

# ANNUAL REPORT 2022

PATKOL Public Company Limited  
[www.patkol.com](http://www.patkol.com)



**PATKOL**

Public Company Limited

SINCE 1965

## Content

	Page
Message from The Chairman	1
Message from The CEO	2
Board of Director	4
Management Team	6
Organization Chart	7
<b>Part 1 Business operations and results</b>	
1. Management Structure and Business Operation	8
2. Risk Management	31
3. Sustainability Management Process	37
4. Management Discussion and Analysis: MD&A	43
5. General Information and Other Important Information	52
<b>Part 2 Corporate Governance</b>	
6. Corporate Governance	57
7. Management Structure and important information about the board, Sub-committees, management, employees and others	76
8. Corporate Governance Report	94
9. Internal control and related transactions	106
<b>Part 3 Financial Statement for the year 2022</b>	111
<b>Part 4 Certification of the Correctness of Information</b>	207
<b>Appendix</b>	
Attachment 1 Profiles of the Board of Directors and Management Team and Company Secretary	
Attachment 2 Detail of Director in Subsidiaries	
Attachment 3 Details of the Internal Audit Supervisor	
Attachment 4 Assets of business operations and Property appraisal list	
Attachment 5 Corporate Governance Code	
Attachment 6 Audit Committee Report	

## Message from The Chairman

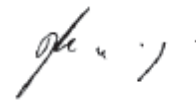


Dear Shareholders,

During the past year 2022, the global economic situation is highly uncertain and there is a chance of an economic recession due to the war situation between Russia and Ukraine and rising inflation in the United States of America and the European Union. Causing the prices of various raw materials in the global market to increase significantly which directly affects the business of the Company.

However, the Company has carefully monitored the aforementioned economic situation for the company able to adjust in the business in a timely manner. This is to accommodate the rapid and violent changes that occur today. The Board of Directors has followed up management of the Management to be according to the plan. the plans and strategies that have been laid out every quarter.

On behalf of the Board of Directors, Management team and Employees, we would like to thank you to all the Shareholders for their trust and support for the Company's operations always with good. The Company aims to be an organization that presents Friendly Engineering to the world's food producers. According to the vision of the Company.



H.E. Mr. Pitipong Puengboon Na Ayutthaya  
Chairman

## Message from The CEO



Dear Shareholders,

In 2022, the Company was affected by the Russia-Ukraine conflict. This situation causes the price of raw materials used in the production of products to have higher costs in the first half of the year. Although the effects of the Covid-19 pandemic have begun to subside, the economic conditions that occurred after these two main situations have resulted in both higher costs of energy and labor. These in turn caused our customers to delay making projected investment and our work to be performed and delivered to the customers is in turn delayed. As a result, the Company's performance at the end of 2022 according to the consolidated financial statements showed a total income of 2,978.8 million baht, a decrease of 228.8 million baht from 2021, accounted for 7%, and a net loss of 128.7 million baht. Most of the losses come from machinery and ice handling systems, and machinery and cooling industry systems.

For the operational guidelines in 2023, the Company's strategies for each business group have been defined separately for specificity. The net focus on the overall picture in 3 areas consists of :

### 1. Product (Product)

Focus on issuing products that are standard (Standard Product) that is suitable for the industry of customers or target country. Reduce the proportion of making products that need to be designed specifically (custom-made) to increase efficiency. Reduce technical risks and can also bring new technologies such as IOT into use. The Company has already launched products resulting from this policy in 2022 such as PATKOL Smart Tube Ice, Heataway PATKOL PK-80US, EC7 Series Stainless Steel Evaporative Condenser. And in 2023, the company has a plan to launch other products to generate steady growth.

### 2. Process (Process)

There should be a specific process suitable for the business but is still within the Company's management framework and which is according to international standards. To emphasize the ability to meet our customers' needs, which are different in each business group and to increase efficiency. To reduce costs, the Company has introduced IT systems to enhance processes in every step from sales, design, production, and services, such as providing every service team with a tablet for the team to use



in distributing work and checking reports on operations to using VDO Call for engineers to help solve problems that arise.

In addition, the Company has also brought the Work From Home style used during the Covid-19 pandemic to adapt to a Flexible Day or Work From Anywhere system used in normal work. Enable employees to work everywhere to achieve results and to clearly measure results, allowing us to increase our work efficiency. We also aim to reduce office and travel expenses.

### 3. Employees (People)

Focus on developing and increasing the capabilities of our employees in both training and to use IT technology to enhance the work and adjust the targeting system (KPIs) to be in line with the each business group's strategy including an evaluation system so that compensation payments clearly reflect the performance of employees.

In addition, the Company also emphasizes on taking care of employees to have a work-life balance with a Flexible Day working policy that can help reduce work stress. Our goal to reduce employee's travel time and costs, and increase employees' engagement is our way to contribute to a low-carbon society (i.e. by reducing electricity and energy consumption).

The Company is confident that the policy "Product-Process-People" can create "Quality with service by earnest and sincereness" and drive the Company's sustainable growth.

I would like to thank all of you for your support on this occasion.



Mr. Panet Chongvatana  
Chief Executive Director

# Board of Director



**Mr. Petipong  
Pungbun Na Ayudhya**

- Chairman of the Board
- Independent Director



**Mr. Pairoj  
Sanyadechakul**

- Chairman of the Audit and  
Risk Management Committee
- Independent Director



**Mr. Sangchai  
Chotchuangchutthaval**

- Vice Chairman of the Board
- Chairman of the Executive Committee



**Mr. Paradon  
Chulajata**

- Director
- Executive Committee Member
- Nomination and Remuneration  
Committee Member



**Ms. Anongsiri  
Chaiyakul**

- Director



**Ms. Nongluck  
Sakdakrai**

- Director
- Executive Committee Member
- Nomination and Remuneration  
Committee Member



**Mr. Virachai  
Srikajon**

- Chairman of Nomination and Remuneration Committee
- Audit and Risk Management Committee Member
- Independent Director



**Mr. Preecha  
Chantarangkul**

- Audit and Risk Management Committee Member
- Independent Director



**Mr. Sumet  
Jiambutr**

- Director



**Mr. Panet  
Chongvatana**

- Director
- Vice Chairman of the Executive Committee
- Chief Executive Officer



**Mr. Rangsan  
Thammanee Wong**

- Director
- Executive Committee Member



**Ms. Natiya  
Chongvatana**

- Director

# Management Team



① Mr. Panet Chongvatana  
Chief Executive Officer

④ Mr. Chakkraphong Chaosuan  
Chief International Business Officer

② Ms. Wannapond Trinwisutthikun  
Chief Administrative Officer

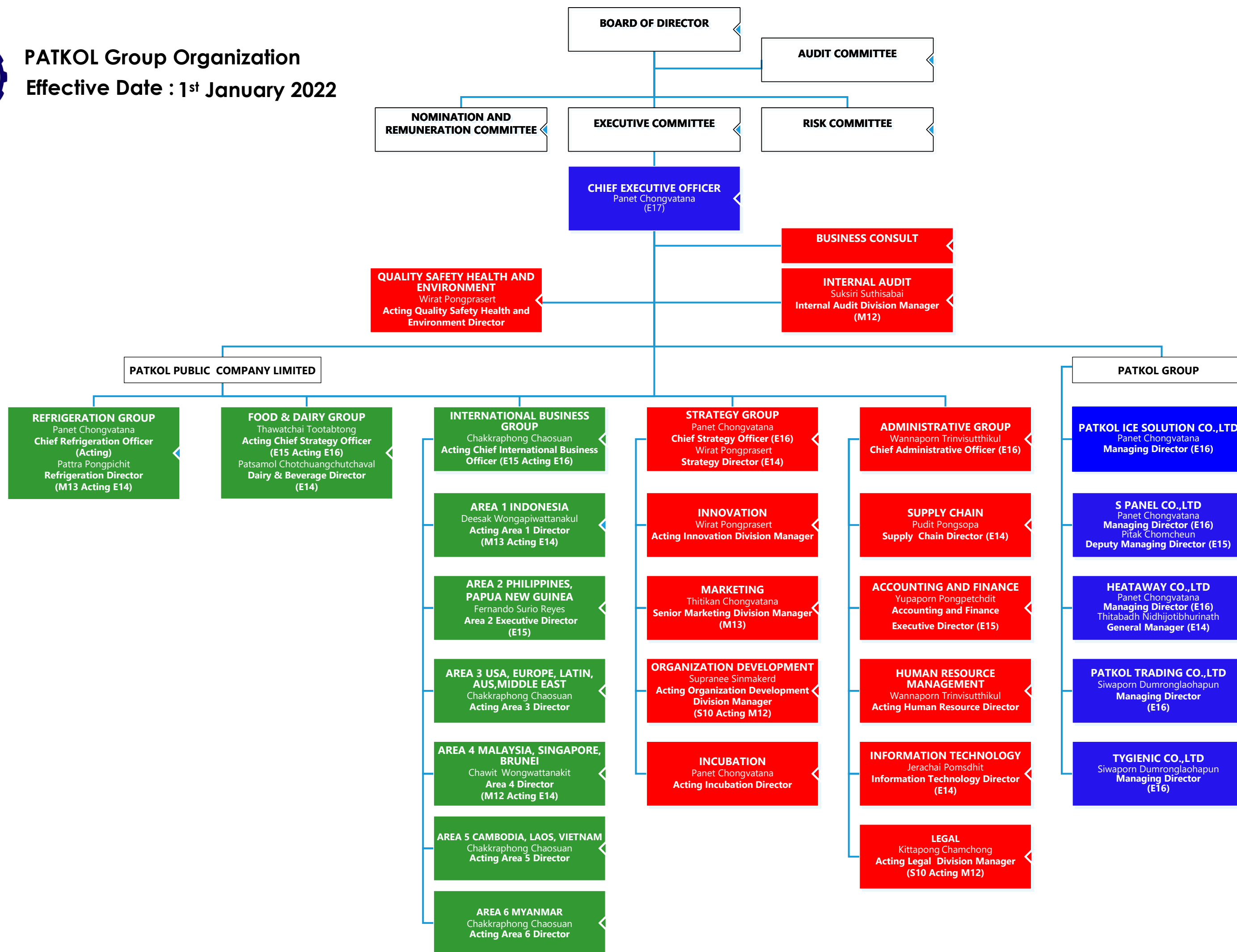
⑤ Mrs. Siwaporn Dumronglaohapun  
Managing Director of Tygienic Company Limited  
and Patkol Trading Company Limited

③ Mr. Thawatchai Tootabtong  
Chief Food Engineering Officer



# PATKOL Group Organization

Effective Date : 1<sup>st</sup> January 2022





## Part 1

### Business operations and results

#### 1. Management Structure and Business Operation

##### 1.1 Policy on business operations and nature of business

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

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

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

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

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

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

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

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

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

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

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

### 1.1.2 Major changes and developments over the last 3 years

2020	2021	2022
<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>- Although the situation of the COVID-19 epidemic in 2021 will be eased, the company still has to operate its business under the Business Continuity Plan or BCP to cope with the COVID-19 epidemic situation at any time and promptly by comprehensive planning to support the impact that will occur to the stakeholders of the company both in terms of customers, shareholders, employees and surrounding communities.</p> <p>2. Employees are divided into 3 groups to reduce the spread of COVID-19 as follows:</p> <p>Group 1: Employees who still need to go to the office every day.</p>	<p>- Business operations in 2022, the company has changed the management both internally and externally after the COVID-19 situation has been resolved to best respond to Patkol's customers.</p> <p>- Making adjustments to the way of working to be a hybrid. Restructure and support work tools for each job position. Work from any location Optimum Performance</p> <p>- Drive the American market By developing the product together with Patkol Ice Solutions Company, launching a new model of tube ice machine, model PK-80A U.S. Tube Ice Machine</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"> <li>- Established PT Indonesia Patkol Refrigeration to support the sale of refrigeration business in Indonesia.</li> <li>- 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.</li> <li>- 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.</li> </ul>	<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"> <li>- Established Patkol Ice Solutions Co., Ltd. to support the continual expansion of the ice machine business. including developing the customer care process to be faster and have more flexibility which affects the growth of sales in the future.</li> <li>- Prepare projects to enhance safety and energy saving of the refrigeration industry in cooperation with government and universities as follows:</li> </ul> <ol style="list-style-type: none"> <li>1) Cooperate with Thai Refrigeration Association (TRA) and Department of Industrial Works to join academic working groups "Draft announcement of the Department of Industrial Works regarding the determination of safety measures for refrigeration systems that use ammonia as a refrigerant" and jointly prepared a manual for the controller and inspection engineer Department of Industrial Works.</li> <li>(2) Collaborate with Kasetsart University to undertake a</li> </ol>	<p>Perfect Fit For Limited Space, specifically designed to meet the American market.</p> <ul style="list-style-type: none"> <li>- Drive the domestic market By jointly developing the product with Patkol Ice Solutions Company, launching the "Intelligent Tube Ice Machine" under the concept of "easy to use for stable business" to meet customers from higher competition. More government regulations and quality labor recruitment problems</li> <li>- Developed water coolers and ice machines that directly touch food. elevate food standards to comply with international standards To expand the market in the food industry and food exports to be competitive under the new brand that will be officially launched in 2023</li> <li>-Drive international markets with product development Introduced a new generation of coolers. with the same size or Footprint as the original device that needs to be replaced To save installation costs, penetrate the market to replace the old machine.</li> </ul>
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	<p>prototype project of Smart Refrigeration under the concept of IOT or Internet of Things for ice plants and cold storage.</p> <p>- Participated in the development of a food innovation model factory for frozen food processing and drink for small and medium enterprises (SMEs) Total Solution for SME business under the concept of BCG Model (Bio Circular Green Economy Model) for sustainable economic development. In line with the government policy with the Faculty of Engineering King Mongkut's Institute of Technology Ladkrabang continuously under the MOU signed in 2020</p>	<p>- Organize continuous activities in the development of prototype factories, food innovation, frozen food processing. and drink For entrepreneurs, small and medium enterprises (SMEs) Total Solution for SME business under the concept of BCG Model (Bio Circular Green Economy Model) to achieve sustainable economic development. in line with government policy by working with the Faculty of Engineering King Mongkut's Institute of Technology Ladkrabang under the MOU signed in 2020</p>
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## 1.2 Patkol's Business

### 1.2.1 Revenue structure

- Revenue information by Group's operation segment

#### Revenue information by company

Busines Group	Company	% shareholding	Revenue 2022		Revenue 2021		Revenue 2020	
			MB	%	MB	%	MB	%
1. Ice machine and system								
- Ice Making Machine	Patkol PCL.	100.00%	162	5%	962	30%	1,113	36%
	Patkol Ice Solutions Co., Ltd.	99.99%	546	18%	-	0%	-	0%
	Patkol Philippines Corporation Co., Ltd.	60.00%	60.00%	54	2%	0%	0	0%
	Indonesia Patkol Service Corporation	99.99%	6	1%	-	0%	3	0%
			768	26%	970	30%	1,116	36%
2. Machinery for industrial refrigeration system								
- Cold Room	Patkol PCL.	100.00%	436	15%	393	12%	486	16%
- Panel Cold room	S Panel Co., Ltd.	80.00%	385	13%	476	15%	417	14%
- Evap	Heat away Co., Ltd.	99.99%	112	4%	85	3%	92	3%
	PT. Indonesia Patkol Refrigeration	86.80%	6	0%	1	0%	0	0%
					955	30%	995	33%
3. Machinery and system for liquid								
- Food and dairy machine	Patkol PCL.	100.00%	782	26%	825	26%	624	20%
- Industrial tanks	Tygenic Co., Ltd.	99.99%	350	12%	314	10%	186	6%
	Patkol Malaysia Sendirian Berhad Co., Ltd.	100.00%	4	0%	6	0%	5	0%
	Patkol Myanmar Company Limited	100.00%	2	0%	-	0%	1	0%
			1,138	38%	1,145	36%	816	27%
4. Central management and others								
- Service	Patkol PCL.	100.00%	73	2%	75	2%	70	2%
	Patkol Trading Co., Ltd.	99.98%	61	2%	63	2%	62	2%
			134	4%	138	4%	132	4%
Total			2,979	100%	3,208	100%	3,059	100%



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

Patkol Public Company Limited and subsidiaries

Business segment	2022		2021		2020	
	MB	%	MB	%	MB	%
<b>Segment 1: Ice machine and system</b>	<b>768</b>	<b>26%</b>	<b>970</b>	<b>30%</b>	<b>1,116</b>	<b>36%</b>
Thailand	398	13%	806	25%	904	30%
Other Country	370	12%	164	5%	212	7%
<b>Segment 2: Machinery for industrial refrigeration system</b>	<b>939</b>	<b>32%</b>	<b>955</b>	<b>30%</b>	<b>995</b>	<b>33%</b>
Thailand	858	29%	933	29%	952	31%
Other Country	81	3%	22	1%	43	1%
<b>Segment 3 : Machinery and system for liquid</b>	<b>1,138</b>	<b>38%</b>	<b>1,145</b>	<b>36%</b>	<b>816</b>	<b>27%</b>
Thailand	1093	37%	1,108	35%	688	22%
Other Country	45	2%	37	1%	128	4%
<b>Segment 4 : Central management and others</b>	<b>134</b>	<b>4%</b>	<b>138</b>	<b>4%</b>	<b>132</b>	<b>4%</b>
Thailand	129	4%	138	4%	132	4%
Other Country	5	0%	-	0%	-	0%
<b>Total Revenue</b>	<b>2,979</b>	<b>100%</b>	<b>3,208</b>	<b>100%</b>	<b>3,059</b>	<b>100%</b>
<b>Thailand</b>	<b>2,478</b>	<b>83%</b>	<b>2,985</b>	<b>93%</b>	<b>2,676</b>	<b>87%</b>
<b>Other Country</b>	<b>501</b>	<b>17%</b>	<b>223</b>	<b>7%</b>	<b>383</b>	<b>13%</b>

## 1.2.2 Product information

### (1) Product or Service Characteristics and Market and Competition

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

#### Group Business No.1: Ice Machine Business Unit

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

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

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

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

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

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

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

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

#### Competitiveness and Distribution Channels

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

#### Competitive conditions

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

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

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

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

#### Customers

PATKOL has both domestic and foreign customers consisting of:

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

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

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

#### Industry conditions

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

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

#### **Business Group No.2: Refrigeration Business**

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

process. Modern technology has been applied to ensure greater efficiency and energy-saving efforts. As a consequence of the increasing market share in the domestic market, the company has determined to maximize its exports to foreign countries.

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

#### 2.1) Industrial Refrigeration

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

#### 2.2) Commercial Refrigeration

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

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

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

#### Competitiveness and Distribution Channels

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



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

#### Competitive conditions

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

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

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

#### Customers

- Manufacturers and distributors of frozen food, ready-made food, seafood, meat, vegetables, and fruits.
- Providers of cold rooms for the storage of frozen food such as chicken, seafood, vegetables, and fruits.
- Manufacturers of ice cream, dairy products and sparkling beverages.
- Operators of food restaurants.
- Providers of distribution centers for fresh and frozen food.
- Operators of hypermarkets and supermarkets possessing commercial freezers.
- Providers of small and medium-sized commercial freezers.

- Operators not engaging in the food business, but requiring a refrigeration system for product storage.

#### Industry conditions

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

#### **Business Group No.3: Liquid Product Processing**

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

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

##### 1. Dairy and Beverage Manufacturing

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

##### 2. Liquid Food Processing

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

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

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

#### Sales and Distribution Channels

##### Domestic Market:

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

#### Competitive conditions

The Company is able to meet the needs of customers in all industries with one-stop service, ranging from consulting and planning to design. This includes the design of installation areas, production and machinery

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

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

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

#### Customers

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

#### Industry conditions

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

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

The large and medium-sized ready-to-drink dairy industry has expanded its production capacity and gradually automated the production process. Nowadays, stricter regulations on hygienic production plant

standards are a great opportunity for companies with a wealth of knowledge and expertise in the industry to help customers develop and improve their factories. As a result, the Company is still able to maintain total revenue from customers in this group.

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

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

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

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

#### **Products and Services**

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

#### **Sales and Distribution Channels**

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



Competitive conditions

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

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

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

Customers

- Regular customers

Industry conditions

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

**(2) Procurement of Products and Services**

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

The Company has designated planning team for plan to use of the raw materials, so the inventory administration has more efficiency. It has a policy to order the goods according to the demand without price speculation and would not hoard the goods. It shall place a purchase order and control it by a quarterly basis. It would send an internal circular to inform on the main raw material prices to the management. It is the same information in planning on the order for production and a follow-up on the information regularly and compares

the raw material prices, so the purchase order may not be higher than the market price. In addition, there was a constant search for a new production source and new suppliers from the domestic and overseas sources to spread the risk and price competition among the sellers.

### (3) Assets of business operations

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

#### Property, plant and equipment

Asset category	Thousand Baht
Land	806,877
Building and improvement	498,954
Machinery and equipment	89,326
Machinery for lease	270
Office equipment	2,822
Vehicles	1,135
Assets in progress	13,617
<b>Total</b>	<b>1,413,001</b>

Land with buildings and machinery totaling of Baht 1,226 million was used as collateral for overdrafts and short-term loans from financial institutions totaling of Baht 2,863 million.

Credit facilities	Million Baht
Overdrafts	93
Short-term loans	300
Long-term loans	1,082
Limited liability under trustee contracts/ pre-shipment financing	510
Letter of guarantee	440
Future contracts	434
Credit Card Limit	4
<b>Total</b>	<b>2,863</b>

**Right of use assets**

Description	Thousand Baht
Office building and factory	1,440
Vehicles	19,976
Machinery and equipment	1,757
Office equipment	1,410
<b>Total</b>	<b>24,583</b>

**Intangible assets**

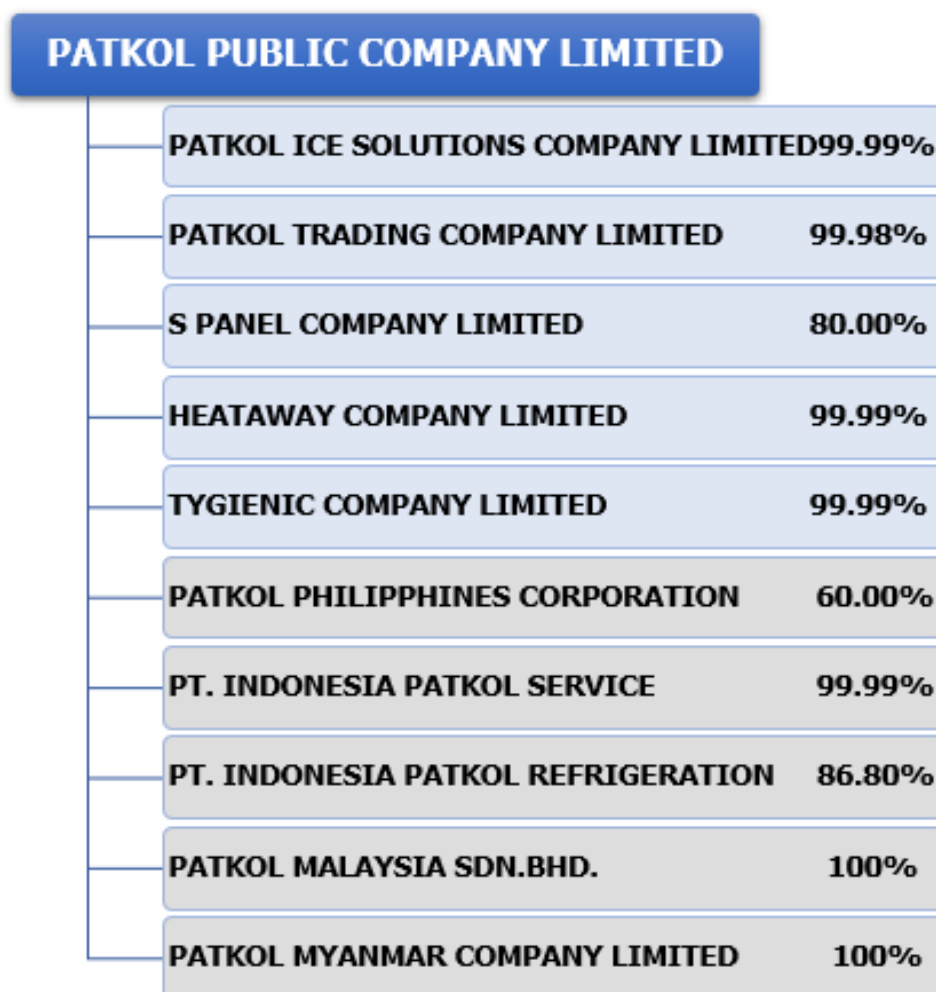
Type	Thousand Baht
<u>Cost</u>	
Computer program	171,841
Patent	7,441
Program during installation	70
<b>Total</b>	<b>179,352</b>
<u>Less Accumulated amortization</u>	(130,087)
<b>Net</b>	<b>49,265</b>

**(4) Back log of 2022**

The Group had back log of approximately Baht 1,177 million from many projects, which had no project with revenues of 10 percent or more of the Group's revenue

### 1.3 Shareholding Structure of the Company Group

Shareholding structure of Patkol Group as of December 31, 2022



## Patkol Public Company Limited

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

Subsidiary	Percentage Of Shares	Type of business
Patkol Ice Solutions Company Limited	99.99	Manufacture and sale of food related processing equipment and cooling equipment.
Patkol Trading Company Limited	99.98	Sale of the electric system equipment, spare part for industrial refrigeration
S Panel Company Limited	80.00	Manufacture and import foam plate and equipment for cold room business
Heataway Company Limited	99.99	Sale of evaporative condenser, spare parts and Equipment for evaporative condenser
Tygienic Company Limited	99.99	Designed and Produced hygienic standard tank and other tank components in food and beverage field, cosmetic, pharmaceutical and petrochemical industries
Patkol Philippines Coporation Company Limited	60	Machinery and project sales representative, including providing machinery in spallation and maintenance services in Philippines
PT. Indonesia Patkol Service Corporation	99.99	Machinery installation and maintenance services in Indonesia
PT. Indonesia Patkol Refrigeration	86.80	Machine and project distributor including service and installation machine in refrigeration business in Indonesia.
PATKOL Malaysia Sdn Bhd	100	Machinery and project sales representative, including providing machinery in spallation and maintenance services
Patkol Myanmar Company Limited	100	Machinery and project sales representative, including providing machinery in spallation and maintenance services

### Relationship with the business group of major shareholders

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

### Major of Shareholders

The Company's 10 major shareholders as at 15 March 2023 (latest book-closing date)

No.	Shareholder Name	Amount of Shares	Percentage of paid-up capital
1.	Bangkok Bank Public Company Limited	119,951,500	23.00
2.	Mr. Sangchai Chotchuangchutaval <sup>2</sup>	45,841,303	8.79
3.	Ms. Ratchanee Chongvatana	35,970,942	6.90
4.	Mr. Panet Chongvatana <sup>1</sup>	35,618,586	6.83
5.	Mrs. Noppavan Chongvatana	34,638,842	6.64
6.	Ms. Nongluck Sakdakrai <sup>4</sup>	34,088,480	6.54
7.	Ms. Thitikan Chongvatana	17,316,180	3.32
8.	Ms. Surasa Poonapirat	12,516,673	2.40
9.	Mr. Jamorn Chulajata <sup>3</sup>	12,432,500	2.38
10.	Mr. Koranop Chulajata	11,844,000	2.27
11.	Other Shareholders	161,332,150	30.93
<b>Total</b>		<b>521,551,156</b>	<b>100</b>

#### <sup>1</sup> Chongvatana Group's Shareholding Structure

(1)	Ms. Ratchanee Chongvatana	6.90%	(35,970,942 shares)
(2)	Mr. Panet Chongvatana	6.83%	(35,618,586 shares)
(3)	Ms. Noppavan Chongvatana	6.64%	(34,638,842 shares)
(4)	Ms. Thitikan Chongvatana	3.32%	(17,316,180 shares)
(5)	Mrs. Sirinuch Chongvatana	0.10%	(500,000 shares)
(6)	Mr. Thonghao Chongvatana	0.01%	(30,000 shares)
(7)	Mrs. Wimolwan Chongvatana	0.00%	(22,512 shares)

#### <sup>2</sup> Chotchuangchutaval Group's Shareholding Structure

(1)	Mr. Sangchai Chotchuangchutaval	8.79%	(45,841,303 shares)
(2)	Ms. Chanthipha Chotchuangchut	0.77%	(4,000,000 shares)

#### <sup>3</sup> Chulajata Group's Shareholding Structure

(1)	Mr. Jamorn Chulajata	2.38%	(12,432,500 shares)
(2)	Mr. Kornnop Chulajata	2.27%	(11,844,000 shares)
(3)	Mr. Paradorn Chulajata	2.12%	(11,080,500 shares)
(4)	Ms. Thitsaya Chulajata	0.16%	(830,000 shares)
(5)	Mr. Danai Chulajata	0.03%	(180,000 shares)
(6)	Mr. Pisit Chulajata	0.01%	(45,000 shares)

#### <sup>4</sup> Sakdakrai Group's Shareholding Structure

(1)	Nongluck Sakdakrai	6.54%	(34,088,480 shares)
(2)	Mr. Winai Sakdakrai	0.07%	(355,400 shares)
(3)	Mr. Wiroj Sakdakrai	0.04%	(231,500 shares)

The Company shareholders of directors and executives by Comparison of 2021-2022

No.	Shareholder Name of Directors and Executives	Amount of Shares 2021	Amount of Shares 2022
1.	Mr. Sangchai Chotchuangchutchaval	45,841,303	45,841,303
2.	Mr. Panet Chongvatana	35,618,586	35,618,586
3.	Ms. Nongluck Sakdakrai	29,985,080	34,088,480
4.	Mr. Paradorn Chulajata	11,080,500	11,080,500
5.	Mr. Sumet Jiambute	977,442	977,442
	<b>Total</b>	<b>123,502,911</b>	<b>127,606,311</b>

#### 1.4 Amount of Registered Capital and Paid-up Capital

As of 31 December 2022, the company has registered capital of 600,243,737 Baht, paid-up capital of 600,243,737 Baht divided into 520,756,281 common shares and 79,487,456 preferred shares with a par value of 1 Baht. common shares

##### 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

- None -

## 1.6 Dividend Payment Policy

The Company has a Dividend Payment Policy to pay not less than 30 percent of net profit after tax (Part belonging to the parent company according to the consolidated financial statements) unless there is a necessity or a reasonable cause that cannot be paid.

