



PATKOL

Public Company Limited

SINCE 1965

PATKOL Public Company Limited

ONE REPORT

2020



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Message from The Chairman

Dear Shareholders,

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

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

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



H.E. Mr. Pitipong Puengboon Na Ayutthaya

Chairman

Message from The CEO

Dear Shareholders,

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

Our Company was also affected by the COVID-19 pandemic. The business continuity plan (BCP) was urgently developed to deal with the situation so that the Company could continue to operate its business. We came up with measures to prevent the spread of the virus and measures to work under the outbreak. We also reconfigured our information system to support the operation under such conditions. The updated information system allowed us to set up meetings, assign tasks, monitor progress, and work from home, as well as continue the organization's restructuring work that was started in the previous year, which continued into 2020. This includes the methodology for reaching our targets by managing roles and responsibilities. The new system developed during the COVID-19 pandemic became the New Normal. Our work will not be the same again. It helped us enhance our ability to compete. The new way of working is more efficient, yields expected results, and will allow us to handle similar situations in the future.

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



Mr. Sangchai Chotchuangchutthaval
Chief Executive Director

Board of Director



**Mr. Pitipong
Phungbun na Ayutthaya**

- Chairman of the Board
(Independent Director)



**Mr. Pairoj
Sanyadechakul**

- Chairman of Audit Committee
(Independent Director)



**Mr. Sangchai
Chotchuangchutchaval**

- Vice Chairman of the Board
- Chief Executive Committee



Mr. Paradorn Chulajata

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



Ms. Anongsiri Chaiyakul

- Director



Ms. Nongluck Sakdakrai

- Director and Nomination
- Remuneration
Committee Member



Mr. Veerachai Srikajorn

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



Mr. Preecha Chantarangkul

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



Mr. Sumet Jiambutr

- Director and Executive Committee Member



Mr. Panet Chongvatana

- Director, Executive Committee Member
- Risk Management Committee Member



Mr. Rangsan Thammanee Wong

- Director, Executive Committee Member
- Risk Management Committee Member



Ms. Naitya Chongvatana

- Director

Management Team



1 Mr. Sangchai Chotchuangchutchaival
Chief Executive Office

2 Mr. Panet Chongvatana
Chief Strategy Office
Managing Director of Ice Machine

3 Ms. Wannaporn Trinvisuthikul
Chief Administrative Officer

4 Mr. Suwat Grittiyarangsan
Managing Director of Refrigeration

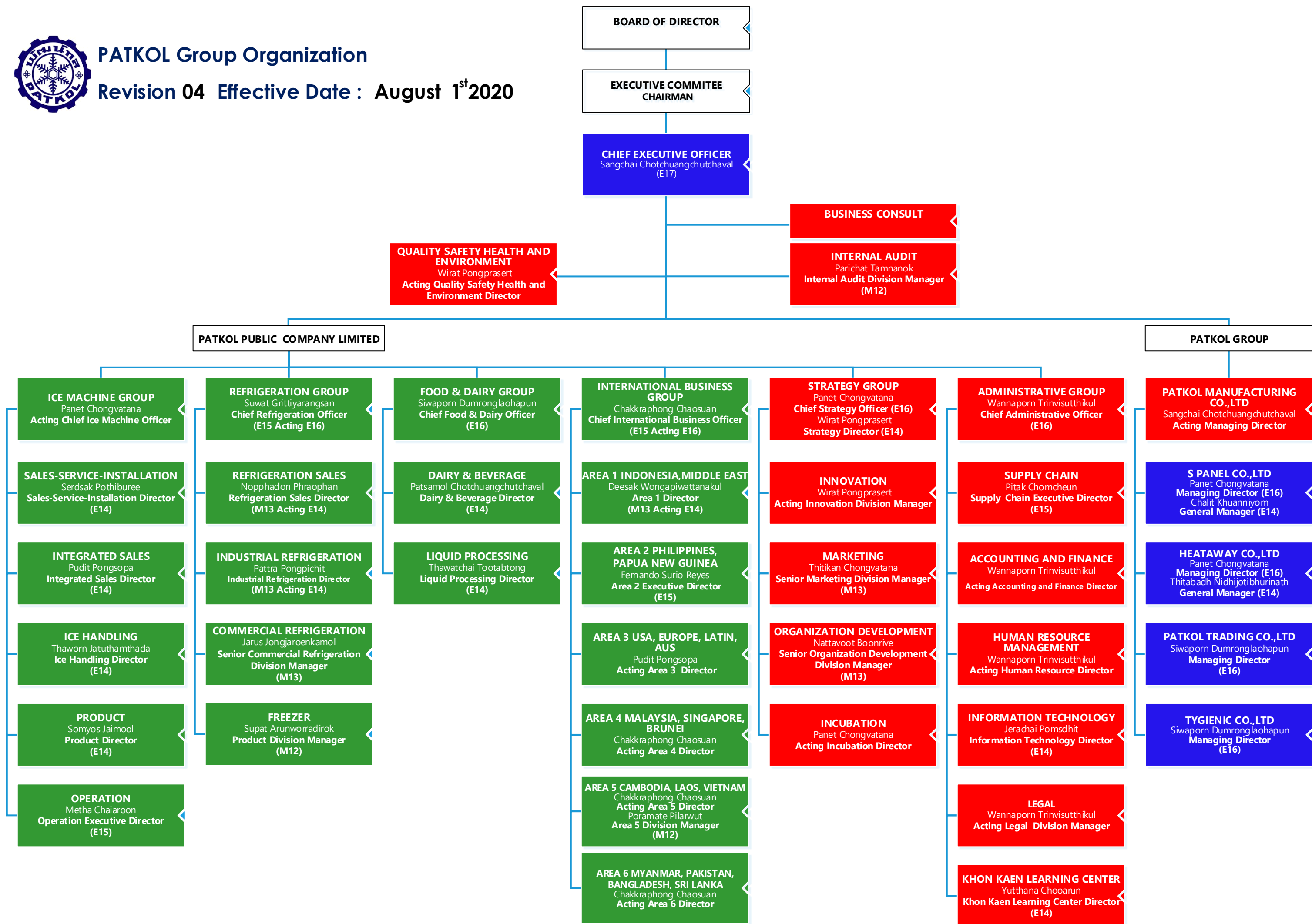
5 Mr. Chakkraphong Chaosuan
Chief International Business Officer (Acting)

6 Mrs. Siwaporn Dumronglaohapun
Managing Director of Food & Dairy Group



PATKOL Group Organization

Revision 04 Effective Date : August 1st 2020



Part 1

Business operations and results

1. Management Structure and Business Operation

1.1 Policy on business operations and nature of business

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

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

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

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

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

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

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

6) We have a policy of developing the working system to comply with the international standards all the time, with in 2016 it was certified for the standards of ISO 14001 and BS OHSAS 18001 from TUV NORD.

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

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

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

1.1.2 Major changes and developments over the last 3 years

2018	2019	2020
<p>- Progress of set up subsidiary at oversea. Patkol Myanma Co., Ltd was set up since 9 January 2018 with capital 50,000 US Dollar (1,584,560.05 Baht), the company are stoking shares at the rate 99 percent. The purposes are advice service, installation service, maintenance service relates with ice machine, refrigerator and machine relate with food and drink system.</p> <p>- Progress of set up subsidiary at domestic. Tygienic Co., Ltd was set up since 8 January 2018 with capital 65,000,000 Baht, the purposes are design, produce, install, and sell tank with pressure and non-pressure, heat exchange machine, refinery, cooling vent,</p>	<p>- In the year 2019, the company has emphasized to change and develop organization and management for focus and response to business strategies included to the major business changes in the past 2 years.</p> <p>- The company has restructured of internal management for more response to overseas companies and pay more attention about cost management in oversea company by focus on recruit local employees.</p> <p>- The company has emphasized on some products group to expand in overseas for comply with the economic, social and cultural contexts of each country.</p> <p>- The Learning Center, Khon Kaen Province had developed to be the professional technician training center. Therefore, our</p>	<p>- During 2020, the Company had to conduct business during COVID-19, which has led to a change in working procedures as follows:</p> <p>1. Announcement of the Business Continuity Plan (BCP) to deal with the COVID-19 pandemic by planning comprehensively to accommodate the impact on stakeholders of the Company, including customers, shareholders, employees and the surrounding communities.</p> <p>2. Dividing employees into three groups to minimize the spread of COVID-19 as follows:</p> <p>Group 1: Employees who still need to come to the office every day</p>

<p>filter tanks, machine' stirring and others equipment assemble tank.</p> <ul style="list-style-type: none"> - Expand business in domestic <p>Set up the new learning centre and new service centre at Khon Kaen, the name "Training Center for technicians". The purposes for learning centre and training a work skill of employees include give opportunity to persons at the area come to work with us.</p> <ul style="list-style-type: none"> - Expand industrial in domestic <p>Expand Heataway Co., Ltd' factory at Chachoengsao for expand the production of Evaporative Condenser machine.</p>	<p>technicians from domestic and oversea have to take course in both theory and practice.</p>	<p>Group 2: Employees who work from home</p> <p>Group 3: Employees who have to work at the customers' site</p> <ul style="list-style-type: none"> - Established PT Indonesia Patkol Refrigeration to support the sale of refrigeration business in Indonesia. - Continuous development of products and solutions, including commercial ice production, to raise the standard of ice production to be clean and safe for the entire ice industry. - Established an MOU between Patkol Public Company Limited and Faculty of Engineering, King Mongkut's Institute of Technology Ladkrabang to develop innovative prototypes of frozen food processing and beverages for small and medium enterprises (SMEs), including a total solution for SME business under the concept of a BCG Model (Bio Circular Green Economy Model) to achieve sustainable economic development in line with the government's policy.
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Patkol Public Company Limited

1.2 Patkol's Business

1.2.1 Income structure

- Revenue Structure of the Company Group

Patkol Public Company Limited and subsidiaries

Busines Group	Company	% shareholders	Total Income 2020		Total Income 2019		Total Income 2018	
			MB	%	MB	%	MB	%
1. Ice Machine								
- Ice Making Machine	Patkol Public Company Limited	100.00%	968	32%	1,124	31%	1,053	28%
- Evap	Heat away Company Limited	99.99%	95	3%	89	2%	67	2%
			1,063	35%	1,213	33%	1,120	29%
2. Refrigeration								
- Cold Room	Patkol Public Company Limited	100.00%	454	15%	745	20%	771	20%
- Panel Cold room	S Panel Company Limited	80.00%	423	14%	477	13%	344	9%
			877	29%	1,222	34%	1,115	29%
3. Liquid Processing								
- Food and dairy machinery	Patkol Public Company Limited	100.00%	598	19%	529	15%	883	23%
- Industrial tanks	Tygienic Company Limited	99.99%	173	6%	74	2%		
			771	25%	603	17%	883	23%
4. Food processing								
- Food preservation machinery	Patkol Public Company Limited	100.00%	-	0%	78	2%	107	3%
			0	0%	78	2%	107	3%
5. One stop service								
- Petrochemical	Patkol Public Company Limited	100.00%	-	0%	-	0%	-	0%
- Petrochemical	Patkol Manufacturing Company Limited	99.99%	-	0%	-	0%	-	0%
6. Maintenance and other services								
- Service	Patkol Public Company Limited	100.00%	274	9%	374	10%	470	12%
	Patkol Trading Company Limited	99.98%	60	2%	95	3%	111	3%
	Patkol Philippines Coporation Company Limited	60.00%	5	0%	45	1%	18	0%
	PT. Indonesia Patkol Service Corporation	99.99%	3	0%	1	0%	-	-
	PATKOL Malaysia Sdn Bhd	100.00%	5	0%	4	0%	-	-

Patkol Public Company Limited

	Patkol Myanmar Company Limited	100.00%	1	0%	1	0%	-	-
	PT. Indonesia Patkol Refrigeration	67%	-	0%	-	-	-	-
			348	11%	521	14%	599	16%
	Total		3,059	100%	3,637	100%	3,824	100%

- Revenue Structure of the Company provincial part (Domestic and international)

Patkol Public Company Limited and subsidiaries

Business Group	2020		2019		2018	
	MB	%	MB	%	MB	%
1 Ice Machine	1,063	35%	1,213	33%	1,120	29%
Domestic	805	27%	845	23%	637	17%
International	258	8%	368	10%	483	13%
2 Refrigeration	877	29%	1,222	34%	1,115	29%
Domestic	834	28%	1,170	32%	1,017	27%
International	43	1%	52	1%	98	3%
3 Liquid Processing	771	25%	603	17%	883	23%
Domestic	649	21%	500	14%	793	21%
International	122	4%	103	3%	90	2%
4 Food processing	-	0%	78	2%	107	3%
Domestic	-	0%	74	2%	47	1%
International	-	0%	4	0%	60	2%
5 Maintenance and other services	348	11%	521	14%	599	16%
Domestic	331	11%	460	13%	573	15%
International	17	0%	61	2%	26	1%
Total	3,059	100%	3,637	100%	3,824	100%
Domestic	2,619	86%	3,049	84%	3,067	80%
International	440	14%	588	16%	757	20%

1.2.2 Product information

(1) Product or Service Characteristics and Market and Competition

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

Group Business No.1: Ice Machine Business Unit

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

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

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

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

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

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

with the so-called 'Form-Fill-Seal Packing' technology, while the cold room can be constructed according to customers' specific requirements.

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

Competitiveness and Distribution Channels

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

Competitive conditions

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

The Company employs a team of engineers and skilled technicians to supervise, design and install our machines domestically and internationally. The Company produces ice machines, refrigeration machinery and equipment, ice packing machines, conveyor systems, cold storage, and water treatment systems. Our systems are designed to produce clean ice suitable for consumption in line with the Ministry of Public Health's announcement on clean and safe food production guidelines. Furthermore, we have one-stop service centers in all regions, including the North, Northeastern, Central, and Southern regions of Thailand, as well as service centers in many ASEAN countries. Therefore, Patkol was able to deliver machinery as well as after-sales service to customers in a comprehensive way. Our products are accepted by both domestic and international customers with a 1-year warranty. There are after-sales service agencies that perform repairs, maintenance of equipment, and offer preventive maintenance programs. As a result, machines that are regularly maintained rarely break or cause problems, allowing customers to use the machines continuously.

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

Customers

PATKOL has both domestic and foreign customers consisting of:

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

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

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

Industry conditions

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

Restaurants and wholesale and retail businesses are still waiting to see the growth prospects of the economy. This includes a decrease in the number of foreign tourists, which has further reduced ice consumption. For industry conditions, the economic indicators of other ASEAN countries are better than Thailand's. However, in 2020, there was a global pandemic. As a result, the market for ice machine export has also been in decline.

Business Group No.2: Refrigeration Business

PATKOL is considered a major business entrepreneur in the ASEAN region specializing in industrial engineering of several aspects, including production, design, installation, and sales of spare parts of its refrigeration systems used in food processing plants, varying in processed meat, poultry, fish, shrimp, vegetables, and fruits. The company has developed the cold-water system to reduce temperature as well as the refrigeration system to maintain the quality and freshness of products throughout the entire production process. Modern technology has been applied to ensure greater efficiency and energy-saving efforts. As a consequence of the increasing market share in the domestic market, the company has determined to maximize its exports to foreign countries.

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

2.1) Industrial Refrigeration

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

2.2) Commercial Refrigeration

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

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

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

Competitiveness and Distribution Channels

For distribution channels, PATKOL has managed to focus on agency, online marketing, and exhibitions. The company already possesses regular customers who tend to increase their product orders, while preparing to penetrate new markets domestically and internationally. Meanwhile, the establishment of Heataway Co., Ltd.,

a leader of evaporative condenser manufacturing, aims to highly satisfy customers in an efficient and timely manner.

Competitive conditions

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

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

There is also the expansion of smaller customers that are becoming medium-sized exporters of chicken in support of the market expansion that is forecast to increase in 2021. As a result, factories are tightening quality inspections. Therefore, customers wanting to invest in factory expansion will need to upgrade their small cooling systems to medium size. The business must choose a company that offers advanced technology with machines designed to support the production process. With high-quality control and comprehensive service, such as Patkol's, the company is able to expand into the market in this group.

Customers

- Manufacturers and distributors of frozen food, ready-made food, seafood, meat, vegetables, and fruits.
- Providers of cold rooms for the storage of frozen food such as chicken, seafood, vegetables, and fruits.
- Manufacturers of ice cream, dairy products and sparkling beverages.
- Operators of food restaurants.
- Providers of distribution centers for fresh and frozen food.
- Operators of hypermarkets and supermarkets possessing commercial freezers.
- Providers of small and medium-sized commercial freezers.
- Operators not engaging in the food business, but requiring a refrigeration system for product storage.

Industry conditions

The economic slowdown from the COVID-19 pandemic has resulted in reduced purchasing power and investment in the export businesses. Restaurants and wholesale and retail businesses are still waiting to see the growth prospects of the economy. This includes a decrease in the number of foreign tourists and reduced consumption. As a result, businesses in this group are still stagnant.

Business Group No.3: Liquid Product Processing

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

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

1. Dairy and Beverage Manufacturing

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

2. Liquid Food Processing

2.1) Seasoning Production – PATKOL provides a range of excellent services on manufacturing, design, and installation of machines for manufacturing seasonings, including seasoned soy sauce, soy bean sauce, fish sauce, bean paste, and other dipping sauces. Machines evolved by PATKOL are designed to facilitate each and every manufacturing process in line with customers' general and specific requirements, varying in cleaning and processing of raw materials, preparation of ingredients, fermentation, filtering, sterilization, and packaging. Additionally, stainless tanks used for the aforementioned activities are required to be featured with hygienic structure and design, which are different from those used for other activities. Products and systems used in seasoning production are evolved according to the internationally accepted standards, supported by the so-called 'Cleaning in Place (CIP)' system.

2.2) Cosmetic and Medicine Production – PATKOL is capable of providing quality manufacturing, design, and installation services for machines reserved for cosmetic and medicine production, varying in body cream, shampoo, and general medicines. Machines and other related equipment are developed in compliance

with the required standards, backed by the accuracy and stability of combination and measurement. Meanwhile, automatic systems will be applied to reduce difficulties in manufacturing and other relevant processes. To obtain the best and most efficient products and services, the company always emphasizes on the application of the control, monitoring, and reporting systems.

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

Sales and Distribution Channels

Domestic Market:

- Highly professional and experienced engineers will be responsible for the distribution of major products, aiming to generate greater sales of each product category.
- Distribution channels will include services, which have been expected to increase due to customers' utilization of purchased products.
- Participating in local exhibitions as well as promoting products and services online can be effective and profitable.

Foreign Markets:

- Sales engineers shall oversee sales of key products in their respective countries.
- Participating in international exhibitions as well as promoting products and services online can be effective and profitable.
- Mainly penetrating foreign markets with high possibilities of production expansion and abundance of raw materials, referring to regular customers and previously used channels.
- Developing strategic partnership with customers who possess enhanced potential in generating business expansion, while being adaptable to the company's general and specific requirements.

Competitive conditions

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

team who is familiar with the production process. They can design systems to suit various production lines, as well as expansion work for existing customers.

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

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

Customers

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

Industry conditions

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

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

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

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

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

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

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

Products and Services

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

Sales and Distribution Channels

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

Competitive conditions

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

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

for additional preventive maintenance services. This also generates additional revenue and expands the customer group.

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

Customers

- Regular customers

Industry conditions

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

(2) Procurement of Products and Services

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

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

(3) Assets of business operations

The Company has a total of 1,511.55 million baht in fixed assets and intangible assets for use in the business operation of both the Company and its subsidiaries. This includes 1,420.87 million baht in real estate, 76.42 million baht in intangible assets and 14.26 million bath of right-of-use assets.

Property, plant and equipment

No.	Type	Value (Thousand baht)
1	Land	744,855
2	Building and improvement	499,596
3.	Machinery and equipment	126,825
4	Machinery for lease	270
5	Office equipment	19,196
6	Vehicles	12,670
7	Assets under construction	17,455
Total		1,420,868

Land with buildings and machinery totaling 1,332.64 million baht was used as collateral for overdrafts and short-term loans from financial institutions totaling 2,182 million baht

Types of loan	(Million Bath)
Overdrafts	94
Short-term loans	300
Long-term loans	758
Limited liability under trustee contracts/ pre-shipment financing	142.54
Letter of guarantee	432.89
Future contracts	455

Intangible assets

No.	Type	Value (Thousand bath)
1	computer software	172,292
2	intellectual property	25,537
3.	Installation software	8,378
Deducting any amortization and impairment of assets		(129,788)
Total		76,419

A right-of-use (ROU) asset

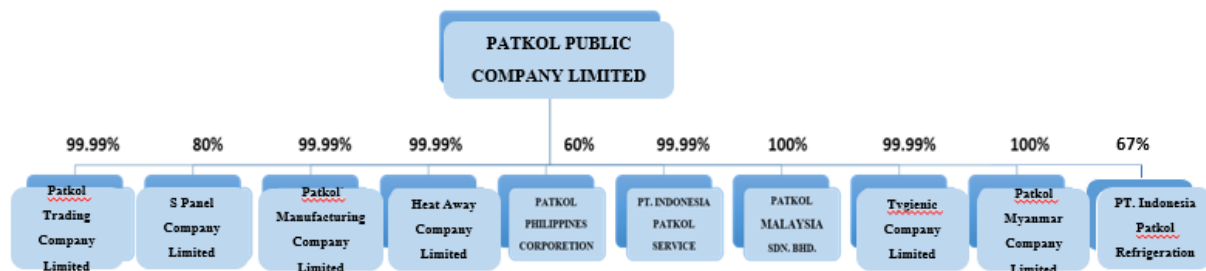
No.	Type	Value (Thousand bath)
1	Vehicles	11,688
2	Machinery and equipment	2,575
Total		14,263

(4) Back log of 2020

The Company has a back log of approximately 2,000 million baht from many projects, with no project worth 10% of the total revenue.

1.3 Shareholding Structure of the Company Group

Shareholding structure both direct and indirect. In order of the year of establishment.



In addition, in order to increase the competitiveness and reduce the production cost of the Company, the Company has invested in a subsidiary. With the Company's shareholding proportion in subsidiaries and the types of businesses invested as of 2020, 2019 and 2018 as follows. -

Subsidiary	% of shares			Type of business
	2020	2019	2018	
Direct subsidiary				
Patkol Trading Company Limited	99.99	99.99	99.99	Sale of the electric system equipment, sparepart for industrial refrigeration
S Panel Company Limited	80.00	80.00	80.00	Manufacture and import foam plate and equipment for cold room business
Patkol Manufacturing Company Limited	99.99	99.99	99.99	Manufacture and sale of food related processing equipment and cooling equipment.
Heat Away Company Limited	99.99	99.99	99.99	Sale of evaporative condenser, share parts and Equipment for evaporative condenser
Patkol Philippines Coporation Company Limited	60.00	60.00	60.00	Machinery and project sales representative, including providing

				machinery in spallation and maintenance services in Philippines
PT. Indonesia Patkol Service Corporation	99.99	99.99	99.99	Machinery installation and maintenance services in Indonesia
PATKOL Malaysia Sdn Bhd	100	100	100	Machinery and project sales representative, including providing machinery in spallation and maintenance services
Tygenic Company Limited	99.99	99.99	99.99	Designed and Produced hygienic standard tank and other tank components in food and beverage field, cosmetic, pharmaceutical and petrochemical industries
Patkol Myanmar Company Limited	100	100	100	Machinery and project sales representative, including providing machinery in spallation and maintenance services
PT. Indonesia Patkol Refrigeration	67%	-	-	Machine and project distributor including service and installation machine in refrigeration business in Indonesia.

Relationship with the business group of major shareholders

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

Major of Shareholders

The Company's 10 major shareholders as at 9 March 2021 (latest book-closing date)

No.	Shareholder Name	Amount of Shares	%
1.	Bangkok Bank Public Company Limited	49,307,800	9.98
2.	Ms. Ratchanee Chongvatana	45,970,942	9.30
3.	Mr. Sangchai Chotchuangchutthaval ²	45,841,303	9.28
4.	Mr. Panet Chongvatana ¹	31,618,586	6.40
5.	Mrs. Noppavan Chongvatana	30,824,151	6.24
6.	Ms. Nongluck Sakdakrai	29,985,080	6.07
7.	Ms. Thitikan Chongvatana	14,374,371	2.91
8.	Ms. Surasa Poonapirat	11,516,673	2.33
9.	Mr. Jamorn Chulajata ³	11,432,500	2.31
10.	Mr. Paradorn Chulajata	11,080,000	2.24
11.	Other Shareholders	212,143,831	42.94
	Total	494,095,237	100

¹ Chongvatana Group's Shareholding Structure

(1) Mr. Panet Chongvatana	6.40%	(31,618,586 shares)
(2) Ms. Noppavan Chongvatana	6.24%	(30,824,080 shares)
(3) Ms. Thitikan Chongvatana	2.91%	(14,374,371 shares)
(4) Mrs. Sirinuch Chongvatana	0.10%	(500,000 shares)

² Chotchuangchutthaval Group's Shareholding Structure

(1) Mr. Sangchai Chotchuangchutthaval	9.28%	(45,841,303 shares)
(2) Ms. Chanthipha Chotchuangchut	0.81%	(4,000,000 shares)

³ Chulajata Group's Shareholding Structure

(1) Mr. Jamorn Chulajata	2.31%	(11,432,500 shares)
(2) Mr. Paradorn Chulajata	2.24%	(11,080,500 shares)
(3) Mr. Kornnop Chulajata	2.19%	(10,844,000 shares)
(4) Ms. Surasa Poonapirat	2.33%	(11,516,673 shares)

The Company shareholders of directors and executives by Comparison of 2019-2020

No.	Shareholder Name of Directors and Executives	Amount of Shares 2019	Amount of Shares 2020
1.	Mr. Sangchai Chotchuangchutchaval	45,841,303	45,841,303
2.	Mr. Panet Chongvatana	31,618,586	31,618,586
3.	Ms. Nongluck Sakdakrai	29,985,080	29,985,080
4.	Mr. Paradorn Chulajata	11,080,500	11,080,500
5.	Mr. Sumet Jiambute	977,442	977,442
	Total	119,502,911	119,502,911

During the year 2020, there has been no change in the Company's shareholding of directors and executives

1.4 Amount of Registered Capital and Paid-up Capital

As of 31 December 2020, the company has registered capital of 600,243,737 Baht, paid-up capital of 494,095,237 Baht divided into 414,607,781 common shares and 79,487,456 preferred shares with a par value of 1 Baht.

Rights of Preferred Shares

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

1.5 Issuance of other securities

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

Warrant {"PK-W"}

The date of issuance of warrants	21 September 2011
Type	Warrants (Securities not listed on the SET)
Amount	106,148,500 units
Age	10 year
Exercise Date	Every 1st of March, June, September and December
First Exercise Date	1 December 2011
Last Exercise Date	1 August 2021
Exercise Ratio	1 Unit of Warrant: 1 new common share
Exercise Price	0.01 Baht: Unit
Remaining Warrant	106,148,500 Units

1.6 Dividend Payment Policy

"The Company has a Dividend Payment Policy to pay no exceed than 70% of net profit after income tax deduction on the company's Separate Financial Statement. Unless there is a need or justifiable reason not to pay dividends"

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

Dividend history of the Company for the past 3 years from 2018 to 2020

Operation result	2020	2019	2018
1. Net profit (Lost) (Baht)	(114,458,962)	(114,646,227)	(11,528,850)
2. Number of Share			
2.1 Preferred Share (Share)	79,487,456	79,487,456	79,487,456
2.2 Common Share (Share)	414,607,781	414,607,781	414,607,781
Total share	494,095,237	494,095,237	494,095,237
3. Dividend Per Share			

3.1 Preferred Share (Baht/Share)	0	0	0
3.2 Common Share (Baht/Share)	0	0	0
Total paid dividend (Baht)	0	0	0
4. Dividend payout ratio (%) of separate financial statement profit	0	0	0

Note: *In 2014-2015, the company was unpaid dividend because the company must use cash flow for support extends work and reserve for business operation

*In 2016, Finance statement restated.

*In 2018, No dividend payment

* In 2019, No dividend payment

** In 2020, the right to receive dividend is uncertain because it has to wait resolution form Annual General Meeting of the Shareholder on 22 April 2021.

2. Risk Management

2.1 Policy of Risk Management

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

2.2 The risk factors

In the assessment of the risk level of the organization on 31 December 2019, the risk factors that may have an impact significantly with the achievement of the target in the business of the company as follows:

2.2.1 The risk from the fluctuations of the raw material price

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

Management of the risk

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

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

2.2.2 Risk of Talented Personnel Shortage

The Company is involved mainly in engineering work, which requires people with knowledge, skills, and experience in design, planning, and construction including project managers, project engineers or foreman, and specialized technicians that are in demand in the job market. It is highly competitive to recruit skilled labors. Failure to recruit and/or retain quality personnel may affect the Company's ability to accept jobs or its work continuity, as well as impacting the Company's operations in the future.

Management of the risk

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

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

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

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

2.2.3 Risk from depending the high-leveled management

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

Management of the risk

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

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

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

2.2.4 Risk from depending on the large distributors

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

Management of the risk

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

2.2.5 Risk from the fluctuated rates of currency exchange

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

Management of the risk

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

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

2.2.6 Risk from a lack of the working capital

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

Management of the risk

The company has a procedure on preparing and inspecting the contracts from the customers by considering the terms of payment in each case precisely, e.g. verification of the financial status of the trade partners to supplement the consideration before taking the job, etc. It has designated the management of the liquidity carefully by using the financial ratios as the as the indicator and there was an increase of more efficiency by setting the cash conversion cycle (CCC) as the joint key performance indicator (KPI) between the project administration and the financial section. On the purchase, it has designated the KPI to procure the

suppliers who give the best price and terms of payment, etc. Moreover, it had sought working capital from the various financial institutions in reserve in case of emergency to use additional cash flow.

2.2.7 Risk from investment and overseas operations

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

Management of the risk

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

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

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

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

Management of the risk

Our company has the technology for producing food processors and machines with high efficiency, when compared with our competitors in the AEC. In addition, the company has improved and developed new innovations all the time, and expanded its business by setting up representative offices and incorporated subsidiaries in the AEC group, including having the policy of expanding business in the AEC countries continuously. It is to support the economic expansion within the ASEAN group.

2.2.9 Risk from the economic and political factors

Global economic uncertainty due to the trade war between the United States and China and economic volatility in leading countries may cause domestic and international economies unable to reach the expected

growth targets. Political change within the country should also be monitored closely since it may affect budget efficiency and confidence of the private sector, which have a direct impact on domestic and foreign investors' decision to invest, especially in expanding factories or production capacity. As a result, the Company has expanded its business to other countries to seek more business opportunities.

Management of the risk

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

2.2.10 Risk of responding to critical conditions

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

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

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

Management of the risk

The Company has developed a Business Continuity Plan (BCP) with the aim of planning, preventing, modifying the way we work and business practices to accommodate changes and unexpected events such as preparing the system to accommodate work or online meetings. Improving the functionality structure to provide flexibility working, including preparing information systems and storing data in databases that are regularly backed up.

As a result of the COVID-19 situation in 2020, the company has taken the BCP plan seriously. The company's operations can be moved seamlessly, and has the meetings to consider the results and modify BCP in accordance with changing situations, such as segmentation of employees' work to reduce the risk of germ

outbreaks. Change the way a meeting is online to reduce travel or face-to-face contact, as well as change the way customers are contacted by using video conferences, both in terms of meetings and troubleshooting basic problems at the site.

