts to total 204 as follows:

Department	Number of persons	
	2021	2020
1. Management	8	8
2. Internal Audit	1	1
3. Management and Organization Development Office	7	5
4. Sales	72	67
5. Marketing	13	12
6. Procurement and Warehouse	39	39
7. Accounting and Finance	25	22
8. Human Resource	3	9
9. Information Technology	4	4
10. Branch Support Office	9	14
11. Sales and engineering	23	18
Total	204	199

Staff Members' Remuneration

The Company's and subsidiaries' staff members 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 2021, the Company provided monetary compensation and non-monetary compensation for 116.39 MB and in 2020, the Company provided such compensation for 115.44 MB.

However, 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.

Provident Fund

The Company has registered for the establishment of the provident fund since 2008, and has now changed the fund manager to BBL Asset Management Co., Ltd., effective from July 1, 2019, with the objective of motivating staff members to work with the Company for a long time. 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.

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 2021.

7 Company Secretary

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

8 The Head of Internal Audit Department

Audit Committee has appointed Miss. Kamolphobphan Puapansakul, Internal Audit Director, as the head of Internal Audit Division, who is the right qualification, knowledge and experience in our internal operation for more than 10 years, to supporting the Audit Committee to achieve an efficiency in their objective. Consideration and approval the audit plan, an appointment, deprivation and evaluation and compensation of the head of Internal Audit Division must be approved (or agreed) by the Audit Committees.

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
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In 2021, 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 (4 times)
- Executive’s phone interviews through MCOT media on investment minutes. (1 time)
- Taking care of shareholders to attend the 2021 AGM meeting in the situation of COVID-19 (1 time)

In this regard, shareholders, investors or those who are interested can see more information of the company at the company's website at www.pdgth.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 2021, 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 2021 (3 fiscal years) of. The remuneration of the audit fee of the Company and its subsidiaries for the fiscal year 2021, 2020 and 2019 amounted 1,630,000 Baht 1,565,000 Baht and 1,565,000 Baht respectively, which including audit fee of subsidiary company amounted 535,000 Baht 517,000 Baht and 517,000 Baht respectively.

Non Audit Fee

In 2021, the Company and its subsidiaries was no others Audit fee.

Comparison of the Audit Fee

Unit: Baht

Audit Fee	2021	2020	2019
Audit Fee			
1. Phol Dhanya Public Company Limited	1,095,000	1,048,000	1,048,000
2. PD Genesis Engineering Company Limited	5,000	5,000	5,000
3. Phol Palladium Company Limited	257,000	252,000	252,000
4. Phol Water Company Limited.	266,000	253,000	253,000
4. Pholdhanya (Cambodia) Co., Ltd.	7,000	7,000	7,000
Non Audit Fee	-	-	-
Total	1,630,000	1,565,000	1,565,000

Internal Control and Related Party Transactions

1 Internal Control

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 13 Board of Directors' meetings held in 2021, whereby 1 meeting was held without the director in managerial position's presence. The management team holds a meeting on a monthly basis to follow up with the operating performance and benchmark against the targets and organizational strategies that were approved by the Board of Directors and to tackle problems that may arise and adjust the execution plan to suit the changing situations. The management also considers and provides advices in solving problems and reports the outcomes regularly, monitors the Internal Audit Division's performance reports quarterly to ensure that the internal control operations are effective and suitable for the changing environment. If any shortcomings are detected, the responsible person must identify the solution in a timely manner, while the management is accountable for ensuring compliance with the internal control system, and the Internal Audit Division is responsible for inspecting, following-up and reporting results independently to the Audit Committee on a quarterly manner to propose to the Board of Directors respectively.

The Board of Directors' Opinions on the Internal Control System

The Board of Director' meeting no.1/2022, dated January 20, 2022, was attended by 4 independent directors, whereby 3 of which were members of the Audit Committee. They conducted an annual assessment of the sufficiency of the internal control system for 2021, 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.

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 2021, did not identify any shortcomings regarding the internal control system.

Internal Audit

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

The Head of Internal Audit Department

Audit Committee has appointed Miss. Kamolphobphan Puapansakul, Internal Audit Director, as the head of Internal Audit Division and Audit Committee Secretary, who is the right qualification, knowledge and experience in our internal operation for more than 10 years, to supporting the Audit Committee to achieve an efficiency in their objective. Consideration and approval the audit plan, an appointment, deprivation and evaluation and compensation of the head of Internal Audit Division must be approved (or agreed) by the Audit Committees. The company encourages the head of internal audit to develop relevant knowledge both internal and external training or seminar to be defined internal audits plan appropriate to the current situation including complying with laws that have changed.

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

In 2021, The Company uses internal auditor services, independently from the company "Internal Audit Dharmniti Co., Ltd." continued for the fourth year, to enter the internal audit work under the scope of internal audit operations plan 2021. Miss. Kamolphobphan Puapansakul, Internal Audit Director, determine the scope of internal audit according internal audit operations plan 2021 which approved by Audit Committee.

2 Related Transactions

Connected Persons and Related Transactions

The Company had connected transactions with persons who might have conflict of interest, comprising shareholders and/or executives of the Company and related companies or having a relationship with its directors, executives and/or shareholders. Summary of relationship are as follow;

Name of Company	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. Mr.Boonchai Suwanvutthiwat, Mr.Payotorn Mungthong and Miss Prapaipit Viriyabubpa are Director, two directors signing jointly, together with the Company's seal affixed.
Phol Water Co., Ltd.	A subsidiary company. The Company holds 99.99% of the register and paid-up capital of Phol Water Co., Ltd. General Chaiwat Satondee, Mr.Boonchai Suwanvutthiwat, and Miss Prapaipit Viriyabubpa are Directors, two directors signing jointly, together with the Company's seal affixed.
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, Assoc. Prof. Dr. Ekachidd Chungcharoen, Director of the Company is director and 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, Mr. Chavalit Wangthamrong, Director of the Company is director and holding shares 27.77% of the register and paid-up capital of Thai Biolex Co., Ltd. (Mr. Chavalit Wangthamrong resigned from Director of the Company , effective on July 13,2021) And Mr. Thanya Wangthamrong, Director of the Company, holding shares 22.22% of the register and paid-up capital of Thai Biolex Co., Ltd.

Summary of connected transactions with subsidiaries and related companies

Persons with possible conflict of interest	Relationship / Transaction	Transaction Value (Baht)			Necessity and reasonability of the transaction		
		2019	2020	2021			
1. Phol Palladium Co., Ltd. (Subsidiary)	The Company holds 99.99% of shares	- Investment in the Subsidiary	999,970	999,970	999,970	The Board of Directors approved an establishment of Phol Palladium Co., Ltd. to distribute occupational health and safety products to government agencies in order to reach and expand its customer base in this group <u>The Audit Committee's opinion</u> The transaction was the normal trading transaction.	
		- The Company sold goods to the Subsidiary	16,335,294	32,428,792	26,235,516		The Company sold goods to the Subsidiary as normal business operation with the policy of selling goods to the Subsidiary at the cost price with an additional profit of margin 5-15% <u>The Audit Committee's opinion</u> The transaction was the normal trading transaction.
		Sale of goods	4,459,884	8,649,912	11,284,465		
		Trade receivables in the Subsidiary					
	- The Company purchased goods from the subsidiary	123,031	624,754	1,218,814	The Company purchased goods from the Subsidiary as normal business operation with the policy of selling goods to the Subsidiary at the cost price with an additional profit of margin 5-15% <u>The Audit Committee's opinion</u> The transaction was the normal trading transaction.		
Purchases of goods	225	27,392	56,735				
	Trade payables in the Subsidiary						
	- Other 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 <u>The Audit Committee's opinion</u> The transaction was reasonable; because it is the expense of the subsidiary which the company holds 99.99% of shares.		
	Management fee income	139,100	139,100	-			
	Management fee receivable						

Persons with possible conflict of interest	Relationship / Transaction	Transaction Value (Baht)			Necessity and reasonability of the transaction
		2019	2020	2021	
2. Phol Water Co., Ltd. (Subsidiary)	The Company holds 99.99% of shares				
	- Investment in the Subsidiary	49,999,970	49,999,970	49,999,970	The subsidiary reported loss earnings. Thus, in order to be in accordance with the accounting standard, the Company provided allowance for impairment of such investment in subsidiary <u>The Audit Committee's opinion</u> The provision was in accordance with the accounting standard.
	Allowance for impairment	45,594,639	45,594,639	45,594,639	
	Net-Investment in the Subsidiary	4,405,332	4,405,332	4,405,332	
	- The Company sold goods to the Subsidiary				The Company sold goods to the Subsidiary as normal business operation with the policy of selling goods to the Subsidiary at the cost price with an additional profit of margin 5-15% <u>The Audit Committee's opinion</u> The transaction was the normal trading transaction.
	Sale of goods	1,611,796	2,225,191	1,004,718	
	Trade receivables in the Subsidiary	80,403	19,002	544,534	
	- 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				The company hired the Subsidiary to operate the water treatment as normal business operation with the policy of selling goods and services to the Subsidiary at the cost price with an additional profit of margin 5-30% <u>The Audit Committee's opinion</u> The transaction was the normal trading transaction.
	Purchase of goods and services	245	-	14,133	
	- Short-term loans-Promissory Note	-	6,000,000	7,000,000	The company provided short-term loans to the Subsidiary by issuing a promissory note to use for working capital in operation, which is repayable at call and with interest rate 4.70% per annum. <u>The Audit Committee's opinion</u> The transaction was the normal trading transaction.
	Short-term loans receivable	3,000,000	2,000,000	5,000,000	

Persons with possible conflict of interest	Relationship / Transaction	Transaction Value (Baht)			Necessity and reasonability of the transaction	
		2019	2020	2021		
2. Phol Water Co., Ltd. (Subsidiary)	The Company holds 99.99% of shares	- Long-term Loan	-	3,000,000	2,000,000	<p>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. The Audit Committee's opinion The transaction was reasonable; because it is the expense of the subsidiary which the company holds 99.99% of shares.</p> <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 The Audit Committee's opinion The transaction was reasonable; because it is the expense of the subsidiary which the company holds 99.99% of shares.</p> <p>The Company charges rental for water treatment system from subsidiaries amount to 60,000 Baht per month. The Audit Committee's opinion The transaction was reasonable; it represents the actual operating costs.</p> <p>This transaction arising from B Natural Co., Ltd., which is the subsidiary's creditor. According to the court's verdict, which B Natural Co., Ltd. appointed a creditor, Phol Dhanya Plc. therefore transferred the payment to the subsidiary to repay the debt instead. But because the subsidiary has to collect money according to liquidity. Therefore, the check has not been cashed. The Audit Committee's opinion The transaction was the normal trading transaction.</p>
		Long-term loans receivable	-	-	2,000,000	
		Interest	142,159	212,079	168,041	
		Interest receivable	-	-	901	
		- Other income	1,800,000	1,800,000	1,800,000	
		Management fee income	160,500	160,500	-	
Management fee receivable						
	Rental income for water treatment system	720,000	720,000	300,000		
	Rental receivable	64,200	64,200	-		
	- Other receivables	-	-	520,000		

Persons with possible conflict of interest	Relationship / Transaction	Transaction Value (Bant)			Necessity and reasonability of the transaction
		2019	2020	2021	
2. Phol Water Co., Ltd. (Subsidiary)	The Company holds 99.99% of shares	-	-	9,200	The company hired the subsidiary to replace the water filter in the office at the agreed price The Audit Committee's opinion The transaction was the normal trading transaction.
	- Other Payable	-	-	-	
3. PD Genesis Engineering Co., Ltd. (Subsidiary)	The Company holds 76.67% of shares	11,500,000	11,500,000	11,500,000	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. The Audit Committee's opinion The provision was in accordance with the accounting standard.
	- Investment in the Subsidiary	11,500,000	11,500,000	11,500,000	
	Allowance for Impairment	-	-	-	
	Net investment in the Subsidiary	5,000,000	5,000,000	5,000,000	
	- 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	
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	-	-	-		
4. Pholdhanya (Cambodia) Co., Ltd. (Subsidiary)	The Company holds 100% of shares	6,770,686	6,770,686	6,770,686	The subsidiary reported loss earnings over capital, in order to be in accordance with the accounting standard, there was a necessity to have an allowance of impairment. The Audit Committee's opinion The provision was in accordance with the accounting standard.
	- Investment in the Subsidiary	6,770,686	6,770,686	6,770,686	
	Allowance for Impairment	6,770,686	6,770,686	6,770,686	
	Net investment in the Subsidiary	-	-	-	
	- Trade receivables in the Subsidiary	3,312,601	3,236,540	3,598,376	
	Less Allowance for doubtful accounts	3,312,601	3,236,540	3,598,376	
Trade receivables in the Subsidiary-net	-	-	-		
					Company reported loss earnings over capital and the Subsidiary has temporarily ceased its operations. Thus, in order to be in accordance with the accounting standard, there was a necessity to have full allowance for doubtful accounts. The Audit Committee's opinion The provision was in accordance with the accounting standard.