In case of subsidiaries, the company has the Dividend Payment Policy to pay not less than 30 percent of net profit after tax (Part belonging to the parent company according to the consolidated financial statements) unless there is a necessity or a reasonable cause that cannot be paid.

Dividend history of the Company for the past 3 years from 2020 to 2022

Schedule	2022	2021	2020
1. Net profit (Lost) (Baht)	(135,148,157)	203,320,512	(114,646,227)
2. Number of Share			
2.1 Preferred Share (Share)	79,487,456	79,487,456	79,487,456
2.2 Common Share (Share)	520,756,281	520,756,281	414,607,781
<b>Total share</b>	<b>600,243,737</b>	<b>600,243,737</b>	<b>494,095,237</b>
3. Dividend Per Share			
3.1 Preferred Share (Baht/Share)	0	0.02375	0
3.2 Common Share (Baht/Share)	0	0.065	0
<b>Total paid dividend (Baht)</b>	<b>0</b>	<b>35,736,985.35</b>	<b>0</b>
4. Dividend payout ratio (%) of separate financial statement profit	0	16.65%	0

**Note** : - In 2020, No dividend payment  
 - In 2022, No dividend payment



## 2. Risk Management

### 2.1 Policy of Risk Management

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

### 2.2 Risk Factors for the Company's Business Operations

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

#### 2.2.1 The risk from the fluctuations of the raw material price

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

##### Management of the risk

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

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

#### 2.2.2 Risk of Talented Personnel Shortage

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

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

#### Management of the risk

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

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

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

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

#### **2.2.3 Risk from depending the high-leveled management**

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

#### Management of the risk

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

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

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

#### **2.2.4 Risk from depending on the large distributors**

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

Management of the risk

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

**2.2.5 Risk from the fluctuated rates of currency exchange**

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

Management of the risk

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

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

**2.2.6 Risk from a lack of the working capital**

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

Management of the risk

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

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

#### **2.2.7 Risk from investment and overseas operations**

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

##### Management of the risk

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

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

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

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

##### Management of the risk

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

### 2.2.9 Risk from the economic and political factors

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

#### Management of the risk

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

### 2.2.10 Risk of responding to critical conditions

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

Since 2020, continuing until year 2022, 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 since 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. Patkol Internship Programme (Student Internship Program) prepares students before starting professional work. Although it is a short-term internship project of 2 months, the Company allows students to do real work within the Company, including the production aspect in every division of the PATKOL Group. We encourage students to learn by means of integrated learning from work experience or from training to acquire skills and knowledge according to the project's objectives.

3. Continuous to operate under the Memorandum of Cooperation (MOU) between PATKOL Public Company Limited and the Faculty of Engineering at King Mongkut's Institute of Technology Ladkrabang, which jointly developed a food innovation prototype for frozen food processing and drink for entrepreneurs, small and medium enterprises (SMEs). This is the Total Solution for SME business under the concept of BCG Model (Bio Circular Green Economy Model) to achieve sustainable economic development in line with government policy.

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

- (1) Cooperate with the Thai Refrigeration Association (TRA) and the Department of Industrial
  - Works to join the academic working group. "Draft announcement of the Department of Industrial Works regarding the determination of safety measures for refrigeration systems that use ammonia as a refrigerant" and jointly prepared a manual for the controller and inspection engineer Department of Industrial Works.
  - Send employees to participate as key speakers to promote knowledge to industrial factory operators that use ammonia-based refrigeration systems as refrigerants. This encourages entrepreneurs to have knowledge and understanding of the importance of factory operation safety so that the refrigeration industry can continue to grow sustainably.

- (2) Collaborate with Kasetsart University to undertake a prototype project of Smart Refrigeration under the concept of IOT or Internet of Things for ice plants and cold storage.
- 5. Donations and support for other social activities as determined by the Company.

#### 4. Management Discussion and Analysis: MD&A

#### FINANCIAL POSITION AND RESULTS OF OPERATION 2022

#### PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

Statements of Financial Position : As at 31 December (MB)	2022		2021		2020	
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	78	2%	372	9%	396	11%
Trade and other current accounts receivable - net	470	12%	638	15%	440	12%
Installments receivable due within one year - net	214	5%	87	2%	57	2%
Contract assets	124	3%	385	9%	263	7%
Inventories – net	444	11%	594	14%	369	10%
Current tax assets	3	0%	20	0%	0	0%
Other current assets	14	0%	9	0%	14	0%
Non - current assets classified as held for sale	0	0%	7	0%	11	0%
Total Current Assets	1,347	34%	2,112	49%	1,549	43%
NON-CURRENT ASSETS						
Other non - current financial assets	30	1%	56	1%	31	1%
Trade and other non current accounts receivable - net	748	19%	383	9%	219	6%
Investment property	90	2%	80	2%	88	2%
Property , plant and equipment -net	1,413	36%	1,397	33%	1,455	40%
Right of use	25	1%	14	0%	14	0%
Other intangible assets - net	49	1%	60	1%	76	2%
Deferred tax assets	145	4%	128	3%	133	4%
Other non-current assets	80	2%	59	1%	63	2%
Total non-current assets	2,580	66%	2,177	51%	2,080	57%
TOTAL ASSETS	3,926	100%	4,289	100%	3,629	100%

Statements of Financial Position : As at 31 December (MB)	2022		2021		2020	
LIABILITIES AND SHAREHOLDERS' EQUITY						
CURRENT LIABILITIES						
Bank overdrafts and short-term loans from financial institution	372	9%	329	8%	170	5%
Trade and other current accounts payable	510	13%	742	17%	425	12%
Contract liabilities	301	8%	391	9%	425	12%
Current portion of long-term debts	282	7%	338	8%	282	8%
Current portion of lease liabilities	17	0%	14	0%	20	1%
Corporate tax payable	1	0%	4	0%	3	0%
Current provisions for employee benefits	3	0%	1	0%	0	0%
Other current liabilities	21	1%	18	0%	25	1%
Total current liabilities	1,507	38%	1,837	43%	1,351	37%
NON-CURRENT LIABILITIES						
Long - term loans - net	462	12%	390	9%	286	8%
Lease liabilities	15	0%	15	0%	22	1%
Deferred tax liabilities	204	5%	194	5%	179	5%
Estimated liability - employee benefit	158	4%	184	4%	240	7%
Total non-current liabilities	838	21%	783	18%	727	20%
Total liabilities	2,346	60%	2,620	61%	2,077	57%
SHAREHOLDERS' EQUITY						
Convertible preferred shares	79	2%	79	2%	79	2%
Share capital - common shares authorized, issued and fully paid-up	521	13%	521	12%	415	11%
Warrant	-	0%	-	0%	111	3%
Premium on preferred shares	5	0%	5	0%	5	0%
Premium on common shares	15	0%	15	0%	9	0%
Discount on common shares	(22)	(1%)	(22)	(0)	(22)	(0)
Company's shares held by a subsidiary	(4)	(0%)	(4)	(0)	(4)	(0)
Retained earnings - Appropriated for reserve fund	60	2%	60	1%	60	2%
Unappropriated retained earnings	242	6%	375	9%	251	7%
Other components of shareholders' equity	659	17%	615	14%	621	17%
Total shareholders' equity	1,555	40%	1,644	38%	1,524	42%
Minority interest	26	1%	25	1%	27	1%
Total Shareholders' Equity - net	1,581	40%	1,669	39%	1,551	43%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	3,926	100%	4,289	100%	3,629	100%

Statements of Comprehensive Income (MB)	2022		2021		2020	
Revenue from sales and services	2,979	100%	3,208	100%	3,059	100%
Costs of good sold and services	(2,510)	(84%)	(2,515)	(0)	(2,304)	(0)
Gross profit	469	16%	693	22%	755	25%
Other income	91	3%	97	3%	66	2%
Distribution costs	(338)	(11%)	(303)	(0)	(314)	(0)
Administrative expenses	(324)	(11%)	(319)	(0)	(458)	(0)
Profit (Loss) before financial cost	(101)	(3%)	168	5%	49	2%
Finance cost	(51)	(2%)	(30)	(0)	(41)	(0)
Profit (Loss) before income tax	(152)	(5%)	139	0	8	0
Income tax	23	1%	(40)	(0)	17	0
Profit (Loss) for the years	(129)	(4%)	98	3%	25	1%
Other Comprehensive income for the years	29	1%	20	1%	58	2%
Total Comprehensive income for the years	(100)	(3%)	118	4%	83	3%
Income (Loss) Attributable to :						
Owners of the parent	(130)	(4%)	97	3%	22	1%
Non controlling interest	2	0%	2	0%	2	0%
	(129)	(4%)	99	3%	24	1%
Attributable to :						
Equity holders of the parent	(101)		117	4%	81	3%
Minority interests of subsidiaries	2		2	0%	2	0%
	(100)		119	4%	83	3%

Statements of Cash Flows (MB)	2022	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit (Loss) before income tax	(152)	139	8
Adjustments			
Depreciation	52	59	68
Amortization for intangible assets	18	17	17
Depreciation for Right of Use	10	10	11
Bad debt and doubtful accounts (reversal)	(9)	(4)	24
Loss on declining in value of inventories (reversal)	(6)	-	5
Loss on impairment of assets (reversal)	(3)	-	5
Unrealized (gain) loss on exchange rate	3	(3)	-
(Gain) loss on sale of fixed assets	(2)	-	(3)
Loss from write off intangible assets	-	3	-
Provision for liabilities (reversal)	3	(7)	8
Employee benefit expenses	22	31	43
Liabilities under debt restructuring plan (reversal)	-	-	(9)
Liabilities under debt restructuring agreement (reversal)	(19)	-	(19)
Amortization income tax	-	1	-
Interest income	(17)	(15)	(18)
Financial cost	51	30	41
(Increase) Decrease in changes in parts of operating assets	(49)	259	175
Trade and current other accounts receivable	(315)	(405)	231
Inventories	156	(223)	201
Other current assets	(5)	5	(3)
Trade and other non current accounts receivable	-	-	57
Contract Assets decrease (increase)	263	(125)	132
Other non-current assets	(1)	2	2
Increase (Decrease) in changes in parts of operating liabilities			
Trade and other accounts payable increase	(230)	309	(85)
Contract liabilities increase (decrease)	(89)	(34)	(82)



Statements of Cash Flows (Con.) (MB)	2022	2021	2020
Cash generated from operation	(270)	(211)	628
Cash received from interest	17	15	18
Cash paid for interest	(52)	(30)	(44)
Cash paid from employee benefit	(9)	(47)	(67)
Cash received income tax	21	1	19
Cash paid income tax	(33)	(27)	(20)
Net cash provided by (used in) operating activities	(325)	(298)	532
Cash flows from investing activities			
Deposits at bank with commitment (increase) decrease	27	(25)	2
Cash paid for purchase of property, plant and equipment	3	1	3
Cash paid for purchase of property, plant and equipment	(15)	(2)	(12)
Cash paid for purchase of intangible assets	(5)	(4)	-
Net cash provided by (used in) investing activities	10	(31)	(6)
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	43	159	(138)
Cash received for shares from minority shareholders	-	-	2
Paid for liabilities under rehabilitation plan	-	-	(329)
Paid for liabilities under rehabilitation agreement	-	-	(16)
Cash received from long - term loans from financial institutions	192	285	314
Cash paid for long - term loans from financial institutions	(157)	(124)	(73)
Cash paid for liabilities under finance lease agreement	(16)	(22)	(26)
Cash paid dividend	(37)	(3)	-
Net cash provided by (used in) financing activities	25	295	(265)
The effects of exchange rates on cash and cash equivalents	(4)	1	1
Net increase (decrease) in cash and cash equivalents	(290)	(24)	261
Cash and cash equivalents as at January 1	372	396	135
Cash and cash equivalents as at December 31	78	372	396

## Patkol Public Company Limited

DATA PER SHARES (Baht)	2021	2021	2020
Book Value per shares	2.99	3.30	3.68
Earnings per shares	(0.25)	0.19	0.05
Cash Dividend per share	0.07	0.01	0.00
Stock Dividend per share	0.00	0.00	0.00

GROWTH RATE (%)	2022	2021	2020
Total Assets	-8%	18%	-10%
Total Liabilities	-10%	26%	-20%
Sales and Services Income	-7%	5%	-16%
Cost and Expenses	6%	-20%	-19%
Net Income	-235%	331%	-112%

FINANCIAL RATIO	2022	2021	2020
LIQUIDITY RATIO :			
Liquidity Ratio (Time)	0.89	1.15	1.15
Quick Ratio (Time)	0.59	0.81	0.86
Liquidity Ratio - Cash (Time)	-0.19	-0.19	0.35
Account Receivable-Turnover (Time)	2.55	3.61	3.36
Average no.of day for collection (days)	141	100	107
Inventory Turnover (Time)	4.73	5.10	4.79
Average no.of day for sales (days)	76	71	75
Account Payable-Turnover (Time)	4.01	4.31	4.88
Average no.of day for payment (days)	90	84	74
Cash Cycle (days)	127	87	108
PROFITABILITY RATIO :			
Gross margin (%)	16%	22%	25%
Operation profit margin (%)	-3%	5%	2%
Other Profit Margin (%)	3%	3%	2%
Cash to profitability ratio (%)	323%	-177%	1078%
Net profit margin (%)	-4%	3%	1%
Return on equity (%)	-8%	6%	2%

EFFICIENCY RATIO :	2022	2021	2020
Return on Assets (%)	-3%	2%	1%
Return on Fixed Assets (%)	-6%	11%	6%
Assets Turnover (Times)	1	1	1
FINANCIAL POLICY RATIO :			
Debt to Equity Ratio (Time)	1.5	1.6	1.4
Time Interest Earned (Time)	-4.7	-8.1	13.5
Cash debt coverage(Cash basis) (Time)	1.5	2.3	-43
Dividend payout ratio(%)	-28%	3%	0%

## Management Discussion and Analysis (MD&A)

The analysis of financial position and financial performance is based on consolidated financial statements for the year ended 31 December 2022.

In 2022, the Company's revenue from sales and services was 2,979 million baht, a decrease of 229 million baht, or 7% from 2021. The Company's measures still focus on cashflow management and Cost and Expense Control. In 2022, the Company has large projects that can be delivered, but due to higher raw material costs, the Company has a net loss of 129 million baht, a decrease of 231% from 2021.

### 1. Revenue from sales and services

In 2022, the company's revenue mainly came from Machinery and system for liquid business segment representing 38% of total revenue. Ice machine and system and Machinery for industrial refrigeration system business segment both generated 26% and 32% respectively, Central management and others accounted for 4% of total revenue. The analysis for growth of each business segments are as follows:

The machinery and system for liquid business segment had 21% decrease in growth due to customers delaying or postponing the installation for other business groups, including machinery and refrigeration industry systems. The machinery and liquid products business unit has a slightly lower growth rate than the previous year.

**2. Other income**

Other income of the group was 91 million baht or 3% of the total revenue. It was revenue from other business operations, such as foreign exchange gains, interest income, etc., was in the same proportion every year.

**3. Costs of good sold and gross profit**

In 2022, the company's gross profit was 16% of revenue, whereas in 2021, it was 22% of revenue. This was a result from increasing of cost of raw material especially stainless, steel and coppe which still continue to trend higher.

**4. Distribution costs and administrative expenses**

In 2022, the total cost of distribution and administrative expenses was 661 million baht, accounting for 22% of revenue, whilst in 2021, the Group had total distribution costs and administrative expenses of 622. million baht, accounting for 19% of revenue. The Group had distribution costs and administrative expenses increased by 40 million baht due to higher personnel expenses, doubtful debt expenses and allowance for the adjustment of the value of goods.

**5. Net Profit**

In 2022, the Group had a net loss of (129) million baht, representing 4% of revenue, whilst in 2021, the Group had a net profit of 98 million baht, representing 3% of revenue.

**6. Assets and Liabilities**Assets

At the end of 2022, the Group had total assets of 3,926 million baht. And at the end of 2021, there were total assets of 4,289 million baht, where the Group's total assets decreased from the previous year by 363 million baht, representing 8%, divided into

Current assets decreased by 765 million baht, mostly trade and other current receivables, inventories and contract assets. When analyzing the debt collection period, it was found that in 2022 the Group companies' average debt collection period increased to 141 days, compared to 2021's average of 100 days. The increased debt collection period is due to the lowered ability to collect debt. And most of the trade receivables that increased were finance lease receivables, together with the average selling period increased by 2022 equal to 76 days and 2021 equal to 71 days.

As for non-current assets, an increase of 403 million baht was mainly due to receivables arising from financial lease agreements with an installment period of more than 1 year, which were 3 projects delivered in 2022.

### Debt

From the end of 2022, the Group had liabilities of 2,346 million baht and at the end of 2021, it had liabilities of 2,620 million baht, a decrease of 274 million baht or 10%.

Most of the decrease is due to debt from trade payables and contract liabilities. When analyzing the debt repayment period, it was found that in 2022 compared to 2021, there was a period of 90 days and 84 days, respectively, due to slower repayment and decreased liquidity. In addition, the liquidity ratio decreased from 1.15 times in 2021 to 0.89 times in 2022.

## **7. Shareholders' Equity**

As of December 31, 2022, the Group shareholders' equity of the parent company was 1,555 million baht, whilst on December 31, 2021, the Group shareholders' equity of parent company was 1,644 million baht. Debt-to-equity ratio of the parent company as of December 31, 2022 and as of December 31, 2021 were 1.5 times and 1.6 times, respectively. This is still not over the policy of the Group of not more than 2 times.

## **8. Liquidity Analysis**

The Group's liquidity ratio at the end of 2022 and the end of 2021 was 0.89 times and 1.15 times respectively. The quick ratio at the end of 2022 and the end of 2021 was 0.59 times and 0.81 times, respectively.

Average debt collection period at the end of 2022 and the end of 2021 at was 141 days and 100 days, respectively. The average selling period at the end of 2022 and at the end of 2021 was 76 days and 71 days, respectively. end of the year 2022 and the end of 2021 are 90 days and 84 days respectively. Therefore, the Group's cash cycle at the end of 2022 and the end of 2021 is 127 days and 87 days respectively.

The Group's increased cash cycle, when considering in detail, it was found that the period of debt collection increased considerably due to the increase in long-term lease receivables from the previous year, and the period of sale of goods and the period of debt repayment increased.

When considering the cash flow statement, it was found that at the end of 2022, there was a decrease in net cash flow of 290 million baht from the end of 2021, with such net cash flow consisting of net cash flows used in operating activities 325 million baht, cash flow from investing activities 10 million baht, and net cash flow from financing activities 25 million baht.

## **9. Liabilities off balance sheet**

As at December 31, 2022 the Group of companies with bank guarantee obligations of 142 million baht, 0.019 million Euros and 0.40 million USD, divided into

1. Bank guarantee with Electricity Authority, Customs Department, Thailand Post and fuel card, amounting to 7.2 million baht.

2. Bank guarantees for project work in the amount of 134.8 million baht, 0.019 million Euros and 0.43 million USD. It consists of various guarantees as follows:

- Envelope guarantee: for bidding envelop which will be returned when the result of submitting the envelope has been announced
- Guarantee money received in advance. : to guarantee advance deposit from customers
- Contract Guarantee: to provide a guarantee during the performance of a contract with a customer.
- Performance guarantee: to guarantee the performance instead of the guarantee money deducted from the wages by the customer and will be returned to the Group upon the expiration of the guarantee period. This guarantee helps the Group to get faster cash flow.

## 5. General Information and Other Important Information

### 5.1 General Information

#### PATKOL PUBLIC COMPANY LIMITED

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

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

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

**Date of Establishment:** 28 November 1965

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

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

**Registered Capital:** 600,243,737 Baht

**Paid-up Capital:** 600,243,737 Baht

**Common share:** 520,756,281 Shares

**Preferred share:** 79,487,456 Shares

**Par Value:** 1 Baht

**Other references****Common Share Registrar:** Thailand Securities Depository Company Limited

93 Ratchadapisek Road, Dindaeng, Bangkok.

Tel. +66 (0) 2009-9000

**Authorized Auditor:** Karin Audit Company Limited

72, 24th floor 72 CAT Telecom Tower, Floor24, Charoen Krung Road, Bangrak, Bangkok. 10500 Thailand

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

**5.2 Other Important Information**

Summary Business held by the Company 10% upward

**1. Patkol Ice Solutions Company Limited**

No. 129 Moo 3, Pechakasem 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 99.98%

**2. Patkol Trading Company Limited**

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

Tel. +66 (0) 2328 1035 49

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

Registered Capital: 30,000,000 Baht

Shareholding 99.99%

**3. S Panel Company Limited**

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

Tel. +66 (034) 885 090 91

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

Registered Capital: 40,000,000 Baht

Shareholding 80%



#### 4. Heat Away Company Limited

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

Tel. +66 (038)-088 708

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

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

#### 5. Tygienic Company Limited

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

Tel. +66 (0) 2328 1035

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

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

#### 6. Patkol Philippines Coporation

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

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

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

#### 7. PT. Indonesia Patkol Service Corporation

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

Business Type: Machinery installation and maintenance services in Indonesia

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

#### 8. PATKOL Malaysia Sdn Bhd

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

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

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

**9. Patkol Myanmar Company Limited**

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

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

Registered Capital: 50,000 USD

Shareholding 99 %

**10. PT. Indonesia Patkol Refrigeration**

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

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

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

**5.3 Legal Disputes**

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

1) Chubb Samaggi Insurance Public Company Limited, 1<sup>st</sup> plaintiff with two other plaintiffs sued S Panel Company Limited as the 1<sup>st</sup> defendant to the Civil Court to request jointly be liable for compensation.

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

Dhipaya Insurance Public Company Limited, the 2<sup>nd</sup> plaintiff, and Falcon Insurance Public Company Limited, the 3<sup>rd</sup> plaintiff, filed a request for permission to appeal to the Supreme Court. The case is pending consideration of the Supreme Court.

2) LF Logistics Company Limited, the plaintiff sued S Panel Company Limited as the 2<sup>nd</sup> defendant to the Samut Prakan Provincial Court to request jointly be liable for compensation.

The lawsuit was due to the fire in the warehouse building, which the three plaintiffs were insurers, which S Panel Company Limited filed a defense against the case. During the court proceedings, Zurich Insurance Company Limited and Alliance Ayudhya Insurance Public Company Limited filed a petition to become a joint

plaintiff in the case. The Court of Appeal issued an order granting permission. The case is being considered by the Court of First Instance.

Currently, both of these cases are under consideration by the court. The Company's management and legal advisors are of the opinion that the outcome of the lawsuit is uncertain and inconclusive currently. Therefore, the damage value has not been estimated.

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

#### 5.4 Secondary Market

-None-

#### 5.5 Regularly Contacted Financial Institutions

**Bangkok Bank Plc.**

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

**Siam Commercial Bank Plc.**

9 Ratchadaphisek Road, Chatuchak District, Bangkok 10900

## Part 2

### Corporate Governance

#### 6. Corporate Governance

##### 6.1 The policy and guidelines of good corporate governance

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

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

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

## The Board of Directors

### 1. Components of the Board of Directors

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

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

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

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

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

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

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

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

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

### 2. Qualifications of the board of Directors

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

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

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

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

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

### **3. Term of the Directorship**

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

### **4. The Meetings of the Board of Directors**

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

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

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

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

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

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

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

## **5. Self-Assessment of the Board of Directors**

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

## **6. Independence of the Board of Directors and the management**

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

## **7. Development of the Directors and the Management**

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

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

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

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

#### **6.1.2 Policy and guidelines related to shareholders and stakeholders**

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

### **1. Meeting of the shareholders**

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

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

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

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



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

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

## **2. Implementation on the shareholder's meeting date**

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

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

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

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

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

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

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

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

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

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

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

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

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

### Equitable Treatment of Shareholders

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

#### Policy in the equitable treatment of shareholders

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

**1. Giving information before the shareholders meeting**

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

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

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

**2. Protection of the right of the minor shareholders**

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

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

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

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

**The Directors' Conflict of interest**

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

**Policy and practice on conflict of interest**

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

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

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

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

**Policy and Guidelines on Taking Care of the Vested Interests**

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

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

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

## 1) Employee

### Policies on taking care of the employees

1. The Company has a policy to recruit employees based on knowledge, ability and suitability of the individual with the nature of the work and position without discrimination on the basis of race, religion, ethnicity, caste, colour, sex, age, nationality, sexual preference, marital status or physical disability, which have no effect on the position and duties to be performed.