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

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

3. Driving business for sustainability

3.1 Sustainability Management Policies and Goals

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

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

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

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

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

1.) Fair business operations

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

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

2.) Anti-Corruption

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

3.) Respect for human rights

The Company recognizes the importance of human rights and has a policy of treating employees with respect for their individuality and human dignity. It specifies that all employees have the right, freedom and

equality to work and advance professionally, regardless of the employee's place of origin, race, language, religion, age, gender, physical condition or health, economic or social status, education and political views.

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

4.) Fair treatment of workers

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

- Payroll management, salary and benefits are managed with the principle of incentivizing employees to perform their duties to the fullest capacity. The system is designed to be fair, meet the requirements of the law, and have a standardized system of practice. The Company's remuneration is suitable for the level of responsibility, consistent with the business operation and is at a competitive level or equivalent to the remuneration rate of other companies in the same business.

- The Company recognizes the importance of professional development in terms of knowledge, competency and management skills through training, seminars, job viewing and is committed to developing personnel to continuously increase the potential of employees at all levels.

- The Company has set clear guidelines as employment standards. It is based on non-discriminatory principles and complies with the relevant laws by giving everyone equal opportunities, including gender, ethnicity, religion, hometown, age, disabilities, social status or education.

- Regarding safety and workplace hygiene, the Company cares about the livelihood and health of all employees. Our safety and working environment not only meet the standards required by law, but the Company also supports and promotes continuous safety activities throughout the year.

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

5.) Responsibility to consumers

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

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

3.3 Environmental Sustainability Management

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

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

3.4 Sustainability Management in the Social Dimension

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

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

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

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

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

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

4. Management Discussion and Analysis: MD&A

FINANCIAL POSITION AND RESULTS OF OPERATION 2020

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

(Unit : MB)

BALANCE SHEET	2020		2019		2018	
ASSETS						
CURRENT ASSETS	396	11%	135	3%	274	7%
Cash and cash equivalents		0%		0%	-	0%
Trade and other current accounts receivable - net	519	14%	773	19%	899	23%
Contract assets	263	7%	396	10%	-	0%
Inventories – net	369	10%	574	14%	776	20%
Other current assets	26	1%	28	1%	30	1%
Non - current assets classified as held for sale	11	0%	-	0%	-	0%
Total Current Assets	1,583	44%	1,905	47%	1,979	51%
NON-CURRENT ASSETS						
Other non - current financial assets	31	1%	34	1%	-	0%
Investments	-	0%	-	0%	6	0%
Trade and other non-current accounts receivable - net	219	6%	276	7%	246	6%
Investment property	122	3%	137	3%	86	2%
Property, plant and equipment -net	1,421	39%	1,477	36%	1,351	35%
Right of use	14	0%	-	0%	-	0%
Other intangible assets - net	76	2%	89	2%	92	2%
Deferred tax assets	133	4%	105	3%	84	2%
Other non-current assets	27	1%	30	1%	30	1%
Total non-current assets	2,044	56%	2,148	53%	1,894	49%
TOTAL ASSETS	3,626	100%	4,053	100%	3,873	100%

(Unit : MB)

BALANCE SHEET	2020		2019		2018	
LIABILITIES AND SHAREHOLDERS'EQUITY						
CURRENT LIABILITIES						
Bank overdrafts and short-term loans from financial institution	170	5%	308	8%	220	6%
Trade and other current accounts payable	431	12%	519	13%	899	23%
Contract liabilities	416	11%	498	12%	-	0%
Current portion of long-term debts	282	8%	273	7%	144	4%
Current portion of lease liabilities	20	1%	15	0%	-	0%
Other current liabilities	29	1%	43	1%	43	1%
Total current liabilities	1,348	37%	1,656	41%	1,306	34%
NON-CURRENT LIABILITIES						
Long - term loans - net	286	8%	430	11%	652	17%
Lease liabilities	22	1%	26	1%	-	0%
Deferred tax liabilities	179	5%	174	4%	133	3%
Estimated liability - employee benefit	240	7%	304	8%	235	6%
Total non-current liabilities	727	20%	934	23%	1,020	26%
Total liabilities	2,075	57%	2,590	64%	2,326	60%
SHAREHOLDERS' EQUITY						
Convertible preferred shares	76	2%	76	2%	76	2%
Share capital - common shares authorized, issued and fully paid-up	415	11%	415	10%	415	11%
Warrant	111	3%	111	3%	111	3%
Premium on preferred shares	5	0%	5	0%	5	0%
Premium on common shares	9	0%	9	0%	9	0%
Discount on common shares	-22	-1%	-22	-1%	-22	-1%
Other components of shareholders' equity	621	17%	623	15%	483	12%
Retained earnings - Appropriated for reserve fund	60	2%	60	1%	60	2%
Unappropriated retained earnings	251	7%	164	4%	390	10%
Total shareholders' equity	1,524	42%	1,440	36%	1,527	39%
Minority interest	27	1%	23	1%	20	1%
Total Shareholders' Equity - net	1,551	43%	1,463	36%	1,547	40%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	3,626	100%	4,053	100%	3,873	100%

(Unit : MB)

STATEMENT OF INCOME	2020		2019		2018	
Revenue from sales and revenues from services	3,059	100%	3,637	100%	3,824	100%
Cost of sales of goods and costs of rendering of services	-2,304	-75%	-2,941	-81%	-2,903	-76%
Gross profit (loss)	755	25%	696	19%	921	24%
Other income	67	2%	115	3%	78	2%
Distribution costs	-314	-10%	-359	-10%	-311	-8%
Administrative expenses	-458	-15%	-594	-16%	-650	-17%
Net income from operation	49	2%	-143	-4%	37	1%
Finance cost - Interest expenses	-41	-1%	-49	-1%	-41	-1%
Profit (Loss) before income tax	8	0%	-191	-5%	-4	0%
Income tax	16	1%	8	0%	-10	0%
Profit (Loss) for the years	25	1%	-183	-5%	-14	0%
Other Comprehensive income for the years	58	2%	97	3%	-5	0%
Total Comprehensive income for the years	83	3%	-86	-2%	-20	-1%
Income (Loss) Attributable to:						
Owners of the parent	22	1%	-186	-5%	-17	0%
Non-controlling interest	2	0%	3	0%	3	0%
	25	1%	-183	-5%	-14	0%
Attributable to:						
Equity holders of the parent	81	3%	-89	-2%	-23	-1%
Minority interests of subsidiaries	2	0%	3	0%	3	0%
	83	3%	-86	-2%	-20	-1%

(Unit : MB)

CASH FLOWS	2020	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit (Loss) before income tax	8	(191)	(4)
Adjustment			
Depreciation	68	81	66
Amortized intangible assets	17	14	13
Amortization for Right of Use	11	-	-
Bad debt and doubtful accounts (reversal)	24	20	4
Loss on declining in value of inventories (reversal)	5	(3)	(3)
Gain on sales of fixed assets	(3)	(3)	(3)
Write off damaged fixed assets	-	-	-
Loss on termination of intangible assets	0	-	-
Loss on impairment of assets	-	(0)	-
(Gain) on disposal of investments in subsidiaries	-	-	2
Unrealized loss on exchange rate	(0)	0	0
Provision for liabilities (reversal)	8	(9)	(3)
Employee benefit	43	63	33
Amortized intangible assets	-	-	-
Liabilities under debt restructuring plan (reversal)	(9)	-	-
Liabilities under debt restructuring agreement (reversal)	(19)	-	-
Amortized income tax	0	1	3
Interest income	(18)	(18)	(18)
Interest expenses	41	49	41
(Increase) Decrease in changes in parts of operating assets	174	3	130
Trade and current other accounts receivable	231	(117)	297
Inventories	201	204	(9)
Other current assets	(3)	0	(6)
Trade and other non-current accounts receivable	57	(29)	(50)
Contract Assets decrease (increase)	132	(177)	-
Other non-current assets	2	(11)	(1)

(Unit : MB)

CASH FLOWS	2020	2019	2018
Increase (Decrease) in changes in parts of operating liabilities			-
Trade and other accounts payable increase	(85)	45	(189)
Contract liabilities increase (decrease)	(82)	73	-
Other current liabilities	-	-	-
Cash generated from operation	627	(8)	172
Cash received from interest	18	18	18
Cash paid for interest	(44)	(48)	(38)
Cash paid from employee benefit	(67)	(29)	-
Cash received from company income tax	19	-	21
Income tax paid	(20)	(22)	(49)
Net cash provided by (used in) operating activities	532	(90)	124
Cash flows from investing activities			
(Increase) Decrease deposits at bank with commitment	2	(6)	(9)
Cash received from sales of fixed assets	3	6	4
Cash paid for purchase of fixed assets	(12)	(76)	(266)
Cash paid for purchase of intangible assets	(0)	(13)	(21)
Cash received (paid) from sales of investment	-	10	-
Cash received (paid) from sales of intangible assets	-	0	-
Net cash provided by (used in) investing activities	(6)	(77)	(292)
Cash flows from financing activities			
Increase (Decrease) in overdrafts and short-term loans from financial institutions	(138)	88	28
Cash received for shares from minority shareholders	2	0	0
Cash received for disposal of investments in subsidiaries	-	-	-
Paid for liabilities under rehabilitation plan	(329)	(51)	(46)
Paid for liabilities under rehabilitation agreement	(16)	(14)	(16)
Cash received from long -term loan from related person	314	69	328
Cash paid for long-term loans	(73)	(72)	(36)
Paid for liabilities under financial lease	(26)	(18)	(11)

CASH FLOWS	2020	2019	2018
Cash received from finance lease agreement	-	28	
Cash paid for dividend	-	-	(52)
Net cash provided by (used in) financing activities	(265)	30	196
Differences from translation of financial statements in foreign currency	1	(2)	(2)
Net increase (decrease) in cash and cash equivalents	261	(139)	26
Cash and cash equivalents as at January 1	135	274	258
Cash (decrease) from lose control in subsidiary			(10)
Cash and cash equivalents as at December 31	396	135	274

DATA PER SHARES (Baht)	2020	2019	2018
Book Value per shares	3.68	3.47	3.68
Earnings per shares	0.05	-0.45	-0.04
Cash Dividend per share	0.00	0.00	0.13
Stock Dividend per share	0.00	0.00	0.00

GROWTH RATE (%)	2020	2019	2018
Total Assets	-11%	5%	1%
Total Liabilities	-20%	11%	5%
Sales and Services Income	-16%	-5%	-19%
Cost and Expenses	-21%	1%	-13%
Net Income	-112%	961%	-107%

Patkol Public Company Limited

FINANCIAL RATIO	2020	2019	2018
LIQUIDITY RATIO:			
Liquidity Ratio (Time)	1.17	1.15	1.51
Quick Ratio (Time)	0.68	0.55	0.90
Liquidity Ratio - Cash (Time)	0.35	-0.06	0.09
Account Receivable-Turnover (Time)	3.43	3.31	3.02
Average no. of day for collection (days)	105.11	108.60	119.30
Inventory Turnover (Time)	4.89	4.36	3.76
Average no. of day for sales (days)	73.68	82.60	95.70
Account Payable-Turnover (Time)	4.85	4.15	2.92
Average no. of day for payment (days)	74.25	86.78	123.25
Cash Cycle (days)	104.54	104.42	91.76
PROFITABILITY RATIO:			
Gross margin (%)	25%	19%	24%
Operation profit margin (%)	2%	-4%	1%
Other Profit Margin (%)	2%	3%	2%
Cash to profitability ratio (%)	1077%	63%	340%
Net profit margin (%)	1%	-5%	0%
Return on equity (%)	2%	-13%	-1%
EFFICIENCY RATIO :			
Return on Assets (%)	1%	-5%	0%
Return on Fixed Assets (%)	6%	-7%	4%
Assets Turnover (Times)	1	1	1
FINANCIAL POLICY RATIO :			
Debt to Equity Ratio (Time)	1.4	1.8	1.5
Time Interest Earned (Time)	13	-1	4
Cash debt coverage(Cash basis) (Time)	-6	1	-0
Dividend payout ratio(%)	0%	0%	-299%

Management Discussion and Analysis (MD&A)

The analysis of financial position and financial performance is the process of analyzing consolidated financial statements of the company for the year ending 31 December 2020.

Due to the coronavirus (COVID-19) pandemic, in 2020, the company had revenues from sales and services of 3,059 million baht, which is a decrease of 578 million baht or 16%. This situation has had a global impact, also resulting in a decline in the company's revenues, both domestically and internationally. However, the company was able to adapt quickly to the situation. The management has issued urgent special measures to deal with the COVID-19 situation since the beginning of 2020 as follows:

1. Refrain from boards' meeting allowances
2. Approval Control for Contractors
3. Inventory Control
4. Overtime Working Control
5. Monitoring Overdue debt

These measures are created to reduce the company's costs and expenses and to sufficiently manage cash flow if the situation continues to worsen into a crisis. As the management team forecast that this situation may take longer, he/she has adopted a plan to support the ongoing business operation. BCP (Business Continuity Planning) will be implemented to manage all of the COVID-19 management. As a result, in 2020, the company earned a net profit of 22 million baht, an increase of 112% from 2019. It can analysis as follow:

Consolidated Amount (Million Baht)	Ice machine and Industrial refrigeration machine	Machineries for Liquid and food processing	Service and Spare part	Total
2020				
Sales and services - domestic	1,639.3	649.3	331.0	2,619.5
Sales and services - overseas	301.0	121.9	16.9	439.7
Total	1,940.3	771.1	347.8	3,059.2
Cost of goods sold	(1,439.6)	(588.7)	(275.8)	(2,304.1)
Gross Profit	500.7	182.4	72.0	755.1
% of profit per total sales	26%	24%	21%	25%
% sales per total Sales	63%	25%	11%	100%

2019				
Sales and services - domestic	1,984.8	600.3	439.7	3,024.8
Sales and services - overseas	424.7	107.2	80.2	612.2
Total	2,409.6	707.5	519.9	3,637.0
Cost of goods sold	(2,173.5)	(511.0)	(256.8)	(2,941.3)
Gross Profit	236.0	196.5	263.1	695.6
% of profit per total sales	10%	28%	51%	19%
% sales per total Sales	66%	19%	14%	100%
% Product growth	-19%	9%	-33%	-16%
2018				
Sales and services - domestic	1,654.0	840.2	572.4	3,066.6
Sales and services - overseas	580.7	150.3	26.2	757.3
Total	2,234.7	990.5	598.6	3,823.8
Cost of goods sold	(1,802.9)	(674.6)	(425.7)	(2,903.2)
Gross Profit	431.8	315.9	172.9	920.6
% of profit per total sales	19%	32%	29%	24%
% sales per total Sales	58%	26%	16%	100%
% sales and services - domestic	8%	-29%	-13%	5%

1. Revenue from sales and services

In 2020, most of the company's revenue came from the ice machine and cooling industry systems, representing 63% of the total revenue. The machinery and systems business for liquid products and food processing made 25% of the company's revenue, and the service group accounted for 11% of total revenue, analyzing the growth rate in each business group as follows:

Ice machine and Cooling Industry System, the growth rate decreased by 19%, as customers delayed investment due to COVID-19.

The machinery business and business systems for liquid products and food processing increased by 9% due to a project contract in the previous year, but revenue will be recorded in 2020.

The service and spare parts business growth rate decreased by 33% due to the economic conditions affected by COVID-19.

2. Other Revenues

Other company's revenue was 67 million baht or 2.2% of the total revenue in 2020, and revenue also generated from other business operations of the company, such as exchange rate gains, interest, bad debts that are subsequently refunded, etc. Other revenue will generally be at this rate each year. However, compared to 2019, there will be quite a difference, since in 2019, the company has higher than usual revenue as a result of employees' transfer and employee retirement from one subsidiary to another subsidiary. Meanwhile, subsidiaries that accept those employees must bear the expenses of the transferred employees and record them as expenses in that company.

3. Cost of sales and gross profit

In 2020, the company's gross profit was 25% of revenue, while in 2019, it was 19% of revenue. In 2020, the company's sales and service revenue were reduced to 578 million baht or -16% from 2019, but there can be an increase in gross profit from the previous year of 59 million baht or 8.5% in 2019, as the company has implemented special measures to strictly control costs in this situation. As mentioned above, the company has implemented special measures to control costs, making it possible to deal with the situation in time.

4. Distribution costs and administrative expenses

In 2020, distribution costs and administrative expenses were 772 million baht or 25% of revenue, while in 2019, expenses were 953 million baht or 26% of revenue. However, compared to the previous year, the company had a decrease in distribution costs and administrative expenses of 180 million baht in 2020, mainly from employee expenses and travel expenses. The company has since restructured its organization to increase competitiveness and has adjusted the new normal management by creating a management tool and establishing a systematic method for controlling work at a distance with the principle that everyone can work from anywhere.

5. Net Profit

In 2020, the company had a profit of 22 million baht or 0.7% of revenue, while in 2019, the company had a net loss of 186 million baht or -4.9% of total revenue. Therefore, the company recorded impairment losses of 24 million baht on foreign investments in 2020.

6. Assets and Liabilities

Assets

At the end of 2020, the company had assets of 3,626 million baht, and at the end of 2019, it had assets of 4,053 million baht. The company's assets decreased by 420 million baht. or -11%

In terms of declining assets, most of them are account receivable, other non-current receivables and inventory. When analyzing the collection period, the company had an average collection period of 105 days, which, in 2019, averaged 109 days, while the average selling period decreased by 73 days and in 2019 was 82 days.

Liabilities

At the end of 2020, the company had liabilities of 2,075 million baht, and at the end of 2019, it had liabilities of 2,590 million baht. The company's debt rate decreased by 515 million baht or -20%

Decrease of liabilities comes mainly from account receivable and loans. The repayment period of 2020 was 74 days, while it was 87 days in 2019. This is due to the repayment of loans to financial institutions.

According to the data, in 2020, the growth rate of total assets decreased by -11%, while the growth rate of total liabilities decreased by -20%, showing that debts reduced more than property, which is good.

7. Shareholders' Equity

As of 31 December 2020, the company had a shareholder's equity of 1,551 million baht. As of December 31, 2019, the company had a shareholder's equity of 1,463 million baht.

When considering the proportion of liabilities to shareholders' equity, the company found that as of 31 December 2020 and as of 31 December 2019, it was 1.4 and 1.8 times respectively, which does not exceed the company's policy that the debt to shareholder's equity should not exceed two times, demonstrating the company's operational efficiency and financial stability.

8. Liquidity Analysis

The company has liquidity ratios at the end of 2020 and end of 2019 at 1.17 times and 1.15 times, respectively, with liquidity ratio turnover at the end of 2020 and the end of 2019 at 0.68 times and 0.55 times.

The average debt collection period at the end of 2020 and the end of 2019 was 105 days and 109 days, respectively. The average sales period at the end of 2020 and the end of 2019 was 74 days and 83 days, respectively. The average repayment period at the end of 2020 and the end of 2019 was 74 days and 87 days, respectively, so the company's cash cycle at the end of 2019 and the end of 2018 was 105 days and 104 days, respectively.

When considering the details, the period of debt collection decreased due to the company's stricter debt collection. Although contract receivables are already in long-term leases, there is a reduced selling period, according to the inventory control measures introduced during the COVID-19 situation, which reduced the repayment period. From this new procurement strategy, the company may require a new distributor, which may initially start with short-term credit.

When considering the cash flow statement, the company's net cash flow increased by 261 million baht from the end of 2019, which included: Net cash flow from operating activities of 532 million baht, cash flows used from investment activities of 6 million baht, and net cash flow was used to repay loans of 265 million baht.

9. Liabilities off balance sheet

At the end of 2020, the company has bank guarantees 192.54 million bath , 0.0037 million euros and 0.38 million US Dollars divided into:

1. Bank guarantee letter with electricity, customs and fuel cards in the amount of 4.29 million baht
2. Bank guarantee letters for project work in the amount of 188.25 million bath, 0.0037 million euros and

0.38 million US Dollars consisted of the following guarantees

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

5. General Information and Other Important Information

5.1 General Information

PATKOL PUBLIC COMPANY LIMITED (PK)

Location: No. 348 Chalerm Prakit Rama 9 Road, Pravate, Nongbon, Bangkok 10250 Thailand

Tel: + 66 (0) 2328 1035

Fax: + 66 (0) 2328 1245

Website: <http://www.patkol.com>

Registration: 0107536000587

Date of Establishment: 28 November 1965

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

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

Registered Capital: 600,243,737 Baht

Paid-up Capital: 494,095,237 Baht

Paid-up Common share: 414,607,781 Share

Paid-up Preferred share: 79,487,456 Share

Par Value: 1 Baht

Reference Firms

Registrar of Common Shares: Thailand Securities Depository Co., Ltd

93 Ratchadapisek Road, Dindaeng, Bangkok.

Tel. +66 (0) 2009-9000

Authorized Auditor: Karin Audit Company Limited

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

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

5.2 Other Important Information

Summary Business held by the Company 10% upward

1. Patkol Manufacturing Company Limited (PKM)

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

Tel. +66 (032) 447 920-27

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

Registered Capital: 100,000,000 Baht Shareholding 99.99%

2. Patkol Trading Company Limited (PKT)

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

Tel. +66 (0) 2328 1035 49

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

Registered Capital: 30,000,000 Baht Shareholding 99.99%

3. S Panel Company Limited (SPN)

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

Tel. +66 (034) 885 090 91

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

Registered Capital: 40,000,000 Baht Shareholding 80%

4. Heat Away Company Limited (HA)

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

Tel. +66 (038)-088 708

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

Registered Capital: 10,000,000 Baht Shareholding 99.99%

5. Tygienic Company Limited (TG)

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

Tel. +66 (0) 2328 1035

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

Registered Capital: 65,000,000 Baht Shareholding 99.99%

6. Patkol Philippines Corporation Company Limited (PK-PH)

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

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

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

7. PT. Indonesia Patkol Service Corporation (PK-ID Service)

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

Business Type: Machinery installation and maintenance services in Indonesia

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

8. PATKOL Malaysia Sdn Bhd (PK-MY)

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

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

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

9. Patkol Myanmar Company Limited (PK-MM)

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

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

Registered Capital: 50,000 USD Shareholding 99 %

10. PT. Indonesia Patkol Refrigeration (PK-ID RF)

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

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

Registered Capital: 10,000,000,000 Indonesian Rupiah Shareholding 67%

5.3 Legal Disputes

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

1. Civil court case between Chubb Samakkhi Insurance Public Company Limited, plaintiff No.1 with two other plaintiffs, and S Panel Co., Ltd. defendant No. 1, and with another defendant. The three plaintiffs filed a civil case against both defendants regarding infringement, transfer of rights, indemnification, and unsafe products for a total of 143 million baht on January 11, 2019. The case was due to a fire in the storage building where the three plaintiffs are the insurer.

2. The Samut Prakan Provincial Court case between LF Logistics Co., Ltd., as plaintiff, and WHA Daiwa Logistics Property Co., Ltd. defendant No. 1 and S Panel Co., Ltd. defendant No. 2. The plaintiff filed a civil case against both defendants regarding infringement and damages for a total of 246 million baht. The case was due to a fire in a storage building on January 14, 2019, in which the plaintiff was the tenant of the storage building. The case is under consideration of the Court of Appeal because there is a request to add a co-plaintiff. The case is currently pending in court. The Company's management and legal advisors are of the opinion that the outcome of the lawsuit is uncertain and inconclusive at this time. Therefore, the damage value has not been estimated. The Company and other subsidiaries have no other legal disputes that may negatively affect assets of the Company and its subsidiaries that amount to more than 5% of equity and/or have no significant impact on business operations.

Part 2

Corporate Governance

6. Corporate Governance

6.1 The policy and guidelines of good corporate governance

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

1. The Board of Director, the management and all the employees have determined to apply the main principle in the good corporate governance in the six aspects as the principle in the practice are:

1.1) It has accountability for its decision-making.

1.2) It takes responsibility for the duty performance with the existing capability and sufficient efficiency.

1.3) It has transparency that can be verified.

1.4) It has fairness and equity for the stakeholders.

1.5) It has a vision to create long-term value.

1.6) It has virtue, ethics and code of conduct in the business operations

2. The Board of Director, the management and all of the employees determined to apply the practice on the principle of good corporate governance of the company, business ethics and code of conduct of the directors, the management and the employees as guidelines in the operation.

3. The Board of Director, the management and all of the employees determined to apply the practice on the principle of good corporate governance of the company, business ethics and code of conduct of the directors, the management and the employees as guidelines in the operation.

4. The Board of Director encourages participation and designation of the channel that can communication with the shareholders, the investors, the supervision agency, the stakeholders, including giving general information to the interested persons.

5. The Board of Director provided an operation for the managerial structure of the company by designating the duty and responsibility of each board of directors and the management clearly.

6. The Board of Director shall provide the system of risk management and the internal audit to be at the suitable and efficient level, including the accounting system and a report on finance with accuracy and reliability.

Responsibility of the Board of Directors

1. Components of the Board of Directors

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

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

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

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

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

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

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

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

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

2. Qualifications of the board of Directors

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

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

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

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

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

3. Term of the Directorship

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

4. The Meetings of the Board of Directors

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

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

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

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

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

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

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

5. Self-Assessment of the Board of Directors

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

6. Independence of the Board of Directors and the management

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

7. Development of the Directors and the Management

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

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

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

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

6.1.2 Policy and guidelines related to shareholders and stakeholders

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

1. Meeting of the shareholders

- 1.1) **Annual general meeting {AGM} of the shareholders:** The Board of Director has designated the AGM once a year by no more than four months following the date of ending the financial year of the company. However, if there is necessity/emergency to present a special agenda, which affects or involves with the interests of the shareholders or related to the condition or guidelines on the applicability, it shall require prior approval from the shareholders.
- 1.2) **Propagation of the information to supplement the shareholder's meetings:** The company shall disseminate the information to complement the agenda of the shareholder meeting in advance by about one month before the meeting date in the website of the shareholders at www.patkol.com. Moreover, it shall explain the right of the shareholders in the attendance of the meeting and the right to vote by the shareholders as well.
- 1.3) **Providing convenience on the exercise of the right to the shareholders and the institution investors:** The Company shall provide convenience to the shareholders and the institution investors to exercise the right by organizing the meeting venue of the shareholders that is convenient for the travel, with opening an opportunity for the shareholders and the institution investors to send a question related to the meeting agenda to the Board of Director a minimum of 90 days before the meeting date via the website of the company or by fax number 02-328-1245.

It shall notify via the news system of the SET with dissemination of the letter of invitation to the AGM of the shareholders.

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

2. Implementation on the shareholder's meeting date.

- 2.1) The Board of Director encourages to apply the technology with the AGM on registering the shareholders on counting the scores and show the results, so that the meeting can be conducted expediently, correctly and accurately with voting by the show of hands for more accuracy.
- 2.2) The company shall encourage all the directors to attend the shareholder meeting, which the shareholders can inquire the chairman of the committees in the relevant matters.
- 2.3) In the shareholder meeting, it shall provide voting separately for each item. In case that item contains multiple names, e.g. the item on the appointment of individual directors, etc.
- 2.4) The Board of Director shall encourage on an independent counting person or inspector of the voting scores in the AGM and the extraordinary general meeting (EGM) and disclose to the meeting for acknowledgement with recording in the meeting report.
- 2.5) The Board of Director shall encourage using the ballots in the important items, e.g. making the related items, making an item of acquisition or disposal of assets, etc. for transparency and accountability, in the case there is an argument later on.
- 2.6) The chairman of the meeting shall allocate the appropriate time and encourage the shareholders to have a chance to express their opinions and ask a question(s) in the meeting on the relevant matter with the company.
- 2.7) The company has prepared a VDO on the meeting of the shareholders throughout the meeting time, so the shareholders who have a question can follow up on the meeting of the shareholders.

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

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

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

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

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

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

Equitable Treatment of Shareholders

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

Policy in the equitable treatment of shareholders

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

1. Giving information before the shareholders meeting

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

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

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

2. Protection of the right of the minor shareholders

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

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

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

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

The Directors' Conflict of interest

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

Policy and practice on conflict of interest

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

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

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

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

1. Policy and Guidelines on Taking Care of the Vested Interests

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

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

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

1) Employee

Policies on taking care of the employees

1. The company gives compensation to its employees by holding on to the principle of consideration with fairness and can measure the result, e.g. monthly income, income from overtime, commissions, annual bonus, provident fund, savings cooperative, life insurance and health insurance, etc.

2. The company intends to promote and develop its personnel to have knowledge and skills continuously, i.e. to have training and seminar of the management and the employees at all levels for the whole year, etc.

3. The company has treated all of its employees with equity, e.g. assessment of the employees, keeping the secret of the working experience and the exercise of their various rights, etc.

4. The company considers the right of the employees as priority and opens an opportunity for its employees to file a complaint in the case they are not treated fairly through the various channels, e.g. the complaint box, the Human Resources Department (HR), etc.

5. The company has a duty to take care of the working environment to have safety, hygiene and suitable for working with effectiveness, e.g. the company manages to have implementation on the 5S (1. Clearing up, 2. Organizing, 3. Clearing, 4. Standardizing and 5. Training & Discipline). It has set up the safety unit to control and take care of the occupational health and safety health, etc.

2. Customers

Policies on taking care of the customers

1. The company has a duty to build up long-term relations and cooperation with the customers by adhering to the integrity, sincerity with the customers, trust and reliability to each other.

2. The company has a duty to make maximum satisfaction for its customers by taking responsibility, attention, goods sales and service with friendliness and priority to the problems and demands of the customers.

The management and all of its employees shall comply with the following measures:

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

3. Shareholders

Policies on taking care of the shareholders

1. The company has a duty to protect and respect the basic rights of the shareholders, e.g. the right to trade or transfer shares, share the profits of the business, receive news and information on the business sufficiently, and attend the shareholders' meeting or appoint or remove the directors, appoint the auditor, allocate the dividends, setting up or amending the bylaws or the memorandum of association, reduction or increase of the capital and approve of the special items, etc.

2. The company has a duty to promote and encourage the shareholders to exercise their rights on the various matters in the annual general meeting (AGM) i.e. the right to present an item in the AGM in advance, the right to nominate a candidate to be elected as the directors in advance, the right to submit a question to the meeting in advance before the meeting, the right to express an opinion and ask a question with the meeting, etc.

3. The company shall not do anything to violate or limit the right of the shareholders.

4. Trade Partners (including the consultants and subcontractors)

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

1. The company has a duty to create good relations with all the trade partners.

2. The company has a duty to open an opportunity to all the trade partners to present the goods or service equally, while the management and its relevant employees with the trade partners shall comply with the following measures:

- It has to work with the trade partners with integrity and equity.
- The consideration and decision-making shall be based on the basis of comparison of quality and various conditions considering the company's interests both on the short term and long term.
- It has to keep the secrets of the trade partners by prohibiting from accepting a bribe or commission from the trade partners, including being prohibited from disclosing information or a proposal from one or multiple trade partners for acknowledgement directly and indirectly.

5. Creditors

Policies on taking care of the creditors

1. The company has a duty to build up relations and practice on the creditors by adhering to the principle on integrity, reliability and mutual trust.

2. The company has a duty to take responsibility, attention and priority on the various conditions on the agreement with the creditors at the best.

6. Governmental Agencies

Policies on taking care of the governmental agencies

1. The company shall operation follow the law and any conditions that was determined. Moreover, we shall operation over than the law and/or any condition that was determined.

2. The company shall support the activities in the various occasions of the government agencies as appropriate.

3. The company has a policy of prohibiting from giving or receiving a bribe to the governmental authorities, which specified in the policy and guidelines on resist fraud and corruption of the company and its affiliates in Patkol group.

7. Communities around the Factory

Policies on taking care of the communities around the factory

1. The company and its employees have to adhere to the behavior of being good citizens and benefit the society and communities

2. The company and its employees have a duty to behave good to the communities residing nearby with friendliness, help and support the communities to have good living, including taking responsibility for addressing in case of a problem derived from the operations of the company with equity.