Persons with possible conflict of interest	Relationship / Transaction		Transaction Value (Baht)			Necessity and reasonability of the transaction
			2019	2020	2021	
4. Pholdhanya (Cambodia) Co., Ltd. (Subsidiary)	The Company holds 100% of shares	- The Company purchased goods from the Subsidiary Purchase of goods	-	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 Less Allowance for doubtful accounts Other receivable-net	3,485,760 3,485,760 -	3,478,805 3,478,805 -	3,478,805 3,478,805 -	The Subsidiary lend from the Company to working capital, however, the subsidiary reported loss earnings over capital and has temporarily ceased its operations. Thus, in order to be in accordance with the accounting standard, there was a necessity to have a full allowance for doubtful accounts. <u>The Audit Committee's opinion</u> The provision was in accordance with the accounting standard.
5. B&P Agri Product Co., Ltd. (Related Company)	Assoc. Prof. Dr. Ekachidd Chungcharoen, Director of the Company holding shares in related company	- The subsidiary of the Company sold goods to the related company	105,850	22,250	3,000	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 at market price.
		- The subsidiary of the Company sold goods to the related company	-	-	537,068	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.
6. Thai Biorex Co., Ltd.	Mr. Chavalit Wangthamrong and Mr. Thanya Wangthamrong, holding shares in related company	-	-	-	-	

Procedures of the Approval of the Transaction

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

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

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

2. Transactions supporting normal business: (apart from item no.1), in case for approval of the related-party transactions or connected transactions that are not normal trading transactions, the Company proposes to ask the consideration from the Audit Committee on the necessity and appropriateness of the transaction. In case of the Audit Committee does not have relevant expertise to consider the proposed transaction, the Company shall arrange for an expert such as an independent auditor or appraiser, to provide an opinion on the proposed transaction for further consideration of the Board of Directors or the shareholders, as the case may be, to approve the proposed transaction before implementation. A person with the potential conflict of interest in the proposed transaction shall not be 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 case the Company shall have a related-party transaction and/or a connected transaction in the future among subsidiaries, associated companies or any related parties who may have the potential conflict of interest, the Company shall comply with the measures and procedures of related-party transactions and connected transactions mentioned in the above section. The Board of Directors shall ensure that the Company comply with the Securities and Exchange Act, regulations, notifications, orders or requirements prescribed by the Stock Exchange of Thailand as well as the regulations regarding to Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets and comply with the Accounting Standards prescribed by Federation of Accounting Professions. The Company will footnote the connected transaction to the financial statement audited by the Company's auditor and disclose the related-party transactions or connected transactions in annual information disclosure form (Form 56-1) and annual report (Form 56-2)

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

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

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

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 2021 annual 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, 2021 in which the auditors have audited and provided the comments in the auditor's report of which was also shown in the annual report.



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



Mr. Boonchai Suwanvutthiwat
Chief Executive Officer

Independent Auditor's Report

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, 2021, 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, 2021, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

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

Key Audit Matters

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

Provision for devaluation of inventories

Risk

According to Notes to Financial Statement No. 8, the Group had inventories as at December 31, 2021 of Baht 238.44 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 Chotesaengmaneekul

Certified Public Accountant

Registration Number 9575

ANS Audit Company Limited

Bangkok, February 18, 2022

Financial Statement and Note to Financial Statement

PHOL DHANYA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2021

	Notes	Unit: Baht			
		Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Assets					
Current assets					
Cash and cash equivalents	6	58,712,095.46	92,385,265.20	48,931,526.80	69,701,787.88
Trade and other current receivables - net	5, 7	178,851,940.88	178,816,587.79	161,600,265.14	163,439,250.77
Short-term loans to related party - net	5	-	-	5,000,000.00	2,000,000.00
Current portion of long-term loans to employees	12	1,397,954.18	1,508,322.53	1,312,810.17	1,351,240.21
Inventories - net	8	222,164,870.44	155,502,117.41	203,261,252.96	148,595,920.95
Current tax assets		541,733.05	692,429.25	-	-
Total current assets		461,668,594.01	428,904,722.18	420,105,855.07	385,088,199.81
Non-current assets					
Deposits at bank pledged as collateral	9, 29	30,525,528.08	30,495,326.49	30,525,528.08	30,495,326.49
Investment in subsidiaries company - net	10	-	-	5,405,301.42	5,405,301.42
Other long-term investment - net	11	-	-	-	-
Long-term loans to employees - net	12	552,085.07	667,106.93	525,494.35	599,003.66
Long-term loan to related party	5	-	-	2,000,000.00	-
Investment properties - net	13	4,855,799.56	5,311,894.74	4,855,799.56	5,311,894.74
Property, plant and equipment - net	14	92,913,427.26	94,667,957.28	90,674,419.20	94,208,245.13
Right-of-use assets - net	15	3,238,033.69	3,424,434.99	3,238,033.69	3,424,434.99
Intangible assets - net		1,078,593.51	1,086,907.10	1,078,583.51	1,086,897.10
Deferred tax assets - net	16	41,375,585.55	41,420,115.11	39,212,122.84	39,717,741.03
Other non-current assets		22,000.00	22,000.00	22,000.00	22,000.00
Total non-current assets		174,561,052.72	177,095,742.64	177,537,282.65	180,270,844.56
Total assets		636,229,646.73	606,000,464.82	597,643,137.72	565,359,044.37

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, 2021

		Unit: Baht				
		Consolidated financial statements		Separate financial statements		
Notes		2021	2020	2021	2020	
Liabilities and shareholders' equity						
Current liabilities						
	Short-term loans from financial institutions	17	61,724,120.32	54,598,879.92	61,724,120.32	54,598,879.92
	Trade and other current payables	5, 18	165,031,528.01	161,185,077.93	150,460,049.61	142,252,552.39
	Current portion of long-term loan from financial institution	19	7,140,000.00	7,140,000.00	7,140,000.00	7,140,000.00
	Current portion of lease liabilities	20	726,652.22	516,046.74	726,652.22	516,046.74
	Current income tax payable		9,110,275.01	5,456,299.86	8,295,819.69	3,929,328.98
	Provision for constructions and service contracts		2,574,363.48	2,546,791.01	1,774,834.82	1,842,440.14
	Total current liabilities		246,306,939.04	231,443,095.46	230,121,476.66	210,279,248.17
Non-current liabilities						
	Long-term loan from financial institution - net	19	615,000.00	7,755,000.00	615,000.00	7,755,000.00
	Lease liabilities - net	20	1,605,749.50	1,313,280.70	1,605,749.50	1,313,280.70
	Non-current provisions for employee benefit	21	39,422,231.00	37,769,874.00	35,755,840.55	34,848,746.00
	Derivative liabilities	30, 31	114,481.81	418,768.29	114,481.81	418,768.29
	Other non-current liabilities		-	148,530.00	-	148,530.00
	Total non-current liabilities		41,757,462.31	47,405,452.99	38,091,071.86	44,484,324.99
	Total liabilities		288,064,401.35	278,848,548.45	268,212,548.52	254,763,573.16

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, 2021

	Notes	Unit: Baht			
		Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
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)	22	202,500,232.00	210,500,232.00	202,500,232.00	210,500,232.00
Issued and paid-up share capital					
202,500,232 ordinary shares, Baht 1 par value		202,500,232.00	202,500,232.00	202,500,232.00	202,500,232.00
Premium					
Premium on share capital		64,784,767.88	64,784,767.88	64,784,767.88	64,784,767.88
Deficit from the change in the ownership interests		(2,187,236.26)	(2,187,236.26)	-	-
Retained earnings					
Appropriated to legal reserve	23	9,166,000.00	5,203,000.00	9,166,000.00	5,203,000.00
Unappropriated		74,801,493.48	57,623,956.76	52,979,589.32	38,107,471.33
Other component of shareholders' equity		402,631.05	529,838.76	-	-
Total shareholders' equity of the Company		349,467,888.15	328,454,559.14	329,430,589.20	310,595,471.21
Non-controlling interests		(1,302,642.77)	(1,302,642.77)	-	-
Total shareholders' equity		348,165,245.38	327,151,916.37	329,430,589.20	310,595,471.21
Total liabilities and shareholders' equity		636,229,646.73	606,000,464.82	597,643,137.72	565,359,044.37

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, 2021

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2021	2020	2021	2020
	28				
Revenues					
	Revenue from sales	1,203,450,030.14	1,019,230,457.84	1,098,840,950.63	942,058,894.69
	Revenue from rendering of services	22,309,799.73	36,133,817.87	3,801,362.00	2,474,974.00
	Revenue from construction contracts	-	150,019.25	-	150,019.25
	Total revenues	1,225,759,829.87	1,055,514,294.96	1,102,642,312.63	944,683,887.94
Costs					
	Cost of sales	(921,752,978.87)	(752,561,255.17)	(837,250,249.99)	(699,555,995.98)
	Cost of rendering of services	(16,419,079.23)	(28,601,876.03)	(1,307,296.74)	(1,476,178.30)
	Cost of construction	-	(212,894.00)	-	(212,894.00)
	Total costs	(938,172,058.10)	(781,376,025.20)	(838,557,546.73)	(701,245,068.28)
	Gross profit	287,587,771.77	274,138,269.76	264,084,765.90	243,438,819.66
	Gain (loss) on exchange rate - net	(2,642,796.25)	2,402,811.57	(2,725,215.50)	2,259,797.01
	Other income	4,063,578.11	7,044,651.31	7,507,258.57	11,438,994.94
	Distribution costs	(92,610,643.47)	(88,024,425.64)	(83,377,130.49)	(80,625,806.67)
	Administrative expenses	(96,512,362.24)	(102,022,390.51)	(89,740,651.01)	(95,218,518.14)
	Profit from operating activities	99,885,547.92	93,538,916.49	95,749,027.47	81,293,286.80
	Loss arising from bad debt of trade and other receivables	(700,917.27)	-	(700,917.27)	-
	Finance costs	(2,761,493.05)	(2,406,401.03)	(2,761,493.05)	(2,384,817.81)
	Reversal of loss on impairment of trade and other receivables - net	5,810,919.23	-	5,782,919.23	-
	Profit before income tax	102,234,056.83	91,132,515.46	98,069,536.38	78,908,468.99
	Income tax expenses	(20,343,450.51)	(17,272,965.75)	(18,828,631.77)	(14,878,349.01)
	Profit for the year	81,890,606.32	73,859,549.71	79,240,904.61	64,030,119.98
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	(127,207.71)	(186,570.58)	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent year</i>					
	Actuarial gains - net from tax	-	3,596,037.60	344,282.98	3,871,517.60
	Other comprehensive income (loss) for the year	(127,207.71)	3,409,467.02	344,282.98	3,871,517.60
	Total comprehensive income for the year	81,763,398.61	77,269,016.73	79,585,187.59	67,901,637.58

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, 2021

Notes	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Profit attributable to:				
Equity holders of the Company	81,890,606.32	73,859,549.71	79,240,904.61	64,030,119.98
Non-controlling interests	-	-	-	-
	81,890,606.32	73,859,549.71	79,240,904.61	64,030,119.98
Total comprehensive income attributable to:				
Equity holders of the Company	81,763,398.61	77,269,016.73	79,585,187.59	67,901,637.58
Non-controlling interests	-	-	-	-
	81,763,398.61	77,269,016.73	79,585,187.59	67,901,637.58
Earnings per share				
Basic earnings per share (Baht)	0.40	0.36	0.39	0.32
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, 2021

		Unit: Baht									
		Consolidated financial statements									
Notes	Issued and paid-up share capital	Premium on share capital	Change in the ownership interests in subsidiary	Equity attributable to shareholders' equity of the Company			Other component of shareholders' equity			Total	
				Deficit from the	Retained earnings	Translating financial statements	Actuarial gains (loss) - net	Total other component of shareholders' equity	Non-controlling interests		Shareholders' Equity
				Change in the ownership interests in subsidiary	Appropriated for legal reserve	Unappropriated	Translating financial statements	Actuarial gains (loss) - net	Total other component of shareholders' equity	Non-controlling interests	Shareholders' Equity
	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
Balance as at January 1, 2021											
Changes in 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)	-	(60,750,069.60)
Total comprehensive income (loss) for the year		-	-	-	81,890,606.32	(127,207.71)	(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
Balance as at January 1, 2020											
Changes in equity for the year											
Legal reserve	23	-	-	3,202,000.00	(3,202,000.00)	-	-	-	-	-	-
Dividend paid	24	-	-	-	(50,625,058.00)	-	-	-	(50,625,058.00)	-	(50,625,058.00)
Total comprehensive income (loss) for the year		-	-	-	73,859,549.71	(186,570.58)	(186,570.58)	3,596,037.60	3,409,467.02	-	77,269,016.73
Transfer to retained earnings		-	-	-	3,596,037.60	(3,596,037.60)	-	(3,596,037.60)	-	-	-
Balance as at December 31, 2020											
	202,500,232.00	64,784,767.88	(2,187,236.26)	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