2. 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.

3. 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.

4. 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.

5. 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.

6. 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. Cleaning, 4. Standardizing and 5. Training & Discipline). It has set up the safety unit to control and take care of the occupational health and safety health, etc.

## 2. Customers

### Policies on taking care of the customers

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

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

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

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

### 3. Shareholders

#### Policies on taking care of the shareholders

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

### 4. Trade Partners (including the consultants and subcontractors)

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

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

### 5. Creditors

#### Policies on taking care of the creditors

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

## 6. Governmental Agencies

### Policies on taking care of the governmental agencies

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

## 7. Communities around the Factory

### Polices on taking care of the communities around the factory

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

## Mechanisms for Participation by the Stakeholders

The company has opened a channel for the interested person to show their opinions/ recommendations/ complaints with the Audit and Risk Management 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) Send a letter in the suggestion box inside the company at the canteen area at all plants.

- (3) Send a letter to Patkol at Secretary of Audit and Risk Management Committee, Patkol Public Co., Ltd. No. 348, Chaloem 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](http://www.patkol.com) both in Thai and English languages by updating it constantly.



## 6.2 Business Ethics

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

### 1. Code of Conduct Towards the Company

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

### 2. Code of Conduct Towards Customers

- The Company is responsible for building long-term relationships and cooperation with customers under the concept of commitment to delivering quality-service using friendly engineering.

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

### **3. Code of Conduct Towards Shareholders**

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

**4. Code of Conduct Towards Employees**

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

**5. Code of Conduct Towards Business Partners**

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

**6. Code of Conduct towards Creditors**

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

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

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

**8. Code of Conduct Regarding Intellectual Properties**

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

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

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

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

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

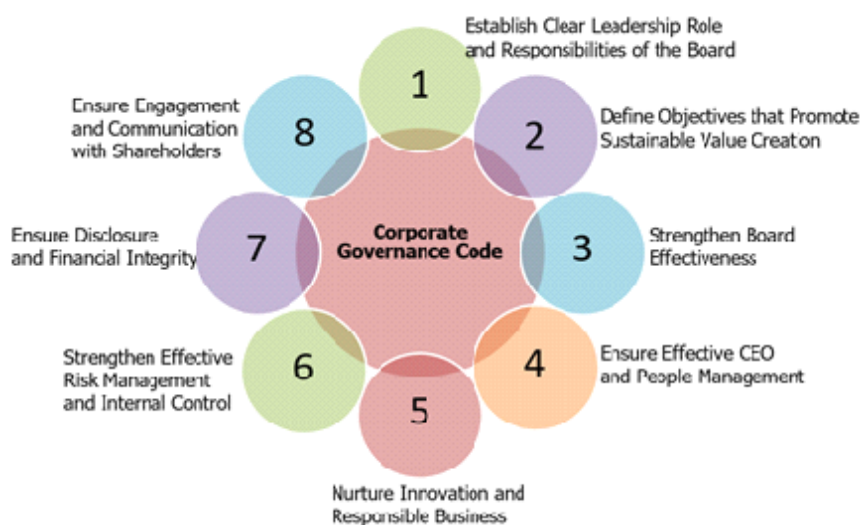
#### 11. Code of Conduct Towards Competitors

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

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

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

#### Corporate Governance Code 2017

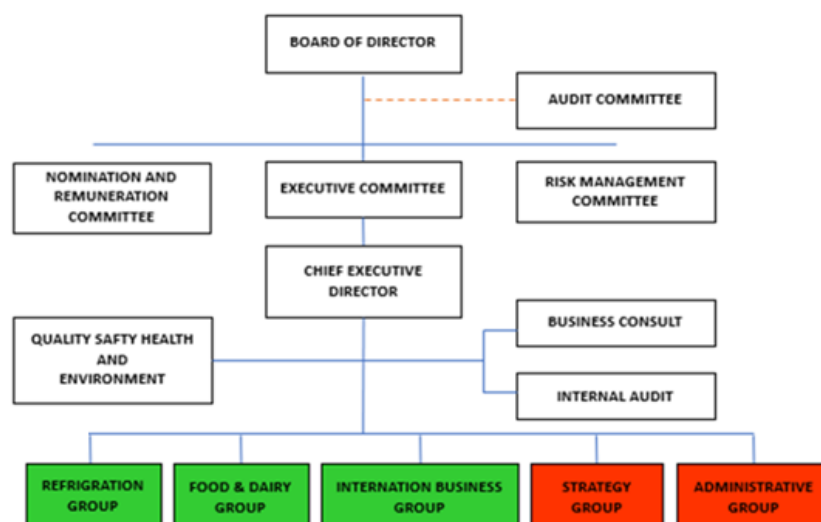


The Company plans to consider and review such principles. To increase the efficiency of governance and to demonstrate that the Company has raised the level of corporate governance standards of the company to be more in line with the principles of good corporate governance for listed companies in 2017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

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

### 7.1 Management structure

Internal management structure (As defined by SEC)



### 7.2 Information of Directors

#### Board of Directors

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

As at 31 December 2022, the Board of Directors There are a total of 12 directors who are highly qualified in the areas of skills, knowledge and experience that are beneficial to the operation

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

**List of Board of Directors as follows:**

Name	Position
1. Mr. Pitipong Pungbun Na Ayudhya	Chairman of the Board (Independent Director)
2. Mr. Sangchai Chotchuangchutchaval	Vice Chairman of the Board and Chairman of Executive Committee
3. Mr. Pairoj Sanyadechakul	Director and Chairman of the Audit and Risk Management Committee (Independent Director)
4. Mr. Preecha Chantrangkul	Director, Audit and Risk Management Committee Member (Independent Director)
5. Mr. Veerachai Srikajon	Director, Chairman of Nomination and Remuneration Committee, and Audit and Risk Management Committee Member (Independent Director)
6. Mr. Paradorn Chulajata	Director, Executive Committee Member and Nomination and Remuneration Committee Member
7. Ms. Nongluck Sakdakrai	Director, Executive Committee Member and Nomination and Remuneration Committee Member
8. Mrs. Anongsiri Chaiyakul	Director
9. Mr. Sumet Jiambutr	Director
10. Mr. Rangsan Thammaneewong	Director and Executive Committee Member
11. Mr. Panet Chongvatana	Director, Vice Chairman of the Executive Committee and Chief Executive Director
12. Ms. Natitya Chongvatana	Director

**Authorized Directors at present**

According to the Company's certificate dated December 1, 2022, the authorized directors are:

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

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



### **The Authorities and Duties of the Board of Directors**

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

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

- 11) Leadership and -role model in good performance consistent with good corporate governance and the corporate social responsibility approach.
- 12) Encourage the company operates to combat all types of corruption and corruption to maximize the Company's business and stakeholders.
- 13) Provide a Code of Conduct for Directors, Executives and Employees.

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

## 7.3 Information of Sub-committees

### Sub-committees

Board of Directors' Sub-committees have been appointed to support and facilitate the work of the Board of Directors, In 2022 combining the Audit Committee and the Risk Management Committee as one Committee. As a result, the original number of 4 Sub-committees is now 3 at present, namely

1. Audit and Risk Management Committee
2. Executive Committee
3. Nomination and Remuneration Committee

In this regard, the scope of authority and duties of the Executive Committee and the Nomination and Remuneration Committee has been amended to be appropriate and to cover current responsibilities. As for the Audit and Risk Management Committee, the current Audit and Risk Management Committee has reviewed the duties and responsibilities of the original audit committee. It was found that the roles related to risk management as a whole have already been completely identified therefore, no amendment is required.

### 1) Audit Committee and Risk management Committee

#### Definition Audit Committee and Risk management Committee

Audit Committee and Risk management 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 and Risk management Committee as follows:**

Name	Position
1. Mr. Pairoj Sanyadechakul	Chairman of the Audit and Risk management Committee
2. Mr. Veerachai Srikajon	Audit and Risk management Committee Member
3. Mr. Preecha Chantrangkul	Audit and Risk management Committee Member

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

**Qualifications and Requirements of Audit and Risk management Committee**

Same the qualifications of the Company's independent directors.

**Scope of Authority and Duties of the Audit and Risk management Committee**

- 1) Review the Company financial reporting in accordance with the accounting standards prescribed by law is accurate and adequate.
- 2) Review the Company an appropriate and effective internal control and internal audit system are in place, and the adequacy of the risk management process.
- 3) Review the Company to comply with the Securities and Exchange Act and the Stock Exchange of Thailand (SET) regulations, and the law related to the business of the company.
- 4) To consider connected transactions or transactions that may lead to conflicts of interests in accordance with the laws and regulations of the Stock Exchange of Thailand (SET).
- 5) Review and consider with the management regarding major defects detected and management response.
- 6) Have the power to investigate and investigate related parties within the scope of authority of the Audit Committee, and have the power to hire or bring specialized experts to help investigate and investigate by following the rules from the company.
- 7) To prepare a corporate governance report of the Audit Committee to be disclosed in the Company's annual report. The report must be signed by the Chairman of the Audit Committee.

- 8) To consider, select and nominate an independent person to be the Company's auditor and propose the compensation of such person. Also, attend meetings with the auditors without the management at least once a year.
- 9) Consider the scope of audit and audit plan of the auditor. And the internal audit section is related and complementary and reduces redundancy in respect of financial audits.
- 10) Approve charter, budget audit plan, training plan, and the power of the internal audit.
- 11) Consider, appoint, transfer and evaluate the annual performance of the head of internal audit. consider the independence of the internal audit.
- 12) Review the effectiveness and effectiveness of information technology systems related to internal control and risk management.
- 13) In performing duties of the Audit Committee. If there are any inquiries or doubts, there are transactions or actions that may have a material impact on the Company's financial position and performance.
  - (1) Transaction that causes a conflict of interest.
  - (2) Fraud or irregularity or defect in the internal control system
  - (3) Violation of the Securities and Exchange Act, the Stock Exchange of Thailand (SET) regulations or laws relating to the business of the Company.The Audit Committee shall report to the Board of Directors to implement the amendment within the period of time the Audit Committee deems appropriate. If the board of directors or the management fails to do so, it should rectify it within a reasonable time. A member of the Audit Committee may report any such transaction or action to the Securities and Exchange Commission SEC and/ or the Stock Exchange of Thailand (SET).
- 14) To perform any other act as assigned by the Board of Directors with the approval of the Audit Committee.

**Tenure and Vacancy**

- 1) The Audit Committee has a term of office of 3 years, including the appointment, removal and removal from the Audit Committee.
- 2) Audit Committee members who vacated office by rotation May be re-appointed as the Board deems appropriate.
- 3) The Audit Committee vacates office upon
  - (1) The expiration of the term
  - (2) Die

(3) Resignation

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

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

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

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

## 2) Executive Committee

### Qualifications and Requirements of Executive Committee

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

**List of Executive Committee as follows:**

Name	Position
1. Mr. Sangchai Chotchuangchutchaval	Chairman of the Executive Committee
2. Mr. Panet Chongvatana	Vice Chairman of the Executive Committee
3. Mr. Rangsarn Thammaneeuwong	Executive Committee Member
4. Ms. Nongluck Sakdakrai	Executive Committee Member
5. Mr. Paradorn Chulajata	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 - 30 million baht.
    - In the case the company has become a plaintiff or defendant in the criminal cases with the capital exceed 10 - 30 million baht or criminal cases with imprisonment.
  - 4.5) Consider accepting a fine and/or return of the goods with the total project value by more than 10 - 30 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.
- 10) Consider and screen the list of directors of subsidiaries to propose to the Board of Directors for approval.
- 11) Consider setting policies and frameworks for managing operational risks (Operational Risks), including other risks, and report to the Audit and Risk Management Committee for information and consideration.

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

### **Tenure and Vacancy**

- 1) Members of the Executive Committee deemed as members of the company's Board of Directors shall remain effective in the position for a 3-year term. When the term is due, the Board of Directors shall be allowed to re-appoint the same members to return to the position plausibly and appropriately.
- 2) Members of the Executive Committee deemed as members of the company's Board of Directors shall remain effective in the position of executive management, except as otherwise determined by the Board of Directors.
- 3) Members of the Executive Committee deemed as members of the third party shall remain effective in the position in accordance with the resolution of the company's Board of Directors and shall be altered as appropriate. Apart from the aforementioned provisions, members of the Executive Committee shall be withdrawn from the position due to the following causes;
  - 1) Death
  - 2) Resignation

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

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

### 3) Nomination and Remuneration Committee

#### Qualifications and Requirements of Nomination and Remuneration Committee

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

List of Nomination and Remuneration Committee as follows:

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



**Scope of Authority and Duties of the Nomination and Remuneration Committee**

1. Determine procedures for annual performance appraisal of the Chief Executive Officer and propose criteria and evaluation results to the Board of Directors for consideration and approval in determining remuneration.
2. Determine procedures and standards for offering remuneration to the Board of Directors and the sub-committee fairly and reasonably to be proposed to the meetings of the Board of Directors and shareholders accordingly.
3. Determine procedures and standards for nominating members of the Board of Directors and the sub-committee and consider the qualifications of persons nominated for the above positions by considering knowledge, competence, experience and expertise that are appropriate and beneficial to the business operations of the Company and Group to be proposed to the meetings of the Board of Directors.
4. Select a qualified candidate who deserves to be nominated as a new director and the sub-committee by
  - 4.1 Proposing to the Board of Directors' meeting to consider and propose to the shareholders' meeting to appoint the directors who retire by rotation and/or increasing the number of directors
  - 4.2 Proposing to the Board of Directors' meeting to appoint a director to replace the vacant position in the event that the director resigns or is unable to perform his duties
5. Select and determine remuneration for qualified persons to be in the position of Chief Executive Officer to be proposed to the meetings of the Board of Directors.
6. Consider and comment on the succession plan of the Chief Executive Officer and present to the Board of Directors' meeting for approval.
7. Perform other tasks as assigned by the Board of Directors The Board of Directors has the power to change roles, duties and responsibilities of the Nomination and Remuneration Committee as necessary or appropriate.

**Tenure and Vacancy**

- 1) The Nomination and Remuneration Consideration Committee shall remain effective in the tenure for 3 financial years and shall be re-appoint 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.

The directors' remuneration for the year 2022 in amount but not exceed 9 million baht as follows:

Position	Remuneration for the Board (Baht/Month)	Attendance Meeting (Baht/Times)
Chairman of the Board	80,000	15,000
Director	35,000	10,000
Chairman of the Executive Committee	20,000	12,000
Executive Committee Member	20,000	10,000
Chairman of the Audit and Risk Management Committee	24,000	12,000
Audit and Risk Management Committee Meber	24,000	10,000
Chairman of the Nomination and Remuneration Committee	15,000	12,000
Nomination and Remuneration Committee Member	15,000	10,000

## 7.4 Management Team

The management team consists of

1. Mr. Panet	Chongvatana	Chief Executive Officer Chief Strategy Officer
2. Ms. Wannapond	Trinwisutthikun	Chief Administrative Officer Company Secretary
3. Mr. Chakkraphong	Chaosuan	Chief International Business Officer
4. Mrs. Siwapron	Dumronglaohapun	Managing Director of Tygienic Company Limited Managing Director of Patkol Trading Company Limited
5. Mr. Thawatchai	Tootabtong	Chief Food Engineering Officer
6. Ms. Yupaporn	Pongpetchdit	Accounting and Finance Executive Director

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

### Scope of Authority and Duties of Chief Executive Officer

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

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

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

#### Management Remuneration (E14-E16)

Total remuneration of the Company's management and the company groups of companies in 2022 in the amount of 32.5 Million Baht.

## 7.5 Employees

### Employees

Number of employee's companies in Patkol group as of 31 December 2022, there are 1,050 people as detailed below:

Group	Executive (E14-E17)	Management (M12-M13)	Operation (S11-D1)	Total
Refrigeration Group	1	4	114	119
Food & Diary Group	2	5	109	116
International Business Officer	3	2	10	15
Strategy Group	1	6	54	61
Administrative Officer	4	8	81	93
Management	1	3	12	16
Patkol Ice Solutions Co., Ltd.	4	11	290	305
S Panel Co., Ltd	1	2	69	72
Heataway Co., Ltd	1	2	69	72
Patkol Trading Co., Ltd	-	1	15	16
Tygienic Co., Ltd	1	4	124	129
Patkol Philippines Coporation Co., Ltd.	1	-	8	9
PT. Indonesia Patkol Service LTD.	-	-	13	13
Patkol Malaysia Sdn Bhd	-	-	7	7
Patkol Myanmar Co., Ltd.	-	-	3	3
PT. Indonesia Patkol Refrigeration	-	1	3	4

## Employee benefits

The totalling amount benefit of employees of the Company and the company groups as of 31 December 2022 in the amount of 538,100,676.98 Baht as detailed below:

Type of Benefits	Total (Baht)
Wages / Salary	482,541,466.64
Incentive	32,015,967.25
Provident fund	11,648,620.70
Social security fund	11,894,622.39

## 7.6 Other Important Information

### Company Secretary

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

### **Scope of Authority and Duties of Company Secretary**

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

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

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

#### **Head of Internal Audit**

The company appointed Ms. Suksiri Suttisabai to hold the position from July 1, 2022 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 2022

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. Ms. Kannika	Wipanurat	CPA No. 7305 and/or
2. Mr. Kraisaneng	Thiranulak	CPA No. 5428 and/or
3. Mr. Jirote	Sirirorote	CPA No. 5113 and/or
4. Ms. Nonglak	Pattanabundith	CPA No. 4713 and/or
5. Mrs. Sumana	Senivongse	CPA No. 5897 and/or
6. Mr.Komin	Linphrachaya	CPA No. 3675 and/or
7. Mr.Worapol	Wiriyakulapong	CPA No. 11181 and/or
8. Mr. Pojana	Asavasontichai	CPA No. 4891 and/or
9. Mr.Wichian	Proongpanich	CPA No. 5851 and/or
10. Ms. Kojchamon	Sunhuan	CPA No. 11536

One of the auditors shall have the authority to auditing and to give opinion on the financial statement of the Company. The proposed of auditing fees for financial statement quarterly review are in the amount of 1,035,000 Baht and the fees for financial statement for the year 2022 are in the amount 700,000 Baht. The total fees for financial statement for the year 2022 are in the amount of 1,735,000 Baht.

## 2) Others Fee (Non-Audit fee)

-none-



## 8. Corporate Governance Report

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

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

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

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

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

### 8.1.2 Meeting attendance and remuneration of individual committees

#### Meeting attendance of the directors for the year 2022

Name	Position	Meeting	
		Board of Director (Meeting/ Attendance)	Annual General Meeting (Meeting/ Attendance)
Mr. Pitipong Pungbun Na Ayudhya	Chairman of the Board	5/6	1/1
Mr. Sangchai Chotchuangchutchaval	Vice Chairman of the Board	6/6	1/1
	Chairman of Executive Committee	12/12	
Mr. Pairoj Sanyadechakul	Director	6/6	1/1
	Chairman of the Audit and Risk Management Committee	4/4	
Mr. Preecha Chantarangkul	Director	6/6	0/1
	Audit and Risk Management Committee Member	4/4	
	Nomination and Remuneration Committee Member	3/3	
Mr. Veerachai Srikajon	Director	6/6	1/1
	Chairman of Nomination and Remuneration Committee	8/8	
	Audit and Risk Management Committee Member	4/4	
Mr. Paradorn Chulajata	Director	6/6	1/1
	Executive Committee Member	10/10	
	Nomination and Remuneration Committee Member	10/11	
Ms. Nongluck Sakdakrai	Director	6/6	1/1
	Executive Committee Member	10/10	
	Nomination and Remuneration Committee Member	11/11	
Mrs. Anongsiri Chaiyakul	Director	6/6	1/1
Mr. Sumet Jiambutr	Director	6/6	1/1
	Executive Committee Member	2/2	
Mr. Rangsarn Thammaneeuwong	Director	6/6	1/1
	Executive Committee Member	12/12	
Mr. Panet Chongvatana	Director	6/6	1/1
	Vice Chairman of the Executive Committee	12/12	
Ms. Natiya Chongvatana	Director	6/6	1/1

## Remuneration for Directors of Directors for the year 2022

Name	Remuneration for the Board (Baht)	Remuneration for the Audit and Risk Management Committee (Baht)	Remuneration for Nomination and Remuneration Committee (Baht)	Remuneration For Executive Committee (Baht)	Attendance the Meeting (Baht)				Total (Baht)
					Board	Audit and Risk Management Committee	Nomination and Remuneration Committee	Executive Committee	
1. Mr. Pitipong Pungbun Na Ayudhya	957,000	-	-	-	30,000	-	-	-	987,500
2. Mr. Sangchai Chotchuangchutchaval	419,300	-	-	20,000	30,000	-	-	108,000	757,300
3. Mr. Veerachai Srikajon	419,300	286,200	150,000	-	30,000	30,000	60,000	-	975,500
4. Mr. Preecha Chantarangkul	419,300	286,200	-	-	30,000	30,000	-	-	765,500
5. Mr. Paradorn Chulajata	419,300	46,200	150,000	200,000	30,000	-	50,000	90,000	985,500
6. Ms. Nongluck Sakdakrai	419,300	-	150,000	200,000	30,000	-	50,000	90,000	939,300
7. Mr. Pairoj Sanyadechakul	419,300	286,200	-	-	30,000	36,000	-	-	771,500
8. Mrs. Anongsiri Chaiyakul	419,300	-	-	-	30,000	-	-	-	449,300
9. Mr. Sumet Jiambutr	419,300	-	-	-	30,000	-	-	-	449,300
10. Mr. Rangsan Thamaneewong	419,300	-	-	200,000	30,000	-	-	90,000	793,300
11. Mr. Panet Chongvatana	103,950	-	-	-	-	-	-	-	103,950
12. Ms. Natiya Chongvatana	419,300	-	-	-	30,000	-	-	-	449,300
Total									8,373,250

### 8.1.3 Supervision and operations of the affiliates and subsidiaries

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

The Company considered sending 4 directors and 2 executives to be directors in 5 subsidiaries, Patkol Ice Solutions Company Limited, Patkol Trading Company Limited, S Panel Company Limited, Heat Away Company Limited and Tygienic Company Limited, with such directors and executives approved by the Board of Directors' meeting. The Board of Directors will consider sending the personnel to look after the benefits from time to time.

### 8.1.4 Compliance with corporate governance policies and practices

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

#### (1) Policy and practice on conflict of interest

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

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

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

## **(2) Supervision on the use of internal information**

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

### Prevention of internal information

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

### Measures on prevention from using the inside information

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

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

### **(3) Anti-Corruption**

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

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

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

## 8.2 The performance of the Audit Committee in 2022

### List of Board of Directors and Attendance the Meeting

Name	Position	Attendance the Meeting (times)
1. Mr. Pairoj Sanyadechakul	Chairman of the Audit and Risk Management Committee	4/4
2. Mr. Veerachai Srikajorn	Audit and Risk Management Committee Member	4/4
3. Mr. Preecha Chantrangkul	Audit and Risk Management Committee Member	4/4

### Performance of the Audit Committee

In 2022, 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 4 meetings of the Committee, with discussions with management, internal auditors and auditors on related matters. The essence of the duties can be summarized as follows

#### 1. Review financial reports

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

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

#### 2. Reviewing the internal control system

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

### **3. Reviewing compliance with applicable laws and regulations**

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

### **4. Internal Audit Supervision**

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

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

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

The Audit Committee has considered the appointment of Arin Audit Co., Ltd. as an auditor of Patkol Public Company Limited as well as to consider the remuneration proposal in 2022. In addition, attended a meeting with the auditor and inspection agencies without the participation of the management to acknowledge the auditor's audit plan including problems or obstacles in the performance of the audit In order to suggest guidelines for improvements, which in 2022 had 4 meetings together.

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

The location is perfect. Missions performed in 2022, 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 2022

#### 1) Executive Committee

##### List of Executive Committee and Attendance the Meeting

Name	Position	Attendance the Meeting (times)
1. Mr. Sangchai Chotchuangchutaval	Chairman of the Executive Committee	12/12
2. Mr. Panet Chongvatana	Vice Chairman of the Executive Committee	12/12
3. Mr. Rangsang Thammaneeuwong	Executive Committee Member	12/12
4. Ms. Nongluck Sakdakrai*	Executive Committee Member	10/12
5. Mr. Paradon Chulajata*	Executive Committee Member	10/12

**Note** : \* Appointed to the Executive Committee Member on March 2022, Therefore, did not attend the Executive Committee meeting No.1/2022 and No.2/2022

### Performance of the Executive Committee

The Executive Committee considers and approved policies, goals, strategies, operational plans, investment projects, budgets and administrative powers of the Company for the year 2022 for submission to the Board of Directors for approval and monitor and supervise the Company's business operations to comply with the policies, goals, strategies, operational plans, investment projects and the annual budget 2022 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 2022, 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 10 projects
- 2.) Consider setting guidelines on taking legal actions in 2 case.
  - In the case the company has become a plaintiff or defendant in the civil case with the capital exceed 10-30 million baht.
  - In the case the company has become a plaintiff or defendant in the criminal cases with the capital exceed 10 - 30 million baht or criminal cases with imprisonment.
- 3.) Consider and approve to appointed the Subsidiaries Directors, there wer Heat Away Company Limited, S Panel Company Limited, Patkol Ice Solutions Company Limited, Patkol Trading Company Limited and Tygienic Company Limited.
- 4.) 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.

## 2) Nomination and Remuneration Committee

### List of Nomination and Remuneration Committee and Attendance the Meeting

Name	Position	Attendance the Meeting (times)
1. Mr. Veerachai Srikajorn *	Chairman of the Nomination and Remuneration Committee	8/11
2. Mr. Paradorn Chulajata	Nomination and Remuneration Committee Member	10/11
3. Ms. Nongluck Sakdakrai	Nomination and Remuneration Committee Member	11/11

**Note** : \* Appointed to the Chairman of the Nomination and Remuneration Committee on March 2022, Therefore, did not attend the Nomination and Remuneration Committee No.1/2022 and No.2/2022

### 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 2022, Nomination and Remuneration Committee supervise and approve the matter related to the operations of the company such as

1.) To consider and propose the appointment of directors to replace those who retire by rotation in 2022 to the Board of Directors No. 2/2023 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 2023, there were 4 directors who completed their term:

- |                  |               |          |   |
|------------------|---------------|----------|---|
| 1. Ms. Anongsiri | Chaiyakul     | Position | Director  |
| 2. Mr. Virachai  | Srikajon      | Position | Independent Director, Chairman of Nomination and Remuneration Committee and Member of Audit and Risk Management Committee |
| 3. Mr. Preecha   | Chantarangkul | Position | Independent Director and Member of Audit and Risk Management Committee  |
| 4. Ms. Naitya    | Chongvatana   | Position | Director  |

For the purpose that Ms. Anongsiri Chaiyakul Position Director Who retired by Rotation and resigned, to be proposed to the shareholders accordingly.

2.) Determine the annual performance appraisal of the Chief Executive Officer and the first time to applied and evaluation for the Chief Executive Officer.