3. The company and its employees have a duty to take care and support of the activities with a benefit to the society and cooperation with the public sector and the various agencies with willingness and sacrifice for the benefit of the public.

Mechanisms for Participation by the Stakeholders

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

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

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

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

Disclosure of Information and Transparency

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

1. Disclosure of the Information by the Board of Directors

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

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

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

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

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

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

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

2. Disclosure of Information on the Website of the Company

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

6.2 Business Ethics

Patkol Public Company Limited and its subsidiaries (companies) set good operational practices for directors, executives and all employees (personnel) to use as a guideline for achieving business goals along with ethical standards. Including the relevant rules, the meeting of the Board of Directors of Patkol Public Company Limited No. 2/2019 held on February 22, 2019 passed a resolution approving the revision of the Company's business ethics with the following criteria

1. Code of Conduct Towards the Company

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

2. Code of Conduct When Dealing with Customers

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

3. Code of Conduct Towards Shareholders

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

4. Code of Conduct Towards Employees

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

5. Code of Conduct Towards Business Partners

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

6. Code of Conduct towards Creditors

- 1) The Company will build good relationships and treat creditors based on honesty, reliability and mutual trust.
- 2) The Company will take responsibility, care and value the conditions in which the agreement is made with the creditors to the best of our abilities. If there is a situation that results in an inability to comply with any of the

terms of the agreement resulting in the Company unable to comply with any of the terms, we will inform the creditors as soon as possible to work on a solution.

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

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

8. Code of Conduct Regarding Intellectual Properties

- 1) The Company will make use of appropriate information technology under the Copyright Act B.E. 2537 (1994) and the Computer Crime Act B.E. 2550 (2007), as well as related laws.
- 2) The Company will comply with intellectual property laws and will not infringe on the intellectual property of others. The Company will protect the Company's intellectual property against infringement by other parties.
- 3) Intellectual property resulting from duties assigned by the Company or work used for the Company are owned by the Company. The company's personnel must turn over the work to the Company regardless of the format used to store information, work or copyright.

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

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

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

- 1) The Company will abide by the relevant laws and regulations as well as follow the guidance of regulators and government agencies to conduct business properly.
- 2) The Company is politically neutral. It does not support any political party, political group or politician, either directly or indirectly.
- 3) The Company's personnel have the right to freely participate in political activities under the provisions of the law as long as their participation is done outside of business hours and the personnel does not wear the Company's uniform or use the Company's assets.

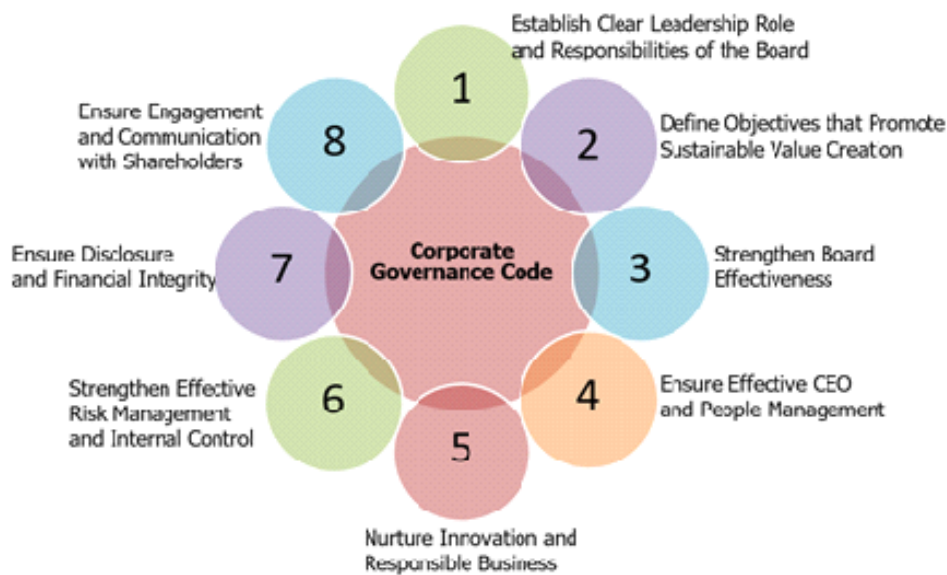
11. Code of Conduct Towards Competitors

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

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

The Board of Directors Meeting No.3 / 2018 on August 10, 2018 acknowledged the good corporate governance for listed companies in 2017 (CG Code 2017). In accordance with the guidelines of the Securities and Exchange Commission set out in 8 categories with details as follows:

Corporate Governance Code 2017



Principle 1 Establish Clear Leadership Role and Responsibilities of the Board

Principle 2 Define Objectives that Promote Sustainable Value Creation

Principle 3 Strengthen Board Effectiveness

Principle 4 Ensure Effective CEO and People Management

Principle 5 Nurture Innovation and Responsible Business

Principle 6 Strengthen Effective Risk Management and Internal Control

Principle 7 Ensure Disclosure and Financial Integrity

Principle 8 Ensure Engagement and Communication with Shareholders

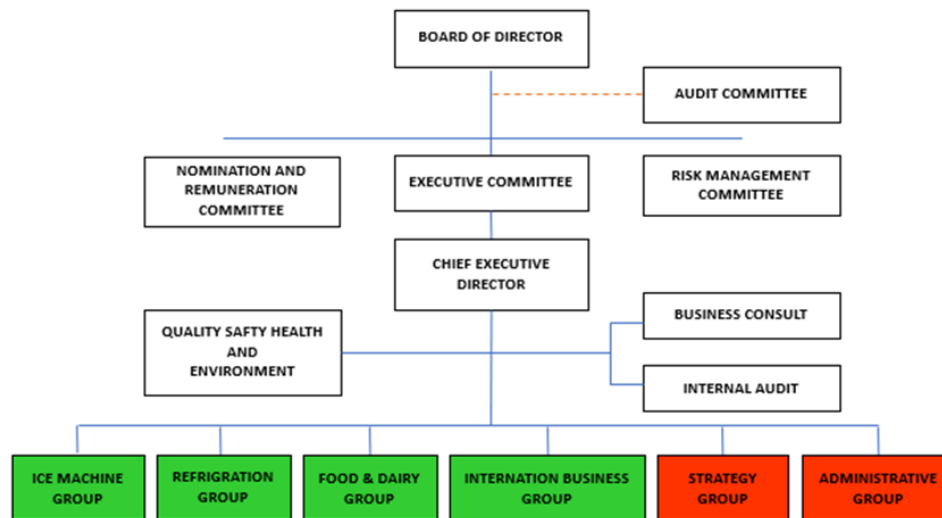
From considering the principles of good corporate governance for listed companies in the year 2017 (CG Code) in all 8 topics, it was found that The Board of Directors has always adhered to the above principles.

However, in 2021, the Company plans to consider and review such principles. To increase the efficiency of governance and to demonstrate that the Company has raised the level of corporate governance standards of the company to be more in line with the principles of good corporate governance for listed companies in 2017 (CG Code).

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

7.1 Management structure

Internal management structure (As defined by SEC)



7.2 Information of Directors

The Company's Management Structure comprises the Board of Directors and 4 committees to support and assist the Board of Directors the 4 committee as follows; (1) Executive Committee (2) Audit Committee (3) Nomination and Remuneration Committee and (4) Risk Management Committee.

Board of Directors

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

As at 31 December 2020, the Board of Directors There are a total of 12 directors who are highly qualified in the areas of skills, knowledge and experience that are beneficial to the operation

- (1) 8 executive directors
- (2) 4 non-executive directors, consisting of Four independent directors account for one-third of the total number of directors.

List of Board of Directors as follows:

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

Authorized Directors at present

"Mr. Sangchai Chotchuangchutchaval and Mr. Panet Chongvatana, both of these Directors have been authorized to sign and stamp with the company's seal or Mr. Sangchai Chotchuangchutchaval or Mr. Panet Chongvatana has been authorized to sign with Ms. Anongsiri Chaiyakul, Mr. Paradorn Chulajata, Mr. Sumet Jiambutr, Ms. Naitya Chongvatana that combine 2 Directors of sign and stamp with the company's seal."

The Authorities and Duties of the Board of Directors

The Board of Directors is primarily responsible to the shareholders regarding the Company's business operations. And have the roles and responsibilities to supervise the work of the management in accordance with the objectives and the company's article of association, compliance with law and shareholders' resolutions, as well as careful care of the interests of all parties concerned equally under the duty of honesty, prudence and prudence, considering the maximum benefit of the Company

and fairness to all shareholders.

The scope of authority of the Board of Directors is as follow:

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

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

7.3 Information of Sub-committees

Sub-committees

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

- **Executive Committee**

Qualifications and Requirements of Executive Committee

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

List of Executive Committee as follows:

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

Scope of Authority of the Executive Committee

- 1) Determine the policy, target, strategy, operating plan, investment project, annual budget and other management authorization to be proposed to the Board of Directors for approval.
- 2) Supervise and monitor the company' business operations consistent to the policy, target, strategy, operating plans, investment projects and the annual budget with approved by the Board of Directors to be effective and augment the business condition with giving consultation, introduction, management and report the operating results to the board meeting for acknowledgement.
- 3) Regulate the organizational structure and management with efficiency covering the recruitment, training, employment and termination of the employees, who are the management or senior executive. It may assign the chairman of the board of the Chairman of the Executive Committee as the authorized person to sign the employment contract.
- 4) Supervise and approve the matter related to the operations of the company such as,
 - 4.1) Consider approving the sales from 100-300 million baht.
 - 4.2) Consider approving the sales of the property, including the investment valued from 10-30 million baht.
 - 4.3) Consider deciding in the case there is a problem in delivering jobs to customers with the total project value is more than 50 million baht, and cannot deliver the job by exceed 180 days.
 - 4.4) Consider setting guidelines on taking legal actions,
 - In the case the company has become a plaintiff or defendant in the civil case with the capital exceed 10 million baht.
 - In the case the company has become a plaintiff or defendant in all the criminal cases.
 - 4.5) Consider accepting a fine and/or return of the goods with the total project value by more than 10 million baht.
- 5) Consider approving the financial transactions with a financial institution to open or close the account, lending/borrowing, pledging, mortgage, guarantee and anything, including a transaction, registration of land ownership to do the normal transaction of the company under the authorized amount of 10 million baht.
- 6) Consider screening all types of the jobs presented to the Board of Director except the job under the responsibility and/or authority of Sub-committees of the company to become the screener to present to the Board of Director directly.
- 7) It has the power to appoint and supervise the operations of the Management Committee appointed according to the set policy and target.

8) It may assign someone or a Management Committee with the power to act on behalf of the Executive Committee as it deems appropriate, and may cancel, revoke and change or revise such the power.

9) Perform other duties as assigned by the Board of Directors.

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

Tenure and Vacancy

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

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

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

1) Death

2) Resignation

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

4) The Board of Directors has resolved for retirement.

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

- **Audit Committee**

Definition Audit Committee

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

List of Audit Committee as follows:

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

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

Qualifications and Requirements of Audit Committee

- Same the qualifications of the Company's independent directors.

Scope of Authority and Duties of the Audit Committee

- 1) Review the Company financial reporting in accordance with the accounting standards prescribed by law is accurate and adequate.
- 2) Review the Company an appropriate and effective internal control and internal audit system are in place, and the adequacy of the risk management process.
- 3) Review the Company to comply with the Securities and Exchange Act and the Stock Exchange of Thailand (SET) regulations, and the law related to the business of the company.
- 4) To consider connected transactions or transactions that may lead to conflicts of interests in accordance with the laws and regulations of the Stock Exchange of Thailand (SET).

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

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

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

Tenure and Vacancy

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

- 2) Audit Committee members who vacated office by rotation May be re-appointed as the Board deems appropriate.
- 3)The Audit Committee vacates office upon
- (1) The expiration of the term
 - (2) Die
 - (3) Resignation
 - (4) The Board of Directors has resolved to vacate office.
 - (5) Not being qualified as an audit committee in accordance with the charter of the audit committee or the rules and regulations of the Capital Market Supervisory Board; the Stock Exchange of Thailand (SET) And various regulators set up.
- 4) If the Audit Committee member(s) wish to resign before the end of the term should report to the Board of Director before at less 1 month in advance with the reason(s) for the Board of Directors to consider the appointment of another qualified person(s) to replace.
- 5) When a member of Audit Committee retires the Audit Committee cannot stay until the term. As a result, the number of Audit Committee member is less than 3 persons. The Board of Directors will immediately appoint the new Audit Committee of delayed within 3 months from the date the number of committees is incomplete. To ensure continuity in the work of the Audit Committee and the person who becomes a member of the Audit Committee will be in the position only for the remaining term of the member of the Audit Committee.

- **Nomination and Remuneration Committee**

Qualifications and Requirements of Nomination and Remuneration Committee

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

List of Nomination and Remuneration Committee as follows:

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

Scope of Authority and Duties of the Nomination and Remuneration Committee

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

Tenure and Vacancy

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

- **Risk Management Committee**

Qualifications and Requirements of Risk Management Committee

- 1) The Risk Management Committee consists of at least 3 members of the Risk Management Committee and at least 1 Risk Management Committee must be an independent director.

- 2) Can devote sufficient time to the work of the Risk Management Committee.
- 3) Independent Director who chaired the Risk Management Committee. Qualifications of independent directors must be fully fulfilled in accordance with the Notification of the Capital Market Supervisory Board.

List of Risk Management Committee as follows:

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

Scope of Authority and Duties of the Risk Management Committee

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

Tenure and Vacancy

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

Board of Directors. The person who becomes a member of the Risk Management Committee shall be in the position only for the remaining term of the Risk Management Committee member.

The directors' remuneration for the year 2020 in amount but not exceed 8 million baht as follows:

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

Annual General Meeting of the Shareholder on 2020 Resolved not to pay meeting allowances of the Board of Directors and 4 sub-committees from May to December 2020

7.4 Management Team

The management team consists of

- | | | |
|-----------------|----------------------|-------------------------|
| 1. Mr. Sangchai | Chotchuangchutchaval | Chief Executive Officer |
| 2. Mr. Panet | Chongvatana | Chief Strategy Officer |

		Managing Director of Ice Machine
3. Ms. Wannaporn	Trinvisutthikul	Chief Administrative Officer
		Executive Director Accounting and Finance
		Company Secretary
4. Mrs. Siwaporn	Dumronglaohapun	Managing Director of FOOD & DAIRY GROUP
5. Mr. Chakkraphong	Chaosuan	Chief International Business Officer (Acting)
6. Mr. Suwat	Grittiyarangsan	Managing Director of Refrigeration (Acting)

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

Scope of Authority and Duties of Chief Executive Officer

- 1) Define business plan, investment plan and annual budget plan to propose to the Executive Committee and/or Board of directors.
- 2) Overall management responsibility and consider various management policies of the company to achieve the company's goals under the policy framework, business plans and budget plans approved by the Board of Directors.
- 3) Approve the implementation or approve spending money for various actions according to the authority of approval of the company or according to annual budget approved by the Board of Directors.
- 4) Recruiting, hiring, transferring, suspending and dismissing executives and employees in all positions; Including the scope of authority and reasonable return for equivalent positions from senior director upwards, report to the Board of Directors for acknowledgment, equivalent level positions are managed by the Internal Audit Department, with the opinion of the Audit Committee.
- 5) Appoint the authorized signer in various documents the company's accounting, finance, procurement, production, sales and general administration, including other important documents.
- 6) Modify, amend and abolish rules, orders, announcements, regulations, penalties, and internal controls for serve as a guideline for all employees and to ensure that the management within the organization is in accordance with the company policy.
- 7) Appointment of consultants, necessary to operate for the benefit of the company and includes the authority to appoint a lawyer to prosecute or enter into litigation involving the company.
- 8) Assign to other persons to perform or act on their behalf as deemed appropriate and it can be revoked, revoked, changed or modified.

9) Performance reports the progress of the projects and as well as financial status to the Executive Committee and Board of Directors.

10) Perform other actions according to the Executive Committee or the Board of Directors.

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

Management Remuneration (E14-E16)

Total remuneration of the Company's management and the company groups of companies in 2020 in the amount of 60.67 Million Baht.

7.5 Employees

Employees

Number of employee's companies in Patkol group as of December 31, 2020, there are 1,105 people as detailed below:

Group	Executive (E14-E17)	Management (M12-M13)	Operation (S11-D1)	Total
ICE Machine Group	4	9	212	225
Refrigeration Group	1	6	135	142
Food & Diary Group	3	9	96	108
International Business Officer	3	4	60	67
Strategy Group	2	4	51	57
Administrative Officer	4	6	105	115
MG	1	5	14	20
PATKOL Manufacturing Co., Ltd.	1	1	70	72
S Panel Co., Ltd	1	1	77	79
Heataway Co., Ltd	1	0	69	70
Patkol Trading Co., Ltd	1	1	17	19
Tygienic Co., Ltd	0	4	127	131

Employee benefits

The totalling amount benefit of employees of the Company and the company groups as of 31 December 2020 in the amount of 568,071,874 Baht as detailed below:

Type of Benefits	Total (Baht)
Wages / Salary	534,954,840
Incentive	12,681,992
Provident fund	11,679,316
Social security fund	8,755,726

7.6 Other Important Information

- **Company Secretary**

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

Scope of Authority and Duties of Company Secretary

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

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

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

- **Internal Audit**

Head of internal audit

The company appointed Ms. Parichat Tamnanok to hold the position from September 1, 2016 to present. The person has knowledge and experienced which useful in performing the duties, having completed the training courses and seminars that required and relevant in performing internal audit duties.

Provide risk management advice to the Board of Directors, and overseeing the board of directors' business, as well as coordinating and monitoring the compliance with the Resolutions of the Board of Directors.

Responsibilities

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

Audit fee

1) Audit fee for the year 2020

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

The details of the certified auditors are as follows:

1. Mr. Jadesada	Hungsapruek	CPA License No. 3759 or
2. Mr. Jirote	Sirirrote	CPA License No. 5113 or
3. Ms. Kannika	Wipanurat	CPA License No. 7305 or
4. Ms. Nonglak	Pattanabandith	CPA License No. 4713 or
5. Mrs. Sumana	Senivongse	CPA License No. 5897

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

The total fees for financial statement for the year 2020 are in the amount of 1,735,000 Baht.

2) Non-Audit fee

-none-

8. Corporate Governance Report

8.1 Summary of the Board's Performance in 2020

In appointment of directors, The Nominating Committee comprises 4 independent directors out of the total of 3 Nominating Committees, responsible for the selection and screening. Persons who are qualified according to the Company's Articles of Association and who nominate qualified candidates to acquire professional and diverse directors based on the structure, size and composition of the board. The proposed number is equal to the number of directors who complete their term. And propose opinions to the Board of Directors To seek approval from the directors Then the names of the aforementioned directors will be presented to them. The shareholders' meeting shall elect directors according to the following rules.

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

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

Meeting attendance of the directors for the year 2020

Name	Position	Meeting	
		Board of Director (Meeting/ Attendance)	Annual General Meeting (Meeting/ Attendance)
Mr. Pitipong Phungbun na Ayutthaya	Chairman of the Board (Independent Director)	8/8	1/1
Mr. Sangchai Chotchuangchutchaval	Director	8/8	1/1
	Chairman of Executive Committee	12/12	
Mr. Pairoj Sanyadechakul	Director (Independent Director)	8/8	1/1
	Chairman of Audit Committee	5/5	
Mr. Preecha Chantarangkul	Director (Independent Director)	8/8	1/1
	Audit Committee Member	5/5	
	Chairman of the Nomination and Remuneration Committee	1/1	

Patkol Public Company Limited

Mr. Veerachai Srikajorn	Director (Independent Director)	8/8	1/1
	Audit Committee Member	5/5	
	Chairman of the Risk Management Committee	4/4	
Mr. Paradorn Chulajata	Director	8/8	1/1
	Risk Management Committee Member	4/4	
	Nomination and Remuneration Committee Member	1/1	
	Audit Committee Advisor	5/5	
Ms. Nongluck Sakdakrai	Director	8/8	1/1
	Nomination and Remuneration Committee Member	1/1	
Ms. Anongsiri Chaiyakul	Director	8/8	1/1
Mr. Sumet Jiambutr	Director	8/8	1/1
	Executive Committee Member	12/12	
Mr. Rangsarn Thammanee Wong	Director	8/8	1/1
	Executive Committee Member	12/12	
	Risk Management Committee Member	4/4	
Mr. Panet Chongvatana	Director	7/8	1/1
	Executive Committee Member	12/12	
	Risk Management Committee Member	4/4	
Ms. Naitya Chongvatana	Director	8/8	1/1

Remuneration for Directors of Directors for the year 2020

Name	Remueration for the Board (Baht)	Remueration for the Audit Committee (Baht)	Attendance the Meeting (Baht)					Total (Baht)
			Board	Audit Committee	Executive Committee	Nomination and Remueration Committee	Risk Management Committee	
1. Mr. Pitipong Phungbun na Ayutthaya	945,000	-	30,000	-	-	-	-	975,000
2. Mr. Sangchai Chotchuangchutchaval	415,800	-	20,000	-	40,000	-	-	475,800
3. Mr. Veerachai Srikajorn	415,800	277,200	20,000	10,000	-	-	10,000	733,000
4. Mr. Preecha Chantarangkul	415,800	277,200	20,000	10,000	-	10,000	-	733,000
5. Mr. Paradorn Chulajata	415,800	277,200	20,000	10,000	-	5,000	5,000	733,000
6. Ms. Nongluck Sakdakrai	415,800	-	20,000	-	-	5,000	-	440,800
7. Mr. Pairoj Sanyadechakul	415,800	277,200	20,000	-	-	-	-	733,000
8. Ms. Anongsiri Chaiyakul	415,800	-	20,000	-	-	-	-	435,800
9. Mr. Sumet Jiambutr	415,800	-	20,000	-	20,000	-	-	455,800
10. Mr. Rangsan Thammaneewong	415,800	-	20,000	-	20,000	-	5,000	460,800
11. Mr. Panet Chongvatana	415,800	-	20,000	-	-	-	5,000	460,800
12. Ms. Naitya Chongvatana	415,800	-	20,000	-	-	-	-	445,800
Total								<u>7,072,600</u>

Supervision and operations of the affiliates and subsidiaries

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

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

Compliance with corporate governance policies and practices

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

(1) Policy and practice on conflict of interest

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

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

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

(2) Supervision on the use of internal information

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

Prevention of internal information

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

Measures on prevention from using the inside information

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

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

(3) Anti-Corruption

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

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

Present, the results of joining the Private Sector Collective Action Coalition against Corruption in Thailand of the Company is in the process of the CAC committee considering supporting documents for project participation Which will know the results of participating in the project in March 2021

8.2 The performance of the Audit Committee in 2020

- Audit Committee

List of Board of Directors and Attendance the Meeting

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

Performance of the Audit Committee

In 2020, Audit Committees performed their duties as assigned by the Board of Directors in accordance with the requirements of the Stock Exchange of Thailand. There were 5 meetings of the Audit Committee, with discussions with management, internal auditors and auditors on related matters. The essence of the duties can be summarized as follows:

1. Review financial reports

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

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

2. Reviewing the internal control system

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

3. Reviewing compliance with applicable laws and regulations

The Audit Committee has reviewed Patkol Public Company Limited and its subsidiaries. Compliance with securities and exchange laws Regulations of the Stock Exchange of Thailand and/or laws relating to the Company's business. The Audit Committee has been informed of reports of compliance with laws relating to the business operations of Patkol Public Company Limited and its subsidiaries from management, as well as the results of the audit of compliance with applicable laws and regulations from the audit body. The audit has

provided useful recommendations in order to effectively supervise the compliance with applicable laws and regulations, ensuring that the Company in Patkol Public Company Limited is fully compliant with the relevant laws and regulations.

4. Internal Audit Supervision

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

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

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

The Audit Committee has considered the appointment of Arin Audit Co., Ltd. as an auditor of Patkol Public Company Limited as well as to consider the remuneration proposal in 2021.

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

The location is perfect. Missions performed in 2020, as mentioned above. Audit Committee Here's a summary of your comments:

Accounting system and financial reports of the Company It's accurate. Reliable and accurate disclosure of important, adequate and timely information.

- The Company's internal control system is adequate and appropriate. Continuous improvement of internal control system to suit the company's business operations. current and future and comply with relevant laws and regulations.

- The company's auditor, Arin Audit Co., Ltd., is independent and experienced in verifying the company's financial reports to be accurate. Reliable and accurate disclosure of important, adequate and timely information.

- By reviewing connected transactions or transactions that may have conflicts of interest, the Audit Committee deems that the Company has disclosed the information correctly and that it is a list with

reasonable conditions and prices. Approved by management or the Board of Directors prior to the transaction.

8.3 The performance of Sub-committees in 2020

- **Executive Committee**

List of Board of Directors and Attendance the Meeting

Name	Position	Attendance the Meeting (times)
1. Mr. Sangchai Chotchuangchutchaval	Chairman of the Executive Committee	12/12
2. Mr. Rangsarn Thammanee Wong	Executive Committee Member	12/12
3. Mr. Panet Chongvatana	Executive Committee Member	12/12
4. Mr. Sumet Jiambutr	Executive Committee Member	12/12

Performance of the Executive Committee

The Executive Committee considers policies, goals, strategies, operational plans, investment projects, budgets and administrative powers of the Company for the year 2021 for submission to the Board of Directors for approval and monitor and supervise the Company's business operations to comply with the policies, goals, strategies, operational plans, investment projects and the annual budget 2020 approved by the Board of Directors to be efficient and conducive to business conditions. Ready to give advice and advice on management to senior management. And to report the operating results to the Board of Directors meeting for acknowledgment.

In 2020, Executive Committee supervise and approve the matter related to the operations of the company such as

1.) Consider approving the sales from 100-300 million baht by considered a total of 8 projects and considered approving contracts with 3 partners

2.) Consider setting guidelines on taking legal actions in 4 case.

- In the case the company has become a plaintiff or defendant in the civil case with the capital exceed 10 million baht.

- In the case the company has become a plaintiff or defendant in all the criminal cases.

3.) Consider screening all types of the jobs presented to the Board of Director except the job under the responsibility and/or authority of Sub-committees of the company to become the screener to present to the Board of Director directly.

- To consider and approve the proposal for projects worth more than 300 million baht to the Board of Directors for further approval for 2 projects.

- To Consider and approve the establishment of Patkol Indonesia for the refrigeration business so that we can compete in the Indonesian market.

- **Nomination and Remuneration Committee**

List of Board of Directors and Attendance the Meeting

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

Performance of the Nomination and Remuneration Committee

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

In 2020, Nomination and Remuneration Committee supervise and approve the matter related to the operations of the company such as

1.) To consider and propose the appointment of directors to replace those who retire by rotation in 2021 to the Board of Directors No. 8/2020 for approval. According to the Public Limited Companies Act 1992 and Article 14 of the Company's Articles of Association and Article 32, that at every annual general meeting, one-third or close to one-third of the directors shall resign from their positions. In year 2021, there were 4 directors who completed their term:

1. Mr. Paradorn Chulajata Director
2. Mr. Pairoj Sanyadechakul Independent Director
3. Mr. Panet Chongvatana Director
4. Mr. Sumet Jiambutr Director

2.) Consider the remuneration for the directors. And directors who perform duties in the Company's sub-committees fairly and reasonably. And proposed to the Board of Directors and the shareholders' meeting for approval. By comparing the remuneration of directors for the year 2020 from information on the remuneration of various committees of companies in the same industry as the company

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

This will propose the shareholders to consider the rate of directors 'remuneration for the year 2021 in the 2021 shareholders' meeting for approval

- Risk Management Committee

List of Board of Directors and Attendance the Meeting

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

Performance of the Risk Management Committee

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

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

In summary, The Risk Management Committee has the opinion that in 2020, the Company has developed a risk management system to cover all risk factors. Risk management is ongoing and in line with changing circumstances. There are regular risk management committee meetings to consider important and urgent risks in a timely manner, which creates the effectiveness of risk management of Patkol Group.

9. Internal control and related transactions

9.1 Internal control

The Audit Committee Meeting No. 1/2020 on 20 February 2020 assessed the sufficiency of the internal audit of the company by summarizing the opinions on sufficiency of the internal audit into five parts as follows:

Part 1 Organization and the environment

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

Part 2 Risk Management

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

Part 3 Control of the Operations of the Management

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

Part 4 Information Technology and Communication Systems

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

Part 5 Follow-up System

The company has organized the follow-up on the general operations by comparing with the target on the business operations. The audit shall comply with the internal control system organized regularly by the internal auditor

shall prepare the result on the examination to be presented directly to the management, the audit committee and the audits. In the case there is a discovery of an irregularity in the essence, it shall report to the audit committee and the management within a reasonable time, including reporting the advance in the address of such the shortcomings.

9.2 Related transaction

Person with possible conflict of interest	Transaction	Transaction value (Million Baht)		Reasonable of the transaction
		2020	2019	
Mr. Rangsang Thammanee Wong <i>The business consultant provider</i>	<u>Service Fee</u> The Company has renewed of service contract for strategic planning and conducted a workshop for executives in solving any corporate issues with Prudent Advisory Co., Ltd. (Form 1 January 2020 to 31 March 2020)	1.2	4.8	The management committee meeting resolved to approve the transaction between the Company and Prudent Advisory Co., Ltd. And Mr. Rangsang Thammanee Wong in the extension of the service contract. The aforementioned list of service fees is for developing work processes and benefits in the Company's business operations. Prices and settlement terms are normal business rates. Such items are necessary. And reasonable and in the best interest of the company The Audit Committee does not have a different opinion from the management team.
	And Mr. Rangsang Thammanee Wong (Form 1 April 2020 to 31 Decemner 2020)	1.3	-	

Person with possible conflict of interest	Transaction	Transaction value (Million Baht)		Reasonable of the transaction
		2020	2019	
Mr. Sumet Jiambutr <i>The business consultant provider</i>	<u>Service Fee</u> The Company has entered into an employment service agreement for consulting services. Introduce knowledge, develop patterns, methods, tools and information related to problem solving. And the development of business processes of the production business group with Mr. Sumet Jiambutr (Form 1 January 2020 to 31 December 2020)	3.5	-	The management committee meeting approved the transaction between the Company and Mr. Sumeth Chiambut in entering into the service contract The aforementioned list of service fees is for developing work processes and benefits in the Company's business operations. Prices and settlement terms are normal business rates. Such items are necessary. And reasonable and in the best interest of the company The Audit Committee does not have a different opinion from the management team.

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

For inter-related transactions or items with possible conflicts of interest, the company has clearly designated the authority for granting an approval by considering the balance and flexibility of implementation based on the normal business operations. The company has also developed its effective internal control systems, where rules, regulations, and procedures have been reviewed by the Internal Audit Committee on a

regular basis. In addition, for proceeding with inter-related transactions, PATKOL is always committed to providing the highest benefits to all parties involved.

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

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

Admittedly, such comments and suggestions provided by the Internal Audit Committee, independent experts, or auditors shall also be used as reference to the verdict of the Board of Directors or shareholders depending on cases. The Board of Directors who are interested person are unauthorized to cast a vote on such implemented inter-related transaction as it shall be disclosed in the Footnotes to Financial Statement verified by the company's internal auditors.

Part 3

Financial Statement for the year 2020

Independent Auditor's Report

To The Shareholders of Patkol Public Company Limited

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

Deferred Tax Assets**Risk**

As described in the Note 17 to the consolidate and separate financial statements, the Group Company recorded deferred tax assets of Baht 133.25 million and Baht 82.61 million in the statement of financial position. The recognition of deferred tax assets is based on possibility of actual utilization and subject to management's judgment. Expected benefits from such assets depend on many factors, including appropriateness of temporary difference and sufficiency of future taxable profit.