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, 2021

	Notes	Unit: Baht						
		Separate financial statements						
		Issued and paid-up share capital	Premium on share capital	Appropriated - statutory reserve	Unappropriated	Actuarial gains (loss) - net	Other component of shareholders' equity Total other	Total
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 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
Balance as at January 1, 2020		202,500,232.00	64,784,767.88	2,001,000.00	24,032,891.75	-	-	293,318,891.63
Changes in equity for the year								
Legal reserve	23	-	-	3,202,000.00	(3,202,000.00)	-	-	-
Dividend paid	24	-	-	-	(50,625,058.00)	-	-	(50,625,058.00)
Total comprehensive income for the year		-	-	-	64,030,119.98	3,871,517.60	3,871,517.60	67,901,637.58
Transfer to retained earnings		-	-	-	3,871,517.60	(3,871,517.60)	(3,871,517.60)	-
Balance as at December 31, 2020		202,500,232.00	64,784,767.88	5,203,000.00	38,107,471.33	-	-	310,595,471.21

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

PHOL DHANYA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flows from operating activities:				
Net profit	81,890,606.32	73,859,549.71	79,240,904.61	64,030,119.98
Adjustment to reconcile net profit to net cash by				
(used in) operating activities				
Income tax expenses	20,343,450.51	17,272,965.75	18,828,631.77	14,878,349.01
Loss arising from bad debt of trade and other receivables	700,917.27	123,208.68	700,917.27	123,208.68
Impairment loss on trade receivables	51,659.60	353,813.40	51,659.60	287,337.80
Reversal of loss on impairment of trade and other receivables	(5,862,578.83)	(143,596.00)	(5,834,578.83)	(70,813.82)
Loss on diminution in value of inventories	14,907,375.51	10,082,104.41	12,031,005.15	9,247,480.13
Loss from destruction of inventories	-	2,523,403.46	-	2,523,403.46
Reversal of allowance for diminution in value of inventories	(9,147,331.74)	(9,302,062.67)	(9,092,929.76)	(9,045,537.30)
Depreciation and amortisation	8,368,493.79	9,534,776.49	8,092,279.46	9,282,421.76
(Gain) loss on disposal of fixed assets	21,587.14	(124,187.99)	(442,688.19)	(140,003.20)
Gain on forgiveness of debt	(500,000.00)	-	-	-
Employee benefits expenses	2,961,740.00	4,747,387.00	2,646,831.27	4,419,071.00
Unrealized (gain) loss on exchange rate	744,199.55	(451,684.16)	670,607.34	(408,756.85)
Fair value adjustments to derivatives	(396,181.31)	(49,267.39)	(396,181.31)	(49,267.39)
Provision for penalties arising from delays of construction	-	138,727.74	-	138,727.74
(Reversal of) provision for project warranty	(98,982.53)	492,342.53	(194,160.32)	(212,008.34)
Interest income	(370,022.26)	(467,536.63)	(492,390.74)	(634,551.47)
Interest expenses	2,761,493.05	2,406,401.03	2,761,493.05	2,384,817.81
Profit from operations before changes in operating				
assets and liabilities	116,376,426.07	110,996,345.36	108,571,400.37	96,753,999.00
Operating assets (increase) decrease				
Trade and other current receivables	5,497,048.87	(33,104,889.95)	7,343,387.59	(27,787,739.98)
Inventories	(72,422,796.80)	(5,025,597.16)	(57,603,407.40)	(4,953,201.03)
Operating liabilities increase (decrease)				
Trade and other current payables	3,812,860.38	25,506,293.02	7,747,499.73	18,160,857.58
Other non-current liabilities	(148,530.00)	(172,696.51)	(148,530.00)	(104,310.00)
Cash received from operating activities	53,115,008.52	98,199,454.76	65,910,350.29	82,069,605.57
Cash payment for employee benefits	(1,309,383.00)	-	(1,309,383.00)	-
Cash received from income tax return	692,429.25	675,052.25	-	-
Cash paid for corporate income tax	(17,186,678.85)	(18,943,864.95)	(14,042,593.61)	(17,456,804.05)
Net cash from operating activities	35,311,375.92	79,930,642.06	50,558,373.68	64,612,801.52

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, 2021

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flows from investing activities:				
Increase deposits at bank pledged as collateral	(30,201.59)	(79,145.81)	(30,201.59)	(79,145.81)
Cash payment for short-term loan to related party	-	-	(6,000,000.00)	(6,000,000.00)
Cash receipt from short-term loan to related party	-	-	1,000,000.00	4,000,000.00
Cash receipt from long-term loan to related party	-	-	-	3,000,000.00
Increase (decrease) in loan to employees	225,390.21	(284,134.10)	111,939.35	(114,268.46)
Proceeds from sales of fixed assets	21,448.60	727,102.80	481,869.16	727,102.80
Acquisition of fixed assets	(4,732,987.64)	(4,982,344.54)	(2,673,626.01)	(4,818,987.11)
Acquisition of right-of-use assets	-	(244,773.76)	-	(244,773.76)
Acquisition of intangible assets	(490,000.00)	(707,372.40)	(490,000.00)	(707,372.40)
Interest received	370,022.26	467,536.63	492,390.74	634,551.47
Net cash used in investing activities	(4,636,328.16)	(5,103,131.18)	(7,107,628.35)	(3,602,893.27)
Cash flows from financing activities:				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	7,125,240.40	(7,424,589.40)	7,125,240.40	(7,424,589.40)
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	(798,568.00)	(474,443.18)	(798,568.00)	(474,443.18)
Interest paid	(2,665,342.32)	(2,345,096.68)	(2,665,342.32)	(2,323,513.46)
Dividend paid	(60,742,336.49)	(50,625,058.00)	(60,742,336.49)	(50,625,058.00)
Net cash used in financing activities	(64,221,006.41)	(68,009,187.26)	(64,221,006.41)	(67,987,604.04)
Net increase (decrease) in cash and cash equivalents	(33,545,958.65)	6,818,323.62	(20,770,261.08)	(6,977,695.79)
Exchange differences on translating financial statements of foreign operation	(127,211.09)	(188,123.86)	-	-
Cash and cash equivalents at beginning of the year	92,385,265.20	85,755,065.44	69,701,787.88	76,679,483.67
Cash and cash equivalents at end of the year	58,712,095.46	92,385,265.20	48,931,526.80	69,701,787.88
Supplemental cash flow information				
Non-cash transactions				
Right-of-use assets increased by lease liabilities	1,205,598.42	1,975,247.60	1,205,598.42	1,975,247.60
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, 2021****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. It is currently under the process of liquidation.
- 1.4.2 Phol Palladium Co., Ltd., which was registered with Ministry of Commerce on January 22, 2013 to engage in government bidding related to occupational safety, health and environmental products to facilitate the Company’s business. The Company held 99.99% of its share capital.
- 1.4.3 Phol Dhanya (Cambodia) Co., Ltd., which was registered with Ministry of Commerce of Cambodia on September 5, 2013 to engage in water treatment equipment and systems for the consumer and concessions for water supply to the community in Cambodia. The Company held 100% of its share capital. Currently, the Company has ceased its business operations and under the process of dissolution of its company.
- 1.4.4 Phol Water Co., Ltd., which was registered with Ministry of Commerce on March 17, 2014 to engage production, designing, construction and distribution of machinery systems and equipments for water treatment systems. The Company held 99.99% of its share capital.
- 1.5 The major shareholders of the Company are Wangthamrong family and Jarutangtrong family.

2. BASIS FOR PRESENTATION OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

Coronavirus Pandemic 2019 (COVID-19)

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

Basis of preparation of consolidation financial statements

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

Subsidiaries	Countries	Business Type	Percentage of holding (%)	
			2021	2020
PD Genesis Engineering Co., Ltd.	Thailand	Cessation of business operations and under the process of liquidation	76.67	76.67
Phol Palladium Co., Ltd.	Thailand	Government bidding	99.99	99.99
Phol Dhanya (Cambodia) Co., Ltd.	Cambodia	Cessation of business operations	100.00	100.00
Phol Water Co., Ltd.	Thailand	Production, designing, construction and distribution of machinery systems and equipments for water treatment systems	99.99	99.99

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

3. NEW FINANCIAL REPORTING STANDARDS

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

During the year 2021, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after January 1, 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

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

(b) Financial reporting standards that will become effective for fiscal years beginning on or after January 1, 2022

The Federation of Accounting Professions issued certain revised financial reporting standards, which are effective for fiscal years beginning on or after January 1, 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, for some standards, providing temporary reliefs or temporary exemptions for users.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Group applied accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of COVID-19 in preparing the financial statement for the year ended December 31, 2020, on the followings:

- Not to consider forward-looking information to measure the expected credit losses of trade receivables when using simplified approach.

As the accounting guidance already expired on December 31, 2020, the Group have assessed the impact and there was no material impact to financial statements. Therefore, the Group did not adjust the value of trade receivables in 2021.

Revenue and expenses recognition

Sales of goods

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

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

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

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

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

Contract assets and contract liabilities

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

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

Other services revenue

Other service revenue is recognised when services have been rendered.

Interest income and other income

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

Expenses

Expense is recognised in profit or loss on accrual basis.

Cash and cash equivalents

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

Trade receivables

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

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

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

Financial assets and financial liabilities

Classification and measurement of financial assets and financial liabilities

Classification

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

The Group classifies its debt instruments in the following categories:

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

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

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

Measurement

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

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

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

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

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

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

Impairment

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

Inventories

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

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

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

Investment

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

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

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

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

Property, plant and equipment

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

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

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

	<u>Useful life (years)</u>
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:

	<u>Useful life (years)</u>
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 lives is as follows:

	<u>Useful life (years)</u>
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 recognized as a charge to results of operations over the employee's service period. It is calculated by the estimation of the amount of future benefit to be earned by the employee in return for the service provided to the Group through the service period up to the retirement age/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 recognizes 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.

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

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

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

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

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

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

Short-term leases and Leases of low-value assets

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

Leases - where the Group is the lessor

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

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

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

Foreign currencies

Functional and presentation currency

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

Foreign currency transactions

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

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

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

Translation of the Group's financial statements

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

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

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

Related party transactions

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

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

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

Provisions

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

Income tax

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

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

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

Deferred tax is not recognised for the following temporary differences:

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

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

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

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

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

Earnings per share

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

Fair value measurement

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

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

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

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

Significant accounting judgments and estimates

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

Allowance for expected credit losses of trade receivables

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

Allowance for diminution in value of inventory

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

Investment properties, and property plant and equipment/Depreciation

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

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

Retirement employee benefits

The Group has commitments on retirement/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 and the Company as shareholders or by common shareholders or directors. Transactions with related parties are conducted at prices based on market prices or, where no market price exists, at contractually agreed prices.

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

5.1 Related parties consist of:

Name	Country	Relationship	Status
Subsidiaries			
PD Genesis Engineering Co., Ltd.	Thailand	Shareholding	During of liquidation
Phol Palladium Co., Ltd.	Thailand	Shareholding	Operation - active
Phol Dhanya (Cambodia) Co., Ltd.	Cambodia	Shareholding	Operation - inactive
Phol Water Co., Ltd.	Thailand	Shareholding	Operation - active
Related Companies			
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 year ended December 31, 2021 and 2020, with related parties were as follows:

	Unit: Baht				Transfer pricing policy
	Consolidated financial statements		Separate financial statements		
	2021	2020	2021	2020	
Subsidiaries					
Phol Palladium Co., Ltd.					
Purchases of goods	-	-	1,218,814.36	624,754.10	Cost plus margin 5 - 15%
Sales of goods	-	-	26,235,515.92	32,428,791.51	Cost plus margin, as mutually agreement
Management fee income	-	-	1,560,000.00	1,560,000.00	Mutually agreed price
Phol Water Co., Ltd.					
Purchases of goods	-	-	14,133.44	-	Mutually agreed price
Sales of goods	-	-	1,004,717.81	2,225,191.00	Cost plus margin 5 - 15%
Management fee income	-	-	1,800,000.00	1,800,000.00	Mutually agreed price
Rental income	-	-	300,000.00	720,000.00	Mutually agreed price
Sale of asset	-	-	467,289.72	-	Mutually agreed price
Other income	-	-	-	171,598.58	Mutually agreed price
Interest income	-	-	168,942.45	212,079.40	Interest rate 4.7% per annum
Repair and maintenance expense	-	-	9,200.00	-	Mutually agreed price
Phol Dhanya (Cambodia) Co.,Ltd.					
Purchases of goods	-	-	-	67,040.45	Cost price
Related Companies					
Sales of goods	537,068.00	22,250.00	-	-	Mutually agreed price
Revenue from rendering of services	3,000.00	-	-	-	Market price