3.) Consider the remuneration for the directors, directors who perform duties in the Company's sub-committees and Chief Executive Officer fairly and reasonably. And proposed to the Board of Directors and the shareholders' meeting for approval. By comparing the remuneration of directors for the year 2022 from information on the remuneration of various committees of companies in the same industry as the company. Therefore, it is proposed to pay the remuneration to the directors with the details as follows:

Position	Remuneration for the Board (Baht/Month)	Attendance Meeting (Baht/Times)
Chairman of the Board	80,000	15,000
Director	35,000	10,000
Chairman of the Executive Committee	20,000	12,000
Executive Committee Member	20,000	10,000
Chairman of the Audit and Risk Management Committee	24,000	12,000
Audit and Risk Management Committee Member	24,000	10,000
Chairman of the Nomination and Remuneration Committee	15,000	12,000
Nomination and Remuneration Committee Member	15,000	10,000

This will propose the shareholders to consider the rate of directors 'remuneration for the year 2023 in the 2023 shareholders' meeting for approval.

## **9. Internal control and related transactions**

### **9.1 Internal control**

The Audit Committee Meeting No.1/2023 on 22 February 2023 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
		2022	2021	
<b>Mr. Sangchai Chotchuangchutchaval</b> <i>The business consultant provider</i>	<u>Service Fee</u> The Company has entered in to a service contract in the field of consulting, defining, transferring and recommending the knowledge related to the determination, preparation, change, improvement, development of forms, methods, tools and information related to problem solving. and business process development and any other related work for the Company and its affiliates (Form 1 January 2022 to 31 December 2022)	5.9	-	The management committee meeting resolved to approve the transaction between the Company and Mr. Sangchai Chotchuangchutchaval in 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.

Person with possible conflict of interest	Transaction	Transaction value (Million Baht)		Reasonable of the transaction
		2022	2021	
<b>Mr. Rangsan Thammaneeewong</b> <i>The business consultant provider</i>	<u>Service Fee</u>  The Company has renewed of service contract in the field of consulting, defining, transferring and recommending the knowledge related to the determination, preparation, change, improvement, development of forms, methods, tools and information related to problem solving. and business process development and any other related work for the Company and its affiliates (Form 1 January 2022 to 31 December 2022)	1.8	1.8	<p>The management committee meeting resolved to approve the transaction between the Company and Mr. Rangsan Thammaneeewong in the extension of the service contract.</p> <p>The aforementioned list of service fees is for developing work processes and benefits in the Company's business operations. Prices and settlement terms are normal business rates. Such items are necessary. And reasonable and in the best interest of the company</p> <p>The Audit Committee does not have a different opinion from the management team.</p>

Person with possible conflict of interest	Transaction	Transaction value (Million Baht)		Reasonable of the transaction
		2022	2021	
<b>Mr. Sumet Jiambutr</b> <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 2022 to 31 December 2022)	2.04	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 2022

#### 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, 2022, 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, 2022, 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 including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the consolidated financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Key Audit Matters

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

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

As disclosed in Note 12 and 35.2 as of December 31, 2022, the subsidiaries had accumulated losses in excess of capital. The management of the group of companies is in the process of managing the operation to improve in the future. The Company included net investment in this subsidiaries amount of Baht 34.81 million, and trade and other receivables amount of Baht 13.48 million and loans provided to the subsidiaries, which including interest receivable amount of Baht 20.93 million. I have paid particular attention to the determination of impairment of investment in subsidiaries and allowance for expected credit loss of trade and other account receivables and the allowance for expected credit loss for doubtful accounts with respect to loans to and interest receivable from the subsidiaries in the separate financial statements, since these accounts required the exercise of significant management judgment with respect to projections of the future operating performance of the subsidiaries, and the determination of an appropriate discount rate and key assumptions. There is thus a risk with respect to the amount of impairment loss and the allowance for doubtful accounts.

**Risk Responses of Auditor**

The audit procedures are as follow;

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

**Deferred Tax Assets**

As described in the Note 18 to the consolidate financial statements, the Group Company recorded deferred tax assets of Baht of 145.21 million, and Baht of 72.22 million in the statement of financial position. The recognition of deferred tax assets is based on possibility of actual utilization and subject to management's judgment. Expected benefits from such assets depend on many factors, including appropriateness of temporary difference and sufficiency of future taxable profit.

**Risk Responses of Auditor**

The audit procedures are as follow;

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

**Revenue recognized under the percentage of completion**

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

**Risk Responses of Auditor**

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

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

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

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

### Emphasis of matters

I draw attention to Note 40 Litigation to the consolidated financial statement.

1.1 On 14 January 2019, the second defendant's, a subsidiary, was sued as a civil case by Samutprakarn provincial court. about the claim of damages from fire the warehouse, which the subsidiary installed refrigeration equipment, indemnity of 246.42 million Baht plus interest rate at 7.5% of the amount, is the following day of the lawsuit. The case is currently under consideration by the court. The Company's management and lawyer have an opinion that there are uncertain of solution at present. Therefore, the amount of damages has not yet been determined.

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

### Other Information

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be

communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

(Ms. Kannika Wipanurat)

Certified Public Accountant

Registration No. 7305

Karin Audit Company Limited

Bangkok, Thailand

February 28, 2023



PATKOL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2022

**PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**
**STATEMENTS OF FINANCIAL POSITION**

		In Baht			
		Consolidated financial statements		Separated financial statements	
		December 31,	December 31,	December 31,	December 31,
	Notes	2022	2021	2022	2021
<b>Assets</b>					
Current assets					
Cash and cash equivalents	5	78,429,960	372,166,119	9,479,308	216,384,699
Trade and other current receivables, net	6,35.3	470,214,586	638,014,235	315,359,171	540,062,557
Current portion of finance lease receivable	7	213,626,055	86,909,058	213,626,055	86,909,058
Contract assets, net	8,35.3	123,743,210	385,490,973	77,519,244	326,215,101
Short - term loans from related parties	35.3	-	-	15,000,000	88,540,176
Inventories, net	9	444,046,522	593,950,454	58,923,346	287,877,957
Current tax assets		2,573,160	19,746,860	14,290,605	12,629,871
Other current assets		13,887,168	8,485,590	9,219,887	7,954,333
Non - current assets classified as held for sale	10	-	7,126,245	-	-
Total current assets		1,346,520,661	2,111,889,534	713,417,616	1,566,573,752
Non - current assets					
Non - current financial assets	11	29,641,767	56,476,690	6,281,190	6,384,083
Investments in subsidiaries, net	12	-	-	338,848,474	343,862,236
Trade and other non-current receivables, net	35.3	-	-	80,602,670	100,506,964
Trade installment receivables, net	13	7,538,368	-	7,538,368	-
Finance lease receivable, net	7	740,142,728	383,466,356	740,142,728	383,466,356
Investment property, net	14	90,063,775	83,342,103	183,491,779	182,779,685
Property, plant and equipment, net	15	1,413,000,531	1,386,761,225	827,930,981	792,051,618
Right of use, net	16	24,582,961	20,454,041	13,787,374	10,721,437
Intangible assets, net	17	49,264,688	59,767,886	39,586,848	51,785,558
Deferred tax assets	18	145,209,433	127,752,120	72,222,655	48,591,889
Other non - current assets		80,349,699	59,205,407	46,418,437	34,965,993
Total non - current assets		2,579,793,950	2,177,225,828	2,356,851,504	1,955,115,819
<b>Total assets</b>		<b>3,926,314,611</b>	<b>4,289,115,362</b>	<b>3,070,269,120</b>	<b>3,521,689,571</b>
<b>Liabilities and equity</b>					
Current liabilities					
Bank overdrafts and short - term loans					
from financial institutions	19	371,991,625	329,064,934	215,836,853	189,532,194
Trade and other current accounts payable	20,35.3	510,097,874	741,501,016	286,963,932	513,680,254
Contract liabilities	8,35.3	301,332,208	390,753,359	58,216,727	267,399,414
Current portion of long - term loans					
from financial institutions, net	21	282,207,778	338,335,856	147,108,000	165,610,913
Current portion of lease liabilities, net	22	17,034,893	14,355,780	6,748,108	5,243,221
Income tax payable		1,019,002	4,031,848	-	-
Current provisions for employee benefits	23	2,834,975	830,378	2,834,975	-
Provision for liabilities		20,743,215	18,129,606	15,615,806	15,132,785
Total current liabilities		1,507,261,570	1,837,002,777	733,324,401	1,156,598,781

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

		In Baht			
		Consolidated financial statements		Separated financial statements	
		December 31,	December 31,	December 31,	December 31,
Notes		2022	2021	2022	2021
<b>Liabilities and equity</b>					
Non - current liabilities					
Long - term loans from financial institutions, net	21	462,062,000	390,178,325	459,012,000	367,695,000
Lease liabilities, net	22	14,797,279	14,867,392	7,218,571	2,228,529
Deferred tax liabilities	18	203,591,363	193,706,962	151,843,921	141,038,941
Provisions for employee benefits	23	157,842,696	184,106,643	72,485,762	90,283,854
Total non - current liabilities		838,293,338	782,859,322	690,560,254	601,246,324
Total liabilities		2,345,554,908	2,619,862,099	1,423,884,655	1,757,845,105
Equity					
Share capital					
Authorised share capital					
79,487,456 preferred shares of Baht 1 each		79,487,456	79,487,456	79,487,456	79,487,456
520,756,281 common shares of Baht 1 each		520,756,281	520,756,281	520,756,281	520,756,281
Issued and paid - up share capital					
79,487,456 preferred shares of Baht 1 each	26	79,487,456	79,487,456	79,487,456	79,487,456
520,756,281 common shares of Baht 1 each	26	520,756,281	520,756,281	520,756,281	520,756,281
Premium on preferred shares	26	4,555,919	4,555,919	4,769,247	4,769,247
Premium on common shares	26	14,911,575	14,911,575	14,911,575	14,911,575
Discount on common shares	26	(22,088,943)	(22,088,943)	(22,088,943)	(22,088,943)
Company's shares held by a subsidiary					
Preferred shares	27	(3,555,477)	(3,555,477)	-	-
Retained earnings (deficit)					
Appropriated - legal reserve	29	60,024,374	60,024,374	60,024,374	60,024,374
Unappropriated		241,650,684	374,996,101	382,951,433	536,317,945
Other components of shareholders' equity		658,888,045	615,387,756	605,573,042	569,666,531
Equity attributable to owners of the parent		1,554,629,914	1,644,475,042	1,646,384,465	1,763,844,466
Non - controlling interest		26,129,789	24,778,221	-	-
Total equity		1,580,759,703	1,669,253,263	1,646,384,465	1,763,844,466
<b>Total liabilities and equity</b>		<b>3,926,314,611</b>	<b>4,289,115,362</b>	<b>3,070,269,120</b>	<b>3,521,689,571</b>

**PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**
**STATEMENTS OF COMPREHENSIVE INCOME**
**FOR THE YEAR ENDED DECEMBER 31, 2022 AND 2021**

	Notes	In Baht			
		Consolidated financial statements		Separated financial statements	
		2022	2021	2022	2021
Revenue from ongoing projects		1,918,685,130	2,521,540,416	1,414,931,952	2,043,879,826
Revenue from sales and services		1,060,141,128	685,985,750	89,232,578	250,817,513
<b>Total Revenue</b>		<b>2,978,826,258</b>	<b>3,207,526,166</b>	<b>1,504,164,530</b>	<b>2,294,697,339</b>
Costs of good sold and services		(2,509,694,027)	(2,514,650,412)	(1,379,959,983)	(1,888,184,004)
<b>Gross profit</b>		<b>469,132,231</b>	<b>692,875,754</b>	<b>124,204,547</b>	<b>406,513,335</b>
Other income	32	91,385,503	97,038,693	159,189,178	314,887,415
<b>Income before expenses</b>		<b>560,517,734</b>	<b>789,914,447</b>	<b>283,393,725</b>	<b>721,400,750</b>
Distribution costs		(337,668,025)	(302,529,682)	(127,887,669)	(215,937,257)
Administrative expenses		(323,628,261)	(318,537,436)	(283,775,023)	(257,668,103)
Total expenses		(661,296,286)	(621,067,118)	(411,662,692)	(473,605,360)
<b>Profit (Loss) before financial cost</b>		<b>(100,778,552)</b>	<b>168,847,329</b>	<b>(128,268,967)</b>	<b>247,795,390</b>
Finance cost		(51,188,678)	(29,960,637)	(33,060,712)	(17,890,600)
<b>Profit (Loss) before income tax</b>		<b>(151,967,230)</b>	<b>138,886,692</b>	<b>(161,329,679)</b>	<b>229,904,790</b>
Income (expense) tax	34	23,310,570	(40,438,233)	26,181,522	(26,584,278)
<b>Profit (Loss) for the years</b>		<b>(128,656,660)</b>	<b>98,448,459</b>	<b>(135,148,157)</b>	<b>203,320,512</b>
<b>Other comprehensive income :</b>					
<b>Items that will be reclassified to profit or loss :</b>					
Exchange differences on translating financial statements		(766,605)	(2,081,124)	-	-
<b>Items that will never be reclassified to profit or loss :</b>					
Profit on remeasurement of defined benefit plans		29,807,974	24,593,487	14,441,026	25,771,008
<b>Total other comprehensive income for the years</b>		<b>29,041,369</b>	<b>22,512,363</b>	<b>14,441,026</b>	<b>25,771,008</b>
<b>Total comprehensive income (expense) for the years</b>		<b>(99,615,291)</b>	<b>120,960,822</b>	<b>(120,707,131)</b>	<b>229,091,520</b>
<b>Profit (loss) attributable to</b>					
Owners of the parent		(130,438,666)	96,849,475	(135,148,157)	203,320,512
Non - controlling interest		1,782,006	1,598,984	-	-
		<b>(128,656,660)</b>	<b>98,448,459</b>	<b>(135,148,157)</b>	<b>203,320,512</b>
<b>Total comprehensive income (expense) attributable to</b>					
Owners of the parent		(101,397,297)	119,361,838	(120,707,131)	229,091,520
Non - controlling interest		1,782,006	1,598,984	-	-
		<b>(99,615,291)</b>	<b>120,960,822</b>	<b>(120,707,131)</b>	<b>229,091,520</b>
<b>Basis Profit (loss) per share of the parent</b>					
Net Profit (loss) (Baht per shares)	31	(0.250)	0.195	(0.260)	0.408
Weighted average number of common shares (shares)		520,756,281	497,815,763	520,756,281	497,815,763

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2022 AND 2021

		In Baht														
		Consolidated financial information														
		Attributions to shareholders' equity of the parent														
		Retained earnings (deficit)			Other components of shareholders' equity											
					Exchange differences on translation financial statements		Revaluation surplus on fixed assets		Changes in the proportion of interests in subsidiaries		Total other components of shareholders' equity					
Notes	Issued and paid - up share capital	Preferred shares	Common shares	Warrant	Premium on preferred shares	Premium on common shares	Discount on common shares	Company's shares held by a subsidiary	Appropriated - legal reserve	Unappropriated				Non - controlling interest	Total equity	
		79,487,456	414,607,781	111,455,925	4,555,919	8,542,665	(22,088,943)	(3,555,477)	60,024,374	250,713,724	(2,654,940)	623,270,772	-	620,615,832	26,879,416	1,551,238,672
	Cash paid for Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,770,215)	(2,770,215)
	Issuance of ordinary shares	-	106,148,500	(111,455,925)	-	63,68,910	-	-	-	-	-	-	-	-	-	1,061,485
	Additional property depreciation	-	-	-	-	-	-	-	-	3,075,408	-	(3,075,408)	-	(3,075,408)	-	-
	Changes in the proportion of interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(71,544)	(71,544)	(1,165,957)	(1,237,501)
	Transferred to retained earning	-	-	-	-	-	-	-	-	24,593,487	-	-	-	-	-	24,593,487
	Comprehensive income (expense) for the year	-	-	-	-	-	-	-	-	96,613,482	(2,081,124)	-	-	(2,081,124)	1,834,977	96,367,335
	Balance as at December 31, 2021	79,487,456	520,756,281	-	4,555,919	14,911,575	(22,088,943)	(3,555,477)	60,024,374	374,996,101	(4,736,064)	620,195,364	(71,544)	615,387,756	24,778,221	1,669,233,263
36	Cash paid for Dividend	-	-	-	-	-	-	-	-	(35,650,347)	-	-	-	-	(989,920)	(36,640,267)
	Additional property depreciation	-	-	-	-	-	-	-	-	-	-	47,342,302	-	47,342,302	419,696	47,761,998
	Changes in the proportion of interests in subsidiaries	-	-	-	-	-	-	-	-	3,075,408	-	(3,075,408)	-	(3,075,408)	-	-
	Transferred to retained earning	-	-	-	-	-	-	-	-	29,668,188	-	-	-	-	139,786	29,807,974
	Comprehensive income (expense) for the year	-	-	-	-	-	-	-	-	(130,438,666)	(766,605)	-	-	(766,605)	1,782,006	(129,423,265)
	Balance as at December 31, 2022	79,487,456	520,756,281	-	4,555,919	14,911,575	(22,088,943)	(3,555,477)	60,024,374	241,650,684	(5,502,669)	664,462,258	(71,544)	658,888,045	26,129,789	1,380,759,703

**PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2022 AND 2021**

	In Baht											
	Separate financial information											
	Issued and paid - up share capital			Retained earnings (deficit)			Other components of shareholders' equity			Total other comprehensive income (expense) for the period		
	Notes	Preferred shares	Common shares	Warrant	Premium preferred shares	Premium common shares	Discount on common shares	Appropriated - legal reserve	Unappropriate	Revaluation surplus on fixed assets	Shareholders' equity components	Total shareholders' equity
Balance as at January 1, 2021		79,487,456	414,607,781	111,455,925	4,769,247	8,542,665	(22,088,943)	60,024,374	309,305,218	572,741,940	572,741,940	1,538,845,663
Issuance of ordinary shares		-	106,148,500	(111,455,925)	-	6,368,910	-	-	-	-	-	1,061,485
Additional property depreciation		-	-	-	-	-	-	-	3,075,409	(3,075,409)	(3,075,409)	-
Transferred to retained earning		-	-	-	-	-	-	-	20,616,806	-	-	20,616,806
Comprehensive income for the year		-	-	-	-	-	-	-	203,320,512	-	-	203,320,512
Balance as at December 31, 2021		79,487,456	520,756,281	-	4,769,247	14,911,575	(22,088,943)	60,024,374	536,317,945	569,666,531	569,666,531	1,763,844,466
Cash paid for Dividend	36	-	-	-	-	-	-	-	(35,734,790)	-	-	(35,734,790)
Appraisal of assets		-	-	-	-	-	-	-	-	38,981,920	38,981,920	38,981,920
Additional property depreciation		-	-	-	-	-	-	-	3,075,409	(3,075,409)	(3,075,409)	-
Transferred to retained earning		-	-	-	-	-	-	-	14,441,026	-	-	14,441,026
Comprehensive income for the year		-	-	-	-	-	-	-	(135,148,157)	-	-	(135,148,157)
Balance as at December 31, 2022		79,487,456	520,756,281	-	4,769,247	14,911,575	(22,088,943)	60,024,374	382,951,433	605,573,042	605,573,042	1,646,384,465

## Patkol Public Company Limited

**PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**
**STATEMENTS OF CASH FLOWS**
**FOR THE YEAR ENDED DECEMBER 31, 2022 AND 2021**

Notes	In Baht			
	Consolidated financial information		Separate financial information	
	2022	2021	2022	2021
<b>Cash flows from operating activities</b>				
Profit (Loss) before income tax	(151,967,230)	138,886,692	(161,329,679)	229,904,790
Adjustments				
Adjusted trade and other current receivables (increase) decrease	168,503,214	(210,357,559)	223,351,350	(138,461,263)
Adjusted Trade and other non current accounts receivable (increase) decrease	-	-	19,904,294	(100,506,964)
Adjusted finance lease receivable (increase) decrease	(483,393,370)	(194,620,802)	(483,393,369)	(194,620,802)
Adjusted contract assets (increase) decrease	263,438,649	(125,452,976)	250,386,743	(90,457,852)
Adjusted inventories (increase) decrease	156,159,249	(223,123,703)	238,543,158	(114,612,127)
Adjusted other current financial assets (liabilities)	(167,679)	-	-	-
Adjusted other current assets (increase) decrease	(5,233,899)	4,981,530	(1,265,554)	2,724,517
Adjusted other non - current assets decrease	(500,215)	2,403,488	1,184,828	1,275,535
Adjusted trade and other current payables increase (decrease)	(229,908,963)	308,909,593	(256,722,614)	169,103,984
Adjusted contract liabilities (decrease)	(89,421,152)	(33,753,736)	(209,182,687)	(118,912,222)
Adjusted rehabilitation liabilities (reversal)	(19,102,913)	-	(19,102,913)	-
Depreciation	51,685,847	58,728,642	19,065,777	25,031,137
Amortization	17,902,198	17,117,799	15,463,960	15,549,521
Depreciation for right of use	10,022,247	9,669,694	5,701,068	8,615,228
Amortization income tax	401,520	548,858	-	-
Adjusted bad debt and doubtful accounts (reversal)	(8,677,913)	(3,532,765)	24,644,919	(7,403,596)
Adjusted loss on declining in value of inventories	(6,255,316)	1,125,628	(9,588,546)	2,521,927
Adjusted loss on impairment of assets (reversal)	(2,382,512)	-	(415,918)	-
Adjusted unrealized (gain) on exchange rate	2,824,721	(3,036,293)	3,399,501	(4,782,356)
Adjusted (gain) on sale of fixed assets	(2,314,041)	(711,902)	(1,675,380)	(711,902)
Adjusted loss from write off fixed assets	3,446	35,897	3,446	24,062
Adjusted (gain) on sale of intangible assets	-	(1,812)	-	(1,812)
Adjusted loss from write off intangible assets	-	2,690,540	-	2,690,540
Adjusted loss on devaluation of investment	-	-	5,013,762	5,537,354
Adjust (gain) from disposals of non - current assets classified as held for sale	-	(10,930,973)	-	(10,930,973)
Adjust (gain) from cancel finance lease agreement	-	(1,397,164)	-	(685,599)
Adjusted provision for liabilities (reversal)	2,613,609	(6,798,325)	483,021	(3,765,167)
Adjusted employee benefit expenses	21,828,457	30,578,320	9,772,189	(18,044,346)
Interest income	(17,173,337)	(15,093,883)	(25,189,565)	(17,575,862)
Financial cost	51,188,678	29,960,637	33,060,712	17,890,600
Dividend income	-	-	(3,959,680)	(11,080,859)
Total adjustment of profit (loss)	(269,926,705)	(223,174,575)	(321,847,177)	(351,684,507)
<b>Net cash provided by (use in) operating activities</b>				
Cash received interest	17,173,337	15,093,883	37,371,767	53,507,274
Cash paid interest	(51,669,816)	(29,905,433)	(33,060,712)	(17,890,600)
Cash received income tax	20,582,519	1,276,400	-	-
Cash paid income tax	(32,500,789)	(26,828,678)	(14,290,605)	(15,507,929)
Cash paid from employee benefit	(8,827,838)	(46,942,899)	(6,684,022)	(44,427,939)
<b>Net cash provided by (use in) operating activities</b>	<b>(325,169,292)</b>	<b>(310,481,302)</b>	<b>(338,510,749)</b>	<b>(376,003,701)</b>

## Patkol Public Company Limited

**PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2022 AND 2021**

		In Baht			
		Consolidated financial information		Separate financial information	
	Notes	2022	2021	2022	2021
Cash flows from investing activities					
Deposits at bank with commitment (increase) decrease		26,834,923	(25,338,004)	102,893	(13,024)
Cash received from short - term loans to related parties		-	-	194,000,000	140,649,337
Cash paid for short - term loans to related parties		-	-	(134,000,000)	(188,518,460)
Cash received from disposals of property, plant and equipment		3,466,558	805,529	2,268,624	804,127
Cash paid for purchase of property, plant and equipment		(14,920,570)	(1,878,010)	(5,439,644)	2,209,032
Cash received from sale of intangible assets		-	25,964	-	25,964
Cash paid for purchase of intangible assets		(5,103,750)	(3,982,664)	(970,000)	(24,200)
Cash received from non-current assets classified as held for sale		-	21,625,973	-	21,625,973
Cash received from warrants		-	1,061,485	-	1,061,485
Cash received dividend		-	(1,237,500)	3,959,680	11,080,859
Cash paid for investments in subsidiaries		-	-	-	(1,237,500)
Net cash provided by (used in) investing activities		10,277,161	(8,917,227)	59,921,553	(12,336,407)
Cash flows from financing activities					
Increase (decrease) in bank overdrafts and short-term loans from financial institutions		138,686,691	(17,324,714)	125,144,660	(2,287,441)
Cash received from short - term loans from financial institutions		1,016,429,700	749,157,000	554,860,000	440,840,000
Cash received from long - term loans from financial institutions		191,749,000	284,813,000	191,749,000	245,813,000
Cash paid for short - term loans from financial institutions		(1,112,189,700)	(572,764,800)	(653,700,000)	(252,000,000)
Cash paid for long - term loans from financial institutions		(156,890,489)	(124,220,457)	(99,832,000)	(99,970,000)
Cash paid for liabilities under finance lease agreement		(16,397,637)	(21,844,717)	(6,846,452)	(15,483,460)
Cash paid dividend		(36,640,267)	(2,770,215)	(35,734,790)	-
Net cash provided by (used in) financing activities		24,747,298	295,045,097	75,640,418	316,912,099
Net increase (decrease) in cash and cash equivalents		(290,144,833)	(24,353,432)	(202,948,778)	(71,428,009)
Cash and cash equivalents, beginning of year	5	372,166,119	395,564,382	216,384,699	284,829,048
The effects of exchange rates on cash and cash equivalents		(3,591,326)	955,169	(3,956,613)	2,983,660
Cash and cash equivalents, ending of year	5	78,429,960	372,166,119	9,479,308	216,384,699
Supplementary information for cash flows					
Non - cash transaction					
Acquisition of right of use assets under lease contracts		18,117,381	11,945,151	12,733,220	2,607,586
Offsetting		-	-	30,614,451	-



## **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 has branches in 5 namely Khon Kaen, Surat Thani, King Kaew, Charoen Nakhon and Lumphun.
- 1.4 The Company has representative offices in 5 branches, namely Philippines, Malaysia, Vietnam, and Indonesia 2 branches.
- 1.5 The Company is engaged in the trading and services of engineering products which include turnkey sales of services in design, manufacturing and installation of various types of industrial refrigeration for the ice making industry and supermarket, dairy and ice - cream processing, as well as food related processing plant and supplies made to order.
- 1.6 For reporting purposes, the Company and its subsidiaries are referred to as "the Group".

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

### **2.1 Basis for preparation of financial statements**

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

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

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

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

**PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2022**



**2.2 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, 2022	As at December 31, 2021	
Patkol Ice Solutions Co., Ltd.	99.99	99.99	Manufacture and sale of food related processing equipment and service
Patkol Trading Co., Ltd.	99.98	99.98	Sale of the electric system equipment, spare part for industrial refrigeration and ice making industry.
S Panel Co., Ltd.	80.00	80.00	Manufacture and sale, import and export, including services for assembling insulation sheets, foam sheets, galvanized steel sheets, Stainless steel sheets used for cold storage business.
Heataway Co., Ltd.	99.99	99.99	Sale of evaporative condenser, spare parts and equipment for evaporative condenser.
Tygienic Co., Ltd.	99.99	99.99	Design, manufacture, installation, maintenance and sale of pressure/no pressure tank/heat exchanger.
Patkol Philippines Corporation Co., Ltd.	60.00	60.00	Machinery sales representative, including providing machinery installation and maintenance services .
Indonesia Patkol Service Corporation Co., Ltd.	99.99	99.99	Machinery installation and maintenance services.
Patkol Malaysia Sendirian Berhad Co., Ltd.	100.00	100.00	Machinery sales representative, including maintenance services.
Patkol Myanmar Co., Ltd.	100.00	100.00	Running a business to provide business services for the business group, Refrigeration, Food processing and Liquid food processing.
PT Indonesia Patkol Refrigeration Co., Ltd.	86.80	86.80	Machinery sales representative, including maintenance service and installation in refrigeration business

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

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

**2.3 Foreign currency translation**

**2.3.1 Functional and presentation currency**

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

**2.3.2 Transactions and balances**

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

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

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

**2.4 New financial reporting standards**

Financial reporting standards and interpretations which are effective for fiscal years beginning on or after January 1, 2022 and January 1, 2023. These financial reporting standards does not have any significant impact on the Group interim financial statements.