Risk Responses of Auditor

How the matter was addressed in the audit as below:

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

Based on my procedures above, I found that the assumptions made by management use in the estimate to be reasonable based on the available evidence.

Revenue recognized under the percentage of completion**Risk**

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

that occurs when contracts be progressing steadily may significantly result in improved revenue and profit, which may be either an increase or decrease in revenue and profit.

Risk Responses of Auditor

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

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

Based on the above audit procedures, I have found no significant difference on revenue recognition in any project that does not meet the conditions in the agreement.

Emphasis of matters

1. I draw attention to Note 2.1 to the interim consolidated financial statements. Due to the impact of the COVID-19 outbreak, in preparing the interim financial information for the years ended December 31, 2020, the Group has adopted the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives Dealing with The Impact of COVID-19 Pandemic issued by the Federation of Accounting Professions. My conclusion is not modified in respect of this matter.
2. I draw attention to Note 36.3 Litigation to the consolidated financial statement.
 - 2.1 On January 14, 2019, the second defendant's, a subsidiary, was sued as a civil case by Samutprakarn provincial court. about the claim of damages from fire the warehouse, which the subsidiary installed refrigeration equipment, indemnity of 246.42 million Baht plus interest rate at 7.5% of the amount, is the following day of the lawsuit. The case is currently under consideration by the court. The Company's management and lawyer have an opinion that there are uncertain of solution at present. Therefore, the amount of damages has not yet been determined.
 - 2.2 On January 11, 2019, a subsidiary was sued as a civil case by the Civil Court. about the claim of damages from fire the warehouse, which the subsidiary installed refrigeration equipment, indemnity of 143.12 million Baht plus interest rate at 7.5% of the amount of the money, is the following day of the

lawsuit. The court issued a judgment on June 8, 2020 to dismiss the plaintiff, but the plaintiff has appealed. The Company's management and lawyer have an opinion that there are uncertain of solution at present. Therefore, the amount of damages has not yet been determined.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

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

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

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

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

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

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

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

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

My objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it

exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

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

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

(Ms. Kannika Wipanurat)

Certified Public Accountant

Registration No. 7305

Karin Audit Company Limited

Bangkok, Thailand

February 19, 2021

PATKOL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FINANCIAL STATEMENTS
DECEMBER 31, 2020
AND AUDITOR'S REPORT

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTES TO FINANCIAL STATEMENTS****AS AT DECEMBER 31, 2020****1. GENERAL INFORMATION**

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

2. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS AND PRINCIPLES OF CONSOLIDATION**2.1 Coronavirus disease 2019 Pandemic**

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

2.2 Basis for preparation of financial statements

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

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

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2020

applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3

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

2.3 Principles of consolidation

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

	Percentage of holding (%)		Nature of business
	As at December 31, 2020	As at December 31, 2019	
Patkol Manufacturing Co., Ltd.	99.99	99.99	Manufacture and sale of food related processing equipment and cooling equipment.
Patkol Trading Co., Ltd.	99.98	99.98	Sale of the electric system equipment, spare part for industrial refrigeration and ice making industry.
S Panel Co., Ltd.	80.00	80.00	Manufacture and import foam plate and equipment for cold room business.
Heataway Co., Ltd.	99.99	99.99	Sale of evaporative condenser, spare parts and equipment for evaporative condenser.
Patkol Philippines Corporation Co., Ltd.	60.00	60.00	Machinery and project sales representative, including providing machinery installation and maintenance services in Philippine.
Indonesia Patkol service Co., Ltd.	99.99	99.99	Machinery installation and maintenance services.
Patkol Malaysia Sendirian Berhad Co., Ltd.	100.00	100.00	Machinery and project sales representative, including maintenance services.
Tygienic Co., Ltd.	99.99	99.99	Design, manufacture, installation, maintenance and sale of pressure/no pressure tank/heat exchanger.
Patkol Myanmar Co., Ltd.	100.00	100.00	Running a business to provide business services for the business group, Refrigeration, Food processing and Liquid food processing.
PT Indonesia Patkol Refrigeration Co., Ltd	67.00	-	Machinery and project sales representative, including maintenance service and installation in refrigeration business

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTES TO FINANCIAL STATEMENTS****AS AT DECEMBER 31, 2020**

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

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

2.4 Functional and presentation currency

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

2.5 New financial reporting standards and accounting policies**A. New financial reporting standards that became effective in the current year**

During the year, the Company and its subsidiaries have adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after January 1, 2020. 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 Company's and its subsidiaries' financial statements. However, the new standard involves changes to key principles, which are summarised below:

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Accounting standard:

TAS 32 Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTES TO FINANCIAL STATEMENTS****AS AT DECEMBER 31, 2020**

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

The effects of the adoption of these accounting standards are described below:

- Classification and measurement of investments in equity instruments of non - listed companies - The Company and its subsidiaries is to measure investments in equity instruments of non-listed companies at fair value and elect to classify the investments as financial assets at fair value through profit or loss. The company and its subsidiaries management assessed and considered that the cost of such investments has represented the fair value of the investments. Therefore, the fair value measurement of the investments in equity instruments of non-listed companies do not have any impact on the adjustment of retained earnings as at January 1, 2020.
- Recognition of credit losses - The Company and its subsidiaries is to recognise an allowance for expected credit losses on its financial assets, and they are no longer necessary for a credit - impaired event to have occurred. The Company and its subsidiaries apply simplified approach to consider impairment of trade receivables. The Company and its subsidiaries' management has considered that the recognition of credit losses does not have any significant impact on the adjustment of retained earnings as at January 1, 2020.

The Company and its subsidiaries adopted these financial reporting standards which the cumulative effect of initially applying is recognised as an adjustment to the retained earnings as at January 1, 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 4 to the financial statements.

TFRS 16 Leases

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

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTES TO FINANCIAL STATEMENTS****AS AT DECEMBER 31, 2020**

The Company and its subsidiaries adopted TFRS 16 which the cumulative effect of initially applying is recognised as an adjustment to the retained earnings as at January 1, 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 4 to the financial statements.

B. Financial reporting standards that became effective for fiscal years beginning on or after January 1, 2021

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 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 management of the Group is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

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

The Federation of Accounting Professions announced Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID - 19 situation”. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

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

The Company and its subsidiaries have elected to apply the following temporary relief measures on accounting alternatives:

- Not to take into account forward-looking information when determining expected credit losses, in cases where the Company and its subsidiaries uses a simplified approach to determine expected credit losses.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, Impairment of Assets.

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTES TO FINANCIAL STATEMENTS****AS AT DECEMBER 31, 2020****3. SIGNIFICANT ACCOUNTING POLICIES****Revenues and expenses recognition**Revenues recognition

- Sales of goods are recognized when the company has transferred the control of the goods of ownership have passed to the customers, with revenue being recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts.
- Revenue from installment sales are recognized on effective interest rate method according to the agreement the Company and subsidiaries will stop the recognition when it is defaulted on payment more than three years.
- Revenue from project services is recognized by the percentage of completion which is based on the proportion of actual costs to the total estimated costs by considering the effects to the most recent estimates of total costs, coupled with the consideration of the physical completion estimated by the engineer.

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

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

Expenses recognition

- Costs of rendering of services are recognized in accordance with the percentage of work completed based on total estimated costs. Provision for anticipated losses on costs of rendering of services is made in the accounts in full when the possibility of loss is ascertained. Differences between the estimated costs and the actual costs are recognized as current assets or current liabilities in the statement of financial position.

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTES TO FINANCIAL STATEMENTS****AS AT DECEMBER 31, 2020**

- Expense is recognized on an accrual basis

Cash and cash equivalents

Cash and cash equivalents are cash on hand and deposits at financial institutions which held to maturity not over three months and without restriction.

Financial assets and financial liabilitiesClassification and measurement of financial assets

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

The Group classifies its debt instruments in the following categories:

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

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

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

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

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

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

- Amortized cost: A financial asset will be measured at 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

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTES TO FINANCIAL STATEMENTS****AS AT DECEMBER 31, 2020**

presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented in profit or loss.

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

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

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

Classification and measurement of financial liabilities and equity

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

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

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTES TO FINANCIAL STATEMENTS****AS AT DECEMBER 31, 2020**

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

Recognition and derecognition

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

Impairment

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

Trade and other current account 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 recognised at its present value.

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

Hire - purchase contract receivables

Hire - purchase contract receivables are stated initial value noted in the financed lease agreement less received from installment unearned interest, and allowance for credit loss.

Contract assets

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTES TO FINANCIAL STATEMENTS****AS AT DECEMBER 31, 2020**

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

Contract liabilities

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

Inventories

The Company and subsidiaries's inventories are valued at the lower of cost or net realizable value. The cost calculation is detailed as follows:

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

Investment in subsidiaries

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

Investment properties

Investment property, defined as property owned to earn rentals; capital appreciation; or both, is disclosed in the financial statements separately from other property, plant and equipment.

The Company and subsidiaries have selected the cost model for accounting for its investment properties Cost less accumulated depreciation and allowance for impairment of assets (if any).

Property, plant and equipment

The Company initially recorded property, plant and equipment at cost. In 2004, the Company hired an independent appraiser to revalue land by market approach and plant by cost approach and revised the asset value. The Company recorded increased amount occurred from the revaluation as "increment of assets" together with "revaluation surplus on fixed assets" under the shareholders' equity in balance sheets. The depreciation on assets which were stated at cost method is recorded in the statements of comprehensive income and depreciation on increment of fixed assets will be recorded in revaluation surplus on fixed assets account. Therefore, revaluation surplus on fixed assets will be

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2020

decreased by depreciation on increment of fixed assets and has no effect to retained earnings. The Company has complied with the Federation of Accounting Professions' notification No. 25/2549 dated October 11, 2006 and the Government Gazette's announcement dated October 30, 2006 regarding "Accounting for Revaluation" by applying cost basis.

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

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

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

Land and Construction in progress are not depreciated.

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

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

Leases
Lease - where the Group is the lessee

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

The Group recognizes a right-of-use (ROU) asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTES TO FINANCIAL STATEMENTS****AS AT DECEMBER 31, 2020**

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 ROU asset at cost, less accumulated depreciation and accumulated impairment loss and adjusted for any remeasurement of the lease liability. The ROU 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 ROU 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 ROU asset reflects that the Group will exercise a purchase option, the Group depreciates the ROU asset from the commencement date to the end of the useful life of the underlying asset. The useful life of the ROU 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 items:

- 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 recognizes the amount of the remeasurement of the lease liability as an adjustment to the ROU asset. However, if the carrying amount of the ROU asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognizes any remaining amount of the remeasurement in profit or loss.

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTES TO FINANCIAL STATEMENTS****AS AT DECEMBER 31, 2020**Short-term leases and leases of low-value assets

The Group has elected not to recognize ROU 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 recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Intangible assets

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

Impairment of assets

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

Transaction in foreign currencies

The Company and subsidiaries record its transactions in foreign currencies converted into Thai Baht by using the exchange rates ruling on the transaction dates. The balance of assets and liabilities in foreign currencies as at the financial statements date are converted into Thai Baht by using the exchange rates ruling on the reporting date.

Gain or loss from change in exchange rate recorded as income or operating expense.

Trade and other current payables

Trade and other current payables are stated at cost.

Employee's benefit

- Provident fund

The Company and subsidiaries have established provident fund under the defined contribution plan. The fund's assets are separated entitles which are administered by the external fund manager. The fund is contributed to the

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTES TO FINANCIAL STATEMENTS****AS AT DECEMBER 31, 2020**

employees at a rate of 3% - 15% and the Company at a rate of 1% - 11% of their employees' salaries. The fund contribution payments to the provident fund were recorded as expenses in the statements of income in the incurred period.

- Employee benefit*Short - term employee benefits*

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

*Post - employment benefits*Defined contribution plans

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

Defined benefit plans

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

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

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

Income tax

The Company and subsidiaries recorded corporate income tax by calculating from taxable net profit based on the condition described in the revenue code.

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognized in profit or loss except to the extent that they relate to a business combination, or items recognized directly in equity or in other comprehensive income.

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 reporting date, and any adjustment to tax payable in respect of previous years.

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTES TO FINANCIAL STATEMENTS****AS AT DECEMBER 31, 2020**

Deferred tax is recognized 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 recognized for the following temporary differences the initial recognition of goodwill the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and 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 reporting 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 Company and its subsidiaries to change its 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 realized simultaneously.

A deferred tax asset is recognized 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 each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Provision for liabilities

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

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTES TO FINANCIAL STATEMENTS****AS AT DECEMBER 31, 2020****Earnings (loss) per share**

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

Dilution earning (loss) per share

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

Financial instrumentsClassification and measurement

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

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

Financial liabilities are classified and measured at amortized cost.

Impairment of financial assets

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

Segment information

Business segments provide products and services that are subject to risks and returns that are different from those of other business segments. Geographic segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those of components operating in other economic environments.

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTES TO FINANCIAL STATEMENTS****AS AT DECEMBER 31, 2020**

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

Troubled debt restructuring

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

Related parties

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

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

Fair value measurement

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

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

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

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTES TO FINANCIAL STATEMENTS****AS AT DECEMBER 31, 2020**

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

USE OF ACCOUNTING ESTIMATES

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

Allowance for expected credit losses of trade receivables and contract assets

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

Impairment of Inventory

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

Impairment of investments

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

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTES TO FINANCIAL STATEMENTS****AS AT DECEMBER 31, 2020**Depreciation plant and equipment and right-of-use assets and amortization of intangible assets.

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

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

Impairment of assets

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

Deferred tax assets

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

Post-employment benefits under defined benefit plans

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

Estimated of revenues from project and project cost

In estimation of revenues from project, management are required to make judgement based on their best knowledge of the current events and arrangements and their experience of the business in order to estimate the percentage of completion, based on information from the engineers/project managers. The Company estimate costs of projects based on details of the construction work, taking into account the volume and prices of construction materials to be used in the project, labor costs and other miscellaneous costs to be incurred to completion of service, taking into

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2020

account the direction of the movement in these costs. Estimates are reviewed regularly or whenever actual costs differ significantly from the figures used in the original estimates.

Provision for losses on projects

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

4. CUMULATIVE EFFECTS OF CHANGES IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARDS

As described in Note 2.5 to the financial statements, during the current period, the Group has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognized as an adjustment to retained earnings as at January 1, 2020. Therefore, the comparative information was not restated.

The impacts on the beginning balance of retained earnings of 2020 from changes in accounting policies due to the adoption of these standards are presented as follows:

	(In Thousand Baht)		
	Consolidated financial statements		
	As at December 31, 2019	TFRS 16	As at January 1, 2020
Statement of financial position			
Assets			
Current assets			
Right - of - use assets	-	25,877	25,877
Liabilities and shareholders' equity			
Current liabilities			
Current portion of lease liabilities	15,310	9,913	25,223
Non-current liabilities			
Lease liabilities	25,983	15,964	41,947

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2020

	(In Thousand Baht)		
	Separated financial statements		
	As at December 31, 2019	TFRS 16	As at January 31, 2020
Statement of financial position			
Assets			
Current assets			
Right - of - use assets	-	24,077	24,077
Liabilities and shareholders' equity			
Current liabilities			
Current portion of lease liabilities	9,801	9,253	19,054
Non - current liabilities			
Lease liabilities	8,779	14,824	23,603
a.) Leases			

Upon initial application of TFRS 16 the Company and its subsidiaries recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Company and its subsidiaries' incremental borrowing rate at January 1, 2020. For leases previously classified as finance leases, the Company and its subsidiaries recognised the carrying amount of the right - of - use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

The Group's weighted average incremental borrowing rates applied to the lease liabilities on January 1, 2020 was 5.3%

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2020

	(In Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Operating lease commitments as at December 31, 2019	28,527	26,627
Less: Short - term leases recognized on a straight - line basis as expense	(226)	(226)
Less: Short - term leases and leases of low - value assets	-	-
Less: Termination options reasonably certain to be exercised	(722)	(722)
Less: Deferred interest expenses	(1,702)	(1,602)
Lease liabilities as at January 1, 2020 due to TFRS 16 adoption	25,877	24,077
Financial lease liabilities as at December 31, 2019	41,293	18,580
Lease liabilities as at January 1, 2020	67,170	42,657
Consist of:		
Current lease liabilities	25,223	19,054
Non - current lease liabilities	41,947	23,603
	67,170	42,657

The recognized right of use assets relates to the following types of assets

	(In Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Vehicles	24,077	24,077
Machine and equipment	1,800	-
Total right of use asset	25,877	24,077

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2020
b.) Financial instruments

The classifications, measurement basis and carrying values of financial assets and financial liabilities in accordance with TFRS 9 as at January 1, 2020, and with the carrying amounts under the former basis, are as follows:

(In Thousand Baht)

	Consolidated financial statements				
	Classification and measurement in accordance with TFRS 9				
	Carrying amounts under the former basis	Fair value Through other comprehensive income	Fair value through profit or loss	Amortization cost	Total
Financial assets as at					
January 1, 2020					
Cash and cash equivalents	134,570	-	-	134,570	134,570
Trade and other current accounts receivable	772,918	-	-	772,918	772,918
Contract assets	395,531	-	-	395,531	395,531
Other current assets	10,850	-	-	10,850	10,850
Non-current financial asset	7,278	-	-	7,278	7,278
Trade and other non - current accounts receivable	275,755	-	-	275,755	275,755
Other non - current assets	56,699	-	-	56,699	56,699
Total financial assets	1,653,601	-	-	1,653,601	1,653,601

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2020

(In Thousand Baht)

	Separate financial statements				
	Classification and measurement in accordance with TFRS 9				
	Carrying amounts under the former basis	Fair value		Amortized cost	Total
		Through other comprehensive income	Fair value through profit or loss		
Financial assets as at					
January 1, 2020					
Cash and cash equivalents	78,519	-	-	78,519	78,519
Trade and other current accounts receivable	676,399	-	-	676,399	676,399
Contract assets	342,762	-	-	342,762	342,762
Short - term loans and accrued interest income to related parties	147,046			147,046	147,046
Other current assets	9,843	-	-	9,843	9,843
Non-current financial asset	6,341	-	-	6,341	6,341
Trade and other non - current accounts receivable	275,755	-	-	275,755	275,755
Other non - current assets	26,683	-	-	26,683	26,683
Total financial assets	1,563,348	-	-	1,563,348	1,563,348

As at January 1, 2020, the Company and its subsidiaries do not stipulations any financial liabilities to be measured at fair value through profit or loss

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2020
5. CASH AND CASH EQUIVALENTS

Consist of:

	(In Thousand Baht)			
	Consolidated financial statements		Separated financial statements	
	As at December	As at December	As at December	As at December
	31, 2020	31, 2019	31, 2020	31, 2019
Cash	400	424	353	374
Cash at bank - current accounts	54,553	16,561	41,907	6,279
Cash at bank - saving accounts	340,611	117,585	242,569	71,866
Total cash and cash equivalents	<u>395,564</u>	<u>134,570</u>	<u>284,829</u>	<u>78,519</u>

6. TRADE AND OTHER CURRENT ACCOUNTS RECEIVABLE

Consist of :

	(In Thousand Baht)			
	Consolidated financial statements		Separated financial statements	
	As at December	As at December	As at December	As at December
	31, 2020	31, 2019	31, 2020	31, 2019
Trade and other current accounts receivable	431,669	681,056	300,560	498,447
Trade and other current accounts receivable related parties (Note 33.3)	-	-	48,113	90,143
Retentions receivable	30,287	38,144	23,237	34,092
Hire - purchase contract receivables				
current portion of long - term assets	56,747	53,717	56,747	53,717
Total trade and other current accounts receivable	<u>518,703</u>	<u>772,917</u>	<u>428,657</u>	<u>676,399</u>

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2020

6.1 Trade and other current accounts receivable

	(In Thousand Baht)			
	Consolidated financial statements		Separated financial statements	
	As at December	As at December	As at December	As at December
	31, 2020	31, 2019	31, 2020	31, 2019
Trade accounts receivable	461,380	676,556	341,517	519,764
<u>Less</u> Allowance for expected credit losses	(110,594)	(89,358)	(94,786)	(72,392)
Trade accounts receivable - net	350,786	587,198	246,731	447,372
Other current accounts receivable				
Prepaid expenses	54,004	65,390	48,367	47,554
Advance	2,048	2,961	299	863
Other	29,533	29,585	5,705	3,217
<u>Less</u> Allowance for expected credit losses	(4,702)	(4,078)	(542)	(559)
Other current accounts receivable - net	80,883	93,858	53,829	51,075
Total trade and other current accounts receivable	431,669	681,056	300,560	498,447

Trade accounts receivable are classified by aging as follows:

	(In Thousand Baht)			
	Consolidated financial statements		Separated financial statements	
	As at December	As at December	As at December	As at December
	31, 2020	31, 2019	31, 2020	31, 2019
Undue:				
- Normal	232,455	343,261	153,136	237,373
Overdue:				
- Not over 3 months	84,662	165,529	67,406	143,345
- Over 3 months to 6 months	10,964	48,553	9,276	41,133
- Over 6 months to 12 months	17,037	31,177	12,242	26,259
- Over 12 months	13,037	27,222	7,650	21,618
Debt acceptance	33,120	558	33,120	558
Under legal action	70,105	60,256	58,687	49,478

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2020

Total trade accounts receivable	461,380	676,556	341,517	519,764
<u>Less</u> Allowance for expected credit losses	(110,594)	(89,358)	(94,786)	(72,392)
Trade accounts receivable - net	<u>350,786</u>	<u>587,198</u>	<u>246,731</u>	<u>447,372</u>

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

(In Thousand Baht)

	Consolidated financial statements		Separated financial statements	
	As at December	As at December	As at December	As at December
	31, 2020	31, 2019	31, 2020	31, 2019
Beginning balance	89,358	99,141	72,392	89,623
Written - off bad debt	(3,501)	(6,160)	-	(5,700)
Increase (decrease)	<u>24,737</u>	<u>(3,623)</u>	<u>22,394</u>	<u>(11,531)</u>
Ending balance	<u>110,594</u>	<u>89,358</u>	<u>94,786</u>	<u>72,392</u>

As at December 31, 2020 and 2019, allowance for expected credit losses in the consolidated financial statement increase (decrease) amount of Baht 24.74 million and Baht (3.62) million, respectively and the separated increase (decrease) amount of Baht 22.39 million and Baht (11.53) million, respectively.

During the year 2019, the Company and subsidiaries write off trade accounts receivable in the consolidated financial statements of Baht 6.16 million, the separate financial statements of Baht 5.70 million because the debtor is bankrupt and does not have enough assets to pay the debt.

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2020
7. CONTRACT ASSETS / CONTRACT LIABILITIES

Consist of:

	(In Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Contract assets				
Unbilled trade accounts receivable	262,687	395,532	238,381	341,903
Unbilled trade accounts receivable - related parties	-	-	25	859
Total contract assets	<u>262,687</u>	<u>395,532</u>	<u>238,406</u>	<u>342,762</u>
Contract liabilities				
Advance receivable	171,602	213,373	151,730	167,035
Advance receivable - related parties	-	-	492	114
Unearned income	244,300	284,176	234,090	252,998
Unearned income – related parties	-	-	-	3,813
Total contract liabilities	<u>415,902</u>	<u>497,549</u>	<u>386,312</u>	<u>423,960</u>

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2020
8. INVENTORIES

Consist of:

(In Thousand Baht)

	Consolidated financial statements		Separated financial statements	
	As at December	As at December	As at December	As at December
	31, 2020	31, 2019	31, 2020	31, 2019
Finished goods	37,616	28,641	-	-
Raw materials, spare parts and supplies	245,924	434,314	121,571	233,309
Work in process	99,197	117,712	59,390	36,281
Goods in transit	4,828	8,939	2,936	4,361
Total	387,565	589,606	183,897	273,951
<u>Less Allowance for declining in value</u> of inventories	<u>(18,594)</u>	<u>(15,484)</u>	<u>(11,090)</u>	<u>(9,116)</u>
Total inventories - net	368,971	574,122	172,807	264,835

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

(In Thousand Baht)

	Consolidated financial statements		Separated financial statements	
	As at December	As at December	As at December	As at December
	31, 2020	31, 2019	31, 2020	31, 2019
Beginning balance	15,484	18,025	9,116	12,251
Increase (decrease)	3,110	(2,541)	1,974	(3,135)
Ending balance	18,594	15,484	11,090	9,116

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2020
9. Non - current assets classified as held for sale

According to the resolution of the Executive Committee Meeting No. 4/2019 held on April 25, 2019, the Company has approved the sale of land without buildings (Investment property) totaling of Baht 21.4 million. Later, on December 7, 2020, the Company has entered into a contract to sell the land to unrelated persons totaling of Baht 23.53 million. details of receiving payment as follows:

- On December 4, 2020, the deposit was received amount of Baht 2.35 million at the date of the contract.
- Received the second deposit amount of Baht 2.35 Million within March 7, 2021.
- Residual land value amount of Baht 18.82 Million agreed to pay on the transfer date of the ownership within June 7, 2021.

10. Other non - current financial assets

As at December 31, 2020 and 2019, the Group had other non-current financial assets are restricted deposits with financial institutions in the consolidated financial statement of Baht 31.14 million and Baht 33.54 million, in the separate financial statement of Baht 6.37 million and Baht 6.34 million, respectively. Used as collateral credit and bank guarantees.

11. INVESTMENTS IN SUBSIDIARIES

Consist of :

Company	Paid - up capital		Proportion of investment		Cost method (Thousand Baht)		Dividend income	
	(Million Baht)		(%)				(In Thousand Baht)	
	As at	As at	As at	As at	As at	As at	For the years ended	
	December	December	December	December	December	December	As at	As at
	31, 2020	31, 2019	31, 2020	31, 2019	31, 2020	31, 2019	31, 2020	30, 2019
Subsidiaries: -								
- Patkol Manufacturing Co., Ltd.	100.00	100.00	99.99	99.99	99,999	99,999	-	-
- Patkol Trading Co., Ltd.	30.00	30.00	99.98	99.98	29,999	29,999	-	-
- S Panel Co., Ltd.	40.00	40.00	80.00	80.00	32,000	32,000	-	-
- Heataway Co., Ltd.	100.00	100.00	99.99	99.99	99,997	99,997	-	-
- Patkol Philippines	5.36	5.36	60.00	60.00	5,362	5,362	-	-

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
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Corporation Co., Ltd.								
- Indonesia Patkol service								
Co., Ltd.	26.85	26.85	99.00	99.00	26,854	26,854	-	-
- Patkol Malaysia Sendirian								
Berhad Co., Ltd.	7.96	7.96	100.00	100.00	7,960	7,960	-	-
- Tygienic Co., Ltd.	65.00	65.00	99.99	99.99	65,000	65,000	-	-
- Patkol Myanmar Co., Ltd.	1.61	1.61	100.00	100.00	1,615	1,615	-	-
- PT Indonesia Patkol								
Refrigeration Co., Ltd	5.34	-	67.00	-	3,639	-	-	-
<u>Less Impairment of investment</u>					(24,263)	-	-	-
Total investments in subsidiaries - net					<u>348,162</u>	<u>368,786</u>	<u>-</u>	<u>-</u>

The aforementioned subsidiaries' financial statements as at December 31, 2020 and 2019, brought into the preparation of consolidated financial statements were audited by the auditor already.

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

Non - controlling interests

Details of non - wholly owned subsidiaries which have material non - controlling interests as at December 31, 2020 and 2019, are as follows;

(In Thousand Baht)

Company's name	Proportion of equity interest held by non - controlling interests		Accumulated balance of non - controlling interests		Profit/loss allocated to non - controlling interests during the year		Dividend paid to non - controlling interests during the year	
	2020	2019	2020	2019	For the year ended December 31,			
	(%)	(%)	2020	2019	2020	2019	2020	2019
S Panel Co., Ltd.	20.00	20.00	19,338	14,854	3,648	2,250	-	-
Patkol Philippines								

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Corporation Co., Ltd.	40.00	40.00	3,260	4,095	(1,186)	499	-	-
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The summarized financial information before intragroup eliminations of each non - wholly owned subsidiary which has material non - controlling interests are as follows;

	(In Thousand Baht)			
	S Panel Co., Ltd.		Patkol Philippines Corporation Co., Ltd.	
	2020	2019	2020	2019
	2020	2019	2020	2019
Condensed statement of financial position				
As at December 31,				
Current assets	159,586	191,262	15,817	24,225
Non - current assets	106,978	113,673	2,858	1,908
Current liabilities	147,116	196,809	10,176	15,894
Non - current liabilities	22,821	33,801	348	-
Equity attributable to owners of the Company	80%	80%	60%	60%
Non - controlling interests	20%	20%	40%	40%

Condensed statement of profit or loss and other
comprehensive income
For the year ended December 31,

Revenues	433,522	501,931	28,672	53,038
Expenses	(52,241)	(55,832)	(18,384)	(19,032)
Profit (loss) for the years	18,242	11,252	(2,965)	1,247
Profit (loss) attributable to:				
Owner of the parent	14,594	9,002	(1,779)	748
Non - controlling interests	3,648	2,250	(1,186)	499

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
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	(In Thousand Baht)			
	S Panel Co., Ltd.		Patkol Philippines Corporation Co., Ltd.	
	2020	2019	2020	2019
Total comprehensive income (expense) for the years				
Owner of the parent	-	-	-	-
Non - controlling interests	-	-	-	-
Total comprehensive income (expense) attributable to:				
Owner of the parent	14,594	9,002	(1,779)	748
Non - controlling interests	3,648	2,250	(1,186)	499
Condensed statement of cash flows				
Net cash provided (used in) from operating activities	84,815	22,862	(474)	1,961
Net cash provided (used in) from investing activities	(729)	(10,455)	(808)	(31)
Net cash provided (used in) from financing activities	(54,748)	(6,684)	-	-
Net cash flow increase (decrease)	29,338	5,723	(1,282)	1,930

12. TRADE AND OTHER NON - CURRENT ACCOUNT RECEIVABLES

Consist of:

	(In Thousand Baht)			
	Consolidated financial statements		Separated financial statements	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Trade receivables Installment	-	-	-	-
Hire - purchase contract receivables	219,008	275,755	219,008	275,755

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2020

Total trade and other non - current account receivables	219,008	275,755	219,008	275,755
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12.1. Trade receivables installment

(In Thousand Baht)

	Consolidated financial statements		Separated financial statements	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Trade receivables installment	16,573	16,573	16,573	16,573
<u>Less</u> Allowance for expected credit losses	(16,573)	(16,573)	(16,573)	(16,573)
Total trade receivables installment	-	-	-	-

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

(In Thousand Baht)

	Consolidated financial statements		Separated financial statements	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Beginning balance	16,573	28,543	16,573	28,543
Written - off bad debt	-	(11,970)	-	(11,970)
Increase (decrease)	-	-	-	-
Ending balance	16,573	16,573	16,573	16,573

During the year 2019, The Company write - off trade receivables installment in the amount of Baht 11.97 million

Because the debtor is bankrupt and does not have enough assets to pay the debt.