5.3 The balances of the accounts between the related parties as at December 31, 2021 and 2020 are as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Trade and other current receivables-related parties				
Trade receivables - related parties				
Phol Palladium Co., Ltd.	-	-	11,284,465.27	8,649,912.22
Phol Dhanya (Cambodia) Co., Ltd.	-	-	3,598,376.20	3,236,540.03
Phol Water Co., Ltd.	-	-	544,533.70	19,002.13
Total trade receivables - related parties	-	-	15,427,375.17	11,905,454.38
<u>Less</u> Allowance for expected credit losses	-	-	(3,598,376.20)	(3,236,540.03)
Total trade receivables - related parties - net	-	-	11,828,998.97	8,668,914.35
Other receivables - related parties				
PD Genesis Engineering Co., Ltd.	-	-	126,278.09	126,278.09
Phol Palladium Co., Ltd.	-	-	-	139,100.00
Phol Dhanya (Cambodia) Co., Ltd.	-	-	3,693,852.91	3,478,805.18
Phol Water Co., Ltd.	-	-	520,901.37	224,700.00
Total other receivables - related parties	-	-	4,341,032.37	3,968,883.27
<u>Less</u> Allowance for expected credit losses	-	-	(3,820,131.00)	(3,605,083.27)
Total other receivables - related parties - net	-	-	520,901.37	363,800.00
Trade and other current receivables - related parties	-	-	12,349,900.34	9,032,714.35
Short-term loans to related parties - net				
PD Genesis Engineering Co., Ltd.				
Beginning balance	-	-	(5,000,000.00)	(5,000,000.00)
<u>Less:</u> Allowance for expected credit losses	-	-	5,000,000.00	5,000,000.00
Ending balance	-	-	-	-
Phol Water Co., Ltd.				
Beginning balance	-	-	2,000,000.00	3,000,000.00
<u>Less:</u> Reclassification to long - term loan to related party Due to TFRS 9 first adoption	-	-	-	(3,000,000.00)
Ending balance after reclassified	-	-	2,000,000.00	-
<u>Less:</u> Reclassification to long - term loan to related party	-	-	(2,000,000.00)	-
<u>Add:</u> Additional loans during the year	-	-	6,000,000.00	6,000,000.00
<u>Less:</u> Received loans during the year	-	-	(1,000,000.00)	(4,000,000.00)
Ending balance	-	-	5,000,000.00	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 4.70% per annum. During the year 2021, the Company reconsidered the business plan regarding of short-term loan to Phol Water Co., Ltd., in the amount of Baht 2 million that the Company intends 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.

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Trade and other current payable - related party				
Trade payable - related party				
Phol Palladium Co., Ltd.	-	-	56,735.41	27,392.00
Total trade payable - related party	-	-	56,735.41	27,392.00
Trade and other current payable - related party	-	-	56,735.41	27,392.00

5.4 Compensation for directors and key management personnel

Compensation for directors and key management personnel for the year ended December 31, 2021 and 2020 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Short-term benefits	34,922,003.51	32,439,993.49	30,819,312.06	28,240,034.02
Post-employment benefits	831,702.96	1,026,108.00	722,742.96	891,375.00
Total compensation for directors and key management personnel	35,753,706.47	33,466,101.49	31,542,055.02	29,131,409.02

5.5 Guarantee commitments for related parties

As at December 31, 2021, the Company has guarantee commitments for related parties were as follows:

- Letter of guarantee with a financial institution for the subsidiary, Phol Palladium Co., Ltd. in the amount of Baht 10 million. As of this report, Baht 4.46 million of this credit facility has been used.
- Promissory notes with a financial institution for the subsidiary, Phol Palladium Co., Ltd. in the amount of Baht 10 million, they have been unused.
- Letter of guarantee with two financial institutions for the subsidiary, Phol Water Co., Ltd. under a joint credit facility with a Baht 20 million credit limit. As of this report, Baht 2.04 million of this credit facility has been used.
- Promissory notes with a financial institution for the subsidiary, Phol Water Co., Ltd. in the amount of Baht 10 million, they have been unused.

- Letters of credits and trust receipt with a financial institution for the subsidiary, Phol Water Co.,Ltd. under a joint credit facility with a Baht 10 million credit limit. As at December 31, 2021, they have been unused.

6. CASH AND CASH EQUIVALENTS

As at December 31, 2021 and 2020, this account consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash on hand	333,082.79	334,419.91	98,666.89	109,143.27
Saving deposits	27,592,010.50	37,522,973.24	19,426,535.27	18,600,429.78
Current deposits	30,138,974.19	54,294,160.67	28,758,296.66	50,793,757.65
Checks received but not yet deposited	648,027.98	233,711.38	648,027.98	198,457.18
Total cash and cash equivalents	58,712,095.46	92,385,265.20	48,931,526.80	69,701,787.88

7. TRADE AND OTHER CURRENT RECEIVABLES - NET

7.1 As at December 31, 2021 and 2020, this account consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Trade receivables				
Trade receivables - other parties	173,205,534.35	167,783,161.40	143,536,208.23	143,944,624.72
Trade receivables - related parties	-	-	15,427,375.17	11,905,454.38
Total trade receivables	173,205,534.35	167,783,161.40	158,963,583.40	155,850,079.10
<u>Less</u> Allowance for expected credit losses	(4,945,217.63)	(5,516,659.99)	(4,689,886.10)	(4,871,492.29)
Trade receivables - net	168,260,316.72	162,266,501.41	154,273,697.30	150,978,586.81
Other receivables				
Other receivables - related parties	-	-	4,341,032.37	3,968,883.27
Other receivables	3,155,916.14	3,778,870.86	2,447,980.30	3,010,225.51
Advance payment for inventories	-	-	-	-
other parties	3,065,742.47	7,441,636.05	1,690,619.27	5,971,331.05
Receivables for penalties arising from	-	-	-	-
delays of constructions	58,664,964.51	59,801,218.18	58,111,684.01	59,247,937.68
Receivables for construction materials	52,175,284.00	55,622,247.92	52,175,284.00	55,622,247.92
Advance payments	13,663,887.85	13,653,887.85	13,653,887.85	13,653,887.85
Prepaid expenses	1,951,089.97	2,125,708.17	1,891,948.77	2,091,396.03
Input Value Added Tax not yet due	1,311,527.20	746,733.81	1,259,076.46	581,510.55
Withholding tax receivable	559,411.09	562,019.28	-	-
Refundable import duty	12,272.33	2,011,831.42	12,272.33	2,011,831.42

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Contract assets	2,853,351.18	3,022,831.08	1,422,432.08	1,422,432.08
Others	654,982.32	499,383.53	489,826.85	72,886.19
Total other current receivables	138,068,429.06	149,266,368.15	137,496,044.29	147,654,569.55
<u>Less</u> Allowance for expected credit losses				
Other receivables - related parties	-	-	(3,820,131.00)	(3,605,083.27)
Other receivables	(3,012,668.54)	(3,668,927.82)	(2,438,489.59)	(3,094,748.87)
Receivables for penalties arising from delays of constructions	(58,664,964.51)	(59,801,218.18)	(58,111,684.01)	(59,247,937.68)
Receivables for construction materials	(52,175,284.00)	(55,622,247.92)	(52,175,284.00)	(55,622,247.92)
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)	(132,716,281.77)	(130,169,476.45)	(135,193,905.59)
Other current receivables - net	10,591,624.16	16,550,086.38	7,326,567.84	12,460,663.96
Trade and other current receivables - net	178,851,940.88	178,816,587.79	161,600,265.14	163,439,250.77

7.2 As at December 31, 2021 and 2020, 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	
	2021	2020	2021	2020
<u>Trade receivables - other parties</u>				
Not yet due	116,328,895.96	111,698,540.10	105,012,273.38	103,838,852.64
Over due:				
1- 60 days	42,557,529.10	41,330,075.68	36,252,604.79	37,190,062.19
61-120 days	1,511,373.40	1,987,795.59	748,351.80	1,132,329.59
121-180 days	546,811.41	6,126,362.04	276,266.51	136,502.04
Over 180 days	12,260,924.48	6,640,387.99	1,246,711.75	1,646,878.26
Total trade receivables - other parties	173,205,534.35	167,783,161.40	143,536,208.23	143,944,624.72
<u>Less</u> Allowance for expected credit losses	(4,945,217.63)	(5,516,659.99)	(1,091,509.90)	(1,634,952.26)
Trade receivables - other parties - net	168,260,316.72	162,266,501.41	142,444,698.33	142,309,672.46
<u>Trade receivables - related parties</u>				
Not yet due	-	-	2,120,745.59	3,744,145.19

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Over due:				
1- 60 days	-	-	6,114,449.73	4,924,769.16
61- 120 days	-	-	3,593,803.65	-
Over 180 days	-	-	3,598,376.20	3,236,540.03
Total trade receivables - related parties	-	-	15,427,375.17	11,905,454.38
<u>Less</u> Allowance for expected credit losses	-	-	(3,598,376.20)	(3,236,540.03)
Total trade receivables - related parties - net	-	-	11,828,998.97	8,668,914.35
Total trade receivables - net	168,260,316.72	162,266,501.41	154,273,697.30	150,978,586.81

8. INVENTORIES - NET

As at December 31, 2021 and 2020, this account consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Finished goods	238,444,481.20	171,245,938.83	217,310,458.41	163,604,460.11
Goods in transit	18,924,152.32	14,209,063.16	17,210,824.67	13,281,569.44
Work in progress	1,015,194.96	427,755.08	48,731.90	80,578.03
Total	258,383,828.48	185,882,757.07	234,570,014.98	176,966,607.58
<u>Less</u> Allowance for diminution in value of inventories	(36,218,958.04)	(30,380,639.66)	(31,308,762.02)	(28,370,686.63)
Inventories - net	222,164,870.44	155,502,117.41	203,261,252.96	148,595,920.95

Movements of allowance for diminution in value of inventory for the year ended December 31, 2021 and 2020, are as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Balance as at January 1,	30,380,639.66	29,602,151.30	28,370,686.63	28,168,743.80
Increase	14,907,375.51	10,082,104.41	12,031,005.15	9,247,480.13
Decrease	(9,147,331.74)	(9,302,062.67)	(9,092,929.76)	(9,045,537.30)
Exchange differences on translating financial	78,274.61	(1,553.38)	-	-
Balance as at December 31,	36,218,958.04	30,380,639.66	31,308,762.02	28,370,686.63

9. RESTRICTED DEPOSITS WITH FINANCIAL INSTITUTION

As at December 31, 2021 and 2020 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, 2021 and 2020, this account consisted of:

Company	Share Holding %		Unit: Baht					
			Separate financial statements					
			2021			2020		
			2021	2020	Amount	Allowance for impairment	Net	Amount
PD Genesis Engineering Co., Ltd.	76.67	76.67	11,500,000.00	(11,500,000.00)	-	11,500,000.00	(11,500,000.00)	-
Phol Palladium Co., Ltd.	99.99	99.99	999,970.00	-	999,970.00	999,970.00	-	999,970.00
Phol Dhanya (Cambodia) Co., Ltd.	100.00	100.00	6,770,686.00	(6,770,686.00)	-	6,770,686.00	(6,770,686.00)	-
Phol Water Co., Ltd.	99.99	99.99	49,999,970.00	(45,594,638.58)	4,405,331.42	49,999,970.00	(45,594,638.58)	4,405,331.42
Total			69,270,626.00	(63,865,324.58)	5,405,301.42	69,270,626.00	(63,865,324.58)	5,405,301.42

11. OTHER LONG-TERM INVESTMENT – NET

As at December 31, 2021 and 2020, this account consisted of:

	Share Holding %	Unit: Baht	
		Consolidated and separate financial statements	
		2021	2020
N&P Holding Company Limited			
Cost	2	1,000,000.00	1,000,000.00
<u>Less</u> Allowance for investment		(1,000,000.00)	(1,000,000.00)
Net		-	-

12. LONG-TERM LOANS TO EMPLOYEES

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

13. INVESTMENT PROPERTIES - NET

As at December 31, 2021 and 2020, this account consisted of:

	Unit: Baht			
	Consolidated and separate financial statements			
	Balance as at December 31, 2020	Movement during the year		Balance as at December 31, 2021
		Increase	Decrease	
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

Unit: Baht				
Consolidated and separate financial statements				
	Balance as at	Movement during the year		Balance as at
	December 31, 2020	Increase	Decrease	December 31, 2021
Accumulated depreciation				
Building and building improvements	19,119,587.74	456,095.18	-	19,575,682.92
Total Accumulated depreciation	19,119,587.74	456,095.18	-	19,575,682.92
Net book value	5,311,894.74			4,855,799.56

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

Unit: Million Baht						
Location	Net book value			Appraisal value	Independent appraisers	Appraisal reports dated
	Investment properties	Right-of-use building	Total			
1	2.13	-	2.13	5.00	Noble Property Valuation Co., Ltd	February 13, 2018
2	1.68	-	1.68	7.90	Noble Property Valuation Co., Ltd	September 3, 2020
3	1.05	-	1.05	6.92	Noble Property Valuation Co., Ltd	September 8, 2020
4	-	0.80	0.80	3.94	Noble Property Valuation Co., Ltd	October 28, 2014
	4.86	0.80	5.66			

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 0.80 million.