**2.4.1 Financial reporting standards that became effective in the current year**

During the year, the Group has adopted the revised and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

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

**2.4.2 Financial reporting standard that will become effective for fiscal years beginning on or after 1 January 2023**

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, for some standards, providing temporary reliefs or temporary exemptions for users.

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### **Revenues and expenses recognition**

##### Revenue's recognition

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

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

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

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

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

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

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

#### Percentage of completion

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

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

#### Expenses recognition

- Expense is recognized on an accrual basis.

#### **Cash and cash equivalents**

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

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

#### **Trade receivables**

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

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

The Group applies the TFRS 9 simplified approach to measuring expected credit losses which uses a simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables. To measure the expected credit losses, trade receivables have been grouped based on the days past due. The expected loss rates are based on the payment profiles and the corresponding historical credit losses which are adjusted to reflect the current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP, the unemployment rate and the consumer price index of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. The impairment losses are recognised in profit or loss within administrative expenses.

#### **Contract assets**

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

#### **Financial assets and financial liabilities**

##### Classification and measurement of financial assets

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

The Group classifies its debt instruments in the following categories:

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

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

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

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

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

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

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

Classification and measurement of financial liabilities and equity

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

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

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

#### Recognition and derecognition

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

#### Impairment

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

#### **Inventories**

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

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

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

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



**Non-current assets classified as held for sale**

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

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

**Investment in subsidiaries**

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

**Investment properties**

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

Land is not depreciated.

**Property, plant and equipment**

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

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

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

	<u>Number of years</u>
Building and improvement	10 - 50
Machinery and equipment	5 - 20
Machinery for lease	10
Office equipment	3 - 5
Vehicles	5
Land and work in progress are not depreciated.	

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

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

## **Lease**

### Lease - where the Group is the lessee

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

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

#### **A. Right of use asset**

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

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

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

	<u>Number of years</u>
Office building and factory	According to the lease term
Vehicles	According to the lease term
Machinery and equipment	According to the lease term
Office equipment	According to the lease term

**B. Lease liabilities**

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

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

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

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognized as expenses on a straight-line basis over the lease term.

Leases - where the Group is the lessor

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

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic

rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

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

#### **Intangible assets**

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

Intangible assets consist of computer software and intellectual property.

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

#### **Impairment of assets**

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

#### **Borrowings**

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

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

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

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

#### **Trade and other current payables**

Trade and other current payables are stated at cost.

#### **Contract liabilities**

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

#### **Employee's benefit**

##### **- Provident fund**

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

##### **- Employee benefit**

##### *Short - term employee benefits*

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

##### *Post - employment benefits*

##### Defined contribution plans

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

##### Defined benefit plans

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

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

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

#### Termination benefits

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

#### **Current and deferred income taxes**

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

#### Current income tax

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

#### Deferred income tax

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

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

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

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

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

#### **Provision for liabilities**

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

#### **Share Capital**

Ordinary shares with discretionary dividends are classified as equity.

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

#### **Earnings (loss) per share**

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

#### **Dilution earning (loss) per share**

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

#### **Financial instruments**

##### Classification and measurement

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

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

Financial liabilities are classified and measured at amortized cost.

##### Impairment of financial assets

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

### **Segment information**

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

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

### **Related parties**

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

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

### **Fair value measurement**

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

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

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

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



#### 4. USE OF ACCOUNTING ESTIMATES

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

##### Allowance for expected credit losses of trade receivables and contract assets

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

##### Impairment of Inventory

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

##### Impairment of investments in subsidiaries

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

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

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

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

##### Impairment of assets

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

Deferred tax assets

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

Post-employment benefits under defined benefit plans

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

Estimated of revenues from project and project cost

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

Provision for losses on projects

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

**PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2022**



**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, 2022	31, 2021	31, 2022	31, 2021
Cash	373	382	303	343
Cash at bank - current accounts	17,310	72,479	3,163	20,173
Cash at bank - saving accounts	60,747	299,305	6,013	195,869
Total cash and cash equivalents	78,430	372,166	9,479	216,385

As at December 31, 2022, the interest rates on saving deposits with banks were 0.100% to 0.350% per annum (2021: 0.125% to 0.250% per annum).

**6. TRADE AND OTHER CURRENT RECEIVABLE, NET**

Consist of :

	In Thousand Baht			
	Consolidated financial statements		Separated financial statements	
	As at December	As at December	As at December	As at December
	31, 2022	31, 2021	31, 2022	31, 2021
Trade and other receivables, net	432,233	603,820	217,337	398,436
Trade and other receivable - related parties				
(Note 35.3)	-	-	66,480	110,335
Trade installment receivable (Note 13)	8,167	-	8,167	-
Retention receivables, net	29,815	34,194	23,375	31,292
Total trade and other current receivables, net	470,215	638,014	315,359	540,063

**PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2022**



6.1 Trade and other receivables - third parties, net

	In Thousand Baht			
	Consolidated financial statements		Separated financial statements	
	As at December	As at December	As at December	As at December
	31, 2022	31, 2021	31, 2022	31, 2021
Trade receivables	458,505	546,736	266,084	369,903
<u>Less</u> Allowance for expected credit losses	(98,116)	(97,292)	(74,492)	(71,986)
Trade receivable, net	360,389	449,444	191,592	297,917
Other receivables				
Prepaid expenses	37,085	129,547	19,090	81,053
Other	35,740	30,589	7,635	21,039
<u>Less</u> Allowance for expected credit losses	(981)	(5,760)	(980)	(1,573)
Other receivables, net	71,844	154,376	25,745	100,519
Total trade and other receivables, net	432,233	603,820	217,337	398,436

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, 2022	31, 2021	31, 2022	31, 2021
Normal	236,592	297,426	130,277	189,848
- Not over 3 months	75,082	133,314	16,996	92,062
- Over 3 months to 6 months	29,718	16,447	27,434	12,568
- Over 6 months to 12 months	14,113	8,333	13,648	7,890
- Over 12 months	25,511	13,185	15,128	7,501
Debt acceptance	2,112	6,210	2,112	6,210
Under legal action	75,377	71,821	60,489	53,824
Total trade accounts receivable	458,505	546,736	266,084	369,903
<u>Less</u> Allowance for expected credit losses	(98,116)	(97,292)	(74,492)	(71,986)
Trade receivables, net	360,389	449,444	191,592	297,917

**PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2022**



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, 2022	31, 2021	31, 2022	31, 2021
Beginning balance	97,292	110,594	71,986	94,786
Written - off bad debt	(523)	(3,132)	(415)	(2,976)
Increase (decrease)	1,347	(10,170)	2,921	(19,824)
Ending balance	98,116	97,292	74,492	71,986

**7. FINANCE LEASE RECEIVABLES, NET**

Consist of :

	In Thousand Baht			
	Consolidated financial statements		Separated financial statements	
	As at December	As at December	As at December	As at December
	31, 2022	31, 2021	31, 2022	31, 2021
<u>Current portion</u>				
Finance lease receivables	213,626	86,909	213,626	86,909
Total current portion, net	213,626	86,909	213,626	86,909
<u>Non - current portion</u>				
Finance lease receivables	740,143	383,466	740,143	383,466
Total non - current portion, net	740,143	383,466	740,143	383,466
Total finance lease receivables, net	953,769	470,375	953,769	470,375

## 8. CONTRACT ASSETS / CONTRACT LIABILITIES

### 8.1 Balance contract

	In Thousand Baht			
	Consolidated financial statements		Separated financial statements	
	As at December 31, 2022	As at December 31, 2021	As at December 31, 2022	As at December 31, 2021
<b>Contract assets</b>				
Unbilled receivables – third parties	137,781	401,220	91,213	341,855
Unbilled receivables - related parties (Note 35.3)	-	-	344	89
<u>Less</u> Allowance for expected credit losses	(14,038)	(15,729)	(14,038)	(15,729)
Total contract assets, net	123,743	385,491	77,519	326,215
<b>Contract liabilities</b>				
Unearned income – third parties	46,918	73,160	21,281	61,420
Unearned income - related parties (Note 35.3)	-	-	436	376
Advanced receivables - third parties	254,414	317,593	36,457	204,521
Advanced receivables - related parties (Note 35.3)	-	-	43	1,082
Total contract liabilities	301,332	390,753	58,217	267,399

### 8.2 Unbilled receivables

As at December 31, 2022, the Group had outstanding balances of unbilled receivables amount to Baht 123.74 million and Baht 77.52 million in the consolidated and separated financial statements, respectively, expected to be paid within one year.

**PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2022**



**9. INVENTORIES, NET**

Consist of:

In Thousand Baht				
	Consolidated financial statements		Separated financial statements	
	As at December	As at December	As at December	As at December
	31, 2022	31, 2021	31, 2022	31, 2021
Finished goods	49,229	23,173	-	-
Raw materials, spare parts and supplies	341,750	376,284	42,860	144,722
Work in process	52,961	175,377	18,729	117,375
Goods in transit	8,205	41,430	1,358	39,393
	452,145	616,264	62,947	301,490
<u>Less</u> Allowance for declining of inventories	(7,930)	(20,569)	(4,024)	(13,612)
<u>Less</u> Allowance for long – standing work in process	(168)	(1,745)	-	-
	(8,098)	(22,314)	(4,024)	(13,612)
Total inventories, net	444,047	593,950	58,923	287,878

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, 2022	31, 2021	31, 2022	31, 2021
Beginning balance	22,314	18,594	13,612	11,090
Increase (decrease)	(14,216)	3,720	(9,588)	2,522
Ending balance	8,098	22,314	4,024	13,612

## 10. NON - CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

Consist of:

10.1 The movements in these items for the year ended December 31, 2022 and 2021, are as follow:

	In Thousand Baht			
	Consolidated financial statements		Separated financial statements	
	As at December 31, 2022	As at December 31, 2021	As at December 31, 2022	As at December 31, 2021
Beginning balance	7,126	10,695	-	10,695
Add (Less) Assets	(7,126)	7,126	-	-
Decrease sale	-	(10,695)	-	(10,695)
Ending balance	-	7,126	-	-

10.2 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.

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

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

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

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

## 11. NON - CURRENT FINANCIAL ASSETS

As at December 31, 2022 and 2021, the Group had other non-current financial assets are restricted deposits with financial institutions in the consolidated financial statement of Baht 29.64 million and Baht 56.48 million, in the separate financial statement of Baht 6.28 million and Baht 6.38 million, respectively. Used as collateral credit and bank guarantees.



**PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2022**



**12. INVESTMENTS IN SUBSIDIARIES, NET**

Consist of :

Company	Paid - up capital		Proportion of investment		Cost method (Thousand Baht)		Dividend income	
	(Million Baht)		(%)				In Thousand Baht	
							For the years ended	
	As at December 31, 2022	As at December 31, 2021	As at December 31, 2022	As at December 31, 2021	As at December 31, 2022	As at December 31, 2021	December 31, 2022	December 31, 2021
Subsidiaries: -								
- Patkol Ice Solutions Co., Ltd.	100.00	100.00	99.99	99.99	99,999	99,999	-	-
- Patkol Trading Co., Ltd.	30.00	30.00	99.98	99.98	29,999	29,999	-	-
- S Panel Co., Ltd.	40.00	40.00	80.00	80.00	32,000	32,000	3,960	11,081
- Heataway Co., Ltd.	100.00	100.00	99.99	99.99	99,997	99,997	-	-
- Tygienic Co., Ltd.	65.00	65.00	99.99	99.99	65,000	65,000	-	-
- Patkol Philippines Corporation Co., Ltd.	5.36	5.36	60.00	60.00	5,362	5,362	-	-
- Indonesia Patkol service Co., Ltd.	26.85	26.85	99.00	99.00	26,854	26,854	-	-
- Patkol Malaysia Sendirian Berhad Co., Ltd.	7.96	7.96	100.00	100.00	7,960	7,960	-	-
- Patkol Myanmar Co., Ltd.	1.61	1.61	100.00	100.00	1,615	1,615	-	-
- PT Indonesia Patkol Refrigeration Co., Ltd	5.34	5.34	86.80	86.80	4,876	4,876	-	-
<u>Less Impairment of investment</u>					<u>(34,814)</u>	<u>(29,800)</u>	-	-
Total investments in relate parties, net					<u>338,848</u>	<u>343,862</u>	<u>3,960</u>	<u>11,081</u>

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

**PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2022**



**Non - controlling interests**

Details of non - wholly owned subsidiaries which have material non - controlling interests as at December 31, 2022 and 2021, are as follows;

In Thousand Baht

Company's name	Proportion of equity interest held by non - controlling interests		Accumulated balance of non - controlling interests		Profit/loss allocated to non - controlling interests during the year		Dividend paid to non - controlling interests during the year	
					For the year ended December 31,			
	2022	2021	2022	2021	2022	2021	2022	2021
	(%)	(%)						
S Panel Co., Ltd.	20.00	20.00	17,532	20,241	(1,859)	3,296	990	2,770
Patkol Philippines Corporation Co., Ltd.	40.00	40.00	4,510	1,056	3,600	(2,159)	-	-

**PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2022**



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.	
	2022	2021	2022	2021
<b>Condensed statement of financial position</b>				
<b>As at December 31,</b>				
Current assets	110,202	182,841	26,283	26,347
Non - current assets	107,138	94,337	353	2,154
Current liabilities	118,585	153,999	15,255	25,465
Non - current liabilities	11,099	21,983	106	396
Equity attributable to owners of the Company	80%	80%	60%	60%
Non - controlling interests	20%	20%	40%	40%
<b>Condensed statement of profit or loss and other comprehensive income</b>				
<b>For the year ended December 31,</b>				
Revenues	410,420	496,825	63,011	23,443
Expenses	(419,717)	(49,579)	(54,011)	(19,038)
Profit (loss) for the years	(9,297)	16,480	9,000	(5,397)
Profit (loss) attributable to:				
Owner of the parent	(7,438)	13,184	5,400	(3,238)
Non - controlling interests	(1,859)	3,296	3,600	(2,159)
Total comprehensive income (expense)				
for the years:				
Owner of the parent	557	-	-	-
Non - controlling interests	139	-	-	-
Total comprehensive income (expense)				
attributable to:				
Owner of the parent	(1,181)	13,184	-	(3,238)
Non - controlling interests	(1,720)	3,296	-	(2,159)

**PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2022**



	In Thousand Baht			
	S Panel Co., Ltd.		Patkol Philippines Corporation Co., Ltd.	
	2022	2021	2022	2021
<b>Condensed statement of cash flows</b>				
Net cash provided (used in) from operating activities	7,386	3,512	(996)	(279)
Net cash provided (used in) from investing activities	(13,347)	8,295	(229)	(538)
Net cash provided (used in) from financing activities	8,548	(40,438)	(1,535)	-
Net cash flow increase (decrease)	2,587	(28,630)	(2,760)	(817)

**13. TRADE INSTALLMENT RECEIVABLE, NET**

	In Thousand Baht			
	Consolidated financial statements		Separated financial statements	
	As at December	As at December	As at December	As at December
	31, 2022	31, 2021	31, 2022	31, 2021
Trade installment receivables	27,041	11,336	27,041	11,336
<u>Less</u> Allowance for expected credit losses	(11,336)	(11,336)	(11,336)	(11,336)
Total trade installment receivables, net	15,705	-	15,705	-
<u>Less</u> Current portion	(8,167)	-	(8,167)	-
Total trade installment receivable, net	7,538	-	7,538	-

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, 2022	31, 2021	31, 2022	31, 2021
Beginning balance	11,336	16,573	11,336	16,573
Written - off bad debt	-	(5,237)	-	(5,237)

**PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2022**



Increase (decrease)	-	-	-	-
Ending balance	11,336	11,336	11,336	11,336

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

**14. INVESTMENT PROPERTY, NET**

Consist of:

	In Thousand Baht		
	Consolidated financial statements		
	Land	Building and improvement	Total
<b>Assets - cost</b>			
As at December 31, 2021	75,792	27,650	103,442
Purchase	-	-	-
Disposal	-	-	-
Transfer in (Transfer out)	6,041	1,771	7,812
As at December 31, 2022	81,833	29,421	111,254
<b>Accumulated depreciation</b>			
As at December 31, 2021	-	(18,822)	(18,822)
Depreciation for the year	-	(642)	(642)
Transfer in (Transfer out)	-	(685)	(685)
As at December 31, 2022	-	(20,149)	(20,149)
<b>Allowance for impairment of assets</b>			
As at December 31, 2021	(1,278)	-	(1,278)
Increase	-	-	-
Decrease	237	-	237
As at December 31, 2022	(1,041)	-	(1,041)
<b>Net book value of assets</b>			
As at December 31, 2022	80,792	9,272	90,064
As at December 31, 2021	74,514	8,828	83,342

**PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2022**



	In Thousand Baht		
	Consolidated financial statements		
	Land	Building and improvement	Total
Assets - cost			
As at December 31, 2020	81,833	26,007	107,840
Purchase	-	-	-
Disposal	-	-	-
Transfer in (Transfer out)	(6,041)	1,643	(4,398)
As at December 31, 2021	75,792	27,650	103,442
Accumulated depreciation			
As at December 31, 2020	-	(18,658)	(18,658)
Depreciation for the year	-	(641)	(641)
Transfer out (Transfer in)	-	477	477
As at December 31, 2021	-	(18,822)	(18,822)
Allowance for impairment of assets			
As at December 31, 2020	(1,278)	-	(1,278)
Increase	-	-	-
Decrease	-	-	-
Transfer out (Transfer in)	-	-	-
As at December 31, 2021	(1,278)	-	(1,278)
Net book value of assets			
As at December 31, 2021	74,514	8,828	83,342
As at December 31, 2020	80,555	7,349	87,904

**PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2022**



	In Thousand Baht		
	Separated financial statements		
	Land	Building and improvement	Total
Assets - cost			
As at December 31, 2021	137,501	94,521	232,022
Purchase	-	-	-
Disposal	-	-	-
Transfer in (Transfer out)	677	1,090	1,767
As at December 31, 2022	138,178	95,611	233,789
Accumulated depreciation			
As at December 31, 2021	-	(46,886)	(46,886)
Depreciation for the year	-	(1,472)	(1,472)
As at December 31, 2022	-	(48,358)	(48,358)
Allowance for impairment of assets			
As at December 31, 2021	(2,355)	-	(2,355)
Increase	(47)	-	(47)
Decrease	463	-	463
As at December 31, 2022	(1,939)	-	(1,939)
Net book value of assets			
As at December 31, 2022	136,239	47,253	183,492
As at December 31, 2021	135,146	47,635	182,781

**PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2022**



	In Thousand Baht		
	Separated financial statements		
	Land	Building and improvement	Total
Assets - cost			
As at December 31, 2020	75,792	24,236	100,028
Purchase	-	-	-
Disposal	-	-	-
Transfer in (Transfer out)	61,709	70,285	131,994
As at December 31, 2021	137,501	94,521	232,022
Accumulated depreciation			
As at December 31, 2020	-	(18,061)	(18,061)
Depreciation for the year	-	(553)	(553)
Depreciation for Transfer in	-	(28,272)	(28,272)
As at December 31, 2021	-	(46,886)	(46,886)
Allowance for impairment of assets			
As at December 31, 2020	(1,278)	-	(1,278)
Increase	-	-	-
Decrease	-	-	-
Depreciation for Transfer in	(1,077)	-	(1,077)
As at December 31, 2021	(2,355)	-	(2,355)
Net book value of assets			
As at December 31, 2021	135,146	47,635	182,781
As at December 31, 2020	74,514	6,175	80,689

As at December 31, 2022, 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 90.06 million and 183.49 million respectively, (appraised value based on reports of the independent appraise in the year 2022, appraised value Market method in the consolidated and separated amount of Baht 166.68 million and 183.25 million respectively), and used for guarantee of overdraft and short - term loans from financial institutions (Note 19) and contingent liabilities (Note 39.3).



PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2022



15. PROPERTY, PLANT AND EQUIPMENT, NET

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, 2021	152,586	605,784	703,406	164,329	331,490	270	126,214	66,263	11,177	2,161,519
Purchase	-	49,405	220	10,296	8,194	-	593	-	6,626	75,334
Disposal	-	-	-	-	(11,967)	-	(6,197)	(7,224)	(711)	(26,099)
Transfer in (Transfer out)	-	-	87	-	530	-	-	13,567	(3,475)	10,709
As at December 31, 2022	152,586	655,189	703,713	174,625	328,247	270	120,610	72,606	13,617	2,221,463
Accumulated depreciation										
As at December 31, 2021	-	-	(269,519)	(43,303)	(224,771)	-	(117,851)	(65,387)	-	(720,831)
Depreciation for the year	-	-	(12,930)	(3,334)	(25,185)	-	(6,099)	(3,464)	-	(51,012)
Depreciation for disposal	-	-	-	-	11,192	-	6,162	6,980	-	24,334
Depreciation for transfer out	-	-	-	-	428	-	-	(9,600)	-	(9,172)
As at December 31, 2022	-	-	(282,449)	(46,637)	(238,336)	-	(117,788)	(71,471)	-	(756,681)
Allowance for impairment of assets										
As at December 31, 2021	-	(1,077)	(16,482)	(35,783)	(585)	-	-	-	-	(53,927)
Increase	-	-	-	-	-	-	-	-	-	-
Decrease	-	179	1,967	-	-	-	-	-	-	2,146
As at December 31, 2022	-	(898)	(14,515)	(35,783)	(585)	-	-	-	-	(51,781)
Net book value of assets										
As at December 31, 2022	152,586	654,291	406,749	92,205	89,326	270	2,822	1,135	13,617	1,413,001
As at December 31, 2021	152,586	604,707	417,407	85,243	106,134	270	8,363	876	11,177	1,386,763

**PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS**

**AS AT DECEMBER 31, 2022**



Consolidated financial statements (In Thousand Baht)

	Land		Building and improvement		Machinery and equipment	Machinery for lease	Office equipment	Vehicles	Assets in progress	Total
	Cost	Revaluation	Cost	Revaluation						
Assets - cost										
As at December 31, 2020	152,586	605,784	703,406	167,743	362,693	270	145,715	86,533	17,455	2,242,185
Purchase	-	-	-	-	4,915	-	324	32	7,402	12,673
Disposal	-	-	-	-	(36,862)	-	(19,786)	(1,655)	-	(58,303)
Transfer in (Transfer out)	-	-	-	(3,414)	744	-	(39)	(18,647)	(13,680)	(35,036)
As at December 31, 2021	152,586	605,784	703,406	164,329	331,490	270	126,214	66,263	11,177	2,161,519
Accumulated depreciation										
As at December 31, 2020	-	-	(257,577)	(39,969)	(235,282)	-	(126,519)	(73,863)	-	(733,210)
Depreciation for the year	-	-	(12,149)	(3,334)	(26,221)	-	(11,118)	(5,264)	-	(58,086)
Depreciation for disposal	-	-	-	-	36,732	-	19,786	1,655	-	58,173
Depreciation for transfer out	-	-	209	-	-	-	-	12,085	-	12,294
As at December 31, 2021	-	-	(269,517)	(43,303)	(224,771)	-	(117,851)	(65,387)	-	(720,829)
Allowance for impairment of assets										
As at December 31, 2020	-	(1,077)	(16,482)	(35,783)	(585)	-	-	-	-	(53,927)
Increase	-	-	-	-	-	-	-	-	-	-
Decrease	-	-	-	-	-	-	-	-	-	-
(Transfer in) Transfer out	-	-	-	-	-	-	-	-	-	-
As at December 31, 2021	-	(1,077)	(16,482)	(35,783)	(585)	-	-	-	-	(53,927)
Net book value of assets										
As at December 31, 2021	152,586	604,707	417,407	85,243	106,134	270	8,363	876	11,177	1,386,763
As at December 31, 2020	152,586	604,707	429,347	91,991	126,826	270	19,196	12,670	17,455	1,455,048

**PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS**

**AS AT DECEMBER 31, 2022**



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						
<b>Assets - cost</b>										
As at December 31, 2021	45,012	497,022	281,302	137,029	42,403	14,180	95,673	61,768	7,108	1,181,497
Purchase	-	38,430	220	10,297	719	-	579	-	4,633	54,878
Disposal	-	-	-	-	(2,656)	-	(5,955)	(5,402)	(712)	(14,725)
Transfer in (Transfer out)	-	(677)	-	(1,091)	883	-	-	13,567	(3,178)	9,504
As at December 31, 2022	45,012	534,775	281,522	146,235	41,349	14,180	90,297	69,933	7,851	1,231,154
<b>Accumulated depreciation</b>										
As at December 31, 2021	-	-	(151,621)	(37,866)	(32,713)	(14,180)	(91,122)	(61,359)	-	(388,861)
Depreciation for the year	-	-	(3,436)	(3,334)	(4,788)	-	(3,044)	(12,592)	-	(27,194)
Depreciation for disposal	-	-	-	-	2,307	-	5,952	5,157	-	13,416
Depreciation for transfer out	-	-	-	-	-	-	-	-	-	-
As at December 31, 2022	-	-	(155,057)	(41,200)	(35,194)	(14,180)	(88,214)	(68,794)	-	(402,639)
<b>Allowance for impairment of assets</b>										
As at December 31, 2021	-	-	-	-	(585)	-	-	-	-	(585)
Increase	-	-	-	-	-	-	-	-	-	-
Decrease	-	-	-	-	-	-	-	-	-	-
As at December 31, 2022	-	-	-	-	(585)	-	-	-	-	(585)
<b>Net book value of assets</b>										
As at December 31, 2022	45,012	534,775	126,465	105,035	5,570	-	2,083	1,139	7,851	827,930
As at December 31, 2021	45,012	497,022	129,681	99,163	9,105	-	4,551	409	7,108	792,051

**PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS**

**AS AT DECEMBER 31, 2022**



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						
<b>Assets - cost</b>										
As at December 31, 2020	64,491	539,252	320,873	167,743	76,304	14,180	115,403	82,070	14,486	1,394,802
Purchase	-	-	-	-	2,935	-	93	-	5,557	8,585
Disposal	-	-	-	-	(36,836)	-	(19,823)	(1,655)	(10,794)	(69,108)
Transfer in (Transfer out)	(19,479)	(42,230)	(39,571)	(30,714)	-	-	-	(18,647)	(2,141)	(152,782)
As at December 31, 2021	45,012	497,022	281,302	137,029	42,403	14,180	95,673	61,768	7,108	1,181,497
<b>Accumulated depreciation</b>										
As at December 31, 2020	-	-	(170,121)	(39,969)	(63,736)	(14,180)	(104,567)	(70,327)	-	(462,900)
Depreciation for the year	-	-	(4,334)	(3,335)	(5,697)	-	(6,341)	(4,772)	-	(24,479)
Depreciation for disposal	-	-	-	-	36,720	-	19,786	1,655	-	58,161
Depreciation for transfer out	-	-	22,834	5,438	-	-	-	12,085	-	40,357
As at December 31, 2021	-	-	(151,621)	(37,866)	(32,713)	(14,180)	(91,122)	(61,359)	-	(388,861)
<b>Allowance for impairment of assets</b>										
As at December 31, 2020	-	(1,077)	-	-	(585)	-	-	-	-	(1,662)
Increase	-	-	-	-	-	-	-	-	-	-
Decrease	-	-	-	-	-	-	-	-	-	-
(Transfer in) Transfer out	-	1,077	-	-	-	-	-	-	-	1,077
As at December 31, 2021	-	-	-	-	(585)	-	-	-	-	(585)
<b>Net book value of assets</b>										
As at December 31, 2021	45,012	497,022	129,681	99,163	9,105	-	4,551	409	7,108	792,051
As at December 31, 2020	64,491	538,175	150,752	127,774	11,983	-	10,836	11,743	14,486	930,240

Depreciation for the year ended December 31, 2022 and 2021, were Baht 51.01 million and Baht 58.25 million in the consolidated financial statements amount of Baht 27.19 million and Baht 24.47 million in the separate financial statements, respectively.