12.2 Hire - purchase contract receivables

(In Thousand Baht)

	Consolidated financial statements		Separated financial statements	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
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Hire - purchase contract receivables	298,157	365,449	298,157	365,449
<u>Less</u> Unearned interest income	<u>(22,402)</u>	<u>(35,977)</u>	<u>(22,402)</u>	<u>(35,977)</u>
Net	275,755	329,472	275,755	329,472
<u>Less</u> Current portion of hire - purchase contract receivables	<u>(56,747)</u>	<u>(53,717)</u>	<u>(56,747)</u>	<u>(53,717)</u>
Total hire - purchase contract receivables	<u><u>219,008</u></u>	<u><u>275,755</u></u>	<u><u>219,008</u></u>	<u><u>275,755</u></u>

13. INVESTMENT PROPERTY

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

	(In Thousand Baht)	
	Consolidated financial statements	Separated financial statements
Net book value as at January 1, 2020	136,724	91,937
Add Purchase / Transfer in	312	-
Less Depreciation	(4,255)	(553)
Less Transfer out	(10,695)	(10,695)
Less Allowance for impairment	-	-
Net book value as at December 31, 2020	<u><u>122,086</u></u>	<u><u>80,689</u></u>

As at December 31, 2020, investment property consist of non - performed land and land with its construction of the Company and subsidiaries at present by cost in the consolidated and separated amount of Baht 122 million and 81 million respectively, (appraised value based on reports of the independent appraise in the year 2019, appraised value Market method in the consolidated and separated amount of Baht 165.81 million and 157.31 million respectively), and used for guarantee of overdraft and short - term loans from financial institutions (Note 18) and contingent liabilities (Note 36.2).

As at December 31, 2020, investment property of the Company and subsidiaries at cost of Baht 0.59 million in the consolidated financial statement are fully depreciated but still in use.

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

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
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AS AT DECEMBER 31, 2020
14. PROPERTY, PLANT AND EQUIPMENT

Consist of:

Consolidated financial statements (In Thousand Baht)										
	Land		Building and improvement		Machinery and equipment	Machinery for lease	Office equipment	Vehicles	Assets in progress	Total
	Cost	Revaluation	Cost	Revaluation						
Assets - cost										
As at December 31, 2019	140,460	605,784	632,700	167,743	370,620	270	154,697	100,735	15,505	2,188,514
Purchase	-	-	772	-	3,167	-	129	35	11,884	15,987
Disposal	-	-	-	-	(1,883)	-	-	(14,237)	-	(16,120)
Transfer in (Transfer out)	(312)	-	464	-	(9,211)	-	(9,111)	-	(9,934)	(28,104)
As at December 31, 2020	140,148	605,784	633,936	167,743	362,693	270	145,715	86,533	17,455	2,160,277
Accumulated depreciation										
As at December 31, 2019	-	-	(204,811)	(33,206)	(220,929)	-	(116,726)	(81,833)	-	(657,505)
Depreciation for the year	-	-	(14,278)	2,477	(27,091)	-	(18,975)	(6,267)	-	(64,134)
Depreciation for disposal	-	-	-	-	1,643	-	-	14,237	-	15,880
Depreciation for transfer out	-	-	-	-	11,094	-	9,182	-	-	20,276
As at December 31, 2020	-	-	(219,089)	(30,729)	(235,283)	-	(126,519)	(73,863)	-	(685,483)
Allowance for impairment of assets										
As at December 31, 2019	-	(1,077)	(16,482)	(35,783)	(585)	-	-	-	-	(53,927)
Increase	-	-	-	-	-	-	-	-	-	-
Decrease	-	-	-	-	-	-	-	-	-	-
As at December 31, 2020	-	(1,077)	(16,482)	(35,783)	(585)	-	-	-	-	(53,927)
Net book value of assets										

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
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AS AT DECEMBER 31, 2020

As at December 31, 2020	140,148	604,707	398,365	101,231	126,825	270	19,196	12,670	17,455	1,420,867
As at December 31, 2019	140,460	604,707	411,407	98,754	149,106	270	37,971	18,902	15,505	1,477,082
Separated financial statements (In Thousand Baht)										
	Land		Building and improvement		Machinery and equipment	Machinery for lease	Office equipment	Vehicles	Assets in progress	Total
	Cost	Revaluation	Cost	Revaluation						
Assets - cost										
As at December 31, 2019	64,491	539,252	320,137	167,743	77,246	14,180	118,809	95,271	11,365	1,408,494
Purchase	-	-	-	-	169	-	75	36	10,671	10,951
Disposal	-	-	-	-	(1,064)	-	-	(13,237)	-	(14,301)
Transfer in (Transfer out)	-	-	736	-	(47)	-	(3,481)	-	(7,550)	(10,342)
As at December 31, 2020	64,491	539,252	320,873	167,743	76,304	14,180	115,403	82,070	14,486	1,394,802
Accumulated depreciation										
As at December 31, 2019	-	-	(165,817)	(36,635)	(58,589)	(14,180)	(94,701)	(77,726)	-	(447,648)
Depreciation for the year	-	-	(4,304)	(3,334)	(6,168)	-	(13,382)	(5,838)	-	(33,026)
Depreciation for disposal	-	-	-	-	974	-	-	13,237	-	14,211
Depreciation for transfer out	-	-	-	-	47	-	3,516	-	-	3,563
As at December 31, 2020	-	-	(170,121)	(39,969)	(63,736)	(14,180)	(104,567)	(70,327)	-	(462,900)
Allowance for impairment of assets										
As at December 31, 2019	-	(1,077)	-	-	(585)	-	-	-	-	(1,662)
Increase	-	-	-	-	-	-	-	-	-	-
Decrease	-	-	-	-	-	-	-	-	-	-
As at December 31, 2020	-	(1,077)	-	-	(585)	-	-	-	-	(1,662)
Net book value of assets										
As at December 31, 2020	64,491	538,175	150,752	127,774	11,983	-	10,836	11,743	14,486	930,240

Patkol Public Company Limited

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NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2020

As at December 31, 2019	64,491	538,175	154,320	131,108	18,072	-	24,108	17,545	11,365	959,184
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PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTES TO FINANCIAL STATEMENTS****AS AT DECEMBER 31, 2020**

Depreciation for the year ended December 31, 2020 and 2019 were Baht 64.14 million and Baht 83.11 million in the consolidated financial statements amount of Baht 33.03 million and Baht 47.91 million in the separate financial statements, respectively.

As at December 31, 2020 and 2019, The Company and its subsidiaries building and equipment at cost of Baht 330.14 million and Baht 317.12 million in the consolidated financial statements, respectively. Baht 199.99 million and Baht 178.17 million in the separate financial statements, respectively. have been fully depreciated but are still in use.

As at December 31, 2020 and 2019, land with its construction and machinery at cost of Baht 1,332.64 million and Baht 1,138.28 million in the consolidated financial statements, respectively. Baht 663.32 million and Baht 682.28 million in the separate financial statements, respectively are used as guarantees for bank overdrafts and short - term loans from financial institutions (Note 18) long - term loans (Note 20) and contingent liabilities (Note 35.2).

As at December 31, 2020 and 2019, lands and buildings of the Company and subsidiaries are stated at appraised value based on reports of the independent appraiser in the year 2019. The appraised value of lands was based on market price method, while the appraised value of buildings was based on replacement cost method. Revaluation surplus of fixed assets are shown under “Shareholders’ Equity” in the statement of financial position. The revaluation surplus of fixed assets is not available for dividend distribution.

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

As at December 31, 2020 and 2019, the fair value of the land and building were assessed in the year 2019 by the report of the appraisal assessed using the market approach by selling price of comparable land nearby to improve by using the replacement cost approach. The fair value is in the second level of the hierarchy of fair value.

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
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15. RIGHT OF USE ASSET

The condensed movements in these item for the year ended December 31, 2020 are as follow:

	(In Thousand Baht)	
	Consolidated financial statements	Separated financial statements
Net book value as at January 1, 2020	-	-
Adjustment from adoption of TFRS 16 on January 1, 2020	25,070	22,495
Depreciation for the year	(10,807)	(9,681)
Net book value as at December 31, 2020	14,263	12,814

The recognized right of use assets relates to the following types of assets

	(In Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Vehicles	22,495	22,495
Machine and equipment	2,575	-
Total right of use	25,070	22,495

The recognized lease expense to the following in Profit or loss

	(In Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Depreciation of the right-of-use assets	10,807	9,681
Interest expense on the lease liabilities	1,028	965
Lease expense which the underlying asset is low value	1,643	1,492

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AS AT DECEMBER 31, 2020
16. OTHER INTANGIBLE ASSETS

Consist of:

	(In Thousand Baht)				
	Consolidated financial statements				
	Balance December 31, 2019	Increases	Transfer in (Transfer out)	(Decrease)	Balance December 31, 2020
<u>Cost</u>					
Computer software	172,334	11	-	(53)	172,292
Intellectual property	25,537	-	-	-	25,537
Intangible asset in process	4,522	23	3,833	-	8,378
Total	202,393	34	3,833	(53)	206,207
<u>Less Accumulated amortization</u>	(109,676)	(16,834)	-	48	(126,462)
Net	92,717	(16,800)	3,833	(5)	79,745
<u>Less Allowance for asset impairment</u>	(3,326)	-	-	-	(3,326)
Net	89,391	(16,800)	3,833	(5)	76,419

	(In Thousand Baht)				
	Separated financial statements				
	Balance December 31, 2019	Increases	Transfer in (Transfer out)	(Decrease)	Balance December 31, 2020
<u>Cost</u>					
Computer software	163,423	4	-	(53)	163,374
Intellectual property	22,196	-	-	-	22,196
Intangible asset in process	3,248	23	3,833	-	7,104
Total	188,867	27	3,833	(53)	192,674
<u>Less Accumulated amortization</u>	(103,181)	(15,389)	-	48	(118,522)
Net	85,686	(15,362)	3,833	(5)	74,152
<u>Less Allowance for asset impairment</u>	(3,326)	-	-	-	(3,326)

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
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AS AT DECEMBER 31, 2020

Net	82,360	(15,362)	3,833	(5)	70,826
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(In Thousand Baht)

	Consolidated financial statements		Separated financial statements	
	For the year ended December 31,		For the year ended December 31,	
	2020	2019	2020	2019
Amortization for the years	16,834	14,418	15,389	13,211

17. DEFERRED TAX ASSETS AND LIABILITIES

Consist of:

(In Thousand Baht)

	Consolidated financial statements		Separated financial statements	
	As at December	As at December	As at December	As at December
	31, 2020	31, 2019	31, 2020	31, 2019
Deferred tax assets - net	133,251	105,128	82,608	82,608
Deferred tax liabilities - net	(179,062)	(174,143)	(143,317)	(146,607)

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

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

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

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
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AS AT DECEMBER 31, 2020

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

	(In Thousand Baht)			
	Consolidated financial statements		Separated financial statements	
	As at December	As at December	As at December	As at December
	31, 2020	31, 2019	31, 2020	31, 2019
Allowance for declining in value				
of inventories	758	967	-	-
Allowance for impairment asset	9,096	9,096	-	-
Lease liabilities	3,441	-	-	-
Employee benefit obligations	1,942	11,866	-	-
Loss carries forward less than 5 years	7,233	22,155	-	-
Net deferred tax assets	22,470	44,084	-	-

As at December 31, 2020 and 2019, The consolidated financial statement has deductible temporary differences totaling Baht 22.47 million and 44.08 million respectively. On which deferred tax assets have not been recognized as the Company's management considers that there is uncertainty whether the Company will have sufficient future taxable income to utilize such items and or they might not be used to offset taxable income in the future.

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

Consist of:

	(In Thousand Baht)			
	Consolidated financial statements		Separated financial statements	
	As at December	As at December	As at December	As at December
	31, 2020	31, 2019	31, 2020	31, 2019
Bank overdrafts	18,027	39,426	2,980	12,960
Short - term loans	151,970	258,693	-	100,000
Loan - trust receipt	-	9,778	-	7,865
Total bank overdrafts and short - term loans from financial institutions	169,997	307,897	2,980	120,825

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Movement of short - term loans from financial institutions for the year ended December 31, 2020.

	(In Thousand Baht)	
	Consolidated financial statements	Separated financial statements
Beginning balance as at January 1, 2020	258,693	100,000
Add Additional loans	836,431	317,144
Less Payment of loans	(943,154)	(417,144)
Ending balance as at December 31, 2020	151,970	-

Consolidated financial statements

As at December 31, 2020 the Company and subsidiaries have credit facilities from several banks totaling Baht 2,182 million. Most credit facilities of Baht 1,567 million are belong to the Company are guaranteed by deposits at banks, investment property (Note 13), land with its construction and machinery (Note 14) the Company and subsidiaries.

	Million Baht		Guarantee
	Credit line	Balance	
<u>As at December 31, 2020</u>			
Bank overdraft			
The Company	30.00	27.02	- By the mortgage of land with its construction and machinery (Note 14). - By the mortgage of investment properties (Note 13).
The Subsidiaries	64.00	48.95	- By the mortgage of investment properties (Note 13). - By the mortgage of land with its construction and machinery (Note 14). - By the Parent Company.
Short-term loans			
The Company	100.00	100.00	- By the mortgage of land with its construction and machinery (Note 14). - By the mortgage of investment properties (Note 13). - By the subsidiary company. - By the Fixed Account.
The Subsidiaries	200.00	48.03	- By the mortgage of investment properties (Note 13). - By the mortgage of land with its construction and machinery (Note 14).

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	Million Baht		Guarantee
	Credit line	Balance	
			- By the Parent Company.
<u>Long-term loans</u>			
The Company	537.00	168.64	- By the mortgage of land with its construction and machinery (Note 14). - By the mortgage of investment properties (Note 13). - By the Subsidiary.
The Subsidiaries	221.00	40.54	- By the mortgage of land with its construction (Note 14). - By the mortgage of machinery (Note 14).
<u>Trust receipts / Letter of credit / Packing</u>			
The Company	100.00	100.00	- By the mortgage of land with its construction and machinery (Note 14). - By the mortgage of investment properties (Note 13). - By the mortgage of Subsidiary. - By the Fixed Account.
The Subsidiaries	42.54	42.54	- By the mortgage of land with its construction and machinery (Note 14).
<u>Guarantee</u>			
The Company	400.00	207.46	- By the mortgage of land with its construction and machinery (Note 14). - By the mortgage of investment properties (Note 13). - By the Fixed Account.
The Subsidiaries	32.89	8.49	- By the mortgage of investment properties (Note 13). - By the mortgage of land with its construction and machinery (Note 14). - By the Parent Company. - By the Fixed Account.
<u>Forward Contract</u>			
The Company	400.00	400.00	- By the mortgage of land with its construction and machinery (Note 14). - By the mortgage of investment properties (Note 13).

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	Million Baht		Guarantee
	As at December 31, 2020		
	Credit line	Balance	
			- By the subsidiary company.
The Subsidiaries	55.00	55.00	- By the Fixed Account.

19. TRADE AND OTHER CURRENT ACCOUNTS PAYABLE

Consist of:

	(In Thousand Baht)			
	Consolidated financial statements		Separated financial statements	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Trade and other current accounts payable	417,939	501,987	203,394	268,426
Retention payable	13,455	17,053	9,711	13,003
Trade accounts payable related parties (Note 33.3)	-	-	123,482	98,781
Total trade and other current accounts payable	431,394	519,040	336,587	380,210

20. LONG - TERM LOANS

Consist of:

	(In Thousand Baht)			
	Consolidated financial statements		Separated financial statements	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Long - term loans	286,040	81,110	267,790	54,360
Liabilities under debt restructuring plan	-	325,022	-	325,022

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Liabilities under debt

restructuring agreements	-	23,712	-	-
Total long - term loans	<u>286,040</u>	<u>429,844</u>	<u>267,790</u>	<u>379,382</u>

CURRENT PORTION OF LONG - TERM LOANS

Consist of:

(In Thousand Baht)

	Consolidated financial statements		Separated financial statements	
	As at December	As at December	As at December	As at December
	31, 2020	31, 2019	31, 2020	31, 2019
Long - term loans	262,778	226,365	100,570	61,560
Liabilities under debt				
restructuring plan	19,103	31,619	19,103	32,307
Liabilities under debt				
restructuring agreements	-	14,656	-	-
Total current portion of				
liabilities	<u>281,881</u>	<u>272,640</u>	<u>119,673</u>	<u>93,867</u>

20.1. As at December 31, 2020, two subsidiaries have long - term credit facilities with financial institutions totaling to Baht 221 million, with bank customer's interest rate, and guaranteed by the mortgage of land and building and machinery of the subsidiaries.

20.2. As at December 31, 2020, the Company has entered into loan agreement with the financial institution amount of Baht 537 million, bank customer's interest rate, and guaranteed by agreement security which consists of; the right to claims the Company's machinery rental collection, and machinery own by the Company.

20.3. Under the above loan agreement, have specified certain terms and conditions such as:

- Maintaining of debt-to-equity ratio not over than 2:1 time
- Debt servicing ability

As at December 31, 2020, the Subsidiary company is unable to comply with certain conditions as stipulated in the loan agreements. As a result, the loan became a liability that must be repaid on demand immediately, and reclassified

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to long - term liabilities that are immediately due. As at July 29, 2020, the subsidiary has received the approval of maintaining financial ratio for the year 2019.

However, on April 13, 2020, the Subsidiary entered into a loan amendment agreement from March 2020 to February 2021, the lender agrees to allow borrowers to suspend the principal repayment within "Grace Period".

21. LEASE LIABILITIES

(In Thousand Baht)

	Consolidated financial statements		Separated financial statements	
	As at December	As at December	As at December	As at December
	31, 2020	31, 2019	31, 2020	31, 2019
Lease liabilities	42,885	42,475	23,837	19,468
<u>Less</u> deferred interest	(446)	(1,182)	(237)	(888)
Net	42,439	41,293	23,600	18,580
<u>Less</u> Current portion lease liabilities	(20,272)	(15,310)	(13,927)	(9,801)
Total lease liabilities	<u>22,167</u>	<u>25,983</u>	<u>9,673</u>	<u>8,779</u>

22. PROVISION FOR EMPLOYEE BENEFIT

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

(In Thousand Baht)

	Consolidated financial statements		Separated financial statements	
	As at December	As at December	As at December	As at December
	31, 2020	31, 2019	31, 2020	31, 2019
Estimated current liabilities				
for employee benefits	439	21,715	-	11,678
Estimated non-current liabilities				
for employee benefits	239,675	304,322	186,598	229,253
Total provision for employee benefit	<u>240,114</u>	<u>326,037</u>	<u>186,598</u>	<u>240,931</u>

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	(In Thousand Baht)			
	Consolidated financial statements		Separated financial statements	
	As at December	As at December	As at December	As at December
	31, 2020	31, 2019	31, 2020	31, 2019
Provision for employee benefits				
beginning	326,037	248,230	240,931	181,143
<u>Add</u> recognized amount	45,026	35,117	33,238	22,156
<u>Add</u> past service cost	-	57,892	1,150	42,422
<u>Add (Less)</u> estimate	(2,523)	(33,050)	146	(25,780)
<u>Less</u> paid	(67,479)	(29,115)	(44,444)	(24,528)
<u>Add (Profit) Loss</u> actuary assumption	(60,947)	46,963	(44,423)	45,518
Provision for employee benefits ending	240,114	326,037	186,598	240,931
Present value of unfunded obligation	240,114	326,037	186,598	240,931

	(In Thousand Baht)	
	For the year ended December 31, 2020	
	Consolidated financial statements	Separated financial statements
Total amount recognized in the statement of		
Comprehensive income for the year:		
Provision for employee benefits beginning	326,037	240,931
Profit (loss) for the years		
<u>Add</u> recognized amount		
Current service cost	39,640	29,209
Interest cost	5,386	4,029
<u>Add</u> past service cost	-	1,150
<u>Add (Less)</u> estimate	(2,523)	146
<u>Add (Profit)</u> actuary assumption	(60,947)	(44,423)

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<u>Less paid</u>	(67,479)	(44,444)
Provision for employee benefits ending	240,114	186,598
Other comprehensive income		
(losses) on remeasurement of defined benefit plans	(60,947)	(44,423)

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

	Consolidated financial statements		Separated financial statements	
	As at December	As at December	As at December	As at December
	31, 2020	31, 2019	31, 2020	31, 2019
Discount rate (% Per annum)	1.49 - 1.90	1.61 - 1.77	1.49	1.61
Future salary increases (% Per annum)	3 - 7	3 - 7	3 - 7	3 - 7
Retirement age (year old)	60	60	60	60
Turnover rate	Age band	Age band	Age band	Age band
Mortality rate	TMO 2017	TMO 2017	TMO 2017	TMO 2017

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The result of sensitivity analysis for significant assumptions that affect the present value of the long - term employee benefit obligations as at December 31, 2020 and 2019 are summarized below:

(In Thousand Baht)

	Change of the present value of the employee benefit obligations increase (decrease)							
	Consolidated financial statements				Separated financial statements			
	Increase		Decrease		Increase		Decrease	
	2020	2019	2020	2019	2020	2019	2020	2019
Discount rate (1 %)	(23,465)	(29,070)	27,692	34,601	(17,677)	(24,034)	21,057	28,628
Salary increases rate (1 %)	24,729	33,450	(21,054)	(28,506)	18,575	24,939	(15,819)	(21,256)
Turnover rate (10 %)	(10,019)	(13,534)	10,964	14,761	(7,510)	(10,065)	8,225	10,984

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

On April 5, 2019, The Labor Protection Act (No.7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from May 5, 2019 that the change is considered a project amendment for the post-employment benefits plan. The Company will record the effect of change by recognizing the past service cost immediately in the income statement in the year amount of Baht 57.89 million in the consolidated financial statement, and amount of Baht 42.42 million in the separate financial statement.

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As at December 31, 2020, the maturity analyses of undiscounted cash flows of benefit payments are as follows:

	(In Thousand Baht)	
	Consolidated financial statements	Separated financial statements
	As at December 31, 2020	As at December 31, 2020
Within 1 year	439	-
Within 2 - 5 years	64,909	61,784
Within 6 - 10 years	43,212	30,752
Within 10 - 15 years	187,611	94,062

23. FINANCIAL ASSETS AND LIABILITIES

	(In Thousand Baht)			
	Consolidated financial statements			
	Classification and measurement in accordance with TFRS 9			
	Fair value Through other comprehensive income	Fair value through profit or loss	Amortization cost	Total
Financial assets				
As at December 31, 2020				
Cash and cash equivalents	-	-	395,564	395,564
Trade and other current accounts receivable	-	-	518,703	518,703
Other current assets	-	-	13,467	13,467
Trade and other non - current accounts receivable	-	-	219,008	219,008
Other non - current assets	-	-	26,728	26,728
Total financial assets	-	-	1,173,470	1,173,470

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	(In Thousand Baht)			
	Separated financial statements			
	Classification and measurement in accordance with TFRS 9			
	Fair value	Fair value		
	Through other	through profit	Amortization	Total
	comprehensive	or loss	cost	
	income			
Financial assets				
As at December 31, 2020				
Cash and cash equivalents	-	-	284,829	284,829
Trade and other current accounts	-	-	428,657	428,657
Other non - current financial assets				
- Short term loans and accrued				
interest income related parties	-	-	94,127	94,127
Other current assets	-	-	10,679	10,679
Trade and other non - current accounts				
receivable	-	-	219,008	219,008
Other non - current assets	-	-	22,468	22,468
Total financial assets	-	-	1,059,768	1,059,768

On December 31, 2020, the Company has does not classification financial liabilities for measurement at fair value through profit or loss (FVPL).

24. COMPENSATION LIABILITIES - CONVERTIBLE PREFERRED SHARES

The Company recorded liabilities for obligations to pay the unpaid dividend in the amount of Baht 17,101,510 and the difference amount between the market price of the Company's shares and the offering price as at the exercise date of Baht 3.1647 per share (33,744,100 shares) amounting to Baht 106,833,875 as "compensation liabilities - convertible preferred shares" in current liabilities.

On March 30, 2011, the Company reclassified compensation liabilities - convertible preferred shares to present in liabilities under rehabilitation plan.

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
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25. SHARE CAPITAL AND PREMIUM (DISCOUNT) ON COMMON

	Amount of share	As at December 31, 2020		As at December 31, 2019	
		Shares	Amount	Shares	Amount
<i>Authorized share capital consists of</i>					
Ordinary shares	1	414,607,781	414,607,781	414,607,781	414,607,781
Preferred shares	1	79,487,456	79,487,456	79,487,456	79,487,456
Warrant	1	106,148,500	111,455,925	106,148,500	111,455,925
		<u>600,243,737</u>	<u>605,551,162</u>	<u>600,243,737</u>	<u>605,551,162</u>
<i>Issued and paid - up share capital</i>					
Ordinary shares	1	414,607,781	414,607,781	414,607,781	414,607,781
Preferred shares	1	79,487,456	79,487,456	79,487,456	79,487,456
<i>Issue of new shares</i>					
Ordinary shares	1	-	-	-	-
Preferred shares	1	-	-	-	-
		<u>494,095,237</u>	<u>494,095,237</u>	<u>494,095,237</u>	<u>494,095,237</u>
<i>Issued and paid - up share capital</i>					
<i>Consist of</i>					
Ordinary shares	1	414,607,781	414,607,781	414,607,781	414,607,781
Preferred shares	1	79,487,456	79,487,456	79,487,456	79,487,456
		<u>494,095,237</u>	<u>494,095,237</u>	<u>494,095,237</u>	<u>494,095,237</u>
<i>Premium on shares</i>					
Ordinary shares	0.06	414,607,781	8,542,665	414,607,781	8,542,665
Preferred shares	0.06	79,487,456	4,769,247	79,487,456	4,769,247
<i>Discount on common shares</i>					
As at December 31					
Ordinary shares	1	414,607,781	(22,088,943)	414,607,781	(22,088,943)

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTES TO FINANCIAL STATEMENTS****AS AT DECEMBER 31, 2020**

Fair value of shares and preferred share at date of issue which pay off creditor under rehabilitation plan have its value of 1.06 Baht share as the independent appraiser financial report at August 5, 2011.

On September 21, 2011, increase shares capital are becoming registration securities (Preferred shares are not registration securities).

Under rehabilitation plan

1. The Company approve deduction share capital amount of baht 52.99 million (52,999,999 shares of Baht 1 each) to Baht 272.23 million (272,230,101 shares of Baht 1 each) by cancel non paid-up share capital 52,999,999 shares of Baht 1 each. And approve increase authorized share capital from amount of Baht 272.23 million (272,230,101 shares of Baht 1 each) to Baht 600.24 million (600,243,737 shares of Baht 1 each). The Company has registered deduction and increase share capital with ministry of Commerce on August 10, 2011 and September 9, 2011, respectively.
2. The Company has the resolution to approve the operation by debt-to-equity conversion under rehabilitation plan splitting common share Baht 142.38 million (142,377,680 shares with the share of 1 Baht) and the preferential right of Baht 79.49 million (79,487,456 shares which is worth 1 Baht per share) in order to pay the debt in the total amount of Baht 221.87 million.

Warrants

Under rehabilitation plan passed the resolution on determining the conditions and details of the warrants issued to a financial institution (convert liabilities to be capital) who propose the new credit facility to the Company, under the rehabilitation plan processing. On March 30, 2011, the Central Bankruptcy Court ordered the Company to rehabilitate its business as described in.

In August, 2011, the Company has issued 106,148,500 units of warrants to purchase ordinary shares, allocated to a financial institution who proposes the new credit facility to the Company. Each unit of warrant has a right to purchase 1 ordinary share of Baht 0.01 each. The warrants will be with 10 years term, the first exercise month on March, June, September and the last exercise month on December.

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	Consolidated/ Separated	
	As at December 31, 2020	
	(Unit)	(Baht)
Number of warrants	106,148,500	111,455,925
<u>Less:</u> The number of exercised warrants - cumulative	-	-
<u>Less:</u> The number of expired warrants - cumulative	-	-
Balance number of warrants	106,148,500	111,455,925

Premium on share

According to the provision of the Limited Public Company Act, B.E. 2535 (1992) section 51 in the case that the company has proposed to sell share higher than the value of the share that has been registered, the Company must set this excessive share amount as backup capital ("share value excessive part"). This share value excessive part cannot be paid as dividend.

26. COMPANY'S SHARES HELD BY SUBSIDIARIES

As at December 31, 2020 and 2019, The share of the Company that is held by subsidiary includes preferential right in the amount of 3,555,477 shares with the value of 1 Baht per share which the subsidiary has been received from transforming the debt into capital under the operation according to the reorganizational plan of the Company. The said share has been shown as they deduct in the part of shareholders under the topic "share of the Company held by subsidiary" in the consolidated.

27. REVALUATION SURPLUS ON FIXED ASSETS

Consist of:

	(In Thousand Baht)			
	Consolidated financial statements		Separated financial statements	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Revaluation surplus on land				
Beginning balance	643,042	510,512	579,880	477,043
Increase	-	132,530	-	102,837
Decrease	-	-	-	-

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(In Thousand Baht)

	Consolidated financial statements		Separated financial statements	
	As at December	As at December	As at December	As at December
	31, 2020	31, 2019	31, 2020	31, 2019
Ending balance	643,042	643,042	579,880	579,880
Revaluation surplus on building				
Beginning balance	139,891	96,167	139,891	96,167
Increase	-	49,171	-	49,171
Decrease	-	-	-	-
Decrease - Sale	-	-	-	-
Decrease - Depreciation	(3,844)	(5,447)	(3,844)	(5,447)
Ending balance	136,047	139,891	136,047	139,891
Revaluation surplus on fixed assets	779,089	782,933	715,927	719,771
Deferred tax liabilities	(155,818)	(156,587)	(143,185)	(143,954)
Revaluation surplus on fixed assets - net	623,271	626,346	572,742	575,817

As at December 31, 2020, the Company and a subsidiary's land and plant are stated at appraised value, reports of the independent appraiser Agency for T.A. Management Corporation (1999) Co., LTD at date of December 31, 2020 respectively. The excess of appraised value of land and plant, which based on Market Approach and Cost Approach, are shown as "Revaluation surplus of fixed assets" under "Shareholders' Equity" in the statement of financial position. The revaluation surplus of fixed assets is not available for dividend distribution.

28. LEGAL RESERVE

According to the Public Companies Act, the Company has appropriated its reserve as a legal reserve not less than 5% of the annual net profit deducted by the total accumulated deficit brought forward (if any) until the reserve reaches an amount not less than 10% of the issued and paid-up share capital. The legal reserve may not be distributed as dividends.

29. DIRECTOR AND MANAGEMENT REMUNERATION
Director's remuneration

Directors' remuneration is contributed to directors of the Company and subsidiaries under Section 90 of the Public Companies Act excluding salaries and related fringe benefit paid to executive directors.

Management's remuneration

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Management's remuneration is salaries, remunerations and other benefits to the executive directors, in accordance with the definitions of the Office of the Securities and Exchange Commission. Management under definition includes a chief executive officer, the next four executive levels immediately below that chief executive officer and all persons in positions comparable to these fourth executive levels.