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

The fair value measurement for investment property has been categorised as a Level 2 fair value based on the inputs to the valuation technique used.

As at December 31, 2021, the Company's management has not yet re-assessed the fair value of investment property No.4 because the value of the investment property according to the management's long-term plan will be considered insignificant.

Depreciations for the year ended December 31, 2021 and 2020, have been charged to profit or loss of consolidated and separate financial statements amounted to Baht 0.46 million and Baht 0.48 million, respectively.

As at December 31, 2021 and 2020, 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 and Baht 0.54 million, respectively.

As at December 31, 2021 and 2020, investment property, at net book value of Baht 4.86 million and Baht 5.28 million, respectively, has been mortgaged to secure its short-term loan and long-term loan with 2 financial institutions (Note 19 and 29).

14. PROPERTY, PLANT AND EQUIPMENT - NET

As at December 31, 2021 and 2020, this account consisted of:

Unit: Baht						
Consolidated financial statements						
	Movement during the year					Balance as at December 31, 2021
	Balance as at December 31, 2020	Transfer to right-of-use assets	Increase	Decrease	Exchange differences on translating financial statements	
	Cost					
Land	32,384,486.00	-	-	-	-	32,384,486.00
Building and building improvements	103,198,389.58	-	-	(517,948.00)	-	102,680,441.58
Furniture and equipment	33,041,015.54	-	655,201.64	(1,663,380.11)	5,581.62	32,038,418.69
Demonstration goods and tools	23,564,968.43	-	113,751.06	(107,465.47)	-	23,571,254.02
Vehicles	2,206,836.45	919,626.16	-	-	-	3,126,462.61
Utility system	15,525,807.77	-	1,944,774.77	(3,095,920.67)	-	14,374,661.87
Water well drilling machines	496,240.00	-	-	-	-	496,240.00
Assets under water sales agreement	16,267,266.57	-	1,926,381.17	-	-	18,193,647.74
Safety equipment for rent	14,776,148.46	-	-	-	-	14,776,148.46
Assets under installation	98,051.00	-	92,879.00	-	-	190,930.00
Total Cost	241,559,209.80	919,626.16	4,732,987.64	(5,384,714.25)	5,581.62	241,832,690.97
Accumulated depreciation						
Building and building improvements	48,462,410.13	-	3,759,150.30	(517,943.00)	-	51,703,617.43
Furniture and equipment	29,397,516.68	-	1,632,648.66	(1,636,746.75)	5,578.25	29,398,996.84
Demonstration goods and tools	21,627,887.39	-	828,434.78	(106,685.87)	-	22,349,636.30
Vehicles	1,266,841.30	581,221.30	243,725.33	-	-	2,091,787.93
Utility system	14,618,233.25	-	250,845.30	(3,080,302.89)	-	11,788,775.66
Water well drilling machines	332,424.39	-	7,040.02	-	-	339,464.41
Assets under water sales agreement	11,138,384.02	-	61,045.77	-	-	11,199,429.79
Safety equipment for	14,775,425.49	-	-	-	-	14,775,425.49
Total Accumulated depreciation	141,619,122.65	581,221.30	6,782,890.16	(5,341,678.51)	5,578.25	143,647,133.85
Net book value before impairment	99,940,087.14					98,185,557.12
Less Allowance for impairment	5,272,129.86					5,272,129.86
Net book value	94,667,957.28					92,913,427.26

Unit: Baht						
Separate financial statements						
	Movement during the year					Balance as at December 31, 2021
	Balance as at December 31, 2020	Transfer to right-of-use assets	Increase	Decrease		
	Cost					
Land	32,384,486.00	-	-	-	-	32,384,486.00
Building and building improvements	102,680,441.58	-	-	-	-	102,680,441.58
Furniture and equipment	32,255,845.16	-	608,451.18	(1,558,954.87)		31,305,341.47
Demonstration goods and tools	23,533,781.03	-	27,521.06	(99,400.05)		23,461,902.04
Vehicles	2,206,836.45	919,626.16	-	-		3,126,462.61
Utility system	15,399,616.45	-	1,944,774.77	(2,969,729.35)		14,374,661.87
Assets under water sales agreement	9,884,202.50	-	-	(5,148,742.00)		4,735,460.50
Safety equipment for rent	14,776,148.46	-	-	-		14,776,148.46
Assets under installation	98,051.00	-	92,879.00	-		190,930.00
Total Cost	233,219,408.63	919,626.16	2,673,626.01	(9,776,826.27)		227,035,834.53
Accumulated depreciation						
Building and building improvements	47,944,467.13	-	3,759,150.30	-		51,703,617.43
Furniture and equipment	28,899,661.32	-	1,498,196.56	(1,536,177.28)		28,861,680.60
Demonstration goods and tools	21,754,413.37	-	754,758.34	(98,623.45)		22,410,548.26
Vehicles	1,266,841.30	581,221.30	243,725.33	-		2,091,787.93
Utility system	14,492,042.93	-	250,845.30	(2,954,112.57)		11,788,775.66
Assets under water sales agreement	9,878,311.96	-	-	(5,148,732.00)		4,729,579.96
Safety equipment for rent	14,775,425.49	-	-	-		14,775,425.49

Total Accumulated depreciation	139,011,163.50	581,221.30	6,506,675.83	(9,737,645.30)	136,361,415.33
Net book value	94,208,245.13				90,674,419.20

Depreciations for the year ended December 31, 2021 and 2020, have been charged to profit or loss of consolidated financial statements amounted to Baht 6.78 million and Baht 7.97 million, respectively, and have been charged to profit or loss of separate financial statements amounted to Baht 6.51 million and Baht 7.75 million, respectively.

As at December 31, 2021 and 2020, land, including buildings and structure thereon at net book value of Baht 73.52 million and Baht 76.53 million, respectively, has been mortgaged to secure its short-term loan and long-term loan with a financial institution (Note 19 and 29).

As at December 31, 2021 and 2020 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 78.12 million and Baht 79.93 million, respectively, and separate financial statements are Baht 77.81 million and Baht 79.16 million, respectively.

15. RIGHT-OF-USE ASSETS - NET

As at December 31, 2021 and 2020, this account consisted of:

	Unit: Baht				
	Consolidated and separate financial statements				
	Balance as at	Movement during the year		Balance as at	
	December 31, 2020	Adjust right-of-use assets	Increase	Decrease	
Cost					
Right of use of building	5,600,000.00	-	-	-	5,600,000.00
Furniture and equipment	463,012.00	-	-	-	463,012.00
Vehicles	2,676,635.52	(919,626.16)	783,198.42	-	2,540,207.78
Total Cost	8,739,647.52	(919,626.16)	783,198.42	-	8,603,219.78
Accumulated depreciation					
Right of use of building	4,577,253.98	-	225,400.00	-	4,802,653.98
Furniture and equipment	92,602.41	-	92,602.40	-	185,204.81
Vehicles	645,356.14	(581,221.30)	313,192.46	-	377,327.30
Total Accumulated depreciation	5,315,212.53	(581,221.30)	631,194.86	-	5,365,186.09
Net book value	3,424,434.99				3,238,033.69

Amortization for the year ended December 31, 2021 and 2020, have been charged to profit or loss of consolidated financial statements and separate financial statement amounted to Baht 0.63 million and Baht 0.54 million, respectively.

16. DEFERRED TAX

Deferred tax as at December 31, 2021 and 2020 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Deferred tax assets	41,375,585.55	41,420,115.11	39,212,122.84	39,717,741.03
Deferred tax liabilities	-	-	-	-

Movements in deferred tax assets during year ended December 31, 2021 and 2020 were as follows:

Unit: Baht			
Consolidated financial statements			
	As at December 31, 2020	Profit (loss)	As at 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				
Consolidated financial statements				
	As at December 31, 2019	Impact from TFRS 9	Other comprehensive Profit (loss) income (loss)	As at December 31, 2020
Deferred tax assets				
Allowance for expected credit losses	26,821,804.07	-	5,820.33	26,827,624.40
Allowance for devaluation of inventories	5,775,799.49	-	161,322.75	5,937,122.24
Depreciation of safety equipment for rent	445,960.66	-	(445,960.66)	-
Non-current provision for employee benefits	7,503,506.80	-	949,477.40	(899,009.40)
Provision for penalties arising from delays of constructions	118,758.24	-	(2,652.84)	116,105.40
Provision for warranties	120,431.69	-	92,821.11	213,252.80
Provision for contingent losses	185,377.08	-	(5,377.08)	180,000.00
Allowance for impairment of asset	867,396.10	-	(385,543.15)	481,852.95
Derivative liabilities	-	120,036.00	(9,853.48)	110,182.52
Total deferred tax assets	41,839,034.13	120,036.00	360,054.38	(899,009.40)

Unit: Baht				
Separate financial statements				
	As at December 31, 2020	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)	-	25,438,600.11
Allowance for devaluation of inventories	5,674,137.33	587,615.07	-	6,261,752.40
Non-current provision for employee benefits	6,969,749.20	267,489.65	(86,070.74)	7,151,168.11
Provision for penalties arising from delays of Constructions	116,105.40	-	-	116,105.40

Provision for warranties	72,382.63	(38,832.07)	-	33,550.56
Provision for contingent losses	180,000.00	-	-	180,000.00
Derivative liabilities	110,182.52	(79,236.26)	-	30,946.26
Total deferred tax assets	39,717,741.03	(419,547.45)	(86,070.74)	39,212,122.84

Unit: Baht

Separate financial statements

	As at December 31, 2019	Impact from TFRS 9	Profit (loss)	Other comprehensive income (loss)	As at December 31, 2020
Deferred tax assets					
Allowance for expected credit losses	26,588,102.31	-	7,081.64	-	26,595,183.95
Allowance for devaluation of inventories	5,633,748.76	-	40,388.57	-	5,674,137.33
Depreciation of safety equipment for rent	445,960.66	-	(445,960.66)	-	-
Non-current provision for employee benefits	7,053,814.40	-	883,814.20	(967,879.40)	6,969,749.20
Provision for penalties arising from delays of Constructions	118,758.24	-	(2,652.84)	-	116,105.40
Provision for warranties	106,754.39	-	(34,371.76)	-	72,382.63
Provision for contingent losses	185,377.08	-	(5,377.08)	-	180,000.00
Derivative liabilities	-	120,036.00	(9,853.48)	-	110,182.52
Total deferred tax assets	40,132,515.84	120,036.00	433,068.59	(967,879.40)	39,717,741.03

17. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

As at December 31, 2021 and 2020, this account consisted of:

	Unit: Baht	
	Consolidated and separate financial statements	
	2021	2020
Short-term loan - Trust receipts	61,724,120.32	54,598,879.92
Total short-term loans from financial institutions	61,724,120.32	54,598,879.92

As at December 31, 2021 and 2020, the interest rate of short-term loans from financial institutions, were as follows:

	Interest rate per annum	
	2021	2020
Trust receipt	Interest rate of a bank announcement (2.70%)	Interest rate of a bank announcement (2.70%)

18. TRADE AND OTHER CURRENT PAYABLES

As at December 31, 2021 and 2020, this account consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Trade payables				
Trade payables-other parties				
- Domestic	47,049,542.34	64,495,193.46	43,152,825.74	56,073,222.88
- Foreign	75,597,225.01	49,013,730.40	71,679,041.05	45,553,504.00
Trade payable - related parties	-	-	56,735.41	27,392.00
Total trade payables	122,646,767.35	113,508,923.86	114,888,602.20	101,654,118.88
Other payables				
Payables for penalties arising				
from delays of constructions	3,596,867.21	3,067,061.44	3,067,061.44	3,067,061.44
Output VAT not yet due	651,425.99	486,203.28	380,326.83	380,326.83
Revenue Department payable	2,053,491.31	1,450,273.92	1,499,742.78	838,538.02
Accrued commission expenses	2,662,466.56	2,800,547.93	2,374,491.26	2,382,011.78
Accrued bonus expenses	18,682,869.00	17,625,165.75	16,976,409.00	16,476,300.00
Management remuneration	6,168,841.74	3,845,250.00	5,652,440.63	3,382,750.00
Contract liabilities	896,889.09	6,176,737.88	624,079.59	4,182,014.15
Accrued import expenses	1,147,557.17	915,403.23	1,147,557.17	915,403.23
Payable for warranties	821,345.00	5,186,319.06	26,130.00	4,558,319.06
Accrued expenses	4,810,958.00	4,840,796.75	3,226,153.69	3,492,147.84
Others	892,049.59	1,282,394.83	597,055.02	923,561.16
Total other payables	42,384,760.66	47,676,154.07	35,571,447.41	40,598,433.51
Total trade and other current payables	165,031,528.01	161,185,077.93	150,460,049.61	142,252,552.39

19. ONG-TERM LOAN FROM FINANCIAL INSTITUTION - NET

As at December 31, 2021 and 2020, this account consisted of:

	Unit: Baht	
	Consolidated and separate financial statements	
	2021	2020
Long-term loan from financial institution as at January 1,	14,895,000.00	22,035,000.00
Repayment	(7,140,000.00)	(7,140,000.00)
<u>Less</u> Current portion of long-term loan	(7,140,000.00)	(7,140,000.00)
Long-term loan from financial institution - net	615,000.00	7,755,000.00

On January 26, 2016, the Company entered into the long-term agreement facility of Baht 50 million with a local commercial bank for supporting its Core-Trading Asset such as inventories of the Company. The Company has a commitment to repay the loan principal in 84 monthly installments, of which the 1st - 83rd installments are Baht 595,000 each and the 84th installment is the remaining loan principal amount. The loan bearing interest rate of THBFIX plus 1.85% per annum or in case of the interest rate of THBFIX less than 0% per annum, the Company has to use the rate of 1.85% per annum. The Company also entered into an Interest Rate Swap agreement with a lender bank, whereby the Company agreed to swap interest rate of THBFIX plus 1.85% per annum to a fixed annual interest rate (4.7%). The first principal and interest installment were February 2016.