As at December 31, 2022 and 2021, The Company and its subsidiaries building and equipment at cost of Baht 319.34 million and Baht 297.97 million in the consolidated financial statements, respectively. Baht 178.37 million and Baht 160.96 million in the separate financial statements, respectively. have been fully depreciated but are still in use.

As at December 31, 2022 and 2021, land with its construction and machinery at cost of Baht 1,225.86 million and Baht 1,332.64 million in the consolidated financial statements, respectively. Baht 703.65 million and Baht 663.32 million in the separate financial statements, respectively are used as guarantees for bank overdrafts and short - term loans from financial institutions (Note 19) long - term loans (Note 21) and contingent liabilities (Note 39.3).

As at December 31, 2022 and 2021, lands and buildings of the Company and subsidiaries are stated at appraised value based on reports of the independent appraiser in the year 2022 and 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 77.51 million, as the independent appraiser report dated on December 16, 2022.

As at December 31, 2022 and 2021, the fair value of the land and building were assessed in the year 2022 and 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.

## 16. RIGHT OF USE ASSETS, NET

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

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	As at December	As at December	As at December	As at December
	31, 2022	31, 2021	31, 2022	31, 2021
<b>Book value right of use assets, Net</b>				
Office building and factory	1,440	2,321	920	1,418
Vehicles	19,976	14,372	12,597	8,440
Machinery and equipment	1,757	2,423	-	-
Office equipment	1,410	1,338	270	863
<b>Total</b>	<b>24,583</b>	<b>20,454</b>	<b>13,787</b>	<b>10,721</b>

For the year ended December 31, 2022, and 2021, amounts charged to profit or loss and cash flows relating to leases are as follows:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	As at December	As at December	As at December	As at December
	31, 2022	31, 2021	31, 2022	31, 2021
<b>Depreciation for the right of use assets</b>				
Office building and factory	58,794	38,580	498	76
Vehicles	7,328	8,066	4,610	7,963
Machinery and equipment	666	683	-	-
Office equipment	1,076	379	593	250
<b>Total</b>	<b>67,864</b>	<b>47,708</b>	<b>5,701</b>	<b>8,289</b>
<b>Addition to the right - of -</b>				
use assets during the year	18,290	200,682	12,733	2,608
<b>Subtraction on the right - of -</b>				
use assets during the year	(4,416)	(2,242)	(2,167)	(2,241)
<b>Total cash outflow for leases</b>	<b>16,397</b>	<b>30,717</b>	<b>4,990</b>	<b>9,647</b>

**PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2022**



**17. INTANGIBLE ASSETS, NET**

Consist of:

In Thousand Baht					
Consolidated financial statements					
	Balance January 1, 2022	Increases	Transfer in (Transfer out)	(Decrease)	Balance December 31, 2022
<u>Cost</u>					
Computer program	163,251	6,308	2,295	(13)	171,841
Patent	7,441	-	1,027	(1,027)	7,441
Program during installation	1,274	-	-	(1,204)	70
Total	171,966	6,308	3,322	(2,244)	179,352
<u>Less</u> Accumulated amortization	(108,872)	(17,902)	-	13	(126,761)
Net	63,094	(11,594)	3,322	(2,231)	52,591
<u>Less</u> Allowance for asset impairment	(3,326)	-	-	-	(3,326)
Net	59,768	(11,594)	3,322	(2,231)	49,265

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

**PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2022**



In Thousand Baht

	Separated financial statements				Balance December 31, 2022
	Balance January 1, 2022	Increases	Transfer in (Transfer out)	(Decrease)	
<u>Cost</u>					
Computer program	150,374	970	2,295	-	153,639
Patent	4,100	-	-	-	4,100
Program during installation	-	-	-	-	-
Total	154,474	970	2,295	-	157,739
<u>Less Accumulated amortization</u>	(99,362)	(15,464)	-	-	(114,826)
Net	55,112	(14,494)	2,295	-	42,913
<u>Less Allowance for asset impairment</u>	(3,326)	-	-	-	(3,326)
Net	51,786	(14,494)	2,295	-	39,587

In Thousand Baht

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



**PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2022**



	In Thousand Baht			
	Consolidated financial statements		Separated financial statements	
	For the year ended December 31,		For the year ended December 31,	
	2022	2021	2022	2021
Amortization for the years	17,902	17,118	15,464	15,549

**18. 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, 2022	31, 2021	31, 2022	31, 2021
Deferred tax assets, net	145,209	127,752	72,223	48,592
Deferred tax liabilities, net	(203,591)	(193,707)	(151,844)	(141,039)

**PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2022**



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

	In Thousand Baht				
	Consolidated financial statements				
	(Charged) / credited to:				
	As at	Other			As at
	January	Profit	comprehensive	Shareholders	December
	1, 2022	(loss)	income	equity	31, 2022
<b>Deferred tax assets</b>					
Allowance for expected credit losses	27,750	(1,819)	-	-	25,931
Allowance for demotion in value					
of inventories	4,463	(2,843)	-	-	1,620
Allowance for impairment asset	11,390	2,626	-	-	14,016
Provision of project cost	3,625	523	-	-	4,148
Lease liabilities	21,253	(5,247)	-	-	16,006
Employee benefit obligations	35,899	2,403	(7,189)	-	31,113
Tax losses that have not been used	23,372	29,267	(264)	-	52,375
<b>Total deferred tax assets</b>	<b>127,752</b>	<b>24,910</b>	<b>(7,453)</b>	<b>-</b>	<b>145,209</b>
<b>Deferred tax liabilities</b>					
Accumulated depreciation - Building					
extension	(16,962)	(2,538)	-	-	(19,500)
Lease assets	(20,991)	3,901	-	-	(17,090)
Unrealized gain / (loss) from foreign					
exchange rate	(31)	(76)	-	-	(106)
Revaluation surplus on fixed assets	(155,723)	769	-	(11,941)	(166,895)
<b>Total deferred tax liabilities</b>	<b>(193,707)</b>	<b>2,056</b>	<b>-</b>	<b>(11,941)</b>	<b>203,591</b>
<b>Total income (expense)</b>		<b>26,966</b>			

**PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2022**



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

**PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2022**



In Thousand Baht

	Separated financial statements				
	(Charged) / credited to:				
	As at	Other			As at
	January	Profit	comprehensive	Shareholders	December
	1, 2022	(loss)	income	equity	31, 2022
<b>Deferred tax assets</b>					
Allowance for expected credit losses	20,189	43	-	-	20,232
Allowance for demotion in value					
of inventories	2,722	(1,917)	-	-	805
Allowance for impairment asset	937	(83)	-	-	854
Provision of project cost	3,027	96	-	-	3,123
Lease liabilities	865	1,673	-	-	2,538
Employee benefit obligations	18,056	618	(3,610)	-	15,064
Tax losses that have not been used	2,796	26,811	-	-	29,607
<b>Total deferred tax assets</b>	<b>48,592</b>	<b>27,241</b>	<b>(3,610)</b>	<b>-</b>	<b>72,223</b>
<b>Deferred tax liabilities</b>					
Accumulated depreciation - Building					
extension	2,209	(218)	-	-	1,991
Lease assets	(832)	(1,610)	-	-	(2,442)
Revaluation surplus on fixed assets	(142,416)	769	-	(9,746)	(151,393)
<b>Total deferred tax liabilities</b>	<b>(141,039)</b>	<b>(1,059)</b>	<b>-</b>	<b>(9,746)</b>	<b>(151,844)</b>
<b>Total income (expense)</b>		26,182			

**PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2022**



In Thousand Baht

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

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

Consist of:

	In Thousand Baht			
	Consolidated financial statements		Separated financial statements	
	As at December	As at December	As at December	As at December
	31, 2022	31, 2021	31, 2022	31, 2021
Bank overdrafts	139,390	703	125,837	692
Short - term loans	232,602	328,362	90,000	188,840
Loan - trust receipt	-	-	-	-
Total bank overdrafts and short -				
term loans from financial institutions	371,992	329,065	215,837	189,532

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

	In Thousand Baht	
	Consolidated financial statements	Separated financial statements
Beginning balance as at January 1, 2022	328,362	188,840
<u>Add</u> Additional loans	1,087,752	554,860
<u>Less</u> Payment of loans	(1,183,512)	(653,700)
Ending balance as at December 31, 2022	232,602	90,000

As at December 31, 2022 and 2021 have credit facilities from several banks totaling Baht 2,863 million and Baht 3,558 million on Consolidated financial statements, and Baht 2,236 million and Baht 2,618 million on Separated financial statements, balance Baht 1,696 million and Baht 2,127 million on Consolidated financial statements and Baht 1,394 million and Baht 1,678 million on Separated financial statements, respectively with interest rates ranging from 2.00% to 5.35% and 2.00% to 5.25% in the consolidated and interest rates ranging from 4.25% to 4.75% and 4.25% to 5.25% respectively in the separated financial statements, respectively, the credit facilities are secured against the Group's restricted deposits in banks, investment property (Note 14), land with its construction and machinery (Note 15).

**PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2022**



**20. TRADE AND OTHER CURRENT ACCOUNTS PAYABLE**

Consist of:

	In Thousand Baht			
	Consolidated financial statements		Separated financial statements	
	As at December	As at December	As at December	As at December
	31, 2022	31, 2021	31, 2022	31, 2021
Trade and other current accounts				
payable – third parties	483,442	713,908	200,817	330,079
Retention payable	26,656	27,593	16,172	19,557
Trade accounts payable -				
related parties (Note 35.3)	-	-	69,975	164,044
Total trade and other current				
accounts payable	510,098	741,501	286,964	513,680

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

## 21. LONG - TERM LOANS FROM FINANCIAL INSTITUTIONS, NET

Consist of:

	In Thousand Baht			
	Consolidated financial statements		Separated financial statements	
	As at December	As at December	As at December	As at December
	31, 2022	31, 2021	31, 2022	31, 2021
<u>Current portion</u>				
Long - term loans, net	282,208	319,233	147,108	146,508
Liabilities under debt				
restructuring plan, net	-	19,103	-	19,103
Total current portion of liabilities, net	282,208	338,336	147,108	165,611
<u>Non - current portion</u>				
Long - term loans, net	462,062	390,178	459,012	367,695
Total non - current portion of				
liabilities, net	462,062	390,178	459,012	367,695
Total long - term loans, net	744,270	728,514	606,120	533,306

21.1 As at December 31, 2022, a subsidiary has long - term credit facilities with financial institutions totaling of Baht 200 million with interest ranging from 4.75% to 5.85%. There is repayment with the principal and interest from Baht 0.25 to 1.27 million per an installment. The first repayment on monthly due count from the first draw and next installments when due each month and all repayment within 60 to 84 months. The credits were guaranteed by the mortgage of subsidiaries' land with its construction and machinery (Note 15).

21.2 As at December 31, 2022, a subsidiary has long - term credit facilities (soft loan) with financial institutions totalling of Baht 45 million with interest ranging 2% per year (according to the condition by the first 6 months was repayment by the government). The first repayment with principle due within 13 months from received soft loan form the financial institutions and all repayment within 24 months.

21.3 As at December 31, 2022, the Company has entered into loan agreement with the financial institutions amount of Baht 606 million with interest rate from 4.25% to 4.85%. There is each repayment of Baht 0.68 to 9.08 million. The first repayment on monthly due count from the first draw and next instalments when due each month and all repayment within 38 to 84 months. Guaranteed by agreement security which consists of; the right to claims the Company's machinery rental collection, and machinery own by the Company.



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

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

As at December 31, 2022 and 2021, a subsidiary was unable to comply with certain conditions as stipulated in the loan agreement. As a result, the loan became a liability that must be repaid on demand and reclassified to current portion of long - term loans institutions.

## **22. LEASE LIABILITIES, NET**

In Thousand Baht			
Consolidated financial statements			
	Lease liabilities	Interest	Net
<b>As at December 31, 2022</b>			
Due within one year	17,907	(872)	17,035
Due after one year but within five years	15,465	(668)	14,797
<b>Total</b>	<b>33,372</b>	<b>(1,540)</b>	<b>31,832</b>
<b>As at December 31, 2021</b>			
Due within one year	14,928	(573)	14,355
Due after one year but within five years	15,281	(413)	14,868
<b>Total</b>	<b>30,209</b>	<b>(986)</b>	<b>29,223</b>

In Thousand Baht			
Separated financial statements			
	Lease liabilities	Interest	Net
<b>As at December 31, 2022</b>			
Due within one year	7,219	(471)	6,748
Due after one year but within five years	7,547	(328)	7,219
<b>Total</b>	<b>14,766</b>	<b>(799)</b>	<b>13,967</b>
<b>As at December 31, 2021</b>			
Due within one year	5,455	(211)	5,244
Due after one year but within five years	2,288	(60)	2,228
<b>Total</b>	<b>7,743</b>	<b>(271)</b>	<b>7,472</b>

### 23. PROVISION FOR EMPLOYEE BENEFIT

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

	In Thousand Baht			
	Consolidated financial statements		Separated financial statements	
	As at December	As at December	As at December	As at December
	31, 2022	31, 2021	31, 2022	31, 2021
Estimated current liabilities				
for employee benefits	2,835	830	2,835	-
Estimated non-current liabilities				
for employee benefits	157,843	184,107	72,486	90,284
Total provision for employee benefit	160,678	184,937	75,321	90,284

	In Thousand Baht			
	Consolidated financial statements		Separated financial statements	
	2022	2021	2022	2021
Beginning balance	184,937	240,114	90,284	186,598
<u>Add</u> recognized amount				
Current service cost	19,953	28,222	10,211	21,129
Interest cost	4,583	3,546	2,342	2,780
<u>Add</u> (Less) past service cost	2,753	-	2,341	(40,003)
<u>Add</u> (Less) (Profit) Loss from paid	(5,320)	(2,788)	(5,122)	(3,712)
<u>Less</u> paid	(37,273)	(55,013)	(6,684)	(52,499)
<u>Add</u> (Profit) actuary assumption	(8,955)	(29,144)	(18,051)	(24,009)
Provision for employee benefits	160,678	184,937	75,321	90,284
Other Comprehensive Income				
(Loss) actuary assumption	8,955	29,144	18,051	24,009

**PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2022**



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

	In Thousand Baht			
	Consolidated financial statements		Separated financial statements	
	2022	2021	2022	2021
Current service cost	19,953	28,222	10,211	21,129
Interest cost	4,583	3,546	2,342	2,780
Past service cost	2,753	-	2,341	(40,003)
(Profit) Loss from paid	(5,320)	(2,788)	(5,122)	(3,712)
Total	21,969	28,980	9,772	(19,806)

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	
	2022	2021	2022	2021
Discount rate (% Per annum)	2.76 - 3.49	2.22 - 2.85	3.16	2.56
Future salary increases (% Per annum)	3.5 - 7	3 - 7	5.5 - 7	3 - 7
Retirement age (year old)	60 - 65	60 - 65	60 - 65	60 - 65
Turnover rate	Age band	Age band	Age band	Age band
Mortality rate	TMO 2017	TMO 2017	TMO 2017	TMO 2017

**PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2022**



The result of sensitivity analysis for significant assumptions that affect the present value of the long - term employee benefit obligations as at December 31, 2022 and 2021 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	
	2022	2021	2022	2021	2022	2021	2022	2021
Discount rate (1 %)	(22,526)	(19,365)	26,542	22,781	(7,831)	(10,106)	9,196	3,833
Salary increases rate (1 %)	23,821	20,783	(22,018)	(17,794)	8,331	10,857	(7,186)	(17,356)
Turnover rate (10 %)	(14,013)	(7,348)	14,972	8,106	(3,148)	(3,858)	3,444	(3,818)

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

**PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2022**



As at December 31, 2022, the maturity analyses of undiscounted cash flows of benefit payments are as follows:

	In Thousand Baht	
	Consolidated financial statements	Separated financial statements
Within 1 year	2,835	2,835
Within 1 - 3 years	10,096	8,236
Within 3 - 5 years	19,434	1,606
Within 5 - 10 years	70,747	38,048
Over 10 years	285,259	193,823

**24. 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
<b>Financial assets</b>				
<b>As at December 31, 2022</b>				
Cash and cash equivalents	-	-	78,430	78,430
Trade and other current accounts receivable	-	-	470,215	470,215
Contract assets	-	-	123,743	123,743
Other current assets	-	-	13,887	13,887
Non - current assets financial	-	-	29,642	29,642
Trade and other non - current accounts receivable	-	-	-	-
Finance lease receivable	-	-	953,769	953,769
Other non - current assets	-	-	80,350	80,350
<b>Total financial assets</b>	-	-	1,750,036	1,750,036

**PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2022**



In Thousand Baht				
Consolidated financial statements				
Classification and measurement in accordance with TFRS 9				
	Fair value			
	Through other	Fair value		
	comprehensive	through profit	Amortization	
	income	or loss	cost	Total
<b>Financial assets</b>				
<b>As at December 31, 2021</b>				
Cash and cash equivalents	-	-	372,166	372,166
Trade and other current accounts	-	-	638,014	638,014
Contract assets	-	-	385,491	385,491
Other current assets	-	-	8,485	8,485
Non – current assets	-	-	56,477	56,477
Finance lease receivable	-	-	470,375	470,375
Other non - current assets	-	-	59,205	59,205
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>1,990,213</b>	<b>1,990,213</b>

**PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2022**



In Thousand Baht				
Separated financial statements				
Classification and measurement in accordance with TFRS 9				
Fair value				
Through other	Fair value			
comprehensive	through profit	Amortization		
income	or loss	cost		Total
<b>Financial assets</b>				
<b>As at December 31, 2022</b>				
Cash and cash equivalents	-	-	9,479	9,479
Trade and other current accounts	-	-	315,359	315,359
Contract assets	-	-	77,519	77,519
Short term loans related parties	-	-	15,000	15,000
Other current assets	-	-	9,220	9,220
Non - current assets financial				
assets	-	-	6,281	6,281
Trade and other non - current				
accounts receivable	-	-	80,603	80,603
Trade installment receivables	-	-	7,538	7,538
Finance lease receivable	-	-	953,769	953,769
Other non - current assets	-	-	60,709	60,709
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>1,535,477</b>	<b>1,535,477</b>

In Thousand Baht				
Separated financial statements				
Classification and measurement in accordance with TFRS 9				
Fair value				
Through other	Fair value			
comprehensive	through profit	Amortization		
income	or loss	cost		Total
<b>Financial assets</b>				
<b>As at December 31, 2021</b>				
Cash and cash equivalents	-	-	216,385	216,385
Trade and other current accounts				
receivable	-	-	540,063	540,063
Contract assets			326,215	326,215
Short term loans related parties	-	-	88,540	88,540
Other current assets	-	-	7,954	7,954
Non - current financial assets	-	-	6,384	6,384
Trade and other non - current				
accounts receivable	-	-	100,507	100,507
Finance lease receivable	-	-	470,375	470,375
Other non - current assets	-	-	34,966	34,966
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>1,791,389</b>	<b>1,791,389</b>

On December 31, 2022 and 2021, the Company has does not classification financial liabilities for measurement at fair value through profit or loss (FVPL).

## 25. COMPENSATION LIABILITIES - CONVERTIBLE PREFERRED SHARES

The Company recorded liabilities for obligations to pay the unpaid dividend in the amount of Baht 17,101,510 and the difference amount between the market price of the Company's shares and the offering price as at the exercise date of Baht 3.1647 per share (33,744,100 shares) amounting to Baht 106,833,875 as "compensation liabilities - convertible preferred shares" in current liabilities.

On March 30, 2011, the Company reclassified compensation liabilities - convertible preferred shares to present in liabilities under rehabilitation plan.



## 26. SHARE CAPITAL AND PREMIUM (DISCOUNT) ON COMMON

	Amount	As at December 31, 2022		As at December 31, 2021	
	of share	Shares	Amount	Shares	Amount
<i>Authorized share capital consists of</i>					
Ordinary shares	1	520,756,281	520,756,281	520,756,281	520,756,281
Preferred shares	1	79,487,456	79,487,456	79,487,456	79,487,456
		<u>600,243,737</u>	<u>600,243,737</u>	<u>600,243,737</u>	<u>600,243,737</u>
<i>Issued and paid - up share capital</i>					
Ordinary shares	1	520,756,281	520,756,281	520,756,281	520,756,281
Preferred shares	1	79,487,456	79,487,456	79,487,456	79,487,456
		<u>600,243,737</u>	<u>600,243,737</u>	<u>600,243,737</u>	<u>600,243,737</u>
<i>Issued and paid - up share capital</i>					
<i>Consist of</i>					
Ordinary shares	1	520,756,281	520,756,281	520,756,281	520,756,281
Preferred shares	1	79,487,456	79,487,456	79,487,456	79,487,456
		<u>600,243,737</u>	<u>600,243,737</u>	<u>600,243,737</u>	<u>600,243,737</u>
<i>Premium on shares</i>					
Ordinary shares	0.06	520,756,281	14,911,574	520,756,281	14,911,574
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)

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.

***Premium on share***

According to the provision of the Limited Public Company Act, B.E. 2535 (1992) section 51 in the case that the company has proposed to sell share higher than the value of the share that has been registered, the Company must set this excessive share amount as backup capital ("share value excessive part"). This share value excessive part cannot be paid as dividend.

**27. COMPANY'S SHARES HELD BY SUBSIDIARIES**

As at December 31, 2022 and 2021, The share of the Company that is held by subsidiary includes preferential right in the amount of 3,555,477 shares with the value of 1 Baht per share which the subsidiary has been received from transforming the debt into capital under the operation according to the reorganizational plan of the Company. The said share has been shown as they deduct in the part of shareholders under the topic "share of the Company held by subsidiary" in the consolidated.

## 28. REVALUATION SURPLUS ON FIXED ASSETS

Consist of:

	In Thousand Baht			
	Consolidated financial statements		Separated financial statements	
	As at December 31, 2022	As at December 31, 2021	As at December 31, 2022	As at December 31, 2021
Revaluation surplus on land				
Beginning balance	643,042	643,042	579,880	579,880
Increase	48,880	-	38,430	-
Decrease	-	-	-	-
Ending balance	691,922	643,042	618,310	579,880
Revaluation surplus on building				
Beginning balance	132,203	136,047	132,203	136,047
Increase	10,297	-	10,297	-
Decrease	-	-	-	-
Decrease - Depreciation	(3,844)	(3,844)	(3,844)	(3,844)
Ending balance	138,656	132,203	138,656	132,203
Revaluation surplus on fixed assets	830,578	775,245	756,966	712,083
Deferred tax liabilities	(166,116)	(155,049)	(151,393)	(142,417)
Revaluation surplus on fixed assets - net	664,462	620,196	605,573	569,666

As at December 31, 2022, 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 16, 2022 respectively. The excess of appraised value of land and plant, which based on Market Approach and Cost Approach, are shown as "Revaluation surplus of fixed assets" under "Shareholders' Equity" in the statement of financial position. The revaluation surplus of fixed assets is not available for dividend distribution.

## 29. LEGAL RESERVE

According to the Public Companies Act, the Company has appropriated its reserve as a legal reserve not less than 5% of the annual net profit deducted by the total accumulated deficit brought forward (if any) until the reserve reaches an amount not less than 10% of the issued and paid-up share capital. The legal reserve may not be distributed as dividends.

### 30. DIRECTOR AND MANAGEMENT REMUNERATION

#### Director's remuneration

Directors' remuneration is contributed to directors of the Company and subsidiaries under Section 90 of the Public Companies Act excluding salaries and related fringe benefit paid to executive directors.

#### Management's remuneration

Management's remuneration is salaries, remunerations and other benefits to the executive directors, in accordance with the definitions of the Office of the Securities and Exchange Commission. Management under definition includes a chief executive officer, the next four executive levels immediately below that chief executive officer and all persons in positions comparable to these fourth executive levels.

### 31. EARNING PROFIT (LOSS) PER SHARE

#### Basic earnings profit (loss) per share:

Basic earnings profit (loss) per share for the years ended December 31, 2022 and 2021, 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	
	2022	2021	2022	2021
Net profit (loss) attributable to the owners				
of the parent (Thousand Baht)	(130,439)	96,849	(135,148)	203,321
Weighted average number of ordinary shares				
(Thousand shares)	520,756	497,816	520,756	497,816
Basic earnings (loss) per share				
(Thousand Bath per thousand shares)	(0.25)	0.195	(0.260)	0.408

**PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2022**



**32. OTHER INCOME**

Other Income for the years ended December 31, 2022 and 2021, Consist of:

	In Thousand Baht			
	Consolidated financial statements		Separated financial statements	
	2022	2021	2022	2021
Rental income	-	-	13,008	6,110
Service income	-	-	70,118	51,652
Interest income	16,665	15,135	25,190	17,576
Gain / (Loss) from foreign exchange rate	23,023	23,314	13,000	21,749
Gain from partial business transfer	-	-	3,151	165,466
Dividend income	-	-	3,960	11,081
Other	51,697	58,590	30,762	41,254
<b>Total</b>	<b>91,385</b>	<b>97,039</b>	<b>159,189</b>	<b>314,888</b>

On September 15, 2021, the company and a subsidiary entered into Purchase Agreement of Ice machine business. The Company as “Seller” will transfer such business within October 1, 2021, and Patkol Ice Solutions Co., Ltd. as “Buyer” will pay for such transaction with a value of Baht 139 million within September 30, 2026.