30. EARNING PROFIT (LOSS) PER SHARE
Basic earnings profit (loss) per share:

Basic earnings profit (loss) per share for the years ended December 31, 2020 and 2019, are calculated by net profit (loss) of ordinary shareholder and preferred shareholder of ordinary shares and preferred shares issued and paid up during in the year by calculated follow as;

	For the years ended December 31,			
	Consolidated financial statements		Separated financial statements	
	2020	2019	2020	2019
Gain (Loss) owner of the parent				
Gain (Loss) for the years				
(Thousand Baht)	22,462	(185,590)	(114,459)	(114,646)
Weighted average number of shares				
(Thousand Shares)	414,608	414,608	414,608	414,608
Basic Gain (Loss) per share (<i>Baht/share</i>)	0.05	(0.45)	(0.28)	(0.28)

Earnings Profit (loss) per diluted share:

The reduced profit (loss) per share for the year ended December 31, 2020 and 2019, which is calculated from the profit (loss) of the last year as the part for shareholders of the Company and the amount of common share that has been sold between the year in each year by averaging after the adjustment of the effect of the reduced share as follows:

	For the years ended December 31,			
	Consolidated financial statements		Separated financial statements	
	2020	2019	2020	2019

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Gain (Loss) owner of the parent				
Gain (Loss) for the years (Thousand Baht)	22,462	(185,590)	(114,459)	(114,646)
Number of ordinary shares as at January 1,	414,608	414,608	414,608	414,608
Warrant	105,147	105,147	105,147	105,147
Weighted average number of shares (Thousand Shares)	519,755	519,755	519,755	519,755
Diluted Gain (Loss) per share (<i>Baht/share</i>)	0.04	(0.36)	(0.22)	(0.22)

31. CORPORATE INCOME TAX

Income tax expense for the years ended December 31, 2020 and 2019, Consist of:

	(In Thousand Baht)			
	Consolidated financial statements		Separated financial statements	
	2020	2019	2020	2019
Current income tax:				
Income tax for the years	6,801	7,175	-	-
Deferred income tax:				
Deferred income tax effect of temporary difference and the reversal of temporary differences	(23,204)	(16,183)	(3,290)	(10,744)
Operating expense (income) tax present in the statement of comprehensive income	(16,403)	(9,008)	(3,290)	(10,744)

Reconciliation for effectiveness tax rate

	(In Thousand Baht)			
	Separated financial statements			
	Rate %	2020	Rate %	2019

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	(In Thousand Baht)			
	Separated financial statements			
	Rate %	2020	Rate %	2019
Profit (loss) before income tax expense		(117,749)		(124,543)
Income tax using the Thai corporation				
tax rate	20	(23,550)	20	(24,909)
Income not subject to tax		(8,953)		(20)
Expenses not deductible for tax purposes		1,326		2,596
Difference and the reversal of				
temporary differences		31,177		22,333
Total		-		-

32. EXPENSES ANALYZED BY NATURE

The key is as follows:

	(In Thousand Baht)			
	Consolidated financial statements		Separated financial statements	
	For the year ended December 31,		For the year ended December 31,	
	2020	2019	2020	2019
Changes in inventories and work in				
process	(57,312)	145,238	(23,109)	26,203
Raw materials and supplies used	2,682,881	3,278,440	1,483,515	1,830,538
Staff expense	568,072	692,394	407,417	447,622
Depreciation and amortization	81,565	87,824	43,416	52,983
Bad debt (reversal)	23,782	(22,964)	23,061	(29,216)
Loss (reversal) decrease of inventory	2,790	(3,834)	1,974	(3,135)
(Reversal) on impairment of investment	24,262	-	24,262	-

33. TRANSACTIONS WITH RELATED PARTIES

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Asset, liabilities, revenues and expenses of the Company arose from transactions with related parties. These related transactions are determined on the conditions in the normal course of business and based on agreed - upon basis as follows:

33.1 Relationship

<u>Name of relate of parties</u>	<u>Inter - transaction</u>	<u>Relationship</u>
Patkol Manufacturing Co., Ltd.	Sale of goods and services	Subsidiary
Patkol Trading Co., Ltd.	Sale of goods and services	Subsidiary
S Panel Co., Ltd.	Sale of goods and services	Subsidiary
Heataway Co., Ltd.	Sale of goods and services	Subsidiary
Tygienic Co., Ltd.	Sale of goods and services	Subsidiary
Patkol Philippines Corporation Co., Ltd.	Sale of goods and services	Subsidiary
Indonesia Patkol Service Corporation Co., Ltd.	Sale of goods and services	Subsidiary
Patkol Malaysia Sendirian Berhad Co., Ltd.	Sale of goods and services	Subsidiary
Patkol Myanmar Co., Ltd.	Sale of goods and services	Subsidiary
PT Indonesia Patkol Refrigeration Co., Ltd	Sale of goods and services	Subsidiary
Prepack (Thailand) Co., Ltd.	Services	Common director
Prudent Advisory Corporate Finance & Strategy Co., Ltd.	Services	Common director

33.2 Pricing policy

	<u>Pricing policy</u>
Sale of goods and services	Cost plus profit 1% for raw materials
	Cost plus profit 7% to 10% for finished goods
Purchase of goods and services	Cost plus profit 1% for raw materials
	Cost plus profit 7% to 10% for finished goods
Interest income	At the interest rate MOR per annum
Rental income and services	At Baht 1,000 - 327,390 per month
Management fee income	Price as agreed
Management fee system income	Price as agreed
Rental and Services	Price as agreed

Patkol Public Company Limited

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
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33.3 Assets and liabilities with related parties are as follows:

	(In Thousand Baht)			
	Consolidated financial statements		Separated financial statements	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Trade and others current accounts receivable				
related parties				
<u>Trade accounts receivable</u>				
Patkol Trading Co., Ltd.	-	-	781	721
S Panel Co., Ltd.	-	-	4,253	383
Patkol Manufacturing Co., Ltd.	-	-	1,114	1,493
Heataway Co., Ltd.	-	-	937	1,035
Tygienic Co., Ltd.	-	-	2,948	1,269
Patkol Philippines Corporation Co., Ltd.	-	-	5,640	7,529
Indonesia Patkol service Co., Ltd.	-	-	4,781	4,718
Patkol Malaysia Sendirian Berhad Co., Ltd.	-	-	4,799	3,285
Patkol Myanmar Co., Ltd.	-	-	2,569	2,570
Less Allowance for expected credit losses	-	-	(7,489)	-
Total	-	-	20,333	23,003
<u>Others current account receivable - advanced payment</u>				
S Panel Co., Ltd.	-	-	89	490
Heataway Co., Ltd.	-	-	6,322	6,525
Tygienic Co., Ltd.	-	-	11,080	52,066
Patkol Philippines Corporation Co., Ltd.	-	-	3,106	3,740
Indonesia Patkol service Co., Ltd.	-	-	3,031	3,423
Patkol Malaysia Sendirian Berhad Co., Ltd.	-	-	1,474	538
Patkol Myanmar Co., Ltd.	-	-	13	358
Total	-	-	25,115	67,140

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(In Thousand Baht)

	Consolidated financial statements		Separated financial statements	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
<u>Other trade accounts - accrued income</u>				
Patkol Trading Co., Ltd.	-	-	110	-
S Panel Co., Ltd.	-	-	691	-
Patkol Manufacturing Co., Ltd.	-	-	902	-
Heataway Co., Ltd.	-	-	423	-
Tygienic Co., Ltd.	-	-	312	-
Patkol Philippines Corporation Co., Ltd.	-	-	150	-
Indonesia Patkol service Co., Ltd.	-	-	26	-
Patkol Malaysia Sendirian Berhad Co., Ltd.	-	-	49	-
Patkol Myanmar Co., Ltd.	-	-	2	-
Total	-	-	2,665	-
Total trade and other current accounts receivable	-	-	48,113	90,143
<u>Contract Assets</u>				
Patkol Philippines Corporation Co., Ltd.	-	-	25	859
Total	-	-	25	859

Trade accounts receivable are classified by aging as follows:

(In Thousand Baht)

	Consolidated financial statements		Separated financial statements	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Undue:				
- Normal	-	-	7,616	8,507
Overdue:				
- Not over 3 months	-	-	6,244	2,004

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- Over 3 months to 6 months	-	-	1,513	3,268
- Over 6 months to 12 months	-	-	5,352	4,574
- Over 12 months	-	-	7,097	4,650
Total	-	-	27,822	23,003
<u>Less</u> Allowance for expected credit losses	-	-	(7,489)	-
Total trade accounts receivable related parties	-	-	20,333	23,003

(In Thousand Baht)

Consolidated financial statements		Separated financial statements	
As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019

Short - term loans and accrued interest
to related parties
Short - term loans

S Panel Co., Ltd.	-	-	-	36,400
Patkol Manufacturing Co., Ltd.	-	-	-	26,000
Tygienic Co., Ltd.	-	-	30,000	-
Indonesia Patkol service Co., Ltd.	-	-	8,065	8,094
Patkol Malaysia Sendirian Berhad Co., Ltd.	-	-	3,489	-
Patkol Myanmar Co., Ltd.	-	-	149	-
Total	-	-	41,703	70,494

(In Thousand Baht)

Consolidated financial statements		Separated financial statements	
As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019

Accrued interest income

S Panel Co., Ltd.	-	-	29	16,742
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PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
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Patkol Manufacturing Co., Ltd.	-	-	51,206	59,070
Tygienic Co., Ltd.	-	-	-	464
Indonesia Patkol service Co., Ltd.	-	-	1,083	276
Patkol Malaysia Sendirian Berhad Co., Ltd.	-	-	103	-
Patkol Myanmar Co., Ltd.	-	-	3	-
Total	-	-	52,424	76,552
Total short - term loans and accrued interest income	-	-	94,127	147,046

Increase and decrease in short - term loans to related parties are as follows:

	(In Thousand Baht)				
	Balance	Movement		Unrealized	Balance
	As at			gain / (loss)	As at
	January	Addition	(Deduction)	from foreign	December
1, 2020			exchange	31, 2020	
			rate		
S Panel Co., Ltd.	36,400	7,500	(43,900)	-	-
Patkol Manufacturing Co., Ltd.	26,000	-	(26,000)	-	-
Tygienic Co., Ltd.	-	37,000	(7,000)	-	30,000
Indonesia Patkol service Co., Ltd.	8,094	-	-	(29)	8,065
Patkol Malaysia Sendirian Berhad Co., Ltd.	-	3,668	-	(179)	3,489
Patkol Myanmar Co., Ltd.	-	156	-	(7)	149
Total	70,494	48,324	(76,900)	(215)	41,703

The Company has granted loans to related parties by issuing promissory notes with interest rate at MOR per annum (Referring to interest rate of Bangkok Bank) and due on demand.

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(In Thousand Baht)

	Consolidated financial statements		Separated financial statements	
	As at December	As at December	As at December	As at December
	31, 2020	31, 2019	31, 2020	31, 2019
Trade and other current accounts payable				
related parties				
<u>Trade accounts payable</u>				
Patkol Manufacturing Co., Ltd.	-	-	92,588	75,516
S Panel Co., Ltd.	-	-	178	1,961
Patkol Trading Co., Ltd.	-	-	3,231	4,521
Heataway Co., Ltd.	-	-	12,739	9,352
Tygienic Co., Ltd.	-	-	12,891	4,056
Patkol Philippines Corporation Co., Ltd.	-	-	300	3,316
Indonesia Patkol service Co., Ltd.	-	-	1,453	59
Patkol Malaysia Sendirian Berhad Co., Ltd.	-	-	102	-
Total trade accounts payable related parties	-	-	123,482	98,781
Contract Liabilities				
<u>Advanced receivable</u>				
Patkol Philippines Corporation Co., Ltd.	-	-	-	3,813
<u>Unearned Income</u>				
Patkol Philippines Corporation Co., Ltd.	-	-	492	114
Total contract liabilities	-	-	492	3,927
Provision employee benefit obligation -				
for management	68,052	68,827	68,052	68,827

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
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33.4 Revenues and expenses transactions with related parties

Revenues and expenses transactions with related parties for the year ended December 31, 2020 and 2019 are as follows:

	(In Thousand Baht)			
	Consolidated financial statements		Separated financial statements	
	2020	2019	2020	2019
Revenues from sales and rendering services				
Subsidiaries				
Patkol Manufacturing Co., Ltd.	-	-	4,311	6,637
S Panel Co., Ltd.	-	-	5,442	67
Patkol Trading Co., Ltd.	-	-	1,426	6,006
Heataway Co., Ltd.	-	-	1,981	1,661
Tygienic Co., Ltd.	-	-	828	1,459
Patkol Philippines Corporation Co., Ltd.	-	-	19,983	1,725
Indonesia Patkol service Co., Ltd.	-	-	148	-
Patkol Malaysia Sendirian Berhad Co., Ltd.	-	-	8	15
Patkol Myanmar Co., Ltd.	-	-	252	314
Total	-	-	34,379	17,884
Cost purchase products and rendering services				
Subsidiaries				
Patkol Manufacturing Co., Ltd.	-	-	481,488	599,370
S Panel Co., Ltd.	-	-	8,560	24,707
Patkol Trading Co., Ltd.	-	-	32,963	37,317
Heataway Co., Ltd.	-	-	121,039	107,731
Tygienic Co., Ltd.	-	-	131,311	121,721
Patkol Philippines Corporation Co., Ltd.	-	-	23,862	8,248
Indonesia Patkol service Co., Ltd.	-	-	10,752	-
Patkol Malaysia Sendirian Berhad Co., Ltd.	-	-	5,010	5,583
Patkol Myanmar Co., Ltd.	-	-	1,151	10,531
Total	-	-	816,136	915,208

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
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(In Thousand Baht)

	Consolidated financial statements		Separated financial statements	
	2020	2019	2020	2019
Administrative expense subsidiaries				
Related company				
Prudent Advisory Corporate Finance & Strategy				
Co., Ltd.	800	4,800	800	4,800
Director				
Mr. Sumet Jiambut	3,494	-	3,494	-
Mr. Rangsan thanmaneeuwong	1,350	-	1,350	-
Total	5,644	4,800	5,644	4,800
Revenue from rent and services				
Subsidiaries				
Patkol Manufacturing Co., Ltd.	-	-	11,941	12,946
Patkol Trading Co., Ltd.	-	-	5,279	4,147
S Panel Co., Ltd.	-	-	10,294	4,159
Heataway Co., Ltd.	-	-	7,254	3,579
Tygienic Co., Ltd.	-	-	20,041	9,889
Patkol Philippines Corporation Co., Ltd.	-	-	1,919	2,066
Indonesia Patkol Service Co., Ltd.	-	-	345	107
Patkol Malaysia Sendirian Berhad Co., Ltd.	-	-	194	89
Patkol Myanmar Co., Ltd.	-	-	145	66
Total	-	-	57,412	37,048

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2020

(In Thousand Baht)

	Consolidated financial statements		Separated financial statements	
	2020	2019	2020	2019
Interest income				
Subsidiaries				
Patkol Trading Co., Ltd.	-	-	-	147
S Panel Co., Ltd.	-	-	1,383	2,738
Patkol Manufacturing Co., Ltd.	-	-	136	5,900
Heataway Co., Ltd.	-	-	-	32
Tygienic Co., Ltd.	-	-	1,069	464
Indonesia Patkol Service Co., Ltd.	-	-	844	278
Patkol Malaysia Sendirian Berhad Co., Ltd.	-	-	107	-
Patkol Myanmar Co., Ltd.	-	-	3	-
Total	-	-	3,542	9,559
Managements' remuneration				
Short - term benefits	55,538	76,702	51,484	72,414
Post - employment benefits	5,133	9,530	5,133	9,530
Total	60,671	86,232	56,617	81,944

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
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33.5 Inter transactions with subsidiaries and related parties

	(In Thousand Baht)	
	Consolidated financial statements	
	For the years ended December 31,	
	2020	2019
Patkol Manufacturing Co., Ltd.		
Patkol Trading Co., Ltd.		
Trade accounts payable related parties	10	11
Short - term loans related parties	-	3,004
Revenues from sales and rendering services	-	18
Cost of sales and rendering services	160	921
Interest expenses	51	4
S Panel Co., Ltd.		
Trade accounts payable related parties	-	14
Revenues from sales and rendering services	-	2
Cost of sales and rendering services	94	286
Heat Away Co., Ltd.		
Trade accounts receivable related parties	-	569
Trade accounts payable related parties	92	-
Revenues from sales and rendering services	225	62,177
Cost of sales and rendering services	534	1,175
Other revenues	-	35
Tygienic Co., Ltd.		
Trade accounts receivable related parties	1,466	1,840
Short - term loans related parties	-	5,007
Trade accounts payable related parties	1,458	2,095
Revenues from sales and rendering services	2,971	29,373
Cost of sales and rendering services	15,657	13,106

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
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	(In Thousand Baht)	
	Consolidated financial statements	
	For the years ended December 31,	
	2020	2019
Other revenues	16,106	16,791
Interest expenses	27	7
S Panel Co., Ltd.		
Patkol Manufacturing Co., Ltd.		
Trade accounts receivable related parties	-	14
Revenue from sale and rendering service	94	286
Cost of sales and rendering services	-	2
Patkol Trading Co., Ltd.		
Cost of sales and rendering services	141	541
Interest expenses	237	-
Heat Away Co., Ltd.		
Patkol Manufacturing Co., Ltd.		
Trade accounts receivable related parties	92	-
Trade accounts payable related parties	-	569
Revenue from sale and rendering service	534	1,175
Cost of sales and rendering services	225	62,177
Other expense	-	35
Patkol Trading Co., Ltd.		
Revenue from sale and rendering service	-	45
Cost of sales and rendering services	-	1,094
Patkol Philippines Corp. Co., Ltd.		
Trade accounts payable related parties	754	-
Revenue from sale and rendering service	-	4,108
Tygienic Co., Ltd.		

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	(In Thousand Baht)	
	Consolidated financial statements	
	For the years ended December 31,	
	2020	2019
Trade accounts receivable related parties	55	-
Trade accounts payable related parties	-	1,002
Revenue from sale and rendering service	361	-
Cost of sales and rendering services	1,915	1,490
Patkol Philippines Corp. Co., Ltd.		
Heat Away Co., Ltd.		
Cost of sales and rendering services	-	4,108
Patkol Trading Co., Ltd.		
Patkol Manufacturing Co., Ltd.		
Trade accounts receivable related parties	10	11
Short - term loans related parties	-	3,004
Revenues from sales and rendering services	160	921
Cost of sales and rendering services	-	18
Interest income	51	4
S Panel Co., Ltd.		
Revenues from sales and rendering services	141	541
Interest income	237	-
Heat Away Co., Ltd		
Revenues from sales and rendering services	-	1,094
Cost of sales and rendering services	-	45
Tygienic Co., Ltd		
Trade accounts receivable related parties	62	21
Revenues from sales and rendering services	1,005	806
Cost of sales and rendering services	-	48
Interest income	16	-
Tygienic Co., Ltd.		

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	(In Thousand Baht)	
	Consolidated financial statements	
	For the years ended December 31,	
	2020	2019
Patkol Manufacturing Co., Ltd.		
Trade accounts receivable related parties	1,458	2,095
Short - term loans related parties	-	5,007
Trade accounts payable related parties	1,466	1,840
Revenues from sales and rendering services	15,657	13,106
Cost of sales and rendering services	2,971	29,373
Other expense	16,106	16,791
Interest income	27	7
Heat Away Co., Ltd		
Trade accounts receivable related parties	-	1,002
Trade accounts payable related parties	55	-
Revenues from sales and rendering services	1,915	1,490
Cost of sales and rendering services	361	-
Patkol Trading Co., Ltd		
Trade accounts payable related parties	62	21
Revenues from sales and rendering services	-	48
Cost of sales and rendering services	1,005	806
Interest expenses	16	-

34. FINANCIAL INFORMATION BY SEGMENT

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Company and the subsidiaries' operations involved in the trading and services of engineering products which include turnkey sales of services in design, manufacturing and installation of various types of industrial refrigeration for the ice making industry and supermarket, dairy and ice - cream processing, as well as food related processing plant and applies made to order and operated the business in geographical segment both in domestic and overseas.

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Business unit and geographical segment information of the Company and subsidiaries for the years ended December 31, 2020 and 2019, are as follows :

	(In Million Baht)				
	Consolidated financial statements				
	For the year ended				
	Ice machine and industrial Refrigeration System	Machinery for liquid and food processing system	Service and spare parts	Central management and others	Total
December 31, 2020					
Statement of comprehensive income					
Revenue from sales and rendering services - domestic	1,639.25	649.25	330.95	-	2,619.45
Revenue from sales and rendering services - overseas	301.02	121.87	16.85	-	439.74
Cost of sales rendering services	(1,439.60)	(588.74)	(275.76)	-	(2,304.10)
Gross profit	500.67	182.38	72.04	-	755.09
Other income	7.93	21.45	-	37.35	66.73
Distribution cost	(207.21)	(81.71)	(25.45)	-	(314.37)
Administrative expenses	-	-	-	(458.09)	(458.09)
Profit (loss) before financial cost	301.39	122.12	46.59	(420.74)	49.36
Financial cost - interest expense	-	-	-	(41.04)	(41.04)
Profit (loss) before income tax	301.39	122.12	46.59	(461.78)	8.32
Income tax	-	-	-	16.40	16.40
Net profit (loss)	301.39	122.12	46.59	(445.38)	24.72
Statement of financial position					
Property, plant and equipment - net	-	-	-	1,420.87	1,420.87

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
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	(In Million Baht)				
	Consolidated financial statements				
	For the year ended				
	Ice machine and industrial Refrigeration System	Machinery for liquid and food processing system	Service and spare parts	Central management and others	Total
December 31, 2019					
Statement of comprehensive income					
Revenue from sales and rendering services - domestic	1,984.84	600.28	439.68	-	3,024.80
Revenue from sales and rendering services - overseas	424.74	107.23	80.19	-	612.16
Cost of sales rendering services	(2,173.54)	(511.04)	(256.76)	-	(2,941.34)
Gross profit	236.04	196.47	263.11	-	695.62
Other income	90.62	16.61	7.28	-	114.51
Distribution cost	(248.89)	(80.67)	(29.34)	-	(358.90)
Administrative expenses	-	-	-	(594.65)	(594.65)
Profit (loss) before financial cost	77.77	132.41	241.05	(594.65)	(143.42)
Financial cost - interest expense	-	-	-	(48.59)	(48.59)
Profit (loss) before income tax	77.77	132.41	241.05	(643.24)	(192.01)
Income tax	-	-	-	9.01	9.01
Net profit (loss) the period	77.77	132.41	241.05	(634.23)	(183.00)
Statement of financial position					
Property, plant and equipment	-	-	-	1,489.21	1,489.21

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
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(In Million Baht)

	Separated financial statements				
	For the year ended				
	Ice machine and industrial Refrigeration System	Machinery for liquid and food processing system	Service and spare parts	Central management and others	Total
December 31, 2020					
Statement of comprehensive income					
Revenue from sales and rendering services - domestic	1,190.37	479.53	270.30	-	1,940.20
Revenue from sales and rendering services - overseas	261.69	121.87	3.99	-	387.55
Cost of sales rendering services	(1,152.87)	(511.22)	(200.18)	-	(1,864.27)
Gross profit	299.19	90.18	74.11	-	463.48
Other income	7.91	21.45	-	77.80	107.16
Distribution cost	(179.69)	(59.75)	(15.21)	-	(254.65)
Administrative expenses	-	-	-	(407.91)	(407.91)
Profit (loss) before financial cost	127.41	51.88	58.90	(330.11)	(91.92)
Financial cost - interest expense	-	-	-	(25.82)	(25.82)
Profit (loss) before income tax	127.41	51.88	58.90	(355.93)	(117.74)
Income tax	-	-	-	3.29	3.29
Net profit (loss)	127.41	51.88	58.90	(352.64)	(114.45)
Statement of financial position					
Property, plant and equipment - net	-	-	-	930.24	930.24

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	(In Million Baht)				
	Separated financial statements				
	For the year ended				
	Ice machine and Industrial refrigeration system	Machinery for liquid and food processing system	Service and spare parts	Central management and others	Total
December 31, 2019					
Statement of comprehensive income					
Revenue from sales and rendering					
services - domestic	1,490.57	518.95	352.65	-	2,362.17
Revenue from sales and rendering					
services - overseas	385.50	99.80	3.97	-	489.27
Cost of sales rendering services	(1,562.61)	(498.66)	(252.57)	-	(2,313.84)
Gross profit	313.46	120.09	104.05	-	537.60
Other income	56.62	27.61	4.00	-	88.23
Distribution cost	(221.90)	(40.72)	(13.42)	-	(276.04)
Administrative expenses	-	-	-	(441.84)	(441.84)
Profit (loss) before financial cost	148.18	106.98	94.63	(441.84)	(92.05)
Financial cost - interest expense	-	-	-	(33.33)	(33.33)
Profit (loss) before income tax	148.18	106.98	94.63	(475.17)	(125.38)
Income tax	-	-	-	10.74	10.74
Net profit (loss) the period	148.18	106.98	94.63	(464.43)	(114.64)
Statement of financial position					
Property, plant and equipment	-	-	-	959.18	959.18

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
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35. DISCLOSURE OF FINANCIAL INSTRUMENTS

35.1. Accounting policy

The significant accounting policies and method adopted including the basis of recognition and measurement relating to each class of financial assets and liabilities have been disclosed in note 3

35.2. Credit risk

Credit risk derives from failure by counterparties to discharge their obligations resulting in financial loss to the Company and subsidiaries. Financial assets shown in balance sheets at the book value deducted by allowance for expect credit accounts is maximum value of credit risk.

35.3. Exchange rate risk

The Company and subsidiaries have the exchange rate risk for deposit at banks trade accounts receivable and other receivable payable and other payable denominated to foreign currency. The Company has reduced the uncertainty of future cash flow by using natural hedge. Besides, the Company has managed the risk by entering into forward contract.

As at December 31, 2020 and 2019, the Company and subsidiaries have assets and liabilities denominated as follows :

Transaction	Currency	Consolidated financial statements		Separated financial statements	
		As at	As at	As at	As at
		December	December	December	December
		31, 2020	31, 2019	31, 2020	31, 2019
Deposit at banks	Thousand USD	4,559	542	4,559	542
	Thousand IDR	210,498	208,883	210,498	208,883
	Thousand PHP	65	65	65	65
	Thousand VND	396,208	236,930	396,208	236,930
Trade accounts	Thousand USD	1,130	2,549	1,803	2,038
Receivable	Thousand EUR	385	192	385	176
/ Deposit	Thousand MYR	-	370	-	370
	Thousand AUD	3	3	3	3
	Thousand PHP	-	533	-	533
	Thousand IDR	83,450	-	83,450	-

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2020

Transaction	Currency	Consolidated financial statements		Separated financial statements	
		As at	As at	As at	As at
		December	December	December	December
		31, 2020	31, 2019	31, 2020	31, 2019
	Thousand GBP	7	-	7	-
Trade accounts payable	Thousand USD	988	301	697	99
	Thousand EUR	274	573	50	321
	Thousand VND	1,800	8,208	1,800	8,208
	Thousand IDR	31,500	256,644	31,500	256,644
	Thousand PHP	-	138	-	138
	Thousand GBP	7	7	7	7
	Thousand MMK	-	1,600	-	1,600
	Thousand JPY	-	240	-	240
	Thousand MYR	5	-	5	-
	Thousand AUD	83	-	-	-
Loan-trust receipt	Thousand USD	-	294	-	231

35.4. Interest rate risk

Interest rate risk from changes in market interest rate will affect the results of the Company and subsidiaries' operations and cash flows. The Company and subsidiaries exposed the interest rate risk due to its deposits at financial institutions, deposits at bank with commitment, bank overdraft and short - term loans from financial institutions, long - term loans and long - term liabilities under financial lease agreement. The Company and subsidiaries do not use derivative financial instruments to hedge such risk.

As at December 31, 2020 and 2019, significant financial assets and liabilities classified by type of interest rate are summarized in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date :

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2020

(In Thousand Baht)							
Consolidated financial statements							
As at December 2020							
Fixed interest rates							
	Within 1 year	1 - 5 years	Over 5 years	Floating Interest rate	Non interest bearing	Total	Effective interest rate (% per annum.)
Financial Assets							
Cash and cash equivalents	-	-	-	340,612	54,952	395,564	0.125 - 0.250
Trade and other current account receivables	-	-	-	-	518,703	518,703	-
Contract assets	-	-	-	-	262,687	262,687	-
Non - current financial assets	26,099	-	-	5,040	-	31,139	0.125 - 0.500
Trade and other non - current account receivables	-	-	219,008	-	-	219,008	-
	<u>26,099</u>	<u>-</u>	<u>219,008</u>	<u>345,652</u>	<u>836,342</u>	<u>1,427,101</u>	
Financial liabilities							
Bank overdraft	-	-	-	18,027	-	18,027	5.875 - 5.875
Short - term loans	-	-	-	151,970	-	151,970	3.750 - 5.500
Trade and other current account payables	-	-	-	-	431,394	431,394	-
Contract liabilities	-	-	-	-	415,902	415,902	-
Lease liabilities	20,272	22,167	-	-	-	42,439	0.055 - 6.670
Long - term loans	-	-	-	567,921	-	567,921	3.750 - 5.250
	<u>20,272</u>	<u>22,167</u>	<u>-</u>	<u>737,918</u>	<u>847,296</u>	<u>1,627,653</u>	

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2020

(In Thousand Baht)							
Consolidated financial statements							
As at December 2019							
Fixed interest rates							
	Within 1 year	1 - 5 years	Over 5 years	Floating Interest rate	Non interest bearing	Total	Effective interest rate (% per annum.)
Financial Assets							
Cash and cash equivalents	-	-	-	117,585	16,985	134,570	0.25 - 0.625
Trade and other current account receivables	-	-	-	-	1,168,449	1,168,449	-
Deposits at bank with restrictions	27,195	-	-	6,341	-	33,536	0.25 - 1.00
Trade and other non - current account receivables	-	-	275,754	-	-	275,754	6.00
	<u>27,195</u>	<u>-</u>	<u>275,754</u>	<u>123,926</u>	<u>1,185,434</u>	<u>1,612,309</u>	
Financial liabilities							
Bank overdraft	-	-	-	39,426	-	39,426	6.875
Short - term loans	-	-	-	258,693	-	258,693	4.00 - 6.25
Trade and other current account payables	-	-	-	-	1,016,589	1,016,589	-
Loan - trust receipt	1,914	-	-	7,865	-	9,779	4.402
Long - term loans	-	-	-	743,778	-	743,778	4.00 - 5.50
	<u>1,914</u>	<u>-</u>	<u>-</u>	<u>1,049,762</u>	<u>1,016,589</u>	<u>2,068,265</u>	

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2020

(In Thousand Baht)							
Separated financial statements							
As at December 2020							
Fixed interest rates							
	Within 1 year	1 - 5 years	Over 5 years	Floating Interest rate	Non interest bearing	Total	Effective interest rate (% per annum.)
Financial Assets							
Cash and cash equivalents	-	-	-	242,569	42,260	284,829	0.200-0.205
Trade and other current account receivables	-	-	-	-	428,657	428,657	-
Contract assets	-	-	-	-	238,406	238,406	-
Short - term loans and Accrued interest income	-	-	-	41,703	52,424	94,127	5.875-13.000
Non - current financial assets	4,340	-	-	2,031	-	6,371	-
Trade and other non - current account receivables	-	-	219,008	-	-	219,008	-
	<u>4,340</u>	<u>-</u>	<u>219,008</u>	<u>286,303</u>	<u>761,747</u>	<u>1,271,398</u>	
Financial liabilities							
Bank overdraft	-	-	-	2,980	-	2,980	5.875
Trade and other current account payables	-	-	-	-	336,587	336,587	-
Contract liabilities	-	-	-	-	386,312	386,312	-
Long - term loans	-	-	-	387,463	-	387,463	3.750-4.500
Lease liabilities	13,927	9,673	-	-	-	23,600	6.170-6.670
	<u>13,927</u>	<u>9,673</u>	<u>-</u>	<u>390,443</u>	<u>722,899</u>	<u>1,136,942</u>	

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2020

(In Thousand Baht)							
Separated financial statements							
As at December 2019							
Fixed interest rates							
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum.)	
Financial Assets							
Cash and cash equivalents	-	-	-	71,866	6,653	78,519	0.25 - 0.625
Trade and other current accounts receivables	-	-	-	-	676,399	676,399	-
Short - term loans and accrued interest income	-	-	-	147,046	-	147,046	6.875
Deposits at bank with restrictions	-	-	-	6,341	-	6,341	0.250 - 1.00
Trade and other non-current accounts receivable	-	-	275,755	-	-	275,755	6.00
	-	-	275,755	225,253	683,052	1,184,060	
Financial liabilities							
Bank overdrafts	-	-	-	12,960	-	12,960	6.875
Short - term loans	-	-	-	100,000	-	100,000	5.250 - 6.250
Trade and other payables	-	-	-	-	380,210	380,210	-
Long - term loans	-	-	-	491,829	-	491,829	5.250 - 5.500
Trust receipts	-	-	-	7,865	-	7,865	4.402
	-	-	-	612,654	380,210	992,864	

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTES TO FINANCIAL STATEMENTS****AS AT DECEMBER 31, 2020**

35.5. Fair values of financial instruments

Since the majority of the Company and its subsidiaries' financial instruments are short - term in nature or carrying interest at rates close to the market interest rates, the company and subsidiaries their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

Fair value hierarchy

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

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

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2020
36. COMMITMENTS AND CONTINGENT LIABILITIES

36.1. Commitments

	(In Million Baht)			
	Consolidated financial statements		Separated financial statements	
	As at December	As at December	As at December	As at December
	31, 2020	31, 2019	31, 2020	31, 2019
Capital commitments				
- Purchase of goods agreement	80.50	199.14	0.33	64.70
- Contractor agreement	3.21	98.43	0.53	80.33
Total	<u>83.71</u>	<u>297.57</u>	<u>0.86</u>	<u>145.03</u>
Operating lease commitments				
Within 1 year	1.99	10.97	1.98	10.97
More than 1 to 5 years	3.63	13.82	3.63	13.82
Total	<u>5.62</u>	<u>24.79</u>	<u>5.61</u>	<u>24.79</u>

As at December 31, 2020, the Company and subsidiaries has commitments of lease office buildings den foreign currencies as follows:

Buildings and offices in domestic and foreign countries	Currency	As at December 31, 2020	
		Within 1 year	More than 1 to 2 years
- Vietnam	VND	286,000,000	-

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2020

36.2. Contingent liabilities

As at December 31, 2020, the Company and subsidiaries has contingent liabilities with commercial banks as follows.