Under the term of such long-term agreement facility for supporting its Core-Trading Asset, the Company has committed to comply with following certain conditions:

- Maintain Debt to Equity Ratio not more than 2 but not less than zero.
- Maintain Debt-Service Coverage Ratio (DSCR) not less than 2.

The Company has mortgaged its land, including buildings and structure thereon recorded in investment properties - net account and property, plant and equipment - net to secure its long-term loan facility with financial institution (Note 13 and 14).

20. LEASE LIABILITIES

As at December 31, 2021 and 2020, this account consisted of:

	Unit: Baht	
	Consolidated and separate financial statements	
	2021	2020
Lease liabilities		
- Within 1 year	802,271.75	578,567.74
- Over 1 year but not over 5 years	1,679,876.00	1,382,148.00
<u>Less</u> Deferred interest expenses	(149,746.03)	(131,388.30)
Present value of lease liabilities	2,332,401.72	1,829,327.44
<u>Less</u> Current portion of lease liabilities	(726,652.22)	(516,046.74)
Lease liabilities - net	1,605,749.50	1,313,280.70

21. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFITS

Movement of the present value of non-current provisions for employee benefit for the years ended December 31, 2021 and 2020 were as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Non-current provisions for employee				
benefits as at January 1,	37,769,874.00	37,517,534.00	34,848,746.00	35,269,072.00
Included in profit or loss:				
Current service cost and interest cost	2,961,740.00	2,873,051.00	2,646,831.27	2,642,216.00
Past service cost	-	1,874,336.00	-	1,776,855.00
Included in other comprehensive income:				
Actuarial gains (loss) arising from				
experience adjustments	-	(5,475,913.00)	(430,353.72)	(5,787,619.00)
financial assumption changes	-	5,017,077.00	-	4,638,094.00
demographic assumption changes	-	(4,036,211.00)	-	(3,689,872.00)
Benefits paid during the year	(1,309,383.00)	-	(1,309,383.00)	-
Non-current provisions for employee				
benefits as at December 31,	39,422,231.00	37,769,874.00	35,755,840.55	34,848,746.00

Employee benefit expenses in profit or loss for the year ended December 31, 2021 and 2020, consisted of:

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Distribution cost	1,033,836.00	1,713,688.00	862,902.01	1,520,105.00
Administrative expenses	1,927,904.00	3,033,699.00	1,783,929.26	2,898,966.00
Total employee benefit expenses	2,961,740.00	4,747,387.00	2,646,831.27	4,419,071.00

The actuarial assumption of discount rate is estimated from weighted average of yield rate of government bonds as at the end of reporting date that reflects the estimated timing of benefit payments.

The actuarial assumption of mortality rate for reasonable estimation of probability of retirement in the future is estimated from mortality table.

Principal actuarial assumptions as at December 31, 2021 and 2020 (represented by the weighted-average) consisted of:

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Discount rate	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, 2021 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	(3,841,055.00)	4,138,097.00	(3,538,819.00)	3,817,437.00
Salary increase rate	4,515,861.00	(4,210,511.00)	4,188,287.00	(3,901,097.00)
Turnover rate	(103,524.00)	112,610.00	(97,605.00)	106,197.00

22. SHARE CAPITAL

Annual General Meeting of Shareholders for year 2021, held on April 26, 2021, approved to decrease the Company's authorized share capital in the amount of Baht 8,000,000 from the existing authorized share capital of Baht 210,500,232 to Baht 202,500,232 by way of cancelling the remain unsubscribed shares reserved for the exercise of right under the warrant allotted No. 1 (ESOP-Warrant) in the amount of 8,000,000 ordinary shares at a par value of Baht 1. The company registered its decrease share capital with Ministry of Commerce on May 13, 2021.

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 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.

Year 2020

Minutes of Board of Directors' Meetings of the Company No. 7/2020 held on August 11, 2020, approved the payment of interim dividend of Baht 0.15 per share from the six-month period operation ended June 30, 2020, in the total amount of Baht 30.38 million. The Company paid the dividend on September 9, 2020.

Annual General Meeting of Shareholders of year 2020, held on April 28, 2020, approved the payment of dividend of Baht 0.10 per share from the period operation ended December 31, 2019, in the total amount of Baht 20.25 million. The Company paid the dividend on May 19, 2020.

25. EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, 2021 and 2020 were as follow:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Changes in finished goods and work in progress	(72,422,796.80)	(2,138,669.35)	(53,674,152.17)	(2,452,718.86)
Purchase of goods	1,004,018,234.29	783,879,621.38	894,491,364.37	705,264,643.57
Depreciation and amortization	8,368,493.79	9,534,776.49	8,092,279.44	9,282,421.76
Salaries, wages and other employee benefits	138,017,329.27	133,323,470.96	124,635,182.68	124,165,681.41
Advertising and promotion expenses	3,553,510.99	2,524,976.43	3,347,688.46	2,468,670.68
Delivery expenses	11,122,717.41	9,716,488.42	10,389,620.21	9,124,653.47
Utility expenses	3,015,237.48	3,331,490.00	2,957,369.10	3,274,615.62
Reversal of loss on impairment of trade and other receivables - net	5,810,919.23	(210,217.40)	5,782,919.23	(216,523.98)

26. INCOME TAX

Income tax expenses for the year ended December 31, 2021 and 2020 as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Current tax expense				
Current period	(20,298,920.95)	(17,633,020.13)	(18,409,084.32)	(15,311,417.60)
Deferred tax expense				
Movements in temporary differences	(44,529.56)	360,054.38	(419,547.45)	433,068.59
Tax expense	(20,343,450.51)	(17,272,965.75)	(18,828,631.77)	(14,878,349.01)

Tax expenses recognised in other comprehensive income for the year ended December 31, 2021 and 2020 as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Deferred tax expenses for actuarial gains (loss)	-	(899,009.40)	(86,070.74)	(967,879.40)

Reconciliation of effective tax rate for the year ended December 31, 2021 and 2020 as follows:

	Consolidated financial statements			
	2021		2020	
	Tax rate (%)	Unit: Baht	Tax rate (%)	Unit: Baht
Profit before income tax		102,234,056.83		91,132,515.46
Income tax using the corporate tax rate	20.00	20,446,811.37	20.00	18,226,503.09
Effect from eliminate transactions	0.01	9,071.21	-	-
Expenses not deductible for tax purposes	0.04	37,685.35	0.10	94,178.22
Expenses that are deductible at a greater amount from actual expenses	(0.40)	(412,285.08)	(1.08)	(983,272.72)
Revenues granted income tax exemption	(0.46)	(465,600.00)	-	-
Current year losses for which no deferred tax assets was recognized	0.71	727,767.66	-	-
Previous year losses for which no deferred tax assets was recognized but adopted to reduce the tax cost	-	-	(0.07)	(64,442.84)
Tax expense	19.90	20,343,450.51	18.95	17,272,965.75

	Separate financial statements			
	2021		2020	
	Tax rate		Tax rate	
	(%)	Unit: Baht	(%)	Unit: Baht
Profit before income tax		98,069,536.38		78,908,468.99
Income tax using the corporate tax rate	20.00	19,613,907.28	20.00	15,781,693.80
Expenses not deductible for tax purposes	0.03	33,809.57	0.10	80,256.98
Expenses that are deductible at a greater amount from actual expenses	(0.42)	(412,285.08)	(1.24)	(983,601.77)
Revenues granted income tax exemption	(0.41)	(406,800.00)	-	-
Tax expense	19.20	18,828,631.77	18.86	14,878,349.01

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

	Unit: Baht	
	Consolidated financial statements	
	2021	2020
Unused tax losses	7,965,811.92	7,238,268.92

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 year ended December 31, 2021 and 2020, the Company, and its subsidiaries contributed Baht 3.37 million and Baht 3.18 million, respectively.

28. OPERATING SEGMENTS

The Group's business operations involve three principal segments (1) Trading in health and safety products (2) Water treatment system and (3) Water supply systems for villages. These operations are mainly carried on in Thailand.

The operating segment's performance is regularly reviewed by the Chief Executive officer, in order to make decisions about the allocation of resources to the segment and assess its performance. The Company and its subsidiaries assess the performance of the operating segment by using the operating profit or loss as the same basis to assess operating profit or loss in the financial statements.

Below is the consolidated financial information for the year ended December 31, 2021 and 2020 of the Group's segments.

Business segment information

The Group's business segment information and reconciliation of reportable segment profit or loss for the year ended December 31, 2021 and 2020 was as follows:

Unit: Thousand Baht										
	Trading in health and safety products		Water treatment system		Water supply systems for villages		Elimination of inter-segment revenues		Consolidation	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Revenue from sales and rendered services	1,195,630	1,015,333	30,130	40,031	-	150	-	-	1,225,760	1,055,514
Cost of sales and rendered services	(912,599)	(749,459)	(25,845)	(32,424)	-	(213)	272	720	(938,172)	(781,376)
Segment gross profit (loss)	283,031	265,874	4,285	7,607	-	(63)	272	720	287,588	274,138
Unallocated income and expenses:										---
Gain (loss) on exchange rate - net									(2,643)	2,402
Other income									4,063	7,045
Distribution cost									(92,611)	(88,024)
Administrative expenses									(96,512)	(102,022)
Loss arising from bad debt of trade and other receivables									(701)	-
Finance costs									(2,761)	(2,406)
Reversal loss on impairment of trade and other receivables - net									5,811	-
Income tax expenses									(20,343)	(17,273)
Profit for the year									81,891	73,860

The Group's business segment information and reconciliation of reportable segment total assets to the Group's assets as at December 31, 2021 and 2020 as follow:

Unit: Thousand Baht		
Consolidated financial statements		
	2021	2020
Investment properties - net	4,856	5,312
Property plant and equipment - net	92,913	94,668
Unallocated assets	538,461	506,020
Total assets	636,230	606,000

Geographical segments information

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. However, the Group has insignificant assets located in foreign countries.

The Group's Geographical segments information based on location of customer for the year ended December 31, 2021 and 2020 was as follows:

Unit: Thousand Baht		
Revenues		
	2021	2020
Thailand	1,224,112	1,040,489
Other countries	1,648	15,025
Total	1,225,760	1,055,514

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 from the date of an adoption of TFRS 16 or for the underlying assets which are low value.

As at December 31, 2021, the above commitments are summarized as follows:

	Unit: Baht	
	Consolidated financial statements	Separate financial statements
<u>Payable</u>		
Within 1 year	199,200.00	171,200.00
Over 1 year but not over 5 years	500,566.67	500,566.67
Total	699,766.67	671,766.67

Commitments and contingent liabilities with financial institutions

As at December 31, 2021, there are outstanding commitments and contingent liabilities with financial institutions as follows:

	Unit: Million Baht					
	Consolidated financial statements			Separate financial statements		
	Credit arrangement	Used	Unused	Credit arrangement	Used	Unused
1) Letters of credits and trust receipt	108.00	22.20	85.80	108.00	22.20	85.80
2) Promissory notes	75.00	-	75.00	65.00	-	65.00
3) Letters of guarantee	70.70	8.41	62.29	60.70	1.91	58.79
4) Bank overdraft	56.50	-	56.50	56.50	-	56.50
5) Forward exchange contracts	205.00	39.81	165.19	205.00	39.81	165.19
6) Revolving credit facility (combined line)	160.00	43.47	116.53	160.00	43.47	116.53
7) Forward exchange contracts US Dollars 1.15 million of credit arrangement and as at December 31, 2021, they have been unused.						

The above facilities were secured by pledged bank deposit and mortgaging certain land and building of the Company recorded in investment properties - net account and property, plant and equipment - net account (Note 9, 13 and 14).