**33. EXPENSES ANALYZED BY NATURE**

Consist of:

	In Thousand Baht			
	Consolidated financial statements		Separated financial statements	
	2022	2021	2022	2021
Changes in inventories and work in process	75,783	(53,119)	98,646	(57,986)
Raw materials and supplies used	2,258,839	2,925,549	1,068,695	1,563,232
Staff expense	499,707	518,568	250,584	341,367
Depreciation and amortization	105,366	105,598	39,799	45,028
Bad debt (reversal)	(12,947)	(39,076)	24,645	7,404
Loss (reversal) decrease of inventory	(14,216)	5,242	(9,589)	2,522
Loss (reversal) on impairment of investment	(7,383)	5,537	(5,014)	5,537

**PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2022**



**CORPORATE INCOME TAX**

Income tax expense for the years ended December 31, 2022 and 2021, Consist of:

	In Thousand Baht			
	Consolidated financial statements		Separated financial statements	
	2022	2021	2022	2021
<b>Current income tax:</b>				
Income tax for the years	-	7,853	-	-
<b>Deferred income tax:</b>				
Deferred income tax effect of				
temporary difference and the				
reversal of temporary differences	(23,311)	32,585	(26,182)	26,584
<b>Operating expense (income) tax</b>				
<b>    present in the statement of</b>				
<b>    comprehensive income</b>	<u>(23,311)</u>	<u>40,438</u>	<u>(26,182)</u>	<u>26,584</u>

**Reconciliation for effectiveness tax rate**

	In Thousand Baht			
	Separated financial statements			
	Rate %	2022	Rate %	2021
Profit (loss) before income tax expense		(161,320)		229,905
Income tax using the Thai corporation				
tax rate	20	(32,264)	20	45,981
Income not subject to tax		(2,211)		(4,951)
Expenses not deductible for tax purposes		1,310		555
Permission to carry forward losses				
for 5 years		-		(33,528)
Difference and the reversal of				
temporary differences		(33,165)		(8,057)
<b>Total</b>		<u>-</u>		<u>-</u>

### 34. TRANSACTIONS WITH RELATED PARTIES

The Company has significant transactions with the related parties. The transactions between related parties are assets, liabilities, revenues, costs and expenses. These related parties are related through shareholdings and/or with directorship. The effect of these transactions, arose in the normal business, has been included in the financial statements whose bases agreed upon between the Company and the related parties.

#### 35.1 Relationship

<u>Name of relate of parties</u>	<u>Relationship</u>
Patkol Ice Solutions Co., Ltd. (Formerly known as Patkol Manufacturing Co., Ltd.)	Subsidiary
Patkol Trading Co., Ltd.	Subsidiary
S Panel Co., Ltd.	Subsidiary
Heataway Co., Ltd.	Subsidiary
Tygienic Co., Ltd.	Subsidiary
Patkol Philippines Corporation Co., Ltd.	Subsidiary
Indonesia Patkol Service Corporation Co., Ltd.	Subsidiary
Patkol Malaysia Sendirian Berhad Co., Ltd.	Subsidiary
Patkol Myanmar Co., Ltd.	Subsidiary
PT Indonesia Patkol Refrigeration Co., Ltd.	Subsidiary
Prepack (Thailand) Co., Ltd.	Common director
Prudent Advisory Corporate Finance & Strategy Co., Ltd.	Common director

#### 35.2 Pricing policy

	<u>Pricing policy</u>
Sale of goods and services	Market price and/or cost-plus
Interest income	Cost of borrowings and administrative
Rental and services income	Agreed rate in accordance with the conditions in agreement
Management income	Agreed rate in accordance with the conditions in agreement
HR services income	Agreed rate in accordance with the conditions in agreement
IT services income	Agreed rate in accordance with the conditions in agreement
Supply chain services income	Agreed rate in accordance with the conditions in agreement

**PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2022**



35.3 Assets and liabilities with related parties are as follows:

Trade and others accounts receivable - related parties

	In Thousand Baht			
	Consolidated financial statements		Separated financial statements	
	As at December 31, 2022	As at December 31, 2021	As at December 31, 2022	As at December 31, 2021
Trade accounts receivable - related parties	-	-	2,093	3,704
<u>Less</u> Allowance for expected credit losses	-	-	(438)	(1,169)
Trade accounts receivable - related parties, net	-	-	1,655	2,535
Others account receivable - related parties	-	-	65,463	59,140
<u>Less</u> Allowance for expected credit losses	-	-	(13,040)	(11,033)
Others account receivable - related parties, net	-	-	52,423	48,107
Accrued interest - related parties	-	-	4,496	16,678
<u>Less</u> Allowance for expected credit losses	-	-	(4,183)	(575)
Accrued interest - related parties, net	-	-	313	16,103
Advance payment - related parties	-	-	13,671	39,904
<u>Less</u> Allowance for expected credit losses	-	-	(5,034)	-
Advance payment - related parties, net	-	-	8,637	39,904
Accrued income - related parties	-	-	3,452	3,686
Total trade and others account receivable, net	-	-	66,480	110,335



**PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2022**



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, 2022	31, 2021	31, 2022	31, 2021
Undue	-	-	1,342	1,557
- Not over 3 months	-	-	82	567
- Over 3 months to 6 months	-	-	4	510
- Over 6 months to 12 months	-	-	-	160
- Over 12 months	-	-	665	910
Total	-	-	2,093	3,704
<u>Less</u> Allowance for expected credit losses	-	-	(438)	(1,169)
Total trade accounts receivable - related parties, net	-	-	1,655	2,535

Contract assets - related parties

In Thousand Baht				
	Consolidated financial statements		Separated financial statements	
	As at December	As at December	As at December	As at December
	31, 2022	31, 2021	31, 2022	31, 2021
Contract assets - related parties	-	-	344	89

Short - term loans to related parties

In Thousand Baht				
	Consolidated financial statements		Separated financial statements	
	As at December	As at December	As at December	As at December
	31, 2022	31, 2021	31, 2022	31, 2021
Short - term loans - related parties	-	-	31,742	91,185
<u>Less</u> Allowance for expected credit losses	-	-	(16,742)	(2,645)
Short - term loans - related parties, net	-	-	15,000	88,540

**PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2022**



Increase and decrease in short - term loans to related parties are as follows:

	In Thousand Baht	
	Consolidated financial statements	Separated financial statements
Net book value as at January 1, 2022	-	91,185
Addition	-	134,000
Repayment	-	(194,000)
Unrealized loss on exchange rate	-	557
Net book value as at December 31, 2022	-	31,742

The Company has granted loans to related parties by issuing promissory notes with interest rate at 5.88% - 10% per year (Referring to interest rate of Bangkok Bank) and due on demand.

Other non - current account receivables - related parties

	In Thousand Baht			
	Consolidated financial statements		Separated financial statements	
	As at December 31, 2022	As at December 31, 2021	As at December 31, 2022	As at December 31, 2021
Other accounts payable - related parties	-	-	80,603	100,507

Trade and other current accounts payable related parties

	In Thousand Baht			
	Consolidated financial statements		Separated financial statements	
	As at December 31, 2022	As at December 31, 2021	As at December 31, 2022	As at December 31, 2021
Trade accounts payable - related parties	-	-	29,437	164,044
Other accounts payable - related parties	-	-	40,538	-
Trade and other current accounts payable related parties	-	-	69,975	164,044

**PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2022**



Contract Liabilities - related parties

	In Thousand Baht			
	Consolidated financial statements		Separated financial statements	
	As at December	As at December	As at December	As at December
	31, 2022	31, 2021	31, 2022	31, 2021
Contract Liabilities - related parties	-	-	436	376
Unearned Income - related parties	-	-	43	1,082
Total contract liabilities - related parties	-	-	479	1,458

Provision employee benefit obligation - for management

	In Thousand Baht			
	Consolidated financial statements		Separated financial statements	
	As at December	As at December	As at December	As at December
	31, 2022	31, 2021	31, 2022	31, 2021
Provision employee benefit obligation - for management	14,022	23,935	14,022	23,935

**35.4 Revenues and expenses transactions with related parties**

Revenues - related parties

	In Thousand Baht			
	Consolidated financial statements		Separated financial statements	
	2022	2021	2022	2021
Revenues from sales and rendering services - related parties	-	-	49,233	37,919
Revenue from rent and services - related parties	-	-	83,126	57,762
Interest income - related parties	-	-	8,280	2,635
Dividend income - related parties	-	-	3,960	11,081
Segment transfer income - related parties	-	-	-	139,000

**PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2022**



Expenses - related parties

	In Thousand Baht			
	Consolidated financial statements		Separated financial statements	
	2022	2021	2022	2021
Purchase of goods and services - related parties	-	-	284,201	745,976
Service expense - related parties	-	-	-	-
Administrative expense - Director	-	-	14,931	5,294
Dividend expense - related parties	-	-	84	-

Managements' remuneration

	In Thousand Baht			
	Consolidated financial statements		Separated financial statements	
	2022	2021	2022	2021
<b>Managements remuneration</b>				
Short - term benefits	36,318	29,146	36,318	29,146
Post - employment benefits	(3,814)	(5,940)	(3,814)	(5,940)
Total	32,504	23,206	32,504	23,206

**35. DIVIDEND**

The Annual General Meeting of Shareholders of the year 2022 on April 21, 2022, to consider and approve the allocation of a part of annual net profit and dividends for operations 2021. Dividend payment to shareholders as follows;

- Preferred share at the rate of Baht 0.02375 per share.
- Common share at the rate of Baht 0.065 per share.

Total dividend payment was Baht 35,736,985.35 (as a result, the Company has legal reserves, amounting Baht 60,024,373.70 not less than 10% of authorized capital).

### **36. FINANCIAL INFORMATION BY SEGMENT**

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Group has modified the presentation of segment information in order to align with the current business activities which involve in design, manufacturing and installation of machine and equipment. The Group is organized into the following 4 business segments:

- Ice machine and system
- Machinery for industrial refrigeration system
- Machinery and system for liquid
- Central management and others

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. The Group measures segment performance based on gross profit, which is a consistent basis with that used to measure gross profit in the financial statements.

**PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2022**



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

	In Million Baht				
	Consolidated financial statements				
	for the year ended December 31, 2022				
	Ice machine and system	Machinery for industrial refrigeration system	Machinery and system for liquid	Central management and others	Total
<b>Total revenue</b>	913	1,117	1,231	195	3,457
<u>Less</u> Inter - segment	(145)	(178)	(93)	(61)	(478)
<b>Revenue from external customers</b>	768	939	1,138	134	2,979
<b>Results</b>					
<b>Segment gross profit</b>	207	141	90	31	469
Selling and administrative expenses					(661)
<b>Operating profit (not including other income)</b>					(192)
Finance costs					(51)
<b>Profit before income tax</b>					(243)
Income tax					23
<b>Profit for the year from continuing operations</b>					(220)
<b>profit for the year</b>					(129)
<b>Timing of revenue recognition</b>					
At a point in time	605	231	-	134	970
Over time	163	708	1,138	-	2,009

**PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2022**



In Million Baht

	Consolidated financial statements				
	for the year ended December 31, 2021				
	Machinery for				
	Ice machine	industrial	Machinery	Central	
	and system	refrigeration	and system	management	
		system	for liquid	and others	Total
<b>Total revenue</b>	1,491	1,071	1,287	176	4,025
<b>Less Inter-segment</b>	(521)	(116)	(142)	(38)	(817)
<b>Revenue from external customers</b>	970	955	1,145	138	3,208
<b>Results</b>					
<b>Segment gross profit</b>	241	197	233	22	693
Selling and administrative expenses					(621)
<b>Loss (not including other income)</b>					72
Finance costs					(30)
<b>Loss before income tax</b>					42
Income tax					(40)
<b>Loss for the year from continuing operations</b>					2
<b>Loss for the year</b>					98
<b>Timing of revenue recognition</b>					
At a point in time	-	586	-	100	686
Over time	970	369	1,145	38	2,522

**PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2022**



37.2 Geographic information

In Million Baht					
Consolidated financial information					
for the year ended December 31, 2022					
	Ice machine and system	Machinery for industrial refrigeration system	Machinery and system for liquid	Central management and others	Total
<b>Revenue from external customers</b>					
Thailand	398	858	1,093	129	2,478
Other Country	370	81	45	5	501
<b>Total revenue from external customers</b>	<b>768</b>	<b>939</b>	<b>1,138</b>	<b>134</b>	<b>2,979</b>

In Million Baht					
Consolidated financial information					
for the year ended December, 31 2021					
	Ice machine and system	Machinery for industrial refrigeration system	Machinery and system for liquid	Central management and others	Total
<b>Revenue from external customers</b>					
Thailand	806	933	1,107	138	2,984
Other Country	164	22	38	-	224
<b>Total revenue from external customers</b>	<b>970</b>	<b>955</b>	<b>1,145</b>	<b>138</b>	<b>3,208</b>

37.3 Major customer

During the year ended December 31, 2022 and 2021, the Group had no customer with revenues of 10 percent or more of the Group's revenue



### 37. DISCLOSURE OF FINANCIAL INSTRUMENTS

#### 38.1 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

#### 38.2 Non - performance of contract risk

Credit risk derives from failure by counterparties to discharge their obligations resulting in financial loss to the Group. Financial assets shown in balance sheets at the book value deducted by allowance for expect credit accounts is maximum value of credit risk

#### 38.3 Credit risk

The Group is exposed to credit risk primarily with respect to trade receivables, contract assets, deposits with banks and other financial instruments. Except for derivative financial instruments as disclosed under liquidity risk, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

##### *Trade receivables and contract assets*

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables and contract assets are regularly monitored and any sale of products to major dealers are covered by credit insurance obtained from the banks. In addition, the Group does not have high concentrations of credit risk since it has a large customer base.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision for expected credit losses rates are based on days past due for groupings of various customer segments with similar credit risks. The calculation reflects the reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade and other receivables are written-off in accordance with the Group's policy.

#### 38.4 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, 2022 and 2021, 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, 2022**



In Thousand Baht							
Consolidated financial statements							
As at December 31, 2022							
Fixed interest rates				Floating Interest rate	Non interest bearing	Total	Effective interest rate (% per annum.)
Within 1 year	1 - 5 years	Over 5 years					
<b>Financial Assets</b>							
Cash and cash equivalents	-	-	-	60,747	17,683	78,430	0.100 - 0.350
Trade and other current account Receivables	-	-	-	-	470,215	470,215	-
Contract assets	-	-	-	-	123,743	123,743	-
Non - current financial assets	-	-	-	29,642	-	29,642	-
Trade installment receivables	-	-	-	-	7,538	7,538	-
Finance lease receivable	213,626	537,916	202,227	-	-	953,769	-
	<u>213,626</u>	<u>537,916</u>	<u>202,227</u>	<u>90,389</u>	<u>619,179</u>	<u>1,663,337</u>	
<b>Financial liabilities</b>							
Bank overdraft	-	-	-	139,350	-	139,390	5.875 - 6.350
Short - term loans	-	-	-	232,602	-	232,602	4.250 - 5.350
Trade and other current account payables	-	-	-	-	510,098	510,098	-
Contract liabilities	-	-	-	-	301,332	301,332	-
Long - term loans	-	-	-	744,270	-	744,270	4.103 - 5.526
Lease liabilities	17,035	14,797	-	-	-	31,832	3.750 - 4.850
	<u>17,035</u>	<u>14,797</u>	<u>-</u>	<u>1,116,222</u>	<u>811,430</u>	<u>1,959,524</u>	

**PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2022**



	In Thousand Baht						
	Consolidated financial statements						
	As at December 31, 2021						
	Fixed interest rates			Floating	Non		
	Within 1	1 - 5	Over	Interest	interest	Total	Effective
	year	years	5 years	rate	bearing		interest rate
							(% per annum.)
<b>Financial Assets</b>							
Cash and cash equivalents	-	-	-	371,804	362	372,166	0.125 - 0.250
Trade and other current account							
receivables	-	-	-	-	724,923	724,923	-
Contract assets	-	-	-	-	385,491	385,491	-
Non - current financial assets	19,175	-	-	37,302	-	56,477	-
Trade and other non - current							
account receivables	-	-	-	-	383,466	383,466	-
Trade installment receivables	-	-	-	-	7,538	7,538	-
Finance lease receivable	213,626	537,916	202,227	-	-	953,768	-
	232,801	537,916	202,227	409,106	1,501,780	2,883,830	
<b>Financial liabilities</b>							
Bank overdraft	-	-	-	703	-	703	5.875
Short - term loans	4,000	-	-	324,362	-	328,362	3.750 - 4.750
Trade and other current account							
payables	-	-	-	-	741,501	741,501	-
Contract liabilities	-	-	-	-	390,753	390,753	-
Long - term loans	-	-	-	728,514	-	728,514	2.000 - 5.250
Lease liabilities	14,356	14,867	-	-	-	29,223	1.710 - 5.540
	18,356	14,867	-	1,053,579	1,132,254	2,219,056	

**PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2022**



In Thousand Baht							
Separated financial statements							
As at December 31, 2022							
Fixed interest rates							
	Within 1 year	1 - 5 years	Over 5 years	Floating Interest rate	Non interest bearing	Total	Effective interest rate (% per annum.)
<b>Financial Assets</b>							
Cash and cash equivalents	-	-	-	6,013	3,466	9,479	0.100-0.350
Trade and other current account Receivables	-	-	-	-	315,359	315,359	4.250
Contract assents	-	-	-	-	77,519	77,519	-
Short - term loans and Accrued interest income	-	-	-	15,000	-	15,000	5.870-10.000
Non - current financial assets	-	-	-	6,281	-	6,281	0.125-0.450
Finance lease receivables	213,626	537,916	202,227	-	-	953,769	4.250-6.000
Trade and other non - current account receivables	-	80,603	-	-	-	80,603	4.250
	<u>213,626</u>	<u>618,519</u>	<u>202,227</u>	<u>27,294</u>	<u>396,344</u>	<u>1,458,010</u>	
<b>Financial liabilities</b>							
Bank overdraft	-	-	-	125,837	-	125,837	5.875 - 6.350
Short – term loans	-	-	-	90,000	-	90,000	4.250 - 5.350
Trade and other current account payables	-	-	-	-	286,964	286,964	-
Contract liabilities	-	-	-	-	58,217	58,217	-
Lease liabilities	6,748	7,219	-	-	-	13,967	4.103 – 5.526
Long - term loans	-	-	-	606,120	-	606,120	3.750 - 4.850
	<u>6,748</u>	<u>7,219</u>	<u>-</u>	<u>821,957</u>	<u>345,181</u>	<u>1,181,105</u>	

**PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2022**



In Thousand Baht							
Separated financial statements							
As at December 31, 2021							
Fixed interest rates				Floating Interest rate	Non interest bearing	Total	Effective interest rate (% per annum.)
Within 1 year	1 - 5 years	Over 5 years					
<b>Financial Assets</b>							
Cash and cash equivalents	-	-	-	216,042	343	216,385	0.125 - 0.250
Trade and other current account							
Receivables	-	-	-	-	499,356	499,356	-
Contract assents	-	-	-	-	326,215	326,215	-
Short - term loans and Accrued							
interest income	-	-	-	88,540	16,103	104,643	5.875 -13.000
Non - current financial assets	6,384	-	-	-	-	6,384	-
Trade and other non - current							
account receivables	-	-	-	100,507	-	100,507	4.250 - 6.000
	<u>6,384</u>	<u>-</u>	<u>-</u>	<u>405,089</u>	<u>842,017</u>	<u>1,253,490</u>	
<b>Financial liabilities</b>							
Bank overdraft	-	-	-	692	-	692	5.875
Trade and other current account							
payables	-	-	-	-	513,680	513,680	-
Contract liabilities	-	-	-	-	267,399	267,399	-
Long - term loans	-	-	-	533,306	-	533,306	4.250 - 5.250
Lease liabilities	<u>5,243</u>	<u>2,229</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,472</u>	<u>1.710 - 5.540</u>
	5,243	2,229	-	533,998	781,079	1,322,549	

### 38.5 Exchange rate risk

The Company and subsidiaries have the exchange rate risk for deposit at banks trade accounts receivable and other receivable payable and other payable denominated to foreign currency. The Company has reduced the uncertainty of future cash flow by using natural hedge. Besides, the Company has managed the risk by entering into forward contract.

As at December 31, 2022 and 2021, the Company and subsidiaries have assets and liabilities denominated as follows :

**PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2022**



Transaction	Currency	Consolidated financial		Separated financial	
		statements		statements	
		As at December 31, 2022	As at December 31, 2021	As at December 31, 2022	As at December 31, 2021
Deposit at banks	Thousand USD	46	1,632	29	989
	Thousand MMK	15,261	-	-	-
	Thousand IDR	212,779	211,910	212,779	211,910
	Thousand PHP	14,634	-	-	-
	Thousand VND	306,365	411,572	306,365	411,572
	Thousand MYR	813	-	-	-
Trade accounts					
Receivable	Thousand USD	18,194	22,911	18,000	22,825
/ Deposit	Thousand EUR	6,929	796	6,929	785
	Thousand MYR	83	-	-	-
	Thousand IDR	2,070,153	14,465	-	14,465
	Thousand MMK	163,787	-	-	-
Trade accounts payable	Thousand USD	1,258	138	1,089	366
	Thousand EUR	945	998	945	929
	Thousand VND	341,661	-	341,661	-
	Thousand IDR	2,626,584	-	-	-
	Thousand PHP	9,121	-	-	-
	Thousand MMK	6,398	5	-	5
	Thousand MYR	2,967	-	81	-

### 38.6 Fair values of financial instruments

Since the majority of the Company and its subsidiaries' financial instruments are short - term in nature or carrying interest at rates close to the market interest rates, the company and subsidiaries their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

### 38.7 Fair value hierarchy

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

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

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

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

## 38. COMMITMENTS AND CONTINGENT LIABILITIES

### 39.1 Capital commitments

	In Million Baht			
	Consolidated financial statements		Separated financial statements	
	As at December	As at December	As at December	As at December
	31, 2022	31, 2021	31, 2022	31, 2021
<b>Capital commitments</b>				
- Purchase of goods agreement	512.53	162.17	47.38	8.69
- Contractor agreement	17.66	69.15	7.29	-
Total	530.19	231.32	54.67	8.69

### 39.2 Operating lease commitments

	In Million Baht			
	Consolidated financial statements		Separated financial statements	
	As at December	As at December	As at December	As at December
	31, 2022	31, 2021	31, 2022	31, 2021
<b>Operating lease commitments</b>				
Within 1 year	6.99	6.48	5.14	5.04
More than 1 to 5 years	1.96	6.16	1.23	5.74
Total	8.95	12.64	6.37	10.78

**PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2022**



39.3 Letters of guarantee

As at December 31, 2022, the Company and subsidiaries has contingent liabilities with commercial banks as follows:

	Consolidated financial statements	Separated financial statements
	As at December 31, 2022	As at December 31, 2022
Letters of guarantee		
- Domestic currency (Million Baht)	141.78	131.88
- Foreign currency		
Thousand EUR	18.92	18.92
Thousand USD	404.20	404.20
Cheque guarantee (Million Baht)		-



### **39. Litigation**

#### 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 and the court of appeal received. Appeal Court affirmed as Civil Count. It is under the process which plaintiff could petition to Supreme Court. The case has not been finalized. The Company's management and lawyer have an opinion that there are uncertain of solution at present. Therefore, the amount of damages has not yet been determined.

### **40. 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, 2022 and 2021, debt to equity ratio in the consolidated financial statements is 1.48 : 1 and 1.57 : 1, respectively (the separate financial statements: debt to equity ratio is 0.83: 1 and 1.04 : 1, respectively).

### **41. FINANCIAL STATEMENTS APPROVAL**

These financial statements have been approved for issue by the Company's board of directors on February 28, 2023.

## Part 4

### Certification of the Correctness of One Report Information

The Company has carefully reviewed the information in this annual report. The Company assures that it is complete and accurate. There is no false, misleading or missing information that should be provided. In addition, the Company assures that:

(1) The financial statements and financial information summarized in the annual report are accurately displayed regarding the financial position, operating results, and cash flows of the Company and its subsidiaries.

(2) The Company is responsible for ensuring that the Company maintains a good disclosure system to ensure that the Company has properly disclosed the information of the Company and its subsidiaries, as well as supervised the compliance with such system.

(3) The Company has provided a good internal control system and supervised compliance with the system. The Company has informed the Company's auditors and audit committee regarding the internal assessment as of February 17, 2021, including any significant deficiencies and changes in the internal control system, as well as misconduct that may affect the preparation of financial reports of the Company and its subsidiaries.

In this regard, as evidence that all documents are the same documents that the Company has authenticated, the Company has assigned Ms. Wannaporn Trinvisutthikul, the Company's Secretary, to sign this document on all pages. If any document does not contain the signature of Ms. Wannaporn Trinvisutthikul, the Company's Secretary, the Company shall assume that it is not information of which the Company has certified the accuracy, as mentioned above.

	Name	Position	Signature
1.	Mr. Sangchai Chotchuangchutaval	Director	
2.	Mr. Panet Chongvatana	Director	

#### Attorney

	Name	Position	Signature
1.	Miss Wannaporn Trinvisutthikul	Company Secretary	

## Attachment 1

## Profiles of the Board of Directors and Management Team and Company Secretary

Name / Position	Age (year)	Highest Academic Qualification	Holding of Company's Share	Relationship	Experience	
					Year	Position / Name of Company
1. Mr. Pitipong Pungbun Na Ayudhya <ul style="list-style-type: none"> <li>Chairman of the Board</li> <li>Independent Director</li> </ul>	76	Master of Public Administration (MPA) California State University (East Bay)  <u>IOD Training</u> - Director Accreditation Program (DAP 149/2018) - Risk Management Program for Corporate Leaders (RCL 7/2017)	-	-	Present	<u>Other business</u> - Director of the Council of State - President of the Agricultural Economics Society of Thailand Under Royal Patronage
2. Mr. Pairoj Sanyadechakul <ul style="list-style-type: none"> <li>Chairman of the Audit Committee</li> <li>Independent Director</li> </ul>	73	Bachelor's Degree in Engineering, Chulalongkorn University  <u>IOD Training</u> - Director Certification Program (DCP 258/2018) - Advanced Audit Committee Program (AACP 30/2018)	-	-	Present	<u>Other business</u> - Director and Foundation for Industrial Development (FID) - Director of Thailand Productivity Foundation - Chairman of the Board of Electrical and Electronics Institute - Independent Director and Chairman of Risk Management Committee - Chairman of the Board of Nomination and Remuneration 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"> <li>• Vice Chairman of the Board</li> <li>• Chairman of Executive Committee</li> </ul>	67	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)	8.79%	-	Present	<u>Subsidiaries</u> Director - Patkol Trading Co., Ltd - S Panel Co., Ltd. - Patkol Ice Solutions Co., Ltd. - Heataway Co., Ltd. - Tygienic Co., Ltd. - Patkol Philippines Corporation Co., Ltd. - PT Indonesia Patkol Service Co., Ltd. - Patkol Malaysia 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

Remark : The proportion in holding shares of the company calculated by common shares and preferred shares with voting rights.

- Common shares amount 520,756,281 shares (One common share is an entitle to one vote)

- Preferred shares amount 79,487,456 shares (One hundred preferred shares are entitle to one vote)

210

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"> <li>Audit and Risk Management Committee Member</li> <li>Independent Director</li> </ul>	79	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> -

Name / Position	Age (year)	Highest Academic Qualification	Holding of Company's Share	Relationship	Experience	
					Year	Position / Name of Company
<b>7. Mr. Paradorn Chulajata</b> <ul style="list-style-type: none"> <li>• Director</li> <li>• Executive Committee Member</li> <li>• Nomination and Remuneration Committee Member</li> </ul>	56	Master's Degree in Business Administration, Faculty of Finance, Eastern Michigan University, USA.  <u>IOD Training</u> <ul style="list-style-type: none"> <li>- Directors Accreditation Program (DAP 2/2003)</li> <li>- Directors Certification Program (DCP 38/2003)</li> <li>- Refresher Course DCP (DCP Re 4/2007)</li> <li>- Advanced Audit Committee Program (AACP 21/2015)</li> </ul>	2.12%	-	Present	<u>Other business</u> <ul style="list-style-type: none"> <li>- Director, Prepack Thailand Co.,Ltd.</li> <li>- Honorary President of Plastic Industry Club, The Federation of Thai Industries</li> <li>- Executive Committee and Professional of Center of Excellence on Petrochemical and Material, Chulalongkorn University</li> <li>- Chairman of the Working Group Government cooperation project Business sector Civil society for sustainable waste and plastic disposal</li> <li>- Subcommittee of Circular Economic Planning of National Higher Education Science Research and Innovation Policy Council</li> </ul>

Remark : The proportion in holding shares of the company calculated by common shares and preferred shares with voting rights.