	Consolidated financial statements	Separated financial statements
	As at December 31, 2020	As at December 31, 2020
Letters of guarantee		
- Domestic currency (Million Baht)	238.40	192.54
Cheque guarantee (Million Baht)	18.83	18.83

36.3 Litigation

The Company

On January 31, 2020, the Company was sued in a labor case of the Central Labor Court and has been indicted for a charge or an offense under Labor Law, Labor Protection Law, Employment Condition Agreement, Unfair termination and the Provident Fund Law to indemnify in the amount of 23.88 million baht. The court completed the examination witnesses and then the court order to sentence on October 6, 2020 that the Company has to indemnify to employees in the amount of 7.93 million baht. The plaintiff has assigned lawyer to receive a cashier's check, so the case is over.

Subsidiaries

1. On January 14, 2019, the second defendant's, a subsidiary, was sued as a civil case by Samutprakarn provincial court. about the claim of damages from fire the warehouse, which the subsidiary installed refrigeration equipment, indemnity of 246.42 million Baht plus interest rate at 7.5% of the amount, is the following day of the lawsuit. The case is currently under consideration by the court. The Company's management and lawyer have an opinion that there are uncertain of solution at present. Therefore, the amount of damages has not yet been determined.

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

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTES TO FINANCIAL STATEMENTS****AS AT DECEMBER 31, 2020****37. RECLASSIFICATIONS**

The Company certain amounts in the financial statements for the year 2019 have been reclassified to conform to the current period's classification.

38. CAPITAL MANAGEMENT

The objective of financial management of the Company and subsidiaries is to maintain the continuity of operation capability and appropriate capital structure.

As at December 31, 2020 and 2019, debt to equity ratio in the consolidated financial statements is 1.34 : 1 and 1.77 : 1, respectively (the separate financial statements: debt to equity ratio is 0.96 : 1 and 1.13 : 1, respectively).

39. FINANCIAL STATEMENTS APPROVAL

These financial statements have been approved for issue by the Company's board of directors on February 19, 2021.

Part 4

Certification of the Correctness of One Report Information



The Company has carefully reviewed the information in this annual report. The Company assures that it is complete and accurate. There is no false, misleading or missing information that should be provided. In addition, the Company assures that:

(1) The financial statements and financial information summarized in the annual report are accurately displayed regarding the financial position, operating results, and cash flows of the Company and its subsidiaries.

(2) The Company is responsible for ensuring that the Company maintains a good disclosure system to ensure that the Company has properly disclosed the information of the Company and its subsidiaries, as well as supervised the compliance with such system.

(3) The Company has provided a good internal control system and supervised compliance with the system. The Company has informed the Company's auditors and audit committee regarding the internal assessment as of February 16, 2019, including any significant deficiencies and changes in the internal control system, as well as misconduct that may affect the preparation of financial reports of the Company and its subsidiaries.

In this regard, as evidence that all documents are the same documents that the Company has authenticated, the Company has assigned Ms. Wannaporn Trinvisutthikul, the Company's Secretary, to sign this document on all pages. If any document does not contain the signature of Ms. Wannaporn Trinvisutthikul, the Company's Secretary, the Company shall assume that it is not information of which the Company has certified the accuracy, as mentioned above.

	Name	Position	Signature
1.	Mr. Sangchai Chotchuangchutchaval	Director	
2.	Mr. Panet Chongvatana	Director	

Attorney

	Name	Position	Signature
1.	Miss Wannaporn Trinvisutthikul	Company Secretary	

Attachment 1

Profiles of the Board of Directors and Management Team and Company Secretary

Name / Position	Age (year)	Highest Academic Qualification	Holding of Company's Share	Relationship	Experience	
					Year	Position / Name of Company
1. Mr. Pitipong Phungbun na Ayutthaya <ul style="list-style-type: none"> Chairman of the Board Independent Director 	74	Master of Public Administration (MPA) California State University (East Bay) <u>IOD Training</u> - Director Accreditation Program (DAP 149/2018) - Risk Management Program for Corporate Leaders (RCL 7/2017)	-	-	Present	<u>Other business</u> - President of the Agricultural Economics Society of Thailand Under Royal Patronage - Chairman of the National Social Reform Committee - Director of the Council of State
2. Mr. Pairoj Sanyadechakul <ul style="list-style-type: none"> Chairman of the Audit Committee Independent Director 	71	Bachelor's Degree in Engineering, Chulalongkorn University <u>IOD Training</u> - Director Certification Program (DCP 258/2018) - Advanced Audit Committee Program (AACP 30/2018)	-	-	Present	<u>Other business</u> - Director and Foundation for Industrial Development (FID) - Director of Thailand Productivity Foundation - Chairman of the Board of Electrical and Electronics Institute - Chairman of the Board of Good corporate governance - Independent Director and Chairman of Risk Management Committee of NEP Reality and Industry PUBLIC COMPANY LIMITED

Name / Position	Age (year)	Highest Academic Qualification	Holding of Company's Share	Relationship	Experience	
					Year	Position / Name of Company
3 Mr. Sangchai Chotchuangchutchaval <ul style="list-style-type: none"> • Vice Chairman of the Board • Chairman of Executive Committee • Chief Executive Officer 	65	Doctor of Philosophy (Industrial Engineering), King Mongkut's institute of Technology North Bangkok <u>IOD Training</u> - Director Accreditation Program (DAP 5/2003) - Director Certification Program (DCP 237/2017)	9.28%	-	Present	<u>Subsidiaries</u> Director - Patkol Trading Co., Ltd - Spanel Co., Ltd. - Patkol Manufacturing Co., Ltd. - Heataway Co., Ltd. - Tygienic Co., Ltd. - Patkol Philippines Corporation Co., Ltd. - PT Indonesia Patkol Service Co., Ltd. - Patkol Malaasia Co., Ltd. - Patkol Myanmar Co., Ltd. - PT Indonesia Patkol Refrigeration Co., Ltd. <u>Other business</u> - Director, Dr. Piya Chongvatana Foundation - Executive Board of King Mongkut's institute of Technology North Bangkok

Name / Position	Age (year)	Highest Academic Qualification	Holding of Company's Share	Relationship	Experience	
					Year	Position / Name of Company
4. Ms. Naitya Chongvatana • Director	51	M.A. Business Administration, Johnson and Wales University <u>IOD Training</u> - Director Certification Program (DCP 259/2018)	-	Cousin of Mr. Panet Chongvatana (Director)	Present	<u>Other business</u> - Sale Manager of Prepack Thailand Co., Ltd. - Sale Manager of Sarakorn Co., Ltd.
5. Mr. Virachai Srikajorn • Audit Committee Member • Management Committee • Independent Director	65	Master's Degree in Business Administration, South Eastern University, Washington DC, USA <u>IOD Training</u> - Directors Accreditation Program (DAP 9/2004) - Directors Certification Program (DCP 102/2008) - Advanced Audit Committee Program (ACP 30/2018) - Risk Management Program for Corporate Leaders (RCL 14/2018) - Board Nomination and Compensation Program (BNCP 4/2018)	-	-	Present 1996-2019	<u>Other business</u> - Director, Director of the Audit Committee and Chairman of Remuneration Committee of Thonburi Healthcare group Co., Ltd. - Director, TKS Technologies Public Co., Ltd.

Name / Position	Age (year)	Highest Academic Qualification	Holding of Company's Share	Relationship	Experience	
					Year	Position / Name of Company
6. Mr. Preecha Chantarangkul <ul style="list-style-type: none"> • Audit Committee Member • Chairman of Remuneration Committee • Independent Director 	77	Bachelor's Degree in Business Administration, Faculty of Management, Thammasart University <u>IOD Training</u> -Directors Accreditation Program (DAP 2/2003) - Finance for Non-Finance Director (FND 11/2004)	-	-	Present	<u>Other business</u> -
7. Mr. Paradorn Chulajata <ul style="list-style-type: none"> • Director • Audit Committee Consultant • Risk Management Committee Member • Nomination and Remuneration Committee 	54	Master's Degree in Business Administration, Faculty of Finance, Eastern Michigan University, USA. <u>IOD Training</u> - Directors Accreditation Program (DAP 2/2003) - Directors Certification Program (DCP 38/2003) - Refresher Course DCP (DCP Re 4/2007) - Advanced Audit Committee Program (AACP 21/2015)	2.24%	-	Present	<u>Other business</u> - Director, Prepack Thailand Co.,Ltd. - Honorary President of Plastic Industry Club, The Federation of Thai Industries - Excusive Committee and Professional of Center of Excellence on Petrochemical and Material, Chulalongkorn University - Advisor of the Working Group Government cooperation project Business sector Civil society for sustainable waste and plastic disposal - Subcommittee of Circular Economic Planning of National Higher Education Science Research and Innovation Policy Council

Name / Position	Age (year)	Highest Academic Qualification	Holding of Company's Share	Relationship	Experience	
					Year	Position / Name of Company
8. Mr. Sumet Jiambutr <ul style="list-style-type: none"> • Director • Executive Committee Member • Business consultants 	65	Bachelor's Degree in Engineering in Mechanical Engineer of King Mongkut's Institute of Technology North Bangkok	0.20%	-	Present	<u>Subsidiaries</u> Director - Patkol Manufacturing Co., Ltd. - Patkol Trading Co., Ltd. - Spanel Co., Ltd - Heataway Co., Ltd. - Tygienic Co., Ltd.
9. Ms. Anongsiri Chaiyakul <ul style="list-style-type: none"> • Director 	77	Bachelor's Degree in Accounting, Thammasart University <u>IOD Training</u> - Directors Accreditation Program (DAP 50/2006)	-	-	Present	<u>Subsidiaries</u> Director - Patkol Manufacturing Co., Ltd. - Patkol Trading Co., Ltd.
10. Ms. Nongluck Sakdakrai <ul style="list-style-type: none"> • Director • Nomination and Remuneration Committee Member 	46	Master's Degree in Perfect Management, George Washington University <u>IOD Training</u> - Directors Certification Program (DCP 19/2002) - Refresher Course (DCP Re 3/2006) - Board Nomination and Compensation Program Class (BNCP Re 3/2018)	6.07%	-	Present	<u>Other business</u> - Director of Thai Ice tube Co., Ltd. - Director, of Watcharaphol tube ice Co., Ltd. 2000-2019 - Deputy Managing Director, Thai Ice Tube Co., Ltd. - Deputy Managing Director, Watcharaphol tube ice Co., Ltd.

Name / Position	Age (year)	Highest Academic Qualification	Holding of Company's Share	Relationship	Experience	
					Year	Position / Name of Company
11. Mr. Panet Chongvatana <ul style="list-style-type: none"> • Director • Executive Committee • Member • Risk Management • Committee Member • Chief Strategy Officer • Managing Director of Ice Machine 	44	Master's Degree of Science in Engineering Management Majoring in Project Management has Jersey Institute of Technology, USA. <u>IOD Training</u> - Directors Certification Program (DCP 228/2016) - Financial Statement for Director (FSD 2/2008) - Company Secretary Program (CSP 67/2015)	6.40%	Cousin of Ms. Naitya Chongvatana	Present	<u>Subsidiaries</u> Director - Patkol Manufacturing Co.,Ltd. - Patkol Trading Co., Ltd. - Spanel Co., Ltd. - Heataway Co., Ltd. - Tygienic Co., Ltd. - Patkol Philippines Corporation Co., Ltd. - PT Indonesia Patkol Service Co., Ltd. - Patkol Malaasia Co., Ltd. - Patkol Myanmar Co., Ltd. - PT Indonesia Patkol Refrigeration Co., Ltd.
12. Mr. Rangsan Thammaneeuwong <ul style="list-style-type: none"> • Director • Executive Committee • Risk Management Committee Member • Business consultants 	59	Master's Degree in College of Business Administration, Joesph M. Katz, Graduate School University of Pittsburgh, Pittsburgh, Pennsylvania, USA. <u>IOD Training</u> - Directors Accreditation Program (DAP 133/2017)	-	-	Present	<u>Other business</u> - Chairman, Prudent Advisor Co., Ltd. - Director, SS National Logistics Co., Ltd. - Director, Sermuk Public Co., Ltd. - Member of Chartered, Society of Advancement for Consulting, USA

Name / Position	Age (year)	Highest Academic Qualification	Holding of Company's Share	Relationship	Experience	
					Year	Position / Name of Company
13. Ms. Wannaporn Trinvisutthikul <ul style="list-style-type: none"> • Chief Administrative Officer • The person taking the highest responsibility in finance and accounting • Company Secretary (November 2018 – Present) 	48	Master's Degree in Business Administration, Ramkhamhaeng University <u>IOD Training</u> - Directors Certification Program (DCP 225/2016) - How to Develop a Risk Management Plan (HRP 17/2018) - Company Secretary Program (CSP 95/2019) <u>Training for the person taking the highest responsibility in finance and accounting</u> - CFO Focus Financial reporting 5 by SEC and Federation of Accounting Professions 16 hr. <u>Training for Management</u> - Company Secretary Program (CSP) 16 hr. - OSH&E Committee Program 12 hr.	-	-	Present	<u>Subsidiaries</u> Director - Patkol Trading Co., Ltd - Patkol Manufacturing Co.,Ltd - Tygienic Co., Ltd - PT Indonesia Patkol Refrigeration Co., Ltd.

Name / Position	Age (year)	Highest Academic Qualification	Holding of Company's Share	Relationship	Experience	
					Year	Position / Name of Company
14. Mr. Chakkraphong Chaosuan • Chief International Business Officer (Acting)	48	Bachelor's Degree in Electronic engineering, King Mongkut's Institute of Technology Ladkrabong	-	-	Present	<u>Subsidiaries</u> Director - Heataway Co., Ltd - Patkol Manufacturing Co.,Ltd. - Patkol Philippines Cooperation Co., Ltd. - PT Indonesia Patkol Service Co., Ltd. - PT Indonesia Patkol Refrigeration Co., Ltd.
15. Mr. Suwat Grittiyarangsarn • Managing Director of Refrigeration (Acting)	49	Master's degree Business Administration National Institute of Development Administration (NIDA)	-	-	-	-
16. Mrs. Siwaporn Dumronglaohapun • Managing Director of Food & Dairy	54	Master's Degree in Chemical Engineering, King Mongkut's University of Technology Thouburi	-	-	Present	<u>Subsidiaries</u> Director - Patkol Trading Co., Ltd - Tygienic Co., Ltd
17. Ms. Napaporn Pornanuwong • Accounting Department Manager	38	Master's Degree in Business Administration, Chulalongkorn University	-	-	2019-Nov 2020 2012-2019	- Accounting Department Manager, Patkol Public Company Limited - Accounting Department Manager, Pacific Pipe Public Company Limited

Attachment 2

Detail of Director in Subsidiaries As of 31 December 2020

Name	PK	Subsidiaries										Related Company (by definition of SEC)		
		PKT	SPN	PKM	HA	PK-PH	PK-ID Service	PK-MY	PK-MM	TG	PK-IDRF	Prudent	Consultant	
1. Mr. Pitipong Phungbun na Ayutthaya	X, II													
2. Ms. Naitya Chongvatana	/													
3. Mr. Sangchai Chotchuangchutchaval	I, V, IV	VI	/	VI	/	X	X	X	/	/	X			
4. Mr. Pairoj Sanyadechakul	III													
5. Mr. Veerachai Srikajorn	III													
6. Mr. Preecha Chantarangkul	III													
7. Mr. Paradorn Chulajata	/													
8. Ms. Nongluck Sakdakrai	/													
9. นางสาว Ms. Anongsiri Chaiyakul	/	/		/										
10. Mr. Sumet Jiambutr	/	/	/	/	/					/			/	
11. Mr. Rangsan Thammanee Wong	/											/	/	
12. Mr. Panet Chongvatana	/	/	VI	/	VI	/	/	/	/	/	/			
13. Ms. Wannaporn Trinvisuthikul		/		/						/	/			
14. Mr. Suvachai Jaiwat			/		/									
15. Mr. Mongkol Maduethong			/	/	/									
16. Mr. Chakkraphong Chaosuan				/	/	/	/				/			
17. Mrs. Siwaporn Dumronglaohapun		/								/				
18. Mr. Boonyong Kulkanjanachin			/											
19. Mr. Pitak Chomcheun		/												
20. Mr. Metha Chairoon				/										
21. Mr. Narong Chaivisate										/				
22. Mr. Hartono Siauw											/			

Noted: The symbol of the position of directors and executive

X	Chairman of the Board	/	Director
V	Vice Chairman of the Board	//	Independent Director
IV	Chief Executive Officer	///	Independent Director and Audit Committee

Member

VI	Managing Director
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The symbol of the Company, subsidiaries and related company (by definition of SEC)

PK	Patkol Public Company Limited	HA	Heat Away Company Limited
PKT	Patkol Trading Company Limited	PK-PH	Patkol Philippines Corporation
PK-ID	PT. Indonesia Patkol Service	PK-MY	Patkol Malaysia Company Limited
SPN	Spanel Company Limited	PK-MM	Patkol Myanmar Company Limited (PK-MM)
TG	Tygenic Company Limited	PKM	Patkol Manufacturing Company Limited
PK-IDRF	PT Indonesia Patkol Refrigeration		
Prudent	Prudent Advisor Company Limited		

Details of the Internal Audit Supervisor (compliance)



Name Parichat Tamnanok
Age 42 years
Nationality Thai
Position Internal Audit Manager

Education: Bachelor Degree of Commerce and Accountancy, Thammasat University, March 2001

Work Experiences:

Period	Position	Company
2016-Present	Internal Audit Manager	Patkol Public Company Limited
2014-2016	Internal Audit Manager	Thai Rubber Latex Corporation (Thailand) PCL.
2012-2013	Assistant Accounting Manager	Gaysorn Property Co.,Ltd.
2008-2011	Internal Audit Manager	Bangpakok Hospital Group Co.,Ltd.
2001-2008	Internal Auditor	KPMG Phoomchai Audit Ltd.

Training:

- COSO ERM
- Leadership Skills for Auditors
- Fraud Audit
- Communication and coaching technique for supervisor

Attachment 4

Asset and Property appraisal list

1. The Company has fixed assets and intangible assets for use in the business operation of both the Company and its subsidiaries

Property, plant and equipment

No.	Type	Value (Thousand baht)
1	Land	744,855
2	Building and improvement	499,596
3.	Machinery and equipment	126,825
4	Machinery for lease	270
5	Office equipment	19,196
6	Vehicles	12,670
7	Assets under construction	17,455
Total		1,420,868

Land with buildings and machinery totaling 1,332.64 million baht was used as collateral for overdrafts and short-term loans from financial institutions totaling 2,182 million baht

Types of loan	(Million Bath)
Overdrafts	94
Short-term loans	300
Long-term loans	758
Limited liability under trustee contracts/ pre-shipment financing	142.54
Letter of guarantee	432.89
Future contracts	455

Intangible assets

No.	Type	Value (Thousand bath)
1	computer software	172,292
2	intellectual property	25,537
3.	Installation software	8,378
Deducting any amortization and impairment of assets		(129,788)
Total		76,419

A right-of-use (ROU) asset

No.	Type	Value (Thousand bath)
1	Vehicles	11,688
2	Machinery and equipment	2,575
Total		14,263

2. Property Valuation

The Company's land and buildings are shown for the new valuation, according to the Independent Appraiser's Assessment Report. In 2019, the land valuation was based on the market value. The building valuation, on the other hand, was based on variable costs.

The fair value of land and buildings, which was assessed using the land and building appraiser's report, was assessed by comparing the market price with the sale price of comparable land nearby adjusted by renewable cost method using a fair value at level 2 of the fair value class.

Intangible assets were represented by cost less accumulated amortization. Amortization of intangible assets is calculated from the cost of the asset based on a service life of about 5 - 10 years.

3. Recognition of right-of-use assets

The Company recognizes right-of-use assets and lease liabilities as of the effective date of the lease agreement. Right-of-use assets are measured at cost, which consists of the amount of lease liabilities from the initial valuation adjusted by payment according to any lease agreement as of the effective date or before the effective date of the contract, any initial direct costs incurred and estimates of the costs incurred for tenants in dismantling and moving underlying assets, restoration of the location of the underlying asset or the restoration of the underlying asset to the specified condition, less any lease incentives received.

Lease liabilities are calculated at the present value of unpaid lease payments as of the date the lease starts, which is reduced by the implied interest rate of the lease if the rate can be set at any time. However, if the rate cannot be determined at any time, the group's incremental borrowing rate is used.



Corporate Governance Code

PATKOL Public Company Limited

ACCOUNTABILITY
RESPONSIBILITY
TRANSPARENCY
CAREFULLY **FAIRNESS**
BOARD STRUCTURE
COMMITTEE **TRANSPARENCY**
ACCOUNTABILITY **CAREFULLY**
INTEGRITY
FAIRNESS **RESPONSIBILITIES**
COMMITTEE **BOARD STRUCTURE**

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Message from Chairman of the Board and Chief Executive Officer

The Board of Directors is committed to good corporate governance principles, which are good practices for the directors of listed companies and related practices of the Stock Exchange of Thailand. At Patkol Public Company Limited, we are committed to enhancing corporate governance with good ethics, transparency and auditability. This document, the Company's "Good Corporate Governance Policies and Guidelines Handbook," has been written to enable the Board of Directors, executives and employees to adhere to operational guidelines that cover various practices to meet the expectations of shareholders and stakeholders.

The Board of Directors will make efforts to ensure strict compliance with these policies and practices and is committed to continuously improve the company's corporate governance in order to achieve its goal of ensuring continuous and sustainable growth and stability for the Company and its shareholders.

As chairman of the Executive Committee, we would like to announce the "Good Corporate Governance Policies and Guidelines Handbook" approved by the Board of Directors' Meeting No. 1/2017 on February 23, 2017, to ensure that the Board of Directors, executives and employees of the Company are aware of their duties and responsibilities per these guidelines for the implementation of moral and ethical principles with the aim of improving competitiveness.



(Mr. Sangchai Chotchuangchutaval)
Chief Executive Director

Corporate Governance

The Board of Directors has the intention adhere to the supervision of Patkol Public Company Limited under the principle of good corporate governance with integrity, transparency and accountability. It focuses on building maximum benefit to the shareholders and considering the practice on the overall stakeholders with equity. As a result, the company can increase the ability on competition and economic value to the shareholders in the long term as well. So, it has designated the policy on good corporate governance better for the Board of Directors, the management and the employees to adhere to as a policy and practice as follows:

Corporate Governance Policy

1. The Board of Director, the management and all the employees have determined to apply the main principle in the good corporate governance in the six aspects as the principle in the practice are:

- 1.1) It has accountability for its decision-making.
- 1.2) It takes responsibility for the duty performance with the existing capability and sufficient efficiency.
- 1.3) It has transparency that can be verified.
- 1.4) It has fairness and equity for the stakeholders.
- 1.5) It has a vision to create long-term value.
- 1.6) It has virtue, ethics and code of conduct in the business operations.

2. The Board of Director, the management and all of its employees determined to apply the important principles on the good governance of the Stock Exchange of Thailand (SET) as guidelines on the practice in five chapters are:

2.1) Rights of Shareholders

Considering the right of the shareholders and giving the right to the shareholders in the various matters as well as encouraging the shareholders to exercise their right, including not doing anything to violate or derogate the right of the shareholders.

2.2) Equitable Treatment of the shareholders

Treatment of the shareholders is for both as the shareholders who are the management and the non-management, including the foreign shareholders and the minor shareholders by being treated with equity and fairness.

2.3) Stakeholders

Stakeholders Treatment of the stakeholders is by considering their right of each group in accordance with the law or the agreement with the company, including not doing anything in violation or derogation of their right.

2.4) Transparency)

Transparency Disclosure of the important information to the shareholders, the investors, the stakeholders, the supervising agency involved with the company both the financial information and the nonfinancial information correctly, completely, sufficiently, reliably and equally and within the specified time through the easily access channel.

2.5) Responsibilities

Responsibilities of the board Performing the duty and responsibility of the board of directors for the shareholders by the board of directors has the leadership situation, vision, independence and decision-making for optimum benefit of the company and the overall shareholders. It has separated the role and responsibility between the directors and the management clearly as well as the care on the management under the framework of the law and the business ethics.

3. The Board of Director, the management and all of the employees determined to apply the practice on the principle of good corporate governance of the company, business ethics and code of conduct of the directors, the management and the employees as guidelines in the operation.

4. The Board of Director has the responsibility in taking care of reporting on finance and disclosure of the information with correctness and sufficiency according to the good guidelines and relevant criteria.

5. The Board of Director encourages participation and designation of the channel that can communication with the shareholders, the investors, the supervision agency, the stakeholders, including giving general information to the interested persons.

6. The Board of Director provided an operation for the managerial structure of the company by designating the duty and responsibility of each board of directors and the management clearly.

7. The Board of Director shall provide the system of risk management and the internal audit to be at the suitable and efficient level, including the accounting system and a report on finance with accuracy and reliability.

Guidelines for good corporate governance

The Company has established guidelines for good corporate governance for listed companies in 2012 according to the guidelines set by the Stock Exchange of Thailand in 5 categories as follows:

Chapter 1 Right of Shareholder

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

Policy on The Rights of Shareholders

- The Board of Directors has a duty to protect and respect the basic rights of the shareholders, e.g., the right to trade or transfer shares, the right to get a share of the profits of the business, the right to receive adequate business information, and the right to attend shareholders' meetings to appoint or remove directors, the appointment of auditors, dividend allocation, determination or amendment of articles of association or memorandum of association, capital reduction or capital increase, approval of special items, etc.
- The Board of Directors is responsible for promoting and encouraging all groups of shareholders, including institutional shareholders, to exercise their rights in various matters, e.g., to attend the Annual General Meeting of Shareholders, namely, the right to propose agenda items for the AGM in advance, the right to propose persons to be selected as directors in advance, the right to submit questions prior to the meeting, the right to express opinions and pose questions in the meeting, etc.
- The Board of Directors is responsible for refraining from any actions that violate or restrict or deprive the rights of shareholders to study the Company's information, such as suddenly not handing out documents containing additional important information, adding agenda items or changing important information without prior notice to shareholders.
- The Board of Directors is obliged to facilitate the shareholders' exercise of the right to attend the shareholders' meeting and vote fully and refrain from any actions that limit the chances of attending the shareholders' meeting, such as creating a cumbersome voting process. The Board must also

facilitate shareholders to exercise additional rights, such as providing important information that is current through the Company's website, arranging office visits for shareholders, etc.

1. Meeting of the shareholders

1.1 Meeting of the shareholders

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

1.2 Propagation of the information to supplement the shareholder's meetings

The company shall disseminate the information to complement the agenda of the shareholder meeting in advance by about one month before the meeting date in the website of the shareholders at www.patkol.com. Moreover, it shall explain the right of the shareholders in the attendance of the meeting and the right to vote by the shareholders as well.

1.3 Extraordinary General Meeting of Shareholders

The Company will call the Extraordinary General Meeting of Shareholders on a case-by-case basis or when shareholders have a combined share count of not less than one-fifth of the total number of shares or if any time 25 shareholders who together hold a total of no less than at least one-tenth of the total number of shares combined sign a letter asking the Board of Directors to call an extraordinary general meeting of shareholders. The reason for requesting the meeting must also be clearly stated in the letter. In such cases, the Board of Directors shall hold a shareholders' meeting within one month from the date of receipt of the letter from the shareholders. All shareholders of the Company have the right to vote according to the number of shares held (ordinary shares: 1 share per vote, preferred shares: 100 voting shares per vote), and no shares have privileges that restrict the rights of other shareholders

1.4 Providing convenience on the exercise of the right to the shareholders and the institution investors

The Company shall provide convenience to the shareholders and the institution investors to exercise the right by organizing the meeting venue of the shareholders that is convenient for the travel, with opening an opportunity for the shareholders and the institution investors to send a question related to the meeting agenda to the Board of Director a minimum of 90 days before the meeting date via the website of the company or by fax number 02-328-1245. It shall notify via the news system of the SET with dissemination of the letter of invitation to the AGM of the shareholders.

1.5 Proxy

In the case the shareholders cannot attend the meeting by themselves, The Board of Director shall prepare a proxy statement in the form that is easy to fill the information that the shareholders can select the directors by themselves or use an alternative by presenting the name of the independent

director or other people in giving the proxy by using a proxy statement that the company has sent with a meeting appointment. Moreover, the shareholders can download the proxy statement via the website of the company by another way as well. As for the shareholders who are institution investors or foreign investors and have appointed a custodian in Thailand shall be the depositor and caretaker of the company shares to coordinate on the document and evidence to show before attending the meeting in advance to register on the meeting date with convenience and speedier.