The subsidiary guarantee letters of credits and trust receipt credit facility of the parent company within limit of Baht 10 million.

Letters of guarantee

As at December 31, 2021 the Group has outstanding letters of guarantee issued by financial institutions as follows:

	Unit: Baht	
	Consolidated financial statements	Separate financial statements
Letters of guarantee		
Guarantee for the construction contracts	1,514,626.00	1,514,626.00
Guarantee for the performance contract	4,463,029.00	59,562.50
Guarantee for bidding	2,235,151.00	132,500.00
Guarantee for electricity usage and other	200,000.00	200,000.00
Total	8,412,806.00	1,906,688.50

Contingent liabilities

Litigation

PD Genesis Engineering Co., Ltd.

On October 27, 2015, the creditor sued the subsidiary in the CIPIT Court under Black Case No. Gor Kor. 223/2558 on grounds of breach of a Sales and Purchase Agreement. The subsidiary filed a rejoinder with the CIPIT Court. The CIPIT Court has since been conducting several rounds of conciliation between the parties.

The latest on November 8, 2018, the CIPIT Court issued its judgment that the subsidiary purchased two items from the plaintiff, but the prescription period for one item has expired. The subsidiary has to pay the plaintiff in amount of USD 9,806.14, along with interest calculated at the rate of 7.5% per annum, as from January 2, 2012 for its claim in connection with the other item for which the prescription period is still valid. However, the plaintiff did not agree with the CIPIT Court's judgment and willing to appeal by filling the request to extend the appeal period as the third time. The CIPIT Court made permission to the plaintiff for extension appeal period as the last time by filing the appeal to the CIPIT Court within February 22, 2019. As the plaintiff did not file the request to extend the appeal period within the period fixed by the CIPIT Court, the case was settled by final judgment. The plaintiff has a right of execution over the subsidiary's assets, according to the judgment of the CIPIT Court, for a period of 10 years from the date of the CIPIT Court issued its judgment.

The management of the Company considered that these cases would unlikely significantly affect the Company's financial statements because the Company provided allowance for expected credit losses of loans and provided allowance for impairment of investment in this subsidiary in the whole amount.

Phol Water Co., Ltd.

On February 19, 2021, a contractor payable sued the subsidiary in the Thanyaburi Provincial Court under Black Case No. Por. 230/2564 on grounds of breach of a Sales and Purchase Agreement, to pay service fee in the amount of Baht 1,070,000 with an accrued interest at the rate of 7.5% per annum starting from the date of delivery of the last installment until the filling date, totaling Baht 1,465,562.50 and interest on the principal amount of Baht 1,070,000 starting from the filling date until the completion of payment.

Subsequently, the subsidiary has filed a counterclaim lawsuit to claim damages against the contractor in the amount of Baht 1,000,000 due to breach of the Sales and Purchase Agreement, by not to fix the problem condition of the water treatment system to be fully efficiency.

On December 8, 2021, the subsidiary and the contractor payable were in the mediation process. Both parties agreed that the subsidiary will pay the payable amount of Baht 535,000 to be completed within December 28, 2021. On the agreed date, the court ordered the plaintiff to withdraw the case and also ordered the subsidiary to withdraw the counterclaim lawsuit. The subsidiary has fully paid for the agreed amount.

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, 2021 and 2020 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, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Euro	18.57	18.06	568.76	1,048.14	18.57	18.06	568.76	1,048.14
US Dollars	7,567.04	6,765.92	69,108.15	39,778.44	7,567.04	6,765.92	67,782.83	38,896.61
Singapore Dollars	12.98	11.88	1,024.37	4,709.86	12.98	11.88	1,024.37	4,709.86
Pound Sterling	-	-	227.79	237.70	-	-	227.79	237.70
Yen	-	-	386.30	660.59	-	-	386.30	660.59
Renminbi	0.11	0.10	913.25	-	0.11	0.10	913.25	-
Ringgit	-	-	0.65	0.60	-	-	0.65	0.60

Foreign currency	Unit: Baht/Unit Foreign Currency	
	Average exchange rate as at	
	December 31, 2021	December 31, 2020
Euro	37.8948	36.8764
US Dollars	33.4199	30.0371
Singapore Dollars	24.7357	22.6632
Pound Sterling	45.0984	40.6403
Yen	0.2906	0.2907
Renminbi	5.2507	4.6187
Ringgit	8.0143	7.4357

The Group manages their exposure to foreign currency risk by using derivatives when considered appropriate. As at December 31, 2021, the outstanding derivatives for managing the exposure to foreign currency risk are as follows:

Forward contracts to "Purchase"	Consolidated and separate financial statements		
	As at December 31, 2021		
	Amount	Forward rate	Maturity date
USD/THB	1.19	Million USD 33.46	THB/USD 7 - 26 January, 2022

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, 2021 and 2020 the Company had outstanding interest rate swap agreement as detailed below:

Contract date	Maturity date	Notional amount		Book value of hedging instrument		Interest rate loan	
		(Million Baht)		(Million Baht)		contract	Interest rate swap
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	(Percentage/annum)	(Percentage/annum)
January 2016	January 2023	7.76	14.90	0.11	0.42	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.

Fair value hierarchy

In applying the above-mentioned valuation techniques, the Group's endeavors to use relevant observable inputs as much as possible. TFRS 13 Fair Value Measurement establishes a fair value hierarchy categorising such inputs into three levels as follows:

- Level 1 Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 Use of unobservable inputs such as estimates of future cash flows

As at December 31, 2021 and 2020, 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, 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

	Unit Million Baht			
	Consolidated and separate financial statements			
	As at December 31, 2020			
	Level 1	Level 2	Level 3	Total
Liabilities measured at fair value				
Forward contracts to “Purchase”	-	0.13	-	0.13
Interest rate swap	-	0.42	-	0.42

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, 2021, the Group’s debt-to-equity ratio was 0.82: 1 (December 31, 2020: 0.85: 1) and the Company’s was 0.81: 1 (December 31, 2020: 0.82: 1).

33. EVENTS AFTER THE REPORTING PERIOD

Minutes of Board of Directors’ Meetings of the Company No.2/2022 held on February 18, 2022 approved the the last payment of dividend in the amount of Baht 0.16 per share from net profit of the year ended December 31, 2021, in the total amount of Baht 32.40 million. The Company fixed the date of dividend payment on May 20, 2022.

34. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company’s Board of Directors to be issued on February 18, 2022.

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

Attachments 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

Age 59

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

Appointment as Director date: September 12, 2007

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

Educational Background

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

Training

Training programs of Thai Institute of Directors (IOD)

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

Experiences

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

Position in Other Listed Company at present : 2 Companies

- | | |
|-----------------|---|
| 2013 - Present | Independent Director /Audit Committee, BJC Heavy Industries Plc. |
| 2018 - Mar 2022 | Independent Director /Audit Committee/ Chairman of Nomination and Compensation Committee, JSP Property Plc. |

Other position at present: 3 Companies

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

Past Experiences

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

Number of Shares Held as of December 31, 2021 :

Personally : 0.01% (30,000 Shares)

Spouse and minor children : None

Family relationship among Director and Executive: None

Mr. Noppadol Dheerabutrpongkul

Age 55

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

Appointment as Director date: September 12, 2007

Educational Background

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

Training

Training programs of Thai Institute of Directors (IOD)

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

Experiences

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

Position in Other Listed Company at present : 1 Company

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

Other position at present: 1 Companies

- | | |
|----------------|----------------------------------|
| 2007 - Present | Executive Director IFAC Co., Ltd |
|----------------|----------------------------------|

Past Experiences

- | | |
|-------------|--|
| 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, 2021 :

Personally : 0.01% (30,000 Shares)

Spouse and minor children : None

Family relationship among Director and Executive: None

Mr. Boonchai Suwanvuthiwat

Age 59

- Director
- Risk Management Committee
- Chief Executive Officer
- Acting Information Technology Director

(Authorized Signature)

Appointment as Director date: April 30, 2013**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), Sasn 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.
- 2021 - Present Acting Information Technology Director, Phol Dhanya Plc.

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

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

Past Experiences

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

Number of Shares Held as of December 31, 2021 :

Personally : None

Spouse and miner children : None

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

Age 53

- Independent Director
- Audit Committee

Appointment as Director date: May 10, 2016**Educational Background**

- Bachelor of Laws, Ramkhamhaeng University
- Attorney-At-Law License 995/2537

Training

Training programs of Thai Institute of Directors (IOD)
- Director Accreditation Program (DAP) class 80/2009

Experiences

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

Position in Other Listed Company at present : 1 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, 2021 :

Personally : None

Spouse and miner children : None

Family relationship among Director and Executive: None

Dr. Pallapa Ruangrong

Age 68

- Independent Director
- Audit Committee
- Risk Management Committee

Appointment as Director date: September 19, 2017
Educational Background

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

Training

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

Training programs of Thai Institute of Directors (IOD)

- Director Certification Program (DCP) class 17/2002

Experiences

- 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, 2021 :

Personally : None

Spouse and minor children : None

Family relationship among Director and Executive: None

Note: Dr. Pallapa Ruangrong has been appointed as Risk Management Committee to replace resigned Director, effective on July 13, 2021.

General Chaiwat Satondee

Age 68

- Independent Director
- Nomination and Compensation Committee

Appointment as Director date: October 12, 2015
Educational Background

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

Training
Training programs of Thai Institute of Directors (IOD)

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

Experiences

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

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

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

Other Company : 2 Companies

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

Past Experiences

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

Number of Shares Held as of December 31, 2021 :

Personally : 0.12% (248,250 shares)

Spouse and minor children : None

Family relationship among Director and Executive: None

Mr. Thanya Wangthamrong

Age 42

- Director
- Vice President Marketing and Sales
- Acting Chief Financial Officer
(Authorized Signature)

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

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

Training

- CFO's Orientation for New IPOs by SET (Mar 2022)
- Business health check through financial statements by FAP (Dec 2021)
- Trends, direction of doing M&A, important issues to consider and strategies for making M&A successful by Set (Oct 2021)
- Sustainable Supply Chain Management class 2nd by SET (Aug 2021)
- Sustainability Reporting by Industry (RE02) class 5 Services by SET (Aug 2021)
- Preparation Sustainability Disclosure according to One Report (RE01) by SET (Aug 2021)
- SD Professional Sharing 3/2021: Climate Change, Risk that businesses should not be overlooked and greenhouse gas reporting in One Report by SET (Jun 2021)

Training programs of Thai Institute of Directors (IOD)

- Director Certification Program (DCP) Class180/2013

Experiences

- 2021 - Present Acting Chief Financial Officer, Phol Dhanya Plc.
- 2018 - Present Vice President Marketing and Sales , Phol Dhanya Plc.
- 2013 - Present Director, Phol Dhanya Plc.

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

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

Number of Shares Held as of December 31, 2021 :

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

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

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

Note: Mr. Thanya Wangthamrong has been appointed as the Acting Chief Financial Officer, the person assigned to take the highest responsibility in Accounting and Finance, effective on July 13,2021

Mr. Wisarute Srirojanakul

Age 42

- Independent Director

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: 3 Companies**

- 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, 2021 :

Personally : None

Spouse and minor children : None

Family relationship among Director and Executive: None

Note: Mr. Wisarute Srirojanakul has been appointed as Independent Director to replace resigned Director, effective on July 13, 2021

Asst.Prof.Dr.Suluck Pattarathammas

Age 56

- Chairman of Risk Management Committee

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.

Position in Other Listed Company at present: 1 Company

 2017 - Present Chairman, Risk Management Committee, Capital Engineering Network Public Co., Ltd. (CEN)
 2016 - Present Director, Capital Engineering Network Public Co., Ltd. (CEN)

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

 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, 2021 :

Personally : None

Spouse and minor children : None

Family relationship among Director and Executive: None

Note: Asst.Prof.Dr.Suluck Pattarathammas, external scholar has been appointed as Chairman of Risk Management Committee to replace resigned Director, effective on July 13, 2021.

Miss Kamolphopphan Puapansakul

Age 59

- Internal Audit Director
- Secretary of Audit Committee

Educational Background

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

Training

- "Working Paper for Better Corruption Prevention" by FAP (Mar 2021)
- Online seminar "Fraud: Prevention and Detection" by SEC (Jan 2021)
- Strategic CFO in Capital Markets" Class 1/2015 by SET

Experiences

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

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

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

Number of Shares Held as of December 31, 2021 :

Personally : None

Spouse and minor children : None

Family relationship among Director and Executive: None

Note: Miss Kamolphopphan Puapansakul is the head of Internal Audit.

Miss Prapaipit Viriyabhupha

Age 53

- Sales Director Control Environment Products (CE)
- Acting Procurement Director

Educational Background

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

Training

-

Experiences

- 2021 – Present Acting Procurement Director, Phol Dhanya Plc.
- 2014 – Present Sales Director Control Environment Products, Phol Dhanya Plc.

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

- 2020 - Present Chairman of the Board, Phol Palladium Co.,Ltd.
- 2014 - Present Director/Managing Director, Phol Water Co.,Ltd.

Past Experiences

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

Number of Shares Held as of December 31, 2021 :

Personally : 0.37% (750,000 Shares)

Spouse and miner children : None

Family relationship among Director and Executive: None**Mr. Paradorp Parepatara**

Age 44

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

Educational Background

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

Training

- Trends, direction of doing M&A, important issues to consider and strategies for making M&A successful by Set (Oct 2021)
- Safety Officer Supervisor Level” Top Pro Safety Training Institute (Sep 2021)

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, 2021 :

Personally : None

Spouse and miner children : None

Family relationship among Director and Executive: None

Mr. Nitipat Pedprasert
Age 41

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

Educational Background

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

Training

- "Anti-Corruption" In-house training (Oct 2021)
- "Safety Officer Supervisor Level" Top Pro Safety Training Institute (Sep 2021)
- "Problem from Consumer Protection Law and Damage Liability arising from unsafe products" by OMEGAWORLDCLASS (Apr 2021)
- "Facebook Advertising" by Digital Tips Academy (Mar 2021)

Experiences

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

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

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

Number of Shares Held as of December 31, 2021 :

Personally : None

Spouse and minor children : None

Family relationship among Director and Executive: None

Mr. Patsapong Wangthamrong
Age 54

- Human Resource Director

Educational Background

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

Training

- SD Professional Sharing 4/2021: Business and Human Right for One Report by SET (Nov 2021)
- Preparation of greenhouse gas emissions for 56-1 One Report of listed companies-service sector by SEC (Oct 2021)
- Trends, direction of doing M&A, important issues to consider and strategies for making M&A successful by Set (Oct 2021)
- Safety Officer Supervisor Level by Top Pro Safety Training Institute (Sep 2021)
- Sustainability Reporting by Industry (RE02) class 5 Services by SET (Aug 2021)
- Preparation Sustainability Disclosure according to One Report (RE01) by SET (Aug 2021)

Experiences

2020 - Present Human Resource Director, Phol Dhanya Plc.

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

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

Past Experiences

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

Number of Shares Held as of December 31, 2021 :

Personally : None

Spouse and minor children : None

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

2. Company Secretary

Miss Saowapa Choorujiporn

Age 60

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

Educational Background

- Bachelor of Business Administration (Accounting), Ramkhamhaeng University

Training

- CGR Workshop No. 1/2021 by IOD (Nov 2021)
- SD Professional Sharing 4/2021: Business and Human Right for One Report by SET (Nov 2021)
- Seminar "How to process for selecting directors according to CG principles" by TLCA (Oct 2021)
- Seminar "ESG: Opportunities and Risks" by TLCA (Oct 2021)
- Preparation of greenhouse gas emissions for 56-1 One Report of listed companies-service sector by SEC (Oct 2021)
- Sustainability Reporting by Industry (RE02) class 5 Services by SET (Aug 2021)
- Preparation Sustainability Disclosure according to One Report (RE01)
- Seminar "Disclosure Development to Integrated Report" by SET (Aug 2021)
- Seminar "Low carbon for sustainable development" by TLCA (July 2021)
- "Guidelines for preparing conflict of interest report and what you should know about the insider information policy " by SET (July 2021)

Training programs of Thai Institute of Directors (IOD)

- Anti-Corruption: The Practical Guide (ACPG) Class 17/2015
- Company Reporting Program (CRP) Class 2/2011
- Board Reporting Program (BRP) Class 5/2011
- Effective Minute Taking (EMT) Class 19/2011

Experiences

- 2008 – Present Company Secretary/Secretary of the Board of Director, Phol Dhanya Plc.
- 2014 - Present Secretary of Risk Management Committee, Phol Dhanya Plc.

Position in Other Listed Company at present : None

Other position at present: None

Past Experiences

- 2011 - 2012 Secretary of Nominating and Compensating Committee, Phol Dhanya Plc.
- 2009 - 2013 Secretary of Sub-Risk Management Committee, Phol Dhanya Plc.
- 2008 - 2013 Secretary of Executive Committee, Phol Dhanya Plc.
- 2003 - 2008 Operation Administration/Contract Administration Manager, Picnic Corporation Plc.
- 2001 - 2003 Assistant to Procurement Manager/Executive General Manager Secretary, BGES Engineering System Plc.
- 1998 - 2000 Admin Supervisor, Pioneer Air Cargo Co., Ltd.

Number of Shares Held as of December 31, 2021 :

Personally : None

Spouse and minor children : None

Family relationship among Director and Executive: None

Duties and responsibilities of Company Secretary

The Board of Directors appointed Miss Saowapa Choorujiporn to be Company Secretary since September 19, 2008 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. 2 5 5 1 (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:

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

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

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

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

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

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

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

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

Mr. Thanya Wangthamrong has been appointed as Acting Chief Financial Officer, the person assigned to take the highest responsibility in Accounting and Finance, effective on July 13, 2021 who has the qualifications as specified by the SEC Office. Currently, Mr. Thanya Wangthamrong is the position of director, Vice President Marketing and Sales and Acting Chief Financial Officer of the Company. 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 42

- Accounting Manager

Educational Background

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

Training

- “Smart FSCOMP” by SET (June 2021)
- “Working Paper for Better Corruption Prevention” by FAP (Mar 2021)
- “Preparing for CAC Membership Renewal” by IOD (Apr 2021)
- “Strategic CFO in capital market” Class 7/2018 by SET

Continuing Accounting Professional Development 2021

- | | CPD (Accounting) |
|--|-------------------------|
| - “Deferred tax and Employee benefit (Dec 2021) | 7 hours |
| - “Basic finance” (Dec 2021) | 7 hours |
| - Seminar “Cloud Accounting The future of work Life” (Nov 2021) | 1.30 hours |
| - “Forensic accounting knowledge, techniques and linkage of accounting data collection to the judicial process” (Nov 2021) | 3 hours |
| - “Blockchain Technology for Accountant” (Dec 2021) | 1.30 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, 2021 :

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	Subsidiaries		
		PHOL	PL	PHOLW	PHOLC
1	Assoc. Prof. Dr. Ekachidd Chungcharoen	X,ID	-	-	-
2	Mr. Boonchai Suwanvutthiwat	D,S,M	D,S	D,S	D,S
3	Mr. Thanya Wangthamrong	D,S,M	-	-	-
4	Mr. Noppadol Dheerabutrvingkul	ID	-	-	-
5	Mr. Santi Niarnil	ID	-	-	-
6	Dr. Pallapa Ruangrong	ID	-	-	-
7	General Chaiwat Satondee	ID	-	X,S	-
8	Mr. Wisarute Srirojanakul	ID	-	-	-
9	Miss Kamolphopphan Puapansakul	M	-	-	-
10	Miss Prapaipit Viriyabhupha	M	X,S	D,S,M	-
11	Mr. Paradorn Parepatara	M	-	-	-
12	Mr. Nitipat Pedprasert	M	-	-	-
13	Mr. Patsapong Wangthamrong	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

Attachments 2

Details of the directors of subsidiaries

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

X = Chairman of the Board M = Managing Director / = Director

Attachments 3

Details of the Heads of the Internal Audit

Audit Committee has appointed Miss. Kamolphobphan Puapansakul, Internal Audit Director, as the head of Internal Audit Division, who is the right qualification, knowledge and experience in our internal operation for more than 10 years, to supporting the Audit Committee to achieve an efficiency in their objective. Consideration and approval the audit plan, an appointment, deprivation and evaluation and compensation of the head of Internal Audit Division must be approved (or agreed) by the Audit Committees. The head of Internal Audit Division usually internal and external seminars related the internal audit responsibilities.

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

Attachments 4

Assets for business undertaking

1. Fixed Assets of the Company and its subsidiaries

As of December 31, 2021, details of the Company's fixed assets for business operations are summarized as follows:

Type of Fixed Assets	Net Book Value (Baht) December 31, 2021	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	493,000	Owner	Guarantee for credit limit
- Land in Mueang District, Rayong	620,200	Owner	None Encumbrance
- 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	33,754,646		
2. Building and building improvements			
- Head Office and warehouse Lumlukka Pathumtani Address 1/11 Lumlukka Pathumtani	46,798,911	Owner	Guarantee for credit limit
- Narita Tower, Chaeng Watthana, Bangkok Address 47/390	295,531	Owner	Guarantee for credit limit
- Branch Office-Chiangmai address 47/55-57	280,687	Owner	None Encumbrance
-Building in Mueang District, Rayong address 308/3-4	1,637,997	Owner	Guarantee for credit limit
-Building in Uthai District, Ayutthaya address 27/44-45	1,552,106	Owner	Guarantee for credit limit
- Branch Office-Mueang District, Rayong address 155/213	3,897,226	Owner	None Encumbrance
Total of Building and building improvements	54,462,463		
3. Furniture and equipment	2,639,422	Owner	None Encumbrance
4. Demonstration goods and tools	1,221,618	Owner	None Encumbrance
5. Vehicles	1,034,675	Owner	None Encumbrance
6. Utility system	2,585,886	Owner	None Encumbrance
7. Water well drilling machines	156,776	Hire purchase	None Encumbrance
8. Assets under water sales agreement	1,722,088	Owner	None Encumbrance
9. Safety equipment for rent	723	Owner	None Encumbrance
10. Assets under installation	190,930	Owner	None Encumbrance
Total Fixed Assets	97,769,227		

Right-of-Use Assets - Net

Type of Fixed Assets	Net Book Value (Baht) December 31, 2021
1. Furniture and equipment	277,807
2. Vehicles	2,162,880
3. Right of use of building	797,346

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



Intangible Assets

- Computer Software

As of December 31, 2021, the Company has intangible assets: computer software with net book value of consolidated financial statements amount to 1.08 MB

- Trademark

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

Trademark	Products	Status
SYNOS 	Safety shoes, Safety glasses, Protective masks and Helmet	The trademark has been registered since 2007 and renewed from 2018 to 2027 and may be renewed every 10 years.
ROCC  ROCC SAFETY FOOTWEAR <small>by Synos</small>	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.

Attachments 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.pdgth.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.

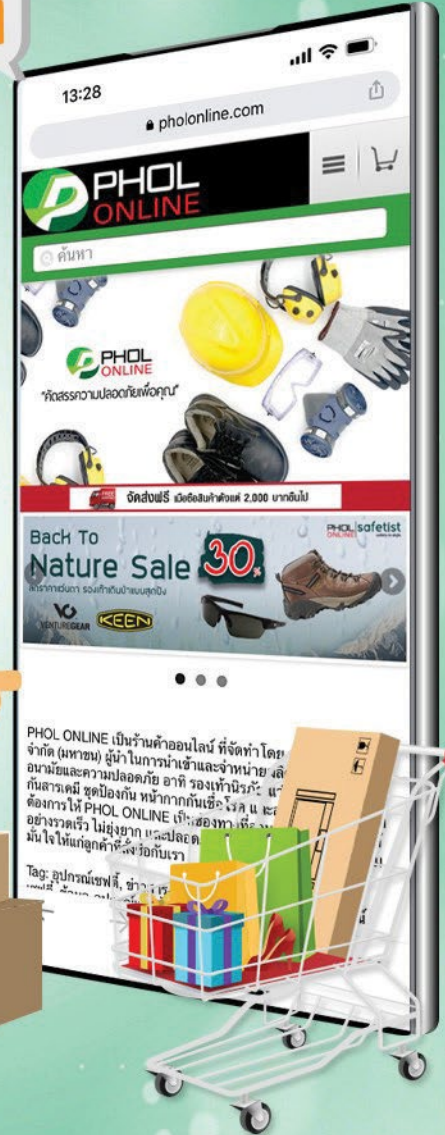
The Board of Directors are of the view that the “Business Code of Conduct” should be adopted and disseminated to staff members as practical guidelines, as a display of intention in operating the business with transparency, fairness and responsibility towards all stakeholders, as well as with social responsibility.

The guidelines have been disseminated on the Company’s website. Further information is available at <http://investor.pdgth.com/misc/CG/20160421-phol-cg-codeConduct-en.pdf>



WWW.PHOLONLINE.COM

รับประกัน แบรนด์แท้ ปลอดภัยจริง



Phol Dhanya Public Company Limited

Head Office : 1/11 Moo 3, Lamlukka Rd., Ladsawai, Lamlukka Pathumthani 12150 Tel. 02 791 0111

Rayong Branch : 155/213 Moo 2, Thabma, Mueng, Rayong, Thailand, 21000 Tel. 038 034 011

Chiang Mai Branch : 47/55-57 Chottana Rd., Chang Puek, Mueng, Chiang Mai, Thailand 50300 Tel. 053 226 811



website
www.pdgt.com



Safety Knowledge Center
www.thai-safetywiki.com



Phol Dhanya