- Common shares amount 520,756,281 shares (One common share is an entitle to one vote)

- Preferred shares amount 79,487,456 shares (One hundred preferred shares are entitle to one vote)

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"> <li>Director</li> </ul>	68	Bachelor's Degree in Engineering in Mechanical Engineer of King Mongkut's Institute of Technology North Bangkok	0.20%	-	Present	<u>Subsidiaries</u> Director - Patkol Ice Solutions Co., Ltd. - Patkol Trading Co., Ltd. - Heataway Co., Ltd. - Tygienic Co., Ltd.
9. Ms. Anongsiri Chaiyakul <ul style="list-style-type: none"> <li>Director</li> </ul>	80	Bachelor's Degree in Accounting, Thammasart University  <u>IOD Training</u> - Directors Accreditation Program (DAP 50/2006)	-	-	Present	<u>Subsidiaries</u> -
10. Ms. Nongluck Sakdakrai <ul style="list-style-type: none"> <li>Director</li> <li>Nomination and Remuneration Committee Member</li> <li>Executive Committee Member</li> </ul>	48	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)	6.54%	-	Present          2000-2019	<u>Other business</u> - Director of Thai Ice tube Co., Ltd. - Director, of Watcharaphol tube ice Co., Ltd. - Director of Patkol Ice Solutions Co., Ltd. - Deputy Managing Director, Thai Ice Tube Co., Ltd. - Deputy Managing Director, Watcharaphol tube ice Co., Ltd.

Remark : The proportion in holding shares of the company calculated by common shares and preferred shares with voting rights.

- Common shares amount 520,756,281 shares (One common share is an entitle to one vote)

- Preferred shares amount 79,487,456 shares (One hundred preferred shares are entitle to one vote)



Name / Position	Age (year)	Highest Academic Qualification	Holding of Company's Share	Relationship	Experience	
					Year	Position / Name of Company
<b>11. Mr. Panet Chongvatana</b> <ul style="list-style-type: none"> <li>• Director</li> <li>• Vice Chairman Executive Committee Member</li> <li>• Chief Executive Officer</li> <li>• Chief Strategy Officer</li> </ul>	46	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)	6.83%	Cousin of Ms. Naitya Chongvatana	Present	<u>Subsidiaries</u> Director - Patkol Ice Solutions Co.,Ltd. - Patkol Trading Co., Ltd. - S Panel Co., Ltd. - Heataway Co., Ltd. - Tygienic Co., Ltd. - Patkol Philippines Corporation Co., Ltd. - PT Indonesia Patkol Service Co., Ltd. - Patkol Malaysia Co., Ltd. - Patkol Myanmar Co., Ltd. - PT Indonesia Patkol Refrigeration Co., Ltd.

Remark : The proportion in holding shares of the company calculated by common shares and preferred shares with voting rights.

- Common shares amount 520,756,281 shares (One common share is an entitle to one vote)

- Preferred shares amount 79,487,456 shares (One hundred preferred shares are entitle to one vote)

Name / Position	Age (year)	Highest Academic Qualification	Holding of Company's Share	Relationship	Experience	
					Year	Position / Name of Company
12. Mr. Rangsan Thammaneewong <ul style="list-style-type: none"> <li>• Director</li> <li>• Executive Committee</li> </ul>	61	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) - Directors Certification Program (DCP 325/2022)	-	-	Present	<u>Other business</u> - Chairman, Prudent Advisor Co., Ltd. - Director, Government Savings Bank Director, Sermasuk Public Co., Ltd. - Director, SS National Logistics Co., Ltd.

Name / Position	Age (year)	Highest Academic Qualification	Holding of Company's Share	Relationship	Experience	
					Year	Position / Name of Company
13. Ms. Wannapond Trinwisutthikul <ul style="list-style-type: none"> <li>Chief Administrative Officer</li> <li>The person taking the highest responsibility in finance and accounting. (Since 2011)</li> <li>Company Secretary (November 2018 – Present)</li> </ul>	50	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. - CFO Refresher Course (Online Class) 2022  <u>Training for            Management</u> - Company Secretary Program (CSP) 16 hr. - OSH&E Committee Program 12 hr.	-	-	Present	<u>Subsidiaries</u> Director - Patkol Trading Co., Ltd - Patkol Ice Solutions Co.,Ltd - Tygienic Co., Ltd - Heataway Co., Ltd - S Panel 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	50	Bachelor's Degree in Electronic engineering, King Mongkut's Institute of Technology Ladkrabong	-	-	Present	<u>Subsidiaries</u> Director - Patkol Philippines Corporation Co., Ltd. - PT Indonesia Patkol Service Co., Ltd. - PT Indonesia Patkol Refrigeration Co., Ltd. - Patkol Malaysia Co., Ltd. - Patkol Myanmar Co., Ltd.
15. Mrs. Siwaporn Dumronglaohapun • Managing Director of Patkol Trading Co., Ltd and Tygienic Co., Ltd	56	Master's Degree in Chemical Engineering, King Mongkut's University of Technology Thonburi	-	-	Present	<u>Subsidiaries</u> Director - Patkol Trading Co., Ltd - Tygienic Co., Ltd
16. Mr. Thawatchai Tootabtong Chief Food Engineering Officer	43	Master's Degree in Food Engineering, King Mongkut's University of Technology Thonburi	-	-	Present	<u>Subsidiaries</u>

## Attachment 2

## Detail of Director in Subsidiaries As of 31 December 2022

Name	PK	Subsidiaries											Related Company (by definition of SEC)
		PKI	PKT	SPN	HA	TG	PK-PH	PK-IDSV	PK-IDRF	PK-MY	PK-MM	Consult	
1. Mr. Pitipong Phungbun na Ayutthaya	X, //												
2. Ms. Naitya Chongvatana	/												
3. Mr.Sangchai Chotchuangchutchaval	V	X	X	X	X	X	X	X	X	X	X	/	
4. Mr. Pairoj Sanyadechakul	///												
5. Mr. Veerachai Srikajorn	///												
6. Mr. Preecha Chantarangkul	///												
7. Mr. Paradorn Chulajata	/												
8. Ms. Nongluck Sakdakrai	/	/											
9. Ms. Anongsiri Chaiyakul	/												
10. Mr. Sumet Jiambutr	/	/	/		/	/						/	
11. Mr. Rangsan Thammaneewong	/											/	
12. Mr. Panet Chongvatana	/,IV	VI	/	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. Metha Chairoon		/											
20. Mr. Fernando S.Reyes							/						
21. Mr. Geraldine L.Reyes							/						
22. Mr. Hartono Siau									/				

Noted: The symbol of the position of directors and executive

X	Chairman of the Board	/	Director
V	Vice Chairman of the Board	//	Independent Director
IV	Chief Executive Officer	///	Independent Director/ Audit and Risk
VI	Managing Director		Management Committee Member

The symbol of the Company, subsidiaries and related company (by definition of SEC)

PK	Patkol Public Company Limited
PKI	Patkol Ice Solutions Company Limited
PKT	Patkol Trading Company Limited
SPN	S Panel Company Limited
HA	Heat Away Company Limited
TG	Tygienic Company Limited
PK-PH	Patkol Philippines Corporation
PK-IDSV	PT. Indonesia Patkol Service
PK-IDRF	PT Indonesia Patkol Refrigeration
PK-MY	Patkol Malaysia Company Limited
PK-MM	Patkol Myanmar Company Limited (PK-MM)
Consult	Consult

## Attachment 3

## Details of the Internal Audit Supervisor (compliance)



**Name** Suksiri Suttisabai  
**Age** 55 years  
**Nationality** Thai  
**Position** Senior Internal Audit Manager  
**Education:** Bachelor Degree of Accountancy  
 Kasem Bundit University.

## Work Experiences:

Period	Position	Company
2022-Present	Senior Internal Audit Manager	Patkol Public Company Limited
2020-2021	Senior Accounting Manager	Heataway Co.,Ltd. ,S Panel Co.,Ltd. ,Tygienic Co.,Ltd. ,Patkol Ice solutions Co.,Ltd.
2017-2019	Costing Manager	Patkol Public Company Limited
2013-2016	Accounting Manager	Patkol Public Company Limited

## Training:

- COSO ERM
- Leadership Skills
- Fraud Audit
- Techniques for reviewing and audit accounting work

## Attachment 4

**Assets of business operations and Property appraisal list**
**1. Assets of business operations**

The Company had fixed assets and intangible assets totaling of Baht 1,486.85 million use in the business operation. It consisted of property, plant and equipment of Baht 1,413 million, right of use assets Baht 24.58 million and intangible assets Baht 49.27 million.

**Property, plant and equipment**

Asset category	Thousand Baht
Land	806,877
Building and improvement	498,954
Machinery and equipment	89,326
Machinery for lease	270
Office equipment	2,822
Vehicles	1,135
Assets in progress	13,617
<b>Total</b>	<b>1,413,001</b>

Land with buildings and machinery totaling of Baht 1,226 million was used as collateral for overdrafts and short-term loans from financial institutions totaling of Baht 2,863 million.

Credit facilities	Million Baht
Overdrafts	93
Short-term loans	300
Long-term loans	1,082
Limited liability under trustee contracts/ pre-shipment financing	510
Letter of guarantee	440
Future contracts	434
Credit Card Limit	4
<b>Total</b>	<b>2,863</b>



### Right of use assets

Description	Thousand Baht
Office building and factory	1,440
Vehicles	19,976
Machinery and equipment	1,757
Office equipment	1,410
<b>Total</b>	<b>24,583</b>

### Intangible assets

Type	Thousand Baht
<u>Cost</u>	
Computer program	171,841
Patent	7,441
Program during installation	70
<b>Total</b>	<b>179,352</b>
<u>Less</u> Accumulated amortization	(130,087)
<b>Net</b>	<b>49,265</b>

## 2. Property Valuation

The Company's land and buildings are shown for the new valuation, according to the Independent Appraiser's Assessment Report. In 2022, 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.

Attachment 5

Corporate Governance Code  
PATKOL Public Company Limited  
March 1, 2017  
(In the process of Revise)



# Corporate Governance Code

PATKOL Public Company Limited

**ACCOUNTABILITY**  
**RESPONSIBILITY**  
**TRANSPARENCY**  
**CAREFULLY**  
**FAIRNESS**  
**BOARD STRUCTURE**  
**COMMITTEE**  
**TRANSPARENCY**  
**ACCOUNTABILITY**  
**INTEGRITY**  
**CAREFULLY**  
**FAIRNESS**  
**RESPONSIBILITIES**  
**COMMITTEE**  
**BOARD STRUCTURE**

## Content

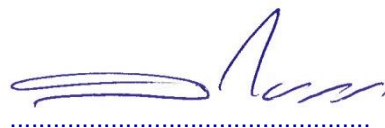
	Page
1. Message from Chairman of the Board and Chief Executive Officer	2
2. Corporate Governance Policy	3
3. Guidelines for good corporate governance	
Chapter 1 Right of Shareholder	5
Chapter 2 Equitable Treatment of Shareholders	8
Chapter 3 Roles of Stakeholders	11
Chapter 4 Disclosure of Information and Transparency	16
Chapter 5 Responsibility of the Board of Directors	18

## Message from Chairman of the Board and Chief Executive Officer

The Board of Directors is committed to good corporate governance principles, which are good practices for the directors of listed companies and related practices of the Stock Exchange of Thailand. At Patkol Public Company Limited, we are committed to enhancing corporate governance with good ethics, transparency and auditability. This document, the Company's "Good Corporate Governance Policies and Guidelines Handbook," has been written to enable the Board of Directors, executives and employees to adhere to operational guidelines that cover various practices to meet the expectations of shareholders and stakeholders.

The Board of Directors will make efforts to ensure strict compliance with these policies and practices and is committed to continuously improve the company's corporate governance in order to achieve its goal of ensuring continuous and sustainable growth and stability for the Company and its shareholders.

As chairman of the Executive Committee, we would like to announce the "Good Corporate Governance Policies and Guidelines Handbook" approved by the Board of Directors' Meeting No. 1/2017 on February 23, 2017, to ensure that the Board of Directors, executives and employees of the Company are aware of their duties and responsibilities per these guidelines for the implementation of moral and ethical principles with the aim of improving competitiveness.



(Mr. Sangchai Chotchuangchutthaval)  
Chief Executive Director

## Corporate Governance

The Board of Directors has the intention adhere to the supervision of Patkol Public Company Limited under the principle of good corporate governance with integrity, transparency and accountability. It focuses on building maximum benefit to the shareholders and considering the practice on the overall stakeholders with equity. As a result, the company can increase the ability on competition and economic value to the shareholders in the long term as well. So, it has designated the policy on good corporate governance better for the Board of Directors, the management and the employees to adhere to as a policy and practice as follows:

### Corporate Governance Policy

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

- 1.1) It has accountability for its decision-making.
- 1.2) It takes responsibility for the duty performance with the existing capability and sufficient efficiency.
- 1.3) It has transparency that can be verified.
- 1.4) It has fairness and equity for the stakeholders.
- 1.5) It has a vision to create long-term value.
- 1.6) It has virtue, ethics and code of conduct in the business operations.

2. The Board of Director, the management and all of its employees determined to apply the important principles on the good governance of the Stock Exchange of Thailand (SET) as guidelines on the practice in five chapters are:

#### 2.1) Rights of Shareholders

Considering the right of the shareholders and giving the right to the shareholders in the various matters as well as encouraging the shareholders to exercise their right, including not doing anything to violate or derogate the right of the shareholders.

## 2.2) Equitable Treatment of the shareholders

Treatment of the shareholders is for both as the shareholders who are the management and the non-management, including the foreign shareholders and the minor shareholders by being treated with equity and fairness.

## 2.3) Stakeholders

Stakeholders Treatment of the stakeholders is by considering their right of each group in accordance with the law or the agreement with the company, including not doing anything in violation or derogation of their right.

## 2.4) Transparency)

Transparency Disclosure of the important information to the shareholders, the investors, the stakeholders, the supervising agency involved with the company both the financial information and the nonfinancial information correctly, completely, sufficiently, reliably and equally and within the specified time through the easily access channel.

## 2.5) Responsibilities

Responsibilities of the board Performing the duty and responsibility of the board of directors for the shareholders by the board of directors has the leadership situation, vision, independence and decision-making for optimum benefit of the company and the overall shareholders. It has separated the role and responsibility between the directors and the management clearly as well as the care on the management under the framework of the law and the business ethics.

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

4. The Board of Director has the responsibility in taking care of reporting on finance and disclosure of the information with correctness and sufficiency according to the good guidelines and relevant criteria.

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

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

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



## Guidelines for good corporate governance

The Company has established guidelines for good corporate governance for listed companies in 2012 according to the guidelines set by the Stock Exchange of Thailand in 5 categories as follows:

### Chapter 1 Right of Shareholder

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

#### Policy on The Rights of Shareholders

- The Board of Directors has a duty to protect and respect the basic rights of the shareholders, e.g., the right to trade or transfer shares, the right to get a share of the profits of the business, the right to receive adequate business information, and the right to attend shareholders' meetings to appoint or remove directors, the appointment of auditors, dividend allocation, determination or amendment of articles of association or memorandum of association, capital reduction or capital increase, approval of special items, etc.
- The Board of Directors is responsible for promoting and encouraging all groups of shareholders, including institutional shareholders, to exercise their rights in various matters, e.g., to attend the Annual General Meeting of Shareholders, namely, the right to propose agenda items for the AGM in advance, the right to propose persons to be selected as directors in advance, the right to submit questions prior to the meeting, the right to express opinions and pose questions in the meeting, etc.
- The Board of Directors is responsible for refraining from any actions that violate or restrict or deprive the rights of shareholders to study the Company's information, such as suddenly not handing out documents containing additional important information, adding agenda items or changing important information without prior notice to shareholders.
- The Board of Directors is obliged to facilitate the shareholders' exercise of the right to attend the shareholders' meeting and vote fully and refrain from any actions that limit the chances of attending the shareholders' meeting, such as creating a cumbersome voting process. The Board must also

facilitate shareholders to exercise additional rights, such as providing important information that is current through the Company's website, arranging office visits for shareholders, etc.

## **1. Meeting of the shareholders**

### **1.1 Meeting of the shareholders**

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

### **1.2 Propagation of the information to supplement the shareholder's meetings**

The company shall disseminate the information to complement the agenda of the shareholder meeting in advance by about one month before the meeting date in the website of the shareholders at [www.patkol.com](http://www.patkol.com). Moreover, it shall explain the right of the shareholders in the attendance of the meeting and the right to vote by the shareholders as well.

### **1.3 Extraordinary General Meeting of Shareholders**

The Company will call the Extraordinary General Meeting of Shareholders on a case-by-case basis or when shareholders have a combined share count of not less than one-fifth of the total number of shares or if any time 25 shareholders who together hold a total of no less than at least one-tenth of the total number of shares combined sign a letter asking the Board of Directors to call an extraordinary general meeting of shareholders. The reason for requesting the meeting must also be clearly stated in the letter. In such cases, the Board of Directors shall hold a shareholders' meeting within one month from the date of receipt of the letter from the shareholders. All shareholders of the Company have the right to vote according to the number of shares held (ordinary shares: 1 share per vote, preferred shares: 100 voting shares per vote), and no shares have privileges that restrict the rights of other shareholders

### **1.4 Providing convenience on the exercise of the right to the shareholders and the institution investors**

The Company shall provide convenience to the shareholders and the institution investors to exercise the right by organizing the meeting venue of the shareholders that is convenient for the travel, with opening an opportunity for the shareholders and the institution investors to send a question related to the meeting agenda to the Board of Director a minimum of 90 days before the meeting date via the website of the company or by fax number 02-328-1245. It shall notify via the news system of the SET with dissemination of the letter of invitation to the AGM of the shareholders.

### **1.5 Proxy**

In the case the shareholders cannot attend the meeting by themselves, The Board of Director shall prepare a proxy statement in the form that is easy to fill the information that the shareholders can select the directors by themselves or use an alternative by presenting the name of the independent

director or other people in giving the proxy by using a proxy statement that the company has sent with a meeting appointment. Moreover, the shareholders can download the proxy statement via the website of the company by another way as well. As for the shareholders who are institution investors or foreign investors and have appointed a custodian in Thailand shall be the depositor and caretaker of the company shares to coordinate on the document and evidence to show before attending the meeting in advance to register on the meeting date with convenience and speedier.

## **2. Implementation on the shareholder's meeting date**

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

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

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

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

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

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

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

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

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

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

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

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

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

## Chapter 2 Equitable Treatment of Shareholders

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

### Policy in the equitable treatment of shareholders

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

### 1. Giving information before the shareholders meeting

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

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

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

## 2. Protection of the right of the minor shareholders

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

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

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

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

## 3. Prevention of internal information

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

### **Measures on prevention from using the inside information**

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

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

#### **4. The Directors' Conflict of interest**

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

##### **Policy and practice on conflict of interest**

- 1) *It designates the directors and the senior management (from the E16 level and up and the accounting and finance director) shall report on the conflict of interest related to the management of the company or its affiliate when holding the title of directorship or the senior management for the first time and report each time when there is a change of information on the conflict of interest, including reporting annually. However, the secretary of the company shall send a copy of the report on the conflict of interest to the chairman of the board and the chairman of audit for acknowledgement within 7 days from the date of receiving the report to comply with the Securities and Exchange Act 1982, and to use such the information in the examination and the prevention of a conflict of interest.*
- 2) *There is a disclosure of the structure on shareholding of the affiliates, subsidiaries, joint venture and other companies clearly, including the authorized shareholders to make sure that the company has the shareholding structure that is clear, transparent and no cross holding with the major shareholders to cause a conflict of interest to either party.*
- 3) *In a board meeting, if a director has a conflict of interest on the matter under consideration, that director shall not participate in making such the decision. They cannot attend the meeting or have to omit voting so the decision of the board shall be fair or for the true benefit of the shareholders*

## Chapter 3 Roles of Stakeholders

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

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

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

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

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

#### 1. Employee

##### Policies on taking care of the employees

- 1) *The company gives compensation to its employees by holding on to the principle of overtime, commissions, annual bonus, provident fund, savings cooperative, life insurance and health insurance, etc. consideration with fairness and can measure the result, e.g. monthly income, income from*
- 2) *The company intends to promote and develop its personnel to have knowledge and skills continuously, i.e. to have training and seminar of the management and the employees at all levels for the whole year, etc.*
- 3) *The company has treated all of its employees with equity, e.g. assessment of the employees, keeping the secret of the working experience and the exercise of their various rights, etc.*
- 4) *The company considers the right of the employees as priority and opens an opportunity for its employees to file a complaint in the case they are not treated fairly through the various channels, e.g. the complaint box, the Human Resources Department (HR), etc.*

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

## **2. Customers**

### Policies on taking care of the customers

- 1) *The company has a duty to build up long-term relations and cooperation with the customers by adhering to the integrity, sincerity with the customers, trust and reliability to each other.*
- 2) *The company has a duty to make maximum satisfaction for its customers by taking responsibility, attention, goods sales and service with friendliness and priority to the problems and demands of the customers. The management and all of its employees shall comply with the following measures:*
  - *Adhering to the presentation and delivery of the product that meet the standards and qualities corresponded to the demand of the customers.*
  - *Adhering to the various conditions made with the customers' utmost.*
  - *Offering the trade prices and conditions to the customers in the same group with equity.*
  - *Provide accurate and truthful information to customers about the properties and quality of manufactured products. To build confidence and fairness to the company's customers*
  - *Ready to answer customer questions Including handling complaints Giving advice and monitoring the progress on various issues As notified by the customer*

## **3. Shareholders**

### Policies on taking care of the shareholders

- 1) *The company has a duty to protect and respect the basic rights of the shareholders, e.g. the right to trade or transfer shares, share the profits of the business, receive news and information on the business sufficiently, and attend the shareholders' meeting or appoint or remove the directors, appoint the auditor, allocate the dividends, setting up or amending the bylaws or the memorandum of association, reduction or increase of the capital and approve of the special items, etc.*
- 2) *The company has a duty to promote and encourage the shareholders to exercise their rights on the various matters in the annual general meeting (AGM) i.e. the right to present an item in the AGM in advance, the right to nominate a candidate to be elected*



*as the directors in advance, the right to submit a question to the meeting in advance before the meeting, the right to express an opinion and ask a question with the meeting, etc.*

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

#### **4. Trade Partners (including the consultants and subcontractors)**

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

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

#### **5. Creditors**

*Polies on taking care of the creditors*

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

#### **6. Governmental Agencies**

*Policies on taking care of the governmental agencies*

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

#### **7. Communities around the Factory**

*Polices on taking care of the communities around the factory*

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

## **2. Measures to compensate stakeholders for damages due to violations**

The Company has established measures to compensate stakeholders for damages due to violations as follows.

### **1. Employees**

#### Preventive measures against damages due to violation of employee's rights

*The Company has thoroughly allocated employee salary and benefits as well as strictly followed its policy to care for the employees and set up a complaint and/or suggestion box as a way to solicit feedback from employees regarding their jobs and working conditions.*

### **2. Customers**

#### Preventive measures against damages due to violation of customer's rights

*According to the Company's customer care policy, employees will care for customers as though they are close acquaintances. The sales department from each business unit, together with marketing, is responsible for receiving complaints from customers if customers are experiencing problems and need help.*

#### Preventive measures against damages due to violation of debtor's rights

*To prevent damages from violations to debtor's rights, the accounting department will consider the qualifications of all receivables prior to the transaction to prevent problems from occurring at a later date. Such qualifications are honesty and reliably based on customer history, financial status and payment history.*

### **3. Shareholders**

#### Preventive measures against damages due to violation of shareholder's rights

*The Company will protect and maintain basic shareholders' rights, including the right to receive information, the right to attend shareholders' meetings and will support the exercise of rights in addition to the law. The Company evaluates and monitors operations to prevent damages due to violations of shareholders' rights. Assessment is done within the organization by the management team responsible for protecting shareholders' rights along with external assessments in the form of the Annual General*

Meeting (AGM Checklist). The AGM Checklist is assessed annually by the SEC, the Thai Investors Association and the Listed Companies Association.

#### **4. Partners (including consultants and contractors)**

Preventive measures against damages due to violation of suppliers' and contractors' rights

The Company has a policy to build good relationships with all partners and treat all partners equally.

#### **5. Creditors**

Preventive measures against damages due to violation of debtors' rights

The Company has preventive measures against damages due to violations of creditors' rights. The accounting department will consider the qualifications of all creditors prior to the transaction to prevent problems from occurring at a later date. The qualification used for considerations is based on their honesty and reliability.

#### **6. Government Agencies**

Preventive measures against damages due to violation of the law and regulations

The Company has preventive measures against damages due to violation of the law and regulations. The Company's legal department will regularly monitor the operations to ensure that everyone complies with the law.

#### **7. Local communities**

Preventive measures against damages due to violation of local communities' rights

The Company has preventive measures against damages to local communities near the plant by complying with social and community care policies to build good relationships with society and surrounding communities, as well as to help and support their well-being.

### **3. Mechanisms for Participation by the Stakeholders**

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

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

- (1) Notify via the telephone 02-328-1035 ext. 1013
- (2) Via the email [info@patkol.com](mailto: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

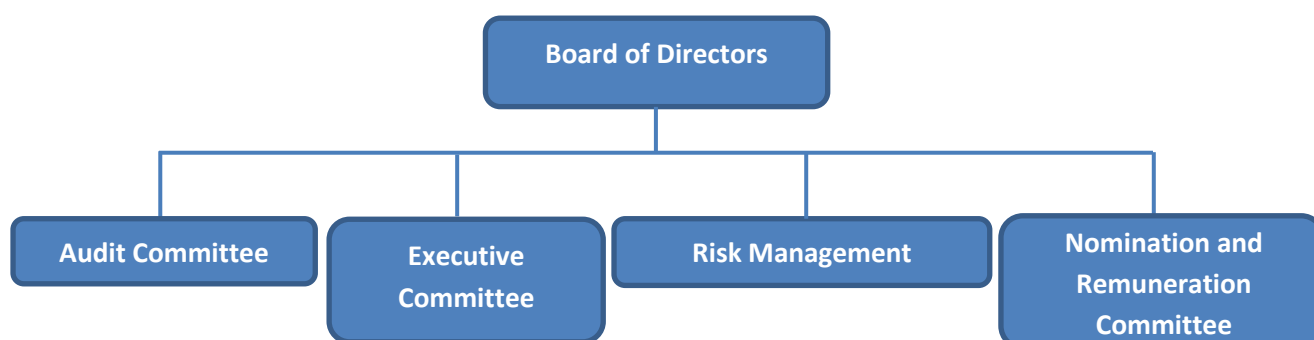
The Board of Directors has disclosed the information on its website on [www.patkol.com](http://www.patkol.com) both in Thai and English languages by updating it constantly.

- 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.

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**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 and Risk Management Committee Report 2022**

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 2022, 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 4 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 2023. 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 2022 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 2022 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.

22 February 2023

On behalf of the Audit Committee



(Mr. Pairoj Sanyadechakul)

Chairman of the Audit and  
Risk Management Committee



# PATKOL

Public Company Limited

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**PATKOL Public Company Limited**



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