2. Implementation on the shareholder's meeting date

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

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

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

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

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

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

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

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

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

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

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

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

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

Chapter 2 Equitable Treatment of Shareholders

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

Policy in the equitable treatment of shareholders

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

1. Giving information before the shareholders meeting

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

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

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

2. Protection of the right of the minor shareholders

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

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

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

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

3. Prevention of internal information

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

Measures on prevention from using the inside information

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

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

4. The Directors' Conflict of interest

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

Policy and practice on conflict of interest

- 1) *It designates the directors and the senior management (from the E16 level and up and the accounting and finance director) shall report on the conflict of interest related to the management of the company or its affiliate when holding the title of directorship or the senior management for the first time and report each time when there is a change of information on the conflict of interest, including reporting annually. However, the secretary of the company shall send a copy of the report on the conflict of interest to the chairman of the board and the chairman of audit for acknowledgement within 7 days from the date of receiving the report to comply with the Securities and Exchange Act 1982, and to use such the information in the examination and the prevention of a conflict of interest.*
- 2) *There is a disclosure of the structure on shareholding of the affiliates, subsidiaries, joint venture and other companies clearly, including the authorized shareholders to make sure that the company has the shareholding structure that is clear, transparent and no cross holding with the major shareholders to cause a conflict of interest to either party.*
- 3) *In a board meeting, if a director has a conflict of interest on the matter under consideration, that director shall not participate in making such the decision. They cannot attend the meeting or have to omit voting so the decision of the board shall be fair or for the true benefit of the shareholders*

Chapter 3 Roles of Stakeholders

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

1. Policy and Guidelines on Taking Care of the Vested Interests

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

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

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

1. Employee

Policies on taking care of the employees

- 1) *The company gives compensation to its employees by holding on to the principle of overtime, commissions, annual bonus, provident fund, savings cooperative, life insurance and health insurance, etc. consideration with fairness and can measure the result, e.g. monthly income, income from*
- 2) *The company intends to promote and develop its personnel to have knowledge and skills continuously, i.e. to have training and seminar of the management and the employees at all levels for the whole year, etc.*
- 3) *The company has treated all of its employees with equity, e.g. assessment of the employees, keeping the secret of the working experience and the exercise of their various rights, etc.*
- 4) *The company considers the right of the employees as priority and opens an opportunity for its employees to file a complaint in the case they are not treated fairly through the various channels, e.g. the complaint box, the Human Resources Department (HR), etc.*

- 5) *The company has a duty to take care of the working environment to have safety, hygiene and suitable for working with effectiveness, e.g. the company manages to have implementation on the 5S (1. Clearing up, 2. Organizing, 3. Clearing, 4. Standardizing and 5. Training & Discipline). It has set up the safety unit to control and take care of the occupational health and safety health, etc.*

2. Customers

Policies on taking care of the customers

- 1) *The company has a duty to build up long-term relations and cooperation with the customers by adhering to the integrity, sincerity with the customers, trust and reliability to each other.*
- 2) *The company has a duty to make maximum satisfaction for its customers by taking responsibility, attention, goods sales and service with friendliness and priority to the problems and demands of the customers. The management and all of its employees shall comply with the following measures:*
 - *Adhering to the presentation and delivery of the product that meet the standards and qualities corresponded to the demand of the customers.*
 - *Adhering to the various conditions made with the customers' utmost.*
 - *Offering the trade prices and conditions to the customers in the same group with equity.*
 - *Provide accurate and truthful information to customers about the properties and quality of manufactured products. To build confidence and fairness to the company's customers*
 - *Ready to answer customer questions Including handling complaints Giving advice and monitoring the progress on various issues As notified by the customer*

3. Shareholders

Policies on taking care of the shareholders

- 1) *The company has a duty to protect and respect the basic rights of the shareholders, e.g. the right to trade or transfer shares, share the profits of the business, receive news and information on the business sufficiently, and attend the shareholders' meeting or appoint or remove the directors, appoint the auditor, allocate the dividends, setting up or amending the bylaws or the memorandum of association, reduction or increase of the capital and approve of the special items, etc.*
- 2) *The company has a duty to promote and encourage the shareholders to exercise their rights on the various matters in the annual general meeting (AGM) i.e. the right to present an item in the AGM in advance, the right to nominate a candidate to be elected*

as the directors in advance, the right to submit a question to the meeting in advance before the meeting, the right to express an opinion and ask a question with the meeting, etc.

3) *The company shall not do anything to violate or limit the right of the shareholders.*

4. Trade Partners (including the consultants and subcontractors)

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

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

5. Creditors

Policies on taking care of the creditors

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

6. Governmental Agencies

Policies on taking care of the governmental agencies

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

7. Communities around the Factory

Policies on taking care of the communities around the factory

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

2. Measures to compensate stakeholders for damages due to violations

The Company has established measures to compensate stakeholders for damages due to violations as follows.

1. Employees

Preventive measures against damages due to violation of employee's rights

The Company has thoroughly allocated employee salary and benefits as well as strictly followed its policy to care for the employees and set up a complaint and/or suggestion box as a way to solicit feedback from employees regarding their jobs and working conditions.

2. Customers

Preventive measures against damages due to violation of customer's rights

According to the Company's customer care policy, employees will care for customers as though they are close acquaintances. The sales department from each business unit, together with marketing, is responsible for receiving complaints from customers if customers are experiencing problems and need help.

Preventive measures against damages due to violation of debtor's rights

To prevent damages from violations to debtor's rights, the accounting department will consider the qualifications of all receivables prior to the transaction to prevent problems from occurring at a later date. Such qualifications are honesty and reliably based on customer history, financial status and payment history.

3. Shareholders

Preventive measures against damages due to violation of shareholder's rights

The Company will protect and maintain basic shareholders' rights, including the right to receive information, the right to attend shareholders' meetings and will support the exercise of rights in addition to the law. The Company evaluates and monitors operations to prevent damages due to violations of shareholders' rights. Assessment is done within the organization by the management team responsible for protecting shareholders' rights along with external assessments in the form of the Annual General

Meeting (AGM Checklist). The AGM Checklist is assessed annually by the SEC, the Thai Investors Association and the Listed Companies Association.

4. Partners (including consultants and contractors)

Preventive measures against damages due to violation of suppliers' and contractors' rights

The Company has a policy to build good relationships with all partners and treat all partners equally.

5. Creditors

Preventive measures against damages due to violation of debtors' rights

The Company has preventive measures against damages due to violations of creditors' rights. The accounting department will consider the qualifications of all creditors prior to the transaction to prevent problems from occurring at a later date. The qualification used for considerations is based on their honesty and reliability.

6. Government Agencies

Preventive measures against damages due to violation of the law and regulations

The Company has preventive measures against damages due to violation of the law and regulations. The Company's legal department will regularly monitor the operations to ensure that everyone complies with the law.

7. Local communities

Preventive measures against damages due to violation of local communities' rights

The Company has preventive measures against damages to local communities near the plant by complying with social and community care policies to build good relationships with society and surrounding communities, as well as to help and support their well-being.

3. Mechanisms for Participation by the Stakeholders

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

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

- (1) Notify via the telephone 02-328-1035 ext. 1013
- (2) Via the email info@patkol.com
- (3) Send a letter in the suggestion box inside the company at the canteen area at all plants.
- (4) Send a letter to Patkol at Secretary of Audit Committee, Patkol Public Co., Ltd. No. 348,

Chaloem Plra Kiat Ratchakan Thi 9 Rd., Nong Bon Sub-district, Prawet District, Bangkok, Thailand.

4. Whistleblower Protection Procedures

- (1) The Company will keep the whistle-blower's information and identity confidential.
- (2) The Company will disclose only necessary information taking into account the safety and damage to the reporter, the source of the information, or the persons concerned.
- (3) The Company prohibits anyone from intimidating, harassing, or obstructing employees intending to comply with this policy. If employees believe they have been threatened or harassed, please report directly to their supervisor or human resources director. If no corrective actions are taken, then they are encouraged to report the behaviour via the Company's whistleblowing channels.
- (4) Steps taken after a complaint is reported are as follows; Initially, the Company Secretary will submit the matter to the Internal Audit Department to compile a summary of the matter and present it to the Audit Committee for further investigation. If it is found to be information that affects the Company, it must be presented to the Board of Directors for further consideration.

Chapter 4 Disclosure of Information and Transparency

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

1. Disclosure of the Information by the Board of Directors

1. It has a system that takes care of the disclosed information to the investors to be correct without misunderstanding but sufficient for the decision-making of the investors.
2. It has to provide a report on the results of the operations in accordance with the policy on good governance, business ethics, risk management and policy on social and environmental care approved in summary. The results on the compliance with such the policy, including in the case it cannot comply with such the policy with the reason by reporting via the various channels, e.g. the annual report and its company website.
3. It has to provide a report on the liability of the board of directors on the financial report to show in parallel with the auditor's report in the annual report.
4. It has to disclose the explanations and analysis of the management discussion and analysis (MD&A) to complement the revelation of the financial statement every quarter.

5. It has to disclose the cost of the audit and other service costs provided by the auditor.
6. It has to disclose the role and duty of the board of directors and its committees, the number of the meetings and the number that the directors have attended the meeting in the past year. It included the training and development on the profession continuously by the board in the annual report.
7. It has to disclose the policy on the payment of the remuneration by the directors and the senior management that reflects the duty and responsibility for each person, including the compensation that each director has received from holding the directorship of the affiliates

2. Disclosure of Information on the Website of the Company

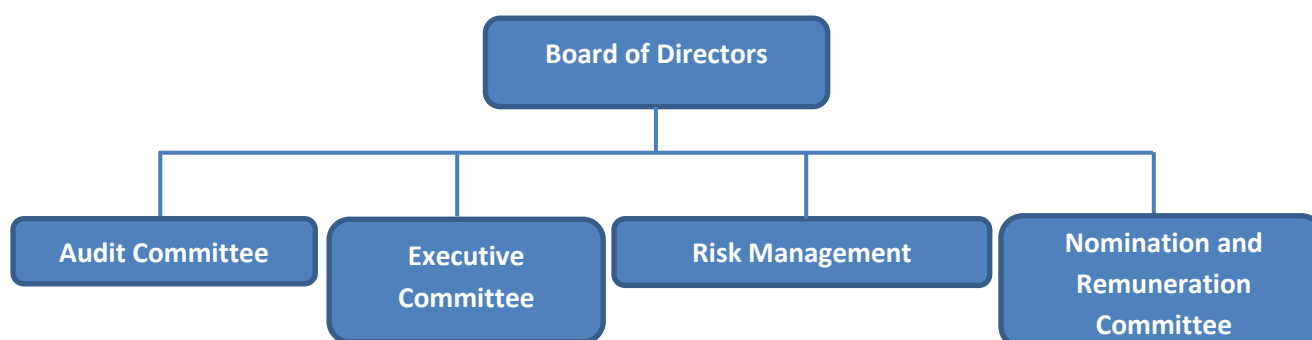
The Board of Directors has disclosed the information on its website on www.patkol.com both in Thai and English languages by updating it constantly.

- 1) vision and mission
- 2) Nature of business
- 3) List of the Board of Directors and Executives
- 4) Current financial statements and reports on financial status and operating results of previous year
- 5) Form 56-1 and the annual report that can be downloaded.
- 6) Any other information or documents presented by the company to analysts. Fund manager or various media
- 7) Direct and indirect shareholding structures
- 8) Structure of Company Group, subsidiary company, joint company, joint venture, etc
- 9) A group of major shareholders, both directly and indirectly, who hold shares of 5% of the total issued shares and have voting rights.
- 10) Direct and indirect shareholding of directors and executive
- 11) Invitation letter to the Ordinary and Extraordinary General Meeting of Shareholders
- 12) Company regulations memorandum and agreement of shareholders (if any)
- 13) Good corporate governance policy, anti-corruption policy, etc.
- 14) Risk Management Policy Including measures to manage risks in various fields
- 15) Tenure Charter of the Board of Directors And sub-committees
- 16) Code of Conduct for Employees and Directors
- 17) Information that can contact the agency or the person in charge of the investor relations

Chapter 5 Responsibility of the Board of Directors

1. The Authorities and Duties of the Board of Directors

The Company's management structure consists of the Board of Directors. And 4 sub-committees: (1) Executive Committee (2) Audit Committee (3) Nomination and Remuneration Committee and (4) Risk Management Committee.



1. Board of Directors

1) The Board of Directors must consist of directors with a wide range of qualifications, including skills, experience, and specific competencies that are beneficial to the Company.

2) The Board of Directors consists of at least 5 directors and not more than 12 members.

3) The Board of Directors must have at least one non-executive director with experience in the company's core business or industry.

4) The Board of Directors has at least 4 independent directors, or one-third of the Board of Directors, who can freely comment on the management's performance.

5) The Board of Directors has a 3-year term. The appointment of a director is presented to the Annual General Meeting of shareholders for approval.

6) The Board of Directors selects the Chairman of the Board. The Chairman should be an independent director.

7) The Board of Directors has established criteria for independent directors such that each independent director can serve as directors in no more than 3 other listed companies to ensure that directors who hold multiple positions in the company can still devote sufficient time to perform their duties.

8) Executive directors can hold director positions in no more than 2 other listed companies.

9) Directors are fully qualified and do not exhibit prohibited qualities under the Public Limited Companies Act and the Securities and Exchange Act as well as other characteristics that indicate a lack of trustworthiness for overseeing the business.

Independent Director of the Company refers to directors with the following qualifications:

1. Independent directors shall hold no more than 1% of the total voting shares in the Company, its subsidiaries, or associate companies. They must not be major shareholders or controlling entities when considering shares held by related parties (pursuant to Section 258 of the Securities and Exchange Act).
2. An independent director must not be or have been a director who is involved in management, an employee, personnel, or a consultant who receive regular salaries or who has control over the Company, its subsidiaries, or associate companies, and have no interests unless they have been out of such position or relationship for no less than 2 years.
3. An independent director must not be a person with a blood relationship or legally registered as a parent, spouse, sibling or child of an executive, spouses of children of executives, major shareholders, controlling entities, or persons nominated as executives or controlling entities of the Company or its subsidiaries.
4. An independent director must not be a person who has or has a business relationship with the Company, its subsidiaries, associate companies, major shareholders or any controlling entity in the form of professional and commercial services according to the requirements of the Stock Exchange of Thailand regarding connected transactions, unless such relationship ended no less than 2 years ago.
5. An independent director must not have been an auditor of the Company, its subsidiaries, associate companies, major shareholders, or controlling entities nor can they be a shareholder unless such relationship ended no less than 2 years ago.
6. An independent director must not be or has never been a professional service provider, including a legal consultant or financial advisor, who receives fees in excess of 2 million baht per year from the Company, its parent company, subsidiaries, or associate companies nor can they be a major shareholder, a controlling entity, a partner of such service provider unless such relationship ended no less than 2 years ago.
7. An independent director must not be an appointed person to represent the directors of the Company, a major shareholder, or a shareholder who is connected to major shareholders.
8. An independent director must not operate similar businesses which are implicitly competitive with the Company or its subsidiaries. They must not be implied partners in the partnership or are directors who are engaged in management. Employees, employees, consultants receive regular salaries or hold more than 1% of the total voting shares of other companies operating in the same business and in significant competition with the company's or its subsidiaries.
9. There are no other characteristics that prevent independent opinions from being made.
10. The independent director is able to protect the interests of all shareholders equally and prevent a conflict of interest between the Company and related parties and can attend the Board of Directors' meeting to decide on the company's important activities.

Criteria for the selection of independent directors

The Company has the following criteria for selecting independent directors by recruiting talented, experienced and knowledgeable persons in the area of the Company's main business. He or she is also a visionary, has sufficient time to perform his or her duties, and meets the qualifications required according to the official announcement. Once they are invited to become independent directors of the Company, the independent director has a term of office not exceeding 9 years from the date of his or her first appointment as an independent director. In the event that an independent director is to be re-appointed to the position, the Board of Directors will appropriately consider the reasons for such necessities.

Executive Director

Executive Directors refers to directors who are involved in regular management and have the authority to manage the business. They may or may not be members of the management committee or have the power to sign binding agreements for the Company.

Non-Executive Directors

Non-Executive Directors refers to external directors who are not executives or permanent employees of the Company. They are not members of the management committee and do not have the authority to sign a binding agreement for the Company.

Scope of Duties and Responsibilities of the Chairman of the Board

- 1) The Chairman of the Board of Directors must not be the Chief Executive Officer.
- 2) The Chairman of the Board shall call the Board of Directors' meetings and shareholders' meetings, as well as oversee the delivery of invitations and documents to ensure that the Board of Directors and shareholders receive adequate and timely information.
- 3) The Chairman of the Board shall strengthen Good Corporate Governance Standards of the Board of Directors.
- 4) The Chairman of the Board shall act as chairman of the shareholders' meeting and facilitate the meeting in accordance with the Company's articles of association and in accordance with the regulations prescribed.
- 5) The Chairman of the Board shall ensure effective communication between directors and shareholders.

The scope of authority of the Board of Directors is as follow:

- 1) Provide the business of the company to comply with the legal, objectives and the company's article of association, including resolutions of the shareholders' meeting, with honesty and be careful to maintain the interests of the company.

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

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

2. Sub-committees

- **Audit Committee**

Definition Audit Committee

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

Qualifications and Requirements of Audit Committee

- Same the qualifications of the Company's independent directors.

Scope of Authority and Duties of the Audit Committee

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

11) Consider, appoint, transfer and evaluate the annual performance of the head of internal audit. consider the independence of the internal audit.

12) Review the effectiveness and effectiveness of information technology systems related to internal control and risk management.

13) In performing duties of the Audit Committee. If there are any inquiries or doubts, there are transactions or actions that may have a material impact on the Company's financial position and performance.

(1) Transaction that causes a conflict of interest.

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

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

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

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

Tenure and Vacancy

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

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

3.The Audit Committee vacates office upon

(1) The expiration of the term

(2) Die

(3) Resignation

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

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

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

5. When a member of Audit Committee retires the Audit Committee cannot stay until the term. As a result, the number of Audit Committee member is less than 3 persons. The Board

of Directors will immediately appoint the new Audit Committee of delayed within 3 months from the date the number of committees is incomplete. To ensure continuity in the work of the Audit Committee and the person who becomes a member of the Audit Committee will be in the position only for the remaining term of the member of the Audit Committee.

- **Executive Committee**

Qualifications and Requirements of Executive Committee

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

Scope of Authority of the Executive Committee

- 1) Determine the policy, target, strategy, operating plan, investment project, annual budget and other management authorization to be proposed to the Board of Directors for approval.
- 2) Supervise and monitor the company' business operations consistent to the policy, target, strategy, operating plans, investment projects and the annual budget with approved by the Board of Directors to be effective and augment the business condition with giving consultation, introduction, management and report the operating results to the board meeting for acknowledgement.
- 3) Consider and approve the spending of money for investment. Conducting financial transactions with financial institutions for account opening, loan, pledge, mortgage, guarantee and any other activities including trading. Registration of ownership of land for normal business transactions of the company under the specified credit authority.
- 4) Regulate the organizational structure and management with efficiency covering the recruitment, training, employment and termination of the employees, who are the

management or senior executive. It may assign the chairman of the board of the Chairman of the Executive Committee as the authorized person to sign the employment contract.

- 5) Supervise and approve the matter related to the operations of the company such as,
 - 5.1) Consider approving the sales from 100-300 million baht.
 - 5.2) Consider approving the sales of the property, including the investment valued from 10-30 million baht.
 - 5.3) Consider deciding in the case there is a problem in delivering jobs to customers with the total project value is more than 50 million baht, and cannot deliver the job by exceed 180 days.
 - 5.4) Consider setting guidelines on taking legal actions,
 - In the case the company has become a plaintiff or defendant in the civil case with the capital exceed 10 million baht.
 - In the case the company has become a plaintiff or defendant in all the criminal cases.
 - 5.5) Consider accepting a fine and/or return of the goods with the total project value by more than 10 million baht.

And may appoint or assign to any person Or many people act on behalf of the Executive Committee as they deem appropriate And the Executive Committee can cancel, change or amend such power.

- 6) Consider screening all types of the jobs presented to the Board of Director except the job under the responsibility and/or authority of Sub-committees of the company to become the screener to present to the Board of Director directly.
- 7) Perform other duties as assigned by the Board of Directors.

Tenure and Vacancy

- 1) Members of the Executive Committee deemed as members of the company's Board of Directors shall remain effective in the position for a 3-year term. When the term is due, the Board of Directors shall be allowed to re-appoint the same members to return to the position plausibly and appropriately.
- 2) Members of the Executive Committee deemed as members of the company's Board of Directors shall remain effective in the position of executive management, except as otherwise determined by the Board of Directors.
- 3) Members of the Executive Committee deemed as members of the third party shall remain effective in the position in accordance with the resolution of the company's Board of Directors and shall be altered as appropriate. Apart from the aforementioned provisions, members of the Executive Committee shall be withdrawn from the position due to the following causes;

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

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

- **Risk Management Committee**

Qualifications and Requirements of Risk Management Committee

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

Scope of Authority and Duties of the Risk Management Committee

- 1) Determine effective policies for integrated risk management framework covering major risks on the company's core business implementation specified below.
 - Strategic Risks
 - Market Risk
 - Financial Risks
 - Operational Risks
- 2) Develop a set of efficient risk management plans and procedures for the organization as a whole.
- 3) Promote follow-up and assessment actions to keep pace with the risk management policies applied for the entire organization.

- 4) Provide productive advices on the implementation of risk management.
- 5) Report to the Board of Directors about risk and risk management.
- 6) Perform other required tasks as assigned.

Tenure and Vacancy

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

● **Nomination and Remuneration Committee**

Qualifications and Requirements of Nomination and Remuneration Committee

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

Scope of Authority and Duties of the Nomination and Remuneration Committee

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

reasonably to be proposed to the meetings of the Board of Directors and shareholders accordingly.

6. Perform other tasks as assigned, particularly those related to the nomination and remuneration to be offered to the Board of Directors and Chief Executive Officer.

Tenure and Vacancy

1. The Nomination and Remuneration Consideration Committee shall remain effective in the tenure for 3 financial years and shall be re-appointed to return to the position plausibly and appropriately.

2. When a member of the Nomination and Remuneration Consideration Committee is dismissed from the position or shall not be able to remain effective throughout the tenure, the Board of Directors shall appoint a new member to substitute a vacant position within a period of 3 months following the date of position vacancy. The newly appointed member shall remain effective in the position for the remaining period of effective tenure only.

3. The discharge of the Nomination and Remuneration Consideration Committee shall be considered from the termination of normal tenure and

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

Scope of Authority and Duties of Chief Executive Officer

1) Define business plan, investment plan and annual budget plan to propose to the Executive Committee and/ or Board of directors.

2) Overall management responsibility and consider various management policies of the company to achieve the company's goals under the policy framework, business plans and budget plans approved by the Board of Directors.

3) Approve the implementation or approve spending money for various actions according to the authority of approval of the company or according to annual budget approved by the Board of Directors.

4) Recruiting, hiring, transferring, suspending and dismissing executives and employees in all positions; Including the scope of authority and reasonable return for equivalent positions from senior director upwards, report to the Board of Directors for acknowledgment, equivalent level positions are managed by the Internal Audit Department, with the opinion of the Audit Committee.

5) Appoint the authorized signer in various documents the company's accounting, finance, procurement, production, sales and general administration, including other important documents.

- 6) Modify, amend and abolish rules, orders, announcements, regulations, penalties, and internal controls for serve as a guideline for all employees and to ensure that the management within the organization is in accordance with the company policy.
- 7) Appointment of consultants, necessary to operate for the benefit of the company and includes the authority to appoint a lawyer to prosecute or enter into litigation involving the company.
- 8) Assign to other persons to perform or act on their behalf as deemed appropriate and it can be revoked, revoked, changed or modified.
- 9) Performance reports the progress of the projects and as well as financial status to the Executive Committee and Board of Directors.
- 10) Perform other actions according to the Executive Committee or the Board of Directors.

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

Nomination of Directors, Chief Executive Officer and Executives

(1) Nomination of Directors and Chief Executive Officer

When the position of Director or Chief Executive Officer of the Company is vacant, the Nomination and Remuneration Committee has a duty to select and recruit suitable candidates to be nominated as directors or Chief Executive Officer by the Board of Directors. Nomination and remuneration will be considered for the selection of qualified persons in terms of knowledge, expertise, competency, experience, and specific qualifications in various areas that the Board of Directors needs and is necessary to conduct the Company's business. The nomination and remuneration committee selection will be based on the following criteria:

1. Each candidate should be qualified in accordance with the Public Company Act B.E. 2535 (1992), Section 68 and in accordance with the notices or regulations of the Stock Exchange of Thailand and the SEC, as well as the rules and regulations of the Company.
2. Each candidate must be knowledgeable, talented, experienced and unique in various areas beneficial to the company's operations effectively.
3. Each candidate must be a virtuous person who promotes good corporate governance such as morality and ethics, is independent, has the courage to express opinions, is creative, performs duties with care and integrity and can fully devote his or her time to the Company.

(2) Nomination of Directors (if a director leaves the position at the end of his or her term according to the law)

Election of replacement directors who leave their positions at the end of their term must be approved by the Annual General Meeting of Shareholders with a majority of votes from shareholders attending the meeting with voting rights. The rules and procedures for electing directors are as follows:

1. One shareholder has one vote per share.
2. Each shareholder must use all available votes in accordance with Article 1 to elect one or more candidates as director but will not be able to divide the votes among the candidates.
3. The candidate(s) who receives the highest number of votes, respectively, shall be elected as a director, as many as the number of directors to be named or elected at that time. In the event that the person who is elected has the same number of votes exceeding the number of directors to be elected at that time, the person who is chairman will decide on the final results.

In addition, the election of a director for a vacant position not due to the end of the term according to the law must be approved by the Board of Directors with at least two-thirds of the votes of the remaining directors. However, the person who is appointed will have the same term of office as the remaining term of the director who had left.

In case of the resignation of a director, the Company's articles of association require the Board of Directors to appoint a replacement director.

(3) Executive Recruitment

The Chief Executive Officer is authorized to consider the nomination and appointment of qualified candidates in terms of qualifications, knowledge, competency and experience in business operations. The selection will be carried out in accordance with human resource management regulations. If it is an equivalent position from the managing director or above, it will be reported to the Board of Directors for acknowledgement. An executive position of the Internal Audit Office must also be approved by the Audit committee first.

3. The Meetings of the Board of Directors

1. The Board of Directors shall hold a board meeting a minimum of four times a year and implement the meeting to comply with the regulation of the company, the Public Limited Company Act 1992 and the SET regulations. While the chairman of the Board of Directors as the chairman of the meeting shall encourage to use the discretion that is prudent and allocate the time sufficient for the management to present the matter and sufficient for the directors can discuss the important problems

with prudence. Including recording the minutes of the meeting each time for the directors and the relevant persons can verify. The directors have a duty to attend the board meeting each time except there is a special reason.

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

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

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

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

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

4. Self-Assessment of the Board of Directors

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

5. Remuneration of Directors

The Nomination and Remuneration Committee has specified the policy for the remuneration of directors, the chief executive officer, and senior management as follows:

Remuneration Policy for the directors, Chief Executive Officer and senior executives

- 1. The remuneration of directors, Chief Executive Officer and senior executives must consider the suitability of their roles, assigned responsibilities, fairness and adequate incentives, which should be comparable to the remuneration of directors of listed companies on the Stock Exchange of Thailand in similar industries and businesses. The remuneration should also consider the results, performance, business environment, and overall economic conditions.*
- 2. The Nomination and Remuneration Committee shall consider and present the remuneration plan to the Board of Directors for approval. Once it is approved, the remuneration plan will be presented to the Annual General Meeting of Shareholders for further approval. This includes the approval of the maximum remuneration limit each year and determination of pay, including meeting allowances.*
- 3. The Nomination and Remuneration Committee shall comply with the resolutions of the AGM, which have approved the remuneration limit and remuneration details as disclosed in the annual report. In addition, the directors shall disclose the portions received from other duties to the Company, such as consulting fees, as well as the portions received from directorships and other functions, such as consulting fees from its subsidiaries, etc.*

6. Development of the Directors and the Management

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

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

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

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

Attachment 6

Audit Committee Report 2020

The Audit Committee of Patkol Public Company Limited consists of three independent directors with knowledge and experience in reviewing the reliability of financial statements, legal affair, and corporate management. There are 3 directors as follows; Mr. Pairoj Sanyadechakul to be the Chairman of Audit Committee, Mr. Virachai Srikajorn and Mr. Preecha Chantarangkul as independent directors.

In 2020, the Audit Committee has performed its duties as assigned by the Board of Directors, which was consistent with the requirements of the Stock Exchange of Thailand. Total of 5 meetings of the Audit Committee had been convened and the discussion had been made with the management, internal comptrollers and auditors on related matters in which material context of the operation can be summarized as follows:

1. Audit of Financial Report

The Audit Committee has reviewed quarterly financial statements and annual financial statements of Patkol Public Company Limited with the auditors on a quarterly basis by asking the auditors' comment and observation on the audit of financial statements in order to ensure that financial statements have been accurately prepared, legal requirements and generally accepted accounting standards have been complied with when preparing financial statements in accordance with international standards, and information has been disclosed in the financial statements adequately and timely for the benefit of investors and users of financial statements.

In addition, the Audit Committee has commented on the preparation of discussion and analysis report by the management in order to provide clear information and analysis on overall operation and factors that may affect the operation in all aspects

2. Review of Internal Control System

The Audit Committee has reviewed to ensure that Patkol Public Company Limited will have internal control system and internal monitoring system that are adequate, appropriate and effective, and has also summarized and presented significant issues to the Board of Directors.

3. Review of Compliance with applicable Laws and Regulations.

The Audit Committee has reviewed to ensure that Patkol Public Company Limited and its subsidiaries comply with the laws on securities and stock exchange, requirements of the Stock

Exchange of Thailand and/or laws relating to business operation of the Company. Furthermore, the Audit Committee has acknowledged report on the compliance with the laws relating to business operation of Patkol Public Company Limited and its subsidiaries, as well as auditing result on the compliance with applicable laws and regulations from auditing agency. The Audit Committee has provided useful comments to ensure that there will be process to monitor the compliance with applicable laws a regulation in an effective manner, and ensure that subsidiaries of Patkol Public Company Limited will completely comply with applicable laws and regulations.

4. Monitoring of Internal Audit

The Audit Committee has approved the plan on the annual audit of the audit agency by using the guidelines on the audit of the risk evaluation, which is consistent with the important risks and the direction of the operations of Patkol Public Company Limited including the review of the results on the site audit, counting the inventory and verification of the deferred debtors. It has considered the issues on the important audits continuously, including the follow-up on the improvement regularly. However, the internal audit unit is an independent agency, focusing on the preventive audit with sufficient efficiency and effectiveness to meet the international standards.

Moreover, it has reviewed the charter of the audit committee annually, including the consideration on sufficiency of the manpower of the internal audit unit.

5. Consideration to propose for the appointment of auditor of Patkol Public Company Limited and meeting with the auditor

The Audit Committee has considered proposing the appointment of Karin Audit Company Limited as the auditor of Patkol Public Company Limited, and has also considered proposing remuneration for year 2021. Moreover, the Audit Committee has convened meeting with auditor and auditing agency without management participation in order to acknowledge the auditing plan of the auditor, as well as problems or obstacles for auditing operation so that improvement guidelines can be suggested. In 2020 and 4 meetings had been convened.

The Audit Committee has conducted the operation carefully, and has offered comments and suggestions that helped promoting good corporate governance, and for the benefit of the Company's operation, as well as for the interest of all shareholders and stakeholders.

For the operation being carried out in 2020 as mentioned above, the Audit Committee's opinion can be concluded as follows:

The Company's accounting and financial reporting systems are accurate, credible, and disclose significant information completely, sufficiently and timely.

The Company's internal control system is adequate and suitable; improvement on the internal control system has been carried out regularly to suit the Company's business operation at present and in the future, and is consistent with applicable laws and regulations.

Karin Audit Company Limited which is the Company's auditor, is independent and experienced in the audit of financial reports in which it can be assured that the Company's financial reports will be accurate, credible, and disclose significant information completely, sufficiently and timely.

From reviewing related transactions or transactions with potential conflict of interest, the Audit Committee views that the Company has disclosed accurate and complete information, and those transactions have suitable condition and fair price which have been approved by the management or the Board of Directors in advance.

17 February 2021

On behalf of the Audit Committee



(Mr. Pairoj Sanyadechakul)

Chairman of th Audit Committee

Quality with Service